

COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998



ST. LOUIS COUNTY  
MINNESOTA  
Gordon D. McFaul  
County Auditor

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## *St. Louis County, Minnesota*

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May 6, 1999

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, 1998. This report was prepared by the County Auditor's Accounting and Finance Division. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the County. This report conforms with the Governmental Accounting Standards Board (GASB) Statement 1 and subsequent statements and interpretations. The report consists of three main sections:

1. Introductory Section - including this transmittal letter from the County Auditor, the government's organizational chart, maps of the legislative and commissioner districts, and a list of principal officials.
2. Financial Section - including the combined financial statements by major fund category, combining financial statements by fund type, and individual fund and account group financial statements.
3. Required Supplementary Information Year 2000
4. Statistical Section - includes data that depicts the financial history of the government, generally presented for the past ten years, along with information on overlapping governments, demographics and miscellaneous information.

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

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

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

### **Governmental Organization and Services**

The St. Louis County Board of Commissioners consists of seven commissioners elected from the seven districts in the County. All commissioners serve overlapping four-year terms of office. Each member of

## *St. Louis County, Minnesota*

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the County Board serves on various committees. The major committees are Health and Social Services, Environment and Natural Resources, Public Works and Transportation, Finance and Budget, Central Management and Inter-Governmental, Public Safety and Corrections.

The Board appoints the County Administrator who is the chief administrative officer of the County and is responsible for the administration of Board policy and for the management of various County divisions and departments. The County Attorney and the County Auditor are elected officials and the Court Administrator is appointed by the Judiciary.

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

### **Economic Condition and Outlook**

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

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

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

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

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

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 1998 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 mile. The latest available figures indicate that the per capita income in the County has increased 21.9 percent over a five-year period ending in 1997 when it reached \$22,357. 1997 per capita income for the State of Minnesota was \$26,243 which was higher than the national average of \$25,288. The March 1999 unemployment rate was 3.7% for the County, compared to 2.6% for the State of Minnesota and 4.4% for

the nation.

The County has an aging population. Although new figures will not be available until the year 2000, between 1980 and 1990 the median age of County residents rose from 30 years to 35.7 years and estimates are that there has been a further increase since 1990. The kindergarten through twelfth grade enrollment figures have declined from 34,062 in 1987 to 31,664 in 1998.

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 1999. We are pleased to present a sampling:

**Iron Range Economy:**

There is no doubt, despite considerable efforts to diversify the economy in the region, the Iron Range is heavily dependent upon taconite production. The industry employs some 5,000 steelworkers, contributing roughly \$85 million in taconite production taxes to governments and schools. The Iron Mining Association of Minnesota reports that the industry contributes more than \$1 billion a year to the economy and buys more than \$876 million worth of goods and services, most of them in Minnesota. The late 1970's and early 1980's saw the taconite production fluctuate from a high in 1979 of 54.4 million tons to a low in 1982 of 23.2 million tons. Since 1985, tonnage has increased dramatically to reach 46.1 million tons for 1998.

December 1998 projections for 1999 by Peter Kakela, a professor at Michigan State University who follows the industry were for the production of 46.4 million tons of pellets. Since then, the industry has become much more cautious and Kakela has revised his projections downward to 43.8 million tons for 1999. If the 1999 production figures do continue at the 43 to 46.4 million ton level, the 1990's will be the most productive decade in this regional industry's history.

However, since December, Eveleth Taconite (EVTAC) has announced a reduction of between 100 and 168 workers which will occur before the end of May 1999. Geneva Steel Co., a very large customer of Mintac Mne. which is a taconite company producing approximately 14 million tons of taconite pellets per year, has filed for Chapter 11 bankruptcy and any effect on Mintac Mne. is not yet known. All of the mines are trying to cut costs because of the competition from foreign steel. Vendors report that taconite companies are asking them for lower prices and are consolidating their buying.

The most current (March 1999) projected increase for 1999 is despite a threat from steel imports, which worries the industry considerably, but recognizes that domestic demand for steel remains high and is expected to be strong well into 1999. The industry is also hoping for a reduction in steel imports, as some small steel companies have already filed for Chapter 11 bankruptcy and others may be dragged under by record tonnages of cheap, imported goods. The larger steel companies are expected to slash costs and have brought unfair-trade complaints that could cut off imports. It is unclear just what impact any of these problems would have on the taconite companies.

Another concern among the taconite companies is the matter of labor contracts with steelworkers at six of the taconite plants which are due to expire July 31; the seventh plant is non-union. Historically the contracts have been fashioned after those reached at eastern steel mills, which should occur before July 31. Job Service offices in the Hibbing and Virginia areas report that they have seen no increase in job applications, reflecting that people are not lining up moonlighting jobs nor are nonworking spouses entering the work force in large numbers. However, some retailers believe there have been small declines in sales.

**Hibbing, Chisholm, Mountain Iron:**

## *St. Louis County, Minnesota*

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Fairview Range Regional Health Services is an umbrella organization with three divisions which operate in the Iron Range area: Mesaba Clinic, University Medical Center-Mesabi and HealthLine. In 1998, several new doctors were added to the Fairview staff and state of the art services were added, including Teleradiology, a regional sleep lab for evaluating and treating obstructive sleep apnea, as well as occupational health services. The emergency department at University Medical Center-Mesabi now has more than 10,000 visits a year. In 1998 a completely redesigned, enlarged and remodeled ER was opened there. 1999 will see a new clinic in Mountain Iron, which is now under construction, and Fairview has pledged to continue to increase the medical and professional staff to serve health care needs of the region.

St. Mary's/Duluth Clinic Health System plans to remodel and upgrade its facilities in Chisholm and Virginia in the near future, according to the Clinic's chief financial officer.

### **Biwabik:**

Giant's Ridge Recreation Area will be constructing a \$10.5 million dollar addition to its hotel and conference center.

### **Hibbing, Virginia, Eveleth, Duluth:**

MP Telecom, a subsidiary of Minnesota Power, has completed a state-of-the-art \$10 million fiber optic telecommunications system, which connects the Iron Range communities with Duluth and with other Minnesota communities. A separate segment will link Ely, Babbitt and Aurora-Hoyt Lakes. Both segments will be connected to the Twin Cities in 1999. The system is the most advanced one currently available in the world and will initially offer service to large telecommunications users, including telephone companies, Internet providers and large companies.

### **City of Virginia:**

Iron Range Ventures, a non-profit company will use its current \$1.25 million in capitalization from the Iron Range Resources and Rehabilitation Board, as well as \$1 million to \$2 million expected from other investors, to make equity investments in companies within the Taconite Tax Relief Area. Iron Range Ventures has its main office in Duluth and has already invested as a partner with several Iron Range companies. Over the next 15 years it expects to invest a total of \$7 million in the Area.

### **City of Duluth:**

Construction in Duluth was very strong in 1998; 1999 is expected to be even better. Duluth Builders' Exchange, Duluth Building Trades Council has announced some major projects for 1999, most which have now begun. The Council expects all of its 6,000 workers in the 16 construction crafts to be working by June; most of them are at work right now. Some 200 plumbers, steam fitters, electricians and boiler makers from other parts of the country are in the area working because there are not enough local workers. Because the next few years are expected to be boom years, with a large number of projects planned, some trades are taking apprentices, unlike a few years ago. 1999 Projects include the following:

A large portion of old downtown Duluth is being transformed into a technology village where computer students will join with global high tech companies. Phase 1 is underway, with the building and parking ramp construction employing 80 workers on site and expected to cost approximately \$35 million. The building is expected to open in July of 1999. Phase II will follow at a cost of approximately \$20 million.

The Great Lakes Aquarium project will begin at a cost of \$33 million and should be completed by March of 2000. Plans for further expansion on the City's bayfront have been unveiled by

## *St. Louis County, Minnesota*

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the Duluth Economic Development Authority and feature a retail, recreation and restaurant facility, with a multiplex movie theater. The City will seek more public input before actually moving forward on these plans.

The University of Minnesota will add a new library and has begun with 60 workers on site. The cost will be \$25.8 million and will be completed in September 2000. Also at the University will be a \$1.5 million field and track replacement.

The Duluth Entertainment and Convention Center will add about 62,000 square feet to the 100,000 square foot convention facility and a parking ramp will also be added. Total cost will be more than \$10 million, with the parking ramp construction to begin immediately and the expansion project to begin in October, with completion scheduled for November of 2000.

The Western Lake Superior Sanitary District plans a new transfer station at a cost of \$1.5 million. Other projects include Westwood Apartments, a \$6 million project, Gramercy Park Cooperative, a \$6 million project, and Mount Royal Pines complex, a \$2 million project.

The port of Duluth-Superior's total waterborne commerce was 35.2 million metric tons through November 1998, four percent more than the five-year average and six percent more than in 1998. Both export and domestic shipments exceeded 1997 levels, with international trade of 10.2 million tons being 19% above the same period in 1997 and domestic trade of 24.9 million tons being a small increase of one percent over the same period in 1997. International exports were largely Canadian coal and overseas grain shipments.

Tourism tax revenue for 1998 was nearly 10 percent higher than in 1997 according to the executive director of the Duluth Convention and Visitors Bureau. Duluth's Canal Park draws more tourists annually than any other area in the State of Minnesota. An estimated 3.5 million business and pleasure visitors came to the Duluth area in 1998.

During the second quarter of 1999, 26 percent of employers expect to hire more staff, 10 percent expect to reduce staff and the rest expect no changes in the number of employees. A survey by The Manpower Inc. showed that the best opportunities will be in the construction, the transportation/public utilities, finance, insurance/ real estate/ service and public administration sectors of the economy. Cutbacks are expected in durable and nondurable good manufacturing. Wholesale/retail trade reported mixed results. The survey is based on phone interviews with public and private employers.

Other interesting items affecting the Duluth economy are:

Advanstar Communications, which was once part of a multi-national media conglomerate, employed more than 1,200 people in downtown Duluth in the 1980's, but since then it went through bankruptcy proceedings. The conglomerate was then bought by Hellman & Friedman and its Advanstar Communications office in Duluth handles production and back office functions. Employment there is 300 for 1998, up from 275 the previous year.

American Eagle caused a sudden boost in business at the Duluth International Airport when it arrived in September of 1998 and was followed by Mesaba Airlines, (Northwest Airlines regional affiliate), increasing its flights. The two moves gave Duluth air travelers the option of connecting flights out of airports other than Northwest's Minneapolis hub. The director of the Duluth Airport Authority said that 1998 was the best year in the past five years.

Miller-Dwan Medical Center includes a Regional Rehabilitation Center, which has just received its fifth three-year accreditation from CARF (The Rehabilitation Accreditation Commission). It is unusual for a city the size of Duluth to have a facility that offers the specialty programs that the Center does. These

## *St. Louis County, Minnesota*

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programs include Comprehensive Inpatient Category One Hospital (Adult); Pediatric Family Centered Rehabilitation Programs; Spinal Cord Rehabilitation System of Care (Adult); and Brain Injury Programs.

St. Luke's Hospital has added two invasive cardiologists and an electro physiologist at Duluth Cardiology Associates, a St. Luke's special clinic. A second cardiac cath lab was constructed and is equipped with the very latest in technology. There is only one other of its kind and that is in Seattle, Washington, according to the cath lab supervisor. This new x-ray system takes better quality pictures and is faster and safer. It uses pulses of radiation rather than a steady flow. It is filmless, archiving the material right into the computer. Electro physiology tests the heart's electrical system, which can reveal certain rhythm problems.

The paper industry in Duluth showed mixed results for 1998, with Superior Recycled Fiber Industries, which makes recycled pulp for premium quality paper shut down for 30 days in 1998 due to market conditions. However, Lake Superior Paper Industries which now has a \$38 million rebuilt paper machine which can produce a higher grade of paper showed strong shipments for the year, remaining close to its 1998 production level. 1999 projections nationally are for the strong possibility of down time at paper mills and a drop in first quarter hiring for the paper industry.

The University of Minnesota published a study projecting trends for gross economic output for Northland industries between 1995 and 2000. It projected growth in the wood products industry of 6.1 percent; paper mills of 7.3 percent, hospitals of 7.9 percent, goods processing of 2.4 percent and state and local government of 6.9 percent.

### **Major Initiatives**

The County's 1999 property tax levy is \$65,830,322 which represents a 3.65% increase over the 1998 levy. It includes debt service on existing obligations, capital and operating expenses. It includes no provision for borrowing additional funds.

The taxable market value for property within the County for taxes payable 1998 was \$5,730,753,400 and rose to \$6,090,275,600 for payable 1999. This 6.3% rise reflects the twelfth consecutive year that the valuations have increased over the previous year, a very encouraging economic indicator for the region.

St. Louis County is focused on providing its citizens with the information they need in the most accessible manner possible:

The County's property tax records are now accessible through the Internet via a subscription-based service. This is in response to the needs and desires of the real estate and financial industries and is available to anyone who is interested in subscribing. The County Auditor is working with County Administration and the Management Information Services Department to publish County Board Agendas and meeting minutes on the County's intranet and on the Internet as well. This is a project which should be accomplished in 1999.

The County Recorder's Office has enhanced its customer service through optical image-based birth and death records. Record retrieval and receipt generation now takes an average of one minute, compared to the former five to thirty minutes formerly spent locating a record on a roll of microfilm. The Recorder also automated the Torrens file so that it now links related documents instead of processing them as unrelated entities. Recording dates and times as well as certificate numbers and the certificates of title are now generated by the system.

This is the first successfully automated Torrens system in the United States and has reduced the workload backlog in the Recorder's Office from three months to less than one week. The turnaround

period after all certificates are converted to the new format will be one day.

The County launched another public information initiative in 1998 - the direct mailing of a county directory/newsletter to each residence and business. Issues arrived in the Spring and Fall, informing the readers about the St. Louis County budget, the assessment process, public access television schedules for County Board meetings, recycling information, and contact information for County Commissioners and department heads.

The County's Solid Waste Department is determined to take advantage of any opportunity to clean up old dumps and since receiving special legislation to do so, it has excavated a City of Tower dump and had the material hauled to a closed landfill, where the Minnesota Pollution Control Agency will be responsible for the monitoring, maintenance and environmental response. Another City of Tower dump will be excavated and the same procedure followed. As provided for in State Statute, the County closed 14 landfills within its boundaries in the past transferring the responsibility to the State of Minnesota and now the County operates only one landfill.

The Solid Waste Department intends to construct a large-scale recycling facility in the City of Virginia and a small-scale recycling/household hazardous waste facility in the City of Hibbing. It does not anticipate bonding for these projects and has received a capital assistance grant from the State of Minnesota to aid in the financing.

New and expanded correctional facilities in the County opened in 1998. Law enforcement centers were opened in the Cities of Hibbing and Virginia. St. Louis County is the largest partner in the cooperative Arrowhead Regional Corrections Consortium which expanded the size and mission of its Northeast Regional Corrections Center (NERCC) in 1998. NERCC, a minimum security facility, remodeled and expanded to increase its facility license from eighty to one hundred fifty.

The Department of Administration created the Division of Employee Safety and Development in 1998. The division head position and the master's level safety position were filled. This Division is responsible for the County's workplace safety, industrial hygiene and employee development operations.

## **Financial Information**

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

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

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

## *St. Louis County, Minnesota*

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

Earnings on Investments - The 1998 Comprehensive Annual Financial Report brings a significant change in how the County accounts for investments. This change was promulgated by the Governmental Accounting Standards Board in Statement 31 Accounting and Financial Reporting for Certain Investments and for External Investment Pools. The change was a result of the Orange County, California investment fiasco and other similar problems. Until 1998, investment instruments were carried at cost or amortized cost on the County's books. Market values of instruments in the portfolio were not reflected in the financial statements. Interest earned was reflected in interest revenue, as were gains and losses on the sale of investments before maturity.

Beginning with the 1998 financial statements, investments are carried at market values. Generally, a single new revenue account "investment earnings", reflects the sum of the interest earnings, changes in market value in instruments in the portfolio (realized gains/realized losses), and actual gains/losses from the sale of instruments. Since the County's conservative investment policy establishes a buy and hold strategy rather than an active trader strategy, the investment earnings account will tend to overstate or understate the "real" earnings picture.

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

**General Fund - At December 31, 1998 the fund balance was \$21.8 million**, of which

**\$2.9 million** is legally reserved for specific purposes

**\$18.9 million** (equal to 40 percent of the County's current expenditures) is unreserved, of which

**\$13.9 million** is designated for cash flow

**\$ .9 million** is designated for vested sick leave  
(to fund part of the County's obligation to its employees who are eligible to retire)

**\$ .1 million** is designated for parking improvements and truth in taxation costs

**\$ 1.0 million** is designated for the construction of a fairground at Hibbing

**\$ 3.0 million** is undesignated and available for appropriation for future expenditures

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

Fund balance for all special revenue funds combined at December 31, 1998 was **\$20.8 million**, of which

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**\$ 4.9 million** is legally reserved for specific purposes

**\$15.9 million** is unreserved, of which:

**\$12.9 million** is designated for cash flow

**\$ 1.9 million** is designated for vested sick leave  
(to fund part of the County's obligation to  
employees who are eligible to retire)

**\$ 1.1 million** is undesignated and can be appropriated  
for future expenditures

The following schedule presents a summary of General and Special Revenue Funds' revenues, as shown on Exhibit II for the fiscal year ended December 31, 1998 along with the dollar and percentage increases or decreases in relation to the prior year's revenues:

Revenues:	1998 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
Taxes	\$ 67,187,541	1.39	\$ 919,060
Licenses and permits	155,517	12.56	17,348
Intergovernmental	80,874,792	(4.39)	(3,715,092)
Charges for service	8,064,994	4.17	322,528
Fines and forfeitures	1,304,540	38.52	362,801
Interest on investments	3,575,139	23.04	669,580
Gifts and contributions	27,318	(23.62)	(8,449)
Miscellaneous	2,869,442	19.50	468,301
<b>Total</b>	<b>\$164,059,283</b>		<b>\$ (963,923)</b>

Although other categories of revenue show larger percentages of increase or decrease over 1997, the most significant dollar changes in revenue are the increases in the taxes category and the interest on investments. The significant dollar decrease is in the intergovernmental category. Explanations of the major dollar increases and decreases are presented below:

1. Tax revenues increased \$.9 million, with increases (decreases) as follows:

General Fund - property taxes	\$ 1.0 million
Road and Bridge Special Revenue Fund -property taxes	.2 million
Social Services Special Revenue Fund -property taxes	(\$ .3 million)

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

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3. Intergovernmental revenues decreased \$ 3.7 million, with increases (decreases), as follows:

General Fund:

State shared revenue	\$ .2 million
State reimbursements for services	\$ .3 million
Federal grants	\$ .2 million

Road and Bridge Special Revenue Fund -

State aid for construction	(\$4.2 million)
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Northeast Minnesota Housing Consortium

Special Revenue Fund -

Federal Grant Revenues	(\$ .2 million)
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These decreases were offset by a \$ .7 million increase in the General Fund intergovernmental revenue due to a \$ .2 million increase in State shared revenue, a \$ .3 million increase in State reimbursements for services, and \$ .2 million increase in federal grants.

The following schedule is a summary of General and Special Revenue Fund expenditures as shown on Exhibit II for the fiscal year ended December 31, 1998. The dollar and percentage increase or decrease is in relation to the prior year's expenditures.

Expenditures:	1998 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
General government	\$ 22,673,940	9.20	\$1,910,736
Public safety	24,775,615	10.20	2,293,896
Highways and streets	37,400,747	(8.85)	(3,632,558)
Health	5,708,819	4.34	237,415
Welfare	62,757,157	2.09	1,286,632
Culture and recreation	865,786	(12.63)	(125,145)
Conservation of natural resources	793,700	9.01	65,578
Economic development	3,662,411	(9.47)	(383,065)
Total	\$158,638,175		\$1,653,489

Note: Debt service of \$120,426 and \$305,889 as well as Intergovernmental of \$7,411,071 has been reclassified here as Health, Welfare and Public Safety, respectively.

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

1. General government expenditures increased \$1.9 million. The following General Fund departments or agencies within departments had increases (decreases) of more than \$100,000:

Court Administrator	\$524,708
County Attorney	\$135,756
County Auditor	\$181,755
Data Processing	\$107,091
County Assessor	\$120,656
County Recorder	\$201,648

*St. Louis County, Minnesota*

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County Surveyor	(\$150,344)
Elections	\$157,587
Courthouses	\$201,716
Parking Ramp	\$243,028

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

2. Public safety expenditures increased \$2.3 million. These General Fund departments or agencies within departments increased more than \$100,000 as follows:

Sheriff	\$771,384
Emergency communication	\$143,152
Jail prisoners	\$843,385
Arrowhead Regional Corrections	\$377,184

3. Highways and streets expenditures decreased \$3.6 million, as follows:

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

Administration	(\$ 136,993)
Road Maintenance	\$ 772,905
Road Construction	(\$2,282,356)
Equipment Maintenance and Shops	(\$1,463,065)

4. Welfare expenditures increased \$1.3 million; the Social Services Special Revenue Fund had these activities which increased (decreased) more than \$100,000:

Administration	\$ 251,680
Income Maintenance	(\$2,572,284)
Social Services	\$3,554,497

5. Economic development expenditures decreased \$.4 million, with these increases (decreases) over \$100,000:

General Fund - Revolving loans	(\$ 100,000)
Northeastern Minnesota Housing Consortium Special Revenue Fund -	(\$ 198,836)

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

**Cash Management** - In 1998, the average investment yield was 5.43%. 100% of the County's funds were invested in U.S. government securities, Government agency securities, Commercial Paper, Bankers' Acceptances, Certificates of Deposit, and in overnight investments with the Minnesota Association of Governments Investing for Counties (MAGIC), a Minnesota joint powers investment trust.

The County, in 1995, recognizing that it would be prudent to set aside a cash reserve to meet unexpected cash flow shortages began to designate some of its fund balances for cash flow. A formal policy is in place to guide the designation of these funds. The County's goal for the General Fund, the Road and Bridge

## *St. Louis County, Minnesota*

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Special Revenue Fund, and the Social Services Special Revenue Fund, which are the major operating funds that are supported in part by direct property tax levy, is to designate a portion of the available fund balances equal to 5/12 of the certified levy for each fund, plus its proportional share of the homestead and agricultural aid paid to the County by the State of Minnesota. At December 31, 1998 the goal was 100% accomplished for the General Fund and the Road and Bridge Fund, and was 65.5 % accomplished for the Social Services Fund.

Recognizing the need to pre-fund retirees' health insurance premiums which are set aside for the retired employee from his sick leave balance at retirement, the County began in 1994 to designate 1/9 per year of the amount estimated to be paid from the General Fund and Special Revenue Funds for those employees who are eligible to retire immediately. 5/9 of the estimated amount needed was funded at December 31, 1998.

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

Combined net income for 1998 for the funds was \$ 2.9 million, with the separate funds showing net income (net loss) as follows:

Chris Jensen Nursing Home	\$ 418,535
Nopeming Nursing Home	\$ ( 102, 292)
Solid Waste Management	\$ 2,535,155

Nopeming Nursing Home is expected to continue to have net losses from operations in 1999 and future years. The County Board is studying the issue to determine the best course for future action.

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

**Internal Service Funds** - Includes ten separate funds, with a combined net loss of \$3,107,207 for 1998. The separate funds show net income (net loss) as follows:

Community Food	\$ 118,155
Laundry	\$ 90,439
Supervised Living Facilities	\$ 79,432
Printing	\$ 44,377
County Garage	\$ 20,609
Property, Casualty, Liability Insurance	\$ 437,451
Workers' Compensation Insurance	\$ (2,228,258)
Medical/Dental Insurance	\$ (1,871,604)
Management Information Systems	\$ 87,501
Telecommunications	\$ 114,691

The Workers' Compensation Fund had a net loss because of an intentional spend-down of cash and retained earnings, as well as an increase in estimated claims payable. The Workers' Compensation Fund at December 31, 1998 had a combined cash and investment balance of \$6,682,930 and a retained earnings of \$1,109,442.

The Medical/Dental Fund had a net loss because of an intentional spend-down of cash and retained earnings and also because of a shortfall in anticipated revenue (premiums from other funds and from

## *St. Louis County, Minnesota*

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retirees). The Fund at December 31, 1998 had a combined cash and investment balance of \$4,739,909 and a retained earnings of \$2,575,260.

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

**Administration of Bonded Debt** - As of December 31, 1998 St. Louis County had eight bond issues and one note outstanding; the total outstanding principal balance as of that date was \$24,512,900 as follows:

<u>Type of Issue</u>	<u>Outstanding Balance at December 31, 1998</u>
General Obligation Bond for renovation of the Nopeming Nursing Home.	\$ 40,000
General Obligation Taxable Issue for Tire Recycling Facility	\$ 770,000
General Obligation Solid Waste Bond (3 separate issues)	\$ 5,605,000
Corrections, Jail and Law Enforcement Center Bonds (3 separate issues)	\$17,880,000
General Obligation Revenue Note for the Septic Loan Program	\$ 217,900

The most recent bond issue sold, the 1997 \$5,275,000 Law Enforcement issue, carries an "A-2" rating by Moodys Investor Service. The rest of the County's bonds carry an "A" rating under the previous method Moodys used to rate bonds. Under current State law, the County's general obligation bond issuance is limited to two percent of the market value of taxable property in the County. Market value in 1998 was \$5,730,753,400. This market value establishes a debt limit of \$114,615,068 for the County. The amount of general obligation debt applicable to the debt limit was \$23,811,824. (\$24,512,900 in principal outstanding, less \$571,671 in debt service funds and \$ 129,405 in restricted assets in applicable enterprise funds for payment of principal on debt).

**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 in 1998 consisted of the completion of a new Public Works Building in Hibbing to 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 to cover the risk of employee theft. The County bears the risk for other torts and liability, including no-fault auto insurance. The Property, Casualty, Liability Insurance Internal Service Fund at December 31, 1998 had a balance of \$4,018,077 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 \$2,000 for various cases for which the County Attorney's Office deems payment to be "reasonably possible". The balance in retained earnings provides for any reasonably possible claims, as well as for any claims that have

been incurred, but not reported.

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

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

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

## **Awards from Government Finance Officers Association**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Louis County for its comprehensive annual financial report for the fiscal year ended December 31, 1997.

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

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

The County also received the GFOA Award for Distinguished Budget Presentation for the 1998 approved budget document. In order to qualify for this award, the document was required to be proficient in several categories including policy documentation, financial planning, and organization.

## **Other Information**

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

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

*St. Louis County, Minnesota*

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

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

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

Sincerely,

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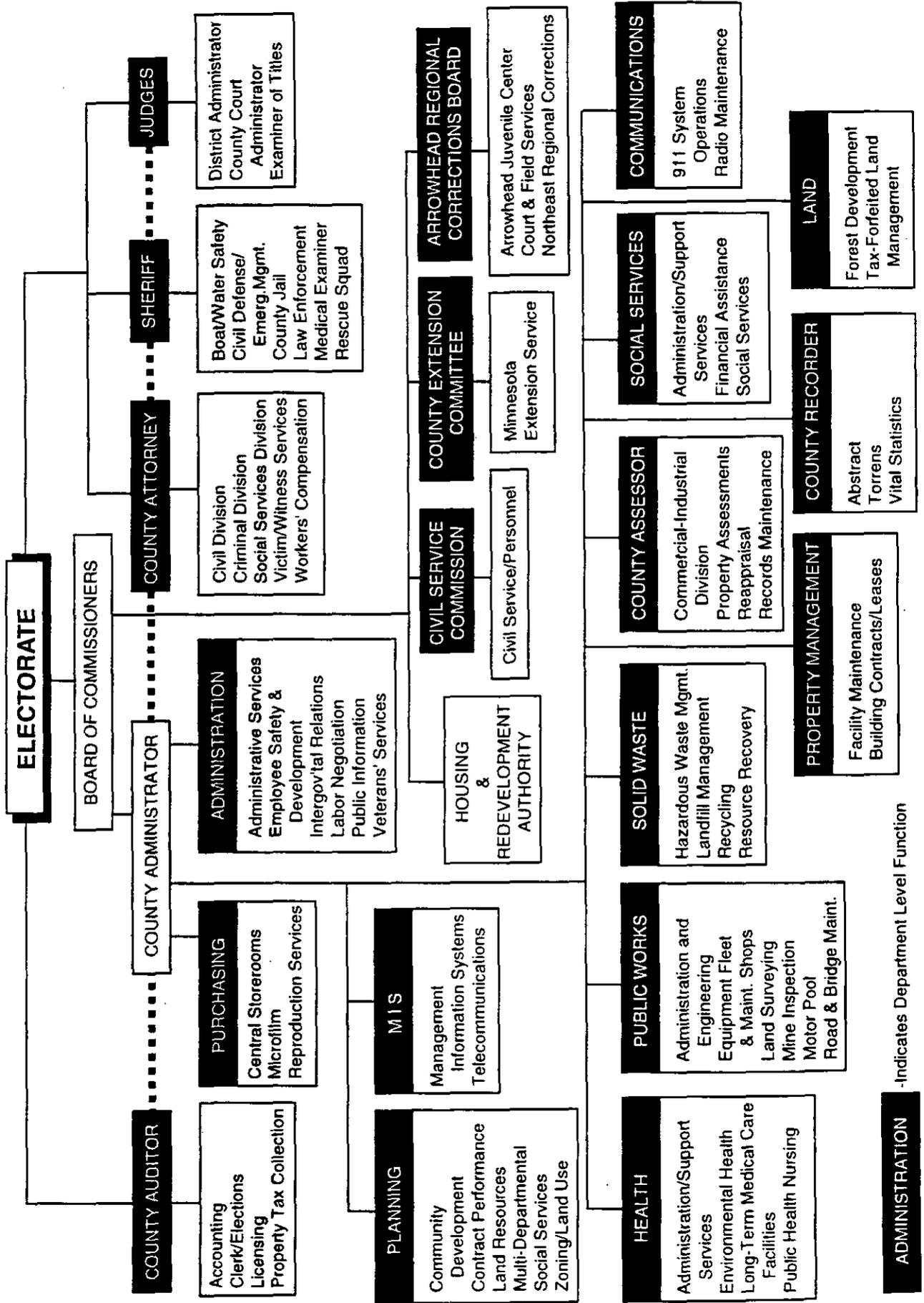
**GORDON D. MCFAUL**  
**County Auditor**

*St. Louis County, Minnesota*

**St. Louis County  
Elected and Appointed Officials  
as of December 31, 1998**

<b>Office</b>	<b>Name</b>	<b>Term</b>
<b>Commissioners:</b>		
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
<b>Elected Officers:</b>		
Attorney	Alan L. Mitchell	Jan. 1995 Jan. 1999
Auditor	Gordon D. McFaul	Jan. 1995 Jan. 1999
Sheriff	Gary Waller	Jan. 1995 Jan. 1999
<b>Judges:</b>		
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. Pagliacetti	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
<b>Appointed Officers:</b>		
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



-Indicates Department Level Function

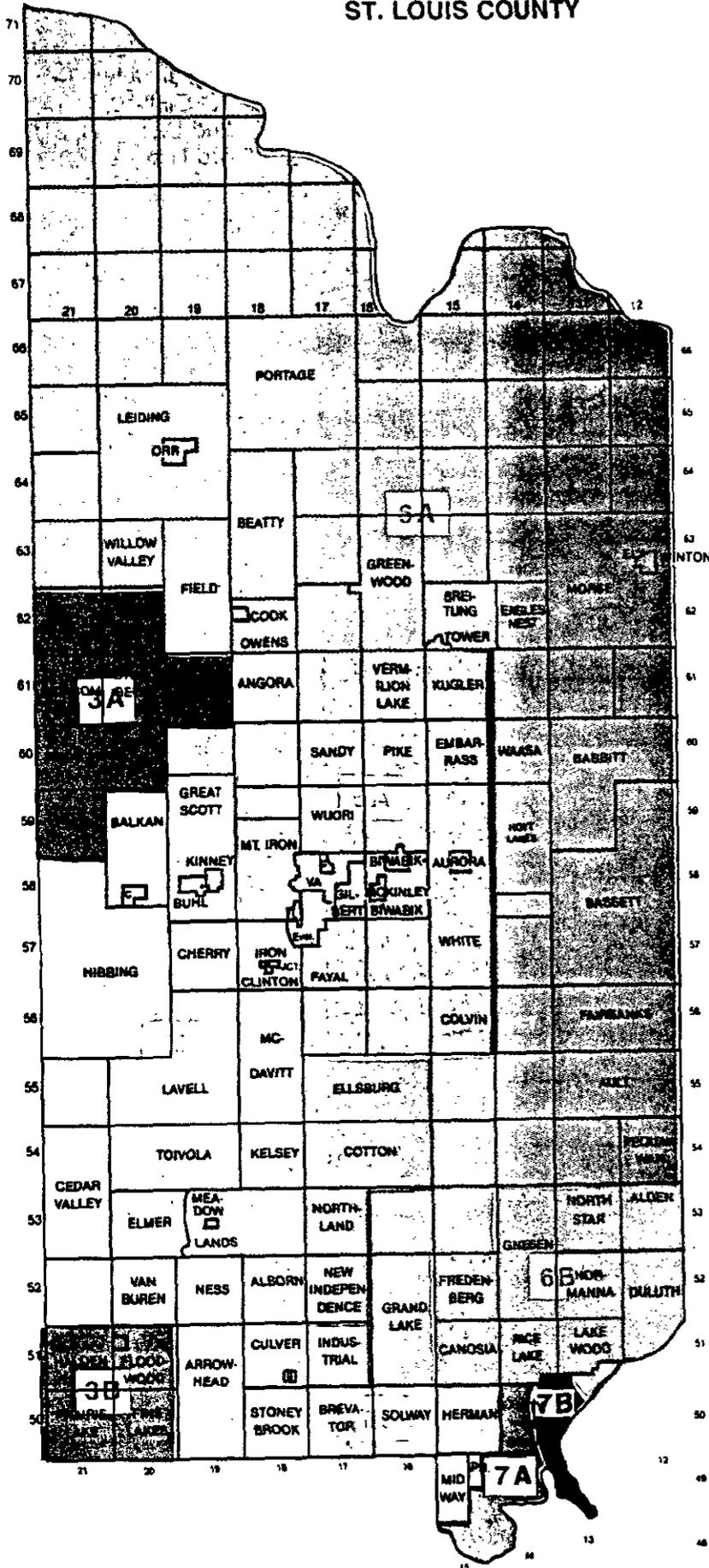
# LEGISLATIVE DISTRICTS ST. LOUIS COUNTY

**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

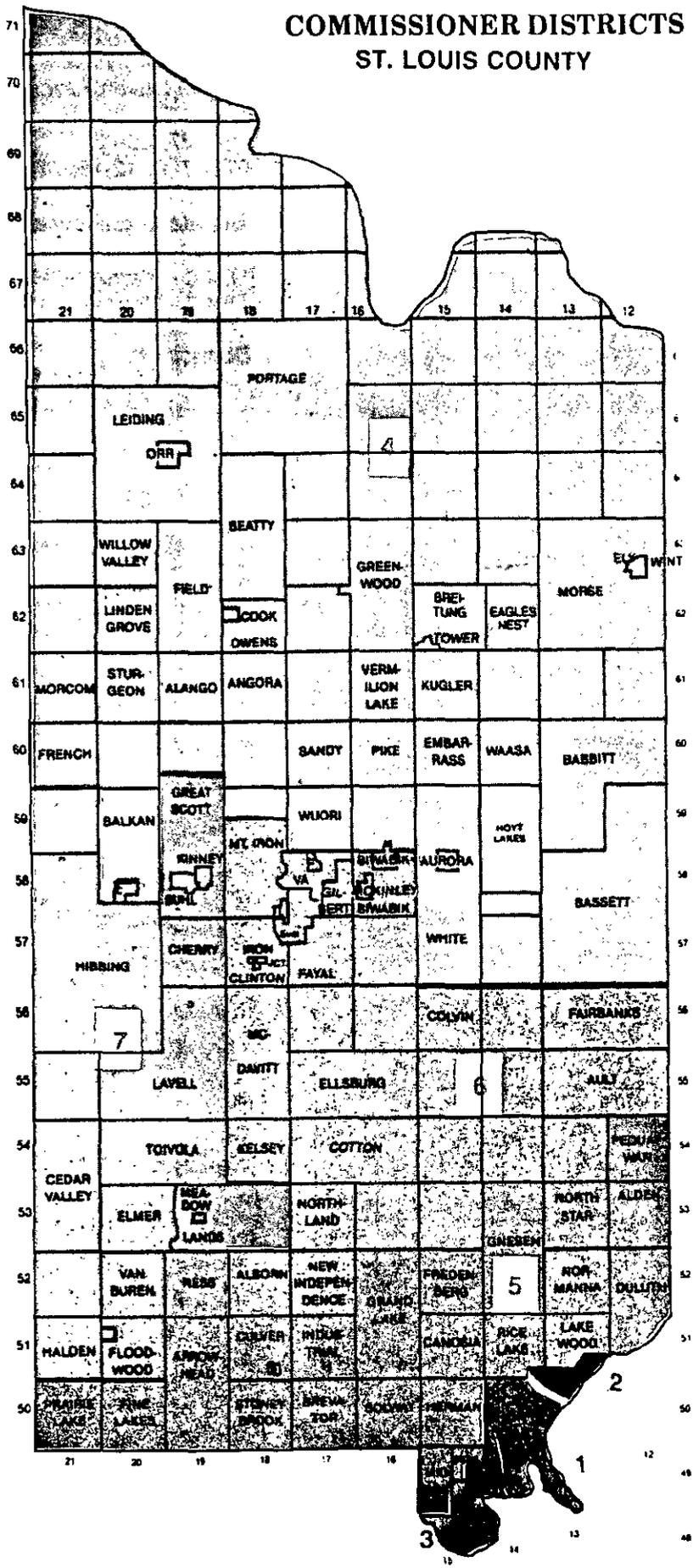
**District #:**

- 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

# 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, 1997

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.



