

ANNUAL COMPREHENSIVE FINANCIAL *Report* '22



GLENWOOD STREET ROUNDABOUT

Photo by Steve Krasaway



ZUP'S FOOD MARKET - ELY

Photo by Sasha Lehto



CRUISE SHIP - VIKING OCTANTIS

Photo by David Bednarski



GRANT PIERCE PLAZA - EVELETH

Photo by Brandon Larson

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

ST. LOUIS COUNTY, MINNESOTA – NANCY NILSEN, COUNTY AUDITOR/TREASURER

Glenwood Street Roundabout

The Glenwood Street roundabout was completed in October 2022. The project was a joint effort between St. Louis County and Duluth, aimed at improving public safety and traffic flow.

Zup's Food Market - Ely

Zup's Food Market moved to a larger space in Ely and is now a 36,000-square-foot grocery store featuring groceries, dry goods, a fresh deli, catering service, a butcher shop, apparel, a liquor store, and a pharmacy. The people and city of Ely benefited immensely from this relocation and expansion.

Cruise Ship - Viking Octantis

The cruise ship industry is booming on the Great Lakes, and Duluth is embracing it as an economic driver. Nine ships sailed into Duluth this year from four different companies, including Viking, which entered the Great Lakes for the first time this year. Nearly 20,000 passengers traveled and generated more than \$600,000 in economic impact for the city.

Grant-Pierce Plaza - Eveleth

The City of Eveleth was awarded a Commerical Redevelopment grant to support the renovations of the former Wells Fargo building, which was developed by Miners National Bank into a 2,900-square-foot multi-tenant retail and professional space. The newly remodeled Grant-Pierce Plaza is home to Coffee on Main, Sarah's Salon and Spa, Miners Mortgage Center, New York Life Insurance and Annuity, and a state-of-the-art office and conference room that are available for public rental.

St. Louis County Minnesota

Annual Comprehensive Financial Report
for the Fiscal Year Ending
December 31, 2022



Nancy Nilsen
County Auditor-Treasurer

"The mission of St. Louis County is to promote health and safety, ensure sound infrastructure, embrace our natural resources, and support an environment where communities prosper."

ST. LOUIS COUNTY, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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Saint Louis County

County Auditor-Treasurer - 100 North 5th Avenue West, Room 214 - Duluth, MN 55802-1293 Phone:
(218) 726-2380 Phone – Virginia: (218) 749-7104 Fax: (218) 725-5060

Nancy Nilsen
St. Louis County Auditor-Treasurer

June 29, 2023

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

The Annual Comprehensive Financial Report of St. Louis County is hereby submitted for the fiscal year ended December 31, 2022. This report was prepared by the County Auditor-Treasurer's Accounting and Finance Division. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

The 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, ensure that accounting data is accurate for the preparation of financial statements in conformity with generally accepted accounting principles, and accomplish the County's policies. Management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

St. Louis County is audited annually, as required by Minnesota Statutes §6.481. This requirement has been complied with, and Baker Tilly US, LLP has issued an unmodified ("clean") opinion on St. Louis County's financial statements for the year ended December 31, 2022. The Independent Auditors' Report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) provides "financial highlights" and interprets the financial reports by analyzing trends and explaining changes in the financial condition of the County. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. St. Louis County's MD&A can be found immediately following the Independent Auditors' Report.

Profile of the Government

St. Louis County was established in 1856. Located in northeastern Minnesota, St. Louis County is geographically the largest county east of the Mississippi River, covering 7,092 square miles, including water surface, from the Canadian border to Duluth. The County's 2022 census population was estimated at 199,532 residents, while the 2013 census population was 200,319. The County has an average of 28 people per square mile living in small mining towns, farm communities, and busy cities. St. Louis County is empowered to levy a property tax on both real and personal property located within its boundaries.

The St. Louis County Board of Commissioners consists of seven commissioners elected by the citizens of the County's seven districts. All commissioners serve overlapping four-year terms of office. Each member of the County Board serves on various committees. Major committees include Public Health and Human Services, Environment and Natural Resources, Public Works and Transportation, Finance and Budget, Central Management and Inter-Governmental, and Public Safety and Corrections.

An Equal Opportunity Employer

The Board appoints a County Administrator, who is the chief administrative officer of the County. The Administrator is responsible for the administration of Board policy and the management of various County divisions and departments. The County Attorney, County Auditor, and Sheriff are elected officials.

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

The St. Louis County Board of Commissioners is required by state law to annually adopt a budget for the next fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. The County incorporates budgetary controls that ensure that County departments comply with the annual budget. Encumbrance accounting is used to determine the availability of funds prior to incurring a specific obligation and to ensure that policies and regulations have been followed. Encumbrances outstanding at year-end are reported as assignments of fund balances. County departments are comprised of one or more sub-departments (agencies). County departments can spend their agency-level budgets on any line item within that agency as 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 the County Board's approval.

Local economy

Major industries in the County are mining, health care, wood and paper products, shipping, education, tourism and aviation.

The mining industry continues to be a driving force in the region's economy. The most recent data from a University of Minnesota study in 2019 shows that the taconite industry supports roughly 11,600 jobs with an economic impact of \$1 billion in labor income, \$2.1 billion in value-added spending, and more than \$4 billion into the State's economy annually. Preliminary totals indicate that taconite plants produced 31.9 million metric tons in 2022, a decrease of 17.6% from 2021. All the taconite operations produced and were steady throughout 2022, except for Northshore. Northshore was idled in April 2022 and continues to remain idle. Early estimates expect production in 2023 to be slightly higher than in 2022, and Northshore is expected to resume in April 2023.

The Port of Duluth-Superior connects the heartland of the United States and Canada to the rest of the world, ranking among the top 20 ports in the U.S. in cargo tonnage. It is by far the largest cargo port on the Great Lakes, with the principal cargoes being iron ore (62%), coal (23%), grain (2%), and other (13%) in 2022. The Port of Duluth-Superior has averaged over 35 million tons of cargo and nearly 900 annual vessel visits. The Port reported 30.4 million tons of cargo, with 704 ships visiting the port in 2022, compared to 32.9 million tons and 718 ships in 2021. The Port is ideally situated for moving cargo, and logistics experts now rank it in the top 10 in North America for transporting wind turbine components.

In 2022, the Port was awarded \$19 million in federal funding as part of the Infrastructure Investment and Jobs Act. The funding will finish the dock wall reconstruction and ensure that the Port can survive, thrive, and continue to generate \$500 million in revenue each year.

Essentia Health's \$900 million expansion in downtown Duluth called "Vision Northland", which will replace St. Mary's Medical Center as well as renovate existing buildings on its downtown campus, is almost complete. The building, resembling a ship, is over 942,000 square feet. The new hospital will provide 21st century care to its patients and will also have a dining center, shops, conference rooms, classrooms, an outpatient pharmacy, and a chapel. This project is the most significant private investment in Duluth's history and is expected to be open for patients by the third quarter of 2023.

St. Luke's Hospital in Duluth has recently started construction on a \$58 million, 82,000-square-foot vertical expansion of Building A. The expansion will add three stories for nearly 60 new private cardiac and intensive care unit hospital rooms. The project is expected to be completed by the end of 2024.

Blue Moon Appliance & Home Center in Hibbing expanded its retail operations into a 44,000-square-foot building located along Highway 169, a space almost three times larger than the company's prior downtown building. Blue Moon sells furniture and appliances and is the largest scratch-and-dent appliance and liquidation retailer in northern Minnesota. It also has an online operation that sells new and used appliance parts.

The Chisholm-Hibbing Airport Authority constructed a two-bay, 21,900-square-foot commercial airplane hangar at Range Regional Airport in Hibbing. The majority of the hangar space will be leased to a locally owned company,

Premium Air, which provides on-demand charter service. The remaining portion will provide secure, climate-controlled rental space to transient visitors who regularly visit with mid- to large-size business jets. The project also included the reconstruction of a 35,000-square-foot aircraft apron, the construction of an 8,000-square-foot parking area and a 2,000-square-foot access road, the improvement of security and fencing, and the demolition of an outdated hanger and apron pavement. The total project investment is \$6.34 million and is expected to be completed in mid-2023.

NorthRidge Community Credit Union built a new \$3.3 million, 4,680-square-foot branch in Hibbing in 2022. NorthRidge also has four other offices in northeastern Minnesota: Biwabik, Ely, Hoyt Lakes, and Virginia.

Advanced Machine Guarding Solutions (AMGS) opened a manufacturing facility in Hibbing's North Industrial Park. AMGS manufactures standard and custom doors, panels, and posts that are used in almost all automated industries, such as automobiles and food packaging. The products they manufacture are required by OSHA to create safety barriers between employees and machinery. In the next 3-5 years, AMGS hopes to continue to grow by adding more employees, equipment, and the possibility of a new building to keep up with customer demands.

Spirit Mountain in Duluth received \$13 million for improvements from the State's infrastructure bill. The funds will be used to repair existing facilities and construct new ones. The proposed infrastructure improvements at the recreational area are expected to boost ticket sales, leading to a 40 percent increase in employment at the ski hill.

A new retail development called "The Jigsaw" is being constructed on the corner of W. Central Entrance and Anderson Road. The development will include a Popeyes restaurant, an independent car wash, a drive-thru coffee kiosk, and a 6,010-square-foot building that will be home to an aesthetic studio and a yet-to-be revealed restaurant.

The long-idle Duluth Armory will be transformed into a food hall, performance venue, and history center. The project is anticipated to cost \$26 million and will require about \$7.5 million in state support. The Armory, which was built in 1915 and has hosted Johnny Cash, Bob Hope, and Harry Truman, is a local historic landmark. The developer is hopeful that if state funding is secured, the armory could reopen to the public by June 2024.

The Northern Lights Express (NLX), a high-speed intercity passenger rail running between Duluth and Minneapolis four times a day, is getting closer to becoming a reality. In May 2023, state lawmakers approved \$195 million in funding for the NLX. This appropriation from the state makes up 20 percent of the total project. Studies have shown that this new rail would generate 3,000 new jobs, and more than 500 of them would be permanent. The NLX could also provide a quick and affordable trip for military veterans to VA hospitals. It would also allow sports fans easy access to games in the cities, give business people the ability to work while they commute, and be beneficial to the environment by taking cars off the road and replacing them with clean, higher-speed trains.

Duluth-based Cirrus Aircraft is expecting 2023 to be another year of high demand for sales and production. Currently, everything the company can produce in the next two years is already sold. The company is working to reduce wait times and recently added a second production shift in Duluth. The company has credited the pandemic as part of the reason for the increase, as many employees can now work from anywhere. Also, the airlines that continue to cancel routes are driving customers to Cirrus to get a more reliable form of transportation.

Housing continues to be a concern as companies like Cirrus expand operations in Duluth. Developers have taken notice of this, and a new 194-198-unit apartment building in the Duluth Heights neighborhood is being planned, as is a project that is expected to bring up to 130 units of housing to the historic old Central High School building.

Two low-income housing developments are also coming to the Northland. Wadena West is a 60-unit supportive housing project that will cater to homeless single adults and provide them with a host of support services. The other project, Harbor Highlands Townhomes, will offer six units for people with disabilities, seven units of supportive housing for families experiencing homelessness, and the remaining 27 units for families earning no more than 50% of the area median income.

In May 2022, Duluth welcomed its first of nine cruise ships that will dock in Duluth between May and mid-September. Each cruise will offer excursions to Glensheen Mansion, the North Shore Scenic Railroad, the Great Lakes Aquarium, a canoe trip down the St. Louis River, and a "Beer and Chocolate of Duluth" guided walking tour. These cruises are now possible due to new customs facilities at the Duluth Entertainment Convention Center (DECC). In 2023, 11 more cruise ships are scheduled to arrive, with an estimated economic impact of \$1 million.

PolyMet Mining Corp. is a publicly traded company focused on developing a copper-nickel and precious metals mining operation on the Iron Range. The company is hoping to mine the Duluth Complex, a well-known geological formation near the eastern end of the historic Mesabi Iron Range, which contains the world's third-largest accumulation of nickel and the world's second-largest accumulation of copper and platinum group metals. If the project moves forward, it

could create 360 full-time jobs, along with 600 indirect jobs and 2 million hours of construction work, all of which could lead to a \$550 million economic impact on the region annually.

Bell Bank is planning to construct a new location on the north side of W. Arrowhead Road on what is today a vacant site next door to McCoy Construction and Forestry. The new 4,000-square-foot freestanding building will house a full-service branch that will offer several different services and include a drive-thru with three lanes. Bell Bank entered the Duluth market in 2020 when they opened a flagship location in downtown Duluth in the historic Temple Opera Building.

Planet Fitness, one of the largest fitness chains, is looking to open a 22,300-square-foot facility in Duluth. It is being constructed on an existing site that was previously home to County Lanes North. It is expected to open in mid-2023.

"Merry Kiss Cam", a romantic Christmas movie, premiered on Hulu on Thanksgiving Day 2022. The movie was filmed in Duluth over the summer of 2022 and had an economic impact of \$4 million on the local economy. Another movie called "Rescuing Christmas" is being filmed in Duluth in 2023 and is the third locally made feature from the producer of "Merry Kiss Cam".

Long-term financial planning

At the end of each year, the County calculates the resources needed to pre-fund retiree health insurance premiums for all employees eligible for retirement at year-end and sets aside the value of sick leave balances those employees have accumulated. As of December 31, 2022, 100% of the estimated retiree obligation amount has been classified as a committed fund balance in the General Fund and the Special Revenue Funds.

The County also calculates the resources needed to pre-fund health insurance premiums for those employees that are not eligible to retire immediately but probably will retire from the County. As of December 31, 2022, 100% of the estimated retiree obligation amount has been classified as committed fund balance (vesting sick leave) in the General Fund and the Special Revenue Funds.

For many years, the County has recognized that it would be prudent to set aside funds to meet cash flow needs and has assigned some of its fund balances for that purpose. The County Board's policy is to have the General Fund, the Road and Bridge Fund, and the Public Health and Human Services Fund each assign a portion of their available fund balances equal to 5/12 of the certified levy for each fund, plus their share of program aid paid to the County by the State of Minnesota. As of December 31, 2022, the policy was 90.31% accomplished for the General Fund, 60.87% for the Road and Bridge Fund, and 90.00% for the Public Health and Human Service Fund. The three funds had a combined fund balance allocated for cash flow of \$65.4 million at year-end, an increase of \$3.0 million from 2021.

Starting in 2007, any County-owned building with operating revenues in excess of expenditures for the year had the remaining balance transferred into a Depreciation Reserve Fund in the Capital Projects Fund at year-end. At the end of 2022, the Depreciation Reserve Fund had a balance of \$1.3 million. Those funds will be used to fund future capital improvements at County facilities.

Other financial planning for 2023 and beyond includes the following:

- The County's commitment to core services and balancing the budget will position the County for future fiscal challenges.
- The County Board directs the County Administrator to hold all county departments accountable for making progress in each department's designated priority areas through the regular use of performance measures and outcomes.
- The County Board has committed and assigned money for specific purposes. These commitments and assignments of fund balance represent the County's intended future use of its resources.
- In 2022, the County retained an AA+ credit rating from Standard and Poor's (S&P). This rating is just one step below the highest possible rating of AAA. The rating makes the County's debt offerings more attractive to investors and lowers the cost of borrowing. This rating was retained by the County due to sound financial policies, strong management, and a broad and diverse economy.

Major initiatives

St. Louis County received \$54.3 million from the federal COVID-19 relief bill, the American Rescue Plan Act. These funds must be encumbered by December 31, 2024, and spent by December 31, 2026.

The County issued \$25.9 million in bonds in 2021 to construct three new Public Works maintenance facilities in Kugler Township, Culver Township, and near the Whiteface Reservoir. These will replace five smaller garages in Tower, Embarrass, Brookston, Brimson, and the Town of White that have outlived their usefulness due to the age and lack of space. All the new facilities are expected to be opened in the fall of 2023.

OpenGov, the County's interactive online tool, gives anyone with internet access the ability to explore both the current county budget as well as look at County investment trends over the last decade. The Budget Explorer displays 10 years of governmental spending and revenue details in a user-friendly portal, which can be accessed at www.stlouiscountymn.gov/budgetexplorer. The Budget Explorer is a tool that increases government transparency by allowing users to drill down into the current year's budget and compare it to previous years through interactive graphs that easily explain revenue and expenses by fund, department, and type.

St. Louis County launched an online permitting site for septic systems in 2021. The system allows contractors and homeowners to fill out the application, provide the necessary attachments, and submit payments online.

Awards and Acknowledgements

The County received its sixth Government Finance Officers Association of the United States and Canada (GFOA) award for the 2021 Popular Annual Financial Report (PAFR), which serves as a simplified, condensed version of the Annual Comprehensive Financial Report. This report is designed to be readily available and easily understandable to the general public and other interested parties without a background in public finance.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Louis County for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. St. Louis County has received the Certificate for the last thirty-three 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 preparation of the Annual Comprehensive Financial Report in accordance with the GASB 34 financial reporting model was made possible by the dedicated work of the employees of the Accounting and Finance Division. In addition, I would like to express my appreciation to the employees of the Public Health and Human Services Department, the Sheriff's 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 extended assistance and cooperation to my office during this time, and I thank them also.

Special thanks are due to the Baker Tilly staff for their technical assistance during the audit and throughout the year. I acknowledge, too, the thorough and professional manner in which they conducted their audit.



Sincerely,

NANCY NILSEN
County Auditor-Treasurer



Commissioner Districts - Duluth


2022

Commissioner Districts


- 1



Frank Jewell
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2450
Term Ends: 1/2/2023
- 2




Patrick Boyle
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2359
Term Ends: 1/6/2025
- 3



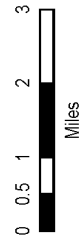
Ashley Grimm
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2562
Term Ends: 1/6/2025
- 5


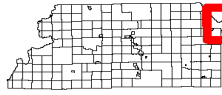


Keith Musolf
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2450
Term Ends: 1/6/2025
- 6



Keith Nelson
Virginia Courthouse
300 S. 5th Ave.
Virginia MN 55792
(218) 749-7108
Term Ends: 1/2/2023



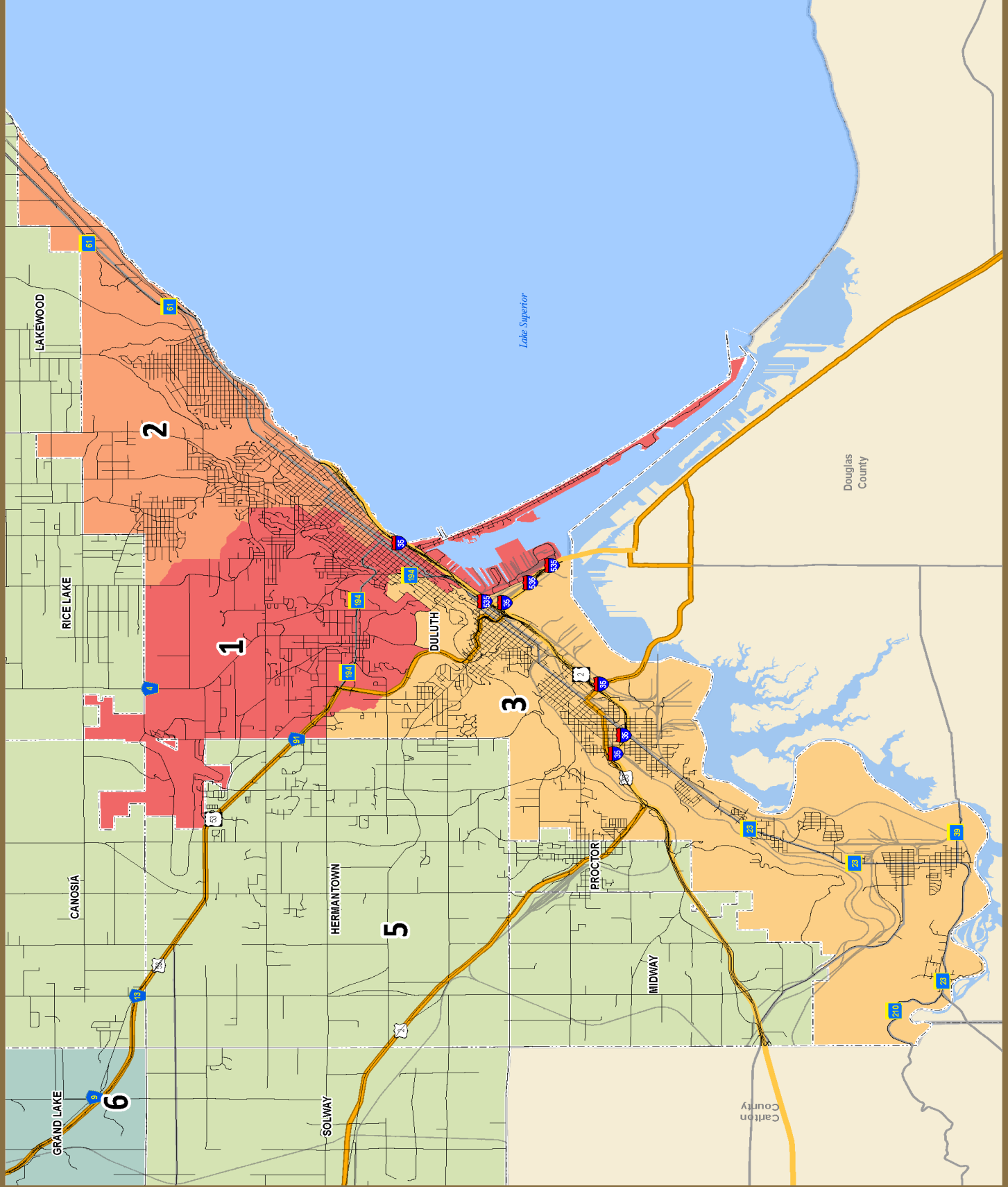


Auditor's Office
100 N 5th Ave W, Rm 214
(218) 726-2380
www.stlouiscountymn.gov

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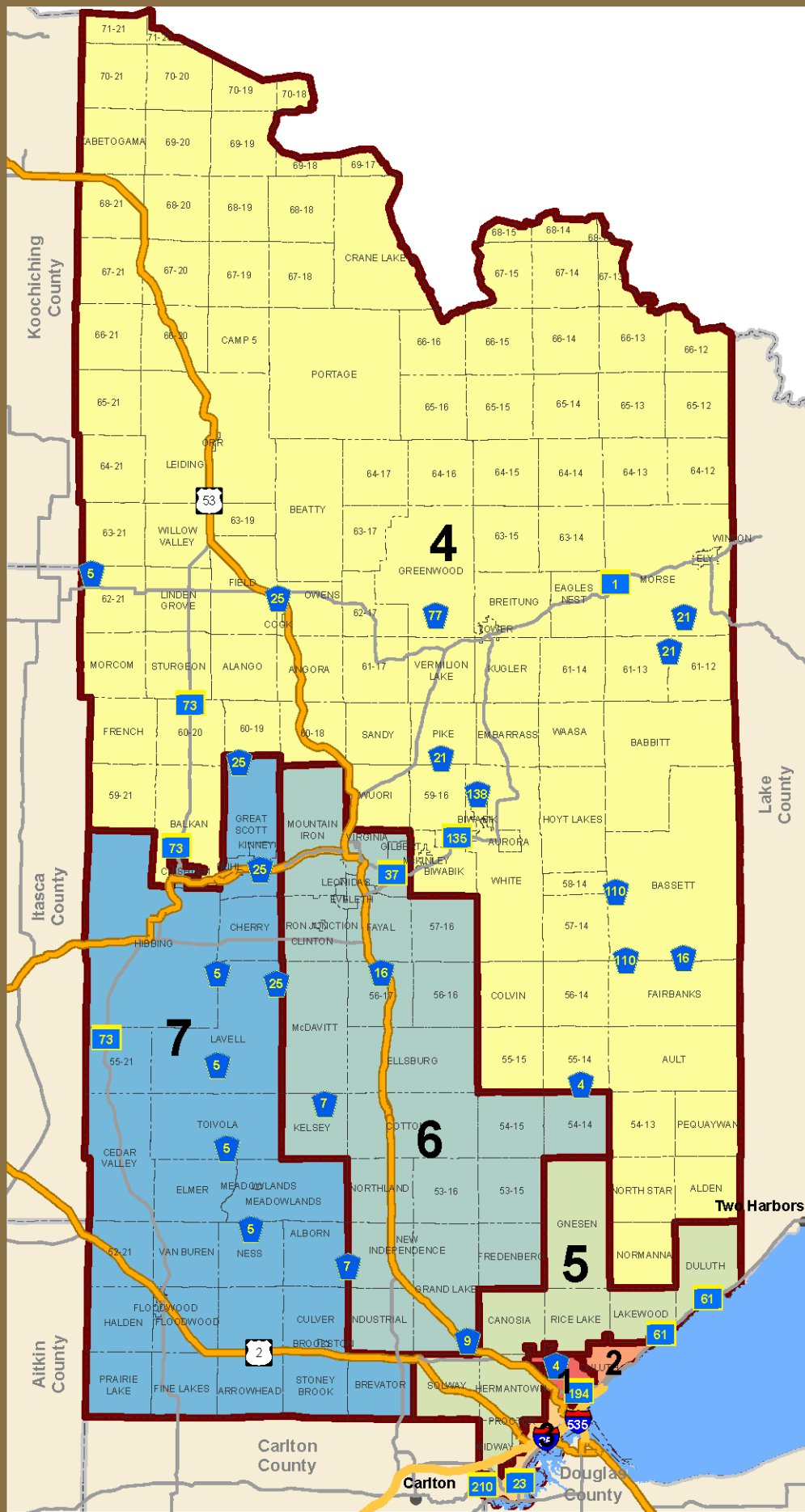
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Commissioner Districts 2022



Commissioners

1

Frank Jewell
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2450
Term Ends: 1/2/2023



2

Patrick Boyle
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2359
Term Ends: 1/6/2025



3

Ashley Grimm
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2562
Term Ends: 1/6/2025



4

Paul McDonald
SLC Service Center
320 Miners Dr. E.
Ely MN 55731
(218) 365-8200
Term Ends: 1/2/2023



5

Keith Musolf
Room 202
100 N. 5th Ave. W.
Duluth MN 55802
(218) 726-2450
Term Ends: 1/6/2025



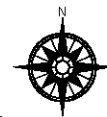
6

Keith Nelson
Virginia Courthouse
300 S. 5th Ave.
Virginia MN 55792
(218) 749-7108
Term Ends: 1/2/2023



7

Mike Jugovich
Hibbing Courthouse
1810 12th Ave. E.
Hibbing MN 55746
(218) 262-0201
Term Ends: 1/6/2025



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Source: St. Louis County

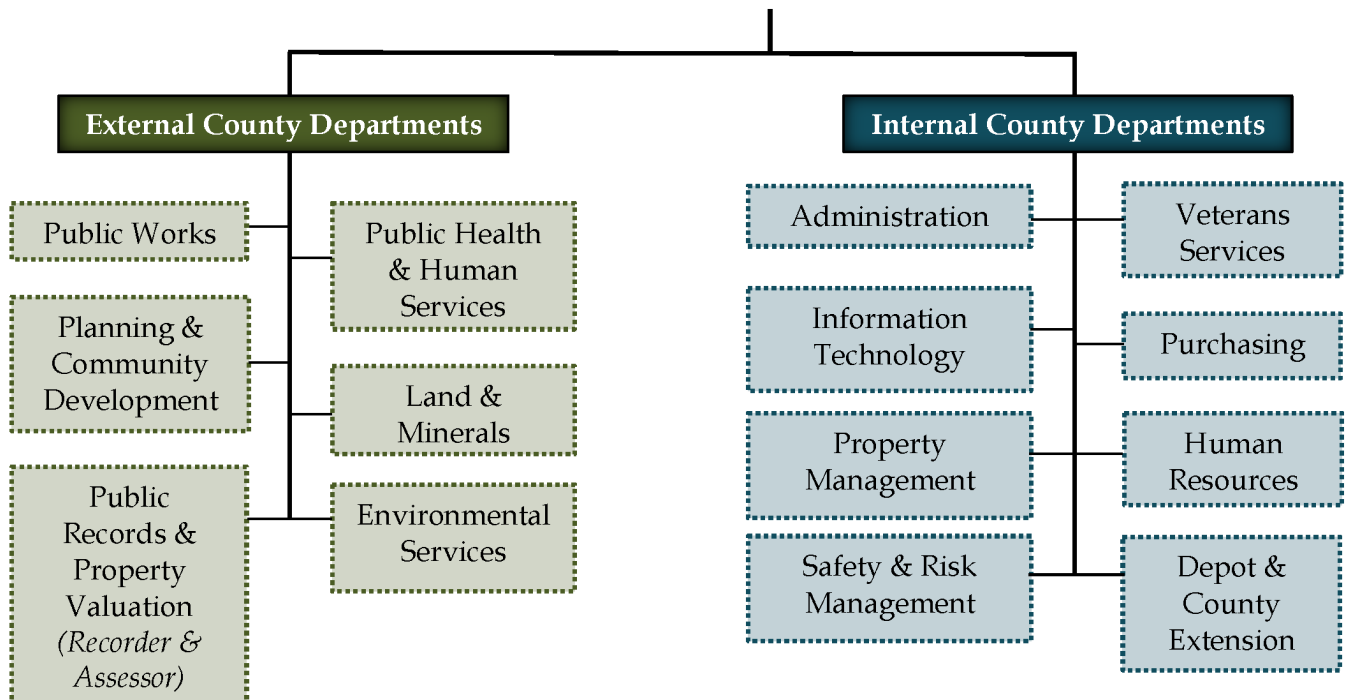
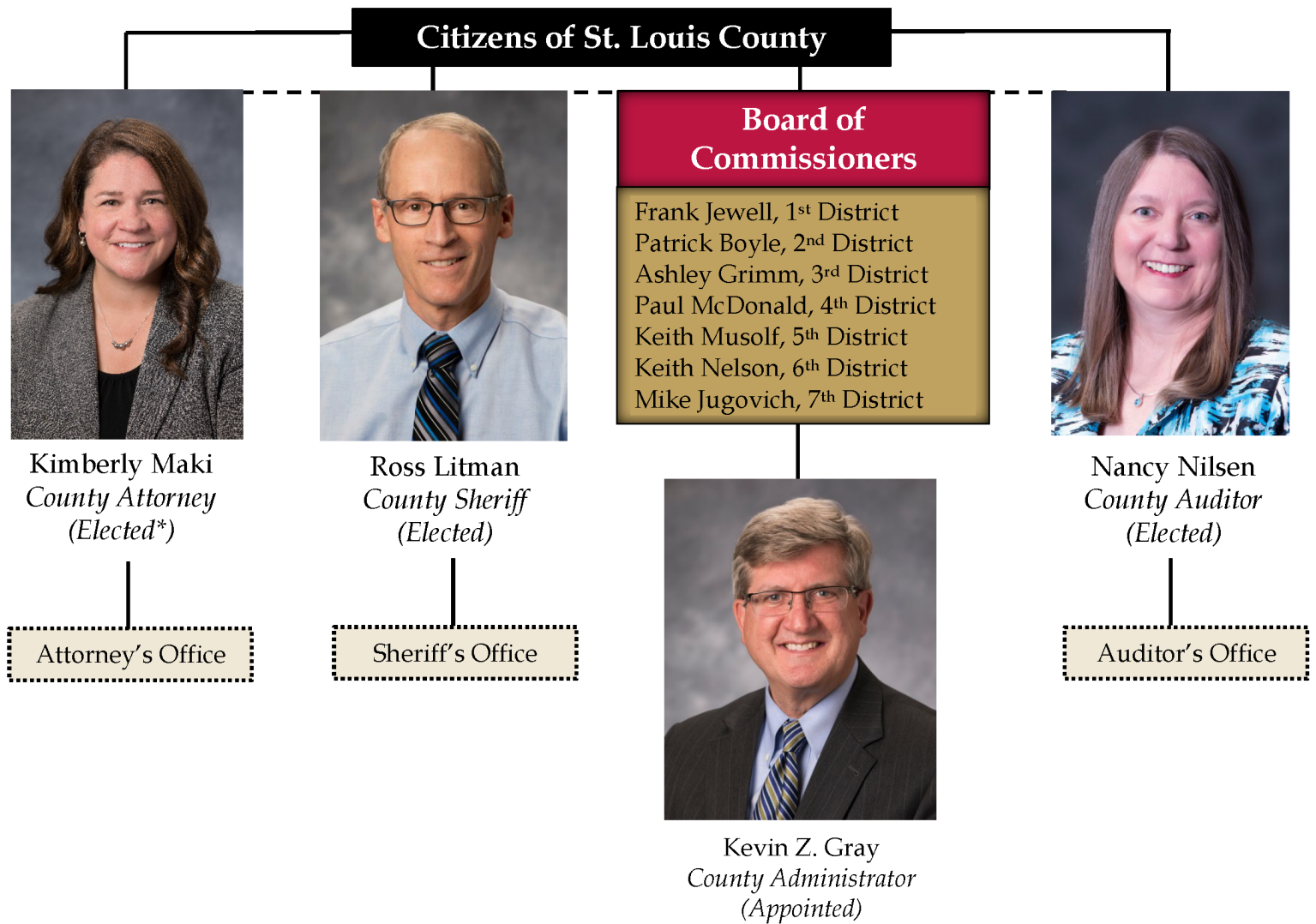
Map Created: 11/28/2022

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**St. Louis County
Elected and Appointed Officials
as of December 31, 2022**

Office	Name	Term
Commissioners:		
1st District	Frank Jewell	Jan. 2019 Jan. 2023
2nd District	Patrick Boyle	Jan. 2021 Jan. 2025
3rd District	Ashley Grimm	Jan. 2021 Jan. 2025
4th District	Paul McDonald	Jan. 2019 Jan. 2023
5th District	Keith Musolf	Jan. 2021 Jan. 2025
6th District	Keith Nelson	Jan. 2019 Jan. 2023
7th District	Mike Jugovich	Jan. 2021 Jan. 2025
Elected Officials:		
Attorney	Kimberly Maki	Oct 2021 Jan. 2023
Auditor-Treasurer	Nancy Nilsen	Jan. 2019 Jan. 2023
Sheriff	Ross Litman	Jan. 2019 Jan. 2023
Appointed Officers:		
Administrator	Kevin Gray	
Assessor	David Sipila	
Director, Human Resources and Administration	James Gottschald	
Director, Public Health and Human Services	Linnea Mirsch	
Director, Public Works	James Foldesi	
Examiner of Titles	Thomas Reed	
Land and Minerals Director	Julie Marinucci	
Information Technology Director	Jeremy Craker	
Planning & Community Development Director	Matthew Johnson	
Property Management Director	Jerome Hall	
Public Records & Property Valuation Director	Mary Garness	
Environmental Services Director	David Fink	



*Appointed in 2021 due to elected official Mark Rubin's retirement



Government Finance Officers Association

Certificate of
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Presented to

**St. Louis County
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Independent Auditors' Report

To the County Board of Commissioners of
St. Louis County

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of St. Louis County (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of County as of December 31, 2022 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons of the General Fund, Road and Bridge Special Revenue Fund, Public Health and Human Services Special Revenue Fund, Pandemic Response Special Revenue Fund, and Forfeited Tax Sale Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the County adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections included in the annual comprehensive financial report but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023 on our consideration of County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Eau Claire, Wisconsin
June 28, 2023

UNAUDITED
St. Louis County, Minnesota
Management's Discussion and Analysis
December 31, 2022

Our discussion and analysis of St. Louis County's financial performance provide an overview of the County's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

St. Louis County's total net position increased by \$43.5 million to \$1.1 billion, or 4.3%. Governmental activities increased by \$41.2 million to \$1.0 billion, while the County's business-type activities increased by \$2.3 million to \$23.9 million.

The County's governmental funds reported a combined ending fund balance of \$246.9 million for 2022, a decrease of \$12.7 million, including the change in inventory, compared to 2021. The combined nonspendable and restricted fund balances accounted for \$71.9 million of the total fund balance, or 29.1%. These fund balances are not available for appropriation because of constraints placed on their use. The remaining fund balances of \$175.0 million, or 70.9%, are unrestricted and classified as either committed, assigned, or unassigned.

In 2022, the General Fund reported a total fund balance of \$81.9 million, an increase of \$0.7 million over 2021. The unassigned fund balance of the General Fund was equal to 34.3% of fund expenditures and 33.6% of fund revenues. The State Auditor's recommendations are for the unrestricted fund balance to be at least 35-50% of revenues and at least five months of expenditures, or 41.7%.

St. Louis County's outstanding debt decreased by \$12.9 million to \$152.3 million in 2022. The County paid down \$12.2 million of existing debt, amortized \$0.7 million of premium, and did not issue any new debt in 2022. The County has issued debt every year in the past ten years except for 2017, 2019, and 2022.

All major governmental funds of the County reported actual expenditures that were less than the final 2022 expenditure budget. However, the Capital Projects Fund reported a \$16.8 million excess of actual expenditures over actual revenue for the year. The Capital Projects Fund spent \$16.4 million of existing bond proceeds in 2022. The majority of the spending was on the 2021A bonds that were issued to continue to construct three new Public Works maintenance facilities in Kugler Township, Culver Township, and near the Whiteface Reservoir. These are replacing five smaller garages in Tower, Embarrass, Brookston, Brimson, and the Town of White that have outlived their usefulness due to age and lack of space.

The County's only major business-type activity, the Environmental Services Fund, had an operating gain of \$0.7 million in 2022. With nonoperating revenues from taxes, grants, earnings on investments, and the sale of capital assets totaling \$0.5 million, the Environmental Services Fund's net position increased by \$2.3 million for the year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. One of the most important questions related to the County's finances is whether the County, as a whole, is better served as a result of this year's activities. The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the County's net position and changes to its net position. Think of the County's net position (the difference between assets and deferred outflows and liabilities and deferred inflows) as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, such as changes in the County's property tax base and the condition of the County's roads, in order to assess the overall health of the County.

The government-wide financial statements can be found on pages 25-26 of this report.

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St. Louis County, Minnesota
Management's Discussion and Analysis
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Fund financial statements. These statements provide detailed information about the most significant funds but not about the County as a whole. Some funds are required to be established by State law and bond covenants. However, the County Board establishes many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. County funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationships (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the financial statements.

The County maintains six major governmental funds. Information is provided separately for each major fund on the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The major funds are the General Fund, the Road and Bridge Fund, the Public Health and Human Services Fund, the Pandemic Response Fund, the Forfeited Tax Sale Fund, and the Capital Projects Fund. Data for nonmajor governmental funds is combined into "other governmental funds." Individual data for each of the nine nonmajor governmental funds is provided in the supplementary data.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison for the major governmental funds (except for the Capital Projects Fund) is provided to demonstrate compliance with the budget.

The basic financial statements for governmental funds can be found on pages 28-42 of this report.

Proprietary funds: When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The County uses an enterprise fund (a component of proprietary funds) to report the activities of the Environmental Services Fund, the only major fund, as well as one nonmajor enterprise fund. The County uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services to the County's other programs and activities, such as the County Garage Fund. The proprietary funds' basic financial statements can be found on pages 44-48 of this report.

Fiduciary funds: The County is the trustee, or fiduciary, of certain amounts held for others. The County uses a private purpose trust fund and numerous custodial funds to report its fiduciary activities. The County's fiduciary activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position and are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds' basic financial statements can be found on pages 50-51 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54-105 of this report.

Supplementary data. A combining balance sheet and a combining statement of revenues, expenditures, and changes in fund balances for nonmajor governmental funds, a budgetary comparison schedule for the nonmajor governmental funds, internal service funds, fiduciary funds, and miscellaneous schedules are provided on pages 121-170.

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St. Louis County, Minnesota
Management's Discussion and Analysis
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Government-wide Financial Analysis

The net position may, over time, be a useful indicator of a government's financial condition. In the case of St. Louis County, assets and deferred outflows exceeded liabilities and deferred inflows for all activities by \$1.1 billion.

By far, the most significant portion of the County's net position is the investment in capital assets of 83.8%, which reflects St. Louis County's investment in capital assets, less any related debt used to acquire those assets that are still outstanding. Because the County uses these capital assets to provide services to citizens, they are not available for future spending. Although investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
St. Louis County's Net Position
(in Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 383.6	\$ 360.8	\$ 19.3	\$ 18.1	\$ 402.9	\$ 378.9
Capital assets	1,019.0	970.5	9.5	8.2	1,028.5	978.7
Total Assets	1,402.6	1,331.3	28.8	26.3	1,431.4	1,357.6
Deferred Outflows of Resources:						
Pension related items	59.8	54.1	0.5	0.6	60.3	54.7
Other postemployment benefits	5.7	3.5	0.1	0.1	5.8	3.6
Total Deferred Outflows	65.5	57.6	0.6	0.7	66.1	58.3
Liabilities:						
Long-term liabilities outstanding	351.7	282.2	4.4	3.6	356.1	285.8
Other liabilities	74.5	47.5	0.8	0.7	75.3	48.2
Total Liabilities	426.2	329.7	5.2	4.3	431.4	334.0
Deferred Inflows of Resources:						
Pension related items	3.1	70.1	0.3	1.1	3.4	71.2
Other postemployment benefits	2.3	0.2	-	-	2.3	0.2
Leases	2.8	-	-	-	2.8	-
Advanced allotment	3.6	-	-	-	3.6	-
Total Deferred Inflows	11.8	70.3	0.3	1.1	12.1	71.4
Net position:						
Net investment in capital assets	873.9	836.0	9.5	8.2	883.4	844.2
Restricted	55.8	56.3	4.7	4.5	60.5	60.8
Unrestricted	100.4	96.6	9.7	8.9	110.1	105.5
Total Net Position, as reported	\$ 1,030.1	\$ 988.9	\$ 23.9	\$ 21.6	\$ 1,054.0	\$ 1,010.5

The following analysis focuses on the County's net position (Table 1).

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St. Louis County, Minnesota
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Governmental Activities:

In 2022, the total net position of governmental activities increased by \$41.2 million to \$1.0 billion. The total net position for the years 2021 through 2017 was \$988.9 million, \$933.8 million, \$858.6 million, \$803.5 million, and \$760.2 million, respectively. St. Louis County is again able to report positive balances in all categories of net position, as it has since the government-wide financial statements were first prescribed in 2002.

Current and other assets increased by \$22.8 million in 2022 to \$383.6 million. The main reason for the significant increase was the \$54.3 million that the County received for the American Rescue Plan. At the end of 2022, the County had only spent \$17.7 million; however, the majority of the funds were obligated. The County has until the end of 2026 to spend the funds.

Capital assets at year-end 2022 were \$1.0 billion, compared with \$970.5 million in 2021, an increase of \$48.5 million. Significant capital outlays for infrastructure, such as roads, by the County each year are the driving force behind large annual increases in capital assets. A detailed analysis of this increase is presented in Table 3 on page 23, under the heading Capital Assets and Debt Administration.

Long-term liabilities outstanding increased by \$69.5 million in 2022 to \$351.7 million. The main reason is due to the increase in net pension liability of \$81.9 million in 2022 for St. Louis County's portion of PERA's unfunded liability.

Other liabilities increased by \$27.0 million in 2022 to \$74.5 million. Accounts payable increased by \$11.8 million in 2022, while unearned revenue increased by \$15.2 million. The increase in unearned revenue is mainly due to the American Rescue Plan (ARP) funds the County received but did not spend by year-end. The County has until 2026 to spend these funds.

Net investment in capital assets increased by \$37.9 million to \$873.9 million. The increase was mainly the result of net capital assets increasing by \$48.5 million. Outstanding debt related to capital assets decreased by \$7.3 million in 2022, mainly due to no new debt being issued in 2022.

The restricted net position of governmental activities decreased by \$0.5 million to \$55.8 million in 2022. This change was mainly due to the Road and Bridge Fund receiving a \$3.6 million advanced allotment in 2002. However, that amount was offset by an investment loss in the permanent fund.

Business-type Activities:

The total net position of the County's business-type activities increased by \$2.3 million to \$23.9 million in 2022. At year-end, the County's business-type activities consisted of two funds: Environmental Services and Plat Books. Business-type activities were able to report positive balances in all categories of net position for 2022.

Capital assets increased by \$1.3 million in 2022, to \$9.5 million. The depreciation expense in 2022 was \$0.6 million, and there were no landfill cell closures or new cell construction in 2022. A feasibility study for Canyon Development started in 2020 and continued into 2022. An LCCMR grant and ARPA funding were used for a leachate treatment facility construction project starting in 2022. A new transfer station trailer, bobcat, litter fences, and bins were purchased, but no equipment was sold.

Total liabilities for business-type activities increased by \$0.9 million in 2022. The main reason was due to accounts payable increasing by \$0.2 million and net pension liabilities increasing by \$0.7 million.

Net investment in capital assets will mirror capital assets when there is no associated debt outstanding on capital assets. The business-type activities have no issued debt for capital purchases.

The unrestricted net position for business-type activities increased by \$0.8 million in 2022 to \$9.7 million. The majority of the increase in net position is due to maintaining revenue through board-approved rate increases and monitoring operating costs, along with the transfer of revenues from board-approved Environmental Trust Fund and ARPA funding sources.

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Table 2
St. Louis County's Changes in Net Position
(in Millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 58.6	\$ 55.4	\$ 9.6	\$ 9.3	\$ 68.2	\$ 64.7
Operating grants and contributions	89.9	78.7	0.7	0.3	90.6	79.0
Capital grants and contributions	33.5	25.9	-	-	33.5	25.9
<i>General revenues:</i>						
Taxes:						
Property taxes, levied for general purposes	164.0	152.5	-	-	164.0	152.5
Property taxes, levied for debt service	6.8	6.6	-	-	6.8	6.6
Transportation sales tax	20.6	19.0	-	-	20.6	19.0
State shared	21.5	20.2	-	-	21.5	20.2
Federal shared	3.4	3.3	-	-	3.4	3.3
Investment income	(5.8)	3.8	(0.1)	0.2	(5.9)	4.0
Total revenues	392.5	365.4	10.2	9.8	402.7	375.2
Expenses						
<i>Program expenses:</i>						
General government	59.5	51.5	-	-	59.5	51.5
Public safety	66.0	55.1	-	-	66.0	55.1
Highways and streets	76.4	66.3	-	-	76.4	66.3
Health and sanitation	10.6	10.3	-	-	10.6	10.3
Human services	110.9	99.5	-	-	110.9	99.5
Culture and recreation	6.0	4.5	-	-	6.0	4.5
Conservation of natural resources	9.6	9.6	-	-	9.6	9.6
Economic development	7.5	9.3	-	-	7.5	9.3
Interest and other charges	3.9	4.0	-	-	3.9	4.0
Environmental services	-	-	8.8	8.1	8.8	8.1
Total expenses	350.4	310.1	8.8	8.1	359.2	318.2
Increase in net position before transfers	42.1	55.3	1.4	1.7	43.5	57.0
Transfers	(0.9)	(0.2)	0.9	0.2	-	-
Increase (decrease) in net position	41.2	55.1	2.3	1.9	43.5	57.0
Net position January 1	988.9	933.8	21.6	19.7	1,010.5	953.5
Net position December 31	\$ 1,030.1	\$ 988.9	\$ 23.9	\$ 21.6	\$ 1,054.0	\$ 1,010.5

The following analysis focuses on the County's changes in net position (Table 2).

Governmental Activities:

Program revenues are revenues derived directly by a program from sources other than County taxpayers. In 2022, program revenue increased by \$22.0 million to \$182.0 million. Operating grants and contributions increased by \$11.2 million in 2022, mainly due to the County recognizing \$12.9 million in ARPA dollars in 2022, compared to only \$4.8 million in 2021. In total, the County received \$54.5 million in ARPA dollars that need to be encumbered by December 31, 2024, and all spending must be completed by December 31, 2026. Capital grants increased by \$7.6 million, mainly due to an increase in State Aid Construction and Bridge Bond funds.

General revenues are all revenues that are not considered to be program revenues. In 2022, general revenues increased by \$5.1 million to \$210.5 million. Tax revenues in 2022 increased by \$13.3 million, mainly due to the 5.94% levy increase, the \$1.2 million increase in power line tax, the \$1.2 million in returned TIF, and the \$1.6 million increase in transportation sales tax. These increases were offset by a decrease of \$9.6 million in investment revenue, mainly due to the year-end mark-to-market calculation.

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State shared revenues that are classified as general revenues, commonly referred to as local government aids, increased by \$1.3 million to \$21.5 million in 2022. The County received \$0.5 million more in Mineral Royalties, \$0.1 million more in County Program Aid, and \$0.7 million more in State of Minnesota contributions to PERA in 2022.

Expenses for governmental activities increased by \$40.3 million in 2022, or 13.0%. Highways and streets increased by \$10.1 million, mainly due to a \$1.6 million increase in depreciation expense that is a result of all the bonds that have been issued for roads and bridges for the past several years, as well as \$5.2 million in increased personnel and operating costs associated with road construction that are funded through Transportation Sales Tax dollars and other funding streams. Highways and streets also increased \$2.4 million due to the increase in pension expense due to changes in actuarial assumptions. Health and Human Services increased by \$11.7 million, also due to a \$5.5 million increase in pension expense due to changes in actuarial assumptions and a \$3.9 million increase in human service expenditures from the ARPA funds.

