



St. Louis County, Minnesota
Comprehensive Annual Financial Report
For The Year Ended December 31, 1987

SAINT LOUIS COUNTY

MINNESOTA

Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 1987

OFFICE OF THE COUNTY AUDITOR

RUSSELL PETERSEN

INTRODUCTORY

SECTION

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St. Louis County

OFFICE OF THE COUNTY AUDITOR

AUDITOR

RUSSELL PETERSEN

Court House • Duluth, Minn. 55802

December 31, 1988

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

Commissioners:

The Comprehensive Annual Financial Report for the fiscal year ended December 31, 1987 is presented herewith. This report was prepared by the County Auditor's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial affairs have been included.

Copies of this report will be sent to elected officials, County management, bond rating agencies, financial institutions, and governmental agencies which have expressed an interest in St. Louis County's financial affairs.

Accounting System and Budgetary Control

Governmental Fund types use the modified accrual basis of accounting for reporting. Revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the related Fund Liability is incurred.

Proprietary Fund types are accounted for on an "income determination" measurement basis. Accordingly, all assets and all liabilities are included on their balance sheets, and the reported fund equity provides an indication of the economic net worth of the fund. The full accrual basis of accounting is used for reporting.

America's Iron Ore Center...

at the Head of the Seaway

"An Equal Opportunity Employer"

Budgetary Control is maintained at the department level by the encumbrance of estimated purchase amounts prior to the release of purchase orders and contracts to vendors. Purchase orders or contracts which result in an overrun of departmental balances are not released until additional appropriations are made available. Open encumbrances are reported as reservations of fund balance at December 31, 1987.

General Fixed Assets

The general fixed assets of the County are those fixed assets used in the performance of general government functions, and exclude fixed assets of the Proprietary Funds. At December 31, 1987, the general fixed assets of the County amounted to \$51,065,695. This amount represents the original cost or estimated market value at time of acquisition of the assets, and is considered less than their present value. Depreciation of general fixed assets is not recognized in the County's accounting system.

Single Audit

The U.S. Office of Management and Budget, through Circular A-102, has established "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments". Attachment P to Circular A-102, entitled "Audit Requirements", became effective October 22, 1979.

Attachment P sets forth the audit requirements for state and local governments receiving federal assistance. It provided for a single independent audit of the financial operations, including the compliance with certain provisions of federal law and regulations. The requirements have been established to ensure that audits are made on an organization-wide basis rather than a grant-by-grant basis. Such audits are to determine whether:

- financial operations are conducted properly;
- the financial statements are presented fairly;
- the organization has complied with laws and regulations affecting the expenditure of federal funds;
- internal procedures have been established to meet the objectives of federally assisted programs; and
- financial reports to the federal government contain accurate and reliable information.

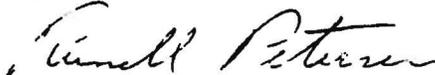
The grants for which these requirements applied are identified in Schedule III.

Independent Audit

Minnesota State law requires an audit to be made of the books of account, financial records, and transactions of the County by the State Auditor. This requirement has been complied with, and the Auditor's opinion has been included in this report. The State Auditor will issue a management and compliance letter covering the review made as a part of the examination of St. Louis County's system of internal control and compliance with applicable legal provisions. This letter also reflects the results of the County's single audit under provisions of the U.S. Office of Management and Budget Circular A-128.

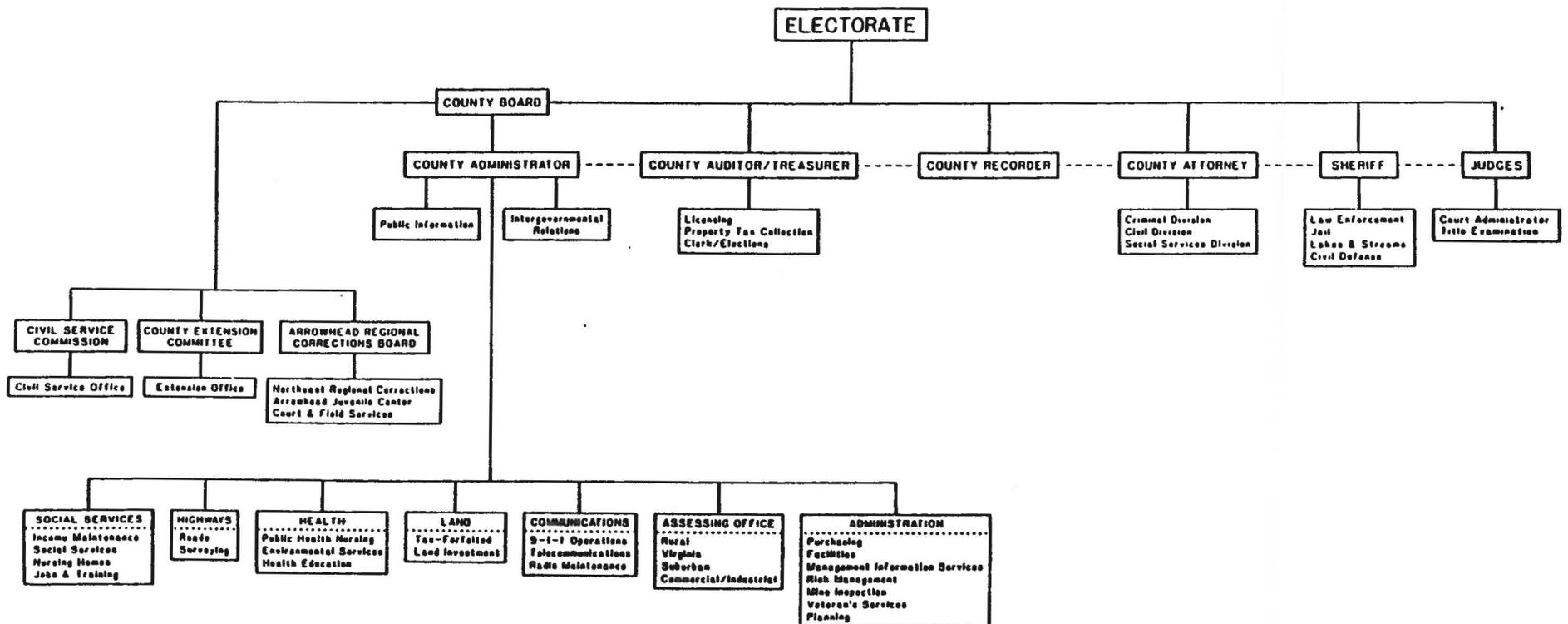
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Auditor's Department. I would also like to pledge to the members of the County Board of Commissioners and the County Administrator the continued support of the County Auditor and his staff in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Russell Petersen
County Auditor

Organizational Summary



ST. LOUIS COUNTY
ELECTED AND APPOINTED OFFICIALS
As of December 31, 1987

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

FINANCIAL SECTION



ARNE H. CARLSON
STATE AUDITOR

STATE OF MINNESOTA

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

296-2551

INDEPENDENT AUDITOR'S OPINION

The Honorable Jerry Janezich, Chairperson
Board of County Commissioners
St. Louis County
Duluth, Minnesota 55802

We have audited the general purpose financial statements of St. Louis County, and the combining and individual fund financial statements as of and for the year ended December 31, 1987, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of St. Louis County as of December 31, 1987, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of St. Louis County as of December 31, 1987, and the results of operations of such funds and the changes in financial position of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note IF to the financial statements, a fund and a portion of the operations of another fund were reclassified as to fund type.

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



ARNE H. CARLSON
State Auditor

September 16, 1988

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

ST. LOUIS COUNTY, MINNESOTA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1987

	Governmental Fund Types			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
<u>Assets and Other Debits</u>				
Cash, pooled deposits, and investments	\$ 9,225,985	\$ 8,044,515	\$ 2,841,170	\$ 1,513,862
Fund deposits and investments	-	-	-	-
Change funds	19,240	25,075	-	1,050
Invested employee contributions	-	-	-	-
Receivables				
Taxes				
Unapportioned	309,909	596,731	-	21,416
Delinquent	1,005,717	3,357,560	-	136,493
Accounts	459,836	421,880	-	1,612,637
Accrued interest	122,141	-	-	-
Loans	660,084	-	-	-
Due from other funds	-	-	-	-
Due from other governments	102,032	6,811,665	-	79,535
Advance to other funds	-	-	-	-
Inventories	-	6,831,786	-	152,447
Prepaid expense	-	-	10,350	-
Restricted assets				
Improvement account - cash	-	-	-	58,770
Construction				
Cash, pooled deposits, and investments	-	-	-	-
Accrued interest receivable	-	-	-	-
Debt service				
Cash, pooled deposits, and investments	-	-	-	362,660
Fund investments	-	-	-	500,000
Accrued interest receivable	-	-	-	313
Fixed assets (net)	-	-	-	8,747,402
Amount to be provided for retirement of long-term debt	-	-	-	-
Amount to be provided for compensated absences	-	-	-	-
Total Assets and Other Debits	\$11,904,944	\$26,089,212	\$ 2,851,520	\$13,186,585
	=====	=====	=====	=====

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

EXHIBIT I

Fund Types	Fiduciary	Account Groups		Totals (Memorandum Only)	
	Fund Type	General	General	1987	1986
Internal Service	Trust and Agency	Fixed Assets	Long-Term Debt		Restated
\$1,370,964	\$ 6,458,764	\$ -	\$ -	\$ 29,455,260	\$ 29,105,290
2,842,479	1,038,528	-	-	3,881,007	5,480,924
3,025	-	-	-	48,390	47,320
-	10,241,127	-	-	10,241,127	8,839,726
6,298	-	-	-	934,354	1,330,033
27,130	-	-	-	4,526,900	4,258,050
23,841	1,544,268	-	-	4,062,462	3,674,721
35,522	2,549	-	-	160,212	230,324
-	-	-	-	660,084	-
-	-	-	-	-	599,790
93,537	236,916	-	-	7,323,685	6,125,202
-	-	-	-	-	17,114
185,559	-	-	-	7,169,792	8,704,967
28,747	-	-	-	39,097	29,689
-	-	-	-	58,770	55,911
-	-	-	-	-	114,942
-	-	-	-	-	839
-	-	-	-	362,660	444,259
-	-	-	-	500,000	400,000
-	-	-	-	313	5,901
1,798,391	-	51,065,695	-	61,611,488	61,387,116
-	-	-	798,289	798,289	833,296
-	-	-	3,946,219	3,946,219	4,163,734
<u>\$6,415,493</u>	<u>\$19,522,152</u>	<u>\$51,065,695</u>	<u>\$ 4,744,508</u>	<u>\$135,780,109</u>	<u>\$135,849,148</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1987

	<u>Governmental Fund Types</u>			<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Cash deficit	\$ -	\$ -	\$ -	\$ 86,112
Accounts payable	385,128	2,117,920	51,117	112,005
Salaries payable	645,967	909,633	-	429,701
Compensated absences - current	-	-	-	504,829
Deferred compensation payable	-	-	-	-
Claims payable	-	-	-	-
Unapportioned taxes payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	14,653	364,639	-	507
Deferred revenue	1,168,820	4,184,717	-	211,696
Installment purchases - current	-	-	-	-
Bonds payable - current	-	-	-	90,000
Loans payable - current	-	-	-	88,306
Accrued interest payable	-	-	-	10,000
Current liabilities (payable from restricted assets)				
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Accrued interest payable	-	-	-	164,723
Bonds payable	-	-	-	350,000
Compensated absences	-	-	-	202,561
Advance from other funds	-	-	-	-
Food stamps issuable	-	4,549,656	-	-
Bonds payable (net)	-	-	-	5,136,540
Loans payable	-	-	-	595,394
Installment purchases	-	-	-	-
Capital leases payable	-	-	-	-
Total Liabilities	\$2,214,568	\$12,126,565	\$51,117	\$7,982,374

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

EXHIBIT I
(Continued)

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
		<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>1987</u>	<u>1986 Restated</u>
\$ 67,551	\$ -	\$ -	\$ -	\$ 153,663	\$ 1,066,190
139,450	2,222,117	-	-	5,027,737	4,853,583
41,669	33,797	-	-	2,060,767	1,967,742
68,715	180,214	-	-	753,758	743,279
-	10,241,127	-	-	10,241,127	8,839,726
624,611	-	-	-	624,611	365,518
-	934,354	-	-	934,354	1,330,033
-	-	-	-	-	599,790
88,120	3,293,177	-	-	3,761,096	5,907,840
24,709	1,572,240	-	-	7,162,182	6,845,904
14,641	-	-	-	14,641	16,386
-	-	-	-	90,000	-
-	-	-	-	88,306	66,300
-	-	-	-	10,000	80,000
-	-	-	-	-	99,698
-	-	-	-	-	-
-	-	-	-	164,723	174,880
-	-	-	-	350,000	325,000
15,667	-	-	3,946,219	4,164,447	4,503,591
-	-	-	-	-	17,114
-	-	-	-	4,549,656	6,256,324
-	-	-	-	5,136,540	5,564,405
-	-	-	-	595,394	683,700
22,472	-	-	-	22,472	36,661
-	-	-	798,289	798,289	833,296
<u>\$1,107,605</u>	<u>\$18,477,026</u>	<u>\$ -</u>	<u>\$4,744,508</u>	<u>\$46,703,763</u>	<u>\$51,176,960</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1987

	<u>Governmental Fund Types</u>			<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Liabilities and Fund Equity</u>				
<u>(continued)</u>				
<u>Fund Equity</u>				
Contributed capital	\$ -	\$ -	\$ -	\$ 954,084
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for improvement account	-	-	-	58,770
Reserved for debt service	-	-	-	348,250
Reserved for capital acquisition	-	-	-	-
Unreserved-undesignated	-	-	-	3,843,107
Fund balance				
Reserved change funds	19,240	25,075	-	-
Reserved for noncurrent loans	660,084	-	-	-
Reserved for inventories	-	2,282,130	-	-
Reserved advance to other funds	-	-	-	-
Reserved for encumbrances	215,214	814,973	-	-
Reserved for prepaid expenses	-	-	10,350	-
Reserved for health and welfare	922,344	949,687	-	-
Reserved for assurance fund	-	-	-	-
Reserved for state deeds	-	-	-	-
Reserved for boat and water safety	16,858	-	-	-
Reserved for law library	119,736	-	-	-
Reserved for foster care insurance	-	6,000	-	-
Reserved for model employment program	-	-	-	-
Reserved for unorganized town roads	-	263,857	-	-
Reserved for data processing	-	-	-	-
Unreserved-undesignated	<u>7,736,900</u>	<u>9,620,925</u>	<u>2,790,053</u>	<u>-</u>
Total Fund Equity	<u>\$ 9,690,376</u>	<u>\$13,962,647</u>	<u>\$2,800,403</u>	<u>\$ 5,204,211</u>
Total Liabilities and Fund Equity	<u>\$11,904,944</u>	<u>\$26,089,212</u>	<u>\$2,851,520</u>	<u>\$13,186,585</u>

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

EXHIBIT I
(Continued)

<u>Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1987</u>	<u>1986 Restated</u>
<u>Internal Service</u>	<u>Trust and Agency</u>				
\$2,420,560	\$ -	\$ -	\$ -	\$ 3,374,644	\$ 2,662,322
-	-	51,065,695	-	51,065,695	51,375,080
-	-	-	-	58,770	55,911
-	-	-	-	348,250	350,280
27,274	-	-	-	27,274	27,274
2,860,054	-	-	-	6,703,161	7,135,387
-	-	-	-	44,315	41,195
-	-	-	-	660,084	675,084
-	-	-	-	2,282,130	2,099,172
-	-	-	-	-	17,114
-	15,645	-	-	1,045,832	4,365,125
-	-	-	-	10,350	-
-	19,926	-	-	1,891,957	1,790,943
-	22,691	-	-	22,691	14,388
-	1,438	-	-	1,438	1,367
-	-	-	-	16,858	10,318
-	-	-	-	119,736	100,333
-	-	-	-	6,000	6,000
-	-	-	-	-	5,932
-	-	-	-	263,857	214,015
-	-	-	-	-	389,391
-	985,426	-	-	21,133,304	13,335,557
<u>\$5,307,888</u>	<u>\$ 1,045,126</u>	<u>\$ 51,065,695</u>	<u>\$ -</u>	<u>\$ 89,076,346</u>	<u>\$ 84,672,188</u>
<u>\$6,415,493</u>	<u>\$19,522,152</u>	<u>\$ 51,065,695</u>	<u>\$4,744,508</u>	<u>\$135,780,109</u>	<u>\$135,849,148</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Revenues			
Taxes	\$12,069,620	\$ 36,581,403	\$ -
Licenses and Permits	117,836	11,458	-
Intergovernmental	3,161,523	72,235,955	-
Charges for services	2,220,306	2,914,146	-
Fines and forfeits	672,214	-	-
Interest on investments	2,106,943	2,301	-
Gifts and contributions	-	-	641,000
Miscellaneous	246,354	3,681,857	-
Total Revenues	<u>\$20,594,796</u>	<u>\$115,427,120</u>	<u>\$ 641,000</u>
Expenditures			
Current			
General government	\$13,956,089	\$ 1,173	\$ -
Public safety	6,658,955	2,702,705	344,631
Highways and streets	-	25,890,495	4,817
Health	-	2,753,837	-
Welfare	46,000	77,895,951	-
Sanitation	-	1,012,402	-
Culture and recreation	129,601	180,000	-
Conservation of natural resources	392,749	1,725,638	-
Economic development	93,960	188,224	-
Miscellaneous	-	-	-
Total Expenditures	<u>\$21,277,354</u>	<u>\$112,350,425</u>	<u>\$ 349,448</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (682,558)</u>	<u>\$ 3,076,695</u>	<u>\$ 291,552</u>
Other Financing Sources (Uses)			
Capital lease proceeds	\$ -	\$ 815,665	\$ -
Sale of general fixed assets	-	655,000	-
Operating transfers in	111,952	518,148	-
Operating transfers out	(50,000)	(580,100)	-
Total Other Financing Sources (Uses)	<u>\$ 61,952</u>	<u>\$ 1,408,713</u>	<u>\$ -</u>
Excess of Revenues and Other Financing Sources Over (Under) Expendi- tures and Other Uses	<u>\$ (620,606)</u>	<u>\$ 4,485,408</u>	<u>\$ 291,552</u>
Fund Balance - January 1	9,933,322	12,376,866	-
Increase (decrease) in reserved for inventories	-	182,958	-
Equity transfer in	2,283,465	301,144	2,508,851
Equity transfer out	(1,905,805)	(3,383,729)	-
Fund Balance - December 31	<u><u>\$ 9,690,376</u></u>	<u><u>\$ 13,962,647</u></u>	<u><u>\$2,800,403</u></u>

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

EXHIBIT II

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	1987	1986 Restated
\$ -	\$ 48,651,023	\$ 46,340,868
-	129,294	119,822
481,287	75,878,765	78,990,410
9,288	5,143,740	5,373,032
-	672,214	515,278
-	2,109,244	2,104,015
-	641,000	-
<u>1,643,292</u>	<u>5,571,503</u>	<u>5,271,942</u>
<u>\$2,133,867</u>	<u>\$138,796,783</u>	<u>\$138,715,367</u>
\$ -	\$ 13,957,262	\$ 14,251,298
-	9,706,291	8,663,086
-	25,895,312	27,187,818
-	2,753,837	3,052,508
-	77,941,951	80,735,122
-	1,012,402	1,046,349
-	309,601	342,001
1,819,870	3,938,257	5,090,124
-	282,184	240,652
<u>24,617</u>	<u>24,617</u>	<u>222,381</u>
<u>\$1,844,487</u>	<u>\$135,821,714</u>	<u>\$140,831,339</u>
\$ 289,380	\$ 2,975,069	\$ (2,115,972)
\$ -	\$ 815,665	\$ 283,008
-	655,000	-
121,728	751,828	1,994,334
<u>(121,728)</u>	<u>(751,828)</u>	<u>(1,994,334)</u>
<u>\$ -</u>	<u>\$ 1,470,665</u>	<u>\$ 283,008</u>
\$ 289,380	\$ 4,445,734	\$ (1,832,964)
755,746	23,065,934	24,419,726
-	182,958	479,172
-	5,093,460	296,149
<u>-</u>	<u>(5,289,534)</u>	<u>(296,149)</u>
<u>\$1,045,126</u>	<u>\$ 27,498,552</u>	<u>\$ 23,065,934</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND AND SPECIAL REVENUE FUND TYPE
YEAR ENDED DECEMBER 31, 1987

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$12,162,114	\$12,069,620	\$ (92,494)
Licenses and permits	118,418	117,836	(582)
Intergovernmental	2,676,340	3,161,523	485,183
Charges for services	1,988,152	2,220,306	232,154
Fines and forfeits	554,500	672,214	117,714
Interest on investments	1,600,000	2,106,943	506,943
Miscellaneous	196,905	246,354	49,449
Total Revenues	<u>\$19,296,429</u>	<u>\$20,594,796</u>	<u>\$ 1,298,367</u>
Expenditures			
Current			
General government	\$13,975,901	\$13,956,089	\$ 19,812
Public safety	6,734,714	6,658,955	75,759
Highways and streets	-	-	-
Health	-	-	-
Welfare	46,000	46,000	-
Sanitation	-	-	-
Culture and recreation	129,601	129,601	-
Conservation of natural resources	417,704	392,749	24,955
Economic development	93,960	93,960	-
Total Expenditures	<u>\$21,397,880</u>	<u>\$21,277,354</u>	<u>\$ 120,526</u>
Excess of Revenues Over (Under) Expenditures	<u>\$(2,101,451)</u>	<u>\$(682,558)</u>	<u>\$ 1,418,893</u>
Other Financing Sources (Uses)			
Capital lease proceeds	\$ -	\$ -	\$ -
Sale of general fixed assets	-	-	-
Operating transfers in	411,952	111,952	(300,000)
Operating transfers out	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>\$ 361,952</u>	<u>\$ 61,952</u>	<u>\$ (300,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$(1,739,499)</u>	<u>\$(620,606)</u>	<u>\$ 1,118,893</u>
Fund Balance - January 1	\$ 9,415,938	\$ 9,933,322	\$ 517,384
Increase (decrease) in reserved for inventories	-	-	-
Equity transfer in	2,385,242	2,283,465	(101,777)
Equity transfer out	(1,488,247)	(1,905,805)	(417,558)
Fund Balance-December 31	<u>=====</u> \$ 8,573,434	<u>=====</u> \$ 9,690,376	<u>=====</u> \$ 1,116,942

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

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 37,067,803	\$ 36,581,403	\$ (486,400)	\$ 49,229,917	\$ 48,651,023	\$ (578,894)
6,800	11,458	4,658	125,218	129,294	4,076
73,678,630	72,235,955	(1,442,675)	76,354,970	75,397,478	(957,492)
2,789,725	2,914,146	124,421	4,777,877	5,134,452	356,575
-	-	-	554,500	672,214	117,714
-	2,301	2,301	1,600,000	2,109,244	509,244
<u>3,722,514</u>	<u>3,681,857</u>	<u>(40,657)</u>	<u>3,919,419</u>	<u>3,928,211</u>	<u>8,792</u>
<u>\$117,265,472</u>	<u>\$115,427,120</u>	<u>\$(1,838,352)</u>	<u>\$136,561,901</u>	<u>\$136,021,916</u>	<u>\$(539,985)</u>
\$ 2,273	\$ 1,173	\$ 1,100	\$ 13,978,174	\$ 13,957,262	\$ 20,912
2,702,705	2,702,705	-	9,437,419	9,361,660	75,759
28,466,504	25,890,495	2,576,009	28,466,504	25,890,495	2,576,009
3,112,493	2,753,837	358,656	3,112,493	2,753,837	358,656
78,941,533	77,895,951	1,045,582	78,987,533	77,941,951	1,045,582
1,453,081	1,012,402	440,679	1,453,081	1,012,402	440,679
180,000	180,000	-	309,601	309,601	-
922,088	1,725,638	(803,550)	1,339,792	2,118,387	(778,595)
<u>188,224</u>	<u>188,224</u>	<u>-</u>	<u>282,184</u>	<u>282,184</u>	<u>-</u>
<u>\$115,968,901</u>	<u>\$112,350,425</u>	<u>\$ 3,618,476</u>	<u>\$137,366,781</u>	<u>\$133,627,779</u>	<u>\$3,739,002</u>
\$ 1,296,571	\$ 3,076,695	\$ 1,780,124	\$ (804,880)	\$ 2,394,137	\$3,199,017
\$ 815,665	\$ 815,665	\$ -	\$ 815,665	\$ 815,665	\$ -
655,000	655,000	-	655,000	655,000	-
518,148	518,148	-	930,100	630,100	(300,000)
<u>(610,665)</u>	<u>(580,100)</u>	<u>30,565</u>	<u>(660,665)</u>	<u>(630,100)</u>	<u>30,565</u>
<u>\$ 1,378,148</u>	<u>\$ 1,408,713</u>	<u>\$ 30,565</u>	<u>\$ 1,740,100</u>	<u>\$ 1,470,665</u>	<u>\$ (269,435)</u>
\$ 2,674,719	\$ 4,485,408	\$ 1,810,689	\$ 935,220	\$ 3,864,802	\$2,929,582
\$ 12,376,866	\$ 12,376,866	\$ -	\$ 21,792,804	\$22,310,188	\$ 517,384
182,958	182,958	-	182,958	182,958	-
301,144	301,144	-	2,686,386	2,584,609	(101,777)
<u>(3,077,521)</u>	<u>(3,383,729)</u>	<u>(306,208)</u>	<u>(4,565,768)</u>	<u>(5,289,534)</u>	<u>(723,766)</u>
<u>\$ 12,458,166</u>	<u>\$ 13,962,647</u>	<u>\$ 1,504,481</u>	<u>\$ 21,031,600</u>	<u>\$ 23,653,023</u>	<u>\$2,621,423</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1987

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1987</u>	<u>1986 Restated</u>
Operating Revenues				
Charges for services	\$12,680,938	\$5,032,583	\$17,713,521	\$18,111,224
Other	<u>194,610</u>	<u>1,945</u>	<u>196,555</u>	<u>262,416</u>
Total Operating Revenues	<u>\$12,875,548</u>	<u>\$5,034,528</u>	<u>\$17,910,076</u>	<u>\$18,373,640</u>
Operating Expenses				
Personal services	\$11,184,614	\$1,264,073	\$12,448,687	\$12,366,606
Contractual services	1,899,400	2,852,119	4,751,519	4,547,587
Materials	1,135,013	964,818	2,099,831	2,224,805
Depreciation	<u>432,340</u>	<u>201,725</u>	<u>634,065</u>	<u>420,267</u>
Total Operating Expenses	<u>\$14,651,367</u>	<u>\$5,282,735</u>	<u>\$19,934,102</u>	<u>\$19,559,265</u>
Operating income (loss)	<u>\$(1,775,819)</u>	<u>\$(248,207)</u>	<u>\$(2,024,026)</u>	<u>\$(1,185,625)</u>
Nonoperating Revenues (Expenses)				
Taxes	\$ 1,197,510	\$ 528,779	\$ 1,726,289	\$ 1,796,079
Grants	227,180	-	227,180	238,870
Interest on investments	65,022	197,070	262,092	225,363
Interest expense	(539,671)	-	(539,671)	(517,282)
Amortization of bond discount	(12,134)	-	(12,134)	(11,757)
Other expense	(869)	-	(869)	(428)
Disposition of fixed assets	<u>46,783</u>	<u>4,108</u>	<u>50,891</u>	<u>(661,881)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 983,821</u>	<u>\$ 729,957</u>	<u>\$ 1,713,778</u>	<u>\$1,068,964</u>
Net Income (Loss)	<u>\$ (791,998)</u>	<u>\$ 481,750</u>	<u>\$ (310,248)</u>	<u>\$ (116,661)</u>
Retained earnings - January 1 - Restated	5,163,274	2,405,578	7,568,852	8,416,095
Equity transfer out	<u>(121,149)</u>	<u>-</u>	<u>(121,149)</u>	<u>(730,582)</u>
Retained earnings - December 31	<u>\$ 4,250,127</u>	<u>\$2,887,328</u>	<u>\$ 7,137,455</u>	<u>\$7,568,852</u>
	=====	=====	=====	=====

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

EXHIBIT V

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1987

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1987</u>	<u>1986 Restated</u>
Sources of Working Capital				
Operations				
Net income(loss)	\$ (791,998)	\$ 481,750	\$ (310,248)	\$ (116,661)
Items not requiring (providing) working capital				
Depreciation	432,340	201,725	634,065	420,267
Amortization	12,134	-	12,134	11,757
Undepreciated cost of fixed assets disposed of or sold	<u>86,689</u>	<u>12,888</u>	<u>99,577</u>	<u>709,427</u>
Working capital pro- vided by operations	\$ (260,835)	\$ 696,363	\$ 435,528	\$1,024,790
Increase in contributed capital	167,672	544,650	712,322	1,516,994
Increase in long-term liabilities	-	-	-	1,945,759
Decrease in restricted assets	102,968	-	102,968	2,035,993
Transfer in of fixed assets	-	-	-	535,209
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,274</u>
Total Sources of Working Capital	<u>\$ 9,805</u>	<u>\$1,241,013</u>	<u>\$1,250,818</u>	<u>\$7,086,019</u>
Uses of Working Capital				
Transfer of fixed assets	\$ -	\$ -	\$ -	\$ 535,209
Increase in restricted assets	2,859	-	2,859	318,146
Acquisitions of fixed assets	785,890	481,509	1,267,399	3,841,072
Decrease in restricted liabilities	84,855	-	84,855	40,464
Decrease in long-term liabilities	667,266	13,971	681,237	346,410
Equity transfer	<u>121,149</u>	<u>-</u>	<u>121,149</u>	<u>730,582</u>
Total Uses of Working Capital	<u>\$ 1,662,019</u>	<u>\$ 495,480</u>	<u>\$2,157,499</u>	<u>\$5,811,883</u>
Net Increase (Decrease) in Working Capital	<u>\$(1,652,214)</u>	<u>\$ 745,533</u>	<u>\$(906,681)</u>	<u>\$1,274,136</u>

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

EXHIBIT V
(Continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1987

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1987</u>	<u>1986 Restated</u>
Elements of Net Increase (Decrease) in Working Capital				
Cash, pooled deposits and investments	\$(1,630,544)	\$ 303,264	\$(1,327,280)	\$1,321,113
Change funds	50	-	50	-
Fund deposits and investments	-	621,265	621,265	241,186
Receivables				
Taxes				
Unapportioned	(21,072)	3,823	(17,249)	27,433
Delinquent	(20,886)	18,443	(2,443)	30,568
Accounts	20,835	(7,305)	13,530	(94,149)
Accrued interest	-	11,234	11,234	(17,006)
Due from other funds	-	(519)	(519)	(615,865)
Due from other governments	(9,881)	44,993	35,112	42,274
Inventories	(14,216)	2,751	(11,465)	(90,793)
Prepaid expenses	-	(942)	(942)	26,192
Accounts payable	158,704	38,010	196,714	(83,361)
Salaries payable	(86,352)	216	(86,136)	24,421
Compensated absences	19,390	(3,598)	15,792	16,057
Claims payable	-	(259,093)	(259,093)	122,664
Due to other funds	2,349	-	2,349	474,055
Due to other governments	(507)	(12,007)	(12,514)	46,246
Deferred revenue	(28,078)	(16,747)	(44,825)	(50,737)
Installment purchases	-	1,745	1,745	138
Current portion of long- term debt	(112,006)	-	(112,006)	(66,300)
Accrued interest payable	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>(80,000)</u>
Net Increase (Decrease) in Working Capital	<u>\$(1,652,214)</u>	<u>\$ 745,533</u>	<u>\$(906,681)</u>	<u>\$1,274,136</u>

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

NOTES TO FINANCIAL
STATEMENTS

ST. LOUIS COUNTY

MINNESOTA

Notes to Financial Statements

December 31, 1987

I. Summary of Significant Accounting Policies

St. Louis County was established March 1, 1856 as an organized county having powers, duties, and privileges granted counties by Minn. Stat. ch. 373 (1986). The County is governed by a seven-member Board of Commissioners elected from districts within the County. A County Administrator is appointed by the County Board. The board is organized with a chairperson and vice-chairperson elected at the annual meeting in January of each year. The County Auditor, elected on a county-wide basis, serves as the Clerk of the Board of Commissioners but has no voting privileges.

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

A. Financial Reporting Entity

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

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

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity (continued)

Included

St. Louis/Lake County Regional Railroad Authority

Excluded

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

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

Arrowhead Library System

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

St. Louis County Historical Society

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

A. Financial Reporting Entity (continued)

Excluded (continued)

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

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

Arrowhead Regional Development Commission

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

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

B. Basis of Presentation - Fund Accounting (continued)

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

Proprietary Funds

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

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

Fiduciary Funds

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

B. Basis of Presenting - Fund Accounting (continued)

Account Groups

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

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

C. Measurement Focus

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

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

C. Measurement Focus (continued)

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

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

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

C. Measurement Focus (continued)

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

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

D. Basis of Accounting

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

D. Basis of Accounting (continued)

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

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

Expenditures are recognized when the corresponding liabilities are incurred. Compensated absences are considered expenditures when paid to employees. Earned but unpaid vacation and vested sick leave are shown in the General Long-Term Debt Account Group. Unvested sick leave is not reported in the financial statements.

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

E. Budgetary Data

General Budget Policies

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

Procedure for Preparing the Annual Budget

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

E. Budgetary Data (continued)

Procedure for Preparing the Annual Budget (continued)

6. The County Board holds formal public hearings on the proposed budget, and adopts the final budget on or before October 25.

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

Encumbrances

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

Budget Basis of Accounting

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

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

F. Accounting Changes

Fund Reclassifications and Closures

The Railroad Authority Fund was reclassified from an Agency Fund to a Special Revenue Fund as of January 1, 1987. This reclassification required a restatement of the Railroad Authority beginning fund balance of \$19,938 and is shown as a prior period adjustment.

As of December 31, 1987, the County transferred the remaining fund equity of the following funds, to the General Fund as residual equity transfers:

- County Grants and Subsidies Special Revenue Fund
- Emergency Special Revenue Fund
- Federal Fiscal Assistance Special Revenue Fund
- Public Health Special Revenue Fund
- Solid Waste Management Special Revenue Fund
- County Health Services Enterprise Fund
- County Photography Enterprise Fund

Effective January 1, 1987, the St. Louis County Social Services Department transferred the residential treatment activities from the Social Services Special Revenue Fund to a new enterprise fund to better reflect the operations of the treatment center. The amounts transferred include the following:

<u>Transfer From</u>	<u>Description</u>	<u>Amount</u>
Social Services Special Revenue Fund	Cash	\$ 81,679
General Fixed Assets Account Group	Land	9,500
	Building and Equipment	114,000
	Accumulated Depreciation	<u>(37,507)</u>
Net interfund contributed capital		\$ 167,672 =====

The cash transferred was reported as a residual equity transfer out of the Social Services Special Revenue Fund and as contributed capital in the Residential Treatment Enterprise Fund.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

F. Accounting Changes (continued)

Fund Reclassifications and Closures (continued)

No restatement of the financial statements for the year ended December 31, 1986, was made because the treatment center activity was not sufficiently segregated to present comparative financial statements.

Prior Period Adjustment

The Community Food Internal Service Fund retained earnings as of January 1, 1986, have been restated to correct an accounting error in which prepaid expense was not recorded.

	1986
Retained Earnings, January 1, as previously reported	\$ (122,296)
Add: Correction of error	27,274
Retained earnings, January 1, as restated	\$ (95,022) =====

Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1986, as previously reported. These reclassifications, which did not require a restatement of fund balance and retained earnings, were required for comparability to the financial statements as of and for the year ended December 31, 1987, and must be considered when comparing the financial statements of this report with those of prior reports.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

G. Assets, Liabilities, and Fund Equity Accounts

1. Assets

Investments

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

Property Taxes

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

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

Taxes which remain unpaid at December 31 are delinquent. Collections 60 days after year-end are recognized as revenue and the balance offset by deferred revenue. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

G. Assets, Liabilities, and Fund Equity Accounts

1. Assets(continued)

Inventories

Inventories consist of expendable Road and Bridge Special Revenue Fund supplies held for consumption and are valued at cost using the first-in, first-out method. Inventoried items are recorded as expenditures at the time that they are purchased. The reported inventories are offset by a reserve of fund balance to indicate that they do not constitute available spendable resources.

The Social Services Special Revenue Fund food stamp inventory consists of stamps valued at their face value. Food stamps are held by the County until they are issued to qualified individuals as prescribed by federal guidelines. The inventory is offset by the liability "Food stamps issuable" to indicate that the County does not own the stamps but is only administering them for the federal government.

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

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

2. Liabilities

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

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

Unused accumulated vacation and vested sick leave are paid to employees at retirement, or are used for the payment of employees' health insurance coverage during their retirement. Vacation and vested sick leave are recognized as liabilities in the Proprietary Funds. The related liability for Governmental Funds is recognized in the General Long-term Debt Account Group. The sick leave amounts which are necessary for insurance coverage for those employees who have retired to-date are reported as reservations of fund balance; i.e., reserve for health and welfare, in the appropriate funds. Unvested sick leave of \$17,579,787 at December 31, 1987, is available to employees in the event of illness-related absences and is not reported in the financial statements.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

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

3. Fund Equity

Fund equity is divided into sections:

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

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

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

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

- Fund balance accounts are subdivided:

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

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

I. Summary of Significant Accounting Policies

H. Total Columns on Combined Statements

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

I. Comparative Data

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

J. Federal Audit Requirements

The Single Audit Act of 1984 requires the County to have a single, independent audit of its financial operations, including compliance with certain provisions of federal law and regulations. This audit requirement was complied with for fiscal year ended December 31, 1987; an auditor's report on compliance and internal accounting control will be issued at a later date.

II. Stewardship, Compliance and Accountability

A. Excess of Expenditures over Budget

The Land Investment Special Revenue Fund had expenditures in excess of budget for the year ended December 31, 1987:

<u>Expenditures</u>	<u>Budget</u>	<u>Excess</u>
\$ 1,725,638	\$ 922,088	\$ 803,550

This occurred because the budget was not increased for grant monies received.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

II. Stewardship, Compliance and Accountability (continued)

B. Deficit Retained Earnings

The following funds had a deficit retained earnings at December 31, 1987:

Babbitt Facility Enterprise Fund	\$182,775
Supervised Living Facilities Enterprise Fund	\$ 44,367
Residential Treatment Center Enterprise Fund	\$ 25,739
Community Food Internal Service Fund	\$ 23,841
Data Processing Equipment Internal Service Fund	\$ 4,255

The deficit retained earnings for the Babbitt Facility Enterprise Fund will be eliminated in the future through lease revenue.

The Supervised Living Facilities and Residential Treatment Center Enterprise Funds will eliminate the deficit retained earnings through increased user charges, where possible, and through levying.

The Community Food Internal Service Fund deficit retained earnings will be eliminated through increased user charges.

The Data Processing Equipment Internal Service Fund deficit is derived from long-term financing of computer equipment for other County Funds. This fund purchases the equipment and allows a multi-year payback from the General and Special Revenue Funds. Because of the nature of the serviced funds, the receivable and payables are not presented on the financial statement.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Deposits

Minn. Stat. 118.005 (1986) authorizes the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. At December 31, 1987 County deposits totaled \$32,206,485, of which \$292,746 was cash deposits and \$31,913,739 was invested in certificates of deposit. Minnesota statutes require that all County deposits be covered by insurance, surety bond, or collateral.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1987.

	<u>Bank Balances</u>	<u>Carrying Amounts</u>
Covered Deposits		
Insured, or collateralized with securities held by the County or its agent in the County's name	\$15,235,297	\$14,998,001
Collateralized with securities held by the pledging financial institution's safe-keeping department or agent in the County's name	<u>\$18,733,701</u>	<u>\$17,208,484</u>
Total Covered Deposits	<u>\$33,968,998</u> =====	<u>\$32,206,485</u> =====

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Investments

Minn. Stat. 475.66 (1986) authorizes the following:

Safekeeping Options and Requirements:

Investments may be held in safekeeping with

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

Type of Securities Available to County for investment:

1. In any security which is a direct obligation of or is guaranteed by the United States or any agency of the United States;
2. In shares of an investment company (a) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933; and (b) whose only investments are in securities described in the preceding clause and repurchase agreements fully collateralized by those securities, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks;

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Investments (continued)

Type of Securities Available to County for investment:

3. In any security which is a general obligation of the State of Minnesota or any of its municipalities;
4. In bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; or
5. In commercial paper issued by United States corporations or their Canadian subsidiaries that is the highest quality and matures in 270 days or less.

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

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

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets

Deposits and Investments

Investments (continued)

Following is a summary of the cost values of the County's securities, categorized into the aforementioned levels of risk, along with the market values of the securities, at December 31, 1987.

	(1)	Category (2)	(3)	Total Cost	Market Value
Investments					
U.S. Government securities	\$223,603	\$ -	\$393,665	\$ 617,268	\$ 615,891
	=====	=====	=====		
Add:					
Deposits				32,206,485	32,206,485
Cash on hand				1,280,281	1,280,281
				-----	-----
Total Cash, Deposits and Investments				\$34,104,034	\$34,102,657
				=====	=====

Detail as shown on Combined Balance Sheet:

Cash, pooled deposits and investments	\$29,455,260
Fund deposits and investments	3,881,007
Restricted assets:	
Improvement accounts - cash	58,770
Debt service:	
Cash, pooled deposits and investments	362,660
Fund investments	500,000
Cash deficits	(153,663)

Total	\$34,104,034
	=====

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets(continued)

Title IV-D Accounts Receivable

Estimated accounts receivable from individuals for child support payments that relate to recovery of payment made under the Aid to Families with Dependent Children (AFDC) Program, are approximately \$13,805,406. The amount of unrecorded revenues due the County at December 31, 1987, is not significant because the amount would be offset by a significant allowance for uncollectibles and a percentage of actual collections would be payable to State and Federal agencies and others.

Under the law, funds received are payable to State and Federal agencies and others (based on specific reimbursement percentages), with the remainder (approximately seven percent for 1987) due to the Social Services Special Revenue Fund.

Accounts Receivable

The noncurrent portion of a receivable from the Directors of Trusts of Miller Memorial Hospital, now Miller-Dwan Medical Center, is equally offset by deferred revenue and is accounted for in the General Fund. The repayment schedule calls for \$70,000 annual payments for six years, beginning in 1987. The asset is carried at the present value of \$275,845 and assumes an 8.5 percent discount rate.

Loans Receivable

The noncurrent portion of a loan receivable from the St. Louis County Heritage and Arts Center is \$660,084 and is equally offset by a fund balance reserved for noncurrent loans account to indicate that it should not be considered "available spendable resources," since it does not represent current assets. The loan is accounted for in the General Fund. The repayment schedule calls for \$15,000 annual payments and is interest-free.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets (continued)

Due From Other Governments

The following amounts were due from other governments at December 31, 1987:

	<u>State and Federal</u>	<u>Local - Other</u>	<u>Total</u>
General Fund	\$ 89,270	\$ 12,762	\$ 102,032
Special Revenue Funds			
Land Investment	\$ 1,615	\$ -	\$ 1,615
Road and Bridge	3,324,061	57,660	3,381,721
Social Services	3,425,608	2,721	3,428,329
Total Special Revenue Funds	<u>\$6,751,284</u>	<u>\$ 60,381</u>	<u>\$6,811,665</u>
Enterprise Funds			
Supervised Living Facilities	\$ -	\$ 78,966	\$ 78,966
Residential Treatment Center	569	-	569
Total Enterprise Funds	<u>\$ 569</u>	<u>\$ 78,966</u>	<u>\$ 79,535</u>
Internal Service Funds			
Community Food	\$ -	\$ 68,013	\$ 68,013
County Insurance	25,524	-	25,524
Total Internal Service Funds	<u>\$ 25,524</u>	<u>\$ 68,013</u>	<u>\$ 93,537</u>
Agency Funds			
State of Minnesota	\$ -	\$ 975	\$ 975
Arrowhead Regional Corrections	-	69,723	69,723
Community Health Services	69,952	-	69,952
Grants from Outside Sources	93,647	2,619	96,266
Total Agency Funds	<u>\$ 163,599</u>	<u>\$ 73,317</u>	<u>\$ 236,916</u>
Total	<u>\$7,030,246</u>	<u>\$ 293,439</u>	<u>\$7,323,685</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets (continued)

Rental and Lease Income

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

	<u>Total</u>
1988	\$ 410,411
1989	382,826
1990	378,063
1991	419,340
1992	391,526
1993 - 1997	1,436,193
1998 - 2000	<u>270,000</u>
Total payments	\$3,688,359 =====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

A. Assets (continued)

Proprietary Fund Fixed Assets

A summary of Proprietary Fund property, plant and equipment at December 31, 1987, is:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 277,703	\$ 25,500
Buildings and structures	9,184,066	1,662,457
Machinery and equipment	1,626,186	734,413
Vehicles	-	688,701
Total	<u>\$11,087,955</u>	<u>\$ 3,111,071</u>
Less accumulated depreciated	<u>2,340,553</u>	<u>1,312,680</u>
	<u>\$ 8,747,402</u>	<u>\$ 1,798,391</u>

Summary of Changes in General Fixed Assets

	<u>Balance 1/1/87</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/87</u>
Land	\$ 1,055,963	\$ 2,975	\$ 9,500	\$ 1,049,438
Buildings and structures	24,140,943	448,852	621,657	23,968,138
Machinery and equipment	7,078,192	493,537	1,325,333	6,246,396
Vehicles	<u>19,099,982</u>	<u>1,260,107</u>	<u>558,366</u>	<u>19,801,723</u>
Total	<u>\$51,375,080</u>	<u>\$2,205,471</u>	<u>\$2,514,856</u>	<u>\$51,065,695</u>

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Deferred Revenue

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

	<u>Taxes</u>	<u>Grants</u>	<u>Accounts Receiv- able</u>	<u>Long- Term Receiv- ables</u>	<u>Total</u>
General Fund	\$ 868,789	\$ 24,186	\$ -	\$ 275,845	\$1,168,820
Special Revenue Funds					
Land Investments	-	\$ 209,069	-	-	\$ 209,069
Road and Bridge	679,029	3,914	-	-	682,943
Social Services	2,373,474	823,255	-	-	3,196,729
Solid Waste Authorities	95,976	-	-	-	95,976
Total Special Revenue Funds	\$3,148,479	\$1,036,238	\$ -	\$ -	\$4,184,717
Enterprise Funds					
Chris Jensen	\$ 88,963	-	\$ 64,973	-	\$ 153,936
Nopeming	40,346	-	17,414	-	57,760
Total Enterprise Funds	\$ 129,309	\$ -	\$ 82,387	\$ -	\$ 211,696
Internal Service Funds					
Community Foods	\$ 6,819	-	-	-	\$ 6,819
Laundry	10,911	-	-	-	10,911
County Insurance	6,979	-	-	-	6,979
Total Internal Service Funds	\$ 24,709	\$ -	\$ -	\$ -	\$ 24,709
Forfeited Tax Sale Trust Fund	\$ -	-	-	\$1,572,240	\$1,572,240
Total all Funds	\$4,171,286	\$1,060,424	\$ 82,387	\$1,848,085	\$7,162,182
	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Other Employee Benefits

Deferred Compensation

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

All funds and assets, together with interest, accumulations, and increments thereon, remain an asset of the employer until the participating employee's equity in the funds is distributed in accordance with the deferred compensation agreement. The obligation of the employer is a contractual obligation only, and the employee shall have no preferred or specific interest by way of trust, escrow, annuity or otherwise, in and to the specific assets or funds.