*Douglas R. Ellsworth*  
President

*Jeffrey L. Essel*  
Executive Director

# **General Purpose Financial Statements**

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

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
 DECEMBER 31, 1998

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Total -- Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		1997	Dollar Increase (Decrease)	Percent Increase (Decrease)
<b>Assets and Other Debits</b>													
Cash and cash equivalents	\$ 22,211,095	\$ 17,988,786	\$ 532,453	\$ 1,758,010	\$ 1,083,410	\$ 7,912,049	\$ 13,210,847	\$ -	\$ -	\$ 64,696,650	\$ 51,461,937	13,234,713	25.72%
Assets held by escrow agent	271,000	-	-	-	-	-	-	-	-	271,000	271,000	-	-
Investments	-	-	-	-	13,961,933	11,491,720	24,521,196	-	-	49,974,849	48,742,534	1,232,315	2.53%
Receivables													
Taxes													
Unapportioned	607,561	537,238	30,477	15,027	27,405	-	7,363	-	-	1,225,071	1,335,100	(110,029)	-8.24%
Delinquent	1,642,237	2,348,991	112,701	62,393	7,512	-	27,444	-	-	4,201,278	3,425,341	775,937	22.65%
Accounts (net of allowance for uncollectibles)	28,532	375,276	-	1,423	2,485,749	356,471	9,083,236	-	-	12,330,687	11,208,924	1,121,763	10.01%
Accrued interest	319,238	-	-	-	147,886	241,307	200,115	-	-	908,546	642,226	266,320	41.47%
Loans	933,361	218,245	-	-	54,740	-	-	-	-	1,206,346	1,229,963	(23,617)	-1.92%
Due from other funds	12,830	-	-	-	-	-	5,736	-	-	18,566	369,021	(350,455)	-94.97%
Interfund receivable	103,798	-	-	-	-	-	-	-	-	103,798	99,455	4,343	4.37%
Due from other governments	840,094	11,514,997	-	-	37,353	34,743	1,653,536	-	-	14,080,723	15,555,664	(1,474,941)	-9.48%
Inventories	-	1,601,550	-	-	86,624	175,440	-	-	-	1,863,614	1,789,972	73,642	4.11%
Prepaid items	-	-	-	-	-	71,429	-	-	-	71,429	58,568	12,861	21.96%
Restricted assets													
Debt service													
Cash and cash equivalents	-	-	-	-	124,988	-	-	-	-	124,988	104,234	20,754	19.91%
Receivables													
Taxes													
Unapportioned	-	-	-	-	18,417	-	-	-	-	18,417	21,869	(3,452)	-15.78%
Delinquent	-	-	-	-	87,766	-	-	-	-	87,766	58,091	29,675	51.08%
Financial assurance													
Investments	-	-	-	-	1,575,131	-	-	-	-	1,575,131	1,231,055	344,076	27.95%
Receivables													
Accrued interest	-	-	-	-	14,691	-	-	-	-	14,691	6,351	8,340	131.32%
Fixed assets (net)	-	-	-	-	13,775,001	4,009,509	-	111,282,611	-	129,067,121	126,036,742	3,030,379	2.40%
Amount available in general fund	-	-	-	-	-	-	-	-	899,531	899,531	734,816	164,715	22.42%
Amount available in special revenue funds	-	-	-	-	-	-	-	-	1,857,099	1,857,099	1,377,952	479,147	34.77%
Amount available in debt service funds	-	-	-	-	-	-	-	-	571,671	571,671	182,928	388,743	212.51%
Amount available in trust fund	-	-	-	-	-	-	-	-	116,268	116,268	111,184	5,084	4.57%
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-	-	-	21,678,199	21,678,199	23,388,917	(1,710,718)	-7.31%
Amount to be provided for compensated absences	-	-	-	-	-	-	-	-	23,147,027	23,147,027	21,422,683	1,724,344	8.05%
<b>Total Assets and Other Debits</b>	<b>\$ 26,969,746</b>	<b>\$ 34,585,083</b>	<b>\$ 675,631</b>	<b>\$ 1,836,853</b>	<b>\$ 33,488,606</b>	<b>\$ 24,292,668</b>	<b>\$ 48,709,473</b>	<b>\$ 111,282,611</b>	<b>\$ 48,269,795</b>	<b>\$ 330,110,466</b>	<b>\$ 310,866,527</b>	<b>\$ 19,243,939</b>	<b>6.19%</b>

(continued)

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

ST. LOUIS COUNTY, MINNESOTA  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
 DECEMBER 31, 1998

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Total -- Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		1997	Dollar Change	Percent Change
<b>Liabilities, Equity and Other Credits</b>													
<b>Liabilities</b>													
Accounts payable	\$ 865,289	\$ 4,312,843	\$ -	\$ 204,055	\$ 906,794	\$ 408,138	\$ 832,404	\$ -	\$ -	\$ 7,529,523	\$ 6,657,470	872,053	13.10%
Contracts payable	-	413,636	-	-	-	-	-	-	-	413,636	490,263	(76,627)	-15.63%
Salaries payable	1,586,445	1,824,344	-	-	515,867	182,411	632,661	-	-	4,741,728	3,243,655	1,498,073	46.18%
Compensated absences payable	330,204	362,620	-	-	88,062	36,679	18,589	-	-	836,154	855,049	(18,895)	-2.21%
Claims payable	-	-	-	-	-	3,117,681	-	-	-	3,117,681	2,438,802	678,879	27.84%
Unapportioned taxes payable	-	-	-	-	-	-	1,243,488	-	-	1,243,488	1,356,969	(113,481)	-8.36%
Due to other funds	-	12,830	-	-	5,736	-	-	-	-	18,566	369,021	(350,455)	-94.97%
Interfund payable	-	72,624	2,528	-	28,646	-	-	-	-	103,798	99,455	4,343	4.37%
Due to other governments	166,177	1,075,080	-	57,002	85,340	135,175	33,112,114	-	-	34,630,888	29,586,297	5,044,591	17.05%
Deferred revenue	2,186,195	5,737,434	101,432	56,154	119,047	410,342	8,574,314	-	-	17,184,918	14,212,903	2,972,015	20.91%
Capital leases payable	-	-	-	-	-	2,607	-	-	-	2,607	11,873	(9,266)	-78.04%
Payable from restricted assets													
Accrued interest payable	-	-	-	-	22,776	-	-	-	-	22,776	27,236	(4,460)	-16.38%
Deferred revenue	-	-	-	-	78,990	-	-	-	-	78,990	52,282	26,708	51.08%
Bonds payable	-	-	-	-	919,675	-	-	-	-	919,675	1,225,000	(305,325)	-24.92%
Compensated absences payable - long term	-	-	-	-	2,075,350	1,538,828	-	-	26,019,925	29,634,103	27,530,972	2,103,131	7.64%
Loans payable	-	-	-	-	-	-	-	-	7,874	7,874	11,811	(3,937)	-33.33%
Claims payable - long term	-	-	-	-	-	4,622,645	-	-	-	4,622,645	3,078,621	1,544,024	50.15%
Capital leases payable - long term	-	-	-	-	-	3,014	-	-	-	3,377,110	3,710,655	(333,545)	-8.99%
General obligation bonds	-	-	-	-	-	-	-	-	2,250,000	2,250,000	2,340,000	(90,000)	-3.85%
General obligation revenue bonds payable	-	-	-	-	4,642,728	-	-	-	-	4,642,728	5,547,014	(904,286)	-16.30%
General obligation revenue notes	-	-	-	-	-	-	-	-	217,900	217,900	-	-	-
Tax lease obligations payable	-	-	-	-	-	-	-	-	16,400,000	16,400,000	17,515,000	(1,115,000)	-6.37%
Customer deposits	-	-	-	-	7,490	-	-	-	-	7,490	6,640	850	12.80%
Closure and post-closure liabilities	-	-	-	-	735,527	-	-	-	-	735,527	579,180	156,347	26.99%
<b>Total Liabilities</b>	<b>\$ 5,134,310</b>	<b>\$ 13,811,411</b>	<b>\$ 103,960</b>	<b>\$ 317,211</b>	<b>\$ 10,232,028</b>	<b>\$ 10,457,520</b>	<b>\$ 44,413,570</b>	<b>\$ -</b>	<b>\$ 48,269,795</b>	<b>\$ 132,739,805</b>	<b>\$ 120,946,168</b>	<b>\$ 11,575,737</b>	<b>9.57%</b>

(continued)

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

ST. LOUIS COUNTY, MINNESOTA  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
 DECEMBER 31, 1998

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	Total -- Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		1997	Dollar Change	Percent Change
<b>Liabilities, Equity and Other Credits</b> (continued)													
<b>Equity and Other Credits</b>													
Contributed capital	\$ -	\$ -	\$ -	\$ -	\$ 3,151,055	\$ 2,886,902	\$ -	\$ -	\$ -	\$ 6,037,957	\$ 6,037,957	-	-
Investment in general fixed assets	-	-	-	-	-	-	-	111,282,611	-	111,282,611	107,556,274	3,726,337	3.46%
Retained earnings													
Reserved for capital acquisition	-	-	-	-	-	71,429	-	-	-	71,429	128,572	(57,143)	-44.44%
Reserved for improvements	-	-	-	-	67,519	-	-	-	-	67,519	-	-	-
Reserved for closure and post-closure	-	-	-	-	1,589,822	-	-	-	-	1,589,822	1,237,406	352,416	28.48%
Reserved for Year 2000	-	-	-	-	-	238,622	-	-	-	238,622	350,092	(111,470)	-31.84%
Unreserved	-	-	-	-	18,448,182	10,638,195	-	-	-	29,086,377	29,431,508	(345,131)	-1.17%
Fund Balance													
Reserved for change funds	22,455	16,000	-	-	-	-	-	-	-	38,455	36,855	1,600	4.34%
Reserved for noncurrent loans	495,084	218,245	-	-	-	-	-	-	-	713,329	635,084	78,245	12.32%
Reserved for future loans	-	124,655	-	-	-	-	-	-	-	124,655	-	-	-
Reserved for conference fund	-	12,770	-	-	-	-	-	-	-	12,770	23,261	(10,491)	-45.10%
Reserved for economic development	383,787	-	-	-	-	-	-	-	-	383,787	362,526	21,261	5.86%
Reserved for inventories	-	1,601,550	-	-	-	-	-	-	-	1,601,550	1,491,302	110,248	7.39%
Reserved for encumbrances	212,756	1,327,766	-	-	-	-	299,080	-	-	1,839,602	1,970,151	(130,549)	-6.63%
Reserved for health and welfare	1,155,911	961,218	-	-	-	-	69,713	-	-	2,186,842	2,035,565	151,277	7.43%
Reserved for law library	20,854	-	-	-	-	-	-	-	-	20,854	46,707	(25,853)	-55.35%
Reserved for recorder's equipment	27,909	-	-	-	-	-	-	-	-	27,909	31,732	(3,823)	-12.05%
Reserved for foster care insurance	-	6,000	-	-	-	-	-	-	-	6,000	6,000	-	-
Reserved for senior citizens transportation	-	4,704	-	-	-	-	-	-	-	4,704	56,762	(52,058)	-91.71%
Reserved for unorganized town roads	-	619,452	-	-	-	-	-	-	-	619,452	418,556	200,896	48.00%
Reserved for veterans credit	-	-	-	-	-	-	15,000	-	-	15,000	15,000	-	-
Reserved for memorial forest	-	-	-	-	-	-	581,737	-	-	581,737	-	-	-
Reserved for debt service	271,000	-	-	-	-	-	-	-	-	271,000	271,000	-	-
Reserved for communications	281,760	-	-	-	-	-	-	-	-	281,760	205,392	76,368	37.18%
Reserved for Extension Service	46,081	-	-	-	-	-	-	-	-	46,081	101,376	(55,295)	-54.54%
Unreserved													
Designated for parking	59,671	-	-	-	-	-	-	-	-	59,671	243,788	(184,117)	-75.52%
Designated for truth in taxation	48,642	-	-	-	-	-	-	-	-	48,642	-	-	-
Designated for vested sick leave	899,531	1,857,099	-	-	-	-	116,268	-	-	2,872,898	2,223,952	648,946	29.18%
Designated for Hibbing Fairgrounds	1,000,000	-	-	-	-	-	-	-	-	1,000,000	-	-	-
Designated for cash flow	13,917,050	12,932,429	-	-	-	-	-	-	-	26,849,479	21,043,684	5,805,795	27.59%
Undesignated	2,992,945	1,091,784	571,671	1,519,642	-	-	3,214,105	-	-	9,390,147	13,788,680	(4,398,533)	-31.90%
<b>Total Equity and Other Credits</b>	<b>\$ 21,835,436</b>	<b>\$ 20,773,672</b>	<b>\$ 571,671</b>	<b>\$ 1,519,642</b>	<b>\$ 23,256,578</b>	<b>\$ 13,835,148</b>	<b>\$ 4,295,903</b>	<b>\$ 111,282,611</b>	<b>\$ -</b>	<b>\$ 197,370,661</b>	<b>\$ 189,749,182</b>	<b>\$ 5,798,926</b>	<b>3.06%</b>
<b>Total Liabilities, Equity, and Other Credits</b>	<b>\$ 26,969,746</b>	<b>\$ 34,585,083</b>	<b>\$ 675,631</b>	<b>\$ 1,836,853</b>	<b>\$ 33,488,606</b>	<b>\$ 24,292,668</b>	<b>\$ 48,709,473</b>	<b>\$ 111,282,611</b>	<b>\$ 48,269,795</b>	<b>\$ 330,110,466</b>	<b>\$ 310,695,350</b>	<b>\$ 17,374,663</b>	<b>5.59%</b>

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

ST. LOUIS COUNTY, MINNESOTA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Total (Memorandum Only)	Total -- Memorandum Only		
	General	Special Revenue	Debt Service	Capital Projects			1997	Dollar	Percent
								Increase (Decrease)	Increase (Decrease)
<b>Revenues</b>									
Taxes	\$ 31,066,629	\$ 36,120,912	\$ 1,964,847	\$ 865,843	\$ 663,275	\$ 70,681,506	\$ 68,631,632	\$ 2,049,874	2.99%
Licenses and permits	136,198	19,319	-	-	-	155,517	138,169	17,348	12.56%
Intergovernmental	14,937,947	65,936,845	308,673	227,184	137,254	81,547,903	85,133,477	(3,585,574)	-4.21%
Charges for services	5,973,788	2,091,206	-	-	3,285	8,068,279	7,745,597	322,682	4.17%
Fines and forfeits	1,304,540	-	-	-	-	1,304,540	941,739	362,801	38.52%
Earnings on investments	3,571,560	3,579	-	66,075	5,673	3,646,887	3,044,960	601,927	19.77%
Gifts and contributions	27,318	-	-	-	-	27,318	35,767	(8,449)	-23.62%
Land and timber sales	-	-	-	-	5,748,891	5,748,891	5,144,172	604,719	11.76%
Miscellaneous	1,735,025	1,134,417	-	85,671	932,364	3,887,477	3,667,878	219,599	5.99%
<b>Total Revenues</b>	<b>\$ 58,753,005</b>	<b>\$ 105,306,278</b>	<b>\$ 2,273,520</b>	<b>\$ 1,244,773</b>	<b>\$ 7,490,742</b>	<b>\$ 175,068,318</b>	<b>\$ 174,483,391</b>	<b>\$ 584,927</b>	<b>0.34%</b>
<b>Expenditures</b>									
<b>Current</b>									
General government	\$ 22,286,171	\$ -	\$ -	\$ -	\$ 303,678	\$ 22,589,849	\$ 20,949,408	\$ 1,640,441	7.83%
Public safety	16,685,479	-	-	-	29,384	16,714,863	14,951,145	1,763,718	11.80%
Highways and streets	-	35,568,624	-	-	-	35,568,624	37,870,953	(2,302,329)	-6.08%
Health	5,586,413	-	-	-	-	5,586,413	5,343,266	243,147	4.55%
Welfare	940,614	61,116,846	-	-	-	62,057,460	61,004,376	1,053,084	1.73%
Culture and recreation	865,786	-	-	-	-	865,786	975,862	(110,076)	-11.28%
Conservation of natural resources	776,181	-	-	-	7,197,395	7,973,576	6,107,442	1,866,134	30.56%
Economic development	20,000	3,642,411	-	-	-	3,662,411	4,045,476	(383,065)	-9.47%
<b>Total Current</b>	<b>\$ 47,160,644</b>	<b>\$ 100,327,881</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,530,457</b>	<b>\$ 155,018,982</b>	<b>\$ 151,247,928</b>	<b>\$ 3,771,054</b>	<b>2.49%</b>
<b>Capital outlay</b>									
General government	\$ 387,769	\$ -	\$ -	\$ 495,299	\$ -	\$ 883,068	\$ 327,118	\$ 555,950	169.95%
Public safety	679,065	-	-	2,009,550	-	2,688,615	3,242,560	(553,945)	-17.08%
Highways and streets	-	1,832,123	-	390,935	-	2,223,058	4,899,464	(2,676,406)	-54.63%
Health	1,980	-	-	-	-	1,980	7,712	(5,732)	-74.33%
Welfare	-	393,808	-	-	-	393,808	160,260	233,548	145.73%
Conservation of natural resources	17,519	-	-	-	310,515	328,034	291,739	36,295	12.44%
<b>Total Capital Outlay</b>	<b>\$ 1,086,333</b>	<b>\$ 2,225,931</b>	<b>\$ -</b>	<b>\$ 2,895,784</b>	<b>\$ 310,515</b>	<b>\$ 6,518,563</b>	<b>\$ 8,928,853</b>	<b>\$ (2,410,290)</b>	<b>-26.99%</b>
<b>Debt service</b>									
Principal	\$ 98,625	\$ 250,514	\$ 1,272,175	\$ -	\$ -	\$ 1,621,314	\$ 1,255,103	\$ 366,211	29.18%
Interest and fiscal charges	21,801	55,375	1,015,992	-	-	1,093,168	1,032,778	60,390	5.85%
<b>Total Debt Service</b>	<b>\$ 120,426</b>	<b>\$ 305,889</b>	<b>\$ 2,288,167</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,714,482</b>	<b>\$ 2,287,881</b>	<b>\$ 426,601</b>	<b>18.65%</b>
<b>Intergovernmental</b>									
Public safety	\$ 7,411,071	\$ -	\$ -	\$ -	\$ -	\$ 7,411,071	\$ 7,033,887	\$ 377,184	5.36%
<b>Total Expenditures</b>	<b>\$ 55,778,474</b>	<b>\$ 102,859,701</b>	<b>\$ 2,288,167</b>	<b>\$ 2,895,784</b>	<b>\$ 7,840,972</b>	<b>\$ 171,663,098</b>	<b>\$ 169,498,549</b>	<b>\$ 2,164,549</b>	<b>1.28%</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 2,974,531</b>	<b>\$ 2,446,577</b>	<b>\$ (14,647)</b>	<b>\$ (1,651,011)</b>	<b>\$ (350,230)</b>	<b>\$ 3,405,220</b>	<b>\$ 4,984,842</b>	<b>\$ (1,579,622)</b>	<b>-31.69%</b>
<b>Other Financing Sources (Uses)</b>									
Loan proceeds	\$ -	\$ 217,900	\$ -	\$ 110,785	\$ -	\$ 328,685	\$ 5,216,621	\$ (4,887,936)	-93.70%
Capital leases	-	96,156	-	-	-	96,156	847,000	-	-
Operating transfers in	-	5,000	403,390	-	1,000,000	1,408,390	618,332	790,058	127.77%
Operating transfers out	(5,000)	(112,700)	-	(290,690)	(1,000,000)	(1,408,390)	(703,264)	(705,126)	100.26%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,000)</b>	<b>\$ 206,356</b>	<b>\$ 403,390</b>	<b>\$ (179,905)</b>	<b>\$ -</b>	<b>\$ 424,841</b>	<b>\$ 5,978,689</b>	<b>\$ (4,803,004)</b>	<b>-80.34%</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 2,969,531</b>	<b>\$ 2,652,933</b>	<b>\$ 388,743</b>	<b>\$ (1,830,916)</b>	<b>\$ (350,230)</b>	<b>\$ 3,830,061</b>	<b>\$ 10,948,462</b>	<b>\$ (7,118,401)</b>	<b>-65.02%</b>
Fund Balance - January 1	18,865,905	18,010,491	182,928	3,350,558	4,646,133	45,056,015	35,411,809	9,644,206	27.23%
Increase (decrease) in reserved for inventories	-	110,248	-	-	-	110,248	139,445	(29,197)	-20.94%
<b>Fund Balance - December 31</b>	<b>\$ 21,835,436</b>	<b>\$ 20,773,672</b>	<b>\$ 571,671</b>	<b>\$ 1,519,642</b>	<b>\$ 4,295,903</b>	<b>\$ 48,996,324</b>	<b>\$ 46,499,716</b>	<b>\$ 2,496,608</b>	<b>5.37%</b>

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

ST. LOUIS COUNTY, MINNESOTA  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-BUDGETARY BASIS  
 GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES**  
 YEAR ENDED DECEMBER 31, 1998

	General Fund			Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>									
Taxes	\$ 30,528,978	\$ 31,066,629	\$ 537,651	\$ 37,434,078	\$ 36,120,912	\$ (1,313,166)	\$ 1,994,945	\$ 1,964,847	\$ (30,098)
Licenses and permits	113,470	136,198	22,728	17,000	19,319	2,319	-	-	-
Intergovernmental	15,878,519	14,937,947	(940,572)	73,935,232	65,936,845	(7,998,387)	308,673	308,673	-
Charges for services	5,887,762	5,973,788	86,026	1,599,611	2,091,206	491,595	-	-	-
Fines and forfeits	1,086,637	1,304,540	217,903	-	-	-	-	-	-
Earnings on investments	2,718,001	3,571,560	853,559	-	3,579	3,579	-	-	-
Gifts and contributions	66,849	27,318	(39,531)	-	-	-	-	-	-
Miscellaneous	543,231	1,735,025	1,191,794	1,208,840	1,134,417	(74,423)	-	-	-
<b>Total Revenues</b>	<b>\$ 56,823,447</b>	<b>\$ 58,753,005</b>	<b>\$ 1,929,558</b>	<b>\$ 114,194,761</b>	<b>\$ 105,306,278</b>	<b>\$ (8,888,483)</b>	<b>\$ 2,303,618</b>	<b>\$ 2,273,520</b>	<b>\$ (30,098)</b>
<b>Expenditures</b>									
General government	\$ 23,396,607	\$ 22,619,699	\$ 776,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	25,156,286	24,549,367	606,919	-	-	-	-	-	-
Highways and streets	-	-	-	41,968,273	38,153,510	3,814,763	-	-	-
Health	6,755,022	5,866,369	888,653	-	-	-	-	-	-
Sanitation	-	-	-	250,000	-	250,000	-	-	-
Welfare	1,979,889	945,845	1,034,044	65,150,059	61,791,629	3,358,430	-	-	-
Culture and recreation	876,556	865,786	10,770	-	-	-	-	-	-
Conservation of natural resources	876,457	810,885	65,572	-	-	-	-	-	-
Economic development	20,000	20,000	-	7,894,619	3,642,411	4,252,208	-	-	-
Debt service	-	-	-	-	-	-	2,288,167	2,288,167	-
<b>Total Expenditures</b>	<b>\$ 59,060,817</b>	<b>\$ 55,677,951</b>	<b>\$ 3,382,866</b>	<b>\$ 115,262,951</b>	<b>\$ 103,587,550</b>	<b>\$ 11,675,401</b>	<b>\$ 2,288,167</b>	<b>\$ 2,288,167</b>	<b>\$ -</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (2,237,370)</b>	<b>\$ 3,075,054</b>	<b>\$ 5,312,424</b>	<b>\$ (1,068,190)</b>	<b>\$ 1,718,728</b>	<b>\$ 2,786,918</b>	<b>\$ 15,451</b>	<b>\$ (14,647)</b>	<b>\$ (30,098)</b>
<b>Other Financing Sources (Uses)</b>									
Loan proceeds	\$ -	\$ -	\$ -	\$ 250,000	\$ 217,900	\$ (32,100)	\$ -	\$ -	\$ -
Capital Leases	-	-	-	-	96,156	96,156	-	-	-
Operating transfers in	-	-	-	-	5,000	5,000	112,700	403,390	290,690
Operating transfers out	(5,000)	(5,000)	-	(112,700)	(112,700)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,000)</b>	<b>\$ (5,000)</b>	<b>\$ -</b>	<b>\$ 137,300</b>	<b>\$ 206,356</b>	<b>\$ 69,056</b>	<b>\$ 112,700</b>	<b>\$ 403,390</b>	<b>\$ 290,690</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (2,242,370)</b>	<b>\$ 3,070,054</b>	<b>\$ 5,312,424</b>	<b>\$ (930,890)</b>	<b>\$ 1,925,084</b>	<b>\$ 2,855,974</b>	<b>\$ 128,151</b>	<b>\$ 388,743</b>	<b>\$ 260,592</b>
Adjustments-Note 1	-	(100,523)	(100,523)	-	727,849	727,849	-	-	-
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses as Adjusted</b>	<b>\$ (2,242,370)</b>	<b>\$ 2,969,531</b>	<b>\$ 5,211,901</b>	<b>\$ (930,890)</b>	<b>\$ 2,652,933</b>	<b>\$ 3,583,823</b>	<b>\$ 128,151</b>	<b>\$ 388,743</b>	<b>\$ 260,592</b>
Fund Balance - January 1	18,865,905	18,865,905	-	18,010,491	18,010,491	-	182,928	182,928	-
Increase (decrease) in reserved for inventories	-	-	-	-	110,248	110,248	-	-	-
<b>Fund Balance - December 31</b>	<b>\$ 16,623,535</b>	<b>\$ 21,835,436</b>	<b>\$ 5,211,901</b>	<b>\$ 17,079,601</b>	<b>\$ 20,773,672</b>	<b>\$ 3,694,071</b>	<b>\$ 311,079</b>	<b>\$ 571,671</b>	<b>\$ 260,592</b>

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

ST. LOUIS COUNTY, MINNESOTA  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**ALL PROPRIETARY TYPE FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	Enterprise	Internal Service	Total (Memorandum Only)	Total -- Memorandum Only		
				1997	Dollar Increase (Decrease)	Percent Increase (Decrease)
<b>Operating Revenues</b>						
Charges for services	\$ 23,808,766	\$ 23,672,702	\$ 47,481,468	\$ 45,007,916	\$ 2,473,552	5.50%
Licenses and permits	2,150	-	2,150	2,800	(650)	0.00%
Other	484,733	923,081	1,407,814	2,070,630	(662,816)	-32.01%
<b>Total Operating Revenues</b>	<b>\$ 24,295,649</b>	<b>\$ 24,595,783</b>	<b>\$ 48,891,432</b>	<b>\$ 47,081,346</b>	<b>\$ 1,810,086</b>	<b>3.84%</b>
<b>Operating Expenses</b>						
Personal services	\$ 13,455,735	\$ 4,476,310	\$ 17,932,045	\$ 18,321,539	\$ (389,494)	-2.13%
Contractual services	7,949,028	21,778,812	29,727,840	24,916,118	4,811,722	19.31%
Materials	1,795,448	1,391,663	3,187,111	3,435,660	(248,549)	-7.23%
Depreciation	992,121	1,010,012	2,002,133	1,605,839	396,294	24.68%
<b>Total Operating Expenses</b>	<b>\$ 24,192,332</b>	<b>\$ 28,656,797</b>	<b>\$ 52,849,129</b>	<b>\$ 48,279,156</b>	<b>\$ 4,569,973</b>	<b>9.47%</b>
<b>Operating Income (Loss)</b>	<b>\$ 103,317</b>	<b>\$ (4,061,014)</b>	<b>\$ (3,957,697)</b>	<b>\$ (1,197,810)</b>	<b>\$ (2,759,887)</b>	
<b>Nonoperating Revenues (Expenses)</b>						
Taxes	\$ 1,525,756	\$ -	\$ 1,525,756	\$ 1,528,331	\$ (2,575)	-0.17%
Grants	588,093	-	588,093	558,497	29,596	5.30%
Earnings on investments	971,992	975,916	1,947,908	1,733,033	214,875	12.40%
Interest expense	(322,371)	-	(322,371)	(557,789)	235,418	-42.21%
Amortization of bond discount	(15,389)	-	(15,389)	(50,872)	35,483	-69.75%
Loss or gain on asset disposal	-	(37,951)	(37,951)	-	-	
Disposition of fixed assets	-	15,842	15,842	20,705	(4,863)	-23.49%
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 2,748,081</b>	<b>\$ 953,807</b>	<b>\$ 3,701,888</b>	<b>\$ 3,231,905</b>	<b>\$ 507,934</b>	<b>15.72%</b>
<b>Net Income (Loss)</b>	<b>\$ 2,851,398</b>	<b>\$ (3,107,207)</b>	<b>\$ (255,809)-</b>	<b>\$ 2,034,095</b>		
Retained Earnings - January 1 - Restated	17,254,125	14,055,453	31,309,578	28,866,595	2,442,983	8.46%
<b>Retained Earnings - December 31</b>	<b>\$ 20,105,523</b>	<b>\$ 10,948,246</b>	<b>\$ 31,053,769</b>	<b>\$ 30,900,690</b>	<b>\$ 153,079</b>	<b>0.50%</b>

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, 1998

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
<b>Cash Flows From Operating Activities</b>			
Operating Income (Loss)	\$ 103,317	\$ (4,061,014)	\$ (3,957,697)
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities</b>			
Depreciation	992,121	1,010,012	2,002,133
Changes in Assets and Liabilities			
(Increase) Decrease in accounts receivable	(137,975)	(179,127)	(317,102)
(Increase) Decrease in loans receivable	20,929	-	20,929
(Increase) Decrease in due from other governments	143,048	16,028	159,076
(Increase) Decrease in inventories	34,909	1,697	36,606
(Increase) Decrease in prepaid items	-	(12,861)	(12,861)
Increase (Decrease) in accounts payable	(132,062)	3,988	(128,074)
Increase (Decrease) in salaries payable	6,660	47,685	54,345
Increase (Decrease) in compensated absences payable	(292,659)	15,962	(276,697)
Increase (Decrease) in claims payable	-	2,222,903	2,222,903
Increase (Decrease) in closure and post-closure liabilities	156,347	-	156,347
Increase (Decrease) in due to other funds	5,736	-	5,736
Increase (Decrease) in due to other governments	8,399	122,761	131,160
Increase (Decrease) in deferred revenue	(52,191)	123,963	71,772
Increase (Decrease) in customer deposits	850	-	850
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 857,429</u>	<u>\$ (688,003)</u>	<u>\$ 169,426</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Proceeds from taxes	\$ 1,543,631	\$ -	\$ 1,543,631
Proceeds from grants	558,182	-	558,182
Proceeds from interfund loan	28,646	-	28,646
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>\$ 2,130,459</u>	<u>\$ -</u>	<u>\$ 2,130,459</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition of capital assets	\$ (350,101)	\$ (997,729)	\$ (1,347,830)
Principal paid on bonds	(1,225,000)	-	(1,225,000)
Interest paid on bonds	(326,830)	-	(326,830)
Payments of capital leases	-	(11,873)	(11,873)
Proceeds from sale of fixed assets	-	19,056	19,056
Disposal of capital assets	490	-	490
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<u>\$ (1,901,441)</u>	<u>\$ (990,546)</u>	<u>\$ (2,891,987)</u>
<b>Cash Flows From Investing Activities</b>			
Purchase of investments	\$ (20,736,997)	\$ (24,268,320)	\$ (45,005,317)
Sale of investments	18,166,707	26,735,229	44,901,936
Earnings on investments	904,267	783,973	1,688,240
<b>Net Cash Provided by Investing Activities</b>	<u>\$ (1,666,023)</u>	<u>\$ 3,250,882</u>	<u>\$ 1,584,859</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ (579,576)</u>	<u>\$ 1,572,333</u>	<u>\$ 992,757</u>
Cash and Cash Equivalents - January 1	<u>1,787,974</u>	<u>6,339,716</u>	<u>8,127,690</u>
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 1,208,398</u>	<u>\$ 7,912,049</u>	<u>\$ 9,120,447</u>

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

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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## **Note 1. Summary of Significant Accounting Policies**

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

### **A. Financial Reporting Entity**

St. Louis County was established March 1, 1856 as an organized county having powers, duties, and privileges granted counties by Minn. Stat. Ch. 373 (1998). The County is governed by a seven-member Board of Commissioners elected from districts within the County. A County Administrator is appointed by the County Board. The board is organized with a chair and vice-chair elected at the annual meeting in January of each year. The County Auditor, elected on a county-wide basis, serves as the Clerk of the Board of Commissioners but has no voting privileges.

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

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

The St. Louis County Housing and Redevelopment Authority is headed by a Board 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.

**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

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

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

#### **Fiduciary Funds**

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

#### **Account Groups**

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

**General Long-Term Debt Account Group** - The General Long-Term Debt Account Group is used to account for the County's long-term debt

that is backed by the County's full faith and credit, other than that accounted for in the proprietary funds.

#### **C. Measurement Focus**

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

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

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

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

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

*St. Louis County, Minnesota*  
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the governmental funds.

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

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

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

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

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

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

Building and structures	50 years
Improvements other than buildings	10 - 20 years
Machinery and equipment	5 - 20 years
Vehicles	5 - 7 years

**D. Basis of Accounting**

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

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

Ad valorem property tax revenue is recognized in compliance with 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,

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

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

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

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

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

## **E. Budgetary Data**

### **General Budget Policies**

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

The County is also required to adopt a budget for the Capital Projects Funds. An appropriation for expenditures from the capital project funds continues in force until the purpose for which it was made has been accomplished or abandoned. The purpose of a capital expenditure appropriation is abandoned if three years pass without a disbursement from or encumbrance of the appropriation or at the discretion of the County Administrator. These budget periods are not consistent with the method of financial reporting; therefore, comparisons between the results of operations and budgets in these funds are not relevant and are not presented.

The County Board has established the legal level of control for County departments to be

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

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

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

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**Notes to the Financial Statements**  
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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 an increase in budgeted County funds of \$11,194,254.

**Procedure for Preparing the Annual Budget**

1. Early each year, the County Administrator meets with budget staff to discuss preparations for next year's budget.

A basic budget strategy is developed at that time, based on guidelines and policies established by the County Board.

2. Budget request forms are sent out to each department. Included is a memo from the County Administrator highlighting basic guidelines for preparing budget requests.
3. All departments submit preliminary estimates of their requested appropriations and anticipated revenues by the end of May. These figures are used to determine the amount of tax levy that would be required to meet departmental requests, and the amount of budget adjustments that the County Administrator will need to make during the preliminary budget hearings in order to meet goals established by the County Board.
4. Preliminary budget hearings are held by the County Administrator with each department. These hearings begin about mid-June and last until about mid-July.
5. The County Administrator's recommended budget is given to the County Board prior to September 15. The County Board will certify

by resolution to the County Auditor a maximum proposed property tax levy by September 15th, which will be used to comply with the Truth-in-Taxation provisions of state law.

6. The County Board holds formal public hearings on the proposed budget, and adopts by resolution the final budget and tax levy on or before December 28.

**Encumbrances**

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

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**Notes to the Financial Statements**  
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**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 12-31-98	Expenditures in 1998 from 1997 Encumbrances	Total Exhibit III Adjustment	Exhibit III Expenditures	Exhibit II Expenditures
General Fund	(212,756)	313,279	100,523	55,677,951	55,778,474
Special Revenue					
Road and Bridge	(1,284,729)	531,966	(752,763)	38,153,510	37,400,747
Social Services	(43,037)	67,951	24,914	61,791,629	61,816,543
Babbitt Facility	-	-	-	-	-
Housing and Redevelopment Authority	-	-	-	92,029	92,029
Community Development Block Grant	-	-	-	2,841,701	2,841,701
Northeast Minnesota Housing Consortium	-	-	-	708,681	708,681
Septic Loan	-	-	-	-	-
Total Special Revenue Fund	(1,327,766)	599,917	(727,849)	103,587,550	102,859,701

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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**F. Accounting Changes**

**Fund Restatements**

The following is the adjustment to retained earnings at January 1, 1998, resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 31, which requires investments be stated at fair value. It was impractical to restate beginning equity of other funds with investments because amounts were extremely insignificant.

	(Amounts in Dollars)		
	Retained Earnings January 1, 1998 As Previously Reported	Cumulative Effect of the Change in Accounting Principle	Retained Earnings January 1, 1998 As Restated
Internal Service Fund			
Community Food	438,065		438,065
Laundry	(7,008)		(7,008)
Supervised Living Facilities	39,866		39,866
Printing	468,268		468,268
County Garage	(60,022)		(60,022)
Property, Casualty, Liability Insurance	3,588,093	(7,467)	3,580,626
Workers' Compensation Insurance	3,304,697	33,003	3,337,700
Medical/Dental Insurance	4,438,718	8,146	4,446,864
Management Information Systems	1,051,480		1,051,480
Telecommunications	759,614		759,614
<b>Total Internal Service   Funds</b>	<b>14,021,771</b>	<b>33,682</b>	<b>14,055,453</b>

statements of this report with those of prior reports.

**Account Reclassifications**

Several account balances were reclassified as of and for the year ended December 31, 1997, 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, 1998. Although comparative statements for 1997 are not presented here, these reclassifications must be considered when comparing the financial

**G. Assets, Liabilities, and Equity Accounts**

**Assets**

**Cash and Cash Equivalents**

Available cash balances from all funds are pooled and invested in accordance with Minnesota State Statutes. Cash balances and pooled investments are at fair value,

except for money market investments, which are

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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at amortized cost. Money market investments are short-term ( a remaining maturity at the time of purchase of one year or less), highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Pursuant to Minn. Stat. § 385.07, investment earnings on cash balances and pooled investments are credited to the General Fund. Pooled investment earnings for 1998 were \$3,567,837. Each fund's share of the pool is shown on the financial statements as "Cash and Cash Equivalents." For proprietary fund-type statement of cash flows, all change funds and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, are considered to be cash equivalents.

### **Property Taxes**

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

The tax levy is spread on all taxable property based on the value of the property on the assessment date. At the time the taxes are spread they become a lien on the property as of the assessment date, although they do not become due and payable until the subsequent January 1. For the most part, taxpayers are allowed to pay the taxes in two equal installments on or before May 15 and October 15 without penalty. Revenues are accrued and recognized in the year collectable, net of delinquencies. Taxes which remain unpaid at December 31 are delinquent. Collections within 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

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vacation, vested sick leave, and unvested sick leave likely to become vested, are recognized in the General Long-Term Debt Account Group. The sick leave amounts which are necessary for insurance coverage for those employees who have retired to-date are reported as reservations of fund balance; i.e., reserved for health and welfare, in the appropriate funds. Fund balance in the governmental funds is designated for a portion of the funds' vested sick leave liability. Unvested sick leave of \$9,429,001 at December 31, 1998, is available to employees in the event of illness-related absences and is not reported in the financial statements.

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

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date. The \$735,527 for the open area reported on the Solid Waste Management Enterprise Fund Balance Sheet as landfill closure and postclosure liability at December 31, 1998 represents the following:

Postclosure liability	\$265,899
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This is the liability for postclosure costs for the Regional Landfill. It is based on the use of 57.91% of the existing open area.

Closure liability	\$469,628
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This is the liability for closure costs for the Regional Landfill. It is based on the use of 57.91% of the existing open area.

The County will recognize the remaining \$534,626 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 1998. 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, 1998 restricted assets of \$1,589,822 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

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

Retained Earnings accounts are subdivided:

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

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

Fund Balance accounts are subdivided:

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

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

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

**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, 1998; the auditor's reports on compliance and internal accounting control will be issued separately.

**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.

*St. Louis County, Minnesota*  
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**Note 2. Stewardship, Compliance and Accountability**

**Deficit Fund Balance/Retained Earnings**

The following funds had deficit fund balance/retained earnings at December 31, 1998:

Hibbing Public Works Bond Debt Service Fund	\$	1,112
County Garage Internal Service Fund		39,413

The County expects that future income will eliminate the deficit fund balance/retained earnings in these funds.

**Note 3. Detailed Notes on all Funds and Account Groups**

**A. Assets**

**Deposits**

Minn. Stat. § 118.003 (1998) authorizes the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. At December 31, 1998, County deposits totaled \$31,067,330, of which \$1,856,881 were cash deposits and \$29,210,449 was invested in certificates of deposit.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1998:

	(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	7,830,038	7,337,224
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	23,732,881	23,730,106
Uncollateralized	-	-
Total Deposits	31,562,919	31,067,330

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

Minn. Stat. Ch. 118A (1998) authorizes the following:

Safekeeping Options and Requirements:

Investments may be held in safekeeping with:

1. any federal reserve bank;
2. any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to, the bank from which the investment is purchased;
3. a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
4. a securities broker-dealer having its principal executive office in Minnesota, licensed under Chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission; provided that the government entity's ownership of all securities is evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

Type of securities available to the County for investment:

1. governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress;
2. any security which is (a) a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, (b) a revenue obligation of any state or local government with taxing powers which is rated "AA" or

better by a national bond rating service, or (c) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency;

3. commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less;
4. time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks;
5. repurchase agreements consisting of collateral allowable in section 118A.04 and reverse repurchase agreements with (a) a financial institution qualified as a "depository" of public funds of the government entity, (b) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000, (c) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or (d) a securities broker-dealer licensed pursuant to Chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.
6. agreements or contracts for (a) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in subdivision 2 and section 118A.04, (b) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in this section and section 118A.04; (c) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating

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categories for money market funds by at least one nationally recognized statistical rating organization; or (d) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months;

7. agreements or contracts for guaranteed investment contracts if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries with the credit quality of the issuer's or guarantor's short and long term unsecured debt rated in one of the two highest categories by a nationally recognized rating agency, and with the provision that should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.
8. general obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

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.

Funds held in a debt service fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold by the governmental entity at any time, but the money so received remains part of the fund until used for the

*St. Louis County, Minnesota*  
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Following is a summary of the County's securities, categorized into the aforementioned levels of risk, at December 31, 1998.

(Amounts in Dollars)				
	(1)	Category (2)	(3)	Carrying Amount
Investments				
U.S. Government securities	-	46,585,113	271,000	46,856,113
Bankers Acceptances	-	9,441,189	-	9,441,189
Commercial Paper	-	3,069,891	-	3,069,891
Add:				
Minnesota Association of Governments Investing for Counties (Magic) Fund				25,693,208
Deposits				30,889,236
Cash on hand				692,981
Total				116,642,618

Detail as shown on Combined Balance Sheet:

Current Assets:	
Cash and cash equivalents	64,696,650
Assets held by escrow agent	271,000
Investments	49,974,849
Restricted assets:	
Debt Service:	
Cash and cash equivalents	124,988
Financial Assurance:	
Investments	1,575,131
Total	116,642,618

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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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	22,314,893	
Special Revenue Funds		
Road & Bridge	10,093,648	
Social Services	6,925,042	
Babbitt Facility	254,653	
Housing and Redevelopment Authority	601,297	
Community Development Block Grant		(62,223)
Northeast Minnesota Housing Consortium		(10,401)
Septic Loan	114,146	
Debt Service Funds		
Babbitt Facility Refunding	125,079	
Jail Bond	49,413	
AJC Construction Bond	2,402	
Law Enforcement Bond	355,559	
Hibbing Public Works Bond		(2,528)
Capital Projects Funds	1,758,010	
Enterprise Funds		
Chris Jensen	332,490	
Nopeming	3,991	(28,646)
Solid Waste Management	871,917	
Internal Service Funds	7,912,049	
Trust and Agency Funds	13,210,847	
Total Equity	64,925,436	
Less: Advances	(103,798)	
Total	64,821,638	(103,798)

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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**Loans Receivable**

The long-term loan receivable from the St. Louis County Heritage and Arts Center is \$495,084 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 1998. The repayment schedule calls for \$15,000 annual payments.

The long-term loan receivable from the Duluth Lighthouse for the Blind is \$8,121 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 \$31,564 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 \$81,713 plus accrued interest of \$1,362 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. The final balloon due August 1, 1998 was not received. Instead, the normal semi-annual payment was received with a request to restructure the loan in terms of an extension for five or more years on the same basis. 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 \$90,425 plus accrued interest of \$1,507 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. The final balloon due August 1, 1998 was not received. Instead, the normal semi-annual payment was received with a request to restructure the loan in terms of an extension for five or more years on the same basis. The repayment to the County will be used for economic development.

The long-term loan receivable from Pitman Engineering and Manufacturing Company

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**Notes to the Financial Statements**  
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(PEMCO) is \$122,947 plus accrued interest of \$307 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 1998. 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 1998. 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 \$54,740. 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 1998.

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

Loans made during year	\$101,300
Number of loans made	16
Payments made on loans	8,055
Loans outstanding at December 31, 1998	93,245
Loan amounts past due	-

*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, 1998:

	(Amounts in Dollars)			
	Federal	State	Local - Other	Total
General Fund	330,132	396,610	113,352	840,094
Special Revenue Funds				
Road and Bridge	-	5,374,405	315,360	5,689,765
Social Services	1,893,747	3,433,360	6,624	5,333,731
Community Development Block Grant	335,279	-	-	335,279
Northeast Minnesota Housing Consortium	145,322	-	-	145,322
Septic Loan	-	10,900	-	10,900
Total Special Revenue Funds	2,374,348	8,818,665	321,984	11,514,997
Enterprise Funds				
Solid Waste Management	-	-	37,353	37,353
Internal Service Funds				
Community Foods	-	-	10,776	10,776
Printing	-	-	4,395	4,395
County Garage	-	-	1,438	1,438
Workers' Compensation Fund	-	17,324	-	17,324
Medical/Dental Insurance	-	810	-	810
Total Internal Service Funds	-	18,134	16,609	34,743
Agency Funds				
State of Minnesota	-	26,168	-	26,168
Arrowhead Regional Corrections	-	462,193	100,562	562,755
Community Health Services	134,683	145,110	-	279,793
Regional Railroad Authority	48,147	735,975	568	784,690
Northern Counties Land Use Board	-	-	130	130
Total Agency Funds	182,830	1,369,446	101,260	1,653,536
Total	2,887,310	10,602,855	590,558	14,080,723

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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**Proprietary Fund Fixed Assets**

A summary of proprietary fund fixed assets at December 31, 1998, is:

	(Amounts in Dollars)	
	Enterprise	Internal Service
Land	472,576	25,500
Buildings and Structures	12,398,114	1,809,384
Improvements other than buildings	5,879,263	-
Machinery and equipment	2,561,908	7,667,512
Linens	54,467	157,011
Vehicles	316,164	1,614,893
Total	21,682,492	11,274,300
Less accumulated depreciation	<u>(7,907,491)</u>	<u>(7,264,791)</u>
Net Fixed Assets	<u><u>13,775,001</u></u>	<u><u>4,009,509</u></u>

**Summary of Changes in General Fixed Assets**

	(Amounts in Dollars)				
	Balance 1-1-98	Additions	Retirements	Assets Reclassified	Balance 12-31-98
Land	1,190,040	275,000	-	-	1,465,040
Buildings and structures	52,893,673	117,595	(522,186)	6,469,472	58,958,554
Machinery and equipment	13,689,075	880,853	(243,812)	24,514	14,350,630
Vehicles	35,475,242	2,347,276	(1,329,779)	-	36,492,739
Construction-in-progress	4,308,244	2,733,011	(531,621)	(6,493,986)	15,648
Total	<u><u>107,556,274</u></u>	<u><u>6,353,735</u></u>	<u><u>(2,627,398)</u></u>	<u><u>-</u></u>	<u><u>111,282,611</u></u>

*St. Louis County, Minnesota*  
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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)				
	<u>Taxes</u>	<u>Aids and Grants</u>	<u>Accounts Receivable</u>	<u>Long-Term Receivables</u>	<u>Total</u>
General Fund	1,412,324	427,526	-	346,345	2,186,195
Special Revenue Funds					
Road and Bridge	852,249	2,933,375		21,862	3,807,486
Social Services	1,250,895	668,104	-	-	1,918,999
County Housing and Redevelopment Authority					
	<u>10,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,949</u>
Total Special Revenue Funds	<u>2,114,093</u>	<u>3,601,479</u>	<u>-</u>	<u>21,862</u>	<u>5,737,434</u>
Debt Service Funds					
Babbitt Facility Refunding	1,793	-	-	-	1,793
Jail Bond	74,502	-	-	-	74,502
AJC Construction Bond	5,449	-	-	-	5,449
Law Enforcement Bond	16,807	-	-	-	16,807
Hibbing Public Works Bond	2,881	-	-	-	2,881
Total Debt Service Funds	<u>101,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,432</u>
Capital Projects Fund					
Buildings	56,154	-	-	-	56,154
Enterprise Funds					
Chris Jensen	4,245	17,661	58,290	-	80,196
Nopeming	2,516	14,993	18,467	-	35,976
Solid Waste Management	78,990	2,875	-	-	81,865
Total Enterprise Funds	<u>85,751</u>	<u>35,529</u>	<u>76,757</u>	<u>-</u>	<u>198,037</u>
Internal Service Funds					
Community Food	-	1,454	-	-	1,454
Laundry	-	1,630	-	-	1,630
Supervised Living Facilities	-	1,115	-	-	1,115
Printing	-	413	-	-	413
County Garage	-	914	-	-	914
Medical / Dental Insurance	-	-	398,765	-	398,765
Management Information Systems	-	5,509	-	-	5,509
Telecommunications	-	542	-	-	542
Total Internal Service Funds	<u>-</u>	<u>11,577</u>	<u>398,765</u>	<u>-</u>	<u>410,342</u>
Trust Funds					
Forfeited Tax Sale	-	6,698	-	8,491,507	8,498,205
Forest Resources	-	76,109	-	-	76,109
Total Trust Funds	<u>-</u>	<u>82,807</u>	<u>-</u>	<u>8,491,507</u>	<u>8,574,314</u>
Total All Funds	<u><u>3,769,754</u></u>	<u><u>4,158,918</u></u>	<u><u>475,522</u></u>	<u><u>8,859,714</u></u>	<u><u>17,263,908</u></u>

*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, 1998:

	(Amounts in Dollars)		
	Bonds Payable		
	Nopeming Enterprise Fund	Solid Waste Management Enterprise Fund	Total
Payable, January 1	79,317	6,692,697	6,772,014
Payment on Principal	(40,000)	(1,185,000)	(1,225,000)
Amortization of discount	358	15,031	15,389
Payable, December 31	39,675	5,522,728	5,562,403

(Amounts in Dollars)

Bonds payable at December 31, 1998, consist of the following issues:

\$305,000 1989 General Obligation New Money Issue bonds due in annual installments of \$20,000 to \$40,000 on December 1, 1990 through 1999; interest at 6.4 to 6.8 percent (at December 31, 1998 the bond issue is net of unamortized bond discount of \$325). This bond was issued to fund capital improvements at Nopeming Nursing Home. 39,675

\$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, 1998 the bond issue is net of the unamortized bond discount of \$8,680). This bond was issued to finance landfill closures and transfer stations construction. 746,320

\$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, 1998 the bonds issue is net of the unamortized bond discount of \$38,553). This bond was issued to finance the construction of a regional landfill. 2,251,447

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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, 1998 the bond issue is net of the unamortized bond discount of \$35,039). The original bonds were issued to finance landfill closures and transfer station construction and to construct transfer stations, respectively.

2,524,961

The annual requirements to service the debt outstanding as of December 31, 1998, including interest of \$974,625 and unamortized discounts of \$82,597 on the bonds, are as follows:

<u>Year Ended December 31</u>	<u>Bonds Payable</u>
1999	\$ 1,193,320
2000	1,156,413
2001	1,158,567
2002	1,162,460
2003	1,172,255
2004 - 2005	<u>776,610</u>
	<u><u>\$ 6,619,625</u></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, 1998. 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 1-1-98	Additions	Deletions	Balance 12-31-98
General Obligation Bonds	2,340,000	-	90,000	2,250,000
General Obligation Revenue Notes	-	217,900	-	217,900
Tax Lease Obligations	17,515,000	-	1,115,000	16,400,000
<b>Total Bonded Debt</b>	<b>19,855,000</b>	<b>217,900</b>	<b>1,205,000</b>	<b>18,867,900</b>
Loans Payable	11,811	-	3,937	7,874
Compensated Absences	23,646,635	2,373,290	-	26,019,925
Capital Leases	3,705,034	96,156	427,094	3,374,096
<b>Total General Long-Term Debt</b>	<b>47,218,480</b>	<b>2,687,346</b>	<b>1,636,031</b>	<b>48,269,795</b>

(Amounts in Dollars)

General obligation bonds payable at December 31, 1998 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. 770,000

\$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. 1,480,000

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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(Amounts in Dollars)

General obligation revenue notes payable at December 31, 1998 consists of the following issues:

\$50,000 1998 General Obligation Revenue Note Payable to the Minnesota Department of Agriculture (Department) to provide the initial funds for the septic system improvement loan program under the Agricultural Best Management Loan Program. The terms require repayment to the Department after ten years an amount equal to the principal repaid by the individual borrowers plus interest on idle funds. After year ten, principal amounts plus interest on idle funds must be repaid semi-annually. 17,900

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

Tax lease obligations payable at December 31, 1998 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. 11,375,000

\$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. 5,025,000

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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The annual requirements to service the bonded debt outstanding as of December 31, 1998 including interest of \$6,338,795 are as follows:

(Amounts in Dollars)

Year Ended December 31	General Obligation Bonds	General Obligation Revenue Notes	Tax Lease Obligations	Total Debt Service
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	281,195		1,957,717	2,238,912
2004 - 2012	1,974,945	217,900	11,920,192	14,113,037
	<u>3,300,710</u>	<u>217,900</u>	<u>21,688,085</u>	<u>25,206,695</u>

(Amounts in Dollars)

Loans payable at December 31, 1998 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.

7,874

The annual requirements to service loans payable as of December 31, 1998 including interest of \$945 for the loans are as follows:

(Amounts in Dollars)

Year Ended December 31	Loans Payable
1999	4,567
2000	4,252
	<u>8,819</u>

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 1998, 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	24,430,303	100.00	24,430,303
Overlapping Debt			
School Districts	14,600,847	53.84	7,861,783
Arrowhead Regional Development Commission	700,000	40.87	286,090
Western Lake Superior Sanitary District	34,654,969	83.04	28,777,486
Underlying Debt			
Cities	92,816,264	100.00	92,816,264
School Districts	70,959,674	100.00	70,959,674
Towns	1,377,054	100.00	1,377,054
Virginia Housing & Redevelopment Authority	1,760,000	100.00	1,760,000
Total	241,299,111		228,268,654

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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**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 1998:

Type of Property	Amount
Rental of office space and parking facilities	\$ 1,382,019
Data processing software	468,831
Vehicles	9,251
	\$ 1,860,101
Total rental expense	\$ 1,860,101

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1998:

Year Ended	Amount
1999	\$1,980,461
2000	1,982,547
2001	1,983,862
2002	1,983,862
2003	1,983,862
	\$ 9,914,594
Total future minimum lease payments	\$ 9,914,594

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

**Capital Leases**

Capitalized leases of the County at December 31, 1998, consist of office equipment and office space as shown below:

Type of Property	(Amounts in Dollars)		
	General Fixed Assets	Printing Internal Service Fund	Total
Office equipment	124,083	76,551	200,634
Office space	4,371,071	-	4,371,071
Maintenance facility	1,337,796		1,337,796
Less: Accumulated depreciation	-	(62,891)	(62,891)
Carrying value	5,832,950	13,660	5,846,610

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, 1998:

December 31	(Amounts in Dollars)		
	General Long-Term Debt	Printing Internal Service Fund	Total
1999	557,273	2,607	559,880
2000	556,204	1,987	558,191
2001	556,147	1,027	557,174
2002	557,041	-	557,041
2003	561,852	-	561,852
2004 - 2012	1,220,219	-	1,220,219
Total minimum lease payments	4,008,736	5,621	4,014,357
Less: Amount representing interest	634,640	-	634,640
Present value of future minimum lease payments	3,374,096	5,621	3,379,717

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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**Construction Commitments**

At December 31, 1998, the County had no significant construction commitments.

**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 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 \$176,620 at December 31, 1998 for various cases considered reasonably possible losses to the County. This amount is not reflected in the

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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financial statements.

The Workers' Compensation Insurance Fund covers workers' compensation claims up to \$1,120,000 per single loss occurrence. At that point the County is covered for losses by the Workers' Compensation Reinsurance Association, an organization created by Minnesota statutes in 1979 to implement a mandatory program of reinsurance for workers' compensation liability risks in the State of Minnesota for losses occurring on or after October 1, 1979. The Association provides full indemnification for the County for claims arising under Minn. Stat. Chapter 176 (1998) in excess of the \$1,120,000 retention limit. The County has increased that limit to \$1,160,000 for 1999. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 1998 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.

The Medical / Dental Insurance Fund covers medical and dental expenses incurred by the County employees, dependents, and retirees, including the costs of claims management by a third party administrator and the cost of an insurance consultant. Premiums include a provision for stop-loss insurance and administrative expenses and are based on anticipated claims and available retained earnings. The County carries individual-specific stop loss insurance for claims that exceed \$200,000 per year per employee contract. All

County funds with personnel are charged for the County's share of premiums for employees and these charges are reported as quasi - external transactions. Employees contribute a share of the premiums from payroll deductions; premiums for retirees are paid for in part by other County funds and in part by the retirees themselves. The liability at year end is an actuarial calculation by the third party administrator; it includes a reasonable provision for incurred but not reported claims and is consistent with the provisions of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported 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.

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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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
Balance of claims payable at fiscal year end	124,260	3,777,332	1,615,831

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

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

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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**Retirement Plan**

**Plan Description**

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

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

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

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. For a Coordinated Plan member the annuity accrual rate is 1.2 percent of average salary for each

of the first ten years and 1.7 percent for each remaining year. Using Method 2, the annuity

accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members. For the Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 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 various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

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

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

**Funding Policy**

Minn. Stat. ch. 353 sets the rates for employer

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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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 8.75 and 4.75 percent, respectively, of their annual covered salary. Effective July 1, 1998, a group of Coordinated Plan members called correctional service employees were given an additional disability benefit. To pay for that benefit, their member rates increased to 4.96 percent and the employer rates increased to 5.49 percent. 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	11.43%
Coordinated Plan Members	5.18%
Public Employees Police and	
Fire Fund	11.40%

The County's contributions for the years ending June 30, 1998, 1997 and 1996, for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund were:

	Public Employees Retirement Fund	Public Employees Police and Fire Fund
	_____	_____
1998	\$ 3,676,118	\$ 735,651
1997	3,412,297	662,714
1996	3,299,983	669,148

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**  
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**Interfund Assets/Liabilities**

**Due From/To Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue - Social Services	\$ 12,830
Trust - Patients Escrow	Enterprise - Chris Jensen	4,202
	Nopeming	1,534
	Total	<u>\$ 18,566</u>

**Interfund Receivable/Payable**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue - Community Development Block Grant	\$ 62,223
	Northeast Minnesota Housing Consortium	10,401
	Debt Service - Hibbing Public Works Bond	2,528
	Enterprise - Nopeming	28,646
	Total	<u>\$ 103,798</u>

**Operating Transfers Between Funds**

<u>Operating Transfers Out</u>	<u>Operating Transfers In</u>	<u>Debit</u>	<u>Credit</u>
General		\$ 5,000	
	Special Revenue - Road and Bridge		\$ 5,000
Special Revenue - Babbitt Facility		112,700	
	Debt Service - Babbitt Facility Refunding		112,700
Capital Projects - Law Enforcement Centers		290,690	
	Debt Service - Law Enforcement Bond		290,690
Trust - Forest Resources		1,000,000	
	Trust - Forfeited Tax		1,000,000
	Total	<u>\$ 1,408,390</u>	<u>\$ 1,408,390</u>

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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**Fund Equity**

**Contributed Capital - Enterprise Funds**

There were no changes in the contributed capital accounts of the Enterprise Funds during the year ended December 31, 1998.

**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, 1998.

**Note 4. Segments of Enterprise Activities**

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

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

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

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

The key financial data for the year ended December 31, 1998, for these three services are:

	(Amounts in Dollars)			
	Chris Jensen	Nopeming	Solid Waste Management	Total Enterprise Funds
Operating revenues	11,582,860	8,256,284	4,456,505	24,295,649
Depreciation	145,267	173,967	672,887	992,121
Operating income (loss)	416,143	(98,181)	(214,645)	103,317
Taxes	2,392	1,442	1,521,922	1,525,756
Grants	-	-	588,093	588,093
Net income (loss)	418,535	(102,292)	2,535,155	2,851,398
Property, plant, and equipment				
Additions	59,263	142,146	148,692	350,101
Deletions	-	2,261	-	2,261
Net working capital	1,063,575	310,919	14,768,626	16,143,120
Total assets	6,018,769	3,907,282	23,562,555	33,488,606
Long-term liabilities				
payable from operating revenues	1,005,144	891,871	4,828,553	6,725,568
payable from other sources	-	-	735,527	735,527
Total equity	4,297,102	2,416,528	16,542,948	23,256,578

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**Notes to the Financial Statements**  
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**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 1997, (the most recent available), county contributions were in the following proportion:

Carlton County	8.46%
Cook County	.78%
Koochiching County	2.11%
Lake County	2.68%
St. Louis County	85.97%
	<hr/>
Total	<u>100.00%</u>

St. Louis County provided \$7,411,071 in funding during 1998. 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, 1997, (the most recent available), excluding general fixed assets of

\$8,448,690, and general long-term debt of \$2,827,825 was:

Total Assets	\$ 1,842,645
Total Liabilities	925,309
Total Fund Equity	917,336
Total Revenues	13,840,387
Total Expenditures	14,209,426
Increase (decrease) in Fund Balance	(356,712)

**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 1998.

A summary of the financial information of the Community Health Services Board for December 31, 1997, (the most recent available) excluding general fixed assets of \$16,335, and general long-term debt of \$7,140, is:

Total Assets	\$ 292,571
Total Liabilities	251,466
Total Fund Equity	41,105
Total Revenues	2,241,237
Total Expenditures	2,224,697
Increase (decrease) in Fund Balance	16,540

Separate financial information can be obtained from:

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

**Regional Railroad Authority**

The St. Louis and Lake Counties Regional Railroad Authority was established under the Regional Railroad Authorities Act, Minn. Stat. § 398A.03. It is governed by a Board composed of three members from the St. Louis County Board of Commissioners and two members from the Lake County Board of Commissioners. St. Louis County is the fiscal agent for the Railroad Authority and all of its financial transactions are recorded in the County Regional Railroad Authority Agency Fund. Financing is obtained through a tax levy, and federal, state and local grants or participation. St. Louis County provided \$41,345 in funding during 1998.

A summary of the financial information of the Regional Railroad Authority for the year ended December 31, 1997, (the most recent available) excluding general fixed assets of \$1,610,549, and general long-term debt of \$59,827, is:

Total Assets	\$ 952,440
Total Liabilities	241,972
Total Fund Equity	710,468
Total Revenues	1,076,010
Total Expenditures	983,281
Increase (decrease) in Fund Balance	395,634

Separate financial information can be obtained from:

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

**Northeast Minnesota Office of Job Training**

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, 1998, excluding general fixed assets of \$551,746 and general long-term debt of \$540,437 was:

Total Assets	\$ 891,245
Total Liabilities	282,833
Total Fund Equity	608,412
Total Revenues	4,189,481
Total Expenditures/ Expenses	4,100,344
Increase (decrease) in Fund Balance	161,201

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.

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
 December 31, 1998

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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:

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

**Minnesota Counties Information Systems**

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

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

A summary of the financial information of Minnesota Counties Information System's funds for the fiscal year ended December 31, 1997,

excluding general fixed assets of \$367,290 and general long-term debt of \$90,644 was:

Total Assets	\$ 180,523
Total Liabilities	68,586
Total Fund Equity	111,937
Total Revenues	616,709
Total Expenditures	622,888
Increase (decrease) in Fund Balance	(6,179)

Separate financial information can be obtained from:

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

**Duluth Area Family Service Collaborative**

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

Control of the Collaborative is vested in a Board of Directors. The County has one member on the Board. Financing is provided

by state and federal grants, appropriations from the Collaborative members, and miscellaneous revenues. St. Louis County provided no funding to the Collaborative during 1998. 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, 1998 is:

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
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Total Assets	\$ 901,871
Total Liabilities	54,998
Total Fund Equity	846,873
Total Revenues	957,801
Total Expenditures	464,264
Increase (decrease) in Fund Balance	493,537

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

**Northern St. Louis County Family Service Collaborative**

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

Control of the Collaborative is vested in a Board of Directors. Financing is provided by state and federal grants, appropriations from the Collaborative members, and miscellaneous revenues. St. Louis County provided no funding to the Collaborative during 1998. 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, 1998 is:

Total Assets	\$ 1,164,841
Total Liabilities	103,539
Total Fund Equity	1,061,302
Total Revenues	757,057
Total Expenditures	234,895
Increase (decrease) in Fund Balance	522,162

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

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
 December 31, 1998

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**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, 1998.

Courts	\$ 391,020
Sheriff	13,677
Social Services	
Social Welfare	1,354,752
Support and	
Collections (IV-D)	2,022
SSI Dedicated	2,365
Estate	249,409
Total	<u><u>\$ 2,013,245</u></u>

**Settlements Held By the Court for Minors**

The Court Administrator, at December 31, 1998, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$5,766,834 and are not included in the County's financial statements.

**Conduit Debt**

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

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

St. Louis County HRA as Lessor and the Township as Lessee. The Certificates mature on May 1, 1993 through May 1, 2007 and bear interest of 4.50% to 7.00%. The County has no

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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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 \$380,000.

**Financial Condition - Nopeming Nursing Home Enterprise Fund**

During 1998, Nopeming Nursing Home had an operating loss of \$98,181. The occupancy percentage for the Home dropped from 92.47% for 1997 to 82.01% for 1998. Also, the State of Minnesota Department of Health completed a survey and cited the Home for non-compliance with Federal regulations. This resulted in the denial of Medicaid and Medicare payments for any new admissions from July 5 through July 23, 1998. The original 1999 budget for Nopeming Nursing Home indicates an operating loss of \$492,597. These conditions indicate there is some doubt as to Nopeming Nursing Home's ability to continue as presently structured.

The nursing home management firm, Health Dimensions Inc., has submitted a report to the St. Louis County Board identifying various scenarios for future operation of the Home. Based on St. Louis County Board action on April 6, 1999, the home will be downsized from 192 beds to 159 beds. This will result in a new property rate and should increase revenues. It will also allow the Home to bill for bed holds and collect the private room differential.

Nopeming Nursing Home has also submitted an application to the Minnesota Department of Human Services for participation in the Alternative Payment System which is anticipated to result in increased rates. Management is also looking at decreasing operating expenses through various cost cutting measures.

**Note 7. Subsequent Events**

The County's contingent liability for the \$2,710,000 1995 State of Minnesota Duluth Airport Lease Revenue Bonds (St. Louis County Secured) Series 1995 E dated May, 1995 is described in the Contingent Liabilities section of these notes. The State of Minnesota Department of Finance has notified the County that the construction project for these bonds is now complete and there remains in the construction account approximately \$1.1 million which will be transferred to the debt service reserve for the above contingent liability of the County. This reserve will be used to make the last debt service payments on the obligation. It is uncertain whether the \$271,000 which the County has deposited with the Trustee as a debt service reserve will be returned to the County when the \$1.1 million is deposited in the reserve.

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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*St. Louis County, Minnesota*  
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*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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## **Required Supplementary Information Year 2000**

### **Year 2000 Issues:**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the County's operations as early as 1999. Many computer programs use only the last two digits to refer to a year, creating a situation where both the year 1900 and the year 2000 would be the year 00. Computer programs need to be adjusted to recognize the difference between these two years or the programs will fail or create errors.

The County's Management Information System Department (M.I.S.) Director has been working with his staff and with other County departments on Year 2000 (Y2K) issues since June of 1997. A Plan was formulated that identified, inventoried and tracked all the systems that needed to be reviewed for compliance. Letters were sent to the vendors of all purchased software and hardware, requesting information about the level of compliance of their products. June 30, 1999 is the deadline imposed by the M.I.S. Department on its goal of having completed all of the work identified in the Plan.

This information is part of a Year 2000 readiness disclosure made by the County. The County reserves its full rights under the 1998 Readiness Disclosure Act (Public Law 105-271) and any other applicable present or future law, state or federal, rule or regulation that governs the disclosure or use of this readiness disclosure information or any other information. St. Louis County makes no warranties or promises as to the accuracy or completeness of the information or whether it can be relied upon for any particular use or purpose. The County assumes no liability as a result of making this disclosure.

### **Telecommunications**

The County has been undergoing a major upgrade to its data communications systems since late 1995. This equipment is fully Year 2000 compliant and has been so certified by the vendor.

The County utilizes a variety of file and print servers which are fully Year 2000 compliant. The operating system software is fully Year 2000 compliant. The County utilizes two Internet servers and one Intranet server, which run Windows NT and are fully Year 2000 compliant.

### **Voice Communications**

Telephone switches throughout the County are linked to the County's central call recording and billing system which is Year 2000 compliant. The voice mail systems are also Year 2000 compliant.

Unaudited

*St. Louis County, Minnesota*  
**Notes to the Financial Statements**  
December 31, 1998

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**Data Center Operations**

The mainframe systems owned by the County are Year 2000 compliant and any applications which run on these systems are scheduled to be upgraded to be compliant. This work is scheduled to be completed, tested and implemented by June 30, 1999. The systems include:

GEAC Payroll System  
Elke Fleet Management System  
Arris Fueling System

The Year 2000 compliant version of Local Government Financial Systems, the County's accounting software, has been installed and is being utilized currently.

The Social Services Department has applications which were written by County programmers and represent the largest single unit of work requiring revision for Year 2000 compliance. Work is ongoing and presently waiting for a fully compliant version of the MPE operating system from Hewlett Packard, on whose minicomputer system the applications run.

**Distributed Processors and Applications**

The County has a number of decentralized and departmental processors, which have been upgraded to be Year 2000 compliant, or are scheduled to be upgraded shortly.

This includes the 911 Emergency Communications Center server, which is Year 2000 compliant currently, as well as the Computer Aided Dispatch software, which will be received from the vendor very shortly.

**Electronic Computer Workstations**

These workstations are considered minimally Year 2000 compliant, and the majority of them are connected to the County's Wide Area Network which supplies the date and time instructions when the user logs on.

**Contingency Plans**

The County's Management Information Systems Department is currently completing contingency plans which will define alternative strategies in the event of unforeseen system failures.

