

WHITE BEAR TOWNSHIP, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
WHITE BEAR TOWNSHIP, MINNESOTA
YEAR ENDED DECEMBER 31, 2018**

**Prepared by
Patrick Christopherson, Township Clerk - Treasurer
Tom Kelly, Finance Officer**

**White Bear Township
1281 Hammond Road
White Bear Township, Minnesota 55110**

**WHITE BEAR TOWNSHIP, MINNESOTA
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

I. INTRODUCTORY SECTION

| | |
|--|----------|
| LETTER OF TRANSMITTAL | 1 |
| ORGANIZATION CHART | 8 |
| GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING | 9 |

II. FINANCIAL SECTION

| | |
|--|-----------|
| INDEPENDENT AUDITORS' REPORT | 10 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 12 |
| BASIC FINANCIAL STATEMENTS | |
| STATEMENT OF NET POSITION | 22 |
| STATEMENT OF ACTIVITIES | 23 |
| BALANCE SHEET – GOVERNMENTAL FUNDS | 25 |
| RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES | 26 |
| STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS | 27 |
| RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES | 28 |
| STATEMENT OF NET POSITION – PROPRIETARY FUNDS | 29 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS | 30 |
| STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS | 31 |
| NOTES TO FINANCIAL STATEMENTS | 32 |

**WHITE BEAR TOWNSHIP, MINNESOTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018**

| | |
|---|-----------|
| REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY COMPARISON INFORMATION | |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND | 56 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND | 57 |
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION | 58 |
| REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS | |
| PERA SCHEDULE OF THE TOWNSHIP’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY | 59 |
| PERA SCHEDULE OF TOWNSHIP’S CONTRIBUTIONS | 60 |
| SUPPLEMENTARY INFORMATION | |
| COMBINING FUND FINANCIAL STATEMENTS | |
| COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS | 61 |
| COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS | 63 |
| III. STATISTICAL SECTION (UNAUDITED) | |
| NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS | 65 |
| CHANGE IN NET POSITION – LAST TEN FISCAL YEARS | 66 |
| FUND BALANCE, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS | 68 |
| CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS | 70 |
| ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS | 72 |
| DIRECT AND OVERLAPPING PROPERTY TAX RATES – LAST TEN FISCAL YEARS | 73 |

**WHITE BEAR TOWNSHIP, MINNESOTA
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018**

| | |
|---|-----------|
| PRINCIPAL PROPERTY TAXPAYERS – CURRENT YEAR AND NINE YEARS AGO | 75 |
| PROPERTY TAX LEVIES AND COLLECTIONS – LAST TEN FISCAL YEARS | 77 |
| RATIOS OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS | 79 |
| DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT | 81 |
| LEGAL DEBT MARGIN INFORMATION – LAST TEN FISCAL YEARS | 82 |
| DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST TEN CALENDAR YEARS | 84 |
| PRINCIPAL EMPLOYERS – CURRENT YEAR AND NINE YEARS AGO | 86 |
| FULL-TIME EQUIVALENT EMPLOYEES BY TYPE – LAST TEN FISCAL YEARS | 87 |
| OPERATING INDICATORS BY FUNCTION / PROGRAM – LAST TEN YEARS | 89 |
| CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM – LAST TEN YEARS | 91 |
| IV. OTHER REQUIRED REPORTS | |
| INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE | 92 |

I.
INTRODUCTORY
SECTION



Board of Supervisors
WILLIAM R. MAMPLE, Chair
ROBERT I. KERMES
ED M. PRUDHON

1281 HAMMOND ROAD
WHITE BEAR TOWNSHIP, MN 55118
651-747-2750
FAX 651-426-2258
Email: wbt@ci.white-bear-township.mn.us

August 15, 2019

White Bear Township Board of Supervisors
Citizens of White Bear Township
White Bear Township, Minnesota

In accordance with state statutes, we respectfully submit the Comprehensive Annual Financial Report for White Bear Township (Township) as of December 31, 2018 and for the year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures, supporting schedules, and statistical tables rests with the Township. Our management staff believes that the information as presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of the Township's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial affairs have been included.

The Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). The report consists of management's representations concerning the finances of the Township. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established internal controls designed to protect the Township's assets from loss, theft, or misuse and to provide sufficient reliable information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Township's internal controls have been designed to provide reasonable rather than absolute assurance that, the financial statements will be free from material misstatements. As management, we assert to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

White Bear Township's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants appointed by the Town Board. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Township for the year ended December 31, 2018 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Township's financial statements, as of and for the year ended December 31, 2018, are presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors' report.

THE REPORTING ENTITY AND ITS SERVICE

In accordance with GASB pronouncements, the Township's financial statements include all funds of White Bear Township.

The Township provides a full range of services to its citizens. These services include, but are not limited to: police and fire protection; parks and recreational facilities; construction and maintenance of streets; water; sewer; surface water pollution preservation; refuse; health; economic development, planning and general administrative services.

The White Bear Township Economic Development Authority (EDA) is considered a blended component unit of the Township. Although the EDA is legally a separate unit, it was created by the Township Board to carry out responsibilities associated with development and redevelopment within the Township's tax increment districts. The EDA governing body is made up of the three Township Board Supervisors and the Township's Clerk-Treasurer is the executive director. The EDA financial statements are prepared in conjunction with the Township's annual report and are included as a Special Revenue Fund of the Township. The EDA does not publish a separate financial statement.

PROFILE OF THE GOVERNMENT

White Bear Township has been an unincorporated Township since 1858. The Township is a northern St. Paul suburb located wholly in Ramsey County and is the only Township remaining in the County. Minnesota's oldest Township once covered 36 square miles and included the cities of White Bear Lake, Vadnais Heights, Gem Lake, and portions of North Oaks. It is now fragmented into four main parcels covering an area of approximately 9.3 miles (approximately 6,000 acres). The Township celebrated its sesquicentennial during 2008. White Bear Township has the largest population of the 1,800 Townships within the State of Minnesota. The 2010 U.S. Census population for the Township is 10,949 which is a 2% decrease from the 2000 census. The Township is empowered to levy a property tax on both real and personal properties located within its boundaries.

White Bear Township government is conducted by a three-member Board of Supervisors, with a chairperson elected by the Board. Policy-making and legislative authority are vested in a Board of Supervisors consisting of the chairperson and two other members. The Board of Supervisors is responsible, among other things, for passing ordinances, appointing committees, and hiring Township staff, including the Clerk-Treasurer. The Clerk-Treasurer is responsible for carrying out the policies and ordinances of the Board of Supervisors and for overseeing the day-to-day operations of the Township government. The Board of Supervisors is elected on a non-partisan basis. Board members serve four-year terms, with board member elections held in the fall of even numbered years. The Board of Supervisors is elected at large.

The Township's financial planning and control foundation is the annual budget. The budget incorporates the Township's financial policies related to operations, management policy, debt management, reserves, investments, and amendments to the overall documents. The budget process actually begins with the Annual Township Meeting, which by statute must be held the second Tuesday in March. This meeting, which is run by the Township residents through a moderator, is where the maximum amount of property taxes to be collected for the next year is set by a vote of those in attendance. This levy may be reduced throughout the budgetary process but may not be increased. A special Township budget meeting is set for later in the year at which time the Township residents vote on and approve a final property tax levy for the upcoming year.

All departments and agencies of the Township submit requests for appropriation to the Clerk-Treasurer by June of each year. The Clerk-Treasurer and Finance Officer use the requests as the starting point for developing a preliminary balanced budget to be presented to the Township Board prior to August 31st of each year. The Board at that time sets the preliminary tax levy, which must take into consideration the maximum tax levy adopted at the annual meeting and must be certified prior to September 30th of each year. This preliminary tax levy can be lowered but not increased. The Township Board and management reviews and refines the preliminary budget and then presents the proposed budget and property tax levy to the residents at a special Township budget meeting where the residents have the opportunity to vote on the final tax levy and make recommendations to be incorporated into the final budget. This meeting is generally held in late-November or early-December in order to meet certification deadlines. Department heads may make transfers between line items within a department; however, adjustments between departments or funds require special approval of the Board of Supervisors.

PROFILE OF THE GOVERNMENT (CONTINUED)

Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund and other governmental funds with annual budgets, this comparison is on pages 56-58 as part of the required supplementary information.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which White Bear Township operates.

LOCAL ECONOMY

As part of the Minneapolis/St. Paul metropolitan area, the Township has experienced a strong and favorable economic environment for a number of years. The metropolitan region has a strong and diversified business base, including companies with headquarters or divisions located within White Bear Township's boundaries or in close proximity that include the largest fishing tackle manufacturer, vacuum formed plastics, computer components, a major cement pump manufacturer, and several automobile dealerships. These strengths result from a highly educated work force; access to high technology; available capital and an excellent transportation system including major state highways and federal interstate highways which allows easy mobility in any direction. The transportation network is a very positive factor in making the Township an ideal location for commercial/industrial development and redevelopment.

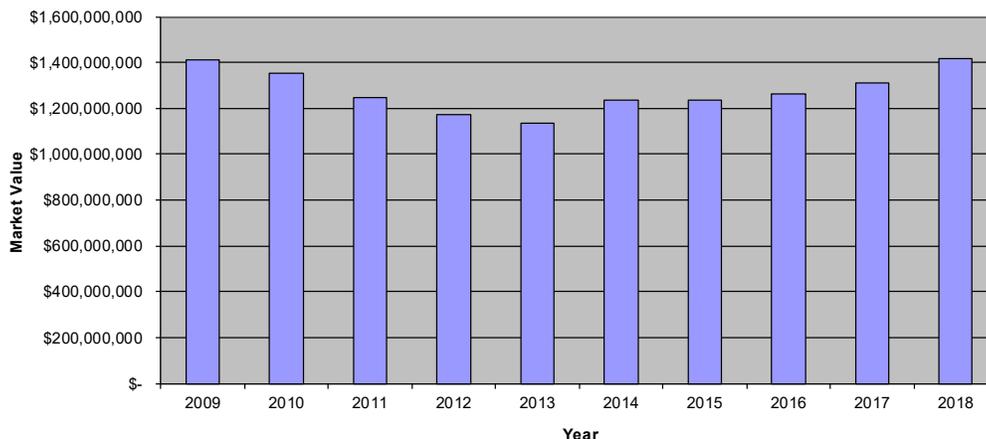
The Township is located in a region with varied economic base which has resulted in an unemployment rate that has consistently remained close to the national and state averages. While the national unemployment rate is 3.9% and the state's unemployment rate is 3.3%, the Township has a regional unemployment rate of 2.7% according to the Minnesota Department of Economic Security. Unemployment is expected to remain low in the future and closer to the state average.

DEVELOPMENT ACTIVITY

Residential construction increased during 2018 due to the construction of new residential houses in the new Pine Hill and Three Oaks subdivisions. The Township issued 13 permits during 2018 for new single-family home construction valued at \$3,507,000. New permits for construction of public building and commercial/industrial were issued in 2018 and there were several permits issued for remodel/additions with construction valued at \$4,492,828. The Township expects construction activity for 2019 to increase over 2018 totals due to a new residential development and proposed new commercial/industrial construction already in the works within the Township. Residential property experienced 562 renovation permits totaling \$7.1 million valuation increase. Combined, commercial, and residential construction added over \$15.1 million in market growth compared to \$16.4 million of market growth in 2017.

The Township continues to review strategies regarding economic and community development looking at how to best utilize sites in the Township that would be candidates for new development and redevelopment projects. Residential and commercial market value annual growth since 2009 is highlighted below

COMMERCIAL AND RESIDENTIAL MARKET VALUES



FACTORS AFFECTING FINANCIAL CONDITION (CONTINUED)

FINANCIAL PERFORMANCE

Through constant monitoring of operations and performance and through agile responses to changing conditions, the Township has been able to maintain its financial condition despite external challenges. A conservative financial management policy has directed the Township's finances for the past decade and that policy is frequently reviewed in light of changing conditions, but infrequently modified to ensure long-term continuity and continues positive performance.

LONG-TERM FINANCIAL PLANNING

As part of the Township's budget process, the Township adopts a formal 10 year Capital Improvement Plan for all structures, equipment, parks, and transportation projects, with the current year being incorporated into the Township budget. In 2018 the Township developed a 10-year pavement management plan for the maintenance and replacement of Township roadways. Excess General Fund balances, balances available after meeting the General Fund Balance Policy, are annually allocated to construction funds, park development funds, building and equipment replacement funds. In addition the Township's financing policies have positioned the Township to meet future infrastructure improvements without significant or unexpected tax levy or rate increases. Moody's has recognized this policy by stating, "Moody's expects the Township's financial position to remain healthy due to a historical trend of conservative financial management, further evidenced by consecutive operating surpluses and strong reserve balances."

The Township continues the multi-year development of Polar Lakes Community Park which began in 2000. Improvements are added to the park as funds become available. Current projects include the construction of the amphitheatre, which was begun in 2008 and will include a stage, band shell, and dancing surface and drainage improvements to the baseball fields. These park improvements are being done on a pay-as-you-go basis through the collection of annual billboard leases, park development fees, and interest earnings. The continued development of this park is being facilitated through the Township's 10-year capital plan and related cash flow analysis.

The Township continues to work closely with state, federal, and neighboring communities to improve the area's state and county transportation network, including upgrading highways. The Township is also working to upgrade its own roads and when possible include pathways into improvements. These improvements are outlined in the Township's 10-year pavement management plan. Funding for transportation will come from state, county, and federal sources where available, with some portions supported by the local taxpayers through special assessments and property tax levies.

The Township annually reviews its water, sanitary sewer, and storm water rates to assure the revenues generated from these rates will cover operation and capital costs, including 75% of asset depreciation. The annual rate study includes projecting revenue and expenses for the next 10 years and incorporates the Township's 10-year capital plan and pavement management plan, along with cash flow analysis to project the proper rates. Any rate adjustments are approved by the Town Board and implemented with the winter quarterly billing (January – March) cycle.

RELEVANT FINANCIAL POLICIES

Trends of the past decade, changes in state aid and credit programs, and recent legislation indicates that the Township will have an even greater reliance on service fees and property taxes as a source of financing operations in the future and significantly less reliance on intergovernmental revenues (federal and state) and building and development related fees. Changes in state tax law over the past few years have resulted in funding changes for local governments. The fact the Township receives no local government aid and the elimination of the market value homestead credit (MVHC) program in the past have continued to impact the Township. In addition, as stated previously as the Township approaches full development, we anticipate future reductions in building and development related activities and revenues.

FISCAL STEWARDSHIP

The Township maintains a set of Financial Management Policies which among several factors provides that one-time revenue sources should fund capital improvements rather than operations and that sufficient cash reserves must be maintained to avoid short-term borrowing or significant tax levy increases.

The Township's computations of its direct debt and legal debt margin reports that it has less than 1.75% of its obligations that have general property taxes as the sole source of revenue. The Township has approximately 98.25% of its legal debt limit, or \$41,755,175 available for debt bonding as of December 31, 2018.

The Township continued to lower its debt limit percentage from 4.78% in 2006 to 1.75% in 2018. This decrease was achieved by adherence to the Township's Financial Management Policies. The Debt Policies, which restrict long-term borrowing for capital improvements that cannot be funded from operating revenues or reserves, has been the catalyst for achieving the debt reduction.

The outstanding debt as of December 31, 2018 was \$1,640,000 compared to \$3,375,000 at the end of 2016. The Township did not issue any new debt or refund any existing debt in 2018.

PENSION BENEFITS

All full-time and certain part-time employees of White Bear Township are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost sharing, multiple-employer retirement plan.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All members must participate in the Coordinated Plan since July 1, 1968. The Township's covered employees are all Coordinated Plan members.

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 five (5) years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Additional information on White Bear Township's pension plan can be found in Note 5 in the notes to the financial statements.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

White Bear Township, by State Statute, is required to offer certain employees who qualify for PERA retirement the option of purchasing health insurance through the Township's current plan. Retirees are required to reimburse the Township for the entire premium cost. An Actuarial Valuation using the Alternative Measurement Method on the Township's implicit cost related to the benefit determined that any liability was determined to be immaterial.

STATISTICAL SECTION

The statistical section presents comparative statistical data for the past ten years, and other pertinent information involving taxes, revenues, expenditures and bonded debt. The unaudited data should be of interest to investors of White Bear Township bonds, financial institutions, or others interested in financial statistics of municipal governments.

The statistical section presents detailed information as a context for the reader to understand the Township's overall financial well-being. This detailed information is organized and presented in five categories: 1) Financial Trends – how the Township's financial performance has changed over time; 2) Revenue Capacity – indicates how the Township's major revenue source (property tax) has changed over time; 3) Debt Capacity – assess the Township's ability to issue future additional debt; 4) Demographic and Economic Information – presents the overall environment in which the Township's financial activities occur; and 5) Operating Information – indicates how the Township's financial report relates to the services and activities that the Township provides.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. Significant staff time has been invested modifying the statistical section to ensure that 10 years of statistical information is available.

AWARD FOR ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to White Bear Township for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the 22nd consecutive year that the Township has received this prestigious award.

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

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current report continues to comply with reporting requirements and adhere to program requirements. The December 31, 2018 financial report will be submitted to the GFOA to determine its eligibility for another certificate.

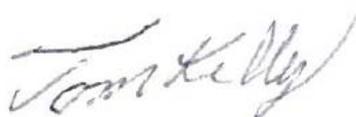
ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the dedicated services of the Finance Officer and finance staff. I would like to express my appreciation to all of those who assisted and contributed to the preparation of this report. Recognition is also extended to the Township Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of White Bear Township's financial operations.

Respectfully submitted,



Patrick Christopherson
Clerk-Treasurer



Tom Kelly
Finance Officer

**WHITE BEAR TOWNSHIP, MINNESOTA
TOWNSHIP OFFICIALS AND PERSONNEL
DECEMBER 31, 2018**

WHITE BEAR TOWNSHIP

1281 Hammond Road
White Bear Township, Minnesota 55110

Phone (651) 747-2750

Fax (651) 426-2258

Website: www.ci.white-bear-township.mn.us

E-Mail Address: wbt@ci.white-bear-township.mn.us

Office Hours: Weekdays 7:00 a.m. - 4:30 p.m.

TOWNSHIP BOARD OF SUPERVISORS

Robert Kermes

Chair

Steve Ruzek
Supervisor

Ed Prudhon
Supervisor

TOWNSHIP STAFF

Patrick Christopherson, Clerk-Treasurer

Mike Johnson, Code Enforcement Officer

Karen Edson, Administrative Secretary

Patti Walstad, Administrative Secretary/Para Legal

Tom Kelly, Finance Officer

Lynette Olinger, Accounting Clerk

Tori Leonhardt, Administrative Secretary/Accounting Clerk

Tom Riedesel, Planner

Dale Reed, Public Works Director

Peter Tholen, Public Works Superintendent

Karl Stuemke, Public Works Maintenance Person

Reed Walstad, Public Works Maintenance Person

Rick Lillie, Public Works Maintenance Person

Corey Triemert, Public Works Maintenance Person

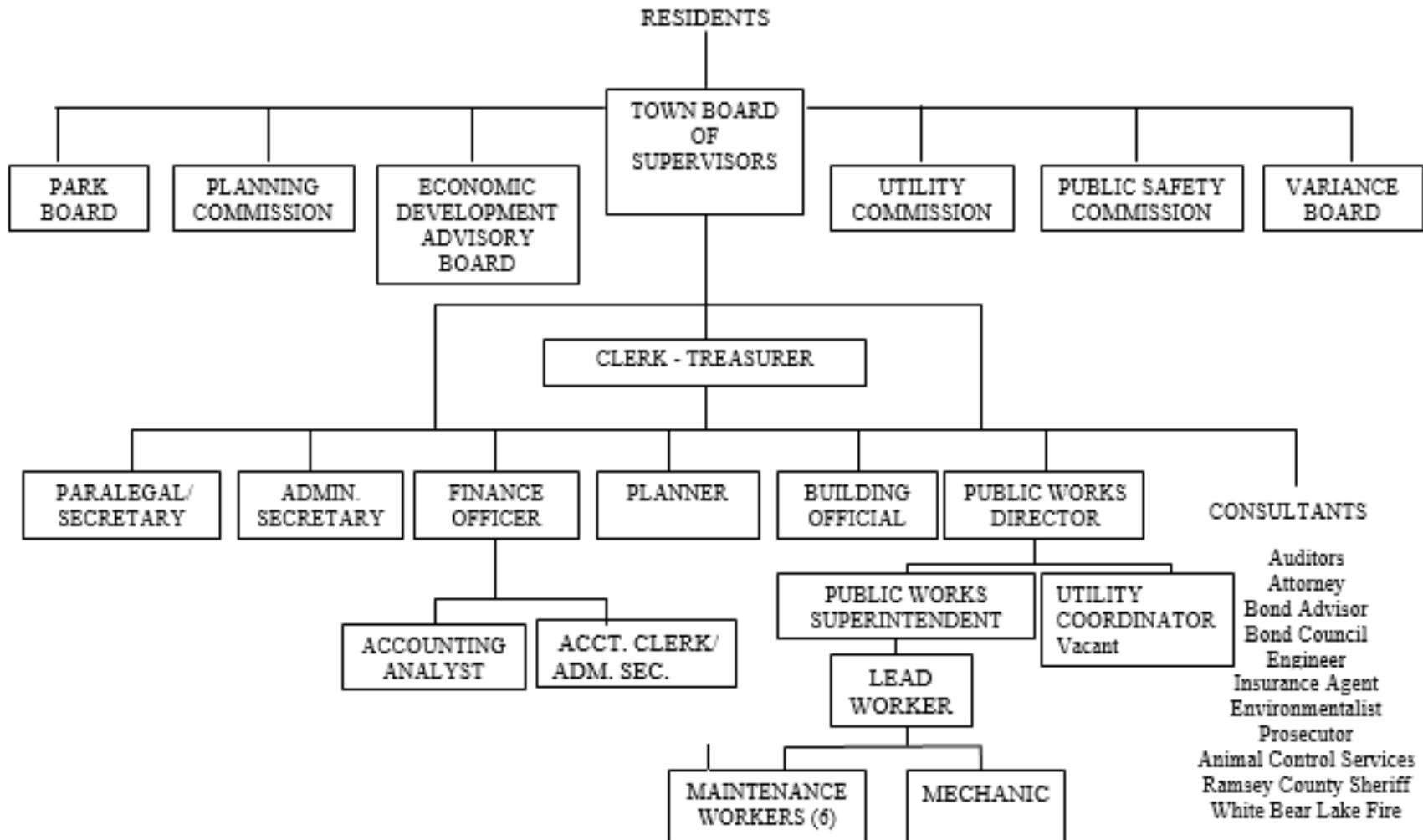
Paul Peltier, Public Works Lead Person

Matt Schneider, Public Works Maintenance Person

Greg Horst, Public Works Maintenance Person

Gerald Magnuson, Mechanic

**WHITE BEAR TOWNSHIP, MINNESOTA
ORGANIZATION CHART
DECEMBER 31, 2018**



NOTE: The Clerk-Treasurer is responsible for direct supervision of all Town staff and consultants. However, the Town Board of Supervisors at times does work directly with Town staff. The Board of Supervisors is also responsible for the hiring and dismissal of all Town staff and consultants. Currently the Township does have a vacant public works maintenance position.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**White Bear Township
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

II.
FINANCIAL
SECTION



INDEPENDENT AUDITORS' REPORT

Township Board of Supervisors
White Bear Township, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township (Township), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

For the year ended December 31, 2018, the Township restated beginning net position in the business-type activities and the sewer fund to correct an error in previously issued financial statements (see Note 11). Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the Township's proportionate share of net pension liability, and schedule of the Township's pension contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise White Bear Township's basic financial statements. The combining fund financial statements and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements (the supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 15, 2019

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

This discussion and analysis presents an overview of the financial activities and financial position for White Bear Township for the fiscal year ended December 31, 2018. The discussion and analysis is intended to be read in conjunction with additional information that we have furnished in our letter of transmittal in the Introductory Section, and the Township's financial statements presented in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of White Bear Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$42,241,903 position). Of this amount, \$8,975,776 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors in accordance with the Township's fund designations and financial management policies.
- The Township's total net position decreased by \$1,068,923 during 2018.
- As of the close of the current fiscal year, White Bear Township's governmental funds reported combined ending fund balances of \$7,610,862. 79.1% of this total amount, \$6,019,582, is available for use within the Township's designations and policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,114,691, or 99.6% of total general fund expenditures.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

The Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These reports provide information about the activities of the Township as a whole and present a long-term view of the City's finances.

Fund financial statements provide information about governmental activities by showing how services are financed in the short-term, as well as the amount remaining for future spending. These statements also report the Township's operations in more detail than the government-wide statements by highlighting White Bear Township's most significant funds.

The Notes to the Financial Statements contain additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and are presented in a separate section of this report.

REPORTING THE TOWNSHIP AS A WHOLE

Our analysis of White Bear Township as a whole begins with the Statement of Net Position and the Statement of Activities. One of the most important questions asked about the Township's finances is, "Is White Bear Township as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report White Bear Township's net position and changes in them. The Township's net position can be used as a way of measuring the financial health or financial position. Over time, increases and decreases in the Township's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the property tax base and the condition of infrastructure to assess the overall health of White Bear Township.

The government-wide financial statements can be found on pages 22-24 of this report.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

FUND FINANCIAL STATEMENTS

Our analysis of White Bear Township's major funds begins with the funds financial statements and provides detailed information about the most significant funds – not the Township as whole. Some funds are required to be established by state law and by bond covenants. However, the Township Board of Supervisors establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes and other money (like grants received). White Bear Township's two kinds of funds – *governmental and proprietary* – use different accounting approaches.

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

The governmental fund financial statements can be found on pages 25-28 of this report.

Proprietary Funds – White Bear Township charges customers for the services it provides – whether to outside customers or to other units of the Township – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Township's enterprise funds are the same as business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to fully understand the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements can be found on pages 32-55 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes budgetary compliance schedules for the General Fund and Economic Development Fund on pages 56 and 57 as well as Budget Compliance Information on page 58. The Township's Pension Liability and Contributions information can be found on pages 59 and 60. Combining statements referred to earlier in conjunction with nonmajor governmental funds can be found on pages 61-64.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Township's financial position over time. White Bear Township's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,241,903 at the close of the fiscal year ended December 31, 2018. By far the largest portion of White Bear Township's net position (\$31,429,586) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. White Bear Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Table 1
STATEMENT OF NET POSITION**

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current and Other Assets | \$ 10,385,091 | \$ 11,106,742 | \$ 4,158,858 | \$ 3,359,599 | \$ 14,543,949 | \$ 14,466,341 |
| Capital Assets | 15,303,178 | 15,014,799 | 17,745,177 | 17,312,769 | 33,048,355 | 32,327,568 |
| Total Assets | <u>25,688,269</u> | <u>26,121,541</u> | <u>21,904,035</u> | <u>20,672,368</u> | <u>47,592,304</u> | <u>46,793,909</u> |
| Deferred Outflows of Resources | 195,286 | 202,787 | 73,877 | 124,966 | 269,163 | 327,753 |
| Noncurrent Liabilities Outstanding | 2,138,391 | 2,131,244 | 1,198,196 | 1,610,420 | 3,336,587 | 3,741,664 |
| Other Liabilities | 459,112 | 1,794,503 | 205,366 | 388,373 | 664,478 | 2,182,876 |
| Total Liabilities | <u>2,597,503</u> | <u>3,925,747</u> | <u>1,403,562</u> | <u>1,998,793</u> | <u>4,001,065</u> | <u>5,924,540</u> |
| Deferred Inflows of Resources | <u>292,785</u> | <u>160,215</u> | <u>110,759</u> | <u>98,731</u> | <u>403,544</u> | <u>258,946</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 14,513,571 | 14,045,226 | 16,916,015 | 15,992,846 | 31,429,586 | 30,038,072 |
| Restricted | 1,836,541 | 2,725,600 | - | - | 1,836,541 | 2,725,600 |
| Unrestricted | <u>5,428,200</u> | <u>5,467,540</u> | <u>3,547,576</u> | <u>2,706,964</u> | <u>8,975,776</u> | <u>8,174,504</u> |
| Total Net Position | <u>\$ 21,778,312</u> | <u>\$ 22,238,366</u> | <u>\$ 20,463,591</u> | <u>\$ 18,699,810</u> | <u>\$ 42,241,903</u> | <u>\$ 40,938,176</u> |

Restricted net position comprises \$1,836,541 of total net position. These assets are subject to external restrictions on how they may be used. The restrictions are related to legal bond covenants and state statutes.

The remaining balance totals \$8,975,776, which represents 21.25% of the net position. This unrestricted net position may be used to meet the Township's ongoing operations to citizens and creditors or may have Board-imposed restrictions that limit how this net position may be used.

CHANGES IN NET POSITION

Net position of the Township increased \$1,068,923, or 2.6% during the current fiscal year, as shown on the following table. The governmental activities experienced a decrease of \$460,054 in net position for that period and the business-type activities experienced a \$1,528,977 increase. The decrease in the governmental activities is mostly due to the transfer of \$652,732 in capital assets to business-type activities. The increase in the business-type activities net position was also partially due to the transfer in of capital assets from governmental activities. The remaining increase is due to a decrease in supplies and materials in the water fund as the prior year had the large northeast water tower maintenance project which added almost another million dollars to repairs and maintenance expenses in the water fund.

More details that account for the change in net position are provided in the following analysis of the governmental and business-type activities.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

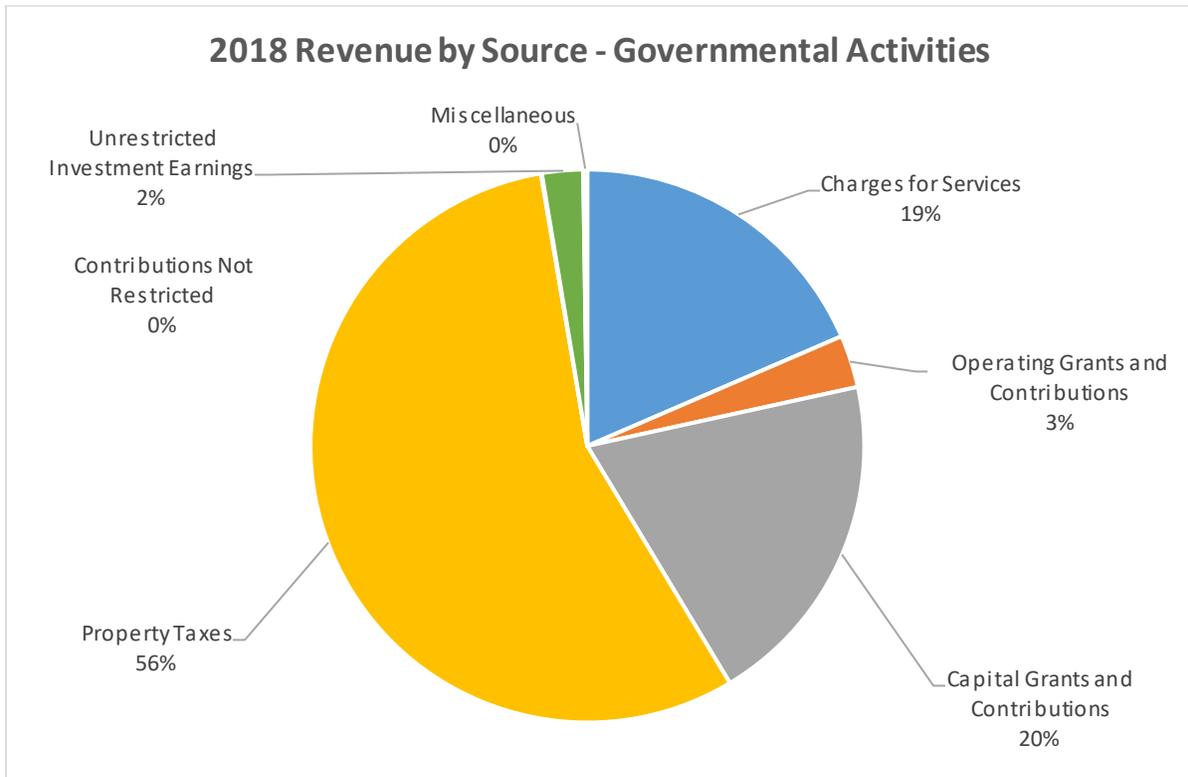
CHANGES IN NET POSITION (CONTINUED)

**Table 2
STATEMENT OF ACTIVITIES**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 1,246,140 | \$ 755,834 | \$ 4,501,770 | \$ 4,507,397 | \$ 5,747,910 | \$ 5,263,231 |
| Operating Grants and Contributions | 206,100 | 185,255 | - | - | 206,100 | 185,255 |
| Capital Grants and Contributions | 1,335,198 | 32,714 | 31,300 | - | 1,366,498 | 32,714 |
| General Revenues: | | | | | | |
| Property Taxes | 3,765,504 | 3,585,171 | - | - | 3,765,504 | 3,585,171 |
| Contributions Not Restricted to Specific Programs | 4,281 | 4,281 | - | - | 4,281 | 4,281 |
| Unrestricted Investment Earnings | 160,858 | 199,915 | (10,250) | 22,984 | 150,608 | 222,899 |
| Miscellaneous | 16,239 | 431,286 | - | - | 16,239 | 431,286 |
| Total Revenues | <u>6,734,320</u> | <u>5,194,456</u> | <u>4,522,820</u> | <u>4,530,381</u> | <u>11,257,140</u> | <u>9,724,837</u> |
| EXPENSES | | | | | | |
| General Government | 1,204,114 | 1,015,785 | - | - | 1,204,114 | 1,015,785 |
| Public Safety | 1,305,225 | 1,220,765 | - | - | 1,305,225 | 1,220,765 |
| Public Service | 2,058,800 | 1,599,838 | - | - | 2,058,800 | 1,599,838 |
| Parks, Recreation, and Forestry | 746,173 | 631,597 | - | - | 746,173 | 631,597 |
| Community Development | 1,203,982 | 560,489 | - | - | 1,203,982 | 560,489 |
| Interest and Fiscal Charges | 23,348 | 39,290 | - | - | 23,348 | 39,290 |
| Water Utility | - | - | 1,432,155 | 2,682,754 | 1,432,155 | 2,682,754 |
| Sewer Utility | - | - | 1,942,370 | 2,048,861 | 1,942,370 | 2,048,861 |
| Storm Sewer Utility | - | - | 272,050 | 244,932 | 272,050 | 244,932 |
| Total Expenses | <u>6,541,642</u> | <u>5,067,764</u> | <u>3,646,575</u> | <u>4,976,547</u> | <u>10,188,217</u> | <u>10,044,311</u> |
| CHANGE IN NET POSITION | | | | | | |
| BEFORE TRANSFERS | 192,678 | 126,692 | 876,245 | (446,166) | 1,068,923 | (319,474) |
| Transfers | (652,732) | - | 652,732 | - | - | - |
| CHANGE IN NET POSITION | (460,054) | 126,692 | 1,528,977 | (446,166) | 1,068,923 | (319,474) |
| Net Position - Beginning of Year | 22,238,366 | 22,111,674 | 18,699,810 | 19,145,976 | 40,938,176 | 41,257,650 |
| Prior Period Restatement | - | - | 234,804 | - | 234,804 | - |
| Net Position - Beginning of Year, as Restated | <u>22,238,366</u> | <u>22,111,674</u> | <u>18,934,614</u> | <u>19,145,976</u> | <u>41,172,980</u> | <u>41,257,650</u> |
| NET POSITION - END OF YEAR | <u>\$ 21,778,312</u> | <u>\$ 22,238,366</u> | <u>\$ 20,463,591</u> | <u>\$ 18,699,810</u> | <u>\$ 42,241,903</u> | <u>\$ 40,938,176</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

GOVERNMENTAL ACTIVITIES



The Governmental Activities net position decreased by \$460,054, which represents a 2.1% decrease in net position.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At December 31, 2018, the Township's governmental funds reported combined fund balances of \$7,610,862. Of this total, \$4,114,691, or 79.1%, is unrestricted and assigned fund balance. The remaining \$1,591,280 of fund balance is either nonspendable or restricted as follows:

- Prepaid Items of \$9,609
- Debt Retirement of \$631,736
- Economic Development Activities of \$943,550
- Park Developments of \$6,385

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Fund level governmental revenues increased \$1,405,087, or 25.9% compared to 2017. Key elements of this change are as follows:

- General property taxes increased \$187,114 or 5.2%. The increase was due an increase in the General tax levy to fund general operations of the Township.
- Charges for services increased \$77,313, or 42.6%. The increase was due to additional engineering billings for the new Three Oaks Development Project in the Township.
- Investment earnings increased \$174,549 or 96.0%. The increase was due to better market conditions for the investments in which the Townships invests in 2018 in comparison to 2017.
- Miscellaneous revenues increased \$1,007,438, or 222.4%. This increase was due to reimbursements from a related escrow account for costs incurred by the Township for the Pine Hill and Three Oaks Developments.

Fund level expenditures, excluding debt service payments, increased by \$2,541,036 or 56.2%, compared to 2017. Key elements of this net change are as follows:

- Public Works expenditures increased \$127,842, or 14.2%. This increase was partially due to increased expenditures for motor fuels and chemicals to treat the roads during snow events and street repair materials. Also park improvement expenditures increased related to the Eagle Park tennis court removal and replacement project.
- Parks, Recreation, and Forestry expenditures increased \$192,676, or 45.6%, due to an increase in general fund equipment rental expenditures related to internal funding of current and future park improvements.
- Community Development expenditures increased \$1,103,514, or 147.5%, due to increased expenditures related to a commercial development in 2018 which has been partially recorded to land held for resale up to the estimated value of the property.
- Capital Outlay expenditures increased \$1,232,483, or 272.7%, due to infrastructure improvements to the new Three Oaks residential development project that occurred during 2018.

General Fund. The General Fund is the chief operating fund of the Township. In 2018, fund balance in the General Fund increased by \$354,983 or 9.4%, whereas in the prior year, fund balance in the General Fund increased by \$346,267 or 10%. Key differences between the current and prior year change in General Fund fund balance include the following:

- General property taxes increased \$235,168 or 7.9%. The increase was due to an increase in the amount of property taxes levied to pay for general operations of the Township.
- Charges for services increased \$79,713, or 45.6%. The increase was due to more development activities in 2018.
- Special assessment revenues increased \$70,335. The increase was related to collections on special assessments that had been certified for the clean up of a property in 2018.
- General fund expenditures increased by \$385,050, or 9.9%. This increase was primarily due to an increase in Parks, Recreation, and Forestry expenditures related to an increase in equipment rental expenditures. The remainder of the increase was due to an increase in general government expenditures related to increase expenditures to complete the update of the Township's Comprehensive Plan as well as an increase in public safety expenditures related to increased police and fire contractual services expenditures.
- General Fund transfers out decreased \$82,801 or 51.2%. The decrease was due to prior transfers to other Township funds to lower the General Fund's reserves down according to the Township's fund balance policy in 2017.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

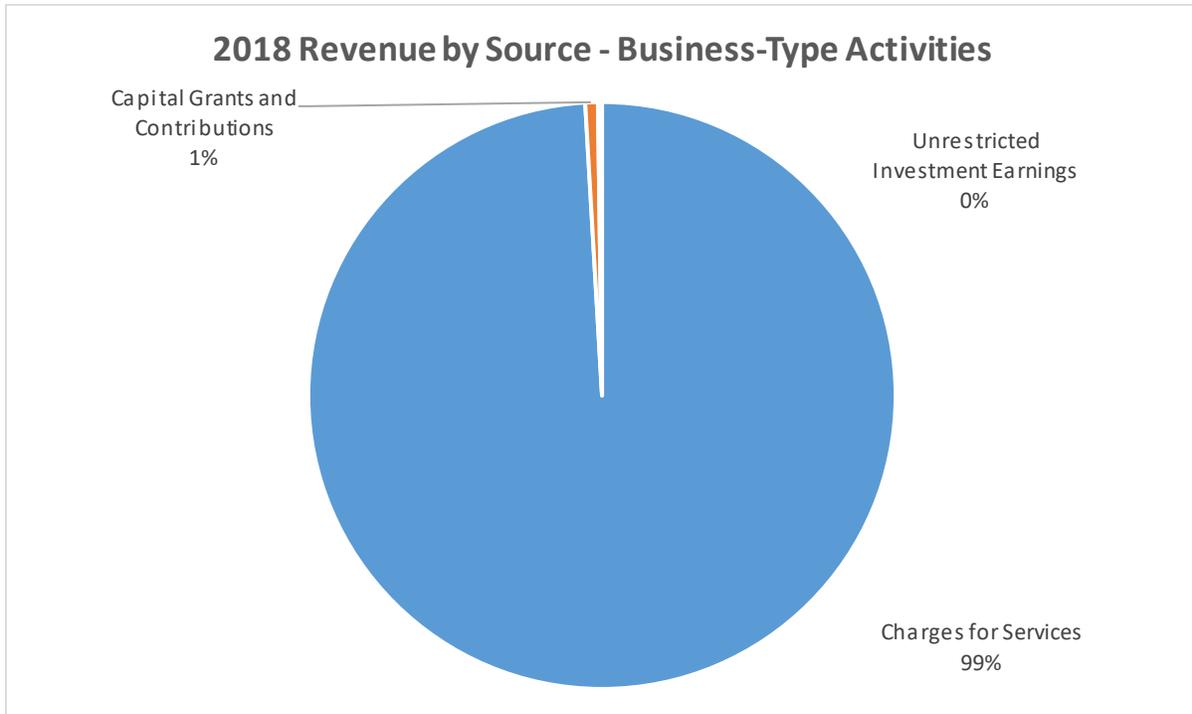
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Economic Development Fund. The fund balance of the Economic Development Fund decreased by \$643,146 or 40.5% as a result of increased community development expenditures related to increased expenditures for a commercial development in 2018 which has been partially recorded to land held for resale up to the estimated value of the property.

2011 G.O. Improvement Bonds Fund. The 2011A G.O. Improvement Bonds Fund ended with a fund balance of \$481,635 due to the continued collection of special assessments and debt service payments.

Improvement Fund. The decrease of \$327,544 in the fund balance of the Improvement Fund was due to capital outlay incurred related to the Three Oak Development.

BUSINESS-TYPE ACTIVITIES



Net position of the business-type activities increased by \$1,528,977. This results from net position in the water fund, sewer fund, and Storm Water operations increasing. The change across business-type activities was as follows:

| | |
|-------------|------------|
| Water | \$ 851,283 |
| Sewer | 221,826 |
| Storm Water | 455,868 |

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

BUSINESS-TYPE ACTIVITIES (CONTINUED)

- The Water Fund net position increase reflects revenues exceeding expenditures by \$461,737. Operating revenue increased by \$376,911 due to increased water rates and usage. Operational expenses decreased \$1,241,268 due to prior year expenses for the NE Water Tower maintenance project that did not recur in 2018.
- The Sewer Fund net position increase reflects revenues exceeding expenses by \$84,430. Operating revenue decreased by \$426,935 due to a prior year special assessment for a sewer-lining project. Operational expenses decreased \$106,050 due mainly to a decrease in materials and supplies expenses.
- Storm Water Fund net position increase reflects revenues exceeding expense by \$330,078. Operating revenue increased by \$36,648 due to a slight increase in usage. Operational expenses increased \$27,334 primarily due to an increase in supplies and materials expenses for sanitary sewer pipe lining.

The business-type activities operating expense decreased by \$1,319,984 for fiscal year 2018 compared to 2017 and included the following funds changes in operating expense:

| <u>Activity</u> | <u>Change</u> |
|-----------------|---------------|
| Water | (\$1,241,268) |
| Sewer | (106,050) |
| Storm Water | 27,334 |

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Supervisors did not revise the Township's budget during the year for changes to the adopted budget during 2018. Rather these changes were absorbed by excess revenues or shifting and reprioritizing of expenditures throughout the year.

General Fund actual revenues were \$44,082 over the adopted budget amounts. The overage in actual revenues were directly attributable to higher than expected collections of property taxes within the Township's period of availability, greater investment earnings than expected, charges for services being higher than expected due to higher than anticipated time spent and charged on activities for other neighboring communities per agreements, miscellaneous revenues being higher than expected related to equipment charges.

General Fund actual expenditures were \$506,480 below the adopted budget amounts for 2018. All expenditure categories came in below budget, except for general government general by \$23,579, general government code enforcement by \$9,991, general government town buildings by \$13,793, public safety police and traffic control by \$2,691, public works general by \$6,197, and community development by \$39,125.

Fund balance in the General Fund increased \$354,983 for 2018, however, the Township maintains \$1,849,423 its fund balance for future building and equipment improvements and replacements, which leaves \$2,280,473 in fund balance which meets the Township's fund balance policy levels at the end of 2018.

CAPITAL ASSETS

The Township's investment in Capital Assets for its governmental and business-type activities as of December 31, 2018 totals \$33,048,355 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, park facilities, streets, water, sewer, and storm water infrastructure and represents a net increase (including additions and deletions) of \$720,788 compared to 2017.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

CAPITAL ASSETS (CONTINUED)

The increase in net capital assets is due to the value of 2018 capital asset additions exceeding 2018 depreciation.

The depreciation of capital assets for the current fiscal year includes the following:

- Governmental funds infrastructure totaling \$358,181
- Governmental funds buildings totaling \$207,652
- Governmental funds vehicles and equipment totaling \$226,390
- Business-type infrastructure totaling \$550,373
- Business-type buildings totaling \$163,061
- Business-type vehicles and equipment totaling \$45,461

A summary of the net changes in capital assets for 2018 is shown on the following chart:

White Bear Township's Capital Assets
(Net of Accumulated Depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Land | \$ 4,016,102 | \$ 4,016,102 | \$ - | \$ - | \$ 4,016,102 | \$ 4,016,102 |
| Construction in Progress | 1,404,699 | 1,115,609 | 282,987 | 1,671,712 | 1,687,686 | 2,787,321 |
| Buildings | 2,864,396 | 2,752,282 | 1,631,320 | 1,649,159 | 4,495,716 | 4,401,441 |
| Vehicles and Equipment | 900,187 | 973,669 | 161,323 | 177,557 | 1,061,510 | 1,151,226 |
| Machinery and Shop Equipment | 784,891 | 721,306 | (64,096) | (60,623) | 720,795 | 660,683 |
| Office Furniture and Equipment | 57,260 | 67,351 | 347,509 | 371,227 | 404,769 | 438,578 |
| Infrastructure | 5,275,643 | 5,368,480 | 15,386,134 | 13,503,736 | 20,661,777 | 18,872,216 |
| Capital Assets, Net | <u>\$ 15,303,178</u> | <u>\$ 15,014,799</u> | <u>\$ 17,745,177</u> | <u>\$ 17,312,768</u> | <u>\$ 33,048,355</u> | <u>\$ 32,327,567</u> |

Additional information on the Township's capital assets can be found in Note 3 of this report.

LONG-TERM DEBT

White Bear Township's Outstanding Long-Term Liabilities

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| G.O. Bonds | \$ 921,820 | \$ 1,238,905 | \$ - | \$ - | \$ 921,820 | \$ 1,238,905 |
| G.O. Revenue Bonds | - | - | 718,180 | 1,051,095 | 718,180 | 1,051,095 |
| Net Pension Liability | 1,131,708 | 1,015,586 | 428,125 | 632,673 | 1,559,833 | 1,648,259 |
| Compensated Absences Payable | 88,565 | 91,053 | 51,891 | 57,455 | 140,456 | 148,508 |
| Total Outstanding Debt | <u>\$ 2,142,093</u> | <u>\$ 2,345,544</u> | <u>\$ 1,198,196</u> | <u>\$ 1,741,223</u> | <u>\$ 3,340,289</u> | <u>\$ 4,086,767</u> |

White Bear Township has \$1,640,000 in bonds outstanding at December 31, 2018 compared to \$2,290,000 last year. The decrease results from the payment of the annual principal balance, which totaled \$1,085,000.

The Township has maintained an "Aa3" bond rating from Moody's Investor Service on its debt since 2005. During 2010, Moody's recalibrated its U.S. Municipal Scale Underlying and Enhanced Ratings to the Global Scale which resulted in an automatic rating upgrade to "Aa2" for all Township debt. The Township had another rating completed in September of 2011 when it issued the 2011A, 2011B, and 2011C bonds, and the rating remained at Aa2.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

LONG-TERM DEBT (CONTINUED)

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total Estimated Market Value. The debt limit for the Township as of December 31, 2018 was \$42,496,995 compared to \$39,349,350 for 2017. The outstanding balance of \$741,820 on the Public Facilities Bond issued in 2004 represents 1.75% of the total debt limit and is chargeable against the total debt limit and results in a Legal Debt Margin for 2018 of \$41,755,175.

Additional information on White Bear Township's long-term debt can be found in Note 4 of this report.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The Township's appointed officials considered many factors when developing the 2019 budget and establishing the 2018 tax levy collectible in 2019 and appropriate fees that will be charged by business-type activities. With the focus on sustainability, the 2019 budget was prepared with emphasis on ensuring current operational needs will be met as well as meeting long-term capital requirements. Through constant adherence to its fiscal policies and with the formal adoption of the Township's 10-year Capital Improvement Plan, the Township is expected to address long-term financial demands without causing significant fluctuation in the Township's tax burden.

For the fifth consecutive year the Township's tax base increased due to increased home and commercial values. This increase allows Township officials to keep the property tax rates as low as possible to minimize the effects of property tax increases to property owners without affecting services and the Township's fund balance reserves.

Contact Information

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department at White Bear Township, 1281 Hammond Road, White Bear Township, Minnesota 55110, by email at wbt@ci.white-bear-Township.mn.us or by phone at (651) 747-2750.

BASIC FINANCIAL STATEMENTS

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 8,353,716 | \$ 2,306,686 | \$ 10,660,402 |
| Accrued Interest Receivable | 64,918 | 15,140 | 80,058 |
| Accounts Receivable | 105,577 | 1,533,201 | 1,638,778 |
| Interfund Balances | 404,391 | (404,391) | - |
| Due from Other Governments | 68,023 | 3,550 | 71,573 |
| Taxes Receivable | 120,476 | - | 120,476 |
| Special Assessments Receivable | 537,605 | 621,618 | 1,159,223 |
| Prepaid Items | 9,609 | 83,054 | 92,663 |
| Land Held for Resale | 720,776 | - | 720,776 |
| Capital Assets: | | | |
| Land | 4,016,102 | - | 4,016,102 |
| Construction in Progress | 1,404,699 | 282,987 | 1,687,686 |
| Other Capital Assets, Net of Depreciation | 9,882,377 | 17,462,190 | 27,344,567 |
| Total Assets | <u>25,688,269</u> | <u>21,904,035</u> | <u>47,592,304</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows - Pensions | 195,286 | 73,877 | 269,163 |
| LIABILITIES | | | |
| Accounts Payable | 411,157 | 55,620 | 466,777 |
| Salaries Payable | 22,545 | 13,379 | 35,924 |
| Contracts Payable | - | 110,982 | 110,982 |
| Accrued Interest Payable | 7,821 | 7,802 | 15,623 |
| Due to Other Governments | 9,832 | - | 9,832 |
| Developer Deposits | 1,214,955 | - | 1,214,955 |
| Unearned Revenue | 7,757 | 17,583 | 25,340 |
| Noncurrent Liabilities: | | | |
| Due Within One Year: | | | |
| Compensated Absences | 60,329 | 29,676 | 90,005 |
| Bonds Payable | 321,820 | 358,180 | 680,000 |
| Due in More Than One Year: | | | |
| Compensated Absences | 28,236 | 22,215 | 50,451 |
| Bonds Payable | 596,298 | 360,000 | 956,298 |
| Net Pension Liability | 1,131,708 | 428,125 | 1,559,833 |
| Total Liabilities | <u>3,812,458</u> | <u>1,403,562</u> | <u>5,216,020</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows - Pensions | <u>292,785</u> | <u>110,759</u> | <u>403,544</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 14,513,571 | 16,916,015 | 31,429,586 |
| Restricted for: | | | |
| Debt Service | 886,606 | - | 886,606 |
| Economic Development Activities | 943,550 | - | 943,550 |
| Park Development | 6,385 | - | 6,385 |
| Unrestricted | 5,428,200 | 3,547,576 | 8,975,776 |
| Total Net Position | <u>\$ 21,778,312</u> | <u>\$ 20,463,591</u> | <u>\$ 42,241,903</u> |

See accompanying Notes to Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|---------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| GOVERNMENTAL ACTIVITIES | | | | |
| General Government | \$ 1,204,114 | \$ 741,348 | \$ 132,740 | \$ 1,021 |
| Public Safety | 1,305,225 | 26,937 | 48,282 | - |
| Public Works | 2,058,800 | 385,990 | 25,078 | 1,127,877 |
| Parks, Recreation, and Forestry | 746,173 | 64,636 | - | 206,300 |
| Community Development | 1,203,982 | 27,229 | - | - |
| Interest on Long-Term Debt | 23,348 | - | - | - |
| Total Governmental Activities | 6,541,642 | 1,246,140 | 206,100 | 1,335,198 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Water | 1,432,155 | 1,898,215 | - | - |
| Sewer | 1,942,370 | 2,058,417 | - | - |
| Storm Sewer | 272,050 | 545,138 | - | 31,300 |
| Total Business-Type Activities | 3,646,575 | 4,501,770 | - | 31,300 |
| Total | \$ 10,188,217 | \$ 5,747,910 | \$ 206,100 | \$ 1,366,498 |

General Revenues:

Taxes:

Property Taxes, Levied for General Purpose

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings (Losses)

Gain on Disposal of Capital Assets

Other

Transfers

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

Prior Period Restatement (See Note 11)

Net Position - Beginning of Year, as Restated

NET POSITION - END OF YEAR

**WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2018**

| <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|-------------------------------------|----------------------|
| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| \$ (329,005) | \$ - | \$ (329,005) |
| (1,230,006) | - | (1,230,006) |
| (519,855) | - | (519,855) |
| (475,237) | - | (475,237) |
| (1,176,753) | - | (1,176,753) |
| (23,348) | - | (23,348) |
| <u>(3,754,204)</u> | <u>-</u> | <u>(3,754,204)</u> |
| - | 466,060 | 466,060 |
| - | 116,047 | 116,047 |
| - | 304,388 | 304,388 |
| <u>-</u> | <u>886,495</u> | <u>886,495</u> |
| <u>(3,754,204)</u> | <u>886,495</u> | <u>(2,867,709)</u> |
| 3,765,504 | - | 3,765,504 |
| 4,281 | - | 4,281 |
| 160,858 | (10,250) | 150,608 |
| 11,363 | - | 11,363 |
| 4,876 | - | 4,876 |
| (652,732) | 652,732 | - |
| <u>3,294,150</u> | <u>642,482</u> | <u>3,936,632</u> |
| (460,054) | 1,528,977 | 1,068,923 |
| 22,238,366 | 18,699,810 | 40,938,176 |
| - | 234,804 | 234,804 |
| <u>22,238,366</u> | <u>18,934,614</u> | <u>41,172,980</u> |
| <u>\$ 21,778,312</u> | <u>\$ 20,463,591</u> | <u>\$ 42,241,903</u> |

See accompanying Notes to Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

| | General | Economic Development Authority | G.O. Improvement Bonds 2011A | Improvement Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------------|---------------------------------------|---------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and Investments | \$ 3,662,383 | \$ 374,610 | \$ 476,374 | \$ 1,946,020 | \$ 1,346,256 | \$ 7,805,643 |
| Accrued Interest Receivable | 24,387 | 3,983 | 3,236 | 18,736 | 10,116 | 60,458 |
| Accounts Receivable | 23,576 | 82,001 | - | - | - | 105,577 |
| Due from Other Governmental Units | 68,023 | - | - | - | - | 68,023 |
| Interfund Receivable | 404,391 | - | - | - | - | 404,391 |
| Taxes Receivable: | | | | | | |
| Delinquent | 31,754 | - | - | - | - | 31,754 |
| Current | 81,864 | 6,858 | - | - | - | 88,722 |
| Special Assessments Receivable: | | | | | | |
| Delinquent | 3,863 | - | 2,025 | 4,447 | - | 10,335 |
| Other | 40,901 | - | 262,691 | 223,344 | 334 | 527,270 |
| Prepaid Items | 9,609 | - | - | - | - | 9,609 |
| Land Held for Resale | - | 720,776 | - | - | - | 720,776 |
| Total Assets | \$ 4,350,751 | \$ 1,188,228 | \$ 744,326 | \$ 2,192,547 | \$ 1,356,706 | \$ 9,832,558 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 114,540 | \$ 244,678 | \$ - | \$ 51,421 | \$ 518 | \$ 411,157 |
| Salaries Payable | 22,545 | - | - | - | - | 22,545 |
| Due to Other Governments | 9,832 | - | - | - | - | 9,832 |
| Developer Deposits | - | - | - | 1,214,955 | - | 1,214,955 |
| Unearned Revenue | 7,757 | - | - | - | - | 7,757 |
| Total Liabilities | 154,674 | 244,678 | - | 1,266,376 | 518 | 1,666,246 |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable Revenue - Taxes | 31,754 | - | - | - | - | 31,754 |
| Unavailable Revenue - Special Assessments | 34,427 | - | 262,691 | 226,578 | - | 523,696 |
| | 66,181 | - | 262,691 | 226,578 | - | 555,450 |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid Items | 9,609 | - | - | - | - | 9,609 |
| Restricted for: | | | | | | |
| Debt Service | - | - | 481,635 | - | 150,101 | 631,736 |
| Economic Development Activities | - | 943,550 | - | - | - | 943,550 |
| Park Developments | - | - | - | - | 6,385 | 6,385 |
| Assigned for: | | | | | | |
| Public Safety | 596 | - | - | - | - | 596 |
| Compensation | 5,000 | - | - | - | - | 5,000 |
| Park Development | - | - | - | - | 893,463 | 893,463 |
| Polar Lakes Park Development | - | - | - | - | 306,239 | 306,239 |
| Capital Improvements | - | - | - | 699,593 | - | 699,593 |
| Unassigned | 4,114,691 | - | - | - | - | 4,114,691 |
| Total Fund Balances | 4,129,896 | 943,550 | 481,635 | 699,593 | 1,356,188 | 7,610,862 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 4,350,751 | \$ 1,188,228 | \$ 744,326 | \$ 2,192,547 | \$ 1,356,706 | \$ 9,832,558 |

See accompanying Notes to Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 7,610,862

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

| | | |
|---|------------------|------------|
| Land | \$ 4,016,102 | |
| Construction in Progress | 1,404,699 | |
| Buildings, Net of Accumulated Depreciation | 2,864,396 | |
| Vehicles, Net of Accumulated Depreciation | 900,187 | |
| Machinery and Shop Equipment, Net of Accumulated Depreciation | 784,891 | |
| Office Furniture and Equipment, Net of Accumulated Depreciation | 57,260 | |
| Infrastructure, Net of Accumulated Depreciation | <u>5,275,643</u> | 15,303,178 |

Some of the Township's property taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds. 555,450

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net position. (7,821)

An internal service fund is used by management for the purpose of purchasing commercial insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is: 552,533

The Township's net pension liability and related deferred inflows and deferred outflows are recorded only on the statement of net position. Balances at year end are:

| | | |
|---|----------------|-------------|
| Net Pension Liability | (1,131,708) | |
| Deferred Inflows of Resources - Pensions | (292,785) | |
| Deferred Outflows of Resources - Pensions | <u>195,286</u> | (1,229,207) |

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

| | | |
|-----------------------------|-----------------|--------------------|
| Bonds Payable | (921,820) | |
| Unamortized Discounts | 3,702 | |
| Compensated Absence Payable | <u>(88,565)</u> | <u>(1,006,683)</u> |

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 21,778,312

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

| | General | Economic Development Authority | GO Improvement Bonds 2011A | Improvement Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------------|----------------------------------|---------------------|--------------------------------|--------------------------------|
| REVENUE | | | | | | |
| General Property Taxes | \$ 3,224,905 | \$ 548,472 | \$ - | \$ - | \$ - | \$ 3,773,377 |
| Licenses and Permits | 257,957 | - | - | - | - | 257,957 |
| Intergovernmental | 210,381 | - | - | - | - | 210,381 |
| Charges for Services | 254,412 | 4,200 | - | - | - | 258,612 |
| Investment Earnings (Losses) | 62,864 | 6,919 | 5,432 | 52,681 | 228,381 | 356,277 |
| Fines and Forfeits | 11,073 | - | - | - | - | 11,073 |
| Park and Recreation Fees | - | - | - | - | 11,343 | 11,343 |
| Special Assessments | 69,245 | - | 114,870 | 56,999 | 15,213 | 256,327 |
| Equipment Rental | 233,055 | - | - | - | - | 233,055 |
| Miscellaneous | 355,243 | 50 | - | 1,052,181 | 53,393 | 1,460,867 |
| Total Revenue | <u>4,679,135</u> | <u>559,641</u> | <u>120,302</u> | <u>1,161,861</u> | <u>308,330</u> | <u>6,829,269</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 1,065,024 | - | - | - | - | 1,065,024 |
| Public Safety | 1,303,621 | - | - | - | - | 1,303,621 |
| Public Works | 766,918 | - | - | 152,460 | - | 919,378 |
| Parks, Recreation, and Forestry | 611,952 | - | - | - | 3,562 | 615,514 |
| Community Development | 259,439 | 1,103,514 | - | - | - | 1,362,953 |
| Capital Outlay | 268,507 | - | - | 1,415,945 | 108,854 | 1,793,306 |
| Debt Service: | | | | | | |
| Principal | - | - | 180,000 | - | 137,085 | 317,085 |
| Interest and Fiscal Charges | - | - | 19,439 | - | 9,719 | 29,158 |
| Total Expenditures | <u>4,275,461</u> | <u>1,103,514</u> | <u>199,439</u> | <u>1,568,405</u> | <u>259,220</u> | <u>7,406,039</u> |
| REVENUE OVER (UNDER) EXPENDITURES | 403,674 | (543,873) | (79,137) | (406,544) | 49,110 | (576,770) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfer In | 15,000 | - | - | 79,000 | 89,111 | 183,111 |
| Transfer Out | (79,000) | (99,273) | - | - | (4,838) | (183,111) |
| Proceeds from Sale of Property | 15,309 | - | - | - | - | 15,309 |
| Total Other Financing Sources (Uses) | <u>(48,691)</u> | <u>(99,273)</u> | <u>-</u> | <u>79,000</u> | <u>84,273</u> | <u>15,309</u> |
| NET CHANGE IN FUND BALANCE | 354,983 | (643,146) | (79,137) | (327,544) | 133,383 | (561,461) |
| Fund Balance - Beginning of Year | <u>3,774,913</u> | <u>1,586,696</u> | <u>560,772</u> | <u>1,027,137</u> | <u>1,222,805</u> | <u>8,172,323</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 4,129,896</u> | <u>\$ 943,550</u> | <u>\$ 481,635</u> | <u>\$ 699,593</u> | <u>\$ 1,356,188</u> | <u>\$ 7,610,862</u> |

See accompanying Notes to Financial Statements.

WHITE BEAR TOWNSHIP, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (561,461)

Amounts reported for governmental activities in the statement of activities are different

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

| | | | |
|---------------------------------------|----|------------------|---------|
| Capital Outlays | \$ | 1,081,313 | |
| Gain on Disposal of Capital Assets | | 11,363 | |
| Proceeds from Sales of Capital Assets | | (15,309) | |
| Depreciation Expense | | <u>(788,988)</u> | 288,379 |

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are amortized over the life of the debt in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

| | | | |
|---|--|----------------|---------|
| Repayment of Bond Principal | | 317,085 | |
| Change in Accrued Interest Expense for General Obligation Bonds | | 10,544 | |
| Amortization of Bond Premium | | 623 | |
| Amortization of Bond Discount | | <u>(5,357)</u> | 322,895 |

Delinquent and certain other property taxes and special assessments receivable will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources and excluded from revenues in the governmental funds.

| | | | |
|---|--|----------------|-----------|
| Deferred Inflows of Resources - December 31, 2017 | | 672,643 | |
| Deferred Inflows of Resources - December 31, 2018 | | <u>555,450</u> | (117,193) |

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During the year, the balance of compensated absence payable changed as follows:

2,488

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources.

(462,057)

Internal service funds are used by the Township to purchase commercial insurance for individual funds. The net revenue of the internal service funds is reported with governmental activities.

66,895

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (460,054)**

**WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|---|---|----------------------|---------------------|----------------------|----------------------------|
| | Water | Sewer | Storm Water | Total | Internal Service Fund |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 1,103,743 | \$ - | \$ 1,202,943 | \$ 2,306,686 | \$ 548,073 |
| Accounts Receivable | 675,483 | 695,621 | 162,097 | 1,533,201 | - |
| Special Assessments Receivable | - | 621,618 | - | 621,618 | - |
| Accrued Interest Receivable | 6,774 | - | 8,366 | 15,140 | 4,460 |
| Due From Other Governments | - | 3,550 | - | 3,550 | - |
| Prepaid Items | 4,531 | 74,879 | 3,644 | 83,054 | - |
| Total Current Assets | <u>1,790,531</u> | <u>1,395,668</u> | <u>1,377,050</u> | <u>4,563,249</u> | <u>552,533</u> |
| NONCURRENT ASSETS | | | | | |
| Capital Assets: | | | | | |
| Construction in Progress | - | 282,987 | - | 282,987 | - |
| Buildings | 6,378,758 | - | - | 6,378,758 | - |
| Vehicles | 15,440 | 340,037 | - | 355,477 | - |
| Machinery and Shop Equipment | 3,906 | 5,228 | - | 9,134 | - |
| Office Furniture and Equipment | 69,310 | 498,847 | 942 | 569,099 | - |
| Infrastructure | 12,456,300 | 15,123,440 | 1,376,676 | 28,956,416 | - |
| Total Capital Assets | <u>18,923,714</u> | <u>16,250,539</u> | <u>1,377,618</u> | <u>36,551,871</u> | <u>-</u> |
| Less: Accumulated Depreciation | (11,193,300) | (7,254,159) | (359,235) | (18,806,694) | - |
| Total Noncurrent Assets | <u>7,730,414</u> | <u>8,996,380</u> | <u>1,018,383</u> | <u>17,745,177</u> | <u>-</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Outflows - Pensions | <u>34,531</u> | <u>30,379</u> | <u>8,967</u> | <u>73,877</u> | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$ 9,555,476</u> | <u>\$ 10,422,427</u> | <u>\$ 2,404,400</u> | <u>\$ 22,382,303</u> | <u>\$ 552,533</u> |
| LIABILITIES | | | | | |
| CURRENT LIABILITIES | | | | | |
| Due to Other Fund | \$ - | \$ 404,391 | \$ - | \$ 404,391 | \$ - |
| Accounts Payable | 44,031 | 5,139 | 6,450 | 55,620 | - |
| Salaries Payable | 6,323 | 5,244 | 1,812 | 13,379 | - |
| Contracts Payable | - | 110,982 | - | 110,982 | - |
| Unearned Revenue | 10,128 | 7,455 | - | 17,583 | - |
| Accrued Interest Payable | 5,228 | 1,726 | 848 | 7,802 | - |
| Bonds Payable - Current Maturities | 279,229 | 52,945 | 26,006 | 358,180 | - |
| Compensated Absences Payable - Current | 13,816 | 11,777 | 4,083 | 29,676 | - |
| Total Current Liabilities | <u>358,755</u> | <u>599,659</u> | <u>39,199</u> | <u>997,613</u> | <u>-</u> |
| NONCURRENT LIABILITIES | | | | | |
| Bonds Payable - Long Term | 112,851 | 165,739 | 81,410 | 360,000 | - |
| Net Pension Liability - Long Term | 200,111 | 176,047 | 51,967 | 428,125 | - |
| Compensated Absences Payable - Long Term | 10,365 | 9,557 | 2,293 | 22,215 | - |
| Total Noncurrent Liabilities | <u>323,327</u> | <u>351,343</u> | <u>135,670</u> | <u>810,340</u> | <u>-</u> |
| Total Liabilities | <u>682,082</u> | <u>951,002</u> | <u>174,869</u> | <u>1,807,953</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows - Pensions | <u>51,770</u> | <u>45,545</u> | <u>13,444</u> | <u>110,759</u> | <u>-</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 7,338,334 | 8,666,714 | 910,967 | 16,916,015 | - |
| Unrestricted | 1,483,290 | 759,166 | 1,305,120 | 3,547,576 | 552,533 |
| Total Net Position | <u>8,821,624</u> | <u>9,425,880</u> | <u>2,216,087</u> | <u>20,463,591</u> | <u>552,533</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 9,555,476</u> | <u>\$ 10,422,427</u> | <u>\$ 2,404,400</u> | <u>\$ 22,382,303</u> | <u>\$ 552,533</u> |

See accompanying Notes to Financial Statements.

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETRY FUNDS
YEAR ENDED DECEMBER 31, 2018

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--|---|---------------------|---------------------|----------------------|----------------------------|
| | Water | Sewer | Storm Water | Total | Internal Service Fund |
| OPERATING REVENUES | | | | | |
| Charges for Services | \$ 1,740,240 | \$ 1,895,953 | \$ 545,138 | \$ 4,181,331 | \$ 177,335 |
| Water and Sewer Availability Charges | 157,260 | 128,372 | - | 285,632 | - |
| Special Assessments | - | 34,092 | - | 34,092 | - |
| Total Operating Revenues | <u>1,897,500</u> | <u>2,058,417</u> | <u>545,138</u> | <u>4,501,055</u> | <u>177,335</u> |
| OPERATING EXPENSES | | | | | |
| Personnel Services | 351,909 | 321,720 | 94,454 | 768,083 | 40,226 |
| Other Services and Charges | 336,640 | 1,041,823 | 63,751 | 1,442,214 | 81,095 |
| Materials and Supplies | 320,382 | 256,683 | 81,991 | 659,056 | - |
| Depreciation | 411,776 | 317,531 | 29,588 | 758,895 | - |
| Total Operating Expenses | <u>1,420,707</u> | <u>1,937,757</u> | <u>269,784</u> | <u>3,628,248</u> | <u>121,321</u> |
| OPERATING INCOME | 476,793 | 120,660 | 275,354 | 872,807 | 56,014 |
| OTHER INCOME (EXPENSE) | | | | | |
| Investment Earnings (Expense) | (4,323) | (31,617) | 25,690 | (10,250) | 10,881 |
| Miscellaneous Nonoperating Revenue | 715 | - | - | 715 | - |
| Interest and Fiscal Agent Fees | (14,334) | (4,613) | (2,266) | (21,213) | - |
| Bond Discount Amortization Expense | 2,886 | - | - | 2,886 | - |
| Total Other Income (Expense) | <u>(15,056)</u> | <u>(36,230)</u> | <u>23,424</u> | <u>(27,862)</u> | <u>10,881</u> |
| INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS | 461,737 | 84,430 | 298,778 | 844,945 | 66,895 |
| Capital Contributions | <u>389,546</u> | <u>137,396</u> | <u>157,090</u> | <u>684,032</u> | <u>-</u> |
| CHANGE IN NET POSITION | 851,283 | 221,826 | 455,868 | 1,528,977 | 66,895 |
| Net Position - Beginning of Year | 7,970,341 | 8,969,250 | 1,760,219 | 18,699,810 | 485,638 |
| Prior Period Restatement (See Note 11) | - | 234,804 | - | 234,804 | - |
| Net Position - Beginning of Year, as Restated | <u>7,970,341</u> | <u>9,204,054</u> | <u>1,760,219</u> | <u>18,934,614</u> | <u>485,638</u> |
| NET POSITION - END OF YEAR | <u>\$ 8,821,624</u> | <u>\$ 9,425,880</u> | <u>\$ 2,216,087</u> | <u>\$ 20,463,591</u> | <u>\$ 552,533</u> |

See accompanying Notes to Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--|---|---------------------|---------------------|---------------------|----------------------------|
| | Water | Sewer | Storm Water | Total | Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash Receipts from Customers | \$ 1,526,171 | \$ 1,774,303 | \$ 496,615 | \$ 3,797,089 | \$ 177,335 |
| Cash Paid to Suppliers | (659,223) | (1,415,860) | (143,523) | (2,218,606) | - |
| Cash Paid to Employees | (358,434) | (327,183) | (94,167) | (779,784) | (121,321) |
| Net Cash Provided by Operating Activities | 508,514 | 31,260 | 258,925 | 798,699 | 56,014 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Principal Paid on Bonds | (257,397) | (50,643) | (24,875) | (332,915) | - |
| Interest and Fiscal Agent Fees | (18,243) | (4,898) | (2,406) | (25,547) | - |
| Proceeds from the Issuance of Bonds | - | - | - | - | - |
| Capital Grants Received | - | - | 31,300 | - | - |
| Acquisition of Capital Assets | (104,431) | (354,296) | - | (458,727) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (380,071) | (409,837) | 4,019 | (817,189) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investment Income | (3,356) | (26,756) | 22,164 | (7,948) | 9,513 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 125,087 | (405,333) | 285,108 | (26,438) | 65,527 |
| Cash and Cash Equivalents - Beginning of Year | 978,656 | 3,170 | 917,835 | 1,899,661 | 482,546 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 1,103,743</u> | <u>\$ (402,163)</u> | <u>\$ 1,202,943</u> | <u>\$ 1,873,223</u> | <u>\$ 548,073</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | |
| Operating Income | \$ 476,793 | \$ 120,660 | \$ 275,354 | \$ 872,807 | \$ 56,014 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation | 411,776 | 317,531 | 29,588 | 758,895 | - |
| Miscellaneous Other Revenue | 715 | - | - | 715 | - |
| Change in Assets and Liabilities: | | | | | |
| Accounts Receivable | (372,351) | (387,533) | (48,523) | (808,407) | - |
| Special Assessments Receivable | - | 127,946 | (611) | 127,335 | - |
| Prepaid Items | (1,103) | 3,710 | - | 2,607 | - |
| Deferred Outflows - Pensions | 23,873 | 21,013 | 6,203 | 51,089 | - |
| Interfund Payable | - | (118,234) | - | (118,234) | - |
| Accounts Payable | (1,098) | (2,830) | 2,830 | (1,098) | - |
| Salaries Payable | 831 | 411 | 363 | 1,605 | - |
| Compensated Absences | (3,768) | (2,668) | 872 | (5,564) | - |
| Unearned Revenue | 307 | 4,942 | - | 5,249 | - |
| Net Pension Liability | (33,089) | (29,161) | (8,609) | (70,859) | - |
| Deferred Inflows - Pensions | 5,628 | (24,527) | 1,458 | (17,441) | - |
| Net Cash Provided by Operating Activities | <u>\$ 508,514</u> | <u>\$ 31,260</u> | <u>\$ 258,925</u> | <u>\$ 798,699</u> | <u>\$ 56,014</u> |
| Schedule of Noncash Capital Activities: | | | | | |
| Receipt of Contributed Capital Assets | \$ 389,546 | \$ 137,396 | \$ 125,790 | \$ 652,732 | \$ - |
| Amortization of Premium/(Discount) | 2,886 | - | - | 2,886 | - |

See accompanying Notes to Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

White Bear Township (Township) is a public corporation formed under Minnesota Statute 410. As such, the Township is under home rule charter regulations and applicable statutory guidelines.

The basic financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

A. FINANCIAL REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the White Bear Township and its component units. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component include whether or not the primary government appoints the voting majority of the potential component unit's board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

COMPONENT UNITS

In conformity with accounting principles generally accepted in the United States of America, the financial statements of component units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

Blended Component Unit

The Economic Development Authority (EDA) for White Bear Township is an entity legally separate from the Township. However, for financial reporting purposes, the EDA is presented as a blended component unit and is reported as if it were part of the Township's operations. This treatment is the result of several factors including the governing board of the EDA consisting of the Township's Board of Supervisors, the Township's ability to impose its will on the EDA as well as a financial benefit/burden relationship between the Township and the EDA. The EDA does not issue separate financial statements.

B. BASIC FINANCIAL STATEMENTS

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall Township. Eliminations have been made to minimize the double counting of internal activities.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

1. Government-Wide Statements (Continued)

In the government-wide statement of net position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. The Township first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the Township's governmental activities and different business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the Township's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The Township reports the following major governmental funds:

General Fund

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

Economic Development Authority

The economic development authority special revenue fund provides financial incentives to businesses to construct new or expand existing facilities and provide affordable (lower cost) housing in return the Township collect the additional property tax (increment) as its revenue source.

G.O. Improvement Bonds 2011A

The G.O. improvement bonds of 2011A debt service fund are used to fund infrastructure improvements within the Township through the issuance of the 2011A G.O. Improvement Bonds.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

Improvement Fund

The improvement capital projects fund accounts for improvement project activity.

The Township reports the following major enterprise funds:

Water Fund

The water fund accounts for customer water service charges that are used to finance water-operating expenses.

Sewer Fund

The sewer fund accounts for customer sewer service charges that are used to finance sewer-operating expenses.

Storm Water Fund

The storm water fund accounts for customer storm water service charges that are used to finance storm water operating expenses.

Additionally, the Township reports the following proprietary fund:

Internal Service Fund

The internal service fund is used to account for the financing of goods or services provided by one department to other departments of the Township on a cost reimbursement basis. The Township currently uses the internal service fund for the purpose of purchasing commercial insurance.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The Township considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Amounts reported as program revenues include: (1) Charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments.

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

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United State of America. Annual appropriated budgets are adopted for the General Fund and the Economic Development Authority Special Revenue Fund. Budgeted expenditure appropriations lapse at year-end.

E. LEGAL COMPLIANCE - BUDGETS

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Clerk-Treasurer submits to the Township Board of Supervisors a proposed operating budget (including the General Fund and Economic Development Authority Special Revenue Fund) for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution by voters at the annual budget meeting.
4. The Township Board of Supervisors may authorize transfers of budgets between departments within any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Economic Development Authority Special Revenue Fund.
6. The legal level of budgetary control is at the departmental level. Monitoring of budgets is maintained at the expenditure category level (i.e., salaries, wages, benefits, material, supplies, services, capital outlay) within each activity. This means that General Fund and the Economic Development Authority Special Revenue Fund individual line items may overspend budgeted amounts without Township Board of Supervisors approval, however, departments may not overspend budgeted amounts without Township Board of Supervisors approval.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in investments authorized by Minnesota Statutes. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The Township provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund in the governmental fund financial statements, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund payables are eliminated for statement of net position presentation.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools that meet the criteria of GASB Statement No. 79 are valued at amortized costs. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31. Interest earnings are accrued at the balance sheet date.

For purposes of the statement of cash flows the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types is considered cash equivalents.

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported as an expense or expenditure over the periods benefitted. That portion of the relevant funds' balances equal to material prepaid items has been classified as nonspendable in the governmental funds.

H. PROPERTY TAX CREDITS

Property taxes on homestead property (as defined by state statutes) are partially reduced by property tax credits. These credits are paid to the Township by the State in lieu of taxes levied against homestead property. The State remits these credits through installments each year. These credits are recognized as revenue by the Township at the time of collection.

I. PROPERTY TAX REVENUE RECOGNITION

The Township Board of Supervisors annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the Township, the local School District, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the Township at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the Township on or before July 15 and December 15 of the same year.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. PROPERTY TAX REVENUE RECOGNITION (CONTINUED)

Delinquent collections for November and December are received the following January. The Township has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Within the governmental fund financial statements, the Township recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the Township in July, December and the following January are recognized as revenue for the current year. Taxes and credits not received at the year-end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the Township in January is fully offset by deferred inflows of resources because it is not available to finance current expenditures. Property taxes in governmental activities are susceptible to full accrual on the government-wide statements.

The Township's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the Township through this formula for 2018 totaled \$275,419. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

J. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the Township over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Within the governmental fund financial statements, the revenue from special assessments is recognized by the Township when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the Township are recognized as revenue for the current year. Special assessments are collected by the County and remitted by December 31 (remitted to the Township the following January) and are also recognized as revenue for the current year. All remaining delinquent, noncurrent, and other special assessments receivable in governmental funding are completely offset by deferred inflows of resources. Special assessments in governmental activities are susceptible to full accrual on the government-wide statements.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the Township Board of Supervisors or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the Township in payment of delinquent special assessments. Generally, the Township will collect the full amount of its special assessments not adjusted by Township Board of Supervisors or court action. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural, or seasonal recreational land in which event the property is subject to such sale after five years.

WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, streetlights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The Township has not adopted a capitalization policy threshold for determining additions but rather capitalizes all capital related expenditures. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The government reports infrastructure assets on a network and subsystem basis. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for Township purposes, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 30 years for Buildings, Vehicles, Machinery and Shop Equipment, and Office Furniture and Equipment, and 15 to 50 years for Infrastructure. Capital assets not being depreciated include land and construction in progress.

L. DEFERRED OUTFLOWS OF RESOURCES

The Township reports a consumption of net position or fund balance which relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position or governmental fund balance sheet. The Township has one type of item, deferred outflows related to pensions, which qualifies for reporting in this category. See Note 5 for additional detail.

M. LAND HELD FOR RESALE

The Township has certain parcels of land that it is holding for resale. The properties are valued on the financial statements at the lower of cost or net realizable value. Any gains or losses on the value are recognized any time portions of the land are sold.

N. COMPENSATED ABSENCES

It is the Township's policy to permit employees to accumulate earned but unused flex leave benefits to a maximum of 400 hours. All flex leave pay is accrued on a per pay period basis and recorded in the government-wide financial statements. The current portion is calculated based on historical trends.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. LONG-TERM OBLIGATIONS

In the entity-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bond issue costs are reported as an expense in the period in which they are incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issue costs are recognized during the current period. The face amount of the debt issue is reported as on other financing source. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issue costs are reported as debt service expenditures.

P. NET PENSION LIABILITY

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Pension liabilities in governmental activities are generally liquidated by the general fund.

Q. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statements of financial position or balance sheets report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The Township has two types of items which qualify for reporting in this category. The first, unavailable revenue, arises under a modified accrual basis of accounting and is therefore reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and amounts due from other governments not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The Township also reports deferred inflows related to pensions on its statements of net position. See Note 5 for additional detail.

R. NET POSITION

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. FUND BALANCE

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – is the portion of fund balance that is not in a spendable form or legally or contractually to be maintained intact and relates to prepaids, inventories, land held for resale, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained by external parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the Township Board.

Assigned – consists of internally imposed constraints. These constraints are established by the Township Board and/or management. The Township Board via resolution delegated the authority to assign fund balance to the Finance Officer.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the Township's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the Township's policy to use committed first, then assigned, and finally unassigned amounts.

T. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

It is the Township's policy to eliminate all interfund transactions, except for activity between governmental activities and business-type activities, for presentation in the entity-wide statements of net position and statements of activities.

U. OTHER POSTEMPLOYMENT BENEFITS

In 2018, the Township implemented GASB Statement No. 75, *Accounting and Financial Reporting of Postemployment Benefits Other Than Pensions*. It was determined that the Township's liability under this standard is immaterial, therefore, the Township has not recorded a liability as of December 31, 2018.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

The Township maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the Township maintains deposits at financial institutions which are authorized by the Township Board of Supervisors.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

The Township had no deposits in banks at December 31, 2018, but utilized a sweep account to move deposits into overnight investments.

B. INVESTMENTS

The Township may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency and all of the investments have a final maturity of thirteen months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rate "A" or better.
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- Obligations of a school district with an original maturity not exceeding 13 months which is (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to Minnesota Statute Section 126C.55.

The Township has the following investments at year-end:

| Investment Type | Fair Value |
|--|--------------|
| Negotiable Certificates of Deposit with | |
| Maturities at Purchase of More Than 1 Year | \$ 2,618,421 |
| Municipal Bonds | 5,549,075 |
| Federal Home Loan Mortgage Corporation | 601,659 |
| Federal Home Loan Bank | 366,121 |
| Federal Farm Credit Bank | 219,886 |
| Total | \$ 9,355,162 |

| Investment Type | Amortized Cost |
|---|----------------|
| Minnesota Municipal Money Market Fund Trust | \$ 1,096,951 |
| Negotiable Certificates of Deposit with | |
| Maturities at Purchase of Less Than 1 Year | 118,549 |
| Government Money Market Mutual Funds | 89,740 |
| Total | \$ 1,305,240 |

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Township’s investment policy doesn’t specifically address custodial credit risk. As of December 31, 2018, all of the Township’s investments are insured and registered, and are held by the counterparty’s agent in the Township’s name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Township’s investment policy doesn’t specifically address interest rate risk. Information about the sensitivity of the fair values of the Township’s investments to market interest rate risk fluctuations is provided by the following table that shows the distribution of the Township’s investments by maturity:

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

| Type | Total | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | More than 60 Months |
|--|----------------------|----------------------|---------------------|---------------------|------------------------|
| Minnesota Municipal Money Market (4M Fund) | \$ 1,096,951 | \$ 1,096,951 | \$ - | \$ - | \$ - |
| Negotiable Certificates of Deposit | 2,736,970 | 798,284 | 525,143 | 944,385 | 469,158 |
| Municipal Bonds | 5,549,075 | - | 489,733 | 1,096,343 | 3,962,999 |
| Federal Farm Credit Bank | 219,886 | - | - | - | 219,886 |
| Federal Home Loan Mortgage Corporation | 601,659 | 443,574 | - | - | 158,085 |
| Federal Home Loan Bank | 366,121 | - | - | - | 366,121 |
| Government Money Market Mutual Funds | 89,740 | 89,740 | - | - | - |
| Total | <u>\$ 10,660,402</u> | <u>\$ 2,428,549</u> | <u>\$ 1,014,876</u> | <u>\$ 2,040,728</u> | <u>\$ 5,176,249</u> |

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Township's investment policy doesn't specifically address credit risk. The following chart summarizes year-end ratings for the Township's investments:

| Type | Lowest Credit Quality Rating | Rating Agency | Amount | Percentage |
|--|---------------------------------|---------------|----------------------|------------|
| Minnesota Municipal Money Market (4M Fund) | NR | N/A | \$ 1,096,951 | 10.29% |
| Negotiable Certificates of Deposit | NR | N/A | 2,736,970 | 25.67% |
| Government Money Market Mutual Funds | NR | N/A | 89,740 | 0.84% |
| Municipal Bonds | Baa2/A+ | Moody's/S&P | 5,549,075 | 52.05% |
| Federal Farm Credit Bank | AAA/AA+ | Moody's/S&P | 219,886 | 2.06% |
| Federal Home Loan Mortgage Corporation | AAA/AA+ | Moody's/S&P | 601,659 | 5.64% |
| Federal Home Loan Bank | NR | N/A | 366,121 | 3.43% |
| Total | | | <u>\$ 10,660,402</u> | |

NR = Not rated by a national bond rating service.

The Minnesota Municipal Money Market Fund Trust is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota statutes as described on the previous page. Its investments are valued at amortized cost. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the fair value of instruments.

The Minnesota Municipal Money Market Trust Fund does not have its own credit rating. MBIA, Inc., who administers the Minnesota Municipal Money Market Fund Trust holds an organization credit rating of Aa2.

The Township's investment in negotiable CDs is unrated as of December 31, 2018.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Township places no limit on the amount that may be invested in any one issuer. The Township had the following investments which individually comprised more than 5% of the Township's total investments in 2018.

| <u>Investment</u> | <u>Amount</u> | <u>Percentage</u> |
|--------------------------------------|---------------|-------------------|
| Commerce Bank of Southwest Bonds | \$ 815,686 | 7.65% |
| Lakeville, MN ISD #194 Taxable Bonds | 536,540 | 5.03% |

Fair Value Measurements

The Township uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Township follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

In accordance with this standard, the Township has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured a fair value on a recurring basis:

| <u>Investment Type</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|---------------------|----------------|----------------------|
| US Agencies: | | | | |
| Federal Home Loan Mortgage Corporation | \$ - | \$ 601,659 | \$ - | \$ 601,659 |
| Federal Home Loan Bank | - | 366,121 | - | 366,121 |
| Federal Farm Credit Bank | - | 219,886 | - | 219,886 |
| Negotiable Certificates of Deposit | - | 2,618,421 | - | 2,618,421 |
| Municipal Bonds | - | 5,549,075 | - | 5,549,075 |
| Total | <u>\$ -</u> | <u>\$ 9,355,162</u> | <u>\$ -</u> | <u>9,355,162</u> |
| Investments Measured at Amortized Cost | | | | 1,305,240 |
| Total | | | | <u>\$ 10,660,402</u> |
| Cash and Investments - Statement of Net Position | | | | <u>\$ 10,660,402</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|
| Governmental Activities: | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 4,016,102 | \$ - | \$ - | \$ - | \$ 4,016,102 |
| Construction in Progress | 1,115,609 | 1,404,699 | (462,877) | (652,732) | 1,404,699 |
| Total Capital Assets, not Being Depreciated | 5,131,711 | 1,404,699 | (462,877) | (652,732) | 5,420,801 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 4,001,174 | 207,652 | - | - | 4,208,826 |
| Vehicles | 1,880,560 | 49,340 | (20,981) | - | 1,908,919 |
| Machinery and Shop Equipment | 1,554,875 | 159,860 | (39,780) | - | 1,674,955 |
| Office Furniture and Equipment | 447,828 | 17,190 | - | - | 465,018 |
| Infrastructure | 21,785,098 | 358,181 | - | - | 22,143,279 |
| Total Capital Assets, Being Depreciated | 29,669,535 | 792,223 | (60,761) | - | 30,400,997 |
| Accumulated Depreciation for: | | | | | |
| Buildings | (1,248,892) | (95,538) | - | - | (1,344,430) |
| Vehicles | (906,891) | (122,239) | 20,398 | - | (1,008,732) |
| Machinery and Shop Equipment | (833,569) | (92,912) | 36,417 | - | (890,064) |
| Office Furniture and Equipment | (380,477) | (27,281) | - | - | (407,758) |
| Infrastructure | (16,416,618) | (451,018) | - | - | (16,867,636) |
| Total Accumulated Depreciation | (19,786,447) | (788,988) | 56,815 | - | (20,518,620) |
| Total Capital Assets, Being Depreciated, Net | 9,883,088 | 3,235 | (3,946) | - | 9,882,377 |
| Governmental Activities Capital Assets, Net | <u>\$ 15,014,799</u> | <u>\$ 1,407,934</u> | <u>\$ (466,823)</u> | <u>\$ (652,732)</u> | <u>\$ 15,303,178</u> |
| Governmental Activities: | | | | | |
| General Government | | | | | \$ 14,760 |
| Public Safety | | | | | 5,423 |
| Public Works | | | | | 676,783 |
| Parks, Recreation, and Forestry | | | | | 92,022 |
| Total Depreciation Expense, Governmental Activities | | | | | <u>\$ 788,988</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CAPITAL ASSETS (CONTINUED)

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|--|----------------------|---------------------|-----------------------|-------------------|----------------------|
| Business-Type Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Construction in Progress | \$ 1,671,712 | \$ 517,790 | \$ (1,906,515) | \$ - | \$ 282,987 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 6,233,536 | 145,222 | - | - | 6,378,758 |
| Vehicles and Equipment | 355,477 | - | - | - | 355,477 |
| Machinery and Shop Equipment | 9,134 | - | - | - | 9,134 |
| Office Furniture and Equipment | 567,063 | 2,036 | - | - | 569,099 |
| Infrastructure | 26,523,645 | 1,780,039 | - | 652,732 | 28,956,416 |
| Total Capital Assets, Being Depreciated | 33,688,855 | 1,927,297 | - | 652,732 | 36,268,884 |
| Accumulated Depreciation for: | | | | | |
| Buildings | (4,584,377) | (163,061) | - | - | (4,747,438) |
| Vehicles | (177,920) | (16,234) | - | - | (194,154) |
| Machinery and Shop Equipment | (69,757) | (3,473) | - | - | (73,230) |
| Office Furniture and Equipment | (195,836) | (25,754) | - | - | (221,590) |
| Infrastructure | (13,019,909) | (550,373) | - | - | (13,570,282) |
| Total Accumulated Depreciation | (18,047,799) | (758,895) | - | - | (18,806,694) |
| Total Capital Assets, Being Depreciated, Net | 15,641,056 | 1,168,402 | - | 652,732 | 17,462,190 |
| Business-Type Activities Capital Assets, Net | <u>\$ 17,312,768</u> | <u>\$ 1,686,192</u> | <u>\$ (1,906,515)</u> | <u>\$ 652,732</u> | <u>\$ 17,745,177</u> |

Depreciation expense was charged to the business-type activities as follows:

| | |
|--|-------------------|
| Business-Type Activities | |
| Water | \$ 411,776 |
| Sewer | 317,531 |
| Storm Sewer | 29,588 |
| Total Depreciation Expense, Business-Type Activities | <u>\$ 758,895</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 TOWNSHIP INDEBTEDNESS

Township indebtedness at December 31, 2018 is composed of the following:

| | Issue Date | Final Maturity Date | Interest Rate | Original Issue | Balance 12/31/18 |
|--|---------------|---------------------------|------------------|---------------------|---------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds: | | | | | |
| G.O. Improvement - 2008A | 12/15/2005 | 2/1/2019 | 3.50%-4.00% | \$ 479,182 | \$ 56,820 |
| G.O. Improvement - 2011A | 10/1/2011 | 2/1/2022 | 0.45%-2.15% | 1,850,000 | 685,000 |
| *G.O. Tax Increment Refund - 2011C | 11/1/2011 | 2/1/2020 | 0.50%-2.00% | 650,000 | 180,000 |
| Total Bonds | | | | 2,979,182 | 921,820 |
| Unamortized Bond Discount | | | | (22,224) | (3,702) |
| Unamortized Bond Premium | | | | 27,039 | - |
| Compensated Absences Payable | | | | N/A | 88,565 |
| Total Governmental Activities | | | | <u>\$ 2,983,997</u> | <u>\$ 1,006,683</u> |
| <i>*Represents noncapital related debt</i> | | | | | |
| Business-Type Activities: | | | | | |
| Revenue Bonds: | | | | | |
| G.O. Water Rev Ref. - 2011B | 11/1/2011 | 2/1/2022 | 0.45%-2.15% | \$ 1,290,000 | \$ 475,000 |
| 2008A Improvement and Utility Revenue Bonds | 12/15/2005 | 2/1/2019 | 3.50%-4.00% | 2,050,818 | 243,180 |
| Total Bonds | | | | 3,340,818 | 718,180 |
| Compensated Absences Payable | | | | N/A | 51,891 |
| Total Business-Type Activities | | | | <u>\$ 3,322,969</u> | <u>\$ 770,071</u> |

The following is a schedule of changes in Township indebtedness for the year ended December 31, 2018:

| | Payable 12/31/17 | Additions | Reductions | Payable 12/31/18 | Due Within One Year |
|--------------------------------|---------------------|-------------------|-------------------|---------------------|------------------------|
| Governmental Activities: | | | | | |
| Bonded Debt: | | | | | |
| General Obligation Bonds | \$ 1,238,905 | \$ - | \$ 317,085 | \$ 921,820 | \$ 321,820 |
| Unamortized Bond Discount | (9,059) | - | (5,357) | (3,702) | - |
| Unamortized Bond Premium | 623 | - | 623 | - | - |
| Compensated Absences Payable | 91,053 | 91,792 | 94,280 | 88,565 | 60,329 |
| Total Governmental Activities | 1,321,522 | 91,792 | 406,631 | 1,006,683 | 382,149 |
| Business-Type Activities: | | | | | |
| Revenue Bonds | 1,051,095 | - | 332,915 | 718,180 | 358,180 |
| Unamortized Bond Premium | 2,886 | - | 2,886 | - | - |
| Compensated Absences Payable | 57,455 | 57,253 | 62,817 | 51,891 | 29,676 |
| Total Business-Type Activities | 1,111,436 | 57,253 | 398,618 | 770,071 | 387,856 |
| Total | <u>\$ 2,432,958</u> | <u>\$ 149,045</u> | <u>\$ 805,249</u> | <u>\$ 1,776,754</u> | <u>\$ 770,005</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 TOWNSHIP INDEBTEDNESS (CONTINUED)

All long-term bonded indebtedness outstanding at December 31, 2018 is backed by the full faith and credit of the Township, including special assessment bond issues. For the governmental activities, compensated absences are generally liquidated by the general fund.

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows:

| <u>Year Ending December 31,</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> |
|---------------------------------|--------------------------------|------------------|---------------------------------|------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2019 | \$ 321,820 | \$ 15,334 | \$ 358,180 | \$ 12,941 | \$ 708,275 |
| 2020 | 265,000 | 9,422 | 115,000 | 6,122 | 395,544 |
| 2021 | 170,000 | 5,248 | 120,000 | 3,888 | 299,136 |
| 2022 | 165,000 | 1,774 | 125,000 | 1,344 | 293,118 |
| Total | <u>\$ 921,820</u> | <u>\$ 31,778</u> | <u>\$ 718,180</u> | <u>\$ 24,295</u> | <u>\$ 1,696,073</u> |

Description and Restrictions of Long-Term Debt

General Obligation Bonds – The bonds were issued for improvements or projects which benefited the Township as a whole and are, therefore, repaid from ad valorem levies. The bonds are backed by the Township’s full faith and credit.

Revenue Bonds – These bonds were issued for improvements or projects that directly benefit the respective enterprise funds. These are general obligation revenue bonds of the Township for which the Township pledges its full faith and credit and taxing authority. The Township has also pledged the net revenues of the benefitting enterprise funds for the term of the bonds. The related 2018 operating revenues were \$1,897,500, \$2,058,417, and \$545,138 for the Water, Sewer, and Storm Water funds, respectively. 2018 principal and interest payments on the bonds required approximately 14%, 3%, and 5% of 2018 operating revenues from the Water, Sewer, and Storm Water funds, respectively. The Township anticipates being able to cover all principal and interest payments with net revenues from the benefitting enterprise funds.

The liability for compensated absences represents vested benefits earned by employees through the end of the year which will be paid or used in future periods.

NOTE 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE

A. PLAN DESCRIPTION

The Township participates in the General Employees Retirement Plan (General Employees Plan (accounted for in the General Employees Fund)) which is a cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA’s defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA’s defined benefit pension plans are tax-qualified plans under Section 401 (a) of the Internal Revenue Code.

All full-time and certain part-time employees of the Township are covered by the General Employees Plan. General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90% funded for two consecutive years, benefit recipients are given a 2.5% increase. If the plan has not exceeded 90% funded, or have fallen below 80%, benefit recipients are given a 1% increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. General Employees Fund Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively, of their annual covered salary in calendar year 2018. The Township was required to contribute 11.78% of pay for Basic Plan members and 7.5% for Coordinated Plan members in calendar year 2018. The Township contributions to the General Employees Fund for the year ended December 31, 2018 were \$106,384. The Township contributions were equal to the required contributions as set by state statute.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. PENSION COSTS

At December 31, 2018, the Township reported a liability of \$1,131,708 for its proportionate share of the General Employees Plan's net pension liability. The Township's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund during PERA's fiscal year ending June 30, 2018. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the Township totaled \$37,000. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on the Township's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the Township's proportion was .0204%, which was a decrease of .0001% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Township recognized pension expense of \$93,443 for its proportionate share of the General Employees Plan's pension expense. Pension liabilities are liquidated

At December 31, 2018, the Township reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual | | |
| Economic Experience | \$ 29,954 | \$ 33,007 |
| Changes in Actuarial Assumptions | 108,107 | 127,160 |
| Net Difference Between Projected and Actual | | |
| Earnings on Pension Plan Investments | - | 115,643 |
| Changes in Proportion | 5,648 | 16,975 |
| City Contributions Subsequent to the Measurement Date | 51,577 | - |
| Total | <u>\$ 195,286</u> | <u>\$ 292,785</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. PENSION COSTS (CONTINUED)

A total of \$51,577 reported as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>Pension Expenses Amount</u> |
|---------------------------------|--|
| 2019 | \$ 27,821 |
| 2020 | (59,916) |
| 2021 | (93,359) |
| 2022 | (23,622) |

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

| | |
|------------------------------|----------------|
| Inflation | 2.50% per year |
| Active Member Payroll Growth | 3.25% per year |
| Investment Rate of Return | 7.50% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for all future years for the General Employees.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

E. ACTUARIAL ASSUMPTIONS (CONTINUED)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|----------------------|--|
| Domestic Stocks | 36% | 5.10% |
| International Stocks | 17% | 5.30% |
| Bonds/Fixed Income | 20% | 0.75% |
| Alternative Assets | 25% | 5.90% |
| Cash | 2% | 0.00% |
| Totals | <u>100%</u> | |

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2018 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the Township's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

| Description | (6.50)% | (7.50)% | (6.50)% |
|--|--------------|--------------|------------|
| Township's Proportionate Share of the General Employees Plan Net Pension Liability | \$ 1,839,171 | \$ 1,131,708 | \$ 547,718 |

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Actual expenditures exceeded budgets during 2018 as follows:

| | Final Budget | Actual | Excess |
|--------------------------------|-----------------|--------------|--------------|
| General Fund: | | | |
| General Government: | | | |
| General Government | \$ 298,270 | \$ 321,849 | \$ (23,579) |
| Code Enforcement | 188,330 | 198,321 | (9,991) |
| Town Buildings | 166,913 | 180,706 | (13,793) |
| Public Safety: | | | |
| Police and Traffic Control | 1,046,823 | 1,049,514 | (2,691) |
| Public Works: | | | |
| Public Works | 276,426 | 282,623 | (6,197) |
| Community Development | 220,314 | 259,439 | (39,125) |
| Economic Development Authority | \$ 249,660 | \$ 1,103,514 | \$ (853,854) |

These excess expenditures were funded by available fund balance and greater than anticipated revenues in the General Fund.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Fire, Rescue, and Ambulance Services – The Township has entered into an agreement with the City of White Bear Lake whereby the City will provide the Township with fire, rescue, and ambulance services. The term of the original contract was five years, commencing January 1, 1992, and renews automatically. Related expenditures for fiscal year 2018 were \$254,107.

Law Enforcement Services – The Township entered into an agreement with Ramsey County to provide law enforcement services for an initial three-year period commencing January 1, 2004, and renewing automatically, until one party terminates the agreement. The agreement calls for the Township to pay Ramsey County based on the actual costs associated with providing services under the agreement. Related expenditures for fiscal year 2018 were \$1,046,288.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 INTERFUND ACTIVITY

Interfund balance at year end are as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-------------------------|---------------------------------|------------------------------|
| Governmental Activity: | | |
| General Fund | \$ 404,391 | \$ - |
| Business-Type Activity: | | |
| Sewer Fund | - | (404,391) |

The interfund receivable and payable noted above are the result of the general fund borrowing cash to the sewer fund to eliminate a negative cash balance.

Individual fund transfers for fiscal year 2018 are as follows:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|--|--------------------|---------------------|
| Governmental Activity: | | |
| General Fund | \$ 15,000 | \$ (79,000) |
| Economic Development Authority Improvement Fund | - | (99,273) |
| 79,000 | 79,000 | - |
| Nonmajor Funds: | | |
| Special Revenue Funds: | | |
| Park Acquisition Fund | - | (4,838) |
| Debt Service Funds: | | |
| Tax Increment Bonds 2001C | 84,273 | - |
| Capital Projects Funds: | | |
| Park Acquisition Fund | 4,838 | - |
| Total Governmental Activity | <u>\$ 183,111</u> | <u>\$ (183,111)</u> |

During 2018, the Township made routine interfund transfers for various reasons including some fund balances exceeding the Town's fund balance policies, to finance debt and operations or to establish or close-out funds.

NOTE 9 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township continues to carry commercial insurance for all risks of loss, including disability and employee health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 CONDUIT DEBT OBLIGATIONS

The Township has issued revenue bonds for the purposes of providing capital financing to various private enterprises. Even though the debt bears the Township's name, the Township is not responsible for the payment of the original debt. The debt is secured by the payments agreed to be paid by the private enterprise under the terms of the agreement between the Township and the enterprise. The general description of the transaction and the outstanding balance at December 31, 2018 is as follows:

| <u>Enterprises</u> | <u>Purpose</u> | <u>Balance at December 31, 2018</u> |
|---|----------------------------|---|
| White Bear Leased Housing Associates II | Construction of a Facility | \$ 9,263,392 |

NOTE 11 PRIOR PERIOD RESTATEMENT

The Township restated beginning net position of the water fund and business-type activities as a result of capital expenses which occurred in the prior year not being properly capitalized at December 31, 2017. These amounts were expensed in the prior year rather than capitalized in construction in progress, understating both capital assets and net position at December 31, 2017. As a result, the Township's net position as of December 31, 2017 has been restated to reflect the capitalization of these expenses as follows:

| | <u>Business-Type Activities</u> | <u>Water Fund</u> |
|---|-------------------------------------|---------------------|
| Net Position, December 31, 2017, as Previously Reported | \$ 18,699,810 | \$ 8,969,250 |
| Capital Expenses Not Properly Capitalized at December 31, 2017 | 234,804 | 234,804 |
| Net Position, December 31, 2018, as Restated | <u>\$ 18,934,614</u> | <u>\$ 9,204,054</u> |

NOTE 12 SUBSEQUENT EVENTS

In a prior year the Township had purchased water meters to be used for the purpose of monitoring residential and commercial water use. The Township alleged to the manufacturer and distributor that the water meters were defective and sought restitution. In a settlement agreement finalized in 2019 the three parties came to an agreement to replace all of the water meters with the cost being split equally between the three parties. The Township's portion to replace all of the meters totaled \$860,060 and was paid in June of 2019.

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION**

WHITE BEAR TOWNSHIP, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| REVENUE | | | | |
| General Property Taxes | \$ 3,226,691 | \$ 3,226,691 | \$ 3,224,905 | \$ (1,786) |
| Licenses and Permits | 184,400 | 184,400 | 257,957 | 73,557 |
| Intergovernmental | 197,216 | 197,216 | 210,381 | 13,165 |
| Charges for Services | 147,490 | 147,490 | 254,412 | 106,922 |
| Investment Earnings (Losses) | 72,420 | 72,420 | 62,864 | (9,556) |
| Fines and Forfeits | 9,000 | 9,000 | 11,073 | 2,073 |
| Special Assessments | - | - | 69,245 | 69,245 |
| Equipment Rental | 439,355 | 439,355 | 233,055 | (206,300) |
| Miscellaneous | 358,481 | 358,481 | 355,243 | (3,238) |
| Total Revenue | <u>4,635,053</u> | <u>4,635,053</u> | <u>4,679,135</u> | <u>44,082</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| General Government | 298,270 | 298,270 | 321,849 | (23,579) |
| Administration | 309,397 | 309,397 | 295,184 | 14,213 |
| Board of Supervisors | 44,178 | 44,178 | 42,333 | 1,845 |
| Elections | 28,755 | 28,755 | 26,631 | 2,124 |
| Code Enforcement | 188,330 | 188,330 | 198,321 | (9,991) |
| Town Buildings | 166,913 | 166,913 | 180,706 | (13,793) |
| Total General Government | <u>1,035,843</u> | <u>1,035,843</u> | <u>1,065,024</u> | <u>(29,181)</u> |
| Public Safety: | | | | |
| Police and Traffic Control | 1,046,823 | 1,046,823 | 1,049,514 | (2,691) |
| Fire Protection | 254,110 | 254,110 | 254,107 | 3 |
| Total Public Safety | <u>1,300,933</u> | <u>1,300,933</u> | <u>1,303,621</u> | <u>(2,688)</u> |
| Public Works: | | | | |
| Road and Bridge | 503,165 | 503,165 | 461,896 | 41,269 |
| Public Works | 276,426 | 276,426 | 282,623 | (6,197) |
| Recycling | 27,335 | 27,335 | 22,399 | 4,936 |
| Total Public Works | <u>806,926</u> | <u>806,926</u> | <u>766,918</u> | <u>40,008</u> |
| Parks, Recreation, and Forestry | 629,975 | 629,975 | 611,952 | 18,023 |
| Community Development | 220,314 | 220,314 | 259,439 | (39,125) |
| Capital Outlay | 787,950 | 787,950 | 268,507 | 519,443 |
| Total Expenditures | <u>4,781,941</u> | <u>4,781,941</u> | <u>4,275,461</u> | <u>506,480</u> |
| REVENUE OVER EXPENDITURES | (146,888) | (146,888) | 403,674 | 550,562 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In | 15,000 | 15,000 | 15,000 | - |
| Transfer Out | (79,000) | (79,000) | (79,000) | - |
| Sale of Property | 21,000 | 21,000 | 15,309 | (5,691) |
| Total Other Financing Sources (Uses) | <u>(43,000)</u> | <u>(43,000)</u> | <u>(48,691)</u> | <u>(5,691)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (189,888)</u> | <u>\$ (189,888)</u> | 354,983 | <u>\$ 544,871</u> |
| Fund Balance - Beginning of Year | | | <u>3,774,913</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 4,129,896</u> | |

WHITE BEAR TOWNSHIP, MINNESOTA
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2018

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-------------------|-------------------|-------------------------------|
| REVENUE | | | | |
| General Property Taxes | \$ 631,000 | \$ 631,000 | \$ 548,472 | \$ (82,528) |
| Charges for Services | 7,200 | 7,200 | 4,200 | (3,000) |
| Investment Earnings (Losses) | 25,915 | 25,915 | 6,919 | (18,996) |
| Miscellaneous | - | - | 50 | 50 |
| Total Revenue | <u>664,115</u> | <u>664,115</u> | <u>559,641</u> | <u>(104,474)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community Development | <u>249,660</u> | <u>249,660</u> | <u>1,103,514</u> | <u>(853,854)</u> |
| REVENUE OVER (UNDER) EXPENDITURES | 414,455 | 414,455 | (543,873) | (958,328) |
| OTHER FINANCING USES | | | | |
| Transfer Out | <u>(99,273)</u> | <u>(99,273)</u> | <u>(99,273)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 315,182</u> | <u>\$ 315,182</u> | (643,146) | <u>\$ (958,328)</u> |
| Fund Balance - Beginning of Year | | | <u>1,586,696</u> | |
| FUND BALANCE - END OF YEAR | | | <u>\$ 943,550</u> | |

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2018**

STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The General Fund and Economic Development Authority Special Revenue Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Actual expenditures exceeded budgets during 2018 as follows:

| | <u>Final Budget</u> | <u>Actual</u> | <u>Excess</u> |
|--------------------------------|-------------------------|---------------|---------------|
| General Fund: | | | |
| General Government: | | | |
| General Government | \$ 298,270 | \$ 321,849 | \$ (23,579) |
| Code Enforcement | 188,330 | 198,321 | (9,991) |
| Town Buildings | 166,913 | 180,706 | (13,793) |
| Public Safety: | | | |
| Police and Traffic Control | 1,046,823 | 1,049,514 | (2,691) |
| Public Works: | | | |
| Public Works | 276,426 | 282,623 | (6,197) |
| Community Development | 220,314 | 259,439 | (39,125) |
| Economic Development Authority | \$ 249,660 | \$ 1,103,514 | \$ (853,854) |

These excess expenditures were funded by existing General Fund balances and greater than anticipated revenues.

**WHITE BEAR TOWNSHIP, MINNESOTA
PERA SCHEDULE OF THE TOWNSHIP'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN MEASUREMENT PERIODS**

| | <u>Measurement Date 6/30/2018</u> | <u>Measurement Date 6/30/2017</u> | <u>Measurement Date 6/30/2016</u> | <u>Measurement Date 6/30/2015</u> | <u>Measurement Date 6/30/2014</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Township's Proportion of the Net Pension Liability | 0.0204% | 0.0205% | 0.0203% | 0.0213% | 0.0229% |
| Township's Proportionate Share of the Net Pension Liability | \$ 1,131,708 | \$ 1,308,706 | \$ 1,648,256 | \$ 1,103,877 | \$ 1,075,727 |
| State of Minnesota's Proportionate Share of the Township's Net Pension Liability | 37,000 | 16,447 | 21,459 | - | - |
| Total Proportionate Share of the Net Pension Liability | <u>\$ 1,168,708</u> | <u>\$ 1,325,153</u> | <u>\$ 1,669,715</u> | <u>\$ 1,103,877</u> | <u>\$ 1,075,727</u> |
| Township's Covered Payroll | \$ 1,366,547 | \$ 1,319,960 | \$ 1,258,333 | \$ 1,253,899 | \$ 1,202,869 |
| Township's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll | 82.82% | 99.15% | 130.99% | 88.04% | 89.43% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.50% | 68.91% | 68.91% | 78.20% | 78.70% |

The Township implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). The schedule is provided prospectively beginning with the plan's measurement date of June 30, 2014 and is intended to show a 10-year trend. Additional years will be reported as they become available.

**WHITE BEAR TOWNSHIP, MINNESOTA
PERA SCHEDULE OF TOWNSHIP'S CONTRIBUTIONS
LAST TEN YEARS**

Last Four Fiscal Years

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Statutorily Required Contribution | \$ 106,384 | \$ 99,882 | \$ 95,703 | \$ 94,393 | \$ 92,102 |
| Contributions in Relation to the Statutorily Required Contribution | <u>(106,384)</u> | <u>(99,882)</u> | <u>(95,703)</u> | <u>(94,393)</u> | <u>(92,102)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Township's Covered Payroll | \$ 1,418,453 | \$ 1,331,760 | \$ 1,276,040 | \$ 1,258,573 | \$ 1,270,372 |

The Township implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). The schedule is provided prospectively beginning with the plan's measurement date of June 30, 2014 and is intended to show a 10-year trend. Additional years will be reported as they become available.

COMBINING FUND FINANCIAL STATEMENTS

**WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

| | Debt Service | | | Special Revenue | |
|---|------------------------------------|------------------------------------|--|-----------------------------|-----------------------------|
| | G.O. | | | Park Acquisition Fund | |
| | Tax Increment Bonds 2001C | Tax Increment Bonds 2005B | Improvement and Utility Revenue Bonds 2008A | | Debt Service Subtotal |
| ASSETS | | | | | |
| Cash and Investments | \$ 110,081 | \$ 2,501 | \$ 36,223 | \$ 148,805 | \$ - |
| Accrued Interest Receivable | 711 | 20 | 231 | 962 | - |
| Special Assessments Receivable: | | | | | |
| Other | - | - | 334 | 334 | - |
| Total Assets | \$ 110,792 | \$ 2,521 | \$ 36,788 | \$ 150,101 | \$ - |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund Balance: | | | | | |
| Restricted for: | | | | | |
| Debt Service | 110,792 | 2,521 | 36,788 | 150,101 | - |
| Park Development | - | - | - | - | - |
| Assigned for: | | | | | |
| Park Development | - | - | - | - | - |
| Town Hall Improvements | - | - | - | - | - |
| Polar Lakes Park Development | - | - | - | - | - |
| Total Fund Balance | 110,792 | 2,521 | 36,788 | 150,101 | - |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | \$ 110,792 | \$ 2,521 | \$ 36,788 | \$ 150,101 | \$ - |

**WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

| Capital Projects | | | | |
|--|-----------------------------|-----------------------------|---------------------------------|---------------------|
| Community Park Improvement Fund | Park Acquisition Fund | Park Improvement Fund | Capital Projects Subtotal | Totals 2018 |
| \$ 304,002 | \$ 738,891 | \$ 154,558 | \$ 1,197,451 | \$ 1,346,256 |
| 2,237 | 5,730 | 1,187 | 9,154 | 10,116 |
| - | - | - | - | 334 |
| <u>\$ 306,239</u> | <u>\$ 744,621</u> | <u>\$ 155,745</u> | <u>\$ 1,206,605</u> | <u>\$ 1,356,706</u> |
| \$ - | \$ 518 | \$ - | \$ 518 | \$ 518 |
| - | - | - | - | 150,101 |
| - | 6,385 | - | 6,385 | 6,385 |
| - | 737,718 | 155,745 | 893,463 | 893,463 |
| - | - | - | - | - |
| 306,239 | - | - | 306,239 | 306,239 |
| <u>306,239</u> | <u>744,103</u> | <u>155,745</u> | <u>1,206,087</u> | <u>1,356,188</u> |
| <u>\$ 306,239</u> | <u>\$ 744,621</u> | <u>\$ 155,745</u> | <u>\$ 1,206,605</u> | <u>\$ 1,356,706</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

| | Debt Service | | | | Special Revenue |
|---------------------------------------|------------------------------------|------------------------------------|--|-----------------------------|-----------------------------|
| | G.O. | | | Debt Service Subtotal | Park Acquisition Fund |
| | Tax Increment Bonds 2001C | Tax Increment Bonds 2005B | Improvement and Utility Revenue Bonds 2008A | | |
| REVENUE | | | | | |
| Investment Earnings (Losses) | \$ 633 | \$ (987) | \$ (947) | \$ (1,301) | \$ - |
| Park and Recreation Fees | - | - | - | - | - |
| Special Assessments | - | - | 15,213 | 15,213 | - |
| Miscellaneous | - | - | - | - | - |
| Total Revenue | <u>633</u> | <u>(987)</u> | <u>14,266</u> | <u>13,912</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Parks, Recreation and Forestry | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal | 85,000 | - | 52,085 | 137,085 | - |
| Interest and Fiscal Charges | 5,859 | - | 3,860 | 9,719 | - |
| Total Expenditures | <u>90,859</u> | <u>-</u> | <u>55,945</u> | <u>146,804</u> | <u>-</u> |
| REVENUE UNDER EXPENDITURES | (90,226) | (987) | (41,679) | (132,892) | - |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 84,273 | - | - | 84,273 | - |
| Transfers Out | - | - | - | - | (4,838) |
| Total Other Financing Sources (Uses) | <u>84,273</u> | <u>-</u> | <u>-</u> | <u>84,273</u> | <u>(4,838)</u> |
| NET CHANGE IN FUND BALANCE | (5,953) | (987) | (41,679) | (48,619) | (4,838) |
| Fund Balance - Beginning of Year | <u>116,745</u> | <u>3,508</u> | <u>78,467</u> | <u>198,720</u> | <u>4,838</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 110,792</u> | <u>\$ 2,521</u> | <u>\$ 36,788</u> | <u>\$ 150,101</u> | <u>\$ -</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2018**

| Capital Projects | | | | |
|--|-----------------------------|-----------------------------|---------------------------------|---------------------|
| Community Park Improvement Fund | Park Acquisition Fund | Park Improvement Fund | Capital Projects Subtotal | Totals 2018 |
| \$ 1,635 | \$ 13,570 | \$ 214,477 | \$ 229,682 | \$ 228,381 |
| - | 11,343 | - | 11,343 | 11,343 |
| - | - | - | - | 15,213 |
| 53,393 | - | - | 53,393 | 53,393 |
| <u>55,028</u> | <u>24,913</u> | <u>214,477</u> | <u>294,418</u> | <u>308,330</u> |
| 3,562 | - | - | 3,562 | 3,562 |
| - | - | 108,854 | 108,854 | 108,854 |
| - | - | - | - | 137,085 |
| - | - | - | - | 9,719 |
| <u>3,562</u> | <u>-</u> | <u>108,854</u> | <u>112,416</u> | <u>259,220</u> |
| 51,466 | 24,913 | 105,623 | 182,002 | 49,110 |
| - | 4,838 | - | 4,838 | 89,111 |
| - | - | - | - | (4,838) |
| <u>-</u> | <u>4,838</u> | <u>-</u> | <u>4,838</u> | <u>84,273</u> |
| 51,466 | 29,751 | 105,623 | 186,840 | 133,383 |
| <u>254,773</u> | <u>714,352</u> | <u>50,122</u> | <u>1,019,247</u> | <u>1,222,805</u> |
| <u>\$ 306,239</u> | <u>\$ 744,103</u> | <u>\$ 155,745</u> | <u>\$ 1,206,087</u> | <u>\$ 1,356,188</u> |

III.

STATISTICAL SECTION (UNAUDITED)

This part of White Bear Township, Minnesota's Comprehensive Annual Financial Report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about Township's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the Township's Current Level of outstanding debt and the Township's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to services the Township provides and activities it performs.

WHITE BEAR TOWNSHIP, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | | | | | | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 13,569,362 | \$ 13,201,804 | \$ 12,902,768 | \$ 12,258,761 | \$ 12,139,083 | \$ 12,300,923 | \$ 13,292,401 | \$ 14,289,017 | \$ 14,045,226 | \$ 14,513,571 |
| Restricted | 3,291,589 | 1,149,715 | 4,649,117 | 4,427,242 | 4,376,137 | 3,665,385 | 3,236,601 | 3,364,485 | 2,725,600 | 1,836,541 |
| Unrestricted | 1,836,756 | 4,149,416 | 2,895,036 | 4,303,394 | 4,639,741 | 4,927,688 | 5,123,683 | 4,458,172 | 5,467,540 | 5,428,200 |
| Total Governmental Activities | | | | | | | | | | |
| Net Position | <u>\$ 18,697,707</u> | <u>\$ 18,500,935</u> | <u>\$ 20,446,921</u> | <u>\$ 20,989,397</u> | <u>\$ 21,154,961</u> | <u>\$ 20,893,996</u> | <u>\$ 21,652,685</u> | <u>\$ 22,111,674</u> | <u>\$ 22,238,366</u> | <u>\$ 21,778,312</u> |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 16,464,691 | \$ 16,162,163 | \$ 15,271,382 | \$ 14,445,266 | \$ 14,551,539 | \$ 14,337,723 | \$ 14,492,265 | \$ 14,876,547 | \$ 15,992,846 | \$ 16,916,015 |
| Unrestricted | 6,407,612 | 6,207,441 | 6,384,286 | 7,579,011 | 6,752,349 | 6,372,106 | 4,986,226 | 4,269,429 | 2,706,964 | 3,547,576 |
| Total Business-Type Activities | | | | | | | | | | |
| Net Position | <u>\$ 22,872,303</u> | <u>\$ 22,369,604</u> | <u>\$ 21,655,668</u> | <u>\$ 22,024,277</u> | <u>\$ 21,303,888</u> | <u>\$ 20,709,829</u> | <u>\$ 19,478,491</u> | <u>\$ 19,145,976</u> | <u>\$ 18,699,810</u> | <u>\$ 20,463,591</u> |
| Primary Government: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 30,034,053 | \$ 29,363,967 | \$ 28,174,150 | \$ 26,704,027 | \$ 26,690,622 | \$ 26,638,646 | \$ 27,784,666 | \$ 29,165,564 | \$ 30,038,072 | \$ 31,429,586 |
| Restricted | 3,291,589 | 1,149,715 | 4,649,117 | 4,427,242 | 4,376,137 | 3,665,385 | 3,236,601 | 3,364,485 | 2,725,600 | 1,836,541 |
| Unrestricted | 8,244,368 | 10,356,857 | 9,279,322 | 11,882,405 | 11,392,090 | 11,299,794 | 10,109,909 | 8,727,601 | 8,174,504 | 8,975,776 |
| Total Primary Government | | | | | | | | | | |
| Net Position | <u>\$ 41,570,010</u> | <u>\$ 40,870,539</u> | <u>\$ 42,102,589</u> | <u>\$ 43,013,674</u> | <u>\$ 42,458,849</u> | <u>\$ 41,603,825</u> | <u>\$ 41,131,176</u> | <u>\$ 41,257,650</u> | <u>\$ 40,938,176</u> | <u>\$ 42,241,903</u> |

WHITE BEAR TOWNSHIP, MINNESOTA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | |
|--|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 |
| Expenses: | | | |
| Governmental Activities: | | | |
| General Government | \$ 905,477 | \$ 934,274 | \$ 889,444 |
| Public Safety | 1,028,345 | 1,031,533 | 1,052,716 |
| Public Works | 1,317,693 | 1,237,007 | 1,396,533 |
| Parks, Recreation, and Forestry | 237,266 | 342,767 | 304,424 |
| Community Development | 652,991 | 667,331 | 1,708,220 |
| Interest on Long-Term Debt | 207,360 | 189,773 | 155,488 |
| Total Governmental Activities Expenses | <u>4,349,132</u> | <u>4,402,685</u> | <u>5,506,825</u> |
| Business-Type Activities: | | | |
| Water | 1,848,649 | 1,406,671 | 1,345,217 |
| Sewer | 1,283,429 | 1,240,584 | 1,422,937 |
| Storm Sewer | 92,992 | 107,974 | 137,694 |
| Total Business-Type Activities | <u>3,225,070</u> | <u>2,755,229</u> | <u>2,905,848</u> |
| Total Primary Government Expenses | <u>\$ 7,574,202</u> | <u>\$ 7,157,914</u> | <u>\$ 8,412,673</u> |
| Program Revenues: | | | |
| Governmental Activities: | | | |
| Charges for Services: | | | |
| General Government | \$ 531,817 | \$ 493,481 | \$ 511,269 |
| Public Safety | 21,542 | 21,742 | 23,367 |
| Public Works | - | 16,500 | - |
| Parks, Recreation, and Forestry | 36,204 | 5,500 | 5,853 |
| Community Development | 4,945 | 12,192 | 14,108 |
| Operating Grants and Contributions | 135,718 | 136,648 | 797,209 |
| Capital Grants and Contributions | 175,451 | 87,886 | 1,936,557 |
| Total Governmental Activities Program Revenues | <u>905,677</u> | <u>773,949</u> | <u>3,288,363</u> |
| Business-Type Activities: | | | |
| Charges for Services: | | | |
| Water | 941,586 | 935,467 | 962,730 |
| Sewer | 1,136,027 | 1,178,584 | 1,219,541 |
| Storm Sewer | 155,413 | 155,175 | 155,886 |
| Capital Grants and Contributions | 50,000 | - | 717 |
| Total Business-Type Activities Program Revenues | <u>2,283,026</u> | <u>2,269,226</u> | <u>2,338,874</u> |
| Total Primary Government Program Revenues | <u>\$ 3,188,703</u> | <u>\$ 3,043,175</u> | <u>\$ 5,627,237</u> |
| Net (Expense)/Revenue: | | | |
| Governmental Activities | \$ (3,443,455) | \$ (3,628,736) | \$ (2,218,462) |
| Business-Type Activities | <u>(942,044)</u> | <u>(486,003)</u> | <u>(566,974)</u> |
| Total Primary Government Net Expense | <u>\$ (4,385,499)</u> | <u>\$ (4,114,739)</u> | <u>\$ (2,785,436)</u> |
| General Revenues and Other Changes in Net Position: | | | |
| Governmental Activities: | | | |
| Property Taxes | \$ 3,561,781 | \$ 3,015,729 | \$ 3,449,241 |
| Unrestricted Grants and Contributions | 32,434 | 17,623 | 38,957 |
| Unrestricted Investment Earnings | (125,572) | 73,651 | 68,405 |
| Gain on Sale of Capital Assets | 5,454 | 10,243 | 246 |
| Miscellaneous | 293,080 | 207,560 | 385,777 |
| Transfers | 153,183 | 107,158 | 221,822 |
| Total Governmental Activities | <u>3,920,360</u> | <u>3,431,964</u> | <u>4,164,448</u> |
| Business-Type Activities: | | | |
| Unrestricted Investment Earnings | 160,959 | 90,462 | 74,860 |
| Contributed Capital | - | - | - |
| Transfers | (153,183) | (107,158) | (221,822) |
| Total Business-Type Activities | <u>7,776</u> | <u>(16,696)</u> | <u>(146,962)</u> |
| Total Primary Government | <u>\$ 3,928,136</u> | <u>\$ 3,415,268</u> | <u>\$ 4,017,486</u> |
| Change in Net Position | | | |
| Governmental Activities | \$ 476,905 | \$ (196,772) | \$ 1,945,986 |
| Business-Type Activities | <u>(934,268)</u> | <u>(502,699)</u> | <u>(713,936)</u> |
| Total Primary Government | <u>\$ (457,363)</u> | <u>\$ (699,471)</u> | <u>\$ 1,232,050</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

| Fiscal Year | | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 913,141 | \$ 881,583 | \$ 1,027,778 | \$ 862,396 | \$ 902,593 | \$ 1,015,785 | \$ 1,204,114 |
| 1,090,602 | 1,108,193 | 1,129,627 | 1,125,305 | 1,159,394 | 1,220,765 | 1,305,225 |
| 1,486,743 | 1,852,916 | 1,691,642 | 1,695,502 | 1,560,387 | 1,599,838 | 2,058,800 |
| 403,408 | 452,089 | 437,214 | 477,652 | 720,489 | 631,597 | 746,173 |
| 376,014 | 517,466 | 1,018,383 | 400,748 | 349,687 | 560,489 | 1,203,982 |
| 177,338 | 226,435 | 110,637 | 64,254 | 58,771 | 39,290 | 23,348 |
| 4,447,246 | 5,038,682 | 5,415,281 | 4,625,857 | 4,751,321 | 5,067,764 | 6,541,642 |
| 1,241,287 | 1,577,742 | 1,518,328 | 1,471,084 | 1,748,513 | 2,682,754 | 1,432,155 |
| 1,686,562 | 1,502,337 | 1,669,057 | 1,617,751 | 1,714,216 | 2,048,861 | 1,942,370 |
| 171,971 | 260,884 | 209,803 | 187,404 | 201,909 | 244,932 | 272,050 |
| 3,099,820 | 3,340,963 | 3,397,188 | 3,276,239 | 3,664,638 | 4,976,547 | 3,646,575 |
| <u>\$ 7,547,066</u> | <u>\$ 8,379,645</u> | <u>\$ 8,812,469</u> | <u>\$ 7,902,096</u> | <u>\$ 8,415,959</u> | <u>\$ 10,044,311</u> | <u>\$ 10,188,217</u> |
| \$ 627,481 | \$ 576,218 | \$ 557,484 | \$ 787,071 | \$ 599,289 | \$ 718,469 | \$ 741,348 |
| 28,593 | 29,349 | 31,729 | 18,932 | 27,697 | 22,804 | 26,937 |
| - | - | - | - | - | - | 385,990 |
| 8,890 | 8,853 | 3,415 | 21,313 | 7,101 | 3,100 | 64,636 |
| 8,160 | 16,048 | 15,976 | 38,948 | 9,579 | 11,461 | 27,229 |
| 141,219 | 141,853 | 154,009 | 202,473 | 235,545 | 185,255 | 206,100 |
| 34,941 | 565,608 | 87,889 | 272,539 | 264,934 | 32,714 | 1,335,198 |
| 849,284 | 1,337,929 | 850,502 | 1,341,276 | 1,144,145 | 973,803 | 2,787,438 |
| 1,939,379 | 1,414,141 | 1,279,197 | 1,203,344 | 1,454,982 | 1,513,555 | 1,898,215 |
| 1,337,167 | 1,282,750 | 1,258,875 | 1,291,601 | 1,275,141 | 2,485,352 | 2,058,417 |
| 155,084 | 157,791 | 158,961 | 280,767 | 361,026 | 508,490 | 545,138 |
| - | 675 | 1,494 | - | - | - | 31,300 |
| 3,431,630 | 2,855,357 | 2,698,527 | 2,775,712 | 3,091,149 | 4,507,397 | 4,533,070 |
| <u>\$ 4,280,914</u> | <u>\$ 4,193,286</u> | <u>\$ 3,549,029</u> | <u>\$ 4,116,988</u> | <u>\$ 4,235,294</u> | <u>\$ 5,481,200</u> | <u>\$ 7,320,508</u> |
| \$ (3,597,962) | \$ (3,700,753) | \$ (4,564,779) | \$ (3,284,581) | \$ (3,607,176) | \$ (4,093,961) | \$ (3,754,204) |
| 331,810 | (485,606) | (698,661) | (500,527) | (573,489) | (469,150) | 886,495 |
| <u>\$ (3,266,152)</u> | <u>\$ (4,186,359)</u> | <u>\$ (5,263,440)</u> | <u>\$ (3,785,108)</u> | <u>\$ (4,180,665)</u> | <u>\$ (4,563,111)</u> | <u>\$ (2,867,709)</u> |
| \$ 3,612,679 | \$ 3,561,781 | \$ 3,535,485 | \$ 3,655,622 | \$ 3,674,932 | \$ 3,585,171 | \$ 3,765,504 |
| 4,266 | 32,434 | 4,283 | 4,284 | 4,283 | 4,281 | 4,281 |
| 147,737 | (125,572) | 253,245 | 111,727 | 118,314 | 199,915 | 160,858 |
| - | 5,454 | 17,137 | - | 5,705 | 18,091 | 11,363 |
| 266,851 | 293,080 | 412,421 | 352,088 | 462,931 | 413,195 | 4,876 |
| 108,905 | 99,140 | 81,243 | 554,375 | (200,000) | - | (652,732) |
| 4,140,438 | 3,866,317 | 4,303,814 | 4,678,096 | 4,066,165 | 4,220,653 | 3,294,150 |
| 145,704 | 185,845 | 185,845 | 46,809 | 40,974 | 22,984 | (10,250) |
| - | - | - | 171,391 | - | - | - |
| (108,905) | (78,432) | (81,243) | (554,375) | 200,000 | - | 652,732 |
| 36,799 | 107,413 | 104,602 | (336,175) | 240,974 | 22,984 | 642,482 |
| <u>\$ 4,177,237</u> | <u>\$ 3,973,730</u> | <u>\$ 4,408,416</u> | <u>\$ 4,341,921</u> | <u>\$ 4,307,139</u> | <u>\$ 4,243,637</u> | <u>\$ 3,936,632</u> |
| \$ 542,476 | \$ 165,564 | \$ (260,965) | \$ 1,393,515 | \$ 458,989 | \$ 126,692 | \$ (460,054) |
| 368,609 | (378,193) | (594,059) | (836,702) | (332,515) | (446,166) | 1,528,977 |
| <u>\$ 911,085</u> | <u>\$ (212,629)</u> | <u>\$ (855,024)</u> | <u>\$ 556,813</u> | <u>\$ 126,474</u> | <u>\$ (319,474)</u> | <u>\$ 1,068,923</u> |

**WHITE BEAR TOWNSHIP, MINNESOTA
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

| | Fiscal Year | | |
|--------------------------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 |
| General Fund: | | | |
| Reserved | \$ 27,488 | \$ 20,345 | \$ - |
| Unreserved | 2,189,726 | 2,122,782 | - |
| Nonspendable | - | - | 25,440 |
| Assigned | - | - | 6,742 |
| Unassigned | - | - | 2,660,334 |
| Total General Fund | <u>2,217,214</u> | <u>2,143,127</u> | <u>2,692,516</u> |
| All Other Governmental Funds: | | | |
| Reserved Reported in: | | | |
| Special Revenue Funds | 634,155 | 632,718 | 632,718 |
| Debt Service Funds | 201,201 | 1,007,277 | 1,007,277 |
| Unreserved Reported in: | | | |
| Special Revenue Funds | 1,066,657 | 1,219,761 | 1,219,761 |
| Capital Projects Funds | (250,420) | 479,884 | 479,884 |
| Debt Service Funds | 1,487,357 | 172,532 | 172,532 |
| Nonspendable | - | - | - |
| Restricted | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total All Other Governmental Funds | <u>3,138,950</u> | <u>3,512,172</u> | <u>3,512,172</u> |
| Total All Funds | <u>\$ 5,356,164</u> | <u>\$ 5,655,299</u> | <u>\$ 6,204,688</u> |

Note: The Township began to use new categories of fund balance when it implemented GASB 54 in 2011. Prior years were not retroactively reclassified.

WHITE BEAR TOWNSHIP, MINNESOTA
FUND BALANCE, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| Fiscal Year | | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| 22,644 | 23,879 | 8,534 | 20,461 | 33,616 | 17,462 | 9,609 |
| 6,511 | 6,749 | 6,983 | 7,315 | 7,490 | 6,610 | 5,596 |
| <u>3,140,127</u> | <u>3,015,703</u> | <u>3,168,131</u> | <u>3,549,295</u> | <u>3,387,540</u> | <u>3,750,841</u> | <u>4,114,691</u> |
| 3,169,282 | 3,046,331 | 3,183,648 | 3,577,071 | 3,428,646 | 3,774,913 | 4,129,896 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 354,556 | 354,556 | 354,556 | 223,476 | 223,476 | - | - |
| 2,820,032 | 2,918,413 | 2,396,968 | 2,319,421 | 2,612,052 | 2,346,188 | 1,581,671 |
| 1,665,500 | 1,797,908 | 1,975,981 | 2,249,058 | 1,743,541 | 2,051,222 | 1,899,295 |
| (28,147) | - | (18,807) | - | - | - | - |
| <u>4,811,941</u> | <u>5,070,877</u> | <u>4,708,698</u> | <u>4,791,955</u> | <u>4,579,069</u> | <u>4,397,410</u> | <u>3,480,966</u> |
| <u>\$ 7,981,223</u> | <u>\$ 8,117,208</u> | <u>\$ 7,892,346</u> | <u>\$ 8,369,026</u> | <u>\$ 8,007,715</u> | <u>\$ 8,172,323</u> | <u>\$ 7,610,862</u> |

WHITE BEAR TOWNSHIP, MINNESOTA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | Fiscal Year | | |
|--|-------------------|-------------------|---------------------|
| | 2009 | 2010 | 2011 |
| Revenues: | | | |
| Property Taxes | \$ 3,320,266 | \$ 3,025,483 | \$ 3,437,304 |
| Licenses and Permits | 92,970 | 129,311 | 127,063 |
| Intergovernmental | 201,737 | 153,571 | 835,701 |
| Charges for Services | 115,127 | 132,565 | 161,596 |
| Investment Earnings (Losses) | 62,576 | 70,023 | 65,495 |
| Fines and Forfeits | 16,988 | 13,631 | 14,867 |
| Park and Recreation Fees | 1,500 | 5,500 | 4,000 |
| Special Assessments | 616,415 | 402,207 | 795,476 |
| Equipment Rental | 124,450 | 149,050 | 225,500 |
| Miscellaneous | 267,154 | 327,617 | 416,051 |
| Total Revenues | <u>4,819,183</u> | <u>4,408,958</u> | <u>6,083,053</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 884,291 | 908,524 | 961,827 |
| Public Safety | 1,026,176 | 1,030,499 | 1,052,119 |
| Public Works | 623,983 | 701,375 | 761,962 |
| Parks, Recreation, and Forestry | 315,828 | 328,105 | 337,316 |
| Community Development | 322,310 | 432,608 | 1,577,725 |
| Capital Outlay | 325,070 | 232,302 | 1,966,836 |
| Debt Service: | | | |
| Principal | 495,000 | 406,668 | 440,456 |
| Interest and Fiscal Charges | 200,852 | 189,805 | 212,844 |
| Total Expenditures | <u>4,193,510</u> | <u>4,229,886</u> | <u>7,311,085</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 625,673 | 179,072 | (1,228,032) |
| Other Financing Sources (Uses): | | | |
| Sale of Property | 225 | 12,905 | 7,443 |
| Issuance of Debt | - | - | 2,500,000 |
| Discount on Bonds Issued | - | - | (13,865) |
| Transfer In | 479,709 | 1,227,559 | 1,872,098 |
| Transfer Out | (326,526) | (1,120,401) | (1,416,489) |
| Total Other Financing Sources (Uses) | <u>153,408</u> | <u>120,063</u> | <u>2,949,187</u> |
| Net Change in Fund Balances | <u>\$ 779,081</u> | <u>\$ 299,135</u> | <u>\$ 1,721,155</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 18.1% | 15.3% | 10.5% |

WHITE BEAR TOWNSHIP, MINNESOTA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| Fiscal Year | | | | | | |
|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 3,620,954 | \$ 3,595,761 | \$ 3,547,159 | \$ 3,654,850 | \$ 3,634,769 | \$ 3,586,263 | \$ 3,773,377 |
| 222,645 | 167,323 | 208,418 | 232,254 | 245,408 | 233,907 | 257,957 |
| 143,846 | 173,712 | 155,481 | 205,693 | 238,038 | 189,536 | 210,381 |
| 129,226 | 170,927 | 198,636 | 265,938 | 189,386 | 181,299 | 258,612 |
| 141,903 | (120,749) | 240,343 | 105,183 | 111,335 | 181,728 | 356,277 |
| 9,724 | 11,516 | 11,622 | 11,618 | 10,724 | 12,184 | 11,073 |
| 7,000 | 7,000 | 1,500 | 19,798 | 5,756 | 3,100 | 11,343 |
| 573,307 | 613,711 | 588,475 | 488,226 | 608,870 | 303,681 | 256,327 |
| 131,575 | 172,625 | 186,925 | 197,350 | 225,355 | 278,055 | 233,055 |
| 442,894 | 399,452 | 420,272 | 493,812 | 432,298 | 452,884 | 1,460,867 |
| <u>5,423,074</u> | <u>5,191,278</u> | <u>5,558,831</u> | <u>5,674,722</u> | <u>5,701,939</u> | <u>5,422,637</u> | <u>6,829,269</u> |
| 882,843 | 874,877 | 1,034,246 | 886,467 | 980,674 | 977,656 | 1,065,024 |
| 1,089,601 | 1,107,462 | 1,127,832 | 1,148,571 | 1,154,155 | 1,215,198 | 1,303,621 |
| 725,405 | 789,691 | 843,038 | 799,260 | 947,781 | 900,390 | 919,378 |
| 347,512 | 368,461 | 373,204 | 401,743 | 451,996 | 422,838 | 615,514 |
| 325,743 | 485,344 | 1,016,275 | 394,203 | 337,578 | 550,709 | 1,362,953 |
| 48,727 | 663,357 | 540,472 | 550,159 | 1,573,156 | 451,969 | 1,793,306 |
| 1,082,350 | 679,509 | 835,459 | 1,486,400 | 364,244 | 720,191 | 317,085 |
| 171,242 | 141,186 | 119,896 | 89,424 | 59,371 | 39,890 | 29,158 |
| <u>4,673,423</u> | <u>5,109,887</u> | <u>5,890,422</u> | <u>5,756,227</u> | <u>5,868,955</u> | <u>5,278,841</u> | <u>7,406,039</u> |
| 749,651 | 81,391 | (331,591) | (81,505) | (167,016) | 143,796 | (576,770) |
| - | 5,454 | 25,486 | 3,810 | 5,705 | 20,812 | 15,309 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 840,792 | 1,022,914 | 478,417 | 1,320,613 | 634,022 | 1,645,722 | 183,111 |
| (751,887) | (973,774) | (397,174) | (766,238) | (834,022) | (1,645,722) | (183,111) |
| <u>88,905</u> | <u>54,594</u> | <u>106,729</u> | <u>558,185</u> | <u>(194,295)</u> | <u>20,812</u> | <u>15,309</u> |
| <u>\$ 838,556</u> | <u>\$ 135,985</u> | <u>\$ (224,862)</u> | <u>\$ 476,680</u> | <u>\$ (361,311)</u> | <u>\$ 164,608</u> | <u>\$ (561,461)</u> |
| 26.8% | 20.4% | 16.2% | 27.4% | 8.8% | 18.1% | 5.5% |

**WHITE BEAR TOWNSHIP, MINNESOTA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

| <u>Payable Year</u> | <u>Residential Property</u> | <u>Commercial Property</u> | <u>Industrial Property</u> | <u>Utility and Other</u> | <u>Total Taxable Tax Capacity (Assessed) Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Market Value</u> | <u>Net Tax Capacity as a Percentage of Market Value</u> |
|-------------------------|---------------------------------|--------------------------------|--------------------------------|------------------------------|--|--------------------------------------|--|---|
| 2009 | \$ 12,411,243 | \$ 1,282,635 | \$ 2,246,678 | \$ 197,406 | \$ 16,137,962 | 16.926 | \$ 1,413,918,200 | 1.14 % |
| 2010 | 11,862,056 | 1,266,037 | 2,065,192 | 206,322 | 15,399,607 | 17.584 | 1,351,529,600 | 1.14 |
| 2011 | 11,036,131 | 1,122,331 | 1,906,222 | 122,618 | 14,187,302 | 20.761 | 1,248,832,400 | 1.14 |
| 2012 | 9,714,486 | 1,060,494 | 1,797,980 | 119,326 | 12,692,286 | 23.767 | 1,169,441,400 | 1.09 |
| 2013 | 8,768,510 | 1,091,778 | 1,675,100 | 261,474 | 11,796,862 | 25.246 | 1,136,141,500 | 1.04 |
| 2014 | 9,170,505 | 1,044,276 | 1,725,327 | 204,583 | 12,144,691 | 24.292 | 1,235,823,600 | 0.98 |
| 2015 | 10,284,512 | 1,136,795 | 1,617,134 | 251,101 | 13,289,542 | 22.031 | 1,237,406,800 | 1.07 |
| 2016 | 10,511,847 | 1,150,585 | 1,618,964 | 259,851 | 13,541,247 | 22.875 | 1,260,201,700 | 1.07 |
| 2017 | 10,857,152 | 1,048,141 | 2,014,816 | 278,432 | 14,198,541 | 21.976 | 1,311,645,000 | 1.08 |
| 2018 | 11,890,569 | 1,079,193 | 2,250,836 | 251,578 | 15,472,176 | 21.722 | 1,416,566,500 | 1.09 |

Source: Ramsey County, Minnesota Assessors' Office

Note: The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.

**WHITE BEAR TOWNSHIP, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Year | Township Direct Rate | | | Overlapping Rates | | |
|------|----------------------|--|--------------|-------------------------|-------------------------|------------------------------------|
| | Basic Rate | General Obligation Debt Service | Total Direct | School District #624 | School District #621 | Special School District #916 |
| 2009 | 16.664 | 0.262 | 16.926 | 19.396 | 22.937 | - |
| 2010 | 17.310 | 0.274 | 17.584 | 21.772 | 24.560 | - |
| 2011 | 20.460 | 0.301 | 20.761 | 22.521 | 25.573 | - |
| 2012 | 23.399 | 0.368 | 23.767 | 26.102 | 29.044 | - |
| 2013 | 24.947 | 0.299 | 25.246 | 28.622 | 29.444 | - |
| 2014 | 24.014 | 0.278 | 24.292 | 28.562 | 29.734 | - |
| 2015 | 22.031 | 0.245 | 22.276 | 26.660 | 27.378 | - |
| 2016 | 22.875 | - | 22.875 | 26.236 | 26.245 | - |
| 2017 | 21.976 | - | 21.976 | 23.476 | 25.305 | - |
| 2018 | 21.722 | - | 21.722 | 26.081 | 26.330 | - |

Source: Department of Property Records and Revenue, Ramsey County

Note: Property tax rates (tax capacity rates) are determined by dividing the total tax levy by the tax capacity (assessed value). The tax capacity is calculated by applying a statutory formula to the estimated market value of the property.

**WHITE BEAR TOWNSHIP, MINNESOTA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

| Overlapping Rates | | | |
|-------------------|----------------------|----------------------|--|
| Ramsey County | Special Districts | Total Overlapping | Total Direct and Overlapping Tax Rate |
| 46.546 | 7.637 | 96.516 | 113.442 |
| 50.248 | 7.953 | 104.533 | 122.117 |
| 54.678 | 9.279 | 112.051 | 132.812 |
| 61.316 | 9.955 | 126.417 | 150.184 |
| 65.240 | 10.200 | 133.506 | 158.752 |
| 63.735 | 11.978 | 134.009 | 158.301 |
| 58.922 | 11.233 | 124.193 | 146.469 |
| 58.885 | 11.158 | 122.524 | 145.399 |
| 55.850 | 10.385 | 115.016 | 136.992 |
| 52.879 | 9.794 | 115.084 | 136.806 |

**WHITE BEAR TOWNSHIP, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

| Taxpayer | 2018 | | Percentage of Total City Taxable Assessed Value |
|-------------------------------------|-------------------------|------|--|
| | 2018 Tax Capacity | Rank | |
| Specialty Manufacturing Inc. | \$ 299,958 | 1 | 1.9 % |
| Water Gremlin Company | 210,222 | 2 | 1.4 |
| Northern States Power Company | 185,782 | 3 | 1.2 |
| JMK Limited Partnership | 174,846 | 4 | 1.1 |
| Schwing America, Inc. | 148,154 | 5 | 1.0 |
| Heraeus Vadnais Inc. | 142,428 | 6 | 0.9 |
| North Oaks Farms Inc. | 139,875 | 7 | 0.9 |
| PM Minnesota LLC & CO Pentair Inc. | 135,064 | 8 | 0.9 |
| Spearman Real Estate | 127,342 | 9 | 0.8 |
| Miksic Realty LLC | 118,500 | 10 | 0.8 |
| Muller Family Theatres | - | | - |
| Wilbert Plastics, Inc. (Thermoform) | - | | - |
| Chorus Corporation | - | | - |
| All Other Taxpayers | <u>13,790,005</u> | | <u>89.1</u> |
| Total | <u>\$ 15,472,176</u> | | <u>100.0 %</u> |

Source: Department of Property Records and Revenue, Ramsey County.

**WHITE BEAR TOWNSHIP, MINNESOTA
 PRINCIPAL PROPERTY TAXPAYERS (CONTINUED)
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)**

| 2009 | | |
|-------------------------|------|--|
| 2009 Tax Capacity | Rank | Percentage of Total City Taxable Assessed Value |
| \$ 254,424 | 2 | 1.6 % |
| - | | - |
| - | | - |
| 161,270 | 7 | 1.0 |
| 247,030 | 3 | 1.5 |
| 129,250 | 9 | 0.8 |
| 529,625 | 1 | 3.3 |
| 149,692 | 8 | 0.9 |
| 105,910 | 10 | 0.7 |
| - | | - |
| 234,862 | 4 | 1.5 |
| 225,286 | 5 | 1.4 |
| 169,202 | 6 | 1.0 |
| 13,931,411 | | 86.3 |
| \$ 16,137,962 | | 100.0 % |

**WHITE BEAR TOWNSHIP, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Year | Taxes Levied for the Fiscal Year | | | Collected within the Fiscal Year of Levy | |
|------|----------------------------------|---------------|----------------|--|--------------------|
| | Operating Tax Levy | Debt Tax Levy | Total Tax Levy | Amount | Percentage of Levy |
| 2009 | \$ 2,550,337 | \$ 100,000 | \$ 2,650,337 | \$ 2,491,321 | 94.0 % |
| 2010 | 2,525,033 | 105,000 | 2,630,033 | 2,423,326 | 92.1 |
| 2011 | 2,722,297 | 110,000 | 2,832,297 | 2,650,697 | 93.6 |
| 2012 | 2,789,071 | 115,000 | 2,904,071 | 2,912,863 | 100.3 |
| 2013 | 2,774,002 | 85,000 | 2,859,002 | 2,798,836 | 97.9 |
| 2014 | 2,761,232 | 55,000 | 2,816,232 | 2,800,636 | 99.4 |
| 2015 | 2,793,283 | 65,000 | 2,858,283 | 2,823,745 | 98.8 |
| 2016 | 2,933,926 | - | 2,933,926 | 2,926,189 | 99.7 |
| 2017 | 3,000,000 | - | 3,000,000 | 2,976,501 | 99.2 |
| 2018 | 3,403,055 | - | 3,403,055 | 3,215,754 | 94.5 |

WHITE BEAR TOWNSHIP, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

| Collections in Subsequent Years | Total Collections to Date | | Outstanding Delinquent Taxes | Percentage of Levy Outstanding |
|---------------------------------------|---------------------------|--------------------------|------------------------------------|--------------------------------------|
| | Amount | Percentage of Levy | | |
| \$ 157,288 | \$ 2,648,609 | 99.9 % | \$ 1,728 | 0.1 % |
| 203,609 | 2,626,935 | 99.9 | 3,098 | 0.1 |
| 175,256 | 2,825,953 | 99.8 | 6,344 | 0.2 |
| (11,989) | 2,900,874 | 99.9 | 3,197 | 0.1 |
| 55,388 | 2,854,224 | 99.8 | 4,778 | 0.2 |
| - | 2,800,636 | 99.4 | 15,596 | 0.6 |
| - | 2,823,745 | 98.8 | 34,538 | 1.2 |
| - | 2,926,189 | 99.7 | 7,737 | 0.3 |
| (2,759) | 2,973,742 | 99.1 | 26,258 | 0.9 |
| 178,278 | 3,394,032 | 99.7 | 9,023 | 0.3 |

**WHITE BEAR TOWNSHIP, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Fiscal Year | Governmental Activities | | | Business-Type Activities |
|-------------|--------------------------|---|---------------|----------------------------------|
| | General Obligation Bonds | General Obligation Special Assessment Bonds | Capital Lease | General Obligation Revenue Bonds |
| 2009 | \$ 4,754,182 | \$ - | \$ - | \$ 2,535,818 |
| 2010 | 4,347,514 | - | - | 2,107,486 |
| 2011 | 6,407,058 | - | - | 3,172,942 |
| 2012 | 5,324,708 | - | - | 2,765,292 |
| 2013 | 4,645,399 | - | - | 2,444,801 |
| 2014 | 3,802,119 | - | - | 2,121,405 |
| 2015 | 2,310,496 | - | - | 1,779,977 |
| 2016 | 1,948,456 | - | - | 1,421,676 |
| 2017 | 1,230,470 | - | - | 1,053,981 |
| 2018 | 915,646 | - | - | 718,180 |

Notes:

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

See the Demographic and Economic Statistics on schedule 12 for personal income and population data.

**WHITE BEAR TOWNSHIP, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Total Primary Government | Ratio of Net Bonded Debt to Assessed Value | Percentage of Personal Income | Per Capita |
|--------------------------------|---|-------------------------------------|---------------|
| \$ 7,290,000 | 0.29 | 1.4 % | \$ 621 |
| 6,455,000 | 0.28 | 1.3 | 590 |
| 9,580,000 | 0.45 | 1.8 | 871 |
| 8,090,000 | 0.42 | 1.4 | 730 |
| 7,090,200 | 0.39 | 1.2 | 639 |
| 5,923,524 | 0.31 | 1.0 | 534 |
| 4,090,473 | 0.17 | 1.2 | 369 |
| 3,370,132 | 0.14 | 0.6 | 304 |
| 2,284,451 | 0.09 | 0.3 | 201 |
| 1,633,826 | 0.06 | 0.2 | 139 |

WHITE BEAR TOWNSHIP, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2018
(UNAUDITED)

| | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|-----------------------------------|---------------------|---------------------------------------|--|
| Overlapping: | | | |
| Ramsey County | \$ 153,827,000 | 1.619 % | \$ 2,489,831 |
| County Library | 28,830,000 | 4.634 | 1,336,028 |
| Metro Watershed | 4,419,000 | 0.007 | 313 |
| I.S.D. #621 | 246,135,000 | 0.028 | 69,397 |
| I.S.D. #624 | 85,805,000 | 16.463 | 14,126,321 |
| S.I.S.D. #916 | 78,970,000 | 5.260 | 4,153,702 |
| Metro Council | 1,549,087,966 | 0.352 | 5,446,870 |
| Metro Airports Commission | - | - | - |
| Total Overlapping | | | 27,622,462 |
| White Bear Township Direct Debt | 915,646 | 100.000 | 915,646 |
| Total Direct and Overlapping Debt | | | \$ 28,538,108 |

Sources: Taxable value data used to estimate applicable percentages provided by the County Property Appraiser. Debt outstanding data provided by Ramsey County Department of Property Records & Revenue.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

**WHITE BEAR TOWNSHIP, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Debt Limit | \$ 42,417,546 | \$ 40,545,888 | \$ 37,464,972 | \$ 35,083,242 |
| Total Net Debt Applicable to Limit | 1,955,000 | 1,805,000 | 1,650,000 | 1,495,000 |
| Legal Debt Margin | <u>\$ 40,462,546</u> | <u>\$ 38,740,888</u> | <u>\$ 35,814,972</u> | <u>\$ 33,588,242</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 4.61% | 4.45% | 4.40% | 4.26% |

**WHITE BEAR TOWNSHIP, MINNESOTA
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2018:

| | |
|--|----------------------|
| Estimated Market Value | \$ 1,416,566,500 |
| Debt Limit (3% of Estimated Market Value) ** | 42,496,995 |
| Debt Applicable to Limit | 741,820 |
| Legal Debt Margin | <u>\$ 41,755,175</u> |

| Fiscal Year | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 34,084,245 | \$ 37,074,708 | \$ 37,122,204 | \$ 37,806,051 | \$ 39,349,350 | \$ 42,496,995 |
| 1,330,000 | 1,168,938 | 1,442,725 | 1,209,096 | 973,905 | 741,820 |
| \$ 32,754,245 | \$ 35,905,770 | \$ 35,679,479 | \$ 36,596,955 | \$ 38,375,445 | \$ 41,755,175 |
| 3.90% | 3.15% | 3.89% | 3.20% | 2.48% | 1.75% |

**WHITE BEAR TOWNSHIP, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)**

| Fiscal Year | Population (1) | Personal Income <i>(thousands of dollars)</i> | Per Capita Personal Income (2) |
|----------------|----------------|---|---|
| 2009 | 11,745 | \$ 525,965 | \$ 44,782 |
| 2010 | 10,949 | 499,888 | 45,656 |
| 2011 | 11,000 | 546,601 | 49,691 |
| 2012 | 11,089 | 561,869 | 50,669 |
| 2013 | 11,089 | 579,034 | 52,217 |
| 2014 | 11,089 | 594,260 | 53,590 |
| 2015 | 11,072 | 349,576 | 31,573 |
| 2016 | 11,078 | 536,807 | 48,457 |
| 2017 | 11,348 | 654,973 | 57,717 |
| 2018 | 11,789 | 689,043 | 58,448 |

Source:

- (1) Sources for 2010 is U.S. Census Bureau; all other years are estimates from the Metropolitan Council.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) Minnesota Office of State Demographer.
- (4) Independent School District No. 624.

**WHITE BEAR TOWNSHIP, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS (CONTINUED)
LAST TEN CALENDAR YEARS
(UNAUDITED)**

| Construction | | | | | | | |
|------------------------------|------------|--------------------|--------------|-------------------|---------------------------------------|-------------------------------------|--|
| Commercial and Industrial | | Residential | | Median Age (3) | School Enrollment K Thru 12 (4) | Average Unemployment Rate (2) | |
| Number of Units | Value | Number of Units | Value | | | | |
| 23 | \$ 247,604 | 434 | \$ 5,007,147 | 37.5 | 8,121 | 7.4 | |
| 33 | 1,258,735 | 347 | 4,472,908 | 37.4 | 8,020 | 6.9 | |
| 15 | 4,102,800 | 329 | 3,447,476 | 37.4 | 8,231 | 5.7 | |
| 11 | 988,149 | 373 | 9,986,083 | 37.4 | 8,005 | 4.9 | |
| 13 | 6,756,075 | 272 | 4,270,649 | 37.4 | 8,035 | 4.1 | |
| 19 | 8,925,205 | 330 | 4,298,663 | 37.4 | 8,056 | 4.7 | |
| 15 | 642,940 | 854 | 11,548,136 | 41.3 | 8,829 | 5.1 | |
| 14 | 4,148,455 | 543 | 9,786,792 | 41.1 | 8,043 | 3.5 | |
| 18 | 4,370,300 | 561 | 12,025,922 | 34.9 | 8,473 | 5.0 | |
| 22 | 4,492,828 | 575 | 10,622,478 | 36.2 | 8,593 | 2.7 | |

**WHITE BEAR TOWNSHIP, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

| Employer | 2018 | | | 2009 | | |
|-------------------------------------|-----------|------|---|-----------|------|---|
| | Employees | Rank | Percentage of Total Township Employment | Employees | Rank | Percentage of Total Township Employment |
| Heraeus Medical Components | 450 | 1 | 14.2 % | 380 | 1 | 14.6 % |
| Schwing America Inc. | 295 | 2 | 9.3 | 130 | 6 | 5.0 |
| Water Gremlin Company | 255 | 3 | 8.0 | 212 | 2 | 8.1 |
| Pentair (Porous Media Corporation) | 220 | 4 | 6.9 | 160 | 4 | 6.1 |
| Cortec Corporation | 185 | 5 | 5.8 | 129 | 7 | 5.0 |
| Cub Foods | 163 | 6 | 5.1 | 162 | 3 | 6.2 |
| Pioneer Press | 160 | 7 | 5.0 | - | - | - |
| Specialty Manufacturing Inc. | 157 | 8 | 5.0 | 118 | 8 | 4.5 |
| Wilbert Plastics Inc. (Thermorform) | 144 | 9 | 4.5 | 150 | 5 | 5.8 |
| Herold Precision Metals | 85 | 10 | 2.7 | 74 | 10 | 2.8 |
| E.P.I | - | - | - | 90 | 9 | 3.5 |
| All Other Employers | 1,057 | | 33.3 | 998 | | 38.3 |
| Total | 3,171 | | 100.0 % | 2,603 | | 100.0 % |

Source: Business Licenses, White Bear Township.

**WHITE BEAR TOWNSHIP, MINNESOTA
 FULL-TIME-EQUIVALENT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

| | Full-Time-Equivalent Employees as of December 31, | | | | |
|---------------------------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Government | | | | | |
| Administration | 2.10 | 2.10 | 2.10 | 2.10 | 2.05 |
| Code Enforcement | 2.20 | 2.20 | 2.20 | 2.20 | 1.60 |
| Town Buildings | 0.20 | 0.22 | 0.22 | 0.22 | 0.22 |
| Total General Government | <u>4.50</u> | <u>4.52</u> | <u>4.52</u> | <u>4.52</u> | <u>3.87</u> |
| Public Works | | | | | |
| Recycle | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| Public Works | 0.80 | 0.90 | 0.90 | 0.90 | 0.90 |
| Road and Bridge | 2.54 | 2.73 | 2.73 | 2.73 | 2.68 |
| Total Public Works | <u>3.39</u> | <u>3.68</u> | <u>3.68</u> | <u>3.68</u> | <u>3.63</u> |
| Parks, Recreation and Forestry | 3.19 | 3.25 | 3.25 | 3.25 | 3.2 |
| Community Development | | | | | |
| Community Development | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Economic Development Authority | - | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Community Development | <u>1.50</u> | <u>1.50</u> | <u>1.50</u> | <u>1.50</u> | <u>1.50</u> |
| Water | 3.04 | 3.08 | 3.08 | 3.28 | 3.18 |
| Sewer | 1.78 | 2.56 | 2.56 | 2.76 | 2.66 |
| Storm Sewer | <u>0.39</u> | <u>0.71</u> | <u>0.71</u> | <u>0.81</u> | <u>0.76</u> |
| Total | <u><u>17.79</u></u> | <u><u>19.30</u></u> | <u><u>19.30</u></u> | <u><u>19.80</u></u> | <u><u>18.80</u></u> |

Source: Township Records

WHITE BEAR TOWNSHIP, MINNESOTA
FULL-TIME-EQUIVALENT EMPLOYEES BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Full-Time-Equivalent Employees as of December 31,

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1.90 | 1.90 | 1.90 | 1.90 | 1.90 |
| 2.15 | 2.15 | 2.15 | 2.15 | 2.15 |
| 0.22 | 0.22 | 0.27 | 0.27 | 0.27 |
| <u>4.27</u> | <u>4.27</u> | <u>4.32</u> | <u>4.32</u> | <u>4.32</u> |
| 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| 0.90 | 0.90 | 1.00 | 1.00 | 1.00 |
| 2.73 | 2.73 | 3.21 | 3.21 | 3.21 |
| <u>3.68</u> | <u>3.68</u> | <u>4.26</u> | <u>4.26</u> | <u>4.26</u> |
| 3.25 | 3.25 | 4.03 | 4.03 | 4.03 |
| 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>1.50</u> | <u>1.50</u> | <u>1.50</u> | <u>1.50</u> | <u>1.50</u> |
| 3.18 | 3.18 | 3.45 | 3.45 | 3.45 |
| 2.65 | 2.65 | 2.90 | 2.90 | 2.90 |
| <u>0.77</u> | <u>0.77</u> | <u>0.84</u> | <u>0.84</u> | <u>0.84</u> |
| <u><u>19.30</u></u> | <u><u>19.30</u></u> | <u><u>21.30</u></u> | <u><u>21.30</u></u> | <u><u>21.30</u></u> |

WHITE BEAR TOWNSHIP, MINNESOTA
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN YEARS
(UNAUDITED)

| Function/Program | Fiscal Year | | | |
|---------------------------------------|--------------|--------------|--------------|---------------|
| | 2009 | 2010 | 2011 | 2012 |
| General Government | | | | |
| Elections | 1 | 3 | 1 | 3 |
| Number of Votes Cast | 225 | 7,228 | 364 | 7,486 |
| Public Safety | | | | |
| Police: | (A) | (A) | (A) | (A) |
| Crimes Investigated | 531 | 570 | 459 | 594 |
| Administrative Citations Collection | \$ - | \$ 10,602 | \$ 10,541 | \$ 10,818 |
| Animal Impounds | 56 | 6 | 12 | 87 |
| Neighborhood Watch Groups | 25 | 25 | 25 | 16 |
| Fire: | (B) | (B) | (B) | (B) |
| Fire | 488 | 567 | 487 | 496 |
| Average Response Time (minutes) | 6.4 | 7.2 | 7.3 | 5.9 |
| Total Dollar Loss | \$ 1,853,150 | \$ 300,850 | \$ 1,108,300 | \$ 1,015,850 |
| Inspections: | | | | |
| Building Permits | 457 | 375 | 344 | 389 |
| Value of Building Permits | \$ 5,254,751 | \$ 5,731,643 | \$ 7,550,276 | \$ 10,974,232 |
| Public Works | | | | |
| Vehicles Maintained | 25 | 26 | 27 | 27 |
| Miles of Streets | 70.5 | 70.5 | 70.5 | 70.5 |
| Snow Removal (events) | 32 | 36 | 15 | 9 |
| Parks, Recreation and Forestry | | | | |
| Parks: | | | | |
| Number of Parks | 25 | 25 | 25 | 25 |
| Acres of Parks | 191.65 | 191.65 | 191.65 | 191.65 |
| Utilities | | | | |
| Miles of Water Mains | 65.83 | 65.83 | 65.83 | 65.83 |
| Water Customers | 4,556 | 4,558 | 4,558 | 4,559 |
| Miles of Sewer Mains | 64.42 | 64.42 | 64.42 | 64.42 |
| Sewer Customers | 4,552 | 4,556 | 4,556 | 4,558 |

Source: Various City Departments

Notes:

(A) = Police protection provided by Ramsey County Sheriffs Department by contract.

(B) = Fire protection provided by the City of White Bear Lake Fire Department by contract.

WHITE BEAR TOWNSHIP, MINNESOTA
OPERATING INDICATORS BY FUNCTION / PROGRAM (CONTINUED)
LAST TEN YEARS
(UNAUDITED)

| Fiscal Year | | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|-----|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| 1 | 1 | - | 1 | - | 2 | |
| 179 | 5,296 | - | 7,375 | - | 6,552 | |
| (A) | (A) | (A) | (A) | (A) | (A) | (A) |
| 532 | 416 | 475 | 533 | 496 | 472 | |
| \$ 16,109 | \$ 12,865 | \$ 4,910 | \$ 7,600 | \$ 8,800 | \$ 7,269 | |
| 7 | 10 | 23 | 15 | 17 | 13 | |
| 16 | 16 | 16 | 25 | 25 | 25 | |
| (B) | (B) | (B) | (B) | (B) | (B) | (B) |
| 530 | 476 | 480 | 482 | 468 | 473 | |
| 6.0 | 5.8 | 5.5 | 5.6 | 5.2 | 5.2 | |
| \$ 344,000 | \$ 663,200 | \$ 1,000,000 | \$ 783,200 | \$ 960,100 | \$ 895,200 | |
| 285 | 349 | 869 | 562 | 583 | 599 | |
| \$ 11,026,724 | \$ 13,223,868 | \$ 12,191,076 | \$ 13,935,247 | \$ 16,396,222 | \$ 15,115,306 | |
| 27 | 27 | 27 | 27 | 27 | 27 | |
| 70.5 | 70.5 | 70.5 | 70.5 | 70.5 | 70.5 | |
| 22 | 15 | 15 | 18 | 18 | 18 | |
| 25 | 25 | 25 | 25 | 25 | 25 | |
| 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | |
| 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | |
| 4,559 | 4,561 | 4,583 | 4,677 | 4,693 | 4,847 | |
| 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | |
| 4,558 | 4,560 | 4,581 | 4,621 | 4,638 | 4,792 | |

WHITE BEAR TOWNSHIP, MINNESOTA
CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM
LAST TEN YEARS
(UNAUDITED)

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Correctional Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Works | | | | | | | | | | |
| Vehicles | 25 | 26 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Miles of Township Streets | 70.50 | 70.50 | 70.50 | 70.50 | 70.50 | 70.50 | 70.50 | 70.50 | 70.50 | 70.50 |
| Parks, Recreation and Forestry | | | | | | | | | | |
| Parks | | | | | | | | | | |
| Parks | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Park Acres | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 | 191.65 |
| Park Shelters | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Basketball Courts | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Sliding Hills | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Horseshoe Courts | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Skating Rinks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Soccer Fields | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Ball Fields | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Swimming Beach | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis Courts | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Volleyball Courts | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Water | | | | | | | | | | |
| Miles of Water Mains | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 | 65.83 |
| Water Connections | 4,556 | 4,558 | 4,558 | 4,559 | 4,559 | 4,561 | 4,583 | 4,677 | 4,693 | 4,693 |
| Sewer | | | | | | | | | | |
| Miles of Sewer Lines | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 | 64.42 |
| Sewer Connections | 4,552 | 4,556 | 4,556 | 4,558 | 4,558 | 4,560 | 4,581 | 4,621 | 4,638 | 4,638 |
| Storm Sewer | | | | | | | | | | |
| Miles of Storm Water Lines/Culverts | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |

Source: Various Township Departments.

IV.

OTHER REQUIRED REPORTS



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Township Board of Supervisors
White Bear Township, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of White Bear Township (Township), Minnesota, as of December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 15, 2019.

The *Minnesota Legal Compliance Audit Guide for Towns*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that White Bear Township failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Towns*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding White Bear Township's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Towns* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 15, 2019