

COMPREHENSIVE
ANNUAL FINANCIAL
Report '09



ST. LOUIS COUNTY PUBLIC WORKS FACILITY - MEADOWLANDS, MN
photos by Gary Eckenberg



FAIRVIEW UNIVERSITY MEDICAL CENTER - MESABI EMERGENCY ROOM RENOVATION IN HIBBING
photo by Fairview Range



FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2009

ST. LOUIS COUNTY, MINNESOTA
Donald Dicklich, County Auditor/Treasurer

Public Works Facility – Meadowlands, Mn

The new Public Works Facility in Meadowlands was completed during December 2009 with the crew moving into the facility on December 23, 2009. Construction of the 17,600 square-foot facility began in June of 2009 using proceeds from 2008 Capital Improvement Bonds. Site work including paving and landscaping will be finished by mid-summer 2010. The new facility replaces a building built in 1937 that was too small to accommodate a larger crew and had reached the end of its useful life.

The Meadowlands facility will end up costing in excess of \$2.1 million. It is located at 9967 St. Louis County State Aid Highway 133 and will service 150 miles of county roads, plus 22 miles of township roads. A fleet that includes an excavator, tandem dump trucks, graders, a loader, mowers and other pieces of equipment will be housed at the facility. The cover photo was taken March 30, 2010.

Fairview University Medical Center – Mesabi in Hibbing Emergency Department

The new 9,790 square-foot state-of-the-art Emergency Department opened in April 2010. Built adjacent to the north side of the existing facility at a cost of \$9 million, construction began in April 2009.

The new Emergency Department design will offer a broad menu of fully-integrated services that include emergency medicine, urgent care, diagnostic medicine, and lab.

The Emergency Department includes, six standardized treatment rooms, two observation rooms, two trauma rooms, one bariatric treatment room, a decontamination room with four bays and two ambulance drive through bays.

St. Louis County Minnesota

Comprehensive Annual Financial Report
for the Fiscal Year Ending
December 31, 2009



Donald Dicklich
County Auditor

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

INTRODUCTORY SECTION

ST. LOUIS COUNTY, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

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ST. LOUIS COUNTY, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Saint Louis County

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

Donald Dicklich

St. Louis County Auditor-Treasurer

June 21, 2010

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, 2009. 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.

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 are accurate for the preparation of financial statements in conformity with generally accepted accounting principles, and to accomplish the County's policies.

St. Louis County is audited annually, as required by Minnesota Statutes §6.48. This requirement has been complied with and the Office of the State Auditor has issued an unqualified ("clean") opinion on the St. Louis County financial statements for the year ended December 31, 2009. The independent auditor's report is located in the front of the financial section of this report.

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

Profile of the Government

St. Louis County was established in 1856. Located in Northeastern Minnesota, St. Louis County is geographically the largest county east of the Mississippi River, covering 6,860 square miles from the Canadian border to Duluth. The County's population has remained at approximately 196,500 residents for the past four years, and has an average of 32 people per square mile living in small mining towns, farm communities, and busy cities. St. Louis County is empowered to levy a property tax on both real and personal property located within its boundaries.

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

An Equal Opportunity Employer

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

The County provides a full range of services contemplated by statute. These services include public safety, public works, health, county attorney, 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.

The St. Louis County Board of Commissioners is required by state law to annually adopt a budget for the next fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. The County incorporates budgetary controls which ensure that County departments comply with the annual budget. Encumbrance accounting is used to determine availability of funds prior to incurring a specific obligation and to ensure that proper policies and regulations have been followed. Encumbrances outstanding at year-end are reported as reserves of fund balances. County departments are comprised of one or more sub-departments (agencies). County departments can spend their agency level budgets on any line item within that agency as long as the total agency budget is not overspent. However, no public aid assistance and/or personal services budget authority may be used for any other purpose without Board approval.

Local economy

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

The taconite industry is the driving force of the Iron Range economy. Mining operations provide jobs either directly or indirectly to more than 10,000 people and have a total economic impact of over \$3.0 billion annually. In 2009, as demand for iron and steel was falling and inventories were being depleted, production for all taconite plants was reduced by twenty four percent or more when compared to 2008. Most plants were idled for parts of the year or used reduced work weeks to lower production. Production is expected to increase in 2010 as economic conditions improve. Early production numbers for 2010 indicate production levels as high as 31.0 million tons, up nearly 14.0 million tons over 2009.

In 2009, the Port of Duluth-Superior shipped 31.2 million ton of cargo, a decline of 14.4 million tons from the 2008 level. The 45.6 million tons of cargo shipped in the 2008 navigation season was 2.3 million tons less than 2007. The number of oceangoing ships calling on the port in 2009 dropped by 401 from 2008. While coal was once again the primary cargo in 2009, grain was the only major cargo to show an increase over 2008. Iron ore cargo in 2009 decreased by 10.2 million tons or 55.4% to 8.2 million tons. Early estimates for the 2010 shipping season are showing promise.

Tourism continues to be an important economic staple for the entire County. In 2009, tax collections received by the City of Duluth from the city's one percent share of sales tax, hotel-motel tax, and food/beverage tax were lower than 2008 receipts. The decrease in tax collections indicates a decline in spending by both city residents and visitors to Duluth during the year. However, on the Iron Range, a long-running high school cross country ski race continued to attract thousands of skiers and visitors to Giants Ridge Ski Resort near Biwabik. The Giants Ridge Invitational had 72 teams and 1,300 skiers participate in the largest high school cross country ski meet in the country. The local economy received a big boost from this event and will hopefully benefit from return visits by attendees or those hearing about the event's excellent trails and facilities.

The Mesabi Nugget facility, originally scheduled to open in late 2009 at a cost of \$235 million, actually produced its first batch of iron nuggets in early January of 2010. The facility was built near the site of the former LTV Steel's taconite plant near Hoyt Lakes that closed in early 2001. The facility is projected to produce a half-million tons of iron nuggets yearly and employ 70 full-time employees. The iron nuggets are produced by a new technology that promises to be both environmentally friendly and energy efficient. The almost-pure iron (compared to taconite pellets that are 60% iron) will be used in electric arc furnace steelmaking, the largest and fastest growing portion of the steel industry.

In 2007, Cirrus Design Corporation had become the largest manufacturer of four-place piston-engine aircraft in the US, beating out Cessna Aircraft Company (the long-time number one manufacturer of four-place piston-engine aircraft). Cirrus continues to work through tough economic times and remains well positioned as the economy rebounds.

PolyMet Mining is proposing to build Minnesota's first open-pit copper mine near Babbitt. Plans include using the former LTV Steel's taconite plant to extract copper metal and precipitates of nickel, cobalt, and precious metals. The proposed project, which must still satisfy environmental and financial requirements, would create about 400 jobs.

Fairview University Medical Center – Mesabi in Hibbing began a three-phase expansion in 2009, with completion scheduled for August 2010. The \$9 million project includes a new 9,790 square-foot emergency room and subsequent remodeling of the existing emergency room into an urgent care site. The 175-bed hospital is the main facility for Fairview Range, which also includes Mesaba Clinics in Hibbing, Mountain Iron, and Nashwauk.

The capital assets maintained by the Road and Bridge Department have changed over the last ten years as follows: vehicles have increased by one to 220; the number of road miles in the county maintained by St. Louis County have decreased by 223 miles to 2,973 miles; the number of bridges maintained by the County have decreased by two; garages and storage buildings have increased by 20; and the number of graders, loaders, and heavy trucks in the fleet has decreased by 30 to 378.

The property taxes levied on County taxpayers for 2010 increased by \$1.4 million or 1.3% over the 2009 levy, the second lowest levy increase in the past ten years. Only 2005 had a lower increase, with 0% change from 2004.

Long-term financial planning

Starting in 1994, the County began to designate 1/9 of the estimated amount needed to pre-fund retiree health insurance premiums by setting aside the value of sick leave balances for all employees eligible for retirement at the end of the year. As of December 31, 2009, 100% of the estimated retiree obligations (vested sick leave) amount is designated for the General Fund and Special Revenue Funds.

In 1995, the County recognized that it would be prudent to set aside monies to meet unexpected cash flow shortages, and began to designate some of its fund balances for cash flow. The County Board's policy is to have the General Fund, the Road and Bridge Fund, and the Public Health and Human Services Fund (which are major operating funds that are supported in part by direct property tax levy) designate a portion of their available fund balances equal to 5/12 of the certified levy for each fund, plus its share of program aid paid to the County by the State of Minnesota. As of December 31, 2009, the goal was 100% accomplished for the Road and Bridge Fund, 89.7% accomplished for the General Fund, and 93.0% accomplished for the Public Health and Human Services Fund. The combined designated cash flow of the three funds was \$46.9 million at year-end, an increase of \$2.2 million over 2008.

In 2000, the County began to designate for the General Fund and Special Revenue Funds 1/9 of the amount estimated to be paid for those employees who are not eligible to retire immediately, but probably will retire from the County. As of December 31, 2009, 100% of the estimated vesting sick leave amount needed was designated.

Beginning in 2007, all increases in net assets from operation (the excess of revenues over expenditures) for each County-owned building were transferred into the Depreciation Reserve Fund in the Capital Projects Fund. At the end of 2009, the Depreciation Reserve Fund has a fund balance of \$1.6 million. Those monies will be used to fund future capital improvements at County facilities.

The County Board has eliminated 281 positions from the budgets of various county departments through attrition, the lease of Chris Jensen, and elimination of vacant positions in 2009 and 2010. Since 2002, the County has reduced personnel by 25%.

Other financial planning for 2010 and beyond includes:

- The County's continued investment in the Geographic Information System (GIS) to improve services to the public.
- Designating fund balance for "future unallotments" to help the County withstand local governments aid cuts by the state in 2010. Administration implemented 3% reductions to all County department budgets in 2009 for this purpose.
- The County Board directing the County Administrator to hold all county departments accountable for making progress in each department's designated priority areas by the regular use of performance measures and outcomes.
- The County designating monies for other specified expenditures from its unreserved fund balance. Designations represent the County's intended future use of resources and reflect actual plans approved by the County Board.

Major initiatives

Chris Jensen Health and Rehabilitation Center experienced operating losses every year since 2001 and frequently required transfers from the General Fund to cover cash deficits at year end. The County Board, during a September meeting, voted to leave the nursing home business. Effective November 1, 2009, the Chris Jensen Health and Rehabilitation Center was leased to Health Dimensions Group, Inc (HDG), DBA Chris Jensen, LLC. As part of the lease agreement, the County will receive future payments from HDG for the outstanding accounts receivable balance on November 1, 2009. The lease also calls for monthly rent payments from HDG during the initial five year lease. In addition, the lease agreement required HDG to retain most of the former County employees.

The one time, federal stimulus monies (\$3.7 million) received in 2009 by the County were used for specific projects. Most of the federal stimulus monies received (\$3 million) have been used for road construction projects, resulting in employment for many residents.

In 2009, County Commissioners leased four acres of county land to the City of Duluth for a new \$18 million police station. The proposed station would be adjacent to the County's Public Safety Building, which was built in 2007. Sharing costs for facilities and programs whenever feasible could result in cost savings for both the city and the county.

Proceeds received from debt issued in 2008 are being used to build new facilities, maintain existing facilities, and purchase new equipment and vehicles. Some of projects were completed in 2009, with the remainder scheduled for completion during 2010, including the sally port in Duluth and the new Public Works garage in Meadowlands.

St. Louis County is committed to continuing the review and reduction of non-mandated, non-core services when these services are available from others in the County, as was accomplished with the successful leasing of the Chris Jensen Health and Rehabilitation Center to HDG.

Awards and Acknowledgements

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, 2008. This award was the twenty first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, St. Louis County also received the GFOA's Distinguished Budget Presentation Award for its biennial budget document for the fiscal year beginning January 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the Comprehensive Annual Financial Report in accordance with the GASB 34 financial reporting model was made possible by the dedicated work of the employees of the Accounting and Finance Division. In addition, I would like to express my appreciation to the employees of the Public Health and Human Services Department and the Public Works Department for their dedication and cooperation during the preparation of this report. I am grateful to the County Board of Commissioners and to the Department of Administration for their leadership and support in formulating the financial activities of the County, without which the preparation of this report would not have been possible. Many other County departments extended assistance and cooperation to my office during this time and I thank them also.

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

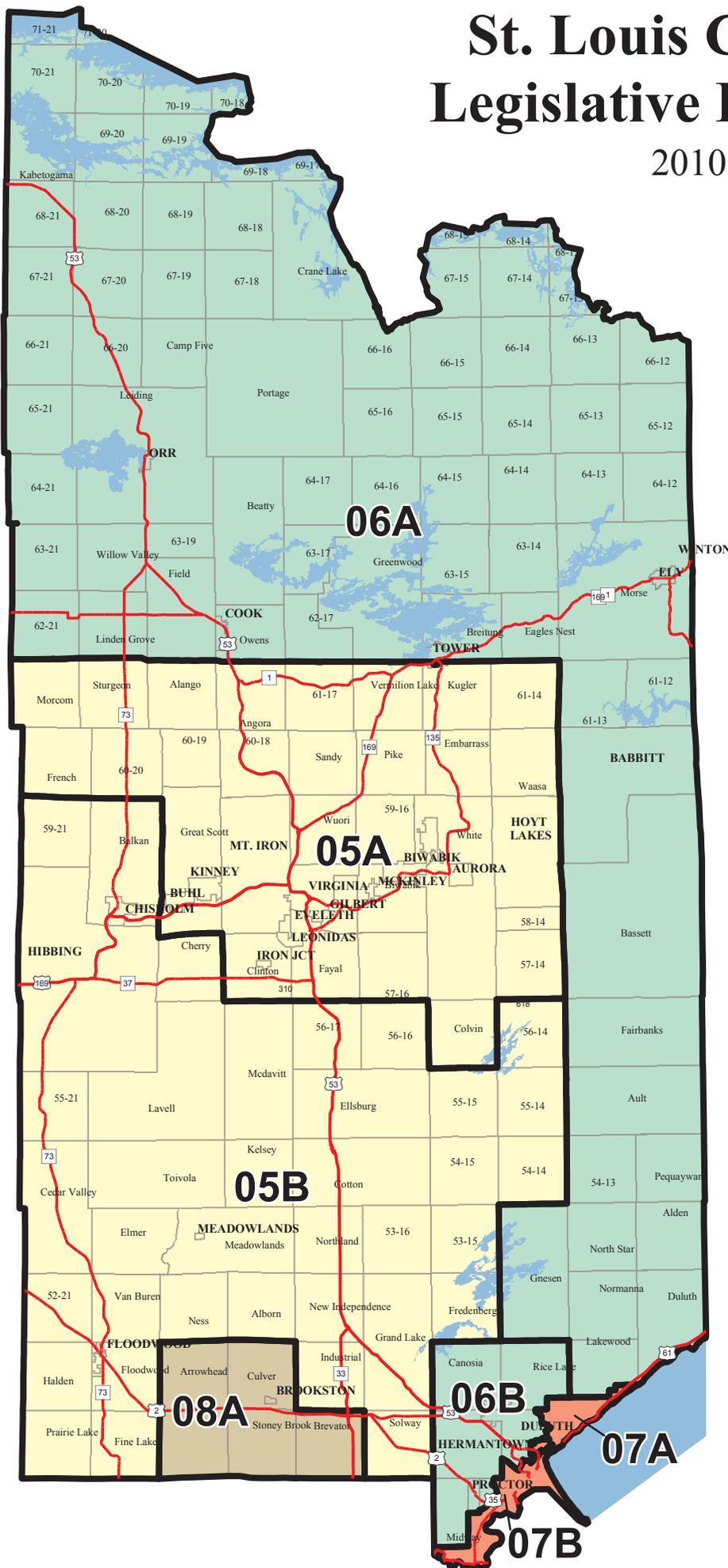
Sincerely,



DONALD DICKLICH
County Auditor

St. Louis County Legislative Districts

2010



2010 Minnesota Legislative Districts

Tom Rukavina (DFL) 05A
477 State Office Building
Saint Paul, Minnesota 55155
(651) 296-0170

Anthony Sertich (DFL) 05B
459 State Office Building
Saint Paul, Minnesota 55155
(651) 296-0172

David Dill (DFL) 06A
571 State Office Building
Saint Paul, Minnesota 55155
(651) 296-2190

Mary Murphy (DFL) 06B
343 State Office Building
Saint Paul, Minnesota 55155
(651) 296-2676

Thomas Huntley (DFL) 07A
585 State Office Building
Saint Paul, Minnesota 55155
(651) 296-2228

Roger Reinert (DFL) 07B
429 State Office Building
Saint Paul, Minnesota 55155
(651) 296-4246

Bill Hilty (DFL) 08A
559 State Office Building
Saint Paul, Minnesota 55155
(651) 296-4308

City of Duluth Precincts

District 6B: Prec. 11, 24-26,33
District 7A: Prec. 1-10, 12-13, 15-17
District 7B: Prec. 14, 18-23, 27-32, 34-36

Legend

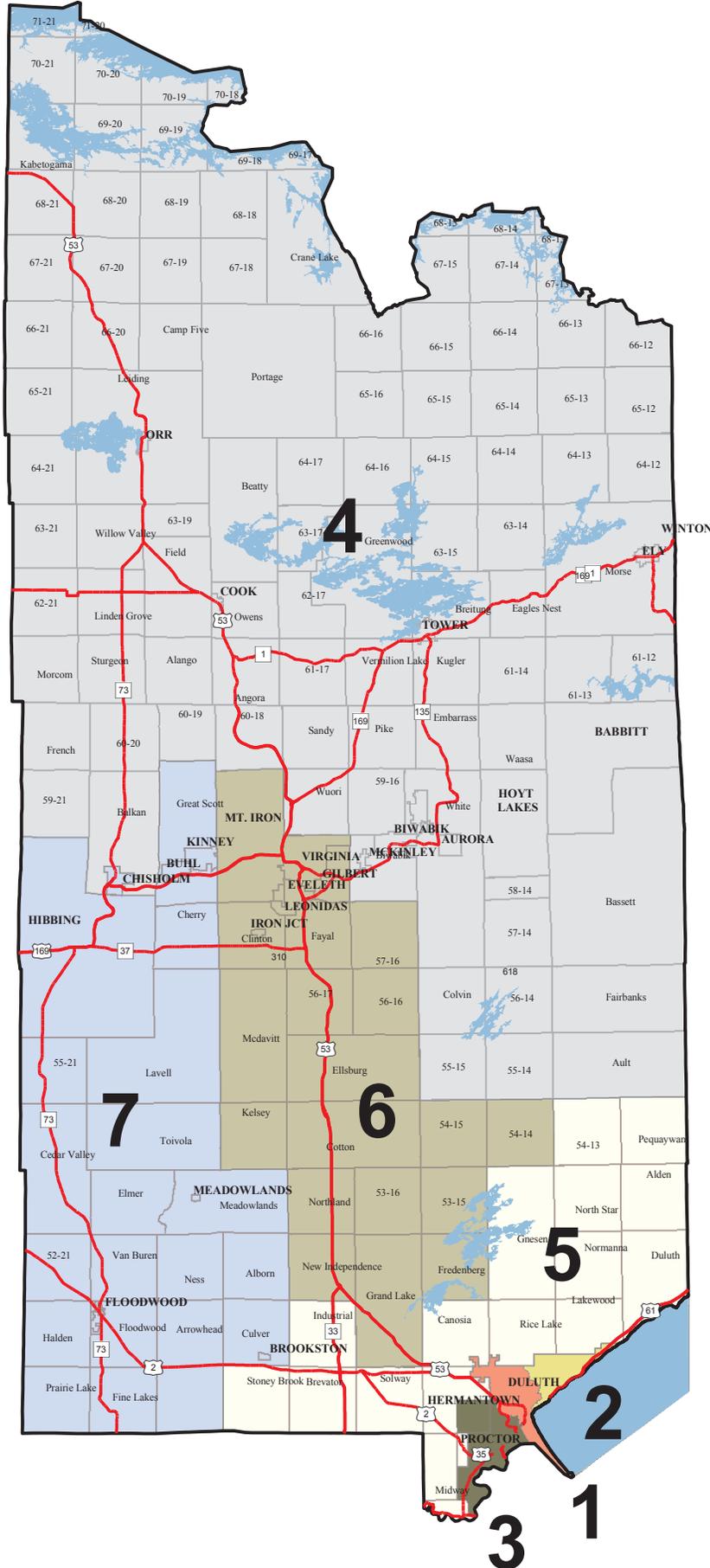
05 House District Boundaries

Senate District Areas

5	David J. Tomassoni	Room 317, Capitol (651)296-8017
6	Thomas M. Bakk	Room 226, Capitol (651)296-8881
7	Yvonne Prettnier Solon	Room G-9, Capitol (651)296-4188
8	Tony Lourey	Room 303, Capitol (651)296-0293

Commissioner Districts

St. Louis County



St. Louis County Commissioners

1st District

Dennis Fink
100 N. 5th Avenue West Rm. #208
Duluth, Mn 55802-1292
(218) 726-2458

2nd District

Steve O'Neil
100 N. 5th Avenue West Rm. #208
Duluth, Mn 55802-1292
(218) 726-2359

3rd District

Chris Dahlberg
100 N. 5th Avenue West Rm. #208
Duluth, Mn 55802-1292
(218) 726-2562

4th District

Mike Forsman
118 S. 4th Avenue East
Ely, Mn 55731
(218) 365-8200

5th District

Peg Sweeney
100 N. 5th Avenue West Rm. #208
Duluth, Mn 55802-1292
(218) 726-2450

6th District

Keith Nelson
St. Louis County Courthouse
Virginia, Mn 55792
(218) 749-7108

7th District

Steve Raukar
St. Louis County Courthouse
Hibbing, Mn 55746
(218) 262-0201

City of Duluth Precincts

- District 1: Prec. 10-12, 15-22, 24-25
- District 2: Prec. 1-9, 13-14
- District 3: Prec. 23, 26-35
(Incl. Prec 3, Hermantown)
- District 5: Prec. 36

Prepared By: **Planning & Development**
Planning, Research, & GIS Division
(218) 725-5000
www.co.st-louis.mn.us

Team Credits: Planning, Land, Public Works, 911

Source: St. Louis County, DNR

Map Created: 3/23/2010

Disclaimer

This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein contained.

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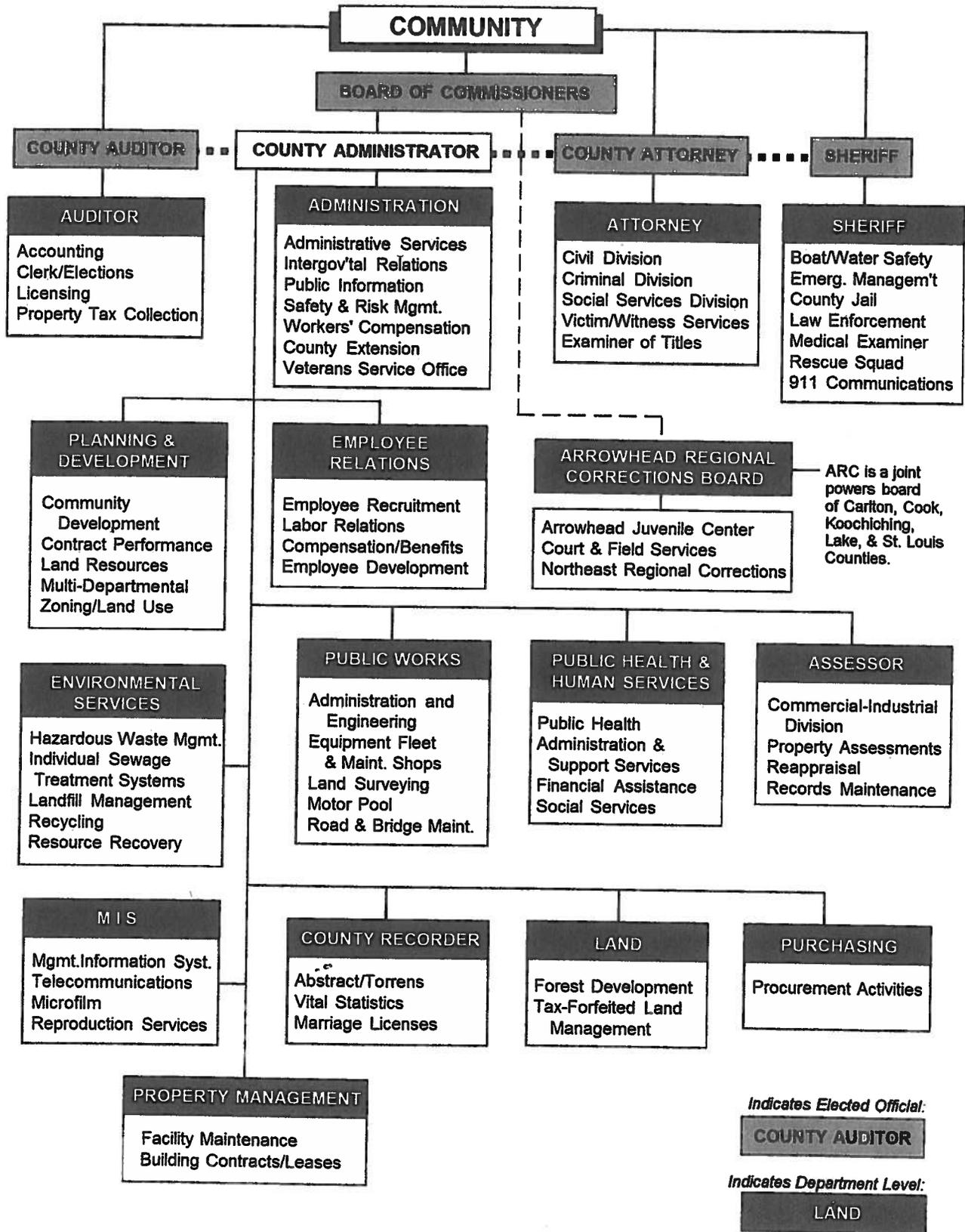


St. Louis County MN

**St. Louis County
Elected and Appointed Officials
as of December 31, 2009**

Office	Name	Term
Commissioners:		
1st District	Dennis Fink	Jan. 2007 Jan. 2011
2nd District	Steve O'Neil	Jan. 2009 Jan. 2013
3rd District	Christopher Dahlberg	Jan. 2009 Jan. 2013
4th District	Mike Forsman	Jan. 2007 Jan. 2011
5th District	Peg Sweeney	Jan. 2009 Jan. 2013
6th District	Keith Nelson	Jan. 2007 Jan. 2011
7th District	Steve Raukar	Jan. 2007 Jan. 2011
Elected Officers:		
Attorney	Melanie Ford	Jan. 2007 Jan. 2011
Auditor	Donald Dicklich	Jan. 2007 Jan. 2011
Sheriff	Ross Litman	Jan. 2007 Jan. 2011
Appointed Officers:		
Administrator	Kevin Gray	
Assessor	David Sipila	
Employee Relations Director	Martha Watson	
Examiner of Titles	David W. Adams	
Land Commissioner	Robert Krepps	
Management Information Systems Director	Martin Buscombe	
Planning Director	Barbara Hayden	
Property Management Director	Tony Mancuso	
Public Health and Human Services Director	Ann Busche	
Public Works Director	Jim Foldesi	
Purchasing Director	Richard Florey	
Recorder	Mark Monacelli	
Environmental Services Director	Ted Troolin	

Organizational Summary



Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Louis County
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director

FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
St. Louis County

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Louis County, Minnesota, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Louis County as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise St. Louis County's basic financial statements. The combining and individual nonmajor fund financial statements and miscellaneous schedules listed in the table of contents as supplementary data are presented for purposes of additional analysis and are not a required part of the basic financial statements of St. Louis County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010, on our consideration of St. Louis County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 21, 2010

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

UNAUDITED
St. Louis County, Minnesota
Management's Discussion and Analysis
December 31, 2009

Our discussion and analysis of St. Louis County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

St. Louis County's total net assets increased by \$38.4 million, or 7.9%. Governmental activities increased by \$36.5 million to \$496.7 million, while the County's business-type activities increased by \$1.9 million to \$30.2 million.

The County's governmental funds reported a combined ending fund balance of \$132.3 million for 2009, a decrease of \$2.8 million from 2008. Reserved fund balance accounted for \$26.5 million of the total fund balance. When fund balance is reserved it is not available for appropriation. The remaining fund balance of \$105.8 million is unreserved. Unreserved fund balance had \$84.2 million designated for specific uses and \$21.6 million that remained undesignated at year-end.

In 2009, the General Fund reported an increase in fund balance of \$1.1 million over 2008. The increase was due to having revenues being in excess of expenditures of \$2.4 million and net transfers of (\$1.3) million. The fund balance of the General Fund was \$45.9 million at year-end compared to \$44.8 million for 2008.

St. Louis County's total bonded debt decreased by \$12.9 million to \$41.4 million in 2009. The decrease was due to making payments of \$5.1 million on existing debt and also redeeming the remaining \$7.8 million of principal owed on Capital Improvement Bonds issued in 2001. No new debt was issued in 2009. The County last issued debt in 2008 for \$15.0 million to be used for building projects and capital equipment purchases.

Several account balances were reclassified as of and for the year ended December 31, 2008, as previously reported. These reclassifications must be considered when comparing these financial statements with those of prior reports.

Overview of the Financial Statements

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

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

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

The government-wide financial statements can be found on pages 25-27 of this report.

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

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

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

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

The basic financial statements for governmental funds can be found on pages 29-41 of this report.

Proprietary funds: When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The County uses enterprise funds (a component of proprietary funds) to report the activities of two major funds, which are the Environmental Services Fund and the Chris Jensen Health and Rehabilitation Center Fund, as well as two nonmajor enterprise funds. Data for the nonmajor funds is combined into "other enterprise funds." Individual data for each of the nonmajor enterprise funds is provided in the supplementary data. These funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information. The County uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the County's other programs and activities, such as the County's Telecommunication Fund. The proprietary fund basic financial statements can be found on pages 43-47 of this report.

Fiduciary funds: The County is the trustee, or fiduciary, for certain amounts held for others. The County uses trust and agency funds to report its fiduciary activities. The County's fiduciary activities are reported in the Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets and are excluded from the government-wide financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used in proprietary funds. The fiduciary basic financial statements can be found on pages 49-50 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 53-90 of this report.

Supplementary data. The combining statements for nonmajor governmental funds and proprietary funds, internal service funds, fiduciary funds, and miscellaneous schedules are provided on page 93-124.

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Government-wide Financial Analysis

Net assets may, over time, be a useful indicator of a government's financial position. In the case of St. Louis County, assets exceeded liabilities for all activities by \$526.9 million.

By far the largest portion of the County's net assets is the investment in capital assets (71.3 percent), which reflects St. Louis County's investment in capital assets less any related debt used to acquire those assets that is still outstanding. Because the County uses these capital assets to provide services to citizens, they are not available for future spending. Although investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 209.3	\$ 206.8	\$ 21.4	\$ 20.8	\$ 230.7	\$ 227.6
Capital assets	398.2	377.0	12.1	13.1	410.3	390.1
Total Assets	607.5	583.8	33.5	33.9	641.0	617.7
Long-term liabilities outstanding	89.1	99.4	2.7	4.4	91.8	103.8
Other liabilities	21.7	24.2	0.6	1.2	22.3	25.4
Total liabilities	110.8	123.6	3.3	5.6	114.1	129.2
Net assets:						
Invested in capital assets, net of debt	363.8	346.0	12.1	13.1	375.9	359.1
Restricted	20.8	27.1	1.8	1.8	22.6	28.9
Unrestricted	112.1	87.1	16.3	13.4	128.4	100.5
Total Net Assets	\$ 496.7	\$ 460.2	\$ 30.2	\$ 28.3	\$ 526.9	\$ 488.5

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

Governmental Activities:

The total net assets of governmental activities increased by \$36.5 million to \$496.7 million in 2009. St. Louis County is able to report positive balances in all three categories of net assets as it has for all the years that government-wide financial statements have been prescribed.

Current and other assets increased by only \$2.5 million in 2009 compared to \$27.4 million in 2008. The comparatively small increase in current and other assets occurred even though four of the five major funds (General Fund, Road and Bridge Fund, Public Health and Human Services Fund and Forfeited Tax Sale Fund) had combined excess of revenues over expenditures of more than \$12.3 million for the year. In 2009, the other major fund (Capital Projects Fund) spent down 2008 bond and note proceeds on construction costs and equipment and vehicles purchases; the County's Debt Service Fund redeemed the final seven years of principal (\$7.8 million) owed on bonds issued in 2001; and governmental activities used 2008 fund balances to cover some 2009 expenditures and transfers to non-governmental funds.

Capital assets at year-end were \$398.2 million, an increase of \$21.2 million over 2008. A detailed analysis of this increase is presented in Table 3 on page 23, under the heading Capital Assets and Debt Administration.

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Long-term liabilities outstanding decreased by \$10.3 million in 2009 to \$89.1 million. The decrease was caused primarily by the County not issuing new debt, making annual payments on existing debt, and redeeming the 2001 bonds. A detailed analysis of the decrease in outstanding debt is presented in Table 4 on page 24, under the heading Capital Assets and Debt Administration.

Other liabilities decreased \$2.5 million in 2009 to \$21.7 million. At the end of 2008, the Road and Bridge Fund received state aid monies of \$2.0 million for road projects that required being classified as a liability (advance from another governments) since the monies were not earned in 2008. Also during 2008, the Public Health and Human Service Fund received targeted case management funding of \$1.9 million due back to the state. One half of this was repaid in 2009.

Invested in capital assets, net of related debt, increased by \$17.8 million to \$363.8 million. This was the result of net capital assets increasing by \$21.2 million, while the outstanding debt that is related to capital assets increased by \$3.4 million. Even though the County's total debt outstanding decreased in 2009, the debt related to capital assets can actually increase due to spending proceeds from debt issues on capital assets.

Restricted net assets decreased \$6.3 million to \$20.8 million in 2009. Net assets restricted for debt service funds decreased by \$8.1 million, due to the previously mentioned redemption of the 2001 bonds and also to using small amounts of 2008 fund balance to supplement property tax dollars in making payments due on existing debt. Other restricted assets had small increases in 2009.

Unrestricted net assets are primarily the designated and undesignated fund balances reported in the fund statements of the governmental funds and are available for spending at the County's discretion. In addition to designated and undesignated fund balances, unrestricted net assets also includes the fund balance of the combined internal service funds and capital assets and long term debt adjustments. The County's unrestricted net assets were \$112.1 million at the end of 2009, an increase of \$25.0 million over 2008. The largest unrestricted net assets are cash flow of \$46.9 million and retiree obligations of \$21.8 million.

Business-type Activities:

Total net assets of the County's business-type activities increased \$1.9 million to \$30.2 million in 2009 despite leasing Chris Jensen Health and Rehabilitation Center (Chris Jensen) to Health Dimensions Group (HDG) dba Chris Jensen, LLC and closing Community Foods. Business-type activities were able to report positive balances in all three categories of net assets for 2009.

Current and other assets increased \$.6 million to \$21.4 million in 2009. The Chris Jensen Fund has cash of \$.3 million from deposits made by the General Fund for capital expenditures to be made by HDG (per the lease agreement). Internal balances for 2009 decreased \$1.0 million because there was no cash deficit in the Chris Jensen Fund as had been the case in years past.

Capital assets in 2009 were \$1.0 million less for business-type activities than in 2008. Contributing factors for the decrease were; having a physical inventory taken at Chris Jensen prior to the lease agreement with HDG; minimal purchases of new capital assets during the year; and annual depreciation expenses. A detailed analysis of this increase is presented in Table 4 on page 23, under the heading Capital Assets and Debt Administration.

Long-term liabilities decreased to \$2.7 million in 2009, a decline of \$1.7 million from 2008. Compensated absences payable (vacation and sick leave) decreased \$1.7 million in 2009 because the Chris Jensen Fund liabilities were resolved as part of the lease arrangement.

Restricted net assets in the business-type activities is entirely for financial assurance in the Environmental Services Fund and remained stable in 2009.

Unrestricted net assets have increased \$2.9 million for business-type activities because the unrestricted net assets for Chris Jensen increased \$2.9 million. This was due to Chris Jensen having more current assets than liabilities in 2009 after having more liabilities than current assets in 2008.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues						
<i>Program Revenues:</i>						
Charges for services	\$ 42.1	\$ 39.3	\$ 17.5	\$ 22.6	\$ 59.6	\$ 61.9
Operating Grants and Contributions	54.4	50.4	0.5	0.5	54.9	50.9
Capital Grants and Contributions	16.4	16.4	-	-	16.4	16.4
<i>General Revenues:</i>						
Taxes:						
Property taxes, levied for gen. purposes	104.3	97.5	1.1	1.0	105.4	98.5
Property taxes, levied for debt service	5.9	5.9	-	0.1	5.9	6.0
State shared	24.1	22.8	-	-	24.1	22.8
Federal shared	2.8	1.7	-	-	2.8	1.7
Investment income	4.3	4.3	0.4	0.7	4.7	5.0
Miscellaneous	-	0.3	-	-	-	0.3
Total revenues	254.3	238.6	19.5	24.9	273.8	263.5
Expenses						
<i>Program expenses:</i>						
General government	36.0	30.8	-	-	36.0	30.8
Public safety	47.0	46.2	-	-	47.0	46.2
Highways and streets	39.0	41.9	-	-	39.0	41.9
Health and sanitation	4.8	5.0	-	-	4.8	5.0
Human services	72.4	71.5	-	-	72.4	71.5
Culture and recreation	1.9	2.2	-	-	1.9	2.2
Conservation of natural resources	6.9	9.9	-	-	6.9	9.9
Economic development	4.5	4.0	-	-	4.5	4.0
Interest on long-term debt	2.2	1.9	-	-	2.2	1.9
Environmental services	-	-	7.7	7.6	7.7	7.6
Chris Jensen Health & Rehabilitation	-	-	12.4	14.8	12.4	14.8
Other Enterprise funds	-	-	0.6	2.1	0.6	2.1
Total expenses	214.7	213.4	20.7	24.5	235.4	237.9
Increase in net assets before transfers	39.6	25.2	(1.2)	0.4	38.4	25.6
Transfers	(3.1)	(0.4)	3.1	0.4	-	-
Increase (decrease) in net assets	36.5	24.8	1.9	0.8	38.4	25.6
Net assets January 1	460.2	435.4	28.3	27.5	488.5	462.9
Net assets December 31	\$ 496.7	\$ 460.2	\$ 30.2	\$ 28.3	\$ 526.9	\$ 488.5

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

Governmental Activities:

Program revenues are revenues derived directly by a program and are from sources other than County taxpayers. In 2009, program revenues increased by \$6.8 million over 2008. Charges for services increased significantly in the general government (\$3.7 million) and human service (\$4.2 million) programs, while land and timber sales dropped by over \$3.6 million. Operating grants and contributions increased \$4.0 million to \$54.4 million due primarily to the highway and streets program receiving \$5.1 million more for road construction in 2009 than in 2008. Capital grants and contributions were \$16.4 million in 2009, the same as 2008. For 2009, the highway and streets program received capital grants of \$8.2 million from both the state and federal governments.

General revenues are all revenues that are not considered to be program revenues. In 2009, general revenues increased by \$8.9 million to \$141.4 million. Property taxes collected in 2009 for general purposes increased by \$6.8 million while property taxes collections for debt service payments were the same as 2008. In 2009, total property taxes collected was \$110.2 million or 77.9% of general revenues and 43.3% of all revenues collected by governmental activities.

State shared revenues that are classified as general revenues are commonly referred to as "local government aids". Two of the local government aids received in 2009, disparity aid (\$5.3 million) and market value credit (\$7.1 million), are used to reduce the amount of property taxes levied on County taxpayers. The other significant local government aid that comes from the state is county program aid. County program aid was \$11.2 million in 2009 an increase of \$1.5 million over 2008.

Investment income for governmental activities was \$4.3 million for both 2009 and 2008 even though General Fund investments earnings decreased by \$1.9 in 2009 as the result interest rates continuing to spiral lower and lower. Despite the large decline by the General Fund, investment income for governmental activities remained the same as 2008 because the Shoreline Sales Fund made a huge recovery in 2009. The Shoreline Sales Fund had investment income of \$.9 million in 2009, after losing \$1.3 million in 2008, resulting in a \$2.2 million change. The average yield on County investments in 2009 was 2.1%, compared to 3.6% in 2008 and 5.1% in 2007. It is the County's policy to hold investments to maturity, thus avoiding any market value losses or gains, however investments are recorded at market value for year-end reporting.

Expenses for governmental activities increased by \$1.3 million in 2009 compared to \$7.5 million in 2008, and \$8.7 million in 2007. The only program that had a significant increase in expense was general government. The \$5.2 million increase in general government expenses was due primarily to \$3.2 million of expense elimination for interdepartmental rent charges in 2008 while those same rent charges for 2009 resulted in a \$.1 million expense inclusion. Other governmental activities actually held spending below 2008 levels or had modest increases for 2009. Most increases in expenses in 2009 can be attributed to health insurance premiums rising by 5.5%; employee salary increasing by 2.5% for most bargaining units; and the increased costs of running the County.

Transfers by the General Fund of \$2.8 million to the Chris Jensen Fund were made in 2009. The transfers were to eliminate a \$1.0 million cash deficit at the end of 2008 and to cover \$1.8 million of transition costs associated with leasing Chris Jensen to HDG.

Business-type Activities:

Program revenues (charges for services) for business-type activities decreased by \$5.1 million in 2009 to \$18.0 million. This decline resulted from; the Community Foods Fund closure effective January 1, 2009; and the Chris Jensen Fund being leased to HDG November 1, 2009. The SCORE recycling grant received by the Environmental Services Fund from the state each year remained at \$.5 million in 2009.

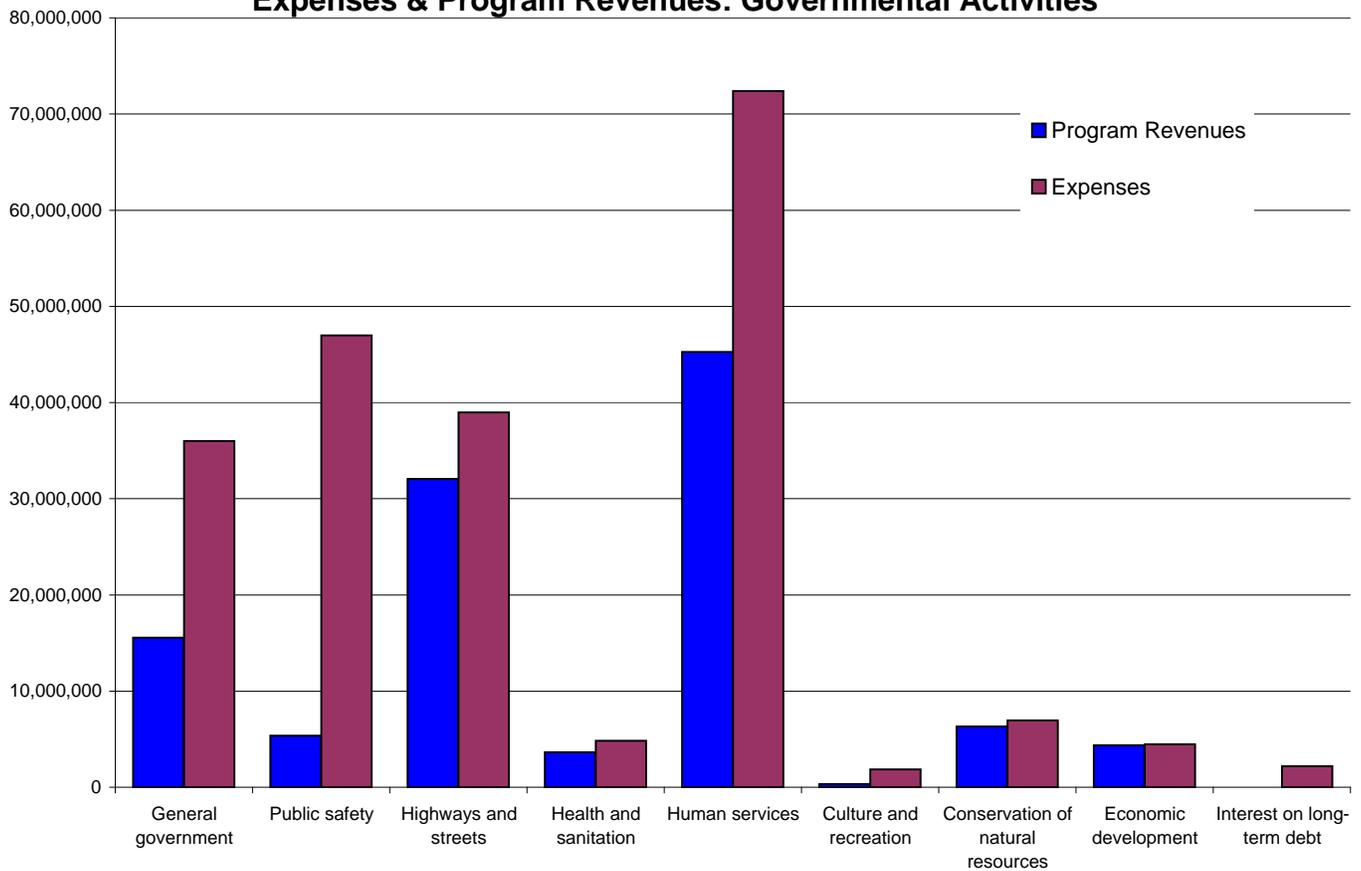
General revenues decreased in 2009 by \$.3 million. The decrease was due entirely to the Environmental Services Fund earning \$.4 million from investment income in 2009, a decrease of \$.3 million from 2008. For the first time in 2008, the County levied property taxes to operate business-type activities with the Environmental Services and the Chris Jensen Funds having combined tax collections of \$1.1 million in both 2009 and 2008.

Expenses for business-type activities also declined in 2009 because of the Chris Jensen Fund lease and the closure of the Community Foods Fund.

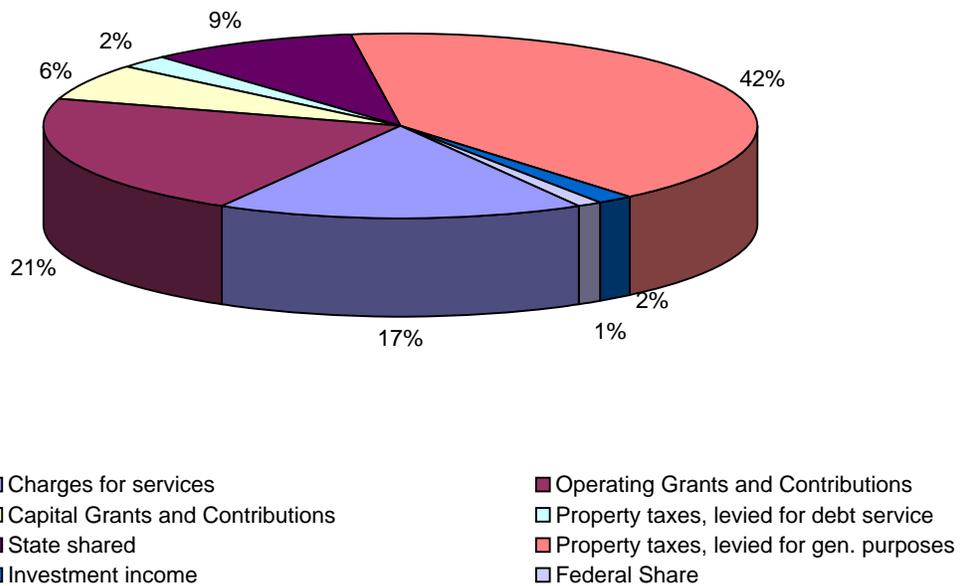
In 2009, the County's General Fund transferred \$2.8 million to the Chris Jensen Fund.

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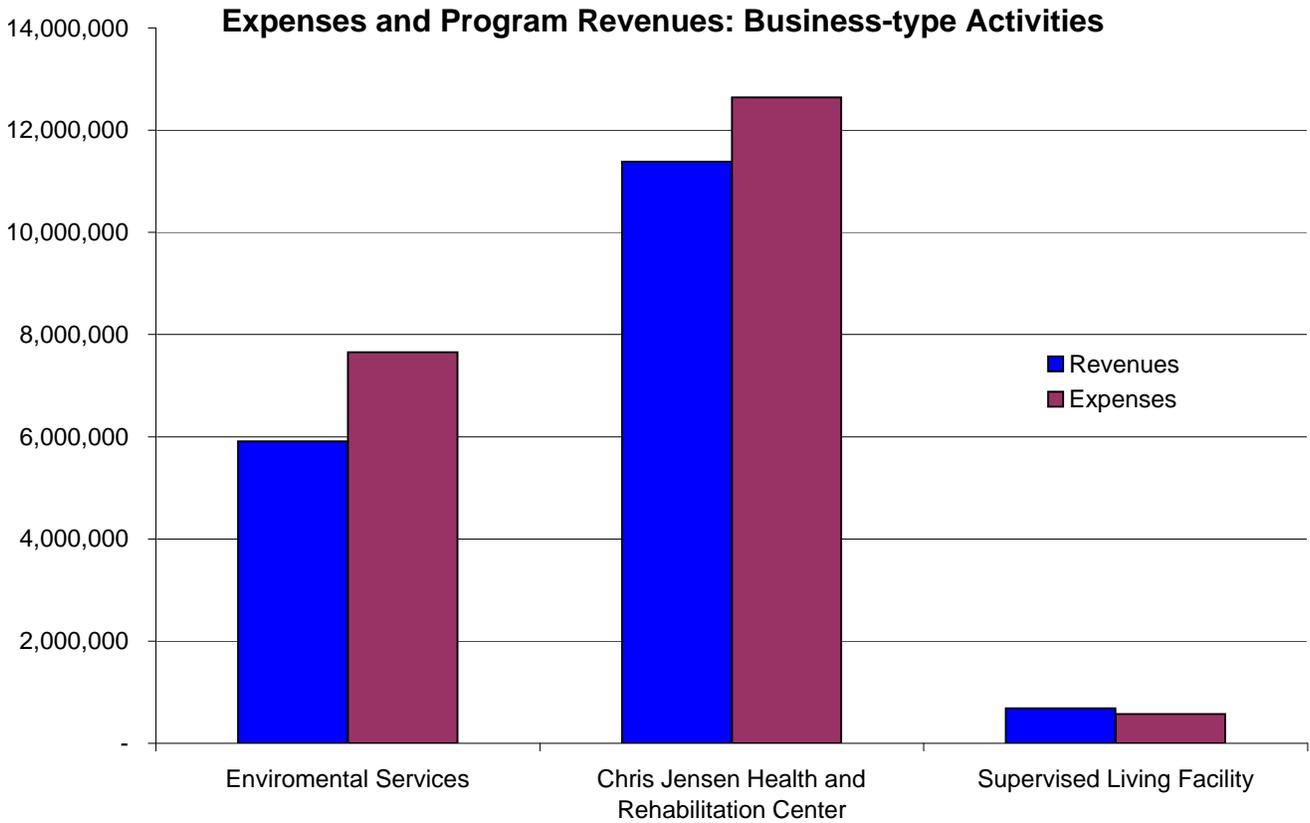
Expenses & Program Revenues: Governmental Activities



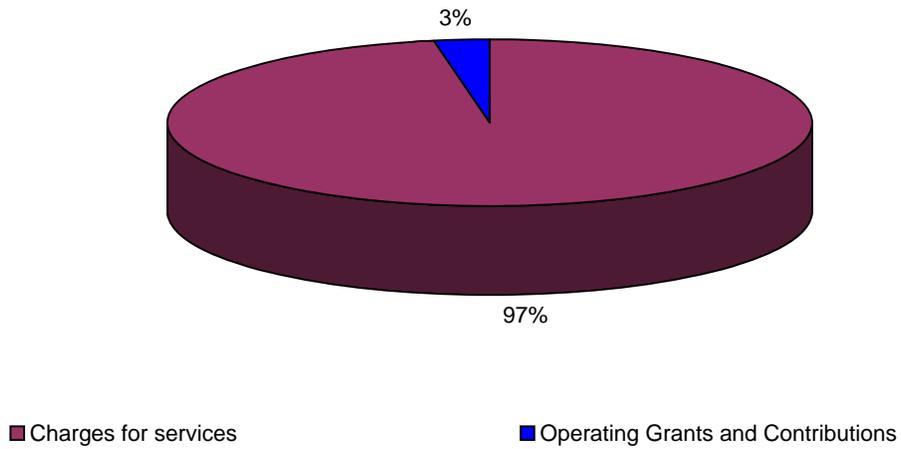
Revenues by Source: Governmental Activities



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Revenues by Source: Business-type Activities



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Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of St. Louis County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing St. Louis County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

St. Louis County's governmental funds reported combined fund balances of \$132.3 million in 2009, compared with \$135.1 million in 2008, a decrease of \$2.8 million. The largest decrease of fund balance was \$8.2 million in the Debt Service Fund due to redeeming the Capital Improvement Bonds issued in 2001.

The unreserved fund balance for governmental funds decreased from \$112.1 million in 2008 to \$105.8 in 2009, primarily because of the above mentioned debt redemption and making payments on numerous capital projects. This unreserved fund balance accounts for 79.9% of total fund balance and is available for spending at the County's discretion. However, unreserved fund balance reported in funds established for specific purposes, such as the Capital Projects Fund and the Debt Service Fund, will be spent accordingly. Designations of unreserved fund balance reflects the County's self-imposed limitations on otherwise expendable financial resources. Cash flow designation of \$46.9 million and compensated absences designation of \$29.6 million account for 72.3% of all unreserved fund balance. The remaining \$26.5 million of fund balance is reserved. Fund balance is reserved because it is either unavailable for spending or legally restricted. The largest reservation of fund balance at year-end was \$ 7.7 million for inventories.

The General Fund is the chief operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. At the end of 2009, the unreserved fund balance of the General Fund was \$39.1 million, compared to \$38.5 million in 2008. Unreserved fund balance at the end of the year represented 45.6% of fund operating revenues and 47.0% of fund operating expenditures. The Office of the State Auditor recommends that counties maintain unreserved fund balance in their General Fund of approximately 35 to 50 percent of fund operating revenues, or no less than five months of operating expenditures (41.7%).

In 2009, the fund balance of the County's General Fund increased \$1.1 million to \$45.9 million. Revenues exceeded expenditures by \$2.4 million because departments underspent their expenditures budgets and were able to overcome cuts in local government aids and declining investment earnings. Expenditures for public safety make up over half of the General Funds total expenditures. Transfers out of the General Fund exceeded transfers in by \$1.3 million and included two transfers during 2009 to the Chris Jensen Fund, the first was a \$1.0 million irrevocable transfer to eliminate a deficit cash balance at year-end 2008, the another transfer was for \$1.8 million to cover the costs associated with the transition of controls to HDG. The General Fund also received numerous transfers, the largest was \$.9 million from the annual Land Department apportionment of net receipts for 2009.

The Road and Bridge Fund had a \$1.8 million excess of revenues over expenditures for 2009, the result of under spending the "other operating" expenditure budget category by more than \$3.4 million.

The Public Health and Human Services Fund had revenues in excess of expenditures of \$6.6 million in 2009. This was due to both being under budget (in all expenditures categories) and collecting revenues well in excess of budget.

At year-end, the Capital Projects Fund had spent \$7.5 million of the \$15.1 million in proceeds the County received from the sale of bonds and notes in 2008 on various projects throughout the County..

Pursuant to Minnesota Statute, the Forfeited Tax Sale Fund distributed \$2.1 million in net proceeds to county funds, cities, and towns in St. Louis County. The distribution was \$3.4 million for 2008, \$5.0 million in 2007 and \$6.9 million in 2006. This trend is the result of a slumping timber industry.

Proprietary Funds: St. Louis County proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Budgets can be amended during the year by the County Board. Supplemental appropriations or budget reductions are reviewed by the County Administrator's office and submitted to the County Board for their review and approval.

During the year, appropriations increased more than \$2.3 million from the original to the final amended expenditure budget. Nearly all of the increases were for either additional grant funding or the use of designated fund balances.

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The General Fund actual revenues for 2009 were \$2.8 million less than the final budget. Earning on investments were \$1.6 million under budget due to the world wide economic crisis. County Program Aid from the state was cut \$1.5 million by the governor through the unallotment process.

Actual expenditures ended the year \$6.9 million under the final budget. This was due to various departments under-spending both their operating and grant budgets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At year-end, the County's capital assets totaled \$410.3 million. Of that total, governmental activities accounted for \$398.2 million, and the remaining \$12.1 million belonged to the business-type activities. These amounts represent a broad range of capital assets including land, buildings, machinery, roads, road maintenance equipment, and law enforcement equipment. Detail is presented immediately below in Table 4.

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

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 2.0	\$ 2.0	\$ 0.4	\$ 0.4	\$ 2.4	\$ 2.4
Buildings and structures	65.0	66.4	7.6	8.0	72.6	74.4
Improvements other than buildings	-	-	2.9	3.3	2.9	3.3
Machinery and equipment	5.4	4.9	0.8	1.0	6.2	5.9
Linens	-	-	-	0.1	-	0.1
Vehicles	16.8	17.0	0.2	0.3	17.0	17.3
Infrastructure	302.1	284.2	-	-	302.1	284.2
Construction in progress	6.9	2.5	0.2	-	7.1	2.5
Totals	\$ 398.2	\$ 377.0	\$ 12.1	\$ 13.1	\$ 410.3	\$ 390.1

Governmental activities increased (including additions, deductions, and depreciation expense) by \$21.2 million, or 5.7%, over 2008. Additions for 2009 totaled \$34.5 million, net disposals were \$2.1 million, and depreciation expense was \$11.2 million. As shown in Table 4, capital asset categories that had increases in 2009 over 2008 were machinery and equipment, infrastructure, and construction in progress. Categories decreasing in value during the year were buildings and structures and vehicles. The decreases were the result of depreciation expense plus net deletions exceeding additions.

Business-type activities saw their capital assets decrease by \$1.0 million in 2009 to \$12.1 million. Capital asset additions to business-type activities were only \$.3 million for the year as all categories except land and construction in progress experienced decreases. Capital asset deletions of \$1.0 million were primarily the result of physical inventories and the Chris Jensen lease.

Infrastructure, which is the County's road and bridge system, had new construction totaling \$23.0 million compared to \$16.8 million in 2008, and \$24.1 million in 2007. In 2009, infrastructure had depreciation expense of \$5.1 million. The useful life of the road and bridge system increased to 56 years in 2009 due to the County's annual calculation of the estimated useful life of infrastructure. Future depreciation will be adjusted prospectively.

The decrease in buildings and structures, as noted above, was due to depreciation expense plus net deletions exceeding additions. The value of new buildings and structures for 2009 was \$1.0 million, while depreciation expense was \$2.4 million. Projects using proceeds of \$11.4 million from the 2008 Capital Improvement Bonds issue are all part of construction in progress at the end of the year. Most of these projects, once they are completed, will be added to the buildings and structures capital assets category.

Vehicle purchases for governmental activities were \$2.6 million in 2009, \$3.4 million in 2008, and \$4.2 million in 2007. New machinery and equipment purchases were \$1.7 million in 2009, \$1.6 million in 2008, and \$1.4 million in 2007.

Construction in progress for governmental activities consisted of a new Meadowlands Maintenance Facility, Duluth Courthouse sally port, upgrades to the Duluth Courthouse HVAC, and upgrades to various County elevators. Business-type activities construction in progress is upgrades to the leachate spray irrigation system at the Regional Landfill in Virginia.

Additional information on St. Louis County's capital assets can be found in the notes on page 71 and 72.

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Debt Administration

At year-end, the County had \$41.4 million of outstanding bonded debt that is backed by the full faith and credit of the County. Some of the debt is also secured by specific revenue sources. There is no business-type activity bonded debt.

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

	Governmental Activities	
	2009	2008
General obligation bonds	\$ 40.9	\$ 53.8
Revenue bonds	0.5	0.5
Total	\$ 41.4	\$ 54.3

County debt decreased \$12.9 million in 2009 to \$41.4 million, compared to an increase of \$9.0 million for 2008. The 2008 increase was the result of issuing \$15.0 million in new debt while paying down debt of \$6.0 million on existing bonds and notes. Debt issued in 2008 was to purchase new vehicles and equipment for the Sheriff's Department and the Road and Bridge Fund, make upgrades at County buildings, and build a new Public Works Facility in Meadowlands. In 2009, Capital Improvement Bonds 2001, were called December 1, 2009 using \$7.8 million in proceeds from Capital Improvement Crossover Bonds, 2006A. The remaining decrease in debt of \$5.1 million was due to paying down the debt on existing bonds and notes. The County did not issue any new debt in 2009 and does not have plans to do so in 2010.

Moody's Investors Service assigned an "Aa3" rating on all bonds and notes issued since 2005.

Additional information on St. Louis County's long-term debt can be found in the notes on page 73-75.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2009 average unemployment rate in St. Louis County was 9.3%, an increase of 45.3% over 2008. The average unemployment rate for United States also was 9.3% in 2009 while the State of Minnesota was much lower at 8.0%.

Demand for taconite, iron, and steel suffered a dramatic downturn during 2009. Total production of taconite pellets and concentrates in 2009 was 17.1 million tons, a decrease of 22.1 million tons or 56.4% over 2008. Early production numbers for 2010 indicate that production should top 31.0 million tons for the year. Taconite Production Tax distributions will not fall as drastic as the tonnage drop due to the three year averaging provision in the law.

The St. Louis County 2010 budget year is the first year in the biennial budget planning process. The County's 2009 and 2010 County Program Aid monies from the State of Minnesota have both been reduced by cuts in payments to local governments by the governor. The payments for 2009 were decreased \$1.5 million while the 2010 allotment was reduced \$3.1 million to \$9.8 million. More cuts to state aids are a possibility for 2010 and subsequent years. Interest earnings for 2009 were \$1.8 million less than 2008 with the downward trend expected to continue into 2010.

County departments have budgeted \$19.6 million in 2010 to pay for the employer share of health insurance premiums. This reflects a 5.5% increase in premiums over 2009. Premiums have risen every year since 2003. Employees began paying a portion of their single health insurance premium for the first time in 2008 and will continue to do so at least into 2010.

Entering 2010, negotiations with the County's eleven bargaining units for years 2010 and 2011 remained unsettled. Wage increases for either year would have significant budget impacts. Employer paid pension contributions for Coordinated Plan members will increase from 6.75% in 2009 to 7.00% in 2010. The Coordinated Plan includes over 85% of the County's employees. Estimated utility increases of 12.0% and fluctuations in gas and diesel costs have also resulted in spending increases in 2010.

All of these factors were considered in preparing the County's budget for the 2010 fiscal year.

The County's 2010 budget was passed on December 15, 2009, at a meeting of the St. Louis County Board of Commissioners. The 2010 property tax levy of \$107.4 million is \$1.4 million, or 1.3% more than the 2009 levy.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

ST. LOUIS COUNTY, MINNESOTA

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 119,829,873	\$ 1,103,769	\$ 120,933,642
Investments	41,987,180	15,691,388	57,678,568
Receivables (net)	38,438,836	1,874,896	40,313,732
Internal balances	596,339	(596,339)	-
Inventories	7,864,515	-	7,864,515
Prepaid items	140,568	-	140,568
Deferred charges	396,298	-	396,298
Restricted assets	-	3,349,103	3,349,103
Capital assets not being depreciated	8,884,824	521,422	9,406,246
Capital assets being depreciated, net	389,349,066	11,605,102	400,954,168
Total assets	<u>607,487,499</u>	<u>33,549,341</u>	<u>641,036,840</u>
LIABILITIES			
Accounts payable	17,276,273	614,702	17,890,975
Unearned revenue	4,404,543	-	4,404,543
Noncurrent liabilities:			
Due within one year	15,377,686	201,410	15,579,096
Due in more than one year	73,680,809	2,546,345	76,227,154
Total liabilities	<u>110,739,311</u>	<u>3,362,457</u>	<u>114,101,768</u>
NET ASSETS			
Invested in capital assets, net of related debt	363,819,364	12,126,524	375,945,888
Restricted			
General government	2,609,966	-	2,609,966
Public Safety	1,175,145	-	1,175,145
Highways and streets	2,068,483	-	2,068,483
Conservation of natural resources	6,667,463	-	6,667,463
Economic development	1,010,116	-	1,010,116
Debt service	1,424,004	-	1,424,004
Shoreline sales:			
Expendable	298,056	-	298,056
Nonexpendable	5,568,989	-	5,568,989
Financial assurance	-	1,790,325	1,790,325
Unrestricted	112,106,602	16,270,035	128,376,637
Total net assets	<u>\$ 496,748,188</u>	<u>\$ 30,186,884</u>	<u>\$ 526,935,072</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities:				
General government	\$ 35,989,696	\$ 15,151,024	\$ 402,581	\$ -
Public safety	46,993,281	2,712,253	2,650,053	-
Highways and streets	38,988,375	3,096,066	12,557,441	16,410,218
Health and sanitation	4,816,622	350,133	3,277,437	-
Human services	72,399,548	14,756,252	30,492,632	-
Culture and recreation	1,863,936	-	342,460	-
Conservation of natural resources	6,960,833	6,014,724	320,178	-
Economic development	4,464,249	22,403	4,336,472	-
Interest on long-term debt	2,197,175	-	-	-
Total governmental activities	<u>214,673,715</u>	<u>42,102,855</u>	<u>54,379,254</u>	<u>16,410,218</u>
Business-type activities:				
Environmental Services	7,655,438	5,428,774	481,833	-
Chris Jensen Health and Rehabilitation Center	12,421,108	11,386,268	-	-
Supervised Living Facility	571,964	685,307	-	-
Total business-type activities	<u>20,648,510</u>	<u>17,500,349</u>	<u>481,833</u>	<u>-</u>
Total primary government	<u>\$ 235,322,225</u>	<u>\$ 59,603,204</u>	<u>\$ 54,861,087</u>	<u>\$ 16,410,218</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary government			
Governmental Activities:			
General government	\$ (20,436,091)	\$ -	\$ (20,436,091)
Public safety	(41,630,975)	-	(41,630,975)
Highways and streets	(6,924,650)	-	(6,924,650)
Health and sanitation	(1,189,052)	-	(1,189,052)
Human services	(27,150,664)	-	(27,150,664)
Culture and recreation	(1,521,476)	-	(1,521,476)
Conservation of natural resources	(625,931)	-	(625,931)
Economic development	(105,374)	-	(105,374)
Interest on long-term debt	(2,197,175)	-	(2,197,175)
Total governmental activities	(101,781,388)	-	(101,781,388)
Business-type activities:			
Environmental Services	-	(1,744,831)	(1,744,831)
Chris Jensen Health and Rehabilitation Center	-	(1,034,840)	(1,034,840)
Supervised Living Facility	-	113,343	113,343
Total business-type activities	-	(2,666,328)	(2,666,328)
Total primary government	\$ (101,781,388)	\$ (2,666,328)	\$ (104,447,716)
General revenues:			
Taxes:			
Property taxes , levied for general purposes	104,321,529	1,087,379	105,408,908
Property taxes, levied for debt service	5,888,439	-	5,888,439
State shared not restricted to specific programs	24,129,399	-	24,129,399
Federal shared not restricted to specific programs	2,835,929	-	2,835,929
Investment earnings	4,250,285	401,756	4,652,041
Transfers	(3,092,519)	3,092,519	-
Total general revenues and transfers	138,333,062	4,581,654	142,914,716
Changes in net assets	36,551,674	1,915,326	38,467,000
Net assets - January 1	460,196,514	28,271,558	488,468,072
Net assets - December 31	\$ 496,748,188	\$ 30,186,884	\$ 526,935,072

Fund Financial Statements

Governmental Funds

GOVERNMENTAL FUNDS

General Fund

General Fund - This fund has been classified as a major fund and is used to account for all financial resources, except those 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 major capital projects) that are legally restricted to expenditures. The following funds have been classified as major funds:

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

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

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

Capital Projects Fund

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

ST. LOUIS COUNTY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Road and Bridge	Public Health and Human Services	Forfeited Tax Sale	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 45,585,938	\$ 24,530,760	\$ 28,042,727	\$ 223,820	\$ 4,891,578	\$ 9,196,809	\$ 112,471,632
Investments	-	-	-	-	8,679,848	5,859,030	14,538,878
Delinquent taxes receivable	2,415,641	1,222,923	1,860,708	-	113,406	410,648	6,023,326
Accounts receivable (net)	532,089	9,448	18,586	10,775,389	4,000	34,510	11,374,022
Accrued interest receivable	594,226	-	-	-	39,493	-	633,719
Loans receivable	177,468	161,652	-	-	-	970,733	1,309,853
Leases receivable	227,000	-	-	-	-	-	227,000
Interfund receivable	172,539	-	-	-	-	-	172,539
Due from other governments	2,517,813	9,186,269	4,985,539	-	18	1,299,486	17,989,125
Inventories	-	7,731,885	-	-	-	-	7,731,885
Prepaid items	5,401	-	-	-	-	-	5,401
Total Assets	<u>52,228,115</u>	<u>42,842,937</u>	<u>34,907,560</u>	<u>10,999,209</u>	<u>13,728,343</u>	<u>17,771,216</u>	<u>172,477,380</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	1,091,368	970,855	1,912,787	43,086	588,904	74,479	4,681,479
Contracts payable	-	595,110	-	-	309,337	-	904,447
Salaries payable	1,777,812	619,264	1,102,970	114,964	-	9,770	3,624,780
Interfund payable	-	-	-	-	-	172,539	172,539
Due to other governments	376,823	117,945	1,661,841	18,948	-	1,075,428	3,250,985
Unearned revenue	367,001	2,964,180	64,514	-	-	-	3,395,695
Deferred revenue	2,694,974	9,149,346	2,067,475	9,726,177	96,503	361,755	24,096,230
Total Liabilities	<u>6,307,978</u>	<u>14,416,700</u>	<u>6,809,587</u>	<u>9,903,175</u>	<u>994,744</u>	<u>1,693,971</u>	<u>40,126,155</u>
Fund Balances:							
Reserved for:							
Noncurrent loans	-	-	-	-	-	970,733	970,733
Economic development	1,096,692	-	-	-	-	-	1,096,692
Inventories	-	7,731,885	-	-	-	-	7,731,885
Encumbrances	1,104,316	1,642,010	1,219,563	7,058	-	182,453	4,155,400
Law library	890,828	-	-	-	-	-	890,828
Recorder's equipment	1,256,787	-	-	-	-	-	1,256,787
Election equipment	74,668	-	-	-	-	-	74,668
Namakan Basin Sewer System	68,710	-	-	-	-	-	68,710
Communications	740,767	-	-	-	-	-	740,767
Extension service	301,740	-	-	-	-	-	301,740
Missing heirs	192,186	-	-	-	-	-	192,186
Motorplex	277,430	-	-	-	-	-	277,430
Ditching	275,000	-	-	-	-	-	275,000
Veterans' credit	-	-	-	15,000	-	-	15,000
Unorganized town roads	-	2,068,483	-	-	-	-	2,068,483
Environmental trust funds	-	-	-	-	-	5,568,989	5,568,989
Improvement of natural resources	-	-	-	-	-	298,056	298,056
Tax certificate assurance	195,497	-	-	-	-	-	195,497
Attorney forfeitures	279,848	-	-	-	-	-	279,848
Sheriff forfeitures	83,004	-	-	-	-	-	83,004
Sheriff fines	2,816	-	-	-	-	-	2,816
Prepaid items	5,401	-	-	-	-	-	5,401