Business-type Activities:

Program revenues for business-type activities increased by \$0.7 million in 2022 to \$10.3 million. Charges for services primarily increased due to the receipt of additional tonnage of material that could also be reused in our landfill as a cost-saving initiative. Special assessment rate increases approved in 2021 were assessed for 2022, and a joint powers agreement with Lake County for the use of our county transfer station facility increased revenues. The remaining charges for services showed an overall slight decrease. Licenses and permits resulted in a small decrease, and other operating revenues had a decrease in 2022, primarily due to market-driven end-market recycling.

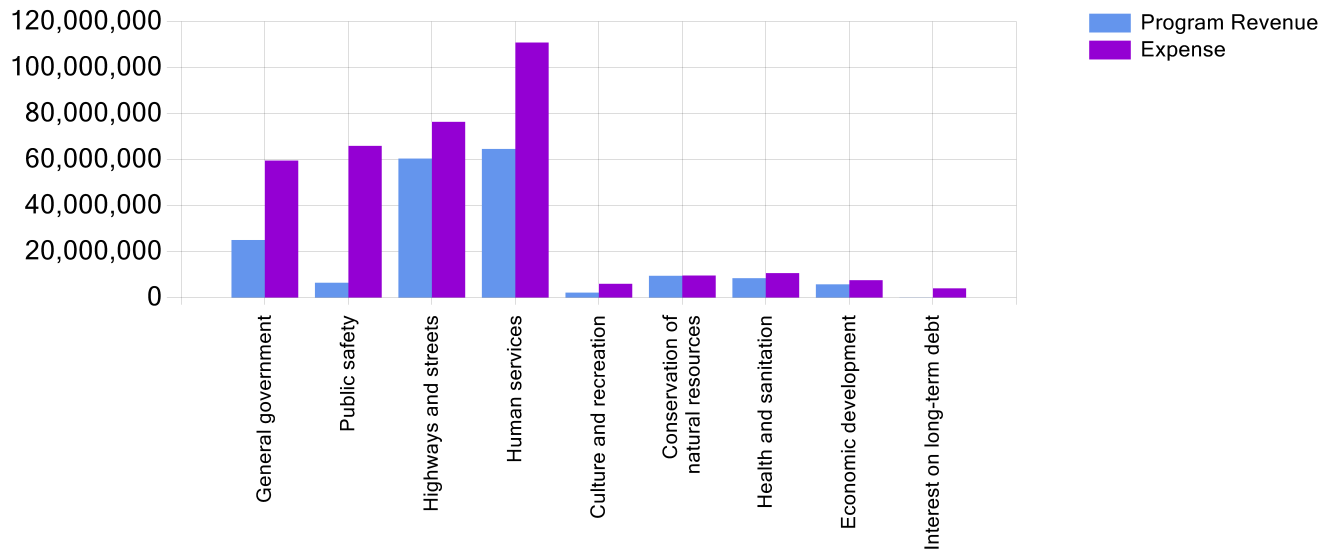
General revenues for business-type activities decreased for the Environmental Services Fund in 2022 by \$0.3 million. Decreases occurred primarily in investment income; grant funding increased; and taxes had a minimal decrease.

Expenses for business-type activities were \$8.8 million in 2022. Almost all expenses for business-type activities occurred in the Environmental Services Fund for 2022. Depreciation and depletion expense decreased by \$0.3 million, with depletion as the main reason due to an MPCA calculation form error fixed from the prior year calculation. There was no cell closure or new construction. Operating expenses increased by \$0.7 million due to haulage and garbage collection, increased repair costs, and building and grounds upkeep. Materials had a small increase over 2021. Personnel Services showed an increase in salaries due to phased-out retirement and position changes, while fringe costs had a minimal decrease. A transfer of salaries to OSWW was very minimal, and GASB 68 pension expenses showed the largest increase.

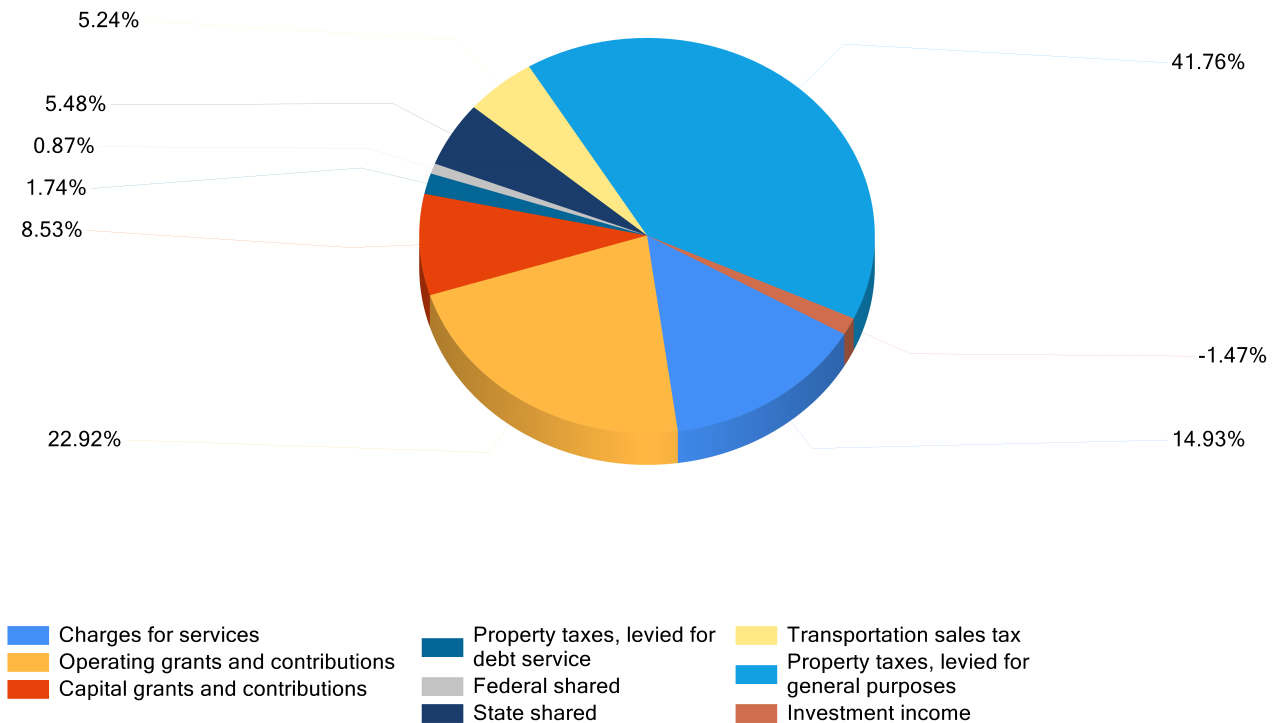
The Environmental Services Fund had a net transfer of \$896,141. The transfer was for ARPA-related expenditures for the Leachate Treatment Facility and bailer replacement for the recycling center.

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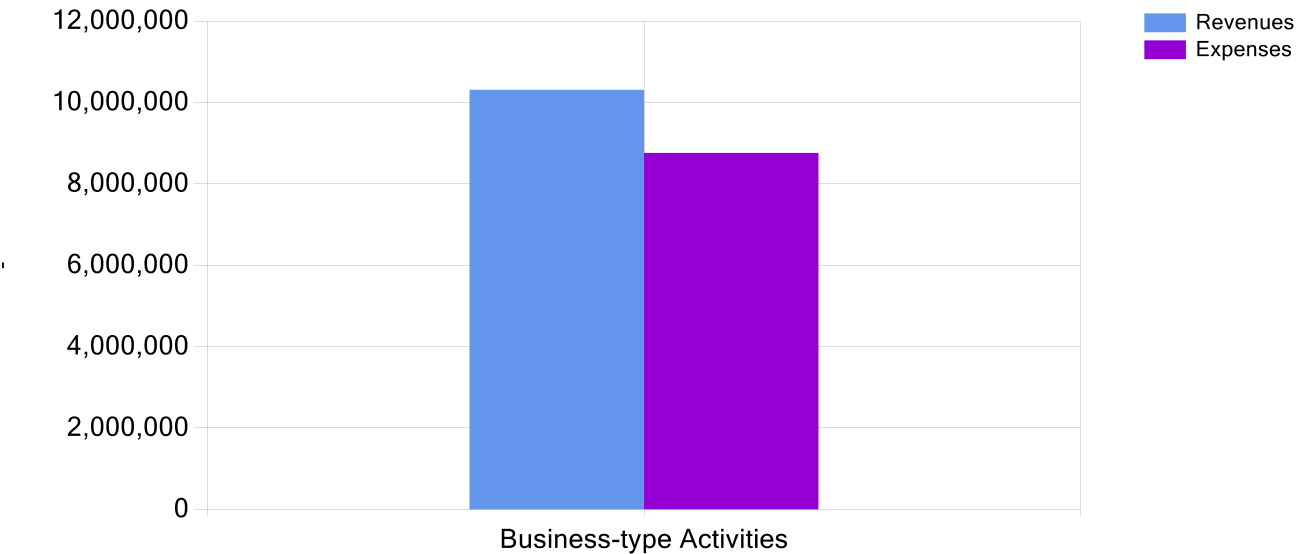
Expenses & Program Revenue: Governmental Activities



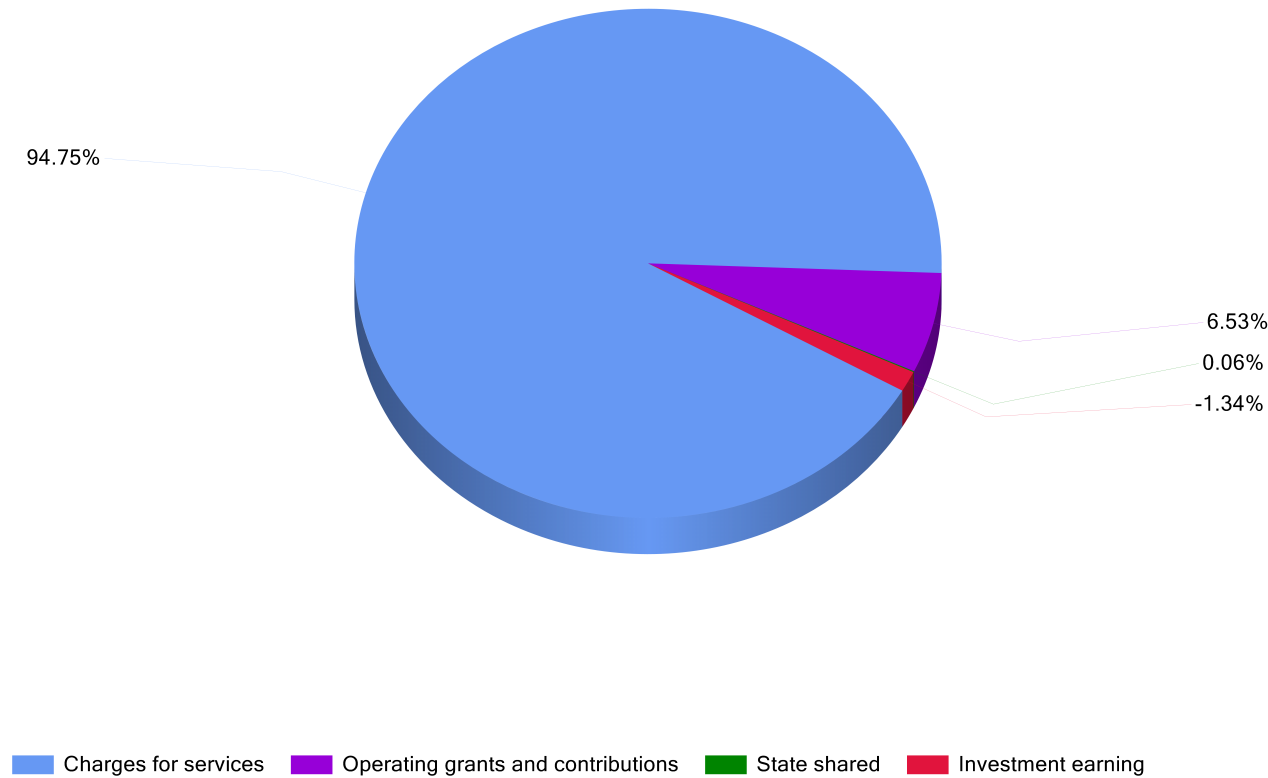
Revenues by Source: Governmental Activities



Expenses and Program Revenues: Business-type Activities



Revenues by Source: Business-type Activities



UNAUDITED
St. Louis County, Minnesota
Management's Discussion and Analysis
December 31, 2022

Financial Analysis of the Government's Funds

As noted earlier, St. Louis County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of St. Louis County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is helpful in assessing St. Louis County's financing requirements.

St. Louis County's governmental funds reported a combined fund balance of \$246.9 million in 2022, compared with \$259.6 million as previously reported in 2021, a decrease of \$12.7 million. Fund balances that are classified as restricted are either nonspendable or restricted and have specific (usually external) constraints placed on their use. Fund balances that are classified as unrestricted are either committed, assigned, or unassigned fund balances. Committed and assigned fund balances are fund balances for which the County has identified a specific purpose. Unassigned fund balances do not have a specific use identified but generally support the cash flows of the County.

Governmental funds reported a restricted fund balance for 2022 of \$71.9 million, or 29.1% of the total fund balance, and an unrestricted fund balance of \$175.0 million, or 70.9% of the total fund balance. The unrestricted fund balance was \$32.7 million committed, \$99.6 million assigned, and \$42.7 million unassigned. Committed fund balances are approved by the County Board. For example, the Board has decided, by resolution, to set aside money to pay for retiree obligations. Assigned fund balances are amounts that are to be used for specific purposes but are neither restricted nor committed. An unassigned fund balance is a fund balance that has not been reported in any other classification and is only used in the General Fund unless there are deficit fund balances in other funds.

The General Fund is the chief operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The unassigned fund balance of the General Fund was \$42.7 million in 2022, compared to \$43.0 million in 2021. Unassigned fund balances at the end of the year represented 33.6% of General Fund operating revenues and 34.3% of operating expenditures. The Office of the State Auditor recommends that counties maintain an unrestricted fund balance in the General Fund of approximately 35 to 50 percent of operating revenues, or no less than five months of operating expenditures of 41.7%.

In 2022, the fund balance of the County's General Fund increased by \$0.7 million to \$81.9 million. Revenues exceeded expenditures by \$2.8 million, but net other financing sources and uses totaled \$2.1 million. The increase in fund balance was due to position vacancies and funds that were unspent but encumbered at year-end.

The Road and Bridge Fund had a \$2.3 million surplus of revenue over expenditures in 2022. This was mainly due to Transportation Sales Tax revenue coming in \$3.6 million more than budget, \$1.0 million of FEMA and State revenue for a spring flooding event, and an advance on State Aid construction revenue of \$3.6 million.

The Public Health and Human Services Fund had revenue in excess of expenditures of \$7.6 million in 2022. This was mainly due to lower Public Aid, travel, and personnel expenditures than planned.

The Pandemic Response Fund had an excess of revenues over expenditures of \$1.3 million in 2022. The increase is due to \$0.5 million in investment revenue and a transfer of \$0.6 million to our Environmental Services enterprise fund capital assets purchased with ARPA funds. This was done to keep the assets within the Enterprise Fund.

Pursuant to Minnesota Statutes, the Forfeited Tax Sale Fund distributed \$1.0 million in net proceeds to county funds, cities, towns, and school districts in St. Louis County. The 2022 distribution was \$2.1 million lower than in 2021, mainly due to \$1.0 million in lower land sales (233 in 2022 vs. 312 in 2021), which depleted the backlog of the available list properties. In the spring of 2021, there were 130 properties, compared to 58 properties in the spring of 2022.

The Capital Projects Fund's fund balance decreased from \$46.2 million in 2021 to \$30.3 million in 2022. The decrease in 2022 is due to the County spending \$16.4 million of the 2021 bond issue to construct three new Public Works maintenance facilities and not issuing any new debt.

General Fund Budgetary Highlights

Budgets can be amended during the year by the County Board. Supplemental appropriations or budget reductions are reviewed by the County Administrator and submitted to the County Board for its review and approval. Actual expenditures ended the year at \$15.6 million under the final budget. Expenditure budgets for personnel services (\$4.9 million), operating (\$9.2 million), and capital outlay (\$1.5 million) accounted for the unspent budget. The main reasons for the unspent personnel

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budget are savings realized when positions are vacant before they are refilled, as well as difficulty filling positions. A large portion of the unspent operating and capital budgets were due to outstanding encumbrances at year-end.

Actual revenues in total for 2022 came in at \$1.7 million under the final budget. Investment earnings were \$4.0 million under budget due to unrealized losses as a result of changes in market values.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the County's capital assets totaled \$1,028.5 million. Of that total, governmental activities accounted for \$1,019.0 million, and the remaining \$9.5 million belonged to business-type activities. These amounts represent a broad range of capital assets, including land, buildings, machinery, roads, road maintenance equipment, and law enforcement equipment. Details are presented immediately below in Table 3.

Table 3
Capital Assets at Year-End
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 3.2	\$ 3.2	\$ 0.3	\$ 0.3	\$ 3.5	\$ 3.5
Buildings and structures	132.6	139.1	1.1	1.3	133.7	140.4
Right-to-use leased buildings	0.1	-	-	-	0.1	-
Improvements other than buildings	-	-	6.6	5.5	6.6	5.5
Machinery and equipment	4.3	3.8	0.3	0.2	4.6	4.0
Vehicles	33.4	36.8	0.5	0.5	33.9	37.3
Right-to-use leased vehicles	2.2	-	-	-	2.2	-
Driveways	-	-	0.4	-	0.4	-
Infrastructure	826.4	785.6	-	-	826.4	785.6
Intangibles	1.4	1.8	-	-	1.4	1.8
Work in progress	15.4	0.2	0.3	0.4	15.7	0.6
Totals	\$ 1019.0	\$ 970.5	\$ 9.5	\$ 8.2	\$ 1028.5	\$ 978.7

Capital assets for governmental activities increased (including additions, disposals, and depreciation/amortization expense) by \$48.5 million, or 5.0%, over 2021. Additions for 2022 totaled \$82.4 million; disposals were \$0.8 million; and depreciation/amortization expense was \$32.8 million.

Total vehicles in 2022 decreased by \$3.4 million to \$33.4 million. In 2022, the County purchased 38 automobiles, 10 emergency and road maintenance vehicles, 6 recreational vehicles, and 3 trailers. The County disposed of 29 automobiles, 23 emergency and road maintenance vehicles, 31 unlicensed vehicles, 32 recreational vehicles, 22 trailers, and 96 vehicle attachments (including plows, wings, and mowers).

Buildings and structures decreased by \$6.5 million to \$132.6 million in 2022. The main reasons for the change are: \$0.5 million of work-in-progress projects that were completed in 2022; and a depreciation expense of \$7.0 million.

Work in progress for governmental activities increased by \$15.2 million in 2022 to \$15.4 million. The main reasons for the change are \$15.7 million of additions to work-in-progress projects in 2022 and \$0.5 million of work-in-progress projects completed in 2022.

Business-type activities had total net capital assets increase by \$1.3 million from 2021. The primary reason for the increase was an increase of \$1.1 million in improvements other than buildings. The Environmental Services Fund, the only enterprise fund with capital assets, had net capital assets at year-end of \$9.5 million. In 2022, they purchased 1 loader, 1 trailer, 7 roll-off containers, and 1 litter fence. They continued a feasibility study for a landfill in Canyon, continued work on a driveway, completed a driveway, and disposed of one trailer.

Additional information on St. Louis County's capital assets can be found in the notes on pages 74 and 75.

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Debt Administration

At year-end, the County had \$152.3 million of outstanding bonded debt that is backed by the full faith and credit of the County. Some of the debt is also secured by specific revenue sources. There is no business-type activity bonded debt.

Table 4
Outstanding Debt, at Year-end
(in Millions)

	Governmental Activities	
	2022	2021
General obligation bonds	<u>\$ 152.3</u>	<u>\$ 165.2</u>

The County's debt decreased by \$12.9 million to \$152.3 million in 2022, compared to a decrease of \$0.4 million in 2021. In 2022, the County paid \$12.2 million on existing debt, amortized \$0.7 million in premium, and did not issue any new debt.

Standard and Poor's Rating Service assigned an "AA+" rating to bonds that were issued in 2021.

Additional information on St. Louis County's long-term debt can be found in the notes on pages 76-79.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The average unemployment rate for St. Louis County was 3.6% in 2022; the average unemployment rate for the United States was 3.6% and 2.2% for the State of Minnesota, generally.

The County's 2023 budget was passed on December 13, 2022, at a meeting of the St. Louis County Board of Commissioners. The 2023 property tax levy was \$163.4 million, an increase of \$6.9 million compared to 2022.

In 2022, St. Louis County collected \$20.2 million due to implementing a half-percent Transportation Sales Tax and \$0.4 million from the Motor Vehicle Excise Tax. The County uses the sales tax revenue to repair roads in the poorest condition, replace critical bridge infrastructure, and accelerate safety projects identified in the County Highway Safety Plan.

County Program Aid received from the State of Minnesota in 2022 was \$13.8 million. Due to the volatility of this revenue in the past, the County is working to reduce its reliance on this aid. In years where aid is fully funded, the amount in excess of the adopted budget will be directed to critical capital investments, reducing future borrowing costs or levy impacts.

Employees are key to the quality of services provided by St. Louis County. The 2023 budget includes 1,885 full-time equivalent employees. Of the total \$452.8 million budget for 2023, \$215.5 million, or 47.6%, was designated for personnel-related costs.

In May 2021, the County received its first half of the \$54.5 million in American Rescue Plan (ARP) funds, and in June 2022, the County received the second half of the ARP funds that were allocated to St. Louis County.

All of these factors were considered in preparing the County's budget for the 2023 fiscal year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of St. Louis County's finances and to demonstrate the County's accountability for the money it receives. If you have a question about this report or need information, contact the County Auditor's Office, 100 N. 5th Avenue W., Duluth, Minnesota, 55802-1293.

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and pooled investments	\$ 261,487,600	\$ 1,210,666	\$ 262,698,266
Investments	62,146,101	11,548,751	73,694,852
Lease receivable	2,806,985	-	2,806,985
Receivables (net)	22,692,452	226,712	22,919,164
Internal balances	215,286	(215,286)	-
Due from other governments	24,028,094	143,672	24,171,766
Inventories	9,820,800	6,910	9,827,710
Prepaid items	449,267	-	449,267
Restricted assets	-	6,428,619	6,428,619
Capital assets not being depreciated	19,870,559	611,946	20,482,505
Capital assets being depreciated, net	999,169,075	8,895,144	1,008,064,219
Total assets	<u>1,402,686,219</u>	<u>28,857,134</u>	<u>1,431,543,353</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	59,782,000	469,740	60,251,740
Other postemployment benefits	5,752,190	112,411	5,864,601
Total deferred outflows of resources	<u>65,534,190</u>	<u>582,151</u>	<u>66,116,341</u>
LIABILITIES			
Accounts payable	35,127,656	799,475	35,927,131
Unearned revenue	39,173,905	-	39,173,905
Advance from other governments	205,304	-	205,304
Noncurrent liabilities:			
Due within one year	26,756,353	204,357	26,960,710
Due in more than one year	324,987,263	4,233,004	329,220,267
Total liabilities	<u>426,250,481</u>	<u>5,236,836</u>	<u>431,487,317</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	3,106,559	213,441	3,320,000
Other postemployment benefits	2,274,846	44,456	2,319,302
Leases	2,833,663	-	2,833,663
Advanced allotment	3,613,767	-	3,613,767
Total deferred inflows of resources	<u>11,828,835</u>	<u>257,897</u>	<u>12,086,732</u>
NET POSITION			
Net investment in capital assets	873,919,126	9,507,090	883,426,216
Restricted			
General government	1,824,817	-	1,824,817
Public safety	1,548,137	-	1,548,137
Highways and streets	18,475,423	-	18,475,423
Health and sanitation	648,481	-	648,481
Human services	3,354,521	-	3,354,521
Conservation of natural resources	643,711	-	643,711
Economic development	2,137,356	-	2,137,356
Debt service	2,784,593	-	2,784,593
Permanent Funds:			
Expendable	2,706,851	-	2,706,851
Nonexpendable	21,638,287	-	21,638,287
Financial assurance	-	4,662,757	4,662,757
Unrestricted	100,459,790	9,774,705	110,234,495
Total net position	<u>\$ 1,030,141,093</u>	<u>\$ 23,944,552</u>	<u>\$ 1,054,085,645</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 59,542,219	\$ 22,845,616	\$ 2,177,650	\$ -	\$ (34,518,953)	\$ -	\$ (34,518,953)
Public safety	65,951,457	3,757,150	2,650,099	-	(59,544,208)	-	(59,544,208)
Highways and streets	76,353,227	6,074,194	20,871,587	33,476,457	(15,930,989)	-	(15,930,989)
Health and sanitation	10,615,620	715,950	7,661,291	-	(2,238,379)	-	(2,238,379)
Human services	110,871,339	15,838,249	48,754,853	-	(46,278,237)	-	(46,278,237)
Culture and recreation	5,991,081	320,047	1,808,362	-	(3,862,672)	-	(3,862,672)
Conservation of natural resources	9,589,480	9,087,947	355,826	-	(145,707)	-	(145,707)
Economic development	7,544,606	150	5,715,006	-	(1,829,450)	-	(1,829,450)
Interest and other charges	3,990,018	-	37	-	(3,989,981)	-	(3,989,981)
Total governmental activities	350,449,047	58,639,303	89,994,711	33,476,457	(168,338,576)	-	(168,338,576)
Business-type Activities:							
Environmental Services	8,748,573	9,633,800	664,251	-	-	1,549,478	1,549,478
Plat Books	8,339	4,546	-	-	-	(3,793)	(3,793)
Total business-type activities	8,756,912	9,638,346	664,251	-	-	1,545,685	1,545,685
Total primary government	\$ 359,205,959	\$ 68,277,649	\$ 90,658,962	\$ 33,476,457	(168,338,576)	1,545,685	(166,792,891)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					163,957,777	-	163,957,777
Property taxes, levied for debt service					6,838,545	-	6,838,545
Transportation sales tax					20,555,920	-	20,555,920
State shared not restricted to specific programs					21,508,599	6,592	21,515,191
Federal shared not restricted to specific programs					3,420,908	-	3,420,908
Investment earnings					(5,786,257)	(136,368)	(5,922,625)
Transfers					(896,141)	896,141	-
Total general revenues and transfers					209,599,351	766,365	210,365,716
Changes in net position					41,260,775	2,312,050	43,572,825
Net position - January 1					988,880,318	21,632,502	1,010,512,820
Net position - December 31					\$ 1,030,141,093	\$ 23,944,552	\$ 1,054,085,645

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

GOVERNMENTAL FUNDS

General Fund

General Fund - This fund has been classified as a major fund and is used to account for all financial resources except those accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures. The following funds have been classified as major funds:

Road and Bridge - This fund is used to account for public works activity.

Public Health and Human Services - This fund is used to account for the operations and financial activities of the Public Health and Human Services Department.

Pandemic Response Fund - This fund is used to account for expenses related to the COVID-19 pandemic. The major funding sources for this pandemic were the federal Coronavirus Relief Funds (CRF) and the American Rescue Plan (ARP).

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

Capital Projects Fund

Capital Projects Fund - This fund has been classified as a major fund and is used to account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Road and Bridge	Public Health and Human Services	Pandemic Response	Forfeited Tax Sale	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 84,395,633	\$ 41,440,981	\$ 40,686,812	\$ 40,538,139	\$ 2,130,841	\$ 27,745,544	\$ 17,893,036	\$ 254,830,986
Investments	-	-	-	-	-	8,672,336	21,438,287	30,110,623
Delinquent taxes receivable	1,737,736	554,042	1,269,506	-	-	161,527	190,030	3,912,841
Lease receivable	-	-	-	-	2,174,626	632,359	-	2,806,985
Accounts receivable (net)	363,646	96,942	640,216	-	12,157,246	63,986	92,572	13,414,608
Accrued interest receivable	1,017,999	-	-	-	296,094	6,471	-	1,320,564
Loans receivable	7,651	-	-	-	-	-	2,281,234	2,288,885
Interfund receivable	46,662	-	-	-	-	-	-	46,662
Due from other governments	2,082,131	11,384,566	9,352,034	-	-	-	1,185,654	24,004,385
Inventories	-	9,773,831	-	-	-	-	-	9,773,831
Prepaid items	447,386	1,678	-	-	-	-	203	449,267
Advances to other funds	-	-	-	-	-	1,574,866	-	1,574,866
Total Assets	<u>90,098,844</u>	<u>63,252,040</u>	<u>51,948,568</u>	<u>40,538,139</u>	<u>16,758,807</u>	<u>38,857,089</u>	<u>43,081,016</u>	<u>344,534,503</u>
LIABILITIES								
Accounts payable	2,010,135	1,847,307	2,553,561	345,371	39,915	7,527,134	534,736	14,858,159
Contracts payable	-	2,883,951	-	-	-	281,266	-	3,165,217
Accrued payroll	3,358,227	1,025,374	2,185,544	2,625	184,477	-	39,880	6,796,127
Interfund payable	-	-	-	-	-	-	46,662	46,662
Due to other governments	460,999	307,013	2,795,934	558,087	1,443	-	672,775	4,796,251
Unearned revenue	778,065	245,124	613,058	36,818,121	545,823	-	141,104	39,141,295
Advance from other governments	-	205,304	-	-	-	-	-	205,304
Total Liabilities	<u>6,607,426</u>	<u>6,514,073</u>	<u>8,148,097</u>	<u>37,724,204</u>	<u>771,658</u>	<u>7,808,400</u>	<u>1,435,157</u>	<u>69,009,015</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	-	-	-	-	-	-	-
Taxes	1,439,696	551,006	1,060,908	-	-	130,108	160,205	3,341,923
Grants	130,522	5,177,659	1,216,272	-	-	-	52,015	6,576,468
Leases	-	-	-	-	2,194,377	639,286	-	2,833,663
Advanced allotment	-	3,613,767	-	-	-	-	-	3,613,767
Long-term receivables	-	-	-	-	12,273,771	-	-	12,273,771
Total Deferred Inflows of Resources	<u>1,570,218</u>	<u>9,342,432</u>	<u>2,277,180</u>	<u>-</u>	<u>14,468,148</u>	<u>769,394</u>	<u>212,220</u>	<u>28,639,592</u>
FUND BALANCE								
Nonspendable	-	-	-	-	-	-	-	-
Inventories	-	9,773,831	-	-	-	-	-	9,773,831
Prepaid items	447,386	1,678	-	-	-	-	203	449,267
Environmental trust funds	-	-	-	-	-	-	21,438,287	21,438,287
Scholarships	-	-	-	-	-	-	200,000	200,000
Missing heirs	178,519	-	-	-	-	-	-	178,519
Total Nonspendable	<u>625,905</u>	<u>9,775,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,638,490</u>	<u>32,039,904</u>
Restricted	-	-	-	-	-	-	-	-
Unorganized town roads	-	161,232	-	-	-	-	-	161,232
Local assistance & tribal consistency funds	-	1,357,172	-	-	-	-	-	1,357,172
Transportation sales tax	-	11,749,449	-	-	-	-	-	11,749,449
Health and sanitation	-	-	-	-	-	-	640,830	640,830
Debt service	-	-	-	-	-	-	2,978,915	2,978,915
Improvement of natural resources	-	-	-	-	-	-	2,706,851	2,706,851
Economic development	860,771	-	-	-	-	-	-	860,771
Law library	341,640	-	-	-	-	-	-	341,640
Outstanding loans	7,651	-	-	-	-	-	1,276,585	1,284,236
Recorder's equipment	1,302,605	-	-	-	-	-	-	1,302,605
Communications	669,328	-	-	-	-	-	-	669,328
Extension service	591,696	-	-	-	-	-	-	591,696
Tax certificate assurance	198,170	-	-	-	-	-	-	198,170
Attorney forfeitures	151,068	-	-	-	-	-	-	151,068
Sheriff forfeitures	117,709	-	-	-	-	-	-	117,709
Sheriff fines	7,794	-	-	-	-	-	-	7,794
Veterans' credit	-	-	-	-	15,000	-	-	15,000
Emergency contingency	5,942	-	-	-	23,969	-	-	29,911
Sheriff's contingency	6,917	-	-	-	-	-	-	6,917
Permit to carry	220,341	-	-	-	-	-	-	220,341
Volunteer fire departments	33,340	-	-	-	-	-	-	33,340
Restricted capital improvement	-	-	-	-	-	12,334,695	-	12,334,695
Opioid remediation	-	-	-	-	-	-	2,138,249	2,138,249
Total Restricted	<u>4,514,972</u>	<u>13,267,853</u>	<u>-</u>	<u>-</u>	<u>38,969</u>	<u>12,334,695</u>	<u>9,741,430</u>	<u>39,897,919</u>
Committed	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	1,854,598	1,854,598
Conservation of natural resources	-	-	-	-	-	-	7,105,772	7,105,772
Economic development	-	-	-	-	-	-	837,679	837,679
Retiree obligations	6,738,083	2,373,048	4,455,505	-	707,793	-	120,372	14,394,801
Vesting sick leave	4,404,147	1,190,818	2,107,552	-	393,862	-	246	8,096,625
National night out	966	-	-	-	-	-	-	966
Ditching	-	289,713	-	-	-	-	-	289,713
SLC explorer post	1,516	-	-	-	-	-	-	1,516
Total Committed	<u>11,144,712</u>	<u>3,853,579</u>	<u>6,563,057</u>	<u>-</u>	<u>1,101,655</u>	<u>-</u>	<u>9,918,667</u>	<u>32,581,670</u>

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

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Road and Bridge	Public Health and Human Services	Pandemic Response	Forfeited Tax Sale	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assigned								
Out of home placement	\$ -	\$ -	\$ 3,129,573	\$ -	\$ -	\$ -	\$ -	\$ 3,129,573
Major emergency road and bridge repair	-	500,000	-	-	-	-	-	500,000
Local road & bridge construction projects	-	8,250,053	-	-	-	-	-	8,250,053
Gas and diesel variability	-	782,049	-	-	-	-	-	782,049
State aid engineering	-	855,921	-	-	-	-	-	855,921
Salt budget carryforward	-	378,242	-	-	-	-	-	378,242
Depreciation reserve	-	-	-	-	-	1,273,830	-	1,273,830
Capital improvements	-	-	-	-	-	16,326,682	-	16,326,682
Parking	1,308,277	-	-	-	-	-	-	1,308,277
Economic development	1,330,951	-	-	-	-	-	-	1,330,951
General government	2,865,282	-	-	-	-	-	-	2,865,282
Culture & recreation	33,398	-	-	-	-	-	-	33,398
Public safety	3,157,006	-	-	-	-	-	-	3,157,006
Public safety innovation	584,384	-	-	-	-	-	-	584,384
Highways and streets	-	9,732,329	-	-	-	-	-	9,732,329
Health and sanitation	17,087	-	255,282	-	-	-	-	272,369
Information technology	5,247,325	-	234,909	-	-	-	-	5,482,234
Periodic data match	-	-	69,612	-	-	-	-	69,612
Prevention and innovation	-	-	6,811,405	-	-	-	-	6,811,405
Human services	-	-	21,748,175	-	-	-	-	21,748,175
Conservation of natural resources	14,898	-	-	-	378,377	-	135,255	528,530
Planning and zoning GIS	1,374,005	-	-	-	-	-	-	1,374,005
Health initiatives	-	-	2,436,489	-	-	-	-	2,436,489
Clarity Project	-	-	-	-	-	344,088	-	344,088
Economic development blight program	352,180	-	-	-	-	-	-	352,180
Elections	198,688	-	-	-	-	-	-	198,688
Camp esquagama	212,078	-	-	-	-	-	-	212,078
Other postemployment benefits	2,000,000	-	-	-	-	-	-	2,000,000
License center	231,019	-	-	-	-	-	-	231,019
COVID pandemic	-	-	-	2,813,935	-	-	-	2,813,935
Scholarships	265,000	-	-	-	-	-	-	265,000
Depot	634,391	-	-	-	-	-	-	634,391
Depot capital	65,000	-	-	-	-	-	-	65,000
Human service conference	-	-	274,789	-	-	-	-	274,789
Film production incentives	2,056,411	-	-	-	-	-	-	2,056,411
Forest management activities	29,822	-	-	-	-	-	-	29,822
Abatements	876,168	-	-	-	-	-	-	876,168
Child in need of protection/services	42,748	-	-	-	-	-	-	42,748
Honor guard	702	-	-	-	-	-	-	702
Total Assigned	22,896,820	20,498,594	34,960,234	2,813,935	378,377	17,944,600	135,255	99,627,815
Unassigned	42,738,791	-	-	-	-	-	(203)	42,738,588
Total Fund Balance	81,921,200	47,395,535	41,523,291	2,813,935	1,519,001	30,279,295	41,433,639	246,885,896
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 90,098,844	\$ 63,252,040	\$ 51,948,568	\$ 40,538,139	\$ 16,758,807	\$ 38,857,089	\$ 43,081,016	\$ 344,534,503

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

ST. LOUIS COUNTY, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund balance - governmental funds (from above)	\$ 246,885,896
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,016,182,111
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources into the funds.	22,192,162
Other long-term assets are reported as deferred inflows of resources.	(5,381,405)
Certain liabilities payable from other long-term assets listed above are also not reported in the funds.	(4,909,508)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(344,657,631)
Other long-term liabilities are reported as deferred outflows of resources.	65,534,190
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to individual funds.	
The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	<u>34,295,278</u>
Net position of governmental activities	<u>\$ 1,030,141,093</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Road and Bridge	Public Health and Human Services	Pandemic Response	Forfeited Tax Sale	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 77,700,505	\$ 49,281,164	\$ 49,448,273	\$ -	\$ -	\$ 7,454,110	\$ 7,639,968	\$ 191,524,020
Licenses and permits	578,489	86,621	-	-	-	-	-	665,110
Intergovernmental	24,062,798	51,684,144	60,949,309	13,109,375	-	294,026	3,429,516	153,529,168
Charges for services	24,684,687	4,665,870	5,738,880	-	-	14,003	292,717	35,396,157
Fines and forfeits	56,871	-	-	-	-	-	-	56,871
Earnings (loss) on investments	(1,623,083)	-	-	547,602	-	167,853	(4,304,852)	(5,212,480)
Gifts and contributions	28,265	-	-	-	-	-	-	28,265
Land and timber sales	21,706	-	-	-	8,243,337	-	295,000	8,560,043
Miscellaneous	1,752,538	1,139,330	426,756	-	798,450	157,596	2,140,128	6,414,798
Total Revenues	127,262,776	106,857,129	116,563,218	13,656,977	9,041,787	8,087,588	9,492,477	390,961,952
EXPENDITURES								
Current:								
General government	54,936,014	-	-	47,484	-	71,072	-	55,054,570
Public safety	60,573,144	-	-	32,668	-	108,200	-	60,714,012
Highways and streets	-	48,903,794	-	-	-	330,767	-	49,234,561
Health and sanitation	792,284	-	6,245,534	2,009,282	-	-	1,278,059	10,325,159
Human services	778,570	-	102,677,468	4,176,291	-	-	-	107,632,329
Culture and recreation	2,826,049	-	-	1,463,724	-	71,016	-	4,360,789
Conservation of natural resources	1,344,345	-	-	8,403	7,136,372	-	574,262	9,063,382
Economic development	1,824,649	-	-	2,946,976	-	-	2,851,223	7,622,848
Debt service:								
Principal	45,307	-	-	-	-	610,487	12,266,807	12,922,601
Interest and other charges	487	-	-	-	-	27,307	4,704,459	4,732,253
Capital outlay:								
General government	186,799	-	-	-	-	513,539	-	700,338
Public safety	1,139,892	-	-	-	-	-	-	1,139,892
Highways and streets road construction	-	55,639,224	-	1,675,362	-	22,166,532	-	79,481,118
Health and sanitation	-	-	-	-	-	328,260	-	328,260
Conservation of natural resources	-	-	-	-	8,999	24,500	-	33,499
Culture and recreation	9,504	-	-	-	-	592,828	-	602,332
Total Expenditures	124,457,044	104,543,018	108,923,002	12,360,190	7,145,371	24,844,508	21,674,810	403,947,943
Excess (deficiency) of revenues over (under) expenditures	2,805,732	2,314,111	7,640,216	1,296,787	1,896,416	(16,756,920)	(12,182,333)	(12,985,991)
OTHER FINANCING SOURCES (USES)								
Transfers in	1,559,658	4,711,395	-	-	10,131	3,378,242	8,143,434	17,802,860
Transfers (out)	(3,736,281)	(7,314,342)	(47,000)	(696,140)	(1,757,098)	(3,072,089)	(1,677,686)	(18,300,636)
Loan proceeds	-	-	-	-	-	-	91,822	91,822
Sale of capital assets	98,953	5,501	-	-	-	485,072	3,048	592,574
Total other financing sources and (uses)	(2,077,670)	(2,597,446)	(47,000)	(696,140)	(1,746,967)	791,225	6,560,618	186,620
Net change in fund balances	728,062	(283,335)	7,593,216	600,647	149,449	(15,965,695)	(5,621,715)	(12,799,371)
Fund balances - January 1	81,193,138	47,586,861	33,930,075	2,213,288	1,369,552	46,244,990	47,055,354	259,593,258
Increase (decrease) in inventories	-	92,009	-	-	-	-	-	92,009
Fund balances - December 31	\$ 81,921,200	\$ 47,395,535	\$ 41,523,291	\$ 2,813,935	\$ 1,519,001	\$ 30,279,295	\$ 41,433,639	\$ 246,885,896

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

ST. LOUIS COUNTY, MINNESOTA
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Net change in fund balances--total governmental funds (from previous page)	\$ (12,707,362)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Unavailable revenues reported in the governmental funds are considered revenues in the Statement of Activities.	1,722,706
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Due to other governments	116,870
Compensated absences	(378,167)
Bond and lease interest payable	27,687
Bond premium amortization	714,548
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	48,907,133
Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported along with governmental activities.	342,982
Expenditures reported in the governmental funds are not considered expenses in the Statement of Activities.	
Intra-general government function rent	134,243
Repayment of bond principal and redemption of refunding bonds is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.	12,266,807
Lease amortization	627,698
The County's proportionate share of the Other Post Employment Benefits	(1,232,198)
The County's proportionate share of the of the Public Employees Retirement Association of Minnesota	(9,190,350)
The issuance of long term debt provides current financial resources, but has no effect on net position	(91,822)
Change in net position of governmental activities	<u>\$ 41,260,775</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 75,084,178	\$ 75,084,178	\$ 77,700,505	\$ 2,616,327
Licenses and permits	661,425	661,425	578,489	(82,936)
Intergovernmental	25,018,990	24,083,237	24,062,798	(20,439)
Charges for services	25,030,608	25,087,029	24,684,687	(402,342)
Fines and forfeits	133,777	135,081	56,871	(78,210)
Earnings (loss) on investments	2,400,315	2,400,315	(1,623,083)	(4,023,398)
Gifts and contributions	5,800	10,600	28,265	17,665
Land and timber sales	-	12,736	21,706	8,970
Miscellaneous	1,477,630	1,477,630	1,752,538	274,908
Total revenues	129,812,723	128,952,231	127,262,776	(1,689,455)
EXPENDITURES				
General government				
Non-departmental				
Personnel services	-	205,536	205,536	-
Commissioners				
Personnel services	1,027,718	1,016,048	1,008,571	7,477
Other operating	289,484	301,154	295,600	5,554
Total commissioners	1,317,202	1,317,202	1,304,171	13,031
Port authority				
Other operating	12,000	12,000	-	12,000
County administrator				
Personnel services	2,070,443	2,041,612	934,596	1,107,016
Other operating	2,483,047	2,504,760	1,272,251	1,232,509
Total county administrator	4,553,490	4,546,372	2,206,847	2,339,525
Intergovernmental affairs				
Personnel services	168,885	170,732	170,732	-
Other operating	183,172	181,324	153,724	27,600
Total intergovernmental affairs	352,057	352,056	324,456	27,600
Labor relations				
Other operating	152,223	152,223	59,019	93,204
Planning and zoning				
Personnel services	2,306,846	2,135,214	1,700,936	434,278
Other operating	1,794,464	1,421,890	883,889	538,001
Total planning and zoning	4,101,310	3,557,104	2,584,825	972,279
Commitment representation				
Personnel services	2,500	2,500	-	2,500
Other operating	132,528	132,528	98,991	33,537
Total commitment representation	135,028	135,028	98,991	36,037
Court administrator				
Other operating	1,305,779	1,305,779	1,305,779	-
Examiner of titles				
Personnel services	153,547	153,547	149,855	3,692
Other operating	21,506	21,506	15,933	5,573
Total examiner of titles	175,053	175,053	165,788	9,265
County attorney				
Personnel services	8,738,148	8,666,583	8,186,685	479,898
Other operating	1,594,846	1,569,226	1,412,774	156,452
Total county attorney	10,332,994	10,235,809	9,599,459	636,350
Subtotal	22,437,136	21,994,162	17,854,871	4,139,291

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
General government (continued)				
County auditor				
Personnel services	5,088,318	5,133,000	4,735,800	397,200
Other operating	1,599,407	1,557,220	1,198,932	358,288
County auditor principal	-	42,077	42,077	-
County auditor interest and other charges	-	110	110	-
Total county auditor	6,687,725	6,732,407	5,976,919	755,488
Information technology				
Personnel services	5,806,909	5,806,909	5,431,046	375,863
Other operating	5,374,362	6,364,192	5,490,460	873,732
Total information technology	11,181,271	12,171,101	10,921,506	1,249,595
County assessor				
Personnel services	4,573,483	4,573,483	4,069,842	503,641
Other operating	1,046,538	1,046,538	741,434	305,104
Total county assessor	5,620,021	5,620,021	4,811,276	808,745
Purchasing				
Personnel services	471,164	471,164	466,955	4,209
Other operating	37,909	37,909	14,949	22,960
Total purchasing	509,073	509,073	481,904	27,169
Microfilming				
Other operating	43,775	43,775	28,775	15,000
Recorder				
Personnel services	2,176,251	2,177,042	1,963,041	214,001
Other operating	560,277	560,277	393,093	167,184
Total recorder	2,736,528	2,737,319	2,356,134	381,185
Human resources				
Personnel services	1,706,954	1,688,840	1,651,819	37,021
Other operating	417,909	446,023	331,832	114,191
Total human resources	2,124,863	2,134,863	1,983,651	151,212
Veteran's service				
Personnel services	754,861	754,861	685,908	68,953
Other operating	153,970	150,620	110,169	40,451
Veteran service principal	-	3,230	3,230	-
Veteran service interest and other charges	-	377	377	-
Total veteran's service	908,831	909,088	799,684	109,404
Employee training				
Personnel services	365,877	372,039	370,783	1,256
Other operating	393,719	377,557	289,217	88,340
Total employee training	759,596	749,596	660,000	89,596
Elections				
Other operating	1,195,880	803,363	778,307	25,056
Capital outlay	-	156,702	156,702	-
Total elections	1,195,880	960,065	935,009	25,056
Subtotal	31,767,563	32,567,308	28,954,858	3,612,450
				continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
General government (continued)				
Property management				
Personnel services	5,140,114	4,955,754	4,940,165	15,589
Other operating	3,451,519	3,452,562	3,350,794	101,768
Capital outlay	36,620	73,231	30,097	43,134
Total property management	8,628,253	8,481,547	8,321,056	160,491
County fee land				
Personnel services	-	10,580	10,580	-
Other operating	-	2,156	2,156	-
Total county fee land	-	12,736	12,736	-
Missing heirs				
Other operating	-	15,636	15,636	-
Health care reform				
Other operating	10,500	10,500	9,450	1,050
Total General government	62,843,452	63,081,889	55,168,607	7,913,282
Public safety				
Arrowhead regional corrections				
Other operating	17,030,012	17,033,272	17,033,272	-
Sheriff				
Personnel services	15,706,646	15,507,770	15,327,293	180,477
Other operating	4,896,512	4,995,597	3,635,067	1,360,530
Capital outlay	2,315,948	2,300,777	971,189	1,329,588
Total sheriff	22,919,106	22,804,144	19,933,549	2,870,595
Boat and water safety				
Personnel services	69,292	-	-	-
Other operating	178,017	113,255	110,912	2,343
Capital outlay	7,700	53,477	43,477	10,000
Total boat and water safety	255,009	166,732	154,389	12,343
Medical examiner				
Other operating	619,232	619,232	591,725	27,507
Emergency management				
Personnel services	298,657	323,593	246,551	77,042
Other operating	259,081	324,846	251,430	73,416
Capital outlay	3,455	3,455	-	3,455
Total emergency management	561,193	651,894	497,981	153,913
Rescue squad				
Other operating	280,353	295,353	295,054	299
Capital outlay	10,610	10,610	8,562	2,048
Total rescue squad	290,963	305,963	303,616	2,347
Law enforcement service				
Personnel services	640,188	734,850	716,905	17,945
Other operating	48,156	69,469	69,469	-
Total law enforcement service	688,344	804,319	786,374	17,945
Emergency communication				
Personnel services	4,703,614	4,703,614	4,698,006	5,608
Other operating	394,380	454,024	449,523	4,501
Capital outlay	30,000	-	-	-
Total emergency communication	5,127,994	5,157,638	5,147,529	10,109
Ambulance service				
Other operating	100,000	103,850	103,778	72
Subtotal	47,591,853	47,647,044	44,552,213	3,094,831
				continued

