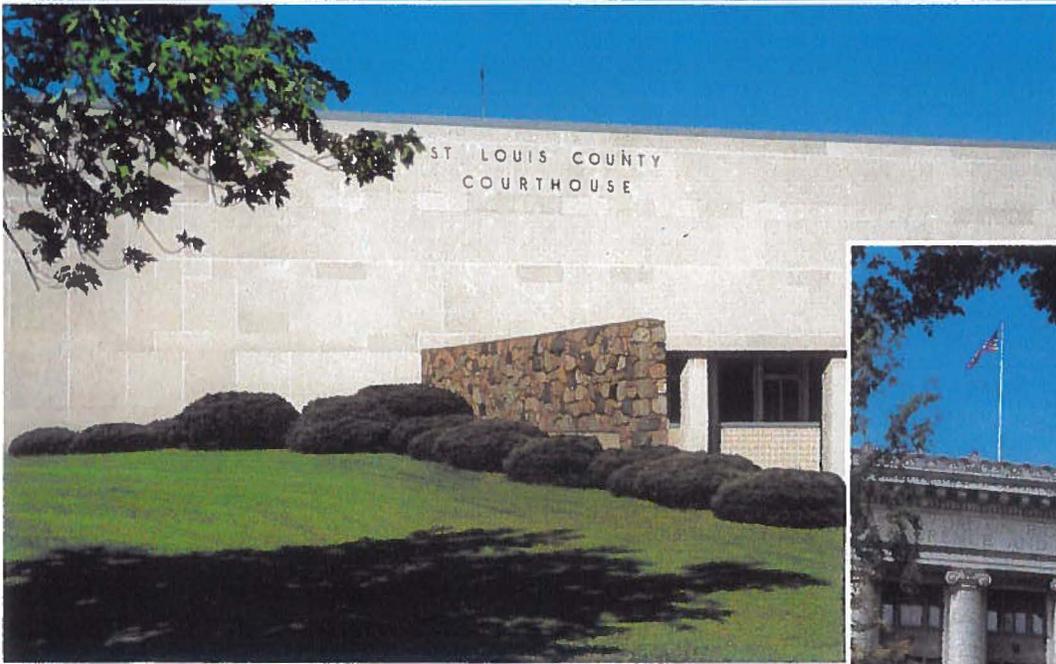


COMPREHENSIVE ANNUAL FINANCIAL REPORT

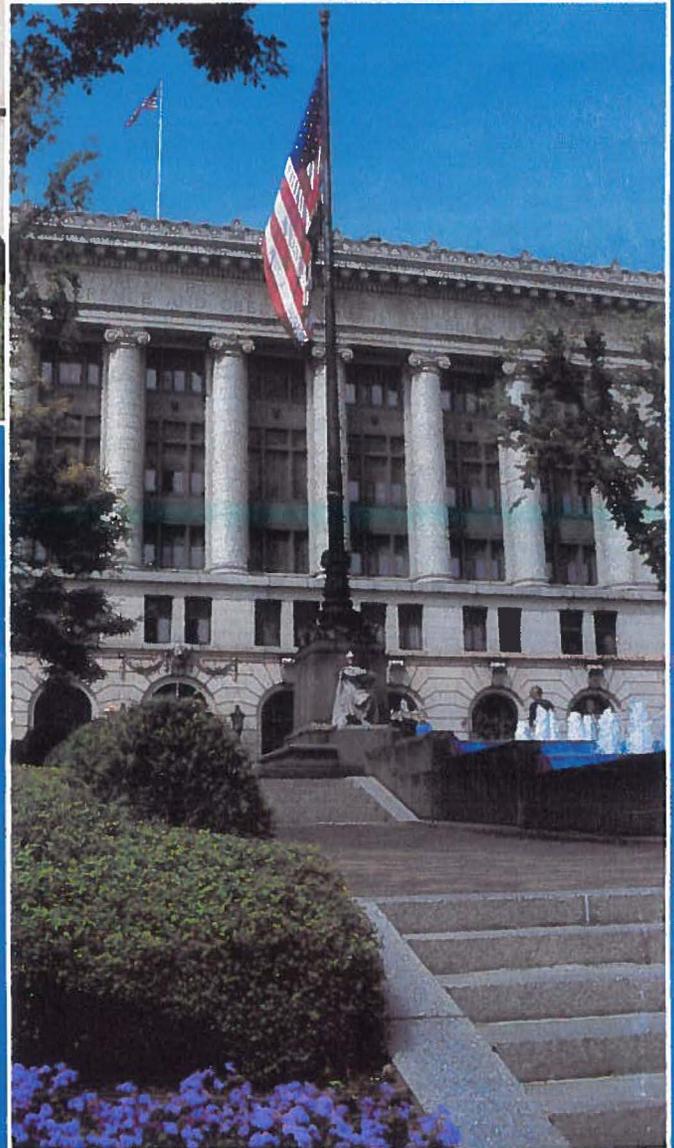
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993

ST. LOUIS COUNTY, MINNESOTA

Gordon D. McFaul • County Auditor



ST. LOUIS COUNTY COURTHOUSE



DULUTH COURTHOUSE



VIRGINIA COURTHOUSE

COUNTY COURTHOUSES

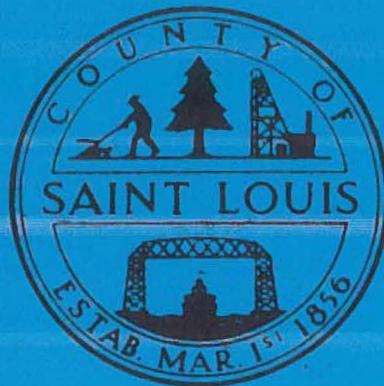
The **Duluth** courthouse was built in 1909 for \$992,500 by the contracting firm of Lanquist and Illsley Co. of Chicago. St. Louis County was established and organized by the territorial legislature in 1856. Duluth became the county seat in 1862.

The courthouse at **Virginia**, built in 1910 from plans by Bray and Nystrom of Duluth, doubled its size with an addition in 1921.

The 1954 courthouse at **Hibbing** was designed by Jyring and Jurenes of Hibbing and built for \$840,000. The 1916 courthouse was similar to the Duluth and Virginia courthouses, but when the entire town of North Hibbing moved south in response to the needs of the expanding open-pit iron mining operation, the building was demolished.

St. Louis County Minnesota

**Comprehensive Annual Financial Report
for the Fiscal Year Ending
December 31, 1993**



Office of the County Auditor

Gordon D. McFaul

Table of Contents

	<u>Reference</u>	<u>Page</u>
Introductory		
Table of Contents		1-3
Letter of Transmittal		5-18
Map - Legislative and Commissioner Districts		19-20
Elected and Appointed Officials		21
Organizational Summary		22
Certificate of Achievement		23
Financial		
Independent Auditor's Report		25-26
	Exhibit	
Combined Statements - Overview ("Liftable" General Purpose Financial Statements):		
Combined Balance Sheet - All Fund Types and Account Groups	I	28-33
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	II	34-35
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - General Fund and Special Revenue and Debt Service Fund Types	III	36-37
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	IV	38
Combined Statement of Cash Flows - All Proprietary Fund Types	V	39
Notes to the Financial Statements		41-79
	Schedule	
Combining, Individual Fund and Account Group Financial Statements:		
General Fund:		
Balance Sheet	1	82
Statement of Revenues, Expenditures, and Changes in Fund Balances	2	83-87
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis	3	88-92
Special Revenue Funds:		
Combining Balance Sheet	4	94-95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	96-97
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis		
Babbitt Facility	6	98
County Housing Authority	7	99
Community Development Block Grant	8	100
Road and Bridge	9	101
Social Services	10	102
		(Continued)

Table of Contents
(Continued)

	<u>Reference</u>	<u>Page</u>
Financial		
	Schedule	
Combining, Individual Fund and Account Group Financial Statements:		
Debt Service Funds:		
Combining Balance Sheet	11	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	12	105
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis		
Babbitt Facility Refunding	13	106
Capital Equipment Notes	14	107
Correctional Facilities Bond	15	108
Capital Projects Funds:		
Combining Balance Sheet	16	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	17	111
Enterprise Funds:		
Combining Balance Sheet	18	114-115
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	19	116
Combining Statement of Cash Flows	20	117
Internal Service Funds:		
Combining Balance Sheet	21	120-123
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	22	124-125
Combining Statement of Cash Flows	23	126-127
Expendable Trust and Agency Funds:		
Combining Balance Sheet	24	132-133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Expendable Trust Funds	25	134-135
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	26	136-140
Fixed Assets:		
Comparative Schedule of General Fixed Assets by Source	27	142
Schedule of General Fixed Assets by Function and Activity	28	143
Schedule of Changes in General Fixed Assets by Function and Activity	29	144
Supplementary Schedules		
Schedule of Investments	30	146
Tax Capacity, Tax Rates, Levies, and Percentage of Collections	31	147
Schedule of Intergovernmental Revenue	32	148-153

(Continued)

Table of Contents

(Continued)

Statistical	<u>Reference</u>	<u>Page</u>
	Table	
General Governmental Expenditures by Function	1	155
General Governmental Revenues by Source	2	156
Property Tax Levies and Collections	3	157
Assessed, Tax Capacity and Estimated Market Value of Taxable Property	4	158
Property Tax Rates and Tax Levies - Direct and Overlapping	5	159
Ratio of Bonded Debt to Market Value and Bonded Debt per Capita	6	160
Computation of Legal Debt Margin	7	161
Computation of Direct, Overlapping and Underlying Debt	8	162
Ratio of Debt Service Expenditures for General Obligation Debt to Total General Expenditures	9	163
Revenue Bond Coverage	10	164
Demographic Statistics	11	165
Estimated Market Value, Construction, and Bank Deposits	12	166
Principal Taxpayers	13	167
Labor Statistics	14	168
Miscellaneous Statistical Data	15	169
Percentage of Registered Voters - Voting	16	170
Public Land Ownership Within County	17	171

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:



Saint Louis County

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

Gordon D. McFaul
St. Louis County Auditor

May 27, 1993

To: The Citizens of St. Louis County, Minnesota
The St. Louis County Board of Commissioners
John J. Kachmar Jr., County Administrator
Interested Agencies and Institutions

The Comprehensive Annual Financial Report of St. Louis County is hereby submitted for the fiscal year ended December 31, 1993. This report was prepared by the County Auditor's Accounting and Finance Division. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the County. This report conforms with the Governmental Accounting Standards Board (GASB) Statement 1 and subsequent statements and interpretations. The report consists of three sections:

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The following analysis is based largely on information found in the Outlook edition of the Duluth News-Tribune.

Economic growth in St. Louis County mirrored national growth in 1993 in that growth was gradual. St. Louis County differed in 1993 from the national scene in that unemployment began at a lower level locally. Diversification continued on the Iron Range and in Duluth. Recent developments include:

City of Virginia

Retail

- ▶ In 1993 an 89,000 square foot Target store opened, employing 140 people. Customers are drawn from the Iron Range area and Canada. Sales volume has continuously kept pace with the great start the store made during its grand opening.

Light Manufacturing

- ▶ The City may annex a neighboring forty acres to construct a badly needed industrial park. The land already has roads and utilities and the park will be available for use this spring.

Medical Facilities

- ▶ An expansion of the East Range Clinics will be completed in August at a cost of \$1.6 million. At 15,000 square feet, this is an attempt to expand the number of doctors from 30 to 49 within five years. Already, five new doctors have signed on. In addition, the existing clinic will be remodeled at a cost of \$300,000. By giving local residents the chance to be treated closer to home, it is estimated the economy of the area will grow by \$22-\$25 million per year.

Organizational efforts were begun to raise funds for a \$1.5 million renovation to the Virginia Regional Medical Center, including an outpatient services center.

City of Eveleth

Retail

- ▶ Fingerhut Corporation expanded its telemarketing operations and 90-100 new workers are to be hired in early 1993. They will work 20-25 hour weeks at \$7.00 per hour plus benefits.

Tourism

- ▶ Increased tourism for the area has spurred the Super 8 Motel to expand at a cost of \$700,000.

City of Biwabik

Tourism

- ▶ Construction may begin in 1994 on a \$7 million golf course at Giant's Ridge ski area. This is part of a plan to turn the area into a year-around recreation facility. The course is set to open in 1996, with first year revenue projected at \$1.1 million. There are also plans to build 25 residential units per year over the next ten years with an area set aside for a hotel and for convenience stores. The majority of the resort's customers are expected to come from the Twin Cities; the increased business should create 65 jobs.

Heavy Industry

- ▶ Eveleth Mines and its employees intend to secure funds for a \$40.9 million capital improvements project designed to reduce costs from \$31 per ton of taconite pellets to \$6 per ton. These improvements include new equipment, a computerized distributive control system, energy conservation projects, a fluxed pellet system and maintenance projects.

City of Hibbing

Light Industry

- ▶ Hibbing Electronics has invested \$2 million in high-tech test and production equipment in its assembly of circuit cards, thereby adding capacity and improved technology to its base. This should result in a 25-30% increase in sales to its corporate customers Bell and Howell, Dresser Industries, IBM, Honeywell, NCR and others for 1994. In addition, Hibbing Electronics hopes to secure contracts worth \$1 million per month. If they are secured, construction will begin on a 20,000 square foot building employing an additional 50-100 new employees. The process for ISO 9000 certification is progressing, so that Hibbing Electronics will be able to increase its customer base internationally.
- ▶ Northwest Airlines may soon establish a ticket office in the area, with the possibility of hiring up to 500 people.

Public Services

- ▶ A \$3.5 million renovation to a vacant hotel will result in the establishment of 48 senior citizen apartments.

Renovation of the former Super One supermarket will be ready in early spring. It is to be the home of a 200-child day care center, two school district programs and part of the County's Health Department. Another tenant will be a private employer which will use 15,000 square feet and employ 50-75 initially, with the possibility of adding several hundred employees in a few years.

Education

- ▶ Construction of 32 student housing units is underway, with completion scheduled for fall of 1994 at Hibbing Community College. When finished, these residences will house 124 students and will have cost \$2.4 million.

- ▶ National Steel Pellet Company's Keewatin taconite plant may not operate in 1994. The average production in each of the last three years was 5 million ton. The plant was idled indefinitely last fall by its owner National Steel Corporation. Even with the plant shut down, much of its production could remain on the Range if National Steel Corporation contracts with other Iron Range taconite pellet producers.

City of Ely

Education

- ▶ Vermilion Community College completed a \$1.2 million addition during 1993. This increased the size of the building space by 10,600 square feet. The enlarged capacity will service more technology programs. A 36% increase in full-year equivalent credits taken by the student enrollment prompted the College to construct eleven new housing units at a cost of \$844,144. These units will service eighty students.

The non-profit oriented \$1.5 million International Wolf Center opened its doors to the public in late June. The 17,000 square foot educational institution is designed to focus on worldwide studies of the wolf. There were over 50,000 visitors to the Center in 1993, with strong attendance spread throughout the year. It is estimated that over 60,000 people will visit the Center in 1994.

City of Duluth

Retail

- ▶ The Stone Ridge mall opened in 1993 at a cost of \$25 million. It includes a 112,000 square foot Shopko store, a 30,000 square foot Toys R Us and an 88,000 square foot Cub Foods, creating nearly 500 jobs. More stores are due to open in 1994, with other construction continuing beyond that date.

A downtown outlet mall is proposed adjacent to the Bayfront Festival Park. The plan includes 30 stores with 250 employees. Construction will probably begin in 1994.

Fingerhut Corporation has plans to hire more part-time workers at its Duluth office. By spring the employee payroll will have grown by 100 individuals, bringing its total to 300.

Light Industry

- ▶ At a cost of \$76 million, the 135,000 square foot Superior Recycled Fiber Industries plant opened last year. It created 30 direct jobs and approximately 80 spin-off jobs. In 1993, the plant which opened in October, produced 15,000 tons of high quality pulp. The 1994 projected output is 90,000 tons. At present SRFI has contracted with six major paper companies, five of which made commitments prior to the October 1993 start of business.
- ▶ Cirrus Design Corporation, formerly of Baraboo, Wisconsin, moved its operations to Duluth in 1993. It plans to manufacture general aviation aircraft for personal transportation. At present it builds completed aircraft kits. The new airplanes will be high-tech \$1 million turbo props. During 1994, the company will spend \$7 million to design and engineer the first plane. Approximately 75 people are now employed at the facility. The owners plan to employ 250 people within five years. Another aviation firm has also shown interest in locating in Duluth.

- ▶ Duluth Engineering & Manufacturing Inc. has plans to hire more employees as a result of its purchase of the rights to manufacture the Pittman Polecat Digger Derrick last year.
- ▶ Schott Power Systems opened its doors in 1993, with production scheduled to begin in 1994. It is a maker of power supplies which convert voltages and currents to high-power usages as used in supercomputers and electric cars. Cray Research Inc. and General Motors are customers for the headquarters plant in Wayzata, Minnesota. By 1997, Schott plans to employ a staff of 93.

Tourism

- ▶ In 1993, this industry was up 6.5% from 1992. Over 3.2 million visitors came to Duluth with an economic impact of \$113 million. 1994 should be even better with a projected 3.4 million tourists impacting the area with \$117 million. Convention business is expected to jump 8-10% during the year.

Medical Facilities

- ▶ The Duluth Clinic will begin construction in 1994 of a \$2.5 million, 35,000 square foot branch clinic in nearby Hermantown. Comprehensive facilities will include medical offices, a pharmacy and a community health education area as well as specialized medical services.

The Miller Dwan Medical Center will complete a \$3.5 million renovation in April, 1994. The number of offices, laboratories and operating rooms will all increase.

St. Mary's Hospital plans to begin building a new central sterile supply, enlarge its emergency care center and remodel the center's nursery at a cost of \$2.8 million.

Other Services

- ▶ Construction will finish in 1994 on the \$15.5 million Aircraft Rescue and Fire Fighting Training Facility, which will offer instruction for 3,000 airport firefighters from across the nation. The Minneapolis Star-Tribune referred to it as "the most sophisticated aircraft disaster training center in the world".

General

- ▶ Trade through the port of Duluth increased in 1993. Raw materials such as grain, coal and coke exports had tonnages well ahead of the five-year average. On an international basis, nearly 7.5 million metric tons were shipped in 1993 compared to 7.2 million in 1992. A proposed Food for Peace bill is awaiting approval in the U.S. Senate and would make a substantial impact on tonnage for 1994.

MAJOR INITIATIVES

During 1993 St. Louis county built on the processes and procedures already in place to better meet citizens' needs for services and began new programs to further achieve these ends.

Administration

Initiation of Community Development Block Grant Funding

- ▶ The County was designated an urban county by the U.S. Department of Housing and Urban Development in September of 1992. This allowed the County to qualify for a 1993 Community Development Block Grant of \$6,150,000.

HOME Program

- ▶ In 1992 the County entered into a five-county consortium in order to allow for separate entitlement under the HOME program administered by the U.S. Department of Housing and Urban Development. Federal funds provided under this program assist participating counties in identifying low income housing priorities as well as providing funds to eligible projects to meet program objectives and priorities.
- ▶ The Consortium first received funding in 1993 for a total of \$1,259,000. In 1994 it is expected that funding will total \$509,000.

Law Enforcement

Construction of New Jail Facility

- ▶ Construction on a new jail to meet state guidelines began in August of 1993. Work progressed on schedule with a road and all earthwork completed by year end.
- ▶ The entire project was funded by jail revenue bonds issued in August totalling \$14,635,000 and maturing between 1995 and 2008 at rates of 4.70% and 4.75%.
- ▶ A transition coordinator and correctional officers were hired to develop policy and procedures, train staff and prepare the facility prior to moving the inmates.
- ▶ All jail staff received fifteen hours of direct supervision training which included working two days at the Stearns County Jail, a direct supervision facility.

District Court

Establishment of a Total Quality Management Initiative

- ▶ Criminal Division unification will aid in case processing efficiency and customer service in accordance with the Sixth District Caseflow Management Plan and Supreme Court guidelines.
- ▶ Consolidation of all financial functions into one financial division will meet the State Auditor's recommendations for internal controls.

- ▶ Departmental reorganization created a Chief Deputy Court Administrator position for the Northern region of the County.
- ▶ A planned case intake/case management model for administrative operations resulted in remodeling of the Duluth Civil Division office.
- ▶ Computer-generated reports were developed to help monitor data and caseload management.
- ▶ Most judges now have individually assigned clerks which improves case calendar control.
- ▶ The Court Administrator is scrutinizing the processes and procedures in all court divisions, with a view towards improving efficiency and providing quality service. Flextime is expected to start in 1994.
- ▶ The County's Education and Training personnel are working with the District Administrator's Office in providing appropriate and consistent training opportunities for all staff.

Auditor

Completion of Conversion to a Personal Computer-based Cash System

- ▶ The hoped-for advantages to a PC-based cashier entry system begun in 1992 were realized. These Include:
 - ◆ increased accuracy through the use of bar codes and bar code readers to process current tax payments
 - ◆ tax payment record updates occur within days as opposed to weeks under the old system
 - ◆ elimination of most keypunching
 - ◆ mainframe inquiry access to the property tax data base by the cashiers
 - ◆ more efficient tax processing during the May and October peak time periods

Satellite Office

- ▶ In an effort to better serve the citizens of the County, the Auditor began a study of various sites for establishment of a satellite office for the sale of motor vehicle licenses and other services. If the project is feasible, other functions of the Auditor's office may be performed at the chosen site. An information center for many of the County's services could also be incorporated into the project.

FINANCIAL INFORMATION

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

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

Budget Controls - St. Louis County incorporates budgetary controls to ensure compliance with the annual budget adopted by the Board of County Commissioners appropriating departmental budgets and estimated means of financing. The annual budget resolution includes general, special revenue and debt service funds. The budget control is at the department head level which relates very closely to function. Each department head (sheriff, attorney, etc.) has complete control over the individual department, but no public aid assistance budget authority may be used for operations, and the budgeted number of personnel for each department may not be exceeded at any time. Encumbrance accounting is used to determine availability of funds prior to incurring a specific obligation. Encumbrance accounting helps to insure proper policies and regulations have been followed. The capital projects fund is appropriated by project and the appropriation continues year-to-year until the projects are closed into fund balance by the Administrator or until the appropriations are totally expended. All other appropriations which are not expended or encumbered lapse at year-end. Encumbrances outstanding at year end are reported as reservations of fund balances.

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

General Government Functions - In 1993 General and Special Revenue Funds undesignated fund balances increased \$.9 million (9.3%). This reflects the County's conservative budgeting practices.

The following schedule presents a summary of General and Special Revenue Fund revenues for the fiscal year ended December 31, 1993 and the amount of percentage and dollar increases and decreases in relation to the prior year's revenues.

Revenues:	1993 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
Taxes	\$61,326,778	9.20	5,166,992
Licenses and permits	126,591	(.37)	(467)
Intergovernmental	86,705,928	15.25	11,696,279
Charges for service	7,458,822	4.28	305,873
Fines and Forfeitures	740,207	7.01	48,432
Interest on investments	1,532,681	(17.33)	(321,145)
Gifts and contributions	7,142	(65.18)	(13,364)
Miscellaneous	2,166,474	4.71	97,324
	\$160,064,623		16,979,924

Although the other categories of revenue show larger percentages of increase or decrease over 1992, the most significant dollar changes in revenue are the increase in the taxes and intergovernmental categories and the decrease in the interest category.

1. Tax revenues increased \$5.2 million or 9.20 percent over 1992 collections. The local property tax levy, after subtracting all aids, was increased 7.52 percent in 1993 and that increase accounts for substantially all of the increase in the tax revenue category. The General and Special Revenue Funds receive tax revenues based upon tax apportionment formulas.
2. Intergovernmental revenues increased \$11.7 million or 15.25 percent from 1992 intergovernmental revenues. Explanations of the major dollar increases and decreases are given below:

	Dollar Increase (Decrease) <u>(in millions)</u>
<u>General government -</u>	
State shared dollars	(.1)
State grant for economic development loan from County to private firm	.4
State Criminal Justice Aid	.3
<u>Highways and streets -</u>	
Federal and State funding of various projects increased in 1993	5.8
<u>Welfare -</u>	
State Shared Revenue	(.1)
State Grants	1.1
Federal Grants	1.0
<u>Economic Development</u>	
Revenue for the Community Development Block Grant was received for the first time in 1993	2.5

3. Interest on investments decreased by \$321,145 because of substantially lower interest rates being available in the market place and also as a result of the County Board designating funds other than the General Fund as recipients of interest earnings.

The following schedule presents a summary of General and Special Revenue Fund expenditures as shown on Exhibit II for the fiscal year ended December 31, 1993, and the percentages of increases and decreases in relation to prior year amounts.

Expenditures:	1993 Amount	% of Increase (Decrease)	Dollar Increase (Decrease)
General government	\$16,440,619	(3.00)	(507,737)
Public safety	17,721,147	7.10	1,174,454
Highways and streets	43,036,984	36.21	11,440,047
Health	6,101,778	2.93	173,208
Welfare	72,586,458	5.74	3,936,342
Culture and recreation	455,494	18.13	69,887
Conservation of natural resources	553,371	5.65	29,593
Economic development	3,307,952	523.58	2,777,470
	\$160,203,803		19,093,264

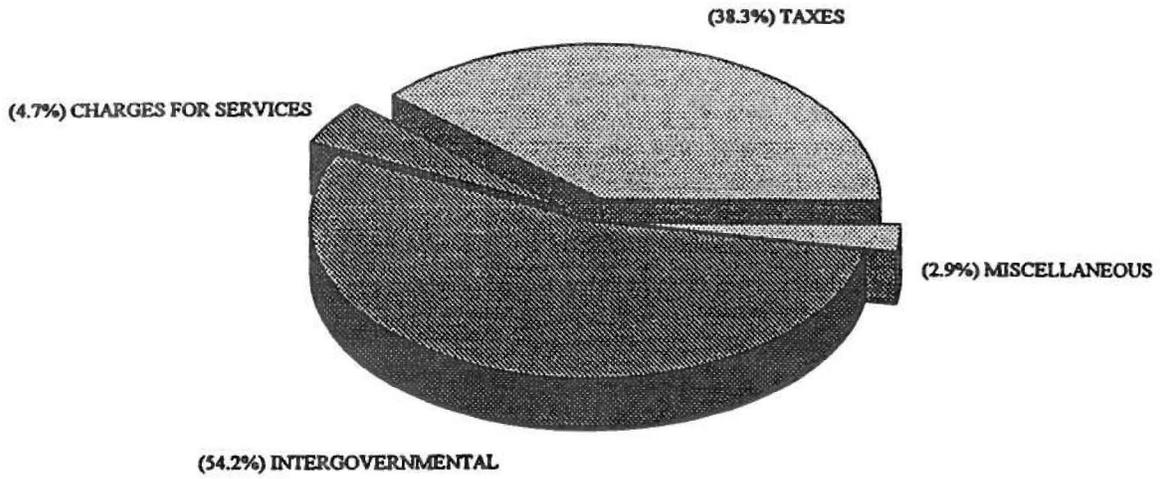
Explanations for the major dollar increases and decreases are given below.

	Dollar Increase (Decrease) <u>(in millions)</u>
<u>General government -</u>	
State takeover of public defender and some court functions	(.5)
<u>Public safety -</u>	
County share of Arrowhead Regional Corrections operations	.5
Increased costs of Sheriff's operations	.5
Small increases in various departmental expenditures	.2
<u>Highways and streets -</u>	
Increased Federal, State and County financed construction and maintenance projects done in St. Louis County	6.6
Increase in administration costs	.8
Increase in equipment maintenance and shops	4.0
<u>Health -</u>	
Increases in environmental health functions	.1
Increase in administrative costs	.1

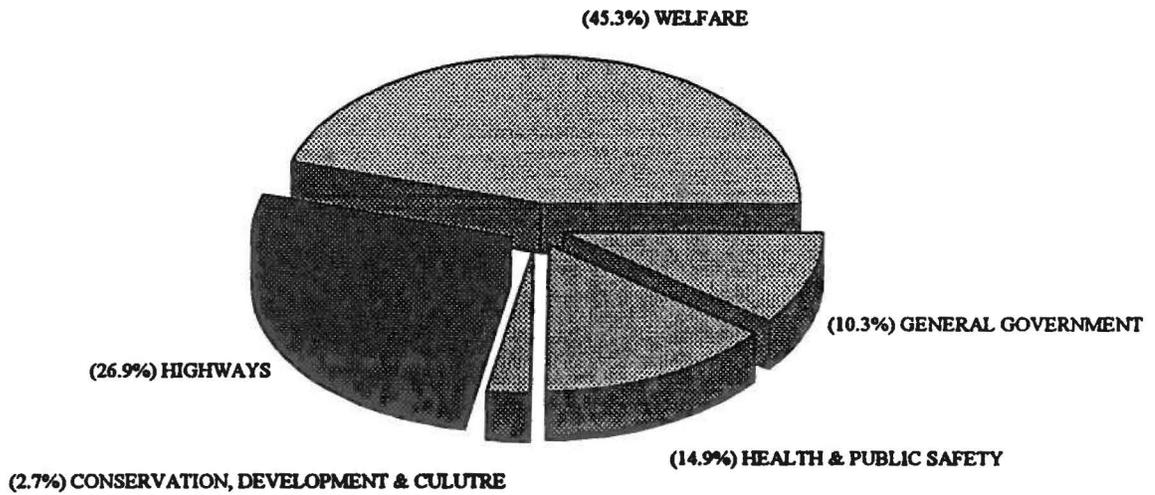
	Dollar Increase (Decrease) <u>(in millions)</u>
<u>Welfare -</u>	
Income Maintenance	
General assistance maintenance	(.6)
Work readiness	.5
Minnesota supplemental aid	(.3)
Aid to families with dependent children	(1.1)
Medical assistance	.4
Food stamps	1.4
Child daycare	5.4
Social Services	
Child daycare	(4.7)
Services to families with children	.3
Mental health	1.3
Developmentally disabled	1.1
Services to adults/elderly	.7
Stride	(1.1)
Capital Outlay	.2
 <u>Culture and recreation -</u>	
No major increases or decreases	
 <u>Conservation of natural resources -</u>	
No major increase or decrease	
 <u>Economic development -</u>	
Decrease in State grant lent to businesses in County	.6
Community Development Block Grant expenditures for first year of grant	2.5
Expenditures of Regional Railroad Authority classified as Special Revenue Fund in 1992; reclassified as Agency Fund in 1993	(.3)

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

1993 COUNTY REVENUES BY SOURCE
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



1993 COUNTY SPENDING BY FUNCTION
INCLUDES GENERAL & SPECIAL REVENUE FUNDS



Cash Management - In 1993, the average investment yield was 4.53%. Demand deposits averaged no more than 5% of the total cash, while 95% of all funds were invested in U.S. Government securities, Government agency securities and certificates of deposit in Minnesota banks.

Enterprise Operations - St. Louis County has three enterprise operations. Chris Jensen and Nopeming are nursing home facilities for the public. Solid Waste Management provides for the construction, operation and monitoring of solid waste activities outside of the Western Lake Superior Sanitary District. The Chris Jensen Fund had a net income of \$600,390 for 1993, while the Nopeming Fund had a net income of \$497,357 and the net income for the Solid Waste Management Fund was \$2,834,618.

Internal Service Funds - The County has eight Internal Service Funds. The Community Food Fund, the Printing Fund, the County Insurance Fund and the Telecommunications Fund had net incomes of \$116,102; \$60,309; \$2,602,750 and \$270,530, respectively. The Laundry Fund, the Supervised Living Fund, the County Garage Fund and the Management Information Systems Fund had net losses of \$14,556; \$3,502; \$258,721 and \$420,271, respectively. All of the Internal Service Funds have positive retained earnings balances, except the County Garage Fund. The County Garage Fund has contributed capital of \$2,832,482 which was used to purchase cars for the County Sheriff's Department. The depreciation on these cars is a charge against retained earnings; however, because the Sheriff contributed the purchase price of the cars, his Department is not assessed the depreciation portion of his mileage costs. Therefore, this fund will probably continue to have a negative retained earnings and an annual loss, but will continue to have a positive working capital.

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

Administration of Bonded Debt - As of December 31, 1993, St. Louis County had eleven bonded debt issues outstanding: \$4,070,000 and \$2,035,000 General Obligation Capital Notes; \$2,850,455; \$1,060,614; \$1,115,045 and \$5,457,206 General Obligation Solid Waste Bonds; \$2,855,321 Full Crossover Advance Refunding of 1989 solid Waste Bonds; \$14,635,000 Revenue Bond (Unlimited Tax Lease Obligations) for the financing of a jail; \$1,384,490 General Obligation Revenue Bonds for Chris Jensen Nursing Home Construction; \$930,000 General Obligation Refunding Bond for the Babbitt Facility; and \$207,885 General Obligation Revenue Bond for renovation of the Nopeming Nursing Home.

St. Louis County has an "A" rating from Moody's Investor's Service. Under current State law, the County's general obligation bonded debt issuances are limited to two percent of the market value of taxable property in the municipality. Market value for 1993 was \$4,213,422,500. The amount of general obligation debt applicable to the debt limit of \$84,268,450 is \$33,259,445 leaving \$51,009,005 as the legal debt margin. The \$33,259,445 applicable to the debt limit is without consideration of \$6,105,000 in designated fund balance in the Road and Bridge Special Revenue Fund. The State of Minnesota has allowed the County to reserve a portion of its bonding authority in lieu of placing in trust the entire estimated liability for contingency action for two closed landfills. that reserved portion of debt authority is \$951,916 for East Mesaba Landfill and \$1,537,537 for Hibbing Landfill.

Risk Management - The County is self-insured for vehicles, for unemployment compensation and is self-insured for workers' compensation up to \$430,000 per single loss occurrence. The Workers' Compensation Reinsurance Association, to which the County pays a premium, provides full indemnity in excess of this limit.

Capital Improvements - The Capital Projects Funds were established as a means of controlling and accounting for capital improvements for the General and Special Revenue Funds. Capital projects for 1993 consisted of improvements to courthouses, and a new County jail facility.

AWARDS FROM GOVERNMENT FINANCE OFFICERS ASSOCIATION

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to St. Louis County for its comprehensive annual financial report for the fiscal year ended December 31, 1992.

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

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

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for the 1992 annual approved budget. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

OTHER INFORMATION

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

The Single Audit Act of 1984 established audit requirements for state and local governments that receive federal aid as set forth in Circular A-128.

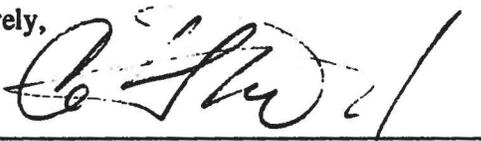
The State Auditor will issue management and compliance letters covering the review made as part of the examination of St. Louis County's system of internal control and compliance with applicable legal provisions.

Also reflected in these letters are the results of the County's single audit under provisions of the U.S. Office of Management and Budget Circular A-128.

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

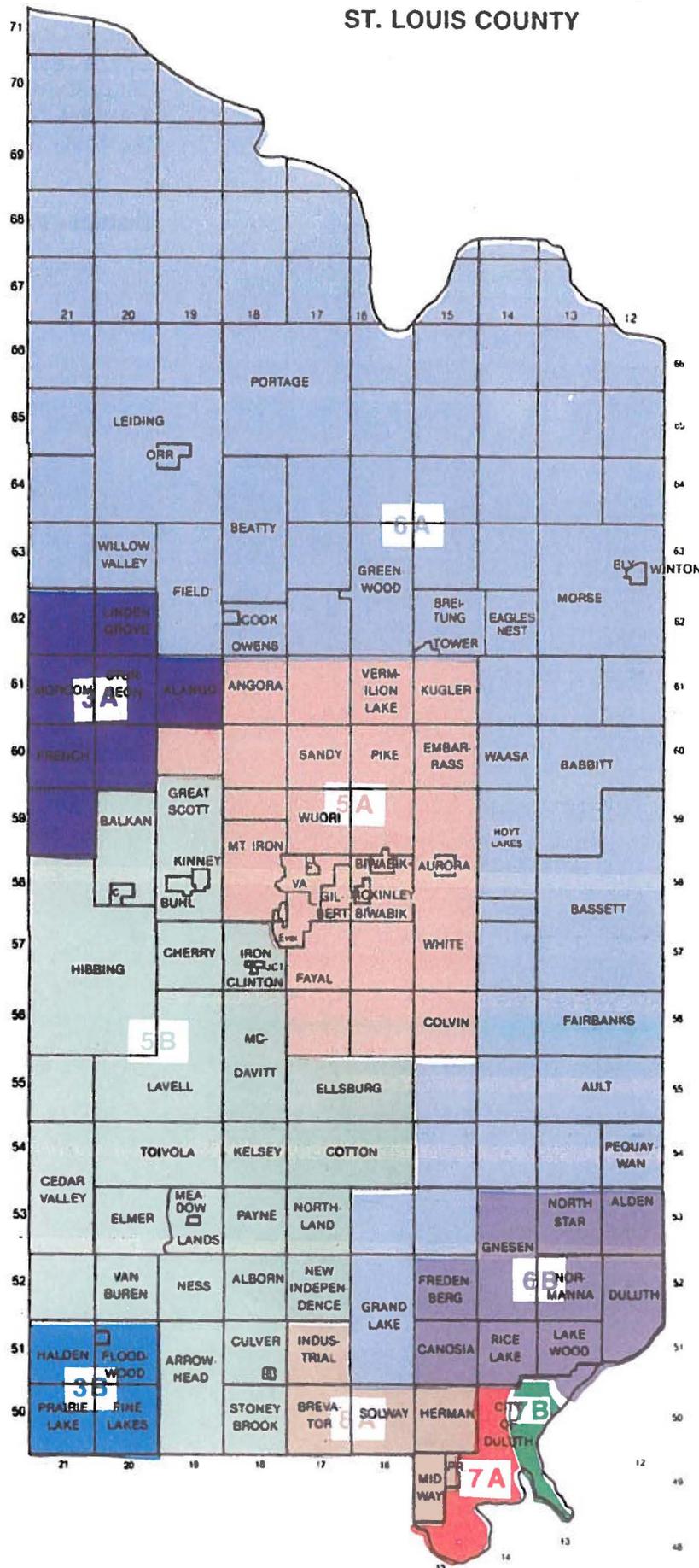
Special thanks to the State Auditor's staff for their technical assistance during the year. We acknowledge too, the thorough and professional manner in which they conducted the audit.

Sincerely,



GORDON D. McFAUL
COUNTY AUDITOR

LEGISLATIVE DISTRICTS ST. LOUIS COUNTY



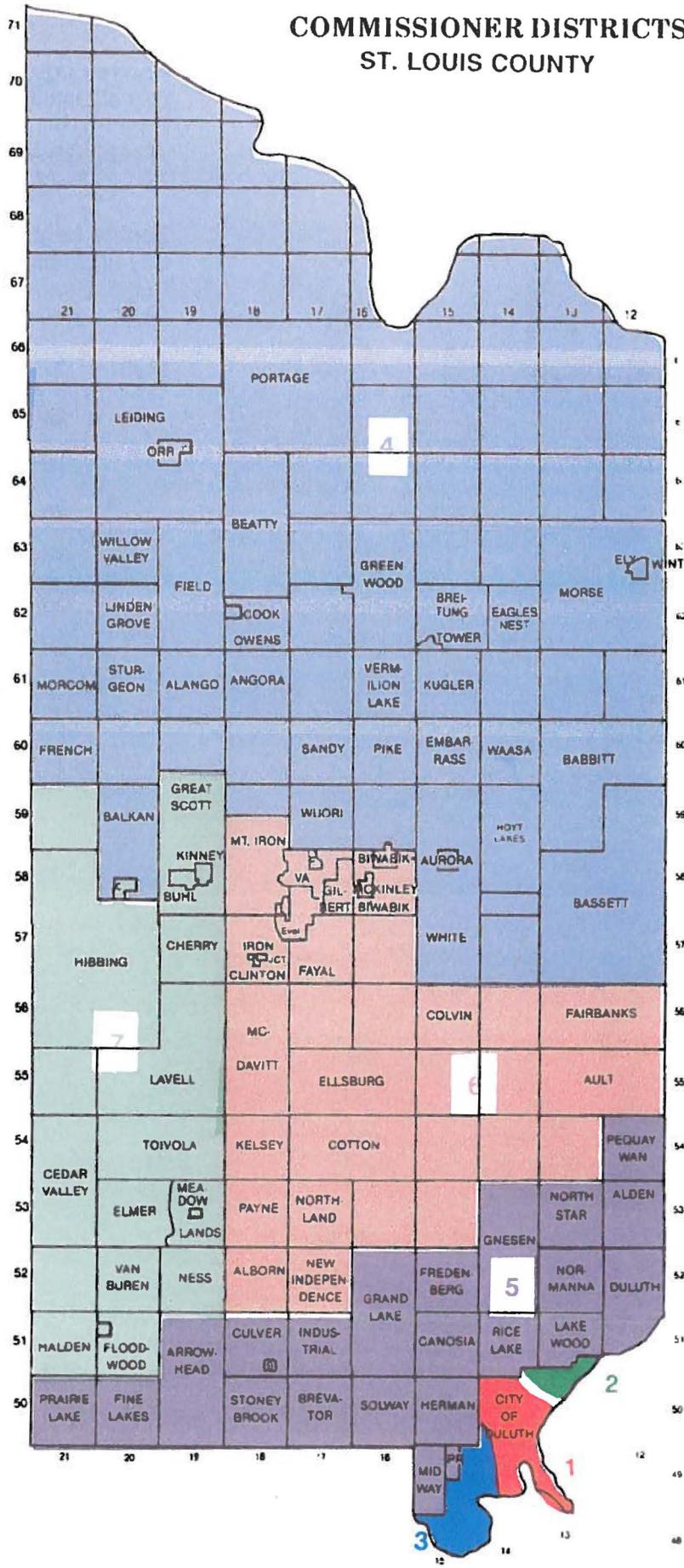
House Legislative Dist
 City of Duluth Precincts
 6B - 1-6, 9-11, 16
 7A - 27, 29-42
 7B - 7, 8, 12-15, 17-26, 28

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

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

COMMISSIONER DISTRICTS ST. LOUIS COUNTY

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



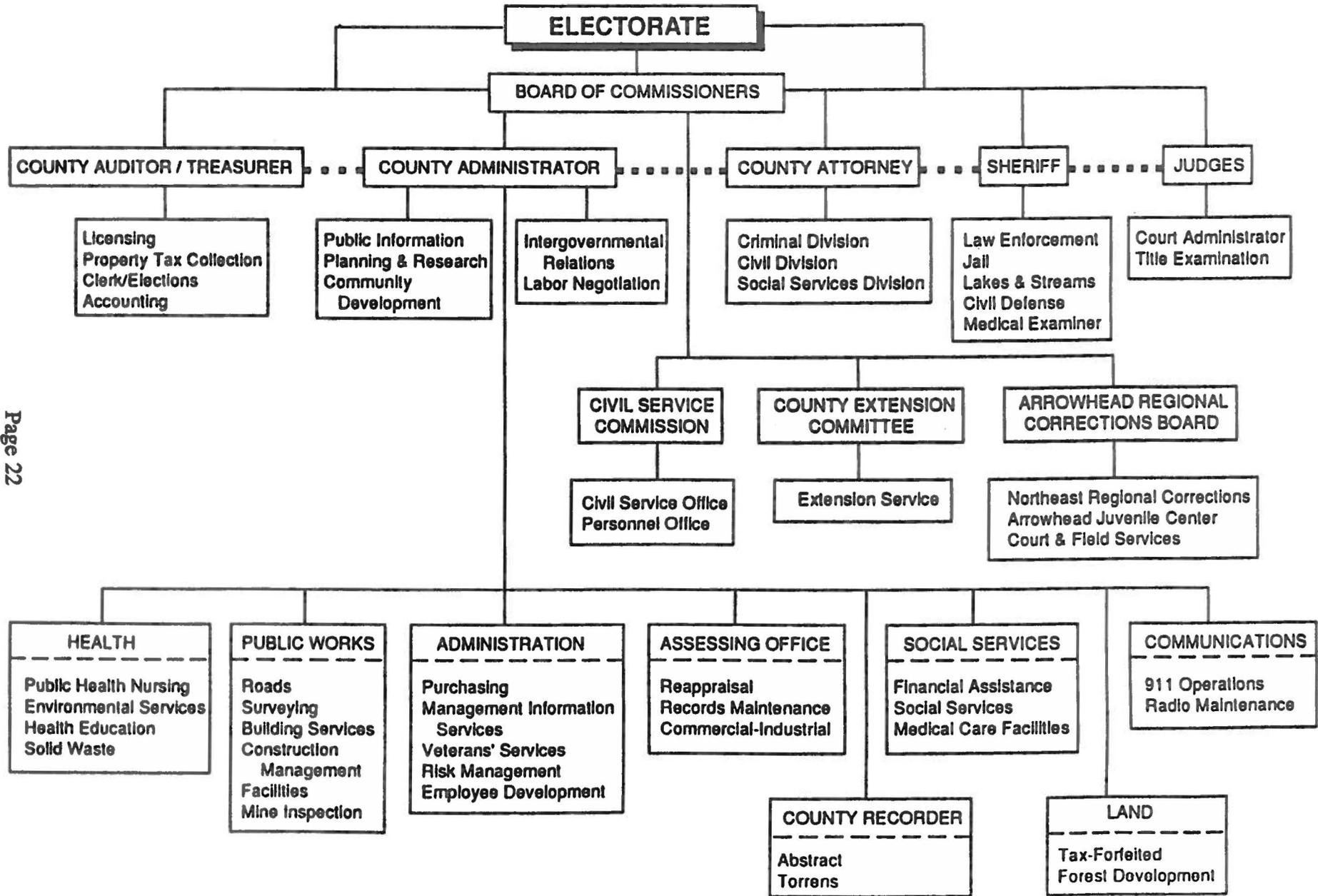
District #:

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

**ST. LOUIS COUNTY
ELECTED AND APPOINTED OFFICIALS
AS OF DECEMBER 31, 1993**

OFFICE	NAME	TERM
Commissioners:		
1st District	Will Mattson	Jan. 1993 Jan. 1997
2nd District	Marilyn A. Krueger	Jan. 1991 Jan. 1995
3rd District	William Kron	Jan. 1993 Jan. 1997
4th District	Herbert R. Lamppa	Jan. 1991 Jan. 1995
5th District	Martin Lepak	Jan. 1993 Jan. 1997
6th District	Liz Prebich	Jan. 1991 Jan. 1995
7th District	Steve Raukar	Jan. 1993 Jan. 1997
Elected Officers:		
Attorney	Alan L. Mitchell	Jan. 1991 Jan. 1995
Auditor-Treasurer	Russell Petersen	Jan. 1991 Jul. 1993
Auditor-Treasurer	Gordon D. McFaul	Sept. 1993 Jan. 1995
Sheriff	Gary Waller	Jan. 1991 Jan. 1995
Judges:		
District Court	David E. Ackerson	Jan. 1991 Jan. 1997
District Court	Charles T. Barnes	Jan. 1987 Jan. 1999
District Court	Robert F. Berger	Jan. 1991 Jan. 1997
District Court	David S. Bouschor	Jan. 1987 Jan. 1999
District Court	Robert V. Campbell	Jan. 1989 Jan. 1995
District Court	Donovan W. Frank	Jan. 1987 Jan. 1999
District Court	Jeanne Sederberg	Jun. 1992 Jan. 1995
District Court	Gerald C. Martin	Jan. 1987 Jan. 1999
District Court	John T. Oswald	Jan. 1987 Jan. 1999
District Court	Gary J. Pagliaccetti	Jun. 1991 Jan. 1997
District Court	Jeffry S. Rantala	Jan. 1992 Jan. 1995
District Court	Galen C. Wilson	Jan. 1987 Jan. 1999
Appointed Officers:		
Administrator	John J. Kachmar, Jr.	
Assessor	Scott Lindquist	
Civil Service Director	Anthony Bruno, Jr.	
Court Administrator	Gloria Pothast	
Emergency Communications Director	Nancy Pollock	
Examiner of Titles	Robert C. Brown	
Health Director	Dr. Harold Leppink	
Highway Engineer	Richard Hansen	
Land Commissioner	John J. Vogel	
Purchasing Agent	Chester Johnson	
Social Services Director	James Huber	

1993 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, 1992

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.



Arnold L. Flaherty

President

Jeffrey L. Esser

Executive Director

**FINANCIAL –
General Purpose Financial Statements**



MARK B. DAYTON
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 400
525 PARK STREET
SAINT PAUL 55103

(612) 296-2551

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
St. Louis County

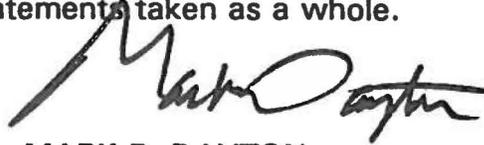
We have audited the accompanying general purpose financial statements of St. Louis County, Minnesota, as of December 31, 1993, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of St. Louis County as of December 31, 1993, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the County made changes in its method of reporting the primary government and certain component units.

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

A handwritten signature in black ink, appearing to read "Mark B. Dayton". The signature is written in a cursive style with a large initial "M".

MARK B. DAYTON
STATE AUDITOR

May 27, 1994

GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

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

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

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

**ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1993**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
Cash and cash equivalents	\$ 7,647,833	\$ 8,545,983	\$ 350,126	\$ 2,653,895
Investments	-	-	-	11,045,040
Invested employee contribution	-	-	-	-
Receivables				
Taxes				
Unapportioned	530,646	593,047	10,822	14,889
Delinquent	1,280,177	2,289,245	43,441	56,383
Accounts	115,243	780,195	-	-
Accrued interest	1,920,514	-	-	71,794
Loans	1,830,950	125,000	-	-
Due from other funds	66,040	4,851	-	-
Interfund receivable	281,894	-	-	-
Due from other governments	534,040	10,616,558	-	-
Inventories	-	1,100,250	-	-
Prepaid items	-	140,826	-	-
Restricted assets				
Improvement account				
Cash and cash equivalents	-	-	-	-
Debt service				
Cash and cash equivalents	-	-	-	-
Assets held by escrow agent	-	-	-	-
Receivables				
Taxes				
Unapportioned	-	-	-	-
Delinquent	-	-	-	-
Accrued interest	-	-	-	-
Fixed assets (net)	-	-	-	-
Amount available in special revenue fund	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Amount to be provided for compensated absences	-	-	-	-
Total Assets and Other Debits	<u>\$ 14,207,337</u>	<u>\$ 24,195,955</u>	<u>\$ 404,389</u>	<u>\$ 13,842,001</u>

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

EXHIBIT I

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
\$ 4,750,727	\$ 3,420,336	\$ 12,452,273	\$ -	\$ -	\$ 39,821,173
-	9,338,108	12,626,518	-	-	33,009,666
-	-	27,547,732	-	-	27,547,732
74,988	474	5,259	-	-	1,230,125
154,826	4,787	16,190	-	-	3,845,049
4,089,195	46,632	6,090,074	-	-	11,121,339
-	53,133	96,019	-	-	2,141,460
-	-	-	-	-	1,955,950
-	17	6,081	-	-	76,989
-	-	-	-	-	281,894
276,327	76,330	275,981	-	-	11,779,236
162,972	368,047	-	-	-	1,631,269
-	45,743	-	-	-	186,569
1,243,179	-	-	-	-	1,243,179
362,499	-	-	-	-	362,499
2,849,935	-	-	-	-	2,849,935
8,479	-	-	-	-	8,479
27,861	-	-	-	-	27,861
10,706	-	-	-	-	10,706
16,005,723	4,263,376	-	78,702,268	-	98,971,367
-	-	-	-	6,105,000	6,105,000
-	-	-	-	321,075	321,075
-	-	-	-	20,309,259	20,309,259
-	-	-	-	7,535,538	7,535,538
<u>\$ 30,017,417</u>	<u>\$ 17,616,983</u>	<u>\$ 59,116,127</u>	<u>\$ 78,702,268</u>	<u>\$ 34,270,872</u>	<u>\$ 272,373,349</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1993

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Liabilities, Equity and Other Credits</u>				
Liabilities				
Accounts payable	\$ 523,766	\$ 4,075,335	\$ -	\$ 712,850
Salaries payable	736,488	912,488	-	-
Compensated absences payable	208,699	268,466	-	-
Deferred compensation payable	-	-	-	-
Claims payable	-	-	-	-
Unapportioned taxes payable	-	-	-	-
Due to other funds	4,851	70,387	-	1,751
Interfund payable	-	-	-	-
Due to other governments	233,214	609,175	-	-
Accrued interest payable	-	-	44,218	-
Deferred revenue	2,277,367	5,375,789	39,096	50,745
Payable from restricted assets				
Accounts payable	-	-	-	-
Accrued interest payable	-	-	-	-
Deferred revenue	-	-	-	-
Bonds payable	-	-	-	-
General obligation capital notes payable	-	-	-	-
Loans payable	-	-	-	-
Capital leases payable	-	-	-	-
General obligation bonds	-	-	-	-
General obligation revenue bonds payable	-	-	-	-
Customer deposits	-	-	-	-
Tax lease obligations payable	-	-	-	-
Total Liabilities	\$ 3,984,385	\$ 11,311,640	\$ 83,314	\$ 765,346

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

EXHIBIT I
(Continued)

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
\$ 667,371	\$ 312,218	\$ 440,177	\$ -	\$ -	\$ 6,731,717
369,304	89,557	271,547	-	-	2,379,384
1,534,590	516,241	13,402	-	7,535,538	10,076,936
-	-	27,547,732	-	-	27,547,732
-	6,933,578	-	-	-	6,933,578
-	-	1,238,604	-	-	1,238,604
-	-	-	-	-	76,989
177,813	-	104,081	-	-	281,894
153,709	130,506	18,247,180	-	90,000	19,463,784
-	-	-	-	-	44,218
765,174	104,238	5,819,935	-	-	14,432,344
509,608	-	-	-	-	509,608
203,477	-	-	-	-	203,477
25,075	-	-	-	-	25,075
1,505,000	-	-	-	-	1,505,000
-	-	-	-	6,105,000	6,105,000
-	-	-	-	710,080	710,080
-	75,027	-	-	4,265,254	4,340,281
-	-	-	-	930,000	930,000
13,426,016	-	-	-	-	13,426,016
19,500	-	-	-	-	19,500
-	-	-	-	14,635,000	14,635,000
<u>\$ 19,356,637</u>	<u>\$ 8,161,365</u>	<u>\$ 53,682,658</u>	<u>\$ -</u>	<u>\$ 34,270,872</u>	<u>\$ 131,616,217</u>

(continued)

**ST. LOUIS COUNTY, MINNESOTA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1993**

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Liabilities, Equity and Other Credits				
(continued)				
Equity and Other Credits				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for improvements	-	-	-	-
Reserved for capital acquisition	-	-	-	-
Unreserved	-	-	-	-
Fund Balance				
Reserved for change funds	18,894	16,000	-	-
Reserved for noncurrent loans	575,568	125,000	-	-
Reserved for conference fund	-	4,826	-	-
Reserved for economic development	236,291	-	-	-
Reserved for inventories	-	1,100,250	-	-
Reserved for encumbrances	516,365	324,482	-	-
Reserved for prepaid items	-	140,826	-	-
Reserved for health and welfare	687,174	905,836	-	-
Reserved for law library	37,828	-	-	-
Reserved for repairs	12,544	-	-	-
Reserved for foster care insurance	-	6,000	-	-
Reserved for senior citizens transportation	-	31,437	-	-
Reserved for unorganized town roads	-	12,999	-	-
Reserved for veterans credit	-	-	-	-
Unreserved				
Designated for debt service	-	6,105,000	-	-
Designated for capital outlay	-	533,972	-	-
Undesignated	<u>8,138,288</u>	<u>3,577,687</u>	<u>321,075</u>	<u>13,076,655</u>
Total Equity and Other Credits	<u>\$ 10,222,952</u>	<u>\$ 12,884,315</u>	<u>\$ 321,075</u>	<u>\$ 13,076,655</u>
Total Liabilities, Equity, and Other Credits	<u>\$ 14,207,337</u>	<u>\$ 24,195,955</u>	<u>\$ 404,389</u>	<u>\$ 13,842,001</u>

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

EXHIBIT I
(Continued)

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	
\$ 1,657,038	\$ 4,649,451	\$ -	\$ -	\$ -	\$ 6,306,489
-	-	-	78,702,268	-	78,702,268
70,472	-	-	-	-	70,472
-	45,743	-	-	-	45,743
8,933,270	4,760,424	-	-	-	13,693,694
-	-	-	-	-	34,894
-	-	-	-	-	700,568
-	-	-	-	-	4,826
-	-	-	-	-	236,291
-	-	-	-	-	1,100,250
-	-	82,545	-	-	923,392
-	-	-	-	-	140,826
-	-	67,515	-	-	1,660,525
-	-	-	-	-	37,828
-	-	-	-	-	12,544
-	-	-	-	-	6,000
-	-	-	-	-	31,437
-	-	-	-	-	12,999
-	-	15,000	-	-	15,000
-	-	-	-	-	6,105,000
-	-	-	-	-	533,972
-	-	5,268,409	-	-	30,382,114
<u>\$ 10,660,780</u>	<u>\$ 9,455,618</u>	<u>\$ 5,433,469</u>	<u>\$ 78,702,268</u>	<u>\$ -</u>	<u>\$ 140,757,132</u>
<u>\$ 30,017,417</u>	<u>\$ 17,616,983</u>	<u>\$ 59,116,127</u>	<u>\$ 78,702,268</u>	<u>\$ 34,270,872</u>	<u>\$ 272,373,349</u>

**ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR YEAR ENDED DECEMBER 31, 1993**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues			
Taxes	\$ 24,790,623	\$ 36,536,155	\$ 527,343
Licenses and permits	111,656	14,935	0
Intergovernmental	10,022,799	76,683,129	173,527
Charges for services	5,575,764	1,883,058	0
Fines and forfeits	740,207	0	0
Interest on investments	1,532,681	0	4,128
Gifts and contributions	7,142	0	0
Land and timber sales	0	0	0
Miscellaneous	508,016	1,658,458	0
Total Revenues	\$ 43,288,888	\$ 116,775,735	\$ 704,998
Expenditures			
Current:			
General government	\$ 16,293,412	\$ 0	\$ 0
Public safety	12,317,349	0	0
Highways and streets	0	39,193,727	0
Sanitation	0	0	0
Health	6,067,368	0	0
Welfare	15,000	71,999,353	0
Culture and recreation	455,494	0	0
Conservation of natural resources	539,002	0	0
Economic development	631,630	2,676,322	0
Capital Outlay:			
General government	133,068	0	0
Public safety	64,600	0	0
Highways and streets	-	3,843,257	0
Health	34,410	0	0
Welfare	-	250,411	0
Conservation of natural resources	14,369	0	0
Debt Service:			
Principal	11,707	289,163	5,825,000
Interest and fiscal charges	2,432	32,531	654,867
Intergovernmental:			
Public safety	5,339,198	0	0
Total Expenditures	\$ 41,919,039	\$ 118,284,764	\$ 6,479,867
Excess of Revenues Over (Under) Expenditures	\$ 1,369,849	\$ (1,509,029)	\$ (5,774,869)
Other Financing Sources (Uses)			
Operating transfers in	\$ 0	\$ 0	\$ 3,800,000
Operating transfers out	(127,693)	(3,800,000)	0
Bond proceeds	0	0	2,000,000
Total Other Financing Sources (Uses)	\$ (127,693)	\$ (3,800,000)	\$ 5,800,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,242,156	\$ (5,309,029)	\$ 25,131
Fund Balance - January 1, Restated	8,980,796	18,431,210	295,944
Increase (decrease) in reserved for inventories	0	(237,866)	0
Fund Balance - December 31	\$ 10,222,952	\$ 12,884,315	\$ 321,075

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

EXHIBIT II

<u>Capital Projects</u>	<u>Fiduciary Fund Type Expendable Trust</u>	<u>Total (Memorandum Only)</u>
\$ 720,989	\$ 883,542	\$ 63,458,652
0	0	126,591
257,352	62,814	87,199,621
0	18,673	7,477,495
0	0	740,207
108,596	67,380	1,712,785
0	0	7,142
0	2,974,041	2,974,041
0	683,681	2,850,155
<u>\$ 1,086,937</u>	<u>\$ 4,690,131</u>	<u>\$ 166,546,689</u>
\$ 0	\$ 244,809	\$ 16,538,221
0	48,937	12,366,286
0	0	39,193,727
0	421,368	421,368
0	0	6,067,368
0	0	72,014,353
0	0	455,494
0	3,833,117	4,372,119
0	0	3,307,952
356,211	0	489,279
2,649,509	0	2,714,109
308,536	0	4,151,793
0	0	34,410
0	0	250,411
0	0	14,369
30,000	0	6,155,870
219,525	0	909,355
0	0	5,339,198
<u>\$ 3,563,781</u>	<u>\$ 4,548,231</u>	<u>\$ 174,795,682</u>
<u>\$ (2,476,844)</u>	<u>\$ 141,900</u>	<u>\$ (8,248,993)</u>
\$ 127,693	\$ 1,450,930	\$ 5,378,623
0	(133,183)	(4,060,876)
<u>12,635,000</u>	<u>0</u>	<u>14,635,000</u>
<u>\$ 12,762,693</u>	<u>\$ 1,317,747</u>	<u>\$ 15,952,747</u>
\$ 10,285,849	\$ 1,459,647	\$ 7,703,754
2,790,806	3,973,822	34,472,578
0	0	(237,866)
<u>\$ 13,076,655</u>	<u>\$ 5,433,469</u>	<u>\$ 41,938,466</u>

**ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1993**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 24,492,397	\$ 24,790,623	\$ 298,226
Licenses and permits	102,530	111,656	9,126
Intergovernmental	9,695,626	10,022,799	327,173
Charges for services	5,932,150	5,575,764	(356,386)
Fines and forfeits	718,546	740,207	21,661
Interest on investments	1,400,700	1,532,681	131,981
Gifts and contributions	12,012	7,142	(4,870)
Miscellaneous	795,183	508,016	(287,167)
Total Revenues	\$ 43,149,144	\$ 43,288,888	\$ 139,744
Expenditures			
Current:			
General government	\$ 16,789,484	\$ 16,453,666	\$ 335,818
Public safety	12,420,265	12,154,668	265,597
Highways and streets	-	-	-
Health	6,908,609	6,451,614	456,995
Welfare	18,000	15,000	3,000
Culture and recreation	456,170	455,494	676
Conservation of natural resources	544,620	539,002	5,618
Economic development	632,630	631,630	1,000
Capital outlay:			
General government	123,046	119,813	3,233
Public safety	40,626	40,626	-
Highway and streets	-	-	-
Health	58,694	34,410	24,284
Welfare	-	-	-
Conservation of natural resources	14,369	14,369	-
Debt service:			
Principal	11,707	11,707	-
Interest and fiscal charges	2,432	2,432	-
Intergovernmental:			
Public safety	5,339,198	5,339,198	-
Total Expenditures	\$ 43,359,850	\$ 42,263,629	\$ 1,096,221
Excess of Revenues Over (Under) Expenditures	\$ (210,706)	\$ 1,025,259	\$ 1,235,965
Other Financing Sources (Uses)			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(127,693)	(127,693)	-
Bond proceeds	-	-	-
Total Other Financing Sources (Uses)	\$ (127,693)	\$ (127,693)	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (338,399)	\$ 897,566	\$ 1,235,965
Adjustments-Note 1	-	344,590	344,590
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (338,399)	\$ 1,242,156	\$ 1,580,555
Fund Balance - January 1-Restated	8,980,796	8,980,796	-
Increase (decrease) in reserved for inventories	-	-	-
Fund Balance - December 31	\$ 8,642,397	\$ 10,222,952	\$ 1,580,555

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

EXHIBIT III

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 36,367,834	\$ 36,536,155	\$ 168,321	\$ 518,696	\$ 527,343	\$ 8,647
12,000	14,935	2,935	-	-	-
78,678,847	76,683,129	(1,995,718)	173,527	173,527	-
1,457,576	1,883,058	425,482	-	-	-
-	-	-	-	4,128	4,128
-	-	-	-	-	-
1,709,406	1,658,458	(50,948)	-	-	-
<u>\$ 118,225,663</u>	<u>\$ 116,775,735</u>	<u>\$ (1,449,928)</u>	<u>\$ 692,223</u>	<u>\$ 704,998</u>	<u>\$ 12,775</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38,931,222	38,602,732	328,490	-	-	-
72,472,674	72,096,522	376,152	-	-	-
-	-	-	-	-	-
6,578,780	2,677,072	3,901,708	-	-	-
-	-	-	-	-	-
3,719,097	3,668,938	50,159	-	-	-
250,411	250,411	-	-	-	-
-	-	-	-	-	-
289,161	289,163	(2)	5,825,000	5,825,000	-
32,531	32,531	-	668,823	654,867	13,956
-	-	-	-	-	-
<u>\$ 122,273,876</u>	<u>\$ 117,617,369</u>	<u>\$ 4,656,507</u>	<u>\$ 6,493,823</u>	<u>\$ 6,479,867</u>	<u>\$ 13,956</u>
<u>\$ (4,048,213)</u>	<u>\$ (841,634)</u>	<u>\$ 3,206,579</u>	<u>\$ (5,801,600)</u>	<u>\$ (5,774,869)</u>	<u>\$ 26,731</u>
\$ -	\$ -	\$ -	\$ 3,800,000	\$ 3,800,000	\$ -
(3,800,000)	(3,800,000)	-	-	-	-
-	-	-	2,000,000	2,000,000	-
<u>\$ (3,800,000)</u>	<u>\$ (3,800,000)</u>	<u>\$ -</u>	<u>\$ 5,800,000</u>	<u>\$ 5,800,000</u>	<u>\$ -</u>
\$ (7,848,213)	\$ (4,641,634)	\$ 3,206,579	\$ (1,600)	\$ 25,131	\$ 26,731
-	(667,395)	(667,395)	-	-	-
\$ (7,848,213)	\$ (5,309,029)	\$ 2,539,184	\$ (1,600)	\$ 25,131	\$ 26,731
18,431,210	18,431,210	-	295,944	295,944	-
-	(237,866)	(237,866)	-	-	-
<u>\$ 10,582,997</u>	<u>\$ 12,884,315</u>	<u>\$ 2,301,318</u>	<u>\$ 294,344</u>	<u>\$ 321,075</u>	<u>\$ 26,731</u>

EXHIBIT IV

**ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1993**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Operating Revenues			
Charges for services	\$ 24,741,156	\$ 24,037,273	\$ 48,778,429
Other	634,789	373,208	1,007,997
Total Operating Revenues	<u>\$ 25,375,945</u>	<u>\$ 24,410,481</u>	<u>\$ 49,786,426</u>
Operating Expenses			
Personal services	\$ 15,464,827	\$ 4,707,660	\$ 20,172,487
Contractual services	6,650,395	13,982,884	20,633,279
Materials	1,853,055	1,339,843	3,192,898
Depreciation	262,287	1,000,033	1,262,320
Total Operating Expenses	<u>\$ 24,230,564</u>	<u>\$ 21,030,420</u>	<u>\$ 45,260,984</u>
Operating income (loss)	<u>\$ 1,145,381</u>	<u>\$ 3,380,061</u>	<u>\$ 4,525,442</u>
Nonoperating Revenues (Expenses)			
Taxes	\$ 2,705,173	\$ 1,978	\$ 2,707,151
Grants	689,665	42,800	732,465
Interest on investments	256,285	144,743	401,028
Interest expense	(724,416)	-	(724,416)
Disposition of fixed assets	9,722	(16,941)	(7,219)
Amortization of bond discount	(31,698)	-	(31,698)
Total Nonoperating Revenues (Expenses)	<u>\$ 2,904,731</u>	<u>\$ 172,580</u>	<u>\$ 3,077,311</u>
Net Income (Loss) Before Operating Transfers	4,050,112	3,552,641	7,602,753
Operating transfers in	1,200,000	300,000	1,500,000
Operating transfers out	(1,317,747)	(1,500,000)	(2,817,747)
Net Income (Loss)	<u>\$ 3,932,365</u>	<u>\$ 2,352,641</u>	<u>\$ 6,285,006</u>
Retained earnings - January 1 - Restated	<u>5,071,377</u>	<u>2,453,526</u>	<u>7,524,903</u>
Retained earnings - December 31	<u>\$ 9,003,742</u>	<u>\$ 4,806,167</u>	<u>\$ 13,809,909</u>

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

EXHIBIT V

**ST. LOUIS COUNTY, MINNESOTA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 1993**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Cash Flows From Operating Activities			
Net Operating Income (Loss)	\$ 1,145,381	\$ 3,380,061	\$ 4,525,442
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	262,287	1,000,033	1,262,320
Changes in Assets and Liabilities			
(Increase) Decrease in accounts receivable	(431,143)	279,456	(151,687)
(Increase) Decrease in due from other funds	59,280	199,006	258,286
(Increase) Decrease in due from other governments	(164,551)	(48,522)	(213,073)
(Increase) Decrease in inventories	(804)	(29,046)	(29,850)
(Increase) Decrease in prepaid items	-	3,254	3,254
Increase (Decrease) in accounts payable	534,092	(97,387)	436,705
Increase (Decrease) in salaries payable	44,696	29,960	74,656
Increase (Decrease) in compensated absences payable	506,674	103,451	610,125
Increase (Decrease) in claims payable	(1,200,000)	873,377	(326,623)
Increase (Decrease) in due to other funds	(43,226)	0	(43,226)
Increase (Decrease) in due to other governments	117,322	895	118,217
Increase (Decrease) in deferred revenue	141,657	64,141	205,798
Increase (Decrease) in fund deposits	19,500	0	19,500
Net Cash Provided by Operating Activities	<u>\$ 991,165</u>	<u>\$ 5,758,679</u>	<u>\$ 6,749,844</u>
Cash Flows From Noncapital Financing Activities			
Proceeds from taxes	\$ 2,729,649	\$ 1,762	\$ 2,731,411
Proceeds from grants	382,427	42,800	425,227
Operating transfer in	1,200,000	300,000	1,500,000
Operating transfer out	(1,317,747)	(1,500,000)	(2,817,747)
Payments of interfund loan	(965,380)	0	(965,380)
Proceeds from interfund loan	177,813	0	177,813
Net Cash Provided by Noncapital Financing Activities	<u>\$ 2,206,762</u>	<u>\$ (1,155,438)</u>	<u>\$ 1,051,324</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition of capital assets	\$ (4,343,859)	\$ (1,554,841)	\$ (5,898,700)
Debt service interest received	2,206	0	2,206
Principal paid on bonds	(960,000)	0	(960,000)
Interest paid on bonds	(562,418)	0	(562,418)
Payment to escrow agent	(2,849,935)	0	(2,849,935)
Payments of capital leases	0	(20,473)	(20,473)
Proceeds from contributions	0	314,608	314,608
Proceeds from sale of equipment	14,715	58,673	73,388
Proceeds from bonds	8,302,852	0	8,302,852
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (396,439)</u>	<u>\$ (1,202,033)</u>	<u>\$ (1,598,472)</u>
Cash Flows From Investing Activities			
Purchase of investments	\$ (21,488,898)	\$ (17,623,103)	\$ (39,112,001)
Sale of investments	21,592,367	10,411,590	32,003,957
Interest on investments	243,373	99,881	343,254
Net Cash Provided by Investing Activities	<u>\$ 346,842</u>	<u>\$ (7,111,632)</u>	<u>\$ (6,764,790)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 3,148,330</u>	<u>\$ (3,710,424)</u>	<u>\$ (562,094)</u>
Cash and cash equivalents - January 1 - Restated	3,208,075	7,130,760	10,338,835
Cash and cash equivalents - December 31	<u>\$ 6,356,405</u>	<u>\$ 3,420,336</u>	<u>\$ 9,776,741</u>

Non Cash Activity, Capital and Related Financing Activities

\$65,159 of fixed assets were acquired in the Printing Internal Service Fund through a capital lease.

\$59,536 of fixed assets in the County Garage Internal Service Fund were transferred to the General Fixed Asset Account Group.

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

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:

**NOTES TO THE
FINANCIAL STATEMENTS**

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

GUIDE TO NOTES

	<u>Page</u>
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	42
2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	50
3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS	51
Deposits and Investments	51
Receivable	56
Due From Other Governments	58
Fixed Assets	59
Deferred Revenue	60
Deferred Compensation	61
Long-Term Debt	62
Lease Obligations	67
Construction Commitments	69
Self-Insurance	69
Retirement Plan	70
INTERFUND ASSETS/LIABILITIES	73
TRANSFERS BETWEEN FUNDS	74
FUND EQUITY	75
4. SEGMENTS OF ENTERPRISE ACTIVITIES	76
5. JOINT VENTURES	77
6. SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS	79

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

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.

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 (1992). 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 all of the members of the St. Louis County Board of Commissioners. It was established for the purpose of conducting housing and economic development services for St. Louis County. The County Administrator is the Executive Director of the Authority. The Authority follows the same accounting policies as the County and has no employees. 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.

**BASIS OF PRESENTATION -
FUND ACCOUNTING**

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

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

Governmental Funds

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

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

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

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

Proprietary Funds

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

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

Fiduciary Funds

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

Account Groups

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

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

MEASUREMENT FOCUS

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

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

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

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

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used, however, to

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund revenues represented by noncurrent receivables is deferred until they become current receivables.

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

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

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

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

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

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

BASIS OF ACCOUNTING

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

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

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

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, subsidies, and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, the monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and nearly irrevocable; i.e., revocable only for failure to comply with prescribed

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Intergovernmental revenues received but not earned are recorded as deferred revenue. Other revenues susceptible to accrual are investment earnings and charges for services.

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

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid. The current portion of compensated absences are recognized as fund liabilities. Non-current earned but unpaid vacation and vested sick leave is shown in the General Long-Term Debt Account Group. Unvested sick leave is not reported in the financial statements.

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

BUDGETARY DATA

General Budget Policies

The County is required by Minn. Stat. §383C, to adopt a budget for all governmental funds. The General, Special Revenue and Debt Service Funds' budgets are prepared on the modified accrual basis of accounting plus encumbrances. The legal level of control is by department.

Capital Projects Funds have budgets which are approved at the time the project is authorized and overlap fiscal years. These budget periods are not consistent with the method of financial reporting; therefore, comparisons between the results of operations and budgets in these funds are not relevant and are not presented.

Procedure for Preparing the Annual Budget

1. Early each year, the County Administrator meets with his budget staff to discuss preparations for next year's budget. A basic budget strategy is developed at that time, based on guidelines and policies established by the County Board.
2. Budget request forms are sent out to each department. Included is a memo from the County Administrator highlighting basic guidelines for preparing budget requests.
3. All departments submit preliminary estimates of their requested appropriations and revenues by the end of May. These figures are used to determine what proper tax level would be necessary to meet departmental requests, and to determine the amount of levy adjustments that the County Administrator will need to make at the preliminary budget hearings in order to meet goals established by the County Board.
4. Preliminary budget hearings are held by the County Administrator with each department. These hearings begin about mid-June and last until about mid-July.
5. The County Administrator's recommended budget is given to the County Board by the first Tuesday in October.
6. The County Board holds formal public hearings on the proposed budget, and adopts the final budget on or before December 8.

Budgets can be amended during the year by the County Board. Supplemental appropriations are reviewed by the County Administrator's office and submitted to the County Board for their review and approval. If approved, they are implemented by the Auditor's Office by budget revision. Supplemental appropriations could be required because of several factors. These include the awarding of state and federal grants during the year and to provide funding for unanticipated program requirements. Supplemental appropriations were necessary during the year. The effect of these amendments was an increase in budgeted County funds of \$15,248,931.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Each department head has control over the individual department and may overspend line items so long as the total departmental expenditures do not exceed the total departmental appropriation. No public aid assistance may be used for operations, and the budgeted number of personnel for each department may not be exceeded at any time. All appropriations, except those in Capital Projects Funds, which are not expended, encumbered, or reserved, lapse at year-end.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, capital reserves, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the

applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and provide authority for the carryover of appropriations to the subsequent year in order to complete these transactions.

Budget Basis of Accounting

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

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

(Amounts in Dollars)

	Reserved for Encumbrances 12-31-93	Expenditures in 1993 from 1992 Encumbrances	Total Exhibit III Adjustment	Exhibit III Expenditures	Exhibit II Expenditures
General Fund	(516,365)	171,775	(344,590)	42,263,629	41,919,039
Special Revenue					
Babbitt Facility	(751)	1	(750)	110,884	110,134
Community Development Block Grant	-	-	-	2,460,003	2,460,003
County Housing Authority	-	-	-	106,185	106,185
Road and Bridge	(213,209)	978,523	765,314	42,271,670	43,036,984
Social Services	(110,522)	13,353	(97,169)	72,668,627	72,571,458
Total Special Revenue Funds	(324,482)	991,877	667,395	117,617,369	118,284,764

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

ACCOUNTING CHANGES

Fund Reclassifications and Restatements

As a result of applying Governmental Accounting Standards Board (GASB) Statement 14 criteria for determining the reporting entity, the Regional Railroad Authority was reclassified from a Special Revenue Fund to an Agency Fund, as it is not a component unit of the County. This resulted in a reduction of the General Fixed Assets Account Group and General Long-Term Debt Account Group of \$1,566,895 and \$156,227, respectively.

As of January 1, 1993, St. Louis County determined that expenses for the year ended December 31, 1992 were overstated in the Solid Waste Management Enterprise Fund. The expense should have been capitalized. The retained earnings as of January 1, 1993 were restated to reflect this change.

As of January 1, 1993, St. Louis County determined that revenues for the year ended December 31, 1992 were understated in the County Insurance Internal Service Fund. The retained earnings as of January 1, 1993 were restated to reflect this change.

(Amounts in Dollars)

	Fund Balance/ Retained Earnings January 1, 1993 As Previously Reported	Reclass- ification to Agency Fund	Capital- ization of Assets Purchased	Understated Receivable	Fund Balance/ Retained Earnings January 1, 1993 as Reclassified or Restated
Special Revenue Funds					
Babbitt Facility	162,780	-	-	-	162,780
County Housing Authority	97,725	-	-	-	97,725
Regional Railroad Authority	208,723	(208,723)	-	-	-
Road and Bridge	15,325,476	-	-	-	15,325,476
Social Services	2,845,229	-	-	-	2,845,229
Total Special Revenue Funds	18,639,933	(208,723)	-	-	18,431,210
Enterprise Funds					
Chris Jensen	3,496,259	-	-	-	3,496,259
Nopeming	2,279,515	-	-	-	2,279,515
Solid Waste Management	(1,375,919)	-	671,522	-	(704,397)
Total Enterprise Funds	4,399,855	-	671,522	-	5,071,377
Internal Service Funds					
Community Food	425,232	-	-	-	425,232
Laundry	187,388	-	-	-	187,388
Supervised Living Facilities	39,600	-	-	-	39,600
Printing	247,722	-	-	-	247,722
County Garage	(1,034,161)	-	-	-	(1,034,161)
County Insurance	625,603	-	-	788,154	1,413,757
Management Information Systems	655,249	-	-	-	655,249
Telecommunications	518,739	-	-	-	518,739
Total Internal Service Funds	1,665,372	-	-	788,154	2,453,526

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

As of January 1, 1993, the cash and cash equivalents accounts for the proprietary funds were restated to include the change and revolving funds, and to include amounts reclassified from the Medical Insurance Agency Fund.

(Amounts in Dollars)				
	Cash and Cash Equivalents January 1, 1993 As Previously Reported	Change Funds	Medical Insurance Agency Fund	Cash and Cash Equivalents January 1, 1993 As Restated
Enterprise Funds				
Chris Jensen	138,821	750	-	139,571
Nopeming	72,674	750	-	73,424
Solid Waste Management	2,995,080	-	-	2,995,080
Total Enterprise Funds	3,206,575	1,500	-	3,208,075
Internal Service Funds				
Community Food	147,937	25	-	147,962
Laundry	84,093	100	-	84,193
Supervised Living Facilities	57,510	-	-	57,510
Printing	127,508	1,600	-	129,108
County Garage	96,423	-	-	96,423
County Insurance	2,494,906	-	2,977,204	5,472,110
Management Information Systems	864,917	-	-	864,917
Telecommunications	278,537	-	-	278,537
Total Internal Service Funds	4,151,831	1,725	2,977,204	7,130,760

Account Reclassifications

Several account balances were reclassified as of and for the year ended December 31, 1992, as previously reported. These reclassifications which did not require a restatement of fund balance and retained earnings, were required for comparability to the financial statements as of and for the year ended December 31, 1993. Although comparative statements for 1992 are not presented here, these reclassifications must be considered when comparing the financial statements of this report with those of prior reports.

ASSETS, LIABILITIES, AND EQUITY ACCOUNTS

Assets

Cash and Cash Equivalents

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

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

Property Taxes

In September of each year the County Board certifies a proposed property tax levy to the County Auditor. Notices of proposed taxes are mailed to taxpayers notifying 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 (January 2 of the levy year). At the time the taxes are spread they become a lien on the property as of the assessment date, although they do not become due and payable until the subsequent January 1. For the most part taxpayers are allowed to pay the taxes in two equal installments on or before May 15 and October 15 without penalty. Revenues are accrued and recognized in the year collectable, net of delinquencies. Taxes which remain unpaid at December 31 are delinquent. Collections within sixty days after year-end are recognized as revenue and the balance offset by deferred revenue.

Inventories

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

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

Liabilities

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

Under the County's personnel policies and union contracts, County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation leave accrual varies from 3.75 to 10.25 hours per biweekly pay period. Sick leave accrual is from 3.5 to 5.75 hours per biweekly pay period.

Unused accumulated vacation and vested sick leave are paid to employees at retirement, or are used for the payment of employees' health insurance coverage during their retirement. Vacation and vested sick leave are recognized as liabilities in the proprietary funds. The current portion of unused vacation is recognized as a fund liability in the governmental funds. The non-current unused vacation and vested sick leave is recognized in the General Long-Term Debt Account Group. The sick leave amounts which are necessary for insurance coverage for those employees who have retired to-date are reported as reservations of fund balance; i.e., reserved for health and welfare, in the appropriate funds. Unvested sick leave of \$22,435,553 at December 31, 1993, is available to employees in the event of illness-related absences and is not reported in the financial statements.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Equity

Equity is divided into sections:

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

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

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

Fund Balance accounts are subdivided:

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

Unreserved Designated Fund Balance accounts indicate that portion of fund equity that the County has set aside or is not available for appropriation in future periods.

Unreserved Undesignated Fund Balance accounts indicate that portion of fund equity which is

available for budgeting and expending in future periods.

TOTAL COLUMNS ON COMBINED STATEMENTS

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

FEDERAL AUDIT REQUIREMENTS

The Single Audit Act of 1984 requires the County to have a single, independent audit of its financial operations, including compliance with certain provisions of federal law and regulations. This audit requirement was complied with for fiscal year ended December 31, 1993; the auditor's reports on compliance and internal accounting control will be issued at a later date.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following Debt Service Fund had expenditures in excess of budget for the year ended December 31, 1993.

	(Amounts in Dollars)		
	Expenditures	Budget	Excess
Debt Service Funds			
Capital Equipment Notes	4,292,516	4,291,806	710

DEFICIT RETAINED EARNINGS

The following fund had a deficit retained earnings at December 31, 1993:

County Garage Internal Service Fund	\$1,292,882
-------------------------------------	-------------

The County expects that enhanced fleet management and appropriate fee schedules will decrease the deficit retained earnings in the County Garage Internal Service Fund in future years.

**ST. LOUIS COUNTY, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 1993**

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

ASSETS

Deposits and Investments

Deposits

Minn. Stat. §118.005 (1992) authorizes the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. At December 31, 1993, County deposits totaled \$25,106,266, of which \$5,006,237 were cash deposits and \$20,100,029 was invested in certificates of deposit.

Following is a summary of the deposits covered by insurance or collateral at December 31, 1993:

	(Amounts in Dollars)	
	Bank Balances	Carrying Amounts
Covered Deposits		
Insured or collateralized with securities held by the County or its agent in the County's name	696,906	696,906
Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	26,292,801	24,409,360
Uncollateralized	-	-
Total Deposits	26,989,707	25,106,266

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

Investments

Minn. Stat. §475.66 (1993) authorizes the following:

Safekeeping Options and Requirements:

Investments may be held in safekeeping with:

1. any federal Reserve bank;
2. any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to the bank from which the investment is purchased;
3. a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
4. a securities broker-dealer as described in Mn. Stat. §475.66, Subd. 1, provided that the municipality's ownership of all securities in which the fund is invested is evidenced by written acknowledgements identifying the securities by the names of issuers, maturity dates, interest rates, and serial numbers or other distinguishing marks.

Type of Securities Available to County for investment:

1. governmental bonds, notes, bills, mortgages, and other securities which are direct obligations or are insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgages-backed securities that are defined as high risk pursuant to Subd. 5, or in certificates of deposit secured by letters of credit issued by federal home loan banks;

2. shares of an investment company (a) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933; and (b) whose only investments are in securities described as shown in 1. above, except that mortgage-backed securities defined as high risk pursuant to Subd. 5 do not apply to share of an investment company, general obligation tax-exempt securities rated A or better by a national bond rating service, and repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks;
3. in any security which is (1) a general obligation of the State of Minnesota or any of its municipalities or (2) general obligations of other state and local governments with taxing powers which are rated A or better by a national bond rating service, or (3) a general obligation of the Minnesota housing finance agency, or (4) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or (5) a general or revenue obligation of any agency or authority of the State of Minnesota other than a general obligation of the Minnesota Housing Finance Agency; provided that investments under clauses (3) and (4) must be in obligations that are rated A or better by a national bond rating service and investments under clause (5) must be in obligations that are rated AA or better by a national bond rating service.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

4. bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System;
5. commercial paper issued by United States corporations or their Canadian subsidiaries that is the highest quality and matures in 270 days or less.
6. guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with senior unsecured debt obligations of the issuer or guarantor and, (1), in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a

rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

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

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

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Following is a summary of the carrying values of the County's securities, categorized into the aforementioned levels of risk, along with the market values of the securities, at December 31, 1993.

(Amounts in Dollars)					
	(1)	Category (2)	(3)	Carrying Amount	Market Value
Investments					
Repurchase agreements	-	-	9,308,320	9,308,320	9,308,320
U.S. Government securities	71,626	37,266,236	2,849,900	40,187,762	40,743,887
Add:					
Investments held by Trustees for deferred compensation				27,547,732	27,547,732
Deposits				25,106,266	25,106,266
Cash on hand				2,684,104	2,684,104
Total				104,834,184	105,390,309

Detail as shown on Combined Balance Sheet:

Current Assets:

Cash and cash equivalents	39,821,173
Investments	33,009,666
Employee contributions	27,547,732

Restricted assets:

Improvements	
Cash and cash equivalents	1,243,179

Debt Service:

Cash and cash equivalents	362,499
Assets held by escrow agent	2,849,935

Total	104,834,184
-------	-------------

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

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

	(Amounts in Dollars)	
	Equity in Pool	Advances
General Fund	7,929,727	
Special Revenue Funds	8,545,983	
Debt Service Funds	350,126	
Capital Projects Funds	2,653,895	
Enterprise Funds		
Chris Jensen	141,776	(59,518)
Nopeming	74,368	(118,295)
Solid Waste Management	6,140,261	
Internal Service Funds	3,420,336	
Trust and Agency Funds		
Trust Funds		
Missing Heirs	94,666	
Private Redemption	414	
Exchange of Land	22,798	
Tax Certificate Assurance	166,087	
Forfeited Tax Sale		(92,107)
Forest Resources	1,960,723	
Patients Escrow	38,057	
Regional Landfill Dedicated	277,728	
Attorney Forfeiture	79,398	
Sheriff Forfeiture	104,210	
Hibbing Dedicated	1,369,604	
East Mesaba Dedicated	1,303,877	
Sheriff Fines	10,950	
Agency Funds		
State of Minnesota	719,266	
Cities and Towns	71,403	
Game and Fish License	171,102	
Bid Deposits	20,700	
Taxes and Penalties	3,242,624	
Payroll Deductions	1,186,583	
Series EE Savings Bond	15,323	
Canceled Checks	63,832	
Assault Fees	1,038	
Arrowhead Regional Corrections	1,024,718	
Community Health Services	73,434	
Home Grant		(11,974)
Regional Railroad Authority	428,938	
Northern Counties Land Use Board	4,800	
Total Equity	41,708,745	
Less: Advances	(281,894)	
Total	41,426,851	

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

Title IV-D Accounts Receivable

Estimated accounts receivable from individuals for child support payments that relate to recovery of payment made under the Aid to Families with Dependent Children (AFDC) Program, are approximately \$3,552,297. The amount of unrecorded revenues due the County at December 31, 1993, is not significant because the amount would be offset by a significant allowance for uncollectibles and a percentage of actual collections would be payable to State and Federal agencies and others. This is not shown in the financial statements.

Under the law, funds received are payable to State and Federal agencies and others (based on specific reimbursement percentages), with the remainder (approximately 12 percent for 1993) due to the Social Services Special Revenue Fund.

Loans Receivable

The noncurrent portion of a loan receivable from the St. Louis County Heritage and Arts Center is \$570,084 and is equally offset by a fund balance reserved for noncurrent loans account to indicate that it should not be considered "available spendable resources," since it does not represent current assets. The loan is accounted for in the General Fund. The repayment schedule calls for \$15,000 annual payments and is interest-free.

The noncurrent portion of a loan receivable from the Duluth Lighthouse for the Blind is \$109,851 and is equally offset by deferred revenue. The repayment schedule calls for monthly payments of \$3,773.16 through August 1996. The receivable is accounted for in the General Fund and is valued at its discounted amount. The receivable arises from a State of Minnesota grant and loan to St. Louis County. The funds are passed on to the Duluth Lighthouse for the Blind as a loan from the County. All payments made by the Lighthouse must be repaid by the County to the State.

The noncurrent portion of a second loan receivable from the Duluth Lighthouse for the Blind is \$151,106 and is equally offset by deferred revenue. The repayment schedule calls for fifty-nine monthly payments of \$1,041.67 beginning March 1, 1991, with a balloon payment of \$188,541.47 due February 1, 1996. The loan is interest free and is accounted for in the General Fund. It is carried at its present value, discounted at 7.2%. The receivable arises from a State of Minnesota grant to St. Louis County. The funds are passed on to the Duluth Lighthouse for the Blind as a loan from the County. The first \$100,000 which the County recovers from the Lighthouse does not require repayment to the State; the County must instead use the money for economic development. After \$100,000 has been recovered by the County, all subsequent payments by the Lighthouse must be repaid to the State.

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

The noncurrent portion of a loan receivable from Luigino's, Inc. is \$235,536 and is equally offset by deferred revenue. The repayment schedule calls for monthly payments of \$5,952 through April 1997. The loan is interest free and is accounted for in the General Fund. It is carried at its present value, discounted at 6%. The receivable arises from a State of Minnesota grant to St. Louis County. All payments by Luigino's must be repaid by the County to the State.

The noncurrent portion of a second loan receivable from Luigino's, Inc. is \$120,594 and is offset by deferred revenue. The repayment schedule calls for monthly payments of \$11,239 through November 1994. The loan bears interest at five percent and is valued at its discounted amount in the General Fund. The receivable arises from a State of Minnesota grant to St. Louis County. All payments by Luigino's must be repaid by the County to the State.

The noncurrent portion of a loan receivable from Improvement Limited Partnership is \$113,955 plus accrued interest of \$1,899 and is equally offset by deferred revenue. The loan bears interest at four percent and is valued at its discounted amount. The receivable arises from a State of Minnesota grant and loan to St. Louis County and is accounted for in the General Fund. The first \$100,000 plus interest which the County recovers from Improvement Limited Partnership does not require repayment to the State; the County must instead use the money for economic development. After \$100,000 plus interest has been recovered by the County, all subsequent payments by Improvement Limited Partnership must be repaid to the State.

The noncurrent portion of a second loan receivable from Improvement Limited Partnership is \$124,811 plus accrued interest of \$2,081 and is equally offset by a fund balance reserved for economic development. The loan bears interest at four percent and is valued at its discounted amount and carried in the General Fund. The repayment schedule calls for 10 semi-annual payments of \$5,581 beginning in August 1993 and a balloon payment of \$96,612 due August 1998. The repayment to the County will be used for economic development.

The noncurrent portion of a loan receivable from Pittman Engineering and Manufacturing Company (PEMCO) is \$400,000 plus accrued interest of \$1,033 and is equally offset by deferred revenue. The loan bears interest at three percent and is valued at its discounted amount in the General Fund. The receivable arises from a State of Minnesota grant and loan to St. Louis County. The first \$100,000 plus interest which the County recovers from PEMCO does not require repayment to the State, the County must instead use the money for economic development. After \$100,000 plus interest has been recovered by the County, all subsequent payments by PEMCO must be repaid to the State.

The noncurrent portion of a loan receivable from Meadowlands Affordable Housing Limited Partnership is \$125,000 and is equally offset by a reserve for non-current loans. Payments must be made starting December 3, 2009. The previous year's interest is due at that time and at each December 3 following. The entire balance plus interest is due on December 3, 2023. The receivable is valued at its discounted amount and is accounted for in the County Housing Authority Fund.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Due From Other Governments

The following amounts were due from other governments at December 31, 1993:

	(Amounts in Dollars)			
	Federal	State	Local - Other	Total
General Fund	-	353,653	180,387	534,040
Special Revenue Funds				
Community Development Block Grant	484,777	-	-	484,777
Road and Bridge	714	4,275,782	53,525	4,330,021
Social Services	4,013,110	1,788,650	-	5,801,760
Total Special Revenue Funds	4,498,601	6,064,432	53,525	10,616,558
Enterprise Funds				
Solid Waste Management	-	-	276,327	276,327
Internal Service Funds				
Community Food	-	-	68,306	68,306
Printing	-	1,705	4,391	6,096
Management Information Systems	-	149	1,779	1,928
Total Internal Service Funds	-	1,854	74,476	76,330
Trust Funds				
Forfeited Tax Sale	-	113	-	113
Agency Funds				
State of Minnesota	-	35,746	-	35,746
Arrowhead Regional Corrections	-	-	58,930	58,930
Community Health Services	-	151,718	-	151,718
Home Grant	12,013	-	-	12,013
Regional Railroad Authority	-	4,090	571	4,661
Northern Counties Land Use Board	-	-	12,800	12,800
Total Agency Funds	12,013	191,554	72,301	275,868
Total	4,510,614	6,611,606	657,016	11,779,236

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at December 31, 1993, is:

	(Amounts in Dollars)	
	Enterprise	Internal Service
Land	364,444	25,500
Building and Structures	8,898,041	1,749,449
Machinery and equipment	1,370,405	4,828,880
Vehicles	-	2,573,980
Construction-in-progress	8,683,864	-
Total	19,316,754	9,177,809
Less accumulated depreciation	(3,311,031)	(4,914,433)
Net Fixed Assets	16,005,723	4,263,376

Summary of Changes in General Fixed Assets

	(Amounts in Dollars)				
	Balance 1-1-93	Additions	Retirements*	Assets Reclassified	Balance 12-31-93
Land	2,673,294	4,685	(1,500,000)	-	1,177,979
Buildings and structures	34,390,473	136,366	(72,123)	194,980	34,649,696
Machinery and equipment	8,309,461	1,697,626	(364,649)	-	9,642,438
Vehicles	24,849,815	3,113,972	(851,276)	-	27,112,511
Construction in progress	3,688,880	2,909,400	(283,656)	(194,980)	6,119,644
Total	73,911,923	7,862,049	(3,071,704)	-	78,702,268

* \$1,566,895 of this is due to the reclassification of the Regional Railroad Authority Special Revenue Fund to the Regional Railroad Authority Agency Fund.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

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 received but not yet earned, credit accounts receivable balances, and long-term receivables.

(Amounts in Dollars)

	Taxes	Grants	Accounts Receivable	Long-Term Receivables	Total
General Fund	1,088,150	55,243	-	1,133,974	2,277,367
Special Revenue Funds					
Community Development					
Block Grant	-	7,994	-	-	7,994
County Housing Authority	8,022	-	-	-	8,022
Road and Bridge	541,569	2,921,877	-	30,400	3,493,846
Social Services	1,428,762	437,165	-	-	1,865,927
Total Special Revenue Funds	1,978,353	3,367,036	-	30,400	5,375,789
Debt Service Funds					
Babbitt Facility Refunding	4,714	-	-	-	4,714
Capital Equipment Notes	29,932	-	-	-	29,932
Correctional Facilities	4,450	-	-	-	4,450
Total Debt Service Funds	39,096	-	-	-	39,096
Capital Projects Fund					
Court Houses	50,745	-	-	-	50,745
Enterprise Funds					
Chris Jensen	64,179	-	412,838	-	477,017
Nopeming	40,414	-	211,943	-	252,357
Solid Waste Management	56,050	2,766	2,059	-	60,875
Total Enterprise Funds	160,643	2,766	626,840	-	790,249
Internal Service Funds					
Community Foods	2,003	-	-	-	2,003
County Insurance	-	-	99,930	-	99,930
Laundry	2,305	-	-	-	2,305
Total Internal Service Funds	4,308	-	99,930	-	104,238
Trust Funds					
Forfeited Tax Sale	-	-	-	5,724,603	5,724,603
Forest Resources	-	95,332	-	-	95,332
Total Trust Funds	-	95,332	-	5,724,603	5,819,935
Total All Funds	3,321,295	3,520,377	726,770	6,888,977	14,457,419

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Deferred Compensation

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

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

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

The following schedule summarizes the activity and balance of assets of the deferred compensation plan at December 31, 1993:

	(Amounts in Dollars)	
	Contributions	Balance
Great West Life Assurance Company	1,682,274	17,374,047
IDS Life Insurance Company	332,562	3,080,326
International City Management Association	55,274	255,207
Lincoln National Life Insurance Company	221,412	5,851,014
Lutheran Brotherhood	70,367	771,421
Minnesota Mutual Life - Northwestern National Life	4,980	26,186
Minnesota State Retirement System	41,134	189,531
Total	2,408,003	27,547,732

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Fund Long-Term Debt

The following is a schedule of the fund long-term debt transactions of the County for the year ended December 31, 1993:

	(Amounts in Dollars)			
	Bonds Payable			
	Chris Jensen Enterprise Fund	Nopeming Enterprise Fund	Solid Waste Management Enterprise Fund	Total
Payable, January 1	2,003,566	232,527	5,320,374	7,556,467
Issued (net of discount)	-	-	8,302,851	8,302,851
Payment on Principal	(635,000)	(25,000)	(300,000)	(960,000)
Amortization of discount and costs	15,924	358	15,416	31,698
Payable, December 31	1,384,490	207,885	13,338,641	14,931,016

(Amounts in Dollars)

Bonds payable at December 31, 1993, consist of the following issues:

\$2,665,000 1989 General Obligation Nursing Home Revenue Refunding Bonds due in annual installments of \$25,000 to \$740,000 on December 1, 1991 through 1995; interest at 6.2 to 6.5 percent (at December 31, 1993 the bond issue is net of the unamortized bond discount and issue costs of \$30,510). 1,384,490

\$305,000 1989 General Obligation New Money Issue bonds due in annual installments of \$20,000 to \$40,000 on December 1, 1990 through 1999; interest at 6.4 to 6.8 percent (at December 31, 1993 the bond issue is net of unamortized bond discount and issue costs of \$2,115). 207,885

\$3,510,000 1989 General Obligation Solid Waste bonds due in annual installments of \$145,000 to \$360,000 on December 1, 1990, through 2004; interest at 6.4 to 7.1 percent (at December 31, 1993 the bond issue is net of the unamortized bond discount of \$34,545). This issue was partially refunded by the General Obligation Refunding Bonds, Series 1993A, but does not result in defeasance of any part of the issue until the crossover date of December 1, 1998. 2,850,455

\$1,310,000 1989 General Obligation Solid Waste bonds due in annual installments of \$55,000 to \$135,000 on December 1, 1990, through 2004; interest at 5.9 to 6.9 percent (at December 31, 1993 the bond issue is net of the unamortized bond discount of \$14,386). This issue was partially refunded by the General Obligation Refunding Bonds, Series 1993A, but does not result in defeasance of any part of the issue until the crossover date of December 1, 1998. 1,060,614

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

(Amounts in Dollars)

<p>\$1,255,000 1991 General Obligation Solid Waste bonds due in annual installments of \$60,000 to \$130,000 on December 1, 1992 through 2005; interest at 4.0 to 6.25 percent (at December 31, 1993 the bond issue is net of the unamortized bond discount of \$14,955).</p>	1,115,045
<p>\$5,535,000 1993 General Obligation Solid Waste bonds due in annual installments of \$480,000 to \$740,000 on December 1, 1994 through 1998; interest at 3 to 4.3 percent, and annual installments of \$415,000 to \$505,000 on December 1, 1999 through 2003; interest at 4.5 to 5 percent (at December 31, 1993 the bonds issue is net of the unamortized bond discount of \$77,794).</p>	5,457,206
<p>\$2,920,000 1993 Full Crossover Advance Refunding of 1989 \$3,510,000 General Obligation Solid Waste bonds and 1989 \$1,310,000 General Obligation Solid Waste bonds. The amount refunded produces resources for escrow that are sufficient to pay the new debt's interest until the December 1, 1998 crossover date when the amount held in escrow is sufficient to retire the old debt. An in-substance defeasance results at December 1, 1998. Annual installments of \$360,000 to \$480,000 on December 1, 1998 through 2004; interest at 4.0 to 4.8 percent result in a net savings of \$205,467 or an economic (present value) gain of \$144,533 over the life of the refunding issue (at December 31, 1993 the bond issue is net of the unamortized bond discount of \$64,679).</p>	2,855,321

The annual requirements to service the debt outstanding as of December 31, 1993, including interest of \$4,367,981 and unamortized discounts of \$238,983 on the bonds, are as follows:

Year Ended December 31	Bonds Payable
1994	2,443,845
1995	2,483,273
1996	1,694,635
1997	1,708,785
1998	4,587,817
1999 - 2010	6,619,625
	\$19,537,980

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

General Long-Term Debt

The following is a summary of changes in the County's General Long-Term Debt Account Group for the year ended December 31, 1993. All of these obligations except compensated absences and capital leases will be repaid through tax levies in the debt service funds. Compensated absences and capital leases will be paid from levies and other revenue generated by the benefiting funds.

	(Amounts in Dollars)			
	Balance 1-1-93	Additions	Deletions	Balance 12-31-93
General Obligation				
Capital Notes	9,905,000	-	3,800,000	6,105,000
General Obligation Bond	955,000	-	25,000	930,000
Bond Anticipation Notes	2,000,000	-	2,000,000	-
Tax Lease Obligations	-	14,635,000	-	14,635,000
Total Bonded Debt	12,860,000	14,635,000	5,825,000	21,670,000
Due to Other				
Governments	120,000	-	30,000	90,000
Loans Payable	880,498	-	*170,418	710,080
Compensated Absences	5,318,676	2,216,862	-	7,535,538
Capital Leases	4,449,131	29,668	213,545	4,265,254
Total General Long-Term Debt	23,628,305	16,881,530	6,238,963	34,270,872

* \$156,227 of this is due to the reclassification of the Regional Railroad Authority Special Revenue Fund to the Regional Railroad Authority Agency Fund.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

(Amounts in Dollars)

Capital notes payable at December 31, 1993 consist of the following issues:

\$4,070,000 1989 General Obligation Capital Equipment Notes due in total on December 1, 1994; interest at 6.2 percent.	4,070,000
\$2,035,000 1990 General Obligation Capital Equipment Notes due in total on December 1, 1995; interest at 5.9 percent.	2,035,000

General obligation bonds payable at December 31, 1993 consist of the following issue:

\$1,015,000 1989 General Obligation Recycling Facility Refunding Bonds due in annual installments of \$20,000 to \$110,000 on December 1, 1990 through 2009; interest at 8.5 to 9.5 percent.	930,000
--	---------

Tax lease obligations payable at December 31, 1993 consists of the following issue:

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

The annual requirements to service the bonded debt outstanding as of December 31, 1993 including interest of \$8,046,171 are as follows:

(Amounts in Dollars)				
Year Ended December 31	Capital Notes	General Obligation Bonds	Tax Lease Obligations	Total Bonded Debt
1994	4,442,405	111,855	895,901	5,450,161
1995	2,155,065	114,680	1,462,112	3,731,857
1996	-	112,055	1,450,923	1,562,978
1997	-	114,415	1,448,557	1,562,972
1998	-	116,300	1,444,548	1,560,848
1999 - 2010	-	1,279,675	14,567,680	15,847,355
	6,597,470	1,848,980	21,269,721	29,716,171

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

(Amounts in Dollars)

Due to other governments at December 31, 1993 consist of the following:

\$240,000 payable to the City of Duluth for Civic Center improvements due in annual installments of \$30,000 on January 15, 1989 through 1996; the obligation bears no interest. 90,000

Loans payable at December 31, 1993 consist of the following:

\$500,000 1986 Minnesota Energy and Economic Development Authority (MEEDA) loan payable due in monthly installments of \$7,067 through March 1, 1994; interest at five percent. 356,980

\$250,000 1986 Iron Range Resources and Rehabilitation Board (IRRRB) loan payable due in annual installments of \$25,000 through April 1, 1996; the obligation bears no interest. 200,000

\$110,000 1988 Minnesota Waste Management Board (WMB) loan payable in annual installments through November 1, 2000; interest at 6.42 percent. 110,000

The MEEDA, IRRRB, and WMB loans constitute general obligation revenue liabilities of the County as provided for in Minn. Stat. Payments on the IRRRB loan have been suspended until January 1996 and payments on the MEEDA and WMB loans have been suspended by the State until June 30, 1995. At these times, the payments will again be deferred or the debt service payments renegotiated.

\$79,361 1990 State of Minnesota loan payable in annual installments of \$11,707 in 1994 and continuing at lesser amounts through August, 2000; the obligation bears interest on \$39,681 at 7.25 percent to 8.00 percent; and bears no interest on \$39,680. 43,100

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

The County's proportionate shares of general obligation debt at December 31, 1993, of all governmental units which provide services within the County's boundaries, and which must be borne by properties in the County, is summarized below:

	(Amounts in Dollars)		
	<u>Outstanding</u>	<u>Percentage Applicable to the County</u>	<u>County Share of Debt</u>
<u>Direct Debt</u>			
St. Louis County	36,601,017	100.00	36,601,017
<u>Overlapping Debt</u>			
School Districts	10,355,000	52.35	5,420,570
<u>Underlying Debt</u>			
Cities	49,472,601	100.00	49,472,601
School Districts	75,203,060	100.00	75,203,060
Towns	251,334	100.00	251,334
Seaway Port	490,000	100.00	490,000
Total	<u>172,373,012</u>		<u>167,438,582</u>

Lease Obligations

Operating Leases

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

Future minimum payments under operating leases, which are not reflected in these financial statements, consist of the following at December 31, 1993:

The following is a summary of the operating lease expense for 1993:

<u>Type of Property</u>	<u>Amount</u>
Rental of office space and parking facilities	\$ 1,105,602
Data processing software	245,463
Office equipment	30,132
Vehicles	<u>7,660</u>
Total rental expense	<u>\$ 1,388,857</u>

<u>Year Ended</u>	<u>Amount</u>
1994	\$ 1,425,762
1995	1,425,762
1996	1,425,762
1997	1,425,762
1998	<u>1,425,762</u>

Total future minimum lease payments \$ 7,128,810

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Capital Leases

Capitalized leases of the County at December 31, 1993, consist of office equipment and office space as shown below:

(Amounts in Dollars)			
Type of Property	General Fixed Assets	Printing Internal Service Fund	Total
Office equipment	146,020	135,178	281,198
Office space	4,583,154	-	4,583,154
Less: Accumulated depreciation	-	(51,246)	(51,246)
Carrying value	4,729,174	83,932	4,813,106

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 1993:

(Amounts in Dollars)			
December 31	General Long-Term Debt	Printing Internal Service Fund	Total
1994	310,232	26,360	336,592
1995	305,127	14,690	319,817
1996	304,414	12,356	316,770
1997	297,840	12,356	310,196
1998	297,840	9,265	307,105
1999 - 2003	1,489,200	-	1,489,200
2004 - 2008	1,489,200	-	1,489,200
2009 - 2013	1,092,080	-	1,092,080
Total minimum lease payments	5,585,933	75,027	5,660,960
Less: Amount Representing interest	1,320,679	-	1,320,679
Present value of future minimum lease payments	4,265,254	75,027	4,340,281

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Construction Commitments

At December 31, 1993, the County had construction commitments as follows:

(Amounts in Dollars)

	Authorized Projects	Expended To Date	Commitment	Required Further Financing
Road and Bridge building	202,465	108,800	93,665	-
County jail	14,807,516	3,317,757	8,923,956	-
Courthouse improvements	592,137	592,137	5,785	-
911 system	2,233,695	2,100,950	20,726	-
Regional landfill construction	5,486,041	5,059,450	283,078	-
Total	<u>23,321,854</u>	<u>11,179,094</u>	<u>9,327,210</u>	<u>-</u>

The above projects are accounted for in the various capital projects funds and the Solid Waste Management Enterprise Fund.

Self-Insurance

The County Insurance Internal Service Fund, a self-insurance fund, was established for the payment of unemployment compensation claims, workers' compensation claims, and general liability claims and judgments. All risk, except fire and property damage to major structures and catastrophic workers' compensation claims, is assumed. Maximum third-party coverage for property damage is limited to the estimated value of the property. The self-insurance for workers' compensation covers up to \$430,000 per single loss occurrence. At that point, the County is covered for losses by the Workers' Compensation Reinsurance Association, an organization created by Minnesota statutes in 1979

to implement a mandatory program of reinsurance for workers' compensation liability risks in the State of Minnesota for losses occurring on or after October 1, 1979. The Association provides full indemnification for the County, for claims arising under Minn. Stat. ch. 176, (1992) in excess of the \$430,000 retention limit.

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

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

The estimated liability for workers' compensation is funded by levying directly for the Internal Service Fund, and will therefore be paid from the retained earnings of the Fund.

The County Attorney's Office estimated settlements to be \$333,400 for various cases considered reasonably possible losses to the County. This amount is not reflected in the financial statements.

Retirement Plan

Plan Description

All full-time and certain part-time employees of St. Louis County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund and the Public Employees Police and Fire Fund which are cost-sharing multiple-employer retirement funds. Public Employees Retirement Fund members belong to either the Coordinated or Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. The payroll for employees covered by Public Employees Retirement Fund and Public Employees Police and Fire Fund for the year ended December 31, 1993, was \$64,802,710 and \$5,260,328 respectively; the County's total payroll was \$71,149,828.

The PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement

benefits are based on a member's 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 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 member is two percent of average salary for each of the first ten years of service and 2.5 percent for each remaining year. For a Coordinated member, the annuity accrual rate is one percent of average salary for each of the first ten years and 1.5 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.5 percent of average salary for Basic members and 1.5 percent for Coordinated members. For the Public Employees Police and Fire Fund members, the annuity accrual rate is 2.5 percent for each year of service through June 30, 1993. (Effective July 1, 1993, the annual accrual rate is 2.65 percent.) For Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employee Police and Fire Fund members, a full annuity is available when age plus years of service equal 90.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree; no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Contributions Required and Contributions Made

Minn. Stat. ch. 353 sets the rates for employer and employee contributions. The County makes annual contributions to the pension plans equal to the amount required by state statutes. According to Minn. Stat. §356.215, subd. 4g, the date of full funding required for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund is the year 2020. As part of the annual actuarial valuation, the PERA's actuary determines the sufficiency of the statutory contribution rates towards meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate. Current combined statutory contribution rates and actuarially required contribution rates for the plans are:

	Statutory Rates:		Required Rates
	Employee	Employer	
Public Employees Retirement Fund	4.39%	4.67%	9.95%
Public Employees Police and Fire Fund	8.00%	12.00%	18.60%

The required rates are for fiscal year 1993 contributions as reported in the July 1, 1992, actuarial valuation report.

Total contributions made by St. Louis County during fiscal year 1993 were:

	Amounts		Percentage of Covered Payroll	
	Employees	Employer	Employees	Employer
Public Employees Retirement Fund	\$2,797,147	\$3,008,668	4.38%	4.71%
Public Employees Police and Fire Fund	415,041	622,560	8.00%	12.00%
Totals	\$3,212,188	\$3,631,228		

The County's contribution for the year ended June 30, 1993, to the Public Employees Retirement Fund represented 2.7 percent of total contributions required of all participating entities. For the Public Employees Police and Fire Fund, contributions for the year ended June 30, 1993, represented 2.0 percent of total contributions required of all participating entities.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Funding Status and Progress

Pension Benefit Obligation

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

The pension benefit obligations as of June 30, 1993, are shown below (in thousands):

	(Amounts in dollars)	
	Public Employees Retirement Fund	Public Employees Police and Fire Fund
Total pension benefit obligation	5,163,766	932,333
Net assets available for benefits, at cost (Market values for Public Employees Fund = \$4,515,052; Police and Fire Fund = \$1,173,312)	4,304,163	1,090,857
Unfunded (assets in excess of) pension benefit obligation	859,603	(158,524)

The measurement of the pension benefit obligation is based on an actuarial valuation as of June 30, 1993. Net assets available to pay pension benefits were valued as of June 30, 1993.

Changes in Benefit Provisions

Three bills enacted during the 1993 legislative session improved benefits for many members without a material effect on the pension benefit obligation in either the Public Employees Retirement Fund or the Public Employees Police and Fire Fund. The early retirement incentive bill permitted a public employer to offer PERA's Basic and Coordinated members an increase of .25 percent in the formula multiplier for each year of service, up to the first 30 years, or health insurance coverage to age 65. Also, the survivor protection bill provided benefits to either a surviving spouse or children of Public Employees Retirement Fund Coordinated Plan members who die before age 50. Lastly, the Police and Fire benefit increase bill, which became effective July 1, 1993, permanently increased the Public Employees Police and Fire Fund formula multiplier from 2.5 percent to 2.65 percent of an

individual's average salary over the five highest consecutive years of earnings.

Ten-Year Historical Trend Information

Ten-year historical trend information is presented in the PERA's Component Unit Report for the year ended June 30, 1993. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Related Party Investments

As of June 30, 1993, and for the fiscal year then ended, PERA held no securities issued by St. Louis County or other related parties.

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds		
Receivable Fund	Payable Fund	Amount
General	Special Revenue - Social Services	\$ 66,040
Special Revenue - Road and Bridge	General	474
Social Services	General	4,377
Internal Service - Supplies and Services	Capital Projects - Jail Bond	17
Expendable Trust - Forest Resources	Special Revenue - Community Development Block Grant	4,347
	Capital Projects - Jail Bond	1,734
	Total	\$ 76,989

Interfund Receivable/Payable		
Receivable Fund	Payable Fund	Amount
General	Enterprise - Chris Jensen	\$ 59,518
	Nopeming	118,295
	Expendable Trust - Forfeited Tax Sale	92,107
	Agency - Home Grant	11,974
	Total	\$ 281,894

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

TRANSFERS BETWEEN FUNDS

Transfers between individual funds during December 31, 1993, are as follows:

Operating Transfers Out	Operating Transfers In	Debit	Credit
General		\$ 127,693	\$
	Capital Projects - Court Houses		127,693
Special Revenue - Road and Bridge		3,800,000	
	Debt Service - Capital Equipment Notes		3,800,000
Enterprise - Solid Waste Management		1,317,747	
	Expendable Trust - Hibbing Dedicated		466,384
	East Mesaba Dedicated		574,328
	Regional Landfill Dedicated		277,035
Internal Service - County Insurance		1,200,000	
	Enterprise - Solid Waste Management		1,200,000
Management Information Systems		300,000	
	Internal Services - Telecommunication		300,000
Expendable Trust - East Mesaba Dedicated		133,183	
	Expendable Trust - Hibbing Dedicated		133,183
	Total	\$ 6,878,623	\$ 6,878,623

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

FUND EQUITY

Contributed Capital - Enterprise Funds

There were no changes in the contributed capital accounts of the enterprise funds during the year ended December 31, 1993.

Contributed Capital - Internal Service Funds

The following is a summary of the changes in contributed capital for the Internal Service Funds for the year ended December 31, 1993:

	(Amounts in Dollars)			
	Contributions 1-1-93	Additions	Deletions	Contributions 12-31-93
Laundry	814,517	-	-	814,517
Supervised Living Facilities	-	3,192	-	3,192
Printing	5,131	-	-	5,131
County Garage	2,565,670	326,348	59,536	2,832,482
Management Information Systems	808,490	-	-	808,490
Telecommunications	185,639	-	-	185,639
Total Internal Service Funds	4,379,447	329,540	59,536	4,649,451

ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993

4. SEGMENTS OF ENTERPRISE ACTIVITIES

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

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

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

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

The key financial data for the year ended December 31, 1993, for these three services are:

(Amounts in Dollars)

	Chris Jensen	Nopeming	Solid Waste Management	Total Enterprise Funds
Operating revenues	10,094,600	9,009,213	6,272,132	25,375,945
Depreciation	119,347	90,913	52,027	262,287
Operating income (loss)	(463,786)	(311,950)	1,921,117	1,145,381
Taxes	1,209,338	812,257	683,578	2,705,173
Grants	-	-	689,665	689,665
Operating				
Transfer in	-	-	1,200,000	1,200,000
Transfer out	-	-	1,317,747	1,317,747
Net income (loss)	600,390	497,357	2,834,618	3,932,365
Property, plant, and				
equipment - additions	34,574	22,487	4,286,798	4,343,859
- dispositions	7,351	6,270	-	13,621
Net working capital	1,198,750	900,398	4,624,807	6,723,955
Total assets	7,144,778	4,312,854	18,559,785	30,017,417
Long-term liabilities				
payable from				
operating revenues	1,170,929	555,107	12,602,361	14,328,397
Total equity	4,098,649	2,776,872	3,785,259	10,660,780

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

5. JOINT VENTURES

Arrowhead Regional Corrections

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

Arrowhead Regional Corrections is financed through state grants and contributions from the participating counties. During 1993, county contributions were in the following proportion:

Carlton County	9.52%
Cook County	1.94%
Koochiching County	3.60%
Lake County	3.74%
St. Louis County	<u>81.20%</u>
 Total	 <u>100.00%</u>

St. Louis county provided \$5,339,198 in funding during 1993. Separate financial information can be obtained from:

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

A summary of the financial information of Arrowhead Regional Corrections for the year ended December 31, 1992, (the most recent available), excluding general fixed assets of \$3,113,109, and general long-term debt of \$582,738 was:

Total Assets	\$1,145,660
Total Liabilities	449,141
Total Fund Equity	696,519
Total Revenues	9,063,013
Total Expenditures	8,975,085
Increase (decrease) in Fund Balance	\$ 98,838

Community Health Services Board

Carlton, Cook, Lake and St. Louis Counties entered into a joint powers agreement, creating and operating the Carlton, Cook, Lake and St. Louis County Community Health Services Board. This agreement is entered into under the authority of the Community Health Services Act and is pursuant to the provisions of Minn. Stat. ch. 471 (1992). The Community Health Services Board is composed of nine members. Carlton, Cook, and Lake County Boards of Commissioners each appoint two members; the St. Louis County Board of Commissioners appoints three members. Financing is obtained through federal and state grants. St. Louis County provided no funding to this organization during 1993.

A summary of the financial information of the Community Health Services Board for December 31, 1992, (the most recent available) excluding general fixed assets of \$17,612, and general long-term debt of \$5,058, is:

Total Assets	\$ 322,357
Total Liabilities	297,792
Total Fund Equity	24,565
Total Revenues	1,847,825
Total Expenditures	1,847,825
Increase (decrease) in Fund Balance	\$ -

Separate financial information can be obtained from:

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

**ST. LOUIS COUNTY, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Northeast Minnesota Office of Job Training

The Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis Counties entered into a joint powers agreement pursuant to Minn. Stat. ch. 471 (1992) for the purpose of developing and implementing a private and public job training program. The United States Congress through the Job Training Partnership Act of 1982 authorized states to establish "service delivery areas" to provide programs to achieve full employment through the use of grants. The counties identified above are defined as such a "service delivery area" and the Northeast Minnesota Office of Job Training is designated as the grant recipient and administrator for such service delivery area. The County is not a funding mechanism for this organization.

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

A summary of the financial information of Northeast Minnesota Office of Job Training's funds for the fiscal year ended June 30, 1993, excluding general fixed assets of \$251,520 and general long-term debt of \$108,834 was:

Total Assets	\$ 597,088
Total Liabilities	414,602
Total Fund Equity	182,486
Total Revenues	4,101,277
Total Expenditures/Expenses	4,064,260
Increase (Decrease) in	
Fund Balance	\$ 37,017

Separate financial information can be obtained from:

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

Northern Counties Land Use Board

Northern Counties Land Use Board was established through a joint powers agreement pursuant to Minn. Stat. ch. 471 (1992) for the purpose of helping to formulate land use plans for the protection, sustainable use and development of lands and natural resources.

The joint powers are the Counties of Cook, Itasca, Koochiching, Lake, Lake of the Woods and St. Louis. Three elected county commissioners from St. Louis County and two from each of the other counties comprise the membership of the Board. The County handles all of the financial transactions for this organization through its Northern Counties Land Use Board Agency Fund. A summary of the financial information of Northern Counties Land Use Board for the fiscal year ended December 31, 1993 is:

Total Assets	\$ 17,600
Total Liabilities	6,708
Total Fund Equity	10,892
Total Revenues	17,600
Total Expenditures/Expenses	6,708
Increase (Decrease) in	
Fund Balance	\$ 10,892

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, 1993**

Northeast Minnesota Housing Consortium

A joint powers agreement was executed pursuant to Minn. Stat. ch. 471 (1992) for the purpose of procuring a HOME grant from the United States Department of Housing and Urban Development. Members of the joint powers are the Counties of Lake, Koochiching, Itasca, Cook and St. Louis. The County handles all of the financial transactions for this organization through its HOME Agency Fund.

A summary of the financial information of the Northeast Minnesota Housing Consortium for December 31, 1993 is:

Total Assets	\$ 12,013
Total Liabilities	12,013
Total Fund Equity	-
Total Revenues	12,013
Total Expenditures/Expenses	12,013
Increase (Decrease) in Fund Balance	\$ -

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

6. SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

CLAIMS AND LITIGATION

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

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

DEPARTMENTAL TRUST DEPOSITS

Departmental trust deposits include funds deposited with various County departments as required by statute or court orders. The following is a summary

of these trust deposits which are not shown on the combined balance sheet at December 31, 1993.

Courts	\$ 107,739
Purchasing	1,284
Sheriff	23,199
Judge of Probate	91,081
Social Services	
Social Welfare	410,132
Support and Collections (IV-D)	473,425
Estate	<u>135,133</u>
Total	<u>\$1,241,993</u>

SETTLEMENTS HELD BY THE COURT FOR MINORS

The Court Administrator, at December 31, 1993, held investments for individuals who have not reached the age of majority. These investments have a combined face value of \$4,111,776 and are not included in the County's financial statements.

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:

**FINANCIAL — Combining and Individual Funds
and Account Group Statements and Schedules**

GENERAL FUND

GENERAL FUND

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

ST. LOUIS COUNTY, MINNESOTA
BALANCE SHEET
GENERAL FUND
 DECEMBER 31, 1993

Assets	
Cash and cash equivalents	\$ 7,647,833
Receivables	
Taxes	
Unapportioned	530,646
Delinquent	1,280,177
Accounts	115,243
Accrued interest	1,920,514
Loans	1,830,950
Due from other funds	66,040
Interfund receivable	281,894
Due from other governments	<u>534,040</u>
Total Assets	<u>\$ 14,207,337</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 523,766
Salaries payable	736,488
Compensated absences payable	208,699
Due to other funds	4,851
Due to other governments	233,214
Deferred revenue	<u>2,277,367</u>
Total Liabilities	<u>\$ 3,984,385</u>
Fund Balance	
Reserved for change funds	\$ 18,894
Reserved for noncurrent loans	575,568
Reserved for economic development	236,291
Reserved for encumbrances	516,365
Reserved for health and welfare	687,174
Reserved for law library	37,828
Reserved for repairs	12,544
Unreserved	
Undesignated	<u>8,138,288</u>
Total Fund Balance	<u>\$ 10,222,952</u>
Total Liabilities and Fund Balance	<u>\$ 14,207,337</u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

Revenues	
Taxes	\$ 24,790,623
Licenses and permits	111,656
Intergovernmental	10,022,799
Charges for services	5,575,764
Fines and forfeits	740,207
Interest on investments	1,532,681
Gifts and contributions	7,142
Miscellaneous	<u>508,016</u>
Total Revenues	\$ <u>43,288,888</u>
Expenditures	
General government	
Current:	
Commissioners	\$ 611,293
County administrator	188,478
Intergovernmental affairs	230,025
Planning & research	135,856
Labor relations	32,645
Community development	30,629
Public defenders	47,052
Court administrator	3,177,160
Examiner of titles	118,958
County attorney	1,911,087
Law library	126,312
County auditor	3,121,559
County assessor	1,488,536
Purchasing	438,439
Microfilming	146,255
Recorder	1,032,737
Surveyor	504,448
Civil service	836,441
Veteran's service	403,159
Port authority	50,000
Elections	5,287
Courthouses	1,542,390
Employee training	113,666
Great Lakes Association	<u>1,000</u>
Total Current	\$ <u>16,293,412</u>
	(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

Expenditures (Continued)

General government (continued)

Capital Outlay:

County administrator	\$ 7,916
Intergovernmental affairs	1,490
Court administrator	9,244
County attorney	3,527
County auditor	5,357
County assessor	18,769
Recorder	42,123
Surveyor	7,668
Civil service	1,043
Courthouses	30,303
Elections	<u>5,628</u>

Total Capital Outlay **\$ 133,068**

Total General Government **\$ 16,426,480**

Public Safety

Current:

Jail building	\$ 172,371
Sheriff	6,119,215
Boat and water safety	103,085
Medical examiner	163,663
Rescue squad	84,837
Emergency management	130,416
Radio maintenance	303,106
Emergency communication	1,461,583
Jail prisoners	2,931,459
Mine inspector	216,419
Safety council	805
Ambulance service	43,199
Law enforcement service	<u>587,191</u>

Total Current **\$ 12,317,349**
(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

Expenditures (Continued)	
Public safety (continued)	
Capital Outlay:	
Sheriff	\$ 8,208
Boat and water safety	26,127
Rescue squad	3,142
Emergency management	2,513
Emergency communications	3,095
Jail prisoners	7,487
Law enforcement services	<u>14,028</u>
Total Capital Outlay	\$ <u>64,600</u>
Total Public Safety	\$ <u>12,381,949</u>
Health	
Current:	
Administration	\$ 1,100,768
Nursing	3,316,155
Environmental health	1,432,861
Duluth Community Health Center	20,000
Risk management	169,748
American Indian Fellowship	<u>27,836</u>
Total Current	\$ <u>6,067,368</u>
Capital Outlay:	
Administration	\$ 2,009
Nursing	29,176
Risk Management	<u>3,225</u>
Total Capital Outlay	\$ <u>34,410</u>
Total Health	\$ <u>6,101,778</u>
	(continued)

**ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993**

Expenditures (Continued)

Welfare	
Current:	
School lunch	<u>\$ 15,000</u>
Culture and recreation	
Current:	
Memorial Day observance	\$ 1,115
Historical Society	135,968
Arrowhead Library System	256,729
Community fairs	800
Depot	5,000
Tourism promotion	<u>55,882</u>
Total Culture	
Recreation	<u>\$ 455,494</u>
Conservation of natural resources	
Current:	
County agent	\$ 442,661
County fair - north	15,300
County fair - south	15,541
Soil conservation - north	30,000
Soil conservation - south	30,000
Town aid	<u>5,500</u>
 Total Current	 <u>\$ 539,002</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

Expenditures (Continued)	
Conservation of natural resources (continued)	
Capital Outlay:	
County agent	\$ 14,369
Total Conservation of Natural Resources	<u>\$ 553,371</u>
Economic development	
Current:	
Improvement Ltd Partnership	\$ 61,630
Pemco - Pitman	400,000
Revolving loans	<u>170,000</u>
Total Economic Development	<u>\$ 631,630</u>
Debt Service	
Principal	\$ 11,707
Interest and fiscal charges	<u>2,432</u>
Total Debt Service	<u>\$ 14,139</u>
Intergovernmental	
Public safety	<u>\$ 5,339,198</u>
Total Expenditures	<u>\$ 41,919,039</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,369,849</u>
Other Financing Sources (Uses)	
Operating transfers out	<u>(127,693)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,242,156
Fund Balance, January 1, 1993	<u>8,980,796</u>
Fund Balance, December 31, 1993	<u><u>\$ 10,222,952</u></u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 24,492,397	\$ 24,790,623	\$ 298,226
Licenses and permits	102,530	111,656	9,126
Intergovernmental	9,695,626	10,022,799	327,173
Charges for services	5,932,150	5,575,764	(356,386)
Fines and forfeitures	718,546	740,207	21,661
Interest on investments	1,400,700	1,532,681	131,981
Gifts and contributions	12,012	7,142	(4,870)
Miscellaneous	795,183	508,016	(287,167)
Total Revenues	\$ 43,149,144	\$ 43,288,888	\$ 139,744

	<u>Budget</u>	<u>Actual</u>			<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	
Expenditures					
General government					
Current:					
Commissioners	\$ 614,636	\$ 611,293	\$ -	\$ 611,293	\$ 3,343
County administrator	192,191	186,130	5,675	191,805	386
Intergovernmental affairs	244,347	230,025	-	230,025	14,322
Planning and research	195,351	135,856	5,203	141,059	54,292
Labor relations	37,120	32,645	-	32,645	4,475
Community development	29,279	29,279	-	29,279	-
Public defenders	52,000	47,052	-	47,052	4,948
Court administrator	3,173,734	3,122,459	39,866	3,162,325	11,409
Examiner of titles	118,959	118,958	-	118,958	1
County attorney	1,987,902	1,908,279	2,874	1,911,153	76,749
Law library	110,016	110,016	-	110,016	-
County auditor	3,159,782	3,115,601	1,036	3,116,637	43,145
County assessor	1,527,267	1,485,624	10,468	1,496,092	31,175
Purchasing	444,885	437,390	221	437,611	7,274
Microfilming	149,505	143,765	5,732	149,497	8
Recorder	1,033,787	1,032,604	322	1,032,926	861
Surveyor	497,750	497,750	-	497,750	-
Civil service	870,604	830,822	13,392	844,214	26,390
Veteran's service	416,785	403,159	-	403,159	13,626
Port authority	50,000	50,000	-	50,000	-
Elections	11,214	5,287	-	5,287	5,927
Courthouses	1,745,281	1,710,227	8,430	1,718,657	26,624
Employee training	126,089	113,666	1,560	115,226	10,863
Great Lakes Assn	1,000	1,000	-	1,000	-
Total General					
Government-Current	\$ 16,789,484	\$ 16,358,887	\$ 94,779	\$ 16,453,666	\$ 335,818

(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

	Budget	Actual			Variance Favorable (Unfavorable)
		Current Expenditures	Encumbrances	Total	
Expenditures (Continued)					
Public safety					
Current:					
Sheriff	\$ 6,121,627	\$ 6,117,812	\$ 672	\$ 6,118,484	\$ 3,143
Boat and water safety	104,892	101,993	-	101,993	2,899
Medical examiner	185,696	163,663	-	163,663	22,033
Rescue squad	85,353	84,434	-	84,434	919
Emergency management	129,931	129,680	250	129,930	1
Radio maintenance	334,931	303,106	6,698	309,804	25,127
Emergency communication	1,514,805	1,461,583	1,549	1,463,132	51,673
Jail prisoners	3,095,748	2,931,147	5,272	2,936,419	159,329
Mine inspector	216,891	216,419	-	216,419	472
Ambulance service	43,199	43,199	-	43,199	-
Law enforcement service	587,192	587,191	-	587,191	1
Total Public					
Safety-Current	\$ 12,420,265	\$ 12,140,227	\$ 14,441	\$ 12,154,668	\$ 265,597
Health					
Current:					
Administration	\$ 1,208,966	\$ 1,100,326	\$ 106,724	\$ 1,207,050	\$ 1,916
Nursing	3,944,158	3,296,416	297,972	3,594,388	349,770
Environmental health	1,528,835	1,432,861	-	1,432,861	95,974
Duluth Community Health Center	20,000	20,000	-	20,000	-
American Indian Fellow- ship Association	27,946	27,836	-	27,836	110
Risk management	178,704	169,479	-	169,479	9,225
Total Health-Current	\$ 6,908,609	\$ 6,046,918	\$ 404,696	\$ 6,451,614	\$ 456,995
Welfare					
Current:					
School lunch	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Life House	3,000	-	-	-	3,000
Total Welfare-Current	\$ 18,000	\$ 15,000	\$ -	\$ 15,000	\$ 3,000

(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

	Budget	Actual		Variance Favorable (Unfavorable)	
		Current Expenditures	Encumbrances		Total
Expenditures (Continued)					
Culture and recreation					
Current:					
Memorial Day Observance	\$ 1,200	\$ 1,115	\$ -	\$ 1,115	\$ 85
Historical Society	135,968	135,968	-	135,968	-
Arrowhead Library System	257,000	256,729	-	256,729	271
Community fairs	1,120	800	-	800	320
Depot	5,000	5,000	-	5,000	-
Tourism promotion	55,882	55,882	-	55,882	-
Total Culture and Recreation-Current	\$ 456,170	\$ 455,494	\$ -	\$ 455,494	\$ 676
Conservation of natural resources					
Current:					
County agent	\$ 448,279	\$ 442,661	\$ -	\$ 442,661	\$ 5,618
County fair - north	15,300	15,300	-	15,300	-
County fair - south	15,541	15,541	-	15,541	-
Soil conservation - north	30,000	30,000	-	30,000	-
Soil conservation - south	30,000	30,000	-	30,000	-
Town aid	5,500	5,500	-	5,500	-
Total Conservation of Natural Resources-Current	\$ 544,620	\$ 539,002	\$ -	\$ 539,002	\$ 5,618
Economic development					
Current:					
Improvement Ltd. Partnership	\$ 61,630	\$ 61,630	\$ -	\$ 61,630	\$ -
Association of Minnesota Townships	1,000	-	-	-	1,000
Pemco-Pitman	400,000	400,000	-	400,000	-
Revolving loans	170,000	170,000	-	170,000	-
Total Economic Development-Current	\$ 632,630	\$ 631,630	\$ -	\$ 631,630	\$ 1,000
Total Expenditures-Current	\$ 37,769,778	\$ 36,187,158	\$ 513,916	\$ 36,701,074	\$ 1,068,704 (continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

Schedule 3
(continued)

	<u>Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>		
Expenditures (Continued)					
General government					
Capital Outlay:					
County administrator	\$ 5,540	\$ 5,540	\$ -	\$ 5,540	\$ -
Intergovernment affairs	1,490	1,490	-	1,490	-
Community development	2,212	-	-	-	2,212
Court administrator	6,000	5,667	-	5,667	333
County attorney	5,600	3,527	1,385	4,912	688
County auditor	5,357	5,357	-	5,357	-
County assessor	10,082	10,082	-	10,082	-
Recorder	42,123	42,123	-	42,123	-
Surveyor	7,668	7,668	-	7,668	-
Civil service	1,043	1,043	-	1,043	-
Elections	5,628	5,628	-	5,628	-
Courthouses	30,303	30,303	-	30,303	-
Total General Government- Capital Outlay	\$ 123,046	\$ 118,428	\$ 1,385	\$ 119,813	\$ 3,233
Public safety					
Capital Outlay:					
Sheriff	\$ 6,122	\$ 6,122	\$ -	\$ 6,122	\$ -
Boat and water safety	9,490	9,490	-	9,490	-
Emergency management	2,513	2,513	-	2,513	-
Emergency communications	4,474	3,095	1,379	4,474	-
Jail prisoners	3,999	3,999	-	3,999	-
Law enforcement service	14,028	14,028	-	14,028	-
Total Public Safety- Capital Outlay	\$ 40,626	\$ 39,247	\$ 1,379	\$ 40,626	\$ -
Health					
Capital Outlay:					
Administration	\$ 2,009	\$ 2,009	\$ -	\$ 2,009	\$ -
Nursing	44,460	29,176	-	29,176	15,284
Environmental health	9,000	-	-	-	9,000
Risk management	3,225	3,225	-	3,225	-
Total Health- Capital Outlay	\$ 58,694	\$ 34,410	\$ -	\$ 34,410	\$ 24,284

(continued)

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 1993

	Budget	Actual		Variance Favorable (Unfavorable)	
		Current Expenditures	Encumbrances		Total
Expenditures (Continued)					
Conservation of natural resources					
Capital Outlay:					
County agent	\$ 14,369	\$ 14,369	\$ -	\$ 14,369	\$ -
Total Expenditures- Capital Outlay	\$ 236,735	\$ 206,454	\$ 2,764	\$ 209,218	\$ 27,517
Debt service					
Principal	\$ 11,707	\$ 11,707	\$ -	\$ 11,707	\$ -
Interest and fiscal charges	2,432	2,432	-	2,432	-
Total Expenditures - Debt Service	\$ 14,139	\$ 14,139	\$ -	\$ 14,139	\$ -
Intergovernmental					
Public safety	\$ 5,339,198	\$ 5,339,198	\$ -	\$ 5,339,198	\$ -
Total Expenditures	\$ 43,359,850	\$ 41,746,949	\$ 516,680	\$ 42,263,629	\$ 1,096,221
Excess of Revenues Over (Under) Expenditures	\$ (210,706)			\$ 1,025,259	\$ 1,235,965
Other Financing Sources (Uses)					
Operating transfers out	\$ (127,693)			\$ (127,693)	\$ -
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ (338,399)			\$ 897,566	\$ 1,235,965
Adjustments -Note 1	-			344,590	344,590
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses as Adjusted	\$ (338,399)			\$ 1,242,156	\$ 1,580,555
Fund Balance - January 1	8,980,796			8,980,796	-
Fund Balance - December 31	\$ 8,642,397			\$ 10,222,952	\$ 1,580,555

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

Babbitt Facility

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

County Housing Authority

This fund is used to provide funds for economic development.

Community Development Block Grant

This fund accounts for the Federal Grant of the same name.

Road and Bridge

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

Social Services

To account for the operations and financial activities of the Welfare Department.

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1993

	<u>Babbitt Facility</u>	<u>County Housing Authority</u>	<u>Community Development Block Grant</u>
Assets			
Cash and cash equivalents	\$ 84,344	\$ 61,597	\$ 8,569
Receivables			
Taxes			
Unapportioned	-	2,995	-
Delinquent	-	8,913	-
Accounts	-	-	-
Loans	-	125,000	-
Due from other funds	-	-	-
Due from other governments	-	-	484,777
Inventories	-	-	-
Prepaid items	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 84,344	\$ 198,505	\$ 493,346
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 5,032	\$ 13,314	\$ 72,823
Salaries payable	-	-	-
Compensated absences payable	-	-	-
Due to other funds	-	-	4,347
Due to other governments	-	-	408,182
Deferred revenue	-	8,022	7,994
	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 5,032	\$ 21,336	\$ 493,346
Fund Balance			
Reserved for change funds	\$ -	\$ -	\$ -
Reserved for noncurrent loans	-	125,000	-
Reserved for conference fund	-	-	-
Reserved for inventories	-	-	-
Reserved for encumbrances	751	-	-
Reserved for prepaid items	-	-	-
Reserved for health and welfare	-	-	-
Reserved for foster care insurance	-	-	-
Reserved for senior citizens transportation	-	-	-
Reserved for unorganized town roads	-	-	-
Unreserved			
Designated for debt service	-	-	-
Designated for capital outlay	-	-	-
Undesignated	78,561	52,169	-
	<hr/>	<hr/>	<hr/>
Total Fund Balance	\$ 79,312	\$ 177,169	\$ -
Total Liabilities and Fund Balance	\$ 84,344	\$ 198,505	\$ 493,346

Schedule 4

<u>Road and Bridge</u>	<u>Social Services</u>	<u>Total</u>
\$ 8,264,340	\$ 127,133	\$ 8,545,983
176,635	413,417	593,047
632,730	1,647,602	2,289,245
39,318	740,877	780,195
-	-	125,000
474	4,377	4,851
4,330,021	5,801,760	10,616,558
1,100,250	-	1,100,250
-	140,826	140,826
<u>\$ 14,543,768</u>	<u>\$ 8,875,992</u>	<u>\$ 24,195,955</u>
\$ 1,562,499	\$ 2,421,667	\$ 4,075,335
540,064	372,424	912,488
98,478	169,988	268,466
-	66,040	70,387
17,414	183,579	609,175
<u>3,493,846</u>	<u>1,865,927</u>	<u>5,375,789</u>
<u>\$ 5,712,301</u>	<u>\$ 5,079,625</u>	<u>\$ 11,311,640</u>
\$ 1,000	\$ 15,000	\$ 16,000
-	-	125,000
-	4,826	4,826
1,100,250	-	1,100,250
213,209	110,522	324,482
-	140,826	140,826
395,724	510,112	905,836
-	6,000	6,000
-	31,437	31,437
12,999	-	12,999
6,105,000	-	6,105,000
533,972	-	533,972
<u>469,313</u>	<u>2,977,644</u>	<u>3,577,687</u>
<u>\$ 8,831,467</u>	<u>\$ 3,796,367</u>	<u>\$ 12,884,315</u>
<u>\$ 14,543,768</u>	<u>\$ 8,875,992</u>	<u>\$ 24,195,955</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 1993

	<u>Babbitt Facility</u>	<u>County Housing Authority</u>	<u>Community Development Block Grant</u>
Revenues			
Taxes	\$ -	\$ 181,736	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	3,794	2,460,003
Charges for services	-	-	-
Miscellaneous	26,666	99	-
Total Revenues	<u>\$ 26,666</u>	<u>\$ 185,629</u>	<u>\$ 2,460,003</u>
Expenditures			
Current:			
Highways and streets	\$ -	\$ -	\$ -
Welfare	-	-	-
Economic development	110,134	106,185	2,460,003
Capital outlay:			
Highway and streets	-	-	-
Welfare	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>\$ 110,134</u>	<u>\$ 106,185</u>	<u>\$ 2,460,003</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (83,468)</u>	<u>\$ 79,444</u>	<u>\$ -</u>
Other Financing Sources (Uses)			
Operating transfers out	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (83,468)</u>	<u>\$ 79,444</u>	<u>\$ -</u>
Fund Balance - January 1	162,780	97,725	-
Increase (decrease) in reserved for inventories	-	-	-
Fund Balance - December 31	<u><u>\$ 79,312</u></u>	<u><u>\$ 177,169</u></u>	<u><u>\$ -</u></u>

Schedule 5

<u>Road and Bridge</u>	<u>Social Services</u>	<u>Total</u>
\$ 15,789,425	\$ 20,564,994	\$ 36,536,155
14,935	-	14,935
24,042,164	50,177,168	76,683,129
525,264	1,357,794	1,883,058
209,053	1,422,640	1,658,458
<u>\$ 40,580,841</u>	<u>\$ 73,522,596</u>	<u>\$ 116,775,735</u>
\$ 39,193,727	\$ -	\$ 39,193,727
-	71,999,353	71,999,353
-	-	2,676,322
3,843,257	-	3,843,257
-	250,411	250,411
-	289,163	289,163
-	32,531	32,531
<u>\$ 43,036,984</u>	<u>\$ 72,571,458</u>	<u>\$ 118,284,764</u>
\$ (2,456,143)	\$ 951,138	\$ (1,509,029)
<u>(3,800,000)</u>	<u>-</u>	<u>(3,800,000)</u>
\$ (6,256,143)	\$ 951,138	\$ (5,309,029)
15,325,476	2,845,229	18,431,210
(237,866)	-	(237,866)
<u>\$ 8,831,467</u>	<u>\$ 3,796,367</u>	<u>\$ 12,884,315</u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
BABBITT FACILITY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
Revenues				
Miscellaneous	\$ -		\$ 26,666	\$ 26,666
		<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
Expenditures				
Current:				
Economic development	\$ 162,780	\$ 110,134	\$ 750	\$ 110,884
Total Expenditures	<u>\$ 162,780</u>	<u>\$ 110,134</u>	<u>\$ 750</u>	<u>\$ 110,884</u>
Excess of Revenues Over (Under) Expenditures	\$ (162,780)		\$ (84,218)	\$ 78,562
Adjustments - Note 1	-		750	750
Fund Balance - January 1	<u>162,780</u>		<u>162,780</u>	<u>-</u>
Fund Balance - December 31	<u>\$ -</u>		<u>\$ 79,312</u>	<u>\$ 79,312</u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
COUNTY HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>	
Revenues					
Taxes	\$ 178,815	\$ 181,736		\$ 2,921	
Intergovernmental	3,775	3,794		19	
Miscellaneous	-	99		99	
Total Revenues	<u>\$ 182,590</u>	<u>\$ 185,629</u>		<u>\$ 3,039</u>	
		<u>Actual</u>			
	<u>Budget</u>	<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures					
Current:					
Economic development	\$ 266,000	\$ 106,185	\$ -	\$ 106,185	\$ 159,815
Total Expenditures	<u>\$ 266,000</u>	<u>\$ 106,185</u>	<u>\$ -</u>	<u>\$ 106,185</u>	<u>\$ 159,815</u>
Excess of Revenues Over (Under) Expenditures	\$ (83,410)			\$ 79,444	\$ 162,854
Fund Balance - January 1	<u>97,725</u>			<u>97,725</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 14,315</u>			<u>\$ 177,169</u>	<u>\$ 162,854</u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
Revenues				
Intergovernmental	\$ 6,150,000	\$ 2,460,003		\$ (3,689,997)
	<u>Budget</u>	<u>Actual</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Current Expenditures</u>	<u>Encumbrances</u>	<u>Total</u>
Expenditures				
Current:				
Economic development	\$ 6,150,000	\$ 2,460,003	\$ -	\$ 2,460,003
				\$ 3,689,997
Excess of Revenues Over (Under) Expenditures	\$ -			\$ -
Fund Balance - January 1	<u>-</u>			<u>-</u>
Fund Balance - December 31	<u>\$ -</u>			<u>\$ -</u>

ST. LOUIS COUNTY, MINNESOTA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 SOCIAL SERVICES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 1993

	Budget		Actual		Variance
					Favorable (Unfavorable)
Revenues					
Taxes	\$ 20,450,794			\$ 20,564,994	\$ 114,200
Intergovernmental	49,583,582			50,177,168	593,586
Charges for services	1,262,576			1,357,794	95,218
Miscellaneous	1,415,638			1,422,640	7,002
Total Revenues	\$ 72,712,590			\$ 73,522,596	\$ 810,006
			Actual		
	Budget	Current Expenditures	Encumbrances	Total	Variance Favorable (Unfavorable)
Expenditures					
Current:					
Welfare					
Income Maintenance					
Child support enforcement	\$ 2,405,681	\$ 2,362,828	\$ 2,917	\$ 2,365,745	\$ 39,936
General assistance maintenance	1,216,479	1,205,033	2,558	1,207,591	8,888
General assistance medical care	1,073,763	1,063,020	1,603	1,064,623	9,140
Work readiness	951,204	940,366	1,140	941,506	9,698
Minnesota supplemental aid	961,198	949,212	3,294	952,506	8,692
Aid to families with dependent children	3,293,051	3,271,641	15,512	3,287,153	5,898
Medical assistance	7,847,705	7,825,270	16,908	7,842,178	5,527
Food stamps	3,561,270	3,548,851	-	3,548,851	12,419
Child day care	5,483,743	5,440,544	31,870	5,472,414	11,329
Other income maintenance programs	645,419	635,596	353	635,949	9,470
Social Services					
Services to families with children	15,369,837	15,300,134	9,609	15,309,743	60,094
Child day care	1,265,279	1,165,583	2,151	1,167,734	97,545
Chemical dependency	2,651,153	2,641,256	967	2,642,223	8,930
Mental health	8,369,660	8,352,268	1,700	8,353,968	15,692
Developmentally disabled	8,764,384	8,745,178	1,877	8,747,055	17,329
Services to adults/elderly	8,612,848	8,539,223	18,060	8,557,283	55,565
Total Current Expenditures	\$ 72,472,674	\$ 71,986,003	\$ 110,519	\$ 72,096,522	\$ 376,152
Capital Outlay:					
Welfare	\$ 250,411	\$ 250,411	\$ -	\$ 250,411	\$ -
Debt Service:					
Principal	\$ 289,161	\$ 289,163	\$ -	\$ 289,163	\$ (2)
Interest and fiscal changes	32,531	32,531	-	32,531	-
Total Debt Service Expenditures	\$ 321,692	\$ 321,694	\$ -	\$ 321,694	\$ (2)
Total Expenditures	\$ 73,044,777	\$ 72,558,108	\$ 110,519	\$ 72,668,627	\$ 376,150
Excess of Revenues Over (Under) Expenditures	\$ (332,187)			\$ 853,969	\$ 1,186,156
Adjustments - Note 1				97,169	97,169
Fund Balance - January 1	2,845,229			2,845,229	-
Fund Balance - December 31	\$ 2,513,042			\$ 3,796,367	\$ 1,283,325

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

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

Babbitt Facility Refunding

1989 bond sold for the purpose of refunding a General Obligation Revenue Bond.

Capital Equipment Notes

1988, 1989, and 1990 notes for the purpose of financing the purchase of capital equipment.

Correctional Facilities Bond

1989 and 1993 bonds sold by the County and County HRA, respectively, for the purpose of financing the costs of construction of a County jail.

**ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 1993**

	<u>Babbitt Facility Refunding</u>	<u>Capital Equipment Notes</u>	<u>Correctional Facilities Bond</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 14,764	\$ 204,863	\$ 130,499	\$ 350,126
Receivables				
Taxes				
Unapportioned	1,621	7,869	1,332	10,822
Delinquent	5,238	33,259	4,944	43,441
	<u>21,623</u>	<u>245,991</u>	<u>136,775</u>	<u>404,389</u>
Total Assets	\$ 21,623	\$ 245,991	\$ 136,775	\$ 404,389
Liabilities and Fund Balance				
Liabilities				
Accrued interest payable	\$ -	\$ -	\$ 44,218	\$ 44,218
Deferred revenue	4,714	29,932	4,450	39,096
	<u>4,714</u>	<u>29,932</u>	<u>48,668</u>	<u>83,314</u>
Total Liabilities	\$ 4,714	\$ 29,932	\$ 48,668	\$ 83,314
Fund Balance				
Unreserved-undesignated	16,909	216,059	88,107	321,075
	<u>16,909</u>	<u>216,059</u>	<u>88,107</u>	<u>321,075</u>
Total Liabilities and Fund Balance	\$ 21,623	\$ 245,991	\$ 136,775	\$ 404,389

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1993

	Babbitt Facility Refunding	Capital Equipment Notes	Correctional Facilities Bond	Total
Revenues				
Taxes	\$ 85,845	\$ 374,573	\$ 66,925	\$ 527,343
Intergovernmental	28,579	122,890	22,058	173,527
Interest on investments	5	21	4,102	4,128
Total Revenues	\$ 114,429	\$ 497,484	\$ 93,085	\$ 704,998
Expenditures				
Debt service:				
Principal	\$ 25,000	\$ 3,800,000	\$ 2,000,000	\$ 5,825,000
Interest and fiscal charges	89,017	492,516	73,334	654,867
Total Expenditures	\$ 114,017	\$ 4,292,516	\$ 2,073,334	\$ 6,479,867
Excess of Revenues Over (Under) Expenditures	\$ 412	\$ (3,795,032)	\$ (1,980,249)	\$ (5,774,869)
Other Financing Sources (Uses)				
Operating transfers in	-	3,800,000	-	3,800,000
Bond proceeds	-	-	2,000,000	2,000,000
Total Other Financing Sources (Uses)	\$ -	\$ 3,800,000	\$ 2,000,000	\$ 5,800,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 412	\$ 4,968	\$ 19,751	\$ 25,131
Fund Balance - January 1	16,497	211,091	68,356	295,944
Fund Balance - December 31	\$ 16,909	\$ 216,059	\$ 88,107	\$ 321,075

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
BABBITT FACILITY REFUNDING DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 85,438	\$ 85,845	\$ 407
Intergovernmental	28,579	28,579	-
Interest	-	5	5
Total Revenues	<u>\$ 114,017</u>	<u>\$ 114,429</u>	<u>\$ 412</u>
Expenditures			
Debt service:			
Principal	\$ 25,000	\$ 25,000	\$ -
Interest and fiscal charges	89,017	89,017	-
Total Expenditures	<u>\$ 114,017</u>	<u>\$ 114,017</u>	<u>\$ -</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 412</u>	<u>\$ 412</u>
Fund Balance - January 1	<u>16,497</u>	<u>16,497</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 16,497</u></u>	<u><u>\$ 16,909</u></u>	<u><u>\$ 412</u></u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
CAPITAL EQUIPMENT NOTES DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 367,316	\$ 374,573	\$ 7,257
Intergovernmental	122,890	122,890	-
Interest	-	21	21
Total Revenues	<u>\$ 490,206</u>	<u>\$ 497,484</u>	<u>\$ 7,278</u>
Expenditures			
Debt service:			
Principal	\$ 3,800,000	\$ 3,800,000	\$ -
Interest and fiscal charges	491,806	492,516	(710)
Total Expenditures	<u>\$ 4,291,806</u>	<u>\$ 4,292,516</u>	<u>\$ (710)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (3,801,600)</u>	<u>\$ (3,795,032)</u>	<u>\$ 6,568</u>
Other Financing Sources (Uses)			
Operating transfers in	3,800,000	3,800,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (1,600)</u>	<u>\$ 4,968</u>	<u>\$ 6,568</u>
Fund Balance - January 1	<u>211,091</u>	<u>211,091</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 209,491</u>	<u>\$ 216,059</u>	<u>\$ 6,568</u>

ST. LOUIS COUNTY, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
CORRECTIONAL FACILITIES BOND DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 65,942	\$ 66,925	\$ 983
Intergovernmental	22,058	22,058	-
Interest	-	4,102	4,102
Total Revenues	<u>\$ 88,000</u>	<u>\$ 93,085</u>	<u>\$ 5,085</u>
Expenditures			
Debt service:			
Principal	\$ 2,000,000	\$ 2,000,000	\$ -
Interest and fiscal charges	88,000	73,334	14,666
Total Expenditures	<u>\$ 2,088,000</u>	<u>\$ 2,073,334</u>	<u>\$ 14,666</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (2,000,000)</u>	<u>\$ (1,980,249)</u>	<u>\$ 19,751</u>
Other Financing Sources (Uses)			
Bond proceeds	\$ 2,000,000	\$ 2,000,000	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 19,751</u>	<u>\$ 19,751</u>
Fund Balance - January 1	<u>68,356</u>	<u>68,356</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 68,356</u>	<u>\$ 88,107</u>	<u>\$ 19,751</u>

**CAPITAL PROJECTS
FUNDS**

CAPITAL PROJECTS FUNDS

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

Court Houses

To account for building and remodeling projects.

Jail Bond

To account for proceeds of a jail construction project.

**ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND
DECEMBER 31, 1993**

	<u>Court Houses</u>	<u>Jail Bond</u>	<u>Total</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 1,673,440	\$ 980,455	\$ 2,653,895
Investments	-	11,045,040	11,045,040
Receivables			
Taxes			
Unapportioned	14,889	-	14,889
Delinquent	56,383	-	56,383
Accrued interest	-	71,794	71,794
Total Assets	<u>\$ 1,744,712</u>	<u>\$ 12,097,289</u>	<u>\$ 13,842,001</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities			
Accounts payable	\$ 137,362	\$ 575,488	\$ 712,850
Due to other funds	-	1,751	1,751
Deferred revenue	50,745	-	50,745
Total Liabilities	\$ 188,107	\$ 577,239	\$ 765,346
 Fund Balance			
Unreserved - undesignated	<u>1,556,605</u>	<u>11,520,050</u>	<u>13,076,655</u>
Total Liabilities and Fund Balance	<u>\$ 1,744,712</u>	<u>\$ 12,097,289</u>	<u>\$ 13,842,001</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 1993

	<u>Court Houses</u>	<u>Jail Bond</u>	<u>Total</u>
Revenues			
Taxes	\$ 720,989	\$ -	\$ 720,989
Intergovernmental	257,352	-	257,352
Interest on investments	5,665	102,931	108,596
Total Revenues	<u>\$ 984,006</u>	<u>\$ 102,931</u>	<u>\$ 1,086,937</u>
Expenditures			
Capital Outlay:			
General government	\$ 356,211	\$ -	\$ 356,211
Public safety	281,140	2,368,369	2,649,509
Highways and streets	308,536	-	308,536
Debt Service:			
Principal	30,000	-	30,000
Interest and fiscal charges	-	219,525	219,525
Total Expenditures	<u>\$ 975,887</u>	<u>\$ 2,587,894</u>	<u>\$ 3,563,781</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 8,119</u>	<u>\$ (2,484,963)</u>	<u>\$ (2,476,844)</u>
Other Financing Sources (Uses)			
Operating transfer in	\$ 127,693	\$ -	\$ 127,693
Bond proceeds	-	12,635,000	12,635,000
Total Other Financing Sources (Uses)	<u>\$ 127,693</u>	<u>\$ 12,635,000</u>	<u>\$ 12,762,693</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 135,812</u>	<u>\$ 10,150,037</u>	<u>\$ 10,285,849</u>
Fund Balance - January 1	<u>1,420,793</u>	<u>1,370,013</u>	<u>2,790,806</u>
Fund Balance - December 31	<u><u>\$ 1,556,605</u></u>	<u><u>\$ 11,520,050</u></u>	<u><u>\$ 13,076,655</u></u>

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:

ENTERPRISE FUNDS

ENTERPRISE FUNDS

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

Chris Jensen

To provide nursing home facilities for the public.

Nopeming

To provide nursing home facilities for the public.

Solid Waste Management

To provide for the management and operations of solid waste activities in St. Louis County outside of the Western Lake Sanitary District service area.

**ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1993**

Assets	Chris Jensen	Nopeming	Solid Waste Management	Total
Current assets				
Cash and cash equivalents	\$ 750	\$ 750	\$ 4,749,227	\$ 4,750,727
Receivables				
Taxes				
Unapportioned	18,678	12,052	44,258	74,988
Delinquent	75,505	44,904	34,417	154,826
Accounts	2,228,844	1,696,993	163,358	4,089,195
Due from other governments	-	-	276,327	276,327
Inventories	67,565	95,407	-	162,972
Total current assets	\$ 2,391,342	\$ 1,850,106	\$ 5,267,587	\$ 9,509,035
Restricted assets				
Improvement account				
Cash and cash equivalents	\$ -	\$ 70,472	\$ 1,172,707	\$ 1,243,179
Debt service				
Cash and cash equivalents	141,026	3,146	218,327	362,499
Assets held by escrow agent	-	-	2,849,935	2,849,935
Receivables				
Taxes				
Unapportioned	-	-	8,479	8,479
Delinquent	-	-	27,861	27,861
Accrued interest	10	-	10,696	10,706
Total restricted assets	\$ 141,036	\$ 73,618	\$ 4,288,005	\$ 4,502,659
Fixed assets				
Land	\$ 161,425	\$ 185,884	\$ 17,135	\$ 364,444
Buildings and structures	5,111,722	3,775,870	10,449	8,898,041
Machinery and equipment	512,544	457,837	400,024	1,370,405
Construction in progress	-	-	8,683,864	8,683,864
Total fixed assets	\$ 5,785,691	\$ 4,419,591	\$ 9,111,472	\$ 19,316,754
Less accumulated depreciation	\$ (1,173,291)	\$ (2,030,461)	\$ (107,279)	\$ (3,311,031)
Net fixed assets	\$ 4,612,400	\$ 2,389,130	\$ 9,004,193	\$ 16,005,723
Total Assets	\$ 7,144,778	\$ 4,312,854	\$ 18,559,785	\$ 30,017,417

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1993

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities (payable from current assets)				
Accounts payable	\$ 140,718	\$ 118,261	\$ 408,392	\$ 667,371
Salaries payable	192,291	162,685	14,328	369,304
Compensated absences payable	323,048	298,110	30,551	651,709
Interfund payable	59,518	118,295	-	177,813
Due to other governments	-	-	153,709	153,709
Deferred revenue	<u>477,017</u>	<u>252,357</u>	<u>35,800</u>	<u>765,174</u>
Total current liabilities (payable from current assets)	<u>\$ 1,192,592</u>	<u>\$ 949,708</u>	<u>\$ 642,780</u>	<u>\$ 2,785,080</u>
Current liabilities (payable from restricted assets)				
Accounts payable	\$ -	\$ -	\$ 509,608	\$ 509,608
Accrued interest payable	7,608	1,167	194,702	203,477
Deferred revenue	-	-	25,075	25,075
Bonds payable	<u>675,000</u>	<u>30,000</u>	<u>800,000</u>	<u>1,505,000</u>
Total current liabilities (payable from restricted assets)	<u>\$ 682,608</u>	<u>\$ 31,167</u>	<u>\$ 1,529,385</u>	<u>\$ 2,243,160</u>
Long-term liabilities				
Compensated absences payable	\$ 461,439	\$ 377,222	\$ 44,220	\$ 882,881
General obligation revenue bonds payable	709,490	177,885	12,538,641	13,426,016
Customer deposits	<u>-</u>	<u>-</u>	<u>19,500</u>	<u>19,500</u>
Total long-term liabilities	<u>\$ 1,170,929</u>	<u>\$ 555,107</u>	<u>\$ 12,602,361</u>	<u>\$ 14,328,397</u>
Total Liabilities	<u>\$ 3,046,129</u>	<u>\$ 1,535,982</u>	<u>\$ 14,774,526</u>	<u>\$ 19,356,637</u>
Fund equity				
Contributed capital	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 1,655,038</u>	<u>\$ 1,657,038</u>
Retained earnings				
Reserved for improvements	\$ -	\$ 70,472	\$ -	\$ 70,472
Unreserved	<u>4,096,649</u>	<u>2,706,400</u>	<u>2,130,221</u>	<u>8,933,270</u>
Total retained earnings	<u>\$ 4,096,649</u>	<u>\$ 2,776,872</u>	<u>\$ 2,130,221</u>	<u>\$ 9,003,742</u>
Total fund equity	<u>\$ 4,098,649</u>	<u>\$ 2,776,872</u>	<u>\$ 3,785,259</u>	<u>\$ 10,660,780</u>
Total Liabilities and Fund Equity	<u>\$ 7,144,778</u>	<u>\$ 4,312,854</u>	<u>\$ 18,559,785</u>	<u>\$ 30,017,417</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1993

	<u>Chris Jensen</u>	<u>Nopeming</u>	<u>Solid Waste Management</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 9,922,949	\$ 8,879,657	\$ 5,938,550	\$ 24,741,156
Other	171,651	129,556	333,582	634,789
Total Operating Revenues	\$ 10,094,600	\$ 9,009,213	\$ 6,272,132	\$ 25,375,945
Operating Expenses				
Personal services	\$ 7,921,049	\$ 7,094,307	\$ 449,471	\$ 15,464,827
Contractual services	1,597,734	1,336,246	3,716,415	6,650,395
Materials	920,256	799,697	133,102	1,853,055
Depreciation	119,347	90,913	52,027	262,287
Total Operating Expenses	\$ 10,558,386	\$ 9,321,163	\$ 4,351,015	\$ 24,230,564
Operating income (loss)	\$ (463,786)	\$ (311,950)	\$ 1,921,117	\$ 1,145,381
Nonoperating Revenues (Expenses)				
Taxes	\$ 1,209,338	\$ 812,257	\$ 683,578	\$ 2,705,173
Grants	-	-	689,665	689,665
Interest on investments	2,216	-	254,069	256,285
Interest expense	(128,262)	(15,506)	(580,648)	(724,416)
Disposition of fixed assets	(3,192)	12,914	-	9,722
Amortization of bond discount	(15,924)	(358)	(15,416)	(31,698)
Total Nonoperating Revenues (Expenses)	\$ 1,064,176	\$ 809,307	\$ 1,031,248	\$ 2,904,731
Net Income (Loss) Before Operating Transfers	\$ 600,390	\$ 497,357	\$ 2,952,365	\$ 4,050,112
Operating transfer in	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000
Operating transfer out	-	-	(1,317,747)	(1,317,747)
Total Operating Transfers	-	-	(117,747)	(117,747)
Net Income (Loss)	\$ 600,390	\$ 497,357	\$ 2,834,618	\$ 3,932,365
Retained earnings				
January 1 - Restated	3,496,259	2,279,515	(704,397)	5,071,377
Retained earnings - December 31	\$ 4,096,649	\$ 2,776,872	\$ 2,130,221	\$ 9,003,742

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 1993

	Chris Jensen	Nopemng	Solid Waste Management	Total
Cash Flows From Operating Activities				
Net Operating Income (Loss)	\$ (463,786)	\$ (311,950)	\$ 1,921,117	\$ 1,145,381
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ 119,347	\$ 90,913	\$ 52,027	\$ 262,287
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	(144,237)	(341,379)	54,473	(431,143)
(Increase) Decrease in due from other funds	-	-	59,280	59,280
(Increase) Decrease in due from other governments	-	-	(164,551)	(164,551)
(Increase) Decrease in inventories	(11,157)	10,353	-	(804)
Increase (Decrease) in accounts payable	23,195	(40,208)	551,105	534,092
Increase (Decrease) in salaries payable	6,500	31,204	6,992	44,696
Increase (Decrease) in compensated absences payable	279,184	225,003	2,487	506,674
Increase (Decrease) in claims payable	-	-	(1,200,000)	(1,200,000)
Increase (Decrease) in due other funds	-	-	(43,226)	(43,226)
Increase (Decrease) in due to other governments	-	-	117,322	117,322
Increase (Decrease) in deferred revenue	99,962	41,695	-	141,657
Increase (Decrease) in fund deposits	-	-	19,500	19,500
Net Cash Provided by Operating Activities	<u>\$ (90,992)</u>	<u>\$ (294,369)</u>	<u>\$ 1,376,526</u>	<u>\$ 991,165</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 1,210,669	\$ 812,813	\$ 706,167	\$ 2,729,649
Proceeds from grant	-	-	382,427	382,427
Operating transfer in	-	-	1,200,000	1,200,000
Operating transfer out	-	-	(1,317,747)	(1,317,747)
Payments of interfund loan	(377,999)	(587,381)	-	(965,380)
Proceeds from interfund loan	59,518	118,295	-	177,813
Net Cash Provided by Noncapital Financing Activities	<u>\$ 892,188</u>	<u>\$ 343,727</u>	<u>\$ 970,847</u>	<u>\$ 2,206,762</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ (34,574)	\$ (22,487)	\$ (4,286,798)	\$ (4,343,859)
Debt service interest received	2,206	-	-	2,206
Principal paid on bonds	(635,000)	(25,000)	(300,000)	(960,000)
Interest paid on bonds	(131,623)	(15,642)	(415,153)	(562,418)
Payment to escrow agent	-	-	(2,849,935)	(2,849,935)
Proceeds from sale of equipment	-	14,715	-	14,715
Proceeds from bonds	-	-	8,302,852	8,302,852
Net Cash Provided by Capital and Related Financing Activities	<u>\$ (798,991)</u>	<u>\$ (48,414)</u>	<u>\$ 450,966</u>	<u>\$ (396,439)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ (21,488,898)	\$ (21,488,898)
Sale of investments	-	-	21,592,367	21,592,367
Interest on investments	-	-	243,373	243,373
Net Cash Provided by Investing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,842</u>	<u>\$ 346,842</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 2,205</u>	<u>\$ 944</u>	<u>\$ 3,145,181</u>	<u>\$ 3,148,330</u>
Cash and cash equivalents - January 1 - Restated	139,571	73,424	2,995,080	3,208,075
Cash and cash equivalents - December 31	<u>\$ 141,776</u>	<u>\$ 74,368</u>	<u>\$ 6,140,261</u>	<u>\$ 6,356,405</u>

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:

**INTERNAL SERVICE
FUNDS**

INTERNAL SERVICE FUNDS

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

Community Food

To provide meals for participants in various programs administered by the Social Services Department.

Laundry

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

Supervised Living Facilities

To provide a continuum of services that enable elderly and/or handicapped individuals to maintain a degree of independence.

Printing

To provide County departments with office supplies and materials, printing and postage.

County Garage

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

County Insurance

To provide for the payment of unemployment compensation claims, workers' compensation claims, and payment of self-insured claims for auto, fire, and theft and employees' and retirees' medical expenses.

Management Information Systems

To provide computer services and programming services to County departments.

Telecommunications

To provide a County communications system.

**ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1993**

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 496,943	\$ 163,640	\$ 137,607	\$ 146,669
Investments	-	-	-	-
Receivables				
Taxes				
Unapportioned	148	191	-	-
Delinquent	2,226	2,561	-	-
Accounts	709	25,930	16,146	653
Accrued interest	-	-	-	-
Due from other funds	-	-	-	17
Due from other governments	68,306	-	-	6,096
Inventories	22,626	211,393	-	82,703
Prepaid items	45,743	-	-	-
Total current assets	<u>\$ 636,701</u>	<u>\$ 403,715</u>	<u>\$ 153,753</u>	<u>\$ 236,138</u>
Fixed assets				
Land	\$ -	\$ -	\$ -	\$ -
Buildings and structures	-	970,719	-	-
Machinery and equipment	-	351,677	5,524	400,927
Vehicles	-	-	-	-
Total fixed assets	<u>\$ -</u>	<u>\$ 1,322,396</u>	<u>\$ 5,524</u>	<u>\$ 400,927</u>
Accumulated depreciation	<u>-</u>	<u>(589,742)</u>	<u>(5,179)</u>	<u>(207,717)</u>
Net fixed assets	<u>\$ -</u>	<u>\$ 732,654</u>	<u>\$ 345</u>	<u>\$ 193,210</u>
Total Assets	<u>\$ 636,701</u>	<u>\$ 1,136,369</u>	<u>\$ 154,098</u>	<u>\$ 429,348</u>

<u>County Garage</u>	<u>County Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 61,398	\$ 1,853,877	\$ 318,962	\$ 241,240	\$ 3,420,336
-	9,338,108	-	-	9,338,108
-	135	-	-	474
-	-	-	-	4,787
3,109	52	33	-	46,632
-	53,133	-	-	53,133
-	-	-	-	17
-	-	1,928	-	76,330
40,905	-	4,320	6,100	368,047
-	-	-	-	45,743
<u>\$ 105,412</u>	<u>\$ 11,245,305</u>	<u>\$ 325,243</u>	<u>\$ 247,340</u>	<u>\$ 13,353,607</u>
\$ 25,500	\$ -	\$ -	\$ -	\$ 25,500
778,730	-	-	-	1,749,449
70,419	-	2,296,577	1,703,756	4,828,880
<u>2,573,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,573,980</u>
\$ 3,448,629	\$ -	\$ 2,296,577	\$ 1,703,756	\$ 9,177,809
<u>(1,947,165)</u>	<u>-</u>	<u>(1,324,512)</u>	<u>(840,118)</u>	<u>(4,914,433)</u>
<u>\$ 1,501,464</u>	<u>\$ -</u>	<u>\$ 972,065</u>	<u>\$ 863,638</u>	<u>\$ 4,263,376</u>
<u>\$ 1,606,876</u>	<u>\$ 11,245,305</u>	<u>\$ 1,297,308</u>	<u>\$ 1,110,978</u>	<u>\$ 17,616,983</u>

(continued)

**ST. LOUIS COUNTY, MINNESOTA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1993**

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Liabilities and Fund Equity				
Liabilities				
Current liabilities				
Accounts payable	\$ 27,377	\$ 22,060	\$ 703	\$ 32,212
Salaries payable	12,657	12,447	13,004	2,930
Compensated absences payable	26,777	50,093	25,481	6,017
Claims payable	-	-	-	-
Due to other governments	-	12,291	-	-
Deferred revenue	2,003	2,305	-	-
Capital leases payable	-	-	-	26,360
Total current liabilities	\$ 68,814	\$ 99,196	\$ 39,188	\$ 67,519
Long-term liabilities				
Compensated absences payable	\$ 26,553	\$ 49,824	\$ 75,620	\$ -
Claims payable	-	-	-	-
Capital leases payable	-	-	-	48,667
Total long-term liabilities	\$ 26,553	\$ 49,824	\$ 75,620	\$ 48,667
Total Liabilities	\$ 95,367	\$ 149,020	\$ 114,808	\$ 116,186
Fund Equity				
Contributed capital	\$ -	\$ 814,517	\$ 3,192	\$ 5,131
Retained earnings				
Reserved for capital acquisition	\$ 45,743	\$ -	\$ -	\$ -
Unreserved	495,591	172,832	36,098	308,031
Total Retained Earnings	\$ 541,334	\$ 172,832	\$ 36,098	\$ 308,031
Total Fund Equity	\$ 541,334	\$ 987,349	\$ 39,290	\$ 313,162
Total Liabilities and Fund Equity	\$ 636,701	\$ 1,136,369	\$ 154,098	\$ 429,348

Schedule 21
(continued)

<u>County Garage</u>	<u>County Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 18,331	\$ 77,075	\$ 10,078	\$ 124,382	\$ 312,218
5,601	-	40,122	2,796	89,557
14,925	-	104,627	8,892	236,812
-	4,110,912	-	-	4,110,912
-	118,215	-	-	130,506
-	99,930	-	-	104,238
-	-	-	-	26,360
<u>\$ 38,857</u>	<u>\$ 4,406,132</u>	<u>\$ 154,827</u>	<u>\$ 136,070</u>	<u>\$ 5,010,603</u>
\$ 28,419	\$ -	\$ 99,013	\$ -	\$ 279,429
-	2,822,666	-	-	2,822,666
-	-	-	-	48,667
<u>\$ 28,419</u>	<u>\$ 2,822,666</u>	<u>\$ 99,013</u>	<u>\$ -</u>	<u>\$ 3,150,762</u>
<u>\$ 67,276</u>	<u>\$ 7,228,798</u>	<u>\$ 253,840</u>	<u>\$ 136,070</u>	<u>\$ 8,161,365</u>
<u>\$ 2,832,482</u>	<u>\$ -</u>	<u>\$ 808,490</u>	<u>\$ 185,639</u>	<u>\$ 4,649,451</u>
\$ -	\$ -	\$ -	\$ -	\$ 45,743
(1,292,882)	4,016,507	234,978	789,269	4,760,424
<u>\$ (1,292,882)</u>	<u>\$ 4,016,507</u>	<u>\$ 234,978</u>	<u>\$ 789,269</u>	<u>\$ 4,806,167</u>
<u>\$ 1,539,600</u>	<u>\$ 4,016,507</u>	<u>\$ 1,043,468</u>	<u>\$ 974,908</u>	<u>\$ 9,455,618</u>
<u>\$ 1,606,876</u>	<u>\$ 11,245,305</u>	<u>\$ 1,297,308</u>	<u>\$ 1,110,978</u>	<u>\$ 17,616,983</u>

**ST. LOUIS COUNTY, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 1993**

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Operating Revenues				
Charges for services	\$ 1,179,719	\$ 1,175,716	\$ 498,692	\$ 768,751
Other	<u>5,114</u>	<u>12,137</u>	<u>2,825</u>	<u>-</u>
Total Operating Revenues	<u>\$ 1,184,833</u>	<u>\$ 1,187,853</u>	<u>\$ 501,517</u>	<u>\$ 768,751</u>
Operating Expenses				
Personal services	\$ 572,519	\$ 803,504	\$ 469,305	\$ 145,593
Contractual services	119,682	128,132	23,963	236,496
Material	377,147	241,436	6,643	274,466
Depreciation	<u>-</u>	<u>31,525</u>	<u>5,179</u>	<u>42,947</u>
Total Operating Expenses	<u>\$ 1,069,348</u>	<u>\$ 1,204,597</u>	<u>\$ 505,090</u>	<u>\$ 699,502</u>
Operating income (loss)	<u>\$ 115,485</u>	<u>\$ (16,744)</u>	<u>\$ (3,573)</u>	<u>\$ 69,249</u>
Nonoperating Revenues (Expenses)				
Taxes	\$ 617	\$ 806	\$ 71	\$ -
Grants	-	-	-	-
Interest on investments	-	-	-	-
Disposition of fixed assets	<u>-</u>	<u>1,382</u>	<u>-</u>	<u>(8,940)</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 617</u>	<u>\$ 2,188</u>	<u>\$ 71</u>	<u>\$ (8,940)</u>
Net Income (Loss) Before Operating Transfers	<u>\$ 116,102</u>	<u>\$ (14,556)</u>	<u>\$ (3,502)</u>	<u>\$ 60,309</u>
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ 116,102</u>	<u>\$ (14,556)</u>	<u>\$ (3,502)</u>	<u>\$ 60,309</u>
Retained earnings - January 1 - Restated	<u>425,232</u>	<u>187,388</u>	<u>39,600</u>	<u>247,722</u>
Retained earnings - December 31	<u><u>\$ 541,334</u></u>	<u><u>\$ 172,832</u></u>	<u><u>\$ 36,098</u></u>	<u><u>\$ 308,031</u></u>

<u>County Garage</u>	<u>County Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ 993,869	\$ 16,064,249	\$ 2,545,755	\$ 810,522	\$ 24,037,273
426	-	352,706	-	373,208
<u>\$ 994,295</u>	<u>\$ 16,064,249</u>	<u>\$ 2,898,461</u>	<u>\$ 810,522</u>	<u>\$ 24,410,481</u>
\$ 307,137	\$ 629,873	\$ 1,635,609	\$ 144,120	\$ 4,707,660
190,281	11,771,113	909,509	603,708	13,982,884
319,970	5,740	101,341	13,100	1,339,843
441,319	-	357,199	121,864	1,000,033
<u>\$ 1,258,707</u>	<u>\$ 12,406,726</u>	<u>\$ 3,003,658</u>	<u>\$ 882,792</u>	<u>\$ 21,030,420</u>
<u>\$ (264,412)</u>	<u>\$ 3,657,523</u>	<u>\$ (105,197)</u>	<u>\$ (72,270)</u>	<u>\$ 3,380,061</u>
\$ -	\$ 484	\$ -	\$ -	\$ 1,978
-	-	-	42,800	42,800
-	144,743	-	-	-144,743
5,691	-	(15,074)	-	(16,941)
<u>\$ 5,691</u>	<u>\$ 145,227</u>	<u>\$ (15,074)</u>	<u>\$ 42,800</u>	<u>\$ 172,580</u>
\$ (258,721)	\$ 3,802,750	\$ (120,271)	\$ (29,470)	\$ 3,552,641
-	-	-	300,000	300,000
-	(1,200,000)	(300,000)	-	(1,500,000)
<u>\$ (258,721)</u>	<u>\$ 2,602,750</u>	<u>\$ (420,271)</u>	<u>\$ 270,530</u>	<u>\$ 2,352,641</u>
<u>(1,034,161)</u>	<u>1,413,757</u>	<u>655,249</u>	<u>518,739</u>	<u>2,453,526</u>
<u>\$ (1,292,882)</u>	<u>\$ 4,016,507</u>	<u>\$ 234,978</u>	<u>\$ 789,269</u>	<u>\$ 4,806,167</u>

**ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 1993**

	<u>Community Food</u>	<u>Laundry</u>	<u>Supervised Living Facilities</u>	<u>Printing</u>
Cash Flows From Operating Activities				
Net Operating Income (Loss)	\$ 115,485	\$ (16,744)	\$ (3,573)	\$ 69,249
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation	\$ -	\$ 31,525	\$ 5,179	\$ 42,947
Changes in Assets and Liabilities				
(Increase) Decrease in accounts receivable	81,288	13,023	52,657	5,053
(Increase) Decrease in due from other funds	199,023	-	-	(17)
(Increase) Decrease in due from other governments	(62,787)	-	-	(3,868)
(Increase) Decrease in inventories	(4,141)	(1,227)	-	(15,599)
(Increase) Decrease in prepaid items	3,254	-	-	-
Increase (Decrease) in accounts payable	40	16,277	(1,715)	5,523
Increase (Decrease) in salaries payable	1,750	2,046	5,426	794
Increase (Decrease) in compensated absences payable	14,574	30,963	22,052	(12,709)
Increase (Decrease) in claims payable	-	-	-	-
Increase (Decrease) in due to other governments	-	-	-	-
Increase (Decrease) in deferred revenue	-	-	-	-
Net Cash Provided by Operating Activities	<u>\$ 348,486</u>	<u>\$ 75,863</u>	<u>\$ 80,026</u>	<u>\$ 91,373</u>
Cash Flows From Noncapital Financing Activities				
Proceeds from taxes	\$ 495	\$ 600	\$ 71	\$ -
Proceeds from grants	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	<u>\$ 495</u>	<u>\$ 600</u>	<u>\$ 71</u>	<u>\$ -</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	\$ -	\$ (5,696)	\$ -	\$ (53,339)
Payments of capital leases	-	-	-	(20,473)
Proceeds from contributions	-	-	-	-
Proceeds from sale of equipment	-	8,680	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ 2,984</u>	<u>\$ -</u>	<u>\$ (73,812)</u>
Cash Flows From Investing Activities				
Purchase of investments	\$ -	\$ -	\$ -	\$ -
Sale of investments	-	-	-	-
Interest on investments	-	-	-	-
Net Cash Provided by Investing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 348,981</u>	<u>\$ 79,447</u>	<u>\$ 80,097</u>	<u>\$ 17,561</u>
Cash and cash equivalents - January 1 - Restated	<u>147,962</u>	<u>84,193</u>	<u>57,510</u>	<u>129,108</u>
Cash and cash equivalents - December 31	<u>\$ 496,943</u>	<u>\$ 163,640</u>	<u>\$ 137,607</u>	<u>\$ 146,669</u>

Non Cash Activity, Capital and Related Financing Activities

\$65,159 of fixed assets were acquired in the Printing Fund through a capital lease.

\$59,536 of fixed assets in the County Garage Fund were transferred to the General Fixed Asset Account Group.

<u>County Garage</u>	<u>County Insurance</u>	<u>Management Information Systems</u>	<u>Telecommu- nications</u>	<u>Total</u>
\$ (264,412)	\$ 3,657,523	\$ (105,197)	\$ (72,270)	\$ 3,380,061
\$ 441,319	\$ -	\$ 357,199	\$ 121,864	\$ 1,000,033
(2,663)	106,875	23,223	-	279,456
-	-	-	-	199,006
-	-	18,133	-	(48,522)
(4,352)	-	1,073	(4,800)	(29,046)
-	-	-	-	3,254
3,979	(10,008)	(205,732)	94,249	(97,387)
2,012	-	17,061	871	29,960
29,796	-	18,837	(62)	103,451
-	873,377	-	-	873,377
-	895	-	-	895
-	64,141	-	-	64,141
<u>\$ 205,679</u>	<u>\$ 4,692,803</u>	<u>\$ 124,597</u>	<u>\$ 139,852</u>	<u>\$ 5,758,679</u>
\$ -	\$ 596	\$ -	\$ -	\$ 1,762
-	-	-	42,800	42,800
-	-	-	300,000	300,000
-	(1,200,000)	(300,000)	-	(1,500,000)
<u>\$ -</u>	<u>\$ (1,199,404)</u>	<u>\$ (300,000)</u>	<u>\$ 342,800</u>	<u>\$ (1,155,438)</u>
\$ (605,305)	\$ -	\$ (370,552)	\$ (519,949)	\$ (1,554,841)
-	-	-	-	(20,473)
314,608	-	-	-	314,608
49,993	-	-	-	58,673
<u>\$ (240,704)</u>	<u>\$ -</u>	<u>\$ (370,552)</u>	<u>\$ (519,949)</u>	<u>\$ (1,202,033)</u>
\$ -	\$ (17,623,103)	\$ -	\$ -	\$ (17,623,103)
-	10,411,590	-	-	10,411,590
-	99,881	-	-	99,881
<u>\$ -</u>	<u>\$ (7,111,632)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,111,632)</u>
\$ (35,025)	\$ (3,618,233)	\$ (545,955)	\$ (37,297)	\$ (3,710,424)
96,423	5,472,110	864,917	278,537	7,130,760
<u>\$ 61,398</u>	<u>\$ 1,853,877</u>	<u>\$ 318,962</u>	<u>\$ 241,240</u>	<u>\$ 3,420,336</u>

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:

TRUST AND AGENCY FUNDS

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

EXPENDABLE TRUST FUNDS

Missing Heirs Fund

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

Private Redemption Fund

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

Exchange of Land Fund

To account for the difference in value of lands exchanged by the County. Financing is provided by the difference in the proceeds of lands exchanged.

Tax Certificate Assurance Fund

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

Forfeited Tax Sale Fund

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. Sec. 282.08. Title to the tax forfeited lands remains with the State until sold by the County.

Forest Resources Fund

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

Patients Escrow Fund

The patients escrow fund is used to account for the deposit and subsequent return of nursing home resident's trust funds deposited with the County Auditor and limited to a maximum deposit of \$500. The County acts only as the custodian of these funds and ownership rests with the nursing home patients.

Regional Landfill Dedicated Trust Fund

This fund is used to account for monies set aside for the closure, post closure, and contingency costs related to the Regional Landfill.

Attorney Forfeitures Fund

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

TRUST AND AGENCY FUNDS

Sheriff Forfeitures Fund

This fund is used to account for monies confiscated in drug-related crimes (Minn. Stat. Sec. 609.5311 and contraband used in the commission of other crimes (Minn. Stat. 609.5312). The Sheriff is authorized by statute to use a share of such monies, and those expenditures are accounted for here.

Hibbing Dedicated Trust Fund

This fund is used to account for monies set aside for Hibbing Landfill closure, post-closure and contingency costs.

East Mesabi Dedicated Trust Fund

This fund is used to account for monies set aside for East Mesabi Landfill closure, post closure, and contingency costs.

Sheriff Fines Fund

This fund is used to account for monies collected on fines imposed by chapter 152 and 340A. The Sheriff is to use the money for the purpose of investigating and securing evidence of violations of chapters 152 and 340A.

AGENCY FUNDS

State of Minnesota Fund

To account for the receipt and disbursement of monies for which St. Louis County is the collection agent for the State.

Beer-Auctioneer Licenses Fund

To account for the funds collected on the issuance of intoxicating beer and auctioneer licenses by the County for beer licenses as well as payments to the State of Minnesota for auctioneer licenses.

Cities and Towns Fund

The cities and towns fund is used to account for the collection and payment of funds due to organized and unorganized townships and cities.

Game and Fish License Fund

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

Bid Deposits Fund

This fund is used to account for the receipt of bid deposits received prior to bid award.

Taxes and Penalties Fund

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

TRUST AND AGENCY FUNDS

Payroll Deductions Fund

This fund is used to accumulate funds from payroll deductions charged to all operating funds. Payment by a single check is made to the state and federal government for tax deductions, and to any other organizations for deductions not covered in another agency fund.

Series EE Savings Bond Fund

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. The County acts only as custodian of these funds and ownership rests with the employees from whom payroll deductions were made.

Medical Insurance Fund

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

Canceled Check Fund

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

High Voltage Credit Fund

This fund is used to account for the collection of power line property tax credit which is then distributed to property owners, with any excess going to the School Fund pursuant to Mn. Stat. 273.42.

Assault Fees Fund

The assault fees fund is used to account for fines charged to persons convicted of assault.

Deferred Compensation Fund

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

Arrowhead Regional Corrections Fund

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

Community Health Services Fund

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

Home Grant Fund

This fund is used to account for the financial transactions of the Northeast Minnesota Housing Consortium for whom the County is the fiscal agent.

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.

ST. LOUIS COUNTY, MINNESOTA
 COMBINING BALANCE SHEET
 ALL EXPENDABLE TRUST AND AGENCY FUNDS
 DECEMBER 31, 1993

	Expendable Trust					Forest Resources
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale	
Assets						
Cash and cash equivalents	\$ 94,666	\$ 414	\$ 22,798	\$ 166,087	\$ -	\$ 1,960,723
Investments	59,943	-	-	-	-	-
Invested employee contribution	-	-	-	-	-	-
Receivables						
Taxes						
Unapportioned	-	-	-	-	-	-
Delinquent	-	-	-	-	-	-
Accounts	-	-	-	-	6,088,774	-
Accrued interest	-	-	-	-	-	-
Due from other funds	-	-	-	-	6,081	-
Due from other governments	-	-	-	-	113	-
Total Assets	\$ 154,609	\$ 414	\$ 22,798	\$ 166,087	\$ 6,094,968	\$ 1,960,723
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 54,942	\$ 9,827
Salaries payable	-	-	-	-	33,012	-
Compensated absences payable	-	-	-	-	13,402	-
Deferred compensation payable	-	-	-	-	-	-
Unapportioned taxes payable	-	-	-	-	-	-
Interfund payable	-	-	-	-	92,107	-
Due to other governments	-	-	-	-	21,246	-
Deferred revenue	-	-	-	-	5,724,603	95,332
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 5,939,312	\$ 105,159
Fund Balance						
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ -	\$ 68,098	\$ 4,449
Reserved for health and welfare	-	-	-	-	67,515	-
Reserved for veterans credit	-	-	-	-	15,000	-
Unreserved-undesignated	154,609	414	22,798	166,087	5,043	1,851,115
Total Fund Balance	\$ 154,609	\$ 414	\$ 22,798	\$ 166,087	\$ 155,656	\$ 1,855,564
Total Liabilities and Fund Balance	\$ 154,609	\$ 414	\$ 22,798	\$ 166,087	\$ 6,094,968	\$ 1,960,723

<u>Patients Escrow</u>	<u>Regional Landfill Dedicated</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>Hibbing Dedicated</u>	<u>East Mesabi Dedicated</u>	<u>Sheriff Fines</u>	<u>All Agency Funds</u>	<u>Total</u>
\$ 38,057	\$ 277,728	\$ 79,398	\$ 104,210	\$ 1,369,604	\$ 1,303,877	\$ 10,950	\$ 7,023,761	\$ 12,452,273
85,000	-	-	-	-	-	-	12,481,575	12,626,518
-	-	-	-	-	-	-	27,547,732	27,547,732
-	-	-	-	-	-	-	5,259	5,259
-	-	-	-	-	-	-	16,190	16,190
-	-	-	-	-	-	-	1,300	6,090,074
1,297	-	-	-	-	-	-	94,722	96,019
-	-	-	-	-	-	-	-	6,081
-	-	-	-	-	-	-	275,868	275,981
<u>\$ 124,354</u>	<u>\$ 277,728</u>	<u>\$ 79,398</u>	<u>\$ 104,210</u>	<u>\$ 1,369,604</u>	<u>\$ 1,303,877</u>	<u>\$ 10,950</u>	<u>\$ 47,446,407</u>	<u>\$ 59,116,127</u>
\$ -	\$ -	\$ 938	\$ 4,538	\$ -	\$ -	\$ 413	\$ 369,519	\$ 440,177
-	-	-	-	-	-	-	238,535	271,547
-	-	-	-	-	-	-	-	13,402
-	-	-	-	-	-	-	27,547,732	27,547,732
-	-	-	-	-	-	-	1,238,604	1,238,604
-	-	-	-	-	-	-	11,974	104,081
-	-	-	-	-	185,891	-	18,040,043	18,247,180
-	-	-	-	-	-	-	-	5,819,935
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 4,538</u>	<u>\$ -</u>	<u>\$ 185,891</u>	<u>\$ 413</u>	<u>\$ 47,446,407</u>	<u>\$ 53,682,658</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,998	\$ -	\$ 82,545
-	-	-	-	-	-	-	-	67,515
-	-	-	-	-	-	-	-	15,000
<u>124,354</u>	<u>277,728</u>	<u>78,460</u>	<u>99,672</u>	<u>1,369,604</u>	<u>1,117,986</u>	<u>539</u>	<u>-</u>	<u>5,268,409</u>
<u>\$ 124,354</u>	<u>\$ 277,728</u>	<u>\$ 78,460</u>	<u>\$ 99,672</u>	<u>\$ 1,369,604</u>	<u>\$ 1,117,986</u>	<u>\$ 10,537</u>	<u>\$ -</u>	<u>\$ 5,433,469</u>
<u>\$ 124,354</u>	<u>\$ 277,728</u>	<u>\$ 79,398</u>	<u>\$ 104,210</u>	<u>\$ 1,369,604</u>	<u>\$ 1,303,877</u>	<u>\$ 10,950</u>	<u>\$ 47,446,407</u>	<u>\$ 59,116,127</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 1992

	Expensible Trust					
	Missing Heirs	Private Redemption	Exchange of Land	Tax Certificate Assurance	Forfeited Tax Sale	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 883,542
Intergovernmental	-	-	-	-	-	62,814
Charges for services	-	-	-	18,673	-	-
Interest on investments	1,537	-	-	-	-	-
Land and timber sales	-	-	-	-	2,974,041	-
Miscellaneous	9,375	-	-	-	359,857	16,000
Total Revenues	\$ 10,912	\$ -	\$ -	\$ 18,673	\$ 3,333,898	\$ 962,356
Expenditures						
Current:						
General government	\$ 16,785	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Conservation of natural resources	-	-	-	-	3,374,167	458,950
Total Expenditures	\$ 16,785	\$ -	\$ -	\$ -	\$ 3,374,167	\$ 458,950
Excess of Revenues Over (Under) Expenditures	\$ (5,873)	\$ -	\$ -	\$ 18,673	\$ (40,269)	\$ 503,406
Other Financing Sources (Uses)						
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (5,873)	\$ -	\$ -	\$ 18,673	\$ (40,269)	\$ 503,406
Fund Balance - January 1	160,482	414	22,798	147,414	195,925	1,352,158
Fund Balance - December 31	\$ 154,609	\$ 414	\$ 22,798	\$ 166,087	\$ 155,656	\$ 1,855,564

<u>Patients Escrow</u>	<u>Regional Landfill Dedicated</u>	<u>Attorney Forfeitures</u>	<u>Sheriff Forfeitures</u>	<u>Hibbing Dedicated</u>	<u>East Mesabi Dedicated</u>	<u>Sheriff Fines</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 883,542
-	-	-	-	-	-	-	62,814
-	-	-	-	-	-	-	18,673
3,765	693	-	-	26,321	35,064	-	67,380
-	-	-	-	-	-	-	2,974,041
<u>185,417</u>	<u>-</u>	<u>23,436</u>	<u>73,974</u>	<u>-</u>	<u>-</u>	<u>15,622</u>	<u>683,681</u>
<u>\$ 189,182</u>	<u>\$ 693</u>	<u>\$ 23,436</u>	<u>\$ 73,974</u>	<u>\$ 26,321</u>	<u>\$ 35,064</u>	<u>\$ 15,622</u>	<u>\$ 4,690,131</u>
\$ 217,159	\$ -	\$ 10,865	\$ -	\$ -	\$ -	\$ -	\$ 244,809
-	-	-	30,591	-	-	18,346	48,937
-	-	-	-	-	421,368	-	421,368
-	-	-	-	-	-	-	3,833,117
<u>\$ 217,159</u>	<u>\$ -</u>	<u>\$ 10,865</u>	<u>\$ 30,591</u>	<u>\$ -</u>	<u>\$ 421,368</u>	<u>\$ 18,346</u>	<u>\$ 4,548,231</u>
\$ (27,977)	\$ 693	\$ 12,571	\$ 43,383	\$ 26,321	\$ (386,304)	\$ (2,724)	\$ 141,900
\$ -	\$ 277,035	\$ -	\$ -	\$ 599,567	\$ 574,328	\$ -	\$ 1,450,930
-	-	-	-	-	(133,183)	-	(133,183)
<u>\$ -</u>	<u>\$ 277,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 599,567</u>	<u>\$ 441,145</u>	<u>\$ -</u>	<u>\$ 1,317,747</u>
\$ (27,977)	\$ 277,728	\$ 12,571	\$ 43,383	\$ 625,888	\$ 54,841	\$ (2,724)	\$ 1,459,647
<u>152,331</u>	<u>-</u>	<u>65,889</u>	<u>56,289</u>	<u>743,716</u>	<u>1,063,145</u>	<u>13,261</u>	<u>3,973,822</u>
<u>\$ 124,354</u>	<u>\$ 277,728</u>	<u>\$ 78,460</u>	<u>\$ 99,672</u>	<u>\$ 1,369,604</u>	<u>\$ 1,117,986</u>	<u>\$ 10,537</u>	<u>\$ 5,433,469</u>

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1993

	<u>Balance January 1 As Restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
STATE OF MINNESOTA FUND				
Assets				
Cash and cash equivalents	\$ 405,587	\$ 28,500,489	\$ 28,186,811	\$ 719,265
Investments	10,125,003	22,146,777	19,790,205	12,481,575
Accrued interest receivable	7,678	94,722	7,678	94,722
Due from other governments	-	35,746	-	35,746
Total Assets	<u>\$ 10,538,268</u>	<u>\$ 50,777,734</u>	<u>\$ 47,984,694</u>	<u>\$ 13,331,308</u>
Liabilities				
Due to other governments	<u>\$ 10,538,268</u>	<u>\$ 50,777,734</u>	<u>\$ 47,984,694</u>	<u>\$ 13,331,308</u>
BEER-AUCTIONEER LICENSES FUND				
Assets				
Cash and cash equivalents	<u>\$ 3,723</u>	<u>\$ 3,690</u>	<u>\$ 7,413</u>	<u>\$ -</u>
Liabilities				
Due to other governments	<u>\$ 3,723</u>	<u>\$ 3,690</u>	<u>\$ 7,413</u>	<u>\$ -</u>
CITIES AND TOWNS FUND				
Assets				
Cash and cash equivalents	<u>\$ 64,085</u>	<u>\$ 1,167,028</u>	<u>\$ 1,159,710</u>	<u>\$ 71,403</u>
Liabilities				
Due to other governments	<u>\$ 64,085</u>	<u>\$ 1,167,028</u>	<u>\$ 1,159,710</u>	<u>\$ 71,403</u>
GAME AND FISH LICENSE FUND				
Assets				
Cash and cash equivalents	<u>\$ 259,526</u>	<u>\$ 2,851,881</u>	<u>\$ 2,940,305</u>	<u>\$ 171,102</u>
Liabilities				
Due to other governments	<u>\$ 259,526</u>	<u>\$ 2,851,881</u>	<u>\$ 2,940,305</u>	<u>\$ 171,102</u>
BID DEPOSITS FUND				
Assets				
Cash and cash equivalents	<u>\$ 20,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,700</u>
Liabilities				
Accounts payable	<u>\$ 20,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,700</u>

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1993

	<u>Balance January 1 As Restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>TAXES AND PENALTIES FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 2,705,667	\$ 197,948,364	\$ 197,411,406	\$ 3,242,625
<u>Liabilities</u>				
Unapportioned taxes payable	\$ 1,183,956	\$ 1,238,604	\$ 1,183,956	\$ 1,238,604
Due to other governments	1,521,711	196,709,760	196,227,450	2,004,021
Total Liabilities	\$ 2,705,667	\$ 197,948,364	\$ 197,411,406	\$ 3,242,625
<u>PAYROLL DEDUCTIONS FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,396,042	\$ 41,918,267	\$ 42,127,726	\$ 1,186,583
<u>Liabilities</u>				
Accounts payable	\$ 274,614	\$ 99,935	\$ 274,614	\$ 99,935
Due to other governments	1,121,428	41,818,332	41,853,112	1,086,648
Total Liabilities	\$ 1,396,042	\$ 41,918,267	\$ 42,127,726	\$ 1,186,583
<u>SERIES EE SAVINGS BOND FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 15,283	\$ 213,773	\$ 213,733	\$ 15,323
<u>Liabilities</u>				
Due to other governments	\$ 15,283	\$ 213,773	\$ 213,733	\$ 15,323
<u>MEDICAL INSURANCE FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 2,977,204	\$ -	\$ 2,977,204	\$ -
<u>Liabilities</u>				
Accounts payable	\$ 2,977,204	\$ -	\$ 2,977,204	\$ -
<u>CANCELED CHECK FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 66,740	\$ 28,411	\$ 31,319	\$ 63,832
<u>Liabilities</u>				
Accounts payable	\$ 66,740	\$ 28,411	\$ 31,319	\$ 63,832

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1993

	<u>Balance January 1 As Restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
HIGH VOLTAGE CREDIT FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 103,772	\$ 103,772	\$ -
Liabilities				
Due to other governments	\$ -	\$ 103,772	\$ 103,772	\$ -
ASSAULT FEES FUND				
Assets				
Cash and cash equivalents	\$ 486	\$ 22,063	\$ 21,511	\$ 1,038
Liabilities				
Accounts payable	\$ 486	\$ 22,063	\$ 21,511	\$ 1,038
DEFERRED COMPENSATION FUND				
Assets				
Invested employee contribution	\$ 23,969,532	\$ 4,492,096	\$ 913,896	\$ 27,547,732
Liabilities				
Deferred compensation payable	\$ 23,969,532	\$ 4,492,096	\$ 913,896	\$ 27,547,732
ARROWHEAD REGIONAL CORRECTIONS FUND				
Assets				
Cash and cash equivalents	\$ 903,346	\$ 9,482,851	\$ 9,361,479	\$ 1,024,718
Accounts receivable	2,980	600	2,980	600
Due from other governments	86,969	58,930	86,969	58,930
Total Assets	\$ 993,295	\$ 9,542,381	\$ 9,451,428	\$ 1,084,248
Liabilities				
Accounts payable	\$ 895,036	\$ 8,600,119	\$ 9,353,169	\$ 141,986
Salaries payable	98,259	236,912	98,259	236,912
Due to other governments	-	705,350	-	705,350
Total Liabilities	\$ 993,295	\$ 9,542,381	\$ 9,451,428	\$ 1,084,248

(continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1993

	Balance January 1 As Restated	Additions	Deductions	Balance December 31
<u>COMMUNITY HEALTH SERVICES FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 2,021,346	\$ 1,947,912	\$ 73,434
Due from other governments	280,160	151,718	280,160	151,718
Total Assets	<u>\$ 280,160</u>	<u>\$ 2,173,064</u>	<u>\$ 2,228,072</u>	<u>\$ 225,152</u>
<u>Liabilities</u>				
Accounts payable	\$ 227,027	\$ 1,947,952	\$ 2,174,939	\$ 40
Salaries payable	1,273	1,623	1,273	1,623
Interfund payable	51,860	-	51,860	-
Due to other governments	-	223,489	-	223,489
Total Liabilities	<u>\$ 280,160</u>	<u>\$ 2,173,064</u>	<u>\$ 2,228,072</u>	<u>\$ 225,152</u>
<u>HOME GRANT FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 11,974	\$ 11,974	\$ -
Due from other governments	-	12,013	-	12,013
Total Assets	<u>\$ -</u>	<u>\$ 23,987</u>	<u>\$ 11,974</u>	<u>\$ 12,013</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 39	\$ -	\$ 39
Interfund payable	-	23,948	11,974	11,974
Total Liabilities	<u>\$ -</u>	<u>\$ 23,987</u>	<u>\$ 11,974</u>	<u>\$ 12,013</u>
<u>REGIONAL RAILROAD AUTHORITY FUND</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 186,973	\$ 524,210	\$ 282,245	\$ 428,938
Unapportioned taxes receivable	19,146	5,259	19,146	5,259
Delinquent taxes receivable	-	16,190	-	16,190
Accounts receivable	1,444	700	1,444	700
Due from other governments	50,363	4,661	50,363	4,661
Total Assets	<u>\$ 257,926</u>	<u>\$ 551,020</u>	<u>\$ 353,198</u>	<u>\$ 455,748</u>
<u>Liabilities</u>				
Accounts payable	\$ 26,212	\$ 41,949	\$ 26,212	\$ 41,949
Due to other governments	225,445	509,071	320,717	413,799
Advance from other funds	6,269	-	6,269	-
Total Liabilities	<u>\$ 257,926</u>	<u>\$ 551,020</u>	<u>\$ 353,198</u>	<u>\$ 455,748</u>

(Continued)

ST. LOUIS COUNTY, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1993

	Balance January 1 As Restated	Additions	Deductions	Balance December 31
NORTHERN COUNTIES				
LAND USE BOARD FUND				
Assets				
Cash and cash equivalents	\$ -	\$ 4,800	\$ -	\$ 4,800
Due from other governments	-	12,800	-	12,800
Total Assets	\$ -	\$ 17,600	\$ -	\$ 17,600
Liabilities				
Due to other governments	\$ -	\$ 17,600	\$ -	\$ 17,600
ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 9,005,362	\$ 284,802,919	\$ 286,784,520	\$ 7,023,761
Investments	10,125,003	22,146,777	19,790,205	12,481,575
Invested employee contribution	23,969,532	4,492,096	913,896	27,547,732
Receivables				
Unapportioned taxes	19,146	5,259	19,146	5,259
Delinquent taxes	-	16,190	-	16,190
Accounts	4,424	1,300	4,424	1,300
Accrued interest	7,678	94,722	7,678	94,722
Due from other governments	417,492	275,868	417,492	275,868
Total Assets	\$ 43,548,637	\$ 311,835,131	\$ 307,937,361	\$ 47,446,407
Liabilities				
Accounts payable	\$ 4,488,019	\$ 10,740,468	\$ 14,858,968	\$ 369,519
Salaries payable	99,532	238,535	99,532	238,535
Deferred compensation payable	23,969,532	4,492,096	913,896	27,547,732
Unapportioned taxes payable	1,183,956	1,238,604	1,183,956	1,238,604
Interfund payable	51,860	23,948	63,834	11,974
Due to other governments	13,749,469	295,101,480	290,810,906	18,040,043
Advance from other funds	6,269	-	6,269	-
Total Liabilities	\$ 43,548,637	\$ 311,835,131	\$ 307,937,361	\$ 47,446,407

**GENERAL
FIXED ASSETS**

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group records the County's fixed assets which are not accounted for in the Proprietary Funds. General fixed assets of a public domain or an "infrastructure" nature are not capitalized. Asset values are stated at historical cost, or estimated fair value, if donated. No depreciation is recorded for these assets.

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
DECEMBER 31, 1993

	<u>1993</u>
General Fixed Assets	
Land	\$ 1,177,979
Buildings	34,649,696
Machinery and equipment	9,642,438
Vehicles	27,112,511
Construction in progress	<u>6,119,644</u>
Total General Fixed Assets	<u>\$ 78,702,268</u>
Investment In General Fixed Assets By Source	
General fund	\$ 23,763,252
Special revenue funds	46,899,113
Capital projects funds	6,119,644
Trust funds	<u>1,920,259</u>
Total Investment In Fixed Assets	<u>\$ 78,702,268</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 1993

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
General Government					
Legislative	\$ -	\$ -	\$ 15,903	\$ -	\$ 15,903
Judicial and legal	-	-	346,622	-	346,622
Financial and other activities	-	-	530,566	76,198	606,764
Courthouses	649,190	15,511,653	89,251	40,261	16,290,355
Total General Government	<u>\$ 649,190</u>	<u>\$ 15,511,653</u>	<u>\$ 982,342</u>	<u>\$ 116,459</u>	<u>\$ 17,259,644</u>
Public Safety:					
Police protection	\$ -	\$ 1,415,746	\$ 1,683,679	\$ 237,161	\$ 3,336,586
Civil defense	-	-	8,410	-	8,410
Other activities	-	-	27,393	-	27,393
Total Public Safety	<u>\$ -</u>	<u>\$ 1,415,746</u>	<u>\$ 1,719,482</u>	<u>\$ 237,161</u>	<u>\$ 3,372,389</u>
Highways	<u>\$ 415,086</u>	<u>\$ 8,442,858</u>	<u>\$ 2,929,478</u>	<u>\$ 25,959,919</u>	<u>\$ 37,747,341</u>
Health	<u>\$ -</u>	<u>\$ 7,609</u>	<u>\$ 112,385</u>	<u>\$ -</u>	<u>\$ 119,994</u>
Social Services	<u>\$ -</u>	<u>\$ 4,622,054</u>	<u>\$ 1,795,796</u>	<u>\$ 35,968</u>	<u>\$ 6,453,818</u>
Culture and Recreation	<u>\$ -</u>	<u>\$ 1,648,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,648,144</u>
Conservation of Natural Resources	<u>\$ 100,010</u>	<u>\$ 1,784,159</u>	<u>\$ 636,167</u>	<u>\$ 763,004</u>	<u>\$ 3,283,340</u>
Economic Development	<u>\$ 13,693</u>	<u>\$ 1,217,473</u>	<u>\$ 1,466,788</u>	<u>\$ -</u>	<u>\$ 2,697,954</u>
Construction-In-Progress	<u>\$ -</u>	<u>\$ 6,119,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,119,644</u>
Total General Fixed Assets	<u>\$ 1,177,979</u>	<u>\$ 40,769,340</u>	<u>\$ 9,642,438</u>	<u>\$ 27,112,511</u>	<u>\$ 78,702,268</u>

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 1993

	General Fixed Assets Jan. 1, 1993	Additions	Deductions	General Fixed Assets Dec. 31, 1993
General Government:				
Legislative	\$ 15,903	\$ -	\$ -	\$ 15,903
Judicial and legal	333,150	13,472	-	346,622
Financial and other activities	489,960	120,525	3,721	606,764
Courthouses	16,260,052	30,303	-	16,290,355
Total General Government	\$ 17,099,065	\$ 164,300	\$ 3,721	\$ 17,259,644
Public Safety:				
Police protection	\$ 3,034,501	\$ 315,506	\$ 13,421	\$ 3,336,586
Civil defense	177,593	2,513	171,696	8,410
Other Activities	24,168	3,225	-	27,393
Total Public Safety	\$ 3,236,262	\$ 321,244	\$ 185,117	\$ 3,372,389
Highways	\$ 34,520,398	\$ 4,026,498	\$ 799,555	\$ 37,747,341
Health	\$ 88,809	\$ 31,185	\$ -	\$ 119,994
Social Services	\$ 6,374,439	\$ 247,052	\$ 167,673	\$ 6,453,818
Culture and Recreation	\$ 3,121,780	\$ 93,259	\$ 1,566,895	\$ 1,648,144
Conservation of Natural Resources	\$ 3,100,891	\$ 247,536	\$ 65,087	\$ 3,283,340
Economic Development	\$ 2,681,399	\$ 16,555	\$ -	\$ 2,697,954
Construction-In-Progress	\$ 3,688,880	\$ 2,909,400	\$ 478,636	\$ 6,119,644
Total	\$ 73,911,923	\$ 8,057,029	\$ 3,266,684	\$ 78,702,268

SUPPLEMENTARY SCHEDULES

Schedule of Investments (Schedule 30)

Tax Capacity, Tax Rates, and Percentage of Collections (Schedule 31)

Schedule of Intergovernmental Revenue (Schedule 32)

ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INVESTMENTS
DECEMBER 31, 1993

	<u>Interest Rates</u>	<u>Par Value</u>	<u>Cost</u>
Pooled Investments:			
Certificates of deposit	2.50% - 7.56%	\$ 15,361,026	\$ 15,361,026
Repurchase agreements	2.70% - 3.25%	6,500,000	6,500,000
TVAs	3.175%	4,500,000	4,493,660
FHLBs	4.50% - 5.05%	1,750,000	1,750,000
FHLMCs	7.48%	900,000	900,000
FNMAAs	5.35% - 7.64%	2,000,000	2,002,535
FICOs	6.33%	1,000,000	790,970
REFCOs	7.84%	2,896,000	1,998,298
Total Pooled Investments		<u>\$ 34,907,026</u>	<u>\$ 33,796,489</u>
Fund Investments:			
Jail Bond Capital Projects Fund			
Repurchase agreement	3.20%	\$ 2,808,320	\$ 2,808,320
Treasury Note	3.273%	4,225,000	4,239,099
FHLB	3.138%	4,060,000	3,997,621
Total Jail Bond Capital Projects Fund		<u>\$ 11,093,320</u>	<u>\$ 11,045,040</u>
County Insurance Internal Service Fund			
Certificates of deposit	2.466% - 2.959%	\$ 3,200,000	\$ 3,200,000
GNMAAs	9.00%	180,000	71,626
FNMAAs	3.121% - 5.40%	3,160,000	3,135,625
FFCBs	3.097%	1,000,000	990,033
FHLMCs	3.028% - 3.209%	1,750,000	1,739,021
HUD	5.12%	190,000	201,803
Total Internal Service Fund		<u>\$ 9,480,000</u>	<u>\$ 9,338,108</u>
Missing Heirs Trust Fund			
Savings account	3.00%	\$ 59,943	\$ 59,943
State of Minnesota Taconite Relief Agency Fund			
Treasury Strip	3.21%	\$ 11,236,000	\$ 11,027,572
State of Minnesota Taconite Production Tax Agency Fund			
Certificate of deposit	2.495% - 2.95%	\$ 1,454,003	\$ 1,454,003
Patient's Escrow Trust Fund			
Certificates of deposit	3.15% - 3.80%	\$ 85,000	\$ 85,000
Total Investments		<u>\$ 68,315,292</u>	<u>\$ 66,806,155</u>

ST. LOUIS COUNTY
TAX CAPACITY, TAX RATES, AND PERCENTAGE OF COLLECTIONS

	Taxes Payable in Year					
	1992		1993		1994	
	Amount	Base Tax Rate (%)	Amount	Base Tax Rate (%)	Amount	Base Tax Rate (%)
Tax Capacity:						
Real property	\$ 66,907,765		\$ 72,937,645		\$ 77,605,647	
Personal property	<u>8,168,457</u>		<u>6,470,995</u>		<u>6,518,351</u>	
Total Capacity	<u>\$ 75,076,222</u>		<u>\$ 79,408,640</u>		<u>\$ 84,123,998</u>	
Certified Tax Levy for County Purposes:						
General fund	\$ 22,380,769	0.234809	\$ 23,746,292	0.238751	\$ 23,211,347	0.304822
Road and bridge	8,674,068	0.091004	12,124,884	0.121906	10,237,487	0.156248
Social services	25,114,532	0.263491	27,141,451	0.272887	22,648,909	0.296529
Medical care facilities	2,499,849	0.026227	1,998,225	0.020091	-	-
Debt service	856,737	0.008988	692,223	0.006961	1,048,704	0.013731
Capital improvements	<u>2,206,880</u>	<u>0.023154</u>	<u>936,000</u>	<u>0.009411</u>	<u>2,112,537</u>	<u>0.005443</u>
Total Certified County-Wide Levies	<u>\$ 61,732,835</u>	<u>0.647673</u>	<u>\$ 66,639,075</u>	<u>0.670007</u>	<u>\$ 59,258,984</u>	<u>0.776773</u>
(1) Debt service	\$ 639,660	0.021774	\$ 650,478	0.022926	\$ 1,217,783	0.003937
(1) Library	<u>199,385</u>	<u>0.006623</u>	<u>256,729</u>	<u>0.007847</u>	<u>277,999</u>	<u>0.009146</u>
Total Certified Regional Levies	<u>\$ 839,045</u>		<u>\$ 907,207</u>		<u>\$ 1,495,782</u>	
Total Levy for County Purposes	<u>\$ 62,571,880</u>		<u>\$ 67,546,282</u>		<u>\$ 60,754,766</u>	
Less: Disparity reduction aid and homestead agricultural aid	15,664,285		16,819,653		7,801,994 (2)	
Less: Tax credits payable by taconite companies	<u>2,155,626</u>		<u>2,109,893</u>		<u>2,712,035</u>	
Net Levy for County Purposes	<u>\$ 44,751,969</u>		<u>\$ 48,616,736</u>		<u>\$ 50,240,737</u>	
Tax Capacity - Light and Power						
Assessed at 43%	\$ 716,567		\$ 695,824		\$ 708,111	
Assessed at 5%	<u>50,958</u>		<u>60,795</u>		<u>72,376</u>	
Total Tax Capacity - Light and Power	<u>\$ 767,525</u>		<u>\$ 756,619</u>		<u>\$ 780,487</u>	
Light and Power Tax Levies (distributed pursuant to Minn. Stat. 273.42 as amended)						
Assessed at 43%	\$ 975,980		\$ 1,038,079		\$ 1,025,097	
Assessed at 5%	<u>69,406</u>		<u>90,698</u>		<u>104,775</u>	
Total Light and Power Tax Levies	<u>\$ 1,045,386</u>		<u>\$ 1,128,777</u>		<u>\$ 1,129,872</u>	
Special Assessments						
Liens and assessments	<u>\$ 1,016,722</u>		<u>\$ 1,064,148</u>		<u>\$ 1,054,449</u>	
Percentage of tax collections for all purposes	99.23%		98.51%			

(1) Levied on certain regions within the County.

(2) The levy certified for 1994 is net of homestead agricultural aid

**ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1993**

	Special Revenue Funds				
	General Fund	County Housing Authority	Community Development Block Grant	Road and Bridge	Social Services
Shared revenue					
State					
30 percent rental income	\$ 474	\$ 2	\$ -	\$ 213	\$ -
HACA - real estate	3,143,148	3,775	-	1,604,895	3,592,544
HACA - manufactured home	28,187	17	-	14,540	32,218
Police aid	426,567	-	-	-	-
Highway users tax	-	-	-	15,978,130	-
Mineral rents and royalties	318,609	-	-	-	-
Human service aid	-	-	-	-	9,944,928
Disparity aid	2,794,718	-	-	1,419,926	3,178,467
Minnesota petro fund	-	-	-	18,401	-
Unorganized town road aid	-	-	-	8,548	-
Total Shared Revenue	\$ 6,711,703	\$ 3,794	\$ -	\$ 19,044,653	\$ 16,748,157
Grants					
State grants					
Training reimbursement	\$ 34,990	\$ -	\$ -	\$ -	\$ -
Trade and economic development					
Improvement limited partnership	61,630	-	-	-	-
DEMCO	400,000	-	-	-	-
Shoreland management	12,831	-	-	-	-
Special Indian health	27,836	-	-	-	-
Local water planning	1,144	-	-	-	-
CHS	673,899	-	-	-	-
Natural resources-boat & water	102,390	-	-	-	-
Florida testing	9,811	-	-	-	-
Criminal justice aid	341,789	-	-	-	-
State wetlands	4,629	-	-	-	-
Food labeling	1,887	-	-	-	-
Cancer control	8,754	-	-	-	-
County water plan	8,280	-	-	-	-
EPSDT	-	-	-	-	94,547
General assistance	-	-	-	-	40,899
AFDC	-	-	-	-	784,761
Medical assistance	-	-	-	-	90,772
Work readiness	-	-	-	-	149,172
STRIDE	-	-	-	-	289,943
Basic sliding fee-child care	-	-	-	-	684,165
Pre-certification fraud investigation	-	-	-	-	122,534
Community social service block grant	-	-	-	-	4,242,961
CONS CD fund admin	-	-	-	-	44,965
RSVP	-	-	-	-	10,025
Rule 12 adult res. M.H.	-	-	-	-	680,618
Rule 14 community support	-	-	-	-	575,498
Child care resource & referral	-	-	-	-	93,314
MR family subsidy	-	-	-	-	84,289
Home delivered meals	-	-	-	-	41,336
M.H. housing support	-	-	-	-	138,263
Permanency planning	-	-	-	-	144,420
Subtotal	\$ 1,689,870	\$ -	\$ -	\$ -	\$ 8,312,482

Debt Service Funds							
Babbitt Facility Refunding	Capital Equipment Notes	Correctional Facilities Bond	Court House Capital Projects Fund	Solid Waste Management Enterprise Fund	Telecommu- nications Internal Service Fund	Forest Resources Trust Fund	Total
\$ 2	\$ 11	\$ 2	\$ 28	\$ -	\$ -	\$ -	\$ 732
15,092	64,886	11,648	123,892	-	-	-	8,559,880
135	582	104	1,111	-	-	-	76,894
-	-	-	-	-	-	-	426,567
-	-	-	-	-	-	-	15,978,130
-	-	-	-	-	-	-	318,609
-	-	-	-	-	-	-	9,944,928
13,350	57,411	10,304	109,639	-	-	-	7,583,815
-	-	-	-	-	-	-	18,401
-	-	-	-	-	-	-	8,548
<u>\$ 28,579</u>	<u>\$ 122,890</u>	<u>\$ 22,058</u>	<u>\$ 234,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,916,504</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,990
-	-	-	-	-	-	-	61,630
-	-	-	-	-	-	-	400,000
-	-	-	-	-	-	-	12,831
-	-	-	-	-	-	-	27,836
-	-	-	-	-	-	-	1,144
-	-	-	-	-	-	-	673,899
-	-	-	-	-	-	-	102,390
-	-	-	-	-	-	-	9,811
-	-	-	-	-	-	-	341,789
-	-	-	-	-	-	-	4,629
-	-	-	-	-	-	-	1,887
-	-	-	-	-	-	-	8,754
-	-	-	-	-	-	-	8,280
-	-	-	-	-	-	-	94,547
-	-	-	-	-	-	-	40,899
-	-	-	-	-	-	-	784,761
-	-	-	-	-	-	-	90,772
-	-	-	-	-	-	-	149,172
-	-	-	-	-	-	-	289,943
-	-	-	-	-	-	-	684,165
-	-	-	-	-	-	-	122,534
-	-	-	-	-	-	-	4,242,961
-	-	-	-	-	-	-	44,965
-	-	-	-	-	-	-	10,025
-	-	-	-	-	-	-	680,618
-	-	-	-	-	-	-	575,498
-	-	-	-	-	-	-	93,314
-	-	-	-	-	-	-	84,289
-	-	-	-	-	-	-	41,336
-	-	-	-	-	-	-	138,263
-	-	-	-	-	-	-	144,420
<u>\$ -</u>	<u>\$ 10,002,352</u>						

(Continued)

**ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1993**

	<u>Special Revenue Funds</u>				
	<u>General Fund</u>	<u>County Housing Authority</u>	<u>Community Development Block Grant</u>	<u>Road and Bridge</u>	<u>Social Services</u>
Grants (continued)					
State grants (continued)					
Child support	\$ -	\$ -	\$ -	\$ -	\$ 106,352
Detox transportation	-	-	-	-	18,906
MR waived services	-	-	-	-	1,994,793
ACG waived services	-	-	-	-	526,941
180 day ACG services	-	-	-	-	1,491,243
CAC/CADI waived services	-	-	-	-	108,063
PAS/ARR	-	-	-	-	2,101
SCORE	-	-	-	-	-
4 H Camp	-	-	-	-	-
Tax forfeited roads	-	-	-	-	-
Curbside recycling	-	-	-	-	-
Homeless mental health	-	-	-	-	27,178
Semi-independent living skills	-	-	-	-	481,419
Families first	-	-	-	-	100,851
Family community support	-	-	-	-	30,029
Rule 78 case management	-	-	-	-	99,487
Traumatic brain injury	-	-	-	-	8,313
Workers compensation	-	-	-	-	51,813
Enhanced waiver	-	-	-	-	395,583
Family choice options	-	-	-	-	45,364
MI CM	-	-	-	-	37,015
Total State Grants	\$ 1,689,870	\$ -	\$ -	\$ -	\$ 13,837,933
Grants					
Federal grants					
AFDC	\$ 38,551	\$ -	\$ -	\$ -	\$ 953,429
AFDC CC admin	-	-	-	-	967,192
Medical assistance	42,649	-	-	-	1,245,320
Child support	35,536	-	-	-	-
Food stamps	76,760	-	-	-	1,638,410
Foster care IV-E	17,780	-	-	-	27,629
Stride	523	-	-	-	716,111
Criminal apprehension	196,920	-	-	-	-
Women, infants and children program	399,687	-	-	-	-
HTLV III	12,525	-	-	-	-
MCH	311,363	-	-	-	-
Victims of crime act	69,868	-	-	-	-
National forest lands	302,109	-	-	-	-
Duluth area traffic safety	38,736	-	-	-	-
Project 55	9,623	-	-	-	-
Emergency management	40,826	-	-	-	-
Bicycle helmet project	1,960	-	-	-	-
Hazardous material training	1,500	-	-	-	-
CDBG	-	-	2,460,003	-	-
Subtotal	\$ 1,596,916	\$ -	\$ 2,460,003	\$ -	\$ 5,548,091

Debt Service Funds							Total
Babbitt Facility Refunding	Capital Equipment Notes	Correctional Facilities Bond	Court House Capital Projects Fund	Solid Waste Management Enterprise Fund	Telecommu- nications Internal Service Fund	Forest Resources Trust Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,352
-	-	-	-	-	-	-	18,906
-	-	-	-	-	-	-	1,994,793
-	-	-	-	-	-	-	526,941
-	-	-	-	-	-	-	1,491,243
-	-	-	-	-	-	-	108,063
-	-	-	-	-	-	-	2,101
-	-	-	-	662,595	-	-	662,595
-	-	-	22,682	-	-	-	22,682
-	-	-	-	-	-	54,814	54,814
-	-	-	-	27,070	-	-	27,070
-	-	-	-	-	-	-	27,178
-	-	-	-	-	-	-	481,419
-	-	-	-	-	-	-	100,851
-	-	-	-	-	-	-	30,029
-	-	-	-	-	-	-	99,487
-	-	-	-	-	-	-	8,313
-	-	-	-	-	-	-	51,813
-	-	-	-	-	-	-	395,583
-	-	-	-	-	-	-	45,364
-	-	-	-	-	-	-	37,015
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,682</u>	<u>\$ 689,665</u>	<u>\$ -</u>	<u>\$ 54,814</u>	<u>\$ 16,294,964</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 991,980
-	-	-	-	-	-	-	967,192
-	-	-	-	-	-	-	1,287,969
-	-	-	-	-	-	-	35,536
-	-	-	-	-	-	-	1,715,170
-	-	-	-	-	-	-	45,409
-	-	-	-	-	-	-	716,634
-	-	-	-	-	-	-	196,920
-	-	-	-	-	-	-	399,687
-	-	-	-	-	-	-	12,525
-	-	-	-	-	-	-	311,363
-	-	-	-	-	-	-	69,868
-	-	-	-	-	-	-	302,109
-	-	-	-	-	-	-	38,736
-	-	-	-	-	-	-	9,623
-	-	-	-	-	-	-	40,826
-	-	-	-	-	-	-	1,960
-	-	-	-	-	-	-	1,500
-	-	-	-	-	-	-	2,460,003
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,605,010</u>

(Continued)

**ST. LOUIS COUNTY, MINNESOTA
SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 1993**

	<u>Special Revenue Funds</u>				
	<u>General Fund</u>	<u>County Housing Authority</u>	<u>Community Development Block Grant</u>	<u>Road and Bridge</u>	<u>Social Services</u>
Grants (continued)					
Federal					
Refugee assistance	\$ 74	\$ -	\$ -	\$ -	\$ 39,710
MA TCM	-	-	-	-	150,000
DHHS cap	-	-	-	-	8,320
WR admin	-	-	-	-	214,258
Refugee admin	-	-	-	-	1,711
MA	-	-	-	-	103,615
Title XX block grant	-	-	-	-	2,714,637
Rule 74 M.H. case management	-	-	-	-	24,600
Title III-home delivered meals	-	-	-	-	40,948
Permanency planning	-	-	-	-	62,835
MA non-waiver	-	-	-	-	889,130
MR waived services	-	-	-	-	2,419,461
ACG waived services	-	-	-	-	638,304
CAC/CADI waived services	-	-	-	-	130,984
RSVP	-	-	-	-	53,343
Child day care	-	-	-	-	283,701
IV - E cost of care	-	-	-	-	1,747,305
USDA - home delivered meals	-	-	-	-	110,851
PAS/ARR	-	-	-	-	6,303
Mental health - homeless	-	-	-	-	56,438
Childrens justice	5,733	-	-	-	1,197
Enhanced waiver	-	-	-	-	479,402
Tree planting	-	-	-	-	-
Alternative community based services	-	-	-	-	36,187
SELF	-	-	-	-	44,521
IV - D incentives	-	-	-	-	494,708
IV - D admin	-	-	-	-	1,792,456
IV - E case management	-	-	-	-	65,352
IV - E administration	-	-	-	-	983,088
Family choice options	-	-	-	-	55,009
CD case management	-	-	-	-	43,861
At risk child	-	-	-	-	319,744
Traumatic brain injury	-	-	-	-	10,018
Construction	-	-	-	4,882,882	-
National forest lands-roads & schools	-	-	-	114,629	-
Total Federal grants	\$ 1,602,723	\$ -	\$ 2,460,003	\$ 4,997,511	\$ 19,570,088
Other grants					
Local	18,503	-	-	-	20,990
Total Grants	3,311,096	-	2,460,003	4,997,511	33,429,011
Total Intergovernmental Revenue	\$ 10,022,799	\$ 3,794	\$ 2,460,003	\$ 24,042,164	\$ 50,177,168

<u>Debt Service Funds</u>			<u>Court House Capital Projects Fund</u>	<u>Solid Waste Management Enterprise Fund</u>	<u>Telecommu- nications Internal Service Fund</u>	<u>Forest Resources Trust Fund</u>	<u>Total</u>
<u>Babbitt Facility Refunding</u>	<u>Capital Equipment Notes</u>	<u>Correctional Facilities Bond</u>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,784
-	-	-	-	-	-	-	150,000
-	-	-	-	-	-	-	8,320
-	-	-	-	-	-	-	214,258
-	-	-	-	-	-	-	1,711
-	-	-	-	-	-	-	103,615
-	-	-	-	-	-	-	2,714,637
-	-	-	-	-	-	-	24,600
-	-	-	-	-	-	-	40,948
-	-	-	-	-	-	-	62,835
-	-	-	-	-	-	-	889,130
-	-	-	-	-	-	-	2,419,461
-	-	-	-	-	-	-	638,304
-	-	-	-	-	-	-	130,984
-	-	-	-	-	-	-	53,343
-	-	-	-	-	-	-	283,701
-	-	-	-	-	-	-	1,747,305
-	-	-	-	-	-	-	110,851
-	-	-	-	-	-	-	6,303
-	-	-	-	-	-	-	56,438
-	-	-	-	-	-	-	6,930
-	-	-	-	-	-	-	479,402
-	-	-	-	-	-	8,000	8,000
-	-	-	-	-	-	-	36,187
-	-	-	-	-	-	-	44,521
-	-	-	-	-	-	-	494,708
-	-	-	-	-	-	-	1,792,456
-	-	-	-	-	-	-	65,352
-	-	-	-	-	-	-	983,088
-	-	-	-	-	-	-	55,009
-	-	-	-	-	-	-	43,861
-	-	-	-	-	-	-	319,744
-	-	-	-	-	-	-	10,018
-	-	-	-	-	-	-	4,882,882
-	-	-	-	-	-	-	114,629
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ 28,638,325
-	-	-	-	-	42,800	-	82,293
-	-	-	22,682	689,665	42,800	62,814	45,015,582
<u>\$ 28,579</u>	<u>\$ 122,890</u>	<u>\$ 22,058</u>	<u>\$ 257,352</u>	<u>\$ 689,665</u>	<u>\$ 42,800</u>	<u>\$ 62,814</u>	<u>\$ 87,932,086</u>

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES:

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

WITH PERCENT OF TOTAL ANNUAL GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways</u>	<u>Health</u>	<u>Welfare</u>
1984	13,269,990	7,418,037	25,606,862	2,199,859	77,647,912
%	9.9%	5.5%	19.1%	1.6%	58.0%
1985	11,909,328	7,703,990	29,619,492	3,025,133	83,880,627
%	8.2%	5.3%	20.3%	2.1%	57.6%
1986	14,251,298	8,663,086	27,187,818	3,052,508	80,735,122
%	10.1%	6.2%	19.3%	2.2%	57.3%
1987	14,360,480	9,353,630	25,445,243	2,979,693	77,904,108
%	10.7%	7.0%	19.0%	2.2%	58.2%
1988	14,853,258	11,257,966	31,227,895	3,946,695	81,091,684
%	10.2%	7.7%	21.4%	2.7%	55.6%
1989	16,141,887	12,814,932	35,959,426	4,290,468	86,438,710
%	10.0%	8.0%	22.3%	2.7%	53.7%
1990	17,586,959	13,958,343	28,935,781	4,684,825	89,317,104
%	10.9%	8.7%	18.0%	2.9%	55.6%
1991	17,906,525	15,258,855	26,345,645	5,406,517	80,598,582
%	12.1%	10.3%	17.9%	3.7%	54.6%
1992	16,948,356	16,546,693	31,596,937	5,928,570	68,650,116
%	12.0%	11.7%	22.4%	4.2%	48.6%
1993	16,440,619	17,721,147	43,036,984	6,101,778	72,586,458
%	10.3%	11.1%	26.9%	3.8%	45.3%

<u>Fiscal Year</u>	<u>Sanitation (2)</u>	<u>Culture and Recreation</u>	<u>Conservation of Natural Resources</u>	<u>Economic Development</u>	<u>Miscellaneous</u>	<u>Total Expenditures</u>
1984	834,895	337,001	3,021,328	174,309	3,362,666	133,872,859
%	0.6%	0.3%	2.3%	0.1%	2.5%	
1985	840,250	337,001	4,975,924	155,572	3,225,587	145,672,904
%	0.6%	0.2%	3.4%	0.1%	2.2%	
1986	1,046,349	342,001	5,090,124	187,590	222,381	140,778,277
%	0.7%	0.2%	3.6%	0.1%	0.2%	
1987	1,012,402	309,601	2,121,001	282,184	-0-	133,768,342
%	0.8%	0.2%	1.6%	0.2%	0.0%	
1988	1,129,704	318,613	1,866,995	142,803	-0-	145,835,613
%	0.8%	0.2%	1.3%	0.1%	0.0%	
1989	992,780	338,100	1,973,230	2,144,459	-0-	161,093,992
%	0.6%	0.2%	1.2%	1.3%	0.0%	
1990	2,327,531	337,940	1,832,978	1,687,020	-0-	160,668,481
%	1.4%	0.2%	1.1%	1.1%	0.0%	
1991	-0-	416,506	585,825	995,006	-0-	147,513,461
%	0.0%	0.3%	0.4%	0.7%	0.0%	
1992	-0-	385,607	523,778	530,482	-0-	141,110,539
%	0.0%	0.3%	0.4%	0.4%	0.0%	
1993	-0-	455,494	553,371	3,307,952	-0-	160,203,803
%	0.0%	0.3%	0.3%	2.1%	0.0%	

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

(2) Reclassified as Enterprise Fund in 1991.

Unaudited

Table 2

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

WITH PERCENT OF TOTAL ANNUAL GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-governmental</u>	<u>Charges for Services</u>	
1984	31,400,978	256,940	84,670,190	4,572,843	
%	24.2%	0.2%	65.2%	3.5%	
1985	32,895,162	195,753	90,311,081	5,194,344	
%	24.0%	0.1%	65.8%	3.8%	
1986	46,340,868	119,822	78,436,145	5,337,581	
%	34.0%	0.1%	57.5%	3.9%	
1987	48,651,023	129,294	75,618,856	5,135,972	
%	35.7%	0.1%	55.5%	3.8%	
1988	48,186,293	127,397	82,061,159	5,389,669	
%	33.4%	0.1%	56.9%	3.7%	
1989	44,593,871	117,846	100,171,880	5,419,167	
%	28.0%	0.1%	63.0%	3.4%	
1990	50,570,451	113,776	93,506,136	5,533,559	
%	31.9%	0.1%	59.0%	3.5%	
1991	54,654,950	120,665	82,440,099	5,778,140	
%	36.3%	0.1%	54.8%	3.8%	
1992	56,159,786	127,058	75,009,649	7,152,949	
%	39.2%	0.1%	52.4%	5.0%	
1993	61,326,778	126,591	86,705,928	7,458,822	
%	38.3%	0.1%	54.2%	4.7%	

<u>Fiscal Year</u>	<u>Fines and Forfeitures</u>	<u>Gifts and Contributions</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Total Revenue</u>
1984	522,518	-0-	4,072,926	4,401,849	129,898,244
%	0.4%	0.0%	3.1%	3.4%	
1985	499,124	-0-	2,762,244	5,370,395	137,228,103
%	0.4%	0.0%	2.0%	3.9%	
1986	515,278	-0-	2,104,015	3,546,505	136,400,214
%	0.4%	0.0%	1.5%	2.6%	
1987	672,214	-0-	2,109,244	3,928,363	136,244,966
%	0.5%	0.0%	1.5%	2.9%	
1988	617,918	16,366	2,883,195	4,861,083	144,143,080
%	0.4%	0.01%	2.0%	3.4%	
1989	671,157	3,436	2,505,189	5,531,081	159,013,627
%	0.4%	0.002%	1.6%	3.5%	
1990	770,349	50,849	2,235,853	5,693,798	158,474,771
%	0.5%	0.03%	1.4%	3.6%	
1991	689,530	8,707	1,922,075	4,791,720	150,405,886
%	0.5%	0.0%	1.3%	3.2%	
1992	691,775	20,506	1,853,826	2,069,150	143,084,699
%	0.5%	0.0%	1.3%	1.4%	
1993	740,207	7,142	1,532,681	2,166,474	160,064,623
%	0.5%	0.0%	1.0%	1.4%	

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

Unaudited

Table 3

**ST. LOUIS COUNTY, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN DOLLARS)**

<u>Fiscal Year</u>	<u>Total Certified County Levy</u>	<u>Less Tax Credits (1) and certain State Aids (2)</u>	<u>Net levy</u>	<u>Current Tax Collections</u>	<u>Percent Levy Collected</u>
1984	42,864,627	12,143,869	30,720,758	29,187,792	95.01%
1985	45,849,847	13,140,619	32,709,228	30,498,084	93.24%
1986	48,551,804	14,348,657	34,203,147	32,835,021	96.00%
1987	53,486,602	15,571,629	37,914,973	36,159,510	95.37%
1988	53,541,139	15,959,653	37,581,486	36,386,395	96.82%
1989	59,023,406	25,548,899	33,474,507	31,780,459	94.94%
1990	65,388,125	27,510,966	37,877,159	35,959,730	94.94%
1991	62,571,880	20,204,078	42,367,802	40,538,190	95.68%
1992	62,571,880	17,819,911	44,751,969	42,993,432	96.07%
1993	67,546,282	16,819,653	50,726,629	48,859,889	96.32%

<u>Fiscal Year</u>	<u>Delinquent Tax Collection</u>	<u>Total Tax Collections</u>	<u>Total Tax Collect to Net Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Net Levy</u>
1984	591,113	29,778,905	96.93%	4,401,849	14.33%
1985	567,431	31,065,515	94.97%	5,370,395	16.42%
1986	275,580	33,110,601	96.81%	3,546,505	10.37%
1987	474,973	36,634,483	96.62%	3,928,363	10.36%
1988	557,970	36,944,365	98.30%	4,861,083	12.93%
1989	1,465,767	33,246,226	99.32%	5,531,081	16.52%
1990	1,514,779	37,474,509	98.94%	5,693,798	15.03%
1991	1,596,262	42,134,452	99.45%	4,158,385	9.81%
1992	1,598,486	44,591,918	99.64%	3,901,497	8.72%
1993	1,687,144	50,547,033	99.65%	3,847,804	7.59%

(1) Tax credits include homestead credit, small business credit and high voltage lines credit to the County by the State of Minnesota, as well as taconite relief paid to the County by taconite companies.

(2) State Aids, Haca and Disparity Aid in 1990 replaced tax credits and taxes that make up prior years' levies.

Unaudited

Table 4

**ST. LOUIS COUNTY, MINNESOTA
 ASSESSED, TAX CAPACITY (1) AND ESTIMATED MARKET VALUE OF
 TAXABLE PROPERTY - LAST TEN YEARS
 (IN DOLLARS)**

<u>Collection Year</u>	<u>Total</u>	
	<u>Estimated Market Value</u>	<u>Assessed Value/Tax Capacity (1)</u>
1984	3,473,103,400	805,740,617
1985	3,397,777,488	770,286,791
1986	3,326,867,350	755,355,503
1987	3,292,356,750	745,001,599
1988	3,273,647,920	708,711,198
1989	3,284,996,020	87,761,815
1990	3,380,059,500	63,767,570
1991	3,597,878,700	66,286,472
1992	3,881,445,700	68,711,115
1993	4,213,422,500	72,179,275

(1) These numbers do not include tax increment captured value. For 1989, Assessed Value changed to Tax Capacity by Chapter 719, Laws of Minnesota, 1988.

Unaudited

Table 5

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

Tax Year	Cities / Towns	Special Districts	School Districts	County	Total Combined (1)
Tax Rates per \$100 of Assessed Valuation					
1984	3.4115	0.0735	5.6124	5.195	14.2924
1985	3.9975	0.0775	5.5080	5.815	15.3980
1986	4.1532	0.0772	5.3873	6.283	15.9007
1987	4.3297	0.0930	5.5431	6.981	16.9468
1988	4.6307	0.1013	5.6370	7.339	17.7080
Tax Rates per \$100 of Tax Capacity (2)					
1989	25.4912	0.2576	39.1948	54.1377	119.0813
1990	25.6977	0.3856	43.0184	62.1951	131.2968
1991	24.6399	0.9195	42.0500	68.2679	135.8773
1992	24.6397	0.9193	42.0499	68.2677	135.8766
1993	25.8227	1.0651	51.8283	70.2789	148.9950
Tax Levies (in dollars)					
1984	27,788,261	1,178,227	45,221,057	42,864,627	117,052,172
1985	29,954,427	1,196,321	42,482,841	45,849,847	119,483,436
1986	30,892,170	1,221,228	40,693,156	48,551,804	121,358,358
1987	31,754,968	1,604,690	40,179,913	53,486,602	127,026,173
1988	32,308,340	1,649,269	39,950,358	53,541,139	127,449,106
1989	22,371,580	226,056	34,398,034	59,023,406	116,019,076
1990	33,906,485	2,977,044	36,962,837	65,388,125	139,234,491
1991	35,039,430	527,525	36,009,043	62,571,880	134,147,878
1992	36,450,326	739,760	38,883,379	62,571,880	138,645,345
1993	38,437,195	882,687	47,684,194	67,546,282	154,550,358

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

(2) For 1989 and succeeding years, Assessed Value changed to Tax Capacity by Chapter 719, Laws of Minnesota, 1988.

Unaudited

Table 6

**ST. LOUIS COUNTY, MINNESOTA
RATIO OF BONDED DEBT TO MARKET
VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Year Ending Dec. 31	Population	Market Value including captured increment (in dollars)	Bonded Debt	Ratio of Bonded Debt to Market Value	Bonded Debt per Capita
1984	212,214	3,473,103,400	0	0	0
1985	206,264	3,397,777,488	4,800,000	0.14%	23.27
1986	203,069	3,326,867,350	4,800,000	0.14%	23.64
1987	200,646	3,292,356,750	4,475,000	0.14%	22.30
1988	200,027	3,273,647,920	9,125,000	0.28%	45.62
1989	200,027	3,284,996,020	21,000,000	0.64%	104.99
1990	198,213	3,380,059,500	22,195,000	0.66%	111.98
1991	198,213	3,597,878,700	22,525,000	0.63%	113.64
1992	199,209	3,881,445,700	20,535,000	0.53%	103.08
1993	198,212	4,213,422,500	36,840,000	0.87%	185.86

Unaudited

Table 7

**ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993**

Market Value of Taxable Property		<u>\$ 4,213,422,500</u>
Debt Limit 2 Percent of market value of taxable property (1)		\$ 84,268,450
Amount of Debt Applicable to Debt Limit:		
General Obligation Debt	\$ 36,840,000	
Less: Fund Balance in Debt Service Funds	321,075	
Restricted Assets in applicable Enterprise Funds (2)	<u>3,259,480</u>	
Total Amount of Debt Applicable to Debt Limit		<u>33,259,445</u>
Legal Debt Margin		<u>\$ 51,009,005</u>

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

(2) Nursing Home General Obligation Revenue Bonds, Solid Waste General Obligation Bonds and Solid Waste Full Crossover Advance Refunding Bonds of \$15,170,000 less \$238,984 unamortized discount are carried in the Enterprise Funds. These bonds at par of \$15,170,000 are included in the amount of debt applicable to debt limit.

Note: The amount of debt applicable to the debt limit has not been reduced by the \$6,105,000 designated for debt service in the Road and Bridge Special Revenue Fund, as that amount is not a legal reserve.

Unaudited

Table 8

ST. LOUIS COUNTY, MINNESOTA
COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING DEBT
 YEAR ENDED DECEMBER 31, 1993

<u>Direct Debt</u>	<u>Total Debt</u>		<u>Applicable to</u>	
			<u>St. Louis County</u>	
	<u>Outstanding (1)</u>	<u>Percent (2)</u>	<u>Amount</u>	
St. Louis County	\$ 36,840,000	100.00%	\$ 36,840,000	
Overlapping Debt				
School District #94	\$ 4,135,000	2.68%	\$ 110,818	
School District #381	5,730,000	15.23%	872,679	
School District #2142	<u>5,170,000</u>	<u>99.61%</u>	<u>5,149,837</u>	
	\$ 15,035,000		\$ 6,133,334	
Underlying Debt				
City of Biwabik	\$ 150,000	100.00%	\$ 150,000	
City of Buhl	75,000	100.00%	75,000	
City of Chisholm	1,335,579	100.00%	1,335,579	
City of Cook	195,000	100.00%	195,000	
City of Duluth	16,894,300	100.00%	16,894,300	
City of Ely	1,424,722	100.00%	1,424,722	
City of Eveleth	100,000	100.00%	100,000	
City of Floodwood	200,000	100.00%	200,000	
City of Hermantown	2,262,000	100.00%	2,262,000	
City of Hibbing	7,220,000	100.00%	7,220,000	
City of Hoyt Lakes	470,000	100.00%	470,000	
City of Mountain Iron	75,000	100.00%	75,000	
City of Proctor	270,000	100.00%	270,000	
City of Tower	106,000	100.00%	106,000	
City of Virginia	18,735,000	100.00%	18,735,000	
Town of Fayal	71,464	100.00%	71,464	
Town of Greenwood	112,857	100.00%	112,857	
Town of Pequaywan	67,013	100.00%	67,013	
School District #695	2,803,918	100.00%	2,803,918	
School District #696	885,000	100.00%	885,000	
School District #2154	699,776	100.00%	699,776	
School District #700	8,230,000	100.00%	8,230,000	
School District #701	4,165,000	100.00%	4,165,000	
School District #704	5,873,000	100.00%	5,873,000	
School District #706	10,280,000	100.00%	10,280,000	
School District #709	40,755,000	100.00%	40,755,000	
School District #712	3,750,000	100.00%	3,750,000	
Seaway Port Authority	490,000	100.00%	490,000	
	<u>\$ 127,695,629</u>		<u>\$ 127,695,629</u>	
Total	<u>\$ 179,570,629</u>		<u>\$ 170,668,963</u>	

(1) Total Debt Outstanding - That portion of the debt which is general obligation or general obligation revenue debt - this figure does not take into account bond premium or discount - except for St. Louis County which is net of unamortized discount.

(2) The percentage reflects the portion of the general obligation debt which is secured by taxable real estate located within the County.

Unaudited

ST. LOUIS COUNTY, MINNESOTA
RATIO OF DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GENERAL EXPENDITURES (1)
(IN DOLLARS)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>General Expenditures</u>	<u>Ratio of Debt Service Expenditures To Total General Expenditures</u>
1984	-	-	-	133,872,859	N/A
1985	-	-	-	145,672,904	N/A
1986	-	-	-	140,778,277	N/A
1987	-	-	-	133,768,342	N/A
1988	-	152,900	152,900	145,835,613	0.0011
1989	295,000	355,800	650,800	160,848,344	0.0040
1990	420,000	1,075,030	1,495,030	160,668,481	0.0093
1991	2,970,000 (2)	902,288	3,872,288	147,513,461	0.0262
1992	620,000	804,443	1,424,443	141,110,539	0.0101
1993	5,825,000 (3)	654,867	6,479,867	160,203,803	0.0404

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

(2) \$200,000 of this figure was financed by a refunding issue.

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

NOTE: General Obligation Revenue Bond Debt Service for the Chris Jensen, Nopeming and Solid Waste Management Enterprise Funds is not included here as it is not included in general expenditures.

Unaudited

Table 10

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

CHRIS JENSEN ENTERPRISE FUND BOND

Fiscal Year	Gross (1) Revenue	Direct (2) Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1985	9,078,460	8,171,538	906,922	0	419,713	419,713	2.16
1986	7,884,505	7,318,477	566,028	0	419,713	419,713	1.35
1987	7,579,281	7,108,221	471,060	325,000	407,525	732,525	0.64
1988	7,352,692	7,325,246	27,446	350,000	381,775	731,775	0.04
1989	9,470,362	8,544,276	926,086	375,000	324,434	699,434	1.32
1990	9,491,825	8,944,636	547,189	400,000	280,850	680,850	0.80
1991	10,447,317	9,037,907	1,409,410	475,000	170,342	645,342	2.18
1992	11,267,963	10,146,098	1,121,865	1,065,000	189,574	1,254,574	0.89
1993	11,306,154	10,558,386	747,768	635,000	131,623	766,623	0.98

NOPEMING ENTERPRISE FUND BOND

Fiscal Year	Gross (1) Revenue	Direct (2) Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1989	6,751,894	7,053,018	(301,124)	0	3,335	3,335	0.00
1990	7,613,198	7,748,439	(135,241)	20,000	21,854	41,854	0.00
1991	9,021,628	8,814,821	206,807	25,000	18,892	43,892	4.71
1992	9,178,610	8,700,357	478,253	25,000	17,268	42,268	11.31
1993	9,834,384	9,321,163	513,221	25,000	15,643	40,643	12.63

SOLID WASTE MANAGEMENT ENTERPRISE FUND BOND

Fiscal Year	Gross (1) Revenue	Direct (2) Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	4,214,733	6,220,548	(2,005,815)	205,000	311,308	516,308	0.00
1992	5,978,786	4,579,540	1,399,246	280,000	366,878	646,878	2.16
1993	7,899,444	4,351,015	3,548,429	300,000	502,201	802,201	4.42

(1) Includes operating and non-operating revenue.

(2) Excludes depreciation, amortization of bond discount and interest on debt and disposition of fixed assets.

NOTE: Prior to 1985, the County had issued no revenue bonds.

Unaudited

Table 11

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

<u>Year</u>	<u>Population (3)</u>	<u>Per (1) Capita Income</u>	<u>Median (3) Age</u>	<u>K - 12 (2) School Enrollment</u>	<u>Unemployment (1) Percentage</u>
1984	212,214	\$ 10,941	30.4	35,939	12.4
1985	206,264	\$ 11,401	30.5	35,058	11.1
1986	203,069	\$ 11,801	30.7	34,428	9.1
1987	200,646	\$ 12,409	30.9	34,062	9.4
1988	200,646	\$ 13,184	31	38,692	6.3
1989	200,027	\$ 14,502	31.2	33,510	5.9
1990	198,213	\$ 15,419	35.7	33,710	6
1991	195,100	\$ 15,986	35.8	37,068	6.5
1992	199,209	\$ N/A	35.9	31,607	7.3
1993	198,212	\$ N/A	36.1	33,367	7.4

(1) Minnesota Department of Economic Security Research and Planning Department

(2) State Department of Education

(3) Minnesota State Planning Office, Office of State Demographer

Unaudited

Table 12

**ST. LOUIS COUNTY, MINNESOTA
ESTIMATED MARKET VALUE, CONSTRUCTION, AND BANK DEPOSITS**

<u>Estimated Market Value :</u>	<u>Value</u>	<u>1993 Percent</u>
Real Estate:		
Residential	\$ 2,932,882,955	56.18%
Multiple Dwelling	150,207,122	2.88%
Commercial/Industrial	522,927,132	10.02%
Timberlands	79,750,397	1.53%
Agricultural	57,151,773	1.09%
Public Utilities / Miscellaneous	252,384,490	4.83%
Seasonal Residential Recreational	330,663,709	6.33%
Seasonal Commercial Recreational	21,626,199	0.32%
Exempt	723,979,900	13.87%
	Total Real Estate	\$ 5,071,573,677
		97.15%
Personal Property	148,608,100	2.85%
	Total Real Estate & Personal Property	\$ 5,220,181,777
		100.00%

Source : St. Louis County Assessor

Construction:

<u>Fiscal Year</u>	<u>Commercial # of Units</u>	<u>Value</u>	<u>Residential # of Units</u>	<u>Value</u>	<u>Total Value New Construction</u>
1984	802	29,318,953	2,627	14,744,799	44,063,752
1985	651	18,669,159	2,359	13,034,503	31,703,662
1986	681	46,504,152	2,400	15,770,921	62,275,073
1987	719	42,178,960	2,582	24,297,453	66,476,413
1988	329	20,432,623	1,745	20,956,747	41,389,370
1989	670	34,935,772	3,018	37,836,846	72,772,618
1990	635	22,454,139	2,800	37,750,527	60,204,666
1991	808	36,169,000	3,256	45,547,000	81,716,000
1992	770	37,731,455	3,133	60,139,279	97,870,734
1993	315	9,688,458	1,599	38,086,739	47,775,197

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

Deposits of Financial Intermediaries at December 31. (000's omitted):

	<u>Commercial Banks</u>	<u>Savings and Loan Associations</u>	<u>Total</u>
1985	1,240,154	538,593	1,778,747
1986	1,281,194	532,544	1,813,738
1987	1,295,582	532,719	1,828,301
1988	1,316,347	473,732	1,790,079
1989	1,172,302	474,366	1,646,668
1990	1,553,694	286,730	1,840,424
1991	1,591,264	359,722	1,950,986
1992	1,228,361	176,502 (1)	1,404,863
1993	1,614,238	336,501	1,950,739

(1) During 1992, St. Louis County Federal Savings and Loan Association became St. Louis Bank for Savings, FSB.

Unaudited

Table 13

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

The taxpayers of the ten largest tax parcels in the County of St. Louis were :

	<u>Taxpayer</u>	<u>Tax Capacity as of 1993 Tax Roll</u>	<u>Percentage</u>
1	Lake Superior Paper Industries	\$ 1,975,468	2.49%
2	Minnesota Power	1,875,714	2.36%
3	Square Butte Electric Co-op	935,259	1.18%
4	Minnesota Power	844,848	1.06%
5	Minnesota Power	559,333	0.70%
6	Minnesota Power	555,658	0.70%
7	Great Lakes Gas Trans Ltd	523,398	0.66%
8	Duluth Mall Inc.	490,155	0.62%
9	Bowman Corp	343,755	0.43%
10	Duluth Clinic	299,246	0.38%
	Total Tax Capacity of Ten Largest Taxpayers	\$ 8,402,834	10.58%
	Total Tax Capacity of Other Taxpayers	\$ 71,005,806	89.42%
	Total Tax Capacity of All Taxpayers	\$ 79,408,640	100.00%

Unaudited

Table 14

**ST. LOUIS COUNTY, MINNESOTA
LABOR STATISTICS**

St. Louis County:

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>		
1984	92,896	81,698	11,198	12.1		
1985	89,439	79,827	9,612	10.7		
1986	89,981	81,787	8,194	9.1		
1987	88,951	80,576	8,375	9.4		
1988	88,635	83,016	5,619	6.3		
1989	89,686	84,394	5,292	5.9		
1990	93,812	88,226	5,586	6.0		
1991	96,182	89,945	6,237	6.5		
1992	96,115	89,091	7,024	7.3		
1993	96,129	89,037	7,092	7.4		
	Average	Average	Average	Average	Average	Average
Year	St. Louis	St. Louis	State	State	National	National
	County	County	Labor	Unemploy-	Labor	Unemploy-
	Labor	Unemploy-	Force	ment	Force	ment
	Force	ment				
1984	92,896	12.1	2,227,000	6.3	115,241,000	7.4
1985	89,439	10.7	2,224,000	6.0	117,167,000	7.1
1986	89,981	9.1	2,230,000	5.3	119,540,000	6.9
1987	88,951	9.4	2,259,000	5.4	121,602,000	6.1
1988	88,635	6.3	2,316,411	4.1	121,669,000	5.5
1989	89,686	5.9	2,343,000	4.4	123,869,000	5.3
1990	93,812	6.0	2,404,000	4.8	124,787,000	5.5
1991	96,182	6.5	2,431,000	5.1	125,303,000	6.8
1992	96,115	7.3	2,431,000	5.1	126,982,000	7.4
1993	96,129	7.4	2,466,000	5.1	128,040,000	6.8

Source: Minnesota Department of Economic Security

Unaudited

ST. LOUIS COUNTY, MINNESOTA
MISCELLANEOUS STATISTICAL DATA

Schedule of Personnel by Fund (as of 12/31/93)

Personnel:

<u>Fund</u>	<u>Number of Employees</u>
General	813 *
Road and Bridge	385
Social Services Special Revenue	565
Other Special Revenue	45
Enterprise	471
Internal Service	<u>116</u>
Total	<u><u>2,395</u></u>

* Figure includes 176 employees of Arrowhead Regional Corrections

Area of St. Louis County

Land	6318.02	square miles or 4,043,532 acres
Water	<u>774.49</u>	square miles or 495,674 acres
Total	<u><u>7092.51</u></u>	square miles or 4,539,206 acres

Miles of County Road - 1,605 miles

Concrete	2.9
Bituminous	211.56
Gravel	1341.14
Unimproved	49.4
County Bridges	264

Unaudited

Table 16

**ST. LOUIS COUNTY, MINNESOTA
PERCENTAGE OF REGISTERED VOTERS - VOTING
LAST TEN ELECTIONS**

PRIMARY ELECTION			GENERAL ELECTIONS		
DATE	TOTAL REGISTERED VOTERS	PERCENTAGE VOTING	DATE	TOTAL REGISTERED VOTERS	PERCENTAGE VOTING
September 10, 1974	Figures not available		November 5, 1974	116,133	71%
September 14, 1976	126,315	45%	November 2, 1976	146,667	79%
September 12, 1978	135,346	51%	November 7, 1978	142,022	68%
September 9, 1980	139,386	36%	November 4, 1980	153,066	76%
September 14, 1982	137,184	50%	November 2, 1982	145,775	72%
September 11, 1984	138,591	46%	November 6, 1984	152,260	75%
September 9, 1986	134,330	42%	November 4, 1986	137,492	59%
September 13, 1988	128,413	23%	November 8, 1988	142,825	73%
September 11, 1990	128,300	39%	November 6, 1990	134,668	63%
September 15, 1992	128,981	29%	November 3, 1992	146,833	75%

Source: St. Louis County Auditor's Office

Unaudited

Table 17

**ST. LOUIS COUNTY, MINNESOTA
Public Land Ownership Within County**

Within St. Louis County, there are 4,043,532 acres of land.
Approximately 63 percent or 2.6 million acres are public ownership.

A. Federal Entitlement Lands

. Bureau of Land Management	243	acres
. Forest Service	745,043	acres
. National Park Service	92,926	acres
. Other Federal Lands	<u>12</u>	acres
Subtotal	838,224	acres

B. State Tax-Forfeited Lands 898,803 acres est.

**C. State Lands (Department of
Natural Resource / Department
of Transportation)** 822,905 acres

D. Private Ownership / Other 1,483,600 acres

Total 4,043,532 acres

Unaudited

ST. LOUIS COUNTY, MINNESOTA

READER'S NOTES: