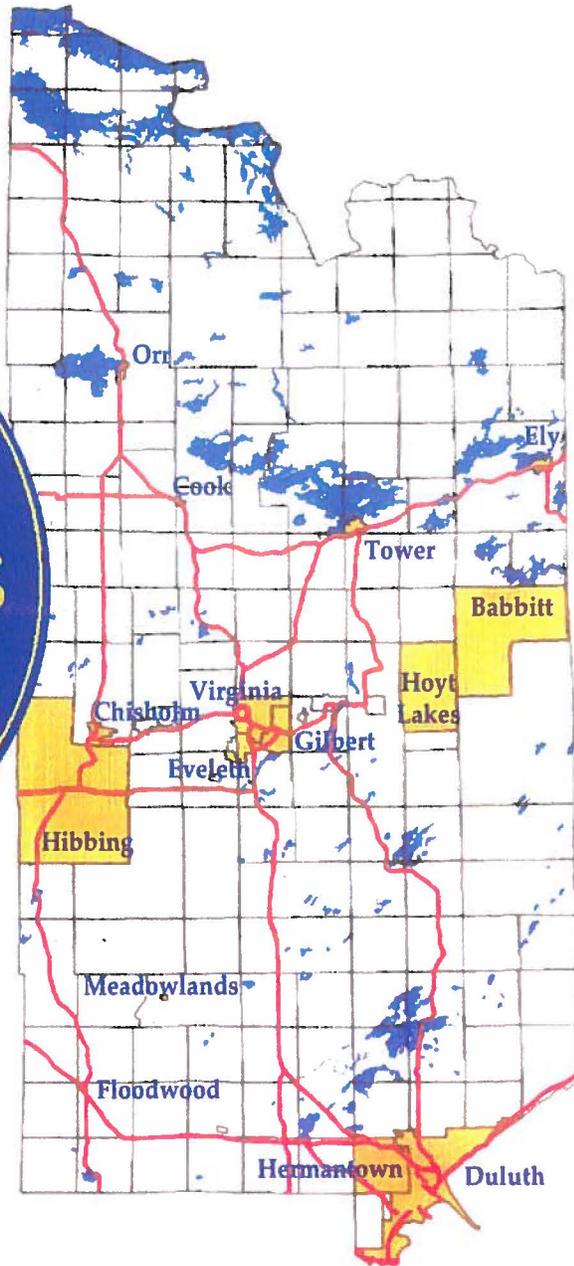
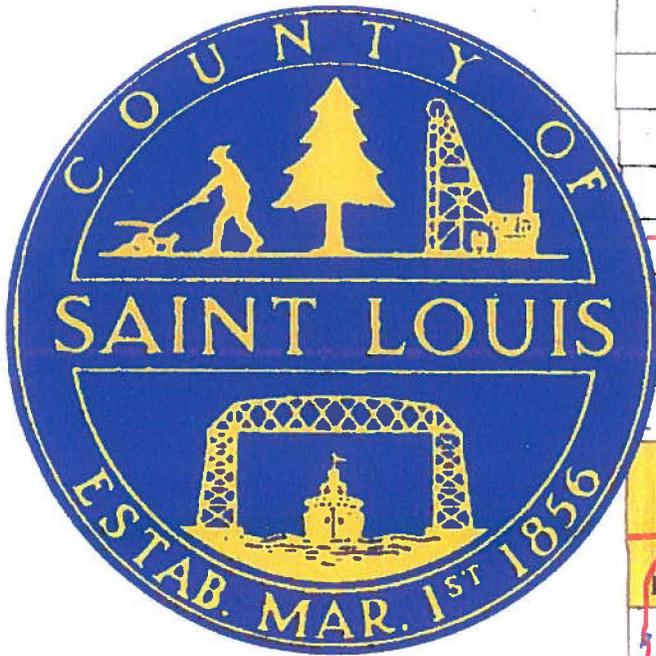


COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 1997



St. Louis County, Minnesota

Gordon D. McFaul, County Auditor

Cover Designed
by Gary Eckenberg
Administrative Analyst
St. Louis County

St. Louis County Minnesota

**Comprehensive Annual Financial Report
for the Fiscal Year Ending
December 31, 1997**



**Gordon D. McFaul
County Auditor**

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

INTRODUCTORY

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Reader's notes:



Saint Louis County

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

Gordon D. McFaul
St. Louis County Auditor

May 15, 1998

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

The Comprehensive Annual Financial Report of St. Louis County is hereby submitted for the fiscal year ended December 31, 1997. This report was prepared by the County Auditor's Accounting and Finance Division. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the County. This report conforms with the Governmental Accounting Standards Board (GASB) Statement 1 and subsequent statements and interpretations. The report consists of three sections:

1. **Introductory Section** - including this transmittal letter from the County Auditor, the government's organizational chart, maps of the legislative and commissioner districts, and a list of principal officials.
2. **Financial Section** - including the combined financial statements by major fund category, combining financial statements by fund type, and individual fund and account group financial statements. Also included in this Section are the Notes to the Financial Statements and supplementary financial information, as well as the State Auditor's Report.
3. **Statistical Section** - includes data that depicts the financial history of the government, generally presented for the past ten years, along with information on overlapping governments, demographics and miscellaneous information.

We believe the data presented is accurate in all material respects, that its presentation fairly sets forth the County's financial position and results of operations as measured by the financial activity of its various funds. We believe further that all disclosures necessary for the reader to gain maximum understanding of the County's financial affairs have been included.

All of the funds and account groups of the County are included in the financial report. The St. Louis County Housing and Redevelopment Authority is included in the report as a blended component unit. The HRA Board is composed of the County Board members. The financial transactions of the HRA flow through the County's accounting system.

The County provides a full range of services, which includes social services; administration of State of Minnesota and federally aided public assistance programs; public safety and judiciary services such as criminal prosecution, legal counsel for the indigent, administration of civil and criminal court systems; health care services such as community health care; maintenance and construction of highways, roads and bridges; operation of solid waste disposal facilities; administration of elections; maintenance of property records; issuance of various licenses; and administration of property tax assessment, collection and distribution for local governments within the County.

Copies of this report will be sent to elected officials, county management, bond rating agencies,

nationally recognized municipal securities information repositories, financial institutions, governmental agencies and others that have expressed an interest in St. Louis County's financial affairs.

Economic Condition and Outlook

Located in Northeastern Minnesota, St. Louis County is the largest county east of the Mississippi, covering 7,092 square miles from Orr to Duluth, and from Hibbing to Ely. St. Louis County is known for its spectacular natural beauty, including a national forest and a national park, the Boundary Waters Canoe Area, four state parks and 500 lakes. St. Louis County is the home of 199,000 people scattered throughout the area in small mining towns, farm communities and in busy cities which serve as regional hubs. The major industries in the County are mining, wood and paper products, shipping and transportation, health care, and tourism.

Duluth, the largest city, is an international seaport and is the County seat. The County also maintains Courthouses in Hibbing and Virginia and a Government Services Center in Ely to serve its citizens.

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

The County has an abundant, high quality workforce and has diversified its economy in the last ten years. It has many quality health care, government and education services and has gained status as a regional retail center. Its taconite industry in the northern portion of the County translates to stable work for 5,000 steelworkers and has a steadying effect on the Iron Range economy. Tourists and residents alike appreciate the low crime rate in the County, as well as the richness and abundance of the man-made and natural attractions.

The County experienced a population decline of 12.1% between 1980 and 1990; this decline appears to have reversed itself. The state demographer's estimated 1997 population is 199,454 and has been slowly but steadily increasing since the 1993 estimate of 198,249. The population density is a low 33 per square miles. The latest available figures indicate that per capita income in the County has increased 25.5% over a five-year period ending in 1996 when it reached \$21,687. 1996 per capita income for the State of Minnesota was \$23,288 and nationally it was \$22,060. The March 1998 unemployment rate was 4.8% for the County, compared to 2.9% for the State of Minnesota and 4.7 for the nation. Interestingly enough, according to Dr. Sung Won Sohn, Chief Economist for Norwest Corporation, in the first half of 1997 (the latest period for which numbers are available) the City of Duluth led the State of Minnesota in job growth.

The County has an aging population. Although new figures will not be available until the year 2000, between 1980 and 1990 the median age of County residents rose from 30 years to 35.7 years and estimates are that there has been a further increase since 1990. The kindergarten through twelfth grade enrollment figures have declined from 34,062 in 1986 to 32,501 in 1997.

A strong and stable local economy with opportunities for private sector growth is a necessary pre-requisite for the local jurisdictions to perform their functions. Across the County such growth has occurred over the past year and is expected to continue in 1998. We are pleased to present a sampling:

Iron Range:

Taconite pellets are produced at Iron Range taconite plants and are shipped to steel plants where they are turned into steel. In northern Minnesota, the total taconite pellet production for 1997 was the highest in 16 years. It is projected to increase another 600,000 tons in 1998 to reach 47.2 million tons. There may be a small dip in 1999, but long-term forecasting is for growth to 51.2 million tons per year by 2000. More than 5,000 steelworkers are employed in the taconite industry, with roughly \$85 million in taconite production taxes going to governments and schools, making a huge contribution to the area's economy. If pellet production at Iron Range mines continues at the current level through 2000, the 1990's will be the industry's best decade ever.

The bright future for the taconite industry may mean some Iron Range taconite companies may soon look to restart idled production lines, leading to hundreds of new jobs at some of the plants. This information is from an analysis of Michigan State University's taconite industry analyst Peter Kakala. Iron ore and taconite mining have been the backbone of the Iron Range for over 100 years. Plenty of taconite reserves lie across the Iron Range. There are five million tons of excess capacity at four taconite plants and this capacity could be activated.

In Mountain Iron, Minntac, which is North America's largest taconite producer (14.4 million tons per year), acquired the Ontario reserve, which will provide roughly four million tons of high quality taconite to Minntac's processing plants in 1998. In 1999 and for the next 20 years or so, this reserve is expected to yield about 7.5 million tons of taconite per year. The taconite plant received another boost when it began a new crude ore trucking operation in January 1998 from the deepening of its East Pit. Expectations are that this will speed delivery of ore to the plant's coarse crushers and will improve delivery especially during harsh winter conditions.

A St. Paul, Minnesota researcher is starting to attract attention within the taconite industry. John McGaa has invented the Ultrasonic Magnetic Separator which combines magnetism, ultra-sound waves and water to produce a super clean taconite concentrate. It has been used in small scale tests at three Iron Range taconite plants. If larger versions can be built and prove successful, Iron Range taconite producers could recover a higher percentage of iron from each ton of taconite mined. This could also allow mines to pull more high quality iron units from low quality taconite. The inventor needs financial backing to build larger versions of the separator and to open a manufacturing process in Hibbing. Some industry experts agree that the simple-looking invention holds promise.

Eveleth Taconite is undertaking a \$200,000 study to examine how to ensure its long-term operation and how to become more cost-effective. The company is considering conversion to fully-fluxed taconite pellets, along with the production of direct-reduced iron and improvements to the existing partially-fluxed taconite pellet productions. When the study is complete, EVTAC officials will recommend a plan to the board of governors. The results of the study may lead to major changes at the taconite facility.

City of Ely:

A 2.5 million dollar fiber optic communication line is to be constructed by Minnesota Power along its existing transmission towers or its underground circuit. The line would bring a high-speed, wide band communication network to Ely and other communities which do not currently have access to this technology.

The line could serve as a high speed link for communication providers who might lease space on the system. The 24-fiber network would serve business, schools and telecommuters. Ely's many tourism-related businesses as well as the U.S. Forest Service, Ely Bloomenson Community Hospital, Vermillion Community College and the Minnesota Department of Revenue offices in Ely would all see an immediate benefit from fiber optics.

Ely community development officials have also been working to develop a multi-million dollar technical center in Ely, smaller than a facility which is on the drawing board for Duluth. Development of fiber optic technology in Ely could help tie together the Duluth and Ely projects.

A Hibbing-based technology company also plans to run a fiber optic cable to Ely.

City of Chisholm:

Minnesota Twist Drill plans a 5 million dollar expansion to add 50 new jobs to its drill bit manufacturing process by the end of 1998. This will double the production capacity of high speed steel drill bits at Chisholm. With the expansion of workers, the force will total 140 jobs. The company ships its product to major tool companies such as Black and Decker.

Northwest Airlines is hiring 150 new employees at the Iron Range Reservation Center as a step toward its goal of having 600 full time employees there by 2000. They will have 527 by the end of 1998, so they are well ahead of schedule. All of the 150 new jobs for 1998 will be reservation agent positions.

City of Duluth:

The City announced in early 1998 that it plans to transform a large portion of old downtown Duluth into a technology village where computer students will join with global high tech companies. Phase 1 is expected to be completed in February 1999 and will contain 70,000 to 80,000 square feet at a cost of between \$7 million and \$8 million. Phase 2 will follow for 100,000 square feet at a cost of \$20 million. The village will take up an entire block and could eventually add 180,000 square feet of privately-owned office space at a cost of \$30 million.

The project will provide both a physical place for software companies to grow - called an a technology village - and a unique business incubator concept developed in Sweden called a Soft Center. While comparable centers in other cities have aspects resembling the Duluth Technology Village proposal, none appears exactly like it according to newspaper reports. The University of Minnesota at Duluth is a key player in the project and will bring students, professors and interactive learning equipment to the Village.

U.S. firms can use contacts through the Soft Center at the Village to make inroads to European markets. To assist them in this process, the City has entered into an agreement with a Swedish technology consortium.

Duluth's former Diamond Tool and Horseshoe plant site may be remodeled into a moderately upscale retail complex of shops, restaurants and offices. This is in the discussion stage between Duluth and A & L Partners. A & L Partners is also building a medical clinic for St. Luke's Hospital and First Plan; the retail complex would be adjacent to it.

Air transportation jobs are up sharply in Duluth following the opening of the Northwest Airbus facility in the fall of 1996. The facility now employs 420 people full time.

Business service and medical service jobs continue to rise. Tourism remains an important driver of the economy, spurring retail trade and hotel business, including the addition of several new hotels and restaurants.

The Minnesota Department of Economic Security reported that the average number of jobs in Duluth in 1997 were at their all-time high of 56,919.

St. Louis County, generally:

Construction in 1998 is in full swing. Local union officials believe that this could be the best construction year since the late 1970's. Projects include Minnesota trunk highway system, Great Lakes Aquarium in Duluth, University of Minnesota Duluth library, Hibbing Community Technical College, Duluth Technology Village, North Star Ford in Hermantown, West Duluth retail center, Murphy Oil Marine Fueling Terminal and Lake Superior Zoo primate conservation center.

Major Initiatives

Throughout 1997 St. Louis County continued to develop and provide the services expected of its citizens.

Administration

- ▶ For 1998, the County's certified property tax levy will be \$63,510,765 and represents a 2.19% increase over the 1997 levy. This is the first levy increase since 1993. The total market value for property within St. Louis County is estimated to have risen by 5.8% for 1998 as compared to 1997. This upward trend in valuation has occurred for the eleventh consecutive year and continues to be a very encouraging economic indicator for the region.
- ▶ The St. Louis County Board continued to make public information a priority in 1997. A County website (www.StLouisCounty.org) was initiated, allowing a forum for the public to ask questions and receive information and forms online.
- ▶ The County continued to broadcast Board meetings on public access television in 1997, and expanded its coverage to include airing meetings in Duluth, Proctor/Hermantown, Hibbing, and Chisholm/Virginia. Built-in cameras were installed to improve the quality of broadcasts.

Auditor

- ▶ Through the successful implementation of a new computerized property tax system in 1997, the Auditor and Assessor will save more than \$100,000 a year on system development. The new system is superior to the former one and the changeover has given St. Louis County the opportunity to share resources with other Minnesota counties who use this system.
- ▶ In 1998, the Auditor and Recorder intend to allow access to the County's property tax records on an on-line, real-time basis over the Internet. This subscription-based service will be in response to the needs and desires of the real estate industry, including real estate agents, attorneys, abstractors and bankers, as well as others who are interested in subscribing to the service.

The Auditor's License Center on the Miller Trunk Highway expanded its hours of operation to include Monday and are now open six days a week. The response from the public has been overwhelmingly positive.

Public Health and Long Term Medical Care

- ▶ The County's two nursing homes, the Chris Jensen and the Nopeming Nursing Home, historically have required subsidization with property tax levy. In the late fall of 1995, in an effort to help the homes become self-supporting, the County Board turned over the operational management of the homes to the Department of Public Health and Long-Term Medical Care. The County Auditor was asked to directly assume the financial oversight of the homes. The homes had an operating loss of \$1.3 million for 1995 and a negative cash balance of more than \$3.5 million. The negative cash balance was funded by a loan from the General Fund.

In 1997, the homes yielded an operating profit of \$636,241 exceeding expectations. During the last two years, the homes greatly improved their cash position and had an operating profit of \$1.1 million, with a net income of \$1.4 million. The improvements in the homes' cash position and the results of operations place the homes in a better position to face the challenges of today's health care industry.

Since July 28, 1997 Health Dimensions, Inc. has been engaged by the County to manage the homes. The homes remain under the direction of the Department of Health and Long Term Medical Care. The Department will work with HDI to continue to make improvements to the quality of care and to strive for continued fiscal stability.

- ▶ The Department has participated with the Minnesota Department of Health as one of four pilot counties for the development of a disease prevention and control model expected to be expanded throughout the state.
- ▶ The Septic Subcommittee of the County Board, with the assistance of other County Departments, has completed development of a septic loan program and secured initial funding. The Public Health Division has authorized the use of certain types of alternative septic systems for appropriate sites throughout the County.
- ▶ The Department has implemented a state approved training program to certify food managers for restaurants.

Public Safety

- ▶ The St. Louis County Sheriff's Department received a \$418,608 grant for rural domestic abuse prevention and intervention. This program is designed to provide a national model for rural domestic abuse policing, continuing St. Louis County's tradition of innovation in the subject of domestic abuse.
- ▶ David Akerson, a St. Louis County deputy, was honored as one of the nation's ten Top Cops in a ceremony at the White House by President Bill Clinton, Attorney General Janet Reno, DEA Administrator Tom Constantine and BATF Director John Magaw. Deputy Akerson was also named Minnesota Police Officer of the Year from the Minnesota Peace and Police Officers Association and received the Medal of Valor Award from the Minnesota Sheriff's Association.
- ▶ Construction began on two 72-hour lockups for the Iron Range. Facilities before construction were deemed adequate but remodeling of both Range Courthouses was necessary to accommodate the safe handling of prisoners. The Virginia lockup was expanded to include the space formerly occupied by the Sheriff's office, thereby necessitating construction of a new office. The improved facility is set to open May 19, 1998. The Hibbing facility has been remodeled through a joint agreement with the City of Hibbing so as to house a combined Law Enforcement Center for both entities, as well as a lock-up. This facility is scheduled to open shortly after August of 1998. Both centers were financed through the issuance of a fifteen year bond totalling \$5,275,000 in May of 1997. The County acts as agent for the St. Louis County Housing and Redevelopment Authority in whose name the bonds were issued. Included as part of both facilities will be the establishment of an offender management system to track and monitor inmates from the Duluth Jail Facility, the ability to video image inmates rather than photograph them so that these images can be easily transmitted to other law enforcement bodies, and the installation of electronic fingerprinting machines to positively identify inmates.

Solid Waste

- ▶ The department received a \$112,500 grant from the Minnesota Office of Environmental Assistance in 1997 to design and construct a Household Hazardous Waste Collection Facility which will allow the Department to offer a comprehensive household hazardous waste program, including the ability of residents to drop off household hazardous waste and pick up exchangeable items such as oils and solvents, in rural areas of the County. A further \$112,500 grant will be received for construction and engineering in 1999 when the facility is completed.
- ▶ Planning was begun for a \$2.2 million Recycling and Processing Center to be constructed in 1999.
- ▶ Services at the Solid Waste Department's disposal facilities were increased while fees decreased in 1997. As an example, Municipal Solid Waste tipping fees were reduced from \$45 a ton in 1996 to \$39 a ton in 1997, and disposal fees for a 32 gallon trash bag dropped from \$1.16 to \$0.87.

Public Works

- ▶ In 1997 construction began on a joint Public Works Maintenance Facility between the State of Minnesota Department of Transportation, the City of Hibbing and St. Louis County. The former County Garage at this site was transformed from a 35,000 square foot building into a 94,000 square foot facility in which a combination of maintenance personnel from all three government entities work together, share ideas, and buy fuel as well as de-icing chemicals and road sand in volume. In addition to employee work space, the building includes a multi-pump computerized fuel station, a 116 foot diameter dome building for winter sand storage and a truck wash that automatically cleans a tandem truck in 90 seconds. The County, the City of Hibbing and the State of Minnesota are participating in the funding for this project. The facility opened on February 20, 1998 and has already won two awards. It has been honored with a commendation from Governor Arne Carlson and has received the Minnesota Department of Transportation's Bill Yorg Quality Recognition Award for innovative governmental work. The facility is the first of its kind in Northeastern Minnesota and only the second in the state and will likely serve as a model for other governmental consolidation projects.

Arrowhead Regional Corrections

- ▶ St. Louis County is the largest partner in the cooperative Arrowhead Regional Corrections Consortium, which expanded the size and mission of its Arrowhead Juvenile Center (AJC) in 1997. AJC doubled the number of beds for troubled youth and began a new Restorative Justice Program, in which youthful offenders give back to their victims and communities.
- ▶ The Northeast Regional Corrections Center began a productive day program, where inmates at the low security facility attend school and learn a trade, in order to prepare them for a future career.

Financial Information

Financial management of St. Louis County is based on an accounting and financial reporting system that must provide accurate, timely and relevant information. The assets of St. Louis County are protected from fraud, errors or misuse by use of internal controls. Internal controls are designed to safeguard assets, to insure that accounting data is accurate for the preparation of financial statements in conformity with generally accepted accounting principles, and to carry out the County's policies.

Single Audit - as a recipient of federal and state financial assistance, the County has established internal controls to ensure compliance with the regulations applicable to such assistance.

Budget Controls - St. Louis County incorporates budgetary controls to ensure compliance with the annual budget adopted by the Board of County Commissioners appropriating departmental budgets and estimated means of financing. County departments can spend their agency budgets on any line item within their agency so long as their total agency budget is not overspent. However, no public aid assistance and/or personnel services budget authority may be used for operations and the budgeted number of personnel for each department may not be exceeded at any time.

Encumbrance accounting is used to determine availability of funds prior to incurring a specific obligation and insure proper policies and regulations have been followed. Encumbrances outstanding at year end are reported as reservations of fund balances. The capital project funds are appropriated by project and will continue in effect until the purpose for which it was made has been accomplished or abandoned. All other appropriations which are not expended or encumbered lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, St. Louis County continues to meet its responsibility for sound financial management.

General Government Functions - At December 31, 1994 the County had an unreserved fund balance in the General Fund equal to 7.8% of the current expenditures of the General, Special Revenue and Expendable Trust Funds. This measure is used by the Minnesota State Auditor's Office as one indicator of the County's financial health. The percentage and the County's relative position has been slowly rising and at December 31, 1997 the unreserved fund balance in the General Fund was 11.1% of current expenditures. In 1995, the average unreserved General Fund balance for Minnesota counties was 21.6% of current expenditures.

The following schedule presents a summary of General and Special Revenue Funds' revenues as shown on Exhibit II for the fiscal year ended December 31, 1997 and the dollar and percentage increase or decrease in relation to the prior year's revenues.

Revenues:	1997 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
Taxes	\$ 66,268,481	1.87	1,213,916
Licenses and permits	138,169	4.63	6,112
Intergovernmental	84,589,884	(2.34)	(2,022,862)
Charges for service	7,742,466	8.46	604,063
Fines and Forfeitures	941,739	5.94	52,826
Interest on investments	2,905,559	10.80	283,271
Gifts and contributions	35,767	89.00	16,843
Miscellaneous	2,401,141	20.09	401,695
	\$165,023,206		555,864

Although the other categories of revenue show larger percentages of increase or decrease over 1996, the most significant dollar changes in revenue are the increase in the taxes category and the decrease in the intergovernmental category.

1. Tax revenues increased \$1.2 million or 1.87 percent from 1996 tax revenues. Explanations of the major dollar increases and decreases are given below:

	Dollar Increase (Decrease) (in millions)
<u>General government</u> - Property taxes	1.1
<u>Highways and streets</u> - Property taxes	.5
<u>Welfare</u> - Property taxes	(.4)

2. Intergovernmental revenues decreased \$2.0 million or 2.34 percent from 1996 intergovernmental revenues. Explanations of the major dollar increases and decreases are given below:

General Government -

Shared Revenue - state	1.2
State grants	.5
Federal grants	.6
Local Grants	.1

Highways and Streets -

Shared revenue - state	(2.6)
State construction grants	(.8)
Federal construction grants	(.1)

Welfare -

Shared revenue - state	(1.3)
State grants	.9
Federal grants	(1.1)

Economic Development -

Federal grant revenue for the Community Development Block grant program increased because of the fluctuation in project starts/completions from year to year.	.9
Federal grant revenue for the HOME program decreased because of the fluctuation in project starts/completions from year to year.	(.3)

3. Charges for services increased \$604,063 due to the following:

General Government -

Increased revenues due to various fees charged for County services.	.1
---	----

Streets and highways -

Increase in contributing revenue from joint governmental projects	.25
---	-----

<u>Welfare -</u> Child welfare and adult care services	.25
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4. Interest on investments increased by \$283,271 in spite of declining market interest rates. This increase was accomplished because the County intensified its focus on the issue and also because slightly higher balances were available for investment .

5. Miscellaneous revenues went up by \$401,695 because of:

<u>Babbitt Facility -</u> Commodity and property sales.	.2
---	----

Streets and Highway -

Slight increase in various revenue sources including snowplowing, community and property sales, and vehicle, equipment and material sales.	.2
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The following schedule presents a summary of General and Special Revenue Fund expenditures as shown on Exhibit II for the fiscal year ended December 31, 1997, and the dollar and percentage increase or decrease in relation to the prior year's expenditures.

Expenditures:	1997 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
General government	\$ 20,763,204	3.41	683,890
Public safety	22,481,719	5.16	1,103,664
Highways and streets	41,033,305	(8.16)	(3,645,923)
Health	5,471,404	(2.50)	(140,254)
Welfare	61,470,525	(5.62)	(3,658,964)
Culture and recreation	990,931	10.29	92,439
Conservation of natural resources	728,122	(11.07)	(90,681)
Economic development	4,045,476	18.92	643,695
	\$156,984,686		(5,012,134)

Note: Debt Service of \$120,426 and \$305,889, and Intergovernmental of \$7,033,887 are reclassified here as Health, Welfare and Public Safety, respectively.

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

	Dollar Increase (Decrease) (in millions)
<u>General government -</u>	
Increase (cost of living) in various Departments	.6
<u>Public Safety -</u>	
Increase (cost of living) in various Departments	.2
Increase in Arrowhead Regional Corrections	.9
<u>Highways and streets -</u>	
Road Construction	(3.7)
Road Maintenance	(.2)
Equipment Maintenance and Shops including capital improvements	.1
Increase (cost of living) in various Departments	.2
<u>Health -</u>	
Decrease in Administration	(.04)
Decrease in Nursing	(.07)
Increase in Environmental Health	.01

Welfare -

Decrease in Administration and Income Eligibility	(.3)
Increase in Child Support	.3
Decrease in Medical Assistance	(.8)
Decrease in Other Income Maintenance	(.6)
Decrease in Services to Families with Children	(.2)
Increase in Child Care	1.1
Decrease in Services to Chemically Dependent	(.7)
Decrease in Services to Mentally Ill	(1.7)
Decrease in Services to Adults/Elderly	(.8)

Culture and Recreation -

Tourism Promotion	.04
St. Louis County Promotional Bureau	.04
Trail Assistance	.02

Conservation of Natural Resources -

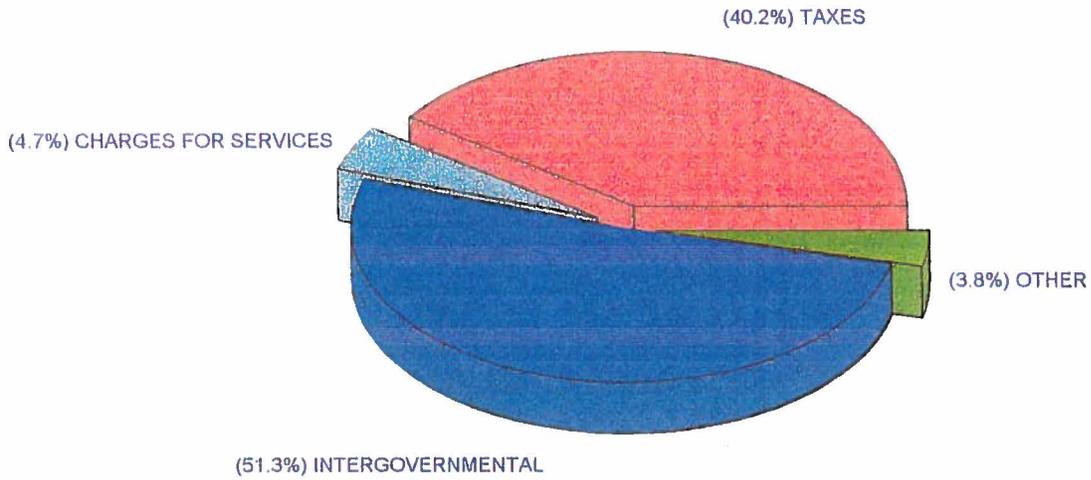
Hartley Nature Center	(.1)
-----------------------	------

Economic Development -

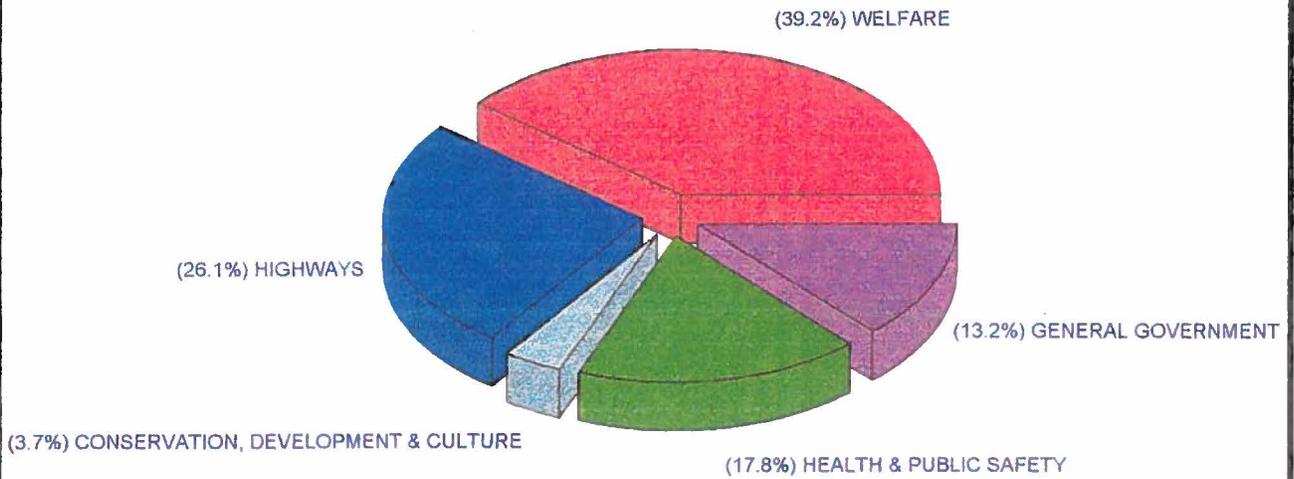
Increase in Community Development Block Grant	.9
Decrease in Northeast Minnesota Housing Consortium	(.3)

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

1997 COUNTY REVENUES BY SOURCE
 INCLUDES GENERAL & SPECIAL REVENUE FUNDS



1997 COUNTY SPENDING BY FUNCTION
 INCLUDES GENERAL & SPECIAL REVENUE FUNDS



Cash Management - In 1997, the average investment yield was 5.495%. 100% of the County's funds were invested in U.S. Government securities, Government agency securities, certificates of deposit in Minnesota banks and in overnight investments with the Minnesota Association of Governments Investing for Counties (MAGIC), a Minnesota joint powers investment trust.

The County in 1995, recognizing that it would be prudent to set aside a cash reserve to meet unexpected cash flow shortages, began to designate some of its fund balances for cash flow. A formal policy is in place to guide the designation of these funds. The County's goal for funds (except debt service funds) that are supported in part by direct property tax levy is to designate a portion of the available fund balances equal to 5/12 of the certified levy for each fund, plus its proportional share of the homestead and agricultural aid paid to the County by the State of Minnesota. It will be at least two more years before these cash flow requirements are fully designated. There are additional amounts to be added to the designations for these funds and for those funds that are not supported directly by property tax levy, should "negative cash" and investment balances in those funds have existed in the prior 24 months. No designation has yet been made for such an occurrence.

Also, recognizing the need to pre-fund retiree's health insurance premiums which are set aside for the employee from his sick leave balance at retirement, the County began in 1994 to designate 1/9 per year of the amount estimated to be paid from the General and Special Revenue Funds for those employees eligible to retire now. 4/9 of the estimated amount needed is now funded through these designations.

Enterprise Operations - St. Louis County has three enterprise operations. Chris Jensen and Nopeming are nursing home facilities for the public. Solid Waste Management provides for the construction, operation and monitoring of solid waste activities outside of the Western Lake Superior Sanitary District. The Chris Jensen Fund had net income of \$334,092 for 1997, the Nopeming Fund had net income of \$591,658 and the net income for the Solid Waste Management Fund was \$3,003,719.

Internal Service Funds - The County has ten Internal Service Funds. The funds, along with their respective 1997 net income or loss are as follows:

Fund	Net Income (Loss)
Community Food	\$ 26,814
Laundry	(23,897)
Supervised Living Facilities	58,087
Printing	32,110
County Garage (Motor Pool)	(16,493)
Property, Casualty, Liability Insurance	410,110
Workers' Compensation Insurance	5,966
Medical/Dental Insurance	(2,690,762)
Management Information Systems	570,577
Telecommunications	107,320

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

Administration of Bonded Debt - As of December 31, 1997 St. Louis County had eight bond issues outstanding: \$80,000 General Obligation New Money Issue Bond for renovation of the Nopeming Nursing

Home; \$2,920,000 Full Crossover Advance Refunding of 1989 General Obligation Solid Waste Bonds; \$3,870,000 General Obligation Solid Waste Bonds (2 issues); \$810,000 General Obligation Recycling Facility Refunding Bonds; \$12,240,000 Jail Revenue Bonds (St. Louis County Unlimited Tax Lease Obligations), \$1,530,000 Arrowhead Juvenile Center Remodeling Bonds and \$5,275,000 Law Enforcement Center Bonds (St. Louis County Unlimited Tax Lease Obligations).

The most recent bonds sold, the Law Enforcement Center Bonds, carry an "A-2" rating by Moodys' Investors Service. The balance of the County's bonds carry an "A" rating under the old method that Moody's used to rate bonds. Under current State law, the County's general obligation bonded debt issuance is limited to two percent of the market value of taxable property in the County. Market value for 1997 was \$5,427,265,250. The amount of general obligation debt applicable to the debt limit is \$26,434,794 (\$26,725,000 principal outstanding less \$182,928 fund balance in debt service funds and \$107,278 net restricted assets in applicable enterprise funds).

Capital Improvements - The Capital Projects Funds were established as a means of controlling and accounting for capital improvements for the General and Special Revenue Funds. Capital projects for 1997 consisted of the construction of law enforcement facilities in Hibbing and Virginia, as well as the construction of a new Public Works Building in Hibbing which will be shared by the County, the City of Hibbing and the State of Minnesota.

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

Tort and liability risk - the County purchases insurance on its major buildings and buys surety bonds for employee theft. The County bears the risk for other torts and liability, including no-fault auto insurance. The Property, Casualty, Liability Insurance Internal Service Fund at December 31, 1997 had a balance of \$3,588,093 in its retained earnings account. The fund liability includes claims for which the County Attorney's Office deems payment is "probable" but does not include \$362,752 for various cases for which the County Attorney's Office deems payment to be "reasonably possible". The balance in retained earnings provides for any reasonably possible claims, as well as for any claims that have been incurred, but not reported.

Workers Compensation risk - The County assumes all of the risk for single loss occurrences up to \$1,080,000. The Workers' Compensation Reinsurance Association insures the County for such claims above that amount. The Workers' Compensation Internal Service Fund at December 31, 1997 had a balance of \$3,304,697 in its retained earnings account. The fund liabilities include the probable claims that will be paid, but do not include an amount for claims that are incurred but not reported. Included in the retained earnings is an amount of \$1,960,726 which is designated for catastrophic losses. The designation is not formally noted on the body of the financial statements for the Fund, but is mentioned in the Notes to the Financial Statements.

Medical and Dental risk - The County assumes the risk for its share of medical and dental insurance coverage for its employees, except that it purchases stop-loss coverage for claims over \$200,000 and for transplant coverage. The Medical/Dental Insurance Fund at December 31, 1997 had a balance of \$4,438,718 in its retained earnings account. The fund liabilities include a provision for claims incurred but not reported, but do not include a provision for catastrophic losses. The premium amounts charged by the fund were decreased in 1996 and 1997 in order to spend down some of the retained earnings.

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

Awards From Government Finance Officers Association

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Louis County for its comprehensive annual financial report for the fiscal year ended December 31, 1996.

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

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

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for the 1997 annual approved budget. In order to qualify for the Distinguished Budget Presentation Award, the County' budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Other Information

Independent Audit - St. Louis County is audited annually by the State of Minnesota according to state statutes. This requirement has been complied with and the Auditor's Report has been included in this report.

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

The State Auditor will issue management and compliance letters covering the review made as part of the examination of St. Louis County's system of internal control and compliance with applicable legal provisions. Also reflected in these letters are the results of the County's single audit under provisions of the U.S. Office of Management and Budget Circular A-133.

Acknowledgements - I would like to express my appreciation to the employees of the Auditor's Accounting and Financial Division, the Social Services Department and the Public Works Department for their dedication and cooperation in a timely manner during the preparation of this report. I am grateful to the County Board of Commissioners and to the Administration Department for their leadership and support in formulating the financial activities of the County, without which the preparation of this report would not have been possible. Many other County departments also extended cooperation to my office during this time and I thank them also.

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

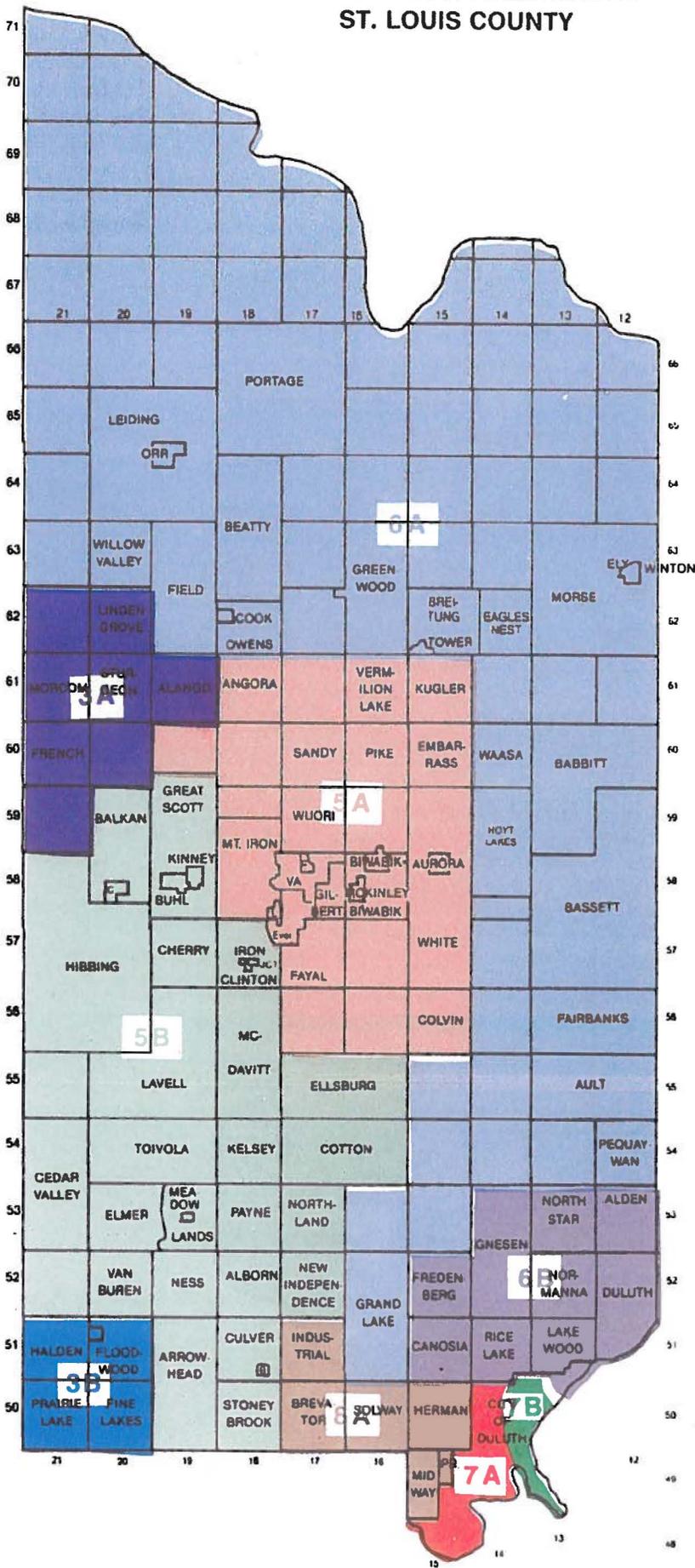
Sincerely,



GORDON D. MCFAUL
County Auditor

Reader's notes:

LEGISLATIVE DISTRICTS ST. LOUIS COUNTY



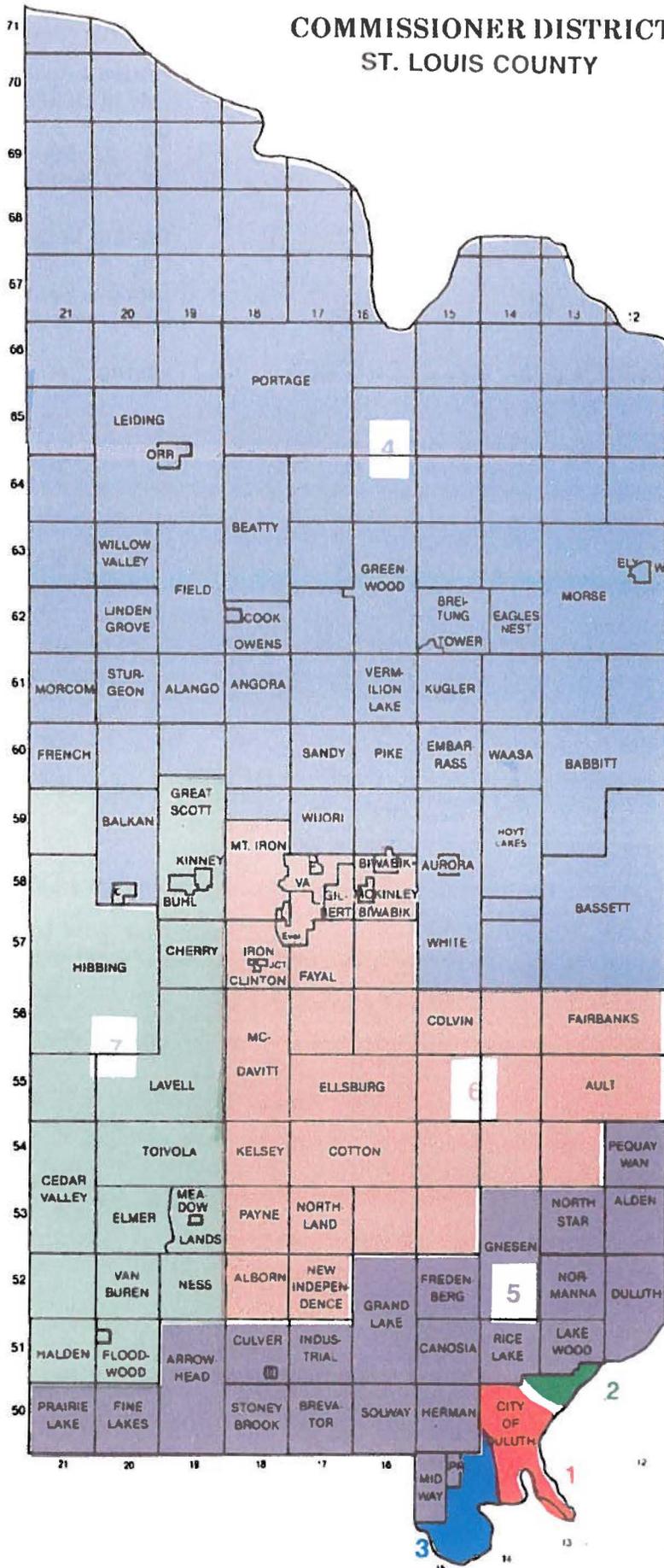
House Legislative Dist
 City of Duluth Precincts
 6B - 1-6, 9-11, 16
 7A - 27, 29-42
 7B - 7, 8, 12-15, 17-26, 28

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

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

COMMISSIONER DISTRICTS ST. LOUIS COUNTY

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



District #:

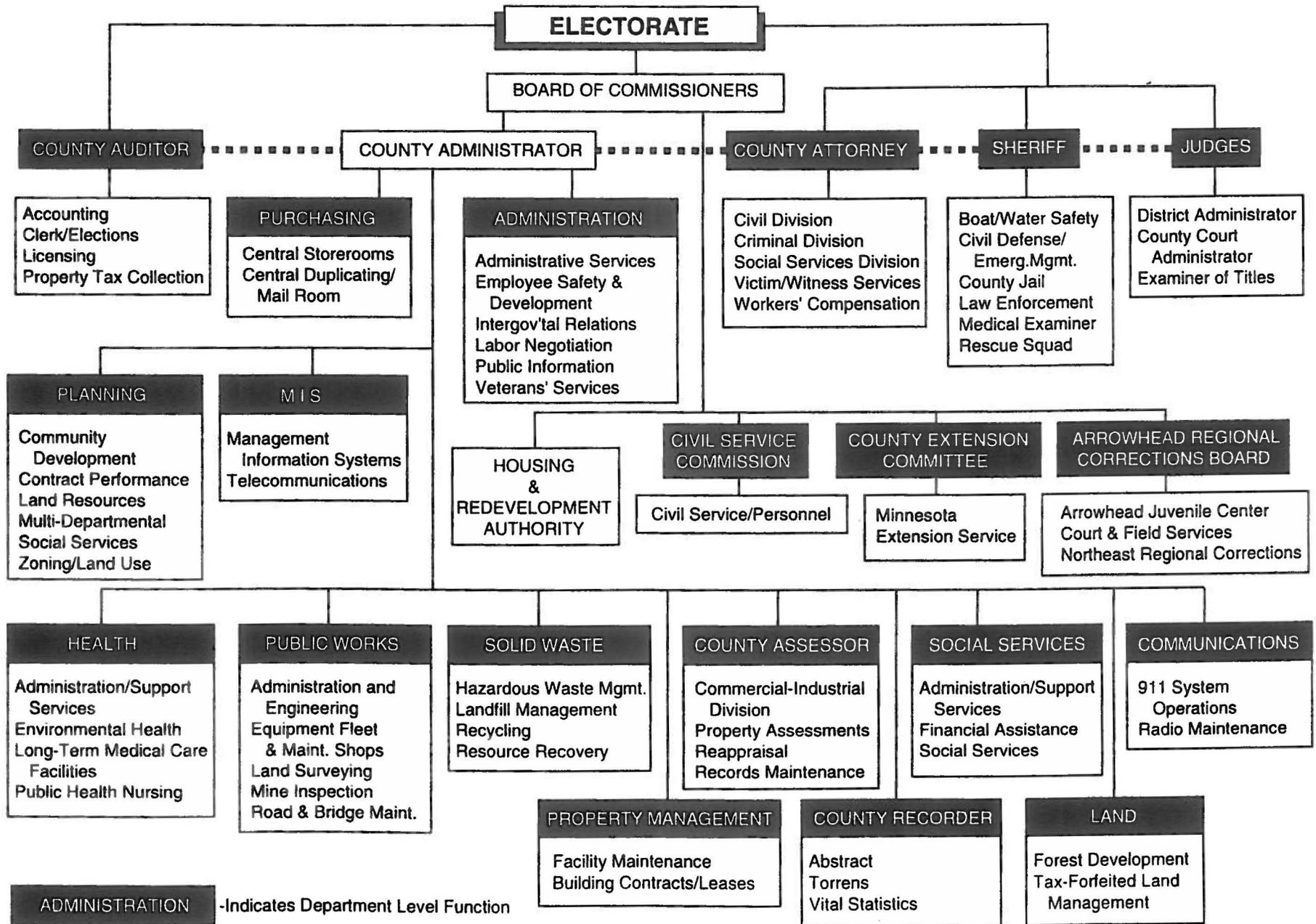
- 1
- 2
- 3
- 4
- 5
- 6
- 7

PLEASE NOTE THAT THE TOWNSHIP OF PAYNE WAS CONSOLIDATED INTO THE TOWNSHIP OF MEADOWLANDS & IS NOW A PART OF COMMISSIONER DISTRICT No. 7

**St. Louis County
Elected and Appointed Officials
as of December 31, 1997**

<u>Office</u>	<u>Name</u>	<u>Term</u>
Commissioners:		
1st District	Dennis Fink	Jan. 1997 Jan. 2001
2nd District	Marilyn A. Krueger	Jan. 1995 Jan. 1999
3rd District	William Kron	Jan. 1997 Jan. 2001
4th District	Mike Forsman	Jan. 1995 Jan. 1999
5th District	Peg Sweeney	Jan. 1997 Jan. 2001
6th District	Liz Prebich	Jan. 1995 Jan. 1999
7th District	Steve Raukar	Jan. 1997 Jan. 2001
Elected Officers:		
Attorney	Alan L. Mitchell	Jan. 1995 Jan. 1999
Auditor	Gordon D. McFaul	Jan. 1995 Jan. 1999
Sheriff	Gary Waller	Jan. 1995 Jan. 1999
Judges:		
District Court	David E. Ackerson	Jan. 1991 Jan. 2003
District Court	Robert F. Berger	Jan. 1989 Jan. 2003
District Court	Donovan W. Frank	Jan. 1987 Jan. 1999
District Court	Terry C. Hallenbeck	Mar. 1995 Jan. 2003
District Court	Robert E. Macaulay	Mar. 1995 Jan. 2003
District Court	Gerald C. Martin	Jan. 1987 Jan. 1999
District Court	John T. Oswald	Jan. 1987 Jan. 1999
District Court	Gary J. Pagliaccetti	Jun. 1991 Jan. 2003
District Court	Carol Person	Nov. 1993 Jan. 2003
District Court	Jeffry S. Rantala	Jan. 1995 Jan. 2001
District Court	Ken Sandvik	Jan. 1987 Jan. 1999
District Court	David P. Sullivan	Sep. 1997 Jan. 1999
District Court	Heather Sweetland	Feb. 1996 Jan. 1999
District Court	Galen C. Wilson	Jan. 1987 Jan. 1999
District Court	Dale Wolf	Jan. 1991 Jan. 2003
Appointed Officers:		
Administrator	Julie Brunner	
Assessor	Mary Durward	
Civil Service Director	Anthony Bruno, Jr.	
Court Administrator	Gloria Pothast	
Emergency Communications Director	Paul Kent	
Examiner of Titles	Robert C. Brown	
Land Commissioner	John J. Vogel	
Management Information Systems Director	Martin Buscombe	
Planning Director	Mark Flaherty	
Property Management Director	Tony Mancuso	
Public Health and Long-Term Care Director	Carol Thibault	
Public Works Director	Richard Hansen	
Purchasing Agent	John Valentine	
Recorder	Mark Monacelli	
Social Services Director	Linda Anderson	
Solid Waste Director	Theodore Troolin	

St. Louis County Organizational Summary



Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Louis County,
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1996

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



Linda K. Savitsky
President

Jeffrey L. Essler
Executive Director

FINANCIAL -
General Purpose Financial Statements



JUDITH H. DUTCHER
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

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

(612) 296-2551 (Voice)
(612) 296-4755 (Fax)
stateauditor@osa.state.mn.us (E-Mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

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

We have audited the general purpose financial statements of St. Louis County, Minnesota, as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of St. Louis County as of December 31, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements, schedules, supplementary information, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of St. Louis County.

Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we are issuing a report dated May 15, 1998, on our consideration of St. Louis County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



JUDITH H. DUTCHER
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

May 15, 1998

General Purpose Financial Statements

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

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1997

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Assets and Other Debits				
Cash and cash equivalents	\$ 19,047,962	\$ 9,962,700	\$ 162,071	\$ 1,794,970
Assets held by escrow agent	271,000	-	-	-
Investments	-	-	-	2,436,272
Invested employee contribution	-	-	-	-
Receivables				
Taxes				
Unapportioned	701,963	561,270	15,394	12,707
Delinquent	1,400,155	1,891,399	54,629	43,693
Accounts (net of allowance for uncollectibles)	75,493	299,608	-	-
Accrued interest	260,284	-	-	-
Loans	1,029,294	125,000	-	-
Due from other funds	-	262,121	-	106,900
Interfund receivable	99,455	-	-	-
Due from other governments	685,348	12,892,208	-	95,153
Inventories	-	1,491,302	-	-
Prepaid items	-	-	-	-
Restricted assets				
Improvement account				
Cash and cash equivalents	-	-	-	-
Debt service				
Cash and cash equivalents	-	-	-	-
Receivables				
Taxes				
Unapportioned	-	-	-	-
Delinquent	-	-	-	-
Accounts (net of allowance for uncollectibles)	-	-	-	-
Financial assurance				
Investments	-	-	-	-
Receivables				
Accrued interest	-	-	-	-
Fixed assets (net)	-	-	-	-
Amount available in general fund	-	-	-	-
Amount available in special revenue funds	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount available in trust fund	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Amount to be provided for compensated absences	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Other Debits	<u>\$ 23,570,954</u>	<u>\$ 27,485,608</u>	<u>\$ 232,094</u>	<u>\$ 4,489,695</u>

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 1,680,559	\$ 6,339,716	\$ 12,473,959	\$ -	\$ -	\$ 51,461,937
-	-	-	-	-	271,000
11,735,717	13,776,278	20,794,267	-	-	48,742,534
-	-	7,339,073	-	-	7,339,073
36,061	-	7,705	-	-	1,335,100
13,371	-	22,094	-	-	3,425,341
2,345,172	177,344	8,311,307	-	-	11,208,924
88,504	198,033	95,405	-	-	642,226
75,669	-	-	-	-	1,229,963
-	-	-	-	-	369,021
-	-	-	-	-	99,455
180,401	50,771	1,651,783	-	-	15,555,664
121,533	177,137	-	-	-	1,789,972
-	58,568	-	-	-	58,568
3,181	-	-	-	-	3,181
104,234	-	-	-	-	104,234
21,869	-	-	-	-	21,869
58,091	-	-	-	-	58,091
2,602	-	-	-	-	2,602
1,231,055	-	-	-	-	1,231,055
6,351	-	-	-	-	6,351
14,417,511	4,062,957	-	107,556,274	-	126,036,742
-	-	-	-	734,816	734,816
-	-	-	-	1,377,952	1,377,952
-	-	-	-	182,928	182,928
-	-	-	-	111,184	111,184
-	-	-	-	23,388,917	23,388,917
-	-	-	-	21,422,683	21,422,683
<u>\$ 32,121,881</u>	<u>\$ 24,840,804</u>	<u>\$ 50,695,593</u>	<u>\$ 107,556,274</u>	<u>\$ 47,218,480</u>	<u>\$ 318,211,383</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1997

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity and Other Credits				
Liabilities				
Accounts payable	\$ 829,961	\$ 2,769,371	\$ -	\$ 730,793
Contracts payable	-	490,263	-	-
Salaries payable	1,118,199	1,131,460	-	-
Compensated absences payable	321,388	382,177	-	-
Deferred compensation payable	-	-	-	-
Claims payable	-	-	-	-
Unapportioned taxes payable	-	-	-	-
Due to other funds	-	-	-	369,021
Interfund payable	-	99,455	-	-
Due to other governments	98,321	1,405,196	-	-
Deferred revenue	2,337,180	3,197,195	49,166	39,323
Capital leases payable	-	-	-	-
Payable from restricted assets				
Accrued interest payable	-	-	-	-
Deferred revenue	-	-	-	-
Bonds payable	-	-	-	-
Compensated absences payable - long term	-	-	-	-
Loans payable	-	-	-	-
Claims payable - long term	-	-	-	-
Capital leases payable - long term	-	-	-	-
General obligation bonds	-	-	-	-
General obligation revenue bonds payable	-	-	-	-
Tax lease obligations payable	-	-	-	-
Customer deposits	-	-	-	-
Closure and post-closure liabilities	-	-	-	-
Total Liabilities	\$ 4,705,049	\$ 9,475,117	\$ 49,166	\$ 1,139,137

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 1,109,281	\$ 404,150	\$ 813,914	\$ -	\$ -	\$ 6,657,470
-	-	-	-	-	490,263
509,207	134,726	350,063	-	-	3,243,655
93,232	38,047	20,205	-	-	855,049
-	-	7,339,073	-	-	7,339,073
-	2,438,802	-	-	-	2,438,802
-	-	1,356,969	-	-	1,356,969
-	-	-	-	-	369,021
-	-	-	-	-	99,455
6,516	12,414	28,063,850	-	-	29,586,297
198,274	286,379	8,105,386	-	-	14,212,903
-	11,873	-	-	-	11,873
27,236	-	-	-	-	27,236
52,282	-	-	-	-	52,282
1,225,000	-	-	-	-	1,225,000
2,362,839	1,521,498	-	-	23,646,635	27,530,972
-	-	-	-	11,811	11,811
-	3,078,621	-	-	-	3,078,621
-	5,621	-	-	3,705,034	3,710,655
-	-	-	-	2,340,000	2,340,000
5,547,014	-	-	-	-	5,547,014
-	-	-	-	17,515,000	17,515,000
6,640	-	-	-	-	6,640
579,180	-	-	-	-	579,180
<u>\$ 11,716,701</u>	<u>\$ 7,932,131</u>	<u>\$ 46,049,460</u>	<u>\$ -</u>	<u>\$ 47,218,480</u>	<u>\$ 128,285,241</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1997

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity and Other Credits (continued)				
Equity and Other Credits				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for capital acquisition	-	-	-	-
Reserved for closure and post-closure	-	-	-	-
Reserved for communications	-	-	-	-
Reserved for Year 2000	-	-	-	-
Unreserved	-	-	-	-
Fund Balance				
Reserved for change funds	20,855	16,000	-	-
Reserved for noncurrent loans	510,084	125,000	-	-
Reserved for conference fund	-	23,261	-	-
Reserved for economic development	362,526	-	-	-
Reserved for inventories	-	1,491,302	-	-
Reserved for encumbrances	398,247	1,390,165	-	-
Reserved for health and welfare	1,098,003	895,806	-	-
Reserved for law library	46,707	-	-	-
Reserved for recorder's equipment	31,732	-	-	-
Reserved for foster care insurance	-	6,000	-	-
Reserved for senior citizens transportation	-	56,762	-	-
Reserved for unorganized town roads	-	418,556	-	-
Reserved for veterans credit	-	-	-	-
Reserved for debt service	271,000	-	-	-
Reserved for communications	205,392	-	-	-
Reserved for Extension Service	101,376	-	-	-
Unreserved				
Designated for parking	243,788	-	-	-
Designated for tax grant 1997	48,642	-	-	-
Designated for vested sick leave	734,816	1,377,952	-	-
Designated for cash flow	9,661,309	11,382,375	-	-
Undesignated	<u>5,131,428</u>	<u>827,312</u>	<u>182,928</u>	<u>3,350,558</u>
Total Equity and Other Credits	\$ 18,865,905	\$ 18,010,491	\$ 182,928	\$ 3,350,558
Total Liabilities, Equity, and Other Credits	\$ <u>23,570,954</u>	\$ <u>27,485,608</u>	\$ <u>232,094</u>	\$ <u>4,489,695</u>

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

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 3,151,055	\$ 2,886,902	\$ -	\$ -	\$ -	\$ 6,037,957
-	-	-	107,556,274	-	107,556,274
70,004	58,568	-	-	-	128,572
1,237,406	-	-	-	-	1,237,406
-	128,318	-	-	-	128,318
-	350,092	-	-	-	350,092
15,946,715	13,484,793	-	-	-	29,431,508
-	-	-	-	-	36,855
-	-	-	-	-	635,084
-	-	-	-	-	23,261
-	-	-	-	-	362,526
-	-	-	-	-	1,491,302
-	-	181,739	-	-	1,970,151
-	-	41,756	-	-	2,035,565
-	-	-	-	-	46,707
-	-	-	-	-	31,732
-	-	-	-	-	6,000
-	-	-	-	-	56,762
-	-	-	-	-	418,556
-	-	15,000	-	-	15,000
-	-	-	-	-	271,000
-	-	-	-	-	205,392
-	-	-	-	-	101,376
-	-	-	-	-	243,788
-	-	-	-	-	48,642
-	-	111,184	-	-	2,223,952
-	-	-	-	-	21,043,684
-	-	4,296,454	-	-	13,788,680
<u>\$ 20,405,180</u>	<u>\$ 16,908,673</u>	<u>\$ 4,646,133</u>	<u>\$ 107,556,274</u>	<u>\$ -</u>	<u>\$ 189,926,142</u>
<u>\$ 32,121,881</u>	<u>\$ 24,840,804</u>	<u>\$ 50,695,593</u>	<u>\$ 107,556,274</u>	<u>\$ 47,218,480</u>	<u>\$ 318,211,383</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, 1997

	Governmental Fund Types	
	General	Special Revenue
Revenues		
Taxes	\$ 30,031,429	\$ 36,237,052
Licenses and permits	116,795	21,374
Intergovernmental	14,209,356	70,380,528
Charges for services	5,803,992	1,938,474
Fines and forfeits	941,739	-
Interest on investments	2,905,008	551
Gifts and contributions	35,767	-
Land and timber sales	-	-
Miscellaneous	650,720	1,750,421
Total Revenues	\$ 54,694,806	\$ 110,328,400
Expenditures		
Current		
General government	\$ 20,703,016	\$ -
Public safety	14,873,823	-
Highways and streets	-	37,870,953
Health	5,343,266	-
Welfare	807,693	60,196,683
Culture and recreation	975,862	-
Conservation of natural resources	701,061	-
Economic development	137,579	3,907,897
Total Current	\$ 43,542,300	\$ 101,975,533
Capital outlay		
General government	\$ 60,188	\$ -
Public safety	574,009	-
Highways and streets	-	3,162,352
Health	7,712	-
Welfare	2,545	157,715
Culture and recreation	15,069	-
Conservation of natural resources	27,061	-
Total Capital Outlay	\$ 686,584	\$ 3,320,067
Debt service		
Principal	\$ 96,072	\$ 244,031
Interest and fiscal charges	24,354	61,858
Total Debt Service	\$ 120,426	\$ 305,889
Intergovernmental		
Public safety	\$ 7,033,887	\$ -
Total Expenditures	\$ 51,383,197	\$ 105,601,489
Excess of Revenues Over (Under) Expenditures	\$ 3,311,609	\$ 4,726,911
Other Financing Sources (Uses)		
Bond proceeds	\$ -	\$ -
Capital leases	-	-
Operating transfers in	400,000	-
Operating transfers out	(60,000)	(222,682)
Total Other Financing Sources (Uses)	\$ 340,000	\$ (222,682)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,651,609	\$ 4,504,229
Fund Balance - January 1	16,657,997	13,366,817
Equity transfer out	(1,443,701)	-
Increase (decrease) in reserved for inventories	-	139,445
Fund Balance - December 31	\$ 18,865,905	\$ 18,010,491

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Fund Type Expendable Trust</u>	<u>Total (Memorandum Only)</u>
\$ 1,046,992	\$ 664,624	\$ 651,535	\$ 68,631,632
-	-	-	138,169
248,879	212,649	82,065	85,133,477
-	-	3,131	7,745,597
-	-	-	941,739
4,231	129,334	5,836	3,044,960
-	-	-	35,767
-	-	5,144,172	5,144,172
-	636,266	630,471	3,667,878
<u>\$ 1,300,102</u>	<u>\$ 1,642,873</u>	<u>\$ 6,517,210</u>	<u>\$ 174,483,391</u>
\$ -	\$ -	\$ 246,392	\$ 20,949,408
-	-	77,322	14,951,145
-	-	-	37,870,953
-	-	-	5,343,266
-	-	-	61,004,376
-	-	-	975,862
-	-	5,406,381	6,107,442
-	-	-	4,045,476
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,730,095</u>	<u>\$ 151,247,928</u>
\$ -	\$ 266,930	\$ -	\$ 327,118
-	2,668,551	-	3,242,560
-	1,737,112	-	4,899,464
-	-	-	7,712
-	-	-	160,260
-	-	-	15,069
-	-	264,678	291,739
<u>\$ -</u>	<u>\$ 4,672,593</u>	<u>\$ 264,678</u>	<u>\$ 8,943,922</u>
\$ 915,000	\$ -	\$ -	\$ 1,255,103
946,566	-	-	1,032,778
<u>\$ 1,861,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,287,881</u>
\$ -	\$ -	\$ -	\$ 7,033,887
<u>\$ 1,861,566</u>	<u>\$ 4,672,593</u>	<u>\$ 5,994,773</u>	<u>\$ 169,513,618</u>
\$ (561,464)	\$ (3,029,720)	\$ 522,437	\$ 4,969,773
\$ 153,843	\$ 5,062,778	\$ -	\$ 5,216,621
-	847,000	-	847,000
136,882	81,450	-	618,332
-	(420,582)	-	(703,264)
<u>\$ 290,725</u>	<u>\$ 5,570,646</u>	<u>\$ -</u>	<u>\$ 5,978,689</u>
\$ (270,739)	\$ 2,540,926	\$ 522,437	\$ 10,948,462
453,667	809,632	4,123,696	35,411,809
-	-	-	(1,443,701)
-	-	-	139,445
<u>\$ 182,928</u>	<u>\$ 3,350,558</u>	<u>\$ 4,646,133</u>	<u>\$ 45,056,015</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES
YEAR ENDED DECEMBER 31, 1997

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 29,324,454	\$ 30,031,429	\$ 706,975
Licenses and permits	114,700	116,795	2,095
Intergovernmental	16,021,989	14,209,356	(1,812,633)
Charges for services	5,777,508	5,803,992	26,484
Fines and forfeits	955,769	941,739	(14,030)
Interest on investments	2,610,061	2,905,008	294,947
Gifts and contributions	6,678	35,767	29,089
Miscellaneous	450,447	650,720	200,273
Total Revenues	\$ 55,261,606	\$ 54,694,806	\$ (566,800)
Expenditures			
General government	\$ 21,870,432	\$ 20,969,893	\$ 900,539
Public safety	22,965,675	22,445,467	520,208
Highways and streets	-	-	-
Health	6,724,512	5,579,562	1,144,950
Welfare	2,643,109	810,238	1,832,871
Culture and recreation	1,023,375	989,930	33,445
Conservation of natural resources	820,608	746,996	73,612
Economic development	137,579	137,579	-
Debt service	-	-	-
Total Expenditures	\$ 56,185,290	\$ 51,679,665	\$ 4,505,625
Excess of Revenues Over (Under) Expenditures	\$ (923,684)	\$ 3,015,141	\$ 3,938,825
Other Financing Sources (Uses)			
Bond proceeds	\$ -	\$ -	\$ -
Operating transfers in	407,000	400,000	(7,000)
Operating transfers out	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	\$ 347,000	\$ 340,000	\$ (7,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (576,684)	\$ 3,355,141	\$ 3,931,825
Adjustments-Note 1	-	296,468	296,468
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (576,684)	\$ 3,651,609	\$ 4,228,293
Fund Balance - January 1	16,657,997	16,657,997	-
Equity transfer out	-	(1,443,701)	(1,443,701)
Increase (decrease) in reserved for inventories	-	-	-
Fund Balance - December 31	\$ 16,081,313	\$ 18,865,905	\$ 2,784,592

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

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 35,274,526	\$ 36,237,052	\$ 962,526	\$ 1,194,409	\$ 1,046,992	\$ (147,417)
16,000	21,374	5,374	-	-	-
77,547,467	70,380,528	(7,166,939)	134,633	248,879	114,246
1,842,329	1,938,474	96,145	-	-	-
-	-	-	-	-	-
-	551	551	-	4,231	4,231
-	-	-	-	-	-
1,480,700	1,750,421	269,721	-	-	-
<u>\$ 116,161,022</u>	<u>\$ 110,328,400</u>	<u>\$ (5,832,622)</u>	<u>\$ 1,329,042</u>	<u>\$ 1,300,102</u>	<u>\$ (28,940)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
43,974,102	41,922,840	2,051,262	-	-	-
-	-	-	-	-	-
64,089,947	60,589,705	3,500,242	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,020,238	3,904,378	4,115,860	-	-	-
-	-	-	1,861,566	1,861,566	-
<u>\$ 116,084,287</u>	<u>\$ 106,416,923</u>	<u>\$ 9,667,364</u>	<u>\$ 1,861,566</u>	<u>\$ 1,861,566</u>	<u>\$ -</u>
\$ 76,735	\$ 3,911,477	\$ 3,834,742	\$ (532,524)	\$ (561,464)	\$ (28,940)
\$ -	\$ -	\$ -	\$ 153,843	\$ 153,843	\$ -
-	-	-	136,882	136,882	-
(222,682)	(222,682)	-	-	-	-
<u>\$ (222,682)</u>	<u>\$ (222,682)</u>	<u>\$ -</u>	<u>\$ 290,725</u>	<u>\$ 290,725</u>	<u>\$ -</u>
\$ (145,947)	\$ 3,688,795	\$ 3,834,742	\$ (241,799)	\$ (270,739)	\$ (28,940)
-	815,434	815,434	-	-	-
\$ (145,947)	\$ 4,504,229	\$ 4,650,176	\$ (241,799)	\$ (270,739)	\$ (28,940)
13,366,817	13,366,817	-	453,667	453,667	-
-	-	-	-	-	-
-	139,445	139,445	-	-	-
<u>\$ 13,220,870</u>	<u>\$ 18,010,491</u>	<u>\$ 4,789,621</u>	<u>\$ 211,868</u>	<u>\$ 182,928</u>	<u>\$ (28,940)</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY TYPE FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Operating Revenues			
Charges for services	\$ 24,020,108	\$ 20,987,808	\$ 45,007,916
Licenses and permits	2,800	-	2,800
Other	452,973	1,617,657	2,070,630
Total Operating Revenues	\$ 24,475,881	\$ 22,605,465	\$ 47,081,346
Operating Expenses			
Personal services	\$ 13,994,094	\$ 4,327,445	\$ 18,321,539
Contractual services	6,564,333	18,351,785	24,916,118
Materials	1,998,769	1,436,891	3,435,660
Depreciation	551,892	1,053,947	1,605,839
Total Operating Expenses	\$ 23,109,088	\$ 25,170,068	\$ 48,279,156
Operating Income (Loss)	\$ 1,366,793	\$ (2,564,603)	\$ (1,197,810)
Nonoperating Revenues (Expenses)			
Taxes	\$ 1,528,331	\$ -	\$ 1,528,331
Grants	558,497	-	558,497
Interest on investments	794,235	938,798	1,733,033
Interest expense	(557,789)	-	(557,789)
Amortization of bond discount	(50,872)	-	(50,872)
Litigation settlement	290,274	-	290,274
Disposition of fixed assets	-	20,705	20,705
Total Nonoperating Revenues (Expenses)	\$ 2,562,676	\$ 959,503	\$ 3,522,179
Net Income (Loss) Before Operating Transfer	\$ 3,929,469	\$ (1,605,100)	\$ 2,324,369
Operating transfer in	-	84,932	84,932
Net Income (Loss)	\$ 3,929,469	\$ (1,520,168)	\$ 2,409,301
Retained Earnings - January 1 - Restated	13,324,656	15,541,939	28,866,595
Retained Earnings - December 31	\$ 17,254,125	\$ 14,021,771	\$ 31,275,896

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

ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1997

	Enterprise	Internal Service	Total (Memorandum Only)
Cash Flows From Operating Activities			
Operating Income (Loss)	\$ 1,366,793	\$ (2,564,603)	\$ (1,197,810)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	551,892	1,053,947	1,605,839
Litigation settlement	290,274	-	290,274
Changes in Assets and Liabilities			
(Increase) Decrease in accounts receivable	638,036	(51,190)	586,846
(Increase) Decrease in loans receivable	17,710	-	17,710
(Increase) Decrease in due from other governments	(161,137)	83,635	(77,502)
(Increase) Decrease in inventories	157	14,028	14,185
(Increase) Decrease in prepaid items	-	57,015	57,015
Increase (Decrease) in accounts payable	322,972	(75,396)	247,576
Increase (Decrease) in salaries payable	42,753	7,797	50,550
Increase (Decrease) in compensated absences payable	(111,565)	166,648	55,083
Increase (Decrease) in claims payable	-	820,433	820,433
Increase (Decrease) in closure and post-closure liabilities	140,702	-	140,702
Increase (Decrease) in due to other governments	(31,124)	(7,130)	(38,254)
Increase (Decrease) in deferred revenue	74,952	155,401	230,353
Increase (Decrease) in customer deposits	2,525	-	2,525
Net Cash Provided by Operating Activities	\$ 3,144,940	\$ (339,415)	\$ 2,805,525
Cash Flows From Noncapital Financing Activities			
Proceeds from taxes	\$ 1,539,455	\$ -	\$ 1,539,455
Proceeds from grants	561,652	-	561,652
Operating transfer in	-	84,932	84,932
Payments of interfund loan	(2,716,624)	-	(2,716,624)
Contributed capital	1,443,701	-	1,443,701
Net Cash Provided by Noncapital Financing Activities	\$ 828,184	\$ 84,932	\$ 913,116
Cash Flows From Capital and Related Financing Activities			
Proceeds from escrow account	\$ 2,844,537	\$ -	\$ 2,844,537
Acquisition of capital assets	(198,374)	(1,011,912)	(1,210,286)
Principal paid on bonds	(3,970,000)	-	(3,970,000)
Interest paid on bonds	(578,785)	-	(578,785)
Payments of capital leases	-	(8,468)	(8,468)
Disposal of capital assets	20,321	31,788	52,109
Net Cash Provided by Capital and Related Financing Activities	\$ (1,882,301)	\$ (988,592)	\$ (2,870,893)
Cash Flows From Investing Activities			
Purchase of investments	\$ (47,727,487)	\$ (108,805,573)	\$ (156,533,060)
Sale of investments	44,937,369	104,651,642	149,589,011
Interest on investments	786,847	981,502	1,768,349
Net Cash Provided by Investing Activities	\$ (2,003,271)	\$ (3,172,429)	\$ (5,175,700)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 87,552	\$ (4,415,504)	\$ (4,327,952)
Cash and Cash Equivalents - January 1	1,700,422	10,755,220	12,455,642
Cash and Cash Equivalents - December 31	\$ 1,787,974	\$ 6,339,716	\$ 8,127,690

Non-Cash Activities

The County Garage Internal Service Fund received equipment worth \$1,000 from the Road and Bridge Special Revenue Fund.

The County Garage and Telecommunications Internal Service Funds disposed of fixed assets with book values of \$2,372 and \$666, respectively.

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

Reader's notes:

**NOTES TO THE
FINANCIAL STATEMENTS**

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1997

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St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Note 1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

St. Louis County was established March 1, 1856 as an organized county having powers, duties, and privileges granted counties by Minn. Stat. Ch. 373 (1996). The County is governed by a seven-member Board of Commissioners elected from districts within the County. A County Administrator is appointed by the County Board. The board is organized with a chair and vice-chair elected at the annual meeting in January of each year. The County Auditor, elected on a county-wide basis, serves as the Clerk of the Board of Commissioners but has no voting privileges.

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

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

The St. Louis County Housing and Redevelopment Authority is headed by a Board comprising all members of the St. Louis County Board of Commissioners. It was established for the purpose of conducting housing and economic development services for St. Louis County. The County Administrator is the Executive Director of the Authority. The Authority follows the same accounting policies as the County. A tax is levied by the Authority, subject to a maximum amount established by

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

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

B. Basis of Presentation - Fund Accounting

The accounts of St. Louis County are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The various funds are grouped, in the financial statements in this report, into seven generic fund types, three broad fund categories, and two account groups. A description of the fund types and account groups used by the County is:

Governmental Funds

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

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

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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

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

Proprietary Funds

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

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

Fiduciary Funds

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

Account Groups

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

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

C. Measurement Focus

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

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

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

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

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

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

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

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

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

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets.

Depreciation has been provided over the estimated useful life using the straight-line method. The estimated useful lives are:

Building and structures	50 years
Improvements other than buildings	10 - 20 years
Machinery and equipment	5 - 20 years
Vehicles	5 years

D. Basis of Accounting

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

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

St. Louis County, Minnesota
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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 Governmental Accounting Standards Board (GASB). This interpretation states that "property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period and collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days."

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, subsidies, and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, the monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and nearly irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Intergovernmental revenues received but not earned are recorded as deferred revenue. Other revenues susceptible to accrual are investment earnings and charges for services.

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

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures

for debt service, and other long-term obligations which are recognized when paid. The current portions of compensated absences are recognized as fund liabilities. Non-current earned but unpaid vacation, vested sick leave, and unvested sick leave likely to become vested, are shown in the General Long-Term Debt Account Group.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses, including compensated absences, are recognized when they are incurred. Pursuant to Governmental Accounting Standards Board Statement No. 20, the County has elected not to apply accounting standards issued after November 30, 1989, by the Financial Accounting Standards Board.

E. Budgetary Data

General Budget Policies

The County is required by Minn. Stat. Ch. 383C (1996), to adopt an annual budget for the General, Special Revenue, and Debt Service Funds. These budgets are prepared on the modified accrual basis of accounting plus encumbrances.

The County is also required to adopt a budget for the Capital Projects Funds. An appropriation for expenditures from the capital project funds continues in force until the purpose for which it was made has been accomplished or abandoned. The appropriation lapses if three years pass without a disbursement from or encumbrance of the appropriation. Capital Project appropriations will continue in effect for up to five years unless otherwise adjusted by the County Board. These budget periods are not consistent with the method of financial reporting; therefore, comparisons between the results of operations and budgets in these funds are not relevant and are not presented.

St. Louis County, Minnesota
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The County Board has established the legal level of control at the departmental level with some restrictions. The amount appropriated for public aid assistance can not be used for any other purpose. Transfer of appropriations from the personnel services category of expenditures to any other category of expenditures is not allowed without Board approval.

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

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

Budgets can be amended during the year by the County Board. Supplemental appropriations or budget reductions are reviewed by the County Administrator's office and submitted to the County Board for their review and approval. If approved, they are implemented by the Auditor's Office as budget revisions. Supplemental appropriations could be required because of several factors. These include the awarding of state and federal grants during the year and to provide funding for unanticipated program requirements. Budget revisions were necessary during the year. The effect of these amendments was a increase in budgeted County funds of \$6,989,163.

Procedure for Preparing the Annual Budget

1. Early each year, the County Administrator meets with budget staff to discuss

preparations for next year's budget. A basic budget strategy is developed at that time, based on guidelines and policies established by the County Board.

2. Budget request forms are sent out to each department. Included is a memo from the County Administrator highlighting basic guidelines for preparing budget requests.
3. All departments submit preliminary estimates of their requested appropriations and anticipated revenues by the end of May. These figures are used to determine the amount of tax levy that would be required to meet departmental requests, and the amount of budget adjustments that the County Administrator will need to make during the preliminary budget hearings in order to meet goals established by the County Board.
4. Preliminary budget hearings are held by the County Administrator with each department. These hearings begin about mid-June and last until about mid-July.
5. The County Administrator's recommended budget is given to the County Board prior to September 15. The County Board will certify by resolution to the County Auditor a maximum proposed property tax levy by September 15th, which will be used to comply with the Truth-in-Taxation provisions of state law.
6. The County Board holds formal public hearings on the proposed budget, and adopts by resolution the final budget and tax levy on or before December 28.

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Encumbrances

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

Budget Basis of Accounting

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

Reconciliation of Budget Basis to GAAP Basis

Adjustments necessary to convert actual expenditures reported on the budgetary basis on Exhibit III to the GAAP basis as reported on Exhibit II are:

	(Amounts in Dollars)				
	Reserved for Encumbrances 12-31-97	Expenditures in 1997 from 1996 Encumbrances	Total Exhibit III Adjustment	Exhibit III Expenditures	Exhibit II Expenditures
General Fund	(398,247)	101,779	(296,468)	51,679,665	51,383,197
Special Revenue					
Babbitt Facility	-	-	-	-	-
Housing and Redevelopment Authority	-	3,519	3,519	69,832	73,351
Community Development Block Grant	-	-	-	2,927,029	2,927,029
Northeast Minnesota Housing Consortium	-	-	-	907,517	907,517
Road and Bridge	(1,315,159)	425,624	(889,535)	41,922,840	41,033,305
Social Services	(75,006)	145,588	70,582	60,589,705	60,660,287
Total Special Revenue Fund	(1,390,165)	574,731	(815,434)	106,416,923	105,601,489

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

Fund Restatements

As of January 1, 1997, the County determined that the liabilities and related expenses for the year ended December 31, 1996 were overstated in the Chris Jensen and Nopeming Enterprise Funds. The retained earnings as of January 1, 1997 were restated to reflect these changes.

(Amounts in Dollars)

	Retained Earnings January 1, 1997 As Previously Reported	Restatement	Retained Earnings January 1, 1997 As Restated
Enterprise Fund			
Chris Jensen	2,486,776	335,899	2,822,675
Nopeming	1,067,663	85,282	1,152,945
Solid Waste	9,349,036		9,349,036
Total Enterprise Funds	12,903,475	421,181	13,324,656

Account Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1996, 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, 1997. Although comparative statements for 1996 are not presented here, these reclassifications must be considered when comparing the financial statements of this report with those of prior reports.

G. Assets, Liabilities, and Equity Accounts

Assets

Cash and Cash Equivalents

Available cash balances from all funds are pooled and invested in accordance with Minnesota State Statutes. Each fund's share of the pool is shown on the financial statements as "Cash and Cash Equivalents." For proprietary fund-type statement of cash

flows, all change funds and all highly liquid investments (including restricted assets) with a maturity of 3 months or less when purchased, are considered to be cash equivalents. Investments are stated at cost, except for the Deferred Compensation Agency Fund investments which are stated at market value.

Property Taxes

In September of each year the County Board certifies a proposed property tax levy to the County Auditor. Notices of proposed taxes are mailed to taxpayers informing them of the proposed tax on their property and of the time and location of a meeting at which the final property tax levy will be established by the Board of County Commissioners. Subsequent to that meeting but within five business days of December 20 the Board certifies to the County Auditor, the final property tax levy, which generally cannot exceed the proposed levy.

The tax levy is spread on all taxable property based on the value of the property on the assessment date. At the time the taxes are

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

Inventories

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

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

Liabilities

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

Under the County's personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of service.

Vacation leave accrual varies from 3.75 to 10.25 hours per biweekly pay period. Sick leave accrual is from 3.5 to 5.75 hours per biweekly pay period.

Unused accumulated vacation is paid to employees at termination. Vested sick leave is paid to employees at retirement or is used for the payment of employees' health insurance coverage during their retirement. Vacation, vested sick leave, and unvested sick leave likely to become vested, are recognized as liabilities in the proprietary funds. The current portion of unused vacation is recognized as a fund liability in the governmental funds. The non-current unused vacation, vested sick leave, and unvested sick leave likely to become vested, are recognized in the General Long-Term Debt Account Group. The sick leave amounts which are necessary for insurance coverage for those employees who have retired to-date are reported as reservations of fund balance; i.e., reserved for health and welfare, in the appropriate funds. Fund balance in the governmental funds is designated for a portion of the funds' vested sick leave liability. Unvested sick leave of \$10,129,059 at December 31, 1997, is available to employees in the event of illness-related absences and is not reported in the financial statements.

In accordance with Governmental Accounting Standards Board's Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, the County has accrued liabilities for closure and postclosure costs associated with future closing of its Regional Landfill.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops

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accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date. The \$579,180 for the open area reported on the Solid Waste Management Enterprise Fund Balance Sheet as landfill closure and postclosure liability at December 31, 1997 represents the following:

Postclosure liability \$212,773

This is the liability for postclosure costs for the Regional Landfill. It is based on the use of 46.03% of the existing open area.

Closure liability \$366,407

This is the liability for closure costs for the Regional Landfill. It is based on the use of 46.03% of the existing open area.

The County will recognize the remaining \$679,143 in costs of closure and postclosure care of the open area as the remaining estimated capacity of the open area of the Regional Landfill is filled. The amounts are based on what it would cost to perform all closure and postclosure care in 1997. The County expects the open area to be closed in 2000 or later. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a restricted account to finance closure and postclosure care of the last cell that will be accepting waste. The County is in compliance with these requirements, and at December 31, 1997 restricted assets of \$1,237,406 are included in the amounts shown on the Solid Waste Management Enterprise Fund balance sheet as Financial Assurance Restricted Assets -

Cash and cash equivalents, Investments, and accrued interest.

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

Equity

Equity is divided into sections:

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

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

Retained Earnings accounts are subdivided:

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

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

Fund Balance accounts are subdivided:

Reserved Fund Balance accounts indicate that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation..

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

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

H. Total Columns on Combined Statements

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

I. Federal Audit Requirements

The Single Audit Act Amendments of 1996 requires the County to have a single, independent audit of its financial operations, including compliance with certain provisions of federal law and regulations. This audit requirement was complied with for fiscal year ended December 31, 1997; the auditor's reports on compliance and internal accounting control will be issued separately.

Note 2. Stewardship, Compliance and Accountability

Deficit Retained Earnings

The following funds had deficit retained earnings at December 31, 1997:

Laundry Internal Service Fund	\$ 7,008
County Garage Internal Service Fund	60,022

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

St. Louis County, Minnesota
Notes to the Financial Statements
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Note 3. Detailed Notes on all Funds and Account Groups

A. Assets

Deposits and Investments

Deposits

Minn. Stat. §§ 118A.02 and 118A.04 (1996) authorize the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. At December 31, 1997, County deposits totaled \$17,654,980, of which \$1,555,178 were cash deposits and \$16,099,802 was invested in certificates of deposit.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1997:

	(Amounts in Dollars)	
	Bank Balances	Carrying Amounts
Covered Deposits		
Insured or collateralized with securities held by the County or its agent in the County's name	5,966,248	5,970,841
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	11,684,139	11,684,139
Uncollateralized	-	-
Total Deposits	17,650,387	17,654,980

Investments

Minn. Stat. Ch. 118A (1996) authorizes the following:

Safekeeping Options and Requirements:

Investments may be held in safekeeping with:

1. any federal reserve bank;
2. any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to, the bank from which the investment is purchased;
3. a primary reporting dealer in United States government securities to the Federal

Reserve Bank of New York; or

4. a securities broker-dealer having its principal executive office in Minnesota, licensed under Chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission; provided that the government entity's ownership of all securities is evidenced by written acknowledgements identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

Type of securities available to the County for investment:

1. governmental bonds, notes, bills,

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mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress;

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

Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.

6. agreements or contracts for shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in subdivision 2 and Section 118A.04, or shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months;
7. agreements or contracts for guaranteed investment contracts if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries with the credit quality of the issuer's or guarantor's short and long term unsecured debt rated in one of the two highest categories by a nationally recognized rating agency, and with the provision that should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.
8. general obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

Funds held in a debt service fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may

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be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold by the governmental entity at any time, but the money so received remains part of the fund until used for the purpose for which the fund was created.

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

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

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

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Following is a summary of the carrying values of the County's securities, categorized into the aforementioned levels of risk, along with the market values of the securities, at December 31, 1997.

(Amounts in Dollars)					
	(1)	Category (2)	(3)	Carrying Amount	Market Value
Investments					
U.S. Government securities	-	57,623,760	271,000	57,894,760	57,929,079
Bankers Acceptances	-	4,341,628	-	4,341,628	4,342,628
Commercial Paper	-	11,730,853	-	11,730,853	11,730,853
Add:					
Investments held by Trustees for deferred compensation				7,339,073	7,339,073
Minnesota Assn of Govn'ts investing for Counties (Magic) Fund				8,366,442	8,366,442
Deposits				17,654,980	17,654,980
Cash on hand				1,825,278	1,825,278
Total				109,153,014	109,189,188

Detail as shown on Combined Balance Sheet:

Current Assets:

Cash and cash equivalents	51,461,937
Assets held by escrow agent	271,000
Investments	48,742,534
Employee contributions	7,339,073

Restricted assets:

Improvements	
Cash and cash equivalents	3,181

Debt Service:

Cash and cash equivalents	104,234
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Financial Assurance:

Investments	1,231,055
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Total	109,153,014
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The following is a reconciliation of the carrying amount of the cash and cash equivalents account and the equity in the pool by fund.

	(Amounts in Dollars)	
	Equity in Pool	Advances
General Fund	19,147,417	
Special Revenue Funds		
Babbitt Facility	310,778	
Housing and Redevelopment Authority	511,366	
Community Development Block Grant		(92,128)
Northeast Minnesota Housing Consortium	598	(7,327)
Road & Bridge	2,651,201	
Social Services	6,488,757	
Debt Service Funds	162,071	
Capital Projects Funds	1,794,970	
Enterprise Funds	1,787,974	
Internal Service Funds	6,339,716	
Trust and Agency Funds	12,473,959	
Total Equity	51,668,807	
Less: Advances		(99,455)
Total	51,569,352	

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Loans Receivable

The long-term loan receivable from the St. Louis County Heritage and Arts Center is \$510,084 and is equally offset by a fund balance reserved for noncurrent loans account to indicate that it should not be considered "available spendable resources," since it does not represent current assets. The interest free loan for the construction of a performing arts center is accounted for in the General Fund and the payments are up-to-date through December 1997. The repayment schedule calls for \$15,000 annual payments.

The long-term loan receivable from the Duluth Lighthouse for the Blind is \$9,387 and is equally offset by deferred revenue. The receivable arises from a State of Minnesota grant and loan to St. Louis County. The funds were passed on to the Lighthouse for the Blind as a loan from the County to provide well-paying jobs for a segment of the population which has experienced severe chronic unemployment. In 1996, the Lighthouse for the Blind declared Chapter 11 bankruptcy. Under terms of the reorganization agreement, St. Louis County will receive 25% of the December 31, 1996 loan balance. If the Lighthouse for the Blind performs significantly better than projected, St. Louis County may recover in full through cash flow and reserve account distributions. The loan is accounted for in the General Fund and is valued at the expected recovery amount.

The second long-term loan receivable from the Duluth Lighthouse for the Blind is \$37,188 and is equally offset by deferred revenue. The receivable arises from a State of Minnesota grant to St. Louis County. The funds were passed on to the Lighthouse for the Blind as a loan from the County to provide well-paying jobs for a segment of the population which has experienced severe chronic unemployment. The first \$100,000 plus interest which the County receives is

retained and must be used for economic development. Subsequent payments must be passed on to the State. In 1996 the Lighthouse declared Chapter 11 bankruptcy. Under terms of the reorganization agreement, St. Louis County will receive 25% of the December 31, 1996 loan balance. If the Lighthouse for the Blind performs significantly better than projected, St. Louis County may recover in full through cash flow and reserve account distributions. The loan is accounted for in the General Fund and is valued at the expected recovery amount.

The long-term loan receivable from Improvement Limited Partnership is \$88,683 plus accrued interest of \$1,478 and is equally offset by deferred revenue. The loan bears interest at four percent and is valued at its discounted amount. The receivable arises from a State of Minnesota grant and loan to St. Louis County for the purpose of remodeling the Regency Kahler Hotel in Hibbing, now known as the Hibbing Park Inn. The loan is accounted for in the General Fund and payments are up-to-date through December 1997. The first \$100,000 plus interest which the County recovers from Improvement Limited Partnership does not require repayment to the State; the County must instead use the money for economic development. After \$100,000 plus interest has been recovered by the County, all subsequent payments by Improvement Limited Partnership must be repaid to the State.

The second long-term loan receivable from Improvement Limited Partnership is \$98,332 plus accrued interest of \$1,639 and is equally offset by a fund balance reserved for economic development. The loan bears interest at four percent and is valued at its discounted amount. The purpose of the loan is to fund remodeling of the Regency Kahler Hotel in Hibbing, now known as the Hibbing Park Inn. The loan is accounted for in the General Fund and payments are up-to-date through December 1997. The repayment schedule calls for 10 semi-annual payments

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

of \$5,581 beginning in August 1993 and a balloon payment of \$96,612 due August 1998. The repayment to the County will be used for economic development.

The long-term loan receivable from Pitman Engineering and Manufacturing Company (PEMCO) is \$181,718 plus accrued interest of \$454 and is equally offset by deferred revenue. The loan bears interest at three percent and is valued at its discounted amount. The receivable arises from a State of Minnesota grant and loan to St. Louis County. Loan proceeds were used to purchase equipment allowing PEMCO to retain manufacturing jobs in Duluth. The loan is accounted for in the General Fund and the payments are up-to-date through December 1997. The receivable arises from a State of Minnesota grant and loan to St. Louis County. The first \$100,000 plus interest which the County recovers from PEMCO does not require repayment to the State; the County must instead use the money for economic development. After \$100,000 plus interest has been recovered by the County, all subsequent payments by PEMCO must be repaid to the State.

The long-term loan receivable from Schott Powers Systems, Inc. is \$99,991 plus accrued interest of \$340 and is equally offset by deferred revenue. The receivable arises from a State of Minnesota loan to St. Louis County. The purpose of the loan is to fund equipment purchases, resulting in increased manufacturing capacity and additional jobs for the low to moderate income population. The loan bears interest at four percent and is valued at its discounted amount. It is accounted for in the General Fund and the payments are up-to-date through December 1997. The repayment schedule calls for quarterly interest payments beginning in September 1994 and a balloon payment due July 2001. The amount of the balloon payment will be determined by the number of positions created by Schott Power Systems, Inc. as of February 2001. The maximum

balloon payment will be \$79,260. All payments made by Schott Power Systems, Inc. must be repaid by the County to the State.

The long-term loan receivable from Meadowlands Affordable Housing Limited Partnership is \$125,000 and is equally offset by a reserve for noncurrent loans. The purpose of the loan was the construction of a 12-unit affordable housing project. Each year until 2009, interest of 2.33% accrues and is added to the principal. In December 2009 and annually thereafter, interest on the balance of the loan (principal and accrued interest to date) will be due. The balance of the loan is due December 3, 2023. The receivable is valued at its discounted amount and is accounted for in the Housing and Redevelopment Authority Special Revenue Fund.

The long-term loan receivable from the City of Chisholm is \$75,669. Loan proceeds were used to purchase a garbage truck. The five-year interest free loan calls for monthly payments of \$1,610 beginning December 1996. The loan is accounted for in the Solid Waste Management Enterprise Fund and payments are up-to-date through December 1997.

St. Louis County, Minnesota
Notes to the Financial Statements
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Due From Other Governments

The following amounts were due from other governments at December 31, 1997:

	(Amounts in Dollars)			Total
	Federal	State	Local - Other	
General Fund	308,251	240,903	136,194	685,348
Special Revenue Funds				
Housing and Redevelopment Authority	-	4,620	-	4,620
Community Development Block Grant	624,615	-	-	624,615
Northeast Minnesota Housing Consortium	175,214	-	-	175,214
Road and Bridge	-	6,970,176	112,689	7,082,865
Social Services	3,387,233	1,550,972	66,689	5,004,894
Total Special Revenue Funds	4,187,062	8,525,768	179,378	12,892,208
Capital Projects Fund				
Buildings	-	2,147	93,006	95,153
Enterprise Funds				
Solid Waste Management	-	-	180,401	180,401
Internal Service Funds				
Community Foods	-	-	1,556	1,556
Printing	-	-	8,241	8,241
County Garage	-	-	3,861	3,861
Workers' Compensation Fund	-	20,793	-	20,793
Management Information Systems	-	4,750	-	4,750
Telecommunications	-	11,570	-	11,570
Total Internal Service Funds	-	37,113	13,658	50,771
Agency Funds				
State of Minnesota	-	19,172	-	19,172
Arrowhead Regional Corrections	11,560	1,055,949	14,314	1,081,823
Community Health Services	206,092	10,322	-	216,414
Regional Railroad Authority	50,573	281,353	2,448	334,374
Total Agency Funds	268,225	1,366,796	16,762	1,651,783
Total	4,763,538	10,172,727	619,399	15,555,664

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at December 31, 1997, is:

	(Amounts in Dollars)	
	Enterprise	Internal Service
Land	477,245	25,500
Buildings and Structures	12,327,448	1,809,384
Improvements other than buildings	5,814,844	-
Machinery and equipment	2,528,511	7,043,887
Linens	37,099	156,294
Vehicles	149,505	1,648,864
Total	21,334,652	10,683,929
Less accumulated depreciation	(6,917,141)	(6,620,972)
Net Fixed Assets	14,417,511	4,062,957

Summary of Changes in General Fixed Assets

	(Amounts in Dollars)				
	Balance 1-1-97	Additions	Retirements	Assets Reclassified	Balance 12-31-97
Land	1,179,979	10,998	(937)	-	1,190,040
Buildings and structures	52,427,200	58,332	(66,771)	474,912	52,893,673
Machinery and equipment	13,488,689	849,941	(594,223)	(55,332)	13,689,075
Vehicles	33,942,212	3,494,625	(2,037,289)	75,694	35,475,242
Construction-in-progress	934,657	4,014,184	(145,323)	(495,274)	4,308,244
Total	101,972,737	8,428,080	(2,844,543)	-	107,556,274

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

Deferred Revenue

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

(Amounts in Dollars)

	Taxes	Aids and Grants	Accounts Receivable	Long-Term Receivables	Total
General Fund	1,204,133	713,808	-	419,239	2,337,180
Special Revenue Funds					
County Housing Authority	9,140	-	-	-	9,140
Road and Bridge	653,054	968,385	-	28,019	1,649,458
Social Services	1,040,065	498,532	-	-	1,538,597
Total Special Revenue Funds	1,702,259	1,466,917	-	28,019	3,197,195
Debt Service Funds					
Babbitt Facility Refunding	2,695	-	-	-	2,695
Jail Bond	44,021	-	-	-	44,021
AJC Construction Bond	2,450	-	-	-	2,450
Total Debt Service Funds	49,166	-	-	-	49,166
Capital Projects Fund					
Buildings	39,323	-	-	-	39,323
Enterprise Funds					
Chris Jensen	7,370	19,142	73,814	-	100,326
Nopeming	4,664	16,469	46,904	-	68,037
Solid Waste Management	52,282	29,911	-	-	82,193
Total Enterprise Funds	64,316	65,522	120,718	-	250,556
Internal Service Funds					
Community Food	-	1,565	-	-	1,565
Laundry	-	1,670	-	-	1,670
Supervised Living Facilities	-	1,156	-	-	1,156
Printing	-	406	-	-	406
County Garage	-	826	-	-	826
Medical / Dental Insurance	-	-	274,864	-	274,864
Management Information Systems	-	5,369	-	-	5,369
Telecommunications	-	523	-	-	523
Total Internal Service Funds	-	11,515	274,864	-	286,379
Trust Funds					
Forfeited Tax Sale	-	-	-	8,004,698	8,004,698
Forest Resources	-	100,688	-	-	100,688
Total Trust Funds	-	100,688	-	8,004,698	8,105,386
Total All Funds	3,059,197	2,358,450	395,582	8,451,956	14,265,185

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

The County has made available to all of its employees and officers, deferred compensation plans. Created in accordance with Internal Revenue Code (IRC) Section 457, these plans permit the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

During 1997, all except two of the deferred compensation plans complied with specifications of IRC Section 457 subsection (g). The IRC requires that participant investments be held in trust, in custodial accounts, or qualifying annuity contracts for the exclusive benefit of the participants and their beneficiaries. Governmental Accounting Standards Board Statement No. 32 Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans eliminates the requirement that employers report deferred compensation plan assets on their financial statements as an agency fund. As a result,

the assets of the plans in compliance with IRC Section 457 Subsection (g) are no longer reported in these notes or financial statements.

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

Under Minn. Stat. §352.96 (1996), the County has no liability for investment losses but must limit a plan's investments to those allowed by this statute, and must exercise the care and judgment required of an ordinary prudent investor.

The following schedule summarizes the activity and balance of assets of the deferred compensation plan at December 31, 1997:

	(Amounts in Dollars)	
	Current Year Contributions	Balance
IDS Life Insurance Company	643,096	6,349,310
Lutheran Brotherhood	48,550	989,763
Total	691,646	7,339,073

St. Louis County, Minnesota
Notes to the Financial Statements
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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, 1997:

	(Amounts in Dollars)		
	Bonds Payable		
	Nopeming Enterprise Fund	Solid Waste Management Enterprise Fund	Total
Payable, January 1	113,959	10,577,183	10,691,142
Payment on Principal	(35,000)	(3,935,000)	(3,970,000)
Amortization of discount	358	50,514	50,872
Payable, December 31	79,317	6,692,697	6,772,014

(Amounts in Dollars)

Bonds payable at December 31, 1997, consist of the following issues:

<p>\$305,000 1989 General Obligation New Money Issue bonds due in annual installments of \$20,000 to \$40,000 on December 1, 1990 through 1999; interest at 6.4 to 6.8 percent (at December 31, 1997 the bond issue is net of unamortized bond discount of \$683). This bond was issued to fund capital improvements at Nopeming Nursing Home.</p>	79,317
<p>\$1,255,000 1991 General Obligation Solid Waste bonds due in annual installments of \$60,000 to \$130,000 on December 1, 1992 through 2005; interest at 4.0 to 6.25 percent (at December 31, 1997 the bond issue is net of the unamortized bond discount of \$9,935). This bond was issued to finance landfill closures and transfer stations construction.</p>	830,065
<p>\$5,535,000 1993 General Obligation Solid Waste bonds due in annual installments of \$480,000 to \$740,000 on December 1, 1994 through 1998; interest at 3 to 4.3 percent, and annual installments of \$415,000 to \$505,000 on December 1, 1999 through 2003; interest at 4.5 to 5 percent (at December 31, 1997 the bonds issue is net of the unamortized bond discount of \$46,401). This bond was issued to finance landfill closures and transfer stations construction.</p>	2,983,599

St. Louis County, Minnesota
Notes to the Financial Statements
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\$2,920,000 1993 Full Crossover Advance Refunding of 1989 \$3,510,000 General Obligation Solid Waste bonds and 1989 \$1,310,000 General Obligation Solid Waste bonds. The amount refunded produced resources for escrow that were sufficient to pay the new debt's interest until the December 1, 1997 crossover date when the amount held in escrow was used to retire the old debt. Annual installments of \$360,000 to \$480,000 on December 1, 1998 through 2004; interest at 4.0 to 4.8 percent resulted in a net savings of \$205,467 or an economic (present value) gain of \$144,533 over the life of the refunding issue (at December 31, 1997 the bond issue is net of the unamortized bond discount of \$40,967). The original bonds were issued to finance landfill closures and transfer station construction and to construct transfer stations, respectively.

2,879,033

The annual requirements to service the debt outstanding as of December 31, 1997, including interest of \$1,301,455 and unamortized discounts of \$97,986 on the bonds, are as follows:

<u>Year Ended December 31</u>	<u>Bonds Payable</u>
1998	\$ 1,551,830
1999	1,193,320
2000	1,156,413
2001	1,158,568
2002	1,162,460
2003 - 2005	1,948,864
	<u>\$ 8,171,455</u>

St. Louis County, Minnesota
Notes to the Financial Statements
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General Long-Term Debt

The following is a summary of changes in the County's General Long-Term Debt Account Group for the year ended December 31, 1997. All of these obligations except compensated absences and capital leases will be repaid through tax levies in the debt service funds. Compensated absences and capital leases will be paid from levies and other revenue generated by the benefiting funds.

	(Amounts in Dollars)			
	Balance 1-1-97	Additions	Deletions	Balance 12-31-97
General Obligation Bond	2,425,000	-	85,000	2,340,000
Tax Lease Obligations	13,070,000	5,275,000	830,000	17,515,000
Total Bonded Debt	15,495,000	5,275,000	915,000	19,855,000
Loans Payable	15,748	-	3,937	11,811
Compensated Absences	22,768,935	877,700	-	23,646,635
Capital Leases	3,207,642	847,000	349,608	3,705,034
Total General Long-Term Debt	41,487,325	6,999,700	1,268,545	47,218,480

(Amounts in Dollars)

General obligation bonds payable at December 31, 1997 consist of the following issue:

\$1,015,000 1989 General Obligation Babbitt Recycling Facility Refunding Bonds due in annual installments of \$20,000 to \$110,000 on December 1, 1990 through 2009; interest at 8.5 to 9.5 percent. This bond was issued to refund bonds that were used to construct and equip a Solid Waste Resource Recovery Facility. 810,000

\$1,580,000 1995 General Obligation Bond due in annual installments of \$50,000 to \$175,000 on December 1, 1997 through 2010; interest at 4.0% to 5.20%. This bond was sold to finance the County's portion of a remodeling project at Arrowhead Juvenile Center, which is operated by Arrowhead Regional Corrections, a joint powers board of which the County is a member. 1,530,000

St. Louis County, Minnesota
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December 31, 1997

(Amounts in Dollars)

Tax lease obligations payable at December 31, 1997 consists of the following issue:

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

12,240,000

\$5,275,000 Law Enforcement Facilities Revenue Bonds (St. Louis County Unlimited Tax Lease Obligation) of the Housing and Redevelopment Authority of St. Louis County, Minnesota due in annual installments of \$250,000 to \$490,000 on December 1, 1998 through 2012; interest at 4.875 to 5.1 percent. The bonds are special obligations of the HRA. Under a lease agreement with the HRA, the County is obligated to make payments of basic rent sufficient to pay the principal and interest on the bonds when due.

5,275,000

The annual requirements to service the bonded debt outstanding as of December 31, 1997 including interest of \$7,330,540 are as follows:

(Amounts in Dollars)

<u>Year Ended December 31</u>	<u>General Obligation Bonds</u>	<u>Tax Lease Obligations</u>	<u>Total Debt Service</u>
1998	238,467	1,958,278	2,196,745
1999	242,818	1,955,435	2,198,253
2000	256,657	1,950,226	2,206,883
2001	269,330	1,952,647	2,221,977
2002	275,765	1,951,868	2,227,633
2003 - 2012	2,256,140	13,877,909	16,134,049
	<u>3,539,177</u>	<u>23,646,363</u>	<u>27,185,540</u>

(Amounts in Dollars)

Loans payable at December 31, 1997 consist of the following:

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

11,811

St. Louis County, Minnesota
Notes to the Financial Statements
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The annual requirements to service loans payable as of December 31, 1997 including interest of \$1,890 for the loans are as follows:

Year Ended December 31	(Amounts in Dollars) Loans Payable
1998	4,882
1999	4,567
2000	4,252
	13,701

The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 1997, of all governmental units which provide services within the County's boundaries, and which must be borne by properties in the County, is summarized below:

	(Amounts in Dollars)		
	Outstanding	Percentage Applicable to the County	County Share of Debt
Direct Debt			
St. Louis County	26,627,014	100.00	26,627,014
Overlapping Debt			
School Districts	15,349,830	54.14	8,310,746
Western Lake Superior Sanitary District	34,973,586	81.05	28,346,091
Underlying Debt			
Cities	86,740,741	100.00	86,740,741
School Districts	74,508,994	100.00	74,508,994
Towns	1,094,575	100.00	1,094,575
Virginia Housing & Redevelopment Authority	1,805,000	100.00	1,805,000
Total	241,099,740		227,433,161

St. Louis County, Minnesota
Notes to the Financial Statements
 December 31, 1997

Lease Obligations

Operating Leases

The County is committed under various operating leases for office space, parking facilities, data processing software, office equipment, and vehicles. Most of these leases are expected to continue indefinitely or be replaced by similar leases.

The following is a summary of the operating lease expense for 1997:

<u>Type of Property</u>	<u>Amount</u>
Rental of office space and parking facilities	\$ 1,433,446
Data processing software	291,072
Vehicles	8,537
	<hr/>
Total rental expense	<u><u>\$ 1,733,055</u></u>

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1997:

<u>Year Ended</u>	<u>Amount</u>
1998	\$ 1,695,609
1999	1,702,913
2000	1,704,227
2001	1,705,512
2002	1,705,512
	<hr/>
Total future minimum lease payments	<u><u>\$ 8,513,773</u></u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Capital Leases

Capitalized leases of the County at December 31, 1997, consist of office equipment and office space as shown below:

(Amounts in Dollars)			
Type of Property	General Fixed Assets	Printing Internal Service Fund	Total
Office equipment	18,795	76,551	95,346
Office space	4,371,071	-	4,371,071
Maintenance Facility	1,337,796		1,337,796
Less: Accumulated depreciation	-	(52,044)	(52,044)
Carrying value	5,727,662	24,507	5,752,169

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 1997:

(Amounts in Dollars)			
December 31	General Long-Term Debt	Printing Internal Service Fund	Total
1998	556,997	11,873	568,870
1999	537,866	2,608	540,474
2000	536,798	1,987	538,785
2001	536,740	1,026	537,766
2002	537,634	-	537,634
2003 - 2012	1,757,498	-	1,757,498
Total minimum lease payments	4,463,533	17,494	4,481,027
Less: Amount representing interest	758,499	-	758,499
Present value of future minimum lease payments	3,705,034	17,494	3,722,528

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

At December 31, 1997, the County had construction commitments as follows:

	(Amounts in Dollars)			
	Authorized Projects	Expended To Date	Commitment	Required Further Financing
Hibbing maintenance facility	(1) 927,493	860,805	66,688	1,292,912
Hibbing/Virginia jail lockups	5,192,112	2,956,425	2,235,687	7,634,134
Courthouse improvements	115,808	10,808	105,000	-
Total	6,235,413	3,828,038	2,407,375	8,927,046

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

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

Contingent Liabilities

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

Airlines. The cash interest earned on the deposit is remitted to the County each year and the deposit is to be returned to the County when the bonds are defeased. The bonds are not callable.

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

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

Risk Management

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

The Property, Casualty, Liability Insurance Fund covers claims and judgements against the County, including administrative expenses and expenses for third-party coverage. All risk, except fire and property damage to major structures is assumed. Maximum third-party coverage for property damage is limited to the estimated value of the property. No claims have exceeded coverage. Premiums are charged to other County funds on the historical basis and are reported as quasi-external transactions. The estimated liability at year end is based on a case-by-case evaluation by the County Attorney's Office and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County Attorney's Office estimated settlements to be \$362,752 at December 31, 1997 for various cases considered reasonably possible losses to the County.

This amount is not reflected in the financial statements.

The Workers' Compensation Insurance Fund covers workers' compensation claims up to \$1,080,000 per single loss occurrence. At that point the County is covered for losses by the Workers' Compensation Reinsurance Association, an organization created by Minnesota statutes in 1979 to implement a mandatory program of reinsurance for workers' compensation liability risks in the State of Minnesota for losses occurring on or after October 1, 1979. The Association provides full indemnification for the County for claims arising under Minn. Stat. Chapter 176 (1996) in excess of the \$1,080,000 retention limit. The County has increased that limit to \$1,120,000 for 1998. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 1997 and is consistent with the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimated liability for claims payable at year end is present valued at 5%. The activities of the Fund are supported by premiums from County funds which have personnel; the premiums are based on historical costs and are reported as quasi-external transactions. A portion of the premiums is for the administrative costs and reinsurance costs which are paid from the Fund; a portion of the premiums is for the provision for expected future catastrophic losses. Retained earnings in the amount of \$1,960,726 are designated for catastrophic losses. This designation is not reflected in the financial statements.

The Medical / Dental Insurance Fund covers medical and dental expenses incurred by the

St. Louis County, Minnesota
Notes to the Financial Statements
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County employees, dependents, and retirees, including the costs of claims management by a third party administrator and the cost of an insurance consultant. Premiums include a provision for stop-loss insurance and administrative expenses and are based on anticipated claims and available retained earnings. The County carries individual-specific stop loss insurance for claims that exceed \$200,000 per year per employee contract. All County funds with personnel are charged for the County's share of premiums for employees and these charges are reported as quasi - external transactions. Employees contribute a share of the premiums from payroll deductions; premiums

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

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

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

Changes in the funds' claims liability amounts during 1997 were:

	(Amounts in Dollars)		
	Property, Casualty, Liability Insurance Fund	Workers' Compensation Insurance Fund	Medical/Dental Insurance Fund
Beginning of fiscal year liability for claims	72,729	2,779,956	1,844,305
Current year claims and changes in estimates	233,505	2,277,420	12,232,094
Claim payments	181,974	1,280,044	12,460,568
	124,260	3,777,332	1,615,831
Balance of claims payable at fiscal year end	124,260	3,777,332	1,615,831

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Retirement Plan

During 1997 St. Louis County adopted Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, and note disclosures in the financial reports of state and local governmental employers. Adoption of this statement had no financial impact on the County.

Plan Description

All full-time and certain part-time employees of St. Louis County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund and the Public Employees Police and Police and Fire Fund which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356.

Public Employees Retirement Fund members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund.

The PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member who retires before July 1, 1997; is 2 percent off average salary for each of the first ten years of service and 2.5 percent for each remaining year. The annuity accrual rate for Basic Plan members who retire on or after July 1, 1997, is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. For a Coordinated Plan member who retires before July 1, 1997, the annuity accrual rate is 1 percent of average salary for each of the first ten years and 1.5 percent for each remaining year. For Coordinated Plan members who retire on or after July 1, 1997, the annuity accrual rates increase by .2 percent to 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.5 percent of average salary for Basic Plan members and 1.5 percent for Coordinated Plan members who retire before July 1, 1997. Annuity accrual rates increase .2 percent for members who retire on or after July 1, 1997. For the Public Employees Police and Fire Fund members, the annuity accrual rate is 2.65 percent for each year of service for members retiring before July 1, 1997. Effective July 1, 1997, the annuity accrual rate is increased to 3 percent. For Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund members, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree; no survivor annuity is payable. There are also

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

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

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund. That report may be obtained by writing to PERA, 514 St. Peter Street, #200, Saint Paul, Minnesota 55102, or by calling (612) 296-7460 or 1-800-652-9026.

Funding Policy

Minn. Stat. ch. 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 8.23 and 4.23 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 7.6 percent of their annual covered salary. The County is required to contribute the following percentages of annual covered payroll:

Public Employees Retirement Fund	
Basic Plan Members	10.73%
Coordinated Plan Members	4.48%
Public Employees Police and Fire Fund	11.40%

The County's contributions for the years ending June 30, 1997, 1996 and 1995, for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund were:

	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police and Fire Fund</u>
1997	\$ 3,412,297	\$ 662,714
1996	3,299,983	669,148
1995	3,147,460	661,778

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

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Interfund Assets/Liabilities

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Special Revenue - Road and Bridge		\$ 262,121
Capital Projects - Law Enforcement Centers		<u>106,900</u>
	Capital Projects - Buildings	<u>\$ 369,021</u>

Interfund Receivable/Payable

Receivable Fund	Payable Fund	Amount
General	Special Revenue - Northeast Minnesota Housing Consortium Community Development Block Grant	\$ 7,327
	Total	<u>92,128</u> <u>\$ 99,455</u>

Transfers Between Funds

Operating transfers between individual funds for the year ended December 31, 1997, are as follows:

Operating Transfers Out	Operating Transfers In	Debit	Credit
General		\$ 60,000	
	Capital Projects - Buildings		\$ 60,000
Special Revenue - Babbitt Facility Road and Bridge Social Services		116,300 21,450 84,932	
	Debt Service - Babbitt Facility Refunding		116,300
	Capital Projects - Buildings		21,450
	Internal Service Supervised Living Facilities		84,932
Capital Projects - Buildings Law Enforcement Centers		107,536 313,046	
	General		400,000
	Debt Service - Hibbing Public Works Bond		20,582
	Total	<u>\$ 703,264</u>	<u>\$ 703,264</u>

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Equity transfers from governmental funds to proprietary funds are reported as additions to contributed capital in the proprietary funds. The following is a reconciliation of equity transfers:

Equity transfer out Exhibit II	<u>\$ 1,443,701</u>
Additions to Contributed Capital	
Chris Jensen Enterprise Fund	\$ 692,977
Nopeming Enterprise Fund	750,724
	<u>1,443,701</u>
Equity transfers in	<u>\$ 1,443,701</u>

Fund Equity

Contributed Capital - Enterprise Funds

The following is a summary of the changes in contributed capital for the Enterprise Funds for the year ended December 31, 1997:

	(Amounts in Dollars)			
	Contributions 1-1-97	Additions	Deletions	
Chris Jensen	28,823	692,977	-	721,800
Nopeming	23,493	750,724	-	774,217
Solid Waste Management	1,655,038	-	-	1,655,038
Total Enterprise Funds	<u>1,707,354</u>	<u>1,443,701</u>	<u>-</u>	<u>3,151,055</u>

Contributed Capital - Internal Service Funds

There were no changes in the contributed capital accounts of the Internal Service Funds during the year ended December 31, 1997.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Note 4. Segments of Enterprise Activities

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

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

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

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

The key financial data for the year ended December 31, 1997, for these three services are:

	(Amounts in Dollars)			
	Chris Jensen	Nopeming	Solid Waste Management	Total Enterprise Funds
Operating revenues	11,035,014	8,889,329	4,551,538	24,475,881
Depreciation	145,260	131,015	275,617	551,892
Operating income (loss)	137,516	498,725	730,552	1,366,793
Taxes	3,832	2,454	1,522,045	1,528,331
Grants	-	-	558,497	558,497
Litigation Settlement	192,744	97,530	-	290,274
Net income (loss)	334,092	591,658	3,003,719	3,929,469
Capital Contributions	692,977	750,724	-	1,443,701
Property, plant, and equipment -				
Additions	44,102	115,429	38,843	198,374
Deletions	11,340	17,072	7,933	36,345
Net working capital	749,614	553,666	13,057,197	14,360,477
Total assets	5,986,360	4,345,362	21,790,159	32,121,881
Long-term liabilities payable from operating revenues	1,195,722	1,064,087	5,656,684	7,916,493
payable from other sources	-	-	579,180	579,180
Total equity	3,878,567	2,518,820	14,007,793	20,405,180

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Note 5. Joint Ventures

Arrowhead Regional Corrections

Arrowhead Regional Corrections is governed by a nine-member board, composed of a member appointed from each of the participating counties' boards of commissioners, except for St. Louis County, which has two members from its board. In addition, a member is selected by the Tribal Council of the Minnesota Chippewa Tribe, one member represents the Corrections Advisory Board established pursuant to the Community Corrections Act, and there is one citizen member. The County handles all the financial transactions for Arrowhead Regional Corrections through its Arrowhead Regional Corrections Agency Fund. Its deposit and investments are included in the County's foregoing note on deposits and investments.

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. During 1996, (the most recent available), county contributions were in the following proportion:

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

St. Louis county provided \$7,033,887 in funding during 1997. Separate financial information can be obtained from:

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

A summary of the financial information of Arrowhead Regional Corrections for the year ended December 31, 1996, (the most recent available), excluding general fixed assets of

\$6,955,102, and general long-term debt of \$2,844,915 was:

Total Assets	\$ 2,543,786
Total Liabilities	1,269,738
Total Fund Equity	1,274,048
Total Revenues	14,463,224
Total Expenditures	14,413,979
Increase (decrease) in	
Fund Balance	34,877

Community Health Services Board

Carlton, Cook, Lake and St. Louis Counties entered into a joint powers agreement, creating and operating the Carlton, Cook, Lake and St. Louis County Community Health Services Board. This agreement is entered into under the authority of the Community Health Services Act and is pursuant to the provisions of Minn. Stat. §471.59. The Community Health Services Board is composed of nine members. Carlton, Cook, and Lake County Boards of Commissioners each appoint two members; the St. Louis County Board of Commissioners appoints three members. Financing is obtained through federal and state grants. St. Louis County provided no funding to this organization during 1996.

A summary of the financial information of the Community Health Services Board for December 31, 1996, (the most recent available) excluding general fixed assets of \$14,154, and general long-term debt of \$7,487, is:

Total Assets	\$ 349,430
Total Liabilities	324,865
Total Fund Equity	24,565
Total Revenues	2,016,505
Total Expenditures	2,016,505
Increase (decrease) in	
Fund Balance	-

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Separate financial information can be obtained from:

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

Northeast Minnesota Office of Job Training

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

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

A summary of the financial information of Northeast Minnesota Office of Job Training's funds for the fiscal year ended June 30, 1997, excluding general fixed assets of \$477,616 and general long-term debt of \$480,924 was:

Total Assets	\$ 923,697
Total Liabilities	476,486
Total Fund Equity	447,211
Total Revenues	4,062,637
Total Expenditures/ Expenses	4,011,412
Increase (decrease) in Fund Balance	51,225

Separate financial information can be obtained from:

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

Northern Counties Land Use Board

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

The joint powers are the Counties of Cook, Itasca, Koochiching, Lake, Lake of the Woods and St. Louis. Three elected county commissioners from St. Louis County and two from each of the other counties comprise the membership of the Board. St. Louis County handles all of the financial transactions for this organization through its Northern Counties Land Use Board Agency Fund. A summary of the financial information of Northern Counties Land Use Board for the fiscal year ended December 31, 1996 (the most recent available) is:

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

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

Minnesota Counties Information Systems

The Counties of Aitkin, Carlton, Cass, Chippewa, Cook, Itasca, Koochiching, Lacqui Parle, Lake, Sherburne, and St. Louis entered into a joint powers agreement

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

pursuant to Minnesota Stat. §471.59, for the purpose of operating and maintaining data processing facilities and management information systems for use by its members.

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

A summary of the financial information of Minnesota Counties Information System's funds for the fiscal year ended December 31, 1996, excluding general fixed assets of \$318,795 and general long-term debt of \$83,893 was:

Total Assets	\$ 189,570
Total Liabilities	71,454
Total Fund Equity	118,116
Total Revenues	556,027
Total Expenditures	526,303
Increase (decrease) in Fund Balance	29,724

Separate financial information can be obtained from:

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

Duluth Area Family Service Collaborative

The Duluth Area Family Service Collaborative was established in 1995 pursuant to Minn. Stat. § 121.8355. The Collaborative includes St. Louis County, Independent School District No. 709, Arrowhead Regional Corrections, and the City of Duluth. The purpose of the Collaborative is to improve the lives of families and children through efforts focused on prevention and early intervention. The Collaborative seeks to empower parents and families to solve their own problems through

support, information, skill building and advocacy.

Control of the Collaborative is vested in a Board of Directors. The County has one member on the Board. Financing is provided by state and federal grants, appropriations from the Collaborative members, and miscellaneous revenues. St. Louis County provided \$2,684 in funding to the Collaborative during 1997. St. Louis County is the fiscal agent for the Collaborative which is accounted for in the Duluth Area Family Service Collaborative Agency Fund. A summary of financial information of the Collaborative for the year ended December 31, 1997 is:

Total Assets	\$ 364,695
Total Liabilities	11,359
Total Fund Equity	353,336
Total Revenues	493,819
Total Expenditures	140,483
Increase (decrease) in Fund Balance	353,336

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

Northern St. Louis County Family Service Collaborative

The Northern St. Louis County Family Service Collaborative was established in 1995 pursuant to Minn. Stat. § 121.8355. The Collaborative includes St. Louis County and Independent School District No. 2142. The purpose of the Collaborative is to improve the lives of families and children through efforts focused on prevention and early intervention. The Collaborative seeks to empower parents and families to solve their own problems through support, information, skill building and advocacy.

Control of the Collaborative is vested in a Board of Directors. Financing is provided by

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

state and federal grants, appropriations from the Collaborative members, and miscellaneous revenues. St. Louis County provided no funding to the Collaborative during 1997. St. Louis County is the fiscal agent for the Collaborative which is accounted for in the Northern St. Louis County Family Service Collaborative Agency Fund. A summary of financial information of the Collaborative for the year ended December 31, 1997 is:

Total Assets	\$ 545,893
Total Liabilities	6,753
Total Fund Equity	539,140
Total Revenues	623,397
Total Expenditures	84,257
Increase (decrease) in Fund Balance	539,140

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

Note 6. Summary of Significant Contingencies and Other Items

Claims and Litigation

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial statements of the County.

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

Departmental Trust Deposits

Departmental trust deposits include funds deposited with various County departments as required by statute or court orders. The following is a summary of these trust deposits which are not shown on the combined balance sheet at December 31, 1997.

Courts	\$ 590,176
Sheriff	15,106
Social Services	
Social Welfare	1,045,519
Support and Collections (IV-D)	8,253
SSI Dedicated	2
Estate	300,266
Total	<u><u>\$ 1,959,322</u></u>

Settlements Held By the Court for Minors

The Court Administrator, at December 31, 1997, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$4,791,122 and are not included in the County's financial statements.

St. Louis County, Minnesota
Notes to the Financial Statements
December 31, 1997

Conduit Debt

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

August 1, 2005 through August 1, 2009 and bear interest at the rate of 6.58% per year. The \$6 million Pollution Control Revenue Bonds were defeased in 1996 with revenue refunding bonds issued by a governmental entity other than St. Louis County.

On May 1, 1992 the St. Louis County Housing and Redevelopment Authority (HRA), a blended component unit of St. Louis County, issued \$540,000 in Fire Hall Lease Certificates of Participation to finance the construction of a fire hall in the Town of Rice Lake, Minnesota. The St. Louis County HRA holds title to the land; the Township makes rental payments equal to debt service on the Certificates to Western National Bank of Duluth, as escrow agent, pursuant to a lease purchase agreement for the project, with the St. Louis County HRA as Lessor and the Township as Lessee. The Certificates mature on May 1, 1993 through May 1, 2007 and bear interest of 4.50% to 7.00%. The County has no obligation for debt service on Certificates, which do not constitute a pledge of the full faith and credit or taxing power of the County. The principal balance outstanding for the debt is \$410,000.

St. Louis County, Minnesota
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 December 31, 1997

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Reader's notes:

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

GENERAL FUND

General Fund

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

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
GENERAL FUND

DECEMBER 31, 1997

Assets	
Cash and cash equivalents	\$ 19,047,962
Assets held by escrow agent	271,000
Receivables	
Taxes	
Unapportioned	701,963
Delinquent	1,400,155
Accounts	75,493
Accrued interest	260,284
Loans	1,029,294
Interfund receivable	99,455
Due from other governments	685,348
	<hr/>
Total Assets	\$ 23,570,954
	<hr/> <hr/>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 829,961
Salaries payable	1,118,199
Compensated absences payable	321,388
Due to other governments	98,321
Deferred revenue	2,337,180
	<hr/>
Total Liabilities	\$ 4,705,049
	<hr/> <hr/>
Fund Balance	
Reserved for change funds	\$ 20,855
Reserved for noncurrent loans	510,084
Reserved for economic development	362,526
Reserved for encumbrances	398,247
Reserved for health and welfare	1,098,003
Reserved for law library	46,707
Reserved for recorder's equipment	31,732
Reserved for debt service	271,000
Reserved for communications	205,392
Reserved for Extension Service	101,376
Unreserved	
Designated for parking	243,788
Designated for tax grant 1997	48,642
Designated for vested sick leave	734,816
Designated for cash flow	9,661,309
Undesignated	5,131,428
	<hr/>
Total Fund Balance	\$ 18,865,905
	<hr/> <hr/>
Total Liabilities and Fund Balance	\$ 23,570,954
	<hr/> <hr/>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1997

Revenues	
Taxes	\$ 30,031,429
Licenses and permits	116,795
Intergovernmental	14,209,356
Charges for services	5,803,992
Fines and forfeits	941,739
Interest on investments	2,905,008
Gifts and contributions	35,767
Miscellaneous	650,720
Total Revenues	\$ 54,694,806
Expenditures	
Current	
General government	\$ 20,703,016
Public safety	14,873,823
Health	5,343,266
Welfare	807,693
Culture and recreation	975,862
Conservation of natural resources	701,061
Economic development	137,579
Total Current	\$ 43,542,300
Capital outlay	
General government	\$ 60,188
Public safety	574,009
Health	7,712
Welfare	2,545
Culture and recreation	15,069
Conservation of natural resources	27,061
Total Capital Outlay	\$ 686,584
Debt service	
Principal	\$ 96,072
Interest and fiscal charges	24,354
Total Debt Service	\$ 120,426
Intergovernmental	
Public safety	\$ 7,033,887
Total Expenditures	\$ 51,383,197
Excess of Revenues Over (Under) Expenditures	\$ 3,311,609
Other Financing Sources (Uses)	
Operating transfers in	\$ 400,000
Operating transfers out	(60,000)
Total Other Financing Sources (Uses)	\$ 340,000
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,651,609
Fund Balance - January 1	16,657,997
Equity transfer out	(1,443,701)
Fund Balance - December 31	\$ 18,865,905

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1997

Revenues	Budget		Actual		Variance
					Favorable (Unfavorable)
Taxes	\$ 29,324,454		\$ 30,031,429		\$ 706,975
Licenses and permits	114,700		116,795		2,095
Intergovernmental	16,021,989		14,209,356		(1,812,633)
Charges for services	5,777,508		5,803,992		26,484
Fines and forfeitures	955,769		941,739		(14,030)
Interest on investments	2,610,061		2,905,008		294,947
Gifts and contributions	6,678		35,767		29,089
Miscellaneous	450,447		650,720		200,273
Total Revenues	\$ 55,261,606		\$ 54,694,806		\$ (566,800)

Expenditures	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
General government					
Commissioners					
Personnel services	\$ 543,215	\$ 523,374	\$ -	\$ 523,374	\$ 19,841
Other operating	109,935	103,598	-	103,598	6,337
Total commissioners	\$ 653,150	\$ 626,972	\$ -	\$ 626,972	\$ 26,178
County administrator					
Personnel services	\$ 170,411	\$ 165,844	\$ -	\$ 165,844	\$ 4,567
Other operating	233,577	189,497	-	189,497	44,080
Capital outlay	13,100	3,031	-	3,031	10,069
Total county administrator	\$ 417,088	\$ 358,372	\$ -	\$ 358,372	\$ 58,716
Intergovernmental affairs					
Personnel services	\$ 112,716	\$ 112,599	\$ -	\$ 112,599	\$ 117
Other operating	165,937	138,714	-	138,714	27,223
Total intergovernmental affairs	\$ 278,653	\$ 251,313	\$ -	\$ 251,313	\$ 27,340
Planning and research					
Personnel services	\$ 291,081	\$ 189,343	\$ -	\$ 189,343	\$ 101,738
Other operating	90,455	44,512	1,845	46,357	44,098
Capital outlay	20,200	19,985	-	19,985	215
Total planning and research	\$ 401,736	\$ 253,840	\$ 1,845	\$ 255,685	\$ 146,051
Labor relations					
Other operating	\$ 45,700	\$ 45,695	\$ -	\$ 45,695	\$ 5
Planning and zoning					
Personnel services	\$ 578,279	\$ 578,275	\$ -	\$ 578,275	\$ 4
Other operating	327,990	294,051	2,550	296,601	31,389
Capital outlay	78,329	31,980	4,838	36,818	41,511
Total planning and zoning	\$ 984,598	\$ 904,306	\$ 7,388	\$ 911,694	\$ 72,904
Public defenders					
Other operating	\$ 55,125	\$ 49,089	\$ -	\$ 49,089	\$ 6,036
Court administrator					
Personnel services	\$ 3,010,500	\$ 2,994,787	\$ -	\$ 2,994,787	\$ 15,713
Other operating	677,668	646,829	27,003	673,832	3,836
Capital outlay	22,900	9,127	-	9,127	13,773
Total court administrator	\$ 3,711,068	\$ 3,650,743	\$ 27,003	\$ 3,677,746	\$ 33,322
Examiner of titles					
Personnel services	\$ 119,537	\$ 119,466	\$ -	\$ 119,466	\$ 71
Other operating	8,134	6,092	-	6,092	2,042
Total examiner of titles	\$ 127,671	\$ 125,558	\$ -	\$ 125,558	\$ 2,113
County attorney					
Personnel services	\$ 2,051,766	\$ 1,951,693	\$ -	\$ 1,951,693	\$ 100,073
Other operating	373,662	339,787	11,970	351,757	21,905
Capital outlay	28,550	8,725	3,142	11,867	16,683
Total county attorney	\$ 2,453,978	\$ 2,300,205	\$ 15,112	\$ 2,315,317	\$ 138,661
Subtotal	\$ 9,128,767	\$ 8,566,093	\$ 51,348	\$ 8,617,441	\$ 511,326

(continued)

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

YEAR ENDED DECEMBER 31, 1997

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
General government					
Law library					
Other operating	\$ 112,827	\$ 112,822	\$ 5	\$ 112,827	\$ -
County auditor					
Personnel services	\$ 2,455,801	\$ 2,442,356	\$ -	\$ 2,442,356	\$ 13,445
Other operating	724,662	588,458	86,425	674,883	49,779
Capital outlay	2,670	2,668	-	2,668	2
Debt service					
Principal	5,289	5,289	-	5,289	-
Interest and fiscal charges	1,341	1,341	-	1,341	-
Total county auditor	\$ 3,189,763	\$ 3,040,112	\$ 86,425	\$ 3,126,537	\$ 63,226
Data processing					
Other operating	\$ 1,519,039	\$ 1,519,039	\$ -	\$ 1,519,039	\$ -
County assessor					
Personnel services	\$ 1,315,882	\$ 1,278,035	\$ -	\$ 1,278,035	\$ 37,847
Other operating	246,472	231,021	1,488	232,509	13,963
Total county assessor	\$ 1,562,354	\$ 1,509,056	\$ 1,488	\$ 1,510,544	\$ 51,810
Purchasing					
Personnel services	\$ 379,130	\$ 328,541	\$ -	\$ 328,541	\$ 50,589
Other operating	58,269	50,686	45	50,731	7,538
Debt service					
Principal	2,805	2,805	-	2,805	-
Interest and fiscal charges	711	711	-	711	-
Total purchasing	\$ 440,915	\$ 382,743	\$ 45	\$ 382,788	\$ 58,127
Microfilming					
Personnel services	\$ 146,203	\$ 146,136	\$ -	\$ 146,136	\$ 67
Other operating	22,006	21,240	692	21,932	74
Capital outlay	2,345	-	2,343	2,343	2
Total microfilming	\$ 170,554	\$ 167,376	\$ 3,035	\$ 170,411	\$ 143
Recorder					
Personnel services	\$ 752,035	\$ 748,240	\$ -	\$ 748,240	\$ 3,795
Other operating	208,797	208,796	-	208,796	1
Capital outlay	37,493	34,699	-	34,699	2,794
Total recorder	\$ 998,325	\$ 991,735	\$ -	\$ 991,735	\$ 6,590
Surveyor					
Personnel services	\$ 563,917	\$ 558,985	\$ -	\$ 558,985	\$ 4,932
Other operating	96,686	69,070	3,749	72,819	23,867
Capital outlay	42,300	12,882	28,541	41,423	877
Total surveyor	\$ 702,903	\$ 640,937	\$ 32,290	\$ 673,227	\$ 29,676
Civil service					
Personnel services	\$ 754,778	\$ 709,489	\$ -	\$ 709,489	\$ 45,289
Other operating	262,691	218,572	208	218,780	43,911
Capital outlay	6,000	5,998	-	5,998	2
Total civil service	\$ 1,023,469	\$ 934,059	\$ 208	\$ 934,267	\$ 89,202
Veteran's service					
Personnel services	\$ 439,719	\$ 439,470	\$ -	\$ 439,470	\$ 249
Other operating	39,477	36,331	3,091	39,422	55
Total veteran's service	\$ 479,196	\$ 475,801	\$ 3,091	\$ 478,892	\$ 304
Port authority					
Other operating	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Elections					
Other operating	\$ 6,918	\$ 4,732	\$ -	\$ 4,732	\$ 2,186
Subtotal	\$ 10,256,263	\$ 9,828,412	\$ 126,587	\$ 9,954,999	\$ 301,264

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1997

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
General government					
Courthouses					
Personnel services	\$ 1,321,262	\$ 1,321,262	\$ -	\$ 1,321,262	\$ -
Other operating	734,920	673,807	37,092	710,899	24,021
Capital outlay	14,500	5,567	6,950	12,517	1,983
Total courthouses	<u>\$ 2,070,682</u>	<u>\$ 2,000,636</u>	<u>\$ 44,042</u>	<u>\$ 2,044,678</u>	<u>\$ 26,004</u>
Employee training					
Personnel services	\$ 92,171	\$ 79,536	\$ -	\$ 79,536	\$ 12,635
Other operating	163,649	114,340	-	114,340	49,309
Capital outlay	8,275	-	8,274	8,274	1
Total employee training	<u>\$ 264,095</u>	<u>\$ 193,876</u>	<u>\$ 8,274</u>	<u>\$ 202,150</u>	<u>\$ 61,945</u>
Parking ramp					
Other operating	\$ 84,865	\$ 84,865	\$ -	\$ 84,865	\$ -
Capital outlay	4,260	4,260	-	4,260	-
Total parking ramp	<u>\$ 89,125</u>	<u>\$ 89,125</u>	<u>\$ -</u>	<u>\$ 89,125</u>	<u>\$ -</u>
Town aid					
Other operating	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -
First witness					
Other operating	\$ 56,000	\$ 56,000	\$ -	\$ 56,000	\$ -
Total General Government	<u>\$ 21,870,432</u>	<u>\$ 20,739,642</u>	<u>\$ 230,251</u>	<u>\$ 20,969,893</u>	<u>\$ 900,539</u>
Public safety					
Jail building					
Personnel services	\$ 237,662	\$ 234,941	\$ -	\$ 234,941	\$ 2,721
Other operating	55,750	45,913	4,857	50,770	4,980
Total jail building	<u>\$ 293,412</u>	<u>\$ 280,854</u>	<u>\$ 4,857</u>	<u>\$ 285,711</u>	<u>\$ 7,701</u>
Sheriff					
Personnel services	\$ 5,807,641	\$ 5,691,121	\$ -	\$ 5,691,121	\$ 116,520
Other operating	1,295,404	1,285,043	3,024	1,288,067	7,337
Capital outlay	353,650	352,277	1,318	353,595	55
Total sheriff	<u>\$ 7,456,695</u>	<u>\$ 7,328,441</u>	<u>\$ 4,342</u>	<u>\$ 7,332,783</u>	<u>\$ 123,912</u>
Boat and water safety					
Other operating	\$ 90,127	\$ 77,235	\$ 522	\$ 77,757	\$ 12,370
Capital outlay	30,478	25,184	5,288	30,472	6
Total boat and water safety	<u>\$ 120,605</u>	<u>\$ 102,419</u>	<u>\$ 5,810</u>	<u>\$ 108,229</u>	<u>\$ 12,376</u>
Medical examiner					
Other operating	\$ 191,672	\$ 167,976	\$ -	\$ 167,976	\$ 23,696
Rescue squad					
Other operating	\$ 70,530	\$ 48,867	\$ -	\$ 48,867	\$ 21,663
Capital outlay	65,030	39,143	-	39,143	25,887
Total rescue squad	<u>\$ 135,560</u>	<u>\$ 88,010</u>	<u>\$ -</u>	<u>\$ 88,010</u>	<u>\$ 47,550</u>
Emergency management					
Personnel services	\$ 125,694	\$ 124,714	\$ -	\$ 124,714	\$ 980
Other operating	14,968	11,272	-	11,272	3,696
Total emergency management	<u>\$ 140,662</u>	<u>\$ 135,986</u>	<u>\$ -</u>	<u>\$ 135,986</u>	<u>\$ 4,676</u>
Radio maintenance					
Personnel services	\$ 243,121	\$ 223,190	\$ -	\$ 223,190	\$ 19,931
Other operating	123,761	117,239	6,522	123,761	-
Capital outlay	103,324	38,861	64,285	103,146	178
Total radio maintenance	<u>\$ 470,206</u>	<u>\$ 379,290</u>	<u>\$ 70,807</u>	<u>\$ 450,097</u>	<u>\$ 20,109</u>
Emergency communication					
Personnel services	\$ 1,563,686	\$ 1,541,548	\$ -	\$ 1,541,548	\$ 22,138
Other operating	198,501	179,011	-	179,011	19,490
Capital outlay	26,402	18,833	7,568	26,401	1
Total emergency communication	<u>\$ 1,788,589</u>	<u>\$ 1,739,392</u>	<u>\$ 7,568</u>	<u>\$ 1,746,960</u>	<u>\$ 41,629</u>
Subtotal	<u>\$ 10,597,401</u>	<u>\$ 10,222,368</u>	<u>\$ 93,384</u>	<u>\$ 10,315,752</u>	<u>\$ 281,649</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1997

	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Expenditures (Continued)					
Public safety					
Jail prisoners					
Personnel services	\$ 2,996,565	\$ 2,823,994	\$ -	\$ 2,823,994	\$ 172,571
Other operating	1,168,882	1,131,970	36,905	1,168,875	7
Capital outlay	28,200	28,186	-	28,186	14
Total jail prisoners	\$ 4,193,647	\$ 3,984,150	\$ 36,905	\$ 4,021,055	\$ 172,592
Mine inspector					
Personnel services	\$ 182,005	\$ 176,874	\$ -	\$ 176,874	\$ 5,131
Other operating	27,678	18,861	56	18,917	8,761
Total mine inspector	\$ 209,683	\$ 195,735	\$ 56	\$ 195,791	\$ 13,892
Safety council					
Other operating	\$ 900	\$ -	\$ -	\$ -	\$ 900
Ambulance service					
Other operating	\$ 50,713	\$ 50,713	\$ -	\$ 50,713	\$ -
Virginia lock-up					
Other operating	\$ 120,000	\$ 120,000	\$ -	\$ 120,000	\$ -
Hibbing lock-up					
Other operating	\$ 33,000	\$ 33,000	\$ -	\$ 33,000	\$ -
Law enforcement service					
Personnel services	\$ 549,250	\$ 498,371	\$ -	\$ 498,371	\$ 50,879
Other operating	83,002	80,508	2,200	82,708	294
Capital outlay	23,470	23,468	-	23,468	2
Total law enforcement service	\$ 655,722	\$ 602,347	\$ 2,200	\$ 604,547	\$ 51,175
Enhanced 9-1-1					
Other operating	\$ 51,777	\$ 51,777	\$ -	\$ 51,777	\$ -
Capital outlay	12,959	12,959	-	12,959	-
Total enhanced 9-1-1	\$ 64,736	\$ 64,736	\$ -	\$ 64,736	\$ -
City/County antenna site					
Other operating	\$ 5,986	\$ 5,986	\$ -	\$ 5,986	\$ -
Arrowhead Regional Corrections Intergovernmental	\$ 7,033,887	\$ 7,033,887	\$ -	\$ 7,033,887	\$ -
Total Public Safety	\$ 22,965,675	\$ 22,312,922	\$ 132,545	\$ 22,445,467	\$ 520,208
Health					
Administration					
Personnel services	\$ 462,904	\$ 445,237	\$ -	\$ 445,237	\$ 17,667
Other operating	672,650	571,300	69	571,369	101,281
Capital outlay	12,000	-	-	-	12,000
Debt service					
Principal	73,451	73,451	-	73,451	-
Interest and fiscal charges	18,619	18,619	-	18,619	-
Total administration	\$ 1,239,624	\$ 1,108,607	\$ 69	\$ 1,108,676	\$ 130,948
Nursing					
Personnel services	\$ 3,113,319	\$ 2,478,011	\$ -	\$ 2,478,011	\$ 635,308
Other operating	669,093	469,198	33,389	502,587	166,506
Total nursing	\$ 3,782,412	\$ 2,947,209	\$ 33,389	\$ 2,980,598	\$ 801,814
Environmental health					
Personnel services	\$ 1,114,072	\$ 1,058,128	\$ -	\$ 1,058,128	\$ 55,944
Other operating	330,651	276,915	740	277,655	52,996
Capital outlay	8,200	7,712	-	7,712	488
Total environmental health	\$ 1,452,923	\$ 1,342,755	\$ 740	\$ 1,343,495	\$ 109,428
Subtotal	\$ 6,474,959	\$ 5,398,571	\$ 34,198	\$ 5,432,769	\$ 1,042,190

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1997

Expenditures (Continued)	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Health					
Duluth Community Health Center					
Other operating	\$ 30,000	\$ 30,000	\$ -	\$ 30,000	\$ -
American Indian Fellowship Association					
Other operating	\$ 29,250	\$ -	\$ -	\$ -	\$ 29,250
MN Compulsive Gambling Council					
Other operating	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -
Occupational safety					
Personnel services	\$ 130,391	\$ 85,571	\$ -	\$ 85,571	\$ 44,820
Other operating	40,412	25,679	543	26,222	14,190
Capital outlay	14,500	-	-	-	14,500
Total occupational safety	\$ 185,303	\$ 111,250	\$ 543	\$ 111,793	\$ 73,510
Total Health	\$ 6,724,512	\$ 5,544,821	\$ 34,741	\$ 5,579,562	\$ 1,144,950
Welfare					
School lunch					
Other operating	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Emergency shelter program					
Other operating	\$ 174,755	\$ 127,487	\$ -	\$ 127,487	\$ 47,268
Veterans' travel					
Other operating	\$ 2,400	\$ 1,981	\$ -	\$ 1,981	\$ 419
Bethany Center					
Other operating	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -
Family homelessness prevention and assistance program					
Other operating	\$ 653,639	\$ 308,684	\$ -	\$ 308,684	\$ 344,955
Capital outlay	2,550	2,545	-	2,545	5
Total family homelessness prevention and assistance program	\$ 656,189	\$ 311,229	\$ -	\$ 311,229	\$ 344,960
McKinney homeless grant					
Other operating	\$ 1,769,765	\$ 329,541	\$ -	\$ 329,541	\$ 1,440,224
Total Welfare	\$ 2,643,109	\$ 810,238	\$ -	\$ 810,238	\$ 1,832,871
Culture and recreation					
Memorial Day observance					
Other operating	\$ 2,550	\$ 2,550	\$ -	\$ 2,550	\$ -
Historical Society					
Other operating	\$ 219,468	\$ 219,468	\$ -	\$ 219,468	\$ -
Arrowhead Library System					
Other operating	\$ 365,489	\$ 365,489	\$ -	\$ 365,489	\$ -
Community fairs					
Other operating	\$ 1,120	\$ 800	\$ -	\$ 800	\$ 320
Depot					
Other operating	\$ 7,000	\$ 7,000	\$ -	\$ 7,000	\$ -
Tourism promotion					
Other operating	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
St. Louis County promotional bureau					
Other operating	\$ 114,420	\$ 91,326	\$ -	\$ 91,326	\$ 23,094
Capital outlay	15,100	15,069	-	15,069	31
Total St. Louis County promotional bureau	\$ 129,520	\$ 106,395	\$ -	\$ 106,395	\$ 23,125
Trail assistance					
Other operating	\$ 188,228	\$ 188,228	\$ -	\$ 188,228	\$ -
World War II book					
Other operating	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Total Culture and Recreation	\$ 1,023,375	\$ 989,930	\$ -	\$ 989,930	\$ 33,445

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 1997

	Budget	Actual		Total	Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances		
Expenditures (Continued)					
Conservation of natural resources					
County agent					
Personnel services	\$ 144,992	\$ 144,991	\$ -	\$ 144,991	\$ 1
Other operating	366,057	318,954	1,025	319,979	46,078
Capital outlay	22,749	22,749	-	22,749	-
Debt service					
Principal	14,527	14,527	-	14,527	-
Interest and fiscal charges	3,683	3,683	-	3,683	-
Total county agent	<u>\$ 552,008</u>	<u>\$ 504,904</u>	<u>\$ 1,025</u>	<u>\$ 505,929</u>	<u>\$ 46,079</u>
Youth task force					
Personnel services	\$ 4,676	\$ 4,672	\$ -	\$ 4,672	\$ 4
Other operating	123,009	95,483	-	95,483	27,526
Capital outlay	4,315	4,312	-	4,312	3
Total youth task force	<u>\$ 132,000</u>	<u>\$ 104,467</u>	<u>\$ -</u>	<u>\$ 104,467</u>	<u>\$ 27,533</u>
County fair - north					
Other operating	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
County fair - south					
Other operating	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
Soil conservation - north					
Other operating	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Soil conservation - south					
Other operating	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Total Conservation of Natural Resources	<u>\$ 820,608</u>	<u>\$ 745,971</u>	<u>\$ 1,025</u>	<u>\$ 746,996</u>	<u>\$ 73,612</u>
Economic development					
Revolving loans					
Other operating	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Duluth Northwest Airlines					
Other operating	\$ 17,579	\$ 17,579	\$ -	\$ 17,579	\$ -
Northspan					
Other operating	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -
Total Economic Development	<u>\$ 137,579</u>	<u>\$ 137,579</u>	<u>\$ -</u>	<u>\$ 137,579</u>	<u>\$ -</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>		
Total Expenditures	\$ 56,185,290	\$ 51,281,103	\$ 398,562	\$ 51,679,665	\$ 4,505,625
Excess of Revenues Over (Under) Expenditures	\$ (923,684)			\$ 3,015,141	\$ 3,938,825
Other Financing Sources (Uses)					
Operating transfers in	\$ 407,000			\$ 400,000	\$ (7,000)
Operating transfers out	(60,000)			(60,000)	-
Total Other Financing Sources (Uses)	\$ 347,000			\$ 340,000	\$ (7,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (576,684)			\$ 3,355,141	\$ 3,931,825
Adjustments - Note 1	-			296,468	296,468
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (576,684)			\$ 3,651,609	\$ 4,228,293
Fund Balance - January 1	16,657,997			16,657,997	-
Equity transfer out	-			(1,443,701)	(1,443,701)
Fund Balance - December 31	<u>\$ 16,081,313</u>			<u>\$ 18,865,905</u>	<u>\$ 2,784,592</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds

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

Babbitt Facility

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

Housing and Redevelopment Authority

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

Community Development Block Grant

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

Northeast Minnesota Housing Consortium

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

Road and Bridge

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

Social Services

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

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1997

	Babbitt Facility	Housing and Redevelopment Authority
Assets		
Cash and cash equivalents	\$ 310,778	\$ 511,366
Receivables		
Taxes		
Unapportioned	-	3,278
Delinquent	-	10,155
Accounts (net of allowance for uncollectibles)	-	-
Loans	-	125,000
Due from other funds	-	-
Due from other governments	-	4,620
Inventories	-	-
Total Assets	\$ 310,778	\$ 654,419
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ -	\$ 360
Contracts payable	-	-
Salaries payable	-	2,996
Compensated absences payable	-	389
Interfund payable	-	-
Due to other governments	-	-
Deferred revenue	-	9,140
Total Liabilities	\$ -	\$ 12,885
Fund Balance		
Reserved for change funds	\$ -	\$ -
Reserved for noncurrent loans	-	125,000
Reserved for conference fund	-	-
Reserved for inventories	-	-
Reserved for encumbrances	-	-
Reserved for health and welfare	-	-
Reserved for foster care insurance	-	-
Reserved for senior citizens transportation	-	-
Reserved for unorganized town roads	-	-
Unreserved		
Designated for vested sick leave	-	-
Designated for cash flow	-	-
Undesignated	310,778	516,534
Total Fund Balance	\$ 310,778	\$ 641,534
Total Liabilities and Fund Balance	\$ 310,778	\$ 654,419