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

ST. LOUIS COUNTY, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	<u>General</u>	<u>Road and Bridge</u>	<u>Public Health and Human Services</u>	<u>Forfeited Tax Sale</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Unreserved:							
Designated for:							
Retiree obligations	7,608,727	4,351,680	9,235,828	591,970	-	-	21,788,205
Parking	713,077	-	-	-	-	-	713,077
Hibbing Raceway	72,245	-	-	-	-	-	72,245
Cash flow	23,534,358	9,319,126	14,064,478	-	-	-	46,917,962
Emergency contingency	5,942	500,000	-	23,969	-	-	529,911
Central office intake	-	-	979,350	-	-	-	979,350
Northland office building	-	-	-	-	54,758	-	54,758
Planning and zoning GIS	426,447	-	-	-	-	-	426,447
Vesting sick leave	3,594,412	1,167,696	2,598,754	458,037	-	-	7,818,899
Future unallotments	2,469,479	-	-	-	-	-	2,469,479
Chris Jensen obligations	649,760	-	-	-	-	-	649,760
Depreciation reserve	-	-	-	-	1,616,732	-	1,616,732
Special revenue funds	-	-	-	-	-	139,662	139,662
Undesignated, reported in:							
Road and bridge fund	-	1,645,357	-	-	-	-	1,645,357
Special revenue funds	-	-	-	-	-	7,360,839	7,360,839
Debt service fund	-	-	-	-	-	1,556,513	1,556,513
Capital projects fund	-	-	-	-	11,062,109	-	11,062,109
Total Fund Balance	<u>45,920,137</u>	<u>28,426,237</u>	<u>28,097,973</u>	<u>1,096,034</u>	<u>12,733,599</u>	<u>16,077,245</u>	<u>132,351,225</u>
Total Liabilities and Fund Balances	<u>\$ 52,228,115</u>	<u>\$ 42,842,937</u>	<u>\$ 34,907,560</u>	<u>\$ 10,999,209</u>	<u>\$ 13,728,343</u>	<u>\$ 17,771,216</u>	<u>\$ 172,477,380</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund balance - governmental funds (from above)	\$ 132,351,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	396,415,554
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	24,096,230
Certain liabilities payable from other long term assets listed above are also deferred in the funds.	(3,890,471)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(77,489,605)
Internal Service Funds are used by management to charge the costs of certain activities such as insurances to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets.	<u>25,265,255</u>
Net assets of governmental activities	<u>\$ 496,748,188</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Road and Bridge	Public Health and Human Services	Forfeited Tax Sale	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 44,706,271	\$ 26,486,887	\$ 29,279,735	\$ -	\$ 1,940,539	\$ 6,645,750	\$ 109,059,182
Licenses and permits	118,332	46,392	-	-	-	-	164,724
Intergovernmental	21,004,607	27,141,501	49,676,900	17,452	303,414	5,249,123	103,392,997
Charges for services	15,774,170	746,595	4,046,709	-	-	-	20,567,474
Fines and forfeits	129,810	-	-	-	-	-	129,810
Earnings on investments	2,405,976	-	-	-	292,185	963,252	3,661,413
Gifts and contributions	7,205	-	1,625	-	-	-	8,830
Land and timber sales	-	-	-	6,939,323	-	-	6,939,323
Miscellaneous	1,511,730	1,987,261	393,351	293,485	92,135	299,305	4,577,267
Total Revenues	<u>85,658,101</u>	<u>56,408,636</u>	<u>83,398,320</u>	<u>7,250,260</u>	<u>2,628,273</u>	<u>13,157,430</u>	<u>248,501,020</u>
EXPENDITURES							
Current:							
General government	33,639,838	-	-	-	778,842	-	34,418,680
Public safety	45,292,287	-	-	-	-	-	45,292,287
Highways and streets	-	31,311,750	-	-	202,525	-	31,514,275
Health and sanitation	618,917	-	4,274,630	-	-	9,600	4,903,147
Human services	263,477	-	72,511,767	-	-	-	72,775,244
Culture and recreation	1,813,936	-	-	-	-	50,000	1,863,936
Conservation of natural resources	964,835	-	-	5,574,471	-	660,170	7,199,476
Economic development	46,400	-	-	-	-	4,384,855	4,431,255
Debt service:							
Principal	-	-	-	-	-	5,166,374	5,166,374
Interest and other charges	-	-	-	-	-	2,256,848	2,256,848
Capital outlay:							
General government	116,022	-	-	-	2,174,005	-	2,290,027
Public safety	442,814	-	-	-	2,037,106	-	2,479,920
Highways and streets	-	23,342,227	-	-	4,004,182	-	27,346,409
Conservation of natural resources	-	-	-	131,532	-	-	131,532
Total Expenditures	<u>83,198,526</u>	<u>54,653,977</u>	<u>76,786,397</u>	<u>5,706,003</u>	<u>9,196,660</u>	<u>12,527,847</u>	<u>242,069,410</u>
Excess (deficiency) of revenues over expenditures	<u>2,459,575</u>	<u>1,754,659</u>	<u>6,611,923</u>	<u>1,544,257</u>	<u>(6,568,387)</u>	<u>629,583</u>	<u>6,431,610</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	2,198,439	511,162	204,724	48,656	551,790	784,630	4,299,401
Transfers (out)	(3,507,581)	-	-	(1,593,013)	(307,186)	(687,000)	(6,094,780)
Refunding bonds redeemed	-	-	-	-	-	(7,795,000)	(7,795,000)
Total other financing sources and uses	<u>(1,309,142)</u>	<u>511,162</u>	<u>204,724</u>	<u>(1,544,357)</u>	<u>244,604</u>	<u>(7,697,370)</u>	<u>(9,590,379)</u>
Net change in fund balances	1,150,433	2,265,821	6,816,647	(100)	(6,323,783)	(7,067,787)	(3,158,769)
Fund balances - January 1	44,769,704	25,781,578	21,281,326	1,096,134	19,057,382	23,145,032	135,131,156
Increase in reserved for inventories	-	378,838	-	-	-	-	378,838
Fund balances - December 31	<u>\$ 45,920,137</u>	<u>\$ 28,426,237</u>	<u>\$ 28,097,973</u>	<u>\$ 1,096,034</u>	<u>\$ 12,733,599</u>	<u>\$ 16,077,245</u>	<u>\$ 132,351,225</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances--total governmental funds (from previous page)	\$ (3,158,769)
Increase in reserved for inventories--total governmental funds (from previous page)	378,838
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues reported in the governmental funds are not considered revenues in the Statement of Activities.	5,228,016
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Due to other governments	491,584
Bond interest payable	59,673
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	21,350,022
Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(175,451)
Expenditures reported in the governmental funds are not considered expenses in the Statement of Activities	
Intra-general government function rent	(57,937)
Deferred charges	(70,816)
Repayment of bond principal and redemption of refunding bonds is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Assets.	12,506,514
Change in net assets of governmental activities	<u>\$ 36,551,674</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 43,420,329	\$ 43,825,073	\$ 44,706,271	\$ 881,198
Licenses and permits	121,150	121,150	118,332	(2,818)
Intergovernmental	20,153,886	22,274,456	21,004,607	(1,269,849)
Charges for services	16,398,399	16,514,310	15,774,170	(740,140)
Fines and forfeitures	261,000	266,000	129,810	(136,190)
Earnings on investments	4,035,000	4,035,000	2,405,976	(1,629,024)
Gifts and contributions	97,961	99,246	7,205	(92,041)
Miscellaneous	1,186,822	1,332,805	1,511,730	178,925
Total revenues	<u>85,674,547</u>	<u>88,468,040</u>	<u>85,658,101</u>	<u>(2,809,939)</u>
EXPENDITURES				
General government				
Commissioners				
Personnel services	864,388	870,537	870,537	-
Other operating	236,188	236,188	226,372	(9,816)
Total commissioners	<u>1,100,576</u>	<u>1,106,725</u>	<u>1,096,909</u>	<u>(9,816)</u>
Port authority				
Other operating	35,585	35,585	35,585	-
County administrator				
Personnel services	1,473,162	1,368,946	980,123	(388,823)
Other operating	2,587,355	2,521,305	761,739	(1,759,566)
Total county administrator	<u>4,060,517</u>	<u>3,890,251</u>	<u>1,741,862</u>	<u>(2,148,389)</u>
Intergovernmental affairs				
Personnel services	128,150	128,150	127,739	(411)
Other operating	222,562	222,562	197,018	(25,544)
Total intergovernmental affairs	<u>350,712</u>	<u>350,712</u>	<u>324,757</u>	<u>(25,955)</u>
Labor relations				
Other operating	75,500	75,500	61,078	(14,422)
Planning and zoning				
Personnel services	1,288,563	1,329,645	1,285,270	(44,375)
Other operating	1,083,217	1,649,849	1,494,999	(154,850)
Total planning and zoning	<u>2,371,780</u>	<u>2,979,494</u>	<u>2,780,269</u>	<u>(199,225)</u>
Commitment representation				
Personnel services	2,500	-	-	-
Other operating	70,560	73,568	73,568	-
Total commitment representation	<u>73,060</u>	<u>73,568</u>	<u>73,568</u>	<u>-</u>
Court administrator				
Other operating	1,243,661	1,244,861	1,244,243	(618)
Examiner of titles				
Personnel services	119,461	119,461	119,224	(237)
Other operating	24,189	24,189	18,999	(5,190)
Total examiner of titles	<u>143,650</u>	<u>143,650</u>	<u>138,223</u>	<u>(5,427)</u>
County attorney				
Personnel services	5,483,081	5,560,754	5,560,754	-
Other operating	989,504	948,651	910,732	(37,919)
Capital outlay	30,908	-	-	-
Total county attorney	<u>6,503,493</u>	<u>6,509,405</u>	<u>6,471,486</u>	<u>(37,919)</u>
Subtotal	<u>15,958,534</u>	<u>16,409,751</u>	<u>13,967,980</u>	<u>(2,441,771)</u>

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
County auditor				
Personnel services	3,572,628	3,572,628	3,354,759	(217,869)
Other operating	1,813,096	1,813,096	1,275,084	(538,012)
Total county auditor	5,385,724	5,385,724	4,629,843	(755,881)
County assessor				
Personnel services	1,827,056	1,735,489	1,735,489	-
Other operating	439,589	439,589	418,128	(21,461)
Total county assessor	2,266,645	2,175,078	2,153,617	(21,461)
Purchasing				
Personnel services	350,688	350,688	320,694	(29,994)
Other operating	120,678	106,941	86,570	(20,371)
Total purchasing	471,366	457,629	407,264	(50,365)
Microfilming				
Personnel services	219,621	219,621	213,189	(6,432)
Other operating	57,366	57,366	55,893	(1,473)
Total microfilming	276,987	276,987	269,082	(7,905)
Recorder				
Personnel services	1,823,636	1,783,913	1,764,854	(19,059)
Other operating	750,659	741,059	686,202	(54,857)
Capital outlay	5,000	-	-	-
Total recorder	2,579,295	2,524,972	2,451,056	(73,916)
Surveyor				
Personnel services	758,614	818,459	818,459	-
Other operating	129,781	93,176	93,176	-
Capital outlay	106,023	70,289	70,289	-
Total surveyor	994,418	981,924	981,924	-
Employee relations				
Personnel services	1,194,625	1,194,625	1,040,555	(154,070)
Other operating	473,192	474,240	409,350	(64,890)
Capital outlay	1,030	1,030	-	(1,030)
Total civil service	1,668,847	1,669,895	1,449,905	(219,990)
Veteran's service				
Personnel services	635,781	644,402	637,704	(6,698)
Other operating	133,430	185,433	184,863	(570)
Total veteran's service	769,211	829,835	822,567	(7,268)
Employee training				
Personnel services	158,265	158,265	145,150	(13,115)
Other operating	75,709	75,709	49,899	(25,810)
Total employee training	233,974	233,974	195,049	(38,925)
Elections				
Other operating	221,921	189,969	71,984	(117,985)
Subtotal	14,868,388	14,725,987	13,432,291	(1,293,696)

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
General government				
Property management				
Personnel services	3,687,056	3,628,179	3,590,676	(37,503)
Other operating	2,530,618	2,602,754	2,564,942	(37,812)
Capital outlay	-	45,768	45,733	(35)
Total courthouses	<u>6,217,674</u>	<u>6,276,701</u>	<u>6,201,351</u>	<u>(75,350)</u>
Missing heirs				
Other operating	-	926	926	-
Law library				
Other operating	185,428	185,428	153,312	(32,116)
Total General Government	<u>37,230,024</u>	<u>37,598,793</u>	<u>33,755,860</u>	<u>(3,842,933)</u>
Public safety				
Prevention of Animal Cruelty				
Other operating	100,000	100,000	49,890	(50,110)
Arrowhead Regional Corrections				
Other operating	11,066,286	11,066,286	10,888,253	(178,033)
Sheriff				
Personnel services	10,846,546	10,623,466	10,311,677	(311,789)
Other operating	3,250,858	3,947,029	3,753,414	(193,615)
Capital outlay	237,592	454,205	326,444	(127,761)
Total sheriff	<u>14,334,996</u>	<u>15,024,700</u>	<u>14,391,535</u>	<u>(633,165)</u>
Boat and water safety				
Other operating	104,714	68,376	68,376	-
Capital outlay	17,300	27,984	27,984	-
Total boat and water safety	<u>122,014</u>	<u>96,360</u>	<u>96,360</u>	<u>-</u>
Medical examiner				
Other operating	485,400	508,100	508,089	(11)
Emergency management				
Personnel services	199,506	199,506	191,072	(8,434)
Other operating	57,685	54,113	49,799	(4,314)
Total emergency management	<u>257,191</u>	<u>253,619</u>	<u>240,871</u>	<u>(12,748)</u>
Rescue squad				
Other operating	168,262	158,262	139,366	(18,896)
Capital outlay	22,500	32,500	5,000	(27,500)
Total rescue squad	<u>190,762</u>	<u>190,762</u>	<u>144,366</u>	<u>(46,396)</u>
Law enforcement service				
Personnel services	874,974	890,475	806,488	(83,987)
Other operating	95,206	95,206	64,221	(30,985)
Total law enforcement service	<u>970,180</u>	<u>985,681</u>	<u>870,709</u>	<u>(114,972)</u>
Emergency communication				
Personnel services	3,217,875	3,577,852	3,577,852	-
Other operating	754,835	691,740	658,898	(32,842)
Total emergency communication	<u>3,972,710</u>	<u>4,269,592</u>	<u>4,236,750</u>	<u>(32,842)</u>
Ambulance service				
Other operating	-	62,000	61,149	(851)
Subtotal	<u>31,499,539</u>	<u>32,557,100</u>	<u>31,487,972</u>	<u>(1,069,128)</u>

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Public safety				
Radio maintenance				
Personnel services	426,489	426,489	414,446	(12,043)
Other operating	218,381	242,611	233,992	(8,619)
Capital outlay	8,685	8,685	-	(8,685)
Total radio maintenance	653,555	677,785	648,438	(29,347)
Jail prisoners				
Personnel services	6,361,004	6,239,694	6,161,060	(78,634)
Other operating	5,961,778	5,397,451	4,754,567	(642,884)
Capital outlay	50,152	40,152	29,653	(10,499)
Total jail prisoners	12,372,934	11,677,297	10,945,280	(732,017)
Jail building				
Personnel services	520,386	532,640	532,640	-
Other operating	441,937	431,437	416,763	(14,674)
Capital outlay	10,000	-	-	-
Total jail building	972,323	964,077	949,403	(14,674)
Mine inspector				
Personnel services	292,297	292,580	292,580	-
Other operating	30,351	29,067	26,094	(2,973)
Total mine inspector	322,648	321,647	318,674	(2,973)
Volunteer fire department				
Other operating	-	429,744	421,149	(8,595)
Sheriff's NEMESIS system				
Other operating	391,415	743,904	643,500	(100,404)
Sheriff fines				
Other operating	71,636	71,636	33,919	(37,717)
Attorneys forfeitures				
Other operating	75,000	83,406	15,275	(68,131)
Sheriffs forfeitures				
Other operating	147,977	143,377	53,797	(89,580)
Capital outlay	-	4,600	4,580	(20)
Total sheriffs forfeitures	147,977	147,977	58,377	(89,600)
Enhanced 9-1-1				
Other operating	414,824	364,824	157,600	(207,224)
Capital outlay	17,018	67,018	49,154	(17,864)
Total enhanced 9-1-1	431,842	431,842	206,754	(225,088)
City/County antenna site				
Other operating	200,000	200,000	6,360	(193,640)
Total Public Safety	47,138,869	48,306,415	45,735,101	(2,571,314)

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Health and sanitation				
Occupational safety				
Personnel services	358,958	370,315	370,315	-
Other operating	271,166	234,409	186,022	(48,387)
Total occupational safety	630,124	604,724	556,337	(48,387)
Namakan Basin				
Other operating	-	62,580	62,580	-
Total Health and sanitation	630,124	667,304	618,917	(48,387)
Human services				
Heating assistance				
Other operating	100,000	100,000	100,000	-
Methamphetamine prevention				
Other operating	30,000	30,000	30,000	-
Emergency shelter program				
Personnel services	-	7,978	7,978	-
Other operating	110,000	165,917	125,499	(40,418)
Total emergency shelter program	110,000	173,895	133,477	(40,418)
Total Human services	240,000	303,895	263,477	(40,418)
Culture and recreation				
Hibbing Raceway				
Other operating	14,662	16,260	13,598	(2,662)
Veteran's Memorial Hall				
Other operating	53,412	53,412	53,412	-
Tourism promotion				
Other operating	54,178	54,178	54,178	-
Depot				
Other operating	244,900	366,500	277,291	(89,209)
Arrowhead Library System				
Other operating	789,949	789,949	789,949	-
Historical Society				
Other operating	256,686	256,686	256,686	-
Community fairs				
Other operating	1,000	1,000	750	(250)
County fair - north				
Other operating	12,806	12,806	12,806	-
County fair - south				
Other operating	12,806	12,806	12,806	-
Trail assistance				
Other operating	-	550,000	342,460	(207,540)
Total Culture and Recreation	1,440,399	2,113,597	1,813,936	(299,661)

continued

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONTINUED)				
Conservation of natural resources				
North Shore Management Board				
Other operating	2,500	5,000	5,000	-
Soil conservation - north				
Other operating	60,000	60,000	60,000	-
Soil conservation - south				
Other operating	60,000	60,000	60,000	-
County agent				
Personnel services	250,122	244,422	243,441	(981)
Other operating	478,820	469,652	403,601	(66,051)
Total county agent	728,942	714,074	647,042	(67,032)
Youth task force				
Personnel services	63,890	63,390	62,246	(1,144)
Other operating	131,529	136,529	130,547	(5,982)
Total youth task force	195,419	199,919	192,793	(7,126)
Total Conservation of Natural Resources	1,046,861	1,038,993	964,835	(74,158)
Economic development				
Northspan				
Other operating	26,400	26,400	26,400	-
Revolving loans				
Other operating	-	20,000	20,000	-
Total Economic Development	26,400	46,400	46,400	-
Total Expenditures	87,752,677	90,075,397	83,198,526	(6,876,871)
Excess of revenues over (under) expenditures	(2,078,130)	(1,607,357)	2,459,575	4,066,932
OTHER FINANCING SOURCES (USES)				
Transfers in	1,453,578	2,098,439	2,198,439	100,000
Transfers (out)	(431,084)	(3,415,872)	(3,507,581)	(91,709)
Total other financing sources (uses)	1,022,494	(1,317,433)	(1,309,142)	8,291
Net change in fund balances	(1,055,636)	(2,924,790)	1,150,433	4,075,223
Fund Balance - January 1	44,769,704	44,769,704	44,769,704	-
Fund Balance - December 31	<u>\$ 43,714,068</u>	<u>\$ 41,844,914</u>	<u>\$ 45,920,137</u>	<u>\$ 4,075,223</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 26,232,001	\$ 26,207,389	\$ 26,486,887	\$ 279,498
Licenses and permits	30,000	30,000	46,392	16,392
Intergovernmental	41,559,838	41,724,450	27,141,501	(14,582,949)
Charges for services	9,478,578	9,641,208	746,595	(8,894,613)
Miscellaneous	<u>5,875,850</u>	<u>6,686,876</u>	<u>1,987,261</u>	<u>(4,699,615)</u>
Total Revenues	<u>83,176,267</u>	<u>84,289,923</u>	<u>56,408,636</u>	<u>(27,881,287)</u>
EXPENDITURES				
Highways and streets				
Administration				
Personnel services	4,338,259	4,039,393	3,429,873	(609,520)
Other operating	1,821,221	1,867,751	1,500,884	(366,867)
Capital outlay	95,000	95,477	95,006	(471)
Total administration	<u>6,254,480</u>	<u>6,002,621</u>	<u>5,025,763</u>	<u>(976,858)</u>
Road maintenance				
Personnel services	12,324,567	12,211,539	12,208,830	(2,709)
Other operating	2,142,540	1,704,004	1,410,888	(293,116)
Total road maintenance	<u>14,467,107</u>	<u>13,915,543</u>	<u>13,619,718</u>	<u>(295,825)</u>
Road construction				
Personnel services	-	2,580,920	1,661,442	(919,478)
Capital outlay	56,293,564	54,957,074	23,024,807	(31,932,267)
Total road construction	<u>56,293,564</u>	<u>57,537,994</u>	<u>24,686,249</u>	<u>(32,851,745)</u>
Equipment maintenance and shops				
Personnel services	3,610,961	3,550,030	3,498,156	(51,874)
Other operating	10,239,530	10,322,363	7,601,677	(2,720,686)
Capital outlay	240,016	240,016	222,414	(17,602)
Total equipment maintenance and shops	<u>14,090,507</u>	<u>14,112,409</u>	<u>11,322,247</u>	<u>(2,790,162)</u>
Total Expenditures	<u>91,105,658</u>	<u>91,568,567</u>	<u>54,653,977</u>	<u>(36,914,590)</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,929,391)</u>	<u>(7,278,644)</u>	<u>1,754,659</u>	<u>9,033,303</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>270,652</u>	<u>527,160</u>	<u>511,162</u>	<u>(15,998)</u>
Net change in fund balances	<u>(7,658,739)</u>	<u>(6,751,484)</u>	<u>2,265,821</u>	<u>9,017,305</u>
Fund Balance - January 1	25,781,578	25,781,578	25,781,578	-
Decrease in reserved for inventories	<u>-</u>	<u>-</u>	<u>378,838</u>	<u>378,838</u>
Fund Balance - December 31	<u>\$ 18,122,839</u>	<u>\$ 19,030,094</u>	<u>\$ 28,426,237</u>	<u>\$ 9,396,143</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 29,080,072	\$ 29,078,346	\$ 29,279,735	\$ 201,389
Intergovernmental	44,435,015	47,768,450	49,676,900	1,908,450
Charges for services	3,723,764	3,774,083	4,046,709	272,626
Gifts and contributions	-	-	1,625	1,625
Miscellaneous	602,250	602,250	393,351	(208,899)
Total Revenues	<u>77,841,101</u>	<u>81,223,129</u>	<u>83,398,320</u>	<u>2,175,191</u>
EXPENDITURES				
Human services				
Administration				
Personnel services	6,109,064	5,889,279	5,783,538	(105,741)
Other operating	4,717,902	4,905,964	4,781,525	(124,439)
Total administration	<u>10,826,966</u>	<u>10,795,243</u>	<u>10,565,063</u>	<u>(230,180)</u>
Income maintenance				
Personnel services	10,917,942	10,555,014	10,528,537	(26,477)
Other operating	3,298,743	5,310,609	3,299,774	(2,010,835)
Total income maintenance	<u>14,216,685</u>	<u>15,865,623</u>	<u>13,828,311</u>	<u>(2,037,312)</u>
Social services				
Personnel services	18,529,982	18,825,471	18,784,586	(40,885)
Other operating	29,536,193	29,993,525	29,333,807	(659,718)
Total social services	<u>48,066,175</u>	<u>48,818,996</u>	<u>48,118,393</u>	<u>(700,603)</u>
Health and sanitation				
Administration				
Personnel services	701,105	653,592	529,130	(124,462)
Other operating	197,541	184,662	108,091	(76,571)
Total administration	<u>898,646</u>	<u>838,254</u>	<u>637,221</u>	<u>(201,033)</u>
Nursing				
Personnel services	3,223,335	3,417,654	3,085,452	(332,202)
Other operating	571,569	554,824	267,391	(287,433)
Total nursing	<u>3,794,904</u>	<u>3,972,478</u>	<u>3,352,843</u>	<u>(619,635)</u>
Environmental Health				
Personnel services	208,900	261,470	258,328	(3,142)
Other operating	55,415	43,034	26,238	(16,796)
Total environmental health	<u>264,315</u>	<u>304,504</u>	<u>284,566</u>	<u>(19,938)</u>
Total Expenditures	<u>78,067,691</u>	<u>80,595,098</u>	<u>76,786,397</u>	<u>(3,808,701)</u>
Excess of Revenues Over (Under) Expenditures	(226,590)	628,031	6,611,923	5,983,892
OTHER FINANCING SOURCES (USES)				
Transfers in	204,724	204,724	204,724	-
Net change in fund balances	(21,866)	832,755	6,816,647	5,983,892
Fund Balance - January 1	21,281,326	21,281,326	21,281,326	-
Fund Balance - December 31	<u>\$ 21,259,460</u>	<u>\$ 22,114,081</u>	<u>\$ 28,097,973</u>	<u>\$ 5,983,892</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FORFEITED TAX SALE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,097	\$ 16,097	\$ 17,452	\$ 1,355
Land and timber sales	7,705,000	7,705,000	6,939,323	(765,677)
Miscellaneous	185,000	185,000	293,485	108,485
Total Revenues	7,906,097	7,906,097	7,250,260	(655,837)
EXPENDITURES				
Conservation of natural resources				
Personnel services	4,507,172	4,533,943	4,039,940	(494,003)
Other operating	3,250,498	2,272,960	1,534,531	(738,429)
Capital outlay	258,000	258,000	131,532	(126,468)
Total conservation of natural resources	8,015,670	7,064,903	5,706,003	(1,358,900)
Excess of Revenues Over (Under) Expenditures	(109,573)	841,194	1,544,257	703,063
OTHER FINANCING SOURCES (USES)				
Transfers in	685,830	696,635	48,656	(647,979)
Transfers out	(615,475)	(1,593,013)	(1,593,013)	-
Total other financing sources (uses)	70,355	(896,378)	(1,544,357)	(647,979)
Net change in fund balances	(39,218)	(55,184)	(100)	55,084
Fund Balance - January 1	1,096,134	1,096,134	1,096,134	-
Fund Balance - December 31	\$ 1,056,916	\$ 1,040,950	\$ 1,096,034	\$ 55,084

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

Proprietary

Funds

PROPRIETARY FUNDS

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

Environmental Services - This fund is used to account for the management and operations of solid waste activities in St. Louis County outside of the Western Lake Superior Sanitary District area.

Chris Jensen Health & Rehabilitation - This fund is used to account for providing nursing home, health, and rehabilitation facilities for the public. The operation was leased to Health Dimensions Group effective November 1, 2009.

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

Business-type Activities
Enterprise Funds

	Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Environmental Services	Chris Jensen Health and Rehabilitation Center	Other Enterprise Funds		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 488,657	\$ 300,000	\$ 315,112	\$ 1,103,769	\$ 7,358,241
Investments	15,691,388	-	-	15,691,388	27,448,302
Delinquent taxes receivable	15,884	21,903	-	37,787	-
Accounts receivables (net)	54,449	1,486,183	116,411	1,657,043	604,721
Accrued interest receivable	116,003	-	-	116,003	204,101
Due from other governments	4	4	64,055	64,063	72,969
Inventories	-	-	-	-	132,630
Prepaid items	-	-	-	-	135,167
Total current assets	<u>16,366,385</u>	<u>1,808,090</u>	<u>495,578</u>	<u>18,670,053</u>	<u>35,956,131</u>
Noncurrent assets:					
Restricted assets					
Financial assurance					
Cash and cash equivalents	982,570	-	-	982,570	-
Investments	2,330,421	-	-	2,330,421	-
Accrued interest receivable	36,112	-	-	36,112	-
Capital assets					
Land	233,266	130,656	-	363,922	25,500
Construction in progress	157,500	-	-	157,500	-
Buildings and structures	6,553,664	6,910,563	-	13,464,227	854,977
Improvements other than buildings	8,858,095	13,135	-	8,871,230	-
Machinery and equipment	680,866	1,397,182	-	2,078,048	2,683,501
Vehicles	1,120,106	73,914	-	1,194,020	2,062,099
Less accumulated depreciation	<u>(10,350,959)</u>	<u>(3,651,464)</u>	<u>-</u>	<u>(14,002,423)</u>	<u>(3,807,741)</u>
Total capital assets, net	<u>7,252,538</u>	<u>4,873,986</u>	<u>-</u>	<u>12,126,524</u>	<u>1,818,336</u>
Total noncurrent assets	<u>10,601,641</u>	<u>4,873,986</u>	<u>-</u>	<u>15,475,627</u>	<u>1,818,336</u>
Total assets	<u>26,968,026</u>	<u>6,682,076</u>	<u>495,578</u>	<u>34,145,680</u>	<u>37,774,467</u>

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

Business-type Activities

Enterprise Funds

	Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Environmental Services	Chris Jensen Health and Rehabilitation Center	Other Enterprise Funds		
LIABILITIES					
Current liabilities					
Accounts payable	395,089	62,400	19,116	476,605	534,097
Salaries payable	83,760	-	-	83,760	136,803
Compensated absences payable	196,834	4,576	-	201,410	477,702
Claims payable	-	-	-	-	2,900,357
Due to other governments	38,628	15,709	-	54,337	120,702
Unearned revenue	-	-	-	-	1,008,848
Total current liabilities	<u>714,311</u>	<u>82,685</u>	<u>19,116</u>	<u>816,112</u>	<u>5,178,509</u>
Noncurrent liabilities:					
Compensated absences payable	933,620	53,847	-	987,467	1,756,004
Claims payable	-	-	-	-	4,628,856
OPEB obligation	-	-	-	-	1,542,182
Customer deposits	100	-	-	100	-
Closure and post-closure liabilities	1,558,778	-	-	1,558,778	-
Total noncurrent liabilities	<u>2,492,498</u>	<u>53,847</u>	<u>-</u>	<u>2,546,345</u>	<u>7,927,042</u>
Total Liabilities	<u>3,206,809</u>	<u>136,532</u>	<u>19,116</u>	<u>3,362,457</u>	<u>13,105,551</u>
NET ASSETS					
Invested in capital assets	7,252,538	4,873,986	-	12,126,524	1,818,336
Restricted for financial assurance	1,790,325	-	-	1,790,325	-
Unrestricted	14,718,354	1,671,558	476,462	16,866,374	22,850,580
Total net assets	<u>\$ 23,761,217</u>	<u>\$ 6,545,544</u>	<u>\$ 476,462</u>	<u>\$ 30,783,223</u>	<u>\$ 24,668,916</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(596,339)</u>	
Net assets of business type activities				<u>\$ 30,186,884</u>	

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Environmental Services	Chris Jensen Health and Rehabilitation Center	Other Enterprise Funds		
Operating Revenues					
Charges for services	\$ 5,049,952	\$ 11,295,464	\$ 682,566	\$ 17,027,982	\$ 42,373,928
Licenses and permits	8,160	-	-	8,160	-
Other	370,662	90,804	2,741	464,207	1,021,310
Total Operating Revenues	<u>5,428,774</u>	<u>11,386,268</u>	<u>685,307</u>	<u>17,500,349</u>	<u>43,395,238</u>
Operating Expenses					
Personal services	2,982,919	7,969,648	402,955	11,355,522	4,935,568
Contractual services	3,710,329	2,544,749	161,672	6,416,750	35,629,711
Materials	186,178	927,420	10,079	1,123,677	1,057,784
OPEB expense	-	-	-	-	895,085
Depreciation	780,121	179,264	-	959,385	466,467
Total Operating Expenses	<u>7,659,547</u>	<u>11,621,081</u>	<u>574,706</u>	<u>19,855,334</u>	<u>42,984,615</u>
Operating Income (Loss)	<u>(2,230,773)</u>	<u>(234,813)</u>	<u>110,601</u>	<u>(2,354,985)</u>	<u>410,623</u>
Nonoperating Revenues (Expenses)					
Taxes	531,495	555,884	-	1,087,379	-
Grants	481,833	-	-	481,833	-
Earnings on investments	401,756	-	-	401,756	588,872
Loss or gain on asset disposal	-	(630,117)	-	(630,117)	(40,865)
Total Nonoperating Revenues (Expenses)	<u>1,415,084</u>	<u>(74,233)</u>	<u>-</u>	<u>1,340,851</u>	<u>548,007</u>
Income (Loss) Before Transfers	(815,689)	(309,046)	110,601	(1,014,134)	958,630
Transfer in	179,052	2,843,401	114,251	3,136,704	57,856
Transfer out	-	(44,185)	-	(44,185)	(1,354,996)
Total Transfers	<u>179,052</u>	<u>2,799,216</u>	<u>114,251</u>	<u>3,092,519</u>	<u>(1,297,140)</u>
Change in net assets	(636,637)	2,490,170	224,852	2,078,385	(338,510)
Total net assets - January 1	<u>24,397,854</u>	<u>4,055,374</u>	<u>251,610</u>	<u>28,704,838</u>	<u>25,007,426</u>
Total net assets - December 31	<u>\$ 23,761,217</u>	<u>\$ 6,545,544</u>	<u>\$ 476,462</u>	<u>\$ 30,783,223</u>	<u>\$ 24,668,916</u>
Change in net assets				\$ 2,078,385	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(163,059)	
Change in net assets of business type activities				<u>\$ 1,915,326</u>	

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Services	Chris Jensen Health and Rehabilitation Center	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 5,027,819	\$ 11,254,343	\$ 929,940	\$ 17,212,102	\$ 250,799
Receipts from interfund services provided	-	-	-	-	42,176,530
Payments to suppliers	(3,887,537)	(3,516,771)	(160,755)	(7,565,063)	(3,607,911)
Payments to employees	(2,875,802)	(9,881,680)	(775,172)	(13,532,654)	(4,936,264)
Claims paid	-	-	-	-	(31,798,227)
Other receipts (payments)	447,770	103,095	1,733	552,598	1,026,310
Net cash provided (used) by operating activities	<u>(1,287,750)</u>	<u>(2,041,013)</u>	<u>(4,254)</u>	<u>(3,333,017)</u>	<u>3,111,237</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from taxes	515,611	538,914	-	1,054,525	-
Proceeds from grants	481,833	-	-	481,833	-
Transfer to other funds	-	(44,185)	-	(44,185)	(1,354,996)
Proceeds from interfund transfer	179,052	2,843,401	114,251	3,136,704	57,856
Repayment from interfund loan	-	(1,041,301)	(148,148)	(1,189,449)	-
Net cash provided (used) by noncapital financing activities	<u>1,176,496</u>	<u>2,296,829</u>	<u>(33,897)</u>	<u>3,439,428</u>	<u>(1,297,140)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	<u>(265,636)</u>	<u>-</u>	<u>-</u>	<u>(265,636)</u>	<u>(398,958)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(20,334,871)	-	-	(20,334,871)	(34,764,302)
Sale of investments	19,395,312	-	-	19,395,312	32,002,371
Interest and dividends	570,185	-	-	570,185	651,658
Net cash provided by investing activities	<u>(369,374)</u>	<u>-</u>	<u>-</u>	<u>(369,374)</u>	<u>(2,110,273)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (746,264)	 255,816	 (38,151)	 (528,599)	 (695,134)
Balances - January 1	<u>2,217,491</u>	<u>44,184</u>	<u>353,263</u>	<u>2,614,938</u>	<u>8,053,375</u>
Balances - December 31	<u>\$ 1,471,227</u>	<u>\$ 300,000</u>	<u>\$ 315,112</u>	<u>\$ 2,086,339</u>	<u>\$ 7,358,241</u>
Detail on Statement of Net Assets					
Cash and cash equivalents					
Current	\$ 488,657	\$ 300,000	\$ 315,112	\$ 1,103,769	\$ 7,358,241
Noncurrent					
Restricted					
Financial assurance	982,570	-	-	982,570	-
Total	<u>\$ 1,471,227</u>	<u>\$ 300,000</u>	<u>\$ 315,112</u>	<u>\$ 2,086,339</u>	<u>\$ 7,358,241</u>

continued

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities				Governmental Activities - Internal Service Funds
	Enterprise Funds				
	Environmental Services	Chris Jensen Health and Rehabilitation Center	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (2,230,773)	\$ (234,813)	\$ 110,601	\$ (2,354,985)	\$ 410,623
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	780,121	179,264	-	959,385	466,467
(Increase) Decrease Receivables, net	(22,129)	(41,121)	71,270	8,020	38,759
(Increase) Decrease Due from other governments	(4)	10	176,104	176,110	19,877
(Increase) Decrease Inventories	-	72,300	8,697	80,997	134,189
(Increase) Decrease Prepaid Items	-	-	7,493	7,493	(45,398)
Increase (Decrease) Accounts payable	8,970	(116,902)	(5,194)	(113,126)	21,958
Increase (Decrease) Salaries payable	1,013	(348,627)	(267,967)	(615,581)	(8,410)
Increase (Decrease) Due to other funds	-	(488)	-	(488)	-
Increase (Decrease) Compensated absences payable	106,104	(1,563,405)	(104,250)	(1,561,551)	198,744
Increase (Decrease) Claims payable	-	-	-	-	979,578
Increase (Decrease) Due to other governments	(802)	12,769	(1,008)	10,959	7,638
Increase (Decrease) OPEB obligation	-	-	-	-	895,085
Increase (Decrease) Unearned revenue	-	-	-	-	(7,873)
Increase (Decrease) Closure and post closure	69,750	-	-	69,750	-
Total Adjustments	943,023	(1,806,200)	(114,855)	(978,032)	2,700,614
Net cash provided by operating activities	<u>\$ (1,287,750)</u>	<u>\$ (2,041,013)</u>	<u>\$ (4,254)</u>	<u>\$ (3,333,017)</u>	<u>\$ 3,111,237</u>
NON-CASH ACTIVITIES					
Disposal of fully depreciated capital assets	\$ 353,194	\$ 329,214	\$ 9,000	\$ 691,408	\$ 1,001,487
Loss on accounts receivable operations lease	-	369,056	-	369,056	-

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

Fiduciary

Funds

FIDUCIARY FUNDS

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

Private-purpose trust funds - The **Patients' Escrow** fund is used to account for the deposit and subsequent return of nursing home residents' trust funds deposited with the County Auditor. The County acts only as the custodian of these funds and ownership rests with the nursing home patients. The fund was closed effective November 1, 2009.

