



**WHITE BEAR TOWNSHIP,
MINNESOTA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2019

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WHITE BEAR TOWNSHIP
RAMSEY COUNTY, MINNESOTA

Comprehensive Annual Financial Report

for the Year Ended
December 31, 2019

Prepared by

Patrick Christopherson – Township Clerk-Treasurer

Tom Kelly – Finance Officer

White Bear Township

1281 Hammond Road

White Bear Township, Minnesota 55110

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WHITE BEAR TOWNSHIP
RAMSEY COUNTY, MINNESOTA

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RAMSEY COUNTY, MINNESOTA

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INTRODUCTORY SECTION

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Board of Supervisors
ED M. PRUDHON, *Chair*
STEVEN A. RUZEK
SCOTT E. MCCUNE

1281 HAMMOND ROAD
WHITE BEAR TOWNSHIP, MN 55110

651-747-2750
FAX 651-426-2258
Email: wbt@whitebeartownship.org

June 22, 2020

To the White Bear Township Board of Supervisors and
Citizens of White Bear Township
White Bear Township, Minnesota

In accordance with state statutes, we respectfully submit the Comprehensive Annual Financial Report (CAFR) for White Bear Township (Township) as of December 31, 2019, 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.

This CAFR is prepared in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), and, the American Institute of Certified Public Accountants, State Auditor's Office and the state of Minnesota, as well as in accordance with the recommendations of the Government Finance Officers Association (GFOA) of the United States and Canada.

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.

The Township's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich & Co., P.A., a firm of licensed certified public accountants appointed by the Township 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, 2019 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, 2019, 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's 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

The 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. The 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 percent decrease from the 2000 U.S. Census. The Township is empowered to levy a property tax on both real and personal properties located within its boundaries.

The Township government is conducted by a three-member Board of Supervisors, with a chairperson elected by the Board of Supervisors. Policymaking 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 nonpartisan 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 part of the basic financial statements.

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 the Township operates.

LOCAL ECONOMY

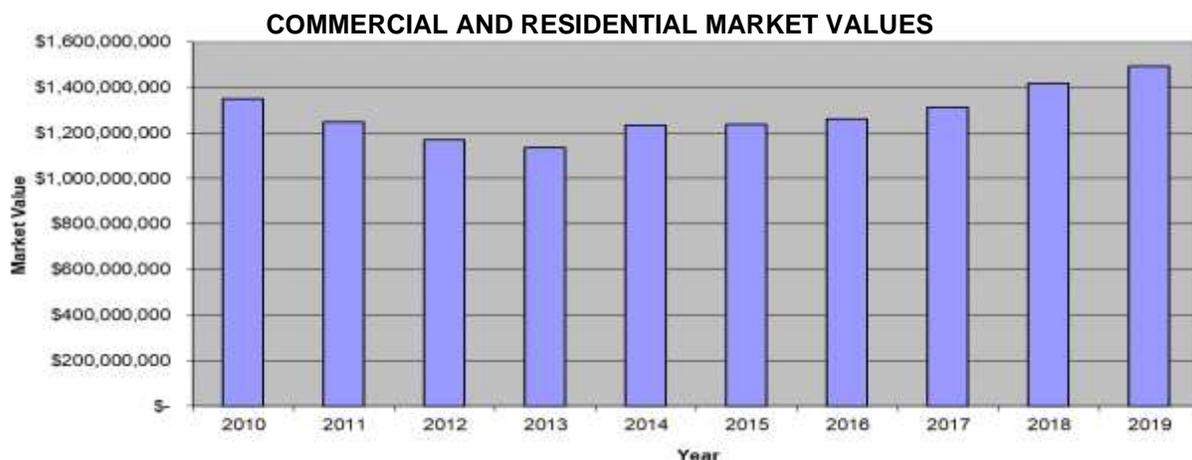
As part of the Minneapolis/St. Paul metropolitan area, the Township has experienced a strong and favorable economic environment for a number of years. The metropolitan region has a strong and diversified business base, including companies with headquarters or divisions located within the Township's boundaries 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 3.6 percent and the state's unemployment rate is 3.1 percent, the Township has a regional unemployment rate of 2.9 percent, according to the Minnesota Department of Economic Security. Unemployment is expected to remain close to the state average, but has been increasing due to the coronavirus pandemic.