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Public safety (continued)				
Radio maintenance				
Personnel services	578,013	579,539	433,973	145,566
Other operating	555,343	512,753	367,493	145,260
Capital outlay	119,801	150,801	116,664	34,137
Total radio maintenance	1,253,157	1,243,093	918,130	324,963
Jail prisoners				
Personnel services	8,396,137	8,371,044	7,629,308	741,736
Other operating	5,742,733	5,370,756	4,950,178	420,578
Capital outlay	38,110	-	-	-
Total jail prisoners	14,176,980	13,741,800	12,579,486	1,162,314
Jail building				
Personnel services	706,391	658,357	658,357	-
Other operating	494,303	607,343	602,628	4,715
Total jail building	1,200,694	1,265,700	1,260,985	4,715
Mine inspector				
Personnel services	260,183	265,192	265,192	-
Other operating	49,797	47,541	47,541	-
Total mine inspector	309,980	312,733	312,733	-
Volunteer fire department				
Other operating	679,159	679,159	637,263	41,896
Sheriff fines				
Other operating	13,000	13,000	7,020	5,980
Attorneys forfeitures				
Personnel services	20,222	20,222	19,858	364
Other operating	133,006	133,006	58,018	74,988
Total Attorneys forfeitures	153,228	153,228	77,876	75,352
Sheriff's forfeitures				
Other operating	45,000	46,304	12,297	34,007
Enhanced 9-1-1				
Other operating	171,732	1,001,710	833,310	168,400
Law library				
Other operating	398,638	398,638	191,738	206,900
City/County antenna site				
Other operating	8,468	8,468	5,610	2,858
Sheriff's contingent fund				
Other operating	25,000	25,000	3,424	21,576
Sheriff explorers				
Other operating	-	3,810	3,810	-
Permit to carry				
Personnel services	53,037	182,332	182,331	1
Other operating	96,804	137,804	134,810	2,994
Total permit to carry	149,841	320,136	317,141	2,995
Total Public Safety	66,176,730	66,859,823	61,713,036	5,146,787
				continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Health and sanitation				
Occupational safety				
Personnel services	482,728	499,091	499,091	-
Other operating	453,258	436,895	293,193	143,702
Total occupational safety	935,986	935,986	792,284	143,702
Total Health and sanitation	935,986	935,986	792,284	143,702
Human services				
Emergency shelter program				
Personnel services	104,600	104,600	93,500	11,100
Other operating	1,218,480	1,228,480	685,070	543,410
Total emergency shelter program	1,323,080	1,333,080	778,570	554,510
Total Human services	1,323,080	1,333,080	778,570	554,510
Culture and recreation				
Tourism promotion				
Other operating	233,000	233,027	233,027	-
Depot				
Personnel services	209,949	246,302	246,302	-
Other operating	751,396	744,915	742,048	2,867
Capital outlay	58,000	50,478	9,504	40,974
Total depot	1,019,345	1,041,695	997,854	43,841
Arrowhead library system				
Other operating	699,504	699,504	699,504	-
Historical society				
Other operating	446,998	446,998	446,998	-
Community fairs				
Other operating	2,000	2,000	250	1,750
County fair - north				
Other operating	30,000	30,000	20,000	10,000
County fair - south				
Other operating	20,000	20,000	20,000	-
Trail assistance				
Other operating	500,000	500,000	348,820	151,180
Youth activities program				
Other operating	25,000	25,000	25,000	-
Northeast Regional ATV Trail				
Other operating	50,000	50,000	44,100	5,900
Total Culture and recreation	3,025,847	3,048,224	2,835,553	212,671
				continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Conservation of natural resources				
North shore management board				
Other operating	2,500	2,500	2,500	-
Soil conservation - north				
Other operating	60,000	60,000	60,000	-
Soil conservation - south				
Other operating	60,000	60,000	60,000	-
County agent				
Personnel services	313,610	313,610	272,113	41,497
Other operating	348,631	348,631	319,328	29,303
Total county agent	662,241	662,241	591,441	70,800
Youth task force				
Personnel services	325,129	325,129	263,126	62,003
Other operating	413,847	413,847	367,278	46,569
Total youth task force	738,976	738,976	630,404	108,572
Total Conservation of natural resources	1,523,717	1,523,717	1,344,345	179,372
Economic development				
Revolving loans				
Other operating	2,005,726	3,302,650	1,824,649	1,478,001
Total Economic development	2,005,726	3,302,650	1,824,649	1,478,001
Total Expenditures	137,834,538	140,085,369	124,457,044	15,628,325
Excess of revenues over (under) expenditures	(8,021,815)	(11,133,138)	2,805,732	13,938,870
OTHER FINANCING SOURCES (USES)				
Transfers in	1,399,501	1,541,836	1,559,658	17,822
Transfers (out)	(2,462,231)	(3,736,281)	(3,736,281)	-
Sale of capital assets	24,999	50,427	98,953	48,526
Total other financing sources (uses)	(1,037,731)	(2,144,018)	(2,077,670)	66,348
Net change in fund balances	(9,059,546)	(13,277,156)	728,062	14,005,218
Fund balances - January 1	81,193,138	81,193,138	81,193,138	-
Fund balances - December 31	<u>\$ 72,133,592</u>	<u>\$ 67,915,982</u>	<u>\$ 81,921,200</u>	<u>\$ 14,005,218</u>

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

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 45,388,613	\$ 45,388,613	\$ 49,281,164	\$ 3,892,551
Licenses and permits	64,000	64,000	86,621	22,621
Intergovernmental	54,354,604	58,320,777	51,684,144	(6,636,633)
Charges for services	894,668	4,713,594	4,665,870	(47,724)
Miscellaneous	950,795	965,511	1,139,330	173,819
Total Revenues	<u>101,652,680</u>	<u>109,452,495</u>	<u>106,857,129</u>	<u>(2,595,366)</u>
EXPENDITURES				
Highways and streets				
Administration				
Personnel services	4,899,582	4,897,391	5,975,177	(1,077,786)
Other operating	950,085	2,634,122	1,588,211	1,045,911
Admin capital outlay	143,426	371,060	371,060	-
Total administration	<u>5,993,093</u>	<u>7,902,573</u>	<u>7,934,448</u>	<u>(31,875)</u>
Road maintenance				
Personnel services	14,317,118	13,808,233	12,767,956	1,040,277
Other operating	2,863,773	2,686,614	2,333,514	353,100
Road maintenance capital outlay	-	508,885	508,885	-
Total road maintenance	<u>17,180,891</u>	<u>17,003,732</u>	<u>15,610,355</u>	<u>1,393,377</u>
Road construction				
Personnel services	3,350,000	806,887	344,742	462,145
Other operating	75,241,967	11,766,439	8,698,625	3,067,814
Road construction capital outlay	15,600	54,759,279	54,759,279	-
Total road construction	<u>78,607,567</u>	<u>67,332,605</u>	<u>63,802,646</u>	<u>3,529,959</u>
Equipment maintenance and shops				
Personnel services	4,512,003	4,512,003	4,285,369	226,634
Other operating	13,019,472	14,828,415	12,910,200	1,918,215
Total equipment maintenance and shops	<u>17,531,475</u>	<u>19,340,418</u>	<u>17,195,569</u>	<u>2,144,849</u>
Total Expenditures	<u>119,313,026</u>	<u>111,579,328</u>	<u>104,543,018</u>	<u>7,036,310</u>
Excess of Revenues Over (Under) Expenditures	(17,660,346)	(2,126,833)	2,314,111	4,440,944
OTHER FINANCING SOURCES (USES)				
Transfers in	340,000	4,711,394	4,711,395	1
Transfers (out)	(6,867,581)	(7,314,342)	(7,314,342)	-
Sale of capital assets	-	1,284	5,501	4,217
Total other financing sources (uses)	<u>(6,527,581)</u>	<u>(2,601,664)</u>	<u>(2,597,446)</u>	<u>4,218</u>
Net change in fund balances	(24,187,927)	(4,728,497)	(283,335)	4,445,162
Fund Balance - January 1	47,586,861	47,586,861	47,586,861	-
Increase (decrease) in inventories	-	-	92,009	92,009
Fund Balance - December 31	<u>\$ 23,398,934</u>	<u>\$ 42,858,364</u>	<u>\$ 47,395,535</u>	<u>\$ 4,537,171</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUES				
Taxes	\$ 48,933,343	\$ 48,933,343	\$ 49,448,273	\$ 514,930
Intergovernmental	64,148,480	62,744,977	60,949,309	(1,795,668)
Charges for services	4,653,963	4,860,062	5,738,880	878,818
Miscellaneous	645,442	645,442	426,756	(218,686)
Total Revenues	118,381,228	117,183,824	116,563,218	(620,606)
EXPENDITURES				
Human services				
Administration				
Personnel services	7,493,709	7,686,110	7,196,521	489,589
Other operating	7,399,686	7,481,762	6,765,360	716,402
Total administration	14,893,395	15,167,872	13,961,881	1,205,991
Income maintenance				
Personnel services	14,735,314	13,968,840	13,755,660	213,180
Other operating	4,288,362	4,445,132	4,315,631	129,501
Total income maintenance	19,023,676	18,413,972	18,071,291	342,681
Social services				
Personnel services	34,796,508	35,390,557	35,151,202	239,355
Other operating	41,603,554	41,012,753	35,493,094	5,519,659
Total social services	76,400,062	76,403,310	70,644,296	5,759,014
Total human services	110,317,133	109,985,154	102,677,468	7,307,686
Health and sanitation				
Administration				
Personnel services	316,193	349,243	288,783	60,460
Other operating	114,065	104,065	89,957	14,108
Total administration	430,258	453,308	378,740	74,568
Nursing				
Personnel services	4,918,965	4,981,622	4,062,582	919,040
Other operating	3,123,321	2,806,183	1,804,212	1,001,971
Total nursing	8,042,286	7,787,805	5,866,794	1,921,011
Total health and sanitation	8,472,544	8,241,113	6,245,534	1,995,579
Total Expenditures	118,789,677	118,226,267	108,923,002	9,303,265
Excess of Revenues Over (Under) Expenditures	(408,449)	(1,042,443)	7,640,216	8,682,659
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(47,000)	(47,000)	-
Total other financing sources (uses)	-	(47,000)	(47,000)	-
Net change in fund balances	(408,449)	(1,089,443)	7,593,216	8,682,659
Fund Balance - January 1	33,930,075	33,930,075	33,930,075	-
Fund Balance - December 31	\$ 33,521,626	\$ 32,840,632	\$ 41,523,291	\$ 8,682,659

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PANDEMIC RESPONSE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUES				
Intergovernmental	\$ 27,447,178	\$ 50,002,023	\$ 13,109,375	\$ (36,892,648)
Earnings (loss) on investments	-	547,602	547,602	-
Total Revenues	<u>27,447,178</u>	<u>50,549,625</u>	<u>13,656,977</u>	<u>(36,892,648)</u>
EXPENDITURES				
General government				
Personnel services	-	12,485	12,486	(1)
Other operating	30,562	75,562	34,998	40,564
Total general government	<u>30,562</u>	<u>88,047</u>	<u>47,484</u>	<u>40,563</u>
Public safety				
Other operating	-	32,668	32,668	-
Total public safety	<u>-</u>	<u>32,668</u>	<u>32,668</u>	<u>-</u>
Highways and streets				
Other operating	1,675,362	-	-	-
Capital outlay	-	1,675,362	1,675,362	-
Total highways and streets	<u>1,675,362</u>	<u>1,675,362</u>	<u>1,675,362</u>	<u>-</u>
Health and sanitation				
Personnel services	-	1,405,037	1,405,037	-
Other operating	25,862,773	682,089	604,245	77,844
Capital outlay	2,800	-	-	-
Total health and sanitation	<u>25,865,573</u>	<u>2,087,126</u>	<u>2,009,282</u>	<u>77,844</u>
Human services				
Other operating	4,648,851	8,478,250	4,176,291	4,301,959
Total human services	<u>4,648,851</u>	<u>8,478,250</u>	<u>4,176,291</u>	<u>4,301,959</u>
Conservation of natural resources				
Other operating	-	1,008,403	8,403	1,000,000
Total conservation of natural resources	<u>-</u>	<u>1,008,403</u>	<u>8,403</u>	<u>1,000,000</u>
Culture and recreation				
Other operating	-	1,490,612	1,463,724	26,888
Total culture and recreation	<u>-</u>	<u>1,490,612</u>	<u>1,463,724</u>	<u>26,888</u>
Economic development				
Other operating	650,000	4,723,236	2,946,976	1,776,260
Total economic development	<u>650,000</u>	<u>4,723,236</u>	<u>2,946,976</u>	<u>1,776,260</u>
Total Expenditures	<u>32,870,348</u>	<u>19,583,704</u>	<u>12,360,190</u>	<u>7,223,514</u>
Excess of Revenues Over (Under) Expenditures	(5,423,170)	30,965,921	1,296,787	(29,669,134)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(696,141)	(696,140)	1
Total other financing sources (uses)	<u>-</u>	<u>(696,141)</u>	<u>(696,140)</u>	<u>1</u>
Net change in fund balances	(5,423,170)	30,269,780	600,647	(29,669,133)
Fund Balance - January 1	<u>2,213,288</u>	<u>2,213,288</u>	<u>2,213,288</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ (3,209,882)</u></u>	<u><u>\$ 32,483,068</u></u>	<u><u>\$ 2,813,935</u></u>	<u><u>\$ (29,669,133)</u></u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FORFEITED TAX SALE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES				
Land and timber sales	\$ 7,817,062	\$ 7,774,287	\$ 8,243,337	\$ 469,050
Miscellaneous	198,763	846,390	798,450	(47,940)
Total Revenues	<u>8,015,825</u>	<u>8,620,677</u>	<u>9,041,787</u>	<u>421,110</u>
EXPENDITURES				
Current:				
Conservation of natural resources				
Personnel services	5,524,067	5,524,068	5,084,486	439,582
Other operating	1,935,153	2,359,768	2,051,886	307,882
Capital outlay	340,122	301,042	8,999	292,043
Total Expenditures	<u>7,799,342</u>	<u>8,184,878</u>	<u>7,145,371</u>	<u>1,039,507</u>
Excess of Revenues Over (Under) Expenditures	216,483	435,799	1,896,416	1,460,617
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,131	10,131
Transfers (out)	<u>(500,000)</u>	<u>(1,757,098)</u>	<u>(1,757,098)</u>	<u>-</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(1,757,098)</u>	<u>(1,746,967)</u>	<u>10,131</u>
Net change in fund balances	(283,517)	(1,321,299)	149,449	1,470,748
Fund Balance - January 1	<u>1,369,552</u>	<u>1,369,552</u>	<u>1,369,552</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,086,035</u>	<u>\$ 48,253</u>	<u>\$ 1,519,001</u>	<u>\$ 1,470,748</u>

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

PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business, with the intent 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. The following fund has been classified as a major fund:

Environmental Services - This 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.

Plat Books - This is the only nonmajor enterprise fund and is used to account for the production and sale of plat books covering all County lands.

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Environmental Services	Non-Major Plat Books	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,077,986	\$ 132,680	\$ 1,210,666	\$ 6,682,567
Investments	11,548,751	-	11,548,751	32,009,525
Accounts receivable (net)	163,842	56	163,898	1,534,399
Accrued interest receivable	62,814	-	62,814	174,493
Due from other governments	143,672	-	143,672	23,709
Inventories	-	6,910	6,910	46,969
Total current assets	12,997,065	139,646	13,136,711	40,471,662
Noncurrent assets:				
Restricted assets				
Financial assurance				
Cash and cash equivalents	2,510,092	-	2,510,092	-
Investments	3,902,434	-	3,902,434	-
Accrued interest receivable	16,093	-	16,093	-
Capital assets				
Land	277,966	-	277,966	25,500
Buildings and structures	7,397,245	-	7,397,245	2,759,175
Improvements other than buildings	12,592,015	-	12,592,015	-
Machinery and equipment	1,630,903	-	1,630,903	95,316
Vehicles	1,715,114	-	1,715,114	3,280,037
Driveways	351,343	-	351,343	-
Construction in progress	333,980	-	333,980	-
Less accumulated depreciation	(14,791,476)	-	(14,791,476)	(3,302,505)
Total capital assets, net	9,507,090	-	9,507,090	2,857,523
Total noncurrent assets	15,935,709	-	15,935,709	2,857,523
Total assets	28,932,774	139,646	29,072,420	43,329,185
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	469,740	-	469,740	-
Other postemployment benefits	112,411	-	112,411	-
Total deferred outflows of resources	582,151	-	582,151	-

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Environmental Services	Non-Major Plat Books	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	655,502	22	655,524	70,085
Accrued payroll	97,866	-	97,866	33,858
Compensated absences payable	185,180	-	185,180	57,312
Claims payable	-	-	-	5,203,238
Other postemployment benefits liability	19,177	-	19,177	-
Due to other governments	46,085	-	46,085	80,887
Unearned revenue	-	-	-	32,610
Advances from other funds	-	-	-	37,497
Total current liabilities	<u>1,003,810</u>	<u>22</u>	<u>1,003,832</u>	<u>5,515,487</u>
Noncurrent liabilities:				
Compensated absences payable	570,568	-	570,568	279,656
Claims payable	-	-	-	1,916,680
Other postemployment benefits liability	265,046	-	265,046	-
Advances from other funds	-	-	-	1,537,370
Closure and post-closure liabilities	1,765,863	-	1,765,863	-
Net pension liability	1,631,527	-	1,631,527	-
Total noncurrent liabilities	<u>4,233,004</u>	<u>-</u>	<u>4,233,004</u>	<u>3,733,706</u>
Total liabilities	<u>5,236,814</u>	<u>22</u>	<u>5,236,836</u>	<u>9,249,193</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	213,441	-	213,441	-
Other postemployment benefits	44,456	-	44,456	-
Total deferred inflows of resources	<u>257,897</u>	<u>-</u>	<u>257,897</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	9,507,090	-	9,507,090	2,857,523
Restricted for financial assurance	4,662,757	-	4,662,757	-
Unrestricted	9,850,367	139,624	9,989,991	31,222,469
Total net position	<u>\$ 24,020,214</u>	<u>\$ 139,624</u>	<u>\$ 24,159,838</u>	<u>\$ 34,079,992</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(215,286)</u>	
Net position of business type activities			<u>\$ 23,944,552</u>	

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Environmental Services	Non-Major Plat Books	Total	
Operating Revenues				
Charges for services	\$ 8,747,225	\$ 4,546	\$ 8,751,771	\$ 38,932,465
Licenses and permits	5,983	-	5,983	-
Other	880,592	-	880,592	760,380
Total Operating Revenues	9,633,800	4,546	9,638,346	39,692,845
Operating Expenses				
Personnel services	2,725,073	-	2,725,073	990,197
Contractual services	5,169,747	-	5,169,747	4,131,923
Materials	385,587	8,339	393,926	571,689
Other postemployment benefits	22,732	-	22,732	-
Claims paid	-	-	-	33,627,947
Depreciation	586,137	-	586,137	462,045
Total Operating Expenses	8,889,276	8,339	8,897,615	39,783,801
Operating Income (Loss)	744,524	(3,793)	740,731	(90,956)
Nonoperating Revenues (Expenses)				
Taxes	3,296	-	3,296	-
Grants	667,547	-	667,547	499,610
Earnings on investments	(136,368)	-	(136,368)	(573,777)
(Loss) or gain on asset disposal	-	-	-	57,118
Claims payable estimate adjustment	-	-	-	990,055
Total Nonoperating Revenues (Expenses)	534,475	-	534,475	973,006
Income (Loss) Before Transfers	1,278,999	(3,793)	1,275,206	882,050
Transfers in	896,141	-	896,141	-
Transfers (out)	-	-	-	(398,365)
Change in net position	2,175,140	(3,793)	2,171,347	483,685
Net position - January 1	21,845,074	143,417	21,988,491	33,596,307
Net position - December 31	<u>\$ 24,020,214</u>	<u>\$ 139,624</u>	<u>\$ 24,159,838</u>	<u>\$ 34,079,992</u>
Change in net position			\$ 2,171,347	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			140,703	
Change in net position of business type activities			<u>\$ 2,312,050</u>	

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Environmental Services	Non-Major Plat Books	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 8,463,258	\$ 4,546	\$ 8,467,804	\$ -
Receipts from interfund services provided	-	28	28	38,534,892
Payments to suppliers	(5,346,499)	(391)	(5,346,890)	(4,158,234)
Payments to employees	(2,683,817)	-	(2,683,817)	(984,224)
Claims paid	-	-	-	(33,436,283)
Other receipts (payments)	886,575	-	886,575	726,854
Net cash provided (used) by operating activities	1,319,517	4,183	1,323,700	683,005
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from taxes	3,296	-	3,296	-
Proceeds from grants	667,547	-	667,547	499,610
Transfers from other funds	896,141	-	896,141	-
Transfers to other funds	-	-	-	(398,365)
Net cash provided (used) by noncapital financing activities	1,566,984	-	1,566,984	101,245
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,923,447)	-	(1,923,447)	(98,048)
Proceeds from sale of capital assets	-	-	-	65,480
Proceeds from advance from other funds	-	-	-	(37,497)
Net cash provided (used) by capital and related financing activities	(1,923,447)	-	(1,923,447)	(70,065)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(7,177,307)	-	(7,177,307)	(27,226,721)
Sale of investments	4,486,830	-	4,486,830	21,456,335
Interest and dividends	304,241	-	304,241	496,781
Net cash provided by investing activities	(2,386,236)	-	(2,386,236)	(5,273,605)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,423,182)	4,183	(1,418,999)	(4,559,420)
Balances - January 1	5,011,260	128,497	5,139,757	11,241,987
Balances - December 31	<u>\$ 3,588,078</u>	<u>\$ 132,680</u>	<u>\$ 3,720,758</u>	<u>\$ 6,682,567</u>
Detail on Statement of Net Position				
Cash and cash equivalents				
Current	\$ 1,077,986	\$ 132,680	\$ 1,210,666	\$ 6,682,567
Restricted				
Financial assurance	2,510,092	-	2,510,092	-
Total	<u>\$ 3,588,078</u>	<u>\$ 132,680</u>	<u>\$ 3,720,758</u>	<u>\$ 6,682,567</u>

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Environmental Services	Non-Major Plat Books	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 744,524	\$ (3,793)	\$ 740,731	\$ (90,956)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	586,137	-	586,137	462,045
(Increase) Decrease Receivables, net	(140,295)	28	(140,267)	(294,542)
(Increase) Decrease Due from other govt	(143,672)	-	(143,672)	(23,709)
(Increase) Decrease Inventories	-	8,002	8,002	(5,495)
(Increase) Decrease Deferred pension outflows	171,577	-	171,577	-
(Increase) Decrease Deferred health outflows	(43,465)	-	(43,465)	-
Increase (Decrease) Net pension liability	683,488	-	683,488	-
Increase (Decrease) Deferred pension inflows	(869,825)	-	(869,825)	-
Increase (Decrease) Deferred health inflows	41,691	-	41,691	-
Increase (Decrease) Accounts payable	160,359	(54)	160,305	(25,145)
Increase (Decrease) Contracts payable	(17,578)	-	(17,578)	-
Increase (Decrease) Salaries payable	(2,042)	-	(2,042)	(557)
Increase (Decrease) Compensated absences payable	35,326	-	35,326	6,530
Increase (Decrease) Claims payable	-	-	-	686,915
Increase (Decrease) Due to other governments	8,791	-	8,791	80,642
Increase (Decrease) Other postemployment benefits	24,506	-	24,506	-
Increase (Decrease) Unearned revenue	-	-	-	(112,723)
Increase (Decrease) Closure payable	79,995	-	79,995	-
Total Adjustments	574,993	7,976	582,969	773,961
Net cash provided (used) by operating activities	\$ 1,319,517	\$ 4,183	\$ 1,323,700	\$ 683,005
NON-CASH ACTIVITIES				
Change in fair value of investments	\$ (136,368)	\$ -	\$ (136,368)	\$ (1,190,701)
Change in present value of future claims	\$ -	\$ -	\$ -	\$ (990,055)

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

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

Private purpose trust funds - are used to report trust arrangements other than pension and investment trusts under which principal and income benefit individuals, private organizations, or other governments.

Social Welfare Fund - This fund is used to manage the day-to-day finances of St. Louis County citizens who are not able to manage their own finances.

Custodial funds - are used to report resources held by the reporting government in a purely custodial capacity.

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 96,602	\$ 14,207,508
Investments	-	11,113,702
Taxes receivable	-	5,710,066
Accounts receivable	-	252,859
Accrued interest receivable	-	129,134
Leases receivable	-	168
Due from other governments	-	5,424,819
Total Assets	<u>96,602</u>	<u>36,838,256</u>
LIABILITIES		
Accounts payable	-	2,092,483
Contracts payable	-	128,328
Accrued payroll	-	787,764
Unearned revenue	-	253,626
Due to other governments	-	6,272,506
Total Liabilities	<u>-</u>	<u>9,534,707</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - prepaid taxes	<u>-</u>	<u>80,835</u>
NET POSITION		
Restricted		
Held in trust for pool participants	-	9,492,941
Individuals, organizations, and other governments	-	6,062,002
Retiree obligations	-	3,483,404
Arrowhead regional corrections	-	2,871,161
Regional rail authority	-	2,807,417
Minneapolis-Duluth/Superior passenger rail alliance	-	9,448
Community health board	-	132,532
Duluth area family service collaborative	-	1,099,027
Local collaborative time study	-	909,336
Northern counties land use board	-	64,210
Voyageurs national park joint venture	-	4,133
Ash river sanitary district	-	202,206
Social welfare fund	96,602	-
ATV Joint Powers Board	-	84,897
Total net position	<u>\$ 96,602</u>	<u>\$ 27,222,714</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Social Welfare Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property tax collections for other governments	\$ -	\$ 212,935,797
License and fee collections for other governments	-	1,050
License and fee collections for State of MN	-	49,143,998
Contributions individuals	864,411	528,635
Estate recoveries	-	2,093,657
Taconite taxes for State of MN	-	37,055,098
Intergovernmental	-	42,515,819
Charges for services	-	5,177,414
Fines and forfeits	-	139,098
Earnings on investments	-	320,297
Gifts and contributions	-	103,200
Miscellaneous	-	536,345
Total Additions	<u>864,411</u>	<u>350,550,408</u>
DEDUCTIONS		
Distribution to other governments	-	17,343,467
Payment of property tax to other governments	-	236,759,009
Payment on behalf of individuals	927,547	-
Distributions to participants	-	620,691
Distribution of recoveries	-	2,093,657
Payment of fee, fine and license revenue to others	-	122,816
Payments to State of MN	-	49,143,998
Personnel services	-	23,738,351
Other operating	-	13,438,447
Capital outlay	-	6,830,447
Total Deductions	<u>927,547</u>	<u>350,090,883</u>
Changes in net position	(63,136)	459,525
Net position - January 1	<u>159,738</u>	<u>26,763,189</u>
Net position - December 31	<u><u>\$ 96,602</u></u>	<u><u>\$ 27,222,714</u></u>

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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Northeast Minnesota Emergency Communications Board (NEECB)	100
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ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 on March 1, 1856, as an organized county having the powers, duties, and privileges granted to counties by Minn. Stat. Ch. 373. 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 Clerk of the Board of Commissioners but has no voting privileges.

As a result of applying applicable Governmental Accounting Standards Board (GASB) statements for determining the reporting entity, the following organization has been included in the County's financial statements as a blended component unit.

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 the 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. The Authority levies a tax on certain areas of the County, subject to a maximum amount established by the County Board, to help support the Authority's activities.

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

B. Government-Wide and Fund Financial Statements

In June 2017, the GASB issued Statement No. 87, Leases. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the County's leasing activities. The standard was implemented on January 1, 2022.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule include payments in lieu of taxes and other charges between the County's proprietary operations and various other functions of the County. Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned. Another exception is interfund rent, which is considered an interfund service provided and used. It is only eliminated in the general government function. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function or segment; and 2) grants and contributions restricted to meeting a specific function's or segment's operational or capital requirements. Taxes are not included in program revenues and are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. Revenues received but not earned are recorded as unearned revenue in the fund statements. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and other long-term obligations are recorded only when payment is due.

Property taxes, charges for services, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues for the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all the financial resources of the County, except those accounted for in another fund.

The Road and Bridge Special Revenue Fund accounts for the proceeds from revenue sources restricted to expenditures related to public works activities. Revenues are generated from taxes, state aid, and federal grants.

The Public Health and Human Services Special Revenue Fund accounts for the operations and financial activities of the Public Health and Human Services Department. Revenues are generated from taxes, state aid, and federal grants.

The Pandemic Response Fund is used to account for expenses related to the COVID-19 pandemic. The major funding sources for this pandemic were the federal Coronavirus Relief Fund (CRF) and the American Rescue Plan (ARP).

The Forfeited Tax Sale Special Revenue Fund accounts for the proceeds from the sale or lease of lands forfeited to the State of Minnesota. Revenues are generated from the sale or lease of land and timber.

The Capital Projects Fund accounts for building and remodeling projects for governmental activities.

The County reports the following major proprietary fund:

The Environmental Services Fund accounts for the activities of solid waste and recycling operations within the County, but outside the Western Lake Superior Sanitary District service area.

Additionally, the County reports the following fund types:

The Nonmajor Special Revenue Funds account for the Housing and Redevelopment Authority activities, the Community Development Block Grant activities, the Northeast Minnesota Housing Consortium, Septic Services, Opioid Remediation, and Forest Resources activities.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt.

The Shoreline Sales Permanent Fund is used to report resources that are legally restricted to the extent that only up to 5-1/2 percent of the market value of the fund on January 1 of the preceding calendar year may be used to support the County's programs.

The Scholarship Permanent Fund is used to account for a scholarship program. State Statute 298.2215 allows the County to establish a scholarship program for high school students. This program is funded by iron ore royalties on tax-forfeited minerals. These royalties will continue to accumulate, and then interest revenue will be used to fund scholarships.

Enterprise Funds cover Plat Book activities.

Internal Service Funds account for County Garage (fleet management) services; Property, Casualty, and Liability Insurance coverage; Workers' Compensation Insurance coverage; Medical/Dental Insurance coverage; and Retired Employees' Health Insurance coverage provided to other departments or agencies of the County or to other governments on a cost reimbursement basis.

A Private Purpose Trust is used to account for the Social Welfare Fund, which is used to manage the day-to-day finances of St. Louis County citizens who are not able to manage their own finances.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

The Custodial Funds account for resources held by the County in a purely custodial capacity and include the NEMESIS, State of Minnesota, Beer-Auctioneer Licenses, Taxes and Penalties, Arrowhead Regional Corrections, Regional Rail Authority, Minneapolis-Duluth/Superior Passenger Rail Alliance, Community Health Board, Duluth Area Family Service Collaborative, Local Collaborative Time Study, Northern Counties Land Use Board, Voyageurs National Park Joint Venture, Ash River Sanitary District, ATV Joint Powers Board, Crane Lake - LCCMR Grant, Brookston - LCCMR Grant, MN Regional Parks and Trails, Sheriff Forfeits/Evidence, Estate Recovery Fund, Jail Inmate/Kiosk, NEECB, Civil Fund, Taconite Relief, and Taconite Production Tax.

The County's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as of and for the year ended December 31, 2022. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the government's internal service funds come from charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

D. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Differences Between the Governmental Funds Balance Sheet and the Statement of Net Position

The "total fund balances" of the County's governmental funds differ from the "net position" of governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

	Total Governmental Funds	Long-term Assets Liabilities (1)	Internal Service Funds (2)	Reclassification and Elimination (3)	Statement of Net Position Total
ASSETS					
Cash and cash equivalents	\$ 254,830,986	\$ -	\$ 6,682,567	\$ -	\$ 261,513,553
Investments	30,110,623	-	32,009,525	-	62,120,148
Delinquent taxes receivable	3,912,841	-	-	(3,912,841)	-
Accounts receivable (net)	13,414,608	-	1,534,399	(14,949,007)	-
Accrued interest receivable	1,320,564	-	174,493	(1,495,057)	-
Loans receivable	2,288,885	-	-	(2,288,885)	-
Lease receivable	2,806,985	-	-	-	2,806,985
Interfund receivable	46,662	-	-	(46,662)	-
Due from other governments	24,004,385	-	23,709	-	24,028,094
Receivables (net)	-	-	-	22,692,452	22,692,452
Internal balances	-	-	215,286	-	215,286
Inventories	9,773,831	-	46,969	-	9,820,800
Prepaid items	449,267	-	-	-	449,267
Advances to other funds	1,574,866	-	-	(1,574,866)	-
Capital assets not being depreciated	-	19,845,059	25,500	-	19,870,559
Capital assets being depreciated, net	-	996,337,052	2,832,023	-	999,169,075
Total Assets	<u>344,534,503</u>	<u>1,016,182,111</u>	<u>43,544,471</u>	<u>(1,574,866)</u>	<u>1,402,686,219</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	-	59,782,000	-	-	59,782,000
Other postemployment benefits	-	5,752,190	-	-	5,752,190
Total Deferred Outflows of Resources	<u>-</u>	<u>65,534,190</u>	<u>-</u>	<u>-</u>	<u>65,534,190</u>
LIABILITIES					
Accounts payable	14,858,159	-	70,085	20,199,412	35,127,656
Contracts payable	3,165,217	-	-	(3,165,217)	-
Salaries payable	6,796,127	-	33,858	(6,829,985)	-
Interfund payable	46,662	-	-	(46,662)	-
Bond interest payable	-	350,275	-	(350,275)	-
Lease interest payable	-	20,627	-	(20,627)	-
Due to other governments	4,796,251	4,909,508	80,887	(9,786,646)	-
Unearned revenue	39,141,295	-	32,610	-	39,173,905
Advance from other governments	205,304	-	-	-	205,304
Due within one year	-	21,495,803	5,298,047	(37,497)	26,756,353
Due in more than one year	-	322,790,926	3,733,706	(1,537,369)	324,987,263
Total Liabilities	<u>69,009,015</u>	<u>349,567,139</u>	<u>9,249,193</u>	<u>(1,574,866)</u>	<u>426,250,481</u>
DEFERRED INFLOWS OF RESOURCES					
Taxes	3,341,923	(3,341,923)	-	-	-
Grants	6,576,468	(6,576,468)	-	-	-
Pension related items	-	3,106,559	-	-	3,106,559
Advanced allotment	3,613,767	-	-	-	3,613,767
Other postemployment benefits	-	2,274,846	-	-	2,274,846
Long-term receivables	12,273,771	(12,273,771)	-	-	-
Leases	2,833,663	-	-	-	2,833,663
Total Deferred Inflows of Resources	<u>28,639,592</u>	<u>(16,810,757)</u>	<u>-</u>	<u>-</u>	<u>11,828,835</u>
FUND BALANCE/NET POSITION					
Net investment in capital assets	-	871,061,603	2,857,523	-	873,919,126
Nonspendable	32,039,904	-	-	(32,039,904)	-
Restricted	39,897,919	(16,175,646)	-	32,039,904	55,762,177
Committed	32,581,670	-	-	(32,581,670)	-
Assigned	99,627,815	-	-	(99,627,815)	-
Unassigned	42,738,588	(105,926,038)	31,437,755	31,749,695	-
Unrestricted	-	-	-	100,459,790	100,459,790
Total Fund Balance/Net Position	<u>246,885,896</u>	<u>748,959,919</u>	<u>34,295,278</u>	<u>-</u>	<u>1,030,141,093</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	<u>\$ 344,534,503</u>	<u>\$ 1,081,716,301</u>	<u>\$ 43,544,471</u>	<u>\$ (1,574,866)</u>	<u>\$ 1,468,220,409</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

(1) When capital assets (land, buildings, and equipment) for governmental use are purchased or constructed, the cost of those assets is reported as an expenditure in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 1,490,231,881
Accumulated depreciation	<u>(474,049,770)</u>
	<u><u>\$ 1,016,182,111</u></u>

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenue in the governmental funds and thus are not included in the fund balance. Also, there are liabilities related to some of these deferred inflows of resources that are not included in the fund balance.

Adjustment of unavailable revenue	<u>\$ (22,192,162)</u>
Adjustment of due to other governments	<u><u>\$ 4,909,508</u></u>

Long-term liabilities applicable to the County's government activities are not due and payable in the current period and, accordingly, are not reported in fund liabilities. All liabilities, both those due within one year and those due in more than one year, are reported in the statement of net position. Balances as of December 31, 2022, were:

Bond interest payable	\$ 350,275
Lease interest payable	<u>20,627</u>
	<u><u>\$ 370,902</u></u>

	Due Within One Year	Due In More Than One Year	Total
Bonds and notes payable	\$ 10,426,504	\$ 142,172,407	\$ 152,598,911
Compensated absences	9,537,967	22,807,554	32,345,521
Claims payable	5,203,238	1,916,680	7,119,918
Lease payable	607,326	1,260,016	1,867,342
Other postemployment benefits liability	981,318	13,562,660	14,543,978
Net pension liability	<u>\$ -</u>	<u>\$ 143,267,946</u>	<u>\$ 143,267,946</u>
	<u><u>\$ 26,756,353</u></u>	<u><u>\$ 324,987,263</u></u>	<u><u>\$ 351,743,616</u></u>

Pension related items - deferred outflows	\$ (59,782,000)
Pension related items - deferred inflows	<u>3,106,559</u>
	<u><u>\$ (56,675,441)</u></u>

Other postemployment benefits - deferred outflows	\$ (5,752,190)
Other postemployment benefits - deferred inflows	<u>2,274,846</u>
	<u><u>\$ (3,477,344)</u></u>

(2) Internal service funds are used by management to charge the cost of certain activities, such as insurance and motor pool charges, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position. The amount chargeable to business-type activities is shown as an internal balance. The internal balance is due from business-type activities.

Internal balance due from business-type activities	<u><u>\$ 215,286</u></u>
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(3) Reclassifications are used primarily to condense various receivables and payables into single totals: receivables, net, and accounts payable.

ST. LOUIS COUNTY, MINNESOTA
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Explanation of Differences Between the Governmental Funds Operating Statement and the Statement of Activities

The "net change in fund balances" for governmental funds differs from the "change in net position" for governmental activities reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds.

	Total Governmental Funds	Long-term Revenue, Expenses (1)	Long-Term Debt and Capital Related Items (2) & (4)	Internal Service Funds (3)	Revenue Reclass	Statement of Activities Totals
Revenues and Other Sources						
Taxes	\$ 191,524,020	\$ (171,778)	\$ -	\$ -	\$ (191,352,242)	\$ -
Property taxes						
General purpose	-	-	-	-	163,957,777	163,957,777
Debt service	-	-	-	-	6,838,545	6,838,545
Transportation sales tax	-	-	-	-	20,555,920	20,555,920
Licenses and permits	665,110	-	-	-	(665,110)	-
Intergovernmental	153,529,168	-	-	-	(153,529,168)	-
State shared	-	668,111	-	-	20,840,488	21,508,599
Federal shared	-	-	-	-	3,420,908	3,420,908
Operating grants	-	(1,027,941)	-	-	91,022,652	89,994,711
Capital grants	-	3,098,062	-	-	30,378,395	33,476,457
Charges for services	35,396,157	116,535	-	-	23,126,611	58,639,303
Fines and forfeits	56,871	-	-	-	(56,871)	-
Earnings on						
investments	(5,212,480)	-	-	(573,777)	-	(5,786,257)
Gifts and contributions	28,265	-	-	-	(28,265)	-
Land and timber sales	8,560,043	(292,173)	(765,602)	-	(7,502,268)	-
Miscellaneous	6,414,798	-	592,574	-	(7,007,372)	-
Total	390,961,952	2,390,816	(173,028)	(573,777)	-	392,605,963
Expenditures/Expenses						
Current:						
General government	55,054,570	2,094,805	2,704,386	(311,542)	-	59,542,219
Public safety	60,714,012	3,589,910	2,181,235	(533,700)	-	65,951,457
Highways and streets	49,234,561	1,710,514	25,805,528	(397,376)	-	76,353,227
Health and sanitation	10,325,159	206,516	83,903	42	-	10,615,620
Human services	107,632,329	3,305,028	-	(66,018)	-	110,871,339
Culture and recreation	4,360,789	14,269	1,616,023	-	-	5,991,081
Conservation of						
natural resources	9,063,382	307,730	224,957	(6,589)	-	9,589,480
Economic development	7,622,848	(103,069)	24,768	59	-	7,544,606
Debt service:						
Principal	12,922,601	-	(12,922,601)	-	-	-
Interest and						
other charges	4,732,253	-	(742,235)	-	-	3,990,018
Capital outlay	82,285,439	-	(82,285,439)	-	-	-
Total	403,947,943	11,125,703	(63,309,475)	(1,315,124)	-	350,449,047
Other financing uses/changes						
in net position:						
Transfers in	17,802,860	-	-	-	-	17,802,860
Transfers out	(18,300,636)	-	-	(398,365)	-	(18,699,001)
Sale of capital assets	592,574	-	(592,574)	-	-	-
Loan proceeds	91,822	-	(91,822)	-	-	-
Increase in inventories	92,009	(92,009)	-	-	-	-
Total	278,629	(92,009)	(684,396)	(398,365)	-	(896,141)
Net change for the year	\$ (12,707,362)	\$ (8,826,896)	\$ 62,452,051	\$ 342,982	\$ -	\$ 41,260,775

ST. LOUIS COUNTY, MINNESOTA
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(1) Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available revenues" in the governmental funds. Similarly, receivables for certain aid and grant revenues not available for expenditure are deferred inflows of resources. The adjustment to revenue between the governmental fund statements and the statement of activities is the change in deferred inflows of resources. In addition, intra-general government function rent charges are eliminated.

Property taxes	\$ (171,778)
Long-term receivables:	
Intergovernmental	2,738,232
Intra-general government function rent	(134,243)
Charges for services	250,778
Land & timber sales	(292,173)
	<u>\$ 2,390,816</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Changes in long-term liabilities (compensated absences and leases) also result in an expense in the statement of activities. In addition, intra-general government function expenses are eliminated.

Due to other governments	\$ (116,870)
Intra-general government function rent	(134,243)
Increase in inventories	(92,009)
Compensated absences	378,167
Pensions	9,858,460
Other postemployment benefits	1,232,198
	<u>\$ 11,125,703</u>

(2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the fund balance decreases by the amount of financial resources expended, whereas the net position decreases by the amount of depreciation expense charged for the year.

Capital outlay	\$ (82,285,439)
Net disposal of capital assets	765,602
Depreciation/Depletion expense	32,328,919
GASB 87 adjustment*	\$ 283,785
Difference	<u>\$ (48,907,133)</u>

*Adjustment is due to change in depreciation schedule for leased asset

(3) Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The adjustments for internal service funds "close" those funds by debiting or crediting additional amounts to participating governmental and business-type activities to completely cover the internal service funds' income or loss for the year.

(4) The issuance of bonds is reported as another financing source for governmental funds and, thus, has the effect of increasing fund balance because current financial resources are available. For the County as a whole, however, the principal payments increase the liabilities in the statement of net position and do not result in available funds. The County's bonded debt was reduced when principal payments were made to bond holders. In addition, some financing expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures on governmental funds.

Principal payments made	\$ (12,266,807)
Capital lease payments	(627,697)
Bond interest payable	(48,314)
Lease interest payable	20,627
Bond premium amortization	(714,548)
	<u>\$ (13,636,739)</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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E. Budgetary Data

General Budget Policies

The County is required by Minn. Stat. Ch. 383C 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.

The County is also required to adopt a budget for the Capital Projects Fund. An appropriation for expenditures from the capital project fund 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, the comparison between the results of operations and the budget in this fund is not relevant and is 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 (Sheriff) can spend its agency-level budgets (Jail, Sheriff Patrol, Boat and Water Safety, and others) 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 budgetary comparisons included in the Governmental Funds subsection of this report demonstrate compliance with the legal level of budgetary control.

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.

All transfers of appropriations between departments require the approval of the County Board. Each appropriation, except an appropriation within the Capital Projects Fund, lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. Amounts of funds unexpended at the end of the fiscal year may be carried over from one fiscal year to the next in accordance with Generally Accepted Accounting Principles.

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 its review and approval. If approved, changes are implemented by the Auditor's Office as budget revisions. Supplemental appropriations could be required due to several factors, including the awarding of state and federal grants during the year and providing funding for unanticipated program requirements. Budget revisions were necessary during the year. The effect of these amendments was a decrease in budgeted County funds of \$14,724,518.

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 training is conducted, and a budget manual is provided that outlines the County Administrator's basic guidelines for preparing the budget proposal.
3. By mid-June, departments must submit preliminary estimates of requested appropriations and anticipated revenues. These figures are used to determine the amount of tax levy required to meet departmental requests and the amount of budget adjustments that the County Administrator needs to make during the preliminary budget meetings in order to meet goals established by the County Board.
4. Preliminary budget meetings are held by the County Administrator with each department. These meetings begin in late June and last until about mid-July.
5. The County Administrator's budget recommendation is delivered to the County Board prior to September 30. The County Board will certify by resolution to the County Auditor a maximum proposed property tax levy by September 30th, which will be used to comply with the Truth in Taxation provisions of state law.
6. The County Board holds formal public meetings on the proposed budget and adopts by resolution the final budget and tax levy on or before December 28.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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F. Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 2021, as previously reported. These reclassifications, which did not require a restatement of net position or fund balance, were required for comparability to the financial statements as of and for the year ended December 31, 2022. Although comparative statements for 2021 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, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Pooled Investments

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 based on quoted market prices. The pool is not subject to regulatory oversight. Fair value amounts are determined at year-end. The County has not provided or obtained any legally binding guarantees to support the value of the pool. Pursuant to Minn. Stat. §385.07, investment earnings on cash balances and pooled investments are credited to the General Fund. Other funds received investment earnings based on other statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings debited to the General Fund for 2022 were \$1,623,083. Each fund's share of the pool is shown on the financial statements as "Cash and Cash Equivalents." For proprietary fund-type statements 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.

St. Louis County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which was created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission. Information relating to the MAGIC Fund can be obtained from the Client Services Group, Minnesota Association of Governments Investing for Counties, c/o PFM Asset Management LLC, P.O. Box 11760, Harrisburg, Pennsylvania, 17108-11760.

St. Louis County invests in an external investment pool, the Minnesota State Board of Investments, under the authority of Minnesota Statutes Chapter 11A. Section 11A.24 of Minnesota statutes broadly restricts investments to the United States and Canadian governments, their agencies, and their registered corporations; short-term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate, or resource equity investments; restricted participation in registered mutual funds; and some qualified foreign instruments. Information on investment activity, investment management fees, and a listing of specific investments owned by the pool asset account can be obtained from SBI, Suite 355, 60 Empire Drive, St. Paul, Minnesota, 55103.

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 after 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 across taxable property based on the value of the property on the assessment date. At the time taxes are assessed to the property, 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 taxes in two equal installments on or before May 15 and October 15 without penalty. Revenues are accrued and recognized in the year collectible, net of delinquencies. Taxes that remain unpaid as of December 31 are delinquent. Collections within 60 days after year-end are recognized as revenue, and the balance is shown as deferred inflows of resources - unavailable 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. Inventory items are recorded as expenditures at the time that they are purchased. The reported inventories are offset by a fund balance classified as non-spendable to indicate that they do not constitute available spendable resources.

Plat Book Enterprise Fund inventories consist of items for resale and consumption and are recorded as expenses when sold or used. Inventories are valued at cost on a first-in, first-out basis.

County Garage Internal Service Fund inventories consist of items for resale and consumption and are recorded as expenses when sold or used. On a first-in, first-out basis, or using the moving average method, inventories are valued at the lower of cost or market.

ST. LOUIS COUNTY, MINNESOTA
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Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure or expense when consumed rather than when purchased.

Restricted Assets

Certain resources are restricted for financial assurance within Governmental Activities and the Environmental Services Fund. When an expense is incurred for which both restricted and unrestricted net positions are available, restricted resources are applied first.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks, and similar items), intangibles, and leased assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life of two or more years. The capitalization threshold for computer software, including internally generated software, is \$250,000. Such assets are recorded at their historical cost or an estimated historical cost if purchased or constructed. Major outlays for capital assets and improvements are capitalized as projects are constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation has been provided over the estimated useful life using the straight-line method. For the purposes of depreciating infrastructure capital assets, all roads and bridges are considered a network. For the purposes of depreciating landfill capital assets, a waste mass survey or an addition survey will be performed annually. The estimated useful lives are:

Buildings and Improvements:	30-70 years
Improvements other than buildings:	10-20 years
Machinery and equipment:	3-15 years
Vehicles:	5-12 years
Infrastructure:	20-60 years
Intangibles:	2-5 years
Driveways:	25 years
Leased assets:	Determined by lease terms

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s), and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports pension and other postemployment benefits (OPEB) in this category on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County reports unavailable revenue, advanced allotments, other postemployment benefits, leases, and pension-related items in this category. Unavailable revenue is reported only on the governmental funds balance sheet, while the pension and OPEB are reported only on the Statement of Net Position. Advanced allotments are reported on both the governmental funds balance sheet and the Statement of Net Position. The governmental funds report unavailable revenues from five sources: delinquent taxes, intergovernmental grants, advanced allotments, leases, and long-term receivables. These amounts are recognized as an inflow of resources in the period that they become available.

Compensated Absences

Compensated absences are accrued when incurred in the government-wide financial statements. The government-wide statement of net position reports both current and noncurrent portions of compensated absences. The current portion reported is for vacation, and the non-current portion is vested and vesting sick leave.

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 and bargaining agreements. Vacation leave accrual varies from 2.00 to 9.60 hours per biweekly pay period. Sick leave accrual varies from 2.00 to 5.75 hours per biweekly pay period.

Unused accumulated vacation is paid to employees at termination. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

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Vested sick leave is available at retirement to be used for the payment of an employee's health and dental costs during their retirement. The vested sick leave and unvested sick leave likely to become vested (vesting sick leave) are estimated using the vesting method prescribed by GASB Statement No. 16. Both vested and vesting amounts are recognized in the government-wide and proprietary fund financial statements as liabilities, but not in the governmental funds.

Unvested sick leave for all County funds in the amount of \$10,329,907 as of December 31, 2022, is available to employees in the event of illness-related absences and is not reported in the financial statements.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized at the time of employer payroll payment dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

Conduit Debt

In 2014, St. Louis County's Housing and Redevelopment Authority (HRA) issued a \$3.3 million lease revenue note. The proceeds of the note were loaned to ABC of North Shore Community School Inc., a Minnesota nonprofit corporation, to construct and equip a 10,000-square-foot addition to the existing kindergarten through sixth grade charter school. The loan payments are being made directly to North Shore Bank of Commerce by the nonprofit. The debt is secured by the property being financed and is payable solely from pledged lease revenues. Neither St. Louis County nor the HRA are obligated to repay the note in any way. Accordingly, the debt is not reported as a liability in the accompanying financial statements. As of December 31, 2022, the outstanding principal balance was \$1.7 million.

Closure and Postclosure Care Costs

In accordance with the 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 the future closure 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 the landfill capacity used as of the financial statement date. The \$1,765,863 reported for the open area on the Environmental Services Enterprise Fund statement of net position as landfill closure and postclosure liability at December 31, 2022, represents the following:

Postclosure liability

This is the liability for postclosure costs for the Regional Landfill.	\$662,027
It is based on the use of 52.82% of the existing open area.	

Closure liability

This is the liability for closure costs for the Regional Landfill.	
It is based on the use of 52.82% of the existing open area.	\$1,103,836

The County will recognize the remaining \$1,577,505 in costs of closure and postclosure care of the open area as the remaining estimated capacity of the open area if the Regional Landfill is filled. The amounts are based on what it would cost to perform all closure and postclosure care in 2022. The County expects the open area to be closed in 2024 or later. Actual costs may differ due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

The County is required by state and federal laws and regulations to make annual contributions to a restricted account to finance the closure and postclosure care of the last cell that will be accepting waste. The County is in compliance with these requirements, and at December 31, 2022, restricted assets of \$6,428,619 are included in the amounts shown on the Environmental Services Enterprise Fund Statement of Net Position as Restricted Assets Financial Assurance - Cash and cash equivalents, Investments, and Accrued interest receivable.

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 of solid waste deposited at the landfill.

ST. LOUIS COUNTY, MINNESOTA
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Leases

For the year ended 12/31/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about government leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the leases receivable notes.

The County is a lessor because it leases capital assets to other entities. As a lessor, the County reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The County continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The County is the lessee because it leases capital assets from other entities. As a lessee, the County reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the County recognizes lease proceeds and capital outlay at the initiation of the lease and the outflow of resources for the lease liability as a debt service payment.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Classification of Net Position

The net position in the government-wide financial statements is classified into the following categories:

Net investment in capital assets - the amount of the net position representing capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted - the amount of the net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments; and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - the amount of the net position that does not meet the definition of restricted or net investment in capital assets.

Fund Equity

The fund balance is classified as:

Nonspendable – amounts that cannot be spent because they are not in spendable form (inventories, and prepaid items) or because they are not legally spendable (the principal portion of the Shoreline Sales Permanent Fund).

Restricted – amounts to be used for specific purposes as determined by enabling legislation or imposed by grantors or debt covenants; used before unrestricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance are available.

Committed – amounts to be used for specific purposes as determined by a formal County Board resolution. The fund balance policy is also established annually by board resolution. Committed fund balances are used before assigned or unassigned fund balances when an eligible expenditure is incurred. Formal Board action is also required to modify or rescind a committed fund balance.

Assigned – amounts intended to be used for certain purposes as determined by the County Board or by the Administrator and Auditor acting together. The fund balance policy is established annually by Board resolution. An assigned fund balance is used when an expenditure is incurred for which both an assigned and an unassigned fund balance are available.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Unassigned – any amount remaining in the General Fund that has not been restricted, committed, or assigned, as well as any negative residual amounts in other funds.

H. Federal Audit Requirements

The Single Audit Act Amendments of 1996 require 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 the fiscal year ended December 31, 2022; the auditor's reports on compliance and internal accounting controls will be issued separately.

I. Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Note 2. Detailed Notes on All Funds and Accounts

A. Assets

Deposits and Investments

Reconciliation of the County's total deposits, cash on hand, and investments to the basic financial statements follows:

Governmental Activities:	
Current assets:	
Cash and pooled investments	\$ 261,513,553
Investments	62,120,148
Business-type Activities:	
Current assets:	
Cash and pooled investments	1,210,666
Investments	11,548,751
Restricted assets:	
Financial assurance	
Cash and pooled investments	2,510,092
Investments	3,902,434
Fiduciary Activities:	
Current assets:	
Cash and cash equivalents	14,304,110
Investments	11,113,702
Total	<u>\$ 368,223,456</u>
Deposits	\$ 3,010,817
Cash on hand	71,541
Assets held in trust	1,296,447
Investments	363,844,651
Total deposits, cash on hand, and investments	<u>\$ 368,223,456</u>

	Held for Individual Investment Accounts - Private Purpose Trust Fund	Held for All Other County Funds	Total
Cash and pooled investments	\$ 96,602	\$ 279,441,819	\$ 279,538,421
Investments	-	88,685,035	88,685,035
Total	<u>\$ 96,602</u>	<u>\$ 368,126,854</u>	<u>\$ 368,223,456</u>

ST. LOUIS COUNTY, MINNESOTA
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Deposits

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. §118A.03 requires that all County deposits be protected by insurance, surety bonds, or collateral. The fair value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes Treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk--Deposits. Custodial credit risk is the risk that, in the event of a financial institution's failure, the County's deposits may not be returned to it. The County deposit policy for custodial credit risk follows Minnesota Statutes regarding pledged collateral. The fair value of collateral must equal 110% of deposits not covered by insurance or surety bonds. As of December 31, 2022, the County's deposits were fully covered by insurance, surety bonds, and collateral and were not exposed to custodial credit risk.

Investments

Minn. Stat. §§ 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

- (1) securities that are direct obligations or guaranteed or insured issues of the United States, its agencies, or its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities, defined as "high risk" by Minn. Stat § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies, provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states, provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint power investment trusts, and guaranteed investment contracts.

As of December 31, 2022, the County had the following investments and maturities:

	Investment Maturities in Years						
	Fair Value	Less than 1	1-2	2-3	3-4	4-5	More than 5
Negotiable CDs	\$ 24,910,000	\$ 11,533,000	\$ 7,440,000	\$ 2,719,000	\$ 1,486,000	\$ 1,732,000	\$ -
MAGIC Portfolio	113,363,872	113,363,872	-	-	-	-	-
MAGIC TERM	58,370,702	58,370,702	-	-	-	-	-
Minnesota SBI	21,438,287	21,438,287	-	-	-	-	-
Municipal Bonds	16,863,306	5,861,661	2,635,405	2,559,894	1,994,832	3,354,350	457,164
FFCB	46,237,657	9,082,654	5,290,990	14,696,361	12,306,414	239,883	4,621,355
FHLB	27,706,273	9,000,859	11,088,306	727,715	3,203,415	3,685,978	-
FNMA	11,090,744	-	1,929,891	1,840,347	-	7,320,506	-
US Treasury	43,863,810	14,941,964	1,501,626	949,219	10,599,655	15,871,346	-
Total	\$ 363,844,651	\$ 243,592,999	\$ 29,886,218	\$ 23,492,536	\$ 29,590,316	\$ 32,204,063	\$ 5,078,519

ST. LOUIS COUNTY, MINNESOTA
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Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires that the desired weighted average maturity of the total portfolio be less than three years. All interest-bearing deposits are included in the total portfolio. The County is in compliance with the policy.

Fair Value Reporting. GASB Statement 72 sets forth the framework for measuring the fair value of investments based on a hierarchy of valuation inputs.

Level 1: All securities are valued with the market approach by using quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2: All securities are valued with the market approach using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The matrix pricing technique is used to value securities based on their relationship to benchmark quoted prices. Inputs for Level 2 include:

- quoted prices for similar assets or liabilities in active markets,
- quoted prices for identical or similar assets or liabilities in inactive markets,
- inputs other than quoted prices that are observable for the asset or liability, and
- inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Securities within this hierarchy have unobservable inputs for the asset or liability. Unobservable inputs reflect the County's assumptions about the inputs that market participants would use in pricing an asset or liability.

Net Asset Value (NAV): The fair value of investments in entities that calculate a net asset value per share is determined using that NAV in lieu of the leveling methodology described above.

Cash and cash equivalents are not leveled under GASB Statement No. 72 or reported at NAV.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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The County has the following recurring fair value measurements as of December 31, 2022:

	December 31, 2022	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
Investments by fair value level				
Negotiable certificates of deposit	\$ 24,910,000	\$ -	\$ 24,910,000	\$ -
Fixed income securities				
Municipal issues	16,863,306	-	16,863,306	-
Federal Farm Credit Bank	46,237,657	-	46,237,657	-
Federal Home Loan Bank	27,706,273	-	27,706,273	-
Federal National Mortgage Association	11,090,744	-	11,090,744	-
US Treasury securities	43,863,810	-	43,863,810	-
Total fixed income securities	145,761,790	-	145,761,790	-
Total investments by fair value level	\$ 170,671,790	\$ -	\$ 170,671,790	\$ -
Investments at amortized cost				
MAGIC portfolio	\$ 113,363,872			
Investments measured at the net asset value (NAV)				
MAGIC TERM	\$ 58,370,702			
Total investments	\$ 342,406,364			
Cash and cash equivalents	4,378,805			
Total investments and cash and cash equivalents	\$ 346,785,169			

MAGIC is a local government investment pool. The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member. The MAGIC fund currently consists of the MAGIC Portfolio and the MAGIC Term Series.

The MAGIC Portfolio is valued using amortized costs. Shares in the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The Fund's Board of Trustees may suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a portfolio's securities or the determination of its net asset value not reasonably practicable.

The MAGIC Term Series is valued at a net asset value (NAV). Shares are purchased to mature on pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in an MAGIC Term Series prematurely, they must provide notice at least 7 days prior to the premature redemption date. The value of a premature redemption is equal to the original price for such a share, plus dividends thereon, at the projected yield; less such a share's allocation of any losses incurred by the series; and less a premature redemption penalty, if any.

The County also holds \$21,438,287 in the Internal Equity and Fixed Pools with the State Board of Investment, an external investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. Pursuant to Minnesota Laws 2005, chapter 1, section 149, the County established an environmental trust fund, and the amount that may be spent from the fund each calendar year may not exceed 5.5% of the fair value of the fund on January 1st of the preceding calendar year. The proceeds can only be used for purposes related to the improvement of natural resources. The County invests in this pool due to increased investment authority and historically high rates of return on investments.

Credit Risk. Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Except for the Shoreline Sales Permanent Fund, authorized under Minn. Stat §373.475, which invests in the unrated Minnesota State Board of Investment, it is the County's policy to invest only in securities that meet the rating requirements set by state statute.

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The County's exposure to credit risk as of December 31, 2022, is as follows:

Rating	Fair Value
S&P AAA	\$ 8,908,672
S&P AA+	129,355,648
S&P AA	1,915,231
Moodys Aaa	329,581
Moodys Aa1	4,824,922
Moodys Aa2	427,736
Total	<u>\$ 145,761,790</u>

Custodial Credit Risk-Investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of an investment or collateral securities that are in the possession of an outside party. As required by County policy, at December 31, 2022, all of the County's investments were held by a third-party custodian and were not exposed to custodial credit risk.

Concentration of Credit Risk. The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. County policy states that in no case will investments in any one financial institution exceed 50% of the County's total portfolio. U.S. government securities, mutual funds, and external investment pools are exempt from this restriction.

Receivables

Receivables as of December 31, 2022, for the County's governmental and business-type activities are below. The County did not have any allowance for uncollectable accounts at year-end as all receivable accounts were current.

	Total Receivable	Not expected to be collected within one year
Governmental Activities:		
Taxes	\$ 3,912,841	\$ -
Accounts receivable	14,949,007	12,273,771
Accrued interest receivable	1,495,057	-
Loans receivable	2,288,885	2,004,183
Interfund receivable	46,662	-
Total Governmental Activities	<u>\$ 22,692,452</u>	<u>\$ 14,277,954</u>
Business Activities:		
Accounts receivable	\$ 163,898	\$ -
Accrued interest receivable	62,814	-
Total Business Activities	<u>\$ 226,712</u>	<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA
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Loans Receivable

The loan receivable from Meadowlands Affordable Housing Limited Partnership is \$176,585 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was the construction of a 12-unit affordable housing project. In 2010, the Housing and Redevelopment Authority Board passed a resolution to defer principal and interest payments until December 3, 2023, at which time the loan and accrued interest will be forgiven, provided the Meadowland Affordable Housing Partnership has maintained Meadowlands Manor as affordable rental housing in conformance with the note. The receivable will be written off after all requirements for the loan have been met and it is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

The loan receivable from the Minnesota Assistance Council for Veterans is \$150,000 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was to increase the size of an existing permanent supportive Veteran's housing building from 9 units to 11 units. The interest-free, 20-year forgivable loan was approved by the Housing and Redevelopment Board on July 14, 2009. The receivable will be written off after 20 years, provided the contractor has remained in conformance with the agreement and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

The loan receivable from Arrowhead Economic Opportunity Agency (AEOA) is \$150,000 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was to construct a 15-unit permanent supportive housing building for homeless youth. The interest-free, 20-year forgivable loan was approved by the Housing and Redevelopment Board on July 14, 2009. The receivable will be written off after 20 years, provided the contractor has remained in conformance with the agreement and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

The loan receivable from City Center Housing Corporation is \$250,000 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was to construct six units of emergency shelter housing in the Hillside Apartments, named the Steve O'Neil Apartments. The interest-free, 20-year forgivable loan was approved by the Housing and Redevelopment Board on April 2, 2013. The receivable will be written off after 20 years, provided the contractor has remained in conformance with the agreement and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

The loan receivable from the Bois Forte Band of Chippewa is \$150,000 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was to provide supportive housing for the New Moon project, located in the Vermillion Sector of the Bois Forte Reservation. The interest-free, 20-year forgivable loan was approved by the Housing and Redevelopment Board on February 8, 2011. The receivable will be written off after 20 years, provided the contractor has remained in conformance with the agreement and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

Included in the Septic Services Special Revenue Fund are loans funded by the Minnesota Pollution Control Loan Program, the Minnesota Department of Agriculture Best Management Practices Loan Program, and the St. Louis County Environmental Trust Fund, totaling \$1,004,648 as of December 31, 2022. These are included in the committed health and sanitation category of the fund balances.

The loan receivable from Retreat Golf Course is \$7,651 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the Minnesota Investment Fund (MIF) loan was to assist businesses that were impacted by the 2012 flood. The interest-free, partially forgivable loan was approved by the St. Louis County Board on January 15, 2013. Half of the loan amount will be forgiven if the borrowers continue to own and operate their businesses for 10 years after the initial disbursement date, which was September 12, 2013. The loan in the amount of \$7,651 is accounted for in the General Fund.

The loan receivable from City Center Housing Corporation is \$200,000 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was to construct the Garfield Square Apartments to provide 50 units of supportive housing to homeless adults. The interest-free, 20-year forgivable loan was approved by the Housing and Redevelopment Board on May 23, 2017. The receivable will be written off after 20 years, provided the contractor has remained in conformance with the HRA agreement and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

The loan receivable from City Center Housing Corporation is \$200,000 and is included in the restricted, outstanding loans category of the fund balance. The purpose of the loan was to construct the Birchwood Apartments to provide 30 units of supportive housing for single adults with behavioral health needs. The interest-free, 20-year forgivable loan was approved by the Housing and Redevelopment Board on May 14, 2019. The receivable will be written off after 20 years, provided the contractor has remained in conformance with the HRA agreement and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Restricted Assets

Business-type activities

Financial assurance for closure and post closure care

Cash and cash equivalents	\$ 2,510,092
Investments	3,902,434
Accrued interest receivable	16,093
Total	<u>\$ 6,428,619</u>

ST. LOUIS COUNTY, MINNESOTA
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Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

Governmental Activities:

	Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,191,238	\$ -	\$ -	\$ -	\$ 3,191,238
Permanent right of way	1,228,010	32,100	-	-	1,260,110
Work in progress	227,567	15,660,173	-	(468,529)	15,419,211
Total capital assets, not being depreciated	<u>4,646,815</u>	<u>15,692,273</u>	<u>-</u>	<u>(468,529)</u>	<u>19,870,559</u>
Capital assets, being depreciated/amortized:					
Buildings and structures	228,350,863	86,925	-	468,529	228,906,317
Right-to-use leased buildings	82,244 *	-	-	-	82,244
Machinery and equipment	24,587,365	1,507,027	(964,956)	-	25,129,436
Vehicles	86,497,563 *	5,610,390	(6,213,004)	(5,778)	85,889,171
Right-to-use leased vehicles	2,440,893 *	-	-	-	2,440,893
Infrastructure	1,067,730,438	59,486,870	-	-	1,127,217,308
Computer software	6,815,741	-	-	-	6,815,741
Temporary right of way	40,240	-	-	-	40,240
Total capital assets, being depreciated/amortized	<u>1,416,545,347</u>	<u>66,691,212</u>	<u>(7,177,960)</u>	<u>462,751</u>	<u>1,476,521,350</u>
Less accumulated depreciation/amortization for:					
Buildings and structures	(89,207,664)	(6,996,066)	-	-	(96,203,730)
Right-to-use leased buildings	-	(48,339)	-	-	(48,339)
Machinery and equipment	(20,821,699)	(937,181)	932,917	-	(20,825,963)
Vehicles	(52,449,708) *	(5,503,324)	5,471,656	5,200	(52,476,176)
Right-to-use leased vehicles	-	(212,252)	-	-	(212,252)
Infrastructure	(282,170,251)	(18,696,332)	-	-	(300,866,583)
Computer software	(6,281,522)	(397,470)	-	-	(6,678,992)
Temporary right of way	(40,240)	-	-	-	(40,240)
Total accumulated depreciation/amortization	<u>(450,971,084)</u>	<u>(32,790,964)</u>	<u>6,404,573</u>	<u>5,200</u>	<u>(477,352,275)</u>
Total capital assets, being depreciated, net	<u>965,574,263</u>	<u>33,900,248</u>	<u>(773,387)</u>	<u>467,951</u>	<u>999,169,075</u>
Governmental activities, capital assets, net	<u>\$ 970,221,078</u>	<u>\$ 49,592,521</u>	<u>\$ (773,387)</u>	<u>\$ (578)</u>	<u>\$ 1,019,039,634</u>

* Beginning balances are restated due to GASB 87.

ST. LOUIS COUNTY, MINNESOTA
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Business-type activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 277,966	\$ -	\$ -	\$ -	\$ 277,966
Work in Progress	351,558	-	(17,578)	-	333,980
Total capital assets, not being depreciated	629,524	-	(17,578)	-	611,946
Capital assets, being depreciated:					
Buildings and structures	7,397,245	-	-	-	7,397,245
Improvements other than buildings	11,294,974	1,297,041	-	-	12,592,015
Machinery and equipment	1,386,285	244,618	-	-	1,630,903
Vehicles	1,674,603	48,022	(7,511)	-	1,715,114
Driveways	-	351,343	-	-	351,343
Total capital assets, being depreciated	21,753,107	1,941,024	(7,511)	-	23,686,620
Less accumulated depreciation for:					
Buildings and structures	(6,109,325)	(159,231)	-	-	(6,268,556)
Improvements other than buildings	(5,752,399)	(215,523)	-	-	(5,967,922)
Machinery and equipment	(1,235,856)	(84,422)	-	-	(1,320,278)
Vehicles	(1,115,270)	(119,052)	7,511	-	(1,226,811)
Driveways	-	(7,909)	-	-	(7,909)
Total accumulated depreciation	(14,212,850)	(586,137)	7,511	-	(14,791,476)
Total capital assets, being depreciated, net	7,540,257	1,354,887	-	-	8,895,144
Business-type activities, capital assets, net	<u>\$ 8,169,781</u>	<u>\$ 1,354,887</u>	<u>\$ (17,578)</u>	<u>\$ -</u>	<u>\$ 9,507,090</u>

Depreciation:

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 2,704,386
Public safety	2,181,235
Highways	25,493,647
Health	83,903
Culture and recreation	1,616,023
Conservation of natural resources	224,957
Economic development	24,768
Internal service funds	462,045
Total depreciation expenses - governmental activities	<u>\$ 32,790,964</u>

Business-type activities	
Environmental services	<u>\$ 586,137</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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B. Liabilities

Advance From Other Governments

The Minnesota Department of Transportation (MnDOT) advanced funds to the County to help with cash flow and cover expenses for road and bridge repairs related to the June 2012 flood. Twelve million dollars in State Aid Disaster Funds were received shortly after the flood. Of this amount, \$5,400,000 has been returned to MnDOT, and \$6,394,696 has been applied to road and bridge projects. The remaining \$205,304 is reported in advance from other governments.

Long-Term Debt

Long-term liability activity for the year ended December 31, 2022, which includes unamortized bond premiums of \$6,869,314, was as follows:

	<u>Beginning Balance *</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
<i>Bonds, notes, and tax lease obligations payable</i>					
General obligation debt					
Capital Improvement Bonds 2014A	\$ 3,273,337	\$ -	\$ (3,273,337)	\$ -	\$ -
Crossover Refunding 2015B	1,964,246	-	(971,564)	992,682	992,682
Capital Improvement Bonds 2015C	27,240,827	-	(2,631,729)	24,609,098	2,706,729
Capital Improvement Bonds 2016A	18,772,276	-	(1,594,515)	17,177,761	1,664,515
Crossover Refunding 2016B	15,942,813	-	(1,102,334)	14,840,479	1,152,334
General Obligation 2018A	26,550,611	-	(1,116,243)	25,434,368	1,156,243
General Obligation 2018B	15,006,603	-	(590,299)	14,416,304	615,299
General Obligation 2020A	24,843,144	-	(1,100,541)	23,742,603	1,125,541
Crossover Refunding 2020B	5,140,206	-	(539,109)	4,601,097	939,109
General Obligation 2021A	26,509,799	-	(29,877)	26,479,922	29,877
<i>Total bonds, notes and tax lease obligations payable</i>	<u>165,243,862</u>	<u>-</u>	<u>(12,949,548)</u>	<u>152,294,314</u>	<u>10,382,329</u>
<i>Other Liabilities</i>					
Leases*	2,523,137	-	(655,795)	1,867,342	607,326
AgBMP Direct Borrowing	244,582	91,822	(31,807)	304,597	44,175
Compensated absences	31,960,823	16,695,754	(16,311,057)	32,345,520	9,537,967
Claims payable	7,423,058	34,005,607	(34,308,747)	7,119,918	5,203,238
Other postemployment benefits	13,197,399	1,346,579	-	14,543,978	981,318
Net pension liability	61,673,742	81,594,204	-	143,267,946	-
<i>Total other liabilities</i>	<u>117,022,741</u>	<u>133,733,966</u>	<u>(51,307,406)</u>	<u>199,449,301</u>	<u>16,374,024</u>
Governmental activities long-term liabilities	<u>\$ 282,266,603</u>	<u>\$ 133,733,966</u>	<u>\$ (64,256,954)</u>	<u>\$ 351,743,615</u>	<u>\$ 26,756,353</u>
BUSINESS-TYPE ACTIVITIES					
<i>Other Liabilities</i>					
Compensated absences	\$ 720,422	\$ 301,091	\$ (265,765)	\$ 755,748	\$ 185,180
Other postemployment benefits	259,717	-	24,506	284,223	19,177
Net pension liability	948,039	683,488	-	1,631,527	-
Closure and post-closure liabilities	1,685,869	-	79,994	1,765,863	-
Business-type activities long-term liabilities	<u>\$ 3,614,047</u>	<u>\$ 984,579</u>	<u>\$ (161,265)</u>	<u>\$ 4,437,361</u>	<u>\$ 204,357</u>

*Beginning balance was restated due to GASB 87 implementation

The internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year's end, \$7,456,886 of internal service funds' compensated absences and claims payable are included in the above amounts. Also, for governmental activities, claims, Net Pension/OPEB, capital

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leases, and compensated absences are generally liquidated by the General Fund, Road and Bridge, Public Health and Human Services, and Forfeited Tax Sale Special Revenue funds.

General obligation bonds and notes payable at December 31, 2022, of the following issues:

\$5,355,000 General Obligation Capital Improvement Crossover Refunding Bonds due in annual installments of \$845,000 to \$950,000 on December 1, 2018 through 2023; interest at 2.00 to 3.00 percent, including unamortized premium of \$322,067. This bond was issued to crossover refund \$5,420,000 of the \$6,940,000 outstanding of the \$11,380,000 General Obligation Capital Improvement bonds, Series 2008, dated October 21, 2008. The net present value benefit of the refunding issue is \$446,837 and results in a reduction of \$444,522 in future debt service payments. The crossover refunding occurred on December 1, 2017.	\$ 992,682
\$38,415,000 General Obligation Capital Improvement Bonds due in annual installments of \$1,885,000 to \$3,235,000 on December 1, 2015 through 2030; interest at 2.00 to 5.00 percent, including unamortized premium of \$2,459,478.	24,609,098
\$23,315,000 General Obligation Capital Improvement Bonds due in annual installments of \$975,000 to \$1,940,000 on December 1, 2017 through 2031; interest at 2.00 to 5.00 percent, including unamortized premium of \$2,304,850.	17,177,761
\$15,200,000 General Obligation Capital Improvement Crossover Refunding Bonds due in annual installments of \$1,040,000 to \$1,450,000 on December 1, 2022 through 2033; interest at 2.00 to 5.00 percent, including unamortized premium of \$1,054,484. This bond was issued to refund the \$14,640,000 outstanding on the \$20,650,000 General Obligation Capital Improvement bonds, Series 2013, dated September 5, 2013. The net present value benefit of the refunding issue is \$708,554 and results in a reduction of \$798,687 in future debt service payments. The crossover occurred December 1, 2021.	14,840,479
\$28,095,000 General Obligation Capital Improvement Bonds due in annual installments of \$1,000,000 to \$1,935,000 on December 1, 2019 through 2038; interest at 3.00 to 5.00 percent, including unamortized premium of \$1,760,273. The proceeds from this bond were used to finance the construction of a new Government Services Center building in Virginia, MN and finance the initial costs for a new Public Works Maintenance Facility in Cook, MN.	25,434,368
\$15,180,000 General Obligation Capital Improvement Bonds due in annual installments of \$465,000 to \$1,055,000 on December 1, 2020 through 2039; interest at 3.00 to 5.00 percent, including unamortized premium of \$960,600. The proceeds from this bond were used to finance the remaining costs of the new Public Works Maintenance Facility in Cook, MN.	14,416,304
\$25,395,000 General Obligation Capital Improvement Bonds due in annual installments of \$1,035,000 to \$1,505,000 on December 1, 2021 through 2040; interest at 1.00 to 2.00 percent, including unamortized premium of \$512,941. The proceeds will be used on Road and Bridge projects.	23,742,603
\$4,960,000 General Obligation Capital Improvement Crossover Refunding Bonds due in annual installments of \$410,000 to \$945,000 on December 1, 2022 through 2029; interest at 1.00 to 2.00 percent, including unamortized premium of \$220,000. This bond was issued to refund \$2,085,000 outstanding on 2013D, and \$2,875,000 outstanding on 2014A bonds. The net present value benefit of the refunding issue is \$298,173 and results in a reduction of \$308,379 in future debt service payments. The crossover occurred on December 1, 2021 for 2013D and the crossover for 2014A will occur on December 1, 2022.	4,601,097
\$25,855,000 General Obligation Capital Improvement Bonds due in annual installments of \$245,000 to \$1,780,000 on December 1, 2024 through 2043; interest at 1.875 to 2.250 percent, including unamortized premium of \$662,267. The proceeds will be used on Road and Bridge buildings.	26,479,922
Total General obligation bonds	\$ 152,294,314

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General obligation revenue notes payable at December 31, 2022, consisting of the following issues:

\$50,000 1998 General Obligation Revenue Notes 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.	\$ 3,074
\$200,000 1998 General Obligation Revenue Notes 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.	24,690
\$200,000 2001 General Obligation Revenue Notes Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program.	24,690
\$79,000 2004 General Obligation Revenue Notes Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program.	9,753
\$118,420 2015 General Obligation Revenue Notes Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program.	35,083
\$96,227 2016 General Obligation Revenue Notes Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program.	28,509
\$108,053 2021 General Obligation Revenue Notes Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program.	86,976
\$91,822 2022 General Obligation Revenue Notes Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program.	91,822
The terms of the above described revenue notes require semi-annual repayments of \$19,023 to \$10,728 beginning April 1, 2009 through 2033.	
Total notes payable	<u>\$ 304,597</u>

The County's outstanding notes from direct borrowings relate to the Septic Services Special Revenue Fund from the Minnesota Department of Agriculture. The County uses this money to fund a revolving loan program that allows our citizens to get a low-interest loan to replace and repair their septic systems. The loans to the County are interest-free and require the County to make two payments per year. The County loans those funds out to our citizens at a three percent interest rate. The County uses those three percent to pay for the costs of administering the program and/or re-lending those funds out to other citizens. The note is primarily payable from loan repayments from borrowers. But if necessary, all taxable property in the territory of the County is subject to ad valorem taxation, without limitation as to rate or amount to pay the principal on the note. The AgBMP may rescind all or part of this agreement or part of any uncommitted allocation if the County fails to comply with Minn. Stat. These notes will be paid off in October 2033, but they can be paid off sooner if St. Louis County chooses to do so.

Governmental Activities General Obligation Long-Term Debt to Maturity is as follows:

Year Ending December 31	General Obligation		Direct Borrowing
	Principal	Interest	Principal
2023	\$ 10,382,329	\$ 4,203,307	\$ 44,175
2024	10,004,647	3,795,955	48,886
2025	10,402,776	3,406,208	42,087
2026	10,742,189	3,070,808	33,609
2027	11,067,189	2,752,009	25,264
2028-2032	50,454,446	9,493,749	99,846
2033-2037	30,161,940	4,549,972	10,730
2038-2042	17,271,421	1,089,255	-
2043	1,807,377	40,050	-
Total:	\$ 152,294,314	\$ 32,401,313	\$ 304,597

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The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 2022, of all governmental units that provide services within the County's borders and which must be borne by properties in the County are summarized below:

	<u>Outstanding</u>	<u>Percentage Applicable to the County</u>	<u>County Share of Debt</u>
Direct Debt			
St. Louis County	\$ 152,598,911	100.00 %	\$ 152,598,911
Overlapping Debt			
School Districts	148,798,000	37.68	56,071,139
Western Lake Superior Sanitary District	51,385,077	83.89	43,108,593
Underlying Debt			
Cities	175,434,654	100.00	175,434,654
School Districts	405,211,598	100.00	405,211,598
Towns	1,966,221	100.00	1,966,221
Crane Lake Water & Sanitary District	1,205,995	100.00	1,205,995
North Shore Sanitary District	4,146,495	100.00	4,146,495
Hibbing HRA	1,285,012	100.00	1,285,012
Cook Community Hospital	7,638,051	100.00	7,638,051
Virginia HRA	1,840,000	100.00	1,840,000
Total	<u>\$ 951,510,014</u>		<u>\$ 850,506,669</u>

Construction Commitments

As of December 31, 2022, the County had construction commitments as follows:

	<u>Authorized Projects</u>	<u>Expended to Date</u>	<u>Commitments</u>
South Impound Garage - Public Safety Campus	\$ 390,000	\$ 1,800	\$ -
Regional Behavioral Health Crisis Center	8,000,000	41,732	-
Culver Facility	8,000,000	4,689,394	3,304,532
Kugler Facility	8,000,000	4,822,763	3,324,840
Whiteface Facility	8,000,000	4,621,330	4,347,329
Ely Brine Building	\$ 290,000	\$ 232,265	\$ 65,919
Total	<u>\$ 32,680,000</u>	<u>\$ 14,409,284</u>	<u>\$ 11,042,620</u>

Purchase Commitments/Encumbrances

As of December 31, 2022, the County had purchase commitments represented by open encumbrances. These are included as part of the assigned fund balance as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 7,858,123
Road and Bridge	2,947,867
Public Health and Human Services	1,227,716
Forfeited Tax Sale	382,780
Forest Resources	135,255
Total	<u>\$ 12,551,741</u>

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Risk Management

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

The Property, Casualty, and Liability Insurance Fund covers claims and judgments against the County, including administrative expenses and expenses for third-party coverage. All risks, except fire and property damage to major structures, are 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 a 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 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 County Attorney's Office estimated settlements to be \$0 as of December 31, 2022, for various cases considered "probable" losses to the County. This amount is reflected in the financial statements.

The Workers' Compensation Insurance Fund covers workers' compensation claims up to \$500,000 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 (2002) in excess of the \$500,000 retention limit. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 2022, 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 non-discounted value of the estimated liability for claims payable at the end of the year was \$3,716,169, and the present value is calculated at 2.9065%.

This percentage is the average investment yield for the first two months of the subsequent year. The activities of the fund are supported by premiums from County funds that have personnel; the premiums are based on historical costs and are reported as quasi-external transactions. A portion of the premium is for administrative and reinsurance costs, which are paid from the fund, and a portion of the premium is to provide for expected future catastrophic losses.

The Medical/Dental Insurance Fund covers medical and dental expenses incurred by County employees, dependents, and retirees, including the cost 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 the available net position. The County carries individual-specific stop-loss insurance for claims that exceed \$750,000 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 provision 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.

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Changes in the funds' claims liability amounts during 2021 were:

	Property, Casualty, & Liability Insurance Fd	Workers' Compensation Insurance Fund	Medical/ Dental Insurance Fund
Beginning of fiscal year liability for claims	\$ -	\$ 7,014,094	\$ 1,955,605
Current year claims and changes in estimates	1,121,530	(1,347,805)	31,214,410
Claim payments	(1,066,530)	(1,593,915)	(29,874,331)
Balance of claims payable at fiscal year end	<u>\$ 55,000</u>	<u>\$ 4,072,374</u>	<u>\$ 3,295,684</u>

Changes in the funds' claims liability amounts during 2022 were:

	Property, Casualty, & Liability Insurance Fd	Workers' Compensation Insurance Fund	Medical/ Dental Insurance Fund
Beginning of fiscal year liability for claims	\$ 55,000	\$ 4,072,374	\$ 3,295,684
Current year claims and changes in estimates	495,251	294,767	32,343,125
Claim payments	(550,251)	(1,284,822)	(31,601,210)
Balance of claims payable at fiscal year end	<u>\$ -</u>	<u>\$ 3,082,319</u>	<u>\$ 4,037,599</u>

Leases Receivable

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 252 months remaining on a lease as Lessor for the use of Hibbing Law Enforcement in Hibbing Courthouse. An initial lease receivable was recorded in the amount of \$92,513. As of 12/31/2022, the value of the lease receivable is \$87,560. The lessee is required to make annual fixed payments of \$5,000. The lease has an interest rate of 1.3000%. The value of the deferred inflow of resources as of 12/31/2022 was \$88,108, and St. Louis County recognized lease revenue of \$4,405 during the fiscal year. The lessee has one extension option for 180 months.

On September 1, 2022, St. Louis County entered into a 120-month lease as Lessor for the use of Mining Resources LLC land. An initial lease receivable was recorded in the amount of \$312,233. As of 12/31/2022, the value of the lease receivable is \$276,803. The lessee is required to make annual fixed payments of \$35,430. The lease has an interest rate of 2.9270%. The value of the deferred inflow of resources as of 12/31/2022 was \$301,826, and St. Louis County recognized lease revenue of \$10,408 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 242 months remaining on a lease as Lessor for the use of mining rights for Peat Moss-Toivola. An initial lease receivable was recorded in the amount of \$319,980. As of 12/31/2022, the value of the lease receivable is \$301,474. The lessee is required to make annual fixed payments of \$19,720. The lease has an interest rate of 2.2752%. The value of the deferred inflow of resources as of 12/31/2022 was \$304,113, and St. Louis County recognized lease revenue of \$15,867 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 64 months remaining on a lease as Lessor for the use of the Ely Joint Maintenance Facility. An initial lease receivable was recorded in the amount of \$678,373. As of 12/31/2022, the value of the lease receivable is \$544,799. The lessee is required to make semi-annual fixed payments of \$69,916. The lease has an interest rate of 1.1770%. The value of the deferred inflow of resources as of 12/31/2022 was \$551,178, and St. Louis County recognized lease revenue of \$127,195 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 89 months remaining on a lease as Lessor for the use of Side Lake Tower. An initial lease receivable was recorded in the amount of \$121,901. As of 12/31/2022, the value of the lease receivable is \$104,398. The lessee is required to make annual fixed payments of \$18,000. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of 12/31/2022 was \$105,465, and St. Louis County recognized lease revenue of \$16,436 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 96 months remaining on a lease as Lessor for the use of the Duluth Wireless Communication Tower. An initial lease receivable was recorded in the amount of \$80,807. As of 12/31/2022, the value of the lease receivable is \$70,181. The lessee is required to make annual fixed payments of \$10,626. The

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lease has an interest rate of 1.4750%. The value of the deferred inflow of resources as of 12/31/2022 was \$70,706, and St. Louis County recognized lease revenue of \$10,101 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 96 months remaining on a lease as Lessor for the use of the Whiteface Microwave Relay Tower. An initial lease receivable was recorded in the amount of \$46,237. As of 12/31/2022, the value of the lease receivable is \$40,237. The lessee is required to make annual fixed payments of \$6,000. The lease has an interest rate of 1.0840%. The value of the deferred inflow of resources as of 12/31/2022 was \$40,457, and St. Louis County recognized lease revenue of \$5,780 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 98 months remaining on a lease as Lessor for the use of Timber Stand and Harvest (Black Spruce). An initial lease receivable was recorded in the amount of \$51,694. As of 12/31/2022, the value of the lease receivable is \$45,741. The lessee is required to make annual fixed payments of \$6,000. The lease has an interest rate of 1.0840%. The value of the deferred inflow of resources as of 12/31/2022 was \$45,364, and St. Louis County recognized lease revenue of \$6,330 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 120 months remaining on a lease as Lessor for the use of DUL Tower - ATC White Twp Land. An initial lease receivable was recorded in the amount of \$113,770. As of 12/31/2022, the value of the lease receivable is \$101,770. The lessee is required to make annual fixed payments of \$12,000. The lease has an interest rate of 1.2050%. The value of the deferred inflow of resources as of 12/31/2022 was \$102,393, and St. Louis County recognized lease revenue of \$11,377 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 89 months remaining on a lease as Lessor for the use of the Central Lakes Wireless Communication Tower. An initial lease receivable was recorded in the amount of \$120,111. As of 12/31/2022, the value of the lease receivable is \$102,822. The lessee is required to make annual fixed payments of \$18,000. The lease has an interest rate of 1.4220%. The value of the deferred inflow of resources as of 12/31/2022 was \$103,916, and St. Louis County recognized lease revenue of \$16,195 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 72 months remaining on a lease as Lessor for the use of Embarrass Tower Lease. An initial lease receivable was recorded in the amount of \$58,539. As of 12/31/2022, the value of the lease receivable is \$48,579. The lessee is required to make annual fixed payments of \$9,960. The lease has an interest rate of 0.8330%. The value of the deferred inflow of resources as of 12/31/2022 was \$48,783, and St. Louis County recognized lease revenue of \$9,757 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 72 months remaining on a lease as Lessor for the use of Cliffs Dunka Surface Lease - location 6012. An initial lease receivable was recorded in the amount of \$30,531. As of 12/31/2022, the value of the lease receivable is \$30,531. The lessee is required to make annual fixed payments of \$5,202. The lease has an interest rate of 0.8330%. The value of the deferred inflow of resources as of 12/31/2022 was \$25,443, and St. Louis County recognized lease revenue of \$5,089 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 294 months remaining on a lease as Lessor for the use of Hibbing Taconite Surface Lease - 2. An initial lease receivable was recorded in the amount of \$259,850. As of 12/31/2022, the value of the lease receivable is \$259,850. The lessee is required to make annual fixed payments of \$13,185. The lease has an interest rate of 1.6990%. The value of the deferred inflow of resources as of 12/31/2022 was \$249,267, and St. Louis County recognized lease revenue of \$10,582 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 66 months remaining on a lease as Lessor for the use of Hibbing Taconite Surface Lease - 1. An initial lease receivable was recorded in the amount of \$31,722. As of 12/31/2022, the value of the lease receivable is \$25,389. The lessee is required to make annual fixed payments of \$6,480. The lease has an interest rate of 0.8330%. The value of the deferred inflow of resources as of 12/31/2022 was \$26,012, and St. Louis County recognized lease revenue of \$5,710 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 84 months remaining on a lease as Lessor for the use of Teck Surface Lease - Priority 2. An initial lease receivable was recorded in the amount of \$669,147. As of 12/31/2022, the value of the lease receivable is \$570,741. The lessee is required to make annual fixed payments of \$98,406. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of 12/31/2022 was \$573,555, and St. Louis County recognized lease revenue of \$95,592 during the fiscal year.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 84 months remaining on a lease as Lessor for the use of Teck Surface Lease - Priority 1. An initial lease receivable was recorded in the amount of \$172,336. As of 12/31/2022, the value of the lease receivable is \$146,992. The lessee is required to make annual fixed payments of \$25,344. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of 12/31/2022 was \$147,716, and St. Louis County recognized lease revenue of \$24,619 during the fiscal year.

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As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 84 months remaining on a lease as Lessor for the use of PolyMet Surface Lease - location 5914. An initial lease receivable was recorded in the amount of \$57,588. As of 12/31/2022, the value of the lease receivable is \$49,119. The lessee is required to make annual fixed payments of \$8,469. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of 12/31/2022 was \$49,361, and St. Louis County recognized lease revenue of \$8,227 during the fiscal year.

Principal and Interest Expected to Maturity Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 413,007	\$ 43,034	\$ 456,041
2024	402,355	35,299	437,654
2025	407,490	30,163	437,653
2026	412,702	24,952	437,654
2027	271,269	20,073	291,342
2028 - 2032	542,054	56,662	598,716
2033 - 2037	161,614	27,911	189,525
2038 - 2042	158,247	11,558	169,805
2043 - 2046	38,247	1,307	39,554
	<u>\$ 2,806,985</u>	<u>\$ 250,959</u>	<u>\$ 3,057,944</u>

Leases Payable

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 54 months remaining on a lease as Lessee for the use of 12 PW Motor Graders. An initial lease liability was recorded in the amount of \$2,440,893. As of 12/31/2022, the value of the lease liability is \$1,830,406. St. Louis County is required to make annual fixed payments of \$652,113. The lease has an interest rate of 2.2500%. The equipment's estimated useful life was 138 months as of contract commencement. The value of the right-to-use asset as of 12/31/2022 of \$2,440,893 with accumulated amortization of \$212,252 is included with Equipment on the Lease Class activities table found below. St. Louis County has the option to purchase the equipment for \$1.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 13 months remaining on a lease as Lessee for the use of the License Center in the Miller Hill Mall. An initial lease liability was recorded in the amount of \$49,130. As of 12/31/2022, the value of the lease liability is \$7,053. St. Louis County is required to make monthly fixed payments of \$3,476 until 04/01/2022, at which time the payment increased to \$3,529. The lease has an interest rate of 0.4270%. The building's estimated useful life was 13 months as of contract commencement. The value of the right-to-use asset as of 12/31/2022 of \$49,130 with accumulated amortization of \$43,244 is included with Buildings on the Lease Class activities table found below.

As of the GASB 87 implementation date of January 1, 2022, St. Louis County had 78 months remaining on a lease as Lessee for the use of the Veterans Service Center. An initial lease liability was recorded in the amount of \$33,113. As of 12/31/2022, the value of the lease liability is \$29,883. St. Louis County is required to make monthly fixed payments of \$2,361 until 07/01/2022, at which time the payment increased to \$2,432. The lease has an interest rate of 1.3000%. The building's estimated useful life was 0 months as of contract commencement. The value of the right to use asset as of 12/31/2022 of \$33,114 with accumulated amortization of \$5,095 is included with Buildings on the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 2,440,893	\$ 212,252
Buildings	82,244	48,339
Other		
Total Leases	<u>\$ 2,523,137</u>	<u>\$ 260,591</u>

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Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		Total Payments
	Principal Payments	Interest Payments	
2023	\$ 607,326	\$ 41,555	\$ 648,881
2024	614,480	28,077	642,557
2025	629,004	14,287	643,291
2026	6,086	181	6,267
2027	6,942	95	7,037
2028	3,504	13	3,517
	<u>\$ 1,867,342</u>	<u>\$ 84,208</u>	<u>\$ 1,951,550</u>

Pension Plans

Defined Benefit Pension Plans

Plan Description

The County participates in the following cost-sharing multiple-employer-defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

The General Employees Plan

All full-time and certain part-time employees of St. Louis County are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees' Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Local Government Correctional Plan

The Correctional Plan was established for correctional officers serving in county and regional corrections facilities. Eligible participants must be responsible for the security, custody, and control of the facilities and their inmates.

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. 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 their public service.

General Employees Retirement Plan

General Employees Plan 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 PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of the Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equals 90 and the normal retirement age is 65. For members hired on or after July 1, 1989, the normal retirement age is the age for unreduced Social Security benefits, capped at 66.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30, before the effective date of

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the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30, before the effective date of the increase, will receive a reduced, prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until their normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under the Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis, from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis, from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of the average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of June 30, before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of June 30, before the effective date of the increase, will receive a reduced, prorated increase.

Correctional Plan Benefits

Benefits for Correctional Plan members first hired after June 30, 2010, vest on a prorated basis, from 50 percent after five years up to 100 percent after ten years of credited service. The annuity accrual rate is 1.9 percent of the average salary for each year of service in that plan. For Correctional Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be equal to 100 percent of the COLA announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 2.5 percent. If the plan's funding status declines to 85 percent or below for two consecutive years or 80 percent for one year, the maximum will be lowered from 2.5 percent to 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30, before the effective date of the increase, will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30, before the effective date of the increase, will receive a reduced, prorated increase.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2022, and the County was required to contribute 7.50 percent for Coordinated Plan members. The County's contributions to the General Employees Fund for the year ended December 31, 2022, were \$7,517,606. The County's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2022, and the County was required to contribute 17.70 percent for Police and Fire members. The County's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$1,757,838. The County's contributions were equal to the required contributions as set by state statute.

Correctional Fund Contributions

Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in fiscal year 2022, and the County was required to contribute 8.75 percent for Correctional Plan members. The County's contributions to the Correctional Fund for the year ended December 31, 2022, were \$397,140. The County's contributions were equal to the required contributions as set by state statute.

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Pension Costs

General Employees Fund Pension Costs

As of December 31, 2022, the County reported a liability of \$103,372,271 for its proportionate share of the General Employees Retirement Plan's net pension liability. The County's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity, and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the County totaled \$3,030,646.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The County's proportion was 1.3052 percent at the end of the measurement period and 1.3289 percent at the beginning of the period.

County's proportionate share of net pension liability	\$ 103,372,271
State of Minnesota's proportionate share of the net pension liability associated with the County	<u>3,030,646</u>
Total	<u><u>\$ 106,402,917</u></u>

For the year ended December 31, 2022, the County recognized a pension expense of \$14,013,320 as its proportionate share of the General Employees Plan's pension expense. In addition, the County recognized an additional \$208,832 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

As of December 31, 2022, the County reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 863,449	\$ 1,104,262
Changes in actuarial assumptions	23,395,021	420,435
Net collective difference between projected and actual investment earnings	1,793,045	-
Changes in proportion	1,643,049	1,110,997
Contributions paid to PERA subsequent to the measurement date	<u>3,766,931</u>	<u>-</u>
Total	<u><u>\$ 31,461,495</u></u>	<u><u>\$ 2,635,694</u></u>

The \$3,766,931 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2023	\$ 9,833,522
2024	9,500,564
2025	(3,623,694)
2026	9,348,478

Police and Fire Fund Pension Costs

At December 31, 2022, the County reported a liability of \$34,891,169 for its proportionate share of the Public Employees Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportionate share of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all

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of PERA's participating employers. The County's proportionate share was 0.8018% at the end of the measurement period and 0.7607% at the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund for the plan's fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state payment was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached, or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial requirements. For the year ended December 31, 2022, the County recognized a pension expense of \$2,625,510 for its proportionate share of the Police and Fire Plan's pension expense. The County recognized \$72,162 as grant revenue for its proportionate share of the state of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The County recognized \$72,162 for the year ended December 31, 2022, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

As of December 31, 2022, the County reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,131,096	\$ -
Changes in actuarial assumptions	20,538,830	209,748
Net collective difference between projected and actual investment earnings	-	(467,658)
Changes in proportion	744,032	890,103
Contributions paid to PERA subsequent to the measurement date	875,603	-
Total	<u>\$ 24,289,561</u>	<u>\$ 632,193</u>

The \$875,603 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2023	\$ 4,390,603
2024	4,402,395
2025	3,817,675
2026	7,172,982
2027	2,998,110

Correctional Plan Pension Costs

As of December 31, 2022, the County reported a liability of \$6,636,033 for its proportionate share of the Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions from all of PERA's participating employers. The County's proportionate share was 1.9960% at the end of the measurement period and 1.9970% at the beginning of the period.