Investment trust funds - are used to report governmental external investment pools in separately issued reports and the external portion of these same pools when reported by the sponsoring government.

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	Investment Trusts	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 13,272,849
Investments	21,985,882	2,657,977
Delinquent taxes receivable	-	77,213
Accounts receivable	-	117,617
Accrued interest receivable	509,555	33,441
Due from other governments	-	2,270,006
Prepaid items	-	1,958
Total Assets	22,495,437	18,431,061
LIABILITIES		
Accounts payable	-	1,610,553
Salaries payable	-	459,882
Due to other governments	449,491	16,360,626
Total Liabilities	449,491	18,431,061
NET ASSETS		
Held in trust for pool participants and other purposes	\$ 22,045,946	\$ -

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Private-Purpose Trust Fund	Investment Trusts
ADDITIONS		
Taconite taxes	\$ -	\$ 32,593,896
Earnings on investments	398	720,201
Miscellaneous	146,390	-
Total Additions	146,788	33,314,097
DEDUCTIONS		
Refunds of contributions	198,113	-
Distributions to participants	-	34,326,642
Total Deductions	198,113	34,326,642
Changes in net assets	(51,325)	(1,012,545)
Net assets - January 1	51,325	23,058,491
Net assets - December 31	\$ -	\$ 22,045,946

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

Notes to the
Financial Statement

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

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ST. LOUIS COUNTY, MINNESOTA
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ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

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. The County is governed by a seven-member Board of Commissioners elected from districts within the County. A County Administrator is appointed by the County Board. The board is organized with a chair and vice-chair elected at the annual meeting in January of each year. The County Auditor, elected on a county-wide basis, serves as the Clerk of the Board of Commissioners but has no voting privileges.

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

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

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these statements. The exception is interfund rent which is considered an interfund service provided and used. It is eliminated within the general government function only. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which are custodial in nature and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Subject to the availability criterion, state-aid highway allotments for maintenance and construction are recognized as revenue in the year of allotment. Availability for state-aid allotments is within 90 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and other long-term obligations, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

The Road and Bridge Special Revenue Fund accounts for the proceeds of revenue sources restricted to expenditures related to public works activities.

The Public Health and Human Services Special Revenue Fund accounts for the operations and financial activities of the Public Health and Human Services Department.

The Forfeited Tax Sale Special Revenue Fund accounts for the proceeds from the sale or lease of lands forfeited to the State of Minnesota.

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

The County reports the following major proprietary funds:

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

The Chris Jensen Health and Rehabilitation Center Fund accounts for the activities of the Center, a nursing home, and a health and rehabilitation facility for the public.

Additionally, the County reports the following fund types:

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

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

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

Enterprise Funds account for Community Food activities and Supervised Living Facilities services to other government agencies and various County departments. The Community Food Service Enterprise Fund was closed effective January 1, 2009.

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

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The Patients' Escrow Private Purpose Trust Fund is used to account for resources legally held for nursing home residents. This fund was closed effective November 1, 2009.

The Investment Trust Funds account for individual investment accounts provided to another legally separate entity, the State of Minnesota, for Taconite Relief under Minn. Stat. §298.015 and Taconite Production Tax under Minn. Stat. §298.24.

Agency Funds account for resources held by the County in a purely custodial capacity and include the State of Minnesota, Beer-Auctioneer Licenses, Taxes and Penalties, Payroll Deductions, Series EE Savings Bond, Canceled Check, Arrowhead Regional Corrections, Permit to Carry Firearms, Community Health Services, Duluth Area Family Service Collaborative, Local Collaborative Time Study, Regional Railroad Authority, Northern Counties Land Use Board, and Agency Miscellaneous funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in lieu of taxes and other charges between the County's proprietary operations and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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D. Reconciliation of Government-Wide and Fund Financial Statements

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

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

	Total Governmental Funds	Long-term Assets Liabilities (1)	Internal Service Funds (2)	Reclassification and Elimination (3)	Statement of Net Assets Total
ASSETS					
Cash and cash equivalents	\$ 112,471,632	\$ -	\$ 7,358,241	\$ -	\$ 119,829,873
Investments	14,538,878	-	27,448,302	-	41,987,180
Delinquent taxes receivable	6,023,326	-	-	(6,023,326)	-
Accounts receivable (net)	11,374,022	-	604,721	(11,978,743)	-
Accrued interest receivable	633,719	-	204,101	(837,820)	-
Loans receivable	1,309,853	-	-	(1,309,853)	-
Leases receivable	227,000	-	-	(227,000)	-
Interfund receivable	172,539	-	-	(172,539)	-
Due from other governments	17,989,125	-	72,969	(18,062,094)	-
Receivables (net)	-	-	-	38,438,836	38,438,836
Internal balances	-	-	596,339	-	596,339
Inventories	7,731,885	-	132,630	-	7,864,515
Prepaid items	5,401	-	135,167	-	140,568
Deferred charges	-	396,298	-	-	396,298
Capital assets not being depreciated	-	8,859,324	25,500	-	8,884,824
Capital assets being depreciated, net	-	387,556,230	1,792,836	-	389,349,066
Total Assets	<u>172,477,380</u>	<u>396,811,852</u>	<u>38,370,806</u>	<u>(172,539)</u>	<u>607,487,499</u>
LIABILITIES					
Accounts payable	4,681,479	-	534,097	12,060,697	17,276,273
Contracts payable	904,447	-	-	(904,447)	-
Salaries payable	3,624,780	-	136,803	(3,761,583)	-
Bond interest payable	-	132,509	-	(132,509)	-
Interfund payable	172,539	-	-	(172,539)	-
Due to other governments	3,250,985	3,890,471	120,702	(7,262,158)	-
Unearned revenue	3,395,695	-	1,008,848	-	4,404,543
Deferred revenue	24,096,230	(24,096,230)	-	-	-
Noncurrent liabilities					
Due within one year	-	11,999,627	3,378,059	-	15,377,686
Due in more than one year	-	65,753,767	7,927,042	-	73,680,809
Total Liabilities	<u>40,126,155</u>	<u>57,680,144</u>	<u>13,105,551</u>	<u>(172,539)</u>	<u>110,739,311</u>
FUND BALANCE/NET ASSETS					
Invested in capital assets, net of related debt	-	362,001,028	1,818,336	-	363,819,364
Restricted					
Reserved	26,549,920	-	-	(14,512,541)	12,037,379
Special revenue funds	7,360,839	-	-	-	7,360,839
Debt service fund	1,556,513	-	-	(132,509)	1,424,004
Capital projects fund	11,062,109	-	-	(11,062,109)	-
Unrestricted					
Designated	84,176,487	-	-	26,284,758	110,461,245
Undesignated	1,645,357	(22,869,320)	23,446,919	(577,599)	1,645,357
Total unrestricted	<u>85,821,844</u>	<u>(22,869,320)</u>	<u>23,446,919</u>	<u>25,707,159</u>	<u>112,106,602</u>
Total Fund Balance/Net Assets	<u>132,351,225</u>	<u>339,131,708</u>	<u>25,265,255</u>	<u>-</u>	<u>496,748,188</u>
Total Liabilities and Fund Balance/Net Assets	<u>\$ 172,477,380</u>	<u>\$ 396,811,852</u>	<u>\$ 38,370,806</u>	<u>\$ (172,539)</u>	<u>\$ 607,487,499</u>

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(1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental funds. However, the statement of net assets includes those capital assets among the assets of the County as a whole. Deferred charges are expended in the governmental funds but included in the governmental activities net assets.

Adjustment for deferred charges	\$ 396,298
Cost of capital assets	638,099,098
Accumulated depreciation	<u>(241,683,544)</u>
	<u>\$ 396,811,852</u>

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

Adjustment of deferred revenue	<u>\$ (24,096,230)</u>
Adjustment of due to other governments	<u>\$ 3,890,471</u>

Long-term liabilities applicable to the County's government activities are not due and payable in the current period and accordingly are not reported in fund liabilities. All liabilities -- both those due within one year and those due in more than one year -- are reported in the statement of net assets. Balances at December 31, 2009 were:

Bond interest payable	<u>\$ 132,509</u>	
	Due Within	Due In More
	One Year	Than One Year
Bonds and notes payable	<u>\$ 5,467,217</u>	<u>\$ 35,935,067</u>
Compensated absences	6,459,810	29,659,200
Capital leases payable	72,600	159,500
	<u>\$ 11,999,627</u>	<u>\$ 65,753,767</u>

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

Internal balance due from business-type activities	<u>\$ 596,339</u>
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(3) Reclassifications are used primarily to condense various receivables and payables into single totals, Receivables, net and Accounts payable and to reclassify fund balance accounts that are not available for appropriation to proper net assets account. Eliminations are to offset interfund receivables and payables.

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

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

	Total Governmental Funds	Long-term Revenue, Expenses (1)	Capital Related Items (2)	Internal Service Funds (3)	Long-term Debt Transactions (4)	Statement of Activities Totals
Revenues and Other Sources						
Taxes	\$ 109,059,182	\$ 1,150,786	\$ -	\$ -	\$ -	\$ 110,209,968
Licenses and permits	164,724	-	-	-	-	164,724
Intergovernmental	103,392,997	5,019,296	-	-	-	108,412,293
Charges for services	20,567,474	57,937	-	-	-	20,625,411
Fines and forfeits	129,810	-	-	-	-	129,810
Earnings on investments	3,661,413	-	-	588,872	-	4,250,285
Gifts and contributions	8,830	-	-	-	-	8,830
Land and timber sales	6,939,323	(1,228,960)	-	-	-	5,710,363
Miscellaneous	4,577,267	228,957	-	-	-	4,806,224
Total	248,501,020	5,228,016	-	588,872	-	254,317,908
Expenditures/Expenses						
Current:						
General government	34,418,680	121,092	1,243,755	(81,324)	287,493	35,989,696
Public safety	45,292,287	7,661	1,554,898	(126,330)	264,765	46,993,281
Highways and streets	31,514,275	(378,838)	7,836,712	57,832	(41,606)	38,988,375
Health and sanitation	4,903,147	-	3,272	(29,235)	(60,562)	4,816,622
Human services	72,775,244	-	-	(338,562)	(37,134)	72,399,548
Culture and recreation	1,863,936	-	-	-	-	1,863,936
Conservation of natural resources	7,199,476	(491,584)	232,781	(17,168)	37,328	6,960,833
Economic development	4,431,255	-	26,448	1,970	4,576	4,464,249
Debt service:						
Principal	5,166,374	-	-	-	(5,166,374)	-
Interest and other charges	2,256,848	(59,673)	-	-	-	2,197,175
Capital outlay	32,247,888	-	(32,247,888)	-	-	-
Total	242,069,410	(801,342)	(21,350,022)	(532,817)	(4,711,514)	214,673,715
Other financing uses/changes in net assets:						
Transfers in	4,299,401	-	-	-	-	4,299,401
Transfers out	(6,094,780)	-	-	(1,297,140)	-	(7,391,920)
Refunding bonds redeemed	(7,795,000)	-	-	-	7,795,000	-
Increase in inventories	378,838	(378,838)	-	-	-	-
Total	(9,211,541)	(378,838)	-	(1,297,140)	7,795,000	(3,092,519)
Net change for the year	\$ (2,779,931)	\$ 5,650,520	\$ 21,350,022	\$ (175,451)	\$ 12,506,514	\$ 36,551,674

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(1) Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available revenues" in the governmental funds. Similarly, certain aids and grant revenues not currently available at year-end are not reported as revenue in the governmental funds. In addition, intra-general government function rent charges and expenses are eliminated.

Property taxes	\$ 1,150,786
Long-term receivables:	
Intergovernmental	5,019,296
Intra-general government function rent	57,937
Land & timber sales	(1,228,960)
General fund	228,957
	\$ 5,228,016

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Due to other governments	\$ (491,584)
Bond interest payable	\$ (59,673)

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

Capital outlay	\$ (32,247,888)
Depreciation expense	10,897,866
Difference	\$ (21,350,022)

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

(4) Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the County as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. The County's bonded debt was reduced when principal payments were made to bond holders. Changes in long-term liabilities (compensated absences and capital leases) also result in an expense in the statement of activities.

Principal payments made	\$ 5,169,307
Refunding bonds redeemed	7,795,000
Compensated absences	(519,453)
Other	61,660
	\$ 12,506,514

ST. LOUIS COUNTY, MINNESOTA
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E. Budgetary Data

General Budget Policies

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

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

The County Board has established the legal level of control for County departments to be at the agency level. County departments are comprised of one or more sub-departments (agencies). Each department (Sheriff) can spend its agency level budgets (Jail, Sheriff Patrol, Boat and Water Safety and others) on any line item within that agency so long as the total agency budget is not overspent. However, no public aid assistance and/or personal services budget authority may be used for any other purpose without Board approval. The budgetary comparisons included in the Governmental Funds subsection of this report demonstrate compliance with the legal level of budgetary control.

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

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

Budgets can be amended during the year by the County Board. Supplemental appropriations or budget reductions are reviewed by the County Administrator's office and submitted to the County Board for their review and approval. If approved, they are implemented by the Auditor's Office as budget revisions. Supplemental appropriations could be required because of several factors, including the awarding of state and federal grants during the year and providing funding for unanticipated program requirements. Budget revisions were necessary during the year. The effect of these amendments was an increase in budgeted County funds of \$8,505,421.

Procedure for Preparing the Annual Budget

1. Early each year, the County Administrator meets with budget staff to discuss preparations for next year's budget. A basic budget strategy is developed at that time, based on guidelines and policies established by the County Board.
2. Budget training is conducted and a budget manual is provided which outlines the County Administrator's basic guidelines for preparing the budget proposal.
3. All departments submit preliminary estimates of their requested appropriations and anticipated revenues by early June. These figures are used to determine the amount of tax levy that would be required to meet departmental requests, and the amount of budget adjustments that the County Administrator will need to make during the preliminary budget hearings in order to meet goals established by the County Board.
4. Preliminary budget hearings are held by the County Administrator with each department. These hearings begin about mid-June and last until about mid-July.
5. The County Administrator's recommended budget is given to the County Board prior to September 15. The County Board will certify by resolution to the County Auditor a maximum proposed property tax levy by September 15th, which will be used to comply with the Truth in Taxation provisions of state law.
6. The County Board holds formal public hearings on the proposed budget and adopts by resolution the final budget and tax levy on or before December 28.

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NOTES TO THE FINANCIAL STATEMENTS
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F. Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 2008, as previously reported. These reclassifications, which did not require a restatement of net assets or fund balance, were required for comparability to the financial statements as of and for the year ended December 31, 2009. Although comparative statements for 2008 are not presented here, these reclassifications must be considered when comparing the financial statements of this report with those of prior reports.

G. Assets, Liabilities, and Net Assets or Equity

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 based on quoted market prices. The pool is not subject to regulatory oversight. Fair value amounts are determined at year end. The County has not provided or obtained any legally binding guarantees to support the value of the pool. Pursuant to Minn. Stat. §385.07, investment earnings on cash balances and pooled investments are credited to the General Fund. Other funds received investment earnings based on other statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings credited to the General Fund for 2009 were \$2,405,976. 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.

St. Louis County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares. Information relating to the MAGIC Fund can be obtained from Client Services Group, Minnesota Association of Governments Investing for Counties c/o PFM Asset Management LLC, P.O. Box 11760, Harrisburg, Pennsylvania, 17108-11760.

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

Property Taxes

In September of each year the County Board certifies a proposed property tax levy to the County Auditor. Notices of proposed taxes are mailed to taxpayers informing them of the proposed tax on their property and of the time and location of a meeting at which the final property tax levy will be established by the Board of County Commissioners. Subsequent to that meeting but within five business days 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 collectible, net of delinquencies. Taxes which remain unpaid at December 31 are delinquent. Collections within 60 days after year-end are recognized as revenue and the balance offset by deferred revenue.

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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.

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, or the moving average method.

Restricted Assets

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

Capital Assets

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

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

Depreciation has been provided over the estimated useful life using the straight-line method. For the purposes of depreciating infrastructure capital assets, all roads and bridges are considered a network. The estimated useful lives are:

Buildings and Improvements:	30-70 years
Improvements other than buildings:	10-20 years
Machinery and equipment:	5-10 years
Vehicles:	5-7 years
Infrastructure:	54 years

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Compensated Absences

Under the County's personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of service and bargaining agreement. Vacation leave accrual varies from 2.00 to 9.50 hours per biweekly pay period. Sick leave accrual varies from 2.00 to 5.75 hours per biweekly pay period.

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

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

Unvested sick leave for all County funds in the amount of \$6,670,462 at December 31, 2009 is available to employees in the event of illness-related absences and is not reported in the financial statements.

Closure and Postclosure Care Costs

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 financial statement date. The \$1,558,778 for the open area reported on the Environmental Services Enterprise Fund statement of net assets as landfill closure and postclosure liability at December 31, 2009, represents the following:

Postclosure liability

This is the liability for post closure costs for the Regional Landfill. \$849,217
It is based on the use of 66.22% of the existing open area.

Closure liability

This is the liability for closure cost for the Regional Landfill. \$709,561
It is based on the use of 66.22% of the existing open area.

The County will recognize the remaining \$704,084 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 2010. The County expects the open area to be closed in 2012 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, 2009, restricted assets of \$3,349,103 are included in the amounts shown on the Environmental Services Enterprise Fund balance sheet as Restricted assets financial assurance - Cash and cash equivalents, Investments, and Accrued interest receivable.

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Long-Term Obligations

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

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

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

The government-wide statement of net assets reports \$22,612,547 of restricted net assets, of which \$13,183,225 is restricted by enabling legislation.

H. 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, 2009; the auditor's reports on compliance and internal accounting control will be issued separately.

I. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Note 2. Detailed Notes on all Funds and Account Groups

A. Assets

Deposits and Investments

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

Governmental Activities:		
Current assets:		
Cash and cash equivalents		\$ 119,829,873
Investments		41,987,180
Business-type Activities:		
Current assets:		
Cash and cash equivalents		1,103,769
Investments		15,691,388
Restricted assets:		
Financial Assurance		
Cash and cash equivalents		982,570
Investments		2,330,421
Fiduciary Activities		
Current assets:		
Cash and cash equivalents		13,272,849
Investments		24,643,859
Total		<u>219,841,909</u>
Deposits		164,774,631
Cash on hand		635,780
Investments		54,431,498
Total deposits, cash on hand, and investments		<u>\$ 219,841,909</u>

(Amounts in Dollars)

	Held for Individual Investment Accounts - Investment Trust Funds	Held for All Other County Funds	Total
Cash and cash equivalents	-	135,189,061	135,189,061
Investments	21,985,882	62,666,966	84,652,848
Total	<u>21,985,882</u>	<u>197,856,027</u>	<u>219,841,909</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Deposits

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

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

Custodial Credit Risk--Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk and follows Minnesota Statutes regarding pledged collateral. The market value of collateral must equal 110% of the deposits not covered by insurance or surety bonds. As of December 31, 2009, the County's deposits were fully covered by insurance, surety bonds, and collateral, and were not exposed to custodial credit risk.

Investments

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

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

As of December 31, 2009, the County had the following investments and maturities:

	Fair Value	Investment Maturities in Years			
		Less than 1	1-2	2-3	More than 3
Brokered CD's	\$ 20,188,000	\$ 6,338,000	\$ 12,650,000	\$ 818,000	\$ 382,000
Minnesota State Board of Investment	5,859,030	5,859,030	-	-	-
FHLB	22,321,145	-	-	3,988,438	18,332,707
FHLMC	2,270,611	-	-	1,000,650	1,269,961
FFCB	791,775	-	-	-	791,775
FNMA	3,000,937	-	-	-	3,000,937
Total	\$ 54,431,498	\$ 12,197,030	\$ 12,650,000	\$ 5,807,088	\$ 23,777,380

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires at least 40% of total investments to have terms of one year or less. Given the current economy and low interest rates available on most short term investments, the County chose to hold over 34% of the funds available for investment in NOW and savings accounts rather than purchase short term investments to achieve compliance with its investment policy. Investment maturities for long term pooled investments are limited as follows:

Maturity	Maximum Investment
One to two years	90%
Two to three years	95%
Less than four years	100%

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

The County's exposure to credit risk as of December 31, 2009, is as follows:

Rating	Fair Value
S&P AAA	\$ 25,383,531
MDY AAA	3,000,937

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a policy regarding investment custodial risk. At December 31, 2009, none of the County's investments were subject to custodial credit risk.

Concentration of Credit Risk. The concentration of credit risk is the risk of loss that may be caused by the County's investment in a single issuer. County policy requires no more than 30% of County instruments shall be invested through any single institution, except during peak tax collection periods. U.S. government securities, mutual funds, and external investment pools are exempt from this restriction.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Cash and Cash Equivalents

The following is a reconciliation of the carrying amount of the cash and cash equivalents account and the equity in the pool by fund:

	<u>(Amounts in Dollars)</u>	
	<u>Equity in Pool</u>	<u>Advances</u>
Governmental Activities:		
General Fund	45,758,477	
Special Revenue Funds:		
Road and Bridge	24,530,760	
Public Health and Human Services	28,042,727	
Forfeited Tax Sale	223,820	
Housing and Redevelopment Authority	1,008,465	
Community Development Block Grant	540	(137,660)
Northeast Minnesota Housing Consortium	-	(34,879)
Septic Loan	130,536	
Forest Resources	6,544,151	
Debt Service Fund	1,505,102	
Capital Projects Fund	4,891,578	
Permanent Fund	8,015	
Internal Service Funds	7,358,241	
Total Equity	<u>120,002,412</u>	
Less: Advances	<u>(172,539)</u>	
Total Governmental Activities	<u>119,829,873</u>	
Business Activities:		
Enterprise Funds		
Environmental Services	1,471,227	
Chris Jensen Health & Rehabilitation	300,000	
Supervised Living Facilities	315,112	
Total Business Activities	<u>2,086,339</u>	
Fiduciary Activities:		
Agency Funds	<u>13,272,849</u>	
Total Fiduciary Activities	<u>13,272,849</u>	
Total	<u>135,189,061</u>	<u>(172,539)</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Receivables

Receivables as of December 31, 2009 for the County's governmental and business-type activities, including applicable allowances for uncollectible accounts are:

	Total Receivable	Not expected to be collected within one year
Governmental Activities		
Taxes	\$ 6,023,326	\$ -
Accounts receivable	11,978,743	9,583,352
Accrued interest receivable	837,820	-
Loans receivable	1,309,853	1,198,130
Leases receivable	227,000	210,000
Due from other governments	18,062,094	-
Total Governmental Activities	\$ 38,438,836	\$ 10,991,482
Business Activities		
Taxes	\$ 37,787	\$ -
Accounts Receivable	1,657,043	984,151
Accrued interest receivable	116,003	-
Due from other governments	64,063	-
Total Business Activities	\$ 1,874,896	\$ 984,151

Loans Receivable

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.

Included in the Septic Loan Special Revenue Fund are loans under the Minnesota Pollution Control Loan Program.

Loans outstanding at December 31, 2009, including interest \$ 845,733

The long-term loan receivable from the South St. Louis County Fair Association is \$177,468 and is equally offset by deferred revenue. The receivable arises from the County financing the construction of new grandstands and racetrack lighting and all costs related to these activities. The interest free loan was approved by the County Board on December 17, 2002. The repayment schedule calls for annual payments in the amount of \$20,000 beginning in 2004 and every year thereafter until it is paid to the County in full. The Lakehead Racing Association made payments in the amount of \$7,500 on May 15 and October 15 in 2004, the County will withhold \$5,000 from the South St. Louis County Fair Association annual allocation, and the Fair Association pays \$1 per seat charge to retire the debt.

Lease Receivable

St. Louis County leases to the State of Minnesota approximately 33,162 useable square feet of space in the Pike Lake Joint Maintenance Facility. The total cost of the shared facility was \$5,948,604; depreciation to date is \$1,454,103, leaving a carrying value of \$4,494,501. The State pays rent of \$14,077 per month through August 2012. The monthly rent is accounted for in the Debt Service Fund and is used to retire the outstanding bonds. The State also pays 29.5% of the operating costs of the facility.

The minimum future rentals are:

Year Ending December 31	
2010	\$ 168,919
2011	168,919
2012	112,615
Total	\$ 450,453

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

Lease to Chris Jensen, LLC

On November 1, 2009 St. Louis County entered into an agreement with Chris Jensen, LLC, a Minnesota limited liability company for the lease of approximately 398,941 square feet located at 2501 Rice Lake Road, Duluth, Minnesota, the site of the Chris Jensen Health and Rehabilitation Center. The initial lease will be for five years ending on October 31, 2014. The lease may be extended for three separate renewal terms of five years each. The lease specifies rent payments to St. Louis County of \$4,167 monthly through October 15, 2012, then increasing to \$5,000 effective November 15, 2012, and increasing again on November 15, 2013 to \$5,833 per month.

The County will also receive from Chris Jensen, LLC pro rated collections of the certified accounts receivable as of November 1, 2009. This will continue until September 2013. A capital expenditure/operating account was established during 2009 for scheduled deposits by the County that will total \$500,000 by April 1, 2010. The deposits will be used by Chris Jensen, LLC in accordance with the lease agreement.

Chris Jensen Health and Rehabilitation Center Enterprise Fund employees are no longer employed by St. Louis County. Many of these former County employees have been retained by Chris Jensen, LLC to staff the nursing home.

The minimum future rentals are:

Year Ending December 31	
2010	\$ 50,000
2011	50,000
2012	51,667
2013	61,667
2014	58,333
Total	<u>\$ 271,667</u>

Due From Other Governments

The following amounts were due from other governments at December 31, 2009:

	(Amounts in Dollars)			
	Federal	State	Local/Other	Total
Governmental Activities:				
General Fund	\$ 2,152,346	\$ 214,957	\$ 150,510	\$ 2,517,813
Special Revenue Funds				
Road and Bridge	2,038,323	6,904,543	243,403	9,186,269
Public Health and Human Services	2,440,540	2,282,265	262,734	4,985,539
Community Development Block Grant	1,071,596	-	-	1,071,596
Northeast Minnesota Housing Consortium	227,835	-	-	227,835
Total Special Revenue Funds	<u>5,778,294</u>	<u>9,186,808</u>	<u>506,137</u>	<u>15,471,239</u>
Debt Service Fund	-	55	-	55
Capital Projects Fund	-	18	-	18
Internal Service Funds	-	69,517	3,452	72,969
Total Governmental Activities	<u>7,930,640</u>	<u>9,471,355</u>	<u>660,099</u>	<u>18,062,094</u>
Business-type Activities:				
Enterprise Funds	-	64,063	-	64,063
Fiduciary Activities:				
Agency Funds	717,896	1,460,606	91,504	2,270,006
Total	<u>\$ 8,648,536</u>	<u>\$ 10,996,024</u>	<u>\$ 751,603</u>	<u>\$ 20,396,163</u>

Restricted Assets

Business-type activities

 Financial assurance

Cash and cash equivalents	\$ 982,570
Investments	2,330,421
Accrued interest receivable	36,112
Total	<u>\$ 3,349,103</u>

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

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,998,671	\$ -	\$ -	\$ 1,998,671
Construction in progress	2,542,859	6,215,840	(1,872,546)	6,886,153
Total capital assets, not being depreciated	<u>4,541,530</u>	<u>6,215,840</u>	<u>(1,872,546)</u>	<u>8,884,824</u>
Capital assets, being depreciated:				
Buildings and structures	103,343,617	1,051,747	(6,745)	104,388,619
Machinery and equipment	17,255,980	1,669,025	(856,215)	18,068,790
Vehicles	47,252,019	2,614,381	(1,415,568)	48,450,832
Infrastructure	440,939,441	22,992,669	-	463,932,110
Total capital assets being depreciated	<u>608,791,057</u>	<u>28,327,822</u>	<u>(2,278,528)</u>	<u>634,840,351</u>
Less accumulated depreciation for:				
Buildings and structures	(36,981,508)	(2,436,527)	3,167	(39,414,868)
Machinery and equipment	(12,385,663)	(1,122,863)	835,585	(12,672,941)
Vehicles	(30,235,922)	(2,573,772)	1,220,451	(31,589,243)
Infrastructure	(156,737,252)	(5,076,981)	-	(161,814,233)
Total accumulated depreciation	<u>(236,340,345)</u>	<u>(11,210,143)</u>	<u>2,059,203</u>	<u>(245,491,285)</u>
Total capital assets, being depreciated, net	<u>372,450,712</u>	<u>17,117,679</u>	<u>(219,325)</u>	<u>389,349,066</u>
Governmental activities, capital assets, net	<u>\$ 376,992,242</u>	<u>\$ 23,333,519</u>	<u>\$ (2,091,871)</u>	<u>\$ 398,233,890</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 363,922	\$ -	\$ -	\$ 363,922
Construction in progress	-	157,500	-	157,500
Total capital assets, not being depreciated	<u>363,922</u>	<u>157,500</u>	<u>-</u>	<u>521,422</u>
Capital assets, being depreciated:				
Buildings and structures	13,476,038	20,800	(32,611)	13,464,227
Improvements other than buildings	8,884,480	-	(13,250)	8,871,230
Machinery and equipment	2,790,607	20,800	(733,359)	2,078,048
Linens	135,396	-	(135,396)	-
Vehicles	1,165,337	66,536	(37,853)	1,194,020
Total capital assets being depreciated	<u>26,451,858</u>	<u>108,136</u>	<u>(952,469)</u>	<u>25,607,525</u>
Less accumulated depreciation for:				
Buildings and structures	(5,456,182)	(354,400)	25,091	(5,785,491)
Improvements other than buildings	(5,554,485)	(425,644)	-	(5,980,129)
Machinery and equipment	(1,840,919)	(102,199)	650,610	(1,292,508)
Vehicles	(882,860)	(77,142)	15,707	(944,295)
Total accumulated depreciation	<u>(13,734,446)</u>	<u>(959,385)</u>	<u>691,408</u>	<u>(14,002,423)</u>
Total capital assets, being depreciated, net	<u>12,717,412</u>	<u>(851,249)</u>	<u>(261,061)</u>	<u>11,605,102</u>
Business-type activities, capital assets, net	<u>\$ 13,081,334</u>	<u>\$ (693,749)</u>	<u>\$ (261,061)</u>	<u>\$ 12,126,524</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ (1,266,669)
Public safety	(1,453,991)
Highways	(7,793,717)
Health and sanitation	(3,272)
Conservation of natural resources	(199,579)
Economic development	(26,448)
Internal Service Funds	(466,467)
Total depreciation expenses - governmental activities	<u>\$ (11,210,143)</u>

Business-type activities	
Environmental Services	\$ (780,121)
Chris Jensen Health and Rehabilitation Center	(179,264)
Total depreciation expenses - business-type activities	<u>\$ (959,385)</u>

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.

	Fund Financial Statements				
	Accounts Receivable	Aid and Grants	Taxes	Long-Term Receivables	Total
Governmental Activities:					
General Fund	\$ 92,956	\$ 483,888	\$ 2,075,663	\$ 409,468	\$ 3,061,975
Special Revenue Funds:					
Road and Bridge	-	10,889,089	1,062,785	161,652	12,113,526
Public Health and Human Services	-	526,535	1,605,454	-	2,131,989
Forfeited Tax Sale	-	-	-	9,726,177	9,726,177
Housing and Redevelopment Authority	4,114	-	10,581	-	14,695
Debt Service Fund	-	-	347,060	-	347,060
Capital Projects Fund	-	-	96,503	-	96,503
Internal Service Funds	1,008,848	-	-	-	1,008,848
Total	<u>\$ 1,105,918</u>	<u>\$ 11,899,512</u>	<u>\$ 5,198,046</u>	<u>\$ 10,297,297</u>	<u>\$ 28,500,773</u>

	Statement of Net Assets		
	Accounts Receivable	Aid and Grants	Total
Governmental Activities:			
General Fund	\$ 29,210	\$ 337,791	\$ 367,001
Special Revenue Funds:			
Road and Bridge	-	2,964,180	2,964,180
Public Health and Human Services	-	64,514	64,514
Internal Service Funds	1,008,848	-	1,008,848
Total	<u>\$ 1,038,058</u>	<u>\$ 3,366,485</u>	<u>\$ 4,404,543</u>

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Long-Term Debt

Long-term liability activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One-Year
GOVERNMENTAL ACTIVITIES					
<i>Bonds, notes, and tax lease obligations payable</i>					
General obligation debt					
Capital Improvement Bonds 2001	\$ 8,720,000	\$ -	\$ (8,720,000)	\$ -	\$ -
Capital Improvement Bonds 2004A	10,911,433	-	(815,628)	10,095,805	845,628
Refunding Bonds 2004C	344,623	-	(172,412)	172,211	172,211
Capital Improvement Bonds 2005A	5,168,279	-	(348,390)	4,819,889	358,390
LEC Refunding Bonds 2005B	1,825,924	-	(420,661)	1,405,263	445,661
Capital Improvement					
Crossover Bonds 2006A	7,910,211	-	(8,237)	7,901,974	1,013,237
Capital Equipment Notes 2007	3,905,885	-	(1,253,354)	2,652,531	1,303,354
Capital Equipment Notes 2008	3,630,470	-	(665,265)	2,965,205	705,265
Capital Improvement Bonds 2008	11,420,471	-	(527,713)	10,892,758	597,713
General obligation revenue notes	522,755	-	(26,107)	496,648	25,758
<i>Total bonds, notes and tax lease obligations payable</i>	54,360,051	-	(12,957,767)	41,402,284	5,467,217
<i>Other Liabilities</i>					
Compensated absences	37,634,519	9,214,947	(8,496,750)	38,352,716	6,937,512
Claims payable	6,549,945	32,777,485	(31,798,217)	7,529,213	2,900,357
Capital leases payable	300,300	-	(68,200)	232,100	72,600
Other post employment benefits obligation	647,097	895,085	-	1,542,182	-
<i>Total other liabilities</i>	45,131,861	42,887,517	(40,363,167)	47,656,211	9,910,469
Governmental activities long-term liabilities	\$ 99,491,912	\$ 42,887,517	\$ (53,320,934)	\$ 89,058,495	\$ 15,377,686
BUSINESS-TYPE ACTIVITIES					
<i>Other Liabilities</i>					
Compensated absences	2,963,515	106,104	(1,880,742)	1,188,877	201,410
Customer deposits	100	-	-	100	-
Closure and post-closure liabilities	1,489,028	69,750	-	1,558,778	-
<i>Total other liabilities</i>	4,452,643	175,854	(1,880,742)	2,747,755	201,410
Business-type activities long term liabilities	\$ 4,452,643	\$ 175,854	\$ (1,880,742)	\$ 2,747,755	\$ 201,410

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$11,305,101 of internal service funds compensated absences, claims payable, and other post employment benefit obligations are included in the above amounts. Also, for the governmental activities, claims, capital leases, and compensated absences are generally liquidated by the General Fund and Road and Bridge, Public Health and Human Services, and the Forfeited Tax Sale Special Revenue funds.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

(Amounts in Dollars)

General obligation bonds and notes payable at December 31, 2009, consist of the following issues:

<p>\$13,785,000 General Obligation Capital Improvement Bonds due in annual installments of \$640,000 to \$1,215,000 on December 1, 2005, through 2019; interest at 3.00 to 4.00 percent, including unamortized premium of \$55,805. This bond was issued to finance capital improvements.</p>	10,095,805
<p>\$960,000 General Obligation Refunding Bonds due in annual installments of \$20,000 to \$170,000 on December 1, 2004, through 2010; interest at 2.00 to 3.50 percent, including unamortized premium of \$2,211. This bond was issued to refund the AJC GO Bonds Series 1995.</p>	172,211
<p>\$6,115,000 General Obligation Capital Improvement Bonds due in annual installments of \$430,000 to \$535,000 on December 1, 2006, through 2020; interest at 3.7 to 3.9 percent, including unamortized premium of \$9,889. This bond was issued to finance capital improvements</p>	4,819,889
<p>\$2,840,000 General Obligation Refunding bonds due in annual installments of \$350,000 to \$470,000 on December 1, 2006, through 2012; interest at 4.00 to 5.00 percent, including unamortized premium of \$60,263. This bond was issued to refund the Law Enforcement Facilities Revenue Bonds. The transaction results in a difference in the cash flow requirements of \$137,085. The net present value benefit of the refunding issue is \$120,560 and results in a reduction of \$137,085 in future debt service payments.</p>	1,405,263
<p>\$7,845,000 General Obligation Capital Improvement Crossover Refunding Bonds due in annual installments of \$1,005,000 to \$1,245,000 on December 1, 2010 through 2016; interest at 3.75 percent, including unamortized premium of \$56,974. This bond was issued to crossover refund \$7,795,000 of the \$10,465,000 outstanding of the \$14,270,000 General Obligation Capital Improvement bonds, Series 2001, dated May 1, 2001. The net present value benefit of the refunding issue is \$276,208 and results in a reduction of \$359,585 in future debt service payments. The crossover refunding occurred December 1, 2009.</p>	7,901,974
<p>\$5,000,000 General Obligation Capital Equipment Note due in annual installments of \$1,115,000 to \$1,345,000 on December 1, 2008, through 2011; interest at 4.00 percent, including unamortized premium of \$12,531. This bond was issued to finance capital equipment purchases.</p>	2,652,531
<p>\$3,580,000 General Obligation Capital Equipment Note due in annual installments of \$665,000 to \$770,000 on December 1, 2009 through 2013; interest at 3.50 percent, including unamortized premium of \$40,205.</p>	2,965,205
<p>\$11,380,000 General Obligation Capital Improvement Bonds due in annual installments of \$525,000 to \$1,010,000 on December 1, 2009 through 2023; interest at 3.50 to 5.00 percent, including unamortized premium of \$37,758.</p>	10,892,758
<p><i>General obligation revenue notes payable at December 31, 2009, consist of the following issues:</i></p>	
<p>\$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.</p>	23,877

ST. LOUIS COUNTY, MINNESOTA
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\$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. 191,784

\$200,000 2001 General Obligation Revenue Note Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program. 191,784

\$79,000 2004 General Obligation Revenue Note Payable to the Minnesota Department of Agriculture (Department) to provide additional funds for the septic system improvement loan program. 75,755

The terms of the above described revenue notes require semi-annual repayments of \$20,700 to \$7,900 beginning April 1, 2009 through 2024.

\$340,000 2000 General Obligation Revenue Note Payable to the Minnesota Pollution Control Agency to provide low interest loans to citizens and entities of the County for Best Management Practices, including improvements to individual sewage systems. The terms require semi-annual repayments beginning June 15, 2002. 13,448

Fund Long-Term Debt

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

Year Ending 12/31/09	General Obligation	
	Principal	Interest
2010	\$ 5,467,217	\$ 1,590,443
2011	5,485,895	1,388,105
2012	4,314,784	1,182,034
2013	3,946,923	1,023,746
2014	3,289,068	881,182
2015-2019	14,498,269	2,609,871
2020-2024	4,400,128	488,258
Total:	\$ 41,402,284	\$ 9,163,639

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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The County's proportionate shares of general obligation debt and general obligation revenue debt at December 31, 2009, of all governmental units which provide services within the County's borders, 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	41,402,284	100.00	41,402,284
Overlapping Debt			
School Districts	83,335,000	17.90	14,915,577
Western Lake Superior Sanitary District	54,495,931	84.22	45,894,763
Underlying Debt			
Cities	195,721,703	100.00	195,721,703
School Districts	135,219,208	100.00	135,219,208
Towns	2,257,400	100.00	2,257,400
Duluth Entertainment and Convention Center	1,515,000	100.00	1,515,000
Virginia Housing and Redevelopment Authority	5,435,000	100.00	5,435,000
Duluth/North Shore Sanitary District	8,443,453	100.00	8,443,453
Total	527,824,979		450,804,388

Lease Obligations

Operating Leases

The County is committed under various operating leases for office space, parking facilities, data processing software, and office equipment. 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 2009:

Type of Property	
Rental of office space and parking facilities	\$ 563,971
Data processing software	17,264
Hardware	622,996
Total rental expense	\$ 1,204,231

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 2009:

Year Ended	
2010	\$ 1,203,437
2011	1,204,640
2012	1,205,783
2013	1,207,048
2014	1,208,252
Total future minimum lease payments	\$ 6,029,160

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
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Capital Lease

The capital lease of the County at December 31, 2009 is shown below:

<u>Type of Property</u>	Governmental Activities
Maintenance facility	\$ 908,924
Less: accumulated depreciation	(338,322)
Carrying value	<u>\$ 570,602</u>

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at December 31, 2009:

<u>Year Ending</u>	Governmental Activities
2010	\$ 85,131
2011	84,744
2012	85,141
Total future minimum lease payments	255,016
Less: Amount representing interest	(22,916)
Present value of future minimum lease	<u>\$ 232,100</u>

Construction Commitments

At December 31, 2009, the County had construction commitments as follows:

	<u>(Amounts in Dollars)</u>			Required Further Financing
	Authorized Projects	Expended to Date	Commitments	
Duluth courthouse HVAC upgrades	2,953,005	1,975,194	423,205	-
Public safety building	481,000	15,072	-	-
Duluth courthouse elevator upgrades	43,784	42,200	1,584	-
GSC elevator upgrades	465,591	10,528	455,063	-
Duluth courthouse retaining wall	175,000	135,088	29,044	-
Duluth courthouse window replacement	450,000	24,641	8,871	-
Duluth courthouse sally port	4,400,000	2,131,322	928,438	-
Meadowlands maintenance facility	2,500,000	2,114,036	146,045	-
Total	<u>11,468,380</u>	<u>6,448,081</u>	<u>1,992,250</u>	-

ST. LOUIS COUNTY, MINNESOTA
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Risk Management

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

The Property, Casualty, Liability Insurance Fund covers claims and judgments against the County, including administrative expenses and expenses for third-party coverage. All risk, except fire and property damage to major structures is assumed. Maximum third-party coverage for property damage is limited to the estimated value of the property. No claims have exceeded coverage. Premiums are charged to other County funds on the historical basis and are reported as quasi-external transactions. The estimated liability at year end is based on a case-by-case evaluation by the County Attorney's Office and is consistent with the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County Attorney's Office estimated settlements to be \$145,585 at December 31, 2009, for various cases considered "reasonably possible" losses to the County. This amount is not reflected in the financial statements.

The Workers' Compensation Insurance Fund covers workers' compensation claims up to \$1,720,000 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. State. Chapter 176 (2002) in excess of the \$1,720,000 retention limit. The estimated liability for workers' compensation reported in the Fund is based on a case-by-case examination of claims filed through December 31, 2009, and is consistent with the requirements of Governmental 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 nondisco value of the estimated liability for claims payable at the end of the year was \$6,373,024 and is present valued at 1.87%.

This percentage is the average investment yield for the first two months of the subsequent year. The activities of the Fund are supported by premiums from County funds 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 net assets. The County carries individual-specific stop loss insurance for claims that exceed \$750,000 per year per employee contract. All County funds with personnel are charged for the County's share of premiums for employees and these charges are reported as quasi-external transactions.

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

ST. LOUIS COUNTY, MINNESOTA
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Changes in the funds' claims liability amounts during 2008 were:

	(Amounts in Dollars)		
	Property, Casualty, & Liability Insurance Fd	Workers' Compensation Insurance Fund	Medical/ Dental Insurance Fund
Beginning of fiscal year liability for claims	102,250	3,827,829	2,190,831
Current year claims and changes in estimates	140,468	2,551,787	25,498,339
Claim payments	(199,439)	(1,982,210)	(25,579,910)
Balance of claims payable at fiscal year end	43,279	4,397,406	2,109,260

Changes in the funds' claims liability amounts during 2009 were:

	(Amounts in Dollars)		
	Property, Casualty, & Liability Insurance Fd	Workers' Compensation Insurance Fund	Medical/ Dental Insurance Fund
Beginning of fiscal year liability for claims	43,279	4,397,406	2,109,260
Current year claims and changes in estimates	159,316	3,895,693	28,722,476
Claim payments	(121,315)	(2,882,582)	(28,794,320)
Balance of claims payable at fiscal year end	81,280	5,410,517	2,037,416

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). PERA administers the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Local Government Correctional Service Retirement Fund (the Public Employees Correctional 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 Plan or the 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, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailer/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund.

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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 year thereafter. 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 successive year. Under 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 each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all Public Employees Retirement Fund members hired prior to July 1, 1989, whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for Public Employees Police and Fire Fund members and Employees Correctional Fund members, and either 65 or 66 (depending on date hired) for Public Employees Retirement Fund members. A reduced retirement annuity is also available to eligible members seeking early retirement.

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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. 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 9.1 and 6.0 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 9.4 percent. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

The County is required to contribute the following percentages of annual covered payroll in 2009:

	<u>2009</u>
Public Employees Retirement Fund	
Basic Plan Members	11.78%
Coordinated Plan Members	6.75%
Public Employees Police and Fire Fund	14.10%
Public Employees Correctional Fund	8.75%

ST. LOUIS COUNTY, MINNESOTA
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The County's contributions for the years ending December 31, 2009, 2008, and 2007, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2009	2008	2007
Public Employees Retirement Fund	\$ 5,968,992	\$ 5,919,839	\$ 5,652,641
Public Employees Police and Fire Fund	1,101,657	986,555	878,714
Public Employees Correctional Employees Fund	547,683	590,399	474,597

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

Defined Contribution Plan

Six of the nine eligible elected officials of the County are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. ch. 353D, which may be amended by the State Legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.0 percent of salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2009, were:

	Employee	Employer
Contribution amount	\$ 19,963	\$ 19,963
Percentage of covered payroll	5.00%	5.00%

Required contribution rates were 5.0 percent.

Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2009, is as follows:

Interfund Receivables/Payables (for deficit cash balances):

Receivable Fund	Payable Fund	Amount
General	Community Development Block Grant Fund	\$ 137,660
	Northeast Minnesota Housing Consortium Fund	34,879
	Total	<u>\$ 172,539</u>

ST. LOUIS COUNTY, MINNESOTA
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Interfund Transfers:

Major fund	Major				Total Transfers In Major
	General	Forfeited Tax Sale	Capital Projects	Chris Jensen Health and Rehabilitation	
General	\$ -	\$ 953,150	\$ 307,186	\$ -	\$ 1,260,336
Capital Projects	551,790	-	-	-	551,790
Chris Jensen Health and Rehabilitation	2,841,540	-	-	-	2,841,540
Nonmajor governmental fund					
Forest Resources	-	639,863	-	-	639,863
Debt Service	-	-	-	44,185	44,185
Community Foods	114,251	-	-	-	114,251
Total Transfers Out	\$ 3,507,581	\$ 1,593,013	\$ 307,186	\$ 44,185	\$ 5,451,965

Major fund	Nonmajor					Total Transfers In
	Forest Resources	Shoreline Sales	Property Casualty Liability	Management Information Systems	Telecommunication	
General	\$ 200,000	\$ 220,000	\$ 118,103	\$ 300,000	\$ 100,000	\$ 2,198,439
Road and Bridge	-	-	511,162	-	-	511,162
Public Health and Human Services	-	-	4,724	200,000	-	204,724
Forfeited Tax Sale	-	-	48,656	-	-	48,656
Capital Projects	-	-	-	-	-	551,790
Environmental Services	-	167,000	12,052	-	-	179,052
Chris Jensen Health and Rehabilitation	-	-	1,861	-	-	2,843,401
Nonmajor fund						
Forest Resources	-	-	582	-	-	640,445
Septic Loan	-	100,000	-	-	-	100,000
Debt Service	-	-	-	-	-	44,185
Community Foods	-	-	-	-	-	114,251
County Garage	-	-	57,856	-	-	57,856
Total Transfers Out	\$ 200,000	\$ 487,000	\$ 754,996	\$ 500,000	\$ 100,000	\$ 7,493,961

The transfers from the General Fund were for Chris Jensen lease agreement, closure of the Community Foods Enterprise Fund, and excess rent revenues from Property Management.

The transfers from the Forfeited Tax Sale Fund apportion that fund's net proceeds for the year as prescribed by law.

The transfer from the Capital Projects Fund was for the excess revenues related to the Pay for Performance Grant at Chris Jensen Health and Rehabilitation Center.

The transfer from the Chris Jensen Fund was for the remaining debt service related funds.

The transfer from the Forest Resources Fund was for various economic development projects.

The transfers from the Shoreline Sales Permanent Fund were for Soil and Water Conservation Districts, Septic Loan Funds, the Onsite Wastewater program, and the Namakan Basin Sewer project.

The transfers from the Property Casualty Liability Fund were for insurance premium rebates.

The transfers from the Management Information Systems Fund were for the cancelled five year plan loans.

The transfer from the Telecommunications Fund was to offset levy dollars.

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

Arrowhead Regional Corrections

Arrowhead Regional Corrections is governed by an eight-member board composed of a member appointed from each of the participating counties' boards of commissioners, except for St. Louis County, which has three members from its board. In addition, the right to have an additional member is annually rotated among Carlton, Cook, Koochiching, and Lake Counties. The County records all the financial transactions for Arrowhead Regional Corrections through its Arrowhead Regional Corrections Agency Fund. Its deposits and investments are included in the County's foregoing note on deposits and investments.

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. During 2008, (the most recent available), county contributions were in the following proportion:

Carlton County	10.48%
Cook County	1.61%
Koochiching County	1.98%
Lake County	2.11%
St. Louis County	83.82%
Total	100.00%

St. Louis County provided \$10,888,253 in funding during 2009. Separate financial information can be obtained from:

Arrowhead Regional Corrections
 320 West Second St. Suite 113
 Duluth, Minnesota 55802

A summary of the financial information from Arrowhead Regional Corrections' Government-Wide Financial Statements for December 31, 2008 (the most recent available), was:

Total Assets	\$ 13,531,737
Total Liabilities	5,588,087
Total Net Assets	7,943,650
Total Program and General Revenues	21,617,817
Total Expenses/Uses	21,076,113
Change in Net Assets	541,704

Community Health Services Board

Carlton, Cook, Lake, and St. Louis Counties entered into a joint powers agreement, 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 appoints 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 2008.

A summary of the financial information of the Community Health Services Board Government-Wide Financial Statements for December 31, 2008, (the most recent available) was:

Total Assets	\$ 975,422
Total Liabilities	850,067
Total Net Assets	125,355
Total Revenues	3,818,828
Total Expenses	3,850,486
Change in Net Assets	(31,658)

Separate financial information can be obtained from:

Carlton, Cook, Lake, and St. Louis Counties
 Community Health Board
 404 West Superior Street, Suite 220
 Duluth, Minnesota 55802

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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 Lake County Board of Commissioners. St. Louis County is the fiscal agent for the Railroad Authority and all of its financial transactions are recorded in the Regional Railroad Authority Agency Fund. Financing is obtained through a tax levy, and federal, state and local grants or participation. St. Louis County provided \$50,000 to this organization during 2009.

A summary of the financial information of the Regional Railroad Authority for the Government-Wide Financial Statement for December 31, 2008, (the most recent available) was:

Total Assets	\$ 9,082,906
Total Liabilities	147,977
Total Net Assets	8,934,929
Total Revenues	2,149,550
Total Expenses	1,648,291
Change in Net Assets	501,259

Separate financial information can be obtained from:

St. Louis & Lake Counties Regional Railroad Authority
801 SW Hwy 169
Suite #4
Chisholm, Minnesota 55719

Northeast Minnesota Office of Job Training

The Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis entered into 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 "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 Government-Wide Statements for June 30, 2009, was:

Total Assets	\$ 3,038,740
Total Liabilities	1,650,067
Total Net Assets	1,388,673
Total Revenues	5,598,127
Total Expenses	5,589,058
Change in Net Assets	9,069

Separate financial information can be obtained from:

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

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Northern Counties Land Use Coordinating Board

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

The joint powers are the Counties of Aitkin, Cook, Koochiching, Lake, Lake of the Woods, Marshall, Pennington, Roseau, and St. Louis. Three elected county commissioners from St. Louis County and two from each of the other counties comprise the membership of the Board. St. Louis County handles all of the financial transactions for this organization through its Northern Counties Land Use Board Agency Fund. St. Louis County provided \$7,500 during 2009.

A summary of the financial information of Northern Counties Land Use Coordinating Board for the Government-Wide Financial Statements for December 31, 2006, (the most recent available) was:

Total Assets	\$	75,537
Total Liabilities		20,061
Total Net Assets		55,476
Total Revenues		23,750
Total Expenses		7,780
Change in Net Assets		15,970

Separate financial information can be obtained from:

Northern Counties Land Use Coordinating Board
St. Louis County Courthouse
100 N 5th Ave West #214
Duluth, Minnesota 55802

Minnesota Counties Information Systems (MCIS)

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

A summary of the financial information of Minnesota Counties Information System's funds for the Government-Wide Financial Statements for December 31, 2008, (the most recent available) was:

Total Assets	\$	1,007,784
Total Liabilities		256,583
Total Net Assets		751,201
Total Revenues		2,534,122
Total Expenses		2,365,437
Change in Net Assets		168,685

Separate financial information can be obtained from:

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

ST. LOUIS COUNTY, MINNESOTA
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DECEMBER 31, 2009

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 2009. 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, 2009, is:

Total Assets	\$	58,834
Total Liabilities		-
Total Net Assets		58,834
Total Revenues		-
Total Expenditures		-
Change in Net Assets		-

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

Namakan Basin Sewer System Initiative

St. Louis County, Kabetogama Township, and the Crane Lake Water and Sanitary District entered into a joint powers agreement pursuant to Minn. Stat. §471.59 for the purpose of providing an environmentally sensitive and responsible solution to the problem of non-compliant and failing septic systems in the Namakan Basin area. The governing board is composed of five members, two County Commissioners, one member from the unorganized area of Ash River appointed by the County Board, one member appointed by the Kabetogama Township and one member appointed by the Crane Lake Water and Sanitary District.

During 2009, the initial planning funds of up to \$100,000 were provided by the St. Louis County Environmental Trust Fund with a matching amount from the Iron Range Resources Board. A summary of financial information of the organization for the year ended December 31, 2009, is:

Total Assets	\$	101,450
Total Liabilities		32,740
Total Net Assets		68,710
Total Revenues		131,290
Total Expenditures		62,580
Change in Net Assets		68,710

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, 2009

Minneapolis-Duluth/Superior Passenger Rail Alliance

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

Separate financial information can be obtained from:

St. Louis and Lake County Regional Railroad Authority
801 SW Hwy 169 Suite #4
Chisholm, Minnesota 55719

Franconia Minerals Corporation

St. Louis County and Itasca County entered into a joint powers agreement under Minn Stat. §471.59, subd. 10. The purpose of the agreement is to use \$500,000 in grant monies received by Itasca County from the State of Minnesota for a minerals related project to be performed by Franconia Minerals Corporation in the taconite relief area within St. Louis County. The agreement allows St. Louis County to request disbursement from Itasca County for amounts St. Louis County has expended per a grant agreement with Franconia Minerals Corporation.

The Itasca County Grant Agreement with the State and the subsequent grant agreement between St. Louis County and Franconia Minerals Corporation were for Franconia Minerals Corporation to do minerals related work at the Birch Lake Project.

The \$500,000 grant was sent to St. Louis County by Itasca County in January 2009 and subsequently disbursed by St. Louis County to Franconia Minerals Corporation. The single transaction related to this joint powers agreement was accounted for in the St. Louis County Agency Miscellaneous Fund.

City/County Communication Antenna Site

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

Minnesota Community Capital Fund

The County is a Class A member of the Minnesota Community Capital Fund (MCCF). The MCCF was established to address unmet development financing needs of communities and economic development organizations throughout Greater Minnesota by pooling local revolving loan fund resources and providing professional management services to support local efforts. The MCCF is designed to provide its members with greater flexibility and the capacity to originate multiple loans that are much larger than would be possible with limited local resources. The \$100,000 member participation is included as a long term receivable in the General Fund.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

Note 4. Summary of Significant Contingencies and Other Items

Claims and Litigation

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

Participation in the Medicaid reimbursement program requires field audits of the Chris Jensen Health and Rehabilitation Center Enterprise Fund nursing home records, and review of its 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.

Pollution Remediation

Governmental Accounting Standards Board (GASB) Statement 49 establishes standards for accounting and financial reporting for pollution remediation obligations and is effective for periods beginning after December 15, 2007. The Environmental Services Fund management believes the County could be responsible for at least some types of third party impacts related to the Closed Landfill Program operated by the Minnesota Pollution Control Agency. Any liability is unknown at December 31, 2009 as it would need to be determined through the legal system.

Other Post Employment Benefits

In 2007 the County implemented the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*.

Plan Description and Funding Policy

The County provides health insurance benefits for certain retired employees under a single-employer self-insured plan. The County provides benefits for retirees as required by Minnesota Statute §471.61 subdivision 2b. Active employees who retire from the County when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota (or similar plan) and do not participate in any other health benefits program providing coverage similar to that herein described, will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of January 1, 2008 there were approximately 365 retirees receiving health benefits from the County's health plan. The cost of other post-employment benefits is funded on the "pay as you-go method".

In addition to the implicit rate subsidy described above, the County pays a portion or the entire premium for postretirement medical coverage on behalf of certain disabled deputies and their dependents under Minnesota Statute §299A.465. These contributions are referred to as the explicit rate subsidy.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009

Annual OPEB Costs and Net OPEB Obligation

The County's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2009, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 1,754,768
Interest on net OPEB obligation	28,472
Adjustments to ARC	(39,261)
Annual OPEB Cost	1,743,979
Contributions during the year	(848,894)
Increase in net OPEB obligation	895,085
Net OPEB obligation - beginning of the year	647,097
Net OPEB obligation - end of year	\$ 1,542,182

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the excess OPEB contributions or net OPEB obligation for 2007, 2008, and 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	(Excess OPEB Contributions) / Net OPEB Obligation
12/31/2007	\$ 1,114,889	\$ 1,517,405	136.10%	\$ (402,516)
12/31/2008	1,729,664	680,051	39.32	647,097
12/31/2009	1,743,979	848,894	48.68	1,542,182

Funding Status and Funding Progress

The actuarial accrued liability for benefits as of January 1, 2008 is \$20 million. The County currently has no assets that have been irrevocably deposited in a trust for future health benefits, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) is \$94.2 million. The ratio of the unfunded actuarially accrued liabilities (UAAL) to covered payroll is 21.23%.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with long-term perspective of the calculations.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

In the January 1, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.40% discount rate, which is based on the estimated long-term investment yield on the general assets of the County using an underlying long-term inflation assumption of 3%. The annual healthcare cost trend rate is 8.00% initially, reduced incrementally to an ultimate rate of 5.00% after twenty years. The unfunded actuarial accrued liability is being amortized as a level dollar amount over an open 30-year period.

Management Agreement

The County has a management contract with Historic Union Depot, Inc. (H.U.D.) which requires H.U.D. to manage the Depot for the ultimate benefit of the public; to carry out a program of cultural, recreational, social or similar community services and artistic activities.

The County is required to provide H.U.D. with a statement of actual operating costs within 60 days of year end. If actual operating costs exceed the annual payments from H.U.D., the County Board's annual contribution, and any rental income received by the County towards annual operating expenses, the H.U.D. is responsible to pay this additional amount to the County within 30 days of notice by the County. If actual operating costs are less than the annual payments from H.U.D., the County Board's annual contribution, and any rental income received by the County towards annual operating expenses, the County will adjust the H.U.D. annual payment for the following year. As of December 31, 2008, H.U.D. owed the County \$77,455 under this agreement. During 2009, the County Board authorized a one-time shortfall forgiveness of this amount. H.U.D. owes the County nothing at December 31, 2009.

Northwoods Townhomes Project

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

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

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

Tax Forfeited Land Management

The County manages over 895,000 acres of state-owned tax-forfeited land. This land generates revenues primarily from recreational land leases and land and timber sales. Land management costs, including forestry costs such as site preparation, seedlings, tree planting and logging roads, are accounted for as current operating expenditures. Revenues in excess of expenditures are distributed to the County and cities, towns, and school districts within the County according to state statute.

Subsequent Event

The Supervised Living Facilities Enterprise Fund was closed effective January 1, 2010.

Required
Supplementary
Data

St. Louis County, Minnesota
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFIT PLAN
Year ended December 31, 2009

The County currently has no assets that have been irrevocably deposited in a trust for future health benefits. Therefore, the actuarial value of assets is zero. Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* became effective for the year ended December 31, 2007. Information for prior years is unavailable.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2006	\$ -	\$ 11,924,204	\$ 11,924,204	0.00%	\$ 89,215,752	13.37%
1/1/2008	-	20,002,896	20,002,896	0.00	94,230,038	21.23

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFIT PLAN
December 31, 2009

Year Ended December 31	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	\$ 1,517,405	\$ 1,114,889	136.10%
2008	680,051	1,729,664	39.32
2009	848,894	1,743,979	48.68

Supplementary

Data

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Northeast Minnesota Housing Consortium - This fund includes Cook, Itasca, Koochiching, Lake, and St. Louis Counties 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 - This fund is used to account for the Minnesota Pollution Control Loan Program.

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

Debt Service Fund

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

Permanent Fund

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

Shoreline Sales - This fund is used to account for proceeds from the sale of land, including interest, under Minn. Laws 1999 Ch. 180. The principal from the sale of land may not be expended while any interest earnings may be spent by the County Board only for the purpose related to the improvement of natural resources.

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Special Revenue Funds		
	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
ASSETS			
Cash and cash equivalents	\$ 1,008,465	\$ 540	\$ -
Investments	-	-	-
Delinquent taxes receivable	12,232	-	-
Accounts receivable (net)	4,114	2,370	18,900
Loans receivable	125,000	-	-
Due from other governments	-	1,071,596	227,835
Total Assets	1,149,811	1,074,506	246,735
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	61,704	1,800
Salaries payable	-	7,530	2,240
Interfund payable	-	137,660	34,879
Due to other governments	-	867,612	207,816
Deferred revenue	14,695	-	-
Total Liabilities	14,695	1,074,506	246,735
Fund Balances:			
Reserved for:			
Noncurrent loans	125,000	-	-
Encumbrances	-	-	-
Environmental trust funds	-	-	-
Improvement of natural resources	-	-	-
Unreserved:			
Designated for loan repayment	-	-	-
Designated for future loans	-	-	-
Undesignated	1,010,116	-	-
Total Fund Balance	1,135,116	-	-
Total Liabilities and Fund Balance	\$ 1,149,811	\$ 1,074,506	\$ 246,735

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

Special Revenue Funds (continued)

	Septic Loan	Forest Resources	Total
ASSETS			
Cash and cash equivalents	\$ 130,536	\$ 6,544,151	\$ 7,683,692
Investments	-	-	-
Delinquent taxes receivable	-	-	12,232
Accounts receivable (net)	9,126	-	34,510
Loans receivable	845,733	-	970,733
Due from other governments	-	-	1,299,431
Total Assets	<u>985,395</u>	<u>6,544,151</u>	<u>10,000,598</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	10,975	74,479
Salaries payable	-	-	9,770
Interfund payable	-	-	172,539
Due to other governments	-	-	1,075,428
Deferred revenue	-	-	14,695
Total Liabilities	<u>-</u>	<u>10,975</u>	<u>1,346,911</u>
Fund Balances:			
Reserved for:			
Noncurrent loans	845,733	-	970,733
Encumbrances	-	182,453	182,453
Environmental trust funds	-	-	-
Improvement of natural resources	-	-	-
Unreserved:			
Designated for loan repayment	23,144	-	23,144
Designated for future loans	116,518	-	116,518
Undesignated	-	6,350,723	7,360,839
Total Fund Balance	<u>985,395</u>	<u>6,533,176</u>	<u>8,653,687</u>
Total Liabilities and Fund Balance	<u>\$ 985,395</u>	<u>\$ 6,544,151</u>	<u>\$ 10,000,598</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Debt Service Fund	Permanent Fund Shoreline Sales	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,505,102	\$ 8,015	\$ 9,196,809
Investments	-	5,859,030	5,859,030
Delinquent taxes receivable	398,416	-	410,648
Accounts receivable (net)	-	-	34,510
Loans receivable	-	-	970,733
Due from other governments	55	-	1,299,486
Total Assets	<u>1,903,573</u>	<u>5,867,045</u>	<u>17,771,216</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	-	74,479
Salaries payable	-	-	9,770
Interfund payable	-	-	172,539
Due to other governments	-	-	1,075,428
Deferred revenue	347,060	-	361,755
Total Liabilities	<u>347,060</u>	<u>-</u>	<u>1,693,971</u>
Fund Balances:			
Reserved for:			
Noncurrent loans	-	-	970,733
Encumbrances	-	-	182,453
Environmental trust funds	-	5,568,989	5,568,989
Improvement of natural resources	-	298,056	298,056
Unreserved:			
Designated for loan repayment	-	-	23,144
Designated for future loans	-	-	116,518
Undesignated	1,556,513	-	8,917,352
Total Fund Balance	<u>1,556,513</u>	<u>5,867,045</u>	<u>16,077,245</u>
Total Liabilities and Fund Balance	<u>\$ 1,903,573</u>	<u>\$ 5,867,045</u>	<u>\$ 17,771,216</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds		
	Housing and Redevelopment Authority	Community Development Block Grant	Northeast Minnesota Housing Consortium
REVENUES			
Taxes	\$ 186,271	\$ -	\$ -
Intergovernmental	11,918	3,261,285	1,075,187
Earnings on investments	-	-	-
Miscellaneous	-	-	-
Total Revenues	198,189	3,261,285	1,075,187
EXPENDITURES			
Current:			
Health and sanitation			
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Economic development	48,383	3,261,285	1,075,187
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	48,383	3,261,285	1,075,187
Excess (deficiency) of revenues over expenditures	149,806	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Refunding bonds redeemed	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balances	149,806	-	-
Fund Balance - January 1	985,310	-	-
Fund Balance - December 31	\$ 1,135,116	\$ -	\$ -

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Special Revenue Funds (continued)

	Septic Loan	Forest Resources	Total
REVENUES			
Taxes	\$ -	\$ 571,040	\$ 757,311
Intergovernmental	-	121,311	4,469,701
Earnings on investments	22,131	-	22,131
Miscellaneous	-	392	392
Total Revenues	<u>22,131</u>	<u>692,743</u>	<u>5,249,535</u>
EXPENDITURES			
Current:			
Health and sanitation	9,600	-	9,600
Culture and recreation	-	50,000	50,000
Conservation of natural resources	-	660,170	660,170
Economic development	-	-	4,384,855
Debt service:			
Principal	23,174	-	23,174
Interest and other charges	295	-	295
Total expenditures	<u>33,069</u>	<u>710,170</u>	<u>5,128,094</u>
Excess (deficiency) of revenues over expenditures	<u>(10,938)</u>	<u>(17,427)</u>	<u>121,441</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	640,445	740,445
Transfers out	-	(200,000)	(200,000)
Refunding bonds redeemed	-	-	-
Total other financing sources and uses	<u>100,000</u>	<u>440,445</u>	<u>540,445</u>
Net change in fund balances	89,062	423,018	661,886
Fund Balance - January 1	<u>896,333</u>	<u>6,110,158</u>	<u>7,991,801</u>
Fund Balance - December 31	<u>\$ 985,395</u>	<u>\$ 6,533,176</u>	<u>\$ 8,653,687</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Debt Service Fund	Permanent Fund Shoreline Sales	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 5,888,439	\$ -	\$ 6,645,750
Intergovernmental	779,422	-	5,249,123
Earnings on investments	6,268	934,853	963,252
Miscellaneous	298,913	-	299,305
Total Revenues	<u>6,973,042</u>	<u>934,853</u>	<u>13,157,430</u>
EXPENDITURES			
Current:			
Health and sanitation	-	-	9,600
Culture and recreation	-	-	50,000
Conservation of natural resources	-	-	660,170
Economic development	-	-	4,384,855
Debt service:			
Principal	5,143,200	-	5,166,374
Interest and other charges	2,256,553	-	2,256,848
Total expenditures	<u>7,399,753</u>	<u>-</u>	<u>12,527,847</u>
Excess (deficiency) of revenues over expenditures	<u>(426,711)</u>	<u>934,853</u>	<u>629,583</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	44,185	-	784,630
Transfers out	-	(487,000)	(687,000)
Refunding bonds redeemed	(7,795,000)	-	(7,795,000)
Total other financing sources and uses	<u>(7,750,815)</u>	<u>(487,000)</u>	<u>(7,697,370)</u>
Net change in fund balances	(8,177,526)	447,853	(7,067,787)
Fund Balance - January 1	<u>9,734,039</u>	<u>5,419,192</u>	<u>23,145,032</u>
Fund Balance - December 31	<u>\$ 1,556,513</u>	<u>\$ 5,867,045</u>	<u>\$ 16,077,245</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Taxes	\$ 187,682	\$ 186,271	\$ (1,411)
Intergovernmental	11,918	11,918	-
Total Revenues	<u>199,600</u>	<u>198,189</u>	<u>(1,411)</u>
 EXPENDITURES			
Economic development			
Personnel services	78,822	6,879	(71,943)
Other operating	249,600	41,504	(208,096)
Total Expenditures	<u>328,422</u>	<u>48,383</u>	<u>(280,039)</u>
Excess of Revenues Over (Under) Expenditures	(128,822)	149,806	278,628
Fund Balance - January 1	<u>985,310</u>	<u>985,310</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 856,488</u>	<u>\$ 1,135,116</u>	<u>\$ 278,628</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 5,739,838	\$ 5,844,035	\$ 3,261,285	\$ (2,582,750)
EXPENDITURES				
Economic development				
Personal services	439,966	439,966	314,928	(125,038)
Other operating	5,299,872	5,404,069	2,946,357	(2,457,712)
Total Expenditures	5,739,838	5,844,035	3,261,285	(2,582,750)
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NORTHEAST MINNESOTA HOUSING CONSORTIUM SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,880,000	\$ 1,880,000	\$ 1,075,187	\$ (804,813)
EXPENDITURES				
Economic development				
Personal services	-	88,654	84,612	(4,042)
Other operating	1,880,000	1,791,346	990,575	(800,771)
Total Expenditures	<u>1,880,000</u>	<u>1,880,000</u>	<u>1,075,187</u>	<u>(804,813)</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SEPTIC LOAN SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Earnings on investments	\$ -	\$ 20,800	\$ 22,131	\$ 1,331
EXPENDITURES				
Health and sanitation				
Other operating	100,000	100,000	9,600	(90,400)
Debt Service				
Principal	-	23,174	23,174	-
Interest and other charges	-	295	295	-
Total Expenditures	<u>100,000</u>	<u>123,469</u>	<u>33,069</u>	<u>(90,400)</u>
Excess of Revenues Over (Under) Expenditures	(100,000)	(102,669)	(10,938)	91,731
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	-	(2,669)	89,062	91,731
Fund Balance - January 1	<u>896,333</u>	<u>896,333</u>	<u>896,333</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 896,333</u>	<u>\$ 893,664</u>	<u>\$ 985,395</u>	<u>\$ 91,731</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOREST RESOURCES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 580,247	\$ 580,247	\$ 571,040	\$ (9,207)
Intergovernmental	100,000	100,000	121,311	21,311
Miscellaneous	-	-	392	392
Total Revenues	<u>680,247</u>	<u>680,247</u>	<u>692,743</u>	<u>12,496</u>
EXPENDITURES				
Culture and recreation				
Other operating	50,000	50,000	50,000	-
Conservation of natural resources				
Other operating	<u>1,599,439</u>	<u>1,651,939</u>	<u>660,170</u>	<u>(991,769)</u>
Total Expenditures	<u>1,649,439</u>	<u>1,701,939</u>	<u>710,170</u>	<u>(991,769)</u>
Excess of Revenues Over (Under) Expenditures	(969,192)	(1,021,692)	(17,427)	1,004,265
OTHER FINANCING SOURCES (USES)				
Transfers in	582	640,445	640,445	-
Transfers out	<u>(837,174)</u>	<u>(837,174)</u>	<u>(200,000)</u>	<u>637,174</u>
Total other financing sources and uses	<u>(836,592)</u>	<u>(196,729)</u>	<u>440,445</u>	<u>637,174</u>
Net change in fund balances	(1,805,784)	(1,218,421)	423,018	1,641,439
Fund Balance - January 1	<u>6,110,158</u>	<u>6,110,158</u>	<u>6,110,158</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 4,304,374</u>	<u>\$ 4,891,737</u>	<u>\$ 6,533,176</u>	<u>\$ 1,641,439</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,835,908	\$ 5,835,908	\$ 5,888,439	\$ 52,531
Intergovernmental	779,422	779,422	779,422	-
Earnings on investments	-	-	6,268	6,268
Miscellaneous	294,188	294,188	298,913	4,725
Total Revenues	<u>6,909,518</u>	<u>6,909,518</u>	<u>6,973,042</u>	<u>63,524</u>
EXPENDITURES				
Debt service				
Principal	5,143,200	5,143,200	5,143,200	-
Interest and fiscal charges	2,255,893	2,256,553	2,256,553	-
Total Expenditures	<u>7,399,093</u>	<u>7,399,753</u>	<u>7,399,753</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(489,575)	(490,235)	(426,711)	63,524
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	44,185	44,185
Refunding bonds redeemed	(7,795,000)	(7,795,000)	(7,795,000)	-
Total other financing sources (uses)	<u>(7,795,000)</u>	<u>(7,795,000)</u>	<u>(7,750,815)</u>	<u>44,185</u>
Net change in fund balances	(8,284,575)	(8,285,235)	(8,177,526)	107,709
Fund Balance - January 1	<u>9,734,039</u>	<u>9,734,039</u>	<u>9,734,039</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,449,464</u>	<u>\$ 1,448,804</u>	<u>\$ 1,556,513</u>	<u>\$ 107,709</u>

Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

Community Foods - This fund is used to account for providing meals and for participants in various programs administered by the Public Health and Human Services Department and other agencies. It was closed effective January 1, 2009.

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

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF NET ASSETS
SUPERVISED LIVING FACILITIES
NONMAJOR ENTERPRISE FUND
 DECEMBER 31, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 315,112
Accounts receivable (net)	116,411
Due from other governments	64,055
Total current assets	495,578

Total assets	495,578
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LIABILITIES

Current liabilities:

Accounts payable	19,116
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NET ASSETS

Unrestricted	476,462
Total net assets	\$ 476,462

ST. LOUIS COUNTY, MINNESOTA
**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS**
FOR THE YEAR ENDED DECEMBER 31, 2009

	Community Food	Supervised Living Facilities	Total
Operating Revenues			
Charges for services	\$ -	\$ 682,566	\$ 682,566
Other	-	2,741	2,741
Total Operating Revenues	<u>-</u>	<u>685,307</u>	<u>685,307</u>
Operating Expenses			
Personal services	-	402,955	402,955
Contractual services	-	161,672	161,672
Materials	-	10,079	10,079
Total Operating Expenses	<u>-</u>	<u>574,706</u>	<u>574,706</u>
Operating Income (Loss)	-	110,601	110,601
Transfer in	<u>114,251</u>	<u>-</u>	<u>114,251</u>
Changes in net assets	114,251	110,601	224,852
Net assets - January 1	<u>(114,251)</u>	<u>365,861</u>	<u>251,610</u>
Net assets - December 31	<u>\$ -</u>	<u>\$ 476,462</u>	<u>\$ 476,462</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Community Food	Supervised Living Facilities	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 173,461	\$ 756,479	\$ 929,940
Payments to suppliers	(6,842)	(153,913)	(160,755)
Payments to employees	(131,774)	(643,398)	(775,172)
Other receipts (payments)	(1,008)	2,741	1,733
Net cash provided (used) by operating activities	<u>33,837</u>	<u>(38,091)</u>	<u>(4,254)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund transfer	114,251	-	114,251
Repayment of interfund loan	<u>(148,148)</u>	<u>-</u>	<u>(148,148)</u>
Net cash provided (used) by noncapital financing activities	<u>(33,897)</u>	<u>-</u>	<u>(33,897)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(60)	(38,091)	(38,151)
Balances - January 1	<u>60</u>	<u>353,203</u>	<u>353,263</u>
Balances - December 31	<u>\$ -</u>	<u>\$ 315,112</u>	<u>\$ 315,112</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ -	\$ 110,601	\$ 110,601
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) Decrease Receivables, net	49,064	22,206	71,270
(Increase) Decrease Due from other governments	124,397	51,707	176,104
(Increase) Decrease Inventories	8,697	-	8,697
(Increase) Decrease Prepaid items	7,493	-	7,493
Increase (Decrease) Accounts payable	(23,032)	17,838	(5,194)
Increase (Decrease) Salaries payable	(27,524)	(240,443)	(267,967)
Increase (Decrease) Compensated absences payable	(104,250)	-	(104,250)
Increase (Decrease) Due to other governments	(1,008)	-	(1,008)
Total Adjustments	<u>33,837</u>	<u>(148,692)</u>	<u>(114,855)</u>
Net cash provided by operating activities	<u>\$ 33,837</u>	<u>\$ (38,091)</u>	<u>\$ (4,254)</u>
Non-Cash Activities			
Disposal of fully depreciated capital assets	\$ -	\$ 9,000	\$ 9,000

Internal Service Funds

INTERNAL SERVICE FUNDS

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

Printing - This fund is used to account for providing office supplies, materials, printing, and postage to County departments.

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

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

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

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

Management Information Systems - This fund is used to account for computer services and programming services to County departments.

Telecommunications - This fund is used to account for the County communications system.

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

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009

	<u>Printing</u>	<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 153,974	\$ 1,116,595	\$ 487,646	\$ 828,968
Investments	-	-	7,287,854	6,990,796
Accounts receivable	1,589	-	1,004	1,098
Accrued interest receivable	-	-	63,590	48,675
Due from other governments	11,247	-	-	43,260
Inventories	41,206	60,251	-	-
Prepaid items	-	-	-	-
Total current assets	<u>208,016</u>	<u>1,176,846</u>	<u>7,840,094</u>	<u>7,912,797</u>
Capital assets:				
Land	-	25,500	-	-
Buildings and structures	-	788,509	-	-
Machinery and equipment	35,505	79,214	-	-
Vehicles	-	2,062,099	-	-
Less accumulated depreciation	<u>(17,878)</u>	<u>(1,712,664)</u>	<u>-</u>	<u>-</u>
Total capital asset (net)	<u>17,627</u>	<u>1,242,658</u>	<u>-</u>	<u>-</u>
Total assets	<u>225,643</u>	<u>2,419,504</u>	<u>7,840,094</u>	<u>7,912,797</u>
LIABILITIES				
Current liabilities:				
Accounts payable	34,801	13,725	3,253	353,979
Salaries payable	4,126	12,405	-	20,142
Compensated absences payable	10,477	40,878	-	-
Claims payable	-	-	-	862,941
Due to other governments	-	1,618	-	82,809
Unearned revenue	-	-	-	-
Total current liabilities	<u>49,404</u>	<u>68,626</u>	<u>3,253</u>	<u>1,319,871</u>
Noncurrent liabilities:				
Compensated absences payable	103,024	152,747	-	-
Claims payable	-	-	81,280	4,547,576
OPEB obligation	-	-	-	-
Total non-current liabilities	<u>103,024</u>	<u>152,747</u>	<u>81,280</u>	<u>4,547,576</u>
Total liabilities	<u>152,428</u>	<u>221,373</u>	<u>84,533</u>	<u>5,867,447</u>
NET ASSETS				
Invested in capital assets	17,627	1,242,658	-	-
Unrestricted	<u>55,588</u>	<u>955,473</u>	<u>7,755,561</u>	<u>2,045,350</u>
Total net assets	<u>\$ 73,215</u>	<u>\$ 2,198,131</u>	<u>\$ 7,755,561</u>	<u>\$ 2,045,350</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009

	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Retired Employees' Health Insurance</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 760,263	\$ 2,616,536	\$ 870,267	\$ 523,992	\$ 7,358,241
Investments	13,169,652	-	-	-	27,448,302
Accounts receivable	600,668	233	129	-	604,721
Accrued interest receivable	91,836	-	-	-	204,101
Due from other governments	680	7,750	10,032	-	72,969
Inventories	-	3,595	27,578	-	132,630
Prepaid items	135,167	-	-	-	135,167
Total current assets	<u>14,758,266</u>	<u>2,628,114</u>	<u>908,006</u>	<u>523,992</u>	<u>35,956,131</u>
Capital assets:					
Land	-	-	-	-	25,500
Buildings and structures	-	66,468	-	-	854,977
Machinery and equipment	-	1,036,290	1,532,492	-	2,683,501
Vehicles	-	-	-	-	2,062,099
Less accumulated depreciation	-	(681,389)	(1,395,810)	-	(3,807,741)
Total capital asset (net)	<u>-</u>	<u>421,369</u>	<u>136,682</u>	<u>-</u>	<u>1,818,336</u>
Total assets	<u>14,758,266</u>	<u>3,049,483</u>	<u>1,044,688</u>	<u>523,992</u>	<u>37,774,467</u>
LIABILITIES					
Current liabilities:					
Accounts payable	310	79,336	48,693	-	534,097
Salaries payable	-	85,662	14,468	-	136,803
Compensated absences payable	-	175,738	26,383	224,226	477,702
Claims payable	2,037,416	-	-	-	2,900,357
Due to other governments	1,634	683	33,958	-	120,702
Unearned revenue	1,008,848	-	-	-	1,008,848
Total current liabilities	<u>3,048,208</u>	<u>341,419</u>	<u>123,502</u>	<u>224,226</u>	<u>5,178,509</u>
Noncurrent liabilities:					
Compensated absences payable	-	1,046,128	154,339	299,766	1,756,004
Claims payable	-	-	-	-	4,628,856
OPEB obligation	1,542,182	-	-	-	1,542,182
Total non-current liabilities	<u>1,542,182</u>	<u>1,046,128</u>	<u>154,339</u>	<u>299,766</u>	<u>7,927,042</u>
Total liabilities	<u>4,590,390</u>	<u>1,387,547</u>	<u>277,841</u>	<u>523,992</u>	<u>13,105,551</u>
NET ASSETS					
Invested in capital assets	-	421,369	136,682	-	1,818,336
Unrestricted	10,167,876	1,240,567	630,165	-	22,850,580
Total net assets	<u>\$ 10,167,876</u>	<u>\$ 1,661,936</u>	<u>\$ 766,847</u>	<u>\$ -</u>	<u>\$ 24,668,916</u>

ST. LOUIS COUNTY, MINNESOTA
**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS**
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Printing</u>	<u>County Garage</u>	<u>Property, Casualty, Liability Insurance</u>	<u>Workers' Compensation Insurance</u>
Operating Revenues:				
Charges for services	\$ 1,179,170	\$ 1,827,594	\$ -	\$ 3,041,958
Other	637	30,576	13,490	581,536
Total Operating Revenues	<u>1,179,807</u>	<u>1,858,170</u>	<u>13,490</u>	<u>3,623,494</u>
Operating Expenses:				
Personal services	195,653	523,706	60,599	522,421
Contractual services	1,156,198	150,903	159,316	3,895,693
Materials	31,892	703,102	-	-
OPEB expense	-	-	-	-
Depreciation	904	231,737	-	-
Total Operating Expenses	<u>1,384,647</u>	<u>1,609,448</u>	<u>219,915</u>	<u>4,418,114</u>
Operating Income (Loss)	<u>(204,840)</u>	<u>248,722</u>	<u>(206,425)</u>	<u>(794,620)</u>
Nonoperating revenues (expenses):				
Earnings on investments	-	-	193,353	146,974
Loss or gain on asset disposal	<u>(1,138)</u>	<u>(20,235)</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(1,138)</u>	<u>(20,235)</u>	<u>193,353</u>	<u>146,974</u>
Income (Loss) Before Transfers	<u>(205,978)</u>	<u>228,487</u>	<u>(13,072)</u>	<u>(647,646)</u>
Transfers in	-	57,856	-	-
Transfers (out)	-	-	<u>(754,996)</u>	-
Total Transfers	<u>-</u>	<u>57,856</u>	<u>(754,996)</u>	<u>-</u>
Changes in net assets	<u>(205,978)</u>	<u>286,343</u>	<u>(768,068)</u>	<u>(647,646)</u>
Total net assets - January 1	<u>279,193</u>	<u>1,911,788</u>	<u>8,523,629</u>	<u>2,692,996</u>
Total net assets - December 31	<u>\$ 73,215</u>	<u>\$ 2,198,131</u>	<u>\$ 7,755,561</u>	<u>\$ 2,045,350</u>

ST. LOUIS COUNTY, MINNESOTA
**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS**
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Medical/ Dental Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Retired Employees' Health Insurance</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ 30,643,376	\$ 4,024,449	\$ 1,466,351	\$ 191,030	\$ 42,373,928
Other	-	392,112	2,959	-	1,021,310
Total Operating Revenues	<u>30,643,376</u>	<u>4,416,561</u>	<u>1,469,310</u>	<u>191,030</u>	<u>43,395,238</u>
Operating Expenses:					
Personal services	-	3,082,650	550,539	-	4,935,568
Contractual services	28,677,398	716,913	682,260	191,030	35,629,711
Materials	-	40,390	282,400	-	1,057,784
OPEB expense	895,085	-	-	-	895,085
Depreciation	-	170,177	63,649	-	466,467
Total Operating Expenses	<u>29,572,483</u>	<u>4,010,130</u>	<u>1,578,848</u>	<u>191,030</u>	<u>42,984,615</u>
Operating Income (Loss)	<u>1,070,893</u>	<u>406,431</u>	<u>(109,538)</u>	<u>-</u>	<u>410,623</u>
Nonoperating revenues (expenses):					
Earnings on investments	248,545	-	-	-	588,872
Loss or gain on asset disposal	-	(19,492)	-	-	(40,865)
Total Nonoperating Revenues (Expenses)	<u>248,545</u>	<u>(19,492)</u>	<u>-</u>	<u>-</u>	<u>548,007</u>
Income (Loss) Before Transfers	1,319,438	386,939	(109,538)	-	958,630
Transfers in	-	-	-	-	57,856
Transfers (out)	-	(500,000)	(100,000)	-	(1,354,996)
Total Transfers	<u>-</u>	<u>(500,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(1,297,140)</u>
Changes in net assets	1,319,438	(113,061)	(209,538)	-	(338,510)
Total net assets - January 1	<u>8,848,438</u>	<u>1,774,997</u>	<u>976,385</u>	<u>-</u>	<u>25,007,426</u>
Total net assets - December 31	<u>\$ 10,167,876</u>	<u>\$ 1,661,936</u>	<u>\$ 766,847</u>	<u>\$ -</u>	<u>\$ 24,668,916</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Printing	County Garage	Property, Casualty, Liability Insurance	Workers' Compensation Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 124,068	\$ -	\$ -	\$ -
Receipts from interfund services provided	1,071,100	1,831,773	-	2,997,600
Payments to suppliers	(1,132,186)	(873,202)	1,449	269,758
Payments to employees	(163,382)	(508,696)	(60,599)	(522,618)
Claims paid	-	-	(121,315)	(2,882,582)
Other receipts (payments)	637	29,444	12,486	585,132
Net cash provided (used) by operating activities	<u>(99,763)</u>	<u>479,319</u>	<u>(167,979)</u>	<u>447,290</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to other funds	-	-	(754,996)	-
Proceeds from interfund transfer	-	57,856	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>57,856</u>	<u>(754,996)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(261,082)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	-	(7,772,854)	(9,121,796)
Sale of investments	-	-	8,410,930	8,754,441
Interest and dividends	-	-	234,600	172,607
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>872,676</u>	<u>(194,748)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(99,763)	276,093	(50,299)	252,542
Balances - January 1	253,737	840,502	537,945	576,426
Balances - December 31	<u>\$ 153,974</u>	<u>\$ 1,116,595</u>	<u>\$ 487,646</u>	<u>\$ 828,968</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (204,840)	\$ 248,722	\$ (206,425)	\$ (794,620)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	904	231,737	-	-
(Increase) Decrease Receivables, net	481	4,179	(1,004)	(44,358)
(Increase) Decrease Due from other governments	15,517	-	-	-
(Increase) Decrease Inventories	165,170	(16,518)	-	-
(Increase) Decrease Prepaid items	-	-	-	-
Increase (Decrease) Accounts payable	(109,266)	(2,679)	1,449	269,758
Increase (Decrease) Salaries payable	632	(2,214)	-	(197)
Increase (Decrease) Compensated absences payable	31,639	17,224	-	-
Increase (Decrease) Claims payable	-	-	38,001	1,013,111
Increase (Decrease) Due to other governments	-	(1,132)	-	3,596
Increase (Decrease) OPEB obligation	-	-	-	-
Increase (Decrease) Unearned revenue	-	-	-	-
Total Adjustments	105,077	230,597	38,446	1,241,910
Net cash provided by operating activities	<u>\$ (99,763)</u>	<u>\$ 479,319</u>	<u>\$ (167,979)</u>	<u>\$ 447,290</u>
NON-CASH ACTIVITIES				
Disposal of fully depreciated capital assets	\$ 10,252	\$ 186,307	\$ -	\$ -

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Medical/ Dental Insurance	Management Information Systems	Telecommu- nications	Retired Employees' Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ -	\$ 60,947	\$ 65,784	\$ -	\$ 250,799
Receipts from interfund services provided	30,716,280	3,978,341	1,390,406	191,030	42,176,530
Payments to suppliers	-	(859,489)	(1,014,241)	-	(3,607,911)
Payments to employees	-	(2,934,166)	(504,427)	(242,376)	(4,936,264)
Claims paid	(28,794,330)	-	-	-	(31,798,227)
Other receipts (payments)	-	392,795	5,816	-	1,026,310
Net cash provided (used) by operating activities	<u>1,921,950</u>	<u>638,428</u>	<u>(56,662)</u>	<u>(51,346)</u>	<u>3,111,237</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer to other funds	-	(500,000)	(100,000)	-	(1,354,996)
Proceeds from interfund transfer	-	-	-	-	57,856
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(500,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(1,297,140)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	-	(137,876)	-	-	(398,958)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(17,869,652)	-	-	-	(34,764,302)
Sale of investments	14,837,000	-	-	-	32,002,371
Interest and dividends	244,451	-	-	-	651,658
Net cash provided by investing activities	<u>(2,788,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,110,273)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(866,251)	552	(156,662)	(51,346)	(695,134)
Balances - January 1	1,626,514	2,615,984	1,026,929	575,338	8,053,375
Balances - December 31	<u>\$ 760,263</u>	<u>\$ 2,616,536</u>	<u>\$ 870,267</u>	<u>\$ 523,992</u>	<u>\$ 7,358,241</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,070,893	\$ 406,431	\$ (109,538)	\$ -	\$ 410,623
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	-	170,177	63,649	-	466,467
(Increase) Decrease Receivables, net	79,823	(233)	(129)	-	38,759
(Increase) Decrease Due to other governments	(680)	15,072	(10,032)	-	19,877
(Increase) Decrease Inventories	-	2,686	(17,149)	-	134,189
(Increase) Decrease Prepaid items	(45,398)	-	-	-	(45,398)
Increase (Decrease) Accounts payable	-	(104,872)	(32,432)	-	21,958
Increase (Decrease) Salaries payable	-	(7,008)	377	-	(8,410)
Increase (Decrease) Compensated absences payable	-	155,492	45,735	(51,346)	198,744
Increase (Decrease) Claims payable	(71,534)	-	-	-	979,578
Increase (Decrease) Due to other governments	1,634	683	2,857	-	7,638
Increase (Decrease) OPEB obligation	895,085	-	-	-	895,085
Increase (Decrease) Unearned revenue	(7,873)	-	-	-	(7,873)
Total Adjustments	851,057	231,997	52,876	(51,346)	2,700,614
Net cash provided by operating activities	<u>\$ 1,921,950</u>	<u>\$ 638,428</u>	<u>\$ (56,662)</u>	<u>\$ (51,346)</u>	<u>\$ 3,111,237</u>
NON-CASH ACTIVITIES					
Disposal of fully depreciated capital assets	\$ -	\$ 731,349	\$ 73,579	\$ -	\$ 1,001,487

Fiduciary Funds

FIDUCIARY FUNDS

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

Investment Trust Funds

Taconite Relief - This fund is used to account for the tax imposed by Minn. Stat. 298.015 as an individual investment account for the State of Minnesota.

Taconite Production Tax -This fund is used to account for the tax imposed by Minn. Stat. 298.24 as an individual investment account for the State of Minnesota.

AGENCY FUNDS

State of Minnesota - This 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 - This fund is used to account for the funds collected from the sale of intoxicating beer and auctioneer licenses by the County and payments to the County and State of Minnesota for these licenses.

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

Payroll Deductions - This 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 organization for deductions not covered in another agency fund.

Series EE Savings Bond - This 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.

Canceled Check - This 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.

AGENCY FUNDS Continued

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

Permit to Carry Firearms - This fund is used to account for fees collected for the sale of permits to carry firearms.

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

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

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

Regional Railroad Authority - This 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 - This fund is used to account for the financial transactions of the Northern Counties Land Use Board for whom the County is the fiscal agent.

Agency Miscellaneous - This fund is used to account for the activities not accounted for in another agency fund.

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	Investment Trust Funds		
	Taconite Relief	Taconite Production Tax	Total
ASSETS			
Investments	\$ 21,536,391	\$ 449,491	\$ 21,985,882
Accrued interest receivable	509,555	-	509,555
Total Assets	22,045,946	449,491	22,495,437
LIABILITIES			
Due to other governments	-	449,491	449,491
Total Liabilities	-	449,491	449,491
NET ASSETS			
Held in trust for pool participants and other purposes	\$ 22,045,946	\$ -	\$ 22,045,946

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Investment Trust Funds		
	Taconite Relief	Taconite Production Tax	Total
ADDITIONS			
Taconite taxes	\$ 9,770,710	\$ 22,823,186	\$ 32,593,896
Earnings on investments	714,104	6,097	720,201
Total Additions	10,484,814	22,829,283	33,314,097
DEDUCTIONS			
Distribution to participants	11,497,359	22,829,283	34,326,642
Changes in net assets	(1,012,545)	-	(1,012,545)
Net assets - January 1	23,058,491	-	23,058,491
Net assets - December 31	\$ 22,045,946	\$ -	\$ 22,045,946

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
STATE OF MINNESOTA FUND				
ASSETS				
Cash and cash equivalents	\$ 455,026	\$ 17,506,926	\$ 17,686,156	\$ 275,796
Due from other governments	136,783	288,796	136,783	288,796
Total Assets	<u>\$ 591,809</u>	<u>\$ 17,795,722</u>	<u>\$ 17,822,939</u>	<u>\$ 564,592</u>
LIABILITIES				
Due to other governments	<u>\$ 591,809</u>	<u>\$ 17,795,722</u>	<u>\$ 17,822,939</u>	<u>\$ 564,592</u>
BEER-AUCTIONEER LICENSES FUND				
ASSETS				
Cash and cash equivalents	\$ 2,510	\$ 2,365	\$ 2,660	\$ 2,215
LIABILITIES				
Due to other governments	<u>\$ 2,510</u>	<u>\$ 2,365</u>	<u>\$ 2,660</u>	<u>\$ 2,215</u>
TAXES AND PENALTIES FUND				
ASSETS				
Cash and cash equivalents	\$ 3,127,881	\$ 309,477,938	\$ 309,269,531	\$ 3,336,288
Delinquent taxes receivable	602,440	-	602,440	-
Due from other governments	376,677	339,040	376,677	339,040
Total Assets	<u>\$ 4,106,998</u>	<u>\$ 309,816,978</u>	<u>\$ 310,248,648</u>	<u>\$ 3,675,328</u>
LIABILITIES				
Due to other governments	<u>\$ 4,106,998</u>	<u>\$ 309,816,978</u>	<u>\$ 310,248,648</u>	<u>\$ 3,675,328</u>
PAYROLL DEDUCTIONS FUND				
ASSETS				
Cash and cash equivalents	\$ 723,002	\$ 54,206,546	\$ 54,224,917	\$ 704,631
Accounts receivable	26	21	26	21
Total Assets	<u>\$ 723,028</u>	<u>\$ 54,206,567</u>	<u>\$ 54,224,943</u>	<u>\$ 704,652</u>
LIABILITIES				
Accounts payable	\$ 699,753	\$ 23,198,010	\$ 23,210,116	\$ 687,647
Due to other governments	23,275	31,008,557	31,014,827	17,005
Total Liabilities	<u>\$ 723,028</u>	<u>\$ 54,206,567</u>	<u>\$ 54,224,943</u>	<u>\$ 704,652</u>
SERIES EE SAVINGS BOND FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 1,458</u>	<u>\$ 44,240</u>	<u>\$ 43,952</u>	<u>\$ 1,746</u>
LIABILITIES				
Due to other governments	<u>\$ 1,458</u>	<u>\$ 44,240</u>	<u>\$ 43,952</u>	<u>\$ 1,746</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
CANCELED CHECK FUND				
ASSETS				
Cash and cash equivalents	\$ 2,222	\$ 56,529	\$ 41,159	\$ 17,592
LIABILITIES				
Accounts payable	\$ 2,222	\$ 56,529	\$ 41,159	\$ 17,592
ARROWHEAD REGIONAL CORRECTIONS FUND				
ASSETS				
Cash and cash equivalents	\$ 3,667,586	\$ 23,398,354	\$ 22,790,824	\$ 4,275,116
Investments	2,268,018	2,657,977	2,268,018	2,657,977
Accounts receivable	33,886	18,575	33,886	18,575
Accrued interest receivable	39,856	33,441	39,856	33,441
Due from other governments	1,074,361	1,059,138	1,074,361	1,059,138
Total Assets	<u>\$ 7,083,707</u>	<u>\$ 27,167,485</u>	<u>\$ 26,206,945</u>	<u>\$ 8,044,247</u>
LIABILITIES				
Accounts payable	\$ 261,468	\$ 3,273,339	\$ 3,289,019	\$ 245,788
Salaries payable	639,363	447,159	639,363	447,159
Due to other governments	6,182,876	23,446,987	22,278,563	7,351,300
Total Liabilities	<u>\$ 7,083,707</u>	<u>\$ 27,167,485</u>	<u>\$ 26,206,945</u>	<u>\$ 8,044,247</u>
PERMIT TO CARRY FIREARMS FUND				
ASSETS				
Cash and cash equivalents	\$ 190,229	\$ 129,805	\$ 164,055	\$ 155,979
Accounts receivable	6,195	3,620	6,195	3,620
Total Assets	<u>\$ 196,424</u>	<u>\$ 133,425</u>	<u>\$ 170,250</u>	<u>\$ 159,599</u>
LIABILITIES				
Accounts payable	\$ 22,981	\$ 682	\$ 23,663	\$ -
Due to other governments	173,443	132,743	146,587	159,599
Total Liabilities	<u>\$ 196,424</u>	<u>\$ 133,425</u>	<u>\$ 170,250</u>	<u>\$ 159,599</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
COMMUNITY HEALTH SERVICES FUND				
ASSETS				
Cash and cash equivalents	\$ 441,949	\$ 4,727,030	\$ 4,463,889	\$ 705,090
Accounts receivable	-	35,000	-	35,000
Due from other governments	416,145	397,520	416,145	397,520
Prepaid items	-	1,958	-	1,958
Total Assets	<u>\$ 858,094</u>	<u>\$ 5,161,508</u>	<u>\$ 4,880,034</u>	<u>\$ 1,139,568</u>
LIABILITIES				
Accounts payable	\$ 53,499	\$ 1,121,690	\$ 1,106,959	\$ 68,230
Salaries payable	5,467	6,451	5,467	6,451
Due to other governments	799,128	4,033,367	3,767,608	1,064,887
Total Liabilities	<u>\$ 858,094</u>	<u>\$ 5,161,508</u>	<u>\$ 4,880,034</u>	<u>\$ 1,139,568</u>
DULUTH AREA FAMILY SERVICE COLLABORATIVE FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 58,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,834</u>
LIABILITIES				
Due to other governments	<u>\$ 58,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,834</u>
LOCAL COLLABORATIVE TIME STUDY FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 805,958</u>	<u>\$ 587,070</u>	<u>\$ 494,528</u>	<u>\$ 898,500</u>
LIABILITIES				
Accounts payable	\$ 221	\$ 479,825	\$ 420,679	\$ 59,367
Due to other governments	805,737	107,245	73,849	839,133
Total Liabilities	<u>\$ 805,958</u>	<u>\$ 587,070</u>	<u>\$ 494,528</u>	<u>\$ 898,500</u>
REGIONAL RAILROAD AUTHORITY FUND				
ASSETS				
Cash and cash equivalents	\$ 2,061,003	\$ 2,775,010	\$ 2,434,635	\$ 2,401,378
Delinquent taxes receivable	61,758	77,213	61,758	77,213
Accounts receivable	350	57,096	350	57,096
Due from other governments	54,605	185,512	54,605	185,512
Prepaid items	2,441	-	2,441	-
Total Assets	<u>\$ 2,180,157</u>	<u>\$ 3,094,831</u>	<u>\$ 2,553,789</u>	<u>\$ 2,721,199</u>
LIABILITIES				
Accounts payable	\$ 69,201	\$ 1,907,625	\$ 1,445,833	\$ 530,993
Salaries payable	5,448	6,272	5,448	6,272
Due to other governments	2,105,508	1,180,934	1,102,508	2,183,934
Total Liabilities	<u>\$ 2,180,157</u>	<u>\$ 3,094,831</u>	<u>\$ 2,553,789</u>	<u>\$ 2,721,199</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
NORTHERN COUNTIES				
LAND USE BOARD FUND				
ASSETS				
Cash and cash equivalents	\$ 87,021	\$ 21,270	\$ 11,863	\$ 96,428
LIABILITIES				
Accounts payable	\$ 1,051	\$ 936	\$ 1,051	\$ 936
Due to other governments	85,970	20,334	10,812	95,492
Total Liabilities	<u>\$ 87,021</u>	<u>\$ 21,270</u>	<u>\$ 11,863</u>	<u>\$ 96,428</u>
AGENCY MISCELLANEOUS FUND				
ASSETS				
Cash and cash equivalents	\$ 428,817	\$ 822,379	\$ 907,940	\$ 343,256
Accounts receivable	1,210	3,305	1,210	3,305
Total Assets	<u>\$ 430,027</u>	<u>\$ 825,684</u>	<u>\$ 909,150</u>	<u>\$ 346,561</u>
LIABILITIES				
Due to other governments	<u>\$ 430,027</u>	<u>\$ 825,684</u>	<u>\$ 909,150</u>	<u>\$ 346,561</u>
TOTALS FOR ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 12,053,496	\$ 413,755,462	\$ 412,536,109	\$ 13,272,849
Investments	2,268,018	2,657,977	2,268,018	2,657,977
Delinquent taxes receivable	664,198	77,213	664,198	77,213
Accounts receivable	41,667	117,617	41,667	117,617
Accrued interest receivable	39,856	33,441	39,856	33,441
Due from other governments	2,058,571	2,270,006	2,058,571	2,270,006
Prepaid items	2,441	1,958	2,441	1,958
Total Assets	<u>\$ 17,128,247</u>	<u>\$ 418,913,674</u>	<u>\$ 417,610,860</u>	<u>\$ 18,431,061</u>
LIABILITIES				
Accounts payable	\$ 1,110,396	\$ 30,038,636	\$ 29,538,479	\$ 1,610,553
Salaries payable	650,278	459,882	650,278	459,882
Due to other governments	15,367,573	388,415,156	387,422,103	16,360,626
Total Liabilities	<u>\$ 17,128,247</u>	<u>\$ 418,913,674</u>	<u>\$ 417,610,860</u>	<u>\$ 18,431,061</u>

Miscellaneous Schedules

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS AND INTEREST EARNING DEPOSITS
DECEMBER 31, 2009

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Market</u>
Pooled Investments			
Money market savings account	4.00%	\$ 160,413	\$ 160,413
Now Account	0.50%	52,653,865	52,653,865
Savings Account	1.25%	10,110,797	10,110,797
Certificates of Deposit	1.00% - 4.40%	27,295,571	27,295,571
MAGIC	Varies	15,948,167	15,948,167
FHLB	1.00% - 3.15%	22,221,667	22,321,145
FHLMC	1.50% - 2.00%	2,250,000	2,270,611
FFCB	4.65%	765,000	791,775
FNMA	3.00%	3,000,000	3,000,937
Total Pooled Investments		<u>\$ 134,405,480</u>	<u>\$ 134,553,281</u>
Capital Projects			
Certificates of Deposit	0.99% - 1.90%	\$ 3,933,141	\$ 3,933,141
Now Account	0.50%	4,746,707	4,746,707
Total Capital Projects		<u>\$ 8,679,848</u>	<u>\$ 8,679,848</u>
Shoreland Sales Permanent Fund			
MN Board of Investments	Varies	\$ 5,859,030	\$ 5,859,030
Environmental Services Enterprise Fund			
Certificates of Deposit	0.80% - 2.25%	\$ 17,472,449	\$ 17,472,449
Now Account	0.50%	549,360	549,360
Total Environmental Services Enterprise Fund		<u>\$ 18,021,809</u>	<u>\$ 18,021,809</u>
Property, Casualty, Liability Insurance			
Internal Service Fund			
Certificates of Deposit	0.89% - 2.03%	\$ 7,261,840	\$ 7,261,840
Now Account	0.50%	26,014	26,014
Total Property, Casualty, Liability Insurance		<u>\$ 7,287,854</u>	<u>\$ 7,287,854</u>
Worker's Compensation Insurance			
Internal Service Fund			
Certificates of Deposit	0.95% - 2.70%	\$ 4,940,000	\$ 4,940,000
Now Account	0.50%	2,050,796	2,050,796
Total Workers' Compensation Insurance		<u>\$ 6,990,796</u>	<u>\$ 6,990,796</u>
Medical/Dental Insurance			
Internal Service Fund			
Certificates of Deposit	1.10% - 3.25%	\$ 9,561,000	\$ 9,561,000
Now Account	0.50%	3,608,652	3,608,652
Total Medical/Dental Insurance Internal Service Fund		<u>\$ 13,169,652</u>	<u>\$ 13,169,652</u>
Taconite Relief Investment Trust Fund			
Certificates of Deposit	1.25% - 3.59%	\$ 21,465,104	\$ 21,465,104
Now Account	0.50%	71,287	71,287
Total Taconite Relief Investment Trust Fund		<u>\$ 21,536,391</u>	<u>\$ 21,536,391</u>
Taconite Production Tax Investment Trust Fund			
Now Account	0.50%	\$ 449,491	\$ 449,491
Arrowhead Regional Corrections Agency Fund			
Certificates of Deposit	1.56% - 1.90%	\$ 2,238,965	\$ 2,238,965
Now Account	0.50%	419,012	419,012
Total Arrowhead Regional Corrections Agency Fund		<u>\$ 2,657,977</u>	<u>\$ 2,657,977</u>
Total Investments		<u>\$ 219,058,328</u>	<u>\$ 219,206,129</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Public Health and Human Services</u>	<u>Other</u>
Shared revenue				
State				
Department of Natural Resources				
Mineral rents and royalties	\$ 137,883	\$ -	\$ -	\$ -
State acquired	28	13	21	-
Department of Public Safety				
Enhanced 911 program grant	346,841	-	-	-
Department of Revenue				
County program aid	9,232,320	757,837	1,122,944	-
Disparity aid	2,151,042	1,040,947	1,662,663	-
Market value credit	2,897,007	1,398,390	2,220,502	11,918
PERA aid	132,621	90,362	171,670	17,452
Police aid	636,513	-	-	-
State fire aid	16,405	-	-	-
30 percent rental income	413	204	326	-
Engineering	-	2,239,648	-	-
LRIP/RRSA state bond	-	84,388	-	-
MN FD 29 bridge bond	-	94,856	-	-
Municipal construction	-	888,476	-	-
Municipal maintenance	-	299,569	-	-
Regular construction	-	4,862,104	-	-
Regular maintenance	-	6,735,495	-	-
State aid for consulting	-	31,238	-	-
State park	-	51,035	-	-
Unorganized town road and bridge aid	-	19,846	-	-
Total Shared Revenue	\$ 15,551,073	\$ 18,594,408	\$ 5,178,126	\$ 29,370
Reimbursement for Services				
State				
Department of Human Services				
Child welfare targeted case management	\$ -	\$ -	\$ 5,255,994	\$ -
Community alternatives for disabled individuals				
waivered services	-	-	625,346	-
Crisis stabilization	-	-	41,407	-
Elderly waivered services	-	-	98,237	-
LTCC waivered services	-	-	31,210	-
MH targeted case management	-	-	1,325,849	-
MN family investment project burial	-	-	6,888	-
Medical assistance - ACT	-	-	1,661,486	-
Medical assistance - CEHI	-	-	352,818	-
Medical assistance - Rule 5	-	-	358,605	-
Mentally retarded waivered services	-	-	707,419	-
Relocation waivered services	-	-	12,067	-
Traumatic brain injury	-	-	66,586	-
VADD targeted case management	-	-	122,411	-
Total Reimbursement for Services Revenue	\$ -	\$ -	\$ 10,666,323	\$ -
Grants				
State grants				
Board of Water and Soil Resources				
Natural resources block grant	\$ 167,869	\$ -	\$ -	\$ -
Department of Environmental Assistance				
SCORE recycling grant	-	-	-	-
Department of Health				
Local public health grant	-	-	990,133	-
Department of Human Services				
Adult integrated fund	-	-	2,740,210	-
Alternative care 180 day	-	-	302,010	-
Alternative response	-	-	29,008	-
Chemical dependency	-	-	154,322	-
Child care basic sliding fee	-	-	40,290	-
Subtotal	\$ 167,869	\$ -	\$ 4,255,973	\$ -

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Total
Shared revenue				
State				
Department of Natural Resources				
Mineral rents and royalties	\$ -	\$ -	\$ -	\$ 137,883
State acquired	4	1	-	67
Department of Public Safety				
Enhanced 911 program grant	-	-	-	346,841
Department of Revenue				
County program aid	-	45,678	-	11,158,779
Disparity aid	333,697	110,345	-	5,298,694
Market value credit	445,656	147,368	-	7,120,841
PERA aid	-	-	-	412,105
Police aid	-	-	-	636,513
State fire aid	-	-	-	16,405
30 percent rental income	65	22	-	1,030
Engineering	-	-	-	2,239,648
LRIP/RRSA state bond	-	-	-	84,388
MN FD 29 bridge bond	-	-	-	94,856
Municipal construction	-	-	-	888,476
Municipal maintenance	-	-	-	299,569
Regular construction	-	-	-	4,862,104
Regular maintenance	-	-	-	6,735,495
State aid for consulting	-	-	-	31,238
State park	-	-	-	51,035
Unorganized town road and bridge aid	-	-	-	19,846
Total Shared Revenue	<u>\$ 779,422</u>	<u>\$ 303,414</u>	<u>\$ -</u>	<u>\$ 40,435,813</u>
Reimbursement for Services				
State				
Department of Human Services				
Child welfare targeted case management	\$ -	\$ -	\$ -	\$ 5,255,994
Community alternatives for disabled individuals				
waivered services	-	-	-	625,346
Crisis stabilization	-	-	-	41,407
Elderly waived services	-	-	-	98,237
LTCC waived services	-	-	-	31,210
MH targeted case management	-	-	-	1,325,849
MN family investment project burial	-	-	-	6,888
Medical assistance - ACT	-	-	-	1,661,486
Medical assistance - CEHI	-	-	-	352,818
Medical assistance - Rule 5	-	-	-	358,605
Mentally retarded waived services	-	-	-	707,419
Relocation waived services	-	-	-	12,067
Traumatic brain injury	-	-	-	66,586
VADD targeted case management	-	-	-	122,411
Total Reimbursement for Services Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,666,323</u>
Grants				
State grants				
Board of Water and Soil Resources				
Natural resources block grant	\$ -	\$ -	\$ -	\$ 167,869
Department of Environmental Assistance				
SCORE recycling grant	-	-	481,833	481,833
Department of Health				
Local public health grant	-	-	-	990,133
Department of Human Services				
Adult integrated fund	-	-	-	2,740,210
Alternative care 180 day	-	-	-	302,010
Alternative response	-	-	-	29,008
Chemical dependency	-	-	-	154,322
Child care basic sliding fee	-	-	-	40,290
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,833</u>	<u>\$ 4,905,675</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds			
	General Fund	Road and Bridge	Public Health and Human Services	Other
Grants (continued)				
State grants (continued)				
Child care resource and referral	\$ -	\$ -	\$ 22,370	\$ -
Child support incentives	-	-	160,558	-
Child teen checkups	-	-	149,281	-
Children's mental health	-	-	137,181	-
Community alternatives for disabled individuals waivered services	-	-	452,837	-
Community Social Services Act block grant	-	-	2,808,888	-
Consolidated chemical dependency fund admin	-	-	113,405	-
Consumer directed	-	-	1,932	-
Cost effective health insurance	-	-	371,407	-
DD family support	-	-	154,023	-
Elderly waived services	-	-	68,267	-
Food stamp bonus	-	-	25,125	-
Food stamp employment	-	-	1,652	-
Fraud prevention incentives	-	-	123,687	-
Homeless Outreach	-	-	1,053,241	-
LTCC waived services	-	-	19,954	-
MN family investment project child care	-	-	36,453	-
MN family investment project employment services	-	-	386,004	-
Medical assistance	-	-	1,662,271	-
Medical assistance transportation	-	-	370,411	-
Mentally retarded waived services	-	-	491,596	-
Relative custody	-	-	672,392	-
Relocation waived services	-	-	186	-
Semi-independent living skills	-	-	362,558	-
Statewide health improvement - SHIP	-	-	15,825	-
TB outreach	-	-	4,000	-
Traumatic brain injury	-	-	52,317	-
Department of Natural Resources				
Boat and water safety	8,479	-	-	-
Forest road access	-	-	-	121,311
Off highway ATV	33,485	-	-	-
Snowmobile safety	15,178	-	-	-
State trail assistance	342,460	-	-	-
Department of Post Board Training				
Training reimbursement	39,641	-	-	-
Department of Public Safety				
Bullet proof vests	10,825	-	-	-
E-charging reimbursement	89,865	-	-	-
Juvenile Detention Alternative Initiative (JDAI)	12,475	-	-	-
Office of justice program grants	58,154	-	-	-
State 911	15,509	-	-	-
Victim emergency fund	1,000	-	-	-
Iron Range Resources and Rehabilitation Board				
Biomass	3,962	-	-	-
Namakan Basis	32,572	-	-	-
Veterans Affairs				
Enhancement	98,179	-	-	-
Trial Courts				
MN courts shield payments	62,000	-	-	-
Total State Grants	\$ 991,653	\$ -	\$ 13,973,794	\$ 121,311
Federal grants				
Department of Agriculture				
Food stamps	\$ 51,697	\$ -	\$ 1,713,583	\$ -
National forest land	1,612,500	-	-	-
National forest land - roads and schools	-	337,585	-	-
Women, infants and children (through Community Health Board)	-	-	838,768	-
Department of Commerce				
Coastal zone management administration awards	21,986	-	-	-
Subtotal	\$ 1,686,183	\$ 337,585	\$ 2,552,351	\$ -

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Total
Grants (continued)				
State grants (continued)				
Child care resource and referral	\$ -	\$ -	\$ -	\$ 22,370
Child support incentives	-	-	-	160,558
Child teen checkups	-	-	-	149,281
Children's mental health	-	-	-	137,181
Community alternatives for disabled individuals waivered services	-	-	-	452,837
Community Social Services Act block grant	-	-	-	2,808,888
Consolidated chemical dependency fund admin	-	-	-	113,405
Consumer directed	-	-	-	1,932
Cost effective health insurance	-	-	-	371,407
DD family support	-	-	-	154,023
Elderly waived services	-	-	-	68,267
Food stamp bonus	-	-	-	25,125
Food stamp employment	-	-	-	1,652
Fraud prevention incentives	-	-	-	123,687
Homeless Outreach	-	-	-	1,053,241
LTCC waived services	-	-	-	19,954
MN family investment project child care	-	-	-	36,453
MN family investment project employment services	-	-	-	386,004
Medical assistance	-	-	-	1,662,271
Medical assistance transportation	-	-	-	370,411
Mentally retarded waived services	-	-	-	491,596
Relative custody	-	-	-	672,392
Relocation waived services	-	-	-	186
Semi-independent living skills	-	-	-	362,558
Statewide health improvement - SHIP	-	-	-	15,825
TB outreach	-	-	-	4,000
Traumatic brain injury	-	-	-	52,317
Department of Natural Resources				
Boat and water safety	-	-	-	8,479
Forest road access	-	-	-	121,311
Off highway ATV	-	-	-	33,485
Snowmobile safety	-	-	-	15,178
State trail assistance	-	-	-	342,460
Department of Post Board Training				
Training reimbursement	-	-	-	39,641
Department of Public Safety				
Bullet proof vests	-	-	-	10,825
E-charging reimbursement	-	-	-	89,865
Juvenile Detention Alternative Initiative (JDAI)	-	-	-	12,475
Office of justice program grants	-	-	-	58,154
State 911	-	-	-	15,509
Victim emergency fund	-	-	-	1,000
Iron Range Resources and Rehabilitation Board				
Biomass	-	-	-	3,962
Namakan Basis	-	-	-	32,572
Veterans Affairs				
Enhancement	-	-	-	98,179
Trial Courts				
MN courts shield payments	-	-	-	62,000
Total State Grants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,833</u>	<u>\$ 15,568,591</u>
Federal grants				
Department of Agriculture				
Food stamps	\$ -	\$ -	\$ -	\$ 1,765,280
National forest land	-	-	-	1,612,500
National forest land - roads and schools	-	-	-	337,585
Women, infants and children (through Community Health Board)	-	-	-	838,768
Department of Commerce				
Coastal zone management administration awards	-	-	-	21,986
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,576,119</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Public Health and Human Services</u>	<u>Other</u>
Grants (continued)				
Federal grants (continued)				
Department of Health & Human Services				
Adult integrated fund	\$ -	\$ -	\$ 116,408	\$ -
Child care basic sliding fee	-	-	136,902	-
Child care resource and referral	-	-	102,286	-
Child support	63,072	-	3,719,588	-
Child teen checkups	-	-	149,281	-
Foster care	10,259	-	1,185,140	-
Health preparedness	-	-	187,033	-
Home delivered meals	-	-	10,048	-
Immunization practice improvement reimb	-	-	500	-
MN family investment project child care	-	-	73,187	-
MN family investment project employment services	-	-	3,631,953	-
Maternal and child health (through Community Health Board)	-	-	247,550	-
Medical assistance	103,216	-	4,179,826	-
Medical assistance - transportation	-	-	370,410	-
Mental health block grant	-	-	7,436	-
Public health emergency preparedness	-	-	137,834	-
Support for emancipation and living functionally	-	-	50,000	-
Temporary aid for needy families	10,344	-	758,114	-
Title XX block grant	-	-	1,794,017	-
Title IV-B Alternative response	-	-	309,698	-
Department of Housing and Urban Development				
Community development block grants	-	-	-	3,261,285
Emergency shelter grant	108,244	-	-	-
Home investment in affordable housing	-	-	-	1,075,187
Homeless prevention HPRR	25,232	-	-	-
Department of Interior				
Payment in lieu of taxes	1,223,429	-	-	-
Department of Justice				
ARRA JAG grant	13,016	-	-	-
Justice Assistance	100,000	-	-	-
Bullet proof vests	15,528	-	-	-
COPS grant	130,955	-	-	-
Juvenile accountability block grant	35,023	-	-	-
Law enforcement assistance	24,566	-	-	-
Law enforcement block grant	16,600	-	-	-
Marijuana eradication federal	1,025	-	-	-
Safe haven grant	-	-	139,095	-
Department of Transportation				
Alcohol traffic safety and drunk driving-Operation Nightcap	16,316	-	-	-
E-charging reimbursement	54,135	-	-	-
Hazard material handling training	3,148	-	-	-
Safety belt performance grant	17,424	-	-	-
Highway planning and construction	-	8,209,508	-	-
Safe and sober	66,570	-	-	-
Department of Homeland Security				
Boating safety financial assistance	29,612	-	-	-
Emergency management	69,250	-	-	-
Homeland security grant	636,456	-	-	-
Total Federal grants	\$ 4,459,603	\$ 8,547,093	\$ 19,858,657	\$ 4,336,472
Other grants				
Local				
Prisoner Transport	\$ 2,278	\$ -	\$ -	\$ -
Total Other grants	\$ 2,278	\$ -	\$ -	\$ -
Total Grants	\$ 5,453,534	\$ 8,547,093	\$ 33,832,451	\$ 4,457,783
Total Intergovernmental Revenue	\$ 21,004,607	\$ 27,141,501	\$ 49,676,900	\$ 4,487,153

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Debt Service Funds	Capital Projects Fund	Environmental Services Enterprise Fund	Total
Grants (continued)				
Federal grants (continued)				
Department of Health & Human Services				
Adult integrated fund	\$ -	\$ -	\$ -	\$ 116,408
Child care basic sliding fee	-	-	-	136,902
Child care resource and referral	-	-	-	102,286
Child support	-	-	-	3,782,660
Child teen checkups	-	-	-	149,281
Foster care	-	-	-	1,195,399
Health preparedness	-	-	-	187,033
Home delivered meals	-	-	-	10,048
Immunization practice improvement reimb	-	-	-	500
MN family investment project child care	-	-	-	73,187
MN family investment project employment services	-	-	-	3,631,953
Maternal and child health (through Community Health Board)	-	-	-	247,550
Medical assistance	-	-	-	4,283,042
Medical assistance - transportation	-	-	-	370,410
Mental health block grant	-	-	-	7,436
PHER Grants	-	-	-	137,834
Support for emancipation and living functionally	-	-	-	50,000
Temporary aid for needy families	-	-	-	768,458
Title XX block grant	-	-	-	1,794,017
Title IV-B Alternative response	-	-	-	309,698
Department of Housing and Urban Development				
Community development block grants	-	-	-	3,261,285
Emergency shelter grant	-	-	-	108,244
Home investment in affordable housing	-	-	-	1,075,187
Homeless prevention HPRR	-	-	-	25,232
Department of Interior				
Payment in lieu of taxes	-	-	-	1,223,429
Department of Justice				
ARRA JAG grant	-	-	-	13,016
Boundary water drug task force	-	-	-	100,000
Bullet proof vests	-	-	-	15,528
COPS grant	-	-	-	130,955
Juvenile detention alternative	-	-	-	35,023
Law enforcement assistance	-	-	-	24,566
Law enforcement block grant	-	-	-	16,600
Marijuana eradication federal	-	-	-	1,025
Safe haven grant	-	-	-	139,095
Department of Transportation				
Alcohol traffic safety and drunk driving-Operation Nightcap	-	-	-	16,316
E-charging reimbursement	-	-	-	54,135
Hazard material handling training	-	-	-	3,148
Heat wave project	-	-	-	17,424
Highway planning and construction	-	-	-	8,209,508
Safe and sober	-	-	-	66,570
Department of Homeland Security				
Boating safety financial assistance	-	-	-	29,612
Emergency management	-	-	-	69,250
Homeland security grant	-	-	-	636,456
Total Federal grants	\$ -	\$ -	\$ -	\$ 37,201,825
Other grants				
Local				
Prisoner Transport	\$ -	\$ -	\$ -	\$ 2,278
Total Other grants	\$ -	\$ -	\$ -	\$ 2,278
Total Grants	\$ -	\$ -	\$ 481,833	\$ 52,772,694
Total Intergovernmental Revenue	\$ 779,422	\$ 303,414	\$ 481,833	\$ 103,874,830

STATISTICAL SECTION

Statistical Section

This part of St. Louis County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	133
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	141
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	147
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	153
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	155

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1

ST. LOUIS COUNTY, MINNESOTA
Net Assets by Component
Last Eight Fiscal Years
 (accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 243,544,232	\$ 254,742,638	\$ 281,959,954
Restricted	21,418,157	35,063,432	39,106,761
Unrestricted	<u>57,962,130</u>	<u>52,677,107</u>	<u>46,821,225</u>
Total governmental activities net assets	<u>\$ 322,924,519</u>	<u>\$ 342,483,177</u>	<u>\$ 367,887,940</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 14,469,618	\$ 13,926,745	\$ 14,390,848
Restricted	1,546,884	1,380,436	1,695,220
Unrestricted	<u>11,240,066</u>	<u>10,518,855</u>	<u>9,447,853</u>
Total business-type activities net assets	<u>\$ 27,256,568</u>	<u>\$ 25,826,036</u>	<u>\$ 25,533,921</u>
Primary government			
Invested in capital assets, net of related debt	\$ 258,013,850	\$ 268,669,383	\$ 296,350,802
Restricted	22,965,041	36,443,868	40,801,981
Unrestricted	<u>69,202,196</u>	<u>63,195,962</u>	<u>56,269,078</u>
Total primary government net assets	<u>\$ 350,181,087</u>	<u>\$ 368,309,213</u>	<u>\$ 393,421,861</u>

Note: GASB 34 was implemented for the year ended December 31, 2002. Prior year information is not available.

Schedule 1

ST. LOUIS COUNTY, MINNESOTA
Net Assets by Component
Last Eight Fiscal Years
 (accrual basis of accounting)

Fiscal Year				
2005	2006	2007	2008	2009
\$ 284,598,787	\$ 304,712,967	\$ 326,996,032	\$ 345,956,633	363,819,364
26,905,894	36,452,547	29,341,037	27,151,369	20,822,222
77,188,234	68,069,867	79,097,149	87,088,512	112,106,602
<u>\$ 388,692,915</u>	<u>\$ 409,235,381</u>	<u>\$ 435,434,218</u>	<u>\$ 460,196,514</u>	<u>496,748,188</u>
\$ 14,201,467	\$ 13,331,890	\$ 13,059,476	\$ 13,081,334	12,126,524
1,354,381	1,432,450	3,077,821	1,781,917	1,790,325
8,846,260	13,628,137	11,359,532	13,408,307	16,270,035
<u>\$ 24,402,108</u>	<u>\$ 28,392,477</u>	<u>\$ 27,496,829</u>	<u>\$ 28,271,558</u>	<u>30,186,884</u>
\$ 298,800,254	\$ 318,044,857	\$ 340,055,508	\$ 359,037,967	375,945,888
28,260,275	37,884,997	32,418,858	28,933,286	22,612,547
86,034,494	81,698,004	90,456,681	100,496,819	128,376,637
<u>\$ 413,095,023</u>	<u>\$ 437,627,858</u>	<u>\$ 462,931,047</u>	<u>\$ 488,468,072</u>	<u>526,935,072</u>

Schedule 2

ST. LOUIS COUNTY, MINNESOTA

**Changes in Net Assets
Last Eight Fiscal Years**

(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses				
Governmental activities				
General government	\$ 30,120,215	\$ 33,163,387	\$ 30,524,381	\$ 29,100,780
Public safety	32,573,217	32,616,921	32,556,130	36,138,644
Highways and streets	40,810,535	46,286,039	44,489,431	46,721,613
Health and sanitation	6,489,683	6,561,149	6,493,633	6,148,241
Human services	71,896,032	69,908,477	62,014,749	61,265,538
Culture and recreation	1,204,686	1,116,401	1,727,935	1,314,472
Conservation of natural resources	6,727,307	5,752,492	6,736,966	6,941,801
Economic development	3,612,842	3,998,107	3,579,409	4,318,448
Interest on long-term debt	1,598,511	1,320,624	1,265,887	1,696,061
Total governmental activities expenses	<u>195,033,028</u>	<u>200,723,597</u>	<u>189,388,521</u>	<u>193,645,598</u>
Business-type activities				
Environmental services	5,806,246	5,909,965	5,883,928	6,247,826
Chris Jensen Health and Rehabilitation Center	13,376,137	15,214,467	15,695,780	15,283,241
Other Enterprise Funds	10,085,695	3,387,444	3,240,342	3,081,251
Total business-type activities expenses	<u>29,268,078</u>	<u>24,511,876</u>	<u>24,820,050</u>	<u>24,612,318</u>
Total primary government expenses	<u>\$ 224,301,106</u>	<u>\$ 225,235,473</u>	<u>\$ 214,208,571</u>	<u>\$ 218,257,916</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 6,599,322	\$ 7,902,502	\$ 7,824,624	\$ 8,132,846
Public safety	1,793,500	1,671,199	2,202,944	1,887,999
Highways and streets	2,072,733	2,111,520	3,121,653	1,613,892
Health and sanitation	1,672,737	1,392,001	1,692,543	1,911,070
Human services	17,473,829	16,873,401	16,283,231	19,394,617
Culture and recreation	12,000	12,000	12,000	-
Conservation of natural resources	8,816,464	9,630,145	10,399,237	14,713,043
Economic development	81,082	-	41,795	27,004
Operating grants and contributions	42,190,233	43,115,156	36,553,108	40,133,061
Capital grants and contributions	-	4,387,127	26,934,552	9,860,471
Total governmental activities program revenues	<u>80,711,900</u>	<u>87,095,051</u>	<u>105,065,687</u>	<u>97,674,003</u>
Business-type activities:				
Charges for services:				
Environmental services	5,176,566	5,099,943	5,441,373	5,557,064
Chris Jensen Health and Rehabilitation Center	11,019,604	13,666,733	13,814,668	14,644,607
Other Enterprise Funds	8,545,922	3,541,385	3,190,043	3,167,878
Operating grants and contributions	506,416	417,607	455,258	474,575
Total business-type activities program revenues	<u>25,248,508</u>	<u>22,725,668</u>	<u>22,901,342</u>	<u>23,844,124</u>
Total primary government program revenues	<u>\$ 105,960,408</u>	<u>\$ 109,820,719</u>	<u>\$ 127,967,029</u>	<u>\$ 121,518,127</u>
Net (Expense)/Revenue				
Governmental activities	\$ (114,321,128)	\$ (113,628,546)	\$ (84,322,834)	\$ (95,971,595)
Business-type activities	(4,019,570)	(1,786,208)	(1,918,708)	(768,194)
Total primary government net expense	<u>\$ (118,340,698)</u>	<u>\$ (115,414,754)</u>	<u>\$ (86,241,542)</u>	<u>\$ (96,739,789)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Taxes				
Property taxes, levied for general purposes	\$ 76,723,143	\$ 76,975,884	\$ 81,653,199	\$ 80,830,475
Property taxes, levied for debt service	3,904,705	4,741,101	4,675,978	5,518,701
State shared	41,721,817	43,418,625	19,359,587	27,435,818
Federal shared	475,482	626,757	510,000	1,186,130
Investment earnings	3,574,769	1,806,307	1,805,371	4,127,976
Contributions to Permanent Fund	3,281,915	365,163	302,857	107,310
Miscellaneous	275,798	158,186	219,662	168,919
Special Items - capital asset adjustments	6,180,236	-	-	(1,003,816)
Transfers	(2,414,056)	-	(394,000)	-
Total governmental activities	<u>133,723,809</u>	<u>128,092,023</u>	<u>108,132,654</u>	<u>118,371,513</u>
Business-type activities				
Taxes				
Property taxes, levied for general purposes	-	-	-	-
Property taxes, levied for debt service	10,951	118,458	119,525	194,310
Investment earnings	485,097	237,218	147,299	407,840
Miscellaneous	(2,324,520)	-	-	-
Transfers	2,414,056	-	394,000	-
Total business-type activities	<u>585,584</u>	<u>355,676</u>	<u>660,824</u>	<u>602,150</u>
Total primary government	<u>\$ 134,309,393</u>	<u>\$ 128,447,699</u>	<u>\$ 108,793,478</u>	<u>\$ 118,973,663</u>
Changes in Net Assets				
Governmental activities	\$ 19,402,681	\$ 14,463,477	\$ 23,809,820	\$ 22,399,918
Business-type activities	(3,433,986)	(1,430,532)	(1,257,884)	(166,044)
Total primary government	<u>\$ 15,968,695</u>	<u>\$ 13,032,945</u>	<u>\$ 22,551,936</u>	<u>\$ 22,233,874</u>

Note: GASB 34 was implemented for the year ended December 31, 2002. Prior year information is not available.

Schedule 2

ST. LOUIS COUNTY, MINNESOTA
Changes in Net Assets
Last Eight Fiscal Years
 (accrual basis of accounting)

Fiscal Year							
2006	2007	2008	2009				
\$ 30,763,681	\$ 31,815,617	\$ 30,790,310	35,989,696				
41,611,706	44,565,536	46,231,906	46,993,281				
35,704,013	41,594,052	41,898,297	38,988,375				
6,824,984	6,151,830	5,019,721	4,816,622				
65,667,980	68,325,769	71,497,759	72,399,548				
1,601,310	1,415,848	2,217,578	1,863,936				
8,374,838	6,452,175	9,841,091	6,960,833				
4,602,756	3,767,037	4,012,705	4,464,249				
1,996,722	1,794,534	1,912,118	2,197,175				
<u>197,147,990</u>	<u>205,882,398</u>	<u>213,421,485</u>	<u>214,673,715</u>				
6,226,992	6,758,724	7,600,096	7,655,438				
14,946,088	14,933,759	14,840,837	12,421,108				
3,222,799	3,251,808	2,089,958	571,964				
<u>24,395,879</u>	<u>24,944,291</u>	<u>24,530,891</u>	<u>20,648,510</u>				
<u>\$ 221,543,869</u>	<u>\$ 230,826,689</u>	<u>\$ 237,952,376</u>	<u>235,322,225</u>				
\$ 7,841,220	\$ 12,215,938	\$ 11,482,301	15,151,024				
1,999,799	2,536,485	2,963,073	2,712,253				
2,226,187	2,962,882	3,004,798	3,096,066				
1,679,313	1,395,939	1,428,622	350,133				
21,066,096	22,486,494	10,991,429	14,756,252				
-	-	-	-				
13,052,500	(930,630)	9,886,026	6,014,724				
20,967	20,614	20,599	22,403				
40,729,196	37,952,947	49,880,675	54,379,254				
13,356,070	17,609,562	15,284,247	16,410,218				
<u>101,971,348</u>	<u>96,250,231</u>	<u>104,941,770</u>	<u>112,892,327</u>				
5,712,990	5,984,570	6,042,288	5,428,774				
14,347,019	13,951,140	14,349,753	11,386,268				
3,091,419	2,714,043	2,202,381	685,307				
461,436	460,943	481,473	481,833				
<u>23,612,864</u>	<u>23,110,696</u>	<u>23,075,895</u>	<u>17,982,182</u>				
<u>\$ 125,584,212</u>	<u>\$ 119,360,927</u>	<u>\$ 128,017,665</u>	<u>\$ 130,874,509</u>				
\$ (95,176,642)	\$ (109,632,167)	\$ (108,479,715)	(101,781,388)				
(783,015)	(1,833,595)	(1,454,996)	(2,666,328)				
<u>\$ (95,959,657)</u>	<u>\$ (111,465,762)</u>	<u>\$ (109,934,711)</u>	<u>(104,447,716)</u>				
\$ 85,847,071	\$ 93,731,489	\$ 97,474,934	104,321,529				
5,605,148	5,937,083	5,888,289	5,888,439				
25,698,357	25,594,606	22,839,111	24,129,399				
1,195,773	1,206,209	1,697,018	2,835,929				
7,939,433	9,000,989	4,316,482	4,250,285				
-	-	-	-				
169,017	233,916	298,913	-				
-	-	-	-				
(3,871,044)	126,712	(395,105)	(3,092,519)				
<u>122,583,755</u>	<u>135,831,004</u>	<u>132,119,642</u>	<u>138,333,062</u>				
-	-	1,009,304	1,087,379				
169,525	164,322	119,271	-				
732,815	899,876	706,045	401,756				
-	461	-	-				
3,871,044	(126,712)	395,105	3,092,519				
<u>4,773,384</u>	<u>937,947</u>	<u>2,229,725</u>	<u>4,581,654</u>				
<u>\$ 127,357,139</u>	<u>\$ 136,768,951</u>	<u>\$ 134,349,367</u>	<u>142,914,716</u>				
\$ 27,407,113	\$ 26,198,837	\$ 23,639,927	36,551,674				
3,990,369	(895,648)	774,729	1,915,326				
<u>\$ 31,397,482</u>	<u>\$ 25,303,189</u>	<u>\$ 24,414,656</u>	<u>38,467,000</u>				

Schedule 3

ST. LOUIS COUNTY, MINNESOTA
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$ 4,382,632	\$ 3,109,111	\$ 3,427,822	\$ 4,359,705
Unreserved	<u>24,528,641</u>	<u>26,566,261</u>	<u>26,005,574</u>	<u>25,148,993</u>
Total general fund	<u>\$ 28,911,273</u>	<u>\$ 29,675,372</u>	<u>\$ 29,433,396</u>	<u>\$ 29,508,698</u>
All Other Governmental Funds				
Reserved	\$ 4,396,818	\$ 3,923,463	\$ 13,675,950	\$ 13,163,407
Unreserved, reported in:				
Special revenue funds	22,336,173	29,782,861	29,916,085	35,179,919
Capital projects funds	1,191,207	8,723,849	3,398,760	1,721,331
Debt service funds	<u>526,484</u>	<u>576,166</u>	<u>886,715</u>	<u>1,339,311</u>
Total all other government funds	<u>\$ 28,450,682</u>	<u>\$ 43,006,339</u>	<u>\$ 47,877,510</u>	<u>\$ 51,403,968</u>

Note: Beginning in 2002, the Permanent Fund is included as part of All Other Governmental Funds

Schedule 3

ST. LOUIS COUNTY, MINNESOTA
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 5,149,919	\$ 5,309,045	\$ 5,813,912	\$ 7,382,746	\$ 6,245,389	\$ 6,845,690
26,747,457	33,761,123	34,270,114	36,898,701	38,524,315	39,074,447
<u>\$ 31,897,376</u>	<u>\$ 39,070,168</u>	<u>\$ 40,084,026</u>	<u>\$ 44,281,447</u>	<u>\$ 44,769,704</u>	<u>\$ 45,920,137</u>
\$ 14,005,286	\$ 14,525,061	\$ 14,832,107	\$ 16,607,081	\$ 16,781,317	\$ 19,704,230
41,382,779	42,349,756	41,529,699	39,181,142	44,788,714	52,436,746
14,998,627	17,650,526	12,654,202	7,415,113	19,057,382	12,733,599
1,643,499	4,820,996	9,887,917	10,147,911	9,734,039	1,556,513
<u>\$ 72,030,191</u>	<u>\$ 79,346,339</u>	<u>\$ 78,903,925</u>	<u>\$ 73,351,247</u>	<u>\$ 90,361,452</u>	<u>\$ 86,431,088</u>

Schedule 4

ST. LOUIS COUNTY, MINNESOTA
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues				
Taxes	\$ 76,677,130	\$ 83,738,659	\$ 80,580,107	\$ 81,545,253
Licenses	149,168	158,961	156,541	155,927
Intergovernmental	98,031,076	93,330,327	99,966,871	99,134,331
Charges for services	7,890,897	8,320,094	9,906,530	10,527,851
Fines and forfeits	1,664,922	1,770,230	1,660,585	1,592,818
Earnings on investments	4,767,469	4,399,700	2,772,496	1,500,489
Gifts and contributions	22,308	15,170	8,368	12,045
Land and timber sales	-	7,639,745	12,238,312	9,549,773
Miscellaneous	2,782,276	3,092,557	2,632,945	3,702,711
Total revenues	<u>191,985,246</u>	<u>202,465,443</u>	<u>209,922,755</u>	<u>207,721,198</u>
Expenditures				
General government	26,019,233	26,049,479	29,062,448	30,378,167
Public safety	28,119,831	29,882,836	31,465,939	32,071,790
Highways and streets	48,565,287	41,692,425	26,942,419	29,871,734
Health and sanitation	5,887,119	6,496,054	6,443,495	6,393,032
Human services	66,575,230	68,918,646	71,463,828	68,312,144
Culture and recreation	1,028,462	1,253,810	1,197,054	1,401,759
Conservation of natural resources	892,776	9,457,898	6,517,680	5,935,528
Economic development	4,095,954	4,672,426	3,608,162	3,996,222
Capital outlay	3,528,135	10,180,270	29,173,329	20,512,869
Debt service:				
Principal	2,505,142	3,262,998	10,897,692	4,172,049
Interest and other charges	1,140,917	1,475,630	1,554,057	1,388,281
Bond issuance costs	-	-	-	-
Total Expenditures	<u>188,358,086</u>	<u>203,342,472</u>	<u>218,326,103</u>	<u>204,433,575</u>
Excess of revenues over (under) expenditures	<u>3,627,160</u>	<u>(877,029)</u>	<u>(8,403,348)</u>	<u>3,287,623</u>
Other Financing Sources (Uses)				
Transfers in	129,569	692,407	12,849,724	3,961,400
Transfers out	(399,333)	(784,392)	(15,263,780)	(3,403,400)
Sale of capital assets	-	-	-	-
Bonds issued	-	14,270,000	12,415,000	-
Refunding bonds issued	-	-	-	-
Refunding bonds redeemed	-	-	-	-
Bond premium proceeds	-	-	171,268	-
Loan proceeds	18,000	273,875	27,000	38,535
Total other financing sources (uses)	<u>(251,764)</u>	<u>14,451,890</u>	<u>10,199,212</u>	<u>596,535</u>
Net change in fund balances	<u>\$ 3,375,396</u>	<u>\$ 13,574,861</u>	<u>\$ 1,795,864</u>	<u>\$ 3,884,158</u>
Debt service as a percentage of noncapital expenditures	2.0%	2.5%	6.6%	3.0%

Schedule 4

ST. LOUIS COUNTY, MINNESOTA
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 86,425,663	\$ 86,468,064	\$ 90,929,063	\$ 99,497,719	\$ 102,853,734	109,059,182
150,938	149,306	156,606	157,871	159,704	164,724
105,419,772	95,226,136	98,882,892	98,421,879	99,521,527	103,392,997
10,586,660	10,082,260	12,029,779	20,667,976	20,470,751	20,567,474
1,622,789	967,127	201,088	189,882	200,291	129,810
1,534,185	3,633,796	7,011,940	7,899,118	3,459,176	3,661,413
70,271	169,154	12,457	21,889	11,721	8,830
10,187,185	10,293,444	11,753,426	7,230,255	7,656,960	6,939,323
5,018,805	4,511,866	4,312,043	3,879,124	5,179,133	4,577,267
<u>221,016,268</u>	<u>211,501,153</u>	<u>225,289,294</u>	<u>237,965,713</u>	<u>239,512,997</u>	<u>248,501,020</u>
32,537,856	29,017,182	29,573,303	32,298,957	33,244,633	34,418,680
31,936,239	34,963,469	40,881,994	43,236,476	45,060,321	45,292,287
27,507,107	33,458,062	32,083,124	34,346,944	36,234,934	31,514,275
6,422,388	6,328,366	6,547,383	6,062,129	5,268,999	4,903,147
60,857,463	60,302,517	66,254,073	67,984,104	71,500,433	72,775,244
1,668,794	1,253,974	1,539,447	1,415,848	2,217,578	1,863,936
6,117,557	6,708,815	7,317,595	9,727,227	8,927,491	7,199,476
3,545,611	4,323,387	4,641,791	3,706,320	3,953,672	4,431,255
38,511,561	24,670,343	29,426,501	39,754,334	24,266,667	32,247,888
5,342,989	4,878,581	5,428,091	5,627,329	5,857,261	5,166,374
1,218,003	1,704,141	1,987,288	1,777,563	1,882,726	2,256,848
-	-	-	-	151,518	-
<u>215,665,568</u>	<u>207,608,837</u>	<u>225,680,590</u>	<u>245,937,231</u>	<u>238,566,233</u>	<u>242,069,410</u>
5,350,700	3,892,316	(391,296)	(7,971,518)	946,764	6,431,610
3,774,887	4,064,829	6,675,213	7,105,726	3,144,884	4,299,401
(4,168,887)	(4,064,829)	(10,546,257)	(6,828,194)	(3,359,995)	(6,094,780)
-	899,565	-	-	-	-
17,645,000	6,115,000	7,845,000	5,000,000	14,960,000	-
-	2,840,000	-	-	-	-
-	-	(2,940,000)	-	-	(7,795,000)
126,120	168,361	87,863	33,416	93,104	-
79,000	-	-	-	-	-
<u>17,456,120</u>	<u>10,022,926</u>	<u>1,121,819</u>	<u>5,310,948</u>	<u>14,837,993</u>	<u>(9,590,379)</u>
<u>\$ 22,806,820</u>	<u>\$ 13,915,242</u>	<u>\$ 730,523</u>	<u>\$ (2,660,570)</u>	<u>\$ 15,784,757</u>	<u>(3,158,769)</u>

3.7%

3.6%

3.8%
Unaudited

3.6%

3.7%

3.5%

Schedule 5

ST. LOUIS COUNTY, MINNESOTA Tax Capacity and Estimated Market Value of Property Last Ten Fiscal Years

Fiscal Year Ended December 31	Residential Homestead Property	Agricultural Property	Commercial/ Industrial Property	Non- Homestead Residential Property
2000	46,212,338	1,929,531	28,959,891	7,164,288
2001	51,067,099	2,168,793	30,172,888	7,901,761
2002	48,461,383	2,032,882	19,263,426	7,330,852
2003	53,637,838	2,457,744	19,753,640	7,423,407
2004	59,887,536	2,793,361	22,854,952	8,739,194
2005	68,144,773	3,250,079	25,640,672	11,016,672
2006	76,328,481	3,743,709	26,490,558	13,064,657
2007	82,111,286	4,450,065	28,255,420	15,098,605
2008	88,278,899	5,281,584	30,324,855	17,581,634
2009	91,495,498	6,137,972	32,728,653	19,820,598

Source: St. Louis County Auditor

Schedule 5

ST. LOUIS COUNTY, MINNESOTA
**Tax Capacity and Estimated Market Value of Property
 Last Ten Fiscal Years**

Commercial/ Residential Seasonal/ Recreational Property	Total Net Tax Capacity by Property Type	Total County Tax Rate Per \$100 of Taxable Net Tax Capacity	Estimated Market Value	Total Net Tax Capacity as a Percentage of Estimated Market Value
7,087,965	91,354,013	69.5235	6,588,401,200	1.39%
7,848,648	99,159,189	67.8693	7,323,117,800	1.35%
6,848,552	83,937,095	89.0068	8,145,767,000	1.03%
7,907,779	91,180,408	83.4794	9,092,489,400	1.00%
9,099,194	103,374,237	79.0219	10,411,976,900	0.99%
10,757,806	118,810,002	68.9902	11,926,897,700	1.00%
12,590,714	132,218,119	64.6911	13,086,585,200	1.01%
15,077,180	144,992,556	64.4337	14,237,164,906	1.02%
18,027,031	159,494,003	60.6374	15,385,764,706	1.04%
21,194,393	171,377,114	55.9641	16,118,391,100	1.06%

Schedule 6

ST. LOUIS COUNTY, MINNESOTA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended December 31,	County Direct Tax Rates Per \$100 of Taxable Net Tax Capacity					Total
	General Levy	Debt Service Levy	Regional Library Levy	Regional Solid Waste Debt Service Levy	County-wide Enterprise Fund	
2000	65.1481	2.9546	0.3866	1.0341	-	69.5235
2001	64.4464	3.0459	0.3770	-	-	67.8693
2002	83.2145	5.2787	0.5135	-	-	89.0068
2003	77.1046	5.9133	0.4615	-	-	83.4794
2004	73.3240	5.2636	0.4343	-	-	79.0219
2005	63.1792	5.3789	0.4321	-	-	68.9902
2006	59.4039	4.8450	0.4422	-	-	64.6911
2007	59.3618	4.6059	0.4660	-	-	64.4337
2008	55.7728	4.3974	0.4671	-	-	60.6374
2009	51.5243	3.4912	0.4169	-	0.5318	55.9641

Note: For 2002, the State assumed school levy responsibilities.

Source: St. Louis County Auditor

Schedule 6

ST. LOUIS COUNTY, MINNESOTA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Overlapping Rates			
Independent School District #94	Independent School District #381	Independent School District #698	Independent School District #2142
45.0645	36.9052	52.4279	33.6357
38.5729	32.7404	68.2504	32.8102
33.3146	33.1304	30.2049	9.4238
31.8687	27.0203	60.1461	4.1740
32.0967	22.5780	42.5884	2.3800
30.6592	19.1340	41.4278	3.8191
27.9647	17.0543	45.5389	3.1519
27.3069	15.4269	53.7009	2.7818
25.6842	14.9967	36.0645	2.1496
24.5607	14.9797	41.9039	2.5395

Schedule 7

**ST. LOUIS COUNTY, MINNESOTA
Principal Property Tax Payers
Current Year and Ten Years Ago**

<u>Taxpayer</u>	<u>2009</u>			<u>1999</u>		
	<u>Net Tax Capacity Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Net Tax Capacity Value</u>	<u>Net Tax Capacity Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Net Tax Capacity Value</u>
Minnesota Power	\$ 3,658,438	1	2.13%	\$ 5,421,588	1	6.13%
Duluth Missabe & Iron Range RR	1,067,877	2	0.62%	1,127,790	4	1.28%
Duluth Winnipeg & Pacific RR	1,028,157	3	0.60%	938,314	6	1.06%
Miller Hill Mall Co	827,834	4	0.48%	709,564	8	0.80%
Duluth Clinic	585,719	5	0.34%			
IRET Properties	569,620	6	0.33%			
Great Lakes Gas Transmission Co	563,370	7	0.33%	1,128,019	3	1.28%
Enbridge Energy LTD Partnership	511,706	8	0.30%			
Stora Enso North America Corp	444,276	9	0.26%			
Northern States Power Co	436,418	10	0.25%	967,883	5	1.09%
Consolidated Papers, Inc.				1,662,654	2	1.88%
BN & SF RR				511,489	10	0.58%
United Power Association				665,296	9	0.75%
Square Butte Electric Coop				788,604	7	0.89%
	<u>\$ 9,693,415</u>		<u>5.66%</u>	<u>\$ 13,921,201</u>		<u>15.74%</u>

Source: St. Louis County Auditor

Schedule 8

ST. LOUIS COUNTY, MINNESOTA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (3)	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2000	58,510,889	56,746,094	96.98%	1,413,100	58,159,194	99.40%
2001	61,998,393	60,233,499	97.15%	1,469,425	61,702,924	99.52%
2002	60,673,939	59,169,622	97.52%	1,228,593	60,398,215	99.55%
2003	62,241,475	60,638,733	97.42%	1,371,801	62,010,534	99.63%
2004	67,080,535	65,115,787	97.07%	1,536,503	66,652,290	99.36%
2005	67,615,098	65,797,651	97.31%	1,311,662	67,109,313	99.25%
2006	72,228,139	69,947,539	96.84%	1,771,050	71,718,589	99.29%
2007	79,958,970	77,398,024	96.80%	1,782,735	79,180,759	99.03%
2008	84,523,919	81,790,285	96.77%	1,391,618	83,181,903	98.41%
2009	89,183,812	85,745,073	96.14%	-	85,745,073	96.14%

Notes:

- (1) - Excludes tax credits and certain state aids.
- (2) - Includes some small amounts that are not a part of the certified levy.
- (3) - Amounts are adjusted annually until the applicable year is dropped from the records, after 7 years.

Source: St. Louis County Auditor - Tax Levy Status Report

Schedule 9

ST. LOUIS COUNTY, MINNESOTA Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		
	General Obligation Bonds	General Obligation Revenue Notes	Tax Lease Obligations
2000	5,290,000	244,055	14,020,000
2001	18,020,000	518,809	12,745,000
2002	28,997,862	546,204	3,915,000
2003	25,264,664	584,960	3,605,000
2004	38,154,023	552,517	3,280,000
2005	42,752,926	547,836	2,940,000
2006	45,248,107	541,945	-
2007	44,642,938	535,116	-
2008	53,837,296	522,755	-
2009	40,905,636	496,648	-

Source:

See Schedule 13 for population and personal income data.

Schedule 9

ST. LOUIS COUNTY, MINNESOTA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Capital Leases	Business Activities General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2,052,626	3,183,960	24,790,641	0.46%	124
1,583,630	2,327,736	35,195,175	0.65%	175
791,287	600,000	34,850,353	0.60%	175
604,459	515,000	30,574,083	0.51%	154
541,162	420,000	42,947,702	0.69%	217
482,900	320,000	47,043,662	0.75%	239
425,700	215,000	46,430,752	0.70%	237
365,200	110,000	45,653,254	0.66%	232
300,300	-	54,660,351	0.76%	278
232,100	-	41,634,384	Not Available	211

Schedule 10

ST. LOUIS COUNTY, MINNESOTA
**Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding				Net General Bonded Debt Outstanding	Percentage of Estimated Market Value	Per Capita
	General Obligation Bonds	General Obligation Revenue Notes	Tax Lease Obligations	Restricted for Principal Payments			
2000	5,290,000	244,055	14,020,000	96,154	19,457,901	0.30%	97
2001	18,020,000	518,809	12,745,000	-	31,283,809	0.43%	156
2002	28,997,862	546,204	3,915,000	190,032	33,269,035	0.41%	167
2003	25,264,664	584,960	3,605,000	463,144	28,991,480	0.32%	146
2004	38,154,023	552,517	3,280,000	695,711	41,290,829	0.40%	209
2005	42,752,926	547,836	2,940,000	4,039,132	42,201,631	0.35%	215
2006	45,248,107	541,945	-	8,662,484	37,127,569	0.28%	189
2007	44,642,938	535,116	-	8,808,538	36,369,517	0.26%	185
2008	53,837,296	522,755	-	8,388,350	45,971,701	0.30%	234
2009	40,905,636	496,648	-	760,696	40,641,588	0.25%	206

Sources:

See Schedule 5 for Estimated Market Values
 See Schedule 13 for population data.

Schedule 11

ST. LOUIS COUNTY, MINNESOTA
Direct and Overlapping Governmental Activities Debt
As of December 31, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable*</u>	<u>Share of Debt</u>
Direct Debt			
St. Louis County	\$ 41,402,284	100.00%	\$ 41,402,284
Overlapping Debt			
School District #94	36,150,000	5.45%	1,969,829
School District #381	39,780,000	14.48%	5,760,066
School District #698	7,405,000	97.04%	7,185,683
Western Lake Superior Sanitary District	54,495,931	84.22%	<u>45,894,763</u>
Subtotal, overlapping debt			<u>60,810,341</u>
Total Direct and Overlapping Debt			<u><u>\$ 102,212,625</u></u>

*Applicable percentages were estimated by determining the portion of the governmental unit's net tax capacity that is within the county's boundaries and dividing it by each unit's total net tax capacity.

Schedule 12

ST. LOUIS COUNTY, MINNESOTA
 Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Market value of taxable property	\$ 6,445,493,100	\$ 6,964,507,000	\$ 7,561,771,500	\$ 8,315,406,800
Debt limit (2% of market value)	128,909,862	139,290,140	151,235,430	166,308,136
Debt limit (3% of market value)	-	-	-	-
Debt applicable to limit:				
General obligation bonds	22,738,015	33,611,545	34,059,066	29,969,624
Less: Amount set aside for repayment of general obligation debt	<u>(1,736,508)</u>	<u>(1,807,360)</u>	<u>(886,715)</u>	<u>(1,339,311)</u>
Total net debt applicable to limit	21,001,507	31,804,185	33,172,351	28,630,313
Legal debt margin	<u>\$ 107,908,355</u>	<u>\$ 107,485,955</u>	<u>\$ 118,063,079</u>	<u>\$ 137,677,823</u>
Total net debt applicable to the limit as a percentage of the debt limit	16.29%	22.83%	21.93%	17.22%

Source: St. Louis County Auditor - Abstract of Tax Lists

Schedule 12

ST. LOUIS COUNTY, MINNESOTA
 Legal Debt Margin Information
Last Ten Fiscal Years

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 9,405,452,818	\$ 10,797,377,000	\$ 12,149,201,810	\$ 13,344,940,438	\$ 14,676,662,476	\$ 15,750,647,100
188,109,056	215,947,540	242,984,036	266,898,809	-	-
-	-	-	-	440,299,874	472,519,413
42,406,540	46,560,761	46,005,052	45,288,054	54,360,051	41,402,284
<u>(1,643,499)</u>	<u>(4,820,996)</u>	<u>(9,887,917)</u>	<u>(10,147,911)</u>	<u>(9,734,039)</u>	<u>(1,556,513)</u>
40,763,041	41,739,765	36,117,135	35,140,143	44,626,012	39,845,771
<u>\$ 147,346,015</u>	<u>\$ 174,207,775</u>	<u>\$ 206,866,901</u>	<u>\$ 231,758,666</u>	<u>\$ 395,673,862</u>	<u>\$ 432,673,642</u>
21.67%	19.33%	14.86%	13.17%	10.14%	8.43%

Schedule 13

ST. LOUIS COUNTY, MINNESOTA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>Population (4)</u>	<u>Personal Income (thousands of dollars) (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Annual Average Labor Force (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
2000	200,471	5,342,254	26,648	103,309	30,313	4.3%
2001	200,827	5,446,383	27,116	104,153	29,388	5.8%
2002	199,691	5,793,275	29,007	104,034	28,776	5.7%
2003	198,858	5,937,663	29,855	104,343	28,245	6.2%
2004	197,739	6,191,364	31,309	103,641	27,523	5.7%
2005	196,552	6,236,876	31,731	102,632	26,659	5.0%
2006	196,218	6,595,176	33,622	102,648	26,278	5.1%
2007	196,420	6,930,479	35,277	103,507	25,860	5.6%
2008	196,864	7,187,399	36,454	104,916	25,347	6.4%
2009	197,767	Not Available	Not Available	106,613	25,506	8.1%

Sources:

- (1) - US Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov/regional/reis/>)
- (2) - Minnesota Department of Employment and Economic Development (<http://www.positivelyminnesota.com>)
- (3) - Minnesota Department of Education (<http://education.state.mn.us>)
- (4) - US Bureau of Census (factfinder.census.gov)

Schedule 14

**ST. LOUIS COUNTY, MINNESOTA
Principal Employers
Current Year and Ten Years Ago**

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Mary's/Duluth Clinic Health System	5,086	1	4.77%	5,196	1	5.00%
St. Louis County	1,702	2	1.60%	2,254	3	2.17%
Uniprise (United Health Care)	1,634	3	1.53%			
St. Luke's Hospital	1,585	4	1.49%	1,275	9	1.23%
University of Minnesota Duluth	1,559	5	1.46%	1,391	6	1.34%
Duluth Public Schools	1,426	6	1.34%	1,508	5	1.45%
Minnesota Taconite (USS)	1,280	7	1.20%	1,650	4	1.59%
Allete	1,245	8	1.17%	1,278	8	1.23%
Miner's	1,088	9	1.02%			
Duluth Air National Guard Base	1,068	10	1.00%			
Benedictine Healthcare System				3,139	2	3.02%
LTV Steel Mining				1,390	7	1.34%
Northwest Airlines				944	10	0.91%
Total	17,673		16.58%	20,025		19.28%

Sources:

- Northland Connection (www.northlandconnection.com/industries/eading.php)
- St. Louis County Operating and Capital Budget
- St. Mary's/Duluth Clinic Health System
- University of Minnesota Duluth (http://www.irr.umn.edu/hrdata/Employee_Head_Counts_2005_2009.pdf)

Schedule 15

ST. LOUIS COUNTY, MINNESOTA
**Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General government	488.50	489.50	490.78	503.48
Public safety	256.40	258.40	261.40	261.40
Highways and streets	343.00	343.00	343.00	343.00
Health and sanitation	105.25	104.65	104.65	103.25
Human services	523.20	524.70	526.70	523.20
Conservation of natural resources	63.60	64.40	64.40	64.40
Environmental services	40.00	40.00	40.00	40.00
Chris Jensen	214.39	208.00	215.15	209.90
Nopeming	163.28	154.45	160.84	-
Other Enterprise Funds	<u>57.18</u>	<u>57.18</u>	<u>56.78</u>	<u>56.78</u>
Total	<u>2,254.80</u>	<u>2,244.28</u>	<u>2,263.70</u>	<u>2,105.41</u>

Notes:

Internal Service Funds are included with the general government function.

The Nopeming Nursing Home was closed in 2003.

In 2005, The State of MN took over the Courts (previously included in the general government function).

The Chris Jensen Health and Rehabilitation Center was leased in 2009 and the employees transferred to the lessor.

The Community Foods Enterprise Fund was closed in 2009.

The Supervised Living Facilities Enterprise Fund will be closed in 2010.

Source: St. Louis County Operating and Capital Budget

Schedule 15

ST. LOUIS COUNTY, MINNESOTA

**Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years**

Full-time Equivalent Employees					
2004	2005	2006	2007	2008	2009
500.70	410.20	414.70	424.20	427.30	416.10
261.40	274.70	277.70	276.70	278.60	275.60
323.00	323.00	323.00	323.00	321.00	301.00
100.25	99.25	100.25	90.75	91.25	64.10
504.75	511.80	509.80	509.80	520.80	523.80
63.00	64.00	64.00	64.00	69.00	69.00
40.00	40.00	40.00	40.00	42.00	52.00
231.70	246.40	226.10	234.65	190.40	-
-	-	-	-	-	-
55.78	45.78	45.78	46.78	41.97	-
<u>2,080.58</u>	<u>2,015.13</u>	<u>2,001.33</u>	<u>2,009.88</u>	<u>1,982.32</u>	<u>1,701.60</u>

Schedule 16

ST. LOUIS COUNTY, MINNESOTA Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2000	2001	2002	2003
General Government				
Auditor's Office				
Checks Issued	78,221	77,755	80,172	63,649
Motor Vehicle Driver's License	16,849	17,573	17,822	16,148
Motor Vehicle Passports				1,053
Motor Vehicle Transactions	104,687	83,918	70,655	56,915
Planning - Building Permits Issued				
Single Family Dwelling			271	349
Other			674	731
Public Safety				
Sheriff's Department				
Parking Tickets Issued	12	12	2	2
Arrests	1,460	1,545	1,503	1,416
Traffic Citations	3,202	2,675	3,023	2,840
Mines				
Mine Visits and Inspections	684	573	501	531
Highways and Streets				
Road and Bridge				
Miles of Overlay	43.19	25.44	31.14	0.50
Miles of Mill Overlay				8.18
Miles of Reclaim Overlay				
Miles of Mill Reclaim Overlay				
Miles of Construction	14.80	2.20	18.85	11.60
Tons of Crushing	488,500	283,000	543,500	258,000
Miles of Crack Seal	67.47	83.50	86.38	
Miles of Guard Rail Constructed	1.48		1.17	1.07
Health and Human Services				
Health				
Public Health Home Visits	8,993	7,490	9,440	10,237
Food Beverage and Lodging Inspections	602	1,197	984	1,236
Public Health Nursing Service Screenings	3,386	3,477	2,714	2,609
Human Services				
Unduplicated Children in Out of Home Placement	900	880	910	744
Financial Assistance Cases	14,609	15,282	16,254	17,447
Child Support Cases	10,108	10,570	10,512	10,779
Persons Receiving DD (prev MR/RC) Waivered Services	371	586	657	686
Purchased Social Services (1)	\$ 72,513,963	\$ 83,100,917	\$ 101,747,952	\$ 109,586,274
Social Services Administrative costs (2)	\$ 20,476,811	\$ 20,569,552	\$ 21,627,497	\$ 21,688,702
Conservation of Natural Resources				
Land				
Total Acres of Tax Forfeit Lands	898,306	898,161	897,655	898,092
Contracts Sold	140	115	138	109
Closed Sales	136	118	127	147
Acres Harvested	7,950	7,767	8,482	9,784
Average Size of Sale (Acres)	58	66	67	67
Harvest Volume (Cords)	166,577	189,028	199,728	224,682
Cords Per Sale	1,225	1,602	1,573	1,528
Value	\$ 3,440,905	\$ 4,008,217	\$ 4,919,064	\$ 6,025,985
Average Value Per Sale	25,301	33,968	38,733	40,993
Average Value Per Cord	\$ 21	\$ 21	\$ 25	\$ 27
Average Value Per Cut Acre	\$ 433	\$ 516	\$ 580	\$ 616
Volume Per Cut Acre (Cords)	21	24	24	23
Value Per Tax Forfeit Acre	\$ 4	\$ 4	\$ 5	\$ 7
Environmental Services				
Tons of Municipal Solid Waste Landfilled	47,569	50,840	50,388	52,322
Tons of Industrial Waste Landfilled	11,701	8,239	10,163	13,554
Tons of Ash Landfilled	5,424	5,506	8,789	10,036
Tons of Recycling Problem Materials	43,173	49,180	50,348	54,723
Tons of Demolition Landfilled	5,272	6,240	5,708	5,579
Chris Jensen				
Licensed Beds (3)	235	235	235	235/205
Capacity - Resident Days	86,010	85,775	85,775	80,850
Occupancy - Resident Days	81,398	78,572	66,827	72,634
Occupancy Percentage Rate	94.64%	91.60%	77.91%	89.84%
Case Mix (4)	2.72	2.80	2.85	
RUGS (4)				1.14
Medicare Resident Days	11,466	13,412	5,458	10,039
Medicaid Resident Days	55,003	51,582	51,746	53,788
Other Resident Days	14,929	13,578	9,623	8,807

Notes:

- (1) Purchased Social Services are payments made by DHS or Health and Human Services for St. Louis County residents
- (2) Includes children's services, child care, chemical dependency, mental health, developmental disabilities, adult services
- (3) Chris Jensen was licensed for 247 beds until March 31, 1996. At that time, Chris Jensen delicensed 12 beds. Chris Jensen delicensed 15 beds and "laid away" 15 beds beginning July 1, 2003, pursuant to closure of Nopeming Nursing Home and creation of a secure Alzheimer's unit. The current number of licensed beds is 220, but with the "laid away" beds, the count of 205 beds is the beds used to determine occupancy.
- (4) Case mix was the means of categorizing the residents care level and determining the reimbursement rate through September 30, 2002. Beginning October 1, 2002, the state switched to the "RUG" (Resource Utilization Grouper) method for determining care level and reimbursement.

Source: Individual County Departments

Schedule 16

**ST. LOUIS COUNTY, MINNESOTA
Operating Indicators by Function/Program
Last Ten Fiscal Years**

2004	2005	2006	2007	2008	2009
42,916	39,814	40,225	38,483	30,519	19,406
16,576	17,294	17,642	17,543	18,785	18,335
2,737	4,658	6,951	8,207	6,048	7,323
47,418	48,854	49,247	49,908	50,363	48,747
409	337	312	265	209	165
714	795	739	659	593	474
8	3	-	14	5	2
1,422	1,929	1,651	1,383	1,245	2,118
2,660	2,815	3,151	2,040	2,598	1,627
520	534	675	722	749	754
1.78	7.19	1.62	0.75	0.61	2.00
	2.19				-
		18.84	17.60	20.36	29.52
		4.32		6.24	8.23
21.97	7.08	13.25	10.80	6.01	1.18
418,428	372,600	386,200	398,500	345,100	310,182
	59.70	47.24	19.03	73.68	63.63
	1.39	0.51	1.63	1.74	1.63
9,440	8,740	7,145	6,798	5,560	4,228
1,322	1,451	1,383	1,266	1,238	-
2,582	2,339	3,501	2,262	2,037	2,517
649	712	702	725	770	787
17,970	18,500	18,750	19,169	20,823	22,405
11,032	11,200	11,000	11,455	11,600	11,549
714	707	702	677	681	701
\$ 110,962,782	\$ 113,170,010	\$ 119,215,990	\$ 125,925,606	\$ unavailable	\$ unavailable
\$ 20,758,769	\$ 22,366,144	\$ 20,733,845	\$ 22,068,291	\$ 23,791,246	\$ 26,572,518
897,196	895,193	894,682	893,623	892,938	892,726
118	114	118	204	128	123
124	118	100	72	97	97
9,527	10,593	7,828	6,073	6,885	7,452
77	90	78	84	71	77
207,410	232,627	174,294	117,711	146,355	158,248
1,673	1,971	1,743	1,635	1,509	1,631
\$ 6,219,835	\$ 8,165,974	\$ 6,661,905	\$ 4,728,720	\$ 5,091,656	\$ 4,043,085
50,160	69,203	66,619	65,677	52,491	41,681
\$ 30	\$ 35	\$ 38	\$ 40	\$ 35	\$ 26
\$ 653	\$ 771	\$ 851	\$ 779	\$ 740	\$ 543
22	22	22	19	21	21
\$ 7	\$ 9	\$ 7	\$ 5	\$ 6	\$ 5
54,560	53,066	54,039	54,006	54,265	50,312
17,970	8,621	9,362	7,359	6,219	2,794
9,953	9,784	10,246	13,226	47	-
55,000	55,652	56,605	60,495	60,941	unavailable
4,570	4,844	4,715	6,395	5,888	5,640
205	205	205	205	189	189
75,030	74,825	74,825	74,825	69,174	68,985
72,405	72,214	71,734	68,626	63,581	49,517
96.50%	96.51%	95.87%	91.72%	91.91%	86.18%
1.18	1.17	1.10	1.06	1.06	1.09
7,967	9,470	6,941	6,237	5,277	3,814
53,884	48,873	46,478	43,212	36,350	32,095
10,554	13,871	18,315	19,177	21,954	13,608

Schedule 17

ST. LOUIS COUNTY, MINNESOTA
**Capital Asset Statistics by Function/Program,
 Last Ten Fiscal Years**

Function/Program	As of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Courthouses	3	3	3	3	3	3	3	3	3	3
Motor Pool Vehicles	113	115	115	113	115	109	117	126	126	126
Parking Ramp	1	1	1	1	1	1	1	1	1	1
Public Safety										
Vehicles	114	117	119	124	120	123	121	121	122	121
Jail and Lockup Facilities	3	3	3	3	3	3	3	3	3	3
Emergency Operations Center	-	-	1	1	1	1	1	1	1	1
Highways and Streets										
Vehicles	219	220	219	218	218	210	214	242	225	220
Miles of County Road	1,619	1,619	1,619	1,598	1,578	1,578	1,583	1,578	1,582	1,588
Miles of County State Aid Road	1,577	1,577	1,577	1,386	1,385	1,385	1,385	1,385	1,383	1,385
Number of Bridges	599	604	604	605	605	605	604	598	597	597
Garages and Storage Buildings	64	57	82	86	86	86	86	88	84	84
Graders, Loaders and Heavy Trucks	408	401	397	398	397	394	400	417	396	378
Health and Sanitation										
Nursing Homes	2	2	1	1	1	1	1	1	1	1
Demolition Landfill	1	1	1	1	1	1	1	1	1	1
Regional Landfill	1	1	1	1	1	1	1	1	1	1
Recyclables Processing Facility	2	1	1	1	1	1	1	1	1	1
Transfer Station	5	5	5	5	5	5	5	5	5	5
Laundry Facility	1	1	1	1	1	1	1	1	1	-
Human Services										
Office Buildings	1	1	2	2	2	2	2	2	2	2
Culture and Recreation										
Heritage and Arts Center	1	1	1	1	1	1	1	1	1	1
Conservation of Natural Resources										
Vehicles	52	49	50	49	50	51	50	52	57	45
Offices and Garages	8	8	8	8	8	8	8	8	8	8
Graders, Loaders and Heavy Trucks	10	9	10	11	11	11	14	13	13	11

Sources:

St. Louis County Auditor
 Individual County Departments