DEVELOPMENT ACTIVITY

Residential construction increased during 2019, due to the construction of new residential houses in the new Pine Hill and Three Oaks subdivisions. The Township issued 10 permits during 2019 for new single-family home construction valued at \$3,462,420. New permits for construction of public buildings and commercial/industrial were issued in 2019, and there were several permits issued for remodel/additions, with construction valued at \$2,647,837. The Township expects construction activity for 2020 to remain around 2019 totals, due to a new residential development and proposed new commercial/industrial construction already in the works within the Township. Residential property experienced 573 renovation permits in 2019 totaling \$6.65 million in valuation increases. Combined, commercial and residential construction added over \$12.76 million in market growth, compared to \$15.10 million of market growth in 2018.

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 2010 is highlighted below:



FACTORS AFFECTING FINANCIAL CONDITION (CONTINUED)

FINANCIAL PERFORMANCE

The Township's General Fund (which includes the operations of the Capital Equipment Fund) completed 2019 with revenues being \$180,949 more than projected. This resulted from higher than anticipated franchise fees, investment earnings, and charges for services. Property taxes were \$64,810 less than budgeted.

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 continued 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 Fund Balance Policy, are annually allocated to construction funds, park development funds, and 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, 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 percent 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 Improvement Plan and Pavement Management Plan, along with cash flow analysis to project the proper rates. Any rate adjustments are approved by the Town Board of Supervisors 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 3.84 percent of its obligations that have general property taxes as the sole source of revenue. The Township has approximately 96.20 percent of its legal debt limit, or \$43,029,548 available for debt bonding as of December 31, 2019.

The Township continued to lower its debt limit percentage from 4.78 percent in 2006 to 3.84 percent in 2019. 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, 2019 was \$2,170,000, compared to \$9,580,000 at the end of 2011. The Township did issue improvement bonds in 2019, in the amount of \$1,210,000, which provided funding for the 2019 street improvement project.

PENSION BENEFITS

All full-time and certain part-time employees of the 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 statutes, 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 the Township's pension plan can be found in the notes to basic financial statements.

STATISTICAL SECTION

The statistical section presents comparative statistical data for the past 10 years, and other pertinent information involving taxes, revenues, expenditures, and bonded debt. The unaudited data should be of interest to investors of the 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 – assesses 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 GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township for its CAFR for the fiscal year ended December 31, 2018. This was the 23rd 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 CAFR, whose contents conform to program standards. Such reports must satisfy both GAAP 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 adheres to program requirements. The December 31, 2019 CAFR will be submitted to the GFOA to determine its eligibility for another certificate.

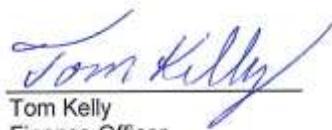
ACKNOWLEDGMENTS

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 unflinching support for maintaining the highest standards of professionalism in the management of the Township's financial operations.

Respectfully submitted,



Patrick Christopherson
Clerk-Treasurer



Tom Kelly
Finance Officer

WHITE BEAR TOWNSHIP
RAMSEY COUNTY, MINNESOTA

Township Officials and Personnel
Year Ended December 31, 2019

TOWNSHIP BOARD OF SUPERVISORS

Ed Prudhon
Scott McCune
Steve Ruzek

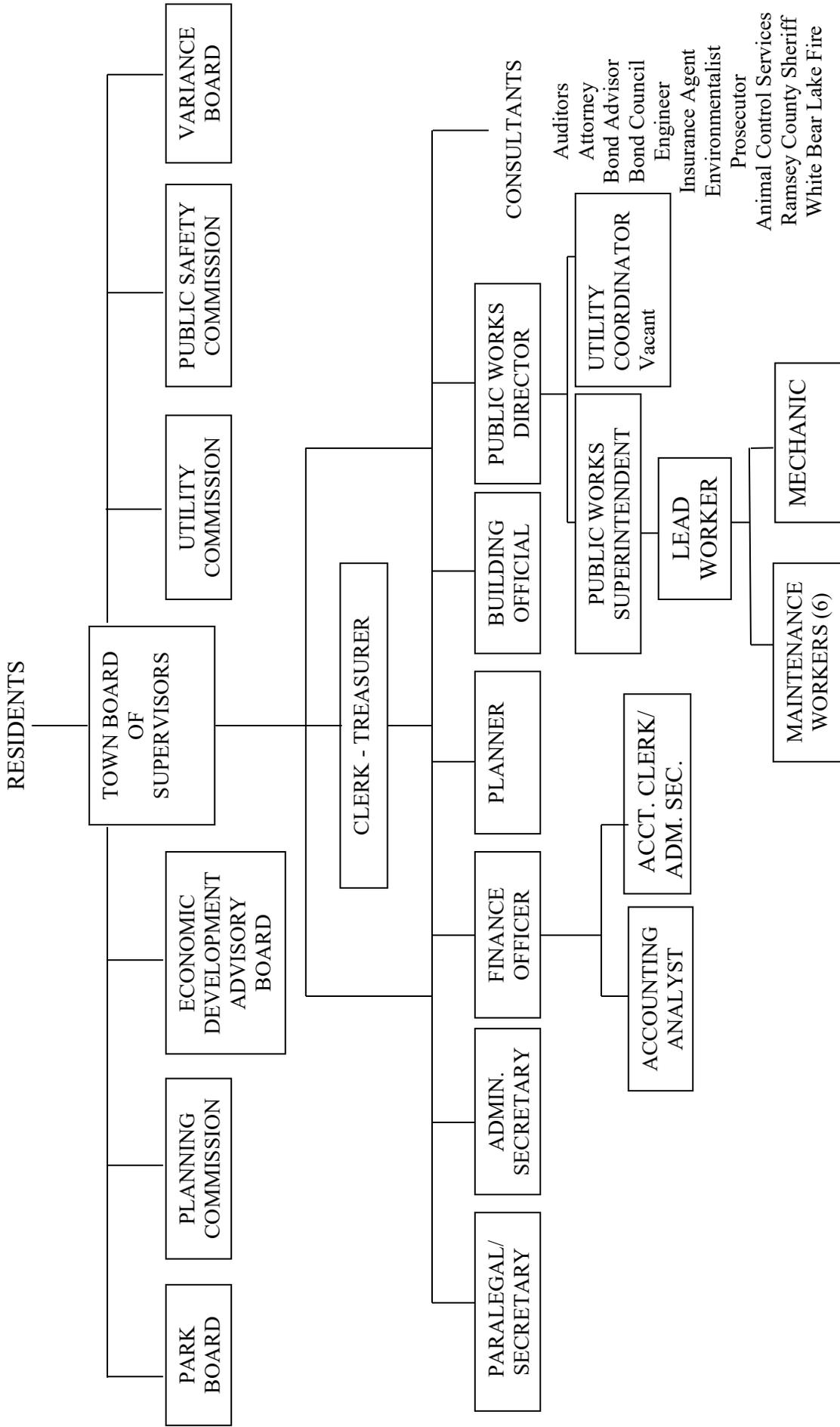
Chair
Supervisor
Supervisor

TOWNSHIP STAFF

Patrick Christopherson
Mike Johnson
Karen Edson
Patti Walstad
Tom Kelly
Lynette Olinger
Nancy Renard
Tom Riedesel
Dale Reed
Peter Tholen
Karl Stuemke
Tim Cunningham
Rick Lillie
Corey Triemert
Paul Peltier
Matt Schneider
Greg Horst
Gerald Magnuson

Clerk-Treasurer
Building Official
Administrative Secretary
Administrative Secretary/Para Legal
Finance Officer
Finance Analyst
Administrative Secretary/Accounting Clerk
Planner
Public Works Director
Public Works Field Supervisor
Public Works Maintenance Person
Public Works Maintenance Person
Public Works Maintenance Person
Public Works Maintenance Person
Public Works Lead Person
Public Works Maintenance Person
Public Works Maintenance Person
Mechanic

WHITE BEAR TOWNSHIP
ORGANIZATIONAL CHART



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, 2018

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the Township Board of Supervisors and Management
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, Minnesota (the Township) as of and for the year ended December 31, 2019, 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.

AUDITOR'S 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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 Township'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 Township'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.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page 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 Township as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and Economic Development Authority Special Revenue Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, 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 RSI 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 the Township's basic financial statements. The introductory section, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates 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 supplemental 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.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
June 22, 2020