For the year ended December 31, 2022, the County recognized a pension expense of \$2,291,751 for its proportionate share of the Correctional Plan's pension expense.

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As of December 31, 2022, the County reported its proportionate share of the Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2	\$ 218,800
Changes in actuarial assumptions	4,297,687	9,869
Net collective difference between projected and actual investment earnings	-	(183,432)
Changes in proportion	-	6,876
Contributions paid to PERA subsequent to the measurement date	202,995	-
Total	<u>\$ 4,500,684</u>	<u>\$ 52,113</u>

The \$202,995 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2023	\$ 1,910,942
2024	1,984,182
2025	(182,661)
2026	533,113

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2022, was \$19,211,575.

Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	33.5%	5.10%
International stocks	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	<u>100%</u>	

Actuarial Methods and Assumptions

The total pension liability for the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of total liability is 6.5 percent. This assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan, 2.25 percent for the Police and Fire Plan, and 2.25 percent for the Correctional Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees

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Plan and 2 percent for the Correction Plan through December 31, 2054, and 1.5 percent thereafter. The Police and Fire Plan benefit increase is fixed at 1% per year, and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality Tables. The tables have been adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire Plan and the Correctional Plan were completed in 2020, adopted by the Board, and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the previous valuation.

Correctional Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054, and 1.5% per annum thereafter.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the previous valuation.

Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers would be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Police and Fire Fund and Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members through June 30, 2060, and June 30, 2061, respectively. Beginning in the fiscal year ended June 30, 2061, for the Police and Fire Fund and June 30, 2062, for the Correctional Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected afterward were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund and 5.42 percent for the

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Correctional Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

Pension Liability Sensitivity

The following presents the County's proportionate share of net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis							
<i>Net Pension Liability (Asset) at Different Discount Rates</i>							
	General Employees Fund		Police and Fire Fund		Correctional Fund		
1% Lower	5.50%	\$ 163,281,917	4.40%	\$ 52,803,309	4.42%	\$ 11,689,042	
Current Discount Rate	6.50%	103,372,271	5.40%	34,891,169	5.42%	6,636,033	
1% Higher	7.50%	54,237,117	6.40%	20,410,276	6.42%	2,663,238	

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Public Employees Defined Contribution Plan (Defined Contribution Plan)

The seven County Commissioners of St. Louis County are covered by the Defined Contribution Plan, a multiple-employer-deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax-deferred until the time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of their salary, which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer's share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the County during fiscal year 2022 were:

Contribution Amount		Contribution Amount		Required
Employee	Employer	Employee	Employer	Rate
\$ 24,685	\$ 24,685	5%	5%	5%

Other Postemployment Benefits Plan (OPEB)
Plan Description

St. Louis County operates a single employer retiree benefit plan (the Plan) that provides health insurance benefits to eligible retired employees and their dependents. The County provides benefits for retirees as required by Minn. Stat. 471.61, sub 2b. Retirees are required to pay the full cost of the premiums. Since the premium is determined based on the entire active and retired population, retirees are receiving an implicit rate subsidy.

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St. Louis County has 1,675 participants. There are 1,588 active participants, 73 retired participants, and 14 spouses. There were no inactive employees who were entitled to but were not yet receiving benefits. Benefits and eligibility provisions are negotiated between the County and various unions representing County employees and are renegotiated at the end of each bargaining period. The plan does not issue a publicly available financial report. The plan also recognized \$144,418 as an explicit subsidy from the State of Minnesota for disabled deputies. The explicit subsidy for disabled deputies was allocated to those groups with members receiving this benefit, which is currently only St. Louis County. No assets are accumulated in a trust for any Other Post-Employment Benefits.

Contributions

The County does not have assets designated to pay for OPEB-related costs. Contribution requirements are negotiated between the County and union representatives. The eligibility for, amount of, duration of, and County contributions to the cost of the benefits provided vary by contract and date of retirement. The County is funding this liability on a pay-as-you-go basis. For the fiscal year ended in 2022, the county contributed \$850,296 to the plan.

Actuarial Methods and Assumptions

The County's OPEB liability was measured as of December 31, 2022, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, which were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	Service graded table
Health Care Trend Rates	6.5% decreasing to 4.0% over 54 years

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Since the plan is not funded by an irrevocable trust, the discount rate is set by reviewing 20-year municipal bond yields. The municipal bond rate assumption was set by considering published rate information for 20-year high-quality, tax-exempt, general obligation municipal bonds as of the Measurement Date.

The salary scale used to value GASB 75 liabilities is similar to the tables used to value pension liabilities for Minnesota public employees. The rates are based on the most recent four-year experience study for the Public Employees Retirement Association of Minnesota Police and Fire Plan, completed in 2020, and the four-year experience study for the Public Employees Retirement Association of Minnesota General Employees Plan, completed in 2019, and a review of the inflation assumption.

The long-term inflation assumption has been chosen based on a review of historical changes in the Consumer Price Index (CPI). Published projections of future inflation rates were also considered.

The medical trend rates have been chosen based on a review of historical health care increase rates, projected health care increase rates, and projected health care expenditures as a percentage of GDP. The components of health care costs were considered when developing the aggregate set of trend rates.

The mortality rates used are from recent tables developed and recommended by the Society of Actuaries.

The retirement and withdrawal assumptions used to value GASB 75 liabilities are similar to those used to value pension liabilities for Minnesota public employees. The rates are based on the Public Employees Retirement Association of Minnesota's actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The most recent four-year experience study for the Police and Fire Plan was completed in 2020.

Plan disability benefits are of similar value to other plan benefits. Therefore, disability incidence is presumed to be included in retirement and withdrawal incidence.

The plan participation percentages for retirees and their spouses reflect past, current, and expected future expectations of medical plan enrollment for current actives and retirees. These amounts are adjusted to reflect population changes, differences in actual versus expected liabilities, and changes in enrollment/participation patterns.

Since the most recent valuation, the following changes have been made:

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General and Safety) with the MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General and Safety) with the MP-2021 Generational Improvement Scale.

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- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

Changes in the Total OPEB Liability

Balance January 1, 2022	\$ 13,457,116
Changes for the year	
Service cost	995,723
Interest	280,596
Assumption changes	(2,682,579)
Differences between Expected and Actual Experience	3,627,641
Benefit payments	(850,296)
Net Change	<u>1,371,085</u>
Balance December 31, 2022	<u><u>\$ 14,828,201</u></u>

Of the \$14,828,201 total OPEB liability, \$1,000,495 is due within one year.

The following presents the OPEB liability of the County, as well as what the County's OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 3.0%	Discount Rate 4.0%	1% Increase 5.0%
OPEB Liability	\$ 15,890,542	\$ 14,828,201	\$ 13,837,096

The following presents the OPEB liability of the County, as well as what the County's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.5% decreasing to 4.0%, then 3.0%) or 1% higher (7.5% decreasing to 6.0%, then 5.0%) than the current healthcare cost trend rates:

	1% Decrease 5.5% decreasing to 4.0% then 3.0%	Current Trend 6.5% decreasing to 5.0% then 4.0%	1% Increase 7.5% decreasing to 6.0% then 5.0%
Medical Trend Rate OPEB Liability	\$ 13,301,636	\$ 14,828,201	\$ 16,624,023

As of December 31, 2022, the County reported its proportionate share of the OPEB's deferred outflows of resources and deferred inflows of resources.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ 4,509,290	\$ -
Change of Assumptions	1,175,311	2,317,436
Liability Gains	-	1,866
Total	<u><u>\$ 5,684,601</u></u>	<u><u>\$ 2,319,302</u></u>

Year Ending December 31	Future Recognition
2023	\$ 1,008,907
2024	1,043,983
2025	997,387
2026	157,510
2027	157,512
Total	<u><u>\$ 3,365,299</u></u>

For the year ended December 31, 2022, the County recognized an OPEB expense of \$2,285,226.

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Interfund Receivables, Payables, Advances, and Transfers

The composition of interfund transfers during the year ended December 31, 2022, is as follows:
Interfund Receivables/Payables (for deficit cash balances):

Receivable Fund	Payable Fund	Amount
General	Community Development Block Grant	<u>\$ 46,662</u>

Advances from/to other funds (advance to pay for the Virginia motor pool building):

Receivable Fund	Payable Fund	Amount
Capital Projects	County Garage	<u>\$ 1,574,867</u>

Interfund Transfers:

Fund Transferred To	Fund Transferred From	Purpose	Amount
Major Funds			
General	Road and Bridge	Road restriction enforcement	\$ 10,000
	Shoreline Sales	Natural resource improvements, environmental enforcement, education	228,967
	Forest Resources	GIS project	155,000
	Medical/Dental Insurance	Health and wellness reimbursement	389,545
	Forfeited Tax Sale	Land sale apportionment and blight program	755,368
	Capital Projects	Asset sales	14,979
	County Garage	Asset sales	5,799
Road and Bridge	General	Corner Certificate Program, increased construction costs	1,540,000
	Forfeited Tax Sale	Land sale apportionment, entrance paving	24,340
	Forest Resources	Culvert replacement	97,054
	Capital Projects	Equipment purchases, increased construction costs	3,050,000
Forfeited Tax Sale	Capital Projects	Asset sales	7,110
	County Garage	Asset sales	3,021
Capital Projects	General	County Program Aid, excess rent revenues, furnace replacement	2,196,280
	Road and Bridge	Equipment purchases	445,629
	Forfeited Tax Sale	Building projects, land sale apportionment	666,056
	Forest Resources	Road maintenance	23,277
	Public Health and Human Services	Building remodel	47,000
Environmental Services	Shoreline Sales	Recycling upgrades	200,000
	Pandemic Response	Leachate treatment system	696,141
Nonmajor Funds			
Forest Resources	Forfeited Tax Sale	Land sale apportionment	311,334
	Road and Bridge	Equipment use	1,132
Debt Service	Road and Bridge	Bond payment	6,857,581
Septic Services	Shoreline Sales	Forgivable septic loans, on-site wastewater operations	668,333
Shoreline Sales	Forest Resources	Leased land sales	305,054
	Total		<u>\$ 18,699,000</u>

ST. LOUIS COUNTY, MINNESOTA
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C. Deferred Inflows

Advanced Allotments

The Minnesota Department of Transportation (MnDOT) has advanced to the County a portion of future years' regular construction allotment funds, in the amount of \$3,613,767, for the purpose of financing current County state-aid projects. Advanced allotment represents regular construction funds received from MnDOT that will be recognized as revenue in the year the allotment normally would have accrued. As a result, the County anticipates receiving approximately 76.9% of its normal construction allotment during 2023.

D. Fund Equity

The County Board authorized the County Auditor-Treasurer to establish portions of fund balance for encumbrances, cash flow, future year budgets, and future unallotment purposes. These amounts are included in the General Fund's unassigned fund balance, the Road and Bridge Special Revenue Fund assigned for highways and streets, and the Public Health and Human Services Special Revenue Fund assigned for public health and human services.

	Future Year Budget	Encumbrances	Cash Flow	Future Unallotment	Total
Unassigned					
General	\$ 1,773,100	\$ -	\$ 37,564,694	\$ 3,400,997	\$ 42,738,791
Assigned					
Road and Bridge	323,800	2,947,867	6,460,662	-	9,732,329
Public Health and Human Services	-	663,404	21,340,053	-	22,003,457
Total	<u>\$ 2,096,900</u>	<u>\$ 3,611,271</u>	<u>\$ 65,365,409</u>	<u>\$ 3,400,997</u>	<u>\$ 74,474,577</u>

The cash flow maximum amount for each fund is calculated as 5/12 of the subsequent year's levy plus the subsequent year's county program aid. For the year ended December 31, 2022, the maximum amounts, actual amounts, and percentage funded are shown below. The future unallotment is calculated based on required departmental savings due to state unallotments.

	Cash Flow		
	Maximum Amount	Actual Amount	Percentage Funded
General	\$ 41,597,047	\$ 37,564,694	90.31%
Road and Bridge	10,613,805	6,460,662	60.87%
Public Health and Human Services Fund	23,711,170	21,340,053	90.00%

ST. LOUIS COUNTY, MINNESOTA
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Note 3. Joint Ventures/Jointly Governed Organizations

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 financial transactions for Arrowhead Regional Corrections through its Arrowhead Regional Corrections Custodial Fund. Its deposits 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 participating counties. During 2021 (the most recent available year), county contributions were in the following proportion:

Carlton County	10.19%
Cook County	1.54%
Koochiching County	3.37%
Lake County	3.39%
St. Louis County	81.51%
Total	<u>100.00%</u>

St. Louis County provided \$17,033,273 in funding during 2022. Separate financial information can be obtained from:

Arrowhead Regional Corrections
320 W. 2nd St., Suite 303
Duluth, Minnesota 55802

A summary of the financial information from Arrowhead Regional Corrections' Government-Wide Financial Statements for December 31, 2021 (the most recent available) is:

Total Assets	\$ 28,434,629
Deferred Outflows	7,703,623
Total Liabilities	15,100,217
Deferred Inflows	8,624,717
Total Net Position	12,413,318
Total Program and General Revenues	30,777,387
Total Expenses/Uses	26,032,548
Change in Net Position	4,744,839

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Community Health Services Board

The counties of Carlton, Cook, Lake, and St. Louis entered into a joint powers agreement to operate the Carlton, Cook, Lake, and St. Louis County Community Health Services Board. This agreement is entered into under the authority of CAF under 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. The 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 funding to this organization to support an employee position during 2022 in the amount of \$14,898.

A summary of the financial information from the Community Health Services Board's Government-Wide Financial Statements for December 31, 2021 (the most recent available) is:

Total Assets	\$ 1,968,381
Deferred Outflows	143,824
Total Liabilities	2,061,444
Deferred Inflows	224,744
Total Net Position	(173,983)
Total Program and	
General Revenues	6,986,825
Total Expenses	6,922,816
Change in Net Position	64,009

Separate financial information can be obtained from:

Carlton, Cook, Lake, and St. Louis Counties
Community Health Board
404 West Superior Street, Suite 250
Duluth, Minnesota 55802

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 Regional Railroad Authority Custodial Fund. Financing is obtained through a tax levy and federal, state, and local grants or participation. St. Louis County provided no funding to this organization during 2022.

A summary of the financial information from the Regional Railroad Authority's Government-Wide Financial Statements for December 31, 2021 (the most recent available) is:

Total Assets	\$ 34,540,259
Deferred Outflows	177,682
Total Liabilities	1,449,952
Deferred Inflows	170,269
Total Net Position	33,097,720
Total Revenues	5,372,197
Total Expenses	3,378,533
Change in Net Position	1,993,664

Separate financial information can be obtained from:

St. Louis & Lake Counties Regional Railroad Authority
111 Station 44 Rd
Eveleth, MN 55734

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Northeast Minnesota Office of Job Training

The Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis entered into a joint powers agreement pursuant to Minn. Stat. §471.59 for the purpose of developing and implementing a private and public job training program. The United States Congress, through the Job Training Partnership Act of 1982, authorized states to establish "service delivery areas" to provide programs to achieve full employment through the use of grants. The counties identified above are defined as "service delivery areas," and the Northeast Minnesota Office of Job Training is designated as the grant recipient and administrator for such a service delivery area. The County is not a funding mechanism for this organization.

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

A summary of the financial information from the Northeast Minnesota Office of Job Training's Government-Wide Financial Statements for June 30, 2022 is:

Total Assets	\$	2,048,504
Deferred Outflows		818,816
Total Liabilities		2,466,548
Deferred Inflows		1,108,843
Total Net Position		(708,071)
Total Revenues		4,488,324
Total Expenses		4,425,687
Change in Net Position		62,637

Separate financial information can be obtained from:

Northeast Minnesota Office of Job Training
820 North Ninth Street, Suite 240, P.O. Box 1028
Virginia, Minnesota 55792

Northern Counties Land Use Coordinating Board

The Northern Counties Land Use Coordinating Board was established through a joint powers agreement pursuant to Minn. Stat. §471.59 for the purpose of helping to formulate land use plans for the protection, sustainable use, and development of lands and natural resources.

The joint powers are the counties of Aitkin, Cook, Itasca, Koochiching, Lake, Lake of the Woods, Pennington, Roseau, Marshall, 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 Custodial Fund.

A summary of the financial information of the Northern Counties Land Use Coordinating Board for the Financial Statements for December 31, 2022 is:

Total Assets	\$	66,960
Total Liabilities		2,750
Total Net Position		64,210
Total Revenues		19,000
Total Expenses		23,555
Change in Net Position		(4,555)

Separate financial information can be obtained from:

Northern Counties Land Use Coordinating Board
St. Louis County Courthouse
100 N 5th Ave West #201
Duluth, Minnesota 55802

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Minnesota Counties Information Systems (MCIS)

The Counties of Aitkin, Carlton, Cass, Chippewa, Cook, Crow Wing, Dodge, 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 a thirteen-member board composed of a member appointed by each of the participating counties' boards of commissioners. Financing is obtained through user charges made to members. Cass County is the fiscal agent for MCIS.

A summary of the financial information from the Minnesota Counties Information System's Government-Wide Financial Statements for December 31, 2020 (the most recent available) is:

Total Assets	\$ 1,754,711
Total Deferred Outflows	326,990
Total Liabilities	1,041,356
Total Deferred Inflows	54,845
Total Net Position	985,500
Total Revenues	3,218,964
Total Expenses	2,715,396
Change in Net Position	503,568

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 two members 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 2022. St. Louis County is the fiscal agent for the Collaborative, which is accounted for in the Duluth Area Family Service Collaborative Custodial Fund. A summary of the financial information of the Collaborative for the year ended December 31, 2022 is:

Total Assets	\$ 1,226,528
Total Liabilities	127,501
Total Net Position	1,099,027
Total Revenues	541,996
Total Expenses	344,099
Change in Net Position	197,897

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

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North Area Collective Local Collaborative

The North Area Collective Local Collaborative was established pursuant to Minn. Stat. §124D.23. The Collaborative includes St. Louis County, Arrowhead Regional Corrections, School District 2142, and School District 701. 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 two members 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 2022. St. Louis County is the fiscal agent for the Collaborative, which is accounted for in the Local Collaborative Time Study Custodial Fund. A summary of the financial information of the Collaborative for the year ended December 31, 2022 is:

Total Assets	\$	930,333
Total Liabilities		20,997
Total Net Position		909,336
Total Revenue		536,097
Total Expenses		76,628
Change in Net Position		459,469

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

Minneapolis-Duluth/Superior Passenger Rail Alliance

The St. Louis and Lake County Regional Railroad Authority (a jointly governed organization) entered into a joint powers agreement with the Regional Rail Authorities of Hennepin County, Isanti County, Pine County, the cities of Duluth and Minneapolis, and Douglas County, Wisconsin, to establish the Minneapolis-Duluth/Superior Passenger Rail Alliance. The Alliance's purpose is to collaboratively discuss the development of rail transportation between the Twin Cities Metropolitan and Twin Ports areas. The governing Board is comprised of one elected official from each party to the agreement. Each party contributes funds consistent with the annual budget and cost-sharing formula. The St. Louis and Lake County Regional Railroad Authority serves as the fiscal agent.

A summary of the financial information of the Minneapolis-Duluth/Superior Passenger Rail Alliance from the Government-Wide Financial Statement for December 31, 2021 (the most recent available) is:

Total Assets	\$	56,498
Total Liabilities		11,789
Total Net Position		44,709
Total Revenues		95,450
Total Expenses		97,076
Change in Net Position		(1,626)

Separate financial information can be obtained from:

St. Louis and Lake County Regional Railroad Authority
111 Station 44 Rd
Eveleth, MN 55734

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Northeast Minnesota Emergency Communications Board (NEECB)

The Northeast Minnesota Emergency Communications Board was established through a joint powers agreement, pursuant to Minn. Stat. § 471.59 and 403.39, to provide for regional administration of enhancements to the Statewide Public Safety Radio and Communication System (ARMER) and to enhance and improve interoperable public safety communications. The joint powers are the counties of Aitkin, Carlton, Cass, Cook, Crow Wing, Itasca, Kanabec, Koochiching, Lake, Pine, and St. Louis, as well as the Cities of Duluth, Hibbing, International Falls, and Virginia, along with three tribes: the Grand Portage Band of Chippewa, the Leech Lake Band of Ojibwe, and the Mille Lacs Band of Ojibwe.

Control of the Northeast Minnesota Emergency Communications Board is vested in a Board of Directors composed of one county commissioner from each of the member counties, one city councilor from each of the member cities, and one tribal member. In addition, there is one member from the Northeast Minnesota Regional Advisory Committee, one member from the Northeast Minnesota Emergency Communications System User Committee, and one member from the Northeast Minnesota Owners and Operators Committee who are also voting members of the board.

St. Louis County is the fiscal agent for the Northeast Minnesota Emergency Communications Board. Funding is provided by grants and contributions from participating members. St. Louis County provided \$1,667 in funding to this organization in 2022.

Northeastern Minnesota Enforcement & Safety Information System (NEMESIS)

The Northeast Minnesota Enforcement & Safety Information System Board was established under State of Minnesota laws and includes the following law enforcement agencies: Duluth Police Department; Hermantown Police Department; Proctor Police Department; University of Minnesota Duluth Campus Police; and St. Louis County. These partners came together to create a shared criminal justice information system on a region-wide basis.

In 2002, the partners formalized a charter agreement governing participation in NEMESIS. Subscriber fees and agreements were approved. Bylaws were established to determine the organization and procedures governing NEMESIS.

St. Louis County is the fiscal agent for the Northeastern Minnesota Enforcement & Safety Information System. Funding is provided by membership fees from participating members. St. Louis County provided \$211,151 in funding to this organization in 2022.

City/County Communications Antenna Site

St. Louis County and the City of Duluth entered into a joint powers agreement under Minn. Stat. §471.59 for the purpose of managing a jointly owned communications tower and support building at 7 Observation Road, Duluth, Minnesota. Designated contacts for the County and City are the Communications Director and the Chief of Police, respectively. The agreement specifies certain maintenance responsibilities for each party. Revenues are comprised of annual assessments to the County and City, plus charges for third-party use of the antenna site. St. Louis County is the fiscal agent for financial activity. It is accounted for in the General Fund. This agreement will continue until terminated by either party.

Voyageurs National Park Water Basin Joint County Sewer Project

On September 12, 2009, the County entered into a joint powers agreement pursuant to Minnesota Statute §471.59 with Koochiching County for the purpose of providing an environmentally sensitive and responsible solution to the problem of non-compliant and failing septic systems on certain properties located within the project area. The County extended this agreement on June 2, 2015. This agreement will govern the application for, solicitation of, and administration of funds received for the purposes of planning, grant writing, engineering, conservation, environmental studies, and the development, management, and construction of wastewater treatment for property within the project area.

The governing body is comprised of four members: two County commissioners appointed by the St. Louis County Board and two County commissioners appointed by the Koochiching County Board. St. Louis County contributed \$29,150 to the Voyageurs National Park Water Basin for the year ended December 31, 2022. Separate financial information can be obtained from the St. Louis County Courthouse, 100 North 5th Ave. West, Duluth, Minnesota 55802.

Non-Emergency Medical Transportation Project

In October 2018, the County entered into a joint powers agreement with Aitkin, Carlton, and Lake Counties for the purpose of developing and implementing policies, structures, and procedures and to promote efficiency and economy of services for providing non-emergency medical transportation to eligible participants within the multi-county area. The agreement governs the terms and conditions under which the parties will cooperatively manage the services for covered participants. Additionally, the agreement governs the shared cost of administration and business services support staff. These costs include administrative expenses for authorized rides based on the contract rate, vendors, and support staff within the Public Health and Human Services Department.

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Northeast Regional ATV Trail Joint Powers Board

On August 20, 2021, the County entered into a joint powers agreement with Koochiching County and Lake County pursuant to Minnesota Statute §471.59 to collaborate in seeking federal, state, and other available funding and financial assistance to plan, develop, manage, and construct a regional ATV trail system within the Counties. This agreement will govern the application for, solicitation of, and administration of funds received for the purpose of planning, grant writing, engineering, conservation, environmental studies, and the development, management, and construction of ATV trails within the Counties.

The Counties have agreed to create the Northeast Regional ATV Trail Board, also known as the Northeast Regional ATV Trail Joint Powers Board. The Board is comprised of four members: two County commissioners appointed by the St. Louis County Board; one County commissioner appointed by the Koochiching County Board; and one County commissioner appointed by the Lake County Board. For the fiscal year ending December 31, 2022, St. Louis County contributed \$44,100, Lake County contributed \$9,450, and Koochiching County contributed \$9,450 to the Northeast Regional ATV Trail Joint Powers Board. The disbursement and appropriation of funds obtained as a result of efforts made pursuant to this agreement will be determined by the board. Each County's share of costs will be based on the following cost splits: 70% St. Louis County; 15% Koochiching County; and 15% Lake County. Separate financial information can be obtained from the St. Louis County Courthouse, 100 North 5th Ave. West, Duluth, Minnesota 55802.

Ash River Sanitary District

In 2018, the St. Louis County (SLC) Board approved Resolution No. 18-463, authorizing Environmental Services to prepare and submit a petition to the Minnesota Office of Administrative Hearings for the creation of the Ash River Sanitary District (ARSD). The district was created pursuant to Minn. Stat. §442A.04, 442A.11, and 442A.13 (2018) through an order signed by the Minnesota Office of Administrative Hearings Chief Administrative Law Judge on June 5, 2019. The St. Louis County Board, per Minn. Stat. §442A.14, elected a five-member district Board of Managers on October 1, 2019, through SLC Board Resolution No. 21-646.

Resolution No. 20-484 approved a \$32,000 grant awarded to the ARSD for professional services and administrative costs from the SLC Environmental Trust Fund, and Resolution No. 21-647 extended the grant through December 31, 2023. The Minnesota Pollution Control Agency (MPCA) awarded the ARSD a grant effective April 12, 2021, and amended it on November 22, 2021, to include a total of \$950,000 for the development of the Ash River Sanitary Sewer Project. SLC Board Resolution No. 21-675 approved the local match of \$237,500 to be paid from the SLC Environmental Trust Fund. The SLC Auditor's Office entered into agreements to act as the fiscal agent for both grants.

Crane Lake

On February 23, 2021, the St. Louis County Board approved Resolution No. 21-139, agreeing to be the fiscal agent on two grants from the Legislative-Citizen Commission on Minnesota Resources (LCCMR) for the funding years 2020 and 2021. These grants allow Crane Lake to build a visitor center and campground near Voyageurs National Park in the amount of \$5.8 million for both grants. The only fiscal information St. Louis County is responsible for is grant funding.

Brookston

On February 9, 2021, the St. Louis County Board approved Resolution No. 21-113, agreeing to be the fiscal agent on a 2021 grant from the Legislative-Citizen Commission on Minnesota Resources (LCCMR). This grant allows Brookston to plan a campground near the St. Louis River in the amount of \$425,000. The only fiscal information St. Louis County is responsible for is grant funding.

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Note 4. 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 County's financial statements.

Abatements

Tax abatement is available as a financing tool for housing and economic development activities in St. Louis County. It was adopted by the County Board on March 12, 2002, via Resolution 187. It is to be used for projects that result in the creation of quality jobs and the attraction, retention, and expansion of business or housing options within the County. St. Louis County works in partnership with local jurisdictions to use tax abatement as a financing tool for housing and economic development. Tax abatement is allowed under Minnesota Statutes §469.1812 to 469.1815.

In 2022, the County abated \$512,739 in property taxes under this program.

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year
City of Duluth (Miller Hill Flats Workforce Housing) - Assist in the need to provide housing in the Miller Hill area with the construction of 72 rental units.	18.70%	\$ 95,887
City of Duluth (Capstone Apartments) - Assist in the need to provide housing in the Miller Hill area with the construction of 80 rental units.	2.89%	14,797
City of Duluth (Costco) - Assist the City with completing public infrastructure improvements related to the development of the Costco Wholesale Store.	2.17%	11,121
City of Duluth (CityView Flats Apartments) - Assist in the need to provide housing in the downtown area of Duluth with the construction of 105 rental units.	25.32%	129,820
City of Duluth (First Street Apartments) - Assist in the need to provide housing in the downtown area of Duluth with the construction of approximately 47 rental units.	5.29%	27,130
P & H Mine Pro (Joy Global) - Assist in the lease of property for the construction of a new facility.	1.95%	10,000
City of Hermantown (Mills Fleet Farm) - Assist the City with completing public infrastructure improvements related to the Hermantown Marketplace project. The project included the construction of the Sewer Trunkline.	41.31%	211,836
L & M Radiator - Assist in the expansion with the construction of a new manufacturing building adjacent to and connected to its existing main building.	2.37%	12,148
		<u>\$ 512,739</u>

The City of Duluth (Miller Hill Flats II Apartments) was approved for a tax abatement to assist the City in reimbursing Miller Hill Flats II Apartments with eligible costs associated with site development and construction of a 72-unit apartment building named Miller Hill Flats. This will fulfill a housing need in the Miller Hill area. The agreement commences with real estate taxes payable in the year 2018, with the County remitting all Tax Abatement Financing (TAF) proceeds until the total amount of TAF proceeds received by the City equals \$250,000. This abatement has been fully paid in 2022. Miller Hill Flats II Apartments, Inc. will pay the assessed property taxes as they are due on May 15 and October 15 of each year and will receive a rebate no later than thirty days after receipt thereof by the County. The abatement amount paid will be determined by the actual amount of the County tax portion on line 6 of the tax statements each year. The City is obligated to certify that eligible development costs of at least \$250,000 have been paid by Miller Hill Flats.

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The City of Duluth (Capstone Apartments) was approved for a tax abatement to assist the City in reimbursing Capstone LLC with eligible costs associated with site development and construction of an 80-unit apartment building named Capstone Apartments. This will fulfill a housing need in the Miller Hill area. The agreement commences with real estate taxes payable in the year 2019, with the County remitting all Tax Abatement Financing (TAF) proceeds until the total amount of TAF proceeds received by the City equals \$250,000. This abatement has been fully paid in 2022. Capstone LLC will pay the assessed property taxes as they are due on May 15 and October 15 of each year and will receive a rebate no later than thirty days after receipt thereof by the County. The abatement amount paid will be determined by the actual amount of the County tax portion on line 6 of the tax statements each year. The City is obligated to certify that eligible development costs of at least \$250,000 have been paid by Capstone LLC.

P & H MinePro (Joy Global) was approved for a ten-year tax abatement to assist in the lease of property for the construction of an equipment fabrication, maintenance, and rebuild facility with warehouse and office space, outside storage, and parking. The agreement runs from 2014-2023 and will abate \$100,000 over the ten-year period at \$10,000 per year. P & H will pay the assessed property taxes as they are due on May 15 and October 15 of each year and will receive the abatement as a rebate each year. P & H is obligated to add 12 full-time jobs at the new property within five years after the benefit date and maintain the development property for 22 years after the benefit date or maturity, whichever is sooner.

The City of Hermantown (Mills Fleet Farm) was approved for a tax abatement to assist the City with certain public infrastructure improvements, including a traffic signal system, sidewalks, and Hermantown Marketplace-designed street lights, in 2017 for \$500,000. The final balance of this abatement was paid in 2019 and extended to include the construction of the Sewer Trunkline, with an additional abatement of \$860,000. The County Administration determined that the mechanics and administrative efforts involved in committing the abatement from future projects would be cumbersome and has instead proposed that the tax abatement from Mills Properties, Inc. Fleet Farm project simply be extended to provide assistance to help the City pay the cost of the Sewer Trunkline. The agreement commences with real estate taxes payable in the year 2019, with the County remitting all Tax Abatement Financing (TAF) proceeds until the total amount of TAF proceeds received by the City equals \$860,000. Mills Fleet Farm will pay the assessed property taxes as they are due on May 15 and October 15 of each year, and the City will receive the abatement as a rebate no later than thirty days after receipt thereof by the County. The abatement amount paid will be determined by the actual amount of the County tax portion on line 6 of the tax statements each year. The City is obligated to certify that TAF-eligible costs of at least \$860,000 have been paid or are contractually obligated to be paid by the City.

L & M Radiator was approved for a tax abatement to assist the business with the construction of a new manufacturing building adjacent to and connected to its existing main building. The agreement commences with real estate taxes payable in the year 2020, with the County remitting a portion of Tax Abatement Financing (TAF) proceeds to the City of Hibbing in order for the City to administer payment of the TAF proceeds on behalf of the County to L & M until the total amount of TAF proceeds received by the City equals \$350,000. The abatement portion paid will be calculated at 39% of the increased portion of the County's share of property taxes. L & M Radiator will pay the assessed property taxes as they are due on May 15 and October 15 of each year and will receive the abatement as a rebate no later than thirty days after receipt thereof by the County. The City of Hibbing is obligated to certify that eligible development costs of at least \$350,000 have been paid by L & M Radiator.

The City of Duluth (Costco) was approved for a tax abatement to assist the City in reimbursing Costco Wholesale Corporation with eligible costs associated with public infrastructure to support the site's development of a Costco Wholesale store. The agreement commences with real estate taxes payable in the year 2021, with the County remitting all Tax Abatement Financing (TAF) proceeds until the total amount of TAF proceeds received by the City equals \$650,000. Costco Wholesale Corporation will pay the assessed property taxes as they are due on May 15 and October 15 of each year, and the City will receive the abatement as a rebate no later than thirty days after receipt thereof by the County. The abatement amount paid will be determined by the actual amount of the County tax portion on line 6 of the tax statements each year. The City is obligated to certify that TAF-eligible costs of at least \$650,000 have been paid or are contractually obligated to be paid by the City.

The City of Duluth (CityView Flats Apartments) was approved for a tax abatement to assist the City in reimbursing CityView Flats, LLC, with eligible costs associated with site development and construction of 105 units of rental housing as part of a project known as CityView Flats in downtown Duluth. This will fulfill a housing need in the downtown area. The agreement commences with real estate taxes payable in the year 2021, with the County remitting all Tax Abatement Financing (TAF) proceeds until the total amount of TAF proceeds received by the City equals \$400,000. CityView Flats, LLC, will pay the assessed property taxes as they are due on May 15 and October 15 of each year and will receive the abatement as a rebate no later than thirty days after receipt thereof by the County. The abatement amount paid will be determined by the actual amount of the County tax portion on line 6 of the tax statements each year. The City is obligated to certify that eligible development costs of at least \$400,000 have been paid by CityView Flats, LLC.

The City of Duluth (First Street Apartments) was approved for a tax abatement to assist the City in reimbursing Roers Lake & First Street LLC with eligible costs associated with site development and redevelopment of property at 1 and 5 East First Street into 47 rental units in downtown Duluth. This will fulfill a housing need in the downtown area. The agreement commences with real estate taxes payable in the year 2021, with the County remitting all Tax Abatement Financing (TAF) proceeds until the total amount of TAF proceeds received by the City equals \$300,000. Roers Lake & First Street LLC will pay the assessed property taxes as they

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

are due on May 15 and October 15 of each year and will receive the abatement as a rebate no later than thirty days after receipt thereof by the County. The abatement amount paid will be determined by the actual amount of the County tax portion on line 6 of the tax statements each year. The City is obligated to certify that eligible development costs of at least \$300,000 have been paid by Roers Lake & First Street LLC.

Tax Abatements

The County has multiple pay-as-you-go tax increment financing districts with local businesses pursuant to Minn. Statute 469.174-.1794. Of the \$4.9 million in tax abatements paid in 2022, \$2.7 million was to promote redevelopment and economic development, and \$2.2 million was to promote housing. Currently, the County is collecting tax increments paid through the property tax collection process. The requirement for businesses to receive the excess tax increments from the County is to perform improvements on owned property. The increment taxes are based on the increase in property value after the improvements are made.

Purpose	Name	City	Percentage of Increment Collected to be Returned	Decertification Date	Excess Increment Paid 2022
Housing	TIF District 51	Hibbing	100%	12/31/2022	\$ 16,104
Housing	TIF District 73	Orr	100%	12/31/2024	6,106
Redevelopment	TIF District 84	Duluth	100%	12/31/2027	119,059
Redevelopment	TIF District 87	Chisholm	100%	12/31/2030	842
Housing	TIF District 90	Duluth	100%	12/31/2030	1,456,269
Housing	TIF District 91	Duluth	100%	12/31/2030	47,157
Housing	TIF District 92	Duluth	100%	12/31/2031	322,927
Housing	TIF District 93	Tower	100%	12/31/2031	18,825
Housing	TIF District 94	Duluth	100%	12/31/2033	66,063
Housing	TIF District 95	Duluth	100%	12/31/2032	38,091
Housing	TIF District 96	Duluth	100%	12/31/2033	100,198
Housing	TIF District 98	Duluth	100%	12/31/2034	24,721
Housing	TIF District 102	Duluth	100%	12/31/2038	26,227
Redevelopment	TIF District 103	Hibbing	100%	12/31/2041	76,724
Redevelopment	TIF District 104	Duluth	100%	12/31/2040	829,030
Redevelopment	TIF District 105	Duluth	100%	12/31/2042	562,943
Housing	TIF District 106	Duluth	100%	12/31/2041	60,732
Redevelopment	TIF District 107	Hermantown	100%	12/31/2041	132,394
Redevelopment	TIF District 108	Duluth	100%	12/31/2042	263,907
Redevelopment	TIF District 109	Duluth	100%	12/31/2043	363,932
Redevelopment	TIF District 110	Duluth	100%	12/31/2043	289,259
Economic Development	TIF District 111	Mountain Iron	100%	12/31/2026	16,259
Economic Development	TIF District 112	Mountain Iron	100%	12/31/2028	9,670
Housing	TIF District 114	Duluth	100%	12/31/2047	5,942
Housing	TIF District 115	Duluth	100%	12/31/2047	682
					<u><u>\$ 4,854,063</u></u>

ST. LOUIS COUNTY, MINNESOTA
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DECEMBER 31, 2022

Pollution Remediation

Governmental Accounting Standards Board (GASB) Statement 49 establishes standards for accounting and financial reporting for pollution remediation obligations and is effective for periods beginning after December 15, 2007. The Environmental Services Fund management believes the County could be responsible for at least some types of third-party impacts related to the Closed Landfill Program operated by the Minnesota Pollution Control Agency. Any liability is unknown as of December 31, 2022, as it would need to be determined through the legal system.

St. Louis County Heritage and Arts Center (Depot)

As of January 1, 2020, all front desk services and night security have been shifted to Kelly Services. As of April 2020, all financial management has shifted to St. Louis County Depot Management. In July 2020, Oneida's contract was renewed through June 30, 2021, for maintenance and janitorial services only. As of July 1, 2021, St. Louis County Property Management provided maintenance to the Depot, and Oneida's contract was renewed through December 31, 2022, for janitorial services only. Additionally, St. Louis County is now responsible for all consumable purchases for the building.

Northwoods Townhomes Project

In 2006, the St. Louis County Housing and Redevelopment Authority (the County HRA), the City of Ely Housing and Redevelopment Authority (the City HRA), the City of Ely (the City), and St. Louis County (the County) entered into an agreement to finance the costs of acquisition, construction, and equipping of a multifamily rental housing project for the elderly consisting of 26 single-story townhouse units located in the City of Ely, Minnesota. The County HRA irrevocably appointed the City HRA as its agent in connection with the project.

The City HRA issued \$3,800,000 in revenue bonds for the project, payable with rents collected for the units. If the City HRA's cash flow projection of net revenues does not equal at least 105 percent of the scheduled debt service payments for the next calendar year, the County pledges its full faith and credit and taxing powers to pay the debt service on the revenue bonds. If the County is required to make debt service payments as described above, the City pledges its general obligation to indemnify the County for the debt payments made up to a maximum of \$3,000,000. The City HRA agrees to repay the County to the extent the County is not indemnified by the City.

The project will be jointly owned by the County HRA and the City HRA. The City HRA will manage the project, including construction, operation, and maintenance. If the County HRA and the City HRA mutually agree to offer the project for sale, the County HRA is entitled to 20 percent of the net sale proceeds.

In 2016, the project was refinanced for \$4,020,000 with a new bond issue, 2016A, which included 2008 bonds that were issued by the City HRA but not secured by the general obligations of St. Louis County and the 2006 bond issue. The term of the refunding bonds is 25 years, with a final maturity of 2041. Principal and interest on the refunding bonds will be paid from rental payments from the project. The payment of the refunding bonds will be additionally secured by the general obligation of St. Louis County, and pursuant to the Amended and Restated Joint Powers Agreement, the County will be indemnified by up to \$3 million plus accrued interest by the City of Ely.

Tax-Forfeited Land Management

The County manages approximately 912,000 acres of state-owned, tax-forfeited land. This land generates revenues primarily from timber, land sales, and land encumbrances such as leases and easements. Land management costs, including forestry costs such as site preparation, seedlings, tree planting, and logging roads, are accounted for as current operating expenditures. Revenues in excess of expenditures are distributed to the County and to cities, towns, and school districts within the County in compliance with state statute.

Subsequent Event

On April 25, 2023, the St. Louis County Board held a meeting to declare a local state of emergency due to flooding in St. Louis County. Due to the quick melt of this winter's record-setting snow, the County is experiencing high water in many areas. The result of this high water has already caused road washouts, water-covered roadways, and overwhelmed drainage systems throughout the County. A local state of emergency declaration is needed in order to apply for state and federal assistance if damage amounts reach certain thresholds.

Effects of new accounting standards on current-period financial statements

The Governmental Accounting Standards Board (GASB) has approved the following standards. When they become effective, the application of these standards may restate portions of these financial statements.

Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements
Statement No. 96 Subscription-Based Information Technology Arrangements
Statement No. 99 Omnibus 2022
Statement No. 100 Accounting Changes and Error Corrections
Statement No. 101 Compensated Absences

ST. LOUIS COUNTY, MINNESOTA.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
LAST TEN YEARS *

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 6,155,196	\$ 6,155,196	-	\$ 82,069,352	7.50%
December 31, 2016	6,067,130	6,067,130	-	80,895,144	7.50%
December 31, 2017	6,330,708	6,330,708	-	84,409,604	7.50%
December 31, 2018	6,569,775	6,569,775	-	87,596,964	7.50%
December 31, 2019	6,792,150	6,792,150	-	90,561,827	7.50%
December 31, 2020	7,104,811	7,104,811	-	94,730,619	7.50%
December 31, 2021	7,217,198	7,217,198	-	96,229,303	7.50%
December 31, 2022	7,517,606	7,517,606	-	100,234,749	7.50%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
St. Louis County's year-end is December 31.

*The notes to the RSI are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA GENERAL EMPLOYEES RETIREMENT PLAN
LAST TEN YEARS*

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with St. Louis County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	1.3218%	\$ 68,502,536	\$ N/A	\$ 68,502,536	\$ 77,673,884	88.19%	78.19%
June 30, 2016	1.2923%	104,928,351	1,370,427	106,298,778	80,184,222	130.86%	68.91%
June 30, 2017	1.3273%	84,733,957	1,065,410	85,799,367	85,503,518	99.10%	75.90%
June 30, 2018	1.2824%	71,142,294	2,333,479	73,475,773	86,140,403	82.59%	79.53%
June 30, 2019	1.2569%	69,491,186	2,159,740	71,650,926	88,936,532	78.14%	80.23%
June 30, 2020	1.3031%	78,126,801	2,409,183	80,535,984	92,932,090	84.07%	79.06%
June 30, 2021	1.3289%	56,749,983	1,733,050	58,483,033	95,658,830	59.33%	87.00%
June 30, 2022	1.3052%	103,372,271	3,030,646	106,402,917	97,759,406	105.74%	76.67%

N/A = Not available

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.

*The notes to the RSI are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERA PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT PLAN
LAST TEN YEARS *

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 1,261,852	\$ 1,261,852	\$ -	7,789,214	16.20%
December 31, 2016	1,253,227	1,253,227	-	7,735,969	16.20%
December 31, 2017	1,335,354	1,335,354	-	8,242,926	16.20%
December 31, 2018	1,404,026	1,404,026	-	8,666,823	16.20%
December 31, 2019	1,540,019	1,540,019	-	9,085,660	16.95%
December 31, 2020	1,609,867	1,609,867	-	9,095,291	17.70%
December 31, 2021	1,707,028	1,707,028	-	9,644,229	17.70%
December 31, 2022	1,757,838	1,757,838	-	9,931,288	17.70%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
St. Louis County's year-end is December 31.

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ST. LOUIS COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT PLAN
LAST TEN YEARS *

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability (Asset)(b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.8100%	\$ 9,130,596	N/A	\$ N/A	7,416,153	123.12%	86.61%
June 30, 2016	0.7980%	31,880,409	N/A	N/A	7,690,378	414.55%	63.88%
June 30, 2017	0.8090%	10,922,462	N/A	N/A	8,300,001	131.60%	85.43%
June 30, 2018	0.8050%	8,581,537	N/A	N/A	8,448,857	101.57%	88.84%
June 30, 2019	0.8510%	9,060,819	N/A	N/A	8,962,066	101.10%	89.26%
June 30, 2020	0.8018%	10,568,582	248,980	10,817,562	9,037,965	116.94%	87.19%
June 30, 2021	0.7607%	5,871,798	263,980	6,135,778	9,406,424	62.42%	93.66%
June 30, 2022	0.8018%	34,891,169	1,524,190	36,415,359	9,740,935	358.19%	70.53%

N/A = Not available

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

*The notes to the RSI are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERA CORRECTIONAL EMPLOYEES RETIREMENT PLAN
LAST TEN YEARS *

Fiscal Year Ending	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015 \$	350,413	\$ 350,413	\$ -	4,004,724	8.75%
December 31, 2016	355,713	355,713	-	4,065,289	8.75%
December 31, 2017	356,670	356,670	-	4,076,233	8.75%
December 31, 2018	365,124	365,124	-	4,172,847	8.75%
December 31, 2019	374,426	374,426	-	4,279,159	8.75%
December 31, 2020	386,258	386,258	-	4,413,378	8.75%
December 31, 2021	385,761	385,761	-	4,408,699	8.75%
December 31, 2022	397,140	397,140	-	4,538,738	8.75%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
St. Louis County's year-end is December 31.

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ST. LOUIS COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PERA CORRECTIONAL EMPLOYEES RETIREMENT PLAN
LAST TEN YEARS *

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	2.05% \$	316,930 \$	3,682,667	8.61%	96.95%
June 30, 2016	2.11%	7,708,125	3,984,683	193.44%	58.16%
June 30, 2017	2.11%	6,013,521	4,222,769	142.41%	67.89%
June 30, 2018	2.01%	331,062	4,111,077	8.05%	97.64%
June 30, 2019	2.01%	278,881	4,296,655	6.49%	98.17%
June 30, 2020	2.00%	542,572	4,351,162	12.47%	96.67%
June 30, 2021	2.00%	(328,133)	4,416,419	(7.43)%	101.61%
June 30, 2022	1.99%	6,636,033	4,385,633	151.31%	74.58%

* This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

*The notes to the RSI are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS
DECEMBER 31, 2022

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 539,833	\$ 493,695	\$ 592,423	\$ 1,035,980	\$ 995,723
Interest	332,276	372,366	267,565	292,253	280,596
Assumption Changes	(58,329)	119,176	1,776,198	-	(2,682,579)
Plan Changes	-	-	-	(842,912)	-
Differences between projected and actual experience	(1,329)	1,087	2,967,280	-	3,627,641
Benefit payments	(1,066,390)	(917,916)	(1,193,172)	(1,203,781)	(850,296)
Other changes	(322,750)	625,513	-	-	-
Net change in total OPEB liability	\$ (576,689)	\$ 693,921	\$ 4,410,294	\$ (718,460)	\$ 1,371,085
Total OPEB Liability - Beginning	\$ 9,648,050	\$ 9,071,361	\$ 9,765,282	\$ 14,175,576	\$ 13,457,116
Total OPEB Liability - Ending	\$ 9,071,361	\$ 9,765,282	\$ 14,175,576	\$ 13,457,116	\$ 14,828,201
Covered employee payroll	\$ 96,989,030	\$ 100,099,354	\$ 108,534,286	\$ 102,766,544	\$ 104,106,977
Total OPEB liability (asset) as a percentage of covered employee payroll	9.4%	9.8%	13.1%	13.1%	14.2%

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

General Employees Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- For financial reporting purposes, the investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption decreased from 2.50% to 2.25%.
- The payroll growth assumption decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes resulted in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020, through December 31, 2023, and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Beginning July 1, 2018, the interest rate on member contributions was reduced from 4.00 percent to 3.00 percent.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90 percent funding to 50 percent of the Social Security cost-of-living adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; this does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

2017 Changes

Changes in Actuarial Assumptions

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution to the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due in September 2015.

Police and Fire Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

- For financial reporting purposes, the investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increases were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes resulted in more assumed terminations.
- Assumed rates of disability increased for those ages 25-44 and decreased for those over 49. Overall, proposed rates result in more projected disabilities.
- The assumed married rate for active female members was raised from 60 percent to 70 percent. Minor changes to the form of payment assumptions were made.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- Post-retirement benefit increases changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- New annual state aid will total \$4.5 million in fiscal years 2019 and 2020 and \$9.0 million thereafter until the plan is fully funded, or July 1, 2048, whichever comes first.
- Member contributions increased from 10.80 percent to 11.30 percent of pay, effective January 1, 2019, and to 11.80 percent of pay, effective January 1, 2020.
- Employer contributions increased from 16.20 percent to 16.95 percent of pay, effective January 1, 2019, and to 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions was reduced from 4.00 percent to 3.00 percent, beginning July 1, 2018.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is that proposed rates average 0.34% lower than previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and non-vested deferred members. The CSA load has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- For the first three years of service, the assumed termination rates were reduced to 3.00 percent. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members decreased from 65% to 60%.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return changed from 7.9% to 7.5%.
- The single discount rate changed from 7.9% to 5.6%.
- Future salary increases, payroll growth, and inflation assumptions were reduced by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent to a fixed rate of 2.50 percent.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

Correctional Fund

2022 Changes

Changes in Actuarial Assumptions

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The discount rate changed from 6.50% to 5.42%.
- The benefit increase assumption was changed from 2.00% per annum to 2.00% per annum through December 31, 2054, and 1.5% per annum thereafter.

Changes in Plan Provisions

- There have been no changes in plan provisions since the previous valuation.

2021 Changes

Changes in Actuarial Assumptions

- For financial reporting purposes, the investment return and single discount rates were changed from 7.50 percent to 6.50 percent.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increases were modified as recommended in the July 10, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 10, 2020 experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed as recommended in the July 10, 2020 experience study. The new rates predict more terminations, both in the three-year select period (based on service) and the ultimate rates (based on age).
- Assumed rates of disability were lowered.
- The assumed percentage of married active members was reduced from 85 to 75 percent.
- Minor changes to the form of payment assumptions were applied.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

2018 Changes

Changes in Actuarial Assumptions

- The single discount rate was changed from 5.96% per annum to 7.50% per annum.
- The mortality projection scale was changed from MP-2016 to MP-2017.
- The assumed post-retirement benefit increase was changed from 2.50% per year to 2.00% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- The interest rate on member contributions was reduced from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Beginning January 1, 2019, post-retirement benefit increases were changed from 2.50 percent per year with a provision to reduce to 1.00 percent if the funding status declines to a certain level to 100 percent of the Social Security cost-of-living adjustment, not less than 1.00 percent and not more than 2.50 percent. If funding status declines to 85.00 percent for two consecutive years or 80.00 percent for one year, the maximum increase will be reduced to 1.50 percent.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvements according to MP-2016).
- For both vested and non-vested deferred members, the Combined Service Annuity (CSA) load was 30%. The CSA load has been changed to 35% for vested members and 1% for non-vested members.
- The single discount rate was changed from 5.31% per annum to 5.96% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed investment return changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.31%.
- The assumed payroll growth and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022
CONTINUED

Other Postemployment Benefits

Assets have not been accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

2022

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with the MP-2019 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with the MP-2021 Generational Improvement Scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.

2021

- Effective January 2021, the Teamsters union left the County's self-insured medical plan. Active Teamsters are no longer valued under GASB 75 in St. Louis County, as they will not have access to the County's medical plans upon retirement.

2020

- The health care trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The withdrawal, retirement, and salary increase rates were updated. The rates now differ for public safety employees versus other employees. Note that retirement rates begin at age 50 for public safety employees instead of age 55.
- Female employees are assumed to be three years (instead of two years) younger than their spouses.
- The medical aging factors for claim costs were updated.
- The retiree plan participation percentage decreased from 65% to 60%. However, as of January 1, 2018, only active employees on the client's medical plans were included. As of January 1, 2020, all active employees who could have elected medical coverage in the current year have been included.
- Employees on long-term disability have been valued as follows:
 - If under age 50, as of the valuation date, post-employment subsidized benefits are only being valued for five years.
 - If age 50 or older, as of the valuation date, both post-employment implicit and subsidized benefits are being valued to age 65.
 - Previously, all employees on long-term disability were valued with post-employment subsidized benefits only until age 65.
- The discount rate was changed from 2.74% to 2.00%.

Other: The results as of January 1, 2018, for the years ending December 21, 2018, and December 31, 2019, were calculated by a prior actuary.

2019

- Inflation was updated to 2.50% (from 2.75%).
- The salary increase assumption was updated to reflect the reduction in inflation.
- The medical trend rate assumption has been updated to account for the decrease in inflation.
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published mortality improvement scale available as of the measurement date.

2018

- Inflation was updated to 2.50% (from 2.75%).
- The salary increase assumption was updated to reflect the reduction in inflation.
- The medical trend rate assumption has been updated to account for the decrease in inflation.
- The mortality assumption was updated from the assumption used in the January 1, 2018 actuarial report to reflect mortality improvements using Scale MP-2018, the most recently published mortality improvement scale available as of the measurement date.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Housing and Redevelopment Authority - This fund is used to provide funds for housing and economic development.

Community Development Block Grant - This fund is used to account for the federal grant of the same name.

Northeast Minnesota Housing Consortium - This fund includes Cook, Itasca, Koochiching, Lake, and St. Louis Counties, as well as the City of Duluth. It is not an entity separate from St. Louis County. It is used to account for the federal HOME grant for the purpose of developing affordable housing initiatives.

Septic Services - This fund is used to account for the Minnesota Pollution Control Loan Program.

Opioid Remediation - This fund is used to account for the opioid abatement dollars that are the result of court settlements.

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

Debt Service Fund

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

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the county's programs.

Shoreline Sales - This fund is used to account for proceeds from the sale of land, including interest, under Minn. Laws 1999, Ch. 180. The principal from the sale of land may not be expended, while up to 5 1/2% of the market value of the fund may be spent by the County Board only for purposes related to the improvement of natural resources.

Scholarship Fund - This fund is used to account for a scholarship program. State Statute 298.2215 allows the County to establish a scholarship program for high school students. This program is funded by iron ore royalties on tax-forfeited minerals. These royalties will continue to accumulate, and then interest revenue will be used to fund scholarships.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue Funds		
	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
ASSETS			
Cash and cash equivalents	\$ 847,852	\$ -	\$ 143,985
Investments	-	-	-
Delinquent taxes receivable	5,229	-	-
Accounts receivable (net)	-	-	-
Loans receivable	1,276,585	-	-
Due from other governments	-	941,369	13,188
Prepaid items	-	203	-
Total Assets	<u>2,129,666</u>	<u>941,572</u>	<u>157,173</u>
LIABILITIES			
Accounts payable	11,150	209,661	34,669
Accrued payroll	-	13,611	-
Interfund payable	-	46,662	-
Due to other governments	-	671,638	-
Unearned revenue	-	-	122,504
Total Liabilities	<u>11,150</u>	<u>941,572</u>	<u>157,173</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue			
Taxes	4,252	-	-
Grants	-	-	-
Total Deferred Inflows of Resources	<u>4,252</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
Nonspendable prepaid items	-	203	-
Environmental trust funds	-	-	-
Scholarships	-	-	-
Total Nonspendable	<u>-</u>	<u>203</u>	<u>-</u>
Restricted			
Health and sanitation	-	-	-
Debt service	-	-	-
Improvement of natural resources	-	-	-
Outstanding loans	1,276,585	-	-
Opioid remediation	-	-	-
Total Restricted	<u>1,276,585</u>	<u>-</u>	<u>-</u>
Committed			
Health and sanitation	-	-	-
Conservation of natural resources	-	-	-
Economic development	837,679	-	-
Retiree obligations	-	-	-
Vesting sick leave	-	-	-
Total Committed	<u>837,679</u>	<u>-</u>	<u>-</u>
Assigned			
Conservation of natural resources	-	-	-
Unassigned	-	(203)	-
Total Fund Balance	<u>2,114,264</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,129,666</u>	<u>\$ 941,572</u>	<u>\$ 157,173</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue Funds			
	Septic Services	Opioid Remediation	Forest Resources	Total
ASSETS				
Cash and cash equivalents	\$ 1,728,633	\$ 2,067,678	\$ 7,286,570	\$ 12,074,718
Investments	-	-	-	-
Delinquent taxes receivable	-	-	-	5,229
Accounts receivable (net)	22,001	70,571	-	92,572
Loans receivable	1,004,649	-	-	2,281,234
Due from other governments	179,082	-	52,015	1,185,654
Prepaid items	-	-	-	203
Total Assets	2,934,365	2,138,249	7,338,585	15,639,610
LIABILITIES				
Accounts payable	234,850	-	44,406	534,736
Accrued payroll	26,269	-	-	39,880
Interfund payable	-	-	-	46,662
Due to other governments	-	-	1,137	672,775
Unearned revenue	18,600	-	-	141,104
Total Liabilities	279,719	-	45,543	1,435,157
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Taxes	-	-	-	4,252
Grants	-	-	52,015	52,015
Total Deferred Inflows of Resources	-	-	52,015	56,267
FUND BALANCES				
Nonspendable				
Nonspendable prepaid items	-	-	-	203
Environmental trust funds	-	-	-	-
Scholarships	-	-	-	-
Total Nonspendable	-	-	-	203
Restricted				
Health and sanitation	640,830	-	-	640,830
Debt service	38,600	-	-	38,600
Improvement of natural resources	-	-	-	-
Outstanding loans	-	-	-	1,276,585
Opioid remediation	-	2,138,249	-	2,138,249
Total Restricted	679,430	2,138,249	-	4,094,264
Committed				
Health and sanitation	1,854,598	-	-	1,854,598
Conservation of natural resources	-	-	7,105,772	7,105,772
Economic development	-	-	-	837,679
Retiree obligations	120,372	-	-	120,372
Vesting sick leave	246	-	-	246
Total Committed	1,975,216	-	7,105,772	9,918,667
Assigned				
Conservation of natural resources	-	-	135,255	135,255
Unassigned	-	-	-	(203)
Total Fund Balance	2,654,646	2,138,249	7,241,027	14,148,186
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,934,365	\$ 2,138,249	\$ 7,338,585	\$ 15,639,610

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

		Permanent Funds		Total Nonmajor Governmental Funds
	Debt Service Fund	Shoreline Sales	Scholarship Fund	
ASSETS				
Cash and cash equivalents	\$ 2,911,467	\$ 2,706,851	\$ 200,000	\$ 17,893,036
Investments	-	21,438,287	-	21,438,287
Delinquent taxes receivable	184,801	-	-	190,030
Accounts receivable (net)	-	-	-	92,572
Loans receivable	-	-	-	2,281,234
Due from other governments	-	-	-	1,185,654
Prepaid items	-	-	-	203
Total Assets	<u>3,096,268</u>	<u>24,145,138</u>	<u>200,000</u>	<u>43,081,016</u>
LIABILITIES				
Accounts payable	-	-	-	534,736
Accrued payroll	-	-	-	39,880
Interfund payable	-	-	-	46,662
Due to other governments	-	-	-	672,775
Unearned revenue	-	-	-	141,104
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,435,157</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Taxes	155,953	-	-	160,205
Grants	-	-	-	52,015
Total Deferred Inflows of Resources	<u>155,953</u>	<u>-</u>	<u>-</u>	<u>212,220</u>
FUND BALANCES				
Nonspendable				
Nonspendable prepaid items	-	-	-	203
Environmental trust funds	-	21,438,287	-	21,438,287
Scholarships	-	-	200,000	200,000
Total Nonspendable	<u>-</u>	<u>21,438,287</u>	<u>200,000</u>	<u>21,638,490</u>
Restricted				
Health and sanitation	-	-	-	640,830
Debt service	2,940,315	-	-	2,978,915
Improvement of natural resources	-	2,706,851	-	2,706,851
Outstanding loans	-	-	-	1,276,585
Opioid remediation	-	-	-	2,138,249
Total Restricted	<u>2,940,315</u>	<u>2,706,851</u>	<u>-</u>	<u>9,741,430</u>
Committed				
Health and sanitation	-	-	-	1,854,598
Conservation of natural resources	-	-	-	7,105,772
Economic development	-	-	-	837,679
Retiree obligations	-	-	-	120,372
Vesting sick leave	-	-	-	246
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,918,667</u>
Assigned				
Conservation of natural resources	-	-	-	135,255
Unassigned	-	-	-	(203)
Total Fund Balance	<u>2,940,315</u>	<u>24,145,138</u>	<u>200,000</u>	<u>41,433,639</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,096,268</u>	<u>\$ 24,145,138</u>	<u>\$ 200,000</u>	<u>\$ 43,081,016</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds		
	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
REVENUES			
Taxes	\$ 231,250	\$ -	\$ -
Intergovernmental	525	2,092,108	489,536
Charges for services	-	-	-
Earnings (loss) on investments	-	-	-
Land and timber sales	-	-	-
Miscellaneous	-	-	150
Total Revenues	231,775	2,092,108	489,686
EXPENDITURES			
Current:			
Health and sanitation	-	-	-
Conservation of natural resources	-	-	-
Economic development	269,429	2,092,108	489,686
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	269,429	2,092,108	489,686
Excess (deficiency) of revenues over (under) expenditures	(37,654)	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Loan proceeds	-	-	-
Sale of capital assets	-	-	-
Total other financing sources and (uses)	-	-	-
Net change in fund balances	(37,654)	-	-
Fund Balance - January 1	2,151,918	-	-
Fund Balance - December 31	\$ 2,114,264	\$ -	\$ -

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds			
	Septic Services	Opioid Remediation	Forest Resources	Total
REVENUES				
Taxes	\$ -	\$ -	\$ 570,172	\$ 801,422
Intergovernmental	359,705	-	295,401	3,237,275
Charges for services	292,717	-	-	292,717
Earnings (loss) on investments	5,868	9,170	-	15,038
Land and timber sales	-	-	295,000	295,000
Miscellaneous	400	2,129,079	10,499	2,140,128
Total Revenues	658,690	2,138,249	1,171,072	6,781,580
EXPENDITURES				
Current:				
Health and sanitation	1,278,059	-	-	1,278,059
Conservation of natural resources	-	-	545,112	545,112
Economic development	-	-	-	2,851,223
Debt service:				
Principal	31,807	-	-	31,807
Interest and other charges	-	-	-	-
Total expenditures	1,309,866	-	545,112	4,706,201
Excess (deficiency) of revenues over (under) expenditures	(651,176)	2,138,249	625,960	2,075,379
OTHER FINANCING SOURCES (USES)				
Transfers in	668,333	-	312,466	980,799
Transfers (out)	-	-	(580,386)	(580,386)
Loan proceeds	91,822	-	-	91,822
Sale of capital assets	3,048	-	-	3,048
Total other financing sources and (uses)	763,203	-	(267,920)	495,283
Net change in fund balances	112,027	2,138,249	358,040	2,570,662
Fund Balance - January 1	2,542,619	-	6,882,987	11,577,524
Fund Balance - December 31	\$ 2,654,646	\$ 2,138,249	\$ 7,241,027	\$ 14,148,186

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Permanent Funds			Total Nonmajor Governmental Funds
	Debt Service Fund	Shoreline Sales	Scholarship Fund	
REVENUES				
Taxes	\$ 6,838,546	\$ -	\$ -	\$ 7,639,968
Intergovernmental	192,241	-	-	3,429,516
Charges for services	-	-	-	292,717
Earnings (loss) on investments	3,751	(4,323,641)	-	(4,304,852)
Land and timber sales	-	-	-	295,000
Miscellaneous	-	-	-	2,140,128
Total Revenues	7,034,538	(4,323,641)	-	9,492,477
EXPENDITURES				
Current:				
Health and sanitation	-	-	-	1,278,059
Conservation of natural resources	-	29,150	-	574,262
Economic development	-	-	-	2,851,223
Debt service:				
Principal	12,235,000	-	-	12,266,807
Interest and other charges	4,704,459	-	-	4,704,459
Total expenditures	16,939,459	29,150	-	21,674,810
Excess (deficiency) of revenues over (under) expenditures	(9,904,921)	(4,352,791)	-	(12,182,333)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,857,581	305,054	-	8,143,434
Transfers (out)	-	(1,097,300)	-	(1,677,686)
Loan proceeds	-	-	-	91,822
Sale of capital assets	-	-	-	3,048
Total other financing sources and (uses)	6,857,581	(792,246)	-	6,560,618
Net change in fund balances	(3,047,340)	(5,145,037)	-	(5,621,715)
Fund Balance - January 1	5,987,655	29,290,175	200,000	47,055,354
Fund Balance - December 31	\$ 2,940,315	\$ 24,145,138	\$ 200,000	\$ 41,433,639

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 230,288	\$ 230,288	\$ 231,250	\$ 962
Intergovernmental	-	-	525	525
Total Revenues	230,288	230,288	231,775	1,487
EXPENDITURES				
Economic development				
Personnel services	140,000	140,000	-	140,000
Other operating	438,618	573,618	269,429	304,189
Total Expenditures	578,618	713,618	269,429	444,189
Excess of Revenues Over (Under) Expenditures	(348,330)	(483,330)	(37,654)	445,676
Fund Balance - January 1	2,151,918	2,151,918	2,151,918	-
Fund Balance - December 31	<u>\$ 1,803,588</u>	<u>\$ 1,668,588</u>	<u>\$ 2,114,264</u>	<u>\$ 445,676</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,368,339	\$ 2,092,108	\$ 2,092,108	\$ -
Total Revenues	3,368,339	2,092,108	2,092,108	-
EXPENDITURES				
Economic development				
Personnel services	648,333	454,730	454,730	-
Other operating	2,720,006	1,637,378	1,637,378	-
Total Expenditures	3,368,339	2,092,108	2,092,108	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NORTHEAST MINNESOTA HOUSING CONSORTIUM SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,693,115	\$ 494,886	\$ 489,536	\$ (5,350)
Miscellaneous	200	150	150	-
Total Revenues	1,693,315	495,036	489,686	(5,350)
EXPENDITURES				
Economic development				
Personnel services	75,200	38,000	38,000	-
Other operating	1,618,115	457,036	451,686	5,350
Total Expenditures	1,693,315	495,036	489,686	5,350
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEPTIC SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 25	\$ 25	\$ -	\$ (25)
Intergovernmental	300,837	359,705	359,705	-
Charges for services	280,000	280,000	292,717	12,717
Earnings (loss) on investments	11,000	11,000	5,868	(5,132)
Miscellaneous	-	500	400	(100)
Total Revenues	591,862	651,230	658,690	7,460
EXPENDITURES				
Health and sanitation				
Personnel services	826,304	826,304	747,098	79,206
Other operating	1,195,062	673,573	530,961	142,612
Total health and sanitation	2,021,366	1,499,877	1,278,059	221,818
Debt service				
Principal	75,000	75,000	31,807	43,193
Total debt service	75,000	75,000	31,807	43,193
Total Expenditures	2,096,366	1,574,877	1,309,866	265,011
Excess of Revenues Over (Under) Expenditures	(1,504,504)	(923,647)	(651,176)	272,471
OTHER FINANCING SOURCES (USES)				
Transfers in	781,748	781,748	668,333	(113,415)
Loan proceeds	-	-	91,822	91,822
Sale of capital assets	-	-	3,048	3,048
Total Other Financing Sources (Uses)	781,748	781,748	763,203	(18,545)
Excess of Revenues Over (Under) Expenditures	(722,756)	(141,899)	112,027	253,926
Fund Balance - January 1	2,542,619	2,542,619	2,542,619	-
Fund Balance - December 31	\$ 1,819,863	\$ 2,400,720	\$ 2,654,646	\$ 253,926

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPIOID REMEDIATION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Earnings (loss) on investments	\$ -	\$ -	\$ 9,170	\$ 9,170
Miscellaneous	-	2,129,079	2,129,079	-
Total Revenues	-	2,129,079	2,138,249	9,170
Excess of Revenues Over (Under) Expenditures	-	2,129,079	2,138,249	9,170
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 2,129,079</u>	<u>\$ 2,138,249</u>	<u>\$ 9,170</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOREST RESOURCES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 571,119	\$ 571,119	\$ 570,172	\$ (947)
Intergovernmental	163,899	365,086	295,401	(69,685)
Land and timber sales	-	305,499	295,000	(10,499)
Miscellaneous	-	-	10,499	10,499
Total Revenues	735,018	1,241,704	1,171,072	(70,632)
EXPENDITURES				
Conservation of natural resources				
Other operating	1,286,050	1,391,760	545,112	846,648
Capital outlay	665,000	665,000	-	665,000
Total Expenditures	1,951,050	2,056,760	545,112	1,511,648
Excess of Revenues Over (Under) Expenditures	(1,216,032)	(815,056)	625,960	1,441,016
OTHER FINANCING SOURCES (USES)				
Transfers in	-	312,466	312,466	-
Transfers (out)	(255,000)	(657,108)	(580,386)	76,722
Total Other Financing Sources (Uses)	(255,000)	(344,642)	(267,920)	76,722
Excess of Revenues Over (Under) Expenditures	(1,471,032)	(1,159,698)	358,040	1,517,738
Fund Balance - January 1	6,882,987	6,882,987	6,882,987	-
Fund Balance - December 31	<u>\$ 5,411,955</u>	<u>\$ 5,723,289</u>	<u>\$ 7,241,027</u>	<u>\$ 1,517,738</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 6,800,775	\$ 6,800,775	\$ 6,838,546	\$ 37,771
Intergovernmental	199,225	199,225	192,241	(6,984)
Earnings (loss) on investments	-	-	3,751	3,751
Total Revenues	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,034,538</u>	<u>34,538</u>
EXPENDITURES				
Debt service				
Principal	9,380,000	12,235,000	12,235,000	-
Interest and other charges	4,704,459	4,704,459	4,704,459	-
Total Expenditures	<u>14,084,459</u>	<u>16,939,459</u>	<u>16,939,459</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(7,084,459)	(9,939,459)	(9,904,921)	34,538
OTHER FINANCING SOURCES (USES)				
Transfers in	6,857,581	6,857,581	6,857,581	-
Total other financing sources (uses)	<u>6,857,581</u>	<u>6,857,581</u>	<u>6,857,581</u>	<u>-</u>
Net change in fund balances	(226,878)	(3,081,878)	(3,047,340)	34,538
Fund Balance - January 1	<u>5,987,655</u>	<u>5,987,655</u>	<u>5,987,655</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 5,760,777</u>	<u>\$ 2,905,777</u>	<u>\$ 2,940,315</u>	<u>\$ 34,538</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for operations that are financed and operated in a manner similar to private businesses, with the intent that the 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.

County Garage - This 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, and Liability Insurance - This fund is used to account for coverage of claims and judgments against the County.

Workers' Compensation Insurance - This fund is used to account for coverage of workers' compensation claims incurred by County employees.

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

Retired Employees' Health Insurance - This fund is used to account for retirees' insurance expenses paid by the retirees' applicable sick leave balance at retirement.

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

	County Garage	Property, Casualty, & Liability Insurance	Workers' Compensation Insurance
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,299,342	\$ 711,278	\$ 1,679,362
Investments	-	1,951,308	11,852,698
Accounts receivable (net)	6,142	100	9,692
Accrued interest receivable	-	6,494	51,126
Due from other governments	-	-	23,709
Inventories	46,969	-	-
Total current assets	<u>1,352,453</u>	<u>2,669,180</u>	<u>13,616,587</u>
Noncurrent assets:			
Capital assets:			
Land	25,500	-	-
Buildings and structures	2,759,175	-	-
Machinery and equipment	95,316	-	-
Vehicles	3,280,037	-	-
Less accumulated depreciation	<u>(3,302,505)</u>	<u>-</u>	<u>-</u>
Total capital asset (net)	<u>2,857,523</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>2,857,523</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,209,976</u>	<u>2,669,180</u>	<u>13,616,587</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,071	5,483	46,139
Accrued payroll	18,357	3,552	11,949
Compensated absences payable	48,957	-	-
Claims payable	-	-	1,165,639
Due to other governments	-	-	80,887
Unearned revenue	-	-	-
Advances from other funds	<u>37,497</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>114,882</u>	<u>9,035</u>	<u>1,304,614</u>
Noncurrent liabilities:			
Noncurrent compensated absences	159,545	-	-
Noncurrent claims payable	-	-	1,916,680
Noncurrent advances from other funds	<u>1,537,370</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>1,696,915</u>	<u>-</u>	<u>1,916,680</u>
Total liabilities	<u>1,811,797</u>	<u>9,035</u>	<u>3,221,294</u>
NET POSITION			
Net investment in capital assets	2,857,523	-	-
Unrestricted	<u>(459,344)</u>	<u>2,660,145</u>	<u>10,395,293</u>
Total net position	<u>\$ 2,398,179</u>	<u>\$ 2,660,145</u>	<u>\$ 10,395,293</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

	Medical/ Dental Insurance	Retired Employees' Health Insurance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,879,749	\$ 112,836	\$ 6,682,567
Investments	18,205,519	-	32,009,525
Accounts receivable (net)	1,502,733	15,732	1,534,399
Accrued interest receivable	116,873	-	174,493
Due from other governments	-	-	23,709
Inventories	-	-	46,969
Total current assets	<u>22,704,874</u>	<u>128,568</u>	<u>40,471,662</u>
Noncurrent assets:			
Capital assets:			
Land	-	-	25,500
Buildings and structures	-	-	2,759,175
Machinery and equipment	-	-	95,316
Vehicles	-	-	3,280,037
Less accumulated depreciation	-	-	(3,302,505)
Total capital asset (net)	<u>-</u>	<u>-</u>	<u>2,857,523</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>2,857,523</u>
Total assets	<u>22,704,874</u>	<u>128,568</u>	<u>43,329,185</u>
LIABILITIES			
Current liabilities:			
Accounts payable	8,290	102	70,085
Accrued payroll	-	-	33,858
Compensated absences payable	-	8,355	57,312
Claims payable	4,037,599	-	5,203,238
Due to other governments	-	-	80,887
Unearned revenue	32,610	-	32,610
Advances from other funds	-	-	37,497
Total current liabilities	<u>4,078,499</u>	<u>8,457</u>	<u>5,515,487</u>
Noncurrent liabilities:			
Noncurrent compensated absences	-	120,111	279,656
Noncurrent claims payable	-	-	1,916,680
Noncurrent advances from other funds	-	-	1,537,370
Total non-current liabilities	<u>-</u>	<u>120,111</u>	<u>3,733,706</u>
Total liabilities	<u>4,078,499</u>	<u>128,568</u>	<u>9,249,193</u>
NET POSITION			
Net investment in capital assets	-	-	2,857,523
Unrestricted	18,626,375	-	31,222,469
Total net position	<u>\$ 18,626,375</u>	<u>\$ -</u>	<u>\$ 34,079,992</u>

ST. LOUIS COUNTY, MINNESOTA
**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>County Garage</u>	<u>Property, Casualty, & Liability Insurance</u>	<u>Workers' Compensation Insurance</u>
Operating Revenues			
Charges for services	\$ 1,878,829	\$ 416,177	\$ 2,529,062
Other	906	24,362	735,112
Total Operating Revenues	<u>1,879,735</u>	<u>440,539</u>	<u>3,264,174</u>
Operating Expenses			
Personnel services	613,437	105,924	270,836
Contractual services	311,441	680,800	1,382,399
Materials	555,852	125	15,712
Claims paid	-	-	1,284,822
Depreciation	462,045	-	-
Total Operating Expenses	<u>1,942,775</u>	<u>786,849</u>	<u>2,953,769</u>
Operating Income (Loss)	<u>(63,040)</u>	<u>(346,310)</u>	<u>310,405</u>
Nonoperating revenues (expenses)			
Grants	-	-	499,610
Earnings on investments	-	(34,717)	(227,086)
(Loss) or gain on asset disposal	57,118	-	-
Claims payable estimate adjustment	-	-	990,055
Total Nonoperating Revenues (Expenses)	<u>57,118</u>	<u>(34,717)</u>	<u>1,262,579</u>
Income (Loss) Before Transfers	(5,922)	(381,027)	1,572,984
Transfers (out)	<u>(8,820)</u>	<u>-</u>	<u>-</u>
Change in net position	(14,742)	(381,027)	1,572,984
Net position - January 1	<u>2,412,921</u>	<u>3,041,172</u>	<u>8,822,309</u>
Net position - December 31	<u><u>\$ 2,398,179</u></u>	<u><u>\$ 2,660,145</u></u>	<u><u>\$ 10,395,293</u></u>

ST. LOUIS COUNTY, MINNESOTA
**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Medical/ Dental Insurance</u>	<u>Retired Employees' Health Insurance</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 34,108,397	\$ -	\$ 38,932,465
Other	<u>-</u>	<u>-</u>	<u>760,380</u>
Total Operating Revenues	<u>34,108,397</u>	<u>-</u>	<u>39,692,845</u>
Operating Expenses			
Personnel services	-	-	990,197
Contractual services	1,757,283	-	4,131,923
Materials	-	-	571,689
Claims paid	32,343,125	-	33,627,947
Depreciation	<u>-</u>	<u>-</u>	<u>462,045</u>
Total Operating Expenses	<u>34,100,408</u>	<u>-</u>	<u>39,783,801</u>
Operating Income (Loss)	<u>7,989</u>	<u>-</u>	<u>(90,956)</u>
Nonoperating revenues (expenses)			
Grants	-	-	499,610
Earnings on investments	(311,974)	-	(573,777)
(Loss) or gain on asset disposal	-	-	57,118
Claims payable estimate adjustment	<u>-</u>	<u>-</u>	<u>990,055</u>
Total Nonoperating Revenues (Expenses)	<u>(311,974)</u>	<u>-</u>	<u>973,006</u>
Income (Loss) Before Transfers	(303,985)	-	882,050
Transfers (out)	<u>(389,545)</u>	<u>-</u>	<u>(398,365)</u>
Change in net position	(693,530)	-	483,685
Net position - January 1	<u>19,319,905</u>	<u>-</u>	<u>33,596,307</u>
Net position - December 31	<u><u>\$ 18,626,375</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,079,992</u></u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	County Garage	Property, Casualty, & Liability Insurance	Workers' Compensation Insurance
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 1,883,926	\$ 444,388	\$ 2,529,062
Payments to suppliers	(870,747)	(212,820)	(1,315,477)
Payments to employees	(593,031)	(105,787)	(272,630)
Claims paid	-	(550,251)	(1,284,822)
Other receipts (payments)	906	24,237	701,711
Net cash provided (used) by operating activities	421,054	(400,233)	357,844
CASH FLOWS FROM			
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from grants	-	-	499,610
Transfers to other funds	(8,820)	-	-
Net cash provided (used) by noncapital financing activities	(8,820)	-	499,610
CASH FLOWS FROM CAPITAL AND			
RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(98,048)	-	-
Proceeds from the sale of capital assets	65,480	-	-
Proceeds from advance from other fund	(37,497)	-	-
Net cash provided (used) by capital and related financing activities	(70,065)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(1,771,641)	(9,653,388)
Sale of investments	-	999,000	7,477,455
Interest and dividends	-	40,208	188,252
Net cash provided (used) by investing activities	-	(732,433)	(1,987,681)
Net Increase (Decrease) in Cash and Cash Equivalents	342,169	(1,132,666)	(1,130,227)
Balances - January 1	957,173	1,843,944	2,809,589
Balances - December 31	\$ 1,299,342	\$ 711,278	\$ 1,679,362
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (63,040)	\$ (346,310)	\$ 310,405
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	462,045	-	-
(Increase) Decrease Receivables	5,097	28,211	(9,692)
(Increase) Decrease Due from other government	-	-	(23,709)
(Increase) Decrease Inventories	(5,495)	-	-
Increase (Decrease) Accounts payable	2,041	(27,271)	1,992
Increase (Decrease) Salaries payable	1,100	137	(1,794)
Increase (Decrease) Compensated absences payable	19,306	-	-
Increase (Decrease) Claims payable	-	(55,000)	-
Increase (Decrease) Due to other governments	-	-	80,642
Increase (Decrease) Unearned revenue	-	-	-
Total Adjustments	484,094	(53,923)	47,439
Net cash provided (used) by operating activities	\$ 421,054	\$ (400,233)	\$ 357,844
NON-CASH ACTIVITIES			
Change in fair value of investments	-	(79,276)	(440,912)
Change in present value of future claims	-	-	(990,055)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Medical/ Dental Insurance	Retired Employees' Health Insurance	Total
CASH FLOWS FROM			
OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 33,693,248	\$ (15,732)	\$ 38,534,892
Payments to suppliers	(1,757,663)	(1,527)	(4,158,234)
Payments to employees	-	(12,776)	(984,224)
Claims paid	(31,601,210)	-	(33,436,283)
Other receipts (payments)	-	-	726,854
Net cash provided (used) by operating activities	334,375	(30,035)	683,005
CASH FLOWS FROM			
NONCAPITAL FINANCING ACTIVITIES			
Proceeds from grants	-	-	499,610
Transfers to other funds	(389,545)	-	(398,365)
Net cash provided (used) by noncapital financing activities	(389,545)	-	101,245
CASH FLOWS FROM CAPITAL AND			
RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	-	(98,048)
Proceeds from the sale of capital assets	-	-	65,480
Proceeds from advance from other fund	-	-	(37,497)
Net cash provided (used) by capital and related financing activities	-	-	(70,065)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(15,801,692)	-	(27,226,721)
Sale of investments	12,979,880	-	21,456,335
Interest and dividends	268,321	-	496,781
Net cash provided (used) by investing activities	(2,553,491)	-	(5,273,605)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,608,661)	(30,035)	(4,559,420)
Balances - January 1	5,488,410	142,871	11,241,987
Balances - December 31	<u>\$ 2,879,749</u>	<u>\$ 112,836</u>	<u>\$ 6,682,567</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 7,989	\$ -	\$ (90,956)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	-	-	462,045
(Increase) Decrease Receivables	(302,426)	(15,732)	(294,542)
(Increase) Decrease Due from other government	-	-	(23,709)
(Increase) Decrease Inventories	-	-	(5,495)
Increase (Decrease) Accounts payable	(380)	(1,527)	(25,145)
Increase (Decrease) Salaries payable	-	-	(557)
Increase (Decrease) Compensated absences payable	-	(12,776)	6,530
Increase (Decrease) Claims payable	741,915	-	686,915
Increase (Decrease) Due to other governments	-	-	80,642
Increase (Decrease) Unearned revenue	(112,723)	-	(112,723)
Total Adjustments	326,386	(30,035)	773,961
Net cash provided (used) by operating activities	<u>\$ 334,375</u>	<u>\$ (30,035)</u>	<u>\$ 683,005</u>
NON-CASH ACTIVITIES			
Change in fair value of investments	(670,513)	-	(1,190,701)
Change in present value of future claims	-	-	(990,055)

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

CUSTODIAL FUNDS

Northeastern Minnesota Enforcement & Safety Information System (NEMESIS) - This fund is used to account for transactions related to the Northeastern Minnesota Enforcement & Safety Information System operation, for which the County is the fiscal agent.

State of Minnesota - This fund is used to account for the receipt and disbursement of money, for which St. Louis County is the collection agent for the State.

Beer-Auctioneer Licenses - This 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.

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

Arrowhead Regional Corrections - This fund is used to account for transactions related to the Arrowhead Regional Corrections operation, which contracts with St. Louis County for accounting services.

Regional Railroad Authority - This fund is used to account for the financial transactions of the Regional Railroad Authority, for which the County is the fiscal agent.

Minneapolis-Duluth/Superior Passenger Rail Alliance - This fund is used to account for the financial transactions of the Minneapolis-Duluth/Superior Passenger Rail Alliance, for which the Regional Railroad Authority is the fiscal agent.

Community Health Board - This fund is used to account for the transactions related to the Community Health Services Board.

Duluth Area Family Services Collaborative - This fund is used to account for the financial transactions of the Duluth Area Family Services Collaborative, for which the County is the fiscal agent.

Local Collaborative Time Study - This fund is used to account for the time study funds received from the State to be remitted to the local collaborative as requested.

CUSTODIAL FUNDS

continued

Northern Counties Land Use Board - This fund is used to account for the financial transactions of the Northern Counties Land Use Board, for which the County is the fiscal agent.

Voyageurs National Park Joint Venture - This fund is used to account for the financial transactions of the Voyageurs National Park Joint Venture, for which the County is the fiscal agent.

Ash River Sanitary District - This fund is used to account for the financial transactions of the Ash River Sanitary District, for which the County is the fiscal agent.

Northeast Regional ATV Trail Joint Powers Board - This fund is used to account for the financial transactions of the Northeast Regional ATV Trail Joint Powers Board, for which the County is the fiscal agent.

MN Regional Parks and Trails - This fund is used to account for the financial transactions of the Greater Minnesota Regional Parks and Trails Commission, for which the County is the fiscal agent.

Sheriff Forfeits/Evidence - This fund is used to account for the financial transactions related to criminal matters awaiting judgment.

Estate Recovery Fund - This fund is to account for funds that are recovered from estates for clients that are on Medical Assistance.

Crane Lake - The County is the fiscal agent per the grant agreement for the 2020 and 2021 Crane Lake Legislative-Citizen Commission on Minnesota Resources (LCCMR) Grant.

Brookston - The County is the fiscal agent per the grant agreement for the 2021 Brookston Legislative-Citizen Commission on Minnesota Resources (LCCMR) Grant.

Jail Inmate/Kiosk - This fund is used to account for the funds that belong to the inmates at the jail.

Northeast Minnesota Emergency Communications Board (NEECB) - This fund is used to account for the financial transactions of the Northeast Minnesota Emergency Communications Board, for which the County is the fiscal agent.

Civil Fund - This fund is used to collect and disburse funds per court orders.

Taconite Relief - This fund is used to account for the tax imposed by Minn. Stat. 298.015 as an individual investment account for the State of Minnesota.

Taconite Production Tax - This fund is used to account for the tax imposed by Minn. Stat. 298.24 as an individual investment account for the State of Minnesota.

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	<u>NEMESIS</u>	<u>State of Minnesota</u>	<u>Beer- Auctioneer Licenses Fund</u>	<u>Taxes and Penalties Fund</u>
ASSETS				
Cash and cash equivalents	\$ 9,977	\$ 1,255,805	\$ 1,050	\$ 2,558,423
Investments	-	-	-	-
Taxes receivable	-	-	-	5,660,954
Accounts receivable	21,795	109,402	-	43
Accrued interest receivable	-	-	-	-
Leases receivable	-	-	-	-
Due from other governments	-	21	-	1
Total Assets	<u>31,772</u>	<u>1,365,228</u>	<u>1,050</u>	<u>8,219,421</u>
LIABILITIES				
Accounts payable	14,089	-	-	-
Contracts payable	-	-	-	-
Accrued payroll	-	3,927	-	-
Unearned revenue	-	-	-	-
Due to other governments	-	1,361,301	1,050	2,477,632
Total Liabilities	<u>14,089</u>	<u>1,365,228</u>	<u>1,050</u>	<u>2,477,632</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - prepaid taxes	-	-	-	80,835
NET POSITION				
Restricted for:				
Held in trust for pool participants	-	-	-	-
Individuals, organizations, and other governments	17,683	-	-	5,660,954
Retiree obligations	-	-	-	-
Arrowhead regional corrections	-	-	-	-
Regional rail authority	-	-	-	-
Minneapolis-Duluth/Superior passenger rail alliance	-	-	-	-
Community health board	-	-	-	-
Duluth area family service collaborative	-	-	-	-
Local collaborative time study	-	-	-	-
Northern counties land use board	-	-	-	-
Voyageurs national park joint venture	-	-	-	-
Ash river sanitary district	-	-	-	-
ATV Joint Powers Board	-	-	-	-
Total Net Position	<u>\$ 17,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,660,954</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Arrowhead Regional Corrections Fund	Regional Rail Authority	Minneapolis- Duluth/ Superior Passenger Rail Alliance	Community Health Board
ASSETS				
Cash and cash equivalents	\$ 5,398,219	\$ 1,213,922	\$ 27,683	\$ -
Investments	1,863,702	-	-	-
Taxes receivable	-	49,112	-	-
Accounts receivable	102,296	5,017	-	4,856
Accrued interest receivable	9,306	-	-	-
Leases receivable	168	-	-	-
Due from other governments	387,274	2,869,618	-	1,564,188
Total Assets	<u>7,760,965</u>	<u>4,137,669</u>	<u>27,683</u>	<u>1,569,044</u>
LIABILITIES				
Accounts payable	432,406	1,305,796	18,235	67,203
Contracts payable	128,328	-	-	-
Accrued payroll	751,597	13,981	-	18,259
Unearned revenue	-	-	-	155,828
Due to other governments	94,069	10,475	-	1,195,222
Total Liabilities	<u>1,406,400</u>	<u>1,330,252</u>	<u>18,235</u>	<u>1,436,512</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - prepaid taxes	-	-	-	-
NET POSITION				
Restricted for:				
Held in trust for pool participants	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-
Retiree obligations	3,483,404	-	-	-
Arrowhead regional corrections	2,871,161	-	-	-
Regional rail authority	-	2,807,417	-	-
Minneapolis-Duluth/Superior passenger rail alliance	-	-	9,448	-
Community health board	-	-	-	132,532
Duluth area family service collaborative	-	-	-	-
Local collaborative time study	-	-	-	-
Northern counties land use board	-	-	-	-
Voyageurs national park joint venture	-	-	-	-
Ash river sanitary district	-	-	-	-
ATV Joint Powers Board	-	-	-	-
Total Net Position	<u>\$ 6,354,565</u>	<u>\$ 2,807,417</u>	<u>\$ 9,448</u>	<u>\$ 132,532</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Duluth Area Family Service Collaborative Fund	Local Collaborative Time Study Fund	Northern Counties Land Use Board Fund	Voyageurs National Park Joint Venture
ASSETS				
Cash and cash equivalents	\$ 1,226,528	\$ 930,333	\$ 66,960	\$ 14,079
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Leases receivable	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>1,226,528</u>	<u>930,333</u>	<u>66,960</u>	<u>14,079</u>
LIABILITIES				
Accounts payable	122,904	16,400	2,750	9,946
Contracts payable	-	-	-	-
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
Due to other governments	4,597	4,597	-	-
Total Liabilities	<u>127,501</u>	<u>20,997</u>	<u>2,750</u>	<u>9,946</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - prepaid taxes	-	-	-	-
NET POSITION				
Restricted for:				
Held in trust for pool participants	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-
Retiree obligations	-	-	-	-
Arrowhead regional corrections	-	-	-	-
Regional rail authority	-	-	-	-
Minneapolis-Duluth/Superior passenger rail alliance	-	-	-	-
Community health board	-	-	-	-
Duluth area family service collaborative	1,099,027	-	-	-
Local collaborative time study	-	909,336	-	-
Northern counties land use board	-	-	64,210	-
Voyageurs national park joint venture	-	-	-	4,133
Ash river sanitary district	-	-	-	-
ATV Joint Powers Board	-	-	-	-
Total Net Position	<u>\$ 1,099,027</u>	<u>\$ 909,336</u>	<u>\$ 64,210</u>	<u>\$ 4,133</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Ash River Sanitary District	ATV Joint Powers Board	MN Regional Parks and Trails	Sheriff Forfeits/ Evidence
ASSETS				
Cash and cash equivalents	\$ 194,366	\$ 88,097	\$ 64,837	\$ 156,811
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	9,450	-	-
Accrued interest receivable	-	-	-	-
Leases receivable	-	-	-	-
Due from other governments	45,318	-	41,555	-
Total Assets	<u>239,684</u>	<u>97,547</u>	<u>106,392</u>	<u>156,811</u>
LIABILITIES				
Accounts payable	37,478	12,650	8,594	114
Contracts payable	-	-	-	-
Accrued payroll	-	-	-	-
Unearned revenue	-	-	97,798	-
Due to other governments	-	-	-	93,030
Total Liabilities	<u>37,478</u>	<u>12,650</u>	<u>106,392</u>	<u>93,144</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - prepaid taxes	-	-	-	-
NET POSITION				
Restricted for:				
Held in trust for pool participants	-	-	-	-
Individuals, organizations, and other governments	-	-	-	63,667
Retiree obligations	-	-	-	-
Arrowhead regional corrections	-	-	-	-
Regional rail authority	-	-	-	-
Minneapolis-Duluth/Superior passenger rail alliance	-	-	-	-
Community health board	-	-	-	-
Duluth area family service collaborative	-	-	-	-
Local collaborative time study	-	-	-	-
Northern counties land use board	-	-	-	-
Voyageurs national park joint venture	-	-	-	-
Ash river sanitary district	202,206	-	-	-
ATV Joint Powers Board	-	84,897	-	-
Total Net Position	<u>\$ 202,206</u>	<u>\$ 84,897</u>	<u>\$ -</u>	<u>\$ 63,667</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	<u>Estate Recovery Fund</u>	<u>Crane Lake - LCCMR Grant</u>	<u>Brookston - LCCMR Grant</u>	<u>Jail Inmate/Kiosk</u>
ASSETS				
Cash and cash equivalents	\$ 1,006,204	\$ (337,037)	\$ (163,672)	\$ 193,644
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Leases receivable	-	-	-	-
Due from other governments	-	348,287	163,672	-
Total Assets	<u>1,006,204</u>	<u>11,250</u>	<u>-</u>	<u>193,644</u>
LIABILITIES				
Accounts payable	-	11,250	-	-
Contracts payable	-	-	-	-
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
Due to other governments	1,006,204	-	-	-
Total Liabilities	<u>1,006,204</u>	<u>11,250</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - prepaid taxes	-	-	-	-
NET POSITION				
Restricted for:				
Held in trust for pool participants	-	-	-	-
Individuals, organizations, and other governments	-	-	-	193,644
Retiree obligations	-	-	-	-
Arrowhead regional corrections	-	-	-	-
Regional rail authority	-	-	-	-
Minneapolis-Duluth/Superior passenger rail alliance	-	-	-	-
Community health board	-	-	-	-
Duluth area family service collaborative	-	-	-	-
Local collaborative time study	-	-	-	-
Northern counties land use board	-	-	-	-
Voyageurs national park joint venture	-	-	-	-
Ash river sanitary district	-	-	-	-
ATV Joint Powers Board	-	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,644</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	NEECB	Civil Fund	Taconite Relief	Taconite Production Tax
ASSETS				
Cash and cash equivalents	\$ 19,534	\$ 139,088	\$ 123,113	\$ 19,544
Investments	-	-	9,250,000	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	119,828	-
Leases receivable	-	-	-	-
Due from other governments	4,885	-	-	-
	<u>24,419</u>	<u>139,088</u>	<u>9,492,941</u>	<u>19,544</u>
Total Assets				
LIABILITIES				
Accounts payable	178	32,490	-	-
Contracts payable	-	-	-	-
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
Due to other governments	4,785	-	-	19,544
	<u>4,963</u>	<u>32,490</u>	<u>-</u>	<u>19,544</u>
Total Liabilities				
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - prepaid taxes	-	-	-	-
NET POSITION				
Restricted for:				
Held in trust for pool participants	-	-	9,492,941	-
Individuals, organizations, and other governments	19,456	106,598	-	-
Retiree obligations	-	-	-	-
Arrowhead regional corrections	-	-	-	-
Regional rail authority	-	-	-	-
Minneapolis-Duluth/Superior passenger rail alliance	-	-	-	-
Community health board	-	-	-	-
Duluth area family service collaborative	-	-	-	-
Local collaborative time study	-	-	-	-
Northern counties land use board	-	-	-	-
Voyageurs national park joint venture	-	-	-	-
Ash river sanitary district	-	-	-	-
ATV Joint Powers Board	-	-	-	-
	<u>19,456</u>	<u>106,598</u>	<u>9,492,941</u>	<u>-</u>
Total Net Position				

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 14,207,508
Investments	11,113,702
Taxes receivable	5,710,066
Accounts receivable	252,859
Accrued interest receivable	129,134
Leases receivable	168
Due from other governments	<u>5,424,819</u>
Total Assets	<u><u>36,838,256</u></u>
LIABILITIES	
Accounts payable	2,092,483
Contracts payable	128,328
Accrued payroll	787,764
Unearned revenue	253,626
Due to other governments	<u>6,272,506</u>
Total Liabilities	<u>9,534,707</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - prepaid taxes	<u>80,835</u>
NET POSITION	
Restricted for:	
Held in trust for pool participants	9,492,941
Individuals, organizations, and other governments	6,062,002
Retiree obligations	3,483,404
Arrowhead regional corrections	2,871,161
Regional rail authority	2,807,417
Minneapolis-Duluth/Superior passenger rail alliance	9,448
Community health board	132,532
Duluth area family service collaborative	1,099,027
Local collaborative time study	909,336
Northern counties land use board	64,210
Voyageurs national park joint venture	4,133
Ash river sanitary district	202,206
ATV Joint Powers Board	<u>84,897</u>
Total Net Position	<u><u>\$ 27,222,714</u></u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	NEMESIS	State of Minnesota	Beer- Auctioneer Licenses Fund	Taxes and Penalties Fund
ADDITIONS				
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ 211,043,338
License and fee collections for other governments	-	-	1,050	-
License and fee collections for State of MN	-	49,143,998	-	-
Contributions individuals	-	-	-	-
Estate recoveries	-	-	-	-
Taconite taxes for State of MN	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	351,535	1,277,819	-	-
Fines and forfeits	-	-	-	-
Earnings on investments	-	-	-	-
Gifts and contributions	-	-	-	-
Miscellaneous	69,025	-	-	-
Total Additions	<u>420,560</u>	<u>50,421,817</u>	<u>1,050</u>	<u>211,043,338</u>
DEDUCTIONS				
Distribution to other governments	-	-	-	-
Payment of property tax to other governments	-	-	-	211,554,400
Distributions to participants	-	-	-	-
Distribution of recoveries	-	-	-	-
Payment of fee, fine and license revenue to others	-	-	1,050	-
Payments to State of MN	-	49,143,998	-	-
Personnel services	71,393	1,277,819	-	-
Other operating	513,024	-	-	-
Capital outlay	-	-	-	-
Total Deductions	<u>584,417</u>	<u>50,421,817</u>	<u>1,050</u>	<u>211,554,400</u>
Changes in net position	(163,857)	-	-	(511,062)
Net position - January 1	<u>181,540</u>	<u>-</u>	<u>-</u>	<u>6,172,016</u>
Net position - December 31	<u>\$ 17,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,660,954</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Arrowhead Regional Corrections Fund	Regional Rail Authority	Minneapolis- Duluth/ Superior Passenger Rail Alliance	Community Health Board
ADDITIONS				
Property tax collections for other governments	\$ -	\$ 1,892,459	\$ -	\$ -
License and fee collections for other governments	-	-	-	-
License and fee collections for State of MN	-	-	-	-
Contributions individuals	-	-	-	-
Estate recoveries	-	-	-	-
Taconite taxes for State of MN	-	-	-	-
Intergovernmental	28,087,434	5,152,547	-	6,947,885
Charges for services	921,057	2,720	-	-
Fines and forfeits	-	-	-	-
Earnings on investments	94,736	-	-	-
Gifts and contributions	-	-	103,200	-
Miscellaneous	260,303	181,559	-	21,098
Total Additions	<u>29,363,530</u>	<u>7,229,285</u>	<u>103,200</u>	<u>6,968,983</u>
DEDUCTIONS				
Distribution to other governments	-	-	-	6,061,236
Payment of property tax to other governments	-	-	-	-
Distributions to participants	-	-	-	-
Distribution of recoveries	-	-	-	-
Payment of fee, fine and license revenue to others	-	-	-	-
Payments to State of MN	-	-	-	-
Personnel services	21,191,923	622,981	23,000	547,818
Other operating	6,664,479	1,577,675	115,461	355,053
Capital outlay	2,111,885	4,718,562	-	-
Total Deductions	<u>29,968,287</u>	<u>6,919,218</u>	<u>138,461</u>	<u>6,964,107</u>
Changes in net position	(604,757)	310,067	(35,261)	4,876
Net position - January 1	<u>6,959,322</u>	<u>2,497,350</u>	<u>44,709</u>	<u>127,656</u>
Net position - December 31	<u><u>\$ 6,354,565</u></u>	<u><u>\$ 2,807,417</u></u>	<u><u>\$ 9,448</u></u>	<u><u>\$ 132,532</u></u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Duluth Area Family Service Collaborative Fund	Local Collaborative Time Study Fund	Northern Counties Land Use Board Fund	Voyageurs National Park Joint Venture
ADDITIONS				
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ -
License and fee collections for other governments	-	-	-	-
License and fee collections for State of MN	-	-	-	-
Contributions individuals	-	-	-	-
Estate recoveries	-	-	-	-
Taconite taxes for State of MN	-	-	-	-
Intergovernmental	527,232	527,232	19,000	58,300
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Earnings on investments	14,764	8,865	-	-
Gifts and contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Additions	<u>541,996</u>	<u>536,097</u>	<u>19,000</u>	<u>58,300</u>
DEDUCTIONS				
Distribution to other governments	-	-	-	-
Payment of property tax to other governments	-	-	-	-
Distributions to participants	76,657	25	-	-
Distribution of recoveries	-	-	-	-
Payment of fee, fine and license revenue to others	-	-	-	-
Payments to State of MN	-	-	-	-
Personnel services	-	-	-	-
Other operating	267,442	76,603	23,555	59,193
Capital outlay	-	-	-	-
Total Deductions	<u>344,099</u>	<u>76,628</u>	<u>23,555</u>	<u>59,193</u>
Changes in net position	197,897	459,469	(4,555)	(893)
Net position - January 1	<u>901,130</u>	<u>449,867</u>	<u>68,765</u>	<u>5,026</u>
Net position - December 31	<u><u>\$ 1,099,027</u></u>	<u><u>\$ 909,336</u></u>	<u><u>\$ 64,210</u></u>	<u><u>\$ 4,133</u></u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Ash River Sanitary District	ATV Joint Powers Board	MN Regional Parks and Trails	Sheriff Forfeits/ Evidence
ADDITIONS				
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ -
License and fee collections for other governments	-	-	-	-
License and fee collections for State of MN	-	-	-	-
Contributions individuals	-	-	-	-
Estate recoveries	-	-	-	-
Taconite taxes for State of MN	-	-	-	-
Intergovernmental	45,317	-	441,441	-
Charges for services	-	63,000	-	-
Fines and forfeits	-	-	-	139,098
Earnings on investments	-	-	-	-
Gifts and contributions	-	-	-	-
Miscellaneous	-	-	-	2,371
Total Additions	<u>45,317</u>	<u>63,000</u>	<u>441,441</u>	<u>141,469</u>
DEDUCTIONS				
Distribution to other governments	-	-	-	-
Payment of property tax to other governments	-	-	-	-
Distributions to participants	-	-	-	-
Distribution of recoveries	-	-	-	-
Payment of fee, fine and license revenue to others	-	-	-	121,766
Payments to State of MN	-	-	-	-
Personnel services	-	-	-	-
Other operating	104,235	75,103	441,441	20,064
Capital outlay	-	-	-	-
Total Deductions	<u>104,235</u>	<u>75,103</u>	<u>441,441</u>	<u>141,830</u>
Changes in net position	(58,918)	(12,103)	-	(361)
Net position - January 1	<u>261,124</u>	<u>97,000</u>	<u>-</u>	<u>64,028</u>
Net position - December 31	<u><u>\$ 202,206</u></u>	<u><u>\$ 84,897</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,667</u></u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Estate Recovery Fund</u>	<u>Crane Lake - LCCMR Grant</u>	<u>Brookston - LCCMR Grant</u>	<u>Jail Inmate/Kiosk</u>
ADDITIONS				
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ -
License and fee collections for other governments	-	-	-	-
License and fee collections for State of MN	-	-	-	-
Contributions individuals	-	-	-	528,635
Estate recoveries	2,093,657	-	-	-
Taconite taxes for State of MN	-	-	-	-
Intergovernmental	-	380,050	210,275	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Earnings on investments	-	-	-	-
Gifts and contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Additions	<u>2,093,657</u>	<u>380,050</u>	<u>210,275</u>	<u>528,635</u>
DEDUCTIONS				
Distribution to other governments	-	-	-	-
Payment of property tax to other governments	-	-	-	-
Distributions to participants	-	-	-	544,009
Distribution of recoveries	2,093,657	-	-	-
Payment of fee, fine and license revenue to others	-	-	-	-
Payments to State of MN	-	-	-	-
Personnel services	-	-	-	-
Other operating	-	380,050	210,275	-
Capital outlay	-	-	-	-
Total Deductions	<u>2,093,657</u>	<u>380,050</u>	<u>210,275</u>	<u>544,009</u>
Changes in net position	-	-	-	(15,374)
Net position - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,018</u>
Net position - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,644</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	NEECB	Civil Fund	Taconite Relief	Taconite Production Tax
ADDITIONS				
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ -
License and fee collections for other governments	-	-	-	-
License and fee collections for State of MN	-	-	-	-
Contributions individuals	-	-	-	-
Estate recoveries	-	-	-	-
Taconite taxes for State of MN	-	-	11,989,040	25,066,058
Intergovernmental	119,106	-	-	-
Charges for services	6,399	2,554,884	-	-
Fines and forfeits	-	-	-	-
Earnings on investments	-	-	182,388	19,544
Gifts and contributions	-	-	-	-
Miscellaneous	1,989	-	-	-
Total Additions	127,494	2,554,884	12,171,428	25,085,602
DEDUCTIONS				
Distribution to other governments	-	-	11,282,231	-
Payment of property tax to other governments	119,007	-	-	25,085,602
Distributions to participants	-	-	-	-
Distribution of recoveries	-	-	-	-
Payment of fee, fine and license revenue to others	-	-	-	-
Payments to State of MN	-	-	-	-
Personnel services	3,417	-	-	-
Other operating	3,952	2,550,842	-	-
Capital outlay	-	-	-	-
Total Deductions	126,376	2,550,842	11,282,231	25,085,602
Changes in net position	1,118	4,042	889,197	-
Net position - January 1	18,338	102,556	8,603,744	-
Net position - December 31	\$ 19,456	\$ 106,598	\$ 9,492,941	\$ -

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Total</u>
ADDITIONS	
Property tax collections for other governments	\$ 212,935,797
License and fee collections for other governments	1,050
License and fee collections for State of MN	49,143,998
Contributions individuals	528,635
Estate recoveries	2,093,657
Taconite taxes for State of MN	37,055,098
Intergovernmental	42,515,819
Charges for services	5,177,414
Fines and forfeits	139,098
Earnings on investments	320,297
Gifts and contributions	103,200
Miscellaneous	<u>536,345</u>
Total Additions	<u>350,550,408</u>
DEDUCTIONS	
Distribution to other governments	17,343,467
Payment of property tax to other governments	236,759,009
Distributions to participants	620,691
Distribution of recoveries	2,093,657
Payment of fee, fine and license revenue to others	122,816
Payments to State of MN	49,143,998
Personnel services	23,738,351
Other operating	13,438,447
Capital outlay	<u>6,830,447</u>
Total Deductions	<u>350,090,883</u>
Changes in net position	459,525
Net position - January 1	<u>26,763,189</u>
Net position - December 31	<u><u>\$ 27,222,714</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS AND INTEREST EARNING DEPOSITS
DECEMBER 31, 2022

	Interest Rates	Par Value	Market
Pooled Investments and Deposits			
Certificates of Deposit	0.60% - 4.70%	\$ 18,089,817	\$ 18,089,817
MAGIC Portfolio	Varies	113,363,872	113,363,872
MAGIC TERM	1.05% - 5.02%	34,250,000	34,250,000
Municipal Bonds	0.78% - 4.25%	17,720,000	16,863,306
FFCB	0.875% - 5.70%	36,546,000	35,527,534
FHLB	1.875% - 4.75%	27,435,000	26,811,105
FNMA	0.625% - 1.625%	10,043,000	8,937,654
US Treasury	0.25% - 2.25%	26,100,000	24,293,873
Total Pooled Investments and Deposits		<u>\$ 283,547,689</u>	<u>\$ 278,137,161</u>
Capital Projects			
US Treasury	0.125%	\$ 8,750,000	\$ 8,672,336
Total Capital Projects		<u>\$ 8,750,000</u>	<u>\$ 8,672,336</u>
Shoreline Sales Permanent Fund			
MN Board of Investments	Varies	<u>\$ 21,438,287</u>	<u>\$ 21,438,287</u>
Environmental Services Enterprise Fund			
Certificates of Deposit	2.10% - 3.35%	\$ 5,105,000	\$ 5,105,000
MAGIC TERM	3.17% - 4.97%	3,500,000	3,500,000
FFCB	1.82% - 4.25%	3,250,000	3,172,253
FNMA	0.75%	750,000	645,927
US Treasury	0.375% - 2.625%	3,300,000	3,035,324
Total Environmental Services Enterprise Fund		<u>\$ 15,905,000</u>	<u>\$ 15,458,504</u>
Property, Casualty, & Liability Insurance			
Internal Service Fund			
Certificates of Deposit	2.50% - 3.10%	\$ 498,000	\$ 498,000
MAGIC TERM	4.10% - 4.97%	500,000	500,000
FFCB	1.82% - 4.25%	750,000	725,612
US Treasury	1.75%	250,000	228,877
Total Property, Casualty, & Liability Insurance			
Internal Service Fund		<u>\$ 1,998,000</u>	<u>\$ 1,952,489</u>
Workers' Compensation Insurance			
Internal Service Fund			
Certificates of Deposit	1.65% - 3.05%	\$ 1,992,000	\$ 1,992,000
MAGIC TERM	3.17% - 5.02%	3,250,000	3,250,000
FFCB	1.82% - 4.25%	3,550,000	3,459,089
FNMA	0.75%	750,000	645,927
US Treasury	0.375% - 2.25%	2,750,000	2,518,057
Total Workers' Compensation Insurance			
Internal Service Fund		<u>\$ 12,292,000</u>	<u>\$ 11,865,073</u>
Medical/Dental Insurance			
Internal Service Fund			
Certificates of Deposit	2.65% - 2.85%	\$ 993,000	\$ 993,000
MAGIC TERM	3.17% - 5.02%	7,000,000	7,000,000
FFCB	1.125% - 4.25%	3,521,000	3,353,169
FHLB	1.25%	1,000,000	895,168
FNMA	0.75%	1,000,000	861,236
US Treasury	0.375% - 2.625%	5,500,000	5,115,343
Total Medical/Dental Insurance			
Internal Service Fund		<u>\$ 19,014,000</u>	<u>\$ 18,217,916</u>
Taconite Relief Trust Fund			
MAGIC TERM	3.22% - 3.37%	<u>\$ 9,250,000</u>	<u>\$ 9,250,000</u>
Arrowhead Regional Corrections Custodial Fund			
Certificates of Deposit	0.50% - 3.05%	\$ 1,243,000	\$ 1,243,000
MAGIC TERM	2.15%	620,702	620,702
Total Arrowhead Regional Corrections Custodial Fund		<u>\$ 1,863,702</u>	<u>\$ 1,863,702</u>
Total Investments and Deposits		<u>\$ 374,058,678</u>	<u>\$ 366,855,468</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

		Special Revenue Funds			
	General Fund	Road and Bridge	Public Health and Human Services	Pandemic Response Fund	Other
Appropriations and Shared Revenue					
State					
Department of Natural Resources					
Mineral rents & royalties	\$ 1,165,005	\$ -	\$ -	\$ -	\$ -
Department of Public Safety					
Enhanced 911 program grant	623,785	-	-	-	-
Department of Revenue					
County program aid	10,616,718	1,319,944	1,893,683	-	-
Disparity aid	2,470,276	764,268	1,803,464	-	-
ICWA aid	-	-	276,740	-	-
Local performance aid	25,000	-	-	-	-
Market value credit	74,545	25,267	53,646	-	522
PERA aid	277,698	-	-	-	-
Police aid	1,015,833	-	-	-	-
State fire aid	9,968	-	-	-	-
Department of Transportation					
30 percent rental income	244	77	185	-	1
Engineering	-	1,652,866	-	-	-
LRIP/RRSA state bond	-	1,257,047	-	-	-
MN FD 29 bridge bond	-	1,762,275	-	-	-
Municipal construction	-	685,714	-	-	-
Municipal maintenance	-	1,800,546	-	-	-
Regular construction	-	13,820,989	-	-	-
Regular maintenance	-	10,729,351	-	-	-
Right of way/utility reimbursement	-	34,540	-	-	-
State aid for consulting	-	585,631	-	-	-
State park	-	40,414	-	-	-
Town bridge	-	634,524	-	-	-
Unorganized town road and bridge aid	-	232,087	-	-	-
Total Appropriations and Shared Revenue	\$ 16,279,072	\$ 35,345,540	\$ 4,027,718	\$ -	\$ 523
Reimbursement for Services					
State					
Department of Human Services					
Alternative care 180 day	\$ -	\$ -	\$ 21,156	\$ -	\$ -
Child welfare targeted case mgmt	-	-	3,108,845	-	-
Community alternatives for disabled individuals waived services	-	-	966,615	-	-
CON CD fund	-	-	16,757	-	-
Elderly waived services	-	-	9,228	-	-
Medical assistance MCH home visits	-	-	16,909	-	-
Medical assistance - ACT	-	-	856,479	-	-
Medical assistance - CEHI	-	-	758,392	-	-
Medical assistance - Rule 5	-	-	609,354	-	-
Developmental disabilities waived services	-	-	625,211	-	-
MH targeted case management	-	-	739,626	-	-
OBRA screenings-reimb	-	-	23,826	-	-
Traumatic brain injury	-	-	32,866	-	-
VADD targeted case management	-	-	81,461	-	-
Total Reimbursement for Services Revenue	\$ -	\$ -	\$ 7,866,725	\$ -	\$ -

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Internal Service Funds	Total
Appropriations and Shared Revenue					
State					
Department of Natural Resources					
Mineral rents & royalties	\$ -	\$ -	\$ -	\$ -	\$ 1,165,005
Department of Public Safety					
Enhanced 911 program grant	-	-	-	-	623,785
Department of Revenue					
County program aid	-	-	-	-	13,830,345
Disparity aid	187,973	273,226	-	-	5,499,207
ICWA aid	-	-	-	-	276,740
Local performance aid	-	-	-	-	25,000
Market value credit	4,206	8,127	-	-	166,313
PERA aid	-	-	-	-	277,698
Police aid	-	-	-	-	1,015,833
State fire aid	-	-	-	-	9,968
Department of Transportation					
30 percent rental income	26	23	-	-	556
Engineering	-	-	-	-	1,652,866
LRIP/RRSA state bond	-	-	-	-	1,257,047
MN FD 29 bridge bond	-	-	-	-	1,762,275
Municipal construction	-	-	-	-	685,714
Municipal maintenance	-	-	-	-	1,800,546
Regular construction	-	-	-	-	13,820,989
Regular maintenance	-	-	-	-	10,729,351
Right of way/utility reimbursement	-	-	-	-	34,540
State aid for consulting	-	-	-	-	585,631
State park	-	-	-	-	40,414
Town bridge	-	-	-	-	634,524
Unorganized town road and bridge aid	-	-	-	-	232,087
Total Appropriations and Shared Revenue	\$ 192,205	\$ 281,376	\$ -	\$ -	\$ 56,126,434
Reimbursement for Services					
State					
Department of Human Services					
Alternative care 180 day	\$ -	\$ -	\$ -	\$ -	\$ 21,156
Child welfare targeted case mgmt	-	-	-	-	3,108,845
Community alternatives for disabled individuals waived services	-	-	-	-	966,615
CON CD fund	-	-	-	-	16,757
Elderly waived services	-	-	-	-	9,228
Medical assistance MCH home visits	-	-	-	-	16,909
Medical assistance - ACT	-	-	-	-	856,479
Medical assistance - CEHI	-	-	-	-	758,392
Medical assistance - Rule 5	-	-	-	-	609,354
Developmental disabilities waived services	-	-	-	-	625,211
MH targeted case management	-	-	-	-	739,626
OBRA screenings-reimb	-	-	-	-	23,826
Traumatic brain injury	-	-	-	-	32,866
VADD targeted case management	-	-	-	-	81,461
Total Reimbursement for Services Revenue	\$ -	\$ -	\$ -	\$ -	\$ 7,866,725

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Special Revenue Funds			
		Road and Bridge	Public Health and Human Services	Pandemic Response Fund	Other
Grants					
State Grants					
Board of Water & Soil Resources					
Septic treatment systems	\$ -	\$ -	\$ -	\$ -	25,450
Natural resources block grant	45,009	-	-	-	18,600
Department of Environmental Assistance					
SCORE recycling grant	-	-	-	-	-
Department of Health					
Evidence based home visiting	-	-	254,233	-	-
Health disparities	-	-	1,204	-	-
Local public health grant	-	-	1,314,399	-	-
Thrive suicide prevention	-	-	96,643	-	-
Department of Housing Finance					
Family homelessness prevention	-	-	360,864	-	-
Landlord mitigation	-	-	12,188	-	-
MN housing capacity grant	-	-	40,000	-	-
Department of Human Services					
Adult integrated fund	-	-	2,440,879	-	-
Alternative care	-	-	21,157	-	-
Alternative response	-	-	83,773	-	-
Child care basic sliding fee	-	-	26,488	-	-
Child protection - GTFCP	-	-	1,034,046	-	-
Child support health ins bonus	-	-	52,836	-	-
Child support incentives	-	-	53,944	-	-
Child welfare-opiates	-	-	445,291	-	-
Children's mental health	-	-	91,469	-	-
CMH respite care	-	-	44,421	-	-
Community alternatives for disabled individual waived services	-	-	966,615	-	-
Community social services act block grant	-	-	3,132,409	-	-
Consolidated chemical dependency fund admin	-	-	178,088	-	-
Consumer directed	-	-	69,641	-	-
Cost effective health insurance	-	-	987,835	-	-
Child and teen checkups	-	-	172,553	-	-
Day training & habilitation	-	-	7,304	-	-
DD family support	-	-	95,613	-	-
Early hearing detection & intervention	-	-	2,325	-	-
Elderly waived services	-	-	9,228	-	-
Emergency protective care	42,748	-	-	-	-
Essential community service	-	-	2,697	-	-
SNAP employment and training	-	-	1,942	-	-
Fraud prevention incentives	-	-	220,736	-	-
Homeless outreach	-	-	899,741	-	-
Housing and support rate trans	-	-	1,228,201	-	-
Housing support services	-	-	552,166	-	-
Housing support SPMI	-	-	127,365	-	-
LTSS	-	-	3,029,705	-	-
Medical assistance-MCH home visits	-	-	16,908	-	-
Medical assistance ACT	-	-	823,248	-	-
Developmental disabilities waived services	-	-	625,211	-	-
MN family investment project burial	-	-	3,305	-	-
MN family investment project child care	-	-	23,584	-	-
MN family investment project employment services	-	-	605,511	-	-
MN VASA	-	-	94,666	-	-
Northstar foster care	-	-	600,482	-	-
OBRA screenings-grant	-	-	7,942	-	-
Parent support outreach program	-	-	94,261	-	-
Periodic data match	-	-	83,640	-	-
Semi-independent living skills	-	-	612,591	-	-
Statewide health improvement - SHIP	-	-	86,075	-	-
Stay grant	-	-	7,088	-	-
Traumatic brain injury	-	-	32,866	-	-
Workers compensation	-	-	-	-	-

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Internal Service Funds	Total
Grants					
State Grants					
Board of Water & Soil Resources					
Septic treatment systems	\$ -	\$ -	\$ -	\$ -	25,450
Natural resources block grant	-	-	-	-	63,609
Department of Environmental Assistance					
SCORE recycling grant	-	-	278,650	-	278,650
Department of Health					
Evidence based home visiting	-	-	-	-	254,233
Health disparities	-	-	-	-	1,204
Local public health grant	-	-	-	-	1,314,399
Thrive suicide prevention	-	-	-	-	96,643
Department of Housing Finance					
Family homelessness prevention	-	-	-	-	360,864
Landlord mitigation	-	-	-	-	12,188
MN housing capacity grant	-	-	-	-	40,000
Department of Human Services					
Adult integrated fund	-	-	-	-	2,440,879
Alternative care	-	-	-	-	21,157
Alternative response	-	-	-	-	83,773
Child care basic sliding fee	-	-	-	-	26,488
Child protection - GTFCP	-	-	-	-	1,034,046
Child support health ins bonus	-	-	-	-	52,836
Child support incentives	-	-	-	-	53,944
Child welfare-opiates	-	-	-	-	445,291
Children's mental health	-	-	-	-	91,469
CMH respite care	-	-	-	-	44,421
Community alternatives for disabled individual waived services	-	-	-	-	966,615
Community social services act block grant	-	-	-	-	3,132,409
Consolidated chemical dependency fund admin	-	-	-	-	178,088
Consumer directed	-	-	-	-	69,641
Cost effective health insurance	-	-	-	-	987,835
Child and teen checkups	-	-	-	-	172,553
Day training & habilitation	-	-	-	-	7,304
DD family support	-	-	-	-	95,613
Early hearing detection & intervention	-	-	-	-	2,325
Elderly waived services	-	-	-	-	9,228
Emergency protective care	-	-	-	-	42,748
Essential community service	-	-	-	-	2,697
SNAP employment and training	-	-	-	-	1,942
Fraud prevention incentives	-	-	-	-	220,736
Homeless outreach	-	-	-	-	899,741
Housing and support rate trans	-	-	-	-	1,228,201
Housing support services	-	-	-	-	552,166
Housing support SPMI	-	-	-	-	127,365
LTSS	-	-	-	-	3,029,705
Medical assistance-MCH home visits	-	-	-	-	16,908
Medical assistance ACT	-	-	-	-	823,248
Developmental disabilities waived services	-	-	-	-	625,211
MN family investment project burial	-	-	-	-	3,305
MN family investment project child care	-	-	-	-	23,584
MN family investment project employment services	-	-	-	-	605,511
MN VASA	-	-	-	-	94,666
Northstar foster care	-	-	-	-	600,482
OBRA screenings-grant	-	-	-	-	7,942
Parent support outreach program	-	-	-	-	94,261
Periodic data match	-	-	-	-	83,640
Semi-independent living skills	-	-	-	-	612,591
Statewide health improvement - SHIP	-	-	-	-	86,075
Stay grant	-	-	-	-	7,088
Traumatic brain injury	-	-	-	-	32,866
Workers compensation	-	-	-	499,610	499,610

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

		Special Revenue Funds			
	General Fund	Road and Bridge	Public Health and Human Services	Pandemic Response Fund	Other
Grants (continued)					
State grants (continued)					
Department of Natural Resources					
All-terrain vehicle acct grant	\$ -	\$ 555,831	\$ -	\$ -	\$ -
Aquatic invasive species prevention	670,592	-	-	-	-
Boat and water safety	113,646	-	-	-	-
Federal recreational trails	-	106,248	-	-	-
LCCMR grants	-	-	-	-	-
Off highway ATV	48,162	-	-	-	-
Snowmobile safety	20,648	-	-	-	-
State forest road access	-	-	-	-	295,401
State trail assistance	332,057	-	-	-	-
Board of Peace Officer Standards and Training					
Training reimbursement	103,511	-	-	-	-
Department of Public Safety					
MN state patrol forfeit	3,206	-	-	-	-
Office of Justice program grants	37,139	-	-	-	-
Public assistance disaster fund	10,100	277,061	-	-	-
Department of Transportation					
Local rd research board OPERA	-	4,000	-	-	-
Northeast Minnesota rail initiative	-	1,271,611	-	-	-
Iron Ranges Resources & Rehabilitation Board					
ATV trail grant	-	396,634	-	-	-
Demolition grants	186,384	-	-	-	-
MN PERA					
MN contributions to PERA	72,162	-	-	-	-
MN Pollution Control Agency					
Ash River community sewer	-	-	-	-	246,790
Env assistance recycle program	-	-	-	-	68,865
Secretary of State					
Voting equipment grant	318,323	-	-	-	-
Veterans Affairs					
Enhancement	7,513	-	-	-	-
Total State Grants	\$ 2,011,200	\$ 2,611,385	\$ 21,775,377	\$ -	\$ 655,106
Federal Grants					
Center for Disease Control					
93.323 MDH COVID 19	\$ 34,195	\$ -	\$ -	\$ -	\$ -
93.945 Accelerator Grant	-	-	108,475	-	-
Department of Agriculture					
10.557 Women, infants, and children peer breastfeeding	-	-	14,405	-	-
10.557 Women, infants, and children (through Community Health Board)	-	-	677,087	-	-
10.561 Supplemental nutrition and assistance program	68,563	-	2,104,962	-	-
10.561 SNAP employment and training	-	-	56,807	-	-
10.572 Federal WIC	-	-	2,379	-	-
10.664 Cooperative forestry assist	150	-	-	-	-
10.665 National forest land	1,520,587	-	-	-	-
10.665 National forest land - roads & schools	-	260,372	-	-	-
10.665 National forest title III	45,438	-	-	-	-
10.691 Good neighbor authority	-	7,451	-	-	-
Department of Education					
84.181 Follow along program	-	-	4,993	-	-
Department of Health & Human Services					
16.838 Overdose detect	-	-	25,563	-	-
93.069 Public health emergency preparedness	-	-	96,641	-	-
93.110 0-3 ICTP	-	-	149,437	-	-
93.251 Universal newborn hearing screening	-	-	2,250	-	-
93.268 Immunization funding	-	-	70,197	-	-
93.268 Targeted vaccines	-	-	1,926	-	-
93.323 ELC funding	-	-	581,781	-	-
93.439 Healthy food	-	-	4,050	-	-
93.556 Title 4B fam response	-	-	56,420	-	-
93.558 MN family investment project employment services	-	-	4,420,577	-	-
93.558 Temporary assistance to needy families admin	18,462	-	572,330	-	-
93.558 Temporary assistance to needy families home visiting	-	-	284,359	-	-
93.563 Child support	75,792	-	2,906,953	-	-
93.563 Title IV-D incentives	-	-	462,995	-	-
93.575 BSF CC admin	-	-	49,170	-	-
93.575 MFSIP CC admin	-	-	28,882	-	-
93.590 Federal PSOP child's trust	-	-	59,743	-	-
93.645 Title 4B fam response	-	-	37,677	-	-
93.647C SELF-C	-	-	96,151	-	-
93.658 Foster care	36,733	-	37,705	-	-
93.658 IV-E foster care social service time study	-	-	1,437,928	-	-
93.658 Title IV-E cost of care	-	-	1,576,372	-	-
93.658 Title IV-E foster care case management	-	-	176,048	-	-
93.667 Title XX block grant	-	-	1,708,405	-	-
93.669 CAPTA family response	-	-	82,961	-	-
93.669 Prenatal sub exposure	-	-	239,208	-	-
93.674 Support for emancipation and living functionally	-	-	43,807	-	-
93.747C Adult protection COVID	-	-	16,800	-	-

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Internal Service Funds	Total
Grants (continued)					
State grants (continued)					
Department of Natural Resources					
All-terrain vehicle acct grant	\$ -	\$ -	\$ -	\$ -	\$ 555,831
Aquatic invasive species prevention	-	-	-	-	670,592
Boat and water safety	-	-	-	-	113,646
Federal recreational trails	-	-	-	-	106,248
LCCMR grants	-	-	385,601	-	385,601
Off highway ATV	-	-	-	-	48,162
Snowmobile safety	-	-	-	-	20,648
State forest road access	-	-	-	-	295,401
State trail assistance	-	-	-	-	332,057
Board of Peace Officer Standards and Training					
Training reimbursement	-	-	-	-	103,511
Department of Public Safety					
MN state patrol forfeit	-	-	-	-	3,206
Office of Justice program grants	-	-	-	-	37,139
Public assistance disaster fund	-	-	-	-	287,161
Department of Transportation					
Local rd research board OPERA	-	-	-	-	4,000
Northeast Minnesota rail initiative	-	-	-	-	1,271,611
Iron Ranges Resources & Rehabilitation Board					
ATV trail grant	-	-	-	-	396,634
Demolition grants	-	-	-	-	186,384
MN PERA					
MN contributions to PERA	-	-	3,296	-	75,458
MN Pollution Control Agency					
Ash River community sewer	-	-	-	-	246,790
Env assistance recycle program	-	-	-	-	68,865
Secretary of State					
Voting equipment grant	-	-	-	-	318,323
Veterans Affairs					
Enhancement	-	-	-	-	7,513
Total State Grants	\$ -	\$ -	\$ 667,547	\$ 499,610	\$ 28,220,225
Federal Grants					
Center for Disease Control					
93.323 MDH COVID 19	\$ -	\$ -	\$ -	\$ -	\$ 34,195
93.945 Accelerator Grant	-	-	-	-	108,475
Department of Agriculture					
10.557 Women, infants, and children peer breastfeeding	-	-	-	-	14,405
10.557 Women, infants, and children (through Community Health Board)	-	-	-	-	677,087
10.561 Supplemental nutrition and assistance program	-	-	-	-	2,173,525
10.561 SNAP employment and training	-	-	-	-	56,807
10.572 Federal WIC	-	-	-	-	2,379
10.664 Cooperative forestry assist	-	-	-	-	150
10.665 National forest land	-	-	-	-	1,520,587
10.665 National forest land - roads & schools	-	-	-	-	260,372
10.665 National forest title III	-	-	-	-	45,438
10.691 Good neighbor authority	-	-	-	-	7,451
Department of Education					
84.181 Follow along program	-	-	-	-	4,993
Department of Health & Human Services					
16.838 Overdose detect	-	-	-	-	25,563
93.069 Public health emergency preparedness	-	-	-	-	96,641
93.110 0-3 ICTP	-	-	-	-	149,437
93.251 Universal newborn hearing screening	-	-	-	-	2,250
93.268 Immunization funding	-	-	-	-	70,197
93.268 Targeted vaccines	-	-	-	-	1,926
93.323 ELC funding	-	-	-	-	581,781
93.439 Healthy food	-	-	-	-	4,050
93.556 Title 4B fam response	-	-	-	-	56,420
93.558 MN family investment project employment services	-	-	-	-	4,420,577
93.558 Temporary assistance to needy families admin	-	-	-	-	590,792
93.558 Temporary assistance to needy families home visiting	-	-	-	-	284,359
93.563 Child support	-	-	-	-	2,982,745
93.563 Title IV-D incentives	-	-	-	-	462,995
93.575 BSF CC admin	-	-	-	-	49,170
93.575 MFSIP CC admin	-	-	-	-	28,882
93.590 Federal PSOP child's trust	-	-	-	-	59,743
93.645 Title 4B fam response	-	-	-	-	37,677
93.647C SELF-C	-	-	-	-	96,151
93.658 Foster care	-	-	-	-	74,438
93.658 IV-E foster care social service time study	-	-	-	-	1,437,928
93.658 Title IV-E cost of care	-	-	-	-	1,576,372
93.658 Title IV-E foster care case management	-	-	-	-	176,048
93.667 Title XX block grant	-	-	-	-	1,708,405
93.669 CAPTA family response	-	-	-	-	82,961
93.669 Prenatal sub exposure	-	-	-	-	239,208
93.674 Support for emancipation and living functionally	-	-	-	-	43,807
93.747C Adult protection COVID	-	-	-	-	16,800

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds				
	General Fund	Road and Bridge	Public Health and Human Services	Pandemic Response Fund	Other
Grants (continued)					
Federal Grants (continued)					
93.778 Child teen checkups	\$ -	\$ -	\$ 172,554	\$ -	\$ -
93.778 LTSS	-	-	3,699,275	-	-
93.778 MA Trans Admin - MTM	-	-	67,731	-	-
93.778 Medical assistance	141,735	-	2,964,262	-	-
93.778 Medical assistance - Rule 25	-	-	1,299,654	-	-
93.778 Medical assistance incentives	-	-	36,667	-	-
93.870 MIECHV	-	-	238,318	-	-
93.959 Substance use disorder	-	-	131,954	-	-
93.994 Fed maternal & child health	-	-	164,816	-	-
Department of Homeland Security					
97.012 Boating safety financial assurance	16,087	-	-	-	-
97.036 FEMA EMPG grant	-	-	-	164,353	-
97.036 FEMA public assistance	33,665	924,233	-	-	-
97.042 Emergency management performance grant	107,448	-	-	-	-
97.067 Homeland security grant	208,155	-	-	-	-
Department of Housing & Urban Development					
14.218 CDBG federal grant	-	-	-	-	2,066,326
14.231 Emergency shelter grant	742,681	-	-	-	-
14.238 Shelter plus care	35,889	-	-	-	-
14.239 Home federal grant	-	-	-	-	418,606
14.267 CoC planning-mckinney vento	-	-	103,699	-	-
Department of Interior					
15.226 Payment in lieu of taxes	1,900,688	280	265	-	2
Department of Justice					
16.575 Crime victim assistance	101,811	-	-	-	-
16.738 Law enforcement block grant	10,303	-	-	-	-
16.825 Combatting violent crime	340,000	-	-	-	-
16.838 COSSAP	251,183	-	-	-	-
Department of Natural Resources					
20.219 Trail assistance grant	12,572	-	-	-	-
Department of Transportation					
20.205 Highway planning and construction	-	11,177,711	-	-	-
20.600 Safe & sober	7,660	-	-	-	-
20.608 Toward zero deaths under the influence	29,746	-	-	-	-
20.616 Toward zero deaths seat belt & distracted	27,006	-	-	-	-
Department of Treasury					
21.027 Coronavirus state and local fiscal recovery	-	-	-	12,945,022	-
21.032 LATCF	-	1,357,172	-	-	-
Total Federal Grants	<u>\$ 5,766,549</u>	<u>\$ 13,727,219</u>	<u>\$ 27,074,639</u>	<u>\$ 13,109,375</u>	<u>\$ 2,484,934</u>
Other Grants					
Local					
AIK CHB MIIC grant	\$ -	\$ -	\$ 59,720	\$ -	\$ -
EIP credit co, LLC	5,977	-	-	-	-
Essentia farm to school	-	-	27,282	-	-
MN power	-	-	-	-	-
Ordean catalyst grant	-	-	14,634	-	-
Ucare housing	-	-	75,000	-	-
Ucare post-partum support	-	-	3,214	-	-
Victory fund	-	-	25,000	-	-
Total Other Grants	<u>\$ 5,977</u>	<u>\$ -</u>	<u>\$ 204,850</u>	<u>\$ -</u>	<u>\$ -</u>
In-kind Match	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,712</u>
Total Intergovernmental Revenue	<u>\$ 24,062,798</u>	<u>\$ 51,684,144</u>	<u>\$ 60,949,309</u>	<u>\$ 13,109,375</u>	<u>\$ 3,237,275</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Internal Service Funds	Total
Grants (continued)					
Federal Grants (continued)					
93.778 Child teen checkups	\$ -	\$ -	\$ -	\$ -	\$ 172,554
93.778 LTSS	-	-	-	-	3,699,275
93.778 MA Trans Admin - MTM	-	-	-	-	67,731
93.778 Medical assistance	-	-	-	-	3,105,997
93.778 Medical assistance - Rule 25	-	-	-	-	1,299,654
93.778 Medical assistance incentives	-	-	-	-	36,667
93.870 MIECHV	-	-	-	-	238,318
93.959 Substance use disorder	-	-	-	-	131,954
93.994 Fed maternal & child health	-	-	-	-	164,816
Department of Homeland Security					
97.012 Boating safety financial assurance	-	-	-	-	16,087
97.036 FEMA EMPG grant	-	-	-	-	164,353
97.036 FEMA public assistance	-	-	-	-	957,898
97.042 Emergency management performance grant	-	-	-	-	107,448
97.067 Homeland security grant	-	-	-	-	208,155
Department of Housing & Urban Development					
14.218 CDBG federal grant	-	-	-	-	2,066,326
14.231 Emergency shelter grant	-	-	-	-	742,681
14.238 Shelter plus care	-	-	-	-	35,889
14.239 Home federal grant	-	-	-	-	418,606
14.267 CoC planning-mckinney vento	-	-	-	-	103,699
Department of Interior					
15.226 Payment in lieu of taxes	36	40	-	-	1,901,311
Department of Justice					
16.575 Crime victim assistance	-	-	-	-	101,811
16.738 Law enforcement block grant	-	-	-	-	10,303
16.825 Combatting violent crime	-	-	-	-	340,000
16.838 COSSAP	-	-	-	-	251,183
Department of Natural Resources					
20.219 Trail assistance grant	-	-	-	-	12,572
Department of Transportation					
20.205 Highway planning and construction	-	-	-	-	11,177,711
20.600 Safe & sober	-	-	-	-	7,660
20.608 Toward zero deaths under the influence	-	-	-	-	29,746
20.616 Toward zero deaths seat belt & distracted	-	-	-	-	27,006
Department of Treasury					
21.027 Coronavirus state and local fiscal recovery	-	-	-	-	12,945,022
21.032 LATCF	-	-	-	-	1,357,172
Total Federal Grants	<u>\$ 36</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,162,792</u>
Other Grants					
Local					
AIK CHB MIIC grant	\$ -	\$ -	\$ -	\$ -	\$ 59,720
EIP credit co, LLC	-	-	-	-	5,977
Essentia farm to school	-	-	-	-	27,282
MN power	-	12,610	-	-	12,610
Ordean catalyst grant	-	-	-	-	14,634
Ucare housing	-	-	-	-	75,000
UCare post-partum support	-	-	-	-	3,214
Victory fund	-	-	-	-	25,000
Total Other Grants	<u>\$ -</u>	<u>\$ 12,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,437</u>
In-kind Match	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,712</u>
Total Intergovernmental Revenue	<u>\$ 192,241</u>	<u>\$ 294,026</u>	<u>\$ 667,547</u>	<u>\$ 499,610</u>	<u>\$ 154,696,325</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor Pass Through Agency Grant Program Title or Cluster Name	Federal AL Number	Contract Number/ Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Direct				
Cooperative Forestry Assistance	10.664		\$ 150	\$ -
Passed Through Carlton, Cook, Lake, and St. Louis Community Health Board				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557			
WIC Program		12-700-00061	688,168	-
WIC Peer Breast Feeding Support Program (WIC PBSP)		12-700-00061	14,405	-
(Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children 10.557 \$702,573)				
Passed Through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			
(Part of SNAP Cluster)				
Supplemental Nutrition Assistance Program Administrative Cost Reimbursements		222MN101S2514	2,173,525	-
Supplemental Nutrition Assistance Program Employment & Training				
Administration		222MN127Q7503	55,115	-
Support		222MN101S2520	1,692	-
(Total Supplemental Nutrition Assistance Program Employment & Training \$56,807)				
(Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program 10.561 \$2,230,332)				
WIC Farmers' Market Nutrition Program (FMNP)	10.572	12-700-00061	2,379	-
Passed Through Minnesota Department of Management and Budget				
Schools and Roads - Grants to States (Part of Forest Service Schools and Roads Cluster)	10.665			
Thye Blatnik PILT		P.L. 114-10	1,520,588	-
Title III		P.L. 110-343 & P.L. 112-141	45,438	-
Title I		P.L. 113-40	260,372	-
(Total Schools and Roads - Grants to States 10.665 \$1,826,398)				
Good Neighbor Authority	10.691	P.L. 113 - 79	7,451	-
Total U.S. Department of Agriculture			\$ 4,769,283	\$ -
U.S. Department of Housing and Urban Development				
Direct				
Community Development Block Grants/Entitlement Grants (Part of CDBG - Entitlement Grants Cluster)	14.218			
CDBG Projects			\$ 1,610,160	\$ 1,161,897
COVID-19 CDBG			481,947	481,947
(Total Community Development Block Grants/Entitlement Grants 14.218 \$2,092,107)				
Emergency Solutions Grant Program	14.231			
ESG HUD Administration Grants			171,126	156,962
COVID-19 ESG Grants			571,555	571,555
(Total Emergency Solutions Grant Program 14.231 \$742,681)				
Home Investment Partnerships Program	14.239		489,536	432,790
Continuum of Care Program	14.267			
New Moon Supportive Housing			35,889	-
CoC Planning Grant			107,211	-
(Total Continuum of Care Program 14.267 \$143,100)				
Total U.S. Department of Housing and Urban Development			\$ 3,467,424	\$ 2,805,151
U.S. Department of the Interior				
Direct				
Payments in Lieu of Taxes	15.226		\$ 1,901,311	\$ -
U.S. Department of Justice				
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	A-CVS-2022-STLOUICO-065	\$ 101,811	\$ -
Passed Through City of Duluth				
Edward Bryne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG01599-JAGX	10,303	10,303
Passed Through Office of Justice Programs				
Smart Prosecution Initiative	16.825	2020-YX-BX-0002	340,000	-
Passed Through the Institute for Intergovernmental Research (IIR)				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2017-AR-BX-K003	289,790	-
Total U.S. Department of Justice			\$ 741,904	\$ 10,303
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction (Part of Highway Planning and Construction Cluster)	20.205	99969	\$ 10,979,258	\$ -
Passed Through Minnesota Department of Natural Resources				
Highway Planning and Construction				
Recreational Trails Program (Part of Highway Planning and Construction Cluster)	20.219	0017-22-2B	12,572	-
(Total Highway Planning and Construction Cluster \$10,991,830)				
Passed Through City of Duluth				
Highway Safety Cluster				
State and Community Highway Safety (Part of Highway Safety Cluster \$34,666)	20.600	A-ENFRC2-2022-DULUTHPD-024	7,660	-
National Priority Safety Programs (Part of Highway Safety Cluster \$34,666)	20.616	A-ENFRC2-2022-DULUTHPD-024	1,473	-
(Total National Priority Safety Programs 20.616 \$27,006)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC2-2022-DULUTHPD-024	3,521	-
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$29,746)				
Passed Through Minnesota Department of Public Safety				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-OFFICR22-2022-STLOUSO-004	26,225	-
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$29,746)				
National Priority Safety Programs (Part of Highway Safety Cluster \$34,666)	20.616	A-OFFICR22-2022-STLOUSO-004	25,533	-
(Total National Priority Safety Programs 20.616 \$27,006)				
Total U.S. Department of Transportation			\$ 11,056,242	\$ -

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (Continued)

Federal Grantor Pass Through Agency Grant Program Title or Cluster Name	Federal AL Number	Contract Number/ Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Treasury				
Direct				
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027		<u>\$ 12,945,022</u>	<u>\$ 3,844,169</u>
U.S. Department of Education				
Passed Through Carlton, Cook, Lake, and St. Louis Community Health Board Special Education-Grants for Infants and Families	84.181	B04MC32551	<u>\$ 4,994</u>	<u>\$ -</u>
U.S. Department of Health and Human Services				
Direct				
Assistance Programs for Chronic Disease Prevention and Control	93.945		\$ 102,198	\$ -
Passed Through Carlton, Cook, Lake, and St. Louis Community Health Board				
Public Health Emergency Preparedness	93.069	NU90TP922026	96,641	-
Early Hearing Detection and Intervention	93.251	12-700-00061	2,250	-
Immunization Cooperative Agreements	93.268			-
COVID Vaccination Implementation		NH23IP922628	54,159	-
Peri Hep B		6NH23IP22628	700	-
(Total Immunization Cooperative Agreements 93.268 \$54,859)				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NH23IP922628	701,407	-
(Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) 93.323 \$735,602)				
Public Health Emergency Response: Cooperative Agreement to Emergency Response: Public Crisis Response	93.354	NU90TP922188	1,932	-
State Physical Activity and Nutrition (SPAN)	93.439	12-700-00061	4,050	-
Temporary Assistance for Needy Families	93.558	2201MNTANF	285,087	-
(Total Temporary Assistance for Needy Families 93.558 \$4,182,942)				
Medical Assistance Program (Part of Medicaid Cluster)	93.778			-
Child & Teen Checkups Administrative Services		2205MN5ADM	172,554	-
(Total Medical Assistance 93.778 \$8,468,657)				
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	12-700-00061	234,642	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC32551	164,816	-
Passed Through Minnesota Department of Human Services				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	214227	34,195	-
(Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) 93.323 \$735,602)				
MaryLee Allen Promoting Safe and Stable Families	93.556	2101MNFPS	44,067	-
Temporary Assistance for Needy Families	93.558			-
Minnesota Family Investment Program		2201MNTANF	3,312,317	-
Program Administrative Cost Reimbursements		22101MNTANF	585,538	-
(Total Temporary Assistance for Needy Families 93.558 \$4,182,942)				
Child Support Enforcement	93.563			-
Title IV-D County-Wide Indirect Aid - Income Maintenance		2201MNCSES	75,792	-
Title IV-D Child Support Administration Aid and Federal Incentives		2201MNCES	3,369,948	-
(Total Child Support Enforcement 93.563 \$3,445,740)				
Child Care and Development Block Grant (Part of CCDF Cluster)	93.575	2201MNCDF	78,052	-
Community-Based Child Abuse Prevention Grants	93.590	2102MNBCAP	40,266	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2101MNCWSS	57,680	-
Foster Care Title IV-E	93.658	2201MNFOS	3,264,786	-
Social Services Block Grant	93.667	2201MNSOSR	1,708,405	-
Child Abuse and Neglect State Grants	93.669	2101MNNCAN	257,346	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674			-
Self Grant		2101MNCILP	34,562	-
COVID-19 Self Grant		2101MNCILC	89,787	-
(Total John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 \$124,349)				
COVID Elder Abuse Prevention Intervention Program	93.747	2101MNAPC5-00	16,316	-
Medical Assistance Program (Part of Medicaid Cluster)	93.778			-
Medical Assistance		2205MN5ADM	8,259,436	-
Federal Incentive Payments		2205MN5MAP	36,667	-
(Total Medical Assistance Program 93.778 \$8,468,657)				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI010027/B08TI0	88,862	-
Passed Through ZERO TO THREE: National Center for Infants, Toddlers, and Families				
Maternal and Child Health Federal Consolidated Programs	93.110	4U2DMC32394-03-03	137,088	-
Total U.S. Department of Health and Human Services			<u>\$ 23,311,546</u>	<u>\$ -</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (Continued)

