

White Bear Township, Minnesota



Popular Annual Financial Report To The Community

For the fiscal year ended December 31, 2017

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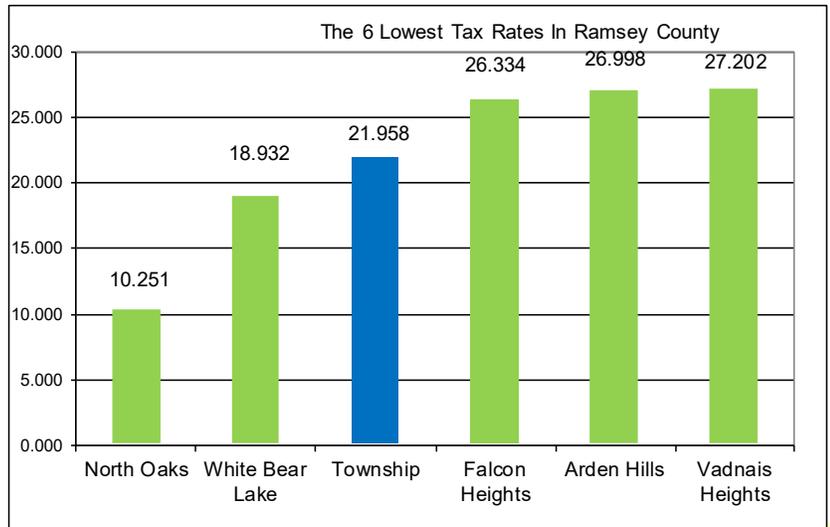
Making Cents

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, 2017. 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 \$40.08 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 and other agencies.



51¢ Ramsey County
20¢ White Bear Township
21¢ School District
8¢ Other agencies

- 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.

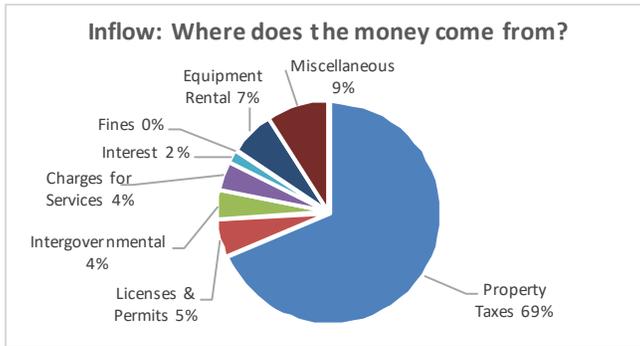
General Fund Revenue

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

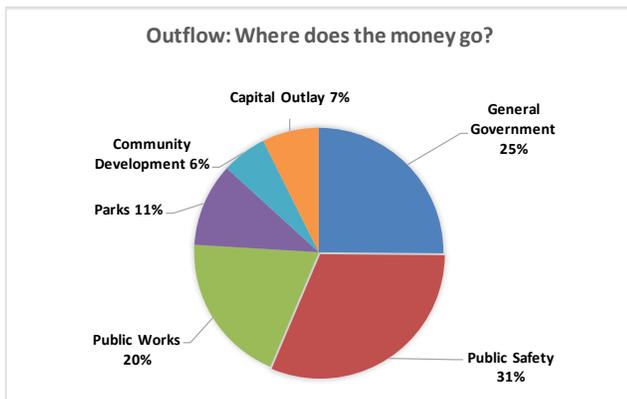
	2016	2017
Property Taxes	2,987,921	2,989,737
Licenses & Permits	245,408	233,907
Intergovernmental	238,038	189,536
Charges for Services	185,786	174,699
Interest Earnings	38,297	80,103
Fines	10,724	12,184
Equipment Rental	225,355	278,055
Miscellaneous	378,172	398,645
Total Revenues	4,309,701	4,356,866

Town's revenue total was \$4,356,866 which was a \$47,165 (1.1%) increase from the previous year. This is mainly due to an increase in interest earnings due to higher interest rates and a larger cash balance in the general fund and the Town increasing the equipment rental fees charged to Town Departments. The other revenue classifications were similar to revenues received in 2016.



General Fund Expenditure

The Town's total General Fund expenditures for 2017 was \$3,890,411 which was \$267,721 (9%) under the final budget. Overall, General Fund expenditures increased \$24,040 (1%) from 2016. General Government costs decreased \$3,018, Public Works increased \$113,130 (17% increase from 2016), and Parks decreased \$21,232, all due to equipment rental charges and funds spent on maintenance items. The \$154,369 decrease in capital outlay is the result of a purchase of a new tandem dump truck for the public works department in 2016. The chart below highlights the amounts funded to each of the Town's functions.



	2016	2017
General Government	980,674	977,656
Public Safety	1,154,155	1,215,198
Public Works	649,000	762,130
Parks	442,810	421,578
Community Development	199,094	227,580
Capital Outlay	440,638	286,269
Total Expenditures	3,866,371	3,890,411

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.

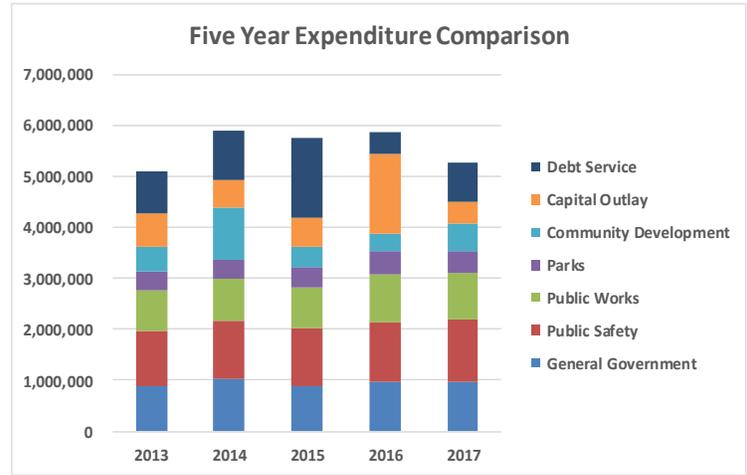
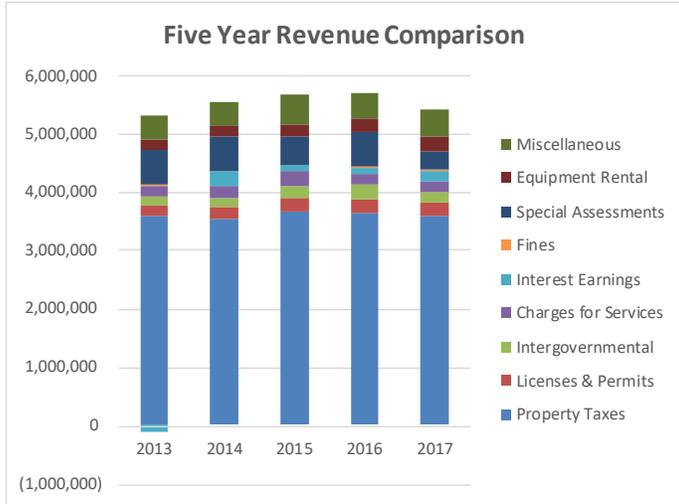
Community Development: This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for Economic Development within the Town.

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 2017 (for all funds except Enterprise and Internal Service Funds) totaled \$5,422,637 a decrease of 4.9% from 2016. This decrease is attributable to a decrease in property taxes, licenses & permits, charges for services, and special assessments most of which is the result of no new development and paying off some debt resulting in a lower tax levy. The graph below illustrates the Town's various revenue sources.



The Township prides itself on controlling spending while providing the best services possible. In 2017, the Town's expenditures (for all funds except Enterprise and Internal Service Funds) totaled \$5,278,841, a decrease of 10.1% from 2016. The decrease was due to a decrease in capital outlay as a result of infrastructure improvements and the purchase of a tandem dump truck in 2016. 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 one 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 2017 CAFR for more information.

Economic Development Authority (EDA), had revenues of \$591,004 and expenditures of \$323,129. The main revenue source is tax increments, which are used for economic development purposes. The main expenditure in 2017 were tax increment assistance to developers for their development projects.

The EDA also transfers funds to the Town's Debt Service Funds for its share of debt payments. In 2017 \$629,748 was transferred for debt payments.

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).

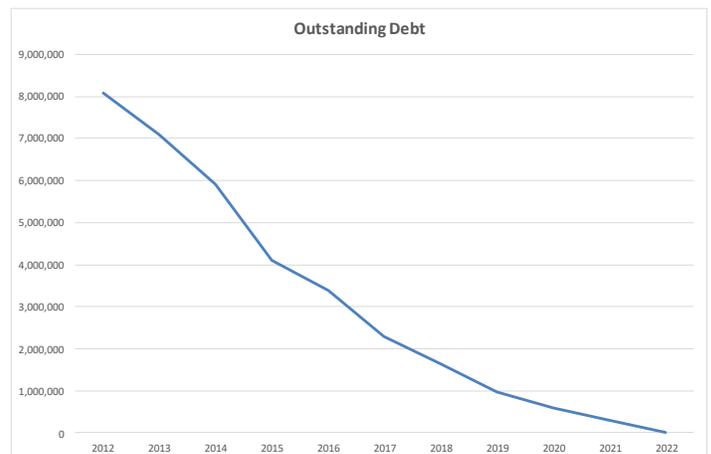
Revenue — \$187,175

Expenses — \$182,144

Long Term Debt

White Bear Township maintains a very good "Aa2" rating from Moody's Investor Service, which allows the Town to borrow funds at low interest rates and reflects sound financial position. The Town currently has four G. O. bond issues outstanding, with the final payment scheduled to be made through 2022.

In 2017, the Township retired its 2005B taxable tax increment bonds because of the high interest rates on the bonds. In the past, the Town has retired other bond issues early to reduce future interest payments. The chart also shows the Town is committed to repaying its debt in a timely manner. The 2017 revenues were \$205,738 in special assessment collections, property taxes and interest, expenditures were \$760,081 and transfers in from TIF districts and Utility funds were \$609,749.





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 2017 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 2017 CAFR available on the Town's website at www.whitebeartownship.org, or from the Finance Department at 651.747-2750.

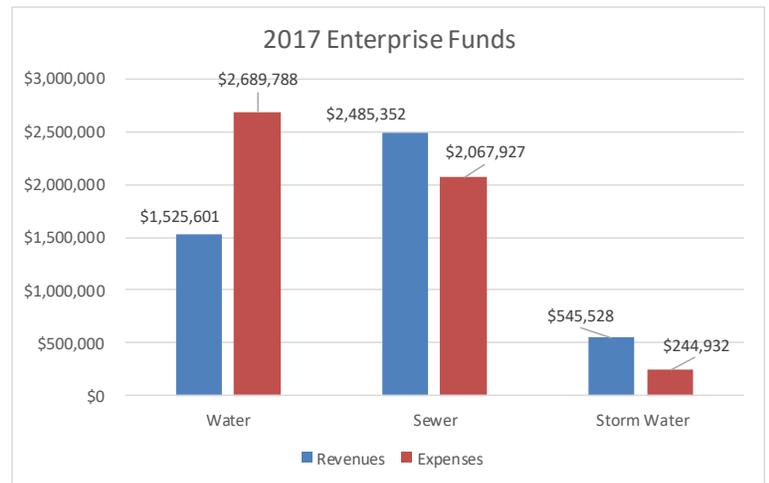


Capital Funds

The Township has four Capital Project Funds, one which is for road improvements and additions and three which are for park and trail improvements. The Town has a program for maintaining the life of Township streets, which identifies and tracks street conditions to ensure that the proper maintenance is scheduled at the appropriate time. The main revenue source for this fund is special assessments to benefitting properties and interest earnings. Revenue sources for the park improvement funds include billboard lease revenues, park dedication fees, interest earnings, and transfers from other funds. Improvement projects in these capital funds are scheduled in the Town's 10-year capital improvement plan. The Capital Project funds had revenues of \$282,511 in 2017. Transfers from other funds totaled \$1,015,172. Projects in 2017 included the Town's annual sealcoat project and drainage improvements on one of the Town's baseball fields. Total expenditures were \$305,220 in 2017.

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. In 2017 the Town expensed the repainting of a water tower resulting in the Water Fund showing a loss.



Overall Financial Condition

Overall the Township's financial condition remains stable in 2017 as demonstrated by the Town's net position of \$40,938,176. Cash and investments decreased to \$11,025,725 due to capital expenses. At the same time the Town's outstanding debt decreased \$1,093,707 to \$2,432,958.

How Tax Dollars Buy Town Services

Residents receive a variety of Township services at an affordable price. The cost of Township services in 2017 for the owner of a median valued home (\$235,050) in White Bear Township is \$40.29 per month. Utilities remain competitively priced in 2017. The value received from Town services compared favorably to charges of other monthly bills.

Description of Transaction	Balance
Public Safety	\$13.04
General Government	\$ 8.71
Parks and Recreation	\$ 7.24
Public Works	\$11.30
Debt Services	\$ 0.00
Total	\$40.29

Homeowner White Bear Township, MN	DATE January 1, 2015	101
PAY TO THE ORDER OF <i>White Bear Township</i>	\$ <i>40.29</i>	
<i>Forty & 29/100</i>	DOLLARS	
YOUR BANK <i>First State Bank</i> 1221 Main Street Anywhere, US 10001	<i>Homeowner</i>	
MONTHLY police, fire, street FOR maintenance, parks, programs etc.		
⑆33401068⑆ 7269914625⑆ 0101⑆		

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 \$42.81 in 2017 (The Town bills on a quarterly basis). The bill includes water, sewer, and storm water.