<u>Community Development Block Grant</u>	<u>Northeast Minnesota Housing Consortium</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Total</u>
\$ -	\$ 598	\$ 2,651,201	\$ 6,488,757	\$ 9,962,700
-	-	228,660	329,332	561,270
-	-	725,616	1,155,628	1,891,399
-	3,582	23,865	272,161	299,608
-	-	-	-	125,000
-	-	262,121	-	262,121
624,615	175,214	7,082,865	5,004,894	12,892,208
-	-	1,491,302	-	1,491,302
<u>\$ 624,615</u>	<u>\$ 179,394</u>	<u>\$ 12,465,630</u>	<u>\$ 13,250,772</u>	<u>\$ 27,485,608</u>
\$ 266,368	\$ 172,067	\$ 699,652	\$ 1,630,924	\$ 2,769,371
-	-	490,263	-	490,263
-	-	491,717	636,747	1,131,460
-	-	145,405	236,383	382,177
92,128	7,327	-	-	99,455
266,119	-	35,536	1,103,541	1,405,196
-	-	1,649,458	1,538,597	3,197,195
<u>\$ 624,615</u>	<u>\$ 179,394</u>	<u>\$ 3,512,031</u>	<u>\$ 5,146,192</u>	<u>\$ 9,475,117</u>
\$ -	\$ -	\$ 1,000	\$ 15,000	\$ 16,000
-	-	-	-	125,000
-	-	-	23,261	23,261
-	-	1,491,302	-	1,491,302
-	-	1,315,159	75,006	1,390,165
-	-	299,623	596,183	895,806
-	-	-	6,000	6,000
-	-	-	56,762	56,762
-	-	418,556	-	418,556
-	-	498,496	879,456	1,377,952
-	-	4,929,463	6,452,912	11,382,375
-	-	-	-	827,312
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,953,599</u>	<u>\$ 8,104,580</u>	<u>\$ 18,010,491</u>
<u>\$ 624,615</u>	<u>\$ 179,394</u>	<u>\$ 12,465,630</u>	<u>\$ 13,250,772</u>	<u>\$ 27,485,608</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 1997

	Babbitt Facility	Housing and Redevelopment Authority
Revenues		
Taxes	\$ -	\$ 168,779
Licenses and permits	-	-
Intergovernmental	-	9,221
Charges for services	-	-
Interest on investments	-	-
Miscellaneous	224,000	812
	224,000	812
Total Revenues	\$ 224,000	\$ 178,812
Expenditures		
Current		
Highways and streets	\$ -	\$ -
Welfare	-	-
Economic development	-	73,351
Total Current	\$ -	\$ 73,351
Capital outlay		
Highway and streets	\$ -	\$ -
Welfare	-	-
Total Capital Outlay	\$ -	\$ -
Debt service		
Principal	\$ -	\$ -
Interest and fiscal charges	-	-
Total Debt Service	\$ -	\$ -
	\$ -	\$ 73,351
	\$ -	\$ 73,351
Excess of Revenues Over (Under) Expenditures	\$ 224,000	\$ 105,461
Other Financing Sources (Uses)		
Operating transfers out	(116,300)	-
	(116,300)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 107,700	\$ 105,461
Fund Balance - January 1 - As Restated	203,078	536,073
Increase (decrease) in reserved for inventories	-	-
	-	-
Fund Balance - December 31	\$ 310,778	\$ 641,534

<u>Community Development Block Grant</u>	<u>Northeast Minnesota Housing Consortium</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Total</u>
\$ -	\$ -	\$ 19,040,914	\$ 17,027,359	\$ 36,237,052
-	-	21,374	-	21,374
2,926,378	847,788	23,665,447	42,931,694	70,380,528
-	-	468,284	1,470,190	1,938,474
551	-	-	-	551
100	59,729	685,868	779,912	1,750,421
<u>\$ 2,927,029</u>	<u>\$ 907,517</u>	<u>\$ 43,881,887</u>	<u>\$ 62,209,155</u>	<u>\$ 110,328,400</u>
\$ -	\$ -	\$ 37,870,953	\$ -	\$ 37,870,953
-	-	-	60,196,683	60,196,683
2,927,029	907,517	-	-	3,907,897
<u>\$ 2,927,029</u>	<u>\$ 907,517</u>	<u>\$ 37,870,953</u>	<u>\$ 60,196,683</u>	<u>\$ 101,975,533</u>
\$ -	\$ -	\$ 3,162,352	\$ -	\$ 3,162,352
-	-	-	157,715	157,715
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,162,352</u>	<u>\$ 157,715</u>	<u>\$ 3,320,067</u>
\$ -	\$ -	\$ -	\$ 244,031	\$ 244,031
-	-	-	61,858	61,858
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,889</u>	<u>\$ 305,889</u>
<u>\$ 2,927,029</u>	<u>\$ 907,517</u>	<u>\$ 41,033,305</u>	<u>\$ 60,660,287</u>	<u>\$ 105,601,489</u>
\$ -	\$ -	\$ 2,848,582	\$ 1,548,868	\$ 4,726,911
-	-	(21,450)	(84,932)	(222,682)
\$ -	\$ -	\$ 2,827,132	\$ 1,463,936	\$ 4,504,229
-	-	5,987,022	6,640,644	13,366,817
-	-	139,445	-	139,445
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,953,599</u>	<u>\$ 8,104,580</u>	<u>\$ 18,010,491</u>

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 BABBITT FACILITY SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
Revenues					
Miscellaneous	\$ 48,000			\$ 224,000	\$ 176,000
	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>		
Expenditures					
Economic development					
Other operating	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Excess of Revenues Over (Under) Expenditures	\$ 43,000			\$ 224,000	\$ 181,000
Other Financing Sources (Uses)					
Operating transfers out	(116,300)			(116,300)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses	\$ (73,300)			\$ 107,700	\$ 181,000
Fund Balance - January 1	203,078			203,078	-
Fund Balance - December 31	<u>\$ 129,778</u>			<u>\$ 310,778</u>	<u>\$ 181,000</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1997

	Budget		Actual		Variance Favorable (Unfavorable)					
Revenues										
Taxes	\$	175,000	\$	168,779	\$ (6,221)					
Intergovernmental		68,835		9,221	(59,614)					
Miscellaneous		-		812	812					
Total Revenues	\$	243,835	\$	178,812	\$ (65,023)					
			Actual							
			Current	Encumbrances	Total					
Expenditures										
Economic development										
Personnel services	\$	86,083	\$	36,861	\$	-	\$	36,861	\$	49,222
Other operating		98,100		32,971		-		32,971		65,129
Capital outlay		3,000		-		-		-		3,000
Total Expenditures	\$	187,183	\$	69,832	\$	-	\$	69,832	\$	117,351
Excess of Revenues Over (Under) Expenditures	\$	56,652			\$	108,980	\$	52,328		
Adjustments - Note 1		-				(3,519)		(3,519)		
Excess of Revenues Over (Under) Expenditures as Adjusted	\$	56,652			\$	105,461	\$	48,809		
Fund Balance - January 1		536,073				536,073		-		
Fund Balance - December 31	\$	592,725			\$	641,534	\$	48,809		

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
					<u>Favorable</u> <u>(Unfavorable)</u>
Revenues					
Intergovernmental	\$	5,954,257	\$	2,926,378	\$ (3,027,879)
Interest on investments		-		551	551
Miscellaneous		-		100	100
Total Revenues	\$	5,954,257	\$	2,927,029	\$ (3,027,228)
			<u>Actual</u>		
	<u>Budget</u>	<u>Current</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance</u>
		<u>Expenditures</u>			<u>Favorable</u> <u>(Unfavorable)</u>
Expenditures					
Economic development	\$	5,954,257	\$	2,927,029	\$ 3,027,228
Other operating		-		-	-
Excess of Revenues					
Over (Under)					
Expenditures	\$	-	\$	-	\$ -
Fund Balance - January 1		-		-	-
Fund Balance - December 31	\$	-	\$	-	\$ -

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
NORTHEAST MINNESOTA HOUSING CONSORTIUM SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
					<u>Favorable</u> <u>(Unfavorable)</u>
Revenues					
Intergovernmental	\$	1,873,798	\$	847,788	\$ (1,026,010)
Miscellaneous		-		59,729	59,729
Total Revenues	\$	1,873,798	\$	907,517	\$ (966,281)
			<u>Actual</u>		
	<u>Budget</u>	<u>Current</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance</u>
		<u>Expenditures</u>			<u>Favorable</u>
					<u>(Unfavorable)</u>
Expenditures					
Economic development					
Other operating	\$	1,873,798	\$	907,517	\$ 966,281
Excess of Revenues					
Over (Under)					
Expenditures	\$	-		-	-
Fund Balance - January 1		-		-	-
Fund Balance - December 31	\$	-	\$	-	-

Reader's notes:

Debt Service Funds

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

Babbitt Facility Refunding

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

Jail Bond

The Jail Bond Fund is used to account for 1989 and 1993 bonds sold by the County and Housing and Redevelopment Authority, respectively, for the purpose of financing the costs of construction of a County jail.

AJC Construction Bond

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

Law Enforcement Bond

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

Hibbing Public Works Bond

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

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 1997

	Babbitt Facility Refunding	Jail Bond	AJC Construction Bond	Law Enforcement Bond	Total
Assets					
Cash and cash equivalents	\$ 127,767	\$ 28,374	\$ 1,699	\$ 4,231	\$ 162,071
Receivables					
Taxes					
Unapportioned	255	15,139	-	-	15,394
Delinquent	2,995	48,912	2,722	-	54,629
Total Assets	\$ 131,017	\$ 92,425	\$ 4,421	\$ 4,231	\$ 232,094
Liabilities and Fund Balance					
Liabilities					
Deferred revenue	\$ 2,695	\$ 44,021	\$ 2,450	\$ -	\$ 49,166
Fund Balance					
Unreserved-undesignated	128,322	48,404	1,971	4,231	182,928
Total Liabilities and Fund Balance	\$ 131,017	\$ 92,425	\$ 4,421	\$ 4,231	\$ 232,094

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Babbitt Facility Refunding</u>	<u>Jail Bond</u>	<u>AJC Construction Bond</u>	<u>Law Enforcement Bond</u>	<u>Hibbing Public Works Bond</u>	<u>Total</u>
Revenues						
Taxes	\$ 1,845	\$ 954,663	\$ 90,484	\$ -	\$ -	\$ 1,046,992
Intergovernmental	-	228,022	20,857	-	-	248,879
Interest on investments	-	-	-	4,231	-	4,231
Total Revenues	<u>\$ 1,845</u>	<u>\$ 1,182,685</u>	<u>\$ 111,341</u>	<u>\$ 4,231</u>	<u>\$ -</u>	<u>\$ 1,300,102</u>
Expenditures						
Debt service						
Principal	\$ 35,000	\$ 830,000	\$ 50,000	\$ -	\$ -	\$ 915,000
Interest and fiscal charges	79,415	618,558	74,168	153,843	20,582	946,566
Total Expenditures	<u>\$ 114,415</u>	<u>\$ 1,448,558</u>	<u>\$ 124,168</u>	<u>\$ 153,843</u>	<u>\$ 20,582</u>	<u>\$ 1,861,566</u>
Excess of Revenues Over (Under) Expenditures	\$ (112,570)	\$ (265,873)	\$ (12,827)	\$ (149,612)	\$ (20,582)	\$ (561,464)
Other Financing Sources (Uses)						
Bond proceeds	\$ -	\$ -	\$ -	\$ 153,843	\$ -	\$ 153,843
Operating transfers in	116,300	-	-	-	20,582	136,882
Total Other Financing Sources (Uses)	<u>\$ 116,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,843</u>	<u>\$ 20,582</u>	<u>\$ 290,725</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,730	\$ (265,873)	\$ (12,827)	\$ 4,231	\$ -	\$ (270,739)
Fund Balance - January 1	<u>124,592</u>	<u>314,277</u>	<u>14,798</u>	<u>-</u>	<u>-</u>	<u>453,667</u>
Fund Balance - December 31	<u>\$ 128,322</u>	<u>\$ 48,404</u>	<u>\$ 1,971</u>	<u>\$ 4,231</u>	<u>\$ -</u>	<u>\$ 182,928</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
BABBITT FACILITY REFUNDING DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ -	\$ 1,845	\$ 1,845
Expenditures			
Debt service			
Principal	\$ 35,000	\$ 35,000	\$ -
Interest and fiscal charges	79,415	79,415	-
Total Expenditures	<u>\$ 114,415</u>	<u>\$ 114,415</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	\$ (114,415)	\$ (112,570)	\$ 1,845
Other Financing Sources (Uses)			
Operating transfers in	<u>116,300</u>	<u>116,300</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,885	\$ 3,730	\$ 1,845
Fund Balance - January 1	<u>124,592</u>	<u>124,592</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 126,477</u></u>	<u><u>\$ 128,322</u></u>	<u><u>\$ 1,845</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
JAIL BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 1,090,113	\$ 954,663	\$ (135,450)
Intergovernmental	123,350	228,022	104,672
Total Revenues	<u>\$ 1,213,463</u>	<u>\$ 1,182,685</u>	<u>\$ (30,778)</u>
Expenditures			
Debt service			
Principal	\$ 830,000	\$ 830,000	\$ -
Interest and fiscal charges	618,558	618,558	-
Total Expenditures	<u>\$ 1,448,558</u>	<u>\$ 1,448,558</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (235,095)</u>	<u>\$ (265,873)</u>	<u>\$ (30,778)</u>
Fund Balance - January 1	<u>314,277</u>	<u>314,277</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 79,182</u></u>	<u><u>\$ 48,404</u></u>	<u><u>\$ (30,778)</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
AJC CONSTRUCTION BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 104,296	\$ 90,484	\$ (13,812)
Intergovernmental	11,283	20,857	9,574
Total Revenues	<u>\$ 115,579</u>	<u>\$ 111,341</u>	<u>\$ (4,238)</u>
 Expenditures			
Debt service			
Principal	\$ 50,000	\$ 50,000	\$ -
Interest and fiscal charges	74,168	74,168	-
Total Expenditures	<u>\$ 124,168</u>	<u>\$ 124,168</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (8,589)</u>	<u>\$ (12,827)</u>	<u>\$ (4,238)</u>
 Fund Balance - January 1	<u>14,798</u>	<u>14,798</u>	<u>-</u>
 Fund Balance - December 31	<u><u>\$ 6,209</u></u>	<u><u>\$ 1,971</u></u>	<u><u>\$ (4,238)</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
LAW ENFORCEMENT BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest on investments	\$ -	\$ 4,231	\$ 4,231
Expenditures			
Debt service			
Interest and fiscal charges	\$ 153,843	\$ 153,843	\$ -
Excess of Revenues Over (Under) Expenditures	\$ (153,843)	\$ (149,612)	\$ 4,231
Other Financing Sources (Uses)			
Bond proceeds	153,843	153,843	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 4,231	\$ 4,231
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 4,231</u>	<u>\$ 4,231</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
HIBBING PUBLIC WORKS BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures			
Debt service			
Interest and fiscal charges	\$ 20,582	\$ 20,582	\$ -
Excess of Revenues Over (Under) Expenditures	\$ (20,582)	\$ (20,582)	\$ -
Other Financing Sources (Uses)			
Operating transfers in	20,582	20,582	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ -
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CAPITAL PROJECTS
FUNDS**

Capital Projects Funds

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

Buildings

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

Law Enforcement Centers

The Law Enforcement Centers Fund is used to account for construction of the law enforcement centers.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 1997

	<u>Buildings</u>	<u>Law Enforcement Centers</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,504,611	\$ 290,359	\$ 1,794,970
Investments	-	2,436,272	2,436,272
Receivables			
Taxes			
Unapportioned	12,707	-	12,707
Delinquent	43,693	-	43,693
Due from other funds	-	106,900	106,900
Due from other governments	95,153	-	95,153
Total Assets	<u>\$ 1,656,164</u>	<u>\$ 2,833,531</u>	<u>\$ 4,489,695</u>
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 132,949	\$ 597,844	\$ 730,793
Due to other funds	369,021	-	369,021
Deferred revenue	39,323	-	39,323
Total Liabilities	<u>\$ 541,293</u>	<u>\$ 597,844</u>	<u>\$ 1,139,137</u>
Fund Balance			
Unreserved-undesignated	<u>1,114,871</u>	<u>2,235,687</u>	<u>3,350,558</u>
Total Liabilities and Fund Balance	<u>\$ 1,656,164</u>	<u>\$ 2,833,531</u>	<u>\$ 4,489,695</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Buildings</u>	<u>Law Enforcement Centers</u>	<u>Total</u>
Revenues			
Taxes	\$ 664,624	\$ -	\$ 664,624
Intergovernmental	212,649	-	212,649
Interest on investments	-	129,334	129,334
Miscellaneous	636,266	-	636,266
Total Revenues	<u>\$ 1,513,539</u>	<u>\$ 129,334</u>	<u>\$ 1,642,873</u>
Expenditures			
Capital outlay			
General government	\$ 266,930	\$ -	\$ 266,930
Public safety	25,172	2,643,379	2,668,551
Highways and streets	1,737,112	-	1,737,112
Total Expenditures	<u>\$ 2,029,214</u>	<u>\$ 2,643,379</u>	<u>\$ 4,672,593</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (515,675)</u>	<u>\$ (2,514,045)</u>	<u>\$ (3,029,720)</u>
Other Financing Sources (Uses)			
Bond proceeds	\$ -	\$ 5,062,778	\$ 5,062,778
Capital leases	847,000	-	847,000
Operating transfers in	81,450	-	81,450
Operating transfers out	(107,536)	(313,046)	(420,582)
Total Other Financing Sources (Uses)	<u>\$ 820,914</u>	<u>\$ 4,749,732</u>	<u>\$ 5,570,646</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 305,239</u>	<u>\$ 2,235,687</u>	<u>\$ 2,540,926</u>
Fund Balance - January 1	<u>809,632</u>	<u>-</u>	<u>809,632</u>
Fund Balance - December 31	<u><u>\$ 1,114,871</u></u>	<u><u>\$ 2,235,687</u></u>	<u><u>\$ 3,350,558</u></u>

Reader's notes:

ENTERPRISE FUNDS

Enterprise Funds

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

Chris Jensen

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

Nopeming

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

Solid Waste Management

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

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 1997

	<u>Chris Jensen</u>	<u>Nopemng</u>	<u>Solid Waste Management</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 237,907	\$ 473,909	\$ 968,743	\$ 1,680,559
Investments	-	-	11,735,717	11,735,717
Receivables				
Taxes				
Unapportioned	938	588	34,535	36,061
Delinquent	8,189	5,182	-	13,371
Accounts (net of allowance for uncollectibles)	1,342,108	747,000	256,064	2,345,172
Accrued interest	-	-	88,504	88,504
Loans	-	-	75,669	75,669
Due from other governments	-	-	180,401	180,401
Inventories	72,543	48,990	-	121,533
Total current assets	\$ 1,661,685	\$ 1,275,669	\$ 13,339,633	\$ 16,276,987
Restricted assets				
Improvement account				
Cash and cash equivalents	\$ -	\$ 3,181	\$ -	\$ 3,181
Debt service				
Cash and cash equivalents	-	-	104,234	104,234
Receivables				
Taxes				
Unapportioned	-	-	21,869	21,869
Delinquent	-	-	58,091	58,091
Accounts (net of allowance for uncollectibles)	-	-	2,602	2,602
Financial assurance				
Investments	-	-	1,231,055	1,231,055
Receivables				
Accrued interest	-	-	6,351	6,351
Total restricted assets	\$ -	\$ 3,181	\$ 1,424,202	\$ 1,427,383
Fixed assets				
Land	\$ 130,656	\$ 136,755	\$ 209,834	\$ 477,245
Buildings and structures	5,148,877	4,679,606	2,498,965	12,327,448
Improvements other than buildings	32,469	53,798	5,728,577	5,814,844
Machinery and equipment	677,957	630,541	1,220,013	2,528,511
Linens	23,087	14,012	-	37,099
Vehicles	-	26,330	123,175	149,505
Total fixed assets	\$ 6,013,046	\$ 5,541,042	\$ 9,780,564	\$ 21,334,652
Accumulated depreciation	\$ (1,688,371)	\$ (2,474,530)	\$ (2,754,240)	\$ (6,917,141)
Net fixed assets	\$ 4,324,675	\$ 3,066,512	\$ 7,026,324	\$ 14,417,511
Total Assets	\$ 5,986,360	\$ 4,345,362	\$ 21,790,159	\$ 32,121,881

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1997

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable	\$ 504,309	\$ 399,447	\$ 205,525	\$ 1,109,281
Salaries payable	264,300	212,901	32,006	509,207
Compensated absences payable	43,136	41,618	8,478	93,232
Interfund payable	-	-	-	-
Due to other governments	-	-	6,516	6,516
Deferred revenue	100,326	68,037	29,911	198,274
Total current liabilities (payable from current assets)	<u>\$ 912,071</u>	<u>\$ 722,003</u>	<u>\$ 282,436</u>	<u>\$ 1,916,510</u>
Current liabilities (payable from restricted assets)				
Accrued interest payable	\$ -	\$ 452	\$ 26,784	\$ 27,236
Deferred revenue	-	-	52,282	52,282
Bonds payable	-	40,000	1,185,000	1,225,000
Total current liabilities (payable from restricted assets)	<u>\$ -</u>	<u>\$ 40,452</u>	<u>\$ 1,264,066</u>	<u>\$ 1,304,518</u>
Long-term liabilities				
Compensated absences payable	\$ 1,195,722	\$ 1,024,770	\$ 142,347	\$ 2,362,839
General obligation revenue bonds payable	-	39,317	5,507,697	5,547,014
Customer deposits	-	-	6,640	6,640
Closure and post-closure liabilities	-	-	579,180	579,180
Total long-term liabilities	<u>\$ 1,195,722</u>	<u>\$ 1,064,087</u>	<u>\$ 6,235,864</u>	<u>\$ 8,495,673</u>
Total Liabilities	<u>\$ 2,107,793</u>	<u>\$ 1,826,542</u>	<u>\$ 7,782,366</u>	<u>\$ 11,716,701</u>
Fund Equity				
Contributed capital	<u>\$ 721,800</u>	<u>\$ 774,217</u>	<u>\$ 1,655,038</u>	<u>\$ 3,151,055</u>
Retained earnings				
Reserved for improvements	\$ -	\$ 70,004	\$ -	\$ 70,004
Reserved for closure and post-closure	-	-	1,237,406	1,237,406
Unreserved	3,156,767	1,674,599	11,115,349	15,946,715
Total retained earnings	<u>\$ 3,156,767</u>	<u>\$ 1,744,603</u>	<u>\$ 12,352,755</u>	<u>\$ 17,254,125</u>
Total Fund Equity	<u>\$ 3,878,567</u>	<u>\$ 2,518,820</u>	<u>\$ 14,007,793</u>	<u>\$ 20,405,180</u>
Total Liabilities and Fund Equity	<u>\$ 5,986,360</u>	<u>\$ 4,345,362</u>	<u>\$ 21,790,159</u>	<u>\$ 32,121,881</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 10,757,929	\$ 8,796,004	\$ 4,466,175	\$ 24,020,108
Licenses and permits	-	-	2,800	2,800
Other	277,085	93,325	82,563	452,973
Total Operating Revenues	\$ 11,035,014	\$ 8,889,329	\$ 4,551,538	\$ 24,475,881
Operating Expenses				
Personal services	\$ 7,038,755	\$ 5,968,313	\$ 987,026	\$ 13,994,094
Contractual services	2,577,680	1,511,483	2,475,170	6,564,333
Materials	1,135,803	779,793	83,173	1,998,769
Depreciation	145,260	131,015	275,617	551,892
Total Operating Expenses	\$ 10,897,498	\$ 8,390,604	\$ 3,820,986	\$ 23,109,088
Operating Income (Loss)	\$ 137,516	\$ 498,725	\$ 730,552	\$ 1,366,793
Nonoperating Revenues (Expenses)				
Taxes	\$ 3,832	\$ 2,454	\$ 1,522,045	\$ 1,528,331
Grants	-	-	558,497	558,497
Interest on investments	-	877	793,358	794,235
Interest expense	-	(7,570)	(550,219)	(557,789)
Amortization of bond discount	-	(358)	(50,514)	(50,872)
Litigation settlement	192,744	97,530	-	290,274
Total Nonoperating Revenues (Expenses)	\$ 196,576	\$ 92,933	\$ 2,273,167	\$ 2,562,676
Net Income (Loss)	\$ 334,092	\$ 591,658	\$ 3,003,719	\$ 3,929,469
Retained Earnings - January 1 - Restated	2,822,675	1,152,945	9,349,036	13,324,656
Retained Earnings - December 31	\$ 3,156,767	\$ 1,744,603	\$ 12,352,755	\$ 17,254,125

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1997

	Chris Jensen	Nopemng	Solid Waste Management	Total
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ 137,516	\$ 498,725	\$ 730,552	\$ 1,366,793
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ 145,260	\$ 131,015	\$ 275,617	\$ 551,892
Litigation settlement	192,744	97,530	-	290,274
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	290,403	344,872	2,761	638,036
(Increase) Decrease in loans receivable	-	-	17,710	17,710
(Increase) Decrease in due from other governments	-	-	(161,137)	(161,137)
(Increase) Decrease in inventories	1	156	-	157
Increase (Decrease) in accounts payable	98,964	170,798	53,210	322,972
Increase (Decrease) in salaries payable	16,325	23,733	2,695	42,753
Increase (Decrease) in compensated absences payable	(44,905)	(92,454)	25,794	(111,565)
Increase (Decrease) in closure and and post-closure liabilities	-	-	140,702	140,702
Increase (Decrease) in due to other governments	-	-	(31,124)	(31,124)
Increase (Decrease) in deferred revenue	39,199	35,753	-	74,952
Increase (Decrease) in customer deposits	-	-	2,525	2,525
Net Cash Provided by Operating Activities	<u>\$ 875,507</u>	<u>\$ 1,210,128</u>	<u>\$ 1,059,305</u>	<u>\$ 3,144,940</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 5,172	\$ 3,307	\$ 1,530,976	\$ 1,539,455
Proceeds from grant	-	-	561,652	561,652
Payments of interfund loan	(1,298,312)	(1,418,312)	-	(2,716,624)
Contributed capital	692,977	750,724	-	1,443,701
Net Cash Provided by Noncapital Financing Activities	<u>\$ (600,163)</u>	<u>\$ (664,281)</u>	<u>\$ 2,092,628</u>	<u>\$ 828,184</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from escrow account	\$ -	\$ -	\$ 2,844,537	\$ 2,844,537
Acquisition of capital assets	(44,102)	(115,429)	(38,843)	(198,374)
Principal paid on bonds	-	(35,000)	(3,935,000)	(3,970,000)
Interest paid on bonds	-	(7,765)	(571,020)	(578,785)
Disposal of capital assets	5,885	12,216	2,220	20,321
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (38,217)</u>	<u>\$ (145,978)</u>	<u>\$ (1,698,106)</u>	<u>\$ (1,882,301)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ (47,727,487)	\$ (47,727,487)
Sale of investments	-	-	44,937,369	44,937,369
Interest on investments	-	877	785,970	786,847
Net Cash Provided by Investing Activities	<u>\$ -</u>	<u>\$ 877</u>	<u>\$ (2,004,148)</u>	<u>\$ (2,003,271)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 237,127</u>	<u>\$ 400,746</u>	<u>\$ (550,321)</u>	<u>\$ 87,552</u>
Cash and Cash Equivalents - January 1	780	76,344	1,623,298	1,700,422
Cash and Cash Equivalents - December 31	<u>\$ 237,907</u>	<u>\$ 477,090</u>	<u>\$ 1,072,977</u>	<u>\$ 1,787,974</u>

Reader's notes:

**INTERNAL SERVICE
FUNDS**

Internal Service Funds

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

Community Food

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

Laundry

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

Supervised Living Facilities

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

Printing

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

County Garage

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

Property, Casualty, Liability Insurance

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

Workers' Compensation Insurance

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

Medical / Dental Insurance

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

Management Information Systems

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

Telecommunications

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

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1997

	Community Food	Laundry	Supervised Living Facilities	Printing
Assets				
Current assets				
Cash and cash equivalents	\$ 428,599	\$ 103,091	\$ 291,280	\$ 415,471
Investments	-	-	-	-
Receivables				
Accounts	103,857	37,002	24,058	2,870
Accrued interest	-	-	-	-
Due from other governments	1,556	-	-	8,241
Inventories	23,260	45,641	-	62,206
Prepaid items	58,568	-	-	-
Total current assets	\$ 615,840	\$ 185,734	\$ 315,338	\$ 488,788
Fixed assets				
Land	\$ -	\$ -	\$ -	\$ -
Buildings and structures	-	1,030,654	-	-
Machinery and equipment	-	383,174	5,524	375,107
Linens	-	156,294	-	-
Vehicles	-	33,095	-	-
Total fixed assets	\$ -	\$ 1,603,217	\$ 5,524	\$ 375,107
Accumulated depreciation	-	(721,972)	(5,524)	(247,996)
Net fixed assets	\$ -	\$ 881,245	\$ -	\$ 127,111
Total Assets	\$ 615,840	\$ 1,066,979	\$ 315,338	\$ 615,899

<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 175,382	\$ 261,839	\$ 1,431,901	\$ 1,632,218	\$ 1,359,725	\$ 240,210	\$ 6,339,716
-	3,408,863	5,739,176	4,628,239	-	-	13,776,278
-	-	-	7,960	-	1,597	177,344
-	42,551	93,413	62,069	-	-	198,033
3,861	-	20,793	-	4,750	11,570	50,771
32,518	-	-	-	10,558	2,954	177,137
-	-	-	-	-	-	58,568
<u>\$ 211,761</u>	<u>\$ 3,713,253</u>	<u>\$ 7,285,283</u>	<u>\$ 6,330,486</u>	<u>\$ 1,375,033</u>	<u>\$ 256,331</u>	<u>\$ 20,777,847</u>
\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,500
778,730	-	-	-	-	-	1,809,384
83,262	-	-	-	3,657,842	2,538,978	7,043,887
-	-	-	-	-	-	156,294
<u>1,615,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,648,864</u>
\$ 2,503,261	\$ -	\$ -	\$ -	\$ 3,657,842	\$ 2,538,978	\$ 10,683,929
<u>(1,504,692)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,413,250)</u>	<u>(1,727,538)</u>	<u>(6,620,972)</u>
<u>\$ 998,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244,592</u>	<u>\$ 811,440</u>	<u>\$ 4,062,957</u>
<u>\$ 1,210,330</u>	<u>\$ 3,713,253</u>	<u>\$ 7,285,283</u>	<u>\$ 6,330,486</u>	<u>\$ 2,619,625</u>	<u>\$ 1,067,771</u>	<u>\$ 24,840,804</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS

DECEMBER 31, 1997

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities				
Accounts payable	\$ 36,719	\$ 5,937	\$ 424	\$ 36,466
Salaries payable	19,618	20,766	19,188	4,052
Compensated absences payable	4,403	6,214	3,106	1,475
Claims payable	-	-	-	-
Due to other governments	384	9,052	-	-
Deferred revenue	1,565	1,670	1,156	406
Capital leases payable	-	-	-	11,873
Total current liabilities	\$ 62,689	\$ 43,639	\$ 23,874	\$ 54,272
Long-term liabilities				
Compensated absences payable	\$ 115,086	\$ 266,147	\$ 248,406	\$ 82,607
Claims payable	-	-	-	-
Capital leases payable	-	-	-	5,621
Total long-term liabilities	\$ 115,086	\$ 266,147	\$ 248,406	\$ 88,228
Total Liabilities	\$ 177,775	\$ 309,786	\$ 272,280	\$ 142,500
Fund Equity				
Contributed capital	\$ -	\$ 764,201	\$ 3,192	\$ 5,131
Retained earnings				
Reserved for capital acquisition	\$ 58,568	\$ -	\$ -	\$ -
Reserved for communcations	-	-	-	-
Reserved for Year 2000	-	-	-	-
Unreserved	379,497	(7,008)	39,866	468,268
Total retained earnings	\$ 438,065	\$ (7,008)	\$ 39,866	\$ 468,268
Total Fund Equity	\$ 438,065	\$ 757,193	\$ 43,058	\$ 473,399
Total Liabilities and Fund Equity	\$ 615,840	\$ 1,066,979	\$ 315,338	\$ 615,899

<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 11,789	\$ 900	\$ 203,254	\$ 1,073	\$ 45,636	\$ 61,952	\$ 404,150
8,745	-	-	-	55,438	6,919	134,726
2,370	-	-	-	17,933	2,546	38,047
-	124,260	698,711	1,615,831	-	-	2,438,802
-	-	-	-	-	2,978	12,414
826	-	-	274,864	5,369	523	286,379
-	-	-	-	-	-	11,873
<u>\$ 23,730</u>	<u>\$ 125,160</u>	<u>\$ 901,965</u>	<u>\$ 1,891,768</u>	<u>\$ 124,376</u>	<u>\$ 74,918</u>	<u>\$ 3,326,391</u>
\$ 126,373	\$ -	\$ -	\$ -	\$ 635,279	\$ 47,600	\$ 1,521,498
-	-	3,078,621	-	-	-	3,078,621
-	-	-	-	-	-	5,621
<u>\$ 126,373</u>	<u>\$ -</u>	<u>\$ 3,078,621</u>	<u>\$ -</u>	<u>\$ 635,279</u>	<u>\$ 47,600</u>	<u>\$ 4,605,740</u>
<u>\$ 150,103</u>	<u>\$ 125,160</u>	<u>\$ 3,980,586</u>	<u>\$ 1,891,768</u>	<u>\$ 759,655</u>	<u>\$ 122,518</u>	<u>\$ 7,932,131</u>
<u>\$ 1,120,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 808,490</u>	<u>\$ 185,639</u>	<u>\$ 2,886,902</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,568
-	-	-	-	128,318	-	128,318
-	-	-	-	350,092	-	350,092
(60,022)	3,588,093	3,304,697	4,438,718	573,070	759,614	13,484,793
<u>\$ (60,022)</u>	<u>\$ 3,588,093</u>	<u>\$ 3,304,697</u>	<u>\$ 4,438,718</u>	<u>\$ 1,051,480</u>	<u>\$ 759,614</u>	<u>\$ 14,021,771</u>
<u>\$ 1,060,227</u>	<u>\$ 3,588,093</u>	<u>\$ 3,304,697</u>	<u>\$ 4,438,718</u>	<u>\$ 1,859,970</u>	<u>\$ 945,253</u>	<u>\$ 16,908,673</u>
<u>\$ 1,210,330</u>	<u>\$ 3,713,253</u>	<u>\$ 7,285,283</u>	<u>\$ 6,330,486</u>	<u>\$ 2,619,625</u>	<u>\$ 1,067,771</u>	<u>\$ 24,840,804</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Operating Revenues				
Charges for services	\$ 1,165,173	\$ 931,565	\$ 571,690	\$ 913,589
Other	3,923	2,358	76	-
Total Operating Revenues	<u>\$ 1,169,096</u>	<u>\$ 933,923</u>	<u>\$ 571,766</u>	<u>\$ 913,589</u>
Operating Expenses				
Personal services	\$ 555,124	\$ 649,857	\$ 558,858	\$ 151,486
Contractual services	186,395	121,240	24,943	345,726
Materials	400,763	151,922	14,810	337,806
Depreciation	-	34,801	-	38,801
Total Operating Expenses	<u>\$ 1,142,282</u>	<u>\$ 957,820</u>	<u>\$ 598,611</u>	<u>\$ 873,819</u>
Operating Income (Loss)	<u>\$ 26,814</u>	<u>\$ (23,897)</u>	<u>\$ (26,845)</u>	<u>\$ 39,770</u>
Nonoperating Revenues (Expenses)				
Interest on investments	\$ -	\$ -	\$ -	\$ -
Disposition of fixed assets	-	-	-	(7,660)
Total Nonoperating Revenues (Expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,660)</u>
Net Income (Loss) Before Operating Transfer	\$ 26,814	\$ (23,897)	\$ (26,845)	\$ 32,110
Operating Transfer In	-	-	84,932	-
Net Income (Loss)	\$ 26,814	\$ (23,897)	\$ 58,087	\$ 32,110
Retained Earnings - January 1	411,251	16,889	(18,221)	436,158
Retained Earnings - December 31	<u>\$ 438,065</u>	<u>\$ (7,008)</u>	<u>\$ 39,866</u>	<u>\$ 468,268</u>

<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 1,082,574	\$ 501,281	\$ 1,291,215	\$ 9,646,607	\$ 3,574,642	\$ 1,309,472	\$ 20,987,808
<u>1,207</u>	<u>-</u>	<u>1,263,113</u>	<u>-</u>	<u>346,980</u>	<u>-</u>	<u>1,617,657</u>
<u>\$ 1,083,781</u>	<u>\$ 501,281</u>	<u>\$ 2,554,328</u>	<u>\$ 9,646,607</u>	<u>\$ 3,921,622</u>	<u>\$ 1,309,472</u>	<u>\$ 22,605,465</u>
\$ 298,935	\$ -	\$ -	\$ -	\$ 1,920,104	\$ 193,081	\$ 4,327,445
266,246	270,844	2,910,447	12,732,543	850,859	642,542	18,351,785
326,113	-	1,866	-	97,285	106,326	1,436,891
<u>239,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,413</u>	<u>259,537</u>	<u>1,053,947</u>
<u>\$ 1,130,689</u>	<u>\$ 270,844</u>	<u>\$ 2,912,313</u>	<u>\$ 12,732,543</u>	<u>\$ 3,349,661</u>	<u>\$ 1,201,486</u>	<u>\$ 25,170,068</u>
\$ (46,908)	\$ 230,437	\$ (357,985)	\$ (3,085,936)	\$ 571,961	\$ 107,986	\$ (2,564,603)
\$ -	\$ 179,673	\$ 363,951	\$ 395,174	\$ -	\$ -	\$ 938,798
<u>30,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,384)</u>	<u>(666)</u>	<u>20,705</u>
<u>\$ 30,415</u>	<u>\$ 179,673</u>	<u>\$ 363,951</u>	<u>\$ 395,174</u>	<u>\$ (1,384)</u>	<u>\$ (666)</u>	<u>\$ 959,503</u>
\$ (16,493)	\$ 410,110	\$ 5,966	\$ (2,690,762)	\$ 570,577	\$ 107,320	\$ (1,605,100)
-	-	-	-	-	-	84,932
\$ (16,493)	\$ 410,110	\$ 5,966	\$ (2,690,762)	\$ 570,577	\$ 107,320	\$ (1,520,168)
<u>(43,529)</u>	<u>3,177,983</u>	<u>3,298,731</u>	<u>7,129,480</u>	<u>480,903</u>	<u>652,294</u>	<u>15,541,939</u>
<u>\$ (60,022)</u>	<u>\$ 3,588,093</u>	<u>\$ 3,304,697</u>	<u>\$ 4,438,718</u>	<u>\$ 1,051,480</u>	<u>\$ 759,614</u>	<u>\$ 14,021,771</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Cash Flows From Operating Activities				
Operating Income (Loss)	\$ 26,814	\$ (23,897)	\$ (26,845)	\$ 39,770
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ -	\$ 34,801	\$ -	\$ 38,801
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	(103,857)	17,120	(2,951)	646
(Increase) Decrease in due from other governments	121,399	-	-	(1,103)
(Increase) Decrease in inventories	(1,538)	(16,581)	-	26,469
(Increase) Decrease in prepaid items	57,015	-	-	-
Increase (Decrease) in accounts payable	4,633	(7,514)	(582)	152
Increase (Decrease) in salaries payable	4,078	3,790	1,277	(507)
Increase (Decrease) in compensated absences payable	(17,626)	16,004	94,798	4,008
Increase (Decrease) in claims payable	-	-	-	-
Increase (Decrease) in due to other governments	(300)	169	(248)	-
Increase (Decrease) in deferred revenue	1,565	1,670	1,156	406
Net Cash Provided by Operating Activities	<u>\$ 92,183</u>	<u>\$ 25,562</u>	<u>\$ 66,605</u>	<u>\$ 108,642</u>
Cash Flows From Noncapital Financing Activities				
Operating transfer in	\$ -	\$ -	\$ 84,932	\$ -
Net Cash Provided by Noncapital Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,932</u>	<u>\$ -</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ -	\$ (31,948)	\$ -	\$ (9,189)
Payments of capital leases	-	-	-	(8,468)
Proceeds from sale of fixed assets	-	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (31,948)</u>	<u>\$ -</u>	<u>\$ (17,657)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ -	\$ -
Sale of investments	-	-	-	-
Interest on investments	-	-	-	-
Net Cash Provided by Investing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 92,183</u>	<u>\$ (6,386)</u>	<u>\$ 151,537</u>	<u>\$ 90,985</u>
Cash and Cash Equivalents - January 1	336,416	109,477	139,743	324,486
Cash and Cash Equivalents - December 31	<u>\$ 428,599</u>	<u>\$ 103,091</u>	<u>\$ 291,280</u>	<u>\$ 415,471</u>

Non-Cash Activities

The County Garage Internal Service Fund received equipment worth \$1,000 from the Road and Bridge Special Revenue Fund.

The County Garage and Telecommunications Internal Service Funds disposed of fixed assets with book values of \$2,372 and \$666, respectively.

County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
\$ (46,908)	\$ 230,437	\$ (357,985)	\$ (3,085,936)	\$ 571,961	\$ 107,986	\$ (2,564,603)
\$ 239,395	\$ -	\$ -	\$ -	\$ 481,413	\$ 259,537	\$ 1,053,947
-	6,856	-	30,321	700	(25)	(51,190)
452	-	(20,793)	-	(4,750)	(11,570)	83,635
(7,073)	-	-	-	2,556	10,195	14,028
-	-	-	-	-	-	57,015
579	(1,975)	76,040	192	(127,253)	(19,668)	(75,396)
(643)	-	-	-	(331)	133	7,797
6,847	-	-	-	55,397	7,220	166,648
-	51,531	997,376	(228,474)	-	-	820,433
-	-	-	-	-	(6,751)	(7,130)
826	-	-	143,886	5,369	523	155,401
<u>\$ 193,475</u>	<u>\$ 286,849</u>	<u>\$ 694,638</u>	<u>\$ (3,140,011)</u>	<u>\$ 985,062</u>	<u>\$ 347,580</u>	<u>\$ (339,415)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,932</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,932</u>
\$ (241,279)	\$ -	\$ -	\$ -	\$ (473,058)	\$ (256,438)	\$ (1,011,912)
-	-	-	-	-	-	(8,468)
31,788	-	-	-	-	-	31,788
<u>\$ (209,491)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (473,058)</u>	<u>\$ (256,438)</u>	<u>\$ (988,592)</u>
\$ -	\$ (16,168,212)	\$ (27,069,290)	\$ (65,568,071)	\$ -	\$ -	\$ (108,805,573)
-	15,715,578	25,472,247	63,463,817	-	-	104,651,642
-	170,405	339,007	472,090	-	-	981,502
<u>\$ -</u>	<u>\$ (282,229)</u>	<u>\$ (1,258,036)</u>	<u>\$ (1,632,164)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,172,429)</u>
\$ (16,016)	\$ 4,620	\$ (563,398)	\$ (4,772,175)	\$ 512,004	\$ 91,142	\$ (4,415,504)
191,398	257,219	1,995,299	6,404,393	847,721	149,068	10,755,220
<u>\$ 175,382</u>	<u>\$ 261,839</u>	<u>\$ 1,431,901</u>	<u>\$ 1,632,218</u>	<u>\$ 1,359,725</u>	<u>\$ 240,210</u>	<u>\$ 6,339,716</u>

Reader's notes:

**TRUST AND AGENCY
FUNDS**

Trust and Agency Funds

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

EXPENDABLE TRUST FUNDS

Missing Heirs Fund

The Missing Heirs Fund is used to account for the receipt of unclaimed legacies deposited with the County pursuant to Minn. Stat. §524.3-914 (1996). The principal and any interest earned on its subsequent investment may be claimed by the heirs by procuring a court order from the Probate (County) Court prior to the principal escheating to the General Fund pursuant to an opinion of the Attorney General.

Private Redemption Fund

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

Exchange of Land Fund

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

Tax Certificate Assurance Fund

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

Forfeited Tax Sale Fund

The Forfeited Tax Sale Fund is used to account for the proceeds from the sale or rental of lands forfeited to the State of Minnesota pursuant to Minn. Stat. ch. 282 (1996). The distribution of the net proceeds, after deducting the expenses of the County for managing the tax forfeited lands is governed by Minn. Stat. §282.08 (1996). Title to the tax forfeited lands remains with the State until sold by the County.

Forest Resources Fund

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

Patients Escrow Fund

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

Attorney Forfeitures Fund

The Attorney Forfeitures Fund is used to account for monies confiscated in drug-related crimes [Minn. Stat. §609.5311 (1996)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1996)]. The County Attorney is authorized by statute to use a share of such monies, and those expenditures are accounted for here.

Trust and Agency Funds

Sheriff Forfeitures Fund

The Sheriff Forfeitures Fund is used to account for the Sheriff's share of monies confiscated in drug-related crimes [Minn. Stat. §609.5311 (1996)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1996)].

Sheriff Fines Fund

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

AGENCY FUNDS

State of Minnesota Fund

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

Beer-Auctioneer Licenses Fund

The Beer-Auctioneer Licenses Fund is used to account for the funds collected from the sale of intoxicating beer and auctioneer licenses by the County and payments to the County and State of Minnesota for these licenses.

Cities and Towns Fines Fund

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

Game and Fish License Fund

The Game and Fish License Fund is used to account for the collection of game and fish fees collected pursuant to Minn. Stat. ch. 97A (1996) and the payment to the State, County, and sub-agents for their respective share.

Bid Deposits Fund

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

Taxes and Penalties Fund

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

Payroll Deductions Fund

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

Series EE Savings Bond Fund

The Series EE Savings Bond Fund is used to account for the purchase of U.S. Savings Bonds, Series EE, by County employees through payroll deductions. Individual employees' payroll deductions accumulate in this fund until sufficient funds are available to purchase the requested U.S. Savings Bond, Series EE.

Trust and Agency Funds

Canceled Check Fund

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

High Voltage Credit Fund

The High Voltage Credit Fund is used to account for the collection of power line property tax credit which is then distributed to property owners, with any excess going to the School Fund pursuant to Minn. Stat. §273.42 (1996).

Assault Fees Fund

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

Deferred Compensation Fund

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

Arrowhead Regional Corrections Fund

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

Community Health Services Fund

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

Duluth Area Family Service Collaborative Fund

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

Northern St. Louis County Family Service Collaborative Fund

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

Regional Railroad Authority Fund

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

Northern Counties Land Use Board Fund

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

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL EXPENDABLE TRUST AND AGENCY FUNDS
DECEMBER 31, 1997

	Expendable Trust Funds				
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale
Assets					
Cash and cash equivalents	\$ 63,059	\$ 414	\$ 22,798	\$ 189,226	\$ 221,566
Investments	66,300	-	-	-	-
Invested employee contribution	-	-	-	-	-
Receivables					
Taxes					
Unapportioned	-	-	-	-	-
Delinquent	-	-	-	-	-
Accounts	-	-	-	-	8,311,260
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 129,359</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 189,226</u>	<u>\$ 8,532,826</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 49,294
Salaries payable	-	-	-	-	63,958
Compensated absences payable	-	-	-	-	20,071
Deferred compensation payable	-	-	-	-	-
Unapportioned taxes payable	-	-	-	-	-
Due to other governments	-	-	-	-	13,797
Deferred revenue	-	-	-	-	8,004,698
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,151,818</u>
Fund Balance					
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 169,215
Reserved for health and welfare	-	-	-	-	41,756
Reserved for veterans credit	-	-	-	-	15,000
Unreserved					
Designated for vested sick leave	-	-	-	-	111,184
Undesignated	129,359	414	22,798	189,226	43,853
Total Fund Balance	<u>\$ 129,359</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 189,226</u>	<u>\$ 381,008</u>
Total Liabilities and Fund Balance	<u>\$ 129,359</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 189,226</u>	<u>\$ 8,532,826</u>

<u>Forest Resources</u>	<u>Patients Escrow</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>Sheriff Fines</u>	<u>All Agency Funds</u>	<u>Total</u>
\$ 3,691,852	\$ 41,083	\$ 154,818	\$ 75,813	\$ 4,265	\$ 8,009,065	\$ 12,473,959
-	70,000	-	-	-	20,657,967	20,794,267
-	-	-	-	-	7,339,073	7,339,073
-	-	-	-	-	7,705	7,705
-	-	-	-	-	22,094	22,094
-	-	-	-	-	47	8,311,307
-	1,201	-	-	-	94,204	95,405
-	-	-	-	-	1,651,783	1,651,783
<u>\$ 3,691,852</u>	<u>\$ 112,284</u>	<u>\$ 154,818</u>	<u>\$ 75,813</u>	<u>\$ 4,265</u>	<u>\$ 37,781,938</u>	<u>\$ 50,695,593</u>
\$ 8,837	\$ -	\$ -	\$ 3,717	\$ -	\$ 752,066	\$ 813,914
2,328	-	-	-	-	283,777	350,063
134	-	-	-	-	-	20,205
-	-	-	-	-	7,339,073	7,339,073
-	-	-	-	-	1,356,969	1,356,969
-	-	-	-	-	28,050,053	28,063,850
100,688	-	-	-	-	-	8,105,386
<u>\$ 111,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,717</u>	<u>\$ -</u>	<u>\$ 37,781,938</u>	<u>\$ 46,049,460</u>
\$ 10,762	\$ -	\$ -	\$ 293	\$ 1,469	\$ -	\$ 181,739
-	-	-	-	-	-	41,756
-	-	-	-	-	-	15,000
-	-	-	-	-	-	111,184
3,569,103	112,284	154,818	71,803	2,796	-	4,296,454
<u>\$ 3,579,865</u>	<u>\$ 112,284</u>	<u>\$ 154,818</u>	<u>\$ 72,096</u>	<u>\$ 4,265</u>	<u>\$ -</u>	<u>\$ 4,646,133</u>
<u>\$ 3,691,852</u>	<u>\$ 112,284</u>	<u>\$ 154,818</u>	<u>\$ 75,813</u>	<u>\$ 4,265</u>	<u>\$ 37,781,938</u>	<u>\$ 50,695,593</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Missing Heirs</u>	<u>Private Redemption</u>	<u>Exchange of Land</u>	<u>Tax Certificate Assurance</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	3,131
Interest on investments	1,571	-	-	-
Land and timber sales	-	-	-	-
Miscellaneous	2,600	-	-	-
Total Revenues	<u>\$ 4,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,131</u>
Expenditures				
Current				
General government	\$ 25,968	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Conservation of natural resources	-	-	-	-
Total Current	<u>\$ 25,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital outlay				
Conservation of natural resources	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 25,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (21,797)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,131</u>
Fund Balance - January 1	<u>151,156</u>	<u>414</u>	<u>22,798</u>	<u>186,095</u>
Fund Balance - December 31	<u>\$ 129,359</u>	<u>\$ 414</u>	<u>\$ 22,798</u>	<u>\$ 189,226</u>

<u>Forfeited Tax Sale</u>	<u>Forest Resources</u>	<u>Patients Escrow</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>Sheriff Fines</u>	<u>Total</u>
\$ -	\$ 651,535	\$ -	\$ -	\$ -	\$ -	\$ 651,535
-	82,065	-	-	-	-	82,065
-	-	-	-	-	-	3,131
-	-	4,265	-	-	-	5,836
5,144,172	-	-	-	-	-	5,144,172
341,683	-	198,882	24,169	40,685	22,452	630,471
<u>\$ 5,485,855</u>	<u>\$ 733,600</u>	<u>\$ 203,147</u>	<u>\$ 24,169</u>	<u>\$ 40,685</u>	<u>\$ 22,452</u>	<u>\$ 6,517,210</u>
\$ -	\$ -	\$ 211,663	\$ 8,761	\$ -	\$ -	\$ 246,392
-	-	-	-	53,165	24,157	77,322
4,977,772	428,609	-	-	-	-	5,406,381
<u>\$ 4,977,772</u>	<u>\$ 428,609</u>	<u>\$ 211,663</u>	<u>\$ 8,761</u>	<u>\$ 53,165</u>	<u>\$ 24,157</u>	<u>\$ 5,730,095</u>
<u>\$ 264,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,678</u>
<u>\$ 5,242,450</u>	<u>\$ 428,609</u>	<u>\$ 211,663</u>	<u>\$ 8,761</u>	<u>\$ 53,165</u>	<u>\$ 24,157</u>	<u>\$ 5,994,773</u>
\$ 243,405	\$ 304,991	\$ (8,516)	\$ 15,408	\$ (12,480)	\$ (1,705)	\$ 522,437
137,603	3,274,874	120,800	139,410	84,576	5,970	4,123,696
<u>\$ 381,008</u>	<u>\$ 3,579,865</u>	<u>\$ 112,284</u>	<u>\$ 154,818</u>	<u>\$ 72,096</u>	<u>\$ 4,265</u>	<u>\$ 4,646,133</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
STATE OF MINNESOTA FUND				
Assets				
Cash and cash equivalents	\$ 317,423	\$ 49,912,611	\$ 49,732,944	\$ 497,090
Investments	18,031,297	25,521,891	22,895,221	20,657,967
Unapportioned taxes receivable	386	954	386	954
Accrued interest receivable	92,291	94,204	92,291	94,204
Due from other governments	15,936	19,172	15,936	19,172
Total Assets	<u>\$ 18,457,333</u>	<u>\$ 75,548,832</u>	<u>\$ 72,736,778</u>	<u>\$ 21,269,387</u>
Liabilities				
Salaries payable	\$ 1,428	\$ 84,638	\$ 83,213	\$ 2,853
Due to other governments	18,455,905	75,464,194	72,653,565	21,266,534
Total Liabilities	<u>\$ 18,457,333</u>	<u>\$ 75,548,832</u>	<u>\$ 72,736,778</u>	<u>\$ 21,269,387</u>
BEER-AUCTIONEER LICENSES FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 3,308	\$ 3,308	\$ -
Liabilities				
Due to other governments	\$ -	\$ 3,308	\$ 3,308	\$ -
CITIES AND TOWNS FINES FUND				
Assets				
Cash and cash equivalents	\$ 76,121	\$ 1,288,874	\$ 1,274,393	\$ 90,602
Liabilities				
Due to other governments	\$ 76,121	\$ 1,288,874	\$ 1,274,393	\$ 90,602
GAME AND FISH LICENSE FUND				
Assets				
Cash and cash equivalents	\$ 140,792	\$ 2,741,003	\$ 2,582,048	\$ 299,747
Liabilities				
Due to other governments	\$ 140,792	\$ 2,741,003	\$ 2,582,048	\$ 299,747
BID DEPOSITS FUND				
Assets				
Cash and cash equivalents	\$ 12,850	\$ -	\$ -	\$ 12,850
Liabilities				
Accounts payable	\$ 12,850	\$ -	\$ -	\$ 12,850

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
TAXES AND PENALTIES FUND				
Assets				
Cash and cash equivalents	\$ 4,217,480	\$ 234,084,310	\$ 233,729,478	\$ 4,572,312
Liabilities				
Unapportioned taxes payable	\$ 1,263,500	\$ 1,356,969	\$ 1,263,500	\$ 1,356,969
Due to other governments	2,953,980	232,727,341	232,465,978	3,215,343
Total Liabilities	<u>\$ 4,217,480</u>	<u>\$ 234,084,310</u>	<u>\$ 233,729,478</u>	<u>\$ 4,572,312</u>
PAYROLL DEDUCTIONS FUND				
Assets				
Cash and cash equivalents	\$ 361,537	\$ 53,659,261	\$ 53,711,244	\$ 309,554
Liabilities				
Accounts payable	\$ 69,911	\$ 17,537	\$ 69,911	\$ 17,537
Due to other governments	291,626	53,641,724	53,641,333	292,017
Total Liabilities	<u>\$ 361,537</u>	<u>\$ 53,659,261</u>	<u>\$ 53,711,244</u>	<u>\$ 309,554</u>
SERIES EE SAVINGS BOND FUND				
Assets				
Cash and cash equivalents	\$ 5,937	\$ 173,024	\$ 173,135	\$ 5,826
Liabilities				
Due to other governments	\$ 5,937	\$ 173,024	\$ 173,135	\$ 5,826
CANCELED CHECK FUND				
Assets				
Cash and cash equivalents	\$ 26,995	\$ 19,455	\$ 13,117	\$ 33,333
Liabilities				
Accounts payable	\$ 26,995	\$ 19,455	\$ 13,117	\$ 33,333
HIGH VOLTAGE CREDIT FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 100,565	\$ -	\$ 100,565
Liabilities				
Due to other governments	\$ -	\$ 100,565	\$ -	\$ 100,565
ASSAULT FEES FUND				
Assets				
Cash and cash equivalents	\$ 1,084	\$ 29,745	\$ 30,286	\$ 543
Liabilities				
Accounts payable	\$ 1,084	\$ 29,745	\$ 30,286	\$ 543

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
DEFERRED COMPENSATION FUND				
Assets				
Invested employee contribution	\$ 39,422,187	\$ 1,480,184	\$ 33,563,298	\$ 7,339,073
Liabilities				
Deferred compensation payable	\$ 39,422,187	\$ 1,480,184	\$ 33,563,298	\$ 7,339,073
 ARROWHEAD REGIONAL CORRECTIONS FUND				
Assets				
Cash and cash equivalents	\$ 1,014,592	\$ 15,624,806	\$ 16,158,843	\$ 480,555
Accounts receivable	696	-	696	-
Due from other governments	1,388,246	1,081,823	1,388,246	1,081,823
Total Assets	<u>\$ 2,403,534</u>	<u>\$ 16,706,629</u>	<u>\$ 17,547,785</u>	<u>\$ 1,562,378</u>
Liabilities				
Accounts payable	\$ 610,783	\$ 493,346	\$ 610,783	\$ 493,346
Salaries payable	224,126	275,605	224,126	275,605
Due to other governments	1,568,625	15,937,678	16,712,876	793,427
Total Liabilities	<u>\$ 2,403,534</u>	<u>\$ 16,706,629</u>	<u>\$ 17,547,785</u>	<u>\$ 1,562,378</u>
 COMMUNITY HEALTH SERVICES FUND				
Assets				
Cash and cash equivalents	\$ 119,799	\$ 2,311,275	\$ 2,349,783	\$ 81,291
Due from other governments	216,426	216,414	216,426	216,414
Total Assets	<u>\$ 336,225</u>	<u>\$ 2,527,689</u>	<u>\$ 2,566,209</u>	<u>\$ 297,705</u>
Liabilities				
Accounts payable	\$ 3,711	2,850	\$ 3,711	\$ 2,850
Salaries payable	2,485	2,914	2,485	2,914
Due to other governments	330,029	2,521,925	2,560,013	291,941
Total Liabilities	<u>\$ 336,225</u>	<u>\$ 2,527,689</u>	<u>\$ 2,566,209</u>	<u>\$ 297,705</u>
 DULUTH AREA FAMILY SERVICE COLLABORATIVE FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 493,819	\$ 129,124	\$ 364,695
Liabilities				
Due to other governments	\$ -	\$ 493,819	\$ 129,124	\$ 364,695
 NORTHERN ST. LOUIS COUNTY FAMILY SERVICE COLLABORATIVE FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 623,397	\$ 77,504	\$ 545,893
Liabilities				
Due to other governments	\$ -	\$ 623,397	\$ 77,504	\$ 545,893

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 1997

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
REGIONAL RAILROAD AUTHORITY FUND				
Assets				
Cash and cash equivalents	\$ 601,745	\$ 1,118,401	\$ 1,130,972	\$ 589,174
Receivables				
Unapportioned taxes	6,271	6,751	6,271	6,751
Delinquent taxes	20,592	22,094	20,592	22,094
Accounts	-	47	-	47
Due from other governments	149,921	334,374	149,921	334,374
Total Assets	<u>\$ 778,529</u>	<u>\$ 1,481,667</u>	<u>\$ 1,307,756</u>	<u>\$ 952,440</u>
Liabilities				
Accounts payable	\$ 143,983	\$ 191,607	\$ 143,983	\$ 191,607
Salaries payable	1,566	2,405	1,566	2,405
Due to other governments	632,980	1,287,655	1,162,207	758,428
Total Liabilities	<u>\$ 778,529</u>	<u>\$ 1,481,667</u>	<u>\$ 1,307,756</u>	<u>\$ 952,440</u>
NORTHERN COUNTIES LAND USE BOARD FUND				
Assets				
Cash and cash equivalents	\$ 35,682	\$ 110,757	\$ 121,404	\$ 25,035
Liabilities				
Due to other governments	\$ 35,682	\$ 110,757	\$ 121,404	\$ 25,035
TOTALS FOR ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 6,932,037	\$ 362,294,611	\$ 361,217,583	\$ 8,009,065
Investments	18,031,297	25,521,891	22,895,221	20,657,967
Invested employee contribution	39,422,187	1,480,184	33,563,298	7,339,073
Receivables				
Unapportioned taxes	6,657	7,705	6,657	7,705
Delinquent taxes	20,592	22,094	20,592	22,094
Accounts	696	47	696	47
Accrued interest	92,291	94,204	92,291	94,204
Due from other governments	1,770,529	1,651,783	1,770,529	1,651,783
Total Assets	<u>\$ 66,276,286</u>	<u>\$ 391,072,519</u>	<u>\$ 419,566,867</u>	<u>\$ 37,781,938</u>
Liabilities				
Accounts payable	\$ 869,317	\$ 754,540	\$ 871,791	\$ 752,066
Salaries payable	229,605	365,562	311,390	283,777
Deferred compensation payable	39,422,187	1,480,184	33,563,298	7,339,073
Unapportioned taxes payable	1,263,500	1,356,969	1,263,500	1,356,969
Due to other governments	24,491,677	387,115,264	383,556,888	28,050,053
Total Liabilities	<u>\$ 66,276,286</u>	<u>\$ 391,072,519</u>	<u>\$ 419,566,867</u>	<u>\$ 37,781,938</u>

Reader's notes:

**GENERAL
FIXED ASSETS**

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets which are not accounted for in the Proprietary Funds.

General fixed assets of a public domain or an "infrastructure" nature are not capitalized. Asset values are stated at historical cost, or estimated fair value, if donated. No depreciation is recorded for these assets.

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
DECEMBER 31, 1997

	<u>1997</u>
General Fixed Assets	
Land	\$ 1,190,040
Buildings	52,893,673
Machinery and equipment	13,689,075
Vehicles	35,475,242
Construction in progress	<u>4,308,244</u>
Total General Fixed Assets	<u><u>\$ 107,556,274</u></u>
Investment In General Fixed Assets By Source	
General fund	\$ 45,402,901
Special revenue funds	54,634,931
Capital projects funds	4,308,244
Trust funds	<u>3,210,198</u>
Total Investment In Fixed Assets	<u><u>\$ 107,556,274</u></u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 1997

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
General Government					
Legislative	\$ -	\$ -	\$ 15,903	\$ -	\$ 15,903
Judicial and legal	-	1,257	399,198	-	400,455
Financial and other activities	5,998	-	1,109,798	161,561	1,277,357
Courthouses	649,190	17,391,095	150,308	105,454	18,296,047
Total General Government	<u>\$ 655,188</u>	<u>\$ 17,392,352</u>	<u>\$ 1,675,207</u>	<u>\$ 267,015</u>	<u>\$ 19,989,762</u>
Public Safety					
Police protection	\$ -	\$ 15,346,603	\$ 3,769,288	\$ 2,301,119	\$ 21,417,010
Civil defense	-	-	12,026	-	12,026
Other activities	-	-	27,940	-	27,940
Total Public Safety	<u>\$ -</u>	<u>\$ 15,346,603</u>	<u>\$ 3,809,254</u>	<u>\$ 2,301,119</u>	<u>\$ 21,456,976</u>
Highways	<u>\$ 416,149</u>	<u>\$ 10,285,850</u>	<u>\$ 3,972,992</u>	<u>\$ 31,504,326</u>	<u>\$ 46,179,317</u>
Health	<u>\$ -</u>	<u>\$ 779,040</u>	<u>\$ 165,639</u>	<u>\$ -</u>	<u>\$ 944,679</u>
Social Services	<u>\$ -</u>	<u>\$ 3,638,540</u>	<u>\$ 2,275,724</u>	<u>\$ 35,968</u>	<u>\$ 5,950,232</u>
Culture and Recreation	<u>\$ -</u>	<u>\$ 1,663,214</u>	<u>\$ -</u>	<u>\$ 7,123</u>	<u>\$ 1,670,337</u>
Conservation of Natural Resources	<u>\$ 105,010</u>	<u>\$ 2,570,601</u>	<u>\$ 534,567</u>	<u>\$ 1,359,691</u>	<u>\$ 4,569,869</u>
Economic Development	<u>\$ 13,693</u>	<u>\$ 1,217,473</u>	<u>\$ 1,255,692</u>	<u>\$ -</u>	<u>\$ 2,486,858</u>
Construction-In-Progress	<u>\$ -</u>	<u>\$ 4,308,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,308,244</u>
Total General Fixed Assets	<u>\$ 1,190,040</u>	<u>\$ 57,201,917</u>	<u>\$ 13,689,075</u>	<u>\$ 35,475,242</u>	<u>\$ 107,556,274</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 1997

	General Fixed Assets Jan. 1, 1997	Additions	Deductions	General Fixed Assets Dec. 31, 1997
General Government				
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903
Judicial and legal	354,345	48,525	2,415	400,455
Financial and other activities	1,191,166	96,186	9,995	1,277,357
Courthouses	18,065,648	231,278	879	18,296,047
Total General Government	\$ 19,627,062	\$ 375,989	\$ 13,289	\$ 19,989,762
Public Safety				
Police protection	\$ 21,038,723	\$ 610,636	\$ 232,349	\$ 21,417,010
Civil defense	12,026	-	-	12,026
Other activities	31,982	-	4,042	27,940
Total Public Safety	\$ 21,082,731	\$ 610,636	\$ 236,391	\$ 21,456,976
Highways	\$ 44,657,324	\$ 3,436,272	\$ 1,914,279	\$ 46,179,317
Health	\$ 939,099	\$ 7,712	\$ 2,132	\$ 944,679
Social Services	\$ 5,836,518	\$ 157,714	\$ 44,000	\$ 5,950,232
Culture and Recreation	\$ 1,648,144	\$ 22,193	\$ -	\$ 1,670,337
Conservation of Natural Resources	\$ 4,541,802	\$ 283,202	\$ 255,135	\$ 4,569,869
Economic Development	\$ 2,705,400	\$ 15,451	\$ 233,993	\$ 2,486,858
Construction-In-Progress	\$ 934,657	\$ 4,014,184	\$ 640,597	\$ 4,308,244
Total	\$ 101,972,737	\$ 8,923,353	\$ 3,339,816	\$ 107,556,274

Supplementary Schedules

Schedule of Investments
(Schedule 33)

Schedule of Intergovernmental Revenue
(Schedule 34)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS
DECEMBER 31, 1997

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Cost</u>
Pooled Investments			
Money market savings account	3.94%	\$ 151,444	\$ 151,444
Certificates of deposit	5.178 - 6.174%	9,000,000	8,997,283
Bankers acceptances	5.496 - 5.914%	3,903,941	3,885,840
Commercial paper	5.897 - 6.139%	9,159,000	9,124,974
FHLBs	5.05 - 7.31%	5,750,000	5,746,154
FHLMC	7.00%	1,000,000	1,007,318
FNMA's	5.350 - 7.336%	2,000,000	1,994,290
FFCBs	5.51 - 6.30%	2,000,000	1,999,993
REFCO	6.248%	4,507,000	4,433,147
Treasury note	5.625%	2,000,000	1,999,755
Total Pooled Investments		\$ 39,471,385	\$ 39,340,198
Hibbing Law Enforcement Center Capital Project Fund			
Bankers acceptance	5.553%	\$ 458,539	\$ 455,788
Commercial paper	5.694 - 5.720%	1,000,000	987,366
FHLB	5.565%	500,000	494,663
FHLMC	5.594%	500,000	498,455
Total Hibbing Law Enforcement Center Capital Project Fund		\$ 2,458,539	\$ 2,436,272
Solid Waste Management Enterprise Fund			
Certificates of deposit	5.750 - 6.382%	\$ 1,414,416	\$ 1,369,873
Commercial paper	5.845%	625,000	616,639
FHLB	5.041%	2,000,000	1,969,092
FNMA's	5.67 - 5.89%	4,700,000	4,673,897
REFCO	5.918%	1,661,000	1,588,052
Treasury note	5.875%	2,750,000	2,749,219
Total Solid Waste Management Enterprise Fund		\$ 13,150,416	\$ 12,966,772
Property, Casualty, Liability Insurance Internal Service Fund			
Certificates of deposit	5.75 - 7.20%	\$ 1,000,000	\$ 957,044
FNMA's	5.00 - 5.89%	2,450,000	2,451,819
Total Property, Casualty, Liability Insurance Internal Service Fund		\$ 3,450,000	\$ 3,408,863
Worker's Compensation Insurance Internal Service Fund			
Certificates of deposit	5.523 - 6.411%	\$ 3,650,000	\$ 3,490,317
FHLB	5.945%	1,000,000	1,000,000
FHLMC	6.375%	1,265,000	1,248,859
Total Worker's Compensation Insurance Internal Service Fund		\$ 5,915,000	\$ 5,739,176
Medical/Dental Insurance Internal Service Fund			
Commercial paper	5.886%	\$ 1,026,000	\$ 1,001,874
FNMA	5.375%	500,000	499,888
REFCO	7.515%	665,000	632,442
Treasury notes	5.125 - 6.000%	2,500,000	2,494,035
Total Medical/Dental Insurance Internal Service Fund		\$ 4,691,000	\$ 4,628,239
Missing Heirs Trust Fund			
Savings account	2.43%	\$ 66,300	\$ 66,300
Patients' Escrow Trust Fund			
Certificates of deposit	5.178 - 5.859%	\$ 70,000	\$ 70,000
State of Minnesota Agency Fund			
Certificates of deposit	5.444 - 5.878%	\$ 515,285	\$ 515,285
FFCB	5.51%	1,500,000	1,500,000
FHLBs	5.552 - 5.670%	18,925,000	18,642,682
Total State of Minnesota Agency Fund		\$ 20,940,285	\$ 20,657,967
Total Investments		\$ 90,212,925	\$ 89,313,787

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ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1997

	Special Revenue Funds			
	General Fund	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
Shared revenue				
State				
Department of Commerce				
Minnesota petro fund	\$ -	\$ -	\$ -	\$ -
Department of Human Services				
Human service aid	-	-	-	-
Department of Intertechnologies				
911 communications	103,394	-	-	-
Department of Natural Resources				
Mineral rents and royalties	455,668	-	-	-
Department of Revenue				
Disparity aid	3,443,856	-	-	-
Homestead and agricultural credit aid - real estate	4,102,736	9,202	-	-
Homestead and agricultural credit aid - manufactured home	36,808	19	-	-
Police aid	551,487	-	-	-
Truth in taxation	48,642	-	-	-
Department of Transportation				
30 percent rental income	601	-	-	-
Highway users tax	-	-	-	-
State parks	-	-	-	-
Unorganized town road and bridge aid	-	-	-	-
Total Shared Revenue	\$ 8,743,192	\$ 9,221	\$ -	\$ -
Grants				
State grants				
Area Agency on Aging				
Home delivered meals	\$ -	\$ -	\$ -	\$ -
Board of Government Innovation and Cooperation				
Miscellaneous	-	-	-	-
Board of Water and Soil Resources				
Natural resources block grant	91,585	-	-	-
Water resources challenge grant	14,770	-	-	-
Department of Children, Families and Learning				
Aid for dependent children - child care	-	-	-	-
Americorps	1,768	-	-	-
Basic sliding fee - child care	-	-	-	-
Children's trust fund	2,200	-	-	-
Department of Corrections				
Sex offender assessment reimbursement	33,676	-	-	-
Department of Environmental Assistance				
SCORE recycling grant	-	-	-	-
Department of Finance				
Forest road access	-	-	-	-
Department of Health				
Community health services	714,939	-	-	-
Core functions	198,110	-	-	-
Home visiting	32,644	-	-	-
Immunization data entry reimbursement	4,520	-	-	-
Radon detection	16,863	-	-	-
Special Indian health	32,000	-	-	-
Department of Human Services				
180 day alternative care grant services	-	-	-	-
Alternative community based services	-	-	-	-
Subtotal	\$ 1,143,075	\$ -	\$ -	\$ -

		Debt Service Funds		Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
Road and Bridge	Social Services	Jail Correctional Facilities	AJC Correctional Facility				
\$ 9,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,978
-	3,939,936	-	-	-	-	-	3,939,936
-	-	-	-	-	-	-	103,394
-	-	-	-	-	-	-	455,668
1,601,888	2,373,638	103,541	9,471	96,553	-	-	7,628,947
1,908,362	2,827,763	123,350	11,283	115,026	-	-	9,097,722
17,121	25,370	1,107	101	1,032	-	-	81,558
-	-	-	-	-	-	-	551,487
-	-	-	-	-	-	-	48,642
307	461	24	2	38	-	-	1,433
16,002,019	-	-	-	-	-	-	16,002,019
50,112	-	-	-	-	-	-	50,112
38,414	-	-	-	-	-	-	38,414
<u>\$ 19,628,201</u>	<u>\$ 9,167,168</u>	<u>\$ 228,022</u>	<u>\$ 20,857</u>	<u>\$ 212,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,009,310</u>
\$ -	\$ 43,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,136
-	76,852	-	-	-	-	-	76,852
-	-	-	-	-	-	-	91,585
-	-	-	-	-	-	-	14,770
-	799,890	-	-	-	-	-	799,890
-	-	-	-	-	-	-	1,768
-	2,134,345	-	-	-	-	-	2,134,345
-	-	-	-	-	-	-	2,200
-	-	-	-	-	-	-	33,676
-	-	-	-	-	558,497	-	558,497
-	-	-	-	-	-	82,065	82,065
-	-	-	-	-	-	-	714,939
-	-	-	-	-	-	-	198,110
-	-	-	-	-	-	-	32,644
-	-	-	-	-	-	-	4,520
-	-	-	-	-	-	-	16,863
-	-	-	-	-	-	-	32,000
-	585,665	-	-	-	-	-	585,665
-	2,072	-	-	-	-	-	2,072
<u>\$ -</u>	<u>\$ 3,641,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,497</u>	<u>\$ 82,065</u>	<u>\$ 5,425,597</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
 SCHEDULE OF INTERGOVERNMENTAL REVENUE
 YEAR ENDED DECEMBER 31, 1997

	Special Revenue Funds			
	General Fund	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
Grants (continued)				
State grants (continued)				
Department of Human Services (continued)				
Alternative care grant waived services	\$ -	\$ -	\$ -	\$ -
Child care resource & referral	-	-	-	-
Child support health incentive bonus	-	-	-	-
Child support incentive	-	-	-	-
Children's mental health-Tax Equity Fiscal Responsibility Act of 1982	-	-	-	-
Community alternative care/community alternatives for disabled individuals waived services	-	-	-	-
Community Social Services Act block grant	-	-	-	-
Consolidated chemical dependency fund admin	-	-	-	-
Detox transportation	-	-	-	-
Family preservation block grant	-	-	-	-
Flexible funding	38,829	-	-	-
Food stamp employment and training	-	-	-	-
General assistance - medical care	-	-	-	-
Medical assistance	-	-	-	-
Mentally ill case management	-	-	-	-
Mentally retarded family subsidy	-	-	-	-
Mentally retarded waived services	-	-	-	-
Moose Lake flexible funding	-	-	-	-
Moose Lake state operated services	-	-	-	-
Pre-certification fraud investigation	-	-	-	-
Rule 12 adult residential mental health	-	-	-	-
Rule 14 community support	-	-	-	-
Rule 78 case management	-	-	-	-
Semi-independent living skills	-	-	-	-
Special medical assistance	53,703	-	-	-
Stride employment and training	-	-	-	-
Traumatic brain injury	-	-	-	-
Worker's compensation	-	-	-	-
Department of Minnesota Housing Finance				
Family homelessness prevention and assistance program	297,915	-	-	-
Department of Natural Resources				
Boat and water safety	73,888	-	-	-
Snowmobile safety	1,568	-	-	-
State trail assistance	190,762	-	-	-
Department of Post Board Training				
Training reimbursement	30,529	-	-	-
Department of Revenue				
Criminal justice aid	1,105,449	-	-	-
Family preservation aid	-	-	-	-
Local performance aid	222,892	-	-	-
Department of Trade and Economic Development				
Northwest Airlines	17,579	-	-	-
Department of Transportation				
Construction	-	-	-	-
Iron Range Resource and Rehabilitation Board				
4-H camp improvement	5,520	-	-	-
Legislative Committee on Minnesota Resources				
Alternative sewage treatment systems	128,919	-	-	-
Minnesota Board on Aging				
Retired seniors volunteer program	-	-	-	-
University of Minnesota				
Food and nutrition program	20,016	-	-	-
Total State Grants	\$ 3,330,644	\$ -	\$ -	\$ -

		Debt Service Funds		Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
Road and Bridge	Social Services	Jail Correctional Facilities	AJC Correctional Facility				
\$ -	\$ 179,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,079
-	179,561	-	-	-	-	-	179,561
-	9,450	-	-	-	-	-	9,450
-	162,206	-	-	-	-	-	162,206
-	17,370	-	-	-	-	-	17,370
-	61,918	-	-	-	-	-	61,918
-	3,981,568	-	-	-	-	-	3,981,568
-	55,532	-	-	-	-	-	55,532
-	13,874	-	-	-	-	-	13,874
-	462,802	-	-	-	-	-	462,802
-	-	-	-	-	-	-	38,829
-	180,836	-	-	-	-	-	180,836
-	15,516	-	-	-	-	-	15,516
-	317,757	-	-	-	-	-	317,757
-	95,439	-	-	-	-	-	95,439
-	74,337	-	-	-	-	-	74,337
-	175,666	-	-	-	-	-	175,666
-	1,091,781	-	-	-	-	-	1,091,781
-	1,684,746	-	-	-	-	-	1,684,746
-	114,421	-	-	-	-	-	114,421
-	1,166,711	-	-	-	-	-	1,166,711
-	727,462	-	-	-	-	-	727,462
-	116,506	-	-	-	-	-	116,506
-	450,455	-	-	-	-	-	450,455
-	-	-	-	-	-	-	53,703
-	419,215	-	-	-	-	-	419,215
-	4,471	-	-	-	-	-	4,471
-	28,145	-	-	-	-	-	28,145
-	-	-	-	-	-	-	297,915
-	-	-	-	-	-	-	73,888
-	-	-	-	-	-	-	1,568
-	-	-	-	-	-	-	190,762
-	-	-	-	-	-	-	30,529
-	-	-	-	-	-	-	1,105,449
-	114,805	-	-	-	-	-	114,805
-	-	-	-	-	-	-	222,892
-	-	-	-	-	-	-	17,579
839,535	-	-	-	-	-	-	839,535
-	-	-	-	-	-	-	5,520
-	-	-	-	-	-	-	128,919
-	12,121	-	-	-	-	-	12,121
-	-	-	-	-	-	-	20,016
<u>\$ 839,535</u>	<u>\$ 15,555,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,497</u>	<u>\$ 82,065</u>	<u>\$ 20,366,451</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
YEAR ENDED DECEMBER 31, 1997

	Special Revenue Funds			
	General Fund	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
Grants (continued)				
Federal grants				
Action				
Retired seniors volunteer program	\$ -	\$ -	\$ -	\$ -
Department of Agriculture				
Food stamps	39,538	-	-	-
National forest lands	304,324	-	-	-
National forest lands - schools and roads	-	-	-	-
Women, infants and children	409,569	-	-	-
Department of Health and Human Services				
Aid for dependent children	23,749	-	-	-
Aid for dependent children - child care	-	-	-	-
Cancer control	39,315	-	-	-
Chemically dependent case management	-	-	-	-
Child care block grant	-	-	-	-
Child support	95,844	-	-	-
Children's mental health block grant	-	-	-	-
Family preservation block grant	-	-	-	-
Foster care IV - E	18,144	-	-	-
HIV/Aids	4,061	-	-	-
Home delivered meals	-	-	-	-
Homeless mentally ill	-	-	-	-
Immunization action	62,509	-	-	-
Maternal child health	251,911	-	-	-
Medical assistance	31,025	-	-	-
Minnesota healthy communities	4,000	-	-	-
Refugee assistance	-	-	-	-
Stride	728	-	-	-
Support for emancipation and living functionally	-	-	-	-
Title XX block grant	-	-	-	-
Department of Housing and Urban Development				
Community development block grants	-	-	2,926,378	-
Emergency shelter grant	127,487	-	-	-
Home investment in affordable housing	-	-	-	847,788
McKinney homelessness grant	329,541	-	-	-
Department of Justice				
Criminal apprehension	263,274	-	-	-
Domestic abuse intervention	34,645	-	-	-
Department of Transportation				
Construction	-	-	-	-
Duluth area traffic safety	24,101	-	-	-
Greater St. Louis County traffic safety	39,946	-	-	-
Personal watercraft enforcement	2,256	-	-	-
Federal Emergency Management Agency				
Emergency management	26,070	-	-	-
Total Federal grants	<u>\$ 2,132,037</u>	<u>\$ -</u>	<u>\$ 2,926,378</u>	<u>\$ 847,788</u>
Other grants				
Local				
Minnesota D.A.R.E. Inc.				
Drug abuse resistance education	\$ 3,483	\$ -	\$ -	\$ -
Total Grants	<u>\$ 5,466,164</u>	<u>\$ -</u>	<u>\$ 2,926,378</u>	<u>\$ 847,788</u>
Total Intergovernmental Revenue	<u>\$ 14,209,356</u>	<u>\$ 9,221</u>	<u>\$ 2,926,378</u>	<u>\$ 847,788</u>

Road and Bridge	Social Services	Debt Service Funds		Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
		Jail Correctional Facilities	AJC Correctional Facility				
\$ -	\$ 52,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,692
-	1,519,238	-	-	-	-	-	1,558,776
-	-	-	-	-	-	-	304,324
138,212	-	-	-	-	-	-	138,212
-	-	-	-	-	-	-	409,569
-	1,059,260	-	-	-	-	-	1,083,009
-	963,628	-	-	-	-	-	963,628
-	-	-	-	-	-	-	39,315
-	7,538	-	-	-	-	-	7,538
-	958,515	-	-	-	-	-	958,515
-	2,718,294	-	-	-	-	-	2,814,138
-	30,323	-	-	-	-	-	30,323
-	206,270	-	-	-	-	-	206,270
-	2,182,872	-	-	-	-	-	2,201,016
-	-	-	-	-	-	-	4,061
-	187,434	-	-	-	-	-	187,434
-	90,244	-	-	-	-	-	90,244
-	-	-	-	-	-	-	62,509
-	-	-	-	-	-	-	251,911
-	5,061,889	-	-	-	-	-	5,092,914
-	-	-	-	-	-	-	4,000
-	6,356	-	-	-	-	-	6,356
-	890,417	-	-	-	-	-	891,145
-	29,705	-	-	-	-	-	29,705
-	2,244,141	-	-	-	-	-	2,244,141
-	-	-	-	-	-	-	2,926,378
-	-	-	-	-	-	-	127,487
-	-	-	-	-	-	-	847,788
-	-	-	-	-	-	-	329,541
-	-	-	-	-	-	-	263,274
-	-	-	-	-	-	-	34,645
3,059,499	-	-	-	-	-	-	3,059,499
-	-	-	-	-	-	-	24,101
-	-	-	-	-	-	-	39,946
-	-	-	-	-	-	-	2,256
-	-	-	-	-	-	-	26,070
<u>\$ 3,197,711</u>	<u>\$ 18,208,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,312,730</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,483
\$ 4,037,246	\$ 33,764,526	\$ -	\$ -	\$ -	\$ 558,497	\$ 82,065	\$ 47,682,664
<u>\$ 23,665,447</u>	<u>\$ 42,931,694</u>	<u>\$ 228,022</u>	<u>\$ 20,857</u>	<u>\$ 212,649</u>	<u>\$ 558,497</u>	<u>\$ 82,065</u>	<u>\$ 85,691,974</u>

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STATISTICAL SECTION

Statistical Section

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

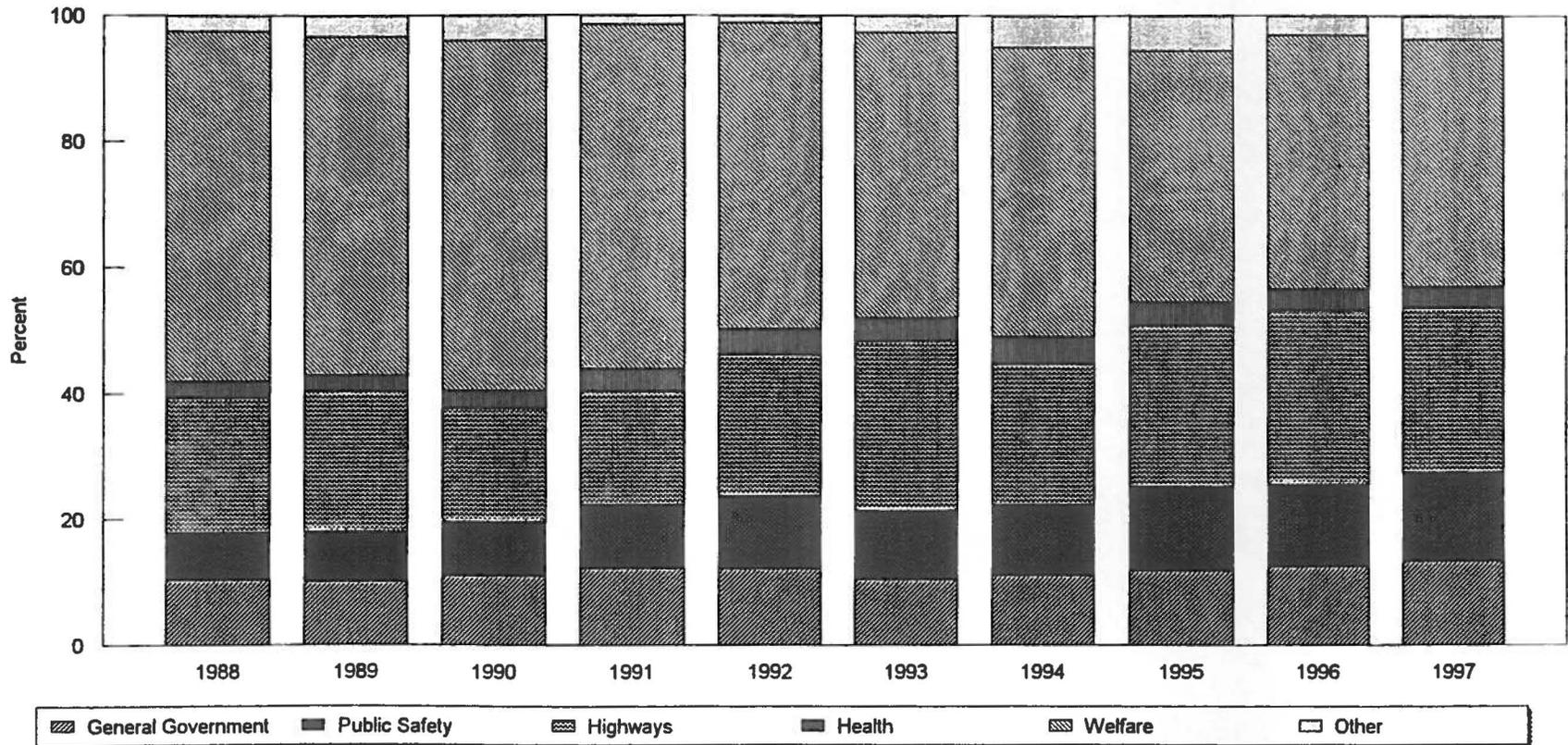
IN DOLLARS										
<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways</u>	<u>Health</u>	<u>Welfare</u>	<u>Sanitation (2)</u>	<u>Culture and Recreation</u>	<u>Conservation of Natural Resources</u>	<u>Economic Development</u>	<u>Total Expenditures</u>
1988	14,853,258	11,257,966	31,227,895	3,946,695	81,091,684	1,129,704	318,613	1,866,995	142,803	145,835,613
1989	16,141,887	12,814,932	35,959,426	4,290,468	86,438,710	992,780	338,100	1,973,230	2,144,459	161,093,992
1990	17,586,959	13,958,343	28,935,781	4,684,825	89,317,104	2,327,531	337,940	1,832,978	1,687,020	160,668,481
1991	17,906,525	15,258,855	26,345,645	5,406,517	80,598,582	-	416,506	585,825	995,006	147,513,461
1992	16,948,356	16,546,693	31,596,937	5,928,570	68,650,116	-	385,607	523,778	530,482	141,110,539
1993	16,440,619	17,721,147	43,036,984	6,101,778	72,586,458	-	455,494	553,371	3,307,952	160,203,803
1994	17,613,630	18,130,198	35,540,578	6,963,147	73,188,202	-	648,506	589,164	6,898,773	159,572,198
1995	18,352,433	21,287,592	39,798,900	5,955,169	62,196,888	-	696,430	713,440	7,350,964	156,351,816
1996	20,079,314	21,378,055	44,679,228	5,611,658	65,129,489	-	898,492	818,803	3,401,781	161,996,820
1997	20,763,204	22,481,719	41,033,305	5,471,404	61,470,525	-	990,931	728,122	4,045,476	156,984,686

IN PERCENTAGES										
<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways</u>	<u>Health</u>	<u>Welfare</u>	<u>Sanitation (2)</u>	<u>Culture and Recreation</u>	<u>Conservation of Natural Resources</u>	<u>Economic Development</u>	<u>Total Expenditures</u>
1988	10.2%	7.7%	21.4%	2.7%	55.6%	0.8%	0.2%	1.3%	0.1%	100.0%
1989	10.0%	8.0%	22.3%	2.7%	53.7%	0.6%	0.2%	1.2%	1.3%	100.0%
1990	10.9%	8.7%	18.0%	2.9%	55.6%	1.4%	0.2%	1.1%	1.1%	100.0%
1991	12.1%	10.3%	17.9%	3.7%	54.6%	0.0%	0.3%	0.4%	0.7%	100.0%
1992	12.0%	11.7%	22.4%	4.2%	48.6%	0.0%	0.3%	0.4%	0.4%	100.0%
1993	10.3%	11.1%	26.9%	3.8%	45.3%	0.0%	0.3%	0.3%	2.1%	100.0%
1994	11.0%	11.4%	22.3%	4.4%	45.9%	0.0%	0.4%	0.4%	4.3%	100.0%
1995	11.7%	13.6%	25.5%	3.8%	39.8%	0.0%	0.4%	0.5%	4.7%	100.0%
1996	12.4%	13.2%	27.6%	3.5%	40.2%	0.0%	0.6%	0.5%	2.0%	100.0%
1997	13.2%	14.3%	26.1%	3.5%	39.2%	0.0%	0.6%	0.5%	2.6%	100.0%

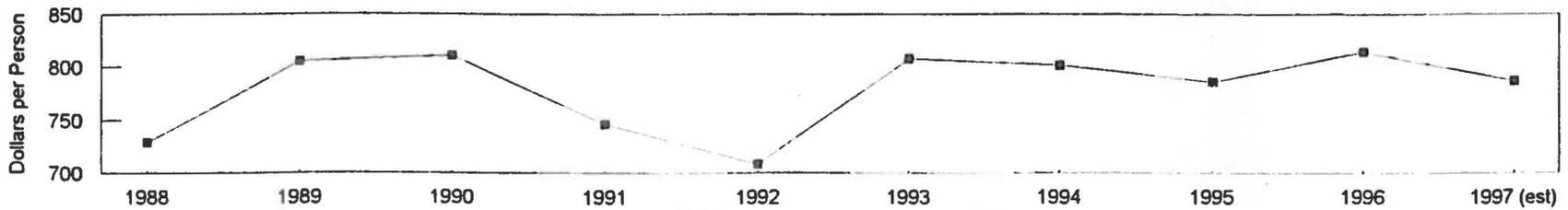
(1) Includes the General Fund and Special Revenue Funds

(2) Reclassified as Enterprise Fund in 1991

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION



GENERAL GOVERNMENTAL EXPENDITURES PER CAPITA



Unaudited

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

IN DOLLARS

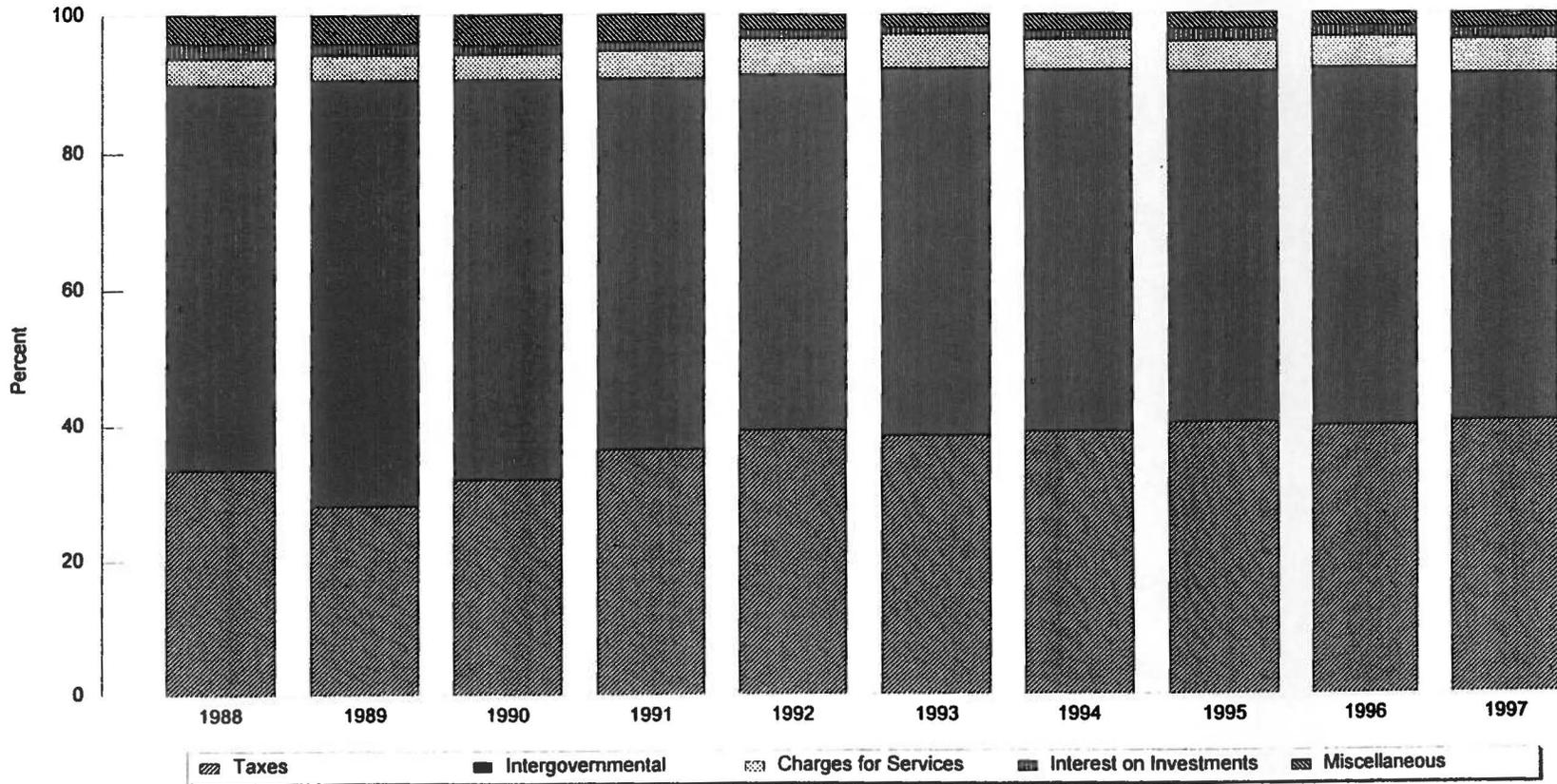
Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeits	Gifts and Contributions	Interest on Investments	Miscellaneous	Total Revenue
1988	48,186,293	127,397	82,061,159	5,389,669	617,918	16,366	2,883,195	4,861,083	144,143,080
1989	44,593,871	117,846	100,171,880	5,419,167	671,157	3,436	2,505,189	5,531,081	159,013,627
1990	50,570,451	113,776	93,506,136	5,533,559	770,349	50,849	2,235,853	5,693,798	158,474,771
1991	54,654,950	120,665	82,440,099	5,778,140	689,530	8,707	1,922,075	4,791,720	150,405,886
1992	56,159,786	127,058	75,009,649	7,152,949	691,775	20,506	1,853,826	2,069,150	143,084,699
1993	61,326,778	126,591	86,705,928	7,458,822	740,207	7,142	1,532,681	2,166,474	160,064,623
1994	63,886,712	125,148	87,810,426	6,962,013	743,043	24,160	2,082,043	2,915,987	164,549,532
1995	63,852,318	131,185	82,341,713	6,729,933	830,224	14,516	2,772,341	2,500,682	159,172,912
1996	65,054,565	132,057	86,612,746	7,138,403	888,913	18,924	2,622,288	1,999,446	164,467,342
1997	66,268,481	138,169	84,589,884	7,742,466	941,739	35,767	2,905,559	2,401,141	165,023,206

IN PERCENTAGES

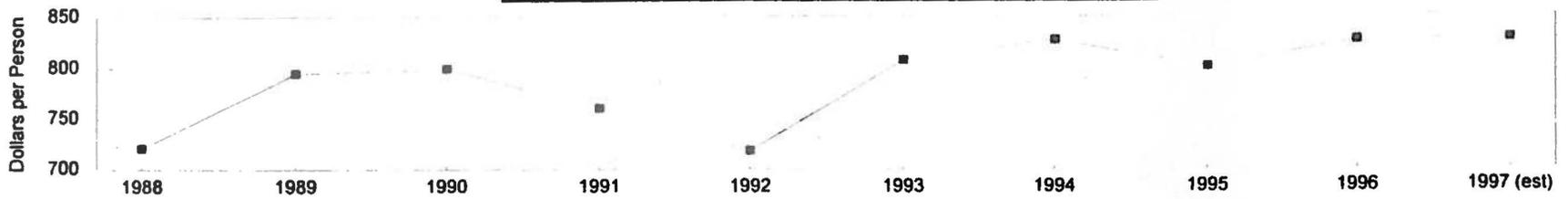
Fiscal Year	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeits	Gifts and Contributions	Interest on Investments	Miscellaneous	Total
1988	33.4%	0.1%	56.9%	3.7%	0.4%	0.0%	2.0%	3.4%	100.0%
1989	28.0%	0.1%	63.0%	3.4%	0.4%	0.0%	1.6%	3.5%	100.0%
1990	31.9%	0.1%	59.0%	3.5%	0.5%	0.0%	1.4%	3.6%	100.0%
1991	36.3%	0.1%	54.8%	3.8%	0.5%	0.0%	1.3%	3.2%	100.0%
1992	39.2%	0.1%	52.4%	5.0%	0.5%	0.0%	1.3%	1.4%	100.0%
1993	38.3%	0.1%	54.2%	4.7%	0.5%	0.0%	1.0%	1.4%	100.0%
1994	38.8%	0.1%	53.4%	4.2%	0.5%	0.0%	1.3%	1.8%	100.0%
1995	40.1%	0.1%	51.7%	4.2%	0.5%	0.0%	1.8%	1.6%	100.0%
1996	39.6%	0.1%	52.7%	4.3%	0.5%	0.0%	1.6%	1.2%	100.0%
1997	40.2%	0.1%	51.3%	4.7%	0.6%	0.0%	1.7%	1.4%	100.0%

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

GENERAL GOVERNMENTAL REVENUES BY SOURCE



GENERAL GOVERNMENTAL REVENUES PER CAPITA



Unaudited

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

PROPERTY TAX LEVY (COUNTY ONLY)

Collection Year	Certified County Levy (1)	Less Tax Credits and Certain State Aids (2)	Net Effective Levy
1988	\$ 53,541,139	\$ 15,959,653	\$ 37,581,486
1989	59,023,406	25,548,899	33,474,507
1990	65,388,125	27,510,966	37,877,159
1991	62,571,880	20,204,078	42,367,802
1992	62,571,880	17,819,911	44,751,969
1993	67,546,282	18,929,546	48,616,736
1994	60,754,766	10,514,029	50,240,737
1995	60,754,766	10,383,080	50,371,686
1996	60,754,766	10,234,979	50,519,787
1997	62,148,361	10,171,479	51,976,882

COLLECTIONS

Collection Year	Current Tax Collections (3)	Delinquent Tax Collections	Total Tax Collections	Outstanding Delinquent Taxes
1988	\$ 36,386,395	\$ 557,970	\$ 36,944,365	\$ 4,861,083
1989	31,780,459	1,465,767	33,246,226	5,531,081
1990	35,959,730	1,514,779	37,474,509	5,693,798
1991	40,538,190	1,596,262	42,134,452	4,158,385
1992	42,993,432	1,598,486	44,591,918	3,901,497
1993	46,878,419	1,461,768	48,340,187	3,847,804
1994	48,419,832	1,374,253	49,794,085	3,969,531
1995	48,803,480	1,452,639	50,256,119	3,508,824
1996	49,036,725	1,316,271	50,352,996	3,551,464
1997	50,413,050	1,360,754	51,773,804	3,386,413

RATIOS

Collection Year	Current Tax Collections (3) as a Percent of Net Levy	Delinquent Tax Collections as a Percent of Net Levy	Total Tax Collections as a Percent of Net Levy	Outstanding Delinquent Taxes as a Percent of Net Levy
1988	96.82%	1.48%	98.30%	12.93%
1989	94.94%	4.38%	99.32%	16.52%
1990	94.94%	4.00%	98.94%	15.03%
1991	95.68%	3.77%	99.45%	9.81%
1992	96.07%	3.57%	99.64%	8.72%
1993	96.42%	3.01%	99.43%	7.91%
1994	96.38%	2.74%	99.11%	7.90%
1995	96.89%	2.88%	99.77%	6.97%
1996	97.06%	2.61%	99.67%	7.03%
1997	96.99%	2.62%	99.61%	6.52%

(1) In 1994 through 1997 the homestead and agricultural credit aid (HACA) was deducted from the levy before the levy was certified. In 1993 and prior years, this aid was deducted from the levy after the levy certification. (HACA replaced the homestead credit and agricultural aid credit in 1990).

(2) In 1994 through 1997 this amount includes disparity reduction aid, taconite relief, and other small credits. In 1990 through 1993, this amount includes HACA, disparity reduction aid, taconite relief, and other small credits. In 1989 this amount includes homestead credit, disparity reduction aid, taconite relief, and other small credits. In 1988 and prior years this amount includes homestead credit, taconite relief, and other small credits.

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

Unaudited

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

TAXABLE MARKET VALUE INCLUDING CAPTURED INCREMENT (2)

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
1988	\$ 2,010,477,720	\$ 1,263,170,200	\$ 3,273,647,920
1989	1,999,076,320	1,285,919,700	3,284,996,020
1990	2,045,216,400	1,334,843,100	3,380,059,500
1991	2,144,508,400	1,453,370,300	3,597,878,700
1992	2,294,816,000	1,586,629,700	3,881,445,700
1993	2,462,872,000	1,750,550,500	4,213,422,500
1994	2,592,515,300	1,954,002,100	4,546,517,400
1995	2,802,893,700	2,003,659,200	4,806,552,900
1996	2,981,904,564	2,096,250,700	5,078,155,264
1997	3,201,837,900	2,225,427,350	5,427,265,250

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

Collection Year	Property Outside the City of Duluth	Property Within the City of Duluth	Total
1988	\$ 437,161,106	\$ 271,338,379	\$ 708,499,485
1989	53,415,602	34,346,201	87,761,803
1990	39,727,779	24,039,791	63,767,570
1991	40,495,890	25,790,582	66,286,472
1992	41,555,702	27,155,413	68,711,115
1993	43,550,490	28,628,785	72,179,275
1994	45,692,320	30,687,784	76,380,104
1995	49,206,820	33,315,706	82,522,526
1996	52,344,691	34,805,732	87,150,423
1997	55,548,845	37,140,254	92,689,099

RATIOS

Collection Year	Total Assessed Value/ Tax Capacity (1) as a Percent of Total Taxable Market Value (2)	Percent of Total Assessed Value/Tax Capacity (1)	
		Property Outside the City of Duluth	Property Within the City of Duluth
		1988	21.64%
1989	2.67%	60.86%	39.14%
1990	1.89%	62.30%	37.70%
1991	1.84%	61.09%	38.91%
1992	1.77%	60.48%	39.52%
1993	1.71%	60.34%	39.66%
1994	1.68%	59.82%	40.18%
1995	1.72%	59.63%	40.37%
1996	1.72%	60.06%	39.94%
1997	1.71%	59.93%	40.07%

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

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

Unaudited

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

TAX LEVIES (2) (In Dollars)					
Tax Year	Cities/Towns Including Tax Increment Districts	Special Districts	School Districts	County	Total Combined
Tax levies before deducting State paid credits.					
1988	40,630,080	1,649,269	39,950,607	53,528,877	135,758,833
1989	27,787,832	226,056	34,398,034	47,512,237	109,924,159
Tax levies after State aid and State paid credits. Disparity reduction aid has not been deducted.					
1990	24,891,061	247,060	27,565,185	39,853,212	92,556,518
1991	24,521,748	528,769	26,261,927	44,484,344	95,796,788
1992	25,729,718	631,770	28,893,039	46,907,625	102,162,152
1993	29,536,666	768,772	37,684,644	50,726,792	118,716,874
1994	30,423,557	947,303	39,766,456	53,023,791	124,161,107
1995	31,492,754	1,047,256	45,075,285	52,955,665	130,570,960
1996	33,347,763	1,105,749	46,376,479	52,979,021	133,809,012
1997	35,217,798	1,798,882	47,068,888	54,391,144	138,476,712

TAX RATES PER \$100 OF ASSESSED VALUATION/TAX CAPACITY (3)					
Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
1988	4.6307	0.1013	5.6370	7.3390	17.7080
1989	25.4912	0.2576	39.1948	54.1377	119.0813
1990	25.6977	0.3856	43.0184	62.1951	131.2968
1991	24.6399	0.9195	42.0500	68.2679	135.8773
1992	24.6397	0.9193	42.0499	68.2677	135.8766
1993	25.8227	1.0651	51.8283	70.2789	148.9950
1994	24.9441	1.2403	49.4225	69.4210	145.0279
1995	25.7234	1.2690	51.9731	64.1712	143.1367
1996	25.8270	1.2678	50.3091	60.7425	138.1464
1997	34.7370	1.7740	46.4260	53.6480	136.5850

TAX RATES PER \$100 OF TAXABLE MARKET VALUE					
Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
1988	1.2411	0.0504	1.2204	1.6351	4.1470
1989	0.8459	0.0069	1.0471	1.4463	3.3462
1990	0.7364	0.0073	0.8155	1.1791	2.7383
1991	0.6816	0.0147	0.7299	1.2364	2.6626
1992	0.6629	0.0163	0.7444	1.2085	2.6321
1993	0.7010	0.0182	0.8944	1.2039	2.8176
1994	0.6692	0.0208	0.8747	1.1663	2.7309
1995	0.6552	0.0218	0.9378	1.1017	2.7165
1996	0.6567	0.0218	0.9133	1.0433	2.6350
1997	0.6489	0.0331	0.8673	1.0022	2.5515

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

(2) Power line levies are not included.

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

Unaudited

ST. LOUIS COUNTY, MINNESOTA
TAX CAPACITY BY PROPERTY TYPE
 YEAR ENDED DECEMBER 31, 1997

	Tax Capacity	
	Dollar Value	Percent of Total
Real Estate		
Residential	\$ 44,895,144	44.04%
Multiple Dwelling	5,398,984	5.30%
Commercial/Industrial	27,582,319	27.06%
Timberlands	1,221,052	1.20%
Agricultural	539,354	0.53%
Public Utilities / Miscellaneous	5,940,364	5.83%
Seasonal Residential Recreational	7,960,265	7.81%
Seasonal Residential Recreational - Commercial	297,368	0.29%
Total Real Estate	\$ 93,834,850	92.06%
Personal Property	\$ 8,097,853	7.94%
Total Real Estate & Personal Property	\$ 101,932,703	100.00%

Source: St. Louis County Assessor

Table 7

ST. LOUIS COUNTY, MINNESOTA
PRINCIPAL TAXPAYERS

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

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

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

Unaudited

**ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF LEGAL DEBT MARGIN
YEAR ENDED DECEMBER 31, 1997**

Market Value of Taxable Property		\$ 5,427,265,250
Debt Limit:		
Two Percent of Market Value of Taxable Property (1)		\$ 108,545,305
Amount of Debt Applicable to Debt Limit:		
General Obligation Debt (At Par)	\$ 26,725,000	
Less:		
Fund Balance in Debt Service Funds	182,928	
Net Restricted Assets in Applicable Enterprise Funds (2)	<u>107,278</u>	
Total Amount of Debt Applicable to Debt Limit		<u>26,434,794</u>
Legal Debt Margin		<u>\$ 82,110,511</u>

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

(2) Restricted assets related to the nursing home general obligation revenue bonds, solid waste general obligation revenue bonds, and solid waste full crossover advance refunding bonds of \$6,870,000 less \$97,986 unamortized discount are carried in the Enterprise Funds. These bonds are carried at par of \$6,870,000 and are included in the amount of debt applicable to the debt limit.

Note: The amount of debt applicable to the debt limit does not include the 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E as it is a County liability on a contingency basis only.

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING DEBT
GENERAL OBLIGATION AND GENERAL OBLIGATION REVENUE BONDS ONLY
YEAR ENDED DECEMBER 31, 1997

	Total Debt Outstanding (1)	Percent Applicable to St. Louis County (2)	Amount
Direct Debt			
St. Louis County (3)	\$ 26,627,014	100.00%	\$ 26,627,014
Overlapping Debt			
School District #94	\$ 6,210,000	2.79%	\$ 173,259
School District #381	879,830	17.84%	156,962
School District #698	3,850,000	92.97%	3,579,345
School District #2142	4,410,000	99.80%	4,401,180
Western Lake Superior Sanitary District	34,973,586	81.05%	28,346,091
	<u>\$ 50,323,416</u>		<u>\$ 36,656,837</u>
Underlying Debt			
City of Buhl	\$ 160,000	100.00%	\$ 160,000
City of Chisholm	985,000	100.00%	985,000
City of Cook	130,000	100.00%	130,000
City of Duluth	47,425,062	100.00%	47,425,062
City of Ely	940,000	100.00%	940,000
City of Eveleth	2,420,969	100.00%	2,420,969
City of Floodwood	175,000	100.00%	175,000
City of Hermantown	3,280,000	100.00%	3,280,000
City of Hibbing	9,483,162	100.00%	9,483,162
City of Hoyt Lakes	320,000	100.00%	320,000
City of Iron Junction	6,548	100.00%	6,548
City of Proctor	70,000	100.00%	70,000
City of Tower	75,000	100.00%	75,000
City of Virginia	21,270,000	100.00%	21,270,000
Town of Greenwood	69,575	100.00%	69,575
Town of Rice Lake	1,025,000	100.00%	1,025,000
School District #695	335,604	100.00%	335,604
School District #696	1,520,000	100.00%	1,520,000
School District #700	6,525,000	100.00%	6,525,000
School District #701	4,605,000	100.00%	4,605,000
School District #704	3,535,000	100.00%	3,535,000
School District #706	15,210,000	100.00%	15,210,000
School District #709	39,150,000	100.00%	39,150,000
School District #712	1,375,000	100.00%	1,375,000
School District #2154	1,453,390	100.00%	1,453,390
School District #2711	800,000	100.00%	800,000
Virginia Housing and Redevelopment Authority	1,805,000	100.00%	1,805,000
	<u>\$ 164,149,310</u>		<u>\$ 164,149,310</u>
Total	<u>\$ 241,099,740</u>		<u>\$ 227,433,161</u>

- (1) This figure does not take into account bond premium or discount, except for St. Louis County, which is net of unamortized discount of \$97,986.
- (2) The percentage reflects the portion of the general obligation debt which is secured by taxable real estate located within the County.
- (3) This figure does not include the 1995 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E of \$2,425,000 for which the County is contingently liable.

Unaudited

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

Fiscal Year	General Long Term Bonded Debt (1)		Fund Long Term Bonded Debt (2)		Capital Leases (3)		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
1993	\$ 3,825,000	\$ 667,223	\$ 960,000	\$ 497,743	\$ 278,541	\$ 95,426	\$ 6,323,933
1994	6,095,000	1,355,161	1,505,000	808,762	338,468	112,983	10,215,374
1995	2,835,000	896,858	1,760,000	593,188	352,839	111,103	6,548,988
1996	825,000	737,978	1,065,000	499,550	347,367	96,458	3,571,353
1997	915,000	772,140	1,130,000	448,700	372,599	89,896	3,728,335
1998	\$ 1,205,000	\$ 991,745	\$ 1,225,000	\$ 326,830	\$ 427,095	\$ 129,903	\$ 4,305,573
1999	1,265,000	933,253	920,000	273,320	421,480	116,386	3,929,439
2000	1,335,000	871,883	925,000	231,413	434,196	102,602	3,900,094
2001	1,415,000	806,977	970,000	188,568	448,364	88,376	3,917,285
2002	1,490,000	737,633	1,020,000	142,460	463,997	73,637	3,927,727
2003	1,575,000	663,912	1,080,000	92,255	478,904	58,376	3,948,447
2004	1,660,000	585,805	600,000	38,484	494,198	42,431	3,420,918
2005	1,755,000	503,294	130,000	8,125	53,900	32,002	2,482,321
2006	1,855,000	415,650	-	-	57,200	28,613	2,356,463
2007	1,960,000	322,838	-	-	60,500	25,023	2,368,361
2008	2,075,000	224,375	-	-	64,900	21,198	2,385,473
2009	695,000	119,675	-	-	68,200	17,037	899,912
2010	615,000	79,805	-	-	72,600	12,531	779,936
2011	465,000	48,705	-	-	77,000	7,744	598,449
2012	490,000	24,990	-	-	82,500	2,640	600,130
Total for 1998-2012	<u>\$ 19,855,000</u>	<u>\$ 7,330,540</u>	<u>\$ 6,870,000</u>	<u>\$ 1,301,455</u>	<u>\$ 3,705,034</u>	<u>\$ 758,499</u>	<u>\$ 39,820,528</u>

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

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

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

Unaudited

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

OPERATING LEASE PAYMENTS						
Year Ended	Office and Parking Space	Data Processing Software	Office Equipment	Vehicles	Total	
1993	\$ 1,105,602	\$ 245,463	\$ 30,132	\$ 7,660	\$ 1,388,857	
1994	1,125,735	288,111	30,132	8,471	1,452,449	
1995	1,244,267	311,328	25,113	8,478	1,589,186	
1996	1,289,570	288,373	-	8,435	1,586,378	
1997	1,369,587	291,072	-	8,537	1,669,196	
Future Minimum Lease Payments						
1998	\$ 1,385,948	\$ 301,022	\$ -	\$ 8,537	\$ 1,695,507	
1999	1,393,252	301,022	-	8,639	1,702,913	
2000	1,394,566	301,022	-	8,639	1,704,227	
2001	1,395,851	301,022	-	8,639	1,705,512	
2002	1,395,851	301,022	-	9,639	1,706,512	
Total for 1998-2002	\$ 6,965,468	\$ 1,505,110	\$ -	\$ 44,093	\$ 8,514,671	
CAPITAL LEASE PAYMENTS						
Year Ended	Northland Office Building		Hibbing Maintenance Facility		Office Equipment	
	Principal	Interest	Principal	Interest	Principal	Interest
1993	\$ 227,000	\$ 93,775	\$ -	\$ -	\$ 51,541	\$ 1,651
1994	302,489	112,342	-	-	35,979	641
1995	334,555	110,709	-	-	18,284	394
1996	330,061	96,253	-	-	17,306	205
1997	354,336	89,818	-	20,582	18,263	78
1998	\$ 370,608	\$ 80,233	\$ 41,800	\$ 49,622	\$ 14,686	\$ 48
1999	381,880	68,961	39,600	47,425	-	-
2000	393,496	57,345	40,700	45,257	-	-
2001	405,464	45,377	42,900	42,999	-	-
2002	417,797	33,044	46,200	40,593	-	-
2003	430,504	20,337	48,400	38,039	-	-
2004	443,599	7,242	50,600	35,189	-	-
2005	-	-	53,900	32,002	-	-
2006	-	-	57,200	28,613	-	-
2007	-	-	60,500	25,023	-	-
2008	-	-	64,900	21,198	-	-
2009	-	-	68,200	17,037	-	-
2010	-	-	72,600	12,531	-	-
2011	-	-	77,000	7,744	-	-
2012	-	-	82,500	2,640	-	-
Total for 1998-2012	\$ 2,843,348	\$ 312,539	\$ 847,000	\$ 445,912	\$ 14,686	\$ 48

Unaudited

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

Fiscal Year	General Long Term Bonded Debt							
	Babbitt Facility (2)		Jail Bond (3)		Capital Equipment Notes (4)		Arrowhead Juvenile Center (5)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1993	\$ 25,000	\$ 89,017	\$ -	\$ 88,000	\$ 3,800,000	\$ 490,206	\$ -	\$ -
1994	25,000	86,855	2,000,000	895,901	4,070,000	372,405	-	-
1995	30,000	84,680	770,000	692,113	2,035,000	120,065	-	-
1996	30,000	82,055	795,000	655,923	-	-	-	-
1997	35,000	79,415	830,000	618,557	-	-	50,000	74,168
1998	\$ 40,000	\$ 76,300	\$ 865,000	\$ 579,548	\$ -	\$ -	\$ 50,000	\$ 72,167
1999	40,000	72,700	905,000	538,892	-	-	60,000	70,118
2000	45,000	69,060	945,000	496,358	-	-	75,000	67,598
2001	50,000	64,920	990,000	451,942	-	-	90,000	64,410
2002	55,000	60,270	1,040,000	405,413	-	-	100,000	60,495
2003	60,000	55,100	1,095,000	356,012	-	-	110,000	56,095
2004	65,000	49,400	1,150,000	304,000	-	-	120,000	51,200
2005	75,000	43,225	1,210,000	249,375	-	-	130,000	45,740
2006	80,000	36,100	1,275,000	191,900	-	-	140,000	39,695
2007	90,000	28,500	1,345,000	131,338	-	-	150,000	33,045
2008	100,000	19,950	1,420,000	67,450	-	-	160,000	25,770
2009	110,000	10,450	-	-	-	-	170,000	17,770
2010	-	-	-	-	-	-	175,000	9,100
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
Total for 1998-2012	<u>\$ 810,000</u>	<u>\$ 585,975</u>	<u>\$ 12,240,000</u>	<u>\$ 3,772,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,530,000</u>	<u>\$ 613,203</u>

- (1) Does not include \$2,840,000 in refunded Solid Waste Bonds or the \$2,710,000 State of Minnesota Duluth Airport Lease Revenue Bonds Series 1995E for which the County is contingently liable.
- (2) General Obligation Taxable Revenue Refunding Bonds Series 1989B for the Babbitt Tirecycle recycling facility, original issue of \$1,015,000, interest rates of 8.5 to 9.5%, obligations may be prepaid in part or in whole on 12-01-99 or any interest date thereafter.
- (3) a) General Obligation Correctional Facilities Refunding Bond Anticipation Notes Series 1991 for jail construction, original issue of \$2,000,000, interest rate of 4.4%, tax-exempt, legally defeased in 1993 by 3b).
b) Jail Revenue Bonds Series 1993A, St. Louis County Unlimited Tax Lease Obligation of the Housing and Redevelopment Authority for jail construction, original issue of \$14,635,000, interest rates of 4.7 to 4.75%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-02 or any interest date thereafter.
- (4) General Obligation Capital Equipment Notes Series 1990, original issue of \$2,035,000, interest rate of 5.9%, tax-exempt, not callable, legally defeased in 1995.
- (5) General Obligation Bonds Series 1995 for expansion of Arrowhead Juvenile Center, original issue of \$1,580,000, interest rates of 4.0 to 5.2%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-03 or any day thereafter.

Unaudited

Law Enforcement Facilities (6)		Fund Long Term Bonded Debt				Total		Total Principal and Interest
Principal	Interest	Solid Waste (7)		Nursing Homes (8)		Principal	Interest	
		Principal	Interest	Principal	Interest			
\$ -	\$ -	\$ 300,000	\$ 350,478	\$ 660,000	\$ 147,265	\$ 4,785,000	\$ 1,164,966	\$ 5,949,966
-	-	800,000	703,457	705,000	105,305	7,600,000	2,163,923	9,763,923
-	-	990,000	533,048	770,000	60,140	4,595,000	1,490,046	6,085,046
-	-	1,030,000	489,475	35,000	10,075	1,890,000	1,237,528	3,127,528
-	-	1,095,000	440,935	35,000	7,765	2,045,000	1,220,840	3,265,840
\$ 250,000	\$ 263,730	\$ 1,185,000	\$ 321,410	\$ 40,000	\$ 5,420	\$ 2,430,000	\$ 1,318,575	\$ 3,748,575
260,000	251,543	880,000	270,600	40,000	2,720	2,185,000	1,206,573	3,391,573
270,000	238,867	925,000	231,413	-	-	2,260,000	1,103,296	3,363,296
285,000	225,705	970,000	188,568	-	-	2,385,000	995,545	3,380,545
295,000	211,455	1,020,000	142,460	-	-	2,510,000	880,093	3,390,093
310,000	196,705	1,080,000	92,255	-	-	2,655,000	756,167	3,411,167
325,000	181,205	600,000	38,484	-	-	2,260,000	624,289	2,884,289
340,000	164,954	130,000	8,125	-	-	1,885,000	511,419	2,396,419
360,000	147,955	-	-	-	-	1,855,000	415,650	2,270,650
375,000	129,955	-	-	-	-	1,960,000	322,838	2,282,838
395,000	111,205	-	-	-	-	2,075,000	224,375	2,299,375
415,000	91,455	-	-	-	-	695,000	119,675	814,675
440,000	70,705	-	-	-	-	615,000	79,805	694,805
465,000	48,705	-	-	-	-	465,000	48,705	513,705
490,000	24,990	-	-	-	-	490,000	24,990	514,990
<u>\$ 5,275,000</u>	<u>\$ 2,359,134</u>	<u>\$ 6,790,000</u>	<u>\$ 1,293,315</u>	<u>\$ 80,000</u>	<u>\$ 8,140</u>	<u>\$ 26,725,000</u>	<u>\$ 8,631,995</u>	<u>\$ 35,356,995</u>

(6) Law Enforcement Facilities Revenue Bonds Series 1997, St. Louis County Unlimited Tax Lease Obligation of the Housing and Redevelopment Authority for acquisition and betterment of law enforcement facilities in the Hibbing and Virginia County courthouses, original issue of \$5,275,000, interest rates of 4.875 to 5.1%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-05 or upon 30 days notice thereafter.

(7) a) General Obligation Solid Waste Bonds Series 1989 for closure costs and transfer station construction, original issue of \$3,510,000, interest rates of 6.4 to 7.1%, tax-exempt, partially refunded by Full Crossover Advance Refunding Bonds Series 1993A, legally defeased on 12-01-97 crossover date.

b) General Obligation Solid Waste Bonds Series 1989E for closure costs and transfer station construction, original issue of \$1,310,000, interest rates of 5.9 to 6.9%, tax-exempt, partially refunded by Full Crossover Advance Refunding Bonds Series 1993A, legally defeased on 12-01-97 crossover date.

c) General Obligation Solid Waste Bonds Series 1991 for transfer station construction, original issue of \$1,255,000, interest rates of 4.0 to 6.25%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-99 or any interest date thereafter.

d) General Obligation Solid Waste Bonds Series 1993B for regional landfill construction, original issue of \$5,535,000, interest rates of 3.0 to 5.0%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-00 or any interest date thereafter.

e) General Obligation Full Crossover Advance Refunding Bonds Series 1993A for partial refunding of 7a) and 7b) above, original issue of \$2,920,000, interest rates of 4.0 to 4.8%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-00 or any date thereafter.

(8) a) General Obligation Nursing Home Revenue Refunding Bonds Series 1989C for Chris Jensen Nursing Home, original issue of \$2,665,000, interest rates of 6.2 to 6.5%, tax-exempt, legally defeased in 1995.

b) General Obligation Nursing Home Revenue Bonds for Nopeming Nursing Home building improvements, original issue of \$305,000, interest rates of 6.4 to 6.8%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-97 or any interest date thereafter.

Unaudited

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

NOPEMING ENTERPRISE FUND BOND

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1989	6,751,894	7,053,018	(301,124)	-	3,335	3,335	0.00
1990	7,613,198	7,748,439	(135,241)	20,000	21,854	41,854	0.00
1991	9,021,628	8,814,821	206,807	25,000	18,892	43,892	4.71
1992	9,178,610	8,700,357	478,253	25,000	17,268	42,268	11.31
1993	9,834,384	9,230,250	604,134	25,000	15,643	40,643	14.86
1994	9,185,561	9,222,118	(36,557)	30,000	14,005	44,005	0.00
1995	8,579,481	9,287,194	(707,713)	30,000	12,040	42,040	0.00
1996	8,584,190	8,481,473	102,717	35,000	10,075	45,075	2.28
1997	8,990,190	8,259,589	730,601	35,000	7,765	42,765	17.08

SOLID WASTE MANAGEMENT ENTERPRISE FUND BOND

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1991	4,214,733	6,220,548	(2,005,815)	205,000	309,785	514,785	0.00
1992	5,978,786	4,579,540	1,399,246	280,000	366,878	646,878	2.16
1993	7,899,444	4,298,988	3,600,456	300,000	415,153	715,153	5.03
1994	8,215,055	6,879,141	1,335,914	800,000	833,540	1,633,540	0.82
1995	7,789,463	4,461,530	3,327,933	990,000	663,133	1,653,133	2.01
1996	7,312,885	3,105,205	4,207,680	1,030,000	619,561	1,649,561	2.55
1997	7,425,438	3,545,369	3,880,069	3,935,000	571,020	4,506,020	0.86

(1) Includes operating and non-operating revenue.

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

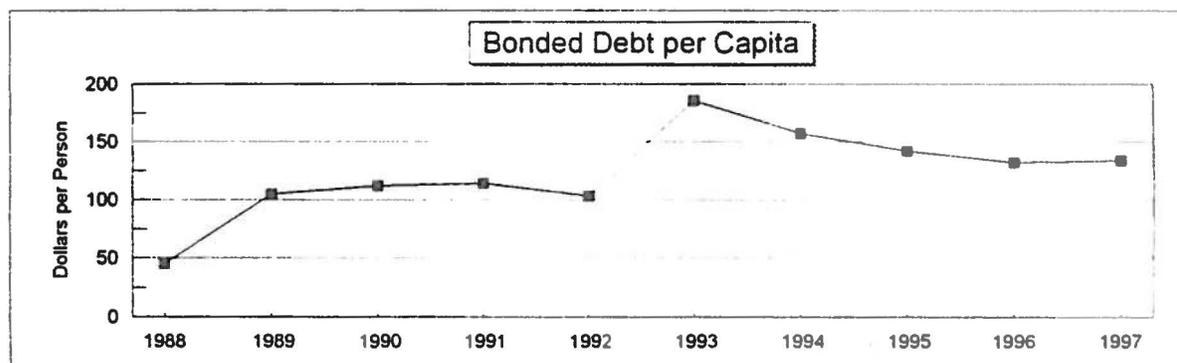
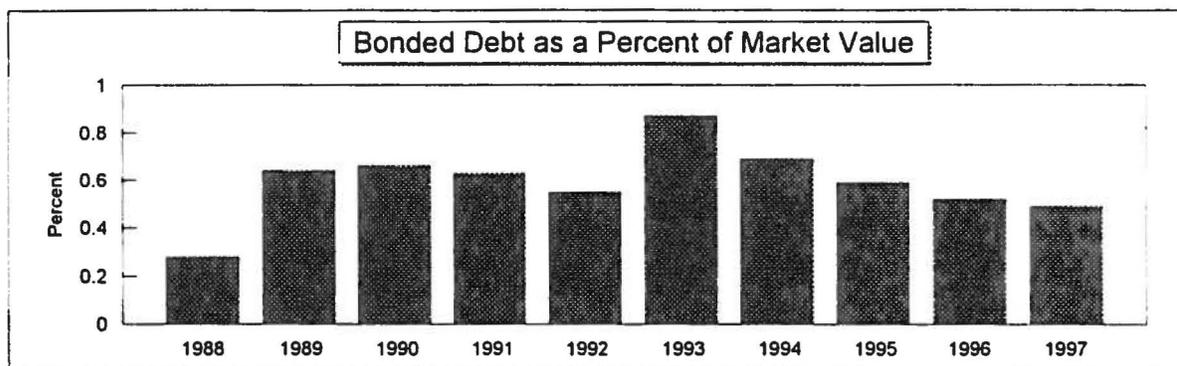
Unaudited

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

<u>Fiscal Year</u>	<u>Bonded Debt</u>	<u>Market Value (1)</u>	<u>Bonded Debt As a Percent of Market Value</u>	<u>Population</u>	<u>Bonded Debt per Capita</u>
1988	\$ 9,125,000	\$ 3,273,647,920	0.28%	200,027	\$ 45.62
1989	21,000,000	3,284,996,020	0.64%	200,027	104.99
1990	22,195,000	3,380,059,500	0.66%	198,213	111.98
1991	22,525,000	3,597,878,700	0.63%	197,767	113.90
1992	20,535,000	3,743,207,450	0.55%	199,260	103.06
1993	36,840,000	4,213,422,500	0.87%	198,249	185.83
1994	31,240,000	4,546,517,400	0.69%	198,866	157.09
1995	28,225,000 (2)	4,806,552,900	0.59%	198,879	141.92
1996	26,335,000 (2)	5,078,155,264	0.52%	199,103	132.27
1997	26,725,000 (2)	5,427,265,250	0.49%	199,454	133.99

(1) Includes captured increment.

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



Unaudited

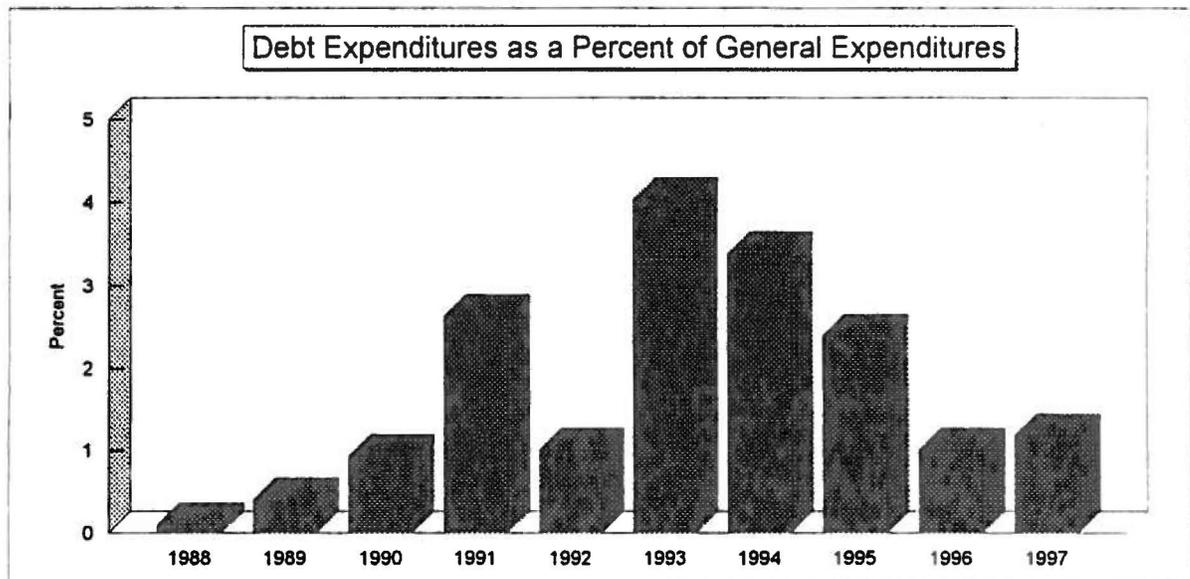
ST. LOUIS COUNTY, MINNESOTA
DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT (1)
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Expenditures</u>	<u>Total General Expenditures (2)</u>	<u>Debt Service Expenditures As a Percent of General Expenditures</u>
1988	\$ -	\$ 152,900	\$ 152,900	\$ 145,835,613	0.10%
1989	295,000	355,800	650,800	160,848,344	0.40%
1990	420,000	1,075,030	1,495,030	160,668,481	0.93%
1991	2,970,000 (3)	902,288	3,872,288	147,513,461	2.63%
1992	620,000	804,443	1,424,443	141,110,539	1.01%
1993	5,825,000 (3)	654,867	6,479,867	160,203,803	4.04%
1994	4,095,000	1,310,943	5,405,943	159,572,198	3.39%
1995	2,835,000	896,858	3,731,858	156,351,816	2.39%
1996	825,000	812,145	1,637,145	161,996,820	1.01%
1997	915,000	946,566	1,861,566	156,984,686	1.19%

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

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

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

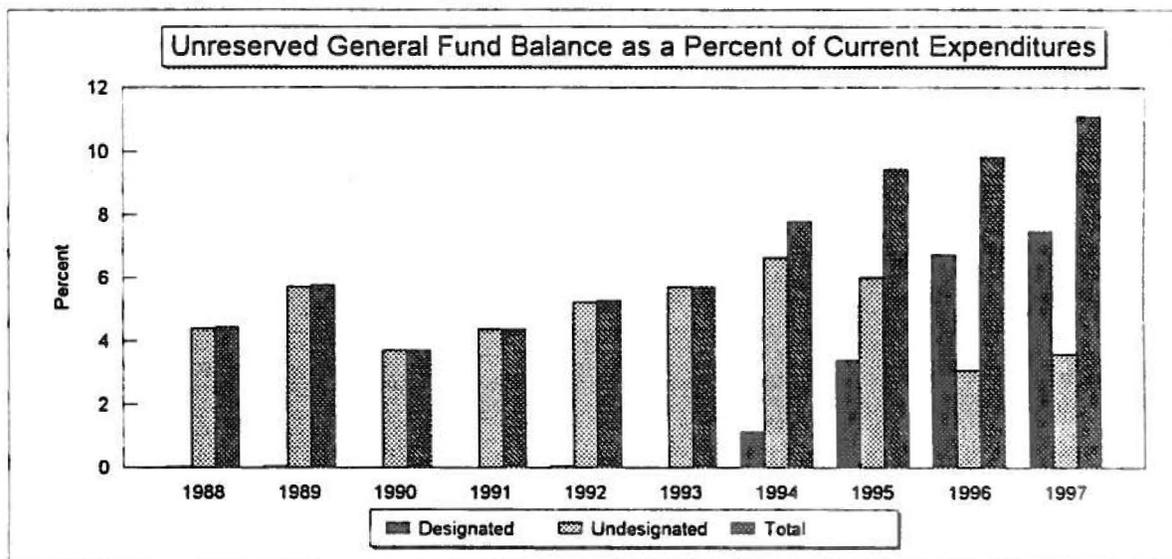


Unaudited

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

Fiscal Year	Total Current Expenditures (1)	Unreserved Designated		Unreserved Undesignated		Total Unreserved	
		General Fund Balance	Balance as a Percent of Expenditures	General Fund Balance	Balance as a Percent of Expenditures	General Fund Balance	Balance as a Percent of Expenditures
1988	\$ 134,288,258	\$ 50,572	0.04%	\$ 5,913,880	4.40%	\$ 5,964,452	4.44%
1989	142,539,682	69,274	0.05%	8,174,569	5.73%	8,243,843	5.78%
1990	153,623,453	0	0.00%	5,723,877	3.73%	5,723,877	3.73%
1991	142,919,740	0	0.00%	6,257,175	4.38%	6,257,175	4.38%
1992	132,097,394	75,842	0.06%	6,911,613	5.23%	6,987,455	5.29%
1993	142,445,694	0	0.00%	8,138,288	5.71%	8,138,288	5.71%
1994	148,080,004	1,684,740	1.14%	9,843,320	6.65%	11,528,060	7.79%
1995	141,864,687	4,868,941	3.43%	8,526,180	6.01%	13,395,121	9.44%
1996	142,847,929	9,644,682	6.75%	4,417,385	3.09%	14,062,067	9.84%
1997	142,520,559	10,688,555	7.50%	5,131,428	3.60%	15,819,983	11.10%

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



Unaudited

ST. LOUIS COUNTY, MINNESOTA
COMPENSATED ABSENCES AND FUND BALANCE RESERVED FOR HEALTH AND WELFARE
YEAR ENDED DECEMBER 31, 1997

COMPENSATED ABSENCES						
	<u>Liability of Governmental Funds</u>	<u>Liability of Proprietary Funds</u>	<u>Liability of General Long-Term Debt Account Group (1)</u>	<u>Financial Statement Notes</u>	<u>Total</u>	<u>Hours</u>
Vacation						
Short term (2)	\$ 723,770	\$ 131,279	\$ -	\$ -	\$ 855,049	
Long term	-	758,131	4,179,829	-	4,937,960	
Total Vacation	<u>\$ 723,770</u>	<u>\$ 889,410</u>	<u>\$ 4,179,829</u>	<u>\$ -</u>	<u>\$ 5,793,009</u>	311,694
Sick Leave						
Vested (3)	\$ -	\$ 785,741	\$ 5,003,896	\$ -	\$ 5,789,637	
Vesting (4)	-	1,989,249	14,462,910	-	16,452,159	
Non-vesting (5)	-	-	-	10,129,059	10,129,059	
Total Sick Leave	<u>\$ -</u>	<u>\$ 2,774,990</u>	<u>\$ 19,466,806</u>	<u>\$ 10,129,059</u>	<u>\$ 32,370,855</u>	1,722,194
Retired Employees' Health Insurance Balance (6)	<u>\$ -</u>	<u>\$ 351,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,216</u>	n/a
Total Compensated Absences Payable	<u>\$ 723,770</u>	<u>\$ 4,015,616</u>	<u>\$ 23,646,635</u>	<u>\$ 10,129,059</u>	<u>\$ 38,515,080</u>	<u>2,033,888</u>

FUND BALANCE RESERVED FOR HEALTH AND WELFARE (7)

	<u>Governmental Funds</u>
General County Board policy retirees	\$ 1,670,093
Special statutory option retirees	195,953
Law enforcement-special County Board policy retirees	169,519
Total Fund Balance Reserved for Health and Welfare	<u>\$ 2,035,565</u>

- (1) A portion of the General Long Term Debt Account Group liability for vested sick leave is supported by fund balances designated for that purpose in the following funds: General Fund \$734,816; Special Revenue Funds \$1,377,952; and Trust and Agency Funds \$111,184. These amounts are also shown as assets in the General Long Term Debt Account Group.
- (2) Cash value of vacation expected to be paid within a six-week period of the end of the fiscal year.
- (3) Cash value of accrued sick leave balances belonging to employees eligible to retire at the end of the fiscal year and receive an immediate PERA pension.
- (4) Cash value of the portion of sick leave balances belonging to those employees expected to retire from St. Louis County, but not eligible for retirement at the end of the fiscal year.
- (5) Cash value of the portion of sick leave balances belonging to employees not expected to retire from St. Louis County. These amounts are not a liability and thus are listed only in the Financial Statement Notes.
- (6) Cash value of sick leave balances available to pay medical/dental insurance premiums of those employees who have already retired.
- (7) Amount reserved for payment of medical/dental insurance premiums of employees retired under options listed.

Unaudited

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

Fiscal Year	General Fund	Road and Bridge Fund	Social Services Fund	Other Special Revenue Funds	Enterprise Funds	Internal Service Funds	Total
1988	616.00	377.00	573.50	49.00	407.35	116.25	2,139.10
1989	636.00	385.00	577.00	49.00	416.35	121.75	2,185.10
1990	640.00	385.00	565.00	53.00	426.35	118.75	2,188.10
1991	637.50	392.00	556.00	42.00	427.35	113.17	2,168.02
1992	616.15	384.10	556.50	42.00	457.05	114.17	2,169.97
1993	636.45	385.10	564.50	45.00	471.35	116.30	2,218.70
1994	709.80	335.00	570.00	50.00	489.61	110.68	2,265.09
1995	742.03	335.00	572.00	55.00	514.11	109.18	2,327.32
1996	749.70	336.00	552.50	55.00	494.76	110.18	2,298.14
1997	771.65	337.00	542.00	57.00	495.80	107.68	2,311.13

Table 19

ST. LOUIS COUNTY, MINNESOTA
LABOR CONTRACT AGREEMENTS
YEAR ENDED DECEMBER 31, 1997

Bargaining Unit	Number of Employees Represented	Contract Expiration Date
Civil Service Basic	969	12/31/97
Radio/Lead Dispatcher	36	12/31/97
Corrections Conselors	5	12/31/97
Health Care Basic	420	12/31/97
Health Care Supervisors	16	12/31/97
Civil Service Supervisors	108	12/31/97
Merit System Supervisors	42	12/31/97
Civil Service Confidential	19	12/31/97
Teamsters	222	12/31/97
Merit System Basic	188	12/31/97
Jail Corrections Officers	56	12/31/95 (1)
Deputy Sheriff's Association	94	12/31/95 (1)
Sheriff Supervisory	12	12/31/96 (1)

(1) This contract is currently under negotiation.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
INSURANCE COVERAGE
YEAR ENDED DECEMBER 31, 1997

Type of Insurance	Insurer	Deductible	Coverage Limit	Purpose	
Boiler/machinery	Otis-Magie Gustafson Travelers	\$ 2,500	\$ 2,500,000	Property damage	
Property/general liability	Otis-Magle Gustafson Travelers	10,000	134,992,765	Commercial property-building	
		10,000	22,141,679	Commercial property-personal property	
		10,000	10,620,300	Commercial property-personal property-stocks	
		10,000	3,000,000	Commercial property-amended contents	
		10,000	1,000,000	Off-premises power interruption	
		10,000	50,000	Plate glass and sign	
		-	10,000	Electric data processing	
		-	5,000	Radio and television	
		10,000	5,000,000	Commercial property-flood	
		50,000	5,000,000	Commercial property-earthquake	
Volunteer services	CIMA Companies, Inc.	-	2,500	RSVP volunteers-accident, liability and automobile	
		-	2,500	SLC volunteers-accident, liability and automobile	
		-	1,000,000	Volunteers-personal injury and property damage	
Radio and television towers	Otis-Magie Gustafson Travelers	1,000	263,000	Property-towers	
		1,000	241,000	Property-transmitting equipment and buildings	
Railroad	Otis-Magie Gustafson	-	1,000,000	General liability	
Builders	Otis-Magie Gustafson	25,000	3,188,000	Risk	
Surety bonds	Otis-Magie Gustafson	-	500,000	County Auditor	
	Tri-State Insurance	-	100,000	Other persons-\$100,000 per individual	
				Number of employees covered:	
				Arrowhead Regional Corrections	18
				Attorney	36
				Auditor	76
				Court Administrator	40
				Court Reporter	6
				Health Department	26
				Land Department	27
				Mine Inspector	4
				Planning Department	3
				Public Works	3
				Purchasing Department	8
				Sheriff	27
				Social Services	45
				Solid Waste	33
				Surveyor	2
				Administration	4
				Number of others covered:	
				Commissioners	7
				Court Reporter	1
				Solid Waste Resale Agent	2
Medical/dental insurance for employees	Self insurance			Administered by Blue Cross/Blue Shield	
Workers' compensation	Self insurance			Workers' Compensation Reinsurance Association for claims greater than \$1,080,000	
Personal injury and property damage	Self insurance				
Motor vehicles and authorized portable equipment	Self insurance				

Unaudited

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

<u>Fiscal Year</u>	<u>Commercial Banks (1)</u>	<u>Savings & Loan Associations (2)</u>	<u>Total</u>
1988	\$ 1,316,347,000	\$ 473,732,000	\$ 1,790,079,000
1989	1,172,302,000	474,366,000	1,646,668,000
1990	1,553,694,000	286,730,000	1,840,424,000
1991	1,591,264,000	359,722,000	1,950,986,000
1992	1,228,361,000	176,502,000	1,404,863,000
1993	1,133,937,000	345,832,000	1,479,769,000
1994	1,183,657,000	184,893,000	1,368,550,000
1995	1,282,441,000	113,818,000	1,396,259,000
1996	1,328,453,000	111,795,000	1,440,248,000
1997	1,375,168,000	103,692,000	1,478,860,000

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

Table 22

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

<u>Year</u>	<u>Median Age (3)</u>	<u>Population (4)</u>	<u>K - 12 School Enrollment (5)</u>	<u>Per Capita Personal Income (6)</u>
1987	30.0	200,646	34,062	\$ 12,409
1988	30.0	200,027	38,692	13,070
1989	30.0	200,027	33,510	14,417
1990	35.7	198,213	33,710	16,252
1991	35.7	197,767	37,068	16,389
1992	35.7	199,260	31,607	17,280
1993	35.7	198,249	33,367	18,344
1994	35.7	198,866	33,186	19,281
1995	35.7	198,879	32,911	20,535
1996	35.7	199,103	32,657	21,687
1997	35.7	199,454 (est.)	32,501	Not Available

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

Unaudited

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

NUMBER OF UNITS			
Fiscal Year	Commercial Units (1)	Residential Units (2)	Total Units
1988	329	1,745	2,074
1989	670	3,018	3,688
1990	635	2,800	3,435
1991	808	3,256	4,064
1992	770	3,133	3,903
1993	315	1,599	1,914
1994	407	1,646	2,053
1995	Not Available	453	453
1996	Not Available	442	442
1997	Not Available	703	703

VALUE OF NEW CONSTRUCTION			
Fiscal Year	Commercial Value (1)	Residential Value (2)	Total Value
1988	\$ 20,432,623	\$ 20,956,747	\$ 41,389,370
1989	34,935,772	37,836,846	72,772,618
1990	22,454,139	37,750,527	60,204,666
1991	36,169,000	45,547,000	81,716,000
1992	37,731,455	60,139,279	97,870,734
1993	9,688,458	38,086,739	47,775,197
1994	18,559,568	37,521,002	56,080,570
1995	Not Available	42,722,981	42,722,981
1996	Not Available	47,129,475	47,129,475
1997	Not Available	66,886,593	66,886,593

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

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

However, previous years include those categories in both residential units and residential value.

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

Unaudited

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

COUNTY LABOR STATISTICS

<u>Year</u>	<u>Annual Average Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1988	88,635	83,016	5,619	6.3%
1989	89,686	84,394	5,292	5.9%
1990	93,245	87,097	6,148	6.6%
1991	96,186	89,469	6,714	7.0%
1992	96,428	88,976	7,451	7.7%
1993	97,124	89,569	7,555	7.8%
1994	100,062	93,655	6,408	6.4%
1995	100,583	94,883	5,700	5.7%
1996	100,117	94,389	5,728	5.7%
1997	100,567	95,590	4,976	4.9%

STATE AND FEDERAL LABOR STATISTICS

<u>Year</u>	<u>State Annual Average Labor Force</u>	<u>State Average Unemployment Rate</u>	<u>National Annual Average Labor Force</u>	<u>National Average Unemployment Rate</u>
1988	2,327,000	4.0%	121,669,000	5.5%
1989	2,343,000	4.4%	123,846,000	5.3%
1990	2,385,802	4.9%	124,788,000	5.5%
1991	2,414,228	5.1%	125,303,000	6.7%
1992	2,414,985	5.2%	126,982,000	7.4%
1993	2,476,433	5.1%	128,040,000	6.8%
1994	2,576,645	4.0%	131,062,000	6.1%
1995	2,594,906	3.7%	132,304,000	5.6%
1996	2,605,599	4.0%	133,943,000	5.4%
1997	2,624,633	3.3%	136,297,000	4.9%

Source: Minnesota Department of Economic Security

Unaudited

ST. LOUIS COUNTY, MINNESOTA
LAND STATISTICAL DATA
YEAR ENDED DECEMBER 31, 1997

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

LAND OWNERSHIP

	<u>Acres</u>	<u>Percentage</u>
Public Ownership		
Federal Entitlement Lands		
Bureau of Land Management	262	0.01%
Forest Service	760,157	18.80%
National Park Service	<u>121,253</u>	<u>3.00%</u>
Total Federal Entitlement Lands	881,672	21.81%
State Lands		
Department of Natural Resources	551,851	13.65%
Department of Transportation	<u>12,006</u>	<u>0.30%</u>
Total State Lands	563,857	13.95%
State Tax-Forfeited Lands		
Estimated	<u>899,357</u>	<u>22.24%</u>
Total Public Ownership	2,344,886	58.00%
Private Ownership / Other	<u>1,698,646</u>	<u>42.00%</u>
Total Land Ownership	<u><u>4,043,532</u></u>	<u><u>100.00%</u></u>

Unaudited

ST. LOUIS COUNTY, MINNESOTA
MISCELLANEOUS COUNTY STATISTICS
 YEAR ENDED DECEMBER 31, 1997

ROAD STATISTICS				
<u>Road Type</u>	<u>Miles Within Municipalities Over 5,000 Population</u>	<u>Miles Within Municipalities Under 5,000 Population</u>	<u>Nonmunicipal Miles</u>	<u>Total Miles</u>
Interstate trunk	11.630	1.066	3.323	16.019
U. S. trunk	35.276	16.833	167.809	219.918
Minnesota trunk	59.628	14.418	227.012	301.058
County state aid	115.560	82.522	1,378.880	1,576.962
Municipal state aid	169.539	0.000	0.000	169.539
County	47.383	52.736	1,518.776	1,618.895
Township	0.860	0.000	789.742	790.602
Unorganized township	0.000	0.000	133.267	133.267
National forest development	0.000	17.725	121.269	138.994
Indian reservation	0.000	0.000	1.196	1.196
State forest	0.000	0.000	98.030	98.030
State park	0.000	0.000	4.540	4.540
Municipal streets	584.602	183.068	0.000	767.670
Total	<u>1,024.478</u>	<u>368.368</u>	<u>4,443.844</u>	<u>5,836.690</u>

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

Unaudited

ST. LOUIS COUNTY, MINNESOTA
REGISTERED VOTERS
LAST TEN ELECTIONS

PRIMARY ELECTIONS

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
September 12, 1978	135,346	51%
September 9, 1980	139,386	36%
September 14, 1982	137,184	50%
September 11, 1984	138,591	46%
September 9, 1986	134,330	42%
September 13, 1988	128,413	23%
September 11, 1990	128,300	39%
September 15, 1992	128,981	29%
September 13, 1994	127,624	37%
September 10, 1996	125,959	24%

GENERAL ELECTIONS

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
November 7, 1978	142,022	68%
November 4, 1980	153,066	76%
November 2, 1982	145,775	72%
November 6, 1984	152,260	75%
November 4, 1986	137,492	59%
November 8, 1988	142,825	73%
November 6, 1990	134,668	63%
November 3, 1992	146,833	75%
November 8, 1994	134,702	63%
November 5, 1996	127,905	79%

Source: St. Louis County Auditor's Office

Unaudited