Federal Grantor Pass Through Agency Grant Program Title or Cluster Name	Federal AL Number	Contract Number/ Pass-Through Grant Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012			
Boating & Water Safety (1-12)		211481	\$ 5,515	\$ -
Boating & Water Safety Sub Grant		209224	10,572	-
(Total Boating Safety Financial Assistance 97.012 \$16,087)				
Passed Through Minnesota Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
FEMA Public Assistance		137-99137-01	996,910	-
COVID-19 Isolation & Quarantine		137-99137-00	164,353	-
(Total Disaster Grants - Public Assistance (Presidentially Declared Disasters) 97.036 \$1,161,263)				
Emergency Management Performance Grants	97.042	A-EMPG-2021-STLOUICO-075	19,471	-
Homeland Security Grant Program	97.067	A-OPSG-2020-STLOUISCO-0009	208,155	-
Total U.S. Department of Homeland Security			\$ 1,404,976	\$ -
Total Federal Awards			\$ 59,602,702	\$ 6,659,623
Clusters of programs are groupings of closely related programs that share common compliance requirements.				
Total expenditures by cluster are:				
Supplemental Nutritional Assistance Program (SNAP) Cluster			\$ 2,230,332	
Forest Service Schools and Roads Cluster			1,826,398	
CDBG-Entitlement Grants Cluster			2,092,107	
Highway Planning and Construction Cluster			10,991,830	
Highway Safety Cluster			34,666	
Child Care and Development Block Grant (CCDF) Cluster			78,052	
Medicaid Cluster			8,468,657	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by St. Louis County. The County's reporting entity is defined in Note 1 to the financial statements.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) from the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for all awards with the exception of ALN 21.027, which follows criteria determined by the Department of Treasury for allowable costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Reconciliation of Intergovernmental Revenue	Federal AL Number	Amount
Federal grant revenue per Schedule of Intergovernmental Revenue		\$ 62,162,792
Unavailable Revenue in 2022 - grants received more than 60 days after year-end		
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	36,194
Continuum of Care Program	14.267	27,147
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	20,249
Highway Planning and Construction (Regular)	20.205	159,611
Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	135,329
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Crisis Response	93.354	1,932
Temporary Assistance for Needy Families	93.558	728
Stephanie Tubbs Jones Child Welfare Services Program	93.645	26,814
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	6,355
Medical Assistance Program	93.778	94,971
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	39,011
Emergency Management Performance Grants	97.042	77,332
Grants received in 2022, but not spent		
COVID-19 Local Assistance and Tribal Consistency Fund (LATCF)	21.032	(1,357,172)
Unavailable in 2021, recognized as revenue in 2022		
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(25,113)
Continuum of Care Program	14.267	(23,635)
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	(7,206)
Highway Planning and Construction (Regular)	20.205	(358,064)
Immunization Cooperative Agreements	93.268	(17,263)
Maternal and Child Health Federal Consolidated Programs	93.110	(12,349)
Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	(15,704)
MaryLee Allen Promoting Safe and Stable Families	93.556	(12,353)
Temporary Assistance for Needy Families	93.558	(1,113,514)
Community-Based Child Abuse Prevention Grants	93.590	(19,477)
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(6,810)
Child Abuse and Neglect State Grants	93.669	(64,822)
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	(21,964)
Elder Abuse Prevention Interventions Program	93.747	(484)
Medical Assistance Program	93.778	(8,192)
Maternal, Infant, and Early Childhood Home Visiting Grant Program (MIECHV)	93.870	(3,677)
Assistance Programs for Chronic Disease Prevention and Control	93.945	(6,276)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(43,092)
Emergency Management Performance Grants	97.042	(165,308)
Program Income		
Community Development Block Grants/Entitlement Grants	14.218	25,782
Home Investment Partnerships Program	14.239	70,930
Total expenditures per Schedule of Expenditures of Federal Awards		<u>\$ 59,602,702</u>

Statistical Section

This part of St. Louis County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys about the County's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	172
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	180
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	186
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	191
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	193

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Schedule 1

ST. LOUIS COUNTY, MINNESOTA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Invested in capital assets, net	\$ 522,018,741	\$ 556,683,649	\$ 583,821,271	\$ 612,901,331	\$ 663,198,830
Restricted	19,020,809	26,589,973	70,308,890	89,915,022	65,481,512
Unrestricted	136,593,657	134,070,739	31,017,384	12,973,052	31,482,005
Total governmental activities net position	<u>\$ 677,633,207</u>	<u>\$ 717,344,361</u>	<u>\$ 685,147,545</u>	<u>\$ 715,789,405</u>	<u>\$ 760,162,347</u>
Business-type activities					
Invested in capital assets, net	\$ 8,300,834	\$ 7,672,802	\$ 7,302,389	\$ 6,868,467	\$ 9,741,229
Restricted	2,041,416	2,331,286	2,254,051	2,129,155	3,273,622
Unrestricted	12,111,328	11,941,099	10,763,449	10,088,870	9,716,339
Total business-type activities net position	<u>\$ 22,453,578</u>	<u>\$ 21,945,187</u>	<u>\$ 20,319,889</u>	<u>\$ 19,086,492</u>	<u>\$ 22,731,190</u>
Primary government					
Invested in capital assets, net	\$ 530,319,575	\$ 564,356,451	\$ 591,123,660	\$ 619,769,798	\$ 672,940,059
Restricted	21,062,225	28,921,259	72,562,941	92,044,177	68,755,134
Unrestricted	148,704,985	146,011,838	41,780,833	23,061,922	41,198,344
Total primary government net position	<u>\$ 700,086,785</u>	<u>\$ 739,289,548</u>	<u>\$ 705,467,434</u>	<u>\$ 734,875,897</u>	<u>\$ 782,893,537</u>

Schedule 1

ST. LOUIS COUNTY, MINNESOTA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year				
2018	2019	2020	2021	2022
\$ 726,772,187	\$ 774,182,980	\$ 821,301,671	\$ 836,031,732	\$ 873,919,126
54,083,315	44,237,883	48,476,781	56,230,133	55,762,177
22,606,777	40,208,786	64,033,538	96,618,453	100,459,790
<u>\$ 803,462,279</u>	<u>\$ 858,629,649</u>	<u>\$ 933,811,990</u>	<u>\$ 988,880,318</u>	<u>\$ 1,030,141,093</u>
\$ 8,409,623	\$ 8,166,962	\$ 7,921,477	\$ 8,169,781	\$ 9,507,090
3,366,124	3,848,037	4,395,237	4,495,530	4,662,757
7,809,610	6,994,394	7,389,884	8,967,191	9,774,705
<u>\$ 19,585,357</u>	<u>\$ 19,009,393</u>	<u>\$ 19,706,598</u>	<u>\$ 21,632,502</u>	<u>\$ 23,944,552</u>
\$ 735,181,810	\$ 782,349,942	\$ 829,223,148	\$ 844,201,513	\$ 883,426,216
57,449,439	48,085,920	52,872,018	60,725,663	60,424,934
30,416,387	47,203,180	71,423,422	105,585,644	110,234,495
<u>\$ 823,047,636</u>	<u>\$ 877,639,042</u>	<u>\$ 953,518,588</u>	<u>\$ 1,010,512,820</u>	<u>\$ 1,054,085,645</u>

Schedule 2

ST. LOUIS COUNTY, MINNESOTA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 42,135,549	\$ 49,666,414	\$ 44,082,239	\$ 48,748,275
Public safety	46,974,978	54,501,618	51,350,879	58,469,479
Highways and streets	48,091,104	49,163,367	46,584,379	49,617,143
Health and sanitation	4,786,016	4,795,994	4,827,603	5,284,406
Human services	75,225,112	79,419,419	86,145,675	93,601,510
Culture and recreation	2,482,810	2,177,850	3,720,156	3,369,858
Conservation of natural resources	8,225,572	9,087,657	9,873,312	9,060,539
Economic development	3,100,381	2,879,553	3,237,323	3,178,327
Interest and other charges	1,203,827	2,181,891	2,438,806	3,088,164
Bond issuance costs	148,166	-	117,120	-
Total governmental activities expenses	232,373,515	253,873,763	252,377,492	274,417,701
Business-type activities				
Environmental services	8,130,015	7,972,128	7,741,835	8,523,576
Other Enterprise Funds	48,195	10,064	9,024	80,812
Total business-type activities expenses	8,178,210	7,982,192	7,750,859	8,604,388
Total primary government expenses	\$ 240,551,725	\$ 261,855,955	\$ 260,128,351	\$ 283,022,089
Program Revenues				
Governmental activities:				
Charges for services and other program revenues:				
General government	\$ 19,316,681	\$ 18,259,101	\$ 18,766,951	\$ 19,561,024
Public safety	4,245,110	4,686,528	3,473,117	3,924,325
Highways and streets	3,708,564	3,480,798	2,655,678	7,200,966
Health and sanitation	859,257	561,034	590,322	446,229
Human services	13,083,377	12,747,627	13,142,738	12,242,341
Culture and recreation	(4,000)	-	-	-
Conservation of natural resources	6,312,179	7,641,654	15,819,498	12,072,268
Economic development	3,150	918,752	43,343	100
Operating grants and contributions	65,621,839	72,374,834	56,139,010	60,604,204
Capital grants and contributions	27,827,909	19,725,748	23,658,301	24,928,471
Total governmental activities program revenues	140,974,066	140,396,076	134,288,958	140,979,928
Business-type activities:				
Charges for services:				
Environmental services	6,233,859	6,096,029	6,394,661	6,836,219
Other Enterprise Funds	26,843	19,146	15,783	28,350
Operating grants and contributions	594,766	407,990	372,087	341,904
Capital grants and contributions	30,700	-	-	-
Total business-type activities program revenues	6,886,168	6,523,165	6,782,531	7,206,473
Total primary government program revenues	\$ 147,860,234	\$ 146,919,241	\$ 141,071,489	\$ 148,186,401
Net (Expense)/Revenue				
Governmental activities	\$ (91,399,449)	\$ (113,477,687)	\$ (118,088,534)	\$ (133,437,773)
Business-type activities	(1,292,042)	(1,459,027)	(968,328)	(1,397,915)
Total primary government net expense	\$ (92,691,491)	\$ (114,936,714)	\$ (119,056,862)	\$ (134,835,688)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	\$ 119,179,161	\$ 121,198,926	\$ 120,866,397	\$ 121,028,079
Property taxes, levied for debt service	5,001,699	6,154,941	7,379,545	6,733,511
Transportation sales tax	-	-	11,085,356	14,141,713
State shared	15,941,883	18,091,331	18,323,388	18,761,512
Federal shared	1,731,840	1,755,887	261,575	284,413
Investment earnings	1,240,530	3,367,682	2,208,804	3,247,704
Special Items - capital asset adjustments	-	2,512,402	175,501	(321,918)
Transfers	(241,624)	(429,628)	(224,784)	204,619
Total governmental activities	142,853,489	152,651,541	160,075,782	164,079,633
Business-type activities				
Taxes				
Property taxes, levied for general purposes	305,413	247,871	246,261	125,369
State Shared	-	-	-	9,582
Investment earnings	93,248	273,137	197,440	227,602
Special Items	-	-	-	6,584
Transfers	241,624	429,628	224,784	(204,619)
Total business-type activities	640,285	950,636	668,485	164,518
Total primary government	\$ 143,493,774	\$ 153,602,177	\$ 160,744,267	\$ 164,244,151
Changes in Net Position				
Governmental activities	\$ 51,454,040	\$ 39,173,854	\$ 41,987,248	\$ 30,641,860
Business-type activities	(651,757)	(508,391)	(299,843)	(1,233,397)
Total primary government	\$ 50,802,283	\$ 38,665,463	\$ 41,687,405	\$ 29,408,463

Schedule 2

ST. LOUIS COUNTY, MINNESOTA
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)

2017	2018	2019	2020	2021	2022
\$ 48,530,937	\$ 48,592,813	\$ 50,886,407	\$ 52,191,312	\$ 51,505,131	\$ 59,542,219
57,291,657	54,402,269	57,788,107	54,891,977	55,117,463	65,951,457
52,877,191	50,535,861	55,178,035	59,447,031	66,300,584	76,353,227
5,470,905	6,000,673	7,430,886	13,008,828	10,328,701	10,615,620
97,303,366	98,710,007	98,988,990	103,331,200	99,532,044	110,871,339
3,486,461	3,691,776	4,000,045	4,309,801	4,460,326	5,991,081
9,844,470	9,065,610	8,729,100	8,698,640	9,579,441	9,589,480
3,753,955	3,507,863	3,360,756	10,262,738	9,254,063	7,544,606
3,837,284	4,030,034	4,614,418	4,305,394	4,095,423	3,990,018
-	-	-	-	-	-
282,396,226	278,536,906	290,976,744	310,446,921	310,173,176	350,449,047
3,956,187	10,544,963	7,721,096	7,672,643	8,060,435	8,748,573
38,500	14,316	6,747	51,980	19,805	8,339
3,994,687	10,559,279	7,727,843	7,724,623	8,080,240	8,756,912
\$ 286,390,913	\$ 289,096,185	\$ 298,704,587	\$ 318,171,544	\$ 318,253,416	\$ 359,205,959
\$ 20,498,364	\$ 20,717,724	\$ 20,800,732	\$ 21,699,968	\$ 22,122,202	\$ 22,845,616
3,944,212	3,806,513	3,561,191	3,586,252	3,891,052	3,757,150
6,785,054	4,732,541	6,656,841	5,207,198	4,454,786	6,074,194
663,118	636,845	912,121	836,914	722,514	715,950
12,812,171	12,477,933	12,656,120	13,225,146	13,001,574	15,838,249
-	-	342,164	193,318	341,520	320,047
10,867,757	9,406,596	9,370,050	9,140,379	10,780,661	9,087,947
150	200	150	250	111,470	150
70,121,922	65,835,124	66,878,466	98,810,965	78,682,526	89,994,711
24,182,578	23,799,966	25,189,087	26,920,036	25,935,588	33,476,457
149,875,326	141,413,442	146,366,922	179,620,426	160,043,893	182,110,471
6,795,857	6,640,627	6,648,058	7,691,343	9,318,310	9,633,800
17,805	8,468	6,008	23,616	8,804	4,546
302,361	286,987	460,735	275,791	285,972	664,251
-	-	-	-	-	-
7,116,023	6,936,082	7,114,801	7,990,750	9,613,086	10,302,597
\$ 156,991,349	\$ 148,349,524	\$ 153,481,723	\$ 187,611,176	\$ 169,656,979	\$ 192,413,068
\$ (132,520,900)	\$ (137,123,464)	\$ (144,609,822)	\$ (130,826,495)	\$ (150,129,283)	\$ (168,338,576)
3,121,336	(3,623,197)	(613,042)	266,127	1,532,846	1,545,685
\$ (129,399,564)	\$ (140,746,661)	\$ (145,222,864)	\$ (130,560,368)	\$ (148,596,437)	\$ (166,792,891)
\$ 130,189,995	\$ 136,953,563	\$ 141,312,854	\$ 150,526,521	\$ 152,464,212	\$ 163,957,777
6,790,164	6,076,005	6,524,526	6,620,196	6,583,518	6,838,545
14,580,365	15,271,797	16,243,975	16,192,112	19,013,745	20,555,920
18,325,839	20,023,431	19,540,652	19,742,545	20,223,258	21,508,599
1,769,105	3,483,422	3,532,870	3,288,678	3,334,543	3,420,908
5,515,189	4,117,270	12,719,233	9,637,909	3,816,227	(5,786,257)
55,827	-	-	-	-	-
(332,642)	(435,081)	689,515	875	(237,892)	(896,141)
176,893,842	185,490,407	200,563,625	206,008,836	205,197,611	209,599,351
9,393	9,639	-	-	-	-
695	11,874	11,815	4,080	7,104	6,592
180,632	238,154	481,150	427,873	148,062	(136,368)
-	-	233,628	-	-	-
332,642	435,081	(689,515)	(875)	237,892	896,141
523,362	694,748	37,078	431,078	393,058	766,365
\$ 177,417,204	\$ 186,185,155	\$ 200,600,703	\$ 206,439,914	\$ 205,590,669	\$ 210,365,716
\$ 44,372,942	\$ 48,308,479	\$ 55,953,803	\$ 75,182,341	\$ 55,068,328	\$ 41,260,775
3,644,698	(2,926,236)	(575,964)	697,205	1,925,904	2,312,050
\$ 48,017,640	\$ 45,382,243	\$ 55,377,839	\$ 75,879,546	\$ 56,994,232	\$ 43,572,825

Schedule 3

ST. LOUIS COUNTY, MINNESOTA
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 622,749	\$ 882,776	\$ 558,932	\$ 1,110,385
Restricted	4,979,981	5,600,518	5,610,702	2,877,147
Committed	11,128,188	11,198,786	11,175,193	11,181,351
Assigned	11,461,139	13,297,528	15,989,811	18,139,783
Unassigned	33,250,927	35,349,694	34,786,997	37,196,660
Total general fund	<u>\$ 61,442,984</u>	<u>\$ 66,329,302</u>	<u>\$ 68,121,635</u>	<u>\$ 70,505,326</u>
All Other Governmental Funds				
Nonspendable	\$ 15,682,953	\$ 17,415,185	\$ 22,533,116	\$ 26,649,056
Restricted	28,609,661	9,299,382	47,685,253	59,278,434
Committed	22,165,433	21,046,801	20,121,586	19,745,067
Assigned	47,465,396	53,105,776	50,504,334	49,422,783
Unassigned	-	-	-	(86)
Total all other government funds	<u>\$ 113,923,443</u>	<u>\$ 100,867,144</u>	<u>\$ 140,844,289</u>	<u>\$ 155,095,254</u>

Schedule 3

ST. LOUIS COUNTY, MINNESOTA
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 842,311	\$ 829,672	\$ 496,722	\$ 394,308	\$ 385,363	\$ 625,905
2,716,543	2,663,751	3,499,400	3,960,029	4,478,768	4,514,972
11,557,726	11,535,451	11,435,806	11,930,709	11,216,445	11,144,712
17,364,782	16,746,109	16,334,445	21,517,824	22,133,060	22,896,820
37,027,480	40,190,030	41,486,020	43,114,632	42,979,502	42,738,791
<u>\$ 69,508,842</u>	<u>\$ 71,965,013</u>	<u>\$ 73,252,393</u>	<u>\$ 80,917,502</u>	<u>\$ 81,193,138</u>	<u>\$ 81,921,200</u>
\$ 27,449,111	\$ 26,630,815	\$ 31,577,334	\$ 34,372,388	\$ 39,127,153	\$ 31,413,999
34,473,547	63,872,775	31,154,596	62,514,338	49,149,249	35,382,947
20,295,660	20,730,280	20,288,262	21,691,496	20,795,007	21,436,958
44,034,197	40,370,377	48,597,565	49,813,504	69,330,889	76,730,995
-	-	-	-	(2,178)	(203)
<u>\$ 126,252,515</u>	<u>\$ 151,604,247</u>	<u>\$ 131,617,757</u>	<u>\$ 168,391,726</u>	<u>\$ 178,400,120</u>	<u>\$ 164,964,696</u>

Schedule 4

ST. LOUIS COUNTY, MINNESOTA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Taxes	\$ 123,709,378	\$ 127,734,734	\$ 139,810,906	\$ 142,338,881
Licenses	149,444	311,378	326,097	318,610
Intergovernmental	119,509,790	119,682,121	106,462,164	114,216,291
Charges for services	28,032,924	27,189,262	26,646,992	30,011,290
Fines and forfeits	162,624	137,528	148,358	161,375
Earnings on investments	1,047,515	2,994,443	1,925,007	2,955,231
Gifts and contributions	7,945	8,982	50,647	13,139
Land and timber sales	6,925,052	8,007,234	14,517,143	11,547,500
Miscellaneous	4,716,580	4,554,843	3,850,754	4,511,245
Total revenues	<u>284,261,252</u>	<u>290,620,525</u>	<u>293,738,068</u>	<u>306,073,562</u>
Expenditures				
General government	40,135,037	41,551,894	41,574,289	44,638,065
Public safety	47,268,433	46,673,255	48,638,872	49,360,919
Highways and streets	39,139,593	38,392,604	32,215,419	33,222,000
Health and sanitation	5,111,826	4,946,831	4,679,163	4,977,595
Human services	76,075,893	79,113,396	84,131,293	89,851,302
Culture and recreation	2,482,810	2,177,850	2,038,795	1,712,057
Conservation of natural resources	8,335,366	8,793,370	9,059,619	8,281,415
Economic development	3,021,975	2,851,579	3,200,199	3,132,751
Debt service:				
Principal	16,697,490	6,997,490	7,895,390	6,900,390
Interest and other charges	1,196,565	2,492,340	2,744,737	3,547,549
Bond issuance costs	148,166	-	117,120	-
Capital outlay	<u>56,705,471</u>	<u>67,260,570</u>	<u>65,226,586</u>	<u>85,848,604</u>
Total Expenditures	<u>296,318,625</u>	<u>301,251,179</u>	<u>301,521,482</u>	<u>331,472,647</u>
Excess of revenues over (under) expenditures	<u>(12,057,373)</u>	<u>(10,630,654)</u>	<u>(7,783,414)</u>	<u>(25,399,085)</u>
Other Financing Sources (Uses)				
Transfers in	6,369,095	8,724,703	16,395,871	21,625,136
Transfers (out)	(6,360,992)	(10,293,379)	(16,343,554)	(21,102,488)
Capital leases	-	-	-	-
Bonds issued	25,290,000	5,470,000	38,415,000	23,315,000
Premium on bonds issued	1,045,018	213,897	2,724,564	2,356,356
Sale of capital assets	-	2,512,402	175,501	153,773
Refunding bonds issued	14,390,000	-	7,715,000	15,200,000
Premium on refunding bonds issued	1,086,183	-	562,801	1,075,261
Bond proceeds remitted to joint venture	-	(5,253,000)	-	-
Loan proceeds	-	-	118,420	96,227
Total other financing sources (uses)	<u>41,819,304</u>	<u>1,374,623</u>	<u>49,763,603</u>	<u>42,719,265</u>
Net change in fund balances	<u>\$ 29,761,931</u>	<u>\$ (9,256,031)</u>	<u>\$ 41,980,189</u>	<u>\$ 17,320,180</u>
Debt service as a percentage of noncapital expenditures	7.5%	4.1%	4.6%	4.3%

Schedule 4

ST. LOUIS COUNTY, MINNESOTA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

2017	2018	2019	2020	2021	2022
\$ 152,021,672	\$ 158,874,597	\$ 164,061,559	\$ 173,390,342	\$ 178,629,291	\$ 191,524,020
338,241	358,421	573,355	594,074	771,590	665,110
116,514,726	127,053,015	125,770,305	157,197,865	135,223,428	153,529,168
30,238,046	30,843,968	33,290,094	32,685,884	32,529,019	35,396,157
335,030	147,522	152,361	61,989	119,240	56,871
5,278,526	3,807,852	12,067,009	9,060,823	3,726,188	(5,212,480)
25,385	14,441	23,589	18,600	2,265	28,265
9,194,493	8,173,349	8,125,688	8,138,325	10,630,485	8,560,043
5,292,329	3,688,986	3,593,204	3,947,710	4,498,654	6,414,798
319,238,448	332,962,151	347,657,164	385,095,612	366,130,160	390,961,952
45,490,303	47,645,505	49,507,010	52,040,883	52,177,832	55,054,570
51,185,228	53,862,909	54,840,421	56,100,959	58,422,181	60,714,012
35,215,416	36,239,798	36,938,325	40,631,395	44,389,007	49,234,561
5,296,681	6,027,687	7,203,860	13,194,809	10,607,456	10,325,159
96,404,600	98,711,114	99,065,892	106,390,135	103,119,948	107,632,329
1,851,060	2,056,375	2,362,232	2,675,082	2,848,085	4,360,789
8,630,421	8,442,128	8,406,955	9,038,431	9,704,972	9,063,382
3,711,769	3,475,638	3,327,670	10,228,874	9,238,030	7,622,848
13,580,201	8,010,991	9,249,550	8,918,362	26,367,744	12,922,601
4,680,122	4,631,664	5,486,139	5,080,465	5,310,793	4,732,253
-	-	-	-	-	-
82,887,029	79,766,844	93,433,882	66,213,357	63,418,803	82,285,439
348,932,830	348,870,653	369,821,936	370,512,752	385,604,851	403,947,943
(29,694,382)	(15,908,502)	(22,164,772)	14,582,860	(19,474,691)	(12,985,991)
15,017,556	18,192,909	17,959,567	21,040,301	18,389,457	17,802,860
(15,217,058)	(18,793,163)	(16,754,069)	(22,965,437)	(18,926,775)	(18,300,636)
-	-	-	-	3,118,800	-
-	-	-	30,355,000	25,855,000	-
-	-	-	732,941	662,268	-
188,546	226,048	203,319	132,717	703,273	592,574
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	36,616	71,437	91,822
(10,956)	(374,206)	1,408,817	29,332,138	29,873,460	186,620
\$ (29,705,338)	\$ (16,282,708)	\$ (20,755,955)	\$ 43,914,998	\$ 10,398,769	\$ (12,799,371)
6.9%	4.7%	5.3%	4.6%	9.8%	5.5%

Schedule 5

ST. LOUIS COUNTY, MINNESOTA
Tax Capacity and Estimated Market Value of Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Homestead Property	Agricultural Property	Commercial/ Industrial Property	Non- Homestead Residential Property	Commercial/ Residential Seasonal/ Recreational Property
2013	\$ 70,918,143	\$ 11,427,969	\$ 34,814,496	\$ 21,123,597	\$ 17,798,832
2014	71,253,746	11,093,889	36,265,115	21,648,430	18,020,695
2015	72,779,293	10,748,933	37,252,089	22,465,566	17,976,741
2016	75,207,097	10,858,284	39,855,900	23,288,542	18,608,696
2017	77,080,947	10,710,635	42,304,419	23,923,168	18,945,131
2018	80,625,753	10,734,163	45,568,082	24,924,824	19,183,150
2019	84,267,800	10,679,881	47,474,875	26,622,365	19,842,055
2020	88,322,718	10,720,019	47,233,394	29,050,508	20,440,619
2021	90,903,587	10,669,217	50,530,831	30,253,829	20,860,333
2022	95,924,560	11,009,571	39,526,630	33,614,284	21,893,152

Source: St. Louis County Auditor-Treasurer

Schedule 5

ST. LOUIS COUNTY, MINNESOTA
Tax Capacity and Estimated Market Value of Property
Last Ten Fiscal Years

Personal Property	Total Net Tax Capacity	% Change Total Net Tax Capacity	Total County Tax Rate Per \$100 of Taxable Net Tax Capacity	Estimated Market Value	Total Net Tax Capacity as a Percentage of Estimated Market Value
\$ 8,070,660	\$ 164,153,697	(1.40)%	65.0111	\$ 15,713,273,500	1.04%
8,980,291	167,262,166	1.89%	64.7031	15,889,008,120	1.05%
9,549,180	170,771,802	2.10%	65.3717	16,139,306,610	1.06%
10,216,656	178,035,175	4.25%	62.3352	16,672,379,734	1.07%
10,803,542	183,767,842	3.22%	66.1160	17,086,794,412	1.08%
11,291,604	192,327,576	4.66%	66.2917	17,726,359,612	1.08%
11,163,705	200,050,681	4.02%	66.1105	18,381,365,862	1.09%
10,439,131	206,206,389	3.08%	68.5405	19,015,651,427	1.08%
10,993,885	214,211,682	3.88%	66.9992	19,604,436,470	1.09%
9,542,283	211,510,480	(1.26)%	68.1388	20,492,398,600	1.03%

Schedule 6

ST. LOUIS COUNTY, MINNESOTA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended December 31	County Direct Tax Rates Per \$100 of Taxable Net Tax Capacity				
	General Levy	Debt Service Levy	Regional Library Levy	County-wide Enterprise Fund	Total
2013	61.3764	3.0504	0.4072	0.1770	65.0110
2014	59.8998	4.2861	0.3881	0.1292	64.7032
2015	60.9660	3.9493	0.3921	0.0643	65.3717
2016	58.5015	3.4891	0.3446	-	62.3352
2017	62.6008	3.1653	0.3499	-	66.1160
2018	62.6523	3.3003	0.3391	-	66.2917
2019	62.6727	3.1200	0.3177	-	66.1104
2020	65.0566	3.1594	0.3246	-	68.5406
2021	63.7029	2.9968	0.2995	-	66.9992
2022	65.0619	2.7764	0.3005	-	68.1388

Source: St. Louis County Auditor-Treasurer

Schedule 6

ST. LOUIS COUNTY, MINNESOTA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Overlapping Rates

Independent School District #94	Independent School District #381	Independent School District #698	Independent School District #707	Independent School District #2142
31.6372	16.7696	31.6496	61.9301	23.1185
32.0031	17.1192	31.5870	61.8386	21.8874
32.7964	17.1909	18.2077	59.5846	21.4226
48.5922	16.3179	15.9902	58.5575	19.5075
44.9540	15.6292	9.9411	67.0244	15.9546
45.7260	15.6506	11.9812	33.9998	15.0488
47.0104	15.2169	11.7908	31.8529	14.2325
46.2667	15.3345	14.9192	30.1413	14.0197
45.9260	13.6884	14.4559	26.7181	13.7530
43.4253	13.8605	2.7047	26.5629	13.5553

Schedule 7

**ST. LOUIS COUNTY, MINNESOTA
Principal Property Tax Payers
Current and Nine Years Ago**

Taxpayer	2022			2013		
	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value	Net Tax Capacity Value	Rank	Percentage of Total Taxable Net Tax Capacity Value
Allete, Inc. (Minnesota Power)	\$ 6,306,565	1	2.98%	\$ 4,994,334	1	3.04%
Wisconsin Central LTD	5,654,151	2	2.67%	2,675,475	2	1.63%
Enbridge Energy LTD Partnership	2,727,928	3	1.29%	2,229,704	3	1.36%
American Transmission Co LLC	1,294,042	4	0.61%	695,848	6	0.42%
Burlington No/Santa Fe Railway Co	1,215,850	5	0.57%	593,808	9	0.36%
Duluth Clinic	1,212,096	6	0.57%	700,066	5	0.43%
Miller Hill Mall	1,022,655	7	0.48%	808,668	4	0.49%
Northern States Power Co	625,518	8	0.30%			
Great River Energy	625,200	9	0.30%	638,757	8	0.39%
Property Tax Dept	589,737	10	0.28%			
Cliffs Mining Services				644,565	7	0.39%
IRET Properties				574,184	10	0.35%
	<u>\$ 21,273,742</u>		<u>10.05%</u>	<u>\$ 14,555,409</u>		<u>8.86%</u>

Source: St. Louis County Auditor-Treasurer

Notes:

(1) Wisconsin Central LTD is a consolidated payer previously reported separately.

(2) Duluth Missabe & Iron Range RR (DMIR), Duluth Winnipeg & Pacific RR, and Enbridge have had a number of utility personal property leases that have gone up millions of dollars each year since 2010.

Schedule 8

ST. LOUIS COUNTY, MINNESOTA
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year (1)	Collected within the		Collections in Subsequent Years (3)	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount (2)	Percentage of Levy			
2013	\$ 101,954,370	\$ 98,871,857	96.98%	\$ 2,625,969	\$ 101,497,826	99.55%
2014	103,801,552	101,096,787	97.39%	1,993,429	103,090,216	99.31%
2015	107,057,125	104,921,850	98.01%	1,726,765	106,648,615	99.62%
2016	107,174,826	105,252,952	98.21%	1,255,967	106,508,919	99.38%
2017	116,925,963	114,907,543	98.27%	919,729	115,827,272	99.06%
2018	122,620,235	120,532,562	98.30%	1,152,692	121,685,254	99.24%
2019	127,201,123	125,105,026	98.35%	1,253,206	126,358,232	99.34%
2020	136,030,055	133,988,242	98.50%	1,349,824	135,338,066	99.49%
2021	138,321,904	136,459,341	98.65%	697,051	137,156,392	99.16%
2022	146,981,488	144,985,638	98.64%	-	144,985,638	98.64%

Notes:

- (1) - Excludes tax credits and certain state aids.
- (2) - Includes some small amounts that are not a part of the certified levy.
- (3) - Amounts are adjusted annually until the applicable year is dropped from the records after 7 years.

Source: St. Louis County Auditor - Tax Levy Status Report

Schedule 9

ST. LOUIS COUNTY, MINNESOTA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Revenue Notes	Capital Leases				
2013	\$ 57,052,663	\$ 353,240	\$ -	\$ 57,405,903	0.69%	\$ 287	
2014	55,533,284	310,750	-	55,844,034	0.67%	278	
2015	96,681,745	378,780	-	97,060,525	1.13%	483	
2016	131,183,030	424,617	-	131,607,647	1.53%	657	
2017	116,922,054	354,416	-	117,276,470	1.32%	586	
2018	154,226,426	283,425	-	154,509,851	1.63%	774	
2019	144,222,416	233,875	-	144,456,291	1.49%	726	
2020	165,639,268	222,129	-	165,861,397	1.64%	836	
2021	165,243,862	244,582	2,495,040	167,983,484	1.52%	843	
2022	152,294,314	304,597	1,867,342	154,466,253	Not Available	774	

Source:

See Schedule 13 for population and personal income data.

* The 2020 number was updated from \$185,513 to \$222,129 due to \$36,616 of loan proceeds not being reported on this schedule in 2020.

Schedule 10

ST. LOUIS COUNTY, MINNESOTA
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Revenue Notes	General Bonded Debt Outstanding		Less: Amounts Available in Debt Service Fund (1)	Net General Bonded Debt Outstanding	Percentage of Estimated Market Value	Per Capita
		General Obligation Bonds					
2013	\$ 353,240	\$ 57,052,663		\$ 4,181,175	\$ 52,871,488	0.34%	\$ 264
2014	310,750	55,533,284		1,658,107	53,875,177	0.34%	269
2015	378,780	96,681,745		8,554,007	88,127,738	0.55%	439
2016	424,617	131,183,030		25,434,249	105,748,781	0.63%	528
2017	354,416	116,922,054		20,458,433	96,463,621	0.56%	482
2018	283,425	154,226,426		3,560,401	150,666,025	0.85%	754
2019	233,875	144,222,416		1,711,430	142,510,986	0.78%	716
2020	222,129 *	165,639,268		841,936	164,797,332	0.87%	830
2021	244,582	165,243,862		2,826,849	162,417,013	0.83%	815
2022	304,597	152,294,314		2,784,593	149,509,721	0.73%	749

Sources:

(1) This is the amount restricted for debt service payments. This column was changed to reflect the debt service fund balance starting in 2013, and then in 2018, it was changed to reflect the fund balance less any refunding debt balances.

See Schedule 5 for Estimated Market Values.

See Schedule 13 for population data.

* The 2020 number was updated from \$185,513 to \$222,129 due to \$36,616 of loan proceeds not being reported on this schedule in 2020.

Schedule 11

ST. LOUIS COUNTY, MINNESOTA
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	Debt Outstanding	Percentage Applicable*	Share of Debt
Direct Debt			
St. Louis County	\$ 154,466,253	100.00%	\$ 154,466,253
Overlapping Debt			
School District #94	56,295,000	4.69%	2,639,280
School District #381	46,525,000	17.26%	8,027,915
School District #698	180,000	95.80%	172,434
School District #707	108,000	46.54%	50,259
School District #2142	45,690,000	98.89%	45,181,250
Western Lake Superior Sanitary District	51,385,077	83.89%	43,108,593
Subtotal, overlapping debt			<u>99,179,731</u>
Total Direct and Overlapping Debt			<u><u>\$ 253,645,984</u></u>

*Applicable percentages were estimated by determining the portion of the governmental unit's net tax capacity that is within the county's boundaries and dividing it by each unit's total net tax capacity.

Schedule 12

**ST. LOUIS COUNTY, MINNESOTA
Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Market value of taxable property	\$ 14,297,999,600	\$ 14,488,302,620	\$ 14,740,006,310	\$ 15,285,072,934	\$ 15,744,495,775
Debt limit (3% of market value) *	428,939,988	434,649,079	442,200,189	458,552,188	472,334,873
Debt applicable to limit:					
General obligation bonds	57,405,903	55,844,034	97,060,525	131,607,647	116,922,054
Less: Amount set aside for repayment of general obligation debt	<u>(4,181,175)</u>	<u>(1,658,107)</u>	<u>(8,554,007)</u>	<u>(25,434,249)</u>	<u>(20,458,433)</u>
Total net debt applicable to limit	53,224,728	54,185,927	88,506,518	106,173,398	96,463,621
Legal debt margin	<u>\$ 375,715,260</u>	<u>\$ 380,463,152</u>	<u>\$ 353,693,671</u>	<u>\$ 352,378,790</u>	<u>\$ 375,871,252</u>
Total net debt applicable to the limit as a percentage of the debt limit	12.41%	12.47%	20.02%	23.15%	20.42%

Source: St. Louis County Auditor - Abstract of Tax Lists

* Debt limit is set by MN Statute 475.53

Schedule 12

ST. LOUIS COUNTY, MINNESOTA
Legal Debt Margin Information
Last Ten Fiscal Years

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 16,397,142,021	\$ 17,058,467,275	\$ 17,693,802,086	\$ 18,290,267,288	\$ 19,181,926,392
491,914,261	511,754,018	530,814,063	548,708,019	575,457,792
154,226,426	144,222,416	165,639,268	165,243,862	152,294,314
<u>(19,902,267)</u>	<u>(17,928,541)</u>	<u>(22,203,457)</u>	<u>(5,987,655)</u>	<u>(2,940,315)</u>
134,324,159	126,293,875	143,435,811	159,256,207	149,353,999
<u>\$ 357,590,102</u>	<u>\$ 385,460,143</u>	<u>\$ 387,378,252</u>	<u>\$ 389,451,812</u>	<u>\$ 426,103,793</u>
27.31%	24.68%	27.02%	29.02%	25.95%

Schedule 13

ST. LOUIS COUNTY, MINNESOTA
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (4)	Personal Income (thousands of dollars) (1)	Per Capita Personal Income (1)	Annual Average Labor Force (2)	School Enrollment (3)	Unemployment Rate (2)
2013	200,319	\$ 8,324,927	\$ 41,513	103,495	25,176	6.0%
2014	200,540	8,344,103	41,523	104,067	25,072	4.3%
2015	200,949	8,579,520	42,805	102,274	25,010	5.7%
2016	200,431	8,624,380	43,126	101,056	25,059	5.6%
2017	200,000	8,911,235	44,556	101,991	25,382	4.4%
2018	199,745	9,471,691	47,417	103,382	25,382	3.9%
2019	199,070	9,698,354	48,718	103,243	24,978	4.3%
2020	198,455	10,122,621	50,986	99,786	25,303	5.5%
2021	199,182	11,015,352	55,303	99,217	23,967	3.1%
2022	199,532	Not Available	Not Available	100,031	23,838	3.6%

Sources:

- (1) - US Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov/index.htm> - Available March '23)
- (2) - Minnesota Department of Employment and Economic Development (<http://mn.gov/deed/data/data-tools/laus/>)
- (3) - Minnesota Department of Education (<http://education.state.mn.us/MDE/Welcomw/index.html>)
- (4) - US Bureau of Census (census.gov)

Schedule 14

**ST. LOUIS COUNTY, MINNESOTA
Principal Employers
Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Mary's/Duluth Clinic Health System (Essentia Health)	6,513	1	6.51%	5,904	1	5.70%
St. Luke's Hospital	2,241	2	2.24%	1,554	4	1.50%
Miner's Inc.	1,990	3	1.99%			
St. Louis County	1,885	4	1.88%	1,742	2	1.68%
Duluth Public Schools	1,450	5	1.45%	1,426	6	1.38%
Minnesota Taconite (US Steel)	1,390	6	1.39%	1,500	5	1.45%
University of Minnesota Duluth	1,322	7	1.32%	1,694	3	1.64%
Allete	1,314	8	1.31%	1,419	7	1.37%
Duluth Air National Guard Base	1,068	9	1.07%	1,068	9	1.03%
Cirrus Aircraft	1,000	10	1.00%			
Uniprise (United Health Care)				1,368	8	1.32%
City of Duluth				850	10	0.82%
Total	20,173		20.16%	18,525		17.90%

Sources:

Northland Connection (<http://www.northlandconnection.com/industries.php>)
Schedule 15 - St. Louis County
St. Mary's/Duluth Clinic Health System (email)
University of Minnesota Duluth (http://www.oir.umn.edu/hr/employee_count/report)

Schedule 15

ST. LOUIS COUNTY, MINNESOTA
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	Full-time Equivalent Employees			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	415.60	417.40	420.40	422.90
Public safety	281.10	277.10	276.10	284.10
Highways and streets	319.00	319.00	312.00	312.00
Health and sanitation	67.90	66.15	72.80	71.20
Human services	544.50	565.75	585.50	622.35
Conservation of natural resources	70.00	70.15	70.15	71.15
Culture and recreation	-	-	-	-
Environmental services	43.50	43.00	42.50	41.75
Total	<u>1,741.60</u>	<u>1,758.55</u>	<u>1,779.45</u>	<u>1,825.45</u>

Notes:

Internal Service Funds are included in the general government function.

ISTS (Individual Sewage Treatment Systems) became a special revenue fund in 2018; the employees have been moved from Environmental Services to Health and Sanitation for all years.

Source: St. Louis County Operating and Capital Budget

Schedule 15

ST. LOUIS COUNTY, MINNESOTA
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

Full-time Equivalent Employees					
2017	2018	2019	2020	2021	2022
428.90	438.90	440.90	441.90	444.90	446.40
283.10	282.10	285.10	290.60	292.60	294.60
312.00	312.00	312.00	312.00	308.00	304.00
68.65	70.85	70.50	69.00	72.00	70.00
631.15	630.10	645.60	648.10	649.60	658.60
72.15	72.15	72.15	72.15	72.15	69.15
-	-	1.00	1.00	1.00	1.50
41.50	41.05	41.00	41.00	41.00	41.00
<u>1,837.45</u>	<u>1,847.15</u>	<u>1,868.25</u>	<u>1,875.75</u>	<u>1,881.25</u>	<u>1,885.25</u>

Schedule 16

**ST. LOUIS COUNTY, MINNESOTA
Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	Fiscal Year			
	2013	2014	2015	2016
General Government				
Auditor's Office				
Payments issued	36,650	37,557	38,313	38,518
Motor Vehicle Driver's License	15,180	17,707	18,313	19,200
Motor Vehicle Passports	4,707	5,817	7,368	8,254
Motor Vehicle Transactions	38,180	52,705	55,911	61,921
Planning - Building Permits Issued				
Single Family Dwelling	129	144	168	172
Other	528	504	566	651
Public Safety				
Sheriff's Department				
Arrests	2,047	1,701	1,545	1,282
Traffic Citations	2,253	1,855	1,691	1,708
Mines				
Mine Investigations and Inspections	428	521	414	392
Highways and Streets				
Road and Bridge				
Miles of Overlay	-	-	-	4.00
Miles of Mill Overlay	-	-	30.20	2.00
Miles of Reclaim Overlay	11.20	24.80	34.00	30.00
Miles of Mill Reclaim Overlay	21.70	11.60	29.20	16.00
Miles of Construction	5.00	1.50	0.50	2.00
Miles of Bridge Constructed	2.27	1.00	0.35	0.40
Tons of Crushing	209,965	245,000	198,000	167,000
Miles of Crack Seal	106.10	182.00	165.80	64.00
Miles of Chip Seal (1)	-	27.00	98.00	124.00
Miles of Micro Seal (1)	-	26.40	18.80	-
Health and Human Services				
Health				
Public Health Visits (2)	7,476	6,283	7,098	5,042
Public Health Nursing Clients Served	1,566	2,170	2,487	2,229
Human Services				
Unduplicated Children in Out of Home Placement	869	963	1,047	1,166
Financial Assistance Cases	23,877	31,555	38,357	24,377
Child Support Cases	11,871	11,600	11,644	11,194
Persons Receiving DD (prev MR/RC) Waivered Services (3)	778	766	736	754
Permanency 12 months	63%	57%	54%	41%
Purchased Social Services (4)	\$ 136,201,198	\$ 143,054,192	\$ 155,482,267	\$ 163,240,897
Social Services Administrative costs (5)	\$ 29,750,944	\$ 29,368,786	\$ 32,782,197	\$ 33,789,536
Conservation of Natural Resources				
Land				
Total Acres of Tax Forfeit Lands	893,193	893,049	893,158	890,449
Contracts Sold	120	104	95	117
Closed Sales	109	108	108	83
Acres Harvested	8,325	10,056	9,429	7,034
Average Size of Sale (Acres)	76	93	87	85
Harvest Volume (Cords)	159,777	207,439	207,700	150,824
Cords Per Sale	1,466	1,921	1,923	1,817
Value	\$ 3,480,550	\$ 4,598,436	\$ 5,303,873	\$ 3,871,488
Average Value Per Sale	\$ 31,932	\$ 42,578	\$ 49,110	\$ 46,644
Average Value Per Cord	\$ 22	\$ 22	\$ 26	\$ 26
Average Value Per Cut Acre	\$ 418	\$ 457	\$ 563	\$ 550
Volume Per Cut Acre (Cords)	19	21	22	21
Value Per Tax Forfeit Acre	\$ 4	\$ 5	\$ 6	\$ 4
Environmental Services				
Tons of Municipal Solid Waste Landfilled	51,573	51,320	51,785	51,128
Tons of Industrial Waste Landfilled	14,647	1,466	1,370	3,029
Tons of Demolition Collected	9,153	9,561	7,832	8,091

Notes:

- (1) Chip seal and micro seal were new programs in 2014.
- (2) Includes home and virtual visits
- (3) Beginning in 2021, this is no longer a valid metric and will not be updated.
- (4) Purchased Social Services are payments made by DHS, or Health and Human Services, for St. Louis County residents.
- (5) Includes children's services, child care, chemical dependency, mental health, developmental disabilities, and adult services.

Source: Individual County Departments

Schedule 16

ST. LOUIS COUNTY, MINNESOTA
Operating Indicators by Function/Program
Last Ten Fiscal Years

Fiscal Year					
2017	2018	2019	2020	2021	2022
37,081	35,460	32,770	29,566	29,844	30,051
18,269	18,704	21,673	22,161	24,921	21,583
9,286	8,183	8,158	3,337	4,973	6,515
61,124	64,745	66,172	42,818	47,718	49,525
137	184	182	158	180	187
731	1,082	1,284	1,188	1,317	1,360
2,067	907	955	863	1,033	879
995	1,747	1,425	1,273	1,252	1,048
428	465	389	323	370	328
-	4.30	0.70	5.80	7.40	-
34.10	15.50	7.90	2.90	9.70	12.00
30.20	77.50	22.40	29.10	42.30	31.00
10.80	-	23.20	10.00	36.20	21.00
2.80	0.50	2.30	1.80	1.00	1.00
1.30	0.13	1.80	0.70	1.00	1.00
235,350	245,000	216,627	233,194	230,916	265,378
-	-	191.70	140.70	142.50	59.00
145.60	85.60	103.60	107.32	81.90	102.00
-	-	-	-	-	8
5,472	5,975	5,482	4,413	2,920	2,955
2,698	3,994	3,361	4,333	4,390	4,407
1,271	1,257	1,082	947	905	849
36,970	34,578	33,151	36,620	38,562	40,213
10,213	9,539	9,615	8,607	8,232	7,854
783	758	747	786	N/A	N/S
42%	46%	60%	44%	50%	43%
\$ 171,802,698	\$ 173,910,551	\$ 174,440,369	\$ 183,241,437	unavailable	unavailable
\$ 38,931,385	\$ 41,111,142	\$ 42,498,791	\$ 44,336,173	\$ 47,032,162	\$ 48,431,319
890,768	888,936	888,592	886,756	884,945	882,058
105	95	91	109	102	97
112	109	99	102	84	81
9,001	9,045	7,898	8,279	6,421	5,944
80	83	80	81	76	73
193,101	192,260	166,539	165,936	137,824	127,220
1,724	1,764	1,682	1,627	1,641	1,571
\$ 4,862,475	\$ 4,407,835	\$ 4,174,369	\$ 3,990,192	\$ 3,348,290	\$ 3,324,599
\$ 43,415	\$ 40,439	\$ 42,165	\$ 39,120	\$ 39,861	\$ 41,044
\$ 25	\$ 23	\$ 25	\$ 24	\$ 24	\$ 26
\$ 540	\$ 487	\$ 529	\$ 482	\$ 521	\$ 559
\$ 21	\$ 21	\$ 21	\$ 20	\$ 21	\$ 21
\$ 5	\$ 5	\$ 5	\$ 5	\$ 4	\$ 4
52,028	51,824	52,605	53,481	53,952	53,672
1,460	1,573	734	402	404	357
5,813	4,824	3,997	4,627	5,768	8,339

Schedule 17

ST. LOUIS COUNTY, MINNESOTA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Courthouses	3	3	3	3	3	3	3	3	3	3
Motor Pool Vehicles	135	142	148	137	136	139	150	156	144	143
Office Buildings	2	3	3	3	3	3	3	3	3	3
Parking Ramp	2	2	2	2	2	2	2	2	2	2
Public Safety										
Vehicles	172	166	184	187	186	207	204	228	213	223
Jail and Lockup Facilities	3	3	3	3	3	3	3	3	3	3
Emergency Operations Center	1	1	1	1	1	1	1	1	1	1
Rescue Squad Buildings		2	2	3	3	5	5	5	5	5
Highways and Streets										
Vehicles	231	227	249	263	261	239	238	259	248	249
Miles of County Road	1,594	1,266	1,263	1,247	1,247	1,248	1,247	1,245	1,243	1,243
Miles of County State Aid Road	1,392	1,389	1,387	1,384	1,384	1,384	1,384	1,385	1,385	1,385
Number of Bridges	601	596	598	598	598	595	596	597	598	599
Garages and Storage Buildings	91	91	91	91	93	93	94	94	94	94
Graders, Loaders, and Heavy Trucks	376	374	385	381	413	429	465	487	457	409
Health and Sanitation										
Nursing Homes	1	-	-	-	-	-	-	-	-	-
Demolition Landfill	1	1	1	1	1	1	1	1	1	1
Regional Landfill	1	1	1	1	1	1	1	1	1	1
Recyclables Processing Facility	1	1	1	1	1	1	1	1	1	1
Transfer Station	5	5	5	5	5	5	5	5	5	5
Human Services										
Office Buildings	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Heritage and Arts Center	1	1	1	1	1	1	1	1	1	1
Conservation of Natural Resources										
Vehicles	49	48	47	48	44	45	48	49	45	43
Offices and Garages	8	8	8	8	8	8	8	6	6	6
Graders, Loaders, and Heavy Trucks	13	13	13	13	13	14	15	16	15	15

Sources:

St. Louis County Auditor-Treasurer
Individual County Departments