Payroll deductions for deferred compensation for the year ended December 31, 1987, and the balance of remittances at December 31, 1987, to the plans were:

	<u>Payroll Deductions</u>	<u>Balance of Remittances</u>
Great West Life	\$1,235,010	\$5,461,201
IDS Life Insurance Company	152,300	1,061,102
Lincoln National Life Insurance Company	238,484	3,499,278
Lutheran Brotherhood	55,132	161,666
Minnesota Mutual Life - Northwestern National Life	1,610	4,455
Minnesota State Retirement System	11,538	53,425

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Fund Long-Term Debt

The following is a schedule of the fund long-term debt transactions of the County for the year ended December 31, 1987:

	<u>Bonds Payable</u>			<u>Loans Payable</u>
	<u>Chris</u>	<u>Babbitt</u>		<u>from Babbitt</u>
	<u>Jensen</u>	<u>Facility</u>		<u>Facility</u>
	<u>Enterprise</u>	<u>Enterprise</u>	<u>Total</u>	<u>Enterprise</u>
	<u>Fund</u>	<u>Fund</u>		<u>Fund</u>
Payable, January 1	\$4,700,069	\$1,189,337	\$5,889,405	\$ 750,000
Payment of principal	(325,000)	-	(325,000)	66,300
Amortization of discount and issue costs	<u>11,002</u>	<u>1,133</u>	<u>12,135</u>	<u>-</u>
Payable, December 31	<u>\$4,386,071</u>	<u>\$1,190,469</u>	<u>\$5,576,540</u>	<u>\$ 683,700</u>

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENT
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Long-Term Debt(continued)

The following is a summary of changes in the County's General Long-Term Debt Account Group for the year ended December 31, 1987:

	Compensated Absences	Leases Payable
Payable, January 1	\$ 4,163,734	\$ 833,296
Net change in leases payable	-	(35,007)
Net change in compensated absences	(217,515)	-
Payable, December 31	\$ 3,946,219	\$ 798,289

Bonds payable at December 31, 1987, consist of the following issues:

\$4,800,000 1984 General Obligation County Nursing Home Revenue Bonds due in annual installments of \$325,000 to \$700,000 on February 1, 1987, through 1996; interest at 7.5 to 9.5 percent (at December 31, 1987, the bond issue is net of the amortized bond discount and issue costs of \$88,929) \$4,386,071

\$1,200,000 1986 General Obligation Solid Waste Resource Revenue Bonds due in annual installments of \$90,000 to \$190,000 through June 1, 1996; interest at 10 percent payable semiannually (at December 31, 1987, the bond issue is net of the unamortized bond discount and issue costs of \$9,531) \$1,190,469

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities

Long-Term Debt (continued)

Loans payable at December 31, 1987 consisted of the following:

\$500,000 1986 Minnesota Energy and Economic Development Authority (MEEDA) loan payable in monthly installments of \$7,067 ending March 1, 1994; interest at five percent \$ 458,700

\$250,000 1986 Iron Range Resources and Rehabilitation Board (IRRRB) loan payable in annual installments of \$25,000 ending April 1, 1996; the obligation bears no interest \$ 225,000

The MEEDA and IRRRB loans both constitute general obligation revenue liabilities of the County as provided for in Minn. Stat. 400.101.

The annual requirements to service the debt outstanding as of December 31, 1987, including interest of \$2,687,568 and unamortized discounts of \$98,461 on the bonds, and interest of \$77,204 on the loans, are as follows:

<u>Year Ended December 31,</u>	<u>Bonds Payable</u>	<u>Loans Payable</u>
1988	\$ 937,275	\$ 109,803
1989	929,462	109,803
1990	922,963	109,804
1991	941,088	109,803
1992	923,681	109,803
1993 - 1996	<u>3,708,100</u>	<u>211,888</u>
Total	\$ 8,362,569 =====	\$ 760,904 =====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Long-Term Debt (continued)

The County's proportionate shares of debt at December 31, 1987, of all governmental units which provide services within the County's boundaries, and which must be borne by properties in the County, is summarized below:

	<u>Outstanding</u>	<u>Percentage Applicable to the County</u>	<u>County Share of Debt</u>
<u>Direct Debt</u>			
St. Louis County	\$ 6,260,239	100.0 %	\$ 6,260,239
<u>Overlapping Debt</u>			
School Districts	\$ 5,925,000	81.25 %	\$ 4,814,010
Western Lake Superior Sanitary District	27,710,000	80.51 %	22,309,321
<u>Underlying Debt</u>			
Cities	\$ 120,036,065	100.00 %	\$ 120,036,065
School Districts	43,137,000	100.00 %	43,137,000
Towns	2,468,573	100.00 %	2,468,573
Housing and Redevelop- ment Authorities:			
Chisholm	1,613,407	100.00 %	1,613,407
Duluth	9,877,204	100.00 %	9,877,204
Hibbing	6,497,769	100.00 %	6,497,769
Virginia	5,726,010	100.00 %	5,726,010
Other Authorities:			
Duluth Airport	1,065,000	100.00 %	1,065,000
Seaway Port	1,730,000	100.00 %	1,730,000
Spirit Mountain	1,375,000	100.00 %	1,375,000
Total	\$ 233,421,267		\$ 226,909,598
	=====		=====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Long-Term Debt (continued)

Lease Obligations

Operating Leases

The County is committed under various operating leases for office space, parking facilities and data processing software. Most of these leases are expected to continue indefinitely or be replaced by similar leases. The following is a summary of the operating lease expense for 1987:

<u>Type of Property</u>	<u>Amount</u>
Rental of office space and parking facilities	\$ 1,043,707
Data processing software	<u>81,131</u>
Total rental expense	<u>\$ 1,124,838</u> =====

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1987:

<u>Year Ended</u>	<u>Amount</u>
1988	\$ 1,107,348
1989	\$ 1,047,055
1990	\$ 1,041,725
1991	\$ 1,041,725
1992	<u>\$ 943,325</u>
Total future minimum lease payments	<u>\$ 5,181,178</u> =====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Long-Term Debt (continued)

Capital Leases

Capitalized leases of St. Louis County at December 31, 1987, consist of highway equipment, office equipment, and copiers shown at original cost as summarized below:

<u>Type of Property</u>	<u>General Fixed Assets</u>	<u>Supplies and Services Internal Service Fund</u>	<u>Total</u>
Highway equipment	\$ 2,327,030	\$ -	\$ 2,327,030
Office equipment	685,566	-	685,566
Copiers	<u>66,835</u>	<u>70,210</u>	<u>137,045</u>
Capitalized Leases	<u>\$ 3,079,431</u>	<u>\$ 70,210</u>	<u>\$ 3,149,641</u>

Future minimum lease payments are:

<u>Year Ended December 31</u>	<u>General Long-Term Debt</u>	<u>Supplies and Services Internal Service Fund</u>	<u>Total</u>
1988	\$ 448,243	\$ 14,641	\$ 462,884
1989	212,089	22,472	234,561
1990	<u>137,957</u>	<u>-</u>	<u>137,957</u>
Future minimum lease payments	<u>\$ 798,289</u>	<u>\$ 37,113</u>	<u>\$ 835,402</u>

Construction Commitments

At December 31, 1987, St. Louis County had construction commitments of approximately \$2,558,242 for various road and bridge projects. Funds for these future expenditures will be available from state aid construction funds.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Retired Employees Health Insurance Benefits

The County pays health insurance for qualified retired employees (employees who retired and are drawing pensions from the Public Employees Retirement Association, and, who had unused sick leave at the time of retirement). The health insurance is paid for a retired employee until the dollar value of his unused sick leave is exhausted. In 1987, the County's contribution was \$394,497.

Self-Insurance

The County Insurance Internal Service Fund, a self-insurance fund, was established for the payment of unemployment compensation claims, workers' compensation claims, and general liability claims and judgments. All risk, except fire and property damage to major structures and catastrophic workers' compensation claims, is assumed. Maximum third-party coverage for property damage is limited to the estimated value of the property. The self-insurance for workers' compensation covers up to \$370,000 per single loss occurrence. At that point, the County is covered for losses by the Workers' Compensation Reinsurance Association, an organization created by Minnesota statutes in 1979 to implement a mandatory program of reinsurance for workers' compensation liability risks in the State of Minnesota for losses occurring on or after October 1, 1979. The Association provides full indemnification for the County, under Minn. Stat. ch. 176, in excess of the \$370,000 retention limit.

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

In addition, the County Attorney's office estimated settlements to be \$1,509,000 for various cases considered reasonably possible losses to the County. This amount is not reflected in the financial statements.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on all Funds and Account Groups

B. Liabilities (continued)

Retirement Plan

All full-time and certain part-time employees of St. Louis County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund and the Public Employees Police and Fire Fund which are cost-sharing multiple-employer public employee retirement system. The payroll for employees covered by PERA plans for the year ended December 31, 1987, was \$53,079,877; the County's total payroll was \$54,803,725.

All full-time employees and certain part-time employees are eligible to participate in the PERA plans. Public Employees Retirement Fund members belong to either the Coordinated Fund or the Basic Fund. Coordinated members are covered by Social Security and Basic members are not. All police officers, fire fighters and peace officers who qualify for membership by statute are covered by the Police and Fire Fund. The PERA plans provide pension benefits, deferred annuity, and death and disability benefits. Benefits are established by State statute.

Retirement benefits for members of the Basic and Coordinated Funds are:

- (a) When age plus years of service equal 90, the full unreduced normal annuity is payable.
- (b) As early as age 55 with at least 5 years of paid service credit; annuity reduced 1/4 percent for each month under age 65.
- (c) Any age with at least 30 years, reduced by 1/4 percent for each month under age 62.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Retirement Plan (continued)

- (d) Age 65 or older with at least one but less than 5 years of paid service credit (proportionate annuity). Must terminate service at age 65 or older.
- (e) Age 55 with at least 5 years of paid service credit or any age with at least 30 years representing PERA service combined with other fund coverage.

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

- (a) When age plus years of service equal 90, the full unreduced normal annuity is payable.
- (b) Age 55 or older with at least 5 years' service credit.
- (c) Age 55 or older with at least 5 years paid service credit representing PERA service combined with other fund coverage.
- (d) Age 65 or older with at least 1 year of paid service credit (proportionate annuity). Must terminate service at age 65 or older.

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

The funds also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the funds.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Retirement Plan (continued)

Contributions Required and Made

Covered employees are required by State statute to contribute fixed percentages of their gross earnings to the pension plans. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Additional Employer</u>
Public Employees Retirement Fund:			
Basic Fund	8%	8%	2.50%
Coordinated Fund	4%	4%	.25%
Police and Fire Fund	8%	12%	- %

Total contributions made during fiscal year 1987 amounted to \$5,260,025, of which \$2,814,997 was made by the County and \$2,445,028 was made by employees. These contributions represented 5.3 percent and 4.6 percent, respectively, of the covered payroll.

Funding Status and Progress

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

The pension benefit obligations of the PERA as of June 30, 1987, were as follows:

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

B. Liabilities (continued)

Retirement Plan (continued)

	Public Employees Retirement Fund	Public Employees Police & Fire Fund
	<u>(in thousands)</u>	
Total pension benefit obligations	\$ 2,839,047	\$ 437,229
Net assets available for benefits, at market	2,608,691	549,534
Unfunded (excess funded) pension benefit obligation	<u>\$ 230,356</u>	<u>\$ (112,305)</u>

The actuarial calculations of annual contributions include amounts that would be required to achieve full (100 percent) funding by the year 2009.

The measurement of the pension benefit obligation is based on an actuarial valuation as of June 30, 1987. Net assets available to pay pension benefits were valued as of June 30, 1987.

The County's contribution for the year ended June 30, 1987 to PERA plans represented 3.06 percent of total contributions required of all participating entities.

Ten-year historical trend information is presented in PERA's State PERA Comprehensive Annual Financial Report for the year ended June 30, 1987. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Related Party Investments:

During 1987 and as of June 30, 1987, PERA held no securities issued by the County or other related parties.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

C. Transfers Between Funds

Transfers between individual funds during December 31, 1987, are as follows:

<u>Operating Transfers Out</u>	<u>Operating Transfers In</u>	<u>Debit</u>	<u>Credit</u>
General		\$ 50,000	
	Special Revenue- Regional Railroad Authority		\$ 50,000
Special Revenue- County Grants and Subsidies Emergency		468,148	
	General	111,952	111,952
	Special Revenue- Land Investment		468,148
Expendable Trust- Forest Resources		121,728	
	Expendable Trust- Forfeited Tax Sale	_____	_____
		\$ 751,828	\$ 751,828
		=====	=====

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

C. Transfers Between Funds (continued)

Residual Equity Transfer Out	Residual Equity Transfer In	Debit	Credit
General		\$ 1,905,805 (1)	
	Special Revenue- County Grants and Subsidies		\$ 507
	Capital Projects		1,425,851
Special Revenue- County Grants and Subsidies		49,943	
Emergency		25,756	
Federal Fiscal Assistance		411,918	
Land Investment		300,637	
Public Health		1,283,092	
Road and Bridge		1,083,000	
Social Services		81,679 (2)	
Solid Waste Management		147,704	
	General		1,918,413
	Special Revenue- County Grants and Subsidies		14,095
	Social Services		286,542
	Capital Projects		1,083,000
Enterprise- County Health		48,854	
County Photography		7,092	
Supervised Living		65,203 (3)	
	General		65,052(4)
Agency- Medical Insurance			
	General		300,000(5)
		\$ 5,410,683	\$ 5,093,460
		=====	=====

(1) The Data Processing Internal Service Fund shows an increase in contributed capital of \$479,447 which is part of this residual equity transfer out of the General Fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

C. Transfers Between Funds (continued)

- (2) The Residential Treatment Center Enterprise Fund shows an increase in contributed capital. This residual equity transfer out of the Social Services Fund is part of that increase.
- (3) The Laundry Internal Service Fund shows an increase in contributed capital equal to this residual equity transfer out of the Supervised Living Enterprise Fund.
- (4) The County Health Enterprise Fund transferred \$1,704 and \$10,810 respectively to the General Fixed Assets and the General Long-Term Debt Account Group. The net difference of \$9,106 does not show as a residual equity transfer out.
- (5) The Medical Insurance Agency Fund transferred \$300,000 to the General Fund. This does not show as a residual equity transfer out.

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

III. Detailed Notes on All Funds and Account Groups

D. Fund Equity

Contributions - Enterprise Funds

The following is a summary of the changes in contributed capital for the Enterprise Funds for the year ended December 31, 1987:

	<u>Contributions</u> <u>1-1-87</u>	<u>Additions</u>	<u>Deductions</u>	<u>Contributions</u> <u>12-31-87</u>
Babbitt Facility	\$ 786,412	\$ -	\$ -	\$ 786,412
Residential Treatment Center	-	167,672*	-	167,672
Total Enterprise Fund	<u>\$ 786,412</u>	<u>\$ 167,672</u>	<u>\$ -</u>	<u>\$ 954,084</u>

* \$81,679 was contributed by the Social Services Special Revenue Fund. Fixed assets in the amount of \$85,993 were contributed by the General Fixed Assets Account Group.

Contributions - Internal Service Funds

The following is a summary of the changes in contributed capital for the Internal Service Funds for the year ended December 31, 1987:

	<u>Contributions</u> <u>1-1-87</u>	<u>Additions</u>	<u>Deductions</u>	<u>Contributions</u> <u>12-31-87</u>
Laundry	\$ 730,582	\$ 65,203	\$ -	\$ 795,785
County Garage	994,986	-	-	994,986
Data Processing Equipment	150,342	479,447	-	629,789
Total Internal Service Funds	<u>\$1,875,910</u>	<u>\$ 544,650</u>	<u>\$ -</u>	<u>\$2,420,560</u>

** Contributed by Supervised Living Facilities Enterprise Fund.
 *** Contributed by the General Fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

IV. Segments of Enterprise Activities

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

County Health Services - County Health Services provides health care services for the Home Care and Women, Infants and Children (WIC) programs. This was closed into the General Fund at December 31, 1987.

County Photography - County Photography provides maps and photos to the general public, county departments and other governmental units. This was closed into the General Fund at December 31, 1987.

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

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

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

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

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

The key financial data for the year ended December 31, 1987, for these seven services are:

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

IV. Segments of Enterprise Activities

	<u>County Health Services</u>	<u>County Photography</u>	<u>Babbitt Facility</u>
Operating revenues	\$ 152	\$ 1,520	\$ 196,244
Depreciation	1,630	-	189,244
Operating income (loss)	(231,543)	602	(50,499)
Nonoperating revenues, taxes and grants	221,378	-	31,636
Net income (loss)	(10,165)	602	(162,768)
Property, plant, and equipment - net additions (deletions)	(10,045)	-	410,346
Net working capital	-	-	(102,954)
Total assets	-	-	2,487,806
Long-term liabilities payable from operat- ing revenues	-	-	1,695,863
Total equity	-	-	603,637

<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Total Enterprise Funds</u>
\$ 6,623,765	\$ 5,201,307	\$ 469,962	\$ 388,400	\$12,875,548
67,595	142,487	515	2,549	404,020
(552,051)	(810,071)	(72,396)	(31,541)	(1,747,499)
955,516	275,380	-	-	1,489,712
(51,853)	(534,691)	(7,384)	(25,739)	(791,998)
(53,244)	(1,034,993)	(190,332)	123,500	(754,768)
692,324	1,381,630	(45,204)	58,488	1,984,284
6,953,929	3,494,799	84,734	165,317	13,186,585
4,067,039	166,662	4,931	-	5,934,495
1,677,634	2,825,374	(44,367)	141,933	5,204,211

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1987

V. Joint Ventures

Arrowhead Regional Corrections

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

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. During 1987, county contributions were in the following proportion:

Aitkin County	3.7%
Carlton County	9.6%
Cook County	1.2%
Koochiching County	5.5%
Lake County	2.8%
St. Louis County	<u>77.2%</u>
Total	100.00%

A summary of the financial information of Arrowhead Regional Corrections for the year ended December 31, 1987, excluding general fixed assets of \$2,466,545, and general long-term debt of \$411,672 was:

Total Assets	\$ 304,034
Total Liabilities	\$ 244,379
Total Fund Equity	\$ 158,655
Total Revenues	\$ 5,910,214
Total Expenditures	\$ 6,011,355

Community Health Services Board

Carlton, Cook, Lake and St. Louis Counties entered into a joint powers agreement, creating and operating the Carlton, Cook, Lake and St. Louis County Community Health Services Board. This agreement is entered into under the authority of the Community Health Services Act and is pursuant to the provisions of Minn. Stat. 471.59 (1986).

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

V. Joint Ventures (continued)

Community Health Services Board (continued)

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

A summary of the financial information of the Community Health Services Board for December 31, 1987, excluding general fixed assets of \$11,242, and general long-term debt of \$14,021, is:

Total Assets	\$	259,896
Total Liabilities	\$	235,331
Total Fund Equity	\$	24,565
Total Revenues	\$	1,323,722
Total Expenditures	\$	1,323,722

North Shore Management Board

The counties of Cook and St. Louis; the cities of Beaver Bay, Grand Marais, Silver Bay, and Two Harbors; and the Town Boards of Duluth and Lakewood Townships entered into a joint powers agreement pursuant to Minn. Stat. 471.59 (1986) to formulate a management plan and develop strategies for environmental protection and orderly growth of the North Shore of Lake Superior. Membership of the Board is composed of one elected official appointed by each respective county board, city council and township board identified above. The Board has had no financial activity thus far.

VI. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

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

ST. LOUIS COUNTY, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1987

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

B. Departmental Trust Deposits

Departmental trust deposits include funds deposited with various County departments as required by statute or court orders. The following is a summary of these trust deposits which are not shown on the combined balance sheet at December 31, 1987.

County Court	\$	91,193
District Court		16,448
ARC (Probation)		161,636
Sheriff		1,078
Judge of Probate		3,578
Social Services		
Social Welfare		578,635
Welfare Support (IV-D)		35,981
Estate		162,370
Total		\$1,050,918 =====

C. Settlements Held by the Court for Minors

The Court Administrator, at December 31, 1987, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$4,329,320 and are not included in the County's financial statements.

VII. Subsequent Events

Babbitt Facility Loan and Grant

On February 22, 1988, St. Louis County received a \$290,000 grant and a \$110,000 loan from the Minnesota Waste Management Board to fund additional equipment to increase the capacity of the Babbitt Waste Tire Facility. The loan has a term of 13 years, an interest rate of 6.42% and is to be repaid in annual installments on November 1 of each year. The Babbitt Facility Lease Agreement with Rubber Research Elastomerics, Inc. was amended to provide for increased rent charges to cover the additional debt. The Babbitt Waste Tire Facility is accounted for in the Babbitt Facility Enterprise Fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1987

VII. Subsequent Events (continued)

St. Louis County Jail

In August of 1985, the Minnesota Department of Corrections took action to limit the use of the St. Louis County Jail until the facility could be brought into compliance with all State standards and codes. Subsequently, the County appointed an advisory committee to assess the alternatives available in solving the problem.

A number of alternatives, including the construction of a new facility, are still being considered. The fiscal impact of a new facility is unknown at this time, as financing mechanisms are still being explored.

911 Emergency Communications

The County is in the process of installing a State-mandated County-wide 911 emergency communication system. Facilities in Duluth and Virginia are being constructed and are expected to become operational by the Fall of 1988.

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COMBINING AND INDIVIDUAL
FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES

ST. LOUIS COUNTY, MINNESOTA

GENERAL FUND

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

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
GENERAL FUND
DECEMBER 31, 1987
WITH COMPARATIVE AMOUNTS AT DECEMBER 31, 1986

<u>Assets</u>	<u>1987</u>	<u>1986</u>
Cash, pooled deposits and investments	\$ 9,225,985	\$ 8,842,576
Change funds	19,240	18,070
Receivables		
Taxes		
Unapportioned	309,909	236,835
Delinquent	1,005,717	468,286
Accounts	459,836	18,652
Accrued interest	122,141	184,565
Loans	660,084	-
Due from other funds	-	500,100
Due from other governments	102,032	713,961
	<u>11,904,944</u>	<u>10,983,045</u>
	=====	=====
<u>Liabilities and Fund Balance</u>		
<u>Liabilities</u>		
Accounts payable	\$ 385,128	\$ 144,075
Salaries payable	645,967	538,525
Due to other governments	14,653	13,463
Deferred revenue	1,168,820	353,660
	<u>2,214,568</u>	<u>1,049,723</u>
	\$ 2,214,568	\$ 1,049,723
<u>Fund Balance</u>		
Reserved for change funds	\$ 19,240	\$ 18,070
Reserved for noncurrent loans	660,084	675,084
Reserved for encumbrances	215,214	625,265
Reserved for health and welfare	922,344	747,811
Reserved for boat and water safety	16,858	10,318
Reserved for law library	119,736	100,333
Reserved for data processing	-	389,391
Unreserved - undesignated	7,736,900	7,367,050
	<u>9,690,376</u>	<u>9,933,322</u>
	\$ 9,690,376	\$ 9,933,322
<u>Total Liabilities and Fund Balance</u>	<u>\$ 11,904,944</u>	<u>\$ 10,983,045</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
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues				
Taxes	\$12,162,114	\$12,069,620	\$ (92,494)	\$ 9,919,249
Licenses and permits	118,418	117,836	(582)	101,501
Intergovernmental	2,676,340	3,161,523	485,183	2,253,411
Charges for services	1,988,152	2,220,306	232,154	2,196,307
Fines and forfeits	554,500	672,214	117,714	515,278
Interest on investments	1,600,000	2,106,943	506,943	2,053,132
Miscellaneous	196,905	246,354	49,449	197,732
Total Revenues	\$19,296,429	\$20,594,796	\$1,298,367	\$17,236,610
Expenditures				
General government				
Commissioners	\$ 524,729	\$ 514,605	\$ 10,124	\$ 477,573
County administrator	170,083	163,268	6,815	-
Public defenders	846,254	842,850	3,404	801,196
Court administrator	3,657,317	3,600,382	56,935	3,546,922
Examiner of titles	91,083	90,427	656	89,128
County attorney	1,298,192	1,288,400	9,792	1,151,209
Attorney's contingency	7,500	7,433	67	7,246
Attorney forfeits	-	80,714	(80,714)	-
Law library	-	63,025	(63,025)	59,680
County auditor	2,801,295	2,770,305	30,990	2,184,509
Independent audit	63,900	62,369	1,531	48,364
Data processing	-	-	-	1,208,423
County assessor	858,889	855,517	3,372	861,715
Purchasing	271,519	270,205	1,314	276,106
Microfilming	127,219	125,006	2,213	122,750
Recorder	465,470	461,807	3,663	481,659
Surveyor	297,175	272,309	24,866	340,022
Civil service	483,024	472,915	10,109	340,280
Veterans' service	357,743	354,692	3,051	330,129
Port authority	36,000	36,000	-	45,000
Elections	6,832	590	6,242	45,785
Courthouses	1,259,775	1,274,982	(15,207)	853,224
Planning and zoning	351,902	348,288	3,614	-
Total general government	\$13,975,901	\$13,956,089	\$ 19,812	\$13,270,920

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
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance	1986
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures (Continued)				
Public safety				
Jail building	\$ 135,023	\$ 134,454	\$ 569	\$ 146,281
Sheriff	3,929,554	3,923,413	6,141	3,859,985
Sheriff forfeits	-	134	(134)	-
Boat and water safety	89,088	68,803	20,285	69,019
Medical examiner	91,257	80,785	10,472	72,173
Rescue squad	33,158	13,958	19,200	11,243
Emergency management	551,864	549,896	1,968	434,252
Ambulance service	28,475	28,128	347	27,774
Sheriff's radio	-	-	-	1,586
911 system	148,860	139,705	9,155	90,009
Jail prisoners	1,434,419	1,430,047	4,372	1,303,726
Mine inspector	155,121	152,688	2,433	155,239
Safety council	750	710	40	1,500
Occupational safety	137,145	136,234	911	130,782
Total public safety	\$ 6,734,714	\$ 6,658,955	\$ 75,759	\$ 6,303,569
Welfare				
Bethel society	\$ 30,000	\$ 30,000	\$ -	\$ -
Arrowhead transit	16,000	16,000	-	-
Total welfare	\$ 46,000	\$ 46,000	\$ -	\$ -
Culture and recreation				
Memorial day observance	\$ 1,200	\$ 1,200	\$ -	\$ 1,500
Historical society	128,401	128,401	-	160,501
Total culture and recreation	\$ 129,601	\$ 129,601	\$ -	\$ 162,001

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
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable	1986
	Budget	Actual	(Unfavorable)	Actual
Expenditures (Continued)				
Conservation of natural resources				
County agent	\$ 284,013	\$ 282,894	\$ 1,119	\$ 348,597
Extension committee	2,665	2,402	263	2,208
Community fairs	1,120	1,120	-	1,400
County fair - Hibbing	13,760	13,760	-	17,200
South county fair	27,546	27,546	-	26,300
Soil conservation - north	25,800	25,800	-	27,035
Soil conservation - south	25,800	25,800	-	27,000
Lakes and streams	12,000	6,150	5,850	10,898
Cleaning ditches	25,000	7,277	17,723	25,000
	\$ 417,704	\$ 392,749	\$ 24,955	\$ 485,638
Total conservation of natural resources				
Economic development				
Tourism promotion	\$ 63,960	\$ 63,960	\$ -	\$ 64,950
Arrowhead association	5,000	5,000	-	-
Special development projects	25,000	25,000	-	-
	\$ 93,960	\$ 93,960	\$ -	\$ 64,950
Total economic development				
Total Expenditures	\$21,397,880	\$21,277,354	\$ 120,526	\$20,287,078
Excess of Revenues Over (Under) Expenditures	\$(2,101,451)	\$ (682,558)	\$1,418,893	\$(3,050,468)

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
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986 Actual
	Budget	Actual		
Other Financing Sources (Uses)				
Operating transfers in	\$ 411,952	\$ 111,952	\$ (300,000)	\$ 119,215
Operating transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ 361,952</u>	<u>\$ 61,952</u>	<u>\$ (300,000)</u>	<u>\$ 119,215</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$(1,739,499)	\$ (620,606)	\$1,118,893	\$(2,931,253)
Fund Balance - January 1	9,415,938	9,933,322	517,384	12,597,820
Equity transfers in	2,385,242	2,283,465	(101,777)	266,755
Equity transfers out	<u>(1,488,247)</u>	<u>(1,905,805)</u>	<u>(417,558)</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 8,573,434</u>	<u>\$ 9,690,376</u>	<u>\$1,116,942</u>	<u>\$ 9,933,322</u>

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

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ST. LOUIS COUNTY, MINNESOTA

SPECIAL REVENUE FUNDS

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

County Grants and Subsidies - to account for the County's share of operations in various organizations, including Arrowhead Regional Corrections, County Libraries and Arrowhead Regional Development Commission.

Emergency - to provide funds for an unanticipated emergency to be determined by the County Board.

Federal Fiscal Assistance - to account for Federal Revenue Sharing monies.

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

Public Health - to provide various health services to St. Louis County communities.

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

Road and Bridge - to account for public works activity.

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

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

Solid Waste Management - to provide administration services for the various solid waste authorities in the county.

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
<u>Assets</u>			
Cash, pooled deposits and investments	\$ 341,249	\$ 50,124	\$ 3,300,930
Fund deposits and invest- ments	-	-	-
Change fund	1,000	-	1,000
Receivables			
Taxes			
Unapportioned	-	-	139,073
Delinquent	-	-	729,536
Accounts	1,306	-	2,741
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from other governments	1,615	-	3,381,721
Inventories	-	-	2,282,130
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 345,170	\$ 50,124	\$ 9,837,131
	=====	=====	=====

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

Statement B-1

<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Totals</u>	
		<u>1987</u>	<u>1986 Restated</u>
\$ 3,385,285	\$ 966,927	\$ 8,044,515	\$ 8,822,665
-	-	-	850,000
23,075	-	25,075	25,225
438,356	19,302	596,731	1,048,235
2,524,516	103,508	3,357,560	3,537,889
417,833	-	421,880	571,761
-	-	-	6,715
-	-	-	97,736
3,428,329	-	6,811,665	5,144,959
<u>4,549,656</u>	<u>-</u>	<u>6,831,786</u>	<u>8,355,496</u>
<u>\$14,767,050</u>	<u>\$1,089,737</u>	<u>\$ 26,089,212</u>	<u>\$ 28,460,681</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Land Investment</u>	<u>Railroad Authority</u>	<u>Road and Bridge</u>
<u>Liabilities and Fund Balance</u>			
Liabilities			
Cash deficit	\$ -	\$ -	\$ -
Accounts payable	9,969	15,533	416,237
Salaries payable	23,545	-	377,718
Due to other funds	-	-	-
Due to other governments	2,514	-	8,325
Deferred revenue	209,069	-	682,943
Food stamps issuable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 245,097</u>	<u>\$ 15,533</u>	<u>\$1,485,223</u>
Fund Balance			
Reserved for change funds	\$ 1,000	\$ -	\$ 1,000
Reserved for inventories	-	-	2,282,130
Reserved for encumbrances	35,532	-	396,735
Reserved for health and welfare	-	-	428,286
Reserved for foster care insurance	-	-	-
Reserved for model employment program	-	-	-
Reserved for unorganized town roads	-	-	263,857
Unreserved - undesignated	63,541	34,591	4,979,900
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>\$ 100,073</u>	<u>\$ 34,591</u>	<u>\$8,351,908</u>
Total Liabilities and Fund Balance	<u>\$ 345,170</u> =====	<u>\$ 50,124</u> =====	<u>\$9,837,131</u> =====

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

Statement B-1
(Continued)

<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Totals</u>	
		1987	1986 Restated
\$ - 1,652,676 508,370 - 350,010 3,196,729 <u>4,549,656</u>	\$ - 23,505 - - 3,790 95,976 - <u> </u>	\$ - 2,117,920 909,633 - 364,639 4,184,717 <u>4,549,656</u>	\$ 838,063 2,144,780 1,017,728 219,024 754,645 4,853,251 <u>\$ 6,256,324</u>
<u>\$ 10,257,441</u>	<u>\$ 123,271</u>	<u>\$12,126,565</u>	<u>\$16,083,815</u>
\$ 23,075 - 356,974 521,401 6,000 - - - <u>3,602,159</u>	\$ - - 25,732 - - - - - <u>940,734</u>	\$ 25,075 2,282,130 814,973 949,687 6,000 - - 263,857 <u>9,620,925</u>	\$ 23,125 2,099,172 3,731,480 1,025,224 6,000 5,932 214,015 <u>5,271,918</u>
<u>\$ 4,509,609</u>	<u>\$ 966,466</u>	<u>\$13,962,647</u>	<u>\$12,376,866</u>
<u>\$ 14,767,050</u> =====	<u>\$ 1,089,737</u> =====	<u>\$26,089,212</u> =====	<u>\$28,460,681</u> =====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	County Grants and Subsidies	Emergency	Federal Fiscal Assistance	Land Investment	Public Health
Revenues					
Taxes	\$ 2,551,887	\$ 72,197	\$ -	\$ -	\$ 582,591
Licenses and permits	-	-	-	-	-
Intergovernmental	779,373	22,969	-	370,249	848,628
Charges for services	-	-	-	337,829	659,652
Interest on investments	-	-	2,301	-	-
Miscellaneous	-	25	-	38,085	-
Total Revenues	\$ 3,331,260	\$ 95,191	\$ 2,301	\$ 746,163	\$ 2,090,871
Expenditures					
General government	\$ -	\$ -	\$ 1,173	\$ -	\$ -
Public safety	2,702,705	-	-	-	-
Highways and streets	-	-	424,515	-	-
Health	-	-	-	-	2,753,837
Welfare	38,410	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	180,000	-	-	-	-
Conservation of natural resources	-	-	-	1,725,638	-
Economic development	95,177	-	-	-	-
Total Expenditures	\$ 3,016,292	\$ -	\$ 425,688	\$ 1,725,638	\$ 2,753,837
Excess of Revenues Over (Under) Expenditures	\$ 314,968	\$ 95,191	\$ (423,387)	\$ (979,475)	\$ (662,966)
Other Financing Sources (Uses)					
Capital lease proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of general fixed assets	-	-	-	-	655,000
Operating transfers in	-	-	-	468,148	-
Operating transfers out	(468,148)	(111,952)	-	-	-
Total Other Financing Sources (Uses)	\$ (468,148)	\$ (111,952)	\$ -	\$ 468,148	\$ 655,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (153,180)	\$ (16,761)	\$ (423,387)	\$ (511,327)	\$ (7,966)
Fund Balance - January 1 Restated	188,521	42,517	835,305	912,037	1,291,058
Increase (decrease) in reserve for inventories	-	-	-	-	-
Equity transfers in	14,602	-	-	-	-
Equity transfers out	(49,943)	(25,756)	(411,918)	(300,637)	(1,283,092)
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ 100,073	\$ -

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

Statement B-2

<u>Railroad Authority</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Solid Waste Authorities</u>	<u>Solid Waste Management</u>	<u>Totals</u>	
					<u>1987</u>	<u>1986 Restated</u>
\$ -	\$ 11,337,924	\$ 21,032,024	\$ 985,801	\$ 18,979	\$ 36,581,403	\$ 36,421,619
-	11,458	-	-	-	11,458	18,321
44,500	14,688,798	55,149,790	307,890	23,758	72,235,955	76,255,734
-	138,696	1,777,969	-	-	2,914,146	3,141,742
-	-	-	-	-	2,301	50,883
<u>13,200</u>	<u>302,371</u>	<u>3,326,592</u>	<u>1,211</u>	<u>373</u>	<u>3,681,857</u>	<u>3,348,773</u>
<u>\$ 57,700</u>	<u>\$ 26,479,247</u>	<u>\$ 81,286,375</u>	<u>\$ 1,294,902</u>	<u>\$ 43,110</u>	<u>\$ 115,427,120</u>	<u>\$ 119,236,604</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,173	\$ 980,378
-	-	-	-	-	2,702,705	2,359,517
-	25,465,980	-	-	-	25,890,495	27,187,818
-	-	-	-	-	2,753,837	3,052,508
-	-	77,857,541	-	-	77,895,951	80,735,122
-	-	-	886,002	126,400	1,012,402	1,046,349
-	-	-	-	-	180,000	180,000
-	-	-	-	-	1,725,638	2,430,065
<u>93,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,224</u>	<u>175,702</u>
<u>\$ 93,047</u>	<u>\$ 25,465,980</u>	<u>\$ 77,857,541</u>	<u>\$ 886,002</u>	<u>\$ 126,400</u>	<u>\$ 112,350,425</u>	<u>\$ 118,147,459</u>
<u>\$ (35,347)</u>	<u>\$ 1,013,267</u>	<u>\$ 3,428,834</u>	<u>\$ 408,900</u>	<u>\$ (83,290)</u>	<u>\$ 3,076,695</u>	<u>\$ 1,089,145</u>
\$ -	\$ 815,665	\$ -	\$ -	\$ -	\$ 815,665	\$ 283,008
-	-	-	-	-	655,000	-
50,000	-	-	-	-	518,148	1,506,717
-	-	-	-	-	(580,100)	(1,625,932)
<u>\$ 50,000</u>	<u>\$ 815,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,408,713</u>	<u>\$ 163,793</u>
\$ 14,653	\$ 1,828,932	\$ 3,428,834	\$ 408,900	\$ (83,290)	\$ 4,485,408	\$ 1,252,938
19,938	7,423,018	875,912	557,566	230,994	12,376,866	10,911,511
-	182,958	-	-	-	182,958	479,172
-	-	286,542	-	-	301,144	29,394
-	(1,083,000)	(81,679)	-	(147,704)	(3,383,729)	(296,149)
<u>\$ 34,591</u>	<u>\$ 8,351,908</u>	<u>\$ 4,509,609</u>	<u>\$ 966,466</u>	<u>\$ -</u>	<u>\$ 13,962,647</u>	<u>\$ 12,376,866</u>

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 COUNTY GRANTS AND SUBSIDIES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues				
Taxes	\$2,645,509	\$2,551,887	\$ (93,622)	\$2,040,428
Intergovernmental	772,392	779,373	6,981	649,144
Miscellaneous	-	-	-	797
Total Revenues	<u>\$3,417,901</u>	<u>\$3,331,260</u>	<u>\$ (86,641)</u>	<u>\$2,690,369</u>
Expenditures				
Public Safety				
Arrowhead Regional Corrections	\$2,702,705	\$2,702,705	\$ -	\$2,359,517
Welfare				
Aid to Victims of Sexual Assault	38,410	38,410	-	34,517
Culture and Recreation				
Arrowhead Library System	180,000	180,000	-	180,000
Economic Development				
Arrowhead Regional De- velopment Commission	95,177	95,177	-	97,640
Total Expenditures	<u>\$3,016,292</u>	<u>\$3,016,292</u>	<u>\$ -</u>	<u>\$2,671,674</u>
Excess of Revenues Over (Under) Expenditures	\$ 401,609	\$ 314,968	\$ (86,641)	\$ 18,695
Other Financing Sources (Uses)				
Operating transfers out	(468,148)	(468,148)	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (66,539)	\$ (153,180)	\$ (86,641)	\$ 18,695
Fund Balance - January 1	188,521	188,521	-	169,826
Equity transfer in	14,602	14,602	-	-
Equity transfer out	(136,584)	(49,943)	86,641	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,521</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
 EMERGENCY SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues				
Taxes	\$ 77,161	\$ 72,197	\$ (4,964)	\$ 77,986
Intergovernmental	22,839	22,969	130	24,189
Miscellaneous	-	25	25	29
Total Revenues	<u>\$ 100,000</u>	<u>\$ 95,191</u>	<u>\$ (4,809)</u>	<u>\$102,204</u>
Excess of Revenues Over (Under) Expenditures	\$ 100,000	\$ 95,191	\$ (4,809)	\$102,204
Other Financing Sources (Uses)				
Operating transfers out	<u>(142,517)</u>	<u>(111,952)</u>	<u>30,565</u>	<u>(86,715)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (42,517)	\$ (16,761)	\$ 25,756	\$ 15,489
Fund Balance - January 1	42,517	42,517	-	27,028
Equity transfer out	<u>-</u>	<u>(25,756)</u>	<u>(25,756)</u>	<u>-</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,517</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
 FEDERAL FISCAL ASSISTANCE SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986 Actual
	Budget	Actual		
Revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ 17,015
Intergovernmental	-	-	-	2,131,437
Charges for services	-	-	-	603
Interest on investments	-	2,301	2,301	50,883
Miscellaneous	-	-	-	70,515
Total Revenues	\$ -	\$ 2,301	\$ 2,301	\$2,270,453
Expenditures				
General government				
Administration	\$ -	\$ -	\$ -	\$ 35,463
Planning and zoning	-	-	-	404,737
Courthouses	1,293	1,173	120	496,324
Legislative research	980	-	980	43,854
Total general government	\$ 2,273	\$ 1,173	\$ 1,100	\$ 980,378
Highways and streets				
Capital outlay	\$ 442,748	\$ 424,515	\$ 18,233	\$1,001,519
Welfare				
Other services and charges	\$ -	\$ -	\$ -	\$ 83,722
Economic development				
Other services and charges	\$ -	\$ -	\$ -	\$ 25,000
Total Expenditures	\$ 445,021	\$ 425,688	\$ 19,333	\$2,090,619

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
FEDERAL FISCAL ASSISTANCE SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986 Actual
	Budget	Actual		
Excess of Revenues Over (Under) Expenditures	\$(445,021)	\$(423,387)	\$ 21,634	\$ 179,834
Other Financing Sources (Uses)				
Capital leases	\$ -	\$ -	\$ -	\$ 283,008
Operating transfer out	-	-	-	(700,648)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (417,640)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$(445,021)	\$(423,387)	\$ 21,634	\$ (237,806)
Fund Balance - January 1	835,305	835,305	-	1,073,111
Equity transfer out	(390,284)	(411,918)	(21,634)	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ 835,305
	=====	=====	=====	=====

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
 LAND INVESTMENT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986 Actual
	Budget	Actual		
Revenues				
Intergovernmental	\$ 209,068	\$ 370,249	\$ 161,181	\$ 350,113
Charges for services	103,408	337,829	234,421	-
Miscellaneous	-	38,085	38,085	98,061
Total Revenues	\$ 312,476	\$ 746,163	\$ 433,687	\$ 448,174
Expenditures				
Conservation of natural resources				
Personal services	\$ 664,856	\$ 1,115,458	\$ (450,602)	\$ 1,065,756
Other services and charges	130,858	479,480	(348,622)	1,248,992
Supplies	51,065	103,054	(51,989)	55,529
Capital outlay	75,309	27,646	47,663	59,788
Total Expenditures	\$ 922,088	\$ 1,725,638	\$ (803,550)	\$ 2,430,065
Excess of Revenues Over (Under) Expenditures	\$ (609,612)	\$ (979,475)	\$ (369,863)	\$ (1,981,891)
Other Financing Sources (Uses)				
Operating transfers in	468,148	468,148	-	1,306,717
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (141,464)	\$ (511,327)	\$ (369,863)	\$ (675,174)
Fund Balance - January 1	912,037	912,037	-	1,587,211
Equity transfer out	(300,637)	(300,637)	-	-
Fund Balance - December 31	\$ 469,936	\$ 100,073	\$ (369,863)	\$ 912,037

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

Statement B-7

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC HEALTH SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987			1986 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues				
Taxes	\$ 571,592	\$ 582,591	\$ 10,999	\$1,145,793
Intergovernmental	932,567	848,628	(83,939)	1,125,790
Charges for services	636,402	659,652	23,250	731,194
Miscellaneous	-	-	-	24,410
	\$2,140,561	\$2,090,871	\$ (49,690)	\$3,027,187
Total Revenues				
Expenditures				
Health				
Administration	\$ 819,731	\$ 806,589	\$ 13,142	\$ 784,372
Nursing	1,314,294	1,015,429	298,865	1,208,773
Environmental health	710,271	682,620	27,651	688,642
Health education	268,197	249,199	18,998	370,721
	\$3,112,493	\$2,753,837	\$ 358,656	\$3,052,508
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	\$ (971,932)	\$ (662,966)	\$ 308,966	\$ (25,321)
Other Financing Sources (Uses)				
Sale of general fixed assets	655,000	655,000	-	-
Operating transfers in	-	-	-	200,000
	-	-	-	200,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (316,932)	\$ (7,966)	\$ 308,966	\$ 174,679
Fund Balance - January 1	1,291,058	1,291,058	-	1,086,985
Equity transfer in	-	-	-	29,394
Equity transfer out	(974,126)	(1,283,092)	(308,966)	-
	\$ -	\$ -	\$ -	\$1,291,058
Fund Balance - December 31	\$ -	\$ -	\$ -	\$1,291,058

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
 RAILROAD AUTHORITY SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	<u>Budget</u>	<u>Actual</u>		<u>Actual Restated</u>
Revenues				
Intergovernmental	\$ 44,500	\$ 44,500	\$ -	\$ 73,000
Miscellaneous	<u>13,200</u>	<u>13,200</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 57,700</u>	<u>\$ 57,700</u>	<u>\$ -</u>	<u>\$ 73,000</u>
Expenditures				
Economic development				
Other services and charges	\$ 92,988	\$ 92,988	\$ -	\$ 52,944
Supplies	<u>59</u>	<u>59</u>	<u>-</u>	<u>118</u>
Total Expenditures	<u>\$ 93,047</u>	<u>\$ 93,047</u>	<u>\$ -</u>	<u>\$ 53,062</u>
Excess of Revenues Over (Under) Expenditures	\$ (35,347)	\$ (35,347)	\$ -	\$ 19,938
Other Financing Sources (Uses)				
Operating transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 14,653	\$ 14,653	\$ -	\$ 19,938
Fund Balance - January 1 - Restated	<u>19,938</u>	<u>19,938</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 34,591</u> =====	<u>\$ 34,591</u> =====	<u>\$ -</u> =====	<u>\$ 19,938</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
 ROAD AND BRIDGE SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues				
Taxes	\$11,362,368	\$11,337,924	\$ (24,444)	\$ 9,123,384
Licenses and permits	6,800	11,458	4,658	1,306
Intergovernmental	17,029,278	14,688,798	(2,340,480)	15,937,047
Charges for services	256,000	138,696	(117,304)	275,207
Miscellaneous	176,942	302,371	125,429	173,298
Total Revenues	\$28,831,388	\$26,479,247	\$(2,352,141)	\$25,510,242
Expenditures				
Highways and streets				
Administration	\$ 4,184,188	\$ 4,058,627	\$ 125,561	\$ 3,984,286
Road maintenance	8,207,009	8,167,167	39,842	8,246,198
Road construction	9,521,593	8,102,555	1,419,038	9,299,231
Equipment maintenance and shops	6,100,966	5,127,935	973,031	4,505,294
Other	10,000	9,696	304	151,290
Total Expenditures	\$28,023,756	\$25,465,980	\$ 2,557,776	\$26,186,299
Excess of Revenues Over (Under) Expenditures	\$ 807,632	\$ 1,013,267	\$ 205,635	\$ (676,057)
Other Financing Sources (Uses)				
Capital lease proceeds	815,665	815,665	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,623,297	\$ 1,828,932	\$ 205,635	\$ (676,057)
Fund Balance - January 1	7,423,018	7,423,018	-	7,619,903
Increase (decrease) in reserved for inventories	182,958	182,958	-	479,172
Equity transfer out	(1,083,000)	(1,083,000)	-	-
Fund Balance - December 31	\$ 8,146,273	\$ 8,351,908	\$ 205,635	\$ 7,423,018
	=====	=====	=====	=====

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
 SOCIAL SERVICES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues				
Taxes	\$21,357,698	\$21,032,024	\$(325,674)	\$23,228,490
Intergovernmental	54,369,021	55,149,790	780,769	55,685,767
Charges for services	1,793,915	1,777,969	(15,946)	2,134,270
Miscellaneous	3,532,372	3,326,592	(205,780)	2,969,613
Total Revenues	\$81,053,006	\$81,286,375	\$ 233,369	\$84,018,140
Expenditures				
Welfare				
Administration	\$ 646,123	\$ 326,569	\$ 319,554	\$ 143,046
Staff development	-	40	(40)	8,631
Income maintenance				
Child support and collections	1,902,229	1,912,609	(10,380)	1,700,019
Food stamps	1,445,583	1,468,416	(22,833)	1,409,733
EPSDT	123,995	123,995	-	131,401
General assistance	5,287,762	5,635,583	(347,821)	5,868,362
Work readiness	4,057,917	3,111,653	946,264	3,999,966
General assistance - medical	1,271,968	1,314,140	(42,172)	1,268,158
Minnesota supplemental aid	2,337,566	2,336,442	1,124	2,340,674
Aid to families with dependent children	29,451,856	29,264,728	187,128	29,774,243
AFDC emergency assistance	342,000	190,504	151,496	243,236
Medical assistance	5,049,563	4,958,380	91,183	4,968,081
Social Services				
Provided	1,383,174	1,357,868	25,306	489,260
Permanency planning	596,885	596,885	-	1,720,159
Alternative care	1,482,160	1,482,160	-	1,002,735
Waivered services	858,566	858,566	-	253,625

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
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures				
Welfare				
Social Services (continued)				
Retired senior				
volunteer services	88,408	94,584	(6,176)	100,069
Work incentive	258,107	231,694	26,413	363,931
Title III care givers	-	-	-	11,137
CSSA	3,946,000	3,787,969	158,031	3,883,216
Day care	2,820	1,020	1,800	58,082
Child care food program	-	-	-	146,622
NIMH-chronic mentally ill	-	22,436	(22,436)	-
Employment and training	541,000	260,736	280,264	-
CADI-disabled individuals	1,432	1,432	-	-
Title XX	7,726,962	7,351,926	375,036	7,534,576
Crisis shelter	-	-	-	20,026
School breakfast/ lunch program	-	94,661	(94,661)	25,140
Residential treatment	-	-	-	329,580
Senior centers	458,370	537,646	(79,276)	620,436
IV-E foster care	1,991,881	1,485,760	506,121	1,685,073
Refugee assistance	238,417	240,117	(1,700)	215,318
Child welfare	1,402,115	1,653,478	(251,363)	1,933,241
Health assessment	-	-	-	9,116
Purchased	2,954,010	2,578,414	375,596	4,283,222
Sliding fee child care	319,000	1,494,594	(1,175,594)	393,532
Semi-independent living	222,000	359,058	(137,058)	368,154
Home delivered meals	226,525	226,525	-	200,424
Detoxification services	635,790	635,790	-	770,843
Program grants	836,841	860,472	(23,631)	1,365,349
Rule 14	324,080	379,427	(55,347)	259,565
Mental health block grant	38,779	66,481	(27,702)	72,206

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
SOCIAL SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1987
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Expenditures				
Welfare				
Social Services (continued)				
Rule 12	411,795	513,826	(102,031)	504,017
Indian children	-	-	-	30,480
Outpatient drug abuse	40,487	40,957	(470)	55,945
Model employment	957	-	957	56,254
Total Expenditures	<u>\$78,903,123</u>	<u>\$77,857,541</u>	<u>\$1,045,582</u>	<u>\$80,616,883</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 2,149,883</u>	<u>\$ 3,428,834</u>	<u>\$1,278,951</u>	<u>\$ 3,401,257</u>
Other Financing Sources (Uses)				
Operating transfer out	\$ -	\$ -	\$ -	\$ (838,569)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (838,569)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other uses	\$ 2,149,883	\$ 3,428,834	\$1,278,951	\$ 2,562,688
Fund Balance - January 1	875,912	875,912	-	(1,686,776)
Equity transfer in	286,542	286,542	-	-
Equity transfer out	(81,679)	(81,679)	-	-
Fund Balance - December 31	<u>\$ 3,230,658</u>	<u>\$ 4,509,609</u>	<u>\$1,278,951</u>	<u>\$ 875,912</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
 SOLID WASTE AUTHORITIES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues				
Taxes	\$1,035,965	\$ 985,801	\$ (50,164)	\$ 708,974
Intergovernmental	293,694	307,890	14,196	228,933
Miscellaneous	-	1,211	1,211	774
Total Revenues	<u>\$1,329,659</u>	<u>\$1,294,902</u>	<u>\$ (34,757)</u>	<u>\$ 938,681</u>
Expenditures				
Sanitation				
Orr service area	\$ 53,820	\$ 55,326	\$ (1,506)	\$ 52,502
Brookston service area	34,755	35,306	(551)	39,376
Cotton service area	51,750	53,872	(2,122)	50,760
Floodwood service area	50,000	55,069	(5,069)	47,255
Cook service area	50,000	52,540	(2,540)	58,014
Hibbing landfill	325,538	156,683	168,855	223,967
Portage service area	22,550	26,271	(3,721)	28,698
East Mesaba service area	39,280	35,558	3,722	32,758
Aurora service area	7,975	6,433	1,542	7,382
Vermillion Dam service area	46,925	35,400	11,525	36,609
Voyageurs service area	33,113	47,341	(14,228)	33,863
Hibbing service area	84,920	76,326	8,594	74,850
Vermillion service area	56,686	60,002	(3,316)	63,173
Northwoods service area	176,600	159,288	17,312	142,404
Ordinance update	11,605	11,605	-	16,270
Solid waste commission	265,000	18,982	246,018	-
Total Expenditures	<u>\$1,310,517</u>	<u>\$ 886,002</u>	<u>\$ 424,515</u>	<u>\$ 907,881</u>
Excess of Revenues Over (Under) Expenditures	\$ 19,142	\$ 408,900	\$ 389,758	\$ 30,800
Fund Balance - January 1	<u>557,566</u>	<u>557,566</u>	<u>-</u>	<u>526,766</u>
Fund Balance - December 31	<u>\$ 576,708</u>	<u>\$ 966,466</u>	<u>\$ 389,758</u>	<u>\$ 557,566</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
 SOLID WASTE MANAGEMENT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1986

	1987		Variance	1986
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues				
Taxes	\$ 17,510	\$ 18,979	\$ 1,469	\$ 96,564
Intergovernmental	5,271	23,758	18,487	50,314
Miscellaneous	-	373	373	11,276
Total Revenues	<u>\$ 22,781</u>	<u>\$ 43,110</u>	<u>\$ 20,329</u>	<u>\$ 158,154</u>
Expenditures				
Sanitation				
Personal services	\$ 115,068	\$ 114,855	\$ 213	\$ 110,181
Other services and charges	16,896	11,239	5,657	26,934
Supplies	10,600	306	10,294	1,353
Total Expenditures	<u>\$ 142,564</u>	<u>\$ 126,400</u>	<u>\$ 16,164</u>	<u>\$ 138,468</u>
Excess of Revenues Over (Under) Expenditures	\$ (119,783)	\$ (83,290)	\$ 36,493	\$ 19,686
Fund Balance - January 1	230,994	230,994	-	211,308
Equity transfers out	<u>(111,211)</u>	<u>(147,704)</u>	<u>(36,493)</u>	<u>-</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,994</u>

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

ST. LOUIS COUNTY, MINNESOTA

CAPITAL PROJECTS FUND

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

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
CAPITAL PROJECTS FUND
DECEMBER 31, 1987ASSETS

Cash, pooled deposits, and investments	\$2,841,170
Prepaid expense	<u>10,350</u>
Total Assets	<u>\$2,851,520</u> =====

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ <u>51,117</u>
Total Liabilities	<u>\$ 51,117</u>
Fund Balance	
Reserved for prepaid expense	\$ 10,350
Unreserved - undesignated	<u>2,790,053</u>
Total Fund Balance	<u>\$2,800,403</u>
Total Liabilities and Fund Balance	<u>\$2,851,520</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 BALANCE
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 1987

Revenue	
Gifts and contributions	<u>\$ 641,000</u>
Expenditures	
Public safety	\$ 344,631
Highways and streets	<u>4,817</u>
Total Expenditures	<u>\$ 349,448</u>
Excess of Revenues Over (Under) Expenditures	\$ 291,552
Fund Balance - January 1	-
Equity Transfer In	<u>2,508,851</u>
Fund Balance - December 31	<u>\$2,800,403</u> =====

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

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ST. LOUIS COUNTY, MINNESOTA

ENTERPRISE FUNDS

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

County Health Services - to provide health care services for the Home Care and Women, Infants and Children (WIC) programs.

County Photography - to provide maps and photos to the general public, county departments and other governmental units.

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

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

Nopeming - to provide nursing home facilities for the public.

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

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

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1987

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

<u>Assets</u>	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
Current assets		
Cash, pooled deposits and investments	\$ 85,352	\$ 377,797
Change funds	-	500
Receivables		
Taxes		
Unapportioned	-	14,981
Delinquent	-	94,143
Accounts	-	846,646
Due from other governments	-	-
Inventories	-	52,790
	<u> </u>	<u> </u>
Total current assets	\$ 85,352	\$1,386,857
Restricted assets		
Improvement account - cash	\$ -	\$ -
Construction		
Cash, pooled deposits and investments	-	-
Accrued interest receivable	-	-
Debt service		
Cash, pooled deposits and investments	315,304	47,356
Fund investments	-	500,000
Accrued interest receivable	-	313
	<u> </u>	<u> </u>
Total restricted assets	\$ 315,304	\$ 547,669
Fixed assets		
Land	\$ 5,461	\$ 130,656
Buildings and structures	1,208,902	5,104,945
Machinery and equipment	1,062,031	352,319
	<u> </u>	<u> </u>
Total fixed assets	\$2,276,394	\$5,587,920
Less accumulated depreciation	\$ (189,244)	\$ (568,517)
Net fixed assets	\$2,087,150	\$5,019,403
Total Assets	\$2,487,806	\$6,953,929
	=====	=====

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

Statement D-1

<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ 1,035,625 500	\$ - -	\$ 15,088 50	\$ 1,513,862 1,050	\$ 3,103,695 1,000
6,435	-	-	21,416	42,488
42,350	-	-	136,493	157,379
699,826	-	66,165	1,612,637	1,591,802
-	78,966	569	79,535	89,416
99,657	-	-	152,447	166,663
<u>\$ 1,884,393</u>	<u>\$ 78,966</u>	<u>\$ 81,872</u>	<u>\$ 3,517,440</u>	<u>\$ 5,152,443</u>
\$ 58,770	\$ -	\$ -	\$ 58,770	\$ 55,911
-	-	-	-	114,942
-	-	-	-	839
-	-	-	362,660	444,259
-	-	-	500,000	400,000
-	-	-	313	5,901
<u>\$ 58,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 921,743</u>	<u>\$ 1,021,852</u>
\$ 132,086	\$ -	\$ 9,500	\$ 277,703	\$ 270,477
2,774,169	-	96,050	9,184,066	9,342,373
186,535	7,351	17,950	1,626,186	1,505,509
<u>\$ 3,092,790</u>	<u>\$ 7,351</u>	<u>\$ 123,500</u>	<u>\$ 11,087,955</u>	<u>\$11,118,359</u>
<u>\$(1,541,154)</u>	<u>\$ (1,583)</u>	<u>\$ (40,055)</u>	<u>\$ (2,340,553)</u>	<u>\$(2,637,818)</u>
<u>\$ 1,551,636</u>	<u>\$ 5,768</u>	<u>\$ 83,445</u>	<u>\$ 8,747,402</u>	<u>\$ 8,480,541</u>
<u>\$ 3,494,799</u>	<u>\$ 84,734</u>	<u>\$ 165,317</u>	<u>\$ 13,186,585</u>	<u>\$14,654,836</u>
=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Babbitt Facility</u>	<u>Chris Jensen</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Current liabilities (payable from current assets)		
Cash deficit	\$ -	\$ -
Accounts payable	-	56,344
Salaries payable	-	227,434
Compensated absences	-	256,819
Due to other funds	-	-
Due to other governments	-	-
Deferred revenue	-	153,936
Bonds payable	90,000	-
Loans payable	88,306	-
Accrued interest payable	10,000	-
	<hr/>	<hr/>
Total current liabilities (payable from current assets)	\$ 188,306	\$ 694,533
Current liabilities (payable from restricted assets)		
Contracts payable	\$ -	\$ -
Retainage on contracts	-	-
Accrued interest payable	-	164,723
Bonds payable	-	350,000
	<hr/>	<hr/>
Total current liabilities (payable from restricted assets)	\$ -	\$ 514,723
Long-term liabilities		
Compensated absences	\$ -	\$ 30,968
Advance from other funds	-	-
Bonds payable (net)	1,100,469	4,036,071
Loans payable	595,394	-
	<hr/>	<hr/>
Total long-term liabilities	\$ 1,695,863	\$ 4,067,039
Total Liabilities	<u>\$ 1,884,169</u>	<u>\$ 5,276,295</u>

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

Statement D-1
(Continued)

<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ -	\$ 86,112	\$ -	\$ 86,112	\$ 45,401
53,225	63	2,373	112,005	270,709
177,340	13,598	11,329	429,701	343,349
214,438	24,397	9,175	504,829	524,219
-	-	-	-	2,349
-	-	507	507	-
57,760	-	-	211,696	183,618
-	-	-	90,000	-
-	-	-	88,306	66,300
-	-	-	10,000	80,000
<u>\$ 502,763</u>	<u>\$ 124,170</u>	<u>\$ 23,384</u>	<u>\$ 1,533,156</u>	<u>\$ 1,515,945</u>
\$ -	\$ -	\$ -	\$ -	\$ 79,270
-	-	-	-	20,428
-	-	-	164,723	174,880
-	-	-	350,000	325,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 514,723</u>	<u>\$ 599,578</u>
\$ 166,662	\$ 4,931	\$ -	\$ 202,561	\$ 324,408
-	-	-	-	17,114
-	-	-	5,136,540	5,564,405
-	-	-	595,394	683,700
<u>\$ 166,662</u>	<u>\$ 4,931</u>	<u>\$ -</u>	<u>\$ 5,934,495</u>	<u>\$ 6,589,627</u>
<u>\$ 669,425</u>	<u>\$ 129,101</u>	<u>\$ 23,384</u>	<u>\$ 7,982,374</u>	<u>\$ 8,705,150</u>

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Babbitt</u> <u>Facility</u>	<u>Chris</u> <u>Jensen</u>
<u>Liabilities and Fund Balance (continued)</u>		
Fund equity		
Contributed capital	\$ 786,412	\$ -
Retained earnings		
Reserved for improvement account	-	-
Reserved for debt service account	315,304	32,946
Unreserved - undesignated	<u>(498,079)</u>	<u>\$ 1,644,688</u>
 Total retained earnings	 <u>\$ (182,775)</u>	 <u>\$ 1,677,634</u>
 Total Fund Equity	 <u>\$ 603,637</u>	 <u>\$ 1,677,634</u>
 Total Liabilities and Fund Equity	 <u>\$ 2,487,806</u> =====	 <u>\$ 6,953,929</u> =====

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

Statement D-1
(Continued)

<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ -	\$ -	\$ 167,672	\$ 954,084	\$ 786,412
58,770	-	-	58,770	55,911
-	-	-	348,250	350,280
<u>2,766,604</u>	<u>(44,367)</u>	<u>(25,739)</u>	<u>3,843,107</u>	<u>4,757,083</u>
<u>\$ 2,825,374</u>	<u>\$ (44,367)</u>	<u>\$ (25,739)</u>	<u>\$ 4,250,127</u>	<u>\$ 5,163,274</u>
<u>\$ 2,825,374</u>	<u>\$ (44,367)</u>	<u>\$ 141,933</u>	<u>\$ 5,204,211</u>	<u>\$ 5,949,686</u>
<u><u>\$ 3,494,799</u></u>	<u><u>\$ 84,734</u></u>	<u><u>\$ 165,317</u></u>	<u><u>\$13,186,585</u></u>	<u><u>\$14,654,836</u></u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	<u>County Health Services</u>	<u>County Photography</u>	<u>Babbitt Facility</u>
Operating Revenues			
Charges for services	\$ -	\$ 1,520	\$ 196,244
Other	152	-	-
Total Operating Revenues	<u>\$ 152</u>	<u>\$ 1,520</u>	<u>\$ 196,244</u>
Operating Expenses			
Personal services	\$ 215,790	\$ -	\$ 57,499
Contractual services	10,116	918	-
Materials	4,159	-	-
Depreciation	1,630	-	189,244
Total Operating Expenses	<u>\$ 231,695</u>	<u>\$ 918</u>	<u>\$ 246,743</u>
Operating income (loss)	<u>\$ (231,543)</u>	<u>\$ 602</u>	<u>\$ (50,499)</u>
Nonoperating Revenues (Expenses)			
Taxes	\$ -	\$ -	\$ -
Grants	221,378	-	-
Interest on investments	-	-	31,636
Interest expense	-	-	(142,303)
Amortization of bond discount	-	-	(1,132)
Other expense	-	-	(470)
Disposition of fixed assets	-	-	-
Total Nonoperating Revenues (Expenses)	<u>\$ 221,378</u>	<u>\$ -</u>	<u>\$ (112,269)</u>
Net Income (Loss)	\$ (10,165)	\$ 602	\$ (162,768)
Retained earnings - January 1 - Restated	59,019	6,490	(20,007)
Equity transfers out	<u>(48,854)</u>	<u>(7,092)</u>	<u>-</u>
Retained earnings - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (182,775)</u>

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

Statement D-2

<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Supervised Living Facilities</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
				<u>1987</u>	<u>1986 Restated</u>
\$ 6,519,367	\$ 5,172,875	\$ 409,962	\$ 380,970	\$12,680,938	\$13,056,867
<u>104,398</u>	<u>28,432</u>	<u>60,000</u>	<u>1,628</u>	<u>194,610</u>	<u>247,253</u>
\$ 6,623,765	\$ 5,201,307	\$ 469,962	\$ 382,598	\$12,875,548	\$13,304,120
\$ 5,478,595	\$ 4,665,194	\$ 460,468	\$ 307,068	\$11,184,614	\$11,037,090
1,025,870	699,182	74,735	88,579	1,899,400	1,843,803
603,756	504,515	6,640	15,943	1,135,013	1,224,957
<u>95,915</u>	<u>142,487</u>	<u>515</u>	<u>2,549</u>	<u>432,340</u>	<u>236,294</u>
\$ 7,204,136	\$ 6,011,378	\$ 542,358	\$ 414,139	\$14,651,367	\$14,342,144
\$ (580,371)	\$ (810,071)	\$ (72,396)	\$ (31,541)	\$ (1,775,819)	\$ (1,038,024)
\$ 922,130	\$ 275,380	\$ -	\$ -	\$ 1,197,510	\$ 1,697,850
-	-	-	5,802	227,180	238,870
33,386	-	-	-	65,022	72,837
(397,368)	-	-	-	(539,671)	(517,282)
(11,002)	-	-	-	(12,134)	(11,757)
(399)	-	-	-	(869)	(428)
<u>(18,229)</u>	<u>-</u>	<u>65,012</u>	<u>-</u>	<u>46,783</u>	<u>(667,268)</u>
\$ 528,518	\$ 275,380	\$ 65,012	\$ 5,802	\$ 983,821	\$ 812,822
\$ (51,853)	\$ (534,691)	\$ (7,384)	\$ (25,739)	\$ (791,998)	\$ (225,202)
1,729,487	3,360,065	28,220	-	5,163,274	6,119,058
<u>-</u>	<u>-</u>	<u>(65,203)</u>	<u>-</u>	<u>(121,149)</u>	<u>(730,582)</u>
\$ 1,677,634	\$ 2,825,374	\$ (44,367)	\$ (25,739)	\$ 4,250,127	\$ 5,163,274
=====	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	<u>County Health Services</u>	<u>County Photography</u>	<u>Babbitt Facility</u>
Sources of Working Capital			
Operations			
Net Income (loss)	\$ (10,165)	\$ 602	\$ (162,768)
Items not requiring working capital			
Depreciation	1,630	-	189,244
Amortization	-	-	1,132
Undepreciated cost of fixed assets disposed of or sold	<u>1,704</u>	<u>-</u>	<u>-</u>
Working capital provided by operations	\$ (6,831)	\$ 602	\$ 27,608
Decrease in restricted assets	-	-	-
Transfer in of fixed assets	-	-	-
Increase in long-term liabilities	-	-	-
Contributed capital	<u>-</u>	<u>-</u>	<u>-</u>
Total Sources of Working Capital	\$ (6,831)	\$ 602	\$ 27,608
Uses of Working Capital			
Increase in restricted assets	\$ -	\$ -	\$ -
Acquisition of fixed assets	-	-	410,346
Decrease in restricted liabilities	-	-	-
Decrease in long-term liabilities	-	17,114	178,305
Equity transfer	<u>48,854</u>	<u>7,092</u>	<u>-</u>
Total Uses of Working Capital	\$ 48,854	\$ 24,206	\$ 588,651
Net Increase (Decrease) in Working Capital	<u>\$ (55,685)</u>	<u>\$ (23,604)</u>	<u>\$ (561,043)</u>

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

Statement D-3

Chris Jensen	Nopeming	Supervised Living Facility	Residential Treatment Center	Totals	
				1987	1986
\$ (51,853)	\$(534,691)	\$ (7,384)	\$ (25,739)	\$ (791,998)	\$ (225,202)
95,915	142,487	515	2,549	432,340	236,294
11,002	-	-	-	12,134	11,757
<u>18,229</u>	<u>-</u>	<u>66,756</u>	<u>-</u>	<u>86,689</u>	<u>709,427</u>
\$ 73,293	\$(392,204)	\$ 59,887	\$ (23,190)	\$ (260,835)	\$ 732,276
102,968	-	-	-	102,968	2,035,993
-	-	-	-	-	535,209
-	-	-	-	-	1,929,526
<u>-</u>	<u>-</u>	<u>-</u>	<u>167,672</u>	<u>167,672</u>	<u>786,412</u>
<u>\$ 176,261</u>	<u>\$(392,204)</u>	<u>\$ 59,887</u>	<u>\$ 144,482</u>	<u>9,805</u>	<u>\$6,019,416</u>
\$ -	\$ 2,859	\$ -	\$ -	\$ 2,859	\$ 318,146
66,155	223,395	-	85,994	785,890	3,739,024
84,855	-	-	-	84,855	40,464
402,842	61,179	7,826	-	667,266	330,024
<u>-</u>	<u>-</u>	<u>65,203</u>	<u>-</u>	<u>121,149</u>	<u>730,582</u>
<u>\$ 553,852</u>	<u>\$ 287,433</u>	<u>\$ 73,029</u>	<u>\$ 85,994</u>	<u>\$1,662,019</u>	<u>\$5,158,240</u>
\$ (377,591)	\$(679,637)	\$(13,142)	\$ 58,488	\$(1,652,214)	\$ 861,176
=====	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	<u>County Health Services</u>	<u>County Photography</u>	<u>Babbitt Facility</u>
Elements of Net Increase (Decrease) in Working Capital			
Cash, pooled deposits and investments	\$ (32,013)	\$ (23,666)	\$(688,904)
Change funds	-	-	-
Receivables			
Taxes			
Unapportioned	-	-	-
Delinquent	-	-	-
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	(37,801)	-	-
Inventories	-	-	-
Prepaid expense	-	-	-
Accounts payable	90	62	169,867
Salaries payable	5,166	-	-
Compensated absences	8,873	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Current portion of long- term debt	-	-	(112,006)
Accrued interest payable	-	-	70,000
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease) in Working Capital	<u>\$ (55,685)</u>	<u>\$ (23,604)</u>	<u>\$(561,043)</u>

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

Statement D-3
(Continued)

<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Supervised Living Facility</u>	<u>Residential Treatment Center</u>	<u>Totals</u>	
				<u>1987</u>	<u>1986</u>
\$ (166,578)	\$ (693,760)	\$ (40,711)	\$ 15,088	\$ (1,630,544)	\$ 688,795
-	-	-	50	50	-
(9,679)	(11,393)	-	-	(21,072)	27,433
2,407	(23,293)	-	-	(20,886)	27,779
(91,470)	56,980	(10,840)	66,165	20,835	(74,292)
-	-	-	-	-	(200)
-	-	27,351	569	(9,881)	4,012
(23,372)	9,156	-	-	(14,216)	(182,453)
-	-	-	-	-	(1,901)
4,798	(16,697)	2,957	(2,373)	158,704	3,893
(57,568)	(23,727)	1,106	(11,329)	(86,352)	45,918
9,196	6,701	3,795	(9,175)	19,390	59,030
2,000	349	-	-	2,349	471,230
-	-	-	(507)	(507)	10
(47,325)	16,047	3,200	-	(28,078)	(61,778)
-	-	-	-	(112,006)	(66,300)
-	-	-	-	70,000	(80,000)
<u>\$ (377,591)</u>	<u>\$ (679,637)</u>	<u>\$ (13,142)</u>	<u>\$ 58,488</u>	<u>\$ (1,652,214)</u>	<u>\$ 861,176</u>

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ST. LOUIS COUNTY, MINNESOTA

INTERNAL SERVICE FUNDS

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

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

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

Supplies and Services - to provide County departments with office supplies and materials, printing, postage, and telephone service.

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

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

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

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1987

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Community Food</u>	<u>Laundry</u>	<u>Supplies and Services</u>
<u>Assets</u>			
Current assets			
Cash, pooled deposits and investments	\$ -	\$ 37,026	\$ 127,174
Fund deposits and investments	-	-	-
Change funds	25	-	3,000
Receivables			
Taxes			
Unapportioned	1,989	3,181	-
Delinquent	7,607	12,173	-
Accounts	-	19,951	1,331
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from other governments	68,013	-	-
Inventories	12,362	90,988	51,439
Prepaid expense	27,274	-	-
	<u> </u>	<u> </u>	<u> </u>
Total current assets	\$ 117,270	\$ 163,319	\$ 182,944
Fixed assets			
Land	\$ -	\$ -	\$ -
Buildings and structures	-	883,727	-
Machinery and equipment	-	328,663	137,439
Vehicles	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fixed assets	\$ -	\$1,212,390	\$ 137,439
Accumulated depreciation	<u> </u>	<u>(392,093)</u>	<u>(54,908)</u>
Net fixed assets	\$ -	\$ 820,297	\$ 82,531
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 117,270	\$ 983,616	\$ 265,475
	<u> </u>	<u> </u>	<u> </u>

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

Statement E-1

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ 211,038	\$ 473,772	\$ 521,954	\$ 1,370,964	\$ 1,182,875
-	2,842,479	-	2,842,479	2,221,214
			3,025	3,025
-	1,128	-	6,298	2,475
-	7,350	-	27,130	8,687
2,559	-	-	23,841	31,146
-	35,522	-	35,522	24,288
-	-	-	-	519
-	25,524	-	93,537	48,544
30,770	-	-	185,559	182,808
1,473	-	-	28,747	29,689
<u>\$ 245,840</u>	<u>\$3,385,775</u>	<u>\$ 521,954</u>	<u>\$ 4,617,102</u>	<u>\$ 3,735,270</u>
\$ 25,500	\$ -	\$ -	\$ 25,500	\$ 25,500
778,730	-	-	1,662,457	1,355,623
55,794	-	212,517	734,413	692,120
688,701	-	-	688,701	681,201
<u>\$1,548,725</u>	<u>\$ -</u>	<u>\$ 212,517</u>	<u>\$ 3,111,071</u>	<u>\$ 2,754,444</u>
(767,272)	-	(98,407)	(1,312,680)	(1,222,949)
<u>\$ 781,453</u>	<u>-</u>	<u>\$ 114,110</u>	<u>\$ 1,798,391</u>	<u>\$ 1,531,495</u>
<u>\$1,027,293</u>	<u>\$3,385,775</u>	<u>\$ 636,064</u>	<u>\$ 6,415,493</u>	<u>\$ 5,266,765</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1987

WITH COMPARABLE TOTALS FOR DECEMBER 31, 1986

<u>Liabilities and Fund Equity</u>	<u>Community Food</u>	<u>Laundry</u>	<u>Supplies and Services</u>
Liabilities			
Current liabilities			
Cash deficit	\$ 67,551	\$ -	\$ -
Accounts payable	12,452	53,030	26,484
Salaries payable	10,811	20,038	3,096
Compensated absences	11,164	43,278	4,103
Claims payable	-	-	-
Due to other governments	21,420	-	-
Deferred revenue	6,819	10,911	-
Current portion of installment purchases	-	-	14,641
Total current liabilities	<u>\$ 130,217</u>	<u>\$ 127,257</u>	<u>\$ 48,324</u>
Long-term liabilities			
Compensated absences	\$ 10,894	\$ 4,773	\$ -
Installment purchases	-	-	22,472
Total long-term liabilities	<u>\$ 10,894</u>	<u>\$ 4,773</u>	<u>\$ 22,472</u>
Total Liabilities	<u>\$ 141,111</u>	<u>\$ 132,030</u>	<u>\$ 70,796</u>
Fund Equity			
Contributed capital	\$ -	\$ 795,785	\$ -
Retained earnings			
Reserved for capital acquisition	\$ 27,274	\$ -	\$ -
Unreserved-undesignated	<u>(51,115)</u>	<u>55,801</u>	<u>194,679</u>
Total retained earnings	<u>\$ (23,841)</u>	<u>\$ 55,801</u>	<u>\$ 194,679</u>
Total Fund Equity	<u>\$ (23,841)</u>	<u>\$ 851,586</u>	<u>\$ 194,679</u>
Total Liabilities and Fund Equity	<u>\$ 117,270</u>	<u>\$ 983,616</u>	<u>\$ 265,475</u>

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

Statement E-1
(Continued)

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ -	\$ -	\$ -	\$ 67,551	\$ 182,726
8,167	28,787	10,530	139,450	177,460
7,724	-	-	41,669	41,885
10,170	-	-	68,715	65,117
-	624,611	-	624,611	365,518
-	66,700	-	88,120	76,113
-	6,979	-	24,709	7,962
-	-	-	14,641	16,386
<u>\$ 26,061</u>	<u>\$ 727,077</u>	<u>\$ 10,530</u>	<u>\$ 1,069,466</u>	<u>\$ 933,167</u>
\$ -	\$ -	\$ -	\$ 15,667	\$ 15,449
-	-	-	22,472	36,661
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,139</u>	<u>\$ 52,110</u>
<u>\$ 26,061</u>	<u>\$ 727,077</u>	<u>\$ 10,530</u>	<u>\$ 1,107,605</u>	<u>\$ 985,277</u>
<u>\$ 994,986</u>	<u>\$ -</u>	<u>\$ 629,789</u>	<u>\$ 2,420,560</u>	<u>\$ 1,875,910</u>
\$ -	\$ -	\$ -	\$ 27,274	\$ 27,274
6,246	2,658,698	(4,255)	2,860,054	2,378,304
<u>\$ 6,246</u>	<u>\$2,658,698</u>	<u>\$ (4,255)</u>	<u>\$ 2,887,328</u>	<u>\$ 2,405,578</u>
<u>\$1,001,232</u>	<u>\$2,658,698</u>	<u>\$ 625,534</u>	<u>\$ 5,307,888</u>	<u>\$ 4,281,488</u>
<u>\$1,027,293</u>	<u>\$3,385,775</u>	<u>\$ 636,064</u>	<u>\$ 6,415,493</u>	<u>\$ 5,266,765</u>
=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
YEAR ENDING DECEMBER 31, 1987
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	<u>Community Food</u>	<u>Laundry</u>	<u>Supplies and Services</u>
Operating Revenues			
Charges for services	\$ 665,260	\$ 865,318	\$1,066,833
Other	740	-	-
Total Operating Revenues	<u>\$ 666,000</u>	<u>\$ 865,318</u>	<u>\$1,066,833</u>
Operating Expenses			
Personal services	\$ 335,615	\$ 584,878	\$ 98,134
Contractual services	92,551	94,621	725,813
Material	270,447	205,761	194,327
Depreciation	-	39,614	12,425
Total Operating Expenses	<u>\$ 698,613</u>	<u>\$ 924,874</u>	<u>\$1,030,699</u>
Operating income (loss)	<u>\$ (32,613)</u>	<u>\$ (59,556)</u>	<u>\$ 36,134</u>
Nonoperating Revenues (Expenses)			
Taxes	\$ 180,324	\$ 288,697	\$ -
Interest on investments	-	-	-
Disposition of fixed assets	-	(4,556)	-
Total Nonoperating Revenues (Expenses)	<u>\$ 180,324</u>	<u>\$ 284,141</u>	<u>\$ -</u>
Net Income (Loss)	\$ 147,711	\$ 224,585	\$ 36,134
Retained earnings - January 1	<u>(171,552)</u>	<u>(168,784)</u>	<u>158,545</u>
Retained earnings - December 31	<u>\$ (23,841)</u>	<u>\$ 55,801</u>	<u>\$ 194,679</u>

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

Statement E-2

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$797,812	\$ 1,586,113	\$ 51,247	\$ 5,032,583	\$ 5,054,357
<u>1,205</u>	<u>-</u>	<u>-</u>	<u>1,945</u>	<u>15,163</u>
<u>\$799,017</u>	<u>\$ 1,586,113</u>	<u>\$ 51,247</u>	<u>\$ 5,034,528</u>	<u>\$ 5,069,520</u>
\$245,446	\$ -	\$ -	\$ 1,264,073	\$ 1,329,516
192,292	1,746,842	-	2,852,119	2,703,784
293,627	-	656	964,818	999,848
<u>98,609</u>	<u>-</u>	<u>51,077</u>	<u>201,725</u>	<u>183,973</u>
<u>\$829,974</u>	<u>\$ 1,746,842</u>	<u>\$ 51,733</u>	<u>\$ 5,282,735</u>	<u>\$ 5,217,121</u>
<u>\$(30,957)</u>	<u>\$ (160,729)</u>	<u>\$ (486)</u>	<u>\$ (248,207)</u>	<u>\$ (147,601)</u>
\$ -	\$ 59,758	\$ -	\$ 528,779	\$ 98,229
-	197,070	-	197,070	152,526
<u>8,664</u>	<u>-</u>	<u>-</u>	<u>4,108</u>	<u>5,387</u>
<u>\$ 8,664</u>	<u>\$ 256,828</u>	<u>\$ -</u>	<u>\$ 729,957</u>	<u>\$ 256,142</u>
<u>\$(22,293)</u>	<u>\$ 96,099</u>	<u>\$ (486)</u>	<u>\$ 481,750</u>	<u>\$ 108,541</u>
<u>28,539</u>	<u>2,562,599</u>	<u>(3,769)</u>	<u>2,405,578</u>	<u>2,297,037</u>
<u>\$ 6,246</u>	<u>\$ 2,658,698</u>	<u>\$ (4,255)</u>	<u>\$ 2,887,328</u>	<u>\$ 2,405,578</u>
=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	<u>Community Food</u>	<u>Laundry</u>	<u>Supplies and Services</u>
Sources of Working Capital			
Operations			
Net income (loss)	\$ 147,711	\$ 224,585	\$ 36,134
Items not requiring (providing) working capital			
Depreciation	-	39,614	12,425
Undepreciated cost of fixed assets disposed of or sold	<u>-</u>	<u>4,556</u>	<u>5,153</u>
Working capital provided by operations	\$ 147,711	\$ 268,755	\$ 53,712
Increase in long-term liabilities	-	-	-
Increase in contributed capital	-	65,203	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Total Sources of Working Capital	<u>\$ 147,711</u>	<u>\$ 333,958</u>	<u>\$ 53,712</u>
Uses of Working Capital			
Transfer of fixed assets	\$ -	\$ -	\$ -
Acquisition of fixed assets	-	351,354	13,733
Decrease in long-term liabilities	<u>4,555</u>	<u>1,977</u>	<u>7,439</u>
Total Uses of Working Capital	<u>\$ 4,555</u>	<u>\$ 353,331</u>	<u>\$ 21,172</u>
Net Increase (Decrease) in Working Capital	<u>\$ 143,156</u>	<u>\$ (19,373)</u>	<u>\$ 32,540</u>

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

Statement E-3

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ (22,293)	\$ 96,099	\$ (486)	\$ 481,750	\$ 108,541
98,609	-	51,077	201,725	183,973
<u>1,979</u>	<u>-</u>	<u>1,200</u>	<u>12,888</u>	<u>-</u>
\$ 78,295	\$ 96,099	\$ 51,791	\$ 696,363	\$ 292,514
-	-	-	-	16,233
-	-	479,447	544,650	730,582
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,274</u>
\$ <u>78,295</u>	\$ <u>96,099</u>	\$ <u>531,238</u>	\$ <u>1,241,013</u>	\$ <u>1,066,603</u>
\$ -	\$ -	\$ -	\$ -	\$ 535,209
78,934	-	37,488	481,509	102,048
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,971</u>	<u>16,386</u>
\$ <u>78,934</u>	\$ <u>-</u>	\$ <u>37,488</u>	\$ <u>495,480</u>	\$ <u>653,643</u>
\$ <u>(639)</u>	\$ <u>96,099</u>	\$ <u>493,750</u>	\$ <u>745,533</u>	\$ <u>412,960</u>

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	<u>Community Food</u>	<u>Laundry</u>	<u>Supplies and Services</u>
Elements of Net Increase			
(Decrease) in Working Capital			
Cash, pooled deposits and investments	\$ 97,842	\$ 54,359	\$ 15,501
Fund deposits and invest- ments,	-	-	-
Receivables			
Taxes			
Unapportioned	1,989	3,181	-
Delinquent	7,607	12,173	-
Accounts	-	(8,861)	1,211
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from other governments	23,537	-	(2,217)
Inventories	12,362	(19,410)	13,906
Prepaid expense	-	-	-
Accounts payable	9,136	(46,803)	4,029
Salaries payable	1,765	(147)	(482)
Compensated absences	2,179	(2,954)	(1,153)
Claims payable	-	-	-
Due to other funds	-	-	-
Due to other governments	(6,442)	-	-
Deferred revenue	(6,819)	(10,911)	-
Installment purchases	-	-	1,745
	<u> </u>	<u> </u>	<u> </u>
Net Increase (Decrease) in Working Capital	\$ 143,156 =====	\$ (19,373) =====	\$ 32,540 =====

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

Statement E-3
(Continued)

<u>County Garage</u>	<u>County Insurance</u>	<u>Data Processing Equipment</u>	<u>Totals</u>	
			<u>1987</u>	<u>1986 Restated</u>
\$ 12,145	\$ (380,163)	\$ 503,580	\$ 303,264	\$ 632,318
-	621,265	-	621,265	241,186
-	(1,347)	-	3,823	-
-	(1,337)	-	18,443	2,789
2,559	(2,214)	-	(7,305)	(19,857)
-	11,234	-	11,234	(17,006)
(519)	-	-	(519)	(615,665)
(1,851)	25,524	-	44,993	38,262
(4,107)	-	-	2,751	91,660
(942)	-	-	(942)	28,093
(5,334)	86,812	(9,830)	38,010	(87,254)
(920)	-	-	216	(21,497)
(1,670)	-	-	(3,598)	(42,973)
-	(259,093)	-	(259,093)	122,664
-	-	-	-	2,825
-	(5,565)	-	(12,007)	46,236
-	983	-	(16,747)	11,041
-	-	-	1,745	138
<u>\$ (639)</u>	<u>\$ 96,099</u>	<u>\$ 493,750</u>	<u>\$ 745,533</u>	<u>\$ 412,960</u>

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ST. LOUIS COUNTY, MINNESOTA

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

Expendable Trust Funds

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

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

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA

Expendable Trust Funds (Continued)

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

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

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

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

Agency Funds

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA

Agency Funds (Continued)

Recorders Fee Escrow Fund is used to account for Deed Fees from forfeited land sales. The County Recorder bills this fund as the transfers of properties are recorded.

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

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

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

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

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA

Agency Funds (Continued)

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

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

Railroad Authority Fund is used to provide (in conjunction with Lake County, Minnesota) for the operations of a scenic tourist excursion railway throughout northern Minnesota, and for future freight traffic along the north shore of Lake Superior.

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

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

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

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ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL EXPENDABLE TRUST AND AGENCY FUNDS
 DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Expendable</u>			<u>Trust</u>		
	<u>Missing Heirs</u>	<u>Private Redemption</u>	<u>Exchange of Land</u>	<u>Tax Certificate Assurance</u>	<u>Forfeited Tax Sale</u>	<u>Forest Resources</u>
Assets						
Cash, pooled deposits and investments	\$ 108,780	\$ 414	\$ 22,798	\$ 70,952	\$ 173,937	\$ 601,006
Fund deposits and investments	24,789	-	-	-	-	-
Invested employee contribution	-	-	-	-	-	-
Receivables						
Taxes						
Delinquent Accounts	1,775	-	-	-	1,540,430	-
Accrued interest	87	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-
Total Assets	\$ 135,431	\$ 414	\$ 22,798	\$ 70,952	\$1,714,367	\$ 601,006
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 28,537	\$ 30,436
Salaries payable	-	-	-	-	33,797	-
Compensated absences	-	-	-	-	-	-
Deferred compensation payable	-	-	-	-	-	-
Unapportioned taxes payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	2,979	-
Deferred revenue	-	-	-	-	1,572,240	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$1,637,553	\$ 30,436

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

Statement F-1

			<u>Totals</u>		
<u>Sheriff Fines</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>All Agency Funds</u>	<u>1987</u>	<u>1986</u>
\$ 3,108	\$ 39,656	\$ 134	\$ 5,420,192	\$ 6,458,764	\$ 7,153,479
-	-	-	908,739	1,038,528	2,409,710
-	-	-	10,241,127	10,241,127	8,839,726
-	-	-	-	-	85,809
-	-	-	2,063	1,544,268	1,461,360
-	-	-	-	2,549	14,756
-	-	-	-	-	1,435
-	-	-	236,916	236,916	128,322
-	-	-	-	-	17,114
<u>\$ 3,108</u>	<u>\$ 39,656</u>	<u>\$ 134</u>	<u>\$ 16,809,037</u>	<u>\$19,522,152</u>	<u>\$20,111,711</u>
=====	=====	=====	=====	=====	=====
\$ -	\$ -	\$ -	\$ 2,163,144	\$ 2,222,117	\$ 2,116,559
-	-	-	-	33,797	26,255
-	-	-	180,214	180,214	153,943
-	-	-	10,241,127	10,241,127	8,839,726
-	-	-	934,354	934,354	1,330,033
-	-	-	-	-	378,417
-	-	-	3,290,198	3,293,177	5,063,619
-	-	-	-	1,572,240	1,447,413
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,809,037</u>	<u>\$18,477,026</u>	<u>\$19,355,965</u>

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL EXPENDABLE TRUST AND AGENCY FUNDS
 DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1986

	<u>Expendable</u>			<u>Trust</u>		
	<u>Missing Heirs</u>	<u>Private Redemption</u>	<u>Exchange Of Land</u>	<u>Certificate Tax Assurance</u>	<u>Forfeited Tax Sale</u>	<u>Forest Resources</u>
<u>Liabilities and Fund Balance</u> (Continued)						
Fund Balance						
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 15,645	\$ -
Reserved for health and welfare	-	-	-	-	19,926	-
Reserved for advance to other funds	-	-	-	-	-	-
Reserved for assurance fund	-	-	-	-	22,691	-
Reserved for state deeds	-	-	-	-	1,438	-
Unreserved - undesignated	<u>135,431</u>	<u>414</u>	<u>22,798</u>	<u>70,952</u>	<u>17,114</u>	<u>570,570</u>
Total Fund Balance	<u>\$ 135,431</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 70,952</u>	<u>\$ 76,814</u>	<u>\$ 570,570</u>
Total Liabilities and Fund Balance	<u>\$ 135,431</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 70,952</u>	<u>\$1,714,367</u>	<u>\$ 601,006</u>

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

Statement F-1

					<u>Totals</u>	
<u>Patients'</u> <u>Escrow</u>	<u>Sheriff</u> <u>Fines</u>	<u>Attorney</u> <u>Forfeitures</u>	<u>Sheriff</u> <u>Forfeitures</u>	<u>All Agency</u> <u>Funds</u>	<u>1987</u>	<u>1986</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,645	\$ 8,380
-	-	-	-	-	19,926	17,908
-	-	-	-	-	-	17,114
-	-	-	-	-	22,691	14,388
-	-	-	-	-	1,438	1,367
<u>125,249</u>	<u>3,108</u>	<u>39,656</u>	<u>134</u>	<u>-</u>	<u>985,426</u>	<u>696,589</u>
<u>\$ 125,249</u>	<u>\$ 3,108</u>	<u>\$ 39,656</u>	<u>\$ 134</u>	<u>\$ -</u>	<u>\$ 1,045,126</u>	<u>\$ 755,746</u>
<u>\$ 125,249</u>	<u>\$ 3,108</u>	<u>\$ 39,656</u>	<u>\$ 134</u>	<u>\$16,809,037</u>	<u>\$19,522,152</u>	<u>\$20,111,711</u>
=====	=====	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL EXPENDABLE TRUST FUNDS
 YEAR ENDED DECEMBER 31, 1987
 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 1986

	Expendable Trust			
	Missing Heirs	Private Redemption	Exchange Of Land	Tax Certificate Assurance
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	9,288
Miscellaneous	<u>65,561</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 65,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,288</u>
Expenditures				
Conservation of natural resources	\$ -	\$ -	\$ -	\$ -
Miscellaneous	<u>134</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 65,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,288</u>
Other Financing Sources (Uses)				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ 65,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,288</u>
Fund Balance - January 1	<u>70,004</u>	<u>414</u>	<u>22,798</u>	<u>61,664</u>
Fund Balance - December 31	<u>\$ 135,431</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 70,952</u>
	=====	=====	=====	=====

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

Statement F-2

Forfeited Tax Sale	Forest Resources	Patients' Escrow	Sheriff Fines	Attorney Forfeitures	Sheriff Forfeitures	Totals	
						1987	1986
\$ -	\$ 481,287	\$ -	\$ -	\$ -	\$ -	\$ 481,287	\$ 481,287
1,533,916	-	1,017	3,108	39,656	134	9,288	35,451
<u>\$1,533,916</u>	<u>\$ 481,287</u>	<u>\$ 1,017</u>	<u>\$ 3,108</u>	<u>\$ 39,656</u>	<u>\$ 134</u>	<u>\$ 1,643,292</u>	<u>\$ 1,725,437</u>
\$1,643,320	\$ 176,550	\$ -	\$ -	\$ -	\$ -	\$ 1,819,870	\$ 2,174,421
-	-	24,483	-	-	-	24,617	222,381
<u>\$1,643,320</u>	<u>\$ 176,550</u>	<u>\$ 24,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,844,487</u>	<u>\$ 2,396,802</u>
\$ (109,504)	\$ 304,737	\$ (23,466)	\$ 3,108	\$ 39,656	\$ 134	\$ 289,380	\$ (154,649)
\$ 121,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,728	\$ 368,402
-	(121,728)	-	-	-	-	(121,728)	(368,402)
<u>\$ 121,728</u>	<u>\$ (121,728)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,224	\$ 183,009	\$ (23,466)	\$ 3,108	\$ 39,656	\$ 134	\$ 289,380	\$ (154,649)
64,590	387,561	148,715	-	-	-	755,746	910,395
<u>\$ 76,814</u>	<u>\$ 570,570</u>	<u>\$ 125,249</u>	<u>\$ 3,108</u>	<u>\$ 39,656</u>	<u>\$ 134</u>	<u>\$ 1,045,126</u>	<u>\$ 755,746</u>
=====	=====	=====	=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 1987

	Balance January 1	Additions	Deductions	Balance December 1
<u>STATE OF MINNESOTA</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 237,996	\$23,898,472	\$23,877,324	\$ 259,144
Departmental cash	191	-	191	-
Fund deposits and investments	2,294,710	9,905,620	11,291,591	908,739
Accrued interest receivable	13,311	-	13,311	-
Due from other governments	53	42,569	41,647	975
Total Assets	\$2,546,261	\$33,846,661	\$35,224,064	\$1,168,858
	=====	=====	=====	=====
<u>Liabilities</u>				
Due to other governments	\$2,546,261	\$33,846,661	\$35,224,064	\$1,168,858
	=====	=====	=====	=====
<u>BEER-AUCTIONEER</u>				
<u>LICENSES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ -	\$ 3,370	\$ 3,370	\$ -
	=====	=====	=====	=====
<u>Liabilities</u>				
Due to other governments	\$ -	\$ 3,370	\$ 3,370	\$ -
	=====	=====	=====	=====

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>CITIES AND TOWNS FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 412,612	\$ 1,309,842	\$ 1,627,718	\$ 94,736
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ 1,935	\$ 393,527	\$ 394,967	\$ 495
Compensated absences	16,746	13,530	16,746	13,530
Due to other funds	304,972	1,214	306,186	-
Due to other governments	88,959	901,571	909,819	80,711
	=====	=====	=====	=====
Total Liabilities	\$ 412,612	\$ 1,309,842	\$ 1,627,718	\$ 94,736
	=====	=====	=====	=====
<u>GAME AND FISH LICENSE FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 412,786	\$ 2,131,658	\$ 2,274,279	\$ 270,165
	=====	=====	=====	=====
<u>Liabilities</u>				
Due to other funds	\$ 73,445	\$ -	\$ 73,445	\$ -
Due to other governments	339,341	2,131,658	2,200,834	270,165
	=====	=====	=====	=====
Total Liabilities	\$ 412,786	\$ 2,131,658	\$ 2,274,279	\$ 270,165
	=====	=====	=====	=====

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>RECORDERS FEE ESCROW</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ -	\$ 150	\$ 150	\$ -
	=====	=====	=====	=====
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 150	\$ 150	\$ -
	=====	=====	=====	=====
<u>TAXES AND PENALTIES</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$2,856,023	\$108,327,283	\$108,679,004	\$2,504,302
Receivables				
Taxes				
Delinquent	85,809	-	85,809	-
Accounts	21,191	-	21,191	-
Due from other governments	-	808,631	808,631	-
	-----	-----	-----	-----
Total Assets	\$2,963,023	\$109,135,914	\$109,594,635	\$2,504,302
	=====	=====	=====	=====
<u>Liabilities</u>				
Unapportioned taxes payable	\$1,330,033	\$ 934,354	\$ 1,330,033	\$ 934,354
Due to other governments	1,632,990	108,201,560	108,264,602	1,569,948
	-----	-----	-----	-----
Total Liabilities	\$2,963,023	\$109,135,914	\$109,594,635	\$2,504,302
	=====	=====	=====	=====

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>PAYROLL DEDUCTIONS</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 288,916	\$34,318,462	\$34,581,779	\$ 25,599
Due from other funds	<u>1,435</u>	<u>-</u>	<u>1,435</u>	<u>-</u>
Total Assets	<u>\$ 290,351</u>	<u>\$34,318,462</u>	<u>\$34,583,214</u>	<u>\$ 25,599</u>
<u>Liabilities</u>				
Accounts payable	\$ 83,143	\$ 599,754	\$ 680,421	\$ 2,476
Due to other governments	<u>207,208</u>	<u>33,718,708</u>	<u>33,902,793</u>	<u>23,123</u>
Total Liabilities	<u>\$ 290,351</u>	<u>\$34,318,462</u>	<u>\$34,583,214</u>	<u>\$ 25,599</u>
<u>SERIES EE SAVINGS</u> <u>BOND FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 2,907	\$ 117,967	\$ 117,555	\$ 3,319
	<u>2,907</u>	<u>117,967</u>	<u>117,555</u>	<u>3,319</u>
<u>Liabilities</u>				
Due to other governments	\$ 2,907	\$ 117,967	\$ 117,555	\$ 3,319
	<u>2,907</u>	<u>117,967</u>	<u>117,555</u>	<u>3,319</u>

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>MEDICAL INSURANCE</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$1,893,826 =====	\$6,138,230 =====	\$6,031,707 =====	\$2,000,349 =====
<u>Liabilities</u>				
Accounts payable	\$1,893,826 =====	\$6,138,230 =====	\$6,031,707 =====	\$2,000,349 =====
<u>CANCELED CHECK</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 13,566 =====	\$ 28,280 =====	\$ 7,893 =====	\$ 33,953 =====
<u>Liabilities</u>				
Accounts payable	\$ 13,566 =====	\$ 28,280 =====	\$ 7,893 =====	\$ 33,953 =====
<u>AGENCY MISCELLANEOUS</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ - =====	\$ 64,047 =====	\$ 64,047 =====	\$ - =====
<u>Liabilities</u>				
Accounts payable	\$ - =====	\$ 64,047 =====	\$ 64,047 =====	\$ - =====

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>HIGH VOLTAGE CREDIT FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 92,896	\$ 102,170	\$ 92,896	\$ 102,170
<u>Liabilities</u>				
Due to other governments	\$ 92,896	\$ 102,170	\$ 92,896	\$ 102,170
<u>DRUG TASK FORCE FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ -	\$ 6,500	\$ -	\$ 6,500
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 6,500	\$ -	\$ 6,500
<u>ASSAULT FEES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ -	\$ 1,445	\$ -	\$ 1,445
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,445	\$ -	\$ 1,445

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>DEFERRED COMPENSATION</u>				
<u>FUND</u>				
<u>Assets</u>				
Invested employee contribution	\$8,839,726 =====	\$2,440,248 =====	\$1,038,847 =====	\$10,241,127 =====
<u>Liabilities</u>				
Deferred compensation payable	\$8,839,726 =====	\$2,440,248 =====	\$1,038,847 =====	\$10,241,127 =====
<u>RAILROAD AUTHORITY</u>				
<u>FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 19,938 =====	\$ - =====	\$ 19,938 =====	\$ - =====
<u>Liabilities</u>				
Accounts payable	\$ 19,938 =====	\$ - =====	\$ 19,938 =====	\$ - =====

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>ARROWHEAD REGIONAL</u>				
<u>CORRECTIONS FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 241,680	\$5,872,480	\$5,952,994	\$ 161,166
Accounts receivable	77	2,063	77	2,063
Due from other governments	<u>26,835</u>	<u>69,723</u>	<u>26,835</u>	<u>69,723</u>
Total Assets	<u>\$ 268,592</u>	<u>\$5,944,266</u>	<u>\$5,979,906</u>	<u>\$ 232,952</u>
<u>Liabilities</u>				
Accounts payable	\$ 65,067	\$5,779,891	\$5,776,381	\$ 68,577
Compensated absences	134,009	164,375	134,009	164,375
Due to other governments	<u>69,516</u>	<u>-</u>	<u>69,516</u>	<u>-</u>
Total Liabilities	<u>\$ 268,592</u>	<u>\$5,944,266</u>	<u>\$5,979,906</u>	<u>\$ 232,952</u>

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>COMMUNITY HEALTH SERVICES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 16,870	\$1,333,185	\$1,297,368	\$ 52,687
Due from other governments	<u>71,382</u>	<u>69,952</u>	<u>71,382</u>	<u>69,952</u>
Total Assets	<u>\$ 88,252</u>	<u>\$1,403,137</u>	<u>\$1,368,750</u>	<u>\$ 122,639</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,547	\$ 200,366	\$ 153,487	\$ 48,426
Compensated absences	3,188	2,309	3,188	2,309
Due to other governments	<u>83,517</u>	<u>1,200,462</u>	<u>1,212,075</u>	<u>71,904</u>
Total Liabilities	<u>\$ 88,252</u>	<u>\$1,403,137</u>	<u>\$1,368,750</u>	<u>\$ 122,639</u>
<u>GRANTS FROM OUTSIDE SOURCES FUND</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ (24,353)	\$ 254,444	\$ 325,434	\$ (95,343)
Due from other governments	<u>30,052</u>	<u>96,266</u>	<u>30,052</u>	<u>96,266</u>
Total Assets	<u>\$ 5,699</u>	<u>\$ 350,710</u>	<u>\$ 355,486</u>	<u>\$ 923</u>
<u>Liabilities</u>				
Accounts payable	<u>\$ 5,699</u>	<u>\$ 350,710</u>	<u>\$ 355,486</u>	<u>\$ 923</u>

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

ST. LOUIS COUNTY, MINNESOTA

STATEMENT F-3
(CONTINUED)COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1987

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31</u>
<u>ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash, pooled deposits and investments	\$ 6,465,663	\$183,907,985	\$184,953,456	\$ 5,420,192
Departmental cash	191	-	191	-
Fund deposits and investments	2,294,710	9,905,620	11,291,591	908,739
Invested employee contribution	8,839,726	2,440,248	1,038,847	10,241,127
Receivables				
Taxes				
Delinquent	85,809	-	85,809	-
Accounts	21,268	2,063	21,268	2,063
Accrued interest	13,311	-	13,311	-
Due from other funds	1,435	-	1,435	-
Due from other governments	<u>128,322</u>	<u>1,087,141</u>	<u>978,547</u>	<u>236,916</u>
Total Assets	<u>\$17,850,435</u>	<u>\$197,343,057</u>	<u>\$198,384,455</u>	<u>\$16,809,037</u>
<u>Liabilities</u>				
Accounts payable	\$ 2,084,721	\$ 13,562,900	\$ 13,484,477	\$ 2,163,144
Compensated absences	153,943	180,214	153,943	180,214
Deferred compensation payable	8,839,726	2,440,248	1,038,847	10,241,127
Unapportioned taxes payable	1,330,033	934,354	1,330,033	934,354
Due to other funds	378,417	1,214	379,631	-
Due to other governments	<u>5,063,595</u>	<u>180,224,127</u>	<u>181,997,524</u>	<u>3,290,198</u>
Total Liabilities	<u>\$17,850,435</u>	<u>\$197,343,057</u>	<u>\$198,384,455</u>	<u>\$16,809,037</u>

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

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**SUPPLEMENTARY
INFORMATION**

SCHEDULE I

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INVESTMENTS
DECEMBER 31, 1987

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Cost</u>
Pooled Investments			
Certificates of deposit	6.65% - 7.60%	<u>\$28,150,000</u>	<u>\$28,150,000</u>
Fund Investments			
Chris Jensen Enterprise Fund			
Certificates of deposit	7.50%	<u>\$ 500,000</u>	<u>\$ 500,000</u>
County Insurance Internal			
Service Fund			
Certificates of deposit	6.51% - 7.30%	<u>\$ 2,250,000</u>	<u>\$ 2,250,000</u>
U.S. Treasury Bills	6.49%	10,000	9,836
U.S. Treasury Notes	6.62% - 10.0%	390,000	393,665
GNMA's	9.00%	<u>180,000</u>	<u>188,978</u>
Total Internal Service Fund		<u>\$ 2,830,000</u>	<u>\$ 2,842,479</u>
Patients' Escrow Expendable			
Trust Fund			
Certificates of deposit	5.92% - 6.90%	<u>\$ 105,000</u>	<u>\$ 105,000</u>
Missing Heirs Expendable			
Trust Fund			
GNMA	9.00%	<u>\$ 25,000</u>	<u>\$ 24,789</u>
State of Minnesota Agency Fund			
Certificates of deposit	6.51%	<u>\$ 908,739</u>	<u>\$ 908,739</u>
Total Fund Investments		<u>\$ 4,368,739</u>	<u>\$ 4,381,007</u>
Total		<u>\$32,518,739</u>	<u>\$32,531,007</u>
		=====	=====

SCHEDULE II

ST. LOUIS COUNTY, MINNESOTA

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

	Taxes Payable in Year					
	1986		1987		1988	
	<u>Amount</u>	<u>Tax Rate in Mills</u>	<u>Amount</u>	<u>Tax Rate in Mills</u>	<u>Amount</u>	<u>Tax Rate in Mills</u>
Taxable Valuations:						
Real property	\$707,023,852		\$695,450,062		\$658,609,731	
Personal property	<u>48,331,651</u>		<u>49,562,153</u>		<u>50,101,467</u>	
Total Taxable Valuations	\$755,355,503		\$745,012,215		\$708,711,198	
	=====		=====		=====	
Tax Levy for County Purposes:						
General fund	\$ 4,607,669	6.10	\$ 8,291,868	11.13	\$14,131,701	19.94
Road and bridge	5,952,201	7.88	10,042,621	13.48	9,617,211	13.57
Social services	30,969,576	41.00	27,952,460	37.52	23,380,382	32.99
Arrowhead Reginal						
Corrections	2,356,709	3.12	2,600,056	3.49	-0-	.00
Land investment	-0-	.00	469,351	.63	581,144	.82
Aid to victims of						
sexual assault	37,768	.05	37,250	.05	***	
Emergency	105,750	.14	96,850	.13	-0-	
Public health	1,518,265	2.01	752,452	1.01	***	
Communicable diseases	-0-	.00	-0-	.00	***	
Solid waste management	128,410	.17	22,350	.03	***	
County insurance	98,196	.13	59,600	.08	340,182	.48
Medical care facilities	1,684,442	2.23	1,683,704	2.26	1,686,732	2.38
Capital improvements	<u>-0-</u>	<u>.00</u>	<u>-0-</u>	<u>.00</u>	<u>2,274,963</u>	<u>3.21</u>
Total County-wise Levies	\$47,458,986	62.83	\$52,008,562	69.81	\$52,012,315	73.39
	=====		=====		=====	

*** Included in General Fund Levy

Schedule II
(Continued)

ST. LOUIS COUNTY, MINNESOTA

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

	Taxes Payable in Year					
	1986		1987		1988	
	Amount	Tax Rate in Mills	Amount	Tax Rate in Mills	Amount	Tax Rate in Mills
**Solid Waste service area	\$ 913,021	.06 to 10.00	\$ 1,298,448	.07 to 10.00	\$ 1,344,530	.07 to 10.00
* Library	<u>179,797</u>	.63	<u>179,592</u>	.64	<u>184,294</u>	.69
Total Regional Levies	<u>\$ 1,092,818</u>		<u>\$ 1,478,040</u>		<u>\$ 1,528,824</u>	
Total Levy for County Purposes	\$48,551,804		\$53,486,602		\$53,541,139	
Less: Tax credits payable by State	<u>\$14,348,657</u>		<u>\$15,571,629</u>		<u>\$15,959,653</u>	
Net Levy for County Purposes	<u>\$34,203,147</u>		<u>\$37,914,973</u>		<u>\$37,581,486</u>	
Taxable Valuations -						
Light and Power						
Assessed at 43%	\$ 5,818,347		\$ 6,046,975		\$ 6,038,034	
Assessed at 5%	<u>188,315</u>		<u>204,955</u>		<u>212,670</u>	
Total Taxable Valuations						
Light and Power	<u>\$ 6,006,662</u>		<u>\$ 6,251,930</u>		<u>\$ 6,250,704</u>	
Light and Power Tax Levies (distributed pursuant to Minn. Stat. 273.43, as amended)						
Assessed at 43%	\$ 928,957	159.66	\$ 1,021,697	168.96	\$ 1,084,733	179.65
Assessed at 5%	<u>30,066</u>	159.66	<u>34,629</u>	168.96	<u>38,206</u>	179.65
Total Light and Power Tax Levies	<u>\$ 959,023</u>		<u>\$ 1,056,326</u>		<u>\$ 1,122,939</u>	
Special Assessments						
Liens and assessments	<u>\$ 1,059,909</u>		<u>\$ 1,109,324</u>		<u>\$ 830,930</u>	
Percentage of tax collections for all purposes	96.00%		95.37%			

* Levied on certain regions within the County.

** Varying amounts are levied on regions within the County.

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>General Fund</u>	<u>County Grants and Subsidies</u>	<u>Emergency</u>
Shared revenue			
State			
30 percent rental income	\$ 365	\$ 130	\$ 4
Homestead credit - real estate	1,955,197	774,887	22,837
Homestead credit - mobile home	10,991	4,356	128
Police aid	377,967	-	-
County road and bridge aid	-	-	-
Highway users tax	-	-	-
Township bridge bond	-	-	-
Local government aid	6,074	-	-
Alcoholic assessment	4,578	-	-
Mineral rents and royalties	409,430	-	-
Other intergovernmental revenue	<u>194,338</u>	<u>-</u>	<u>-</u>
Total Shared Revenue	<u>\$2,958,940</u>	<u>\$ 779,373</u>	<u>\$ 22,969</u>

SCHEDULE III

<u>Special Revenue Funds</u>				
<u>Land Investment</u>	<u>Public Health</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Solid Waste Authorities</u>
\$ -	\$ 30	\$ 405	\$ 1,127	\$ -
-	177,426	2,380,990	6,591,105	306,168
-	997	13,311	37,052	1,722
-	-	-	-	-
-	-	1,890,822	-	-
-	-	7,920,176	-	-
-	-	2,675	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	70,095	-	-
<u>\$ -</u>	<u>\$ 178,453</u>	<u>\$12,278,474</u>	<u>\$ 6,629,284</u>	<u>\$ 307,890</u>

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Special Revenue Funds</u>	
	<u>Solid Waste Management</u>	<u>Railroad Authority</u>
Shared revenue		
State		
30 percent rental income	\$ 1	\$ -
Homestead credit - real estate	5,270	-
Homestead credit - mobile home	30	-
Police aid	-	-
County road and bridge aid	-	-
Highway users tax	-	-
Township bridge bond	-	-
Local government aid	-	-
Alcoholic assessment	-	-
Mineral rents and royalties	-	-
Other intergovernmental revenue	<u>18,457</u>	<u>-</u>
Total Shared Revenue	<u>\$ 23,758</u>	<u>\$ -</u>

SCHEDULE III
(Continued)

<u>Enterprise Funds</u>			<u>Agency Funds</u>		<u>Total</u>
<u>County Health Services</u>	<u>Residential Treatment</u>	<u>Forest Resources Trust Fund</u>	<u>Cities and Towns</u>	<u>Grants From Outside Sources</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,062
-	-	-	-	-	12,213,880
-	-	-	-	-	68,587
-	-	-	-	-	377,967
-	-	-	-	-	1,890,822
-	-	-	-	-	7,920,176
-	-	-	-	-	2,675
-	-	-	-	-	6,074
-	-	-	-	-	4,578
-	-	-	-	-	409,430
-	-	-	-	-	282,890
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$23,179,141</u>

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>General Fund</u>	<u>County Grants and Subsidies</u>	<u>Emergency</u>
Grants			
State			
Native American Indian	\$ -	\$ -	\$ -
CHS	-	-	-
Family Planning	-	-	-
HTLV III	-	-	-
Railroad assistance	-	-	-
Non-smoking and health	-	-	-
Payments in lieu of taxes	-	-	-
Natural resources-			
boat and water	70,380	-	-
Natural resources -			
forest assistance	-	-	-
Administrative aid -			
medical assistance	-	-	-
Administrative aid - AFDC	-	-	-
Administrative aid -			
child support	-	-	-
Administrative aid -			
food stamps	-	-	-
Retired senior volunteer			
program	-	-	-
Medical assistance vendors	-	-	-
Aid for dependent children	-	-	-
AFDC - emergency assistance	-	-	-
CADI waiver	-	-	-
EPSDT - administration	-	-	-
PATHS AFDC PS CC	-	-	-
MR waived services	-	-	-
AC waiver	-	-	-
GA grant diversion -			
model employment	-	-	-
General assistance - grants	-	-	-
General assistance - medical	-	-	-
Minnesota supplemental aid	-	-	-
Work readiness grants	-	-	-
Work readiness administration	-	-	-
Work readiness employment			
advance	-	-	-
Sub-total	<u>\$ 70,380</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE III
(Continued)

<u>Special Revenue Funds</u>				
<u>Land Investment</u>	<u>Public Health</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Solid Waste Authorities</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	575,659	-	-	-
-	39,349	-	-	-
-	1,998	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
209,069	-	-	-	-
-	-	-	42,394	-
-	-	-	45,442	-
-	-	-	24,812	-
-	-	-	40,188	-
-	-	-	9,025	-
-	-	-	35,831	-
-	-	-	8,028,140	-
-	-	-	9,481	-
-	-	-	593	-
-	-	-	29,195	-
-	-	-	740,774	-
-	-	-	354,111	-
-	-	-	1,112,424	-
-	-	-	2,392	-
-	-	-	3,696,970	-
-	-	-	6,507	-
-	-	-	1,851,745	-
-	-	-	2,037,404	-
-	-	-	318,250	-
-	-	-	146,734	-
<u>\$ 209,069</u>	<u>\$ 617,006</u>	<u>\$ -</u>	<u>\$ 18,532,412</u>	<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Special Revenue Funds</u>	
	<u>Solid Waste Management</u>	<u>Railroad Authority</u>
Grants (continued)		
State		
Native American Indian	\$ -	\$ -
CHS	-	-
Family planning	-	-
HTLV III	-	-
Railroad assistance	-	44,500
Non-smoking and health	-	-
Payments in lieu of taxes	-	-
Natural resources -		
boat and water	-	-
Natural resources -		
forest assistance	-	-
Administrative aid -		
medical assistance	-	-
Administrative aid - AFDC	-	-
Administrative aid -		
child support	-	-
Administrative aid -		
food stamps	-	-
Retired senior volunteer		
program	-	-
Medical assistance vendors	-	-
Aid for dependent children	-	-
AFDC - emergency assistance	-	-
CADI waiver	-	-
EPSDT - administration	-	-
PATHS AFDC PS CC	-	-
MR waiver	-	-
AC waiver	-	-
GA grant diversion -		
model employment	-	-
General assistance - grants	-	-
General assistance - medical	-	-
Minnesota supplemental aid	-	-
Work readiness grants	-	-
Work readiness administration	-	-
Work readiness employment	-	-
advance	-	-
Sub-total	<u>\$ -</u>	<u>\$ 44,500</u>

SCHEDULE III
(Continued)

<u>Enterprise Funds</u>			<u>Agency Funds</u>		
<u>County Health Services</u>	<u>Residential Treatment</u>	<u>Forest Resources Trust Fund</u>	<u>Cities and Towns</u>	<u>Grants from Outside Sources</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 23,000	\$ 23,000
-	-	-	-	-	575,659
-	-	-	-	-	39,349
-	-	-	-	14,450	16,448
-	-	-	-	-	44,500
3,121	-	-	-	22,512	25,633
-	-	328,287	-	-	328,287
-	-	-	-	-	70,380
-	-	-	-	-	209,069
-	-	-	-	-	42,394
-	-	-	-	-	45,442
-	-	-	-	-	24,812
-	-	-	-	-	40,188
-	-	-	-	-	9,025
-	-	-	-	-	35,831
-	-	-	-	-	8,028,140
-	-	-	-	-	9,481
-	-	-	-	-	593
-	-	-	-	-	29,195
-	-	-	-	-	740,774
-	-	-	-	-	354,111
-	-	-	-	-	1,112,424
-	-	-	-	-	2,392
-	-	-	-	-	3,696,970
-	-	-	-	-	6,507
-	-	-	-	-	1,851,745
-	-	-	-	-	2,037,404
-	-	-	-	-	318,250
-	-	-	-	-	146,734
<u>\$ 3,121</u>	<u>\$ -</u>	<u>\$ 328,287</u>	<u>\$ -</u>	<u>\$ 59,962</u>	<u>\$19,864,737</u>

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>General Fund</u>	<u>County Grants and Subsidies</u>	<u>Emergency</u>
Grants (continued)			
State			
Community social service act	\$ -	\$ -	\$ -
Indian children	-	-	-
Mentally retarded, epileptic	-	-	-
Rule 12 M.I. residential care grant	-	-	-
Rule 14 M.I. special needs grant	-	-	-
Rule 20 semi-independent living - MR	-	-	-
Permanency planning	-	-	-
Administrative aid - general assistance	-	-	-
Administrative aid - Minnesota supplemental aid	-	-	-
Administrative aid - work readiness	-	-	-
Mortgage registry tax	-	-	-
Deed tax	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total State	\$ 70,380	\$ -	\$ -
	<hr/>	<hr/>	<hr/>

SCHEDULE III
(Continued)

Special Revenue Funds

<u>Land Investment</u>	<u>Public Health</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Solid Waste Authorities</u>
\$ -	\$ -	\$ -	\$ 3,787,969	\$ -
-	-	-	40,651	-
-	-	-	21,703	-
-	-	-	513,827	-
-	-	-	379,427	-
-	-	-	190,129	-
-	-	-	212,593	-
-	-	-	64,671	-
-	-	-	8,206	-
-	-	-	5,920	-
-	-	-	1,020,569	-
-	-	-	419,612	-
-	-	-	10	-
<u>\$ 209,069</u>	<u>\$ 617,006</u>	<u>\$ -</u>	<u>\$25,197,699</u>	<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Special Revenue Funds</u>	
	<u>Solid Waste Management</u>	<u>Railroad Authority</u>
Grants (continued)		
State		
Community social service act	\$ -	\$ -
Indian children	-	-
Mentally retarded, epileptic	-	-
Rule 12 M.I. residential		
care grant	-	-
Rule 14 M.I. special		
needs grant	-	-
Rule 20 semi-independent		
living - MR	-	-
Permanency planning	-	-
Administrative aid -		
general assistance	-	-
Administrative aid -		
Minnesota supplemental aid	-	-
Administrative aid -		
work readiness	-	-
Mortgage registry tax	-	-
Deed tax	-	-
Other	-	-
	<hr/>	<hr/>
Total State	\$ -	\$ 44,500
	<hr/>	<hr/>

SCHEDULE III
(Continued)

<u>Enterprise Funds</u>		Forest Resources Trust Fund	<u>Agency Funds</u>		Total
<u>County Health Services</u>	<u>Residential Fund</u>		<u>Cities and Towns</u>	<u>Grants from Outside Sources</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,787,969
-	-	-	-	-	40,651
-	-	-	-	-	21,703
-	-	-	-	-	513,827
-	-	-	-	-	379,427
-	-	-	-	-	190,129
-	-	-	-	-	212,593
-	-	-	-	-	64,671
-	-	-	-	-	8,206
-	-	-	-	-	5,920
-	-	-	-	-	1,020,569
-	-	-	-	-	419,612
-	-	-	-	-	10
<u>\$ 3,121</u>	<u>\$ -</u>	<u>\$ 328,287</u>	<u>\$ -</u>	<u>\$ 59,962</u>	<u>\$26,530,024</u>

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	General Fund	County	
		Grants and Subsidies	Emergency
Grants (continued)			
Federal			
School breakfast/lunch program \$	-	\$ -	\$ -
Women, infants, and children program	-	-	-
BWCA forest intensification	-	-	-
Jail treatment	883	-	-
MCH	-	-	-
Energy council	-	-	-
Emergency management	57,182	-	-
Construction	-	-	-
Aid to families with dependent children	14,062*	-	-
Medical assistance	13,234*	-	-
EPSDT	1,132*	-	-
Refugee	12*	-	-
Child support	15,336*	-	-
Food stamps	12,718*	-	-
Foster Care IV-E	40*	-	-
VOCA	2,991	-	-
Energy efficiency resort program	4,581	-	-
Project 55	9,246	-	-
Food stamp administration	-	-	-
Indo Chinese	-	-	-
Income maintenance-AFDC administration	-	-	-
Income maintenance medical assistance administration and transportation	-	-	-
EPSDT - administration	-	-	-
Aid for dependent children - grants	-	-	-
AFDC - emergency assistance - grants	-	-	-
Medical assistance vendors	-	-	-
Medical assistance title 19 adj	-	-	-
Income maintenance DJT - child care - AFDC	-	-	-
Child support - administration	-	-	-
Child support - incentive	-	-	-
Title IV-E foster care	-	-	-

*Represents \$56,534 federal indirect cost allocation (OMB Circular A-87).

SCHEDULE III
(Continued)

Special Revenue Funds

<u>Land Investment</u>	<u>Public Health</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Solid Waste Authorities</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	53,169	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,410,324	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	753,970	-
-	-	-	240,117	-
-	-	-	820,281	-
-	-	-	729,215	-
-	-	-	90,248	-
-	-	-	12,842,216	-
-	-	-	94,809	-
-	-	-	45,876	-
-	-	-	294,774	-
-	-	-	476,132	-
-	-	-	1,311,603	-
-	-	-	446,025	-
-	-	-	630,234	-

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Special Revenue Funds</u>	
	<u>Waste Management</u>	<u>Railroad Authority</u>
Grants (continued)		
Federal		
School breakfast/lunch program	\$ -	\$ -
Women, infants, and children program	-	-
BWCA forest intensification	-	-
Jail treatment	-	-
MCH	-	-
Energy council	-	-
Emergency management	-	-
Construction	-	-
Aid to families with dependent children	-	-
Medical assistance	-	-
EPSDT	-	-
Refugee	-	-
Child support	-	-
Food stamps	-	-
Foster care IV-E	-	-
VOCA	-	-
Energy efficiency resort program	-	-
Project 55	-	-
Food stamp administration	-	-
Indo Chinese	-	-
Income maintenance-AFDC administration	-	-
Income maintenance medical assistance administration and transportation	-	-
EPSDT-administration	-	-
Aid for dependent children - grants	-	-
AFDC-emergency assistance - grants	-	-
Medical assistance vendors	-	-
Medical assistance title 19 adj-	-	-
Income maintenance DJT - child care-AFDC	-	-
Child support - administration	-	-
Child support - incentive	-	-
Title IV-E foster care	-	-

SCHEDULE III
(Continued)

<u>Enterprise Funds</u>			<u>Agency Funds</u>			<u>Total</u>
<u>County Health Services</u>	<u>Residential Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Cities and Towns</u>	<u>Grants from Outside Sources</u>		
\$ -	\$ 5,802	\$ -	\$ -	\$ -	\$ 5,802	
218,257	-	-	-	-	271,426	
-	-	153,000	-	-	153,000	
-	-	-	-	14,391	15,274	
-	-	-	-	184,597	184,597	
-	-	-	-	15,000	15,000	
-	-	-	-	-	57,182	
-	-	-	-	-	2,410,324	
-	-	-	-	-	14,062	
-	-	-	-	-	13,234	
-	-	-	-	-	1,132	
-	-	-	-	-	12	
-	-	-	-	-	15,336	
-	-	-	-	-	12,718	
-	-	-	-	-	40	
-	-	-	-	-	2,991	
-	-	-	-	4,500	9,081	
-	-	-	2,577	-	11,823	
-	-	-	-	-	753,970	
-	-	-	-	-	240,117	
-	-	-	-	-	820,281	
-	-	-	-	-	729,215	
-	-	-	-	-	90,248	
-	-	-	-	-	12,842,216	
-	-	-	-	-	94,809	
-	-	-	-	-	45,876	
-	-	-	-	-	294,774	
-	-	-	-	-	476,132	
-	-	-	-	-	1,311,603	
-	-	-	-	-	446,025	
-	-	-	-	-	630,234	

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 1987

Grants (continued)	<u>General Fund</u>	<u>County Grants and Subsidies</u>	<u>Emergency</u>
Federal			
Income maintenance-staff development	\$ -	\$ -	\$ -
Title XX - block grant	-	-	-
Work incentive program	-	-	-
Retired senior volunteer program	-	-	-
Social service - Title III	-	-	-
Child welfare - IV-B - permanency planning	-	-	-
MR waiver	-	-	-
AC waiver	-	-	-
Food program- USDA	-	-	-
CADI waiver	-	-	-
Mental helath block grant	-	-	-
Chemical dependency block grant	-	-	-
Model employment project	-	-	-
Social service - NIMH revenue	-	-	-
Total Federal	<u>\$ 131,417</u>	<u>\$ -</u>	<u>\$ -</u>
Other			
City of Duluth	\$ -	\$ -	\$ -
Local	786	-	-
Total other	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ -</u>
Total Grants	<u>\$ 202,583</u>	<u>\$ -</u>	<u>\$ -</u>
Total Intergovernmental Revenue	<u><u>\$3,161,523</u></u>	<u><u>\$ 779,373</u></u>	<u><u>\$22,969</u></u>

SCHEDULE III
(Continued)

Special Revenue Funds				
<u>Land Investment</u>	<u>Public Health</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Solid Waste Authorities</u>
\$ -	\$ -	\$ -	\$ 20	\$ -
-	-	-	3,415,721	-
-	-	-	107,224	-
-	-	-	48,395	-
-	-	-	40,000	-
-	-	-	127,498	-
-	-	-	458,245	-
-	-	-	151,841	-
-	-	-	59,297	-
-	-	-	773	-
-	-	-	66,481	-
-	-	-	40,957	-
-	-	-	2,349	-
-	-	-	20,636	-
\$ -	\$ 53,169	\$ 2,410,324	\$ 23,314,937	\$ -
\$ -	\$ -	\$ -	\$ 7,870	\$ -
161,180	-	-	-	-
\$ 161,180	\$ -	\$ -	\$ 7,870	\$ -
\$ 370,249	\$ 670,175	\$ 2,410,324	\$ 48,520,506	\$ -
\$ 370,249	\$ 848,628	\$ 14,688,798	\$ 55,149,790	\$ 307,890
=====	=====	=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>Special Revenue Funds</u>	
	<u>Solid Waste Management</u>	<u>Railroad Authority</u>
Grants (continued)		
Federal		
Income maintenance-staff development	\$ -	\$ -
Title XX - block grant	-	-
Work incentive program	-	-
Retired senior volunteer program	-	-
Social service - Title III	-	-
Child welfare - IV-B - permanency planning	-	-
MR waiver	-	-
AC waiver	-	-
Food program - USDA	-	-
CADI waiver	-	-
Mental health block grant	-	-
Chemical dependency block grant	-	-
Model employment project	-	-
Social services - NIMH revenue	-	-
	<hr/>	<hr/>
Total Federal	\$ -	\$ -
Other		
City of Duluth	\$ -	\$ -
Local	-	-
Total Other	<hr/> \$ -	<hr/> \$ -
Total Grants	<hr/> \$ -	<hr/> \$ 44,500
Total Intergovernmental Revenue	<hr/> \$ 23,758 =====	<hr/> \$ 44,500 =====

SCHEDULE III
(Continued)

<u>Enterprise Funds</u>		<u>Forest Resources Trust Fund</u>	<u>Agency Funds</u>		<u>Total</u>
<u>County Health Services</u>	<u>Residential Treatment</u>		<u>Cities and Towns</u>	<u>Grants from Outside Sources</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20
-	-	-	-	-	3,415,721
-	-	-	-	-	107,224
-	-	-	-	-	48,395
-	-	-	-	-	40,000
-	-	-	-	-	127,498
-	-	-	-	-	458,245
-	-	-	-	-	151,841
-	-	-	-	-	59,297
-	-	-	-	-	773
-	-	-	-	-	66,481
-	-	-	-	-	40,957
-	-	-	-	-	2,349
-	-	-	-	-	20,636
<u>\$ 218,257</u>	<u>\$ 5,802</u>	<u>\$153,000</u>	<u>\$ 2,577</u>	<u>\$ 218,488</u>	<u>\$26,507,971</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,870
-	-	-	-	-	161,966
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,836</u>
<u>\$ 221,378</u>	<u>\$ 5,802</u>	<u>\$481,287</u>	<u>\$ 2,577</u>	<u>\$ 278,450</u>	<u>\$53,207,831</u>
<u>\$ 221,378</u>	<u>\$ 5,802</u>	<u>\$481,287</u>	<u>\$ 2,577</u>	<u>\$ 278,450</u>	<u>\$76,386,972</u>
=====	=====	=====	=====	=====	=====

SCHEDULE IV

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF FEDERAL GRANT INFORMATION
YEAR ENDED DECEMBER 31, 1987

<u>Federal Funding Source</u>	<u>Administering Agency</u>	<u>Federal Domestic Assistance #</u>	<u>Grant Name</u>	<u>Grant Number</u>
Department of Agriculture (Agriculture)	None	10.063	Model Employment Program	-
Agriculture	Minnesota Department of Human Services (MDHS)	10.551	Food Stamp Administration	-
Agriculture	Minnesota Department of Education (MDOE)	10.553/5	School Breakfast/ National School Lunch	8-709-302
Agriculture	Minnesota Department of Health (MDOH)	10.557	Women, Infants, and Children Program	-
Agriculture	Minnesota Department of Natural Resources	10.669	BWCA Forest Intensification Fund	43914
Department of Health and Human Services (DHHS)	MDHS	13.125	Chronic Mentally Ill/Elderly Services Demonstration Project	154450
DHHS	Arrowhead Regional Development Commission (ARDC)	13.635	Home Delivered Meals	-
DHHS	MDHS	13.645	Permanency Planning	-
DHHS	MDHS	13.646	Work Incentive Program	-
DHHS	MDHS	13.658	IV-E Foster Care	-
DHHS	MDHS	13.667	Social Services Block Grant Title XX	-
DHHS	MDHS	13.714	MR Waivered Services	-
DHHS	MDHS	13.714	Alternative Care - Waivered Services	-

SCHEDULE IV
(Continued)

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF FEDERAL GRANT INFORMATION
YEAR ENDED DECEMBER 31, 1987

<u>Federal Funding Source</u>	<u>Administering Agency</u>	<u>Federal Domestic Assistance #</u>	<u>Grant Name</u>	<u>Grant Number</u>
DHHS	MDHS	13.714	CADI Waiver	-
DHHS	MDHS	13.714	EPSDT - Administration	-
DHHS	MDHS	13.714	Medical Assistance	-
DHHS	MDHS	13.780	Aid to Families with Dependent Children (AFDC)	-
DHHS	MDHS	13.780	AFDC-Emergency Assistance	-
DHHS	MDHS	13.780	Staff Development	-
DHHS	MDHS	13.783	Child Support and Enforcement	-
DHHS	MDHS	13.787	Refugee Assistance	-
DHHS	MDHS	13.992	Adolescent Drug Abuse Grant	-
DHHS	MDHS	13.992	Mental Health Services - Block Grant	-
DHHS	MDHS	13.992	Jail Treatment Program	-
DHHS	MDHS	13.994	Maternal and Child Health Program	-
Department of Housing and Urban Development	Minnesota Department of Energy and Economic Development	14.219	St. Louis River Valley Housing Rehabilitation Project	16010301384
Department of Justice	Minnesota Department of Corrections	16.575	Victims of Crime Act	-

SCHEDULE IV
(Continued)

ST. LOUIS COUNTY, MINNESOTA

SCHEDULE OF FEDERAL GRANT INFORMATION
YEAR ENDED DECEMBER 31, 1987

<u>Federal Funding Source</u>	<u>Administering Agency</u>	<u>Federal Domestic Assistance #</u>	<u>Grant Name</u>	<u>Grant Number</u>
Department of Transportation	Minnesota Department of Public Safety (MDPS)	20.600	Project 55	87-04-04
Department of the Treasury	None	21.300	Federal Revenue Sharing	24-1-069-069
ACTION	None	72.002	Retired Senior Volunteer Program	440-5754
Department of Energy	Minnesota Department of Public Service	81.041	Energy Efficient Resort Project	-
Department of Energy	Minnesota Department of Public Service	81.041	Energy Council Grant	22100-03923-01
Federal Emergency Management Agency	MDPS	83.503	Emergency Management Assistance	38170

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ST. LOUIS COUNTY, MINNESOTA

COMBINED SCHEDULE OF FEDERAL GRANT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1987

	Total Department of Agriculture (Schedule 6)	Total Department of Health and Human Services (Schedule 7)	Department of Housing and Urban Development CFDA #14.219a	Department of Justice CFDA #16.575
Revenues				
Federal				
Direct	\$ 2,349	\$ 20,636	\$ -	\$ -
Flow-through	430,228	19,833,979	193,344	2,991
Administrative reimbursement	<u>766,688</u>	<u>2,899,295</u>	<u>-</u>	<u>-</u>
Total Federal	<u>\$1,199,265</u>	<u>\$22,753,910</u>	<u>\$ 193,344</u>	<u>\$ 2,991</u>
State				
Program reimbursement	\$ 2,392	\$11,522,939	\$ 147,275	\$ -
Administrative reimbursement	40,188	112,648	-	-
Local taxes in lieu of program receipts	<u>-</u>	<u>1,440,183</u>	<u>-</u>	<u>-</u>
Total State	<u>\$ 42,580</u>	<u>\$13,075,770</u>	<u>\$ 147,275</u>	<u>\$ -</u>
Local				
County	\$ 836,924	\$12,032,750	\$ 1,295	\$ 786
Program receipts	45,125	3,238,564	-	-
In-kind contributions	<u>11,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Local	<u>\$ 893,689</u>	<u>\$15,271,314</u>	<u>\$ 1,295</u>	<u>\$ 786</u>
Total Revenues	<u>\$2,135,534</u>	<u>\$51,100,994</u>	<u>\$ 341,914</u>	<u>\$ 3,777</u>
Expenditures				
General government	\$ 12,718	\$ 43,816	\$ -	\$ 3,777
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health	283,066	246,129	-	-
Welfare	1,582,623	50,811,049	-	-
Culture and recreation	257,127	-	-	-
Economic development	<u>-</u>	<u>-</u>	<u>341,914</u>	<u>-</u>
Total Expenditures	<u>\$2,135,534</u>	<u>\$51,100,994</u>	<u>\$ 341,914</u>	<u>\$ 3,777</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unobligated Funds -				
January 1	\$ -	\$ -	\$ -	\$ -
Residual Equity Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unobligated Funds - December 31	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====

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

b Consists of federal revenue for the Energy Council Grant of \$15,000 and the Energy Efficient Resort Project of \$9,081.

ST. LOUIS COUNTY, MINNESOTA

COMBINING SCHEDULE OF FEDERAL GRANT ACTIVITY
DEPARTMENT OF AGRICULTURE
FOR THE YEAR ENDED DECEMBER 31, 1987

	<u>CFDA # 10.063</u>	<u>CFDA #a 10.551</u>	<u>CFDA # 10.553/5</u>
Revenues			
Federal			
Direct	\$ 2,349	\$ -	\$ -
Flow-through	-	-	5,802
Administrative reimbursement	<u>-</u>	<u>766,688</u>	<u>-</u>
Total Federal	<u>\$ 2,349</u>	<u>\$ 766,688</u>	<u>\$ 5,802</u>
State			
Program reimbursement	\$ 2,392	\$ -	\$ -
Administrative reimbursement	<u>-</u>	<u>40,188</u>	<u>-</u>
Total State	<u>\$ 2,392</u>	<u>\$ 40,188</u>	<u>\$ -</u>
Local			
County	\$ 44,795	\$ 674,258	\$ 13,744
Program receipts	45,125	-	-
In-kind contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total Local	<u>\$ 89,920</u>	<u>\$ 674,258</u>	<u>\$ 13,744</u>
Total Revenues	<u>\$ 94,661</u>	<u>\$1,481,134</u>	<u>\$ 19,546</u>
Expenditures			
General government	\$ -	\$ 12,718	\$ -
Health	-	-	-
Welfare	94,661	1,468,416	19,546
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 94,661</u>	<u>\$1,481,134</u>	<u>\$ 19,546</u>
Excess of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Unobligated Funds - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Unobligated Funds - December 31	<u>\$ -</u> =====	<u>\$ -</u> =====	<u>\$ -</u> =====

a

Does not include food stamps issued in the amount of \$8,416,253.

SCHEDULE VI

<u>CFDA #</u> <u>10.557</u>	<u>CFDA #</u> <u>10.669</u>	<u>Total</u>
\$ -	\$ -	\$ 2,349
271,426	153,000	430,228
<u>-</u>	<u>-</u>	<u>766,688</u>
<u>\$ 271,426</u>	<u>\$ 153,000</u>	<u>\$1,199,265</u>
\$ -	\$ -	\$ 2,392
<u>-</u>	<u>-</u>	<u>40,188</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,580</u>
\$ -	\$ 104,127	\$ 836,924
-	-	45,125
11,640	-	11,640
<u>\$ 11,640</u>	<u>\$ 104,127</u>	<u>\$ 893,689</u>
<u>\$ 283,066</u>	<u>\$ 257,127</u>	<u>\$2,135,534</u>
\$ -	\$ -	\$ 12,718
283,066	-	283,066
-	-	1,582,623
<u>-</u>	<u>257,127</u>	<u>257,127</u>
<u>\$ 283,066</u>	<u>\$ 257,127</u>	<u>\$2,135,534</u>
\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
=====	=====	=====

ST. LOUIS COUNTY, MINNESOTA

COMBINING SCHEDULE OF FEDERAL GRANT ACTIVITY
DEPARTMENT OF HEALTH AND HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 1987

	CFDA # <u>13.125</u>	CFDA # <u>13.635</u>	CFDA # <u>13.645</u>	CFDA # <u>13.646</u>	CFDA # <u>13.658</u>	CFDA # <u>13.667</u>
Revenues						
Federal						
Direct	\$ 20,636	\$ -	\$ -	\$ -	\$ -	\$ -
Flow-through	-	99,297	127,498	107,224	729,272	3,415,721
Administrative reimbursement	-	-	-	-	(98,998) ^d	-
Total Federal	\$ 20,636	\$ 99,297	\$ 127,498	\$ 107,224	\$ 630,274	\$ 3,415,721
State						
Program reimbursement	\$ -	\$ -	\$ 212,593	\$ -	\$ -	\$ 1,740,571
Administrative reimbursement	-	-	-	-	-	-
Local taxes in lieu of program receipts	-	-	-	-	-	-
Total State	\$ -	\$ -	\$ 212,593	\$ -	\$ -	\$ 1,740,571
Local						
County	\$ 1,800	\$ 127,228	\$ 256,794	\$ 124,470	\$ 781,699	\$ 3,936,205
Program receipts	-	-	-	-	73,827	-
Total Local	\$ 1,800	\$ 127,228	\$ 256,794	\$ 124,470	\$ 855,526	\$ 3,936,205
Total Revenues	\$ 22,436	\$ 226,525	\$ 596,885	\$ 231,694	\$ 1,485,800	\$ 9,092,497
Expenditures						
General government	\$ -	\$ -	\$ -	\$ -	\$ 40	\$ -
Health	-	-	-	-	-	-
Welfare	22,436	226,525	596,885	231,694	1,485,760	9,092,497
Total Expenditures	\$ 22,436	\$ 226,525	\$ 596,885	\$ 231,694	\$ 1,485,800	\$ 9,092,497
Excess of Revenues Over (Under) Expenditures						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unobligated Funds - January 1						
	-	-	-	-	-	-
Unobligated Funds - December 31						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

a Consists of federal revenue for MR Waivered Services of \$458,245, Alternative Care-Waivered Services of \$151,841, CADI Waiver of \$773, EPSDT-Administration of \$91,380, and Medical Assistance of \$1,083,099.

b Consists of federal revenue for AFDC of \$14,152,691, AFDC-EA of \$94,809, and Staff Development of \$20.

c Consists of federal revenue for Adolescent Drug Abuse Grant of \$40,957, Mental Health Block Grant of \$66,481, and Jail Treatment Program of \$15,274.

d The 1986 revenue was overstated by this amount because of an overestimated receivable.

SCHEDULE VII

<u>CFDA #</u> <u>13.714a</u>	<u>CFDA #</u> <u>13.780b</u>	<u>CFDA #</u> <u>13.783</u>	<u>CFDA #</u> <u>13.787</u>	<u>CFDA #</u> <u>13.992c</u>	<u>CFDA #</u> <u>13.994</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,636
951,509	13,413,157	446,025	236,967	122,712	184,597	19,833,979
<u>833,829</u>	<u>834,363</u>	<u>1,326,939</u>	<u>3,162</u>	<u>-</u>	<u>-</u>	<u>2,899,295</u>
<u>\$1,785,338</u>	<u>\$14,247,520</u>	<u>\$1,772,964</u>	<u>\$ 240,129</u>	<u>\$ 122,712</u>	<u>\$184,597</u>	<u>\$22,753,910</u>
\$1,532,154	\$ 8,037,621	\$ -	\$ -	\$ -	\$ -	\$11,522,939
42,394	45,442	24,812	-	-	-	112,648
<u>-</u>	<u>1,440,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,440,183</u>
<u>\$1,574,548</u>	<u>\$ 9,523,246</u>	<u>\$ 24,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$13,075,770</u>
\$4,024,962	\$ 2,589,027	\$ 129,024	\$ -	\$ 9	\$ 61,532	\$12,032,750
54,051	3,109,541	1,145	-	-	-	3,238,564
<u>\$4,079,013</u>	<u>\$ 5,698,568</u>	<u>\$ 130,169</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 61,532</u>	<u>\$15,271,314</u>
<u>\$7,438,899</u>	<u>\$29,469,334</u>	<u>\$1,927,945</u>	<u>\$ 240,129</u>	<u>\$ 122,721</u>	<u>\$246,129</u>	<u>\$51,100,994</u>
\$ 14,366	\$ 14,062	\$ 15,336	\$ 12	\$ -	\$ -	\$ 43,816
-	-	-	-	-	246,129	246,129
<u>7,424,533</u>	<u>29,455,272</u>	<u>1,912,609</u>	<u>240,117</u>	<u>122,721</u>	<u>-</u>	<u>50,811,049</u>
<u>\$7,438,899</u>	<u>\$29,469,334</u>	<u>\$1,927,945</u>	<u>\$ 240,129</u>	<u>\$ 122,721</u>	<u>\$246,129</u>	<u>\$51,100,994</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
=====	=====	=====	=====	=====	=====	=====