Unaudited



## **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, 1998

<b>Assets</b>	
Cash and cash equivalents	\$ 22,211,095
Assets held by escrow agent	271,000
Receivables	
Taxes	
Unapportioned	607,561
Delinquent	1,642,237
Accounts	28,532
Accrued interest	319,238
Loans	933,361
Due from other funds	12,830
Interfund receivable	103,798
Due from other governments	840,094
	<hr/>
<b>Total Assets</b>	<b>\$ 26,969,746</b>
	<hr/>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 865,289
Salaries payable	1,586,445
Compensated absences payable	330,204
Due to other governments	166,177
Deferred revenue	2,186,195
	<hr/>
<b>Total Liabilities</b>	<b>\$ 5,134,310</b>
	<hr/>
<b>Fund Balance</b>	
Reserved for change funds	\$ 22,455
Reserved for noncurrent loans	495,084
Reserved for economic development	383,787
Reserved for encumbrances	212,756
Reserved for health and welfare	1,155,911
Reserved for law library	20,854
Reserved for recorder's equipment	27,909
Reserved for debt service	271,000
Reserved for communications	281,760
Reserved for Extension Service	46,081
Unreserved	
Designated for parking	59,671
Designated for truth in taxation	48,642
Designated for vested sick leave	899,531
Designated for Hibbing Fairgrounds	1,000,000
Designated for cash flow	13,917,050
Undesignated	2,992,945
	<hr/>
<b>Total Fund Balance</b>	<b>\$ 21,835,436</b>
	<hr/>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 26,969,746</b>
	<hr/>

ST. LOUIS COUNTY, MINNESOTA  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
 YEAR ENDED DECEMBER 31, 1998

<b>Revenues</b>	
Taxes	\$ 31,066,629
Licenses and permits	136,198
Intergovernmental	14,937,947
Charges for services	5,973,788
Fines and forfeits	1,304,540
Earnings on investments	3,571,560
Gifts and contributions	27,318
Miscellaneous	1,735,025
<b>Total Revenues</b>	<b>\$ 58,753,005</b>
<b>Expenditures</b>	
<b>Current</b>	
General government	\$ 22,286,171
Public safety	16,685,479
Health	5,586,413
Welfare	940,614
Culture and recreation	865,786
Conservation of natural resources	776,181
Economic development	20,000
<b>Total Current</b>	<b>\$ 47,160,644</b>
<b>Capital outlay</b>	
General government	\$ 387,769
Public safety	679,065
Health	1,980
Conservation of natural resources	17,519
<b>Total Capital Outlay</b>	<b>\$ 1,086,333</b>
<b>Debt service</b>	
Principal	\$ 98,625
Interest and fiscal charges	21,801
<b>Total Debt Service</b>	<b>\$ 120,426</b>
<b>Intergovernmental</b>	
Public safety	\$ 7,411,071
<b>Total Expenditures</b>	<b>\$ 55,778,474</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 2,974,531</b>
<b>Other Financing Sources (Uses)</b>	
Operating transfers out	\$ (5,000)
<b>Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 2,969,531</b>
Fund Balance - January 1	18,865,905
<b>Fund Balance - December 31</b>	<b>\$ 21,835,436</b>

ST. LOUIS COUNTY, MINNESOTA  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**  
**GENERAL FUND**  
 YEAR ENDED DECEMBER 31, 1998

	Original Budget	Final Budget	Actual		Variance Favorable (Unfavorable)
			Current Expenditures	Encumbrances	
<b>Revenues</b>					
Taxes	\$ 30,437,376	\$30,528,978			\$ 31,066,629 \$ 537,651
Licenses and permits	109,500	113,470			136,198 22,728
Intergovernmental	12,197,130	15,878,519			14,937,947 (940,572)
Charges for services	5,788,889	5,887,762			5,973,788 86,026
Fines and forfeitures	1,043,869	1,086,637			1,304,540 217,903
Earnings on investments	2,426,132	2,718,001			3,571,560 853,559
Gifts and contributions	-	66,849			27,318 (39,531)
Miscellaneous	-	543,231			1,735,025 1,191,794
<b>Total Revenues</b>	<b>\$ 52,002,896</b>	<b>\$56,823,447</b>			<b>\$ 58,753,005 \$ 1,929,558</b>
<b>Expenditures</b>					
<b>General government</b>					
Commissioners					
Personnel services	\$ 560,960	\$ 563,603	\$ 489,018	\$ -	\$ 489,018 \$ 74,585
Other operating	109,950	105,450	97,911	-	97,911 7,539
Total commissioners	<u>\$ 670,910</u>	<u>\$ 669,053</u>	<u>\$ 586,929</u>	<u>\$ -</u>	<u>\$ 586,929 \$ 82,124</u>
County administrator					
Personnel services	\$ 175,673	\$ 218,674	\$ 218,225	\$ -	\$ 218,225 \$ 449
Other operating	264,717	218,035	161,329	-	161,329 56,706
Capital outlay	13,000	10,850	2,879	-	2,879 7,971
Total county administrator	<u>\$ 453,390</u>	<u>\$ 447,559</u>	<u>\$ 382,433</u>	<u>\$ -</u>	<u>\$ 382,433 \$ 65,126</u>
Intergovernmental affairs					
Personnel services	\$ 114,190	\$ 141,222	\$ 138,199	\$ -	\$ 138,199 \$ 3,023
Other operating	171,800	141,500	89,837	16,437	106,274 35,226
Total intergovernmental affairs	<u>\$ 285,990</u>	<u>\$ 282,722</u>	<u>\$ 228,036</u>	<u>\$ 16,437</u>	<u>\$ 244,473 \$ 38,249</u>
Planning and research					
Personnel services	\$ 235,370	\$ 236,874	\$ 205,255	\$ -	\$ 205,255 \$ 31,619
Other operating	107,925	93,680	65,428	2,418	67,846 25,834
Capital outlay	4,400	4,400	-	-	- 4,400
Total planning and research	<u>\$ 347,695</u>	<u>\$ 334,954</u>	<u>\$ 270,683</u>	<u>\$ 2,418</u>	<u>\$ 273,101 \$ 61,853</u>
Labor relations					
Other operating	\$ 43,810	\$ 65,435	\$ 65,421	\$ -	\$ 65,421 \$ 14
Planning and zoning					
Personnel services	\$ 576,052	\$ 637,960	\$ 637,959	\$ -	\$ 637,959 \$ 1
Other operating	259,512	321,919	293,871	-	293,871 28,048
Capital outlay	-	60,068	42,201	-	42,201 17,867
Total planning and zoning	<u>\$ 835,564</u>	<u>\$ 1,019,947</u>	<u>\$ 974,031</u>	<u>\$ -</u>	<u>\$ 974,031 \$ 45,916</u>
Public defenders					
Other operating	\$ 55,125	\$ 55,125	\$ 47,223	\$ -	\$ 47,223 \$ 7,902
Court administrator					
Personnel services	\$ 3,255,615	\$ 3,392,666	\$ 3,392,666	\$ -	\$ 3,392,666 \$ -
Other operating	713,604	784,916	779,390	5,526	784,916 -
Capital outlay	15,000	3,421	3,395	-	3,395 26
Total court administrator	<u>\$ 3,984,219</u>	<u>\$ 4,181,003</u>	<u>\$ 4,175,451</u>	<u>\$ 5,526</u>	<u>\$ 4,180,977 \$ 26</u>
Examiner of titles					
Personnel services	\$ 119,542	\$ 125,766	\$ 125,714	\$ -	\$ 125,714 \$ 52
Other operating	9,052	6,846	6,738	-	6,738 108
Total examiner of titles	<u>\$ 128,594</u>	<u>\$ 132,612</u>	<u>\$ 132,452</u>	<u>\$ -</u>	<u>\$ 132,452 \$ 160</u>
County attorney					
Personnel services	\$ 2,134,117	\$ 2,172,663	\$ 2,172,663	\$ -	\$ 2,172,663 \$ -
Other operating	408,203	377,683	321,269	16,865	338,134 39,549
Capital outlay	13,900	13,900	(57,971)	1,433	(56,538) 70,438
Total county attorney	<u>\$ 2,556,220</u>	<u>\$ 2,564,246</u>	<u>\$ 2,435,961</u>	<u>\$ 18,298</u>	<u>\$ 2,454,259 \$ 109,987</u>
Subtotal	<u>\$ 9,361,517</u>	<u>\$ 9,752,656</u>	<u>\$ 9,298,620</u>	<u>\$ 42,679</u>	<u>\$ 9,341,299 \$ 411,357</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, 1998

Expenditures (Continued)	Original Budget	Final Budget	Actual		Variance Favorable (Unfavorable)	
			Current Expenditures	Encumbrances		
<b>General government</b>						
Law library						
Other operating	\$ -	\$ 143,952	\$ 143,952	\$ -	\$ 143,952	\$ -
County auditor						
Personnel services	\$ 2,563,893	\$ 2,638,841	\$ 2,638,839	\$ -	\$ 2,638,839	\$ 2
Other operating	676,162	642,393	569,441	71,266	640,707	1,686
Capital outlay	-	7,000	6,957	-	6,957	43
Debt service						
Principal	-	5,430	5,430	-	5,430	-
Interest and fiscal charges	-	1,200	1,200	-	1,200	-
Total county auditor	<u>\$ 3,240,055</u>	<u>\$ 3,294,864</u>	<u>\$ 3,221,867</u>	<u>\$ 71,266</u>	<u>\$ 3,293,133</u>	<u>\$ 1,731</u>
Data processing						
Other operating	\$ 1,435,874	\$ 1,411,948	\$ 1,411,948	\$ -	\$ 1,411,948	\$ -
County assessor						
Personnel services	\$ 1,334,711	\$ 1,382,531	\$ 1,382,530	\$ -	\$ 1,382,530	\$ 1
Other operating	269,541	258,583	247,182	10,000	257,182	1,401
Total county assessor	<u>\$ 1,604,252</u>	<u>\$ 1,641,114</u>	<u>\$ 1,629,712</u>	<u>\$ 10,000</u>	<u>\$ 1,639,712</u>	<u>\$ 1,402</u>
Purchasing						
Personnel services	\$ 379,382	\$ 380,895	\$ 379,203	\$ -	\$ 379,203	\$ 1,692
Other operating	55,301	64,517	53,683	245	53,928	10,589
Debt service						
Principal	-	2,880	2,880	-	2,880	-
Interest and fiscal charges	-	636	636	-	636	-
Total purchasing	<u>\$ 434,683</u>	<u>\$ 448,928</u>	<u>\$ 436,402</u>	<u>\$ 245</u>	<u>\$ 436,647</u>	<u>\$ 12,281</u>
Microfilming						
Personnel services	\$ 148,085	\$ 150,831	\$ 150,831	\$ -	\$ 150,831	\$ -
Other operating	29,691	27,739	21,037	-	21,037	6,702
Total microfilming	<u>\$ 177,776</u>	<u>\$ 178,570</u>	<u>\$ 171,868</u>	<u>\$ -</u>	<u>\$ 171,868</u>	<u>\$ 6,702</u>
Recorder						
Personnel services	\$ 827,600	\$ 916,185	\$ 916,184	\$ -	\$ 916,184	\$ 1
Other operating	196,605	230,396	230,395	-	230,395	1
Capital outlay	12,660	46,805	46,804	-	46,804	1
Total recorder	<u>\$ 1,036,865</u>	<u>\$ 1,193,386</u>	<u>\$ 1,193,383</u>	<u>\$ -</u>	<u>\$ 1,193,383</u>	<u>\$ 3</u>
Surveyor						
Personnel services	\$ 618,734	\$ 622,383	\$ 427,324	\$ -	\$ 427,324	\$ 195,059
Other operating	92,966	73,074	54,622	722	55,344	17,730
Capital outlay	6,000	12,248	8,647	3,194	11,841	407
Total surveyor	<u>\$ 717,700</u>	<u>\$ 707,705</u>	<u>\$ 490,593</u>	<u>\$ 3,916</u>	<u>\$ 494,509</u>	<u>\$ 213,196</u>
Civil service						
Personnel services	\$ 753,643	\$ 772,116	\$ 772,115	\$ -	\$ 772,115	\$ 1
Other operating	263,699	260,969	245,606	511	246,117	14,852
Capital outlay	10,000	10,000	-	-	-	10,000
Total civil service	<u>\$ 1,027,342</u>	<u>\$ 1,043,085</u>	<u>\$ 1,017,721</u>	<u>\$ 511</u>	<u>\$ 1,018,232</u>	<u>\$ 24,853</u>
Veteran's service						
Personnel services	\$ 450,627	\$ 476,651	\$ 476,650	\$ -	\$ 476,650	\$ 1
Other operating	39,256	47,865	41,177	26	41,203	6,662
Capital outlay	-	11,009	10,113	-	10,113	896
Total veteran's service	<u>\$ 489,883</u>	<u>\$ 535,525</u>	<u>\$ 527,940</u>	<u>\$ 26</u>	<u>\$ 527,966</u>	<u>\$ 7,559</u>
Port authority						
Other operating	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Elections						
Other operating	\$ 170,877	\$ 170,877	\$ 162,319	\$ -	\$ 162,319	\$ 8,558
Subtotal	<u>\$ 10,385,307</u>	<u>\$ 10,819,954</u>	<u>\$ 10,457,705</u>	<u>\$ 85,964</u>	<u>\$ 10,543,669</u>	<u>\$ 276,285</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, 1998**

Expenditures (Continued)	Original Budget	Final Budget	Current Expenditures	Actual		Variance Favorable (Unfavorable)
				Encumbrances	Total	
<b>General government</b>						
Courthouses						
Personnel services	\$ 1,386,444	\$ 1,499,570	\$ 1,499,570	\$ -	\$ 1,499,570	\$ -
Other operating	690,896	711,673	701,175	7,928	709,103	2,570
Capital outlay	14,000	1,607	1,607	-	1,607	-
Total courthouses	<u>\$ 2,091,340</u>	<u>\$ 2,212,850</u>	<u>\$ 2,202,352</u>	<u>\$ 7,928</u>	<u>\$ 2,210,280</u>	<u>\$ 2,570</u>
Employee training						
Personnel services	\$ 94,693	\$ 94,963	\$ 83,878	\$ -	\$ 83,878	\$ 11,085
Other operating	171,437	153,431	94,690	4,920	99,610	53,821
Capital outlay	-	17,600	2,810	-	2,810	14,790
Total employee training	<u>\$ 266,130</u>	<u>\$ 265,994</u>	<u>\$ 181,378</u>	<u>\$ 4,920</u>	<u>\$ 186,298</u>	<u>\$ 79,696</u>
Parking ramp						
Personnel services	\$ -	\$ 562	\$ 562	\$ -	\$ 562	\$ -
Other operating	57,550	57,091	56,591	500	57,091	-
Capital outlay	7,000	282,000	275,000	-	275,000	7,000
Total parking ramp	<u>\$ 64,550</u>	<u>\$ 339,653</u>	<u>\$ 332,153</u>	<u>\$ 500</u>	<u>\$ 332,653</u>	<u>\$ 7,000</u>
Town aid						
Other operating	\$ 5,500	\$ 5,500	\$ 5,500	\$ -	\$ 5,500	\$ -
<b>Total General Government</b>	<u>\$ 22,174,344</u>	<u>\$ 23,396,607</u>	<u>\$ 22,477,708</u>	<u>\$ 141,991</u>	<u>\$ 22,619,699</u>	<u>\$ 776,908</u>
<b>Public safety</b>						
Jail building						
Personnel services	\$ 269,302	\$ 257,607	\$ 257,606	\$ -	\$ 257,606	\$ 1
Other operating	61,754	71,631	68,811	2,820	71,631	-
Capital outlay	-	1,707	1,707	-	1,707	-
Total jail building	<u>\$ 331,056</u>	<u>\$ 330,945</u>	<u>\$ 328,124</u>	<u>\$ 2,820</u>	<u>\$ 330,944</u>	<u>\$ 1</u>
Sheriff						
Personnel services	\$ 5,890,365	\$ 6,032,647	\$ 6,019,410	\$ -	\$ 6,019,410	\$ 13,237
Other operating	974,136	1,938,691	1,601,761	11,951	1,613,712	324,979
Capital outlay	437,515	488,060	478,654	7,837	486,491	1,569
Total sheriff	<u>\$ 7,302,016</u>	<u>\$ 8,459,398</u>	<u>\$ 8,099,825</u>	<u>\$ 19,788</u>	<u>\$ 8,119,613</u>	<u>\$ 339,785</u>
Boat and water safety						
Other operating	\$ 107,795	\$ 109,870	\$ 93,380	\$ 2,199	\$ 95,579	\$ 14,291
Capital outlay	7,307	18,025	912	2,668	3,580	14,445
Total boat and water safety	<u>\$ 115,102</u>	<u>\$ 127,895</u>	<u>\$ 94,292</u>	<u>\$ 4,867</u>	<u>\$ 99,159</u>	<u>\$ 28,736</u>
Medical examiner						
Other operating	\$ 196,360	\$ 214,966	\$ 214,965	\$ -	\$ 214,965	\$ 1
Rescue squad						
Other operating	\$ 61,410	\$ 61,185	\$ 49,463	\$ 2,199	\$ 51,662	\$ 9,523
Capital outlay	40,000	40,000	14,291	2,653	16,944	23,056
Total rescue squad	<u>\$ 101,410</u>	<u>\$ 101,185</u>	<u>\$ 63,754</u>	<u>\$ 4,852</u>	<u>\$ 68,606</u>	<u>\$ 32,579</u>
Emergency management						
Personnel services	\$ 127,690	\$ 139,468	\$ 139,468	\$ -	\$ 139,468	\$ -
Other operating	17,001	15,349	13,813	867	14,680	669
Capital outlay	7,000	4,240	3,993	-	3,993	247
Total emergency management	<u>\$ 151,691</u>	<u>\$ 159,057</u>	<u>\$ 157,274</u>	<u>\$ 867</u>	<u>\$ 158,141</u>	<u>\$ 916</u>
Radio maintenance						
Personnel services	\$ 263,921	\$ 251,172	\$ 247,509	\$ -	\$ 247,509	\$ 3,663
Other operating	128,305	140,142	136,723	2,185	138,908	1,234
Capital outlay	45,000	43,653	37,800	1,065	38,865	4,788
Total radio maintenance	<u>\$ 437,226</u>	<u>\$ 434,967</u>	<u>\$ 422,032</u>	<u>\$ 3,250</u>	<u>\$ 425,282</u>	<u>\$ 9,685</u>
Emergency communication						
Personnel services	\$ 1,656,145	\$ 1,696,052	\$ 1,696,052	\$ -	\$ 1,696,052	\$ -
Other operating	256,273	183,732	183,194	55	183,249	483
Capital outlay	-	2,760	2,759	-	2,759	1
Total emergency communication	<u>\$ 1,912,418</u>	<u>\$ 1,882,544</u>	<u>\$ 1,882,005</u>	<u>\$ 55</u>	<u>\$ 1,882,060</u>	<u>\$ 484</u>
Subtotal	<u>\$ 10,547,279</u>	<u>\$ 11,710,957</u>	<u>\$ 11,262,271</u>	<u>\$ 36,499</u>	<u>\$ 11,298,770</u>	<u>\$ 412,187</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, 1998

Expenditures (Continued)	Original Budget	Final Budget	Current Expenditures	Actual		Variance Favorable (Unfavorable)
				Encumbrances	Total	
<b>Public safety</b>						
Jail prisoners						
Personnel services	\$ 3,395,295	\$ 3,591,710	\$ 3,591,710	\$ -	\$ 3,591,710	\$ -
Other operating	1,343,443	1,256,998	1,203,738	8,555	1,212,293	44,705
Capital outlay	-	32,090	32,087	-	32,087	3
Total jail prisoners	<u>\$ 4,738,738</u>	<u>\$ 4,880,798</u>	<u>\$ 4,827,535</u>	<u>\$ 8,555</u>	<u>\$ 4,836,090</u>	<u>\$ 44,708</u>
Mine inspector						
Personnel services	\$ 186,935	\$ 192,266	\$ 192,265	\$ -	\$ 192,265	\$ 1
Other operating	27,625	23,343	19,454	-	19,454	3,889
Total mine inspector	<u>\$ 214,560</u>	<u>\$ 215,609</u>	<u>\$ 211,719</u>	<u>\$ -</u>	<u>\$ 211,719</u>	<u>\$ 3,890</u>
Safety council						
Other operating	\$ -	\$ 900	\$ -	\$ -	\$ -	\$ 900
Ambulance service						
Other operating	\$ -	\$ 52,511	\$ 52,511	\$ -	\$ 52,511	\$ -
Virginia lock-up						
Other operating	\$ -	\$ 46,129	\$ 46,129	\$ -	\$ 46,129	\$ -
Hibbing lock-up						
Other operating	\$ 16,500	\$ 33,000	\$ 29,315	\$ -	\$ 29,315	\$ 3,685
Law enforcement service						
Personnel services	\$ 553,688	\$ 549,703	\$ 502,841	\$ -	\$ 502,841	\$ 46,862
Other operating	99,570	94,763	77,651	-	77,651	17,112
Capital outlay	30,500	11,100	9,893	-	9,893	1,207
Total law enforcement service	<u>\$ 683,758</u>	<u>\$ 655,566</u>	<u>\$ 590,385</u>	<u>\$ -</u>	<u>\$ 590,385</u>	<u>\$ 65,181</u>
Enhanced 9-1-1						
Other operating	\$ -	\$ 113,710	\$ 50,457	\$ -	\$ 50,457	\$ 63,253
Capital outlay	-	18,710	18,710	-	18,710	-
Total enhanced 9-1-1	<u>\$ -</u>	<u>\$ 132,420</u>	<u>\$ 69,167</u>	<u>\$ -</u>	<u>\$ 69,167</u>	<u>\$ 63,253</u>
City/County antenna site						
Other operating	\$ -	\$ 17,325	\$ 4,210	\$ -	\$ 4,210	\$ 13,115
Arrowhead Regional Corrections						
Intergovernmental	\$ 7,257,300	\$ 7,411,071	\$ 7,411,071	\$ -	\$ 7,411,071	\$ -
<b>Total Public Safety</b>	<u>\$ 23,458,135</u>	<u>\$ 25,156,286</u>	<u>\$ 24,504,313</u>	<u>\$ 45,054</u>	<u>\$ 24,549,367</u>	<u>\$ 606,919</u>
<b>Health</b>						
Administration						
Personnel services	\$ 477,439	\$ 492,984	\$ 492,972	\$ -	\$ 492,972	\$ 12
Other operating	821,148	682,356	614,415	8,728	623,143	59,213
Capital outlay	12,000	12,000	-	-	-	12,000
Debt service						
Principal	-	75,402	75,402	-	75,402	-
Interest and fiscal charges	-	16,668	16,668	-	16,668	-
Total administration	<u>\$ 1,310,587</u>	<u>\$ 1,279,410</u>	<u>\$ 1,199,457</u>	<u>\$ 8,728</u>	<u>\$ 1,208,185</u>	<u>\$ 71,225</u>
Nursing						
Personnel services	\$ 2,794,709	\$ 2,818,148	\$ 2,713,713	\$ -	\$ 2,713,713	\$ 104,435
Other operating	619,692	952,307	438,727	2,955	441,682	510,625
Total nursing	<u>\$ 3,414,401</u>	<u>\$ 3,770,455</u>	<u>\$ 3,152,440</u>	<u>\$ 2,955</u>	<u>\$ 3,155,395</u>	<u>\$ 615,060</u>
Environmental health						
Personnel services	\$ 1,154,247	\$ 1,160,090	\$ 1,111,151	\$ -	\$ 1,111,151	\$ 48,939
Other operating	167,029	220,690	187,784	7,839	195,623	25,067
Capital outlay	8,200	8,200	1,980	-	1,980	6,220
Total environmental health	<u>\$ 1,329,476</u>	<u>\$ 1,388,980</u>	<u>\$ 1,300,915</u>	<u>\$ 7,839</u>	<u>\$ 1,308,754</u>	<u>\$ 80,226</u>
Subtotal	<u>\$ 6,054,464</u>	<u>\$ 6,438,845</u>	<u>\$ 5,652,812</u>	<u>\$ 19,522</u>	<u>\$ 5,672,334</u>	<u>\$ 766,511</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**  
**GENERAL FUND**  
 YEAR ENDED DECEMBER 31, 1998

Expenditures (Continued)	Original Budget	Final Budget	Actual		Total	Variance Favorable (Unfavorable)
			Current Expenditures	Encumbrances		
<b>Health</b>						
Duluth Community Health Center						
Other operating	\$ -	\$ 20,000	\$ 18,333	\$ -	\$ 18,333	\$ 1,667
American Indian Fellowship Association						
Other operating	\$ -	\$ 29,250	\$ -	\$ -	\$ -	\$ 29,250
Occupational safety						
Personnel services	\$ 204,834	\$ 211,096	\$ 120,199	\$ -	\$ 120,199	\$ 90,897
Other operating	54,281	54,228	54,228	-	54,228	-
Capital outlay	2,500	1,603	-	1,275	1,275	328
Total occupational safety	\$ 261,615	\$ 266,927	\$ 174,427	\$ 1,275	\$ 175,702	\$ 91,225
<b>Total Health</b>	\$ 6,316,079	\$ 6,755,022	\$ 5,845,572	\$ 20,797	\$ 5,866,369	\$ 888,653
<b>Welfare</b>						
School lunch						
Other operating	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -
Emergency shelter program						
Other operating	\$ 65,000	\$ 168,268	\$ 99,536	\$ -	\$ 99,536	\$ 68,732
Veterans' travel						
Other operating	\$ 2,400	\$ 2,400	\$ 1,981	\$ -	\$ 1,981	\$ 419
Family homelessness prevention and assistance program						
Personnel services	\$ -	\$ 6,225	\$ 6,223	\$ -	\$ 6,223	\$ 2
Other operating	-	357,772	260,493	5,231	265,724	92,048
Capital outlay	-	-	-	-	-	-
Total family homelessness prevention and assistance program	\$ -	\$ 363,997	\$ 266,716	\$ 5,231	\$ 271,947	\$ 92,050
McKinney homeless grant						
Other operating	\$ -	\$ 1,440,224	\$ 567,381	\$ -	\$ 567,381	\$ 872,843
<b>Total Welfare</b>	\$ 72,400	\$ 1,979,889	\$ 940,614	\$ 5,231	\$ 945,845	\$ 1,034,044
<b>Culture and recreation</b>						
Memorial Day observance						
Other operating	\$ 3,000	\$ 3,000	\$ 2,550	\$ -	\$ 2,550	\$ 450
Historical Society						
Other operating	\$ 219,468	\$ 219,468	\$ 219,468	\$ -	\$ 219,468	\$ -
Arrowhead Library System						
Other operating	\$ 381,982	\$ 381,982	\$ 381,982	\$ -	\$ 381,982	\$ -
Community fairs						
Other operating	\$ 1,120	\$ 1,120	\$ 800	\$ -	\$ 800	\$ 320
Depot						
Other operating	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 7,000	\$ -
Tourism promotion						
Other operating	\$ 98,858	\$ 98,858	\$ 98,858	\$ -	\$ 98,858	\$ -
Trail assistance						
Other operating	\$ -	\$ 138,614	\$ 138,614	\$ -	\$ 138,614	\$ -
Proctor Area Sports Arena						
Other operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	16,514	16,514	-	16,514	-
Total Proctor Area Sports Arena	\$ -	\$ 16,514	\$ 16,514	\$ -	\$ 16,514	\$ -
World War II book						
Other operating	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
<b>Total Culture and Recreation</b>	\$ 711,428	\$ 876,556	\$ 865,786	\$ -	\$ 865,786	\$ 10,770

(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, 1998

	Original Budget	Final Budget	Current Expenditures	Actual		Variance Favorable (Unfavorable)
				Encumbrances	Total	
<b>Expenditures (Continued)</b>						
<b>Conservation of natural resources</b>						
County agent						
Personnel services	\$ 142,039	\$ 167,753	\$ 167,749	\$ -	\$ 167,749	\$ 4
Other operating	323,852	375,573	310,012	-	310,012	65,561
Capital outlay	12,478	12,161	12,161	-	12,161	-
Debt service						
Principal	-	14,913	14,913	-	14,913	-
Interest and fiscal charges	-	3,297	3,297	-	3,297	-
Total county agent	<u>\$ 478,369</u>	<u>\$ 573,697</u>	<u>\$ 508,132</u>	<u>\$ -</u>	<u>\$ 508,132</u>	<u>\$ 65,565</u>
Youth task force						
Personnel services	\$ 9,410	\$ 6,613	\$ 6,612	\$ -	\$ 6,612	\$ 1
Other operating	102,590	154,187	154,183	-	154,183	4
Capital outlay	-	5,360	5,358	-	5,358	2
Total youth task force	<u>\$ 112,000</u>	<u>\$ 166,160</u>	<u>\$ 166,153</u>	<u>\$ -</u>	<u>\$ 166,153</u>	<u>\$ 7</u>
County fair - north						
Other operating	\$ 15,300	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
County fair - south						
Other operating	\$ 15,300	\$ 15,300	\$ 15,300	\$ -	\$ 15,300	\$ -
Soil conservation - north						
Other operating	\$ 53,000	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
Soil conservation - south						
Other operating	\$ 53,000	\$ 53,000	\$ 53,000	\$ -	\$ 53,000	\$ -
<b>Total Conservation of     Natural Resources</b>	<u>\$ 726,969</u>	<u>\$ 876,457</u>	<u>\$ 810,885</u>	<u>\$ -</u>	<u>\$ 810,885</u>	<u>\$ 65,572</u>
<b>Economic development</b>						
Northspan						
Other operating	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -
<b>Total Economic Development</b>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</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, 1998

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
			<u>Current Expenditures</u>	<u>Encumbrances</u>		
<b>Total Expenditures</b>	<u>\$ 53,479,355</u>	<u>\$59,060,817</u>	<u>\$55,464,878</u>	<u>\$ 213,073</u>	<u>\$ 55,677,951</u>	<u>\$ 3,382,866</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (1,476,459)</u>	<u>\$ (2,237,370)</u>			<u>\$ 3,075,054</u>	<u>\$ 5,312,424</u>
<b>Other Financing Sources (Uses)</b>						
Operating transfers out	<u>\$ -</u>	<u>\$ (5,000)</u>			<u>\$ (5,000)</u>	<u>\$ -</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (1,476,459)</u>	<u>\$ (2,242,370)</u>			<u>\$ 3,070,054</u>	<u>\$ 5,312,424</u>
Adjustments - Note 1	<u>-</u>	<u>-</u>			<u>(100,523)</u>	<u>(100,523)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted</b>	<u>\$ (1,476,459)</u>	<u>\$ (2,242,370)</u>			<u>\$ 2,969,531</u>	<u>\$ 5,211,901</u>
Fund Balance - January 1	<u>18,865,905</u>	<u>18,865,905</u>			<u>18,865,905</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u>\$ 17,389,446</u>	<u>\$16,623,535</u>			<u>\$ 21,835,436</u>	<u>\$ 5,211,901</u>

## **Special Revenue Funds**

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

### **Road and Bridge**

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

### **Social Services**

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

### **Babbitt Facility**

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

### **Housing and Redevelopment Authority**

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

### **Community Development Block Grant**

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

### **Northeast Minnesota Housing Consortium**

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

### **Septic Loan**

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

ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

DECEMBER 31, 1998

	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Babbitt Facility</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 10,093,648	\$ 6,925,042	\$ 254,653
Receivables			
Taxes			
Unapportioned	222,455	312,222	-
Delinquent	946,942	1,389,883	-
Accounts (net of allowance for uncollectibles)	22,873	335,863	15,425
Loans	-	-	-
Due from other governments	5,689,765	5,333,731	-
Inventories	1,601,550	-	-
<b>Total Assets</b>	<u>\$ 18,577,233</u>	<u>\$ 14,296,741</u>	<u>\$ 270,078</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,748,577	\$ 2,178,845	\$ -
Contracts payable	413,636	-	-
Salaries payable	835,526	984,666	-
Compensated absences payable	136,670	225,307	-
Due to other funds	-	12,830	-
Interfund payable	-	-	-
Due to other governments	278,347	773,055	-
Deferred revenue	3,807,486	1,918,999	-
<b>Total Liabilities</b>	<u>\$ 7,220,242</u>	<u>\$ 6,093,702</u>	<u>\$ -</u>
<b>Fund Balance</b>			
Reserved for change funds	\$ 1,000	\$ 15,000	\$ -
Reserved for noncurrent loans	-	-	-
Reserved for future loans	-	-	-
Reserved for conference fund	-	12,770	-
Reserved for inventories	1,601,550	-	-
Reserved for encumbrances	1,284,729	43,037	-
Reserved for health and welfare	294,357	666,861	-
Reserved for foster care insurance	-	6,000	-
Reserved for senior citizens transportation	-	4,704	-
Reserved for unorganized town roads	619,452	-	-
Unreserved			
Designated for vested sick leave	646,566	1,210,533	-
Designated for cash flow	6,688,295	6,244,134	-
Undesignated	221,042	-	270,078
<b>Total Fund Balance</b>	<u>\$ 11,356,991</u>	<u>\$ 8,203,039</u>	<u>\$ 270,078</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 18,577,233</u>	<u>\$ 14,296,741</u>	<u>\$ 270,078</u>

<b>Housing and Redevelopment Authority</b>	<b>Community Development Block Grant</b>	<b>Northeast Minnesota Housing Consortium</b>	<b>Septic Loan</b>	<b>Total</b>
\$ 601,297	\$ -	\$ -	\$ 114,146	\$ 17,988,786
2,561	-	-	-	537,238
12,166	-	-	-	2,348,991
-	-	1,115	-	375,276
125,000	-	-	93,245	218,245
-	335,279	145,322	10,900	11,514,997
-	-	-	-	1,601,550
<u>\$ 741,024</u>	<u>\$ 335,279</u>	<u>\$ 146,437</u>	<u>\$ 218,291</u>	<u>\$ 34,585,083</u>
\$ 7	\$ 249,378	\$ 136,036	\$ -	\$ 4,312,843
-	-	-	-	413,636
4,152	-	-	-	1,824,344
643	-	-	-	362,620
-	-	-	-	12,830
-	62,223	10,401	-	72,624
-	23,678	-	-	1,075,080
10,949	-	-	-	5,737,434
<u>\$ 15,751</u>	<u>\$ 335,279</u>	<u>\$ 146,437</u>	<u>\$ -</u>	<u>\$ 13,811,411</u>
\$ -	\$ -	\$ -	\$ -	\$ 16,000
125,000	-	-	93,245	218,245
-	-	-	124,655	124,655
-	-	-	-	12,770
-	-	-	-	1,601,550
-	-	-	-	1,327,766
-	-	-	-	961,218
-	-	-	-	6,000
-	-	-	-	4,704
-	-	-	-	619,452
-	-	-	-	1,857,099
-	-	-	-	12,932,429
600,273	-	-	391	1,091,784
<u>\$ 725,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,291</u>	<u>\$ 20,773,672</u>
<u>\$ 741,024</u>	<u>\$ 335,279</u>	<u>\$ 146,437</u>	<u>\$ 218,291</u>	<u>\$ 34,585,083</u>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS**  
YEAR ENDED DECEMBER 31, 1998

	Road and Bridge	Social Services	Babbitt Facility
<b>Revenues</b>			
Taxes	\$ 19,235,327	\$ 16,722,514	\$ -
Licenses and permits	19,319	-	-
Intergovernmental	19,487,099	42,925,065	-
Charges for services	373,792	1,717,414	-
Earnings on investments	-	-	-
Miscellaneous	573,354	453,853	72,000
<b>Total Revenues</b>	<b>\$ 39,688,891</b>	<b>\$ 61,818,846</b>	<b>\$ 72,000</b>
<b>Expenditures</b>			
<b>Current</b>			
Highways and streets	\$ 35,568,624	\$ -	\$ -
Welfare	-	61,116,846	-
Economic development	-	-	-
<b>Total Current</b>	<b>\$ 35,568,624</b>	<b>\$ 61,116,846</b>	<b>\$ -</b>
<b>Capital outlay</b>			
Highway and streets	\$ 1,832,123	\$ -	\$ -
Welfare	-	393,808	-
<b>Total Capital Outlay</b>	<b>\$ 1,832,123</b>	<b>\$ 393,808</b>	<b>\$ -</b>
<b>Debt service</b>			
Principal	\$ -	\$ 250,514	\$ -
Interest and fiscal charges	-	55,375	-
<b>Total Debt Service</b>	<b>\$ -</b>	<b>\$ 305,889</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 37,400,747</b>	<b>\$ 61,816,543</b>	<b>\$ -</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 2,288,144</b>	<b>\$ 2,303</b>	<b>\$ 72,000</b>
<b>Other Financing Sources (Uses)</b>			
Loan proceeds	\$ -	\$ -	\$ -
Capital leases	-	96,156	-
Operating transfers in	5,000	-	-
Operating transfers out	-	-	(112,700)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 5,000</b>	<b>\$ 96,156</b>	<b>\$ (112,700)</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 2,293,144</b>	<b>\$ 98,459</b>	<b>\$ (40,700)</b>
Fund Balance - January 1	8,953,599	8,104,580	310,778
Increase (decrease) in reserved for inventories	110,248	-	-
<b>Fund Balance - December 31</b>	<b>\$ 11,356,991</b>	<b>\$ 8,203,039</b>	<b>\$ 270,078</b>

Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium	Septic Loan	Total
\$ 163,071	\$ -	\$ -	\$ -	\$ 36,120,912
-	-	-	-	19,319
12,697	2,838,406	673,578	-	65,936,845
-	-	-	-	2,091,206
-	3,188	-	391	3,579
-	107	35,103	-	1,134,417
<u>\$ 175,768</u>	<u>\$ 2,841,701</u>	<u>\$ 708,681</u>	<u>\$ 391</u>	<u>\$ 105,306,278</u>
\$ -	\$ -	\$ -	\$ -	\$ 35,568,624
-	-	-	-	61,116,846
92,029	2,841,701	708,681	-	3,642,411
<u>\$ 92,029</u>	<u>\$ 2,841,701</u>	<u>\$ 708,681</u>	<u>\$ -</u>	<u>\$ 100,327,881</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,832,123
-	-	-	-	393,808
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,225,931</u>
\$ -	\$ -	\$ -	\$ -	\$ 250,514
-	-	-	-	55,375
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,889</u>
<u>\$ 92,029</u>	<u>\$ 2,841,701</u>	<u>\$ 708,681</u>	<u>\$ -</u>	<u>\$ 102,859,701</u>
<u>\$ 83,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391</u>	<u>\$ 2,446,577</u>
\$ -	\$ -	\$ -	\$ 217,900	\$ 217,900
-	-	-	-	96,156
-	-	-	-	5,000
-	-	-	-	(112,700)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,900</u>	<u>\$ 206,356</u>
\$ 83,739	\$ -	\$ -	\$ 218,291	\$ 2,652,933
641,534	-	-	-	18,010,491
-	-	-	-	110,248
<u>\$ 725,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,291</u>	<u>\$ 20,773,672</u>

ST. LOUIS COUNTY, MINNESOTA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL-BUDGETARY BASIS  
ROAD AND BRIDGE SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 1998

	Budget		Actual		Variance
					Favorable (Unfavorable)
<b>Revenues</b>					
Taxes	\$ 18,382,091		\$ 19,235,327	\$	853,236
Licenses and permits	17,000		19,319		2,319
Intergovernmental	22,364,952		19,487,099		(2,877,853)
Charges for services	210,000		373,792		163,792
Miscellaneous	494,300		573,354		79,054
<b>Total Revenues</b>	<b>\$ 41,468,343</b>		<b>\$ 39,688,891</b>	<b>\$</b>	<b>(1,779,452)</b>
		<b>Actual</b>			
		<b>Current</b>	<b>Encumbrances</b>	<b>Total</b>	<b>Variance</b>
	<b>Budget</b>	<b>Expenditures</b>			<b>Favorable</b>
					<b>(Unfavorable)</b>
<b>Expenditures</b>					
<b>Highways and streets</b>					
Administration					
Personnel services	\$ 3,053,264	\$ 2,537,704	\$ -	\$ 2,537,704	\$ 515,560
Other operating	1,552,243	1,388,487	3,534	1,392,021	160,222
Capital outlay	28,000	8,597	-	8,597	19,403
Total administration	<u>\$ 4,633,507</u>	<u>\$ 3,934,788</u>	<u>\$ 3,534</u>	<u>\$ 3,938,322</u>	<u>\$ 695,185</u>
Road maintenance					
Personnel services	\$ 9,461,812	\$ 9,424,505	\$ -	\$ 9,424,505	\$ 37,307
Other operating	3,063,760	2,657,987	5,904	2,663,891	399,869
Capital Outlay	1,065	1,065	-	1,065	-
Total road maintenance	<u>\$ 12,526,637</u>	<u>\$ 12,083,557</u>	<u>\$ 5,904</u>	<u>\$ 12,089,461</u>	<u>\$ 437,176</u>
Road construction					
Other operating	\$ 15,975,421	\$ 13,378,900	\$ 2,819	\$ 13,381,719	\$ 2,593,702
Equipment maintenance and shops					
Personnel services	\$ 2,601,628	\$ 2,595,170	\$ -	\$ 2,595,170	\$ 6,458
Other operating	3,588,938	3,482,274	24,422	3,506,696	82,242
Capital outlay	2,642,142	1,393,979	1,248,163	2,642,142	-
Total equipment maintenance and shops	<u>\$ 8,832,708</u>	<u>\$ 7,471,423</u>	<u>\$ 1,272,585</u>	<u>\$ 8,744,008</u>	<u>\$ 88,700</u>
<b>Total Expenditures</b>	<b>\$ 41,968,273</b>	<b>\$ 36,868,668</b>	<b>\$ 1,284,842</b>	<b>\$ 38,153,510</b>	<b>\$ 3,814,763</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (499,930)</b>			<b>\$ 1,535,381</b>	<b>\$ 2,035,311</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	-			5,000	5,000
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses</b>	<b>\$ (499,930)</b>			<b>\$ 1,540,381</b>	<b>\$ 2,040,311</b>
Adjustments - Note 1	-			752,763	752,763
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses as Adjusted</b>	<b>\$ (499,930)</b>			<b>\$ 2,293,144</b>	<b>\$ 2,793,074</b>
Fund Balance - January 1	8,953,599			8,953,599	-
Increase (decrease) in reserved for inventories	-			110,248	110,248
<b>Fund Balance - December 31</b>	<b>\$ 8,453,669</b>			<b>\$ 11,356,991</b>	<b>\$ 2,903,322</b>





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, 1998

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Miscellaneous	\$ 5,000		\$ 72,000	\$ 67,000
	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
<b>Expenditures</b>				
Economic development				
Other operating	\$ -	\$ -	\$ -	\$ -
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ 5,000		\$ 72,000	\$ 67,000
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	(112,700)		(112,700)	-
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses</b>	\$ (107,700)		\$ (40,700)	\$ 67,000
Fund Balance - January 1	310,778		310,778	-
<b>Fund Balance - December 31</b>	<u>\$ 203,078</u>		<u>\$ 270,078</u>	<u>\$ 67,000</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, 1998

	<u>Budget</u>		<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>					
Taxes	\$	163,498	\$	163,071	\$ (427)
Intergovernmental		12,634		12,697	63
<b>Total Revenues</b>	\$	<u>176,132</u>	\$	<u>175,768</u>	\$ (364)
			<u>Actual</u>		
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>					
<b>Economic development</b>					
Personnel services	\$	64,930	\$	55,786	\$ 9,144
Other operating		49,451		36,243	13,208
Capital outlay		4,000		-	4,000
<b>Total Expenditures</b>	\$	<u>118,381</u>	\$	<u>92,029</u>	\$ 26,352
<b>Excess of Revenues Over (Under) Expenditures</b>	\$	<u>57,751</u>		<u>83,739</u>	\$ 25,988
Fund Balance - January 1		641,534		641,534	-
<b>Fund Balance - December 31</b>	\$	<u>699,285</u>	\$	<u>725,273</u>	\$ 25,988

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, 1998

	<u>Budget</u>	<u>Actual</u>		Variance	
				Favorable (Unfavorable)	
<b>Revenues</b>					
Intergovernmental	\$ 6,099,228	\$ 2,838,406		\$ (3,260,822)	
Earnings on investments	-	3,188		3,188	
Miscellaneous	-	107		107	
<b>Total Revenues</b>	<u>\$ 6,099,228</u>	<u>\$ 2,841,701</u>		<u>\$ (3,257,527)</u>	
		<u>Actual</u>			
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	Variance Favorable (Unfavorable)
<b>Expenditures</b>					
<b>Economic development</b>					
Other operating	\$ 6,099,228	\$ 2,841,701	\$ -	\$ 2,841,701	\$ 3,257,527
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ -			\$ -	\$ -
Fund Balance - January 1	-			-	-
<b>Fund Balance - December 31</b>	<u>\$ -</u>			<u>\$ -</u>	<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - BUDGETARY BASIS  
 NORTHEAST MINNESOTA HOUSING CONSORTIUM SPECIAL REVENUE FUND  
 YEAR ENDED DECEMBER 31, 1998

	Budget		Actual		Variance
					Favorable (Unfavorable)
<b>Revenues</b>					
Intergovernmental	\$	1,677,010	\$	673,578	\$ (1,003,432)
Miscellaneous		-		35,103	35,103
<b>Total Revenues</b>	\$	<u>1,677,010</u>	\$	<u>708,681</u>	\$ <u>(968,329)</u>
			<b>Actual</b>		
	<b>Budget</b>	<b>Current Expenditures</b>	<b>Encumbrances</b>	<b>Total</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Expenditures</b>					
<b>Economic development</b>					
Other operating	\$	1,677,010	\$	708,681	\$
					968,329
<b>Excess of Revenues Over (Under) Expenditures</b>	\$	-	\$	-	\$ -
Fund Balance - January 1		-		-	-
<b>Fund Balance - December 31</b>	\$	<u>-</u>	\$	<u>-</u>	\$ <u>-</u>

ST. LOUIS COUNTY, MINNESOTA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - BUDGETARY BASIS  
 SEPTIC LOAN SPECIAL REVENUE FUND  
 YEAR ENDED DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>					
Earnings on investments	\$ -			\$ 391	\$ 391
		<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	
<b>Expenditures</b>					
<b>Sanitation</b>					
Other operating	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (250,000)			\$ 391	\$ 250,391
<b>Other Financing Sources (Uses)</b>					
Loan proceeds	250,000			217,900	(32,100)
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Uses</b>	\$ -			\$ 218,291	\$ 218,291
Fund Balance - January 1	-			-	-
<b>Fund Balance - December 31</b>	<u>\$ -</u>			<u>\$ 218,291</u>	<u>\$ 218,291</u>

## ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET  
ALL DEBT SERVICE FUNDS

DECEMBER 31, 1998

	<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>
<b>Assets</b>						
Cash and cash equivalents	\$ 125,079	\$ 49,413	\$ 2,402	\$ 355,559	\$ -	\$ 532,453
Receivables						
Taxes						
Unapportioned	237	19,552	3,214	6,378	1,096	30,477
Delinquent	1,992	82,780	6,054	18,674	3,201	112,701
<b>Total Assets</b>	<u>\$ 127,308</u>	<u>\$ 151,745</u>	<u>\$ 11,670</u>	<u>\$ 380,611</u>	<u>\$ 4,297</u>	<u>\$ 675,631</u>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities</b>						
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ 2,528	\$ 2,528
Deferred revenue	1,793	74,502	5,449	16,807	2,881	101,432
<b>Total Liabilities</b>	<u>\$ 1,793</u>	<u>\$ 74,502</u>	<u>\$ 5,449</u>	<u>\$ 16,807</u>	<u>\$ 5,409</u>	<u>\$ 103,960</u>
<b>Fund Balance</b>						
Unreserved-undesignated	125,515	77,243	6,221	363,804	(1,112)	571,671
<b>Total Liabilities and Fund Balance</b>	<u>\$ 127,308</u>	<u>\$ 151,745</u>	<u>\$ 11,670</u>	<u>\$ 380,611</u>	<u>\$ 4,297</u>	<u>\$ 675,631</u>

## **Debt Service Funds**

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

### **Babbitt Facility Refunding**

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

### **Jail Bond**

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

### **AJC Construction Bond**

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

### **Law Enforcement Bond**

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

### **Hibbing Public Works Bond**

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

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL DEBT SERVICE FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	<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>
<b>Revenues</b>						
Taxes	\$ 793	\$ 1,305,348	\$ 111,945	\$ 466,761	\$ 80,000	\$ 1,964,847
Intergovernmental	-	168,038	14,473	115,852	10,310	308,673
<b>Total Revenues</b>	<u>\$ 793</u>	<u>\$ 1,473,386</u>	<u>\$ 126,418</u>	<u>\$ 582,613</u>	<u>\$ 90,310</u>	<u>\$ 2,273,520</u>
<b>Expenditures</b>						
<b>Debt service</b>						
Principal	\$ 40,000	\$ 865,000	\$ 50,000	\$ 250,000	\$ 67,175	\$ 1,272,175
Interest and fiscal charges	76,300	579,547	72,168	263,730	24,247	1,015,992
<b>Total Expenditures</b>	<u>\$ 116,300</u>	<u>\$ 1,444,547</u>	<u>\$ 122,168</u>	<u>\$ 513,730</u>	<u>\$ 91,422</u>	<u>\$ 2,288,167</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (115,507)	\$ 28,839	\$ 4,250	\$ 68,883	\$ (1,112)	\$ (14,647)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	112,700	-	-	290,690	-	403,390
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	\$ (2,807)	\$ 28,839	\$ 4,250	\$ 359,573	\$ (1,112)	\$ 388,743
Fund Balance - January 1	128,322	48,404	1,971	4,231	-	182,928
<b>Fund Balance - December 31</b>	<u>\$ 125,515</u>	<u>\$ 77,243</u>	<u>\$ 6,221</u>	<u>\$ 363,804</u>	<u>\$ (1,112)</u>	<u>\$ 571,671</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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ -	\$ 793	\$ 793
<b>Expenditures</b>			
<b>Debt service</b>			
Principal	\$ 40,000	\$ 40,000	\$ -
Interest and fiscal charges	76,300	76,300	-
<b>Total Expenditures</b>	<u>\$ 116,300</u>	<u>\$ 116,300</u>	<u>\$ -</u>
<b>Excess of Revenues Over     (Under) Expenditures</b>	\$ (116,300)	\$ (115,507)	\$ 793
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	<u>112,700</u>	<u>112,700</u>	<u>-</u>
<b>Excess of Revenues and     Other Sources Over     (Under) Expenditures     and Other Uses</b>	\$ (3,600)	\$ (2,807)	\$ 793
Fund Balance - January 1	<u>128,322</u>	<u>128,322</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 124,722</u></u>	<u><u>\$ 125,515</u></u>	<u><u>\$ 793</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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 1,321,466	\$ 1,305,348	\$ (16,118)
Intergovernmental	168,038	168,038	-
<b>Total Revenues</b>	<u>\$ 1,489,504</u>	<u>\$ 1,473,386</u>	<u>\$ (16,118)</u>
 <b>Expenditures</b>			
<b>Debt service</b>			
Principal	\$ 865,000	\$ 865,000	\$ -
Interest and fiscal charges	579,547	579,547	-
<b>Total Expenditures</b>	<u>\$ 1,444,547</u>	<u>\$ 1,444,547</u>	<u>\$ -</u>
<b>Excess of Revenues Over     (Under) Expenditures</b>	\$ 44,957	\$ 28,839	\$ (16,118)
 Fund Balance - January 1	<u>48,404</u>	<u>48,404</u>	<u>-</u>
 <b>Fund Balance - December 31</b>	<u><u>\$ 93,361</u></u>	<u><u>\$ 77,243</u></u>	<u><u>\$ (16,118)</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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 113,803	\$ 111,945	\$ (1,858)
Intergovernmental	14,473	14,473	-
<b>Total Revenues</b>	<u>\$ 128,276</u>	<u>\$ 126,418</u>	<u>\$ (1,858)</u>
<b>Expenditures</b>			
<b>Debt service</b>			
Principal	\$ 50,000	\$ 50,000	\$ -
Interest and fiscal charges	72,168	72,168	-
<b>Total Expenditures</b>	<u>\$ 122,168</u>	<u>\$ 122,168</u>	<u>\$ -</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ 6,108</u>	<u>\$ 4,250</u>	<u>\$ (1,858)</u>
Fund Balance - January 1	<u>1,971</u>	<u>1,971</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ 8,079</u></u>	<u><u>\$ 6,221</u></u>	<u><u>\$ (1,858)</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, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 478,564	\$ 466,761	\$ (11,803)
Intergovernmental	115,852	115,852	-
<b>Total Revenues</b>	<u>\$ 594,416</u>	<u>\$ 582,613</u>	<u>\$ (11,803)</u>
<b>Expenditures</b>			
<b>Debt service</b>			
Principal	\$ 250,000	\$ 250,000	\$ -
Interest and fiscal charges	263,730	263,730	-
<b>Total Expenditures</b>	<u>\$ 513,730</u>	<u>\$ 513,730</u>	<u>\$ -</u>
<b>Excess of Revenues Over     (Under) Expenditures</b>	<u>\$ 80,686</u>	<u>\$ 68,883</u>	<u>\$ (11,803)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	-	290,690	290,690
<b>Excess of Revenues and     Other Sources Over     (Under) Expenditures     and Other Uses</b>	<u>\$ 80,686</u>	<u>\$ 359,573</u>	<u>\$ 278,887</u>
Fund Balance - January 1	4,231	4,231	-
<b>Fund Balance - December 31</b>	<u><u>\$ 84,917</u></u>	<u><u>\$ 363,804</u></u>	<u><u>\$ 278,887</u></u>

ST. LOUIS COUNTY, MINNESOTA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - BUDGETARY BASIS  
 HIBBING PUBLIC WORKS BOND DEBT SERVICE FUND  
 YEAR ENDED DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes	\$ 81,112	\$ 80,000	\$ (1,112)
Intergovernmental	10,310	10,310	-
<b>Total Revenues</b>	<u>\$ 91,422</u>	<u>\$ 90,310</u>	<u>\$ (1,112)</u>
<b>Expenditures</b>			
<b>Debt service</b>			
Principal	\$ 67,175	\$ 67,175	\$ -
Interest and fiscal charges	24,247	24,247	-
<b>Total Expenditures</b>	<u>\$ 91,422</u>	<u>\$ 91,422</u>	<u>\$ -</u>
<b>Excess of Revenues Over     (Under) Expenditures</b>	\$ -	\$ (1,112)	\$ (1,112)
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - December 31</b>	<u><u>\$ -</u></u>	<u><u>\$ (1,112)</u></u>	<u><u>\$ (1,112)</u></u>

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Several of these blank pages are arranged throughout this on-line PDF document to allow a closer match in page numbering between this document and the actual paper base document. In several cases multiple-page tables in the paper document have been resized to a one page virtual document in this PDF version.

## **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, 1998

	<u>Buildings</u>	<u>Law Enforcement Centers</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,653,302	\$ 104,708	\$ 1,758,010
Receivables			
Taxes			
Unapportioned	15,027	-	15,027
Delinquent	62,393	-	62,393
Accounts (net of allowance for uncollectibles)	1,423	-	1,423
<b>Total Assets</b>	<u>\$ 1,732,145</u>	<u>\$ 104,708</u>	<u>\$ 1,836,853</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 100,869	\$ 103,186	\$ 204,055
Due to other governments	57,002	-	57,002
Deferred revenue	56,154	-	56,154
<b>Total Liabilities</b>	<u>\$ 214,025</u>	<u>\$ 103,186</u>	<u>\$ 317,211</u>
<b>Fund Balance</b>			
Unreserved-undesignated	1,518,120	1,522	1,519,642
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,732,145</u>	<u>\$ 104,708</u>	<u>\$ 1,836,853</u>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ALL CAPITAL PROJECTS FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	<b>Buildings</b>	<b>Law Enforcement Centers</b>	<b>Total</b>
<b>Revenues</b>			
Taxes	\$ 865,843	\$ -	\$ 865,843
Intergovernmental	227,184	-	227,184
Earnings on investments	-	66,075	66,075
Miscellaneous	85,671	-	85,671
<b>Total Revenues</b>	<b>\$ 1,178,698</b>	<b>\$ 66,075</b>	<b>\$ 1,244,773</b>
<b>Expenditures</b>			
<b>Capital outlay</b>			
General government	\$ 495,299	\$ -	\$ 495,299
Public safety	-	2,009,550	2,009,550
Highways and streets	390,935	-	390,935
<b>Total Expenditures</b>	<b>\$ 886,234</b>	<b>\$ 2,009,550</b>	<b>\$ 2,895,784</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 292,464</b>	<b>\$ (1,943,475)</b>	<b>\$ (1,651,011)</b>
<b>Other Financing Sources (Uses)</b>			
Loan proceeds	\$ 110,785	\$ -	\$ 110,785
Operating transfers out	-	(290,690)	(290,690)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 110,785</b>	<b>\$ (290,690)</b>	<b>\$ (179,905)</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 403,249</b>	<b>\$ (2,234,165)</b>	<b>\$ (1,830,916)</b>
Fund Balance - January 1	1,114,871	2,235,687	3,350,558
<b>Fund Balance - December 31</b>	<b>\$ 1,518,120</b>	<b>\$ 1,522</b>	<b>\$ 1,519,642</b>

## **Enterprise Funds**

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

### **Chris Jensen**

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

### **Nopeming**

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

### **Solid Waste Management**

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

## ST. LOUIS COUNTY, MINNESOTA

COMBINING BALANCE SHEET  
ALL ENTERPRISE FUNDS

DECEMBER 31, 1998

	Chris Jensen	Nopeming	Solid Waste Management	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 332,490	\$ 810	\$ 750,110	\$ 1,083,410
Investments	-	-	13,961,933	13,961,933
Receivables				
Taxes				
Unapportioned	877	522	26,006	27,405
Delinquent	4,717	2,795	-	7,512
Accounts (net of allowance for uncollectibles)	1,390,459	830,704	264,586	2,485,749
Accrued interest	-	-	147,886	147,886
Loans	-	-	54,740	54,740
Due from other governments	-	-	37,353	37,353
Inventories	51,555	35,069	-	86,624
<b>Total current assets</b>	<b>\$ 1,780,098</b>	<b>\$ 869,900</b>	<b>\$ 15,242,614</b>	<b>\$ 17,892,612</b>
<b>Restricted assets</b>				
Debt service				
Cash and cash equivalents	\$ -	\$ 3,181	\$ 121,807	\$ 124,988
Receivables				
Taxes				
Unapportioned	-	-	18,417	18,417
Delinquent	-	-	87,766	87,766
Financial assurance				
Investments	-	-	1,575,131	1,575,131
Receivables				
Accrued interest	-	-	14,691	14,691
<b>Total restricted assets</b>	<b>\$ -</b>	<b>\$ 3,181</b>	<b>\$ 1,817,812</b>	<b>\$ 1,820,993</b>
<b>Fixed assets</b>				
Land	\$ 130,656	\$ 132,086	\$ 209,834	\$ 472,576
Buildings and structures	5,148,877	4,688,004	2,561,233	12,398,114
Improvements other than buildings	32,469	116,137	5,730,657	5,879,263
Machinery and equipment	712,214	621,084	1,228,610	2,561,908
Linens	30,796	23,671	-	54,467
Vehicles	17,297	99,945	198,922	316,164
<b>Total fixed assets</b>	<b>\$ 6,072,309</b>	<b>\$ 5,680,927</b>	<b>\$ 9,929,256</b>	<b>\$ 21,682,492</b>
Accumulated depreciation	\$ (1,833,638)	\$ (2,646,726)	\$ (3,427,127)	\$ (7,907,491)
<b>Net fixed assets</b>	<b>\$ 4,238,671</b>	<b>\$ 3,034,201</b>	<b>\$ 6,502,129</b>	<b>\$ 13,775,001</b>
<b>Total Assets</b>	<b>\$ 6,018,769</b>	<b>\$ 3,907,282</b>	<b>\$ 23,562,555</b>	<b>\$ 33,488,606</b>

(continued)

ST. LOUIS COUNTY, MINNESOTA  
COMBINING BALANCE SHEET  
ALL ENTERPRISE FUNDS  
DECEMBER 31, 1998

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
<b>Current liabilities (payable     from current assets)</b>				
Accounts payable	\$ 330,675	\$ 242,261	\$ 333,858	\$ 906,794
Salaries payable	261,440	212,677	41,750	515,867
Compensated absences payable	40,010	37,887	10,165	88,062
Due to other funds	4,202	1,534	-	5,736
Interfund payable	-	28,646	-	28,646
Due to other governments	-	-	85,340	85,340
Deferred revenue	80,196	35,976	2,875	119,047
<b>Total current liabilities     (payable from current assets)</b>	<u>\$ 716,523</u>	<u>\$ 558,981</u>	<u>\$ 473,988</u>	<u>\$ 1,749,492</u>
<b>Current liabilities (payable     from restricted assets)</b>				
Accrued interest payable	\$ -	\$ 227	\$ 22,549	\$ 22,776
Deferred revenue	-	-	78,990	78,990
Bonds payable	-	39,675	880,000	919,675
<b>Total current liabilities     (payable from restricted assets)</b>	<u>\$ -</u>	<u>\$ 39,902</u>	<u>\$ 981,539</u>	<u>\$ 1,021,441</u>
<b>Long-term liabilities</b>				
Compensated absences payable	\$ 1,005,144	\$ 891,871	\$ 178,335	\$ 2,075,350
General obligation revenue bonds payable	-	-	4,642,728	4,642,728
Customer deposits	-	-	7,490	7,490
Closure and post-closure liabilities	-	-	735,527	735,527
<b>Total long-term liabilities</b>	<u>\$ 1,005,144</u>	<u>\$ 891,871</u>	<u>\$ 5,564,080</u>	<u>\$ 7,461,095</u>
<b>Total Liabilities</b>	<u>\$ 1,721,667</u>	<u>\$ 1,490,754</u>	<u>\$ 7,019,607</u>	<u>\$ 10,232,028</u>
<b>Fund Equity</b>				
<b>Contributed capital</b>	<u>\$ 721,800</u>	<u>\$ 774,217</u>	<u>\$ 1,655,038</u>	<u>\$ 3,151,055</u>
<b>Retained earnings</b>				
Reserved for improvements	\$ -	\$ 67,519	\$ -	\$ 67,519
Reserved for closure and post-closure	-	-	1,589,822	1,589,822
Unreserved	3,575,302	1,574,792	13,298,088	18,448,182
<b>Total retained earnings</b>	<u>\$ 3,575,302</u>	<u>\$ 1,642,311</u>	<u>\$ 14,887,910</u>	<u>\$ 20,105,523</u>
<b>Total Fund Equity</b>	<u>\$ 4,297,102</u>	<u>\$ 2,416,528</u>	<u>\$ 16,542,948</u>	<u>\$ 23,256,578</u>
<b>Total Liabilities     and Fund Equity</b>	<u>\$ 6,018,769</u>	<u>\$ 3,907,282</u>	<u>\$ 23,562,555</u>	<u>\$ 33,488,606</u>

*ST. LOUIS COUNTY, MINNESOTA*  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**ALL ENTERPRISE FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
<b>Operating Revenues</b>				
Charges for services	\$ 11,311,015	\$ 8,134,926	\$ 4,362,825	\$ 23,808,766
Licenses and permits	-	-	2,150	2,150
Other	271,845	121,358	91,530	484,733
<b>Total Operating Revenues</b>	<u>\$ 11,582,860</u>	<u>\$ 8,256,284</u>	<u>\$ 4,456,505</u>	<u>\$ 24,295,649</u>
<b>Operating Expenses</b>				
Personal services	\$ 6,704,634	\$ 5,626,340	\$ 1,124,761	\$ 13,455,735
Contractual services	3,248,713	1,880,935	2,819,380	7,949,028
Materials	1,068,103	673,223	54,122	1,795,448
Depreciation	145,267	173,967	672,887	992,121
<b>Total Operating Expenses</b>	<u>\$ 11,166,717</u>	<u>\$ 8,354,465</u>	<u>\$ 4,671,150</u>	<u>\$ 24,192,332</u>
<b>Operating Income (Loss)</b>	<u>\$ 416,143</u>	<u>\$ (98,181)</u>	<u>\$ (214,645)</u>	<u>\$ 103,317</u>
<b>Nonoperating Revenues (Expenses)</b>				
Taxes	\$ 2,392	\$ 1,442	\$ 1,521,922	\$ 1,525,756
Grants	-	-	588,093	588,093
Earnings on investments	-	-	971,992	971,992
Interest expense	-	(5,195)	(317,176)	(322,371)
Amortization of bond discount	\$ -	\$ (358)	\$ (15,031)	\$ (15,389)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>\$ 2,392</u>	<u>\$ (4,111)</u>	<u>\$ 2,749,800</u>	<u>\$ 2,748,081</u>
<b>Net Income (Loss)</b>	<u>\$ 418,535</u>	<u>\$ (102,292)</u>	<u>\$ 2,535,155</u>	<u>\$ 2,851,398</u>
Retained Earnings - January 1	3,156,767	1,744,603	12,352,755	17,254,125
<b>Retained Earnings - December 31</b>	<u>\$ 3,575,302</u>	<u>\$ 1,642,311</u>	<u>\$ 14,887,910</u>	<u>\$ 20,105,523</u>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL ENTERPRISE FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>				
Operating Income (Loss)	\$ 416,143	\$ (98,181)	\$ (214,645)	\$ 103,317
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities</b>				
Depreciation	\$ 145,267	\$ 173,967	\$ 672,887	\$ 992,121
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	(48,351)	(83,704)	(5,920)	(137,975)
(Increase) Decrease in loans receivable	-	-	20,929	20,929
(Increase) Decrease in due from other governments	-	-	143,048	143,048
(Increase) Decrease in inventories	20,988	13,921	-	34,909
Increase (Decrease) in accounts payable	(173,634)	(157,186)	198,758	(132,062)
Increase (Decrease) in salaries payable	(2,860)	(224)	9,744	6,660
Increase (Decrease) in compensated absences payable	(193,704)	(136,630)	37,675	(292,659)
Increase (Decrease) in closure and and post-closure liabilities	-	-	156,347	156,347
Increase (Decrease) in due to other funds	4,202	1,534	-	5,736
Increase (Decrease) in due to other governments	-	-	8,399	8,399
Increase (Decrease) in deferred revenue	(20,130)	(32,061)	-	(52,191)
Increase (Decrease) in customer deposits	-	-	850	850
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 147,921</u>	<u>\$ (318,564)</u>	<u>\$ 1,028,072</u>	<u>\$ 857,429</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Proceeds from taxes	\$ 5,925	\$ 3,895	\$ 1,533,811	\$ 1,543,631
Proceeds from grant	-	-	558,182	558,182
Proceeds from interfund loan	-	28,646	-	28,646
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>\$ 5,925</u>	<u>\$ 32,541</u>	<u>\$ 2,091,993</u>	<u>\$ 2,130,459</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition of capital assets	\$ (59,263)	\$ (142,146)	\$ (148,692)	\$ (350,101)
Principal paid on bonds	-	(40,000)	(1,185,000)	(1,225,000)
Interest paid on bonds	-	(5,420)	(321,410)	(326,830)
Disposal of capital assets	-	490	-	490
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<u>\$ (59,263)</u>	<u>\$ (187,076)</u>	<u>\$ (1,655,102)</u>	<u>\$ (1,901,441)</u>
<b>Cash Flows From Investing Activities</b>				
Purchase of investments	\$ -	\$ -	\$ (20,736,997)	\$ (20,736,997)
Sale of investments	-	-	18,166,707	18,166,707
Earnings on investments	-	-	904,267	904,267
<b>Net Cash Provided by Investing Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,666,023)</u>	<u>\$ (1,666,023)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ 94,583</u>	<u>\$ (473,099)</u>	<u>\$ (201,060)</u>	<u>\$ (579,576)</u>
Cash and Cash Equivalents - January 1	237,907	477,090	1,072,977	1,787,974
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 332,490</u>	<u>\$ 3,991</u>	<u>\$ 871,917</u>	<u>\$ 1,208,398</u>

# Internal Service Funds

Internal Service Funds are used to account for operations that are financed and operated in a manner similar to private business, with the intent that cost (expenses, including depreciation) of providing goods or services by specific departments within St. Louis County 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, 1998

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/Dental Insurance	Management Information Systems	Telecommunications	Total
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	\$ 579,241	\$ 164,722	\$ 354,727	\$ 480,848	\$ 411,110	\$ 558,181	\$ 1,974,076	\$ 1,556,037	\$ 1,325,420	\$ 507,687	\$ 7,912,049
Investments	-	-	-	-	-	3,598,994	4,708,854	3,183,872	-	-	11,491,720
Receivables											
Accounts	69,996	65,821	10,077	4,008	37	-	-	206,532	-	-	356,471
Accrued interest	-	-	-	-	-	56,824	116,888	67,595	-	-	241,307
Due from other governments	10,776	-	-	4,395	1,438	-	17,324	810	-	-	34,743
Inventories	19,241	28,872	-	65,947	36,630	-	-	-	12,234	12,516	175,440
Prepaid items	71,429	-	-	-	-	-	-	-	-	-	71,429
<b>Total current assets</b>	<b>\$ 750,683</b>	<b>\$ 259,415</b>	<b>\$ 364,804</b>	<b>\$ 555,198</b>	<b>\$ 449,215</b>	<b>\$ 4,213,999</b>	<b>\$ 6,817,142</b>	<b>\$ 5,014,846</b>	<b>\$ 1,337,654</b>	<b>\$ 520,203</b>	<b>\$ 20,283,159</b>
<b>Fixed assets</b>											
Land	\$ -	\$ -	\$ -	\$ -	\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,500
Buildings and structures	-	1,030,654	-	-	778,730	-	-	-	-	-	1,809,384
Machinery and equipment	-	383,175	14,524	342,898	85,319	-	-	-	4,203,220	2,638,376	7,667,512
Linens	-	157,011	-	-	-	-	-	-	-	-	157,011
Vehicles	-	33,095	-	-	1,581,798	-	-	-	-	-	1,614,893
<b>Total fixed assets</b>	<b>\$ -</b>	<b>\$ 1,603,935</b>	<b>\$ 14,524</b>	<b>\$ 342,898</b>	<b>\$ 2,471,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,203,220</b>	<b>\$ 2,638,376</b>	<b>\$ 11,274,300</b>
Accumulated depreciation	-	(756,252)	(5,524)	(190,289)	(1,619,354)	-	-	-	(2,729,919)	(1,963,453)	(7,264,791)
<b>Net fixed assets</b>	<b>\$ -</b>	<b>\$ 847,683</b>	<b>\$ 9,000</b>	<b>\$ 152,609</b>	<b>\$ 851,993</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,473,301</b>	<b>\$ 674,923</b>	<b>\$ 4,009,509</b>
<b>Total Assets</b>	<b>\$ 750,683</b>	<b>\$ 1,107,098</b>	<b>\$ 373,804</b>	<b>\$ 707,807</b>	<b>\$ 1,301,208</b>	<b>\$ 4,213,999</b>	<b>\$ 6,817,142</b>	<b>\$ 5,014,846</b>	<b>\$ 2,810,955</b>	<b>\$ 1,195,126</b>	<b>\$ 24,292,668</b>
											(continued)
											(Continued)
<b>Liabilities and Fund Equity</b>											
<b>Liabilities</b>											
<b>Current liabilities</b>											
Accounts payable	\$ 68,583	\$ 9,275	\$ 3,175	\$ 88,704	\$ 46,427	\$ 3,697	\$ 86,722	\$ 1,110	\$ 35,855	\$ 64,590	\$ 408,138
Salaries payable	18,891	26,093	23,148	5,944	13,545	-	-	-	87,114	7,676	182,411
Compensated absences payable	4,281	5,984	3,601	1,559	2,710	-	-	-	16,187	2,357	36,679
Claims payable	-	-	-	-	-	192,225	885,745	2,039,711	-	-	3,117,681
Due to other governments	2,613	8,996	12	-	990	-	112,588	-	-	9,976	135,175
Deferred revenue	1,454	1,630	1,115	413	914	-	-	398,765	5,509	542	410,342
Capital leases payable	-	-	-	2,607	-	-	-	-	-	-	2,607
<b>Total current liabilities</b>	<b>\$ 95,822</b>	<b>\$ 51,978</b>	<b>\$ 31,051</b>	<b>\$ 99,227</b>	<b>\$ 64,586</b>	<b>\$ 195,922</b>	<b>\$ 1,085,055</b>	<b>\$ 2,439,586</b>	<b>\$ 144,665</b>	<b>\$ 85,141</b>	<b>\$ 4,293,033</b>
<b>Long-term liabilities</b>											
Compensated absences payable	\$ 98,641	\$ 207,488	\$ 220,263	\$ 87,790	\$ 155,786	\$ -	\$ -	\$ -	\$ 718,819	\$ 50,041	\$ 1,538,828
Claims payable	-	-	-	-	-	-	4,622,645	-	-	-	4,622,645
Capital leases payable	-	-	-	3,014	-	-	-	-	-	-	3,014
<b>Total long-term liabilities</b>	<b>\$ 98,641</b>	<b>\$ 207,488</b>	<b>\$ 220,263</b>	<b>\$ 90,804</b>	<b>\$ 155,786</b>	<b>\$ -</b>	<b>\$ 4,622,645</b>	<b>\$ -</b>	<b>\$ 718,819</b>	<b>\$ 50,041</b>	<b>\$ 6,164,487</b>
<b>Total Liabilities</b>	<b>\$ 194,463</b>	<b>\$ 259,466</b>	<b>\$ 251,314</b>	<b>\$ 190,031</b>	<b>\$ 220,372</b>	<b>\$ 195,922</b>	<b>\$ 5,707,700</b>	<b>\$ 2,439,586</b>	<b>\$ 863,484</b>	<b>\$ 135,182</b>	<b>\$ 10,457,520</b>
<b>Fund Equity</b>											
<b>Contributed capital</b>											
Contributed capital	\$ -	\$ 764,201	\$ 3,192	\$ 5,131	\$ 1,120,249	\$ -	\$ -	\$ -	\$ 808,490	\$ 185,639	\$ 2,886,902
<b>Retained earnings</b>											
Reserved for capital acquisition	\$ 71,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,429
Reserved for Year 2000	-	-	-	-	-	-	-	-	238,622	-	238,622
Unreserved	484,791	83,431	119,298	512,645	(39,413)	4,018,077	1,109,442	2,575,260	900,359	874,305	10,638,195
<b>Total retained earnings</b>	<b>\$ 556,220</b>	<b>\$ 83,431</b>	<b>\$ 119,298</b>	<b>\$ 512,645</b>	<b>\$ (39,413)</b>	<b>\$ 4,018,077</b>	<b>\$ 1,109,442</b>	<b>\$ 2,575,260</b>	<b>\$ 1,138,981</b>	<b>\$ 874,305</b>	<b>\$ 10,948,246</b>
<b>Total Fund Equity</b>	<b>\$ 556,220</b>	<b>\$ 847,632</b>	<b>\$ 122,490</b>	<b>\$ 517,776</b>	<b>\$ 1,080,836</b>	<b>\$ 4,018,077</b>	<b>\$ 1,109,442</b>	<b>\$ 2,575,260</b>	<b>\$ 1,947,471</b>	<b>\$ 1,059,944</b>	<b>\$ 13,835,148</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 750,683</b>	<b>\$ 1,107,098</b>	<b>\$ 373,804</b>	<b>\$ 707,807</b>	<b>\$ 1,301,208</b>	<b>\$ 4,213,999</b>	<b>\$ 6,817,142</b>	<b>\$ 5,014,846</b>	<b>\$ 2,810,955</b>	<b>\$ 1,195,126</b>	<b>\$ 24,292,668</b>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS**  
**ALL INTERNAL SERVICE FUNDS**  
YEAR ENDED DECEMBER 31, 1998

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
<b>Operating Revenues</b>											
Charges for services	\$ 1,215,040	\$ 1,008,223	\$ 569,973	\$ 943,982	\$ 1,197,028	\$ 517,666	\$ 775,785	\$ 12,770,549	\$ 3,263,135	\$ 1,411,321	\$ 23,672,702
Other	4,229	5,368	294	2,125	5,733	-	435,753	-	446,884	22,695	923,081
<b>Total Operating Revenues</b>	<b>\$ 1,219,269</b>	<b>\$ 1,013,591</b>	<b>\$ 570,267</b>	<b>\$ 946,107</b>	<b>\$ 1,202,761</b>	<b>\$ 517,666</b>	<b>\$ 1,211,538</b>	<b>\$ 12,770,549</b>	<b>\$ 3,710,019</b>	<b>\$ 1,434,016</b>	<b>\$ 24,595,783</b>
<b>Operating Expenses</b>											
Personal services	\$ 564,771	\$ 603,140	\$ 444,303	\$ 162,307	\$ 370,347	\$ -	\$ -	\$ -	\$ 2,125,724	\$ 205,718	\$ 4,476,310
Contractual services	136,548	123,556	36,698	345,061	279,172	322,857	3,885,109	14,929,084	930,019	790,708	21,778,812
Materials	399,795	162,177	9,834	347,791	326,835	-	1,030	-	86,623	57,578	1,391,663
Depreciation	-	34,279	-	34,901	222,778	-	-	-	476,938	241,116	1,010,012
<b>Total Operating Expenses</b>	<b>\$ 1,101,114</b>	<b>\$ 923,152</b>	<b>\$ 490,835</b>	<b>\$ 890,060</b>	<b>\$ 1,199,132</b>	<b>\$ 322,857</b>	<b>\$ 3,886,139</b>	<b>\$ 14,929,084</b>	<b>\$ 3,619,304</b>	<b>\$ 1,295,120</b>	<b>\$ 28,656,797</b>
<b>Operating Income (Loss)</b>	<b>\$ 118,155</b>	<b>\$ 90,439</b>	<b>\$ 79,432</b>	<b>\$ 56,047</b>	<b>\$ 3,629</b>	<b>\$ 194,809</b>	<b>\$ (2,674,601)</b>	<b>\$ (2,158,535)</b>	<b>\$ 90,715</b>	<b>\$ 138,896</b>	<b>\$ (4,061,014)</b>
<b>Nonoperating Revenues (Expenses)</b>											
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,642	\$ 446,343	\$ 286,931	\$ -	\$ -	\$ 975,916
Loss or gain on asset disposal	-	-	-	(11,670)	(2,076)	-	-	-	(3,214)	(24,205)	(37,951)
Disposition of fixed assets	-	-	-	-	19,056	-	-	-	-	-	15,842
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,670)</b>	<b>\$ 16,980</b>	<b>\$ 242,642</b>	<b>\$ 446,343</b>	<b>\$ 286,931</b>	<b>\$ (3,214)</b>	<b>\$ (24,205)</b>	<b>\$ 953,807</b>
<b>Net Income (Loss)</b>	<b>\$ 118,155</b>	<b>\$ 90,439</b>	<b>\$ 79,432</b>	<b>\$ 44,377</b>	<b>\$ 20,609</b>	<b>\$ 437,451</b>	<b>\$ (2,228,258)</b>	<b>\$ (1,871,604)</b>	<b>\$ 87,501</b>	<b>\$ 114,691</b>	<b>\$ (3,107,207)</b>
Retained Earnings - January 1 - Restated	438,065	(7,008)	39,866	468,268	(60,022)	3,580,626	3,337,700	4,446,864	1,051,480	759,614	14,055,453
<b>Retained Earnings - December 31</b>	<b>\$ 556,220</b>	<b>\$ 83,431</b>	<b>\$ 119,298</b>	<b>\$ 512,645</b>	<b>\$ (39,413)</b>	<b>\$ 4,018,077</b>	<b>\$ 1,109,442</b>	<b>\$ 2,575,260</b>	<b>\$ 1,138,981</b>	<b>\$ 874,305</b>	<b>\$ 10,948,246</b>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	Community Food	Laundry	Supervised Living Facilities	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Total
<b>Cash Flows From Operating Activities</b>											
Operating Income (Loss)	\$ 118,155	\$ 90,439	\$ 79,432	\$ 56,047	\$ 3,629	\$ 194,809	\$ (2,674,601)	\$ (2,158,535)	\$ 90,715	\$ 138,896	\$ (4,061,014)
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities</b>											
Depreciation	\$ -	\$ 34,279	\$ -	\$ 34,901	\$ 222,778	\$ -	\$ -	\$ -	\$ 476,938	\$ 241,116	\$ 1,010,012
Changes in Assets and Liabilities											
(Increase) Decrease in accounts receivable	33,861	(28,819)	13,981	(1,138)	(37)	-	-	(198,572)	-	1,597	(179,127)
(Increase) Decrease in due from other governments	(9,220)	-	-	3,846	2,423	-	3,469	(810)	4,750	11,570	16,028
(Increase) Decrease in inventories	4,019	16,769	-	(3,741)	(4,112)	-	-	-	(1,676)	(9,562)	1,697
(Increase) Decrease in prepaid items	(12,861)	-	-	-	-	-	-	-	-	-	(12,861)
Increase (Decrease) in accounts payable	31,864	3,338	2,751	52,238	34,638	2,797	(116,532)	37	(9,781)	2,638	3,988
Increase (Decrease) in salaries payable	(727)	5,327	3,960	1,892	4,800	-	-	-	31,676	757	47,685
Increase (Decrease) in compensated absences payable	(16,567)	(58,889)	(27,648)	5,267	29,753	-	-	-	81,794	2,252	15,962
Increase (Decrease) in claims payable	-	-	-	-	-	67,965	1,731,058	423,880	-	-	2,222,903
Increase (Decrease) in due to other governments	2,229	(56)	12	-	990	-	112,588	-	-	6,998	122,761
Increase (Decrease) in deferred revenue	(111)	(40)	(41)	7	88	-	-	123,901	140	19	123,963
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 150,642</b>	<b>\$ 62,348</b>	<b>\$ 72,447</b>	<b>\$ 149,319</b>	<b>\$ 294,950</b>	<b>\$ 265,571</b>	<b>\$ (944,018)</b>	<b>\$ (1,810,099)</b>	<b>\$ 674,556</b>	<b>\$ 396,281</b>	<b>\$ (688,003)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>											
Acquisition of capital assets	\$ -	\$ (717)	\$ (9,000)	\$ (72,069)	\$ (78,278)	\$ -	\$ -	\$ -	\$ (708,861)	\$ (128,804)	\$ (997,729)
Payments of capital leases	-	-	-	(11,873)	-	-	-	-	-	-	(11,873)
Proceeds from sale of fixed assets	-	-	-	-	19,056	-	-	-	-	-	19,056
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>\$ -</b>	<b>\$ (717)</b>	<b>\$ (9,000)</b>	<b>\$ (83,942)</b>	<b>\$ (59,222)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (708,861)</b>	<b>\$ (128,804)</b>	<b>\$ (990,546)</b>
<b>Cash Flows From Investing Activities</b>											
Purchase of investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,142,282)	\$ (7,232,733)	\$ (12,893,305)	\$ -	\$ -	\$ (24,268,320)
Sale of investments	-	-	-	-	-	3,989,232	8,374,851	14,371,146	-	-	26,735,229
Earnings on investments	-	-	-	-	-	183,821	344,075	256,077	-	-	783,973
<b>Net Cash Provided by Investing Activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,771</b>	<b>\$ 1,486,193</b>	<b>\$ 1,733,918</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,250,882</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 150,642</b>	<b>\$ 61,631</b>	<b>\$ 63,447</b>	<b>\$ 65,377</b>	<b>\$ 235,728</b>	<b>\$ 296,342</b>	<b>\$ 542,175</b>	<b>\$ (76,181)</b>	<b>\$ (34,305)</b>	<b>\$ 267,477</b>	<b>\$ 1,572,333</b>
Cash and Cash Equivalents - January 1	428,599	103,091	291,280	415,471	175,382	261,839	1,431,901	1,632,218	1,359,725	240,210	6,339,716
<b>Cash and Cash Equivalents - December 31</b>	<b>\$ 579,241</b>	<b>\$ 164,722</b>	<b>\$ 354,727</b>	<b>\$ 480,848</b>	<b>\$ 411,110</b>	<b>\$ 558,181</b>	<b>\$ 1,974,076</b>	<b>\$ 1,556,037</b>	<b>\$ 1,325,420</b>	<b>\$ 507,687</b>	<b>\$ 7,912,049</b>

# Trust and Agency Funds

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

## EXPENDABLE TRUST FUNDS

### Missing Heirs Fund

The Missing Heirs Fund is used to account for the receipt of unclaimed legacies deposited with the County pursuant to Minn. Stat. §524.3-914 (1998). The principal and any interest earned on its subsequent investment may be claimed by the heirs by procuring a court order from the Probate (County) Court prior to the principal escheating to the General Fund pursuant to an opinion of the Attorney General.

### Private Redemption Fund

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

### Exchange of Land Fund

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

### Tax Certificate Assurance Fund

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

## Forfeited Tax Sale Fund

The Forfeited Tax Sale Fund is used to account for the proceeds from the sale or rental of lands forfeited to the State of Minnesota pursuant to Minn. Stat. ch. 282 (1998). The distribution of the net proceeds, after deducting the expenses of the County for managing the tax forfeited lands is governed by Minn. Stat. §282.08 (1998). Title to the tax forfeited lands remains with the State until sold by the County.

## Forest Resources Fund

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

## Patients Escrow Fund

The Patients Escrow Fund is used to account for the deposit and subsequent return of nursing home 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 (1998)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1998)]. The County Attorney is authorized by statute to use a share of such monies, and those expenditures are accounted for here.

# Trust and Agency Funds

## Sheriff Forfeitures Fund

The Sheriff Forfeitures Fund is used to account for the Sheriff's share of monies confiscated in drug-related crimes [Minn. Stat. §609.5311 (1998)] and contraband used in the commission of other crimes [Minn. Stat. §609.5312 (1998)].

## Sheriff Fines Fund

The Sheriff Fines Fund is used to account for monies collected from fines imposed by Minn. Stat. ch. 152 and Minn. Stat. ch. 340A (1998). The Sheriff is to use the money for the purpose of investigating and securing evidence of violations of these statutes.

## AGENCY FUNDS

### State of Minnesota Fund

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

### Beer-Auctioneer Licenses Fund

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

### Cities and Towns Fines Fund

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

## Game and Fish License Fund

The Game and Fish License Fund is used to account for the collection of game and fish fees collected pursuant to Minn. Stat. ch. 97A (1998) and the payment to the State, County, and sub-agents for their respective share.

## Bid Deposits Fund

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

## Taxes and Penalties Fund

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

## Payroll Deductions Fund

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

## Series EE Savings Bond Fund

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

# Trust and Agency Funds

## **Canceled Check Fund**

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

## **High Voltage Credit Fund**

The High Voltage Credit Fund is used to account for the collection of power line property tax credit which is then distributed to property owners, with any excess going to the School Fund pursuant to Minn. Stat. §273.42 (1998).

## **Assault Fees Fund**

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

## **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, 1998

	Expendable Trust Funds										All Agency Funds	Total
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale	Forest Resources	Patients Escrow	Attorney Forfeitures	Sheriff Forfeitures	Sheriff Fines		
<b>Assets</b>												
Cash and cash equivalents	\$ 76,921	\$ 414	\$ 22,798	\$ 192,511	\$ 401,365	\$ 2,800,457	\$ 22,869	\$ 167,414	\$ 90,220	\$ 34,764	\$ 9,401,114	\$ 13,210,847
Investments	85,593	-	-	-	-	-	70,000	-	-	-	24,365,603	24,521,196
Receivables												
Taxes												
Unapportioned	-	-	-	-	-	-	-	-	-	-	7,363	7,363
Delinquent	-	-	-	-	-	-	-	-	-	-	27,444	27,444
Accounts	-	-	-	-	9,073,244	-	-	-	-	-	9,992	9,083,236
Accrued interest	-	-	-	-	-	-	1,165	-	-	-	198,950	200,115
Due from other funds	-	-	-	-	-	-	5,736	-	-	-	-	5,736
Due from other governments	-	-	-	-	-	-	-	-	-	-	1,653,536	1,653,536
<b>Total Assets</b>	<b>\$ 162,514</b>	<b>\$ 414</b>	<b>\$ 22,798</b>	<b>\$ 192,511</b>	<b>\$ 9,474,609</b>	<b>\$ 2,800,457</b>	<b>\$ 99,770</b>	<b>\$ 167,414</b>	<b>\$ 90,220</b>	<b>\$ 34,764</b>	<b>\$ 35,664,002</b>	<b>\$ 48,709,473</b>
<b>Liabilities and Fund Balance</b>												
<b>Liabilities</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 28,543	\$ 20,579	\$ -	\$ -	\$ -	\$ -	\$ 783,282	\$ 832,404
Salaries payable	-	-	-	-	91,133	-	-	-	-	-	541,528	632,661
Compensated absences payable	-	-	-	-	18,589	-	-	-	-	-	-	18,589
Unapportioned taxes payable	-	-	-	-	-	-	-	-	-	-	1,243,488	1,243,488
Due to other governments	-	-	-	-	16,410	-	-	-	-	-	33,095,704	33,112,114
Deferred revenue	-	-	-	-	8,498,205	76,109	-	-	-	-	-	8,574,314
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,652,880</b>	<b>\$ 96,688</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,664,002</b>	<b>\$ 44,413,570</b>
<b>Fund Balance</b>												
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 34,324	\$ 230,148	\$ -	\$ -	\$ 4,540	\$ 30,068	\$ -	\$ 299,080
Reserved for health and welfare	-	-	-	-	69,713	-	-	-	-	-	-	69,713
Reserved for veterans credit	-	-	-	-	15,000	-	-	-	-	-	-	15,000
Reserved for memorial forest	-	-	-	-	581,737	-	-	-	-	-	-	581,737
Unreserved												
Designated for vested sick leave	-	-	-	-	116,268	-	-	-	-	-	-	116,268
Undesignated	162,514	414	22,798	192,511	4,687	2,473,621	99,770	167,414	85,680	4,696	-	3,214,105
<b>Total Fund Balance</b>	<b>\$ 162,514</b>	<b>\$ 414</b>	<b>\$ 22,798</b>	<b>\$ 192,511</b>	<b>\$ 821,729</b>	<b>\$ 2,703,769</b>	<b>\$ 99,770</b>	<b>\$ 167,414</b>	<b>\$ 90,220</b>	<b>\$ 34,764</b>	<b>\$ -</b>	<b>\$ 4,295,903</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 162,514</b>	<b>\$ 414</b>	<b>\$ 22,798</b>	<b>\$ 192,511</b>	<b>\$ 9,474,609</b>	<b>\$ 2,800,457</b>	<b>\$ 99,770</b>	<b>\$ 167,414</b>	<b>\$ 90,220</b>	<b>\$ 34,764</b>	<b>\$ 35,664,002</b>	<b>\$ 48,709,473</b>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL EXPENDABLE TRUST FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale	Forest Resources	Patients Escrow	Attorney Forfeitures	Sheriff Forfeitures	Sheriff Fines	Total
<b>Revenues</b>											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 663,275	\$ -	\$ -	\$ -	\$ -	\$ 663,275
Intergovernmental	-	-	-	-	-	137,254	-	-	-	-	137,254
Charges for services	-	-	-	3,285	-	-	-	-	-	-	3,285
Interest on investments	2,088	-	-	-	-	-	3,585	-	-	-	5,673
Land and timber sales	-	-	-	-	5,748,891	-	-	-	-	-	5,748,891
Miscellaneous	31,477	-	-	-	523,115	-	263,021	36,744	45,274	32,733	932,364
<b>Total Revenues</b>	<b>\$ 33,565</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,285</b>	<b>\$ 6,272,006</b>	<b>\$ 800,529</b>	<b>\$ 266,606</b>	<b>\$ 36,744</b>	<b>\$ 45,274</b>	<b>\$ 32,733</b>	<b>\$ 7,490,742</b>
<b>Expenditures</b>											
<b>Current</b>											
General government	\$ 410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,120	\$ 24,148	\$ -	\$ -	\$ 303,678
Public safety	-	-	-	-	-	-	-	-	27,150	2,234	29,384
Conservation of natural resources	-	-	-	-	6,520,770	676,625	-	-	-	-	7,197,395
<b>Total Current</b>	<b>\$ 410</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,520,770</b>	<b>\$ 676,625</b>	<b>\$ 279,120</b>	<b>\$ 24,148</b>	<b>\$ 27,150</b>	<b>\$ 2,234</b>	<b>\$ 7,530,457</b>
<b>Capital outlay</b>											
Conservation of natural resources	\$ -	\$ -	\$ -	\$ -	\$ 310,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,515
<b>Total Expenditures</b>	<b>\$ 410</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,831,285</b>	<b>\$ 676,625</b>	<b>\$ 279,120</b>	<b>\$ 24,148</b>	<b>\$ 27,150</b>	<b>\$ 2,234</b>	<b>\$ 7,840,972</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ 33,155</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,285</b>	<b>\$ (559,279)</b>	<b>\$ 123,904</b>	<b>\$ (12,514)</b>	<b>\$ 12,596</b>	<b>\$ 18,124</b>	<b>\$ 30,499</b>	<b>\$ (350,230)</b>
<b>Other Financing Sources (Uses)</b>											
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Operating transfers out	-	-	-	-	-	(1,000,000)	-	-	-	-	(1,000,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 33,155</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,285</b>	<b>\$ 440,721</b>	<b>\$ (876,096)</b>	<b>\$ (12,514)</b>	<b>\$ 12,596</b>	<b>\$ 18,124</b>	<b>\$ 30,499</b>	<b>\$ (350,230)</b>
Fund Balance - January 1	129,359	414	22,798	189,226	381,008	3,579,865	112,284	154,818	72,096	4,265	4,646,133
<b>Fund Balance - December 31</b>	<b>\$ 162,514</b>	<b>\$ 414</b>	<b>\$ 22,798</b>	<b>\$ 192,511</b>	<b>\$ 821,729</b>	<b>\$ 2,703,769</b>	<b>\$ 99,770</b>	<b>\$ 167,414</b>	<b>\$ 90,220</b>	<b>\$ 34,764</b>	<b>\$ 4,295,903</b>

ST. LOUIS COUNTY, MINNESOTA  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
 YEAR ENDED DECEMBER 31, 1998

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>STATE OF MINNESOTA FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 497,090	\$ 51,875,924	\$ 51,778,175	\$ 594,839
Investments	20,657,967	26,936,053	23,228,417	24,365,603
Unapportioned taxes receivable	954	931	954	931
Accrued interest receivable	94,204	198,950	94,204	198,950
Due from other governments	19,172	26,168	19,172	26,168
<b>Total Assets</b>	<u>\$ 21,269,387</u>	<u>\$ 79,038,026</u>	<u>\$ 75,120,922</u>	<u>\$ 25,186,491</u>
<b>Liabilities</b>				
Salaries payable	\$ 2,853	\$ 126,847	\$ 125,804	\$ 3,896
Due to other governments	21,266,534	78,911,179	74,995,118	25,182,595
<b>Total Liabilities</b>	<u>\$ 21,269,387</u>	<u>\$ 79,038,026</u>	<u>\$ 75,120,922</u>	<u>\$ 25,186,491</u>
<b>BEER-AUCTIONEER LICENSES FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 3,300	\$ 3,300	\$ -
<b>Liabilities</b>				
Due to other governments	\$ -	\$ 3,300	\$ 3,300	\$ -
<b>CITIES AND TOWNS FINES FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 90,602	\$ 1,399,671	\$ 1,401,283	\$ 88,990
<b>Liabilities</b>				
Due to other governments	\$ 90,602	\$ 1,399,671	\$ 1,401,283	\$ 88,990
<b>GAME AND FISH LICENSE FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 299,747	\$ 3,141,543	\$ 3,168,727	\$ 272,563
Accounts receivable	-	4,012	-	4,012
	<u>\$ 299,747</u>	<u>\$ 3,145,555</u>	<u>\$ 3,168,727</u>	<u>\$ 276,575</u>
<b>Liabilities</b>				
Due to other governments	\$ 299,747	\$ 3,145,555	\$ 3,168,727	\$ 276,575
<b>BID DEPOSITS FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 12,850	\$ -	\$ -	\$ 12,850
<b>Liabilities</b>				
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, 1998

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>TAXES AND PENALTIES FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 4,572,312	\$ 224,176,568	\$ 224,119,729	\$ 4,629,151
<b>Liabilities</b>				
Unapportioned taxes payable	\$ 1,356,969	\$ 1,243,488	\$ 1,356,969	\$ 1,243,488
Due to other governments	3,215,343	222,933,080	222,762,760	3,385,663
<b>Total Liabilities</b>	<u>\$ 4,572,312</u>	<u>\$ 224,176,568</u>	<u>\$ 224,119,729</u>	<u>\$ 4,629,151</u>
<b>PAYROLL DEDUCTIONS FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 309,554	\$ 56,175,744	\$ 56,067,491	\$ 417,807
<b>Liabilities</b>				
Accounts payable	\$ 17,537	\$ 58,914	\$ 17,537	\$ 58,914
Due to other governments	292,017	56,116,830	56,049,954	358,893
<b>Total Liabilities</b>	<u>\$ 309,554</u>	<u>\$ 56,175,744</u>	<u>\$ 56,067,491</u>	<u>\$ 417,807</u>
<b>SERIES EE SAVINGS BOND FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,826	\$ 160,439	\$ 162,910	\$ 3,355
<b>Liabilities</b>				
Due to other governments	\$ 5,826	\$ 160,439	\$ 162,910	\$ 3,355
<b>CANCELED CHECK FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 33,333	\$ 31,918	\$ 20,223	\$ 45,028
<b>Liabilities</b>				
Accounts payable	\$ 33,333	\$ 31,918	\$ 20,223	\$ 45,028
<b>HIGH VOLTAGE CREDIT FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 100,565	\$ 85,427	\$ 185,992	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 100,565	\$ 85,427	\$ 185,992	\$ -
<b>ASSAULT FEES FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 543	\$ 30,035	\$ 29,697	\$ 881
<b>Liabilities</b>				
Accounts payable	\$ 543	\$ 30,035	\$ 29,697	\$ 881

(continued)

ST. LOUIS COUNTY, MINNESOTA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 1998

	Balance January 1	Additions	Deductions	Balance December 31
<b>DEFERRED COMPENSATION FUND</b>				
<b>Assets</b>				
Invested employee contribution	\$ 7,339,073	\$ -	\$ 7,339,073	\$ -
<b>Liabilities</b>				
Deferred compensation payable	\$ 7,339,073	\$ -	\$ 7,339,073	\$ -
<b>ARROWHEAD REGIONAL CORRECTIONS FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 480,555	\$ 15,207,432	\$ 14,521,253	\$ 1,166,734
Due from other governments	1,081,823	562,755	1,081,823	562,755
<b>Total Assets</b>	<b>\$ 1,562,378</b>	<b>\$ 15,770,187</b>	<b>\$ 15,603,076</b>	<b>\$ 1,729,489</b>
<b>Liabilities</b>				
Accounts payable	\$ 493,346	\$ 429,002	\$ 493,346	\$ 429,002
Salaries payable	275,605	531,991	275,605	531,991
Due to other governments	793,427	14,809,194	14,834,125	768,496
<b>Total Liabilities</b>	<b>\$ 1,562,378</b>	<b>\$ 15,770,187</b>	<b>\$ 15,603,076</b>	<b>\$ 1,729,489</b>
<b>COMMUNITY HEALTH SERVICES FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 81,291	\$ 2,252,024	\$ 2,333,315	\$ -
Due from other governments	216,414	279,793	216,414	279,793
<b>Total Assets</b>	<b>\$ 297,705</b>	<b>\$ 2,531,817</b>	<b>\$ 2,549,729</b>	<b>\$ 279,793</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,850	2,517	\$ 2,850	\$ 2,517
Salaries payable	2,914	3,344	2,914	3,344
Due to other governments	291,941	2,525,956	2,543,965	273,932
<b>Total Liabilities</b>	<b>\$ 297,705</b>	<b>\$ 2,531,817</b>	<b>\$ 2,549,729</b>	<b>\$ 279,793</b>
<b>DULUTH AREA FAMILY SERVICE COLLABORATIVE FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 364,695	\$ 957,801	\$ 420,625	\$ 901,871
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 54,999	\$ -	\$ 54,999
Due to other governments	364,695	902,802	420,625	846,872
<b>Total Liabilities</b>	<b>\$ 364,695</b>	<b>\$ 957,801</b>	<b>\$ 420,625</b>	<b>\$ 901,871</b>
<b>NORTHERN ST. LOUIS COUNTY FAMILY SERVICE COLLABORATIVE FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 545,893	\$ 757,056	\$ 138,108	\$ 1,164,841
<b>Liabilities</b>				
Accounts payable	\$ -	92,383	-	92,383
Due to other governments	545,893	664,673	138,108	1,072,458
<b>Total Liabilities</b>	<b>\$ 545,893</b>	<b>\$ 757,056</b>	<b>\$ 138,108</b>	<b>\$ 1,164,841</b>

(continued)

ST. LOUIS COUNTY, MINNESOTA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
YEAR ENDED DECEMBER 31, 1998

	Balance January 1	Additions	Deductions	Balance December 31
<b>REGIONAL RAILROAD AUTHORITY FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 589,174	\$ 754,986	\$ 1,260,493	\$ 83,667
Receivables				
Unapportioned taxes	6,751	6,432	6,751	6,432
Delinquent taxes	22,094	27,444	22,094	27,444
Accounts	47	5,980	47	5,980
Due from other governments	334,374	784,690	334,374	784,690
<b>Total Assets</b>	<b>\$ 952,440</b>	<b>\$ 1,579,532</b>	<b>\$ 1,623,759</b>	<b>\$ 908,213</b>
<b>Liabilities</b>				
Accounts payable	\$ 191,607	\$ 86,708	\$ 191,607	\$ 86,708
Salaries payable	2,405	2,297	2,405	2,297
Due to other governments	758,428	1,490,527	1,429,747	819,208
<b>Total Liabilities</b>	<b>\$ 952,440</b>	<b>\$ 1,579,532</b>	<b>\$ 1,623,759</b>	<b>\$ 908,213</b>
<b>NORTHERN COUNTIES LAND USE BOARD FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 25,035	\$ 52,630	\$ 59,128	\$ 18,537
Due from other governments	-	130	-	130
<b>Total Assets</b>	<b>\$ 25,035</b>	<b>\$ 52,760</b>	<b>\$ 59,128</b>	<b>\$ 18,667</b>
<b>Liabilities</b>				
Due to other governments	\$ 25,035	\$ 52,760	\$ 59,128	\$ 18,667
<b>TOTALS FOR ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 8,009,065	\$ 357,062,498	\$ 355,670,449	\$ 9,401,114
Investments	20,657,967	26,936,053	23,228,417	24,365,603
Invested employee contribution	7,339,073	-	7,339,073	-
Receivables				
Unapportioned taxes	7,705	7,363	7,705	7,363
Delinquent taxes	22,094	27,444	22,094	27,444
Accounts	47	9,992	47	9,992
Accrued interest	94,204	198,950	94,204	198,950
Due from other governments	1,651,783	1,653,536	1,651,783	1,653,536
<b>Total Assets</b>	<b>\$ 37,781,938</b>	<b>\$ 385,895,836</b>	<b>\$ 388,013,772</b>	<b>\$ 35,664,002</b>
<b>Liabilities</b>				
Accounts payable	\$ 752,066	\$ 786,476	\$ 755,260	\$ 783,282
Salaries payable	283,777	664,479	406,728	541,528
Deferred compensation payable	7,339,073	-	7,339,073	-
Unapportioned taxes payable	1,356,969	1,243,488	1,356,969	1,243,488
Due to other governments	28,050,053	383,201,393	378,155,742	33,095,704
<b>Total Liabilities</b>	<b>\$ 37,781,938</b>	<b>\$ 385,895,836</b>	<b>\$ 388,013,772</b>	<b>\$ 35,664,002</b>

## **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, 1998

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	<u>1998</u>
<b>General Fixed Assets</b>	
Land	\$ 1,465,040
Buildings	58,958,554
Machinery and equipment	14,350,630
Vehicles	36,492,739
Construction in progress	<u>15,648</u>
<b>Total General Fixed Assets</b>	<u><u>\$ 111,282,611</u></u>
<b>Investment In General Fixed Assets By Source</b>	
General fund	\$ 50,995,715
Special revenue funds	56,765,941
Capital projects funds	15,648
Trust funds	<u>3,505,307</u>
<b>Total Investment In Fixed Assets</b>	<u><u>\$ 111,282,611</u></u>

ST. LOUIS COUNTY, MINNESOTA  
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
DECEMBER 31, 1998

	Land	Buildings and Structures	Machinery and Equipment	Vehicles	Total
<b>General Government</b>					
Legislative	\$ -	\$ -	\$ 15,903	\$ -	\$ 15,903
Judicial and legal	-	1,257	437,196	-	438,453
Financial and other activities	5,998	-	1,226,333	175,659	1,407,990
Courthouses	924,190	22,668,278	168,085	105,454	23,866,007
<b>Total General Government</b>	<b>\$ 930,188</b>	<b>\$ 22,669,535</b>	<b>\$ 1,847,517</b>	<b>\$ 281,113</b>	<b>\$ 25,728,353</b>
<b>Public Safety</b>					
Police protection	\$ -	\$ 15,377,137	\$ 3,939,484	\$ 2,477,083	\$ 21,793,704
Civil defense	-	-	16,019	-	16,019
Other activities	-	-	27,940	-	27,940
<b>Total Public Safety</b>	<b>\$ -</b>	<b>\$ 15,377,137</b>	<b>\$ 3,983,443</b>	<b>\$ 2,477,083</b>	<b>\$ 21,837,663</b>
<b>Highways</b>	<b>\$ 416,149</b>	<b>\$ 11,503,803</b>	<b>\$ 4,076,253</b>	<b>\$ 32,051,162</b>	<b>\$ 48,047,367</b>
<b>Health</b>	<b>\$ -</b>	<b>\$ 779,040</b>	<b>\$ 156,361</b>	<b>\$ -</b>	<b>\$ 935,401</b>
<b>Social Services</b>	<b>\$ -</b>	<b>\$ 3,638,540</b>	<b>\$ 2,439,492</b>	<b>\$ 108,854</b>	<b>\$ 6,186,886</b>
<b>Culture and Recreation</b>	<b>\$ -</b>	<b>\$ 1,663,214</b>	<b>\$ -</b>	<b>\$ 7,123</b>	<b>\$ 1,670,337</b>
<b>Conservation of Natural Resources</b>	<b>\$ 105,010</b>	<b>\$ 2,109,812</b>	<b>\$ 573,835</b>	<b>\$ 1,567,404</b>	<b>\$ 4,356,061</b>
<b>Economic Development</b>	<b>\$ 13,693</b>	<b>\$ 1,217,473</b>	<b>\$ 1,273,729</b>	<b>\$ -</b>	<b>\$ 2,504,895</b>
<b>Construction-In-Progress</b>	<b>\$ -</b>	<b>\$ 15,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,648</b>
<b>Total General Fixed Assets</b>	<b>\$ 1,465,040</b>	<b>\$ 58,974,202</b>	<b>\$ 14,350,630</b>	<b>\$ 36,492,739</b>	<b>\$ 111,282,611</b>

ST. LOUIS COUNTY, MINNESOTA  
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 YEAR ENDED DECEMBER 31, 1998

	General Fixed Assets Jan. 1, 1998	Additions	Deductions	General Fixed Assets Dec. 31, 1998
<b>General Government</b>				
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903
Judicial and legal	400,455	37,998	-	438,453
Financial and other activities	1,277,357	147,623	16,990	1,407,990
Courthouses	18,296,047	5,569,960	-	23,866,007
<b>Total General Government</b>	<b>\$ 19,989,762</b>	<b>\$ 5,755,581</b>	<b>\$ 16,990</b>	<b>\$ 25,728,353</b>
<b>Public Safety</b>				
Police protection	\$ 21,417,010	\$ 673,522	\$ 296,828	\$ 21,793,704
Civil defense	12,026	3,993	-	16,019
Other activities	27,940	-	-	27,940
<b>Total Public Safety</b>	<b>\$ 21,456,976</b>	<b>\$ 677,515</b>	<b>\$ 296,828</b>	<b>\$ 21,837,663</b>
<b>Highways</b>	<b>\$ 46,179,317</b>	<b>\$ 3,024,413</b>	<b>\$ 1,156,363</b>	<b>\$ 48,047,367</b>
<b>Health</b>	<b>\$ 944,679</b>	<b>\$ 1,980</b>	<b>\$ 11,258</b>	<b>\$ 935,401</b>
<b>Social Services</b>	<b>\$ 5,950,232</b>	<b>\$ 318,400</b>	<b>\$ 81,746</b>	<b>\$ 6,186,886</b>
<b>Culture and Recreation</b>	<b>\$ 1,670,337</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,670,337</b>
<b>Conservation of Natural Resources</b>	<b>\$ 4,569,869</b>	<b>\$ 318,784</b>	<b>\$ 532,592</b>	<b>\$ 4,356,061</b>
<b>Economic Development</b>	<b>\$ 2,486,858</b>	<b>\$ 18,037</b>	<b>\$ -</b>	<b>\$ 2,504,895</b>
<b>Construction-In-Progress</b>	<b>\$ 4,308,244</b>	<b>\$ 2,733,011</b>	<b>\$ 7,025,607</b>	<b>\$ 15,648</b>
<b>Total</b>	<b>\$ 107,556,274</b>	<b>\$ 12,847,721</b>	<b>\$ 9,121,384</b>	<b>\$ 111,282,611</b>

## **Supplementary Schedules**

Schedule of Investments  
(Schedule 34)

Schedule of Intergovernmental Revenue  
(Schedule 35)

ST. LOUIS COUNTY, MINNESOTA  
**SCHEDULE OF INVESTMENTS AND INTEREST EARNING DEPOSITS**  
 DECEMBER 31, 1998

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Market</u>
<b>Pooled Investments</b>			
Money market savings account	3.94%	\$ 210,878	\$ 210,878
Certificates of deposit	4.85 - 6.95%	14,436,000	14,374,137
Bankers acceptances	4.98 - 5.04%	9,476,644	9,441,189
Commercial paper	5.508 - 5.537%	3,115,000	3,069,891
MAGIC	Varies	25,693,208	25,693,208
FHLBs	5.93 - 6.47%	2,500,000	2,511,406
FNMA's	4.958 - 5.82%	4,440,000	4,427,948
FFCBs	4.85 - 5.32%	<u>3,000,000</u>	<u>3,000,000</u>
<b>Total Pooled Investments</b>		<u>\$ 62,871,730</u>	<u>\$ 62,728,657</u>
<b>Solid Waste Management Enterprise Fund</b>			
Certificates of deposit	4.537 - 6.75%	\$ 5,972,130	\$ 5,963,065
FHLB	5.041%	2,000,000	2,020,000
FNMA's	5.67 - 5.89%	4,700,000	4,730,950
Treasury note	6.75%	<u>2,750,000</u>	<u>2,823,049</u>
<b>Total Solid Waste Management Enterprise Fund</b>		<u>\$ 15,422,130</u>	<u>\$ 15,537,064</u>
<b>Property, Casualty, Liability Insurance</b>			
<b>Internal Service Fund</b>			
Certificates of deposit	4.50 - 7.20%	\$ 1,550,000	\$ 1,525,179
FNMA's	4.668 - 5.89%	<u>2,081,000</u>	<u>2,073,815</u>
<b>Total Property, Casualty, Liability Insurance</b>			
<b>Internal Service Fund</b>		<u>\$ 3,631,000</u>	<u>\$ 3,598,994</u>
<b>Worker's Compensation Insurance</b>			
<b>Internal Service Fund</b>			
Certificates of deposit	4.931 - 6.411%	\$ 3,900,000	\$ 3,795,140
FHLB	5.945%	1,000,000	1,005,625
FHLMC	6.375%	<u>1,265,000</u>	<u>1,308,089</u>
<b>Total Workers' Compensation Insurance</b>			
<b>Internal Service Fund</b>		<u>\$ 6,165,000</u>	<u>\$ 6,108,854</u>
<b>Medical/Dental Insurance Internal Service Fund</b>			
Certificates of deposit	4.931 - 5.671%	\$ 3,200,000	\$ 3,183,872
<b>Missing Heirs Trust Fund</b>			
Savings account	2.43%	\$ 67,909	\$ 67,909
Certificate of deposit	5.346%	<u>17,684</u>	<u>17,684</u>
<b>Total Missing Heirs Trust Fund</b>		<u>\$ 85,593</u>	<u>\$ 85,593</u>
<b>Patients' Escrow Trust Fund</b>			
Certificates of deposit	4.488 - 5.553%	\$ 70,000	\$ 70,000
<b>State of Minnesota Agency Fund</b>			
Certificates of deposit	4.547 - 5.602%	\$ 1,681,372	\$ 1,681,372
FNMA	5.81%	10,870,000	11,018,943
Treasury note	6.375%	<u>11,637,000</u>	<u>11,665,288</u>
<b>Total State of Minnesota Agency Fund</b>		<u>\$ 24,188,372</u>	<u>\$ 24,365,603</u>
<b>Total Investments</b>		<u>\$ 115,633,825</u>	<u>\$ 115,678,637</u>

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ST. LOUIS COUNTY, MINNESOTA  
**SCHEDULE OF INTERGOVERNMENTAL REVENUE**  
 YEAR ENDED DECEMBER 31, 1998

	Special Revenue Funds								Total
	General Fund	Road and Bridge	Social Services	Other	Debt Service Funds	Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	
<b>Shared revenue</b>									
<b>State</b>									
Department of Commerce									
Minnesota petro fund	\$ -	\$ 36,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,202
Department of Intertechnologies									
911 communications	125,439	-	-	-	-	-	-	-	125,439
Department of Natural Resources									
Mineral rents and royalties	218,206	-	-	-	-	-	-	-	218,206
Department of Revenue									
Community development block grant	-	-	8,131	-	-	-	-	-	8,131
Disparity aid	2,922,272	1,575,147	2,130,004	-	253,569 *	111,067	-	-	6,992,059
Homestead and agricultural credit aid (HACA) - real estate	4,998,152	1,908,362	2,827,763	12,634	-	115,026	-	-	9,861,937
HACA - manufactured home	45,474	17,350	25,708	35	-	1,046	-	-	89,613
PERA aid	146,835	90,358	130,267	-	-	-	-	200	367,660
Police aid	528,780	-	-	-	-	-	-	-	528,780
Department of Transportation									
30 percent rental income	1,189	649	877	1	104 **	45	-	-	2,865
Highway users tax	-	15,100,208	-	-	-	-	-	-	15,100,208
State parks	-	119,236	-	-	-	-	-	-	119,236
Unorganized town road and bridge aid	-	12,601	-	-	-	-	-	-	12,601
<b>Total Shared Revenue</b>	<b>\$ 8,986,347</b>	<b>\$ 18,860,113</b>	<b>\$ 5,122,750</b>	<b>\$ 12,670</b>	<b>\$ 253,673</b>	<b>\$ 227,184</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ 33,462,937</b>
<b>Reimbursement for Services</b>									
<b>State</b>									
Department of Human Services									
Child teen checkups	\$ -	\$ -	\$ 179,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,707
Child support	89,292	-	2,507,884	-	-	-	-	-	2,597,176
Child welfare targeted case management	-	-	2,009,781	-	-	-	-	-	2,009,781
Community alternatives for disabled individuals									
waivered services	-	-	85,915	-	-	-	-	-	85,915
Elderly waivered services	-	-	230,200	-	-	-	-	-	230,200
Emergency assistance intensive family preservation	-	-	782	-	-	-	-	-	782
Food stamps	77,069	-	1,199,951	-	-	-	-	-	1,277,020
Foster care	7,416	-	20,526	-	-	-	-	-	27,942
Medical assistance	66,210	-	2,743,935	-	-	-	-	-	2,810,145
Mentally ill case management waivered services	-	-	97,006	-	-	-	-	-	97,006
Mentally retarded waivered services	-	-	198,307	-	-	-	-	-	198,307
Traumatic brain injury	-	-	4,429	-	-	-	-	-	4,429
Temporary aid for needy families	57,301	-	889,843	-	-	-	-	-	947,144
<b>Total Reimbursement for Services Revenue</b>	<b>\$ 297,288</b>	<b>\$ -</b>	<b>\$ 10,168,266</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,465,554</b>
<b>Grants</b>									
<b>State grants</b>									
Area Agency on Aging									
Home delivered meals	\$ -	\$ -	\$ 54,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,149
Board of Water and Soil Resources									
Natural resources block grant	102,411	-	-	-	-	-	-	-	102,411
Water resources challenge grant	2,529	-	-	-	-	-	-	-	2,529
Wetlands	15,000	-	-	-	-	-	-	-	15,000
Department of Children, Families and Learning									
Children's trust fund	3,000	-	-	-	-	-	-	-	3,000
Department of Corrections									
Sex offender assessment reimbursement	18,453	-	-	-	-	-	-	-	18,453
Department of Environmental Assistance									
Hazardous household waste	-	-	-	-	-	-	35,675	-	35,675
SCORE recycling grant	-	-	-	-	-	-	552,418	-	552,418
Department of Finance									
Forest road access	-	-	-	-	-	-	-	116,590	116,590
Department of Health									
Community health services	912,330	-	-	-	-	-	-	-	912,330
Fetal/infant mortality	19,096	-	-	-	-	-	-	-	19,096
Home visiting	33,604	-	-	-	-	-	-	-	33,604
<b>Subtotal</b>	<b>\$ 1,106,423</b>	<b>\$ -</b>	<b>\$ 54,149</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,093</b>	<b>\$ 116,590</b>	<b>\$ 1,865,255</b>

(Continued)

\* Consists of Jail Correctional Facility of \$167,969; AJC Correctional Facility of \$14,467; Law Enforcement Facility of \$60,827 and Hibbing Public Works Facility of \$10,306.

\*\* Consists of Jail Correctional Facility of \$69, AJC Correctional Facility of \$6, Law Enforcement Facility of \$25 and Hibbing Public Works Facility of \$4.

ST. LOUIS COUNTY, MINNESOTA  
**SCHEDULE OF INTERGOVERNMENTAL REVENUE**  
 YEAR ENDED DECEMBER 31, 1998

Schedule 35  
(Continued)

	<u>Special Revenue Funds</u>					Debt Service Funds	Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
	General Fund	Road and Bridge	Social Services	Other						
<b>Grants (continued)</b>										
<b>State grants (continued)</b>										
Department of Health (continued)										
Special Indian health	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000
Tobacco free communities	2,222	-	-	-	-	-	-	-	-	2,222
Department of Human Services										
180 day alternative care grant services	-	-	657,777	-	-	-	-	-	-	657,777
Adult integrated fund	-	-	3,161,610	-	-	-	-	-	-	3,161,610
Child care	-	-	4,338,593	-	-	-	-	-	-	4,338,593
Child support	-	-	262,754	-	-	-	-	-	-	262,754
Community alternatives for disabled individuals waivered services	-	-	77,265	-	-	-	-	-	-	77,265
Community Social Services Act block grant	-	-	4,052,432	-	-	-	-	-	-	4,052,432
Consolidated chemical dependency fund admin	-	-	37,028	-	-	-	-	-	-	37,028
Detox transportation	-	-	6,740	-	-	-	-	-	-	6,740
Electronic benefits transfer administrative implementation	-	-	9,022	-	-	-	-	-	-	9,022
Elderly waived services	-	-	191,203	-	-	-	-	-	-	191,203
Family preservation	-	-	961,928	-	-	-	-	-	-	961,928
Flexible funding	34,512	-	-	-	-	-	-	-	-	34,512
Food stamps	-	-	137,546	-	-	-	-	-	-	137,546
Forgotten children	-	-	430	-	-	-	-	-	-	430
Fraud prevention incentives	-	-	105,840	-	-	-	-	-	-	105,840
General assistance	-	-	41,060	-	-	-	-	-	-	41,060
Medical assistance	-	-	1,921,708	-	-	-	-	-	-	1,921,708
Mentally ill case management waived services	-	-	96,648	-	-	-	-	-	-	96,648
Mentally retarded family subsidy	-	-	63,906	-	-	-	-	-	-	63,906
Mentally retarded waived services	-	-	191,499	-	-	-	-	-	-	191,499
MN care outreach	46,637	-	-	-	-	-	-	-	-	46,637
MN family investment project employment services	-	-	417,684	-	-	-	-	-	-	417,684
Moose Lake state operated services	-	-	1,736,154	-	-	-	-	-	-	1,736,154
Prepaid medical assistance program	-	-	68,275	-	-	-	-	-	-	68,275
Relative custody	-	-	4,139	-	-	-	-	-	-	4,139
Semi-independent living skills	-	-	456,903	-	-	-	-	-	-	456,903
Services for chemically dependent pregnant women	905	-	-	-	-	-	-	-	-	905
Special medical assistance	53,703	-	-	-	-	-	-	-	-	53,703
Traumatic brain injury	-	-	4,121	-	-	-	-	-	-	4,121
Worker's compensation substance recovery	-	-	8,650	27	-	-	-	-	-	8,677
Department of Minnesota Housing Finance										
Family homelessness prevention and assistance program	245,026	-	-	-	-	-	-	-	-	245,026
Department of Natural Resources										
Boat and water safety	69,369	-	-	-	-	-	-	-	-	69,369
Snowmobile safety	22,054	-	-	-	-	-	-	-	-	22,054
State trail assistance	136,079	-	-	-	-	-	-	-	-	136,079
White pine intensification	-	-	-	-	-	-	-	20,464	-	20,464
Department of Post Board Training										
Training reimbursement	32,599	-	-	-	-	-	-	-	-	32,599
Department of Public Safety										
Auto theft prevention	17,915	-	-	-	-	-	-	-	-	17,915
Body armour	15,050	-	-	-	-	-	-	-	-	15,050
C.O.P.S.	24,527	-	-	-	-	-	-	-	-	24,527
Duluth regional gang strike force	59,142	-	-	-	-	-	-	-	-	59,142
Department of Revenue										
Criminal justice aid	1,140,653	-	-	-	-	-	-	-	-	1,140,653
Local performance aid	254,190	-	-	-	-	-	-	-	-	254,190
Department of Transportation										
Hazard elimination	-	31,969	-	-	-	-	-	-	-	31,969
Department of Veteran's Affairs										
Veteran's service office computer	8,000	-	-	-	-	-	-	-	-	8,000
Legislative Committee on Minnesota Resources										
Alternative sewage treatment systems	73	-	-	-	-	-	-	-	-	73
Minnesota Board on Aging										
Retired seniors volunteer program	-	-	12,190	-	-	-	-	-	-	12,190
Minnesota Supreme Court										
Parents forever	4,556	-	-	-	-	-	-	-	-	4,556
University of Minnesota										
Food and nutrition program	20,202	-	-	-	-	-	-	-	-	20,202
<b>Total State Grants</b>	<b>\$ 3,325,837</b>	<b>\$ 31,969</b>	<b>\$ 19,077,254</b>	<b>\$ 27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,093</b>	<b>\$ 137,054</b>	<b>\$ 23,160,234</b>	

(Continued)

ST. LOUIS COUNTY, MINNESOTA  
**SCHEDULE OF INTERGOVERNMENTAL REVENUE**  
 YEAR ENDED DECEMBER 31, 1998

Schedule 35  
(Continued)

	<u>Special Revenue Funds</u>					Debt Service Funds	Buildings Capital Projects Fund	Solid Waste Management Enterprise Fund	Forest Resources Trust Fund	Total
	General Fund	Road and Bridge	Social Services	Other						
<b>Grants (continued)</b>										
<b>Federal grants</b>										
Area Agency on Aging										
Retired seniors volunteer program	\$ -	\$ -	\$ 68,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,064
Department of Agriculture										
Food stamps	-	-	125,631	-	-	-	-	-	-	125,631
Home delivered meals	-	-	189,252	-	-	-	-	-	-	189,252
National forest lands	304,324	-	-	-	-	-	-	-	-	304,324
National forest lands - schools and roads	-	176,427	-	-	-	-	-	-	-	176,427
Women, infants and children	453,475	-	-	-	-	-	-	-	-	453,475
Department of Health and Human Services										
Cancer control	12,556	-	-	-	-	-	-	-	-	12,556
Child care	-	-	2,512,524	-	-	-	-	-	-	2,512,524
Children's mental health block grant	-	-	338,561	-	-	-	-	-	-	338,561
Family preservation block grant	-	-	163,112	-	-	-	-	-	-	163,112
Foster care	-	-	1,710,252	-	-	-	-	-	-	1,710,252
Emergency assistance intensive family preservation	-	-	29,271	-	-	-	-	-	-	29,271
HIV/Aids	2,789	-	-	-	-	-	-	-	-	2,789
Immunization action	40,555	-	-	-	-	-	-	-	-	40,555
Maternal child health	238,080	-	-	-	-	-	-	-	-	238,080
MN family investment project employment services- temporary aid for needy families	-	-	1,473,923	-	-	-	-	-	-	1,473,923
MN healthy communities	5,130	-	-	-	-	-	-	-	-	5,130
Radon detection	3,439	-	-	-	-	-	-	-	-	3,439
Refugee assistance	-	-	5,753	-	-	-	-	-	-	5,753
Support for emancipation and living functionally	-	-	19,157	-	-	-	-	-	-	19,157
Title XX block grant	-	-	1,921,295	-	-	-	-	-	-	1,921,295
Department of Housing and Urban Development										
Community development block grants	-	-	-	2,838,406	-	-	-	-	-	2,838,406
Emergency shelter grant	99,536	-	-	-	-	-	-	-	-	99,536
Home investment in affordable housing	-	-	-	673,578	-	-	-	-	-	673,578
McKinney homelessness grant	567,381	-	-	-	-	-	-	-	-	567,381
Department of Justice										
C.O.P.S.	24,527	-	-	-	-	-	-	-	-	24,527
Criminal apprehension	251,352	-	-	-	-	-	-	-	-	251,352
Domestic abuse intervention	253,480	-	-	-	-	-	-	-	-	253,480
Operation NightCAP	1,146	-	-	-	-	-	-	-	-	1,146
Department of Transportation										
Duluth area traffic safety	7,841	-	-	-	-	-	-	-	-	7,841
Greater St. Louis County traffic safety	28,904	-	-	-	-	-	-	-	-	28,904
Personal watercraft enforcement	2,368	-	-	-	-	-	-	-	-	2,368
Federal Emergency Management Agency										
Emergency management	25,959	-	-	-	-	-	-	-	-	25,959
Hazardous material training exercise	2,148	-	-	-	-	-	-	-	-	2,148
<b>Total Federal grants</b>	<b>\$ 2,324,990</b>	<b>\$ 176,427</b>	<b>\$ 8,556,795</b>	<b>\$ 3,511,984</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,570,196</b>
<b>Other grants</b>										
<b>Local</b>										
Minnesota Viking Children's Fund										
Drug abuse resistance education	\$ 528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528
Other cities/townships										
City of Hibbing	2,957	-	-	-	55,000	-	-	-	-	57,957
Construction	-	337,904	-	-	-	-	-	-	-	337,904
Public works projects	-	80,686	-	-	-	-	-	-	-	80,686
<b>Total other grants</b>	<b>\$ 3,485</b>	<b>\$ 418,590</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 477,075</b>
<b>Total Grants</b>	<b>\$ 5,654,312</b>	<b>\$ 626,986</b>	<b>\$ 27,634,049</b>	<b>\$ 3,512,011</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ 588,093</b>	<b>\$ 137,054</b>	<b>\$ -</b>	<b>\$ 38,207,505</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 14,937,947</b>	<b>\$ 19,487,099</b>	<b>\$ 42,925,065</b>	<b>\$ 3,524,681</b>	<b>\$ 308,673</b>	<b>\$ 227,184</b>	<b>\$ 588,093</b>	<b>\$ 137,254</b>	<b>\$ -</b>	<b>\$ 82,135,996</b>

# Statistical Section

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

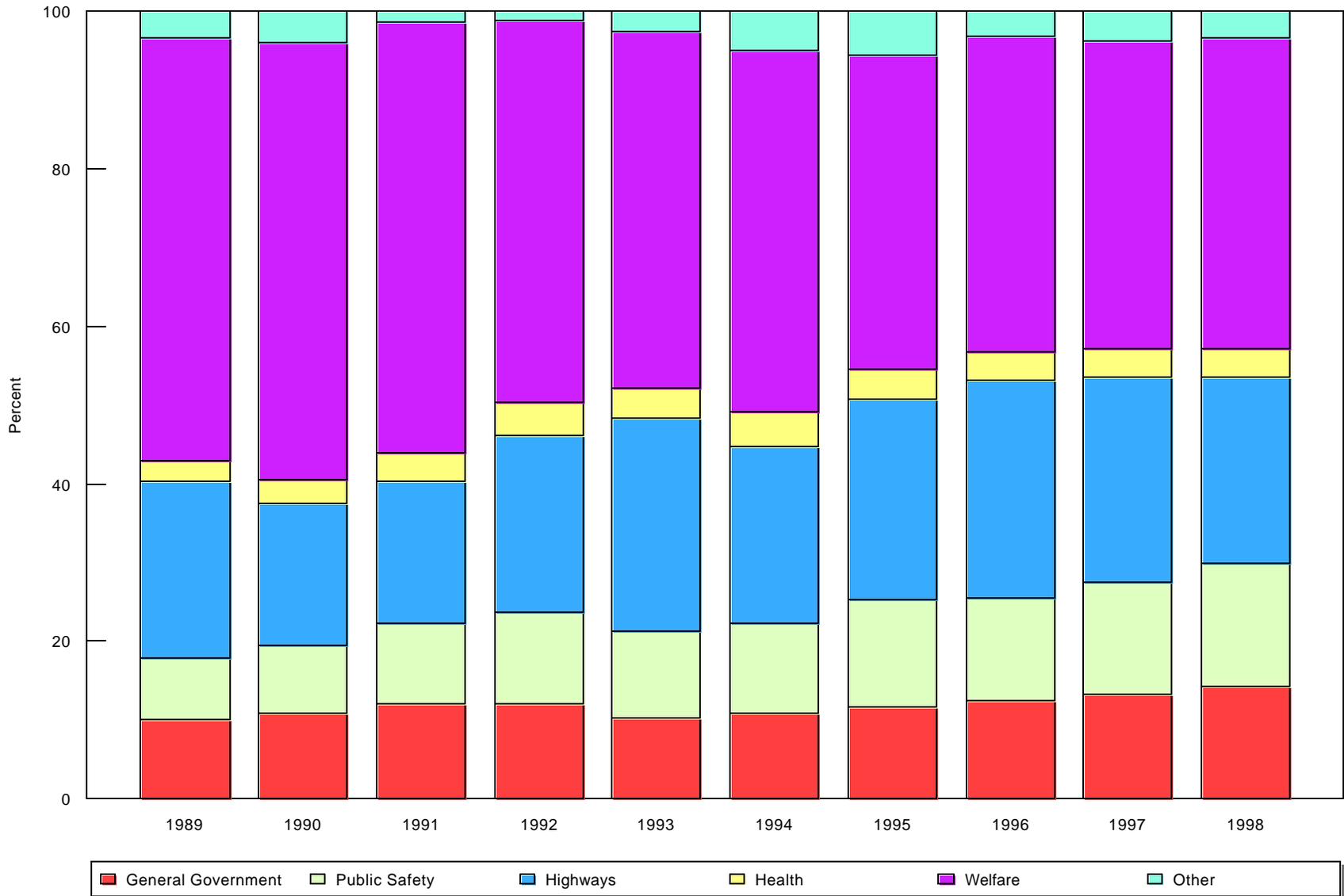
<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Highways</b>	<b>Health</b>	<b>Welfare</b>	<b>Sanitation (2)</b>	<b>Culture and Recreation</b>	<b>Conservation of Natural Resources</b>	<b>Economic Development</b>	<b>Total Expenditures</b>
1989	\$ 16,141,887	\$ 12,814,932	\$ 35,959,426	\$ 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
1998	\$ 22,673,940	\$ 24,775,615	\$ 37,400,747	\$ 5,708,819	\$ 62,757,157	\$ -	\$ 865,786	\$ 793,700	\$ 3,662,411	\$ 158,638,175

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Highways</b>	<b>Health</b>	<b>Welfare</b>	<b>Sanitation (2)</b>	<b>Culture and Recreation</b>	<b>Conservation of Natural Resources</b>	<b>Economic Development</b>	<b>Total Expenditures</b>
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%
1998	14.3%	15.6%	23.6%	3.6%	39.6%	0.0%	0.5%	0.5%	2.3%	100.0%

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

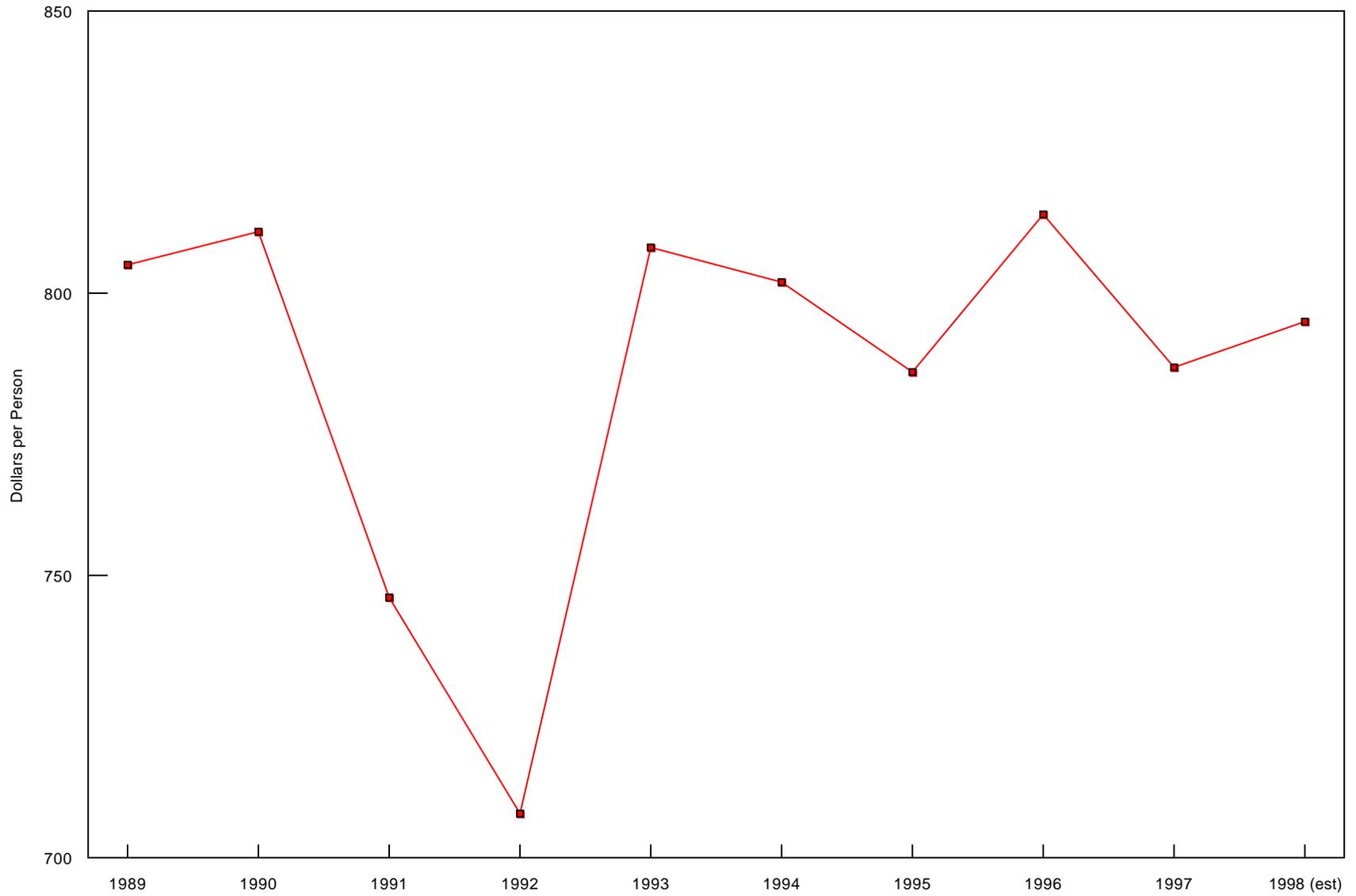
(2) Reclassified as Enterprise Fund in 1991.

### GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION



Unaudited

GENERAL GOVERNMENTAL EXPENDITURES PER CAPITA



Unaudited

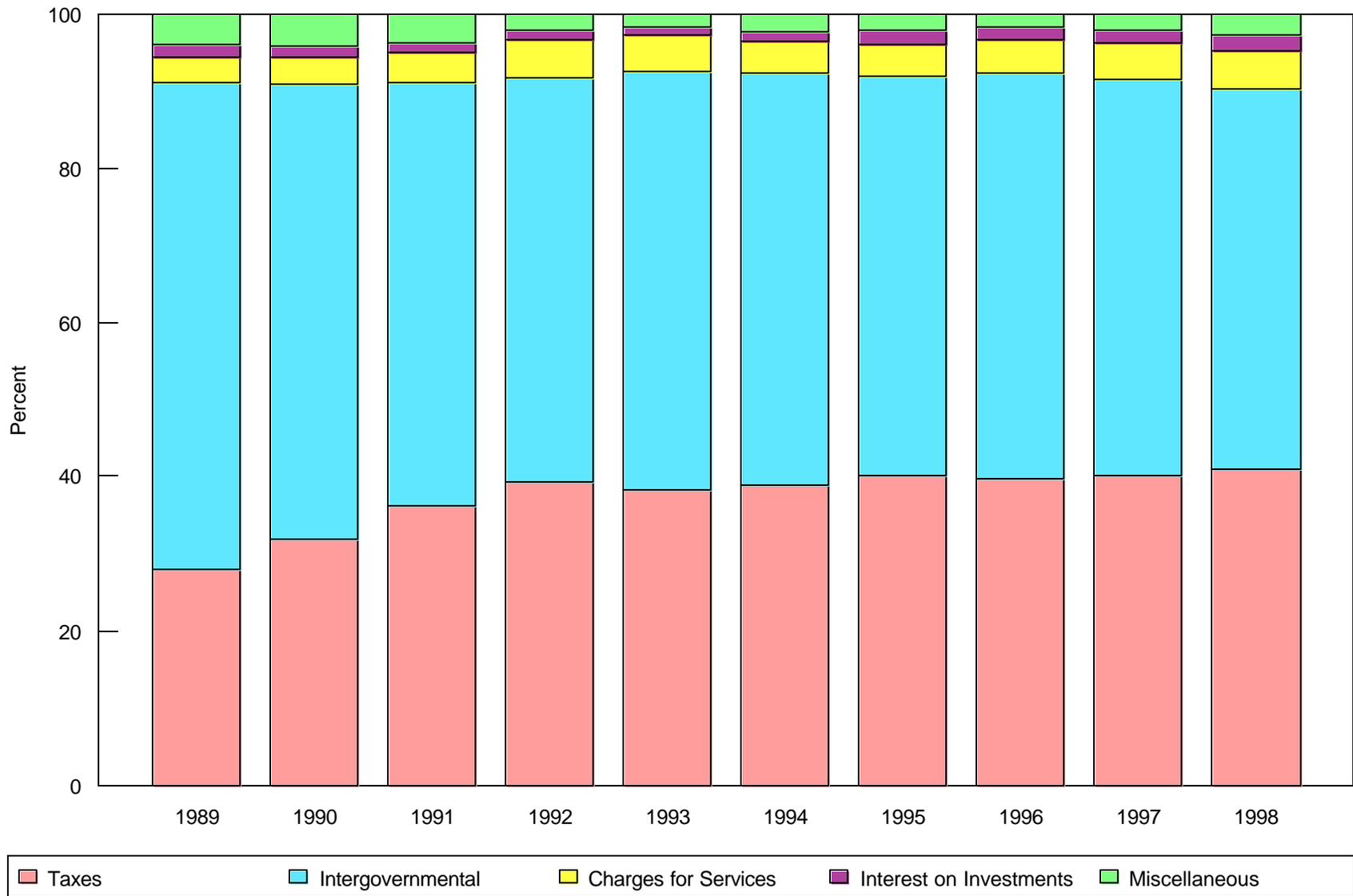
ST. LOUIS COUNTY, MINNESOTA  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
 LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter-governmental</b>	<b>Charges for Services</b>	<b>Fines and Forfeits</b>	<b>Gifts and Contributions</b>	<b>Earnings on Investments</b>	<b>Miscellaneous</b>	<b>Total Revenue</b>
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
1998	\$ 67,187,541	\$ 155,517	\$ 80,874,792	\$ 8,064,994	\$ 1,304,540	\$ 27,318	\$ 3,575,139	\$ 2,869,442	\$ 164,059,283

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter-governmental</b>	<b>Charges for Services</b>	<b>Fines and Forfeits</b>	<b>Gifts and Contributions</b>	<b>Interest on Investments</b>	<b>Miscellaneous</b>	<b>Total</b>
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%
1998	41.0%	0.1%	49.3%	4.9%	0.8%	0.0%	2.1%	1.8%	100.0%

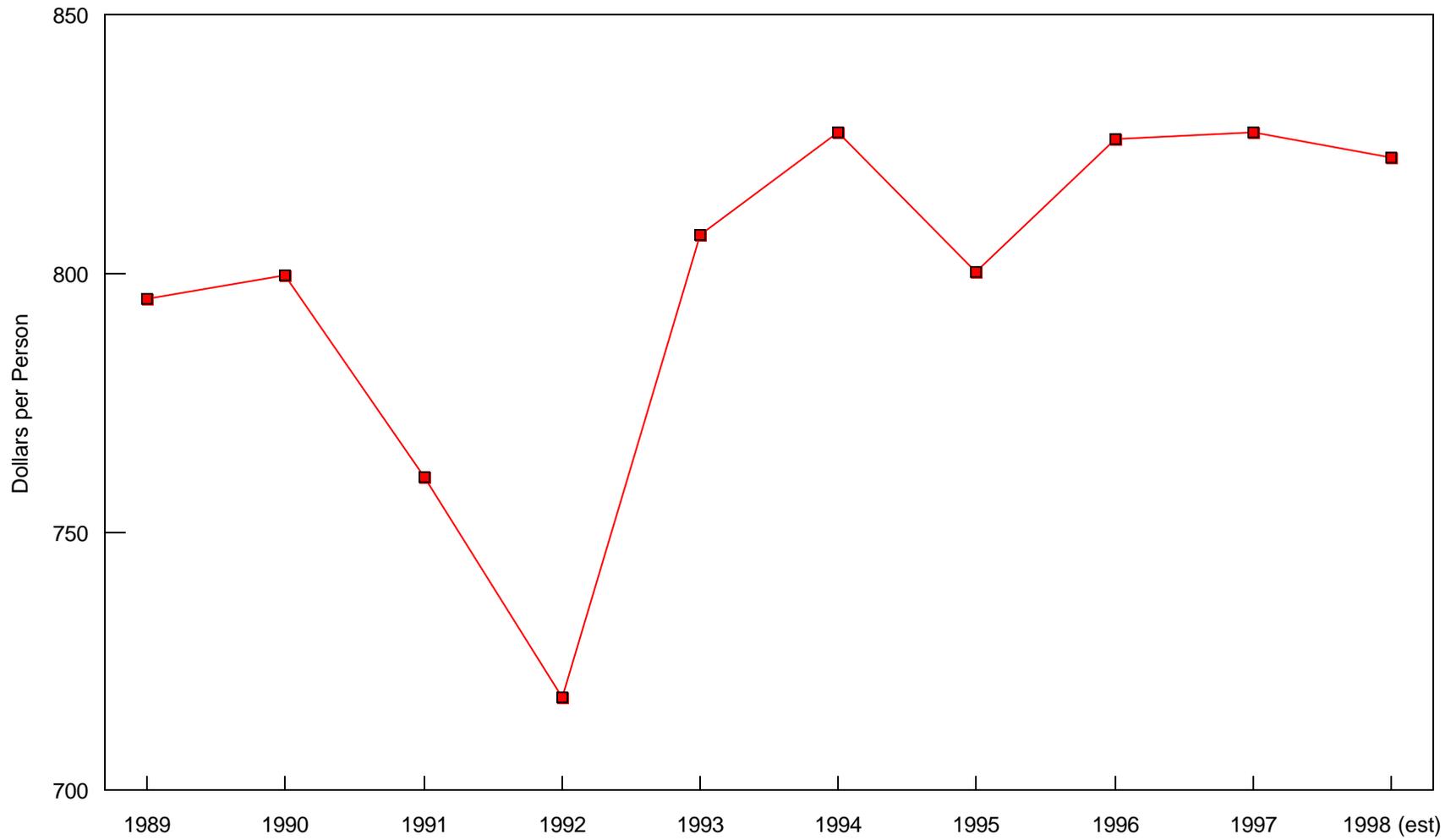
(1) Includes the General Fund and Special Revenue Funds.

# GENERAL GOVERNMENTAL REVENUES BY SOURCE



Unaudited

# 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
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
1998	63,510,765	9,593,532	53,917,233

**COLLECTIONS**

Collection Year	Current Tax Collections (3)	Delinquent Tax Collections	Total Tax Collections	Outstanding Delinquent Taxes
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
1998	51,803,156	1,202,089	53,005,245	4,249,435

**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
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%
1998	96.08%	2.23%	98.31%	7.88%

- (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 homestead credit, and other smaller credits. In 1990 through 1993, this amount includes HACA, disparity reduction aid, taconite homestead credit, and other smaller credits. In 1989 this amount includes homestead credit, disparity reduction aid, taconite relief, and other smaller credits. In 1988 and prior years this amount includes homestead credit, taconite relief, and other smaller credits.
- (3) Collections include amounts that are not a part of the certified levy.

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

**TAXABLE MARKET VALUE (INCLUDES CAPTURED INCREMENT)**

<b>Collection Year</b>	<b>Property Outside the City of Duluth</b>	<b>Property Within the City of Duluth</b>	<b>Total</b>
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
1998	3,430,885,300	2,310,692,030	5,741,577,330

**TAXABLE TAX CAPACITY (EXCLUDES CAPTURED INCREMENT)**

<b>Collection Year</b>	<b>Property Outside the City of Duluth</b>	<b>Property Within the City of Duluth</b>	<b>Total</b>
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
1998	53,483,926	34,810,262	88,294,188

**RATIOS**

<b>Collection Year</b>	<b>Total Tax Capacity as a Percent of Total Taxable Market Value</b>	<b>Percent of Total Tax Capacity</b>	
		<b>Property Outside the City of Duluth</b>	<b>Property Within the City of Duluth</b>
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%
1998	1.54%	60.57%	39.43%

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

<b>TAX LEVIES (2)</b> (In Dollars)					
<b>Tax Year</b>	<b>Cities/Towns Including Tax Increment Districts</b>	<b>Special Districts</b>	<b>School Districts</b>	<b>County</b>	<b>Total Combined</b>
Tax levies before deducting State paid credits.					
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
1998	36,147,311	1,177,255	44,468,246	56,350,560	138,143,372

<b>TAX RATES PER \$100 OF TAX CAPACITY</b>					
<b>Tax Year</b>	<b>Cities / Towns</b>	<b>Special Districts</b>	<b>School Districts</b>	<b>County</b>	<b>Total Combined (1)</b>
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
1998	40.9396	1.3333	50.3637	63.8214	156.4580

<b>TAX RATES PER \$100 OF TAXABLE MARKET VALUE</b>					
<b>Tax Year</b>	<b>Cities / Towns</b>	<b>Special Districts</b>	<b>School Districts</b>	<b>County</b>	<b>Total Combined (1)</b>
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
1998	0.6296	0.0205	0.7745	0.9814	2.4060

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

(2) Power line levies and contributed net tax capacity based levies are not included.

**ST. LOUIS COUNTY, MINNESOTA**  
**TAX CAPACITY BY PROPERTY TYPE**

YEAR ENDED DECEMBER 31, 1998

	<b>Tax Capacity</b>	
	<b>Dollar Value</b>	<b>Percent of Total</b>
<b>Real Estate</b>		
Residential	\$ 44,037,749	45.49%
Multiple Dwelling	6,416,020	6.63%
Commercial/Industrial	23,096,308	23.86%
Timberlands	1,087,757	1.12%
Agricultural	570,203	0.59%
Public Utilities/Miscellaneous	7,295,196	7.54%
Seasonal Residential Recreational	7,283,128	7.52%
Seasonal Residential Recreational - Commercial	<u>294,202</u>	<u>0.30%</u>
<b>Total Real Estate</b>	<u>\$ 90,080,563</u>	<u>93.04%</u>
<b>Personal Property</b>	<u>\$ 6,733,733</u>	<u>6.96%</u>
<b>Total Real Estate &amp; Personal Property</b>	<u>\$ 96,814,296</u>	<u>100.00%</u>

Source: St. Louis County Assessor

**ST. LOUIS COUNTY, MINNESOTA**  
**PRINCIPAL TAXPAYERS**

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

<b>Taxpayer</b>	<b>Taxable Tax Capacity as of 1998 Tax Roll (1)</b>	<b>Percentage of Total</b>
Minnesota Power	\$ 6,558,008	7.43%
Lake Superior Paper Industries	1,716,426	1.94%
Great Lakes Gas Trans Ltd	1,327,858	1.50%
Northern State Power	1,087,676	1.23%
Square Butte Electric Co-op	901,318	1.02%
DW&P Railroad	890,182	1.01%
United Power Association	752,032	0.85%
Miller Hill Mall Company	758,704	0.86%
St. Mary's Duluth Clinic	720,263	0.82%
DM&IR Railway	<u>864,034</u>	<u>0.98%</u>
<b>Total Taxable Tax Capacity of Ten Largest Taxpayers</b>	<u>\$ 15,576,501</u>	<u>17.64%</u>
<b>Total Taxable Tax Capacity of Other Taxpayers</b>	<u>\$ 72,717,687</u>	<u>82.36%</u>
<b>Total Taxable Tax Capacity of All Taxpayers</b>	<u>\$ 88,294,188</u>	<u>100.00%</u>

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

*ST. LOUIS COUNTY, MINNESOTA*  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 YEAR ENDED DECEMBER 31, 1998

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Market Value of Taxable Property		\$ 5,730,753,400
Debt Limit:		
Two Percent of Market Value of Taxable Property (1)		\$ 114,615,068
Amount of Debt Applicable to Debt Limit:		
General Obligation Debt (At Par)	\$ 24,512,900	
Less:		
Fund Balance in Debt Service Funds	571,671	
Net Restricted Assets in Applicable Enterprise Funds (2)	<u>129,405</u>	
Total Amount of Debt Applicable to Debt Limit		<u>23,811,824</u>
Legal Debt Margin		<u><u>\$ 90,803,244</u></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 in debt service accounts of the enterprise funds are available to pay \$129,405 of the enterprise funds' bond principal.

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, 1998

	<b>Total Debt Outstanding (1)</b>	<b>Percent Applicable to St. Louis County (2)</b>	<b>Amount</b>
<b>Direct Debt</b>			
St. Louis County (3)	\$ 24,430,303	100.00%	\$ 24,430,303
<b>Overlapping Debt</b>			
School District #94	\$ 6,060,000	3.59%	\$ 217,554
School District #381	825,847	18.53%	153,029
School District #698	3,640,000	93.93%	3,419,052
School District #2142	4,075,000	99.93%	4,072,148
Arrowhead Regional Development Commission	700,000	40.87%	286,090
Western Lake Superior Sanitary District	34,654,969	83.04%	28,777,486
	<u>\$ 49,955,816</u>		<u>\$ 36,925,359</u>
<b>Underlying Debt</b>			
City of Buhl	\$ 100,000	100.00%	\$ 100,000
City of Chisholm	885,000	100.00%	885,000
City of Cook	130,000	100.00%	130,000
City of Duluth	46,099,347	100.00%	46,099,347
City of Ely	950,000	100.00%	950,000
City of Eveleth	2,372,032	100.00%	2,372,032
City of Hermantown	3,055,000	100.00%	3,055,000
City of Hibbing	12,645,330	100.00%	12,645,330
City of Hoyt Lakes	290,000	100.00%	290,000
City of Iron Junction	5,555	100.00%	5,555
City of Mountain Iron	1,015,000	100.00%	1,015,000
City of Tower	69,000	100.00%	69,000
City of Virginia	25,200,000	100.00%	25,200,000
Town of Greenwood	57,054	100.00%	57,054
Town of Rice Lake	1,320,000	100.00%	1,320,000
School District #695	289,018	100.00%	289,018
School District #696	1,400,000	100.00%	1,400,000
School District #700	11,095,000	100.00%	11,095,000
School District #701	4,045,000	100.00%	4,045,000
School District #704	2,835,000	100.00%	2,835,000
School District #706	15,660,000	100.00%	15,660,000
School District #709	32,790,000	100.00%	32,790,000
School District #712	685,000	100.00%	685,000
School District #2154	1,395,656	100.00%	1,395,656
School District #2711	765,000	100.00%	765,000
Virginia Housing and Redevelopment Authority	1,760,000	100.00%	1,760,000
	<u>\$ 166,912,992</u>		<u>\$ 166,912,992</u>
<b>Total</b>	<u>\$ 241,299,111</u>		<u>\$ 228,268,654</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 \$82,597.

(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 \$2,130,000 for which the County is contingently liable.

Unaudited

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

Fiscal Year	General Long Term		Fund Long Term		Capital Leases (3)		Total
	Bonded Debt (1)		Bonded Debt (2)		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	110,478	3,748,917
1998	1,205,000	991,745	1,225,000	326,830	412,009	130,383	4,290,967
1999	\$ 1,265,000	\$ 933,253	\$ 920,000	\$ 273,320	\$ 438,444	\$ 118,829	\$ 3,948,846
2000	1,335,000	871,883	925,000	231,413	451,676	104,529	3,919,501
2001	1,415,000	806,977	970,000	188,568	466,376	89,771	3,936,692
2002	1,490,000	737,633	1,020,000	142,460	482,557	74,483	3,947,133
2003	1,575,000	663,912	1,080,000	92,255	504,043	59,809	3,975,019
2004	1,660,000	585,805	600,000	38,484	494,199	42,431	3,420,919
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	2,292,900	224,375	-	-	64,900	21,198	2,603,373
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 1999-2012	<u>\$ 18,867,900</u>	<u>\$ 6,338,795</u>	<u>\$ 5,645,000</u>	<u>\$ 974,625</u>	<u>\$ 3,374,095</u>	<u>\$ 636,640</u>	<u>\$ 35,837,055</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.

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

<b>OPERATING LEASE PAYMENTS</b>						
<b>Year Ended</b>	<b>Office and Parking Space</b>	<b>Data Processing Software</b>	<b>Office Equipment</b>	<b>Vehicles</b>	<b>Total</b>	
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	
1998	1,382,470	468,831	-	9,251	1,860,552	
<b>Future Minimum Lease Payments</b>						
1999	\$ 1,501,731	\$ 468,831	\$ -	\$ 9,899	\$ 1,980,461	
2000	1,503,817	468,831	-	9,899	1,982,547	
2001	1,505,132	468,831	-	9,899	1,983,862	
2002	1,505,132	468,831	-	9,899	1,983,862	
2003	1,505,132	468,831	-	9,899	1,983,862	
Total for 1999-2003	<u>\$ 7,520,944</u>	<u>\$ 2,344,155</u>	<u>\$ -</u>	<u>\$ 49,495</u>	<u>\$ 9,914,594</u>	
<b>CAPITAL LEASE PAYMENTS</b>						
<b>Year Ended</b>	<b>Northland Office Building</b>		<b>Hibbing Maintenance Facility</b>		<b>Office Equipment</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	365,113	80,707	41,800	49,622	5,096	54
1999	\$ 381,880	\$ 68,961	\$ 39,600	\$ 47,425	\$ 16,964	\$ 2,443
2000	393,496	57,345	40,700	45,257	17,480	1,927
2001	405,464	45,377	42,900	42,999	18,012	1,395
2002	417,797	33,044	46,200	40,593	18,560	846
2003	430,504	20,337	48,400	38,039	25,139	1,433
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 1999-2012	<u>\$ 2,472,740</u>	<u>\$ 232,306</u>	<u>\$ 805,200</u>	<u>\$ 396,290</u>	<u>\$ 96,155</u>	<u>\$ 8,044</u>

Unaudited

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

Fiscal Year	General Long Term Bonded Debt										Fund Long Term Bonded Debt				Total Principal and Interest				
	Babbitt Facility (2)		Jail Bond (3)		Capital Equipment Notes (4)		Arrowhead Juvenile Center (5)		Septic Revenue Notes (6)		Law Enforcement Facilities (7)		Solid Waste (8)			Nursing Homes (9)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest
1993	\$ 25,000	\$ 89,017	\$ -	\$ 88,000	\$ 3,800,000	\$ 490,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 350,478	\$ 660,000	\$ 147,265	\$ 4,785,000	\$ 1,164,966	\$ 5,949,966
1994	25,000	86,855	2,000,000	895,901	4,070,000	372,405	-	-	-	-	-	-	800,000	703,457	705,000	105,305	7,600,000	2,163,923	9,763,923
1995	30,000	84,680	770,000	692,113	2,035,000	120,065	-	-	-	-	-	-	990,000	533,048	770,000	60,140	4,595,000	1,490,046	6,085,046
1996	30,000	82,055	795,000	655,923	-	-	-	-	-	-	-	-	1,030,000	489,475	35,000	10,075	1,890,000	1,237,528	3,127,528
1997	35,000	79,415	830,000	618,557	-	-	50,000	74,168	-	-	-	-	1,095,000	440,935	35,000	7,765	2,045,000	1,220,840	3,265,840
1998	40,000	76,300	865,000	579,548	-	-	50,000	72,167	-	-	250,000	263,730	1,185,000	321,410	40,000	5,420	2,430,000	1,318,575	3,748,575
1999	\$ 40,000	\$ 72,700	\$ 905,000	\$ 538,892	\$ -	\$ -	\$ 60,000	\$ 70,118	\$ -	\$ 260,000	\$ 251,543	\$ 880,000	\$ 270,600	\$ 40,000	\$ 2,720	\$ 2,185,000	\$ 1,206,573	\$ 3,391,573	
2000	45,000	69,060	945,000	496,358	-	-	75,000	67,598	-	270,000	238,867	925,000	231,413	-	-	2,260,000	1,103,296	3,363,296	
2001	50,000	64,920	990,000	451,942	-	-	90,000	64,410	-	285,000	225,705	970,000	188,568	-	-	2,385,000	995,545	3,380,545	
2002	55,000	60,270	1,040,000	405,413	-	-	100,000	60,495	-	295,000	211,455	1,020,000	142,460	-	-	2,510,000	880,093	3,390,093	
2003	60,000	55,100	1,095,000	356,012	-	-	110,000	56,095	-	310,000	196,705	1,080,000	92,255	-	-	2,655,000	756,167	3,411,167	
2004	65,000	49,400	1,150,000	304,000	-	-	120,000	51,200	-	325,000	181,205	600,000	38,484	-	-	2,260,000	624,289	2,884,289	
2005	75,000	43,225	1,210,000	249,375	-	-	130,000	45,740	-	340,000	164,954	130,000	8,125	-	-	1,885,000	511,419	2,396,419	
2006	80,000	36,100	1,275,000	191,900	-	-	140,000	39,695	-	360,000	147,955	-	-	-	-	1,855,000	415,650	2,270,650	
2007	90,000	28,500	1,345,000	131,338	-	-	150,000	33,045	-	375,000	129,955	-	-	-	-	1,960,000	322,838	2,282,838	
2008	100,000	19,950	1,420,000	67,450	-	-	160,000	25,770	217,900	395,000	111,205	-	-	-	-	2,292,900	224,375	2,517,275	
2009	110,000	10,450	-	-	-	-	170,000	17,770	-	415,000	91,455	-	-	-	-	695,000	119,675	814,675	
2010	-	-	-	-	-	-	175,000	9,100	-	440,000	70,705	-	-	-	-	615,000	79,805	694,805	
2011	-	-	-	-	-	-	-	-	-	465,000	48,705	-	-	-	-	465,000	48,705	513,705	
2012	-	-	-	-	-	-	-	-	-	490,000	24,990	-	-	-	-	490,000	24,990	514,990	
Total for 1999-2012	\$ 770,000	\$ 509,675	\$ 11,375,000	\$ 3,192,680	\$ -	\$ -	\$ 1,480,000	\$ 541,036	\$ 217,900	\$ 5,025,000	\$ 2,095,404	\$ 5,605,000	\$ 971,905	\$ 40,000	\$ 2,720	\$ 24,512,900	\$ 7,313,420	\$ 31,826,320	

- (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 rates 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.
- (6) General Obligation Notes issued in 1998 for the septic system improvement loan program under the Agricultural Best Management Loan Program. Repayment is required after ten years with interest based on idle funds.
- (7) Law Enforcement Facilities Revenue Bonds Series 1997, St. Louis County Unlimited Tax Lease Obligation of the Housing and Redevelopment Authority for acquisition and betterment of law enforcement facilities in the Hibbing and Virginia County courthouses, original issue of \$5,275,000, interest rates of 4.875 to 5.1%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-05 or upon 30 days notice thereafter.
- (8) a) General Obligation Solid Waste Bonds Series 1989 for closure costs and transfer station construction, original issue of \$3,510,000, interest rates of 6.4 to 7.1%, tax-exempt, partially refunded by Full Crossover Advance Refunding Bonds Series 1993A, legally defeased on 12-01-97 crossover date.  
 b) General Obligation Solid Waste Bonds Series 1989E for closure costs and transfer station construction, original issue of \$1,310,000, interest rates of 5.9 to 6.9%, tax-exempt, partially refunded by Full Crossover Advance Refunding Bonds Series 1993A, legally defeased on 12-01-97 crossover date.  
 c) General Obligation Solid Waste Bonds Series 1991 for transfer station construction, original issue of \$1,255,000, interest rates of 4.0 to 6.25%, tax-exempt, obligations may be prepaid in part or in whole on 12-01-99 or any interest date thereafter.  
 d) General Obligation Solid Waste Bonds Series 1991 for transfer station construction, original issue of \$1,255,000, 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.
- (9) a) General Obligation Nursing Home Revenue Refunding Bonds Series 1989C for Chris Jensen Nursing Home, original issue of \$2,665,000, interest rates of 6.2 to 6.5%, tax-exempt, legally defeased in 1995.  
 b) General Obligation Nursing Home Revenue Bonds 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.

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

**NOPEMING ENTERPRISE FUND BOND**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1989	6,751,894	7,053,018	(301,124)	-	3,335	3,335	0.00
1990	7,613,198	7,748,439	(135,241)	20,000	21,854	41,854	0.00
1991	9,021,628	8,814,821	206,807	25,000	18,892	43,892	4.71
1992	9,178,610	8,700,357	478,253	25,000	17,268	42,268	11.31
1993	9,834,384	9,230,250	604,134	25,000	15,643	40,643	14.86
1994	9,185,561	9,222,118	(36,557)	30,000	14,005	44,005	0.00
1995	8,579,481	9,287,194	(707,713)	30,000	12,040	42,040	0.00
1996	8,584,190	8,481,473	102,717	35,000	10,075	45,075	2.28
1997	8,990,190	8,259,589	730,601	35,000	7,765	42,765	17.08
1998	8,257,726	8,180,498	77,228	40,000	5,420	45,420	1.70

**SOLID WASTE MANAGEMENT ENTERPRISE FUND BOND**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	4,214,733	6,220,548	(2,005,815)	205,000	309,785	514,785	0.00
1992	5,978,786	4,579,540	1,399,246	280,000	366,878	646,878	2.16
1993	7,899,444	4,298,988	3,600,456	300,000	415,153	715,153	5.03
1994	8,215,055	6,879,141	1,335,914	800,000	833,540	1,633,540	0.82
1995	7,789,463	4,461,530	3,327,933	990,000	663,133	1,653,133	2.01
1996	7,312,885	3,105,205	4,207,680	1,030,000	619,561	1,649,561	2.55
1997	7,425,438	3,545,369	3,880,069	3,935,000	571,020	4,506,020	0.86
1998	7,538,512	3,998,263	3,540,249	1,185,000	321,410	1,506,410	2.35

(1) Includes operating and non-operating revenue.

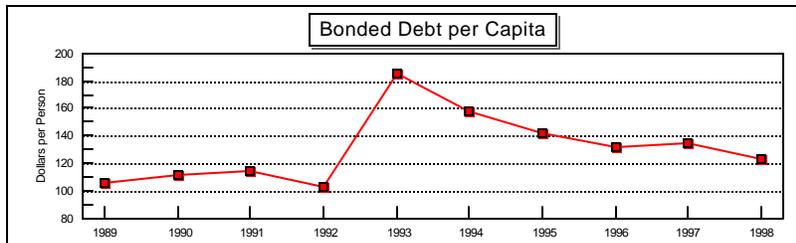
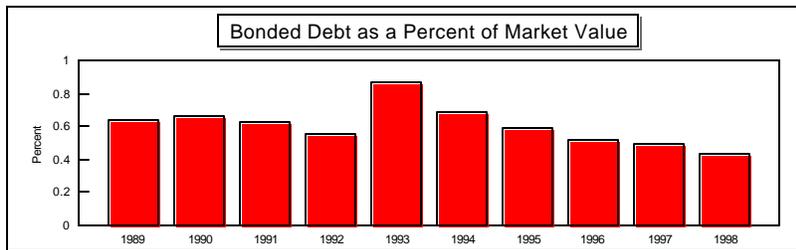
(2) Excludes depreciation, interest expense on debt, and amortization of bond discount.

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

Fiscal Year	Bonded Debt	Market Value (1)	Bonded Debt As a Percent of Market Value	Population	Bonded Debt per Capita	Fiscal Year	Bonded Debt as a Percent of Market Value	Fiscal Year	Bonded Debt per Capita
1989	\$ 21,000,000	\$ 3,284,996,020	0.64%	200,027	\$ 104.99	1989	0.64	1989	104.99
1990	22,195,000	3,380,059,500	0.66%	198,213	111.98	1990	0.66	1990	111.98
1991	22,525,000	3,597,878,700	0.63%	197,767	113.90	1991	0.63	1991	113.90
1992	20,535,000	3,743,207,450	0.55%	199,260	103.06	1992	0.55	1992	103.06
1993	36,840,000	4,213,422,500	0.87%	198,249	185.83	1993	0.87	1993	185.83
1994	31,240,000	4,546,517,400	0.69%	198,866	157.09	1994	0.69	1994	157.09
1995	28,225,000 (2)	4,806,552,900	0.59%	198,879	141.92	1995	0.59	1995	141.92
1996	26,335,000 (2)	5,078,155,264	0.52%	199,103	132.27	1996	0.52	1996	132.27
1997	26,725,000 (2)	5,427,265,250	0.49%	199,454	133.99	1997	0.49	1997	133.99
1998	24,512,900 (2)	5,730,753,400	0.43%	199,454	122.90	1998	0.43	1998	122.90

(1) Includes captured increment.

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



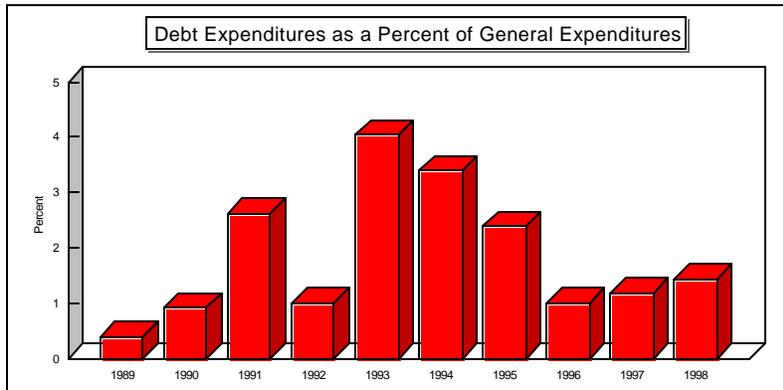
ST. LOUIS COUNTY, MINNESOTA  
DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT (1)  
LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service Expenditures	Total General Expenditures (2)	Debt Service Expenditures As a Percent of General Expenditures	Year	
1989	\$ 295,000	\$ 355,800	\$ 650,800	\$ 160,848,344	0.40%	1989	0.40
1990	420,000	1,075,030	1,495,030	160,668,481	0.93%	1990	0.93
1991	2,970,000 (3)	902,288	3,872,288	147,513,461	2.63%	1991	2.63
1992	620,000	804,443	1,424,443	141,110,539	1.01%	1992	1.01
1993	5,825,000 (3)	654,867	6,479,867	160,203,803	4.04%	1993	4.04
1994	4,095,000	1,310,943	5,405,943	159,572,198	3.39%	1994	3.39
1995	2,835,000	896,858	3,731,858	156,351,816	2.39%	1995	2.39
1996	825,000	812,145	1,637,145	161,996,820	1.01%	1996	1.01
1997	915,000	946,566	1,861,566	156,984,686	1.19%	1997	1.19
1998	1,272,175	1,015,992	2,288,167	158,638,175	1.44%	1998	1.44

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

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

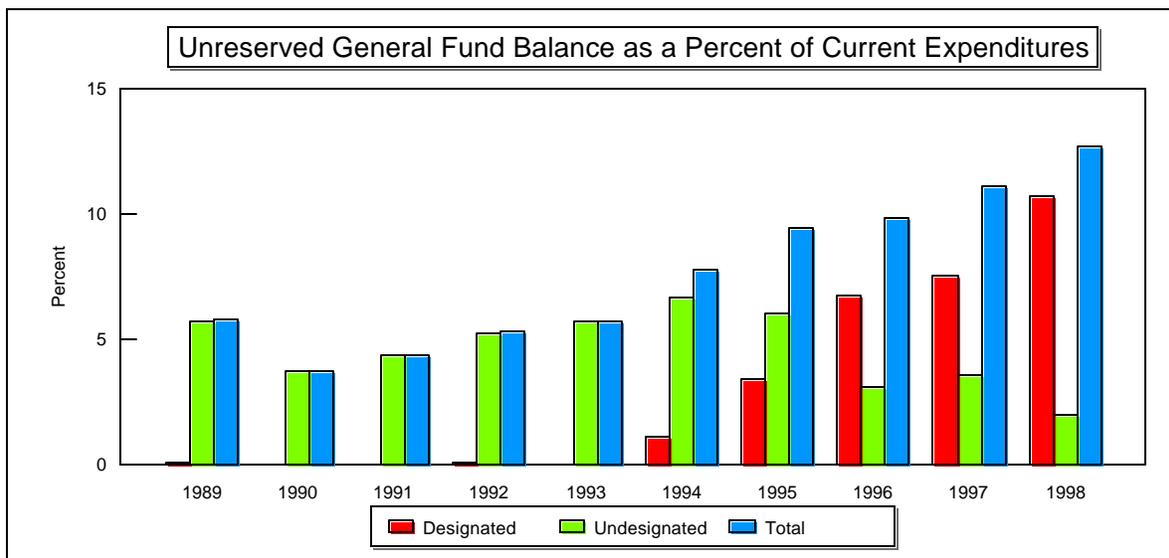
(3) \$2,000,000 of this figure was financed by a refunding issue.



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

Fiscal Year	Total Current Expenditures (1)	Unreserved Designated		Unreserved Undesignated		Total Unreserved	
		General Fund Balance	Balance as a Percent of Expenditures	General Fund Balance	Balance as a Percent of Expenditures	General Fund Balance	Balance as a Percent of Expenditures
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%
1998	149,051,153	15,924,894	10.68%	2,992,945	2.01%	18,917,839	12.69%

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



*ST. LOUIS COUNTY, MINNESOTA*  
**COMPENSATED ABSENCES AND FUND BALANCE RESERVED FOR HEALTH AND WELFARE**  
 YEAR ENDED DECEMBER 31, 1998

<b>COMPENSATED ABSENCES</b>						
	<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)	\$ 711,413	\$ 124,740	\$ -	\$ -	\$ 836,153	
Long term	-	761,200	4,341,232	-	5,102,432	
Total Vacation	<u>\$ 711,413</u>	<u>\$ 885,940</u>	<u>\$ 4,341,232</u>	<u>\$ -</u>	<u>\$ 5,938,585</u>	310,319
Sick Leave						
Vested (3)	\$ -	\$ 940,315	\$ 5,171,216	\$ -	\$ 6,111,531	
Vesting (4)	-	1,611,907	16,507,477	-	18,119,384	
Non-vesting (5)	-	-	-	9,429,001	9,429,001	
Total Sick Leave	<u>\$ -</u>	<u>\$ 2,552,222</u>	<u>\$ 21,678,693</u>	<u>\$ 9,429,001</u>	<u>\$ 33,659,916</u>	1,740,903
Retired Employees' Health Insurance Balance (6)	<u>\$ -</u>	<u>\$ 300,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,756</u>	n/a
Total Compensated Absences Payable	<u><u>\$ 711,413</u></u>	<u><u>\$ 3,738,918</u></u>	<u><u>\$ 26,019,925</u></u>	<u><u>\$ 9,429,001</u></u>	<u><u>\$ 39,899,257</u></u>	<u><u>2,051,222</u></u>

**FUND BALANCE RESERVED FOR HEALTH AND WELFARE (7)**

	<u>Governmental Funds</u>
General County Board policy retirees	\$ 1,839,007
Special statutory option retirees	167,150
Law enforcement-special County Board policy retirees	<u>180,685</u>
Total Fund Balance Reserved for Health and Welfare	<u><u>\$ 2,186,842</u></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 \$899,531; Special Revenue Funds \$1,857,099; and Trust and Agency Funds \$116,268. 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.

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

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Social Services Fund</b>	<b>Trust and Agency Funds</b>	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total</b>
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
1998	790.15	342.00	531.70	57.00	475.88	112.68	2,309.41

Table 19

*ST. LOUIS COUNTY, MINNESOTA*  
**LABOR CONTRACT AGREEMENTS**  
 YEAR ENDED DECEMBER 31, 1998

<b>Bargaining Unit</b>	<b>Number of Employees Represented</b>	<b>Contract Expiration Date</b>
Civil Service Basic	972	12/31/99
Radio/Lead Dispatcher	38	12/31/99
Corrections Counselors	4	12/31/99
Health Care Basic	468	06/30/98 (1)
Health Care Supervisors	14	06/30/98 (1)
Civil Service Supervisors	121	12/31/99
Merit System Supervisors	40	12/31/99
Civil Service Confidential	21	12/31/99
Teamsters	221	12/31/99 (2)
Merit System Basic	191	12/31/99
Jail Corrections Officers	59	12/31/99
Deputy Sheriff's Association	87	12/31/99 (2)
Sheriff Supervisory	13	12/31/97 (1)

(1) This contract is currently under negotiation.

(2) This contract was settled in March 1999.

Unaudited

**ST. LOUIS COUNTY, MINNESOTA**  
**INSURANCE COVERAGE**  
**YEAR ENDED DECEMBER 31, 1998**

Type of Insurance	Insurer	Deductible	Coverage Limit	Purpose
Boiler/machinery	Otis-Magie Gustafson Travelers	\$ 2,500	\$ 2,500,000	Property damage
Property/general liability	Otis-Magie Gustafson Travelers	10,000	141,841,315	Commercial property-building
		10,000	22,141,679	Commercial property-personal property
		10,000	10,620,300	Commercial property-personal property-stocks
		10,000	3,000,000	Commercial property-amended contents
		10,000	1,000,000	Off-premises power interruption
		10,000	50,000	Plate glass and sign
		-	10,000	Electric data processing
		-	5,000	Radio and television
		10,000	5,000,000	Commercial property-flood
		50,000	5,000,000	Commercial property-earthquake
		10,000	250,000	Commercial property-special loss-vacant building
		250	50,000	Commercial crime-destruction-inside \$50,000; outside \$10,000
Volunteer services	CIMA Companies, Inc.	-	2,500	RSVP volunteers-accident, liability and automobile
		-	2,500	SLC volunteers-accident, liability and automobile
		-	1,000,000	Volunteers-personal injury and property damage
Radio and television towers	Otis-Magie Gustafson Travelers	1,000	263,000	Property-towers
		1,000	241,000	Property-transmitting equipment and buildings
			1,000	Medical Expenses
Railroad	Otis-Magie Gustafson	-	1,000,000	General liability
Builders	Otis-Magie Gustafson	2,500		Risk
Surety bonds	Otis-Magie Gustafson Tri-State Insurance	-	500,000	County Auditor
		-	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 \$1,120,000
Personal injury and property damage	Self insurance			
Motor vehicles and authorized portable equipment	Self insurance			

Unaudited

Table 21

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

<b>Fiscal Year</b>	<b>Commercial Banks (1)</b>	<b>Savings &amp; Loan Associations (2)</b>	<b>Total</b>
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
1998	1,662,278,000	107,708,000	1,769,986,000

(1) Thomson Bank Directory

(2) Thomson Saving Directory

Table 22

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

<b>Year</b>	<b>Median Age (3)</b>	<b>Population (4)</b>	<b>K - 12 School Enrollment (5)</b>	<b>Per Capita Personal Income (6)</b>
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	32,501	22,357
1998	35.7	199,454	31,664	Not Available

(3) Minnesota State Planning Office, Office of State Demographer. Updated every ten years.

(4) Minnesota State Planning Office, Office of State Demographer.

(5) State Department of Education

(6) Minnesota Department of Economic Security Research and Planning Department.  
 Amounts are the most up-to-date revisions available.

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

<b>NUMBER OF UNITS</b>			
<b>Fiscal Year</b>	<b>Commercial Units (1)</b>	<b>Residential Units (2)</b>	<b>Total Units</b>
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	N/A
1996	Not Available	442	N/A
1997	Not Available	703	N/A
1998	Not Available	818	N/A

<b>VALUE OF NEW CONSTRUCTION</b>			
<b>Fiscal Year</b>	<b>Commercial Value (1)</b>	<b>Residential Value (2)</b>	<b>Total Value</b>
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	N/A
1996	Not Available	47,129,475	N/A
1997	Not Available	66,886,593	N/A
1998	Not Available	51,018,840	N/A

(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.

## 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>
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%
1998	102,485	98,556	3,929	3.8%

## 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>
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%
1998	2,681,667	2.5%	137,661,000	4.5%

Source: Minnesota Department of Economic Security

Unaudited

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

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

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<b>LAND OWNERSHIP</b>		
	<u>Acres</u>	<u>Percentage</u>
<b>Public Ownership</b>		
Federal Entitlement Lands		
Bureau of Land Management	262	0.01%
Forest Service	760,157	18.80%
National Park Service	<u>122,967</u>	<u>3.04%</u>
Total Federal Entitlement Lands	883,386	21.85%
State Lands		
Department of Natural Resources	573,191	14.18%
Department of Transportation	<u>12,006</u>	<u>0.29%</u>
Total State Lands	585,197	14.47%
State Tax-Forfeited Lands		
Estimated	<u>901,620</u>	<u>22.30%</u>
<b>Total Public Ownership</b>	2,370,203	58.62%
<b>Private Ownership / Other</b>	<u>1,673,329</u>	<u>41.38%</u>
<b>Total Land Ownership</b>	<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, 1998

**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	-	-	169.539
County	47.383	52.736	1,518.776	1,618.895
Township	0.860	-	789.742	790.602
Unorganized township	-	-	133.267	133.267
National forest development	-	17.725	121.269	138.994
Indian reservation	-	-	1.196	1.196
State forest	-	-	98.030	98.030
State park	-	-	4.540	4.540
Municipal streets	<u>584.602</u>	<u>183.068</u>	<u>-</u>	<u>767.670</u>
Total	<u><u>1,024.478</u></u>	<u><u>368.368</u></u>	<u><u>4,443.844</u></u>	<u><u>5,836.690</u></u>

**BRIDGE STATISTICS**

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

*ST. LOUIS COUNTY, MINNESOTA*  
**REGISTERED VOTERS**  
 LAST TEN ELECTIONS

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**PRIMARY ELECTIONS**

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
September 9, 1980	139,386	36%
September 14, 1982	137,184	50%
September 11, 1984	138,591	46%
September 9, 1986	134,330	42%
September 13, 1988	128,413	23%
September 11, 1990	128,300	39%
September 15, 1992	128,981	29%
September 13, 1994	127,624	37%
September 10, 1996	125,959	24%
September 15, 1998	120,229	39%

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**GENERAL ELECTIONS**

<u>Date</u>	<u>Total Registered Voters</u>	<u>Percentage Voting</u>
November 4, 1980	153,066	76%
November 2, 1982	145,775	72%
November 6, 1984	152,260	75%
November 4, 1986	137,492	59%
November 8, 1988	142,825	73%
November 6, 1990	134,668	63%
November 3, 1992	146,833	75%
November 8, 1994	134,702	63%
November 5, 1996	127,905	79%
November 3, 1998	121,640	73%

Source: St. Louis County Auditor's Office

Unaudited