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WHITE BEAR TOWNSHIP

Management's Discussion and Analysis Year Ended December 31, 2019

As management of the White Bear Township, Minnesota (the Township), we have provided readers of the Township's financial statements with this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, located earlier in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of fiscal 2019 by \$43,711,262 (*net position*). Of this amount, \$8,976,255 (*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 recorded a prior period adjustment in the government-wide financial statements and in the Economic Development Authority Special Revenue Fund, increasing net position and fund balance, respectively, by \$685,805. The change was related to the Township reporting property held for resale that was previously reported as expense/expenditure in prior periods. The Township also recorded a prior period adjustment in the government-wide financial statements increasing net position by \$465,007. The change was related to the Township decreasing the governmental activities portion of the Public Employees Retirement Association deferred outflows, net pension liability, and deferred inflows that were previously overstated in the prior year. Finally, the Township recorded a prior period adjustment in the government-wide financial statements decreasing net position in the governmental activities by \$31,667 and decreasing net position in the business-type activities by \$5,300, and in each one of the Township's fund types decreasing fund balance in the governmental funds by \$30,073, decreasing net position in the enterprise funds by \$5,300, and decreasing net position in the internal service funds by \$1,594. The change was related to adjusting journal entries that were recorded by the Township in the prior year general ledger that were not reflected in the audited financial statements for the year ended December 31, 2018.
- The Township's total net position increased \$355,514, excluding the prior period adjustments, including an increase of \$1,314,597 attributable to governmental activities, and a decrease of \$959,083 attributable to business-type activities.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$9,341,786. Of this total amount, 46.1 percent, or \$4,305,322, is available for use within the Township's designations and policies.
- At the end of the fiscal year, the unassigned fund balance for the Township's General Fund was \$4,328,816, which represents 93.7 percent of 2019 General Fund expenditures and transfers out.
- The Township's outstanding bonded debt increased by \$623,700, or 38.1, percent during the fiscal year, due to a combination of the issuance of \$1,210,000 of general obligation bonds and annual bond principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to private sector businesses.

The Statement of Net Position presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include: general government; public safety; public works; parks, recreation, and forestry; and community development. The business-type activities of the Township include enterprises for water, sewer, and storm water.

The government-wide financial statements include not only the Township itself (known as the primary government), but also the White Bear Township Economic Development Authority (EDA). The EDA is a legally separate entity, which functions in essence, as a department of the Township, to provide economic and redevelopment assistance through the administration of various programs. Therefore, the EDA has been included as a blended component unit within the Township's financial statements.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources segregated for specific activities or objectives. The Township, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, and the balances of spendable resources available at the fiscal year-end. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Township maintains 11 individual governmental funds. Information is presented separately in the basic financial statements for the General, Economic Development Authority Special Revenue, and Improvement Capital Project Fund, which are considered to be major funds. Data from the other nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The Township adopts an annual appropriated budget for the General Fund and the Economic Development Authority Special Revenue Fund. Budget-to-actual comparisons are provided in this financial report for these funds.

Proprietary Funds – The Township maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Township’s water, sewer, and storm water operations, all of which are considered to be major funds of the Township.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Township’s various functions. The Township uses an internal service fund to account for purchasing of commercial insurance. Because this internal service fund activity predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – Required supplementary information (RSI) on the Township’s pension plan is presented following the notes to basic financial statements. Combining fund statements for nonmajor funds are presented immediately following the RSI. Statistical tables are presented as the last section in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, changes in net position may serve over time as a useful indicator of the Township’s financial condition. The Township’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$43,711,262 at the end of the 2019 fiscal year, which represents an increase in overall net position of \$355,514 from current year operations, excluding the prior period adjustments as previously discussed.

Net Position – The Township has 72.4 percent of its total net position invested in capital assets (land, construction in progress, buildings, vehicles, machinery and equipment, office furniture and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The 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 liquidate these liabilities.

The following is a summary of the Township's net position at the end of the last two fiscal years:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 12,611,438	\$ 10,385,091	\$ 3,092,160	\$ 4,158,858	\$ 15,703,598	\$ 14,543,949
Capital assets	16,305,844	15,303,178	17,502,501	17,745,177	33,808,345	33,048,355
Total assets	28,917,282	25,688,269	20,594,661	21,904,035	49,511,943	47,592,304
Deferred outflows of resources	56,430	195,286	34,280	73,877	90,710	269,163
Long-term liabilities (including current portion)	2,676,910	2,138,391	830,428	1,198,196	3,507,338	3,336,587
Other liabilities	1,932,849	1,674,067	207,033	205,366	2,139,882	1,879,433
Total liabilities	4,609,759	3,812,458	1,037,461	1,403,562	5,647,220	5,216,020
Deferred inflows of resources	151,899	292,785	92,272	110,759	244,171	403,544
Net position						
Net investment in capital assets	14,495,982	14,513,571	17,142,501	16,916,015	31,638,483	31,429,586
Restricted	3,096,524	1,836,541	-	-	3,096,524	1,836,541
Unrestricted	6,619,548	5,428,200	2,356,707	3,547,576	8,976,255	8,975,776
Total net position	\$ 24,212,054	\$ 21,778,312	\$ 19,499,208	\$ 20,463,591	\$ 43,711,262	\$ 42,241,903

An additional 7.1 percent of the Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining 20.5 percent of net position is unrestricted and may be used to meet the Township's ongoing obligations.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the Township as a whole, as well as for its separate governmental and business-type activities.

There was an increase in net position in the governmental activities of \$2,433,742, and a decrease in business-type activities of \$964,383, for a total net government-wide increase of \$1,469,359 in net position.

The increase of \$1,259,983 in restricted net position, is mainly due to an increase in resources restricted for economic development projects from the prior period adjustments, as previously discussed.

Both governmental activities and business-type activities experienced changes in deferred outflows of resources, deferred inflows of resources, and long-term liabilities as a result of the Township's participation in a defined benefit pension plan. The Township also experienced an increase in long-term liabilities, due to the issuance of general obligation improvement bonds.

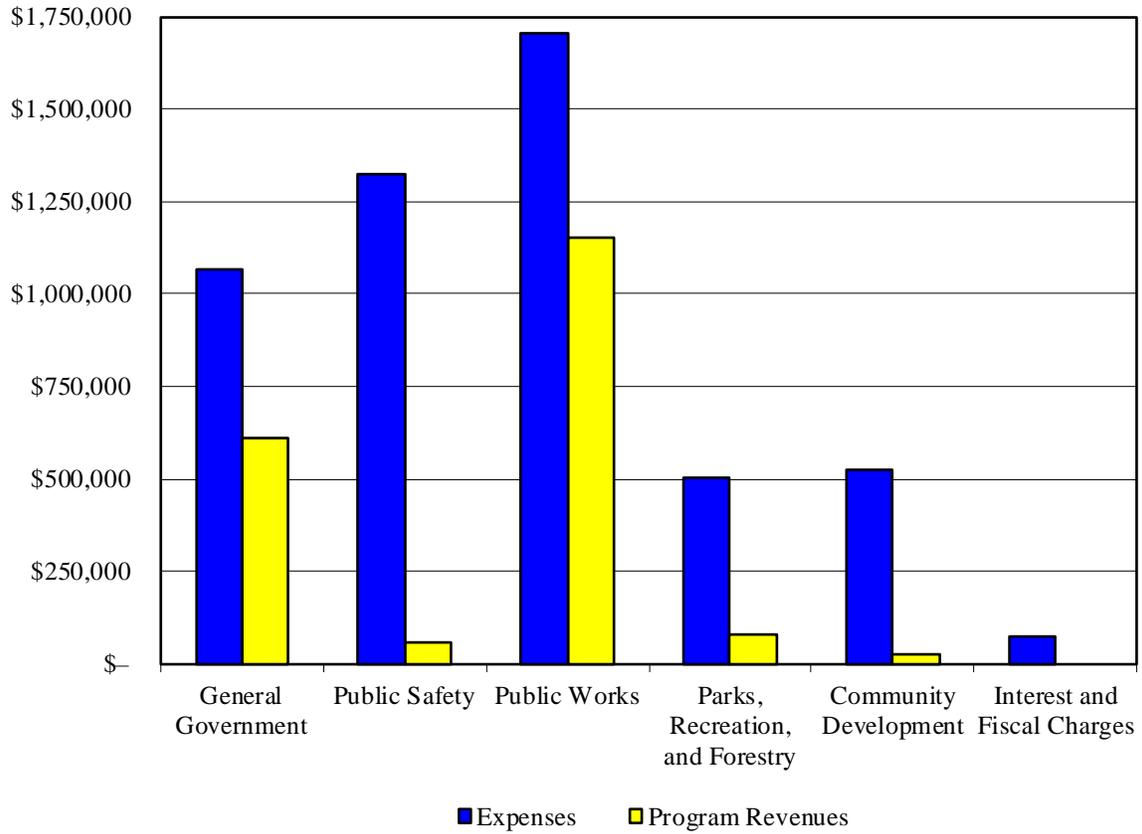
The following is a summary of the Township's changes in net position for the last two fiscal years:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 1,134,186	\$ 1,246,140	\$ 4,304,891	\$ 4,501,770	\$ 5,439,077	\$ 5,747,910
Operating grants and contributions	95,797	206,100	953	–	96,750	206,100
Capital grants and contributions	685,827	1,335,198	68,345	31,300	754,172	1,366,498
General revenues						
Property taxes, tax increments, and franchise and other taxes	4,133,080	3,765,504	–	–	4,133,080	3,765,504
Grants and contributions not restricted to specific programs	4,926	4,281	–	–	4,926	4,281
Unrestricted investment earnings (charges)	424,345	160,858	67,475	(10,250)	491,820	150,608
Miscellaneous	33,061	16,239	–	–	33,061	16,239
Total revenues	<u>6,511,222</u>	<u>6,734,320</u>	<u>4,441,664</u>	<u>4,522,820</u>	<u>10,952,886</u>	<u>11,257,140</u>
Expenses						
General government	1,065,697	1,204,114	–	–	1,065,697	1,204,114
Public safety	1,322,660	1,305,225	–	–	1,322,660	1,305,225
Public works	1,704,699	2,058,800	–	–	1,704,699	2,058,800
Parks, recreation, and forestry	505,075	746,173	–	–	505,075	746,173
Community development	526,165	1,203,982	–	–	526,165	1,203,982
Interest on long-term debt	72,329	23,348	–	–	72,329	23,348
Water Utility	–	–	3,102,557	1,432,155	3,102,557	1,432,155
Sewer Utility	–	–	2,011,250	1,942,370	2,011,250	1,942,370
Storm Water Utility	–	–	286,940	272,050	286,940	272,050
Total expenses	<u>5,196,625</u>	<u>6,541,642</u>	<u>5,400,747</u>	<u>3,646,575</u>	<u>10,597,372</u>	<u>10,188,217</u>
Change in net position before transfers	1,314,597	192,678	(959,083)	876,245	355,514	1,068,923
Transfers						
Change in net position	–	(652,732)	–	652,732	–	–
Net position						
Beginning of year, as previously reported	21,778,312	22,238,366	20,463,591	18,699,810	42,241,903	40,938,176
Prior period adjustment	1,119,145	–	(5,300)	234,804	1,113,845	234,804
Beginning of year, as restated	<u>22,897,457</u>	<u>22,238,366</u>	<u>20,458,291</u>	<u>18,934,614</u>	<u>43,355,748</u>	<u>41,172,980</u>
Ending	<u>\$ 24,212,054</u>	<u>\$ 21,778,312</u>	<u>\$ 19,499,208</u>	<u>\$ 20,463,591</u>	<u>\$ 43,711,262</u>	<u>\$ 42,241,903</u>

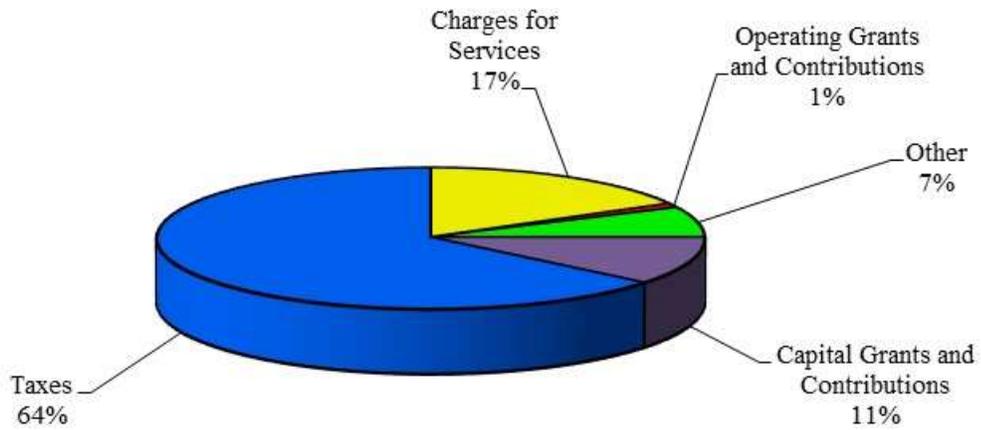
Governmental Activities – Governmental activities net position increased by \$2,433,742, including the prior period adjustments previously mentioned. Key elements of this net increase include:

- Capital grants and contributions decreased by \$649,371 from the prior year, due to prior year reimbursements from a related escrow account for costs incurred by the Township for the Pine Hill and Three Oaks Developments.
- Revenue from taxes increased \$367,576 from the prior year, due to a general levy increase.
- Investment earnings increased \$263,487, due to improved market performance.
- Public works expenditures decreased \$354,101, due to significant improvement on the Pine Hill and Three Oaks Developments in the prior year.
- Parks, recreation, and forestry expenditures decreased \$241,098, due to a decrease in General Fund equipment rental expenditures related to internal funding of current and future park improvements.
- Community development expenditures decreased \$677,817, due to decreased expenditures related to a commercial development in 2018.

Expenses and Program Revenues – Governmental Activities



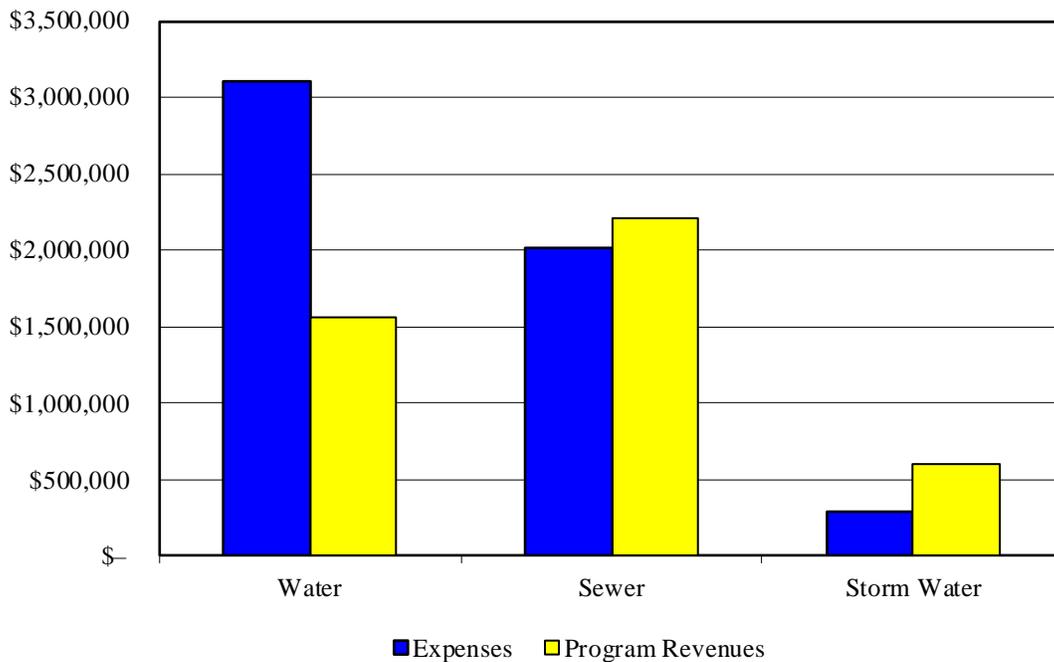
Revenue by Source – Governmental Activities



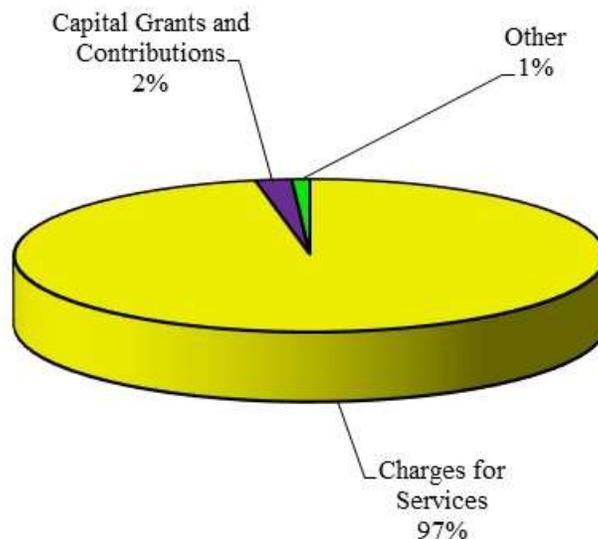
Business-Type Activities – Business-type activities net position decreased by \$964,383, including prior period adjustments as previously mentioned. Key elements of this net decrease include:

- Charges for services decreased \$196,879, mainly in water and sewer availability charges, due to construction of new residential houses in the new Pine Hill and Three Oaks Developments in the prior year.
- Business-type activities expenses were \$1,754,172 higher than the previous year, mainly due to an increase of \$1,524,747 in materials and supplies in the Water Fund. The increase in expenses is mainly due to water meters being replaced and water tower repainting projects in the current year.

Expenses and Program Revenues – Business-Type Activities



Revenue by Source – Business-Type Activities



FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental Funds – At the end of the fiscal year, the Township’s governmental funds reported combined ending fund balances of \$9,341,786, an increase of \$1,730,924, including prior period adjustments previously mentioned, in comparison with the prior year. The unassigned portion of fund balance is \$4,305,322, which may be used for any approved public purpose. The remainder of the fund balance is either: 1) nonspendable (\$14,477), 2) restricted by various externally imposed constraints (\$2,795,302), or 3) internally assigned for particular purposes (\$2,226,685).

General Fund – The fund balance of the General Fund increased by \$216,799 to \$4,346,695 at December 31, 2019, including prior period adjustments as previously mentioned.

General Fund operating results can be summarized as follows:

	2019	2018
Fund balance		
Beginning of year, as previously reported	\$ 4,129,896	\$ 3,774,913
Prior period adjustment	(14,889)	–
Beginning of year, as restated	<u>4,115,007</u>	<u>3,774,913</u>
Additions		
Revenue	4,808,962	4,679,135
Other sources	<u>42,333</u>	<u>30,309</u>
Total additions	4,851,295	4,709,444
Deductions		
Expenditures	4,338,107	4,275,461
Other uses	<u>281,500</u>	<u>79,000</u>
Total deductions	<u>4,619,607</u>	<u>4,354,461</u>
Fund balance – end of year	<u>\$ 4,346,695</u>	<u>\$ 4,129,896</u>

Of the total fund balance, this fund had \$14,477 in nonspendable and assigned \$3,402 for public safety.

The unassigned fund balance at December 31, 2019 of \$4,328,816 is equal to 93.7 percent of total 2019 expenditures and other financing uses in the General Fund, which puts the fund in an excellent financial position. These reserves are needed for working capital to help pay for expenditures during the first half of the year, since the Township does not receive any significant money from its main revenue source—property taxes—until July of each year.

General Fund Revenues – The following is an analysis of 2019 General Fund revenue:

Revenues	Original and Final Budget	Actual	Over (Under) Final Budget	Percent Over (Under) Budget
Property taxes	\$ 3,403,055	\$ 3,338,245	\$ (64,810)	(1.9) %
Franchise fees	82,000	124,736	42,736	52.1
Special assessments	–	233	233	–
Licenses and permits	187,200	200,707	13,507	7.2
Intergovernmental	118,516	99,155	(19,361)	(16.3)
Charges for services	135,425	196,193	60,768	44.9
Fines and forfeits	9,000	9,728	728	8.1
Investment earnings	74,965	191,031	116,066	154.8
Equipment rental	233,300	243,300	10,000	4.3
Miscellaneous	384,552	405,634	21,082	5.5
Totals	<u>\$ 4,628,013</u>	<u>\$ 4,808,962</u>	<u>\$ 180,949</u>	3.9

Property taxes were less than budget by \$64,810, due to lower than expected collections. Franchise fees were over budget, due to conservative estimates as the number of cable subscriptions and types of services can fluctuate greatly each year. Charges for services were over budget, due to an unanticipated increase in activity in engineering, planning, and investment administration charges. Investment earnings were over budget, primarily due to a change in the market value, which was not included in the budget.

General Fund Expenditures – The following is an analysis of 2019 General Fund expenditures:

Expenditures	Original and Final Budget	Actual	Over (Under) Final Budget	Percent Over (Under) Budget
General government	\$ 1,103,095	\$ 1,102,355	\$ (740)	(0.1) %
Public safety	1,377,493	1,314,534	(62,959)	(4.6)
Public works	880,999	865,155	(15,844)	(1.8)
Parks, recreation, and forestry	415,235	406,116	(9,119)	(2.2)
Community development	214,534	225,373	10,839	5.1
Capital outlay	597,160	424,574	(172,586)	(28.9)
Totals	<u>\$ 4,588,516</u>	<u>\$ 4,338,107</u>	<u>\$ (250,409)</u>	(5.5)

Public safety expenditures were under budget, due to lower police and traffic control costs than expected. Capital outlay expenditures were under budget, due to equipment purchases being less than anticipated.

Other Major Governmental Funds – The Township reported two other major governmental funds for 2019:

The Economic Development Authority Special Revenue Fund is used to carry out responsibilities associated with development and redevