

# White Bear Township, Minnesota



## Popular Annual Financial Report To The Community

For the fiscal year ended December 31, 2016

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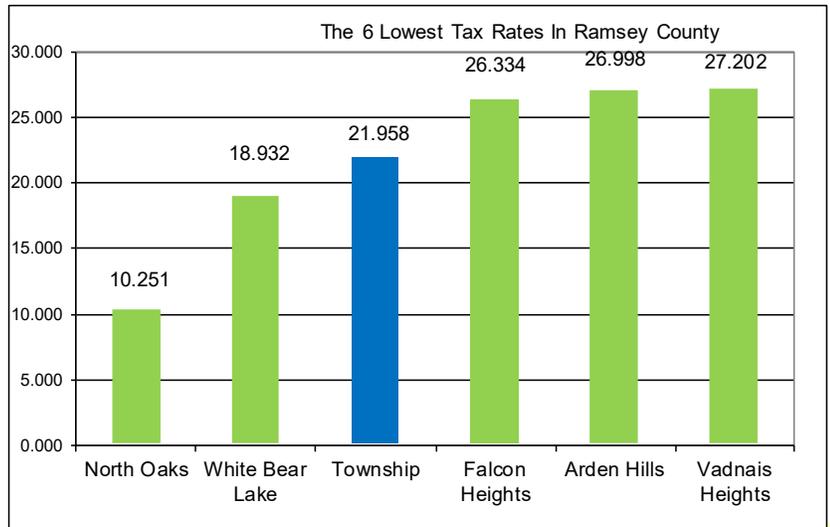
### Making Cents

White Bear Township presents its Popular Annual Financial Report [PAFR]. The purpose of this report is to inform the community of the Town's financial activity in a simple, easy-to-read format for the fiscal year ending December 31, 2016. These highlights are based upon the Town's Comprehensive Annual Financial Report [CAFR] which is a more inclusive, audited document.

### Township Ranked Well Against Surrounding Areas

#### Tax Rate Comparison

In a 2016 comparison of communities in Ramsey County, the average cost of services on a median valued home of \$235,050 in terms of property taxes showed White Bear Township ranking as one of the lowest. A \$235,050 valued home in the Township would pay \$39.96 per month in property taxes to the Township.



### Township's Six Basic Fund Types

In order for the Town to manage the community finances smoothly, it divides various activities into several different funds.

### Dividing Up Your Property Tax Dollar

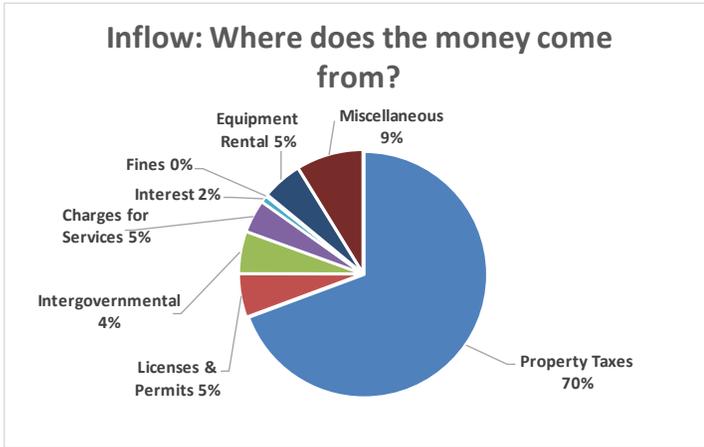
Your tax dollar is divided between several governmental entities. The Town collects 20 cents of every tax dollar for Town services. The remaining portions are divided among Ramsey County, the school district



- The **General Fund** accounts for revenues and expenses that provide for *basic operations of the Town* i.e., police and fire protection and street maintenance.
- **Special Revenue Funds** account for activities restricted to *specific purposes* like economic development.
- **Debt Service Funds** track revenues and expenses related to *repayment of long term debt*.
- The **Capital Fund** collects revenues from special assessments, state, and county aids and allots them toward *construction or major capital expenses*.
- **Enterprise Funds** account for *activities that operate as public enterprises* which are paid for by user fees, i.e., water, sewer & surface water management.
- **Internal Service Funds** account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominately self-supporting by user charges.

## General Fund Revenue

The Town's General Fund is the largest fund and also one of the most vital to the Town's operation. The General Fund is the primary fund that accounts for everyday general expenditures like street and park maintenance, police protection, and fire protection while at the same time supplementing portions of the other funds. Like most funds, the General Fund relies on the inflow of cash, shown as revenues and subsequently the outflow listed as expenditures. The primary revenue for the General Fund is property taxes. Intergovernmental revenues are items like



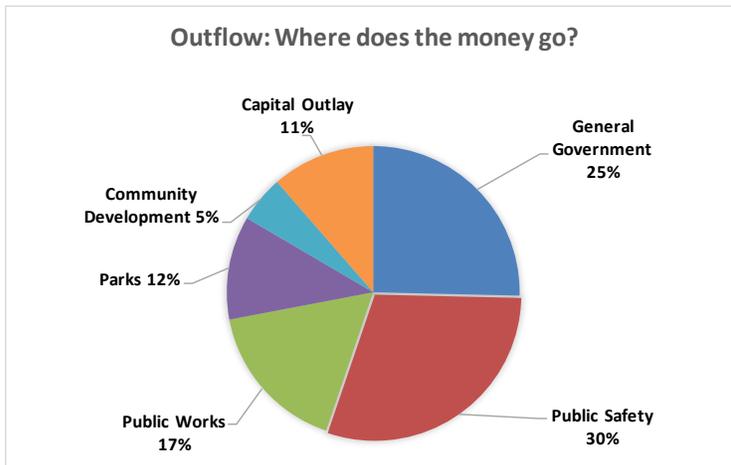
state/county aid and grants. For the year the Town's revenue total

	2015	2016
Property Taxes	2,931,245	2,987,921
Licenses & Permits	232,254	245,408
Intergovernmental	205,693	238,038
Charges for Services	258,738	185,786
Interest Earnings	52,102	38,297
Fines	11,618	10,724
Equipment Rental	197,350	225,355
Miscellaneous	412,127	378,172
<b>Total Revenues</b>	<b>4,301,127</b>	<b>4,309,701</b>

was \$4,309,701 which was a \$8,574 (0.2%) increase from the previous year. This is mainly due to an increase in license & permit revenue on construction, the Town receiving additional unanticipated cable franchise fees, and the Town increasing the equipment rental fees charged to Town Departments. Charges for services declined due to no new proposed developments, while interest earnings declined due to the purchase of investments at premiums.

## General Fund Expenditure

The Town's total General Fund expenditures for 2016 was \$3,866,371 which was \$332,464 (8%) under the final budget. Overall, General Fund expenditures increased \$387,441 (11%) from 2015. General Government costs increased \$94,207 (11% increase from 2015), Public Works increased \$56,742 (10% increase from 2015), and Parks increased \$41,067 (10% over 2015) all due to increased staff and equipment rental charges. The \$182,750 increase in capital outlay is the result of a purchase of a new tandem dump truck for the public works department. The chart below highlights the amounts funded to each of the Town's functions.



	2015	2016
General Government	886,467	980,674
Public Safety	1,148,571	1,154,155
Public Works	592,258	649,000
Parks	401,743	442,810
Community Development	192,003	199,094
Capital Outlay	257,888	440,638
<b>Total Expenditures</b>	<b>3,478,930</b>	<b>3,866,371</b>

## Township Departments

**General Government:** This department provides the overall direction for the Town as determined by the Town Board. It is responsible for maintaining Town records; issuing licenses; administering Town policies; election procedures; and the financial affairs of White Bear Township in accordance with the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principals (GAAP).

**Public Safety:** This department includes police, and fire protection, and code enforcement, which includes building inspection activities.

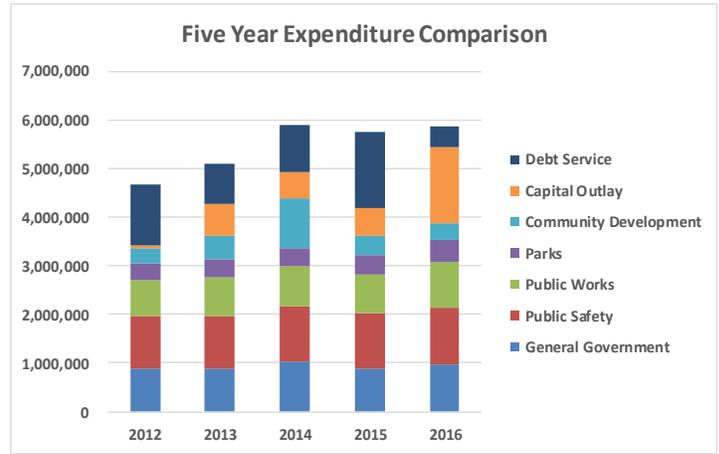
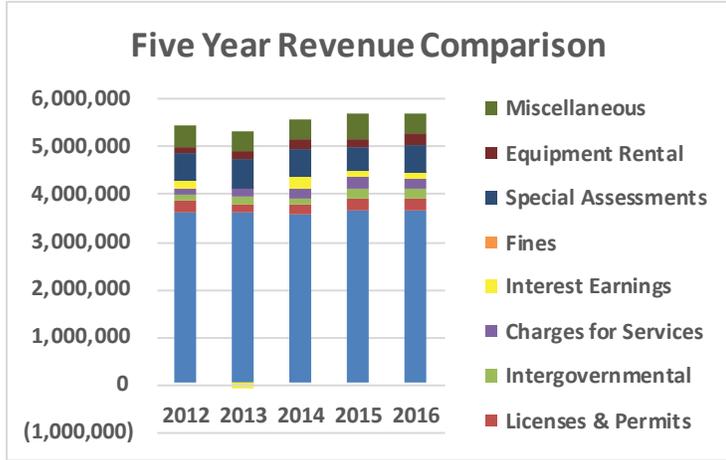
**Community Development:** This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for Economic Development within the Town.

**Public Works:** This department manages the Town's infrastructure as it relates to roadways, water, sewer, and surface water management.

**Parks & Recreation:** This department is responsible for maintaining the Town's parks and trails.

# Governmental Revenue & Expenditure

The Town's revenues for 2016 (for all funds except Enterprise and Internal Service Funds) totaled \$5,701,939 an increase of 0.05% from 2015. This increase is mainly attributable to a increase in licenses & permits, charges for services, special assessments, and interest earnings most of which is the result of new development. The graph below illustrates the Town's various revenue sources.



The Township prides itself on controlling spending while providing the best services possible. In 2016, the Town's expenditures (for all funds except Enterprise and Internal Service Funds) totaled \$5,868,955, an increase of 2.0% from 2015. The increase was due to an increase in capital outlay as a result of infrastructure improvements and the purchase of a tandem dump truck and increased personnel costs due to additional staff. The chart above highlights the Town's ability to control its expenditures over a five year period and demonstrates the Town's priorities over different departments within the individual year.

## Special Revenue Funds

The Township has two special revenue funds. Special revenue funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are required by statute to finance particular functions, activities, or governments. See the 2016 CAFR for more information.

Economic Development Authority (EDA), had revenues of \$664,741 and expenditures of \$138,484. The main revenue source is tax increments, which are used for economic development purposes. The main expenditure in 2016 were tax increment assistance to developers for their development projects.

The other Town special revenue fund is the Town's Park Acquisition and Development Fund, which is for the development of parks within the Township. For 2016 the Park Acquisition Fund had revenues of \$14,690 and no expenditures.

## Internal Service Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town maintains an internal service fund for risk management (insurance activities).

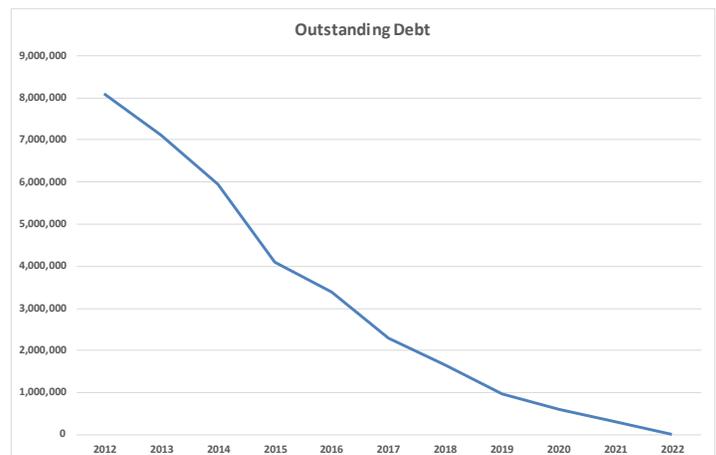
Revenue — \$184,313

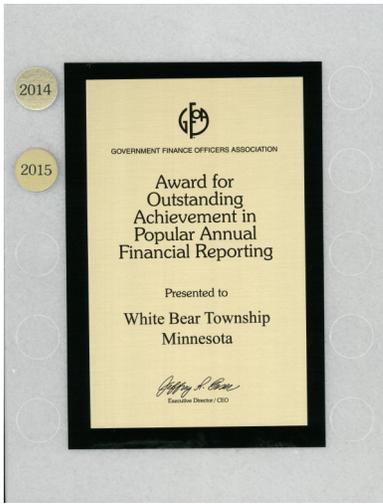
Expenses — \$114,705

## Long Term Debt

White Bear Township maintains a very good "Aa2" rating from Moody's Investor Service. The Town currently has four G. O. bond issues outstanding, with the final payment scheduled to be made through 2022.

In 2011, the Township refinanced two bond issues because of lower interest rates. In addition the Town has retired four bond issues early to reduce interest payments in the future. The chart also shows the Town is committed to repaying its debt in a timely manner. The 2016 revenues were \$207,489 in special assessment collections, property taxes and interest, expenditures were \$423,615 and transfers in from TIF districts and Utility funds were \$151,562.

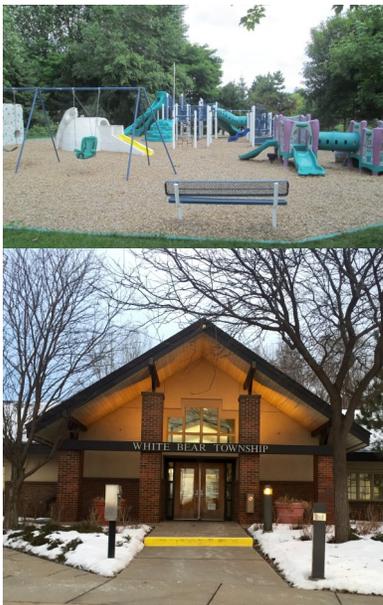




**About this Report**

White Bear Township reports financial year-end results in the Comprehensive Annual Financial Report (CAFR). The Popular Annual Financial Report (PAFR) is an unaudited report that summarizes the most significant data from the 2016 CAFR, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure, developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

For a complete review of the Town's financial position, consult the 2016 CAFR available on the Town's website at [www.whitebeartownship.org](http://www.whitebeartownship.org), or from the Finance Department at 651.747-2750.



**Capital Funds**

**Improvement Fund**

The Town has a program for maintaining the life of Township streets, which identifies, inventories, and tracks street conditions to ensure that the proper maintenance is done at the appropriate time. The program includes annual crack sealing and a seal coating project area to prolong pavement life and reduce overall costs to property owners and when needed street overlays. The program was initiated to insure a good maintenance program for Township aging streets.

Revenues (*Assessment & Interest*) — \$446,813  
 Expenditures — \$1,155,259

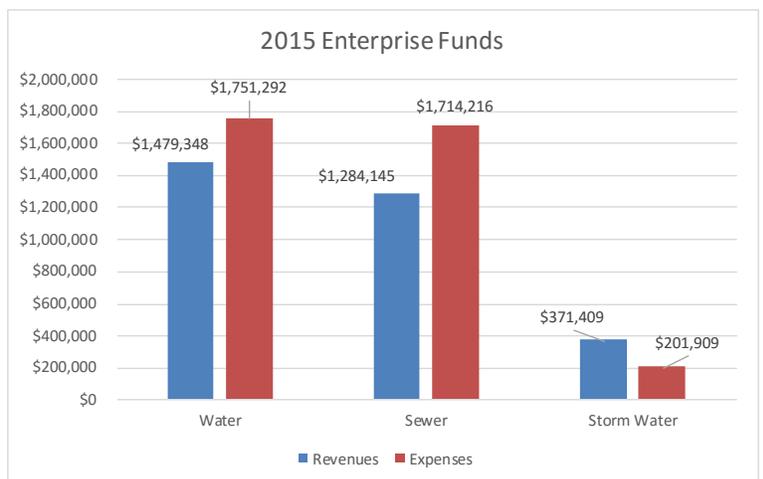
**Community Park Improvement Fund**

The Community Park Improvement Fund receives the majority of its funding through billboard revenues for the financing of capital improvements to the Town's Community Park (Polar Lakes Park). The park consist of baseball/softball and soccer fields, an amphitheater, a playground, and the historic town hall.

Revenues - \$58,505  
 Expenditures — \$285,226

**Enterprise Fund**

These funds consist of utility services provided to the community by the Town such as water, sanitary sewer, and storm water . Annually a comprehensive rate study is completed. As a result of the study, the Town adjusts the rates to cover 100% of operating costs and 75% of asset depreciation expenses.



**Overall Financial Condition**

Overall the Township's financial condition improved in 2016 as demonstrated by the Town's net position increasing by \$126,474 to a total of \$41,257,650. Cash and investments also increased to \$13,659,704. At the same time the Towns outstanding debt decreased \$1,820,400 to \$3,526,665.

**How Tax Dollars Buy Town Services**

Residents receive a variety of Township services at an affordable price. The cost of Township services in 201 for the owner of a median valued home (\$235,050) in White Bear Township is \$39.96 per month. Utilities remain competitively priced in 2016. The value received from Town services compared favorably to charges of other monthly bills.

**Property Tax-Supported Services**

The checkbook shows how the monthly cost of property tax-supported services was divided among Town departments.

**Monthly Cost of Utilities**

Based on an average usage of 4,226 gallons per month, monthly cost of utilities for a home in the Town is \$42.47 in 2016 (The Town bills on a quarterly basis). The bill includes water, sewer, and storm water.

Description of Transaction	Balance
<i>Public Safety</i>	<b>\$13.21</b>
<i>General Government</i>	<b>\$ 8.55</b>
<i>Parks and Recreation</i>	<b>\$ 6.89</b>
<i>Public Works</i>	<b>\$11.31</b>
<i>Debt Services</i>	<b>\$ 0.00</b>
<b>Total</b>	<b>\$39.96</b>

Homeowner White Bear Township, MN	DATE January 1, 2015	101
PAY TO THE ORDER OF <i>White Bear Township</i>	\$ <i>39.96</i>	
<i>Thirty Nine &amp; 96/100</i>	DOLLARS	
<small>YOUR BANK</small> <i>Homeowner</i> <small>1221 Main Street          Anywhere, US 10001          MONTHLY police, fire, street          FOR maintenance, parks, programs etc.</small>		
*33401068*	7269914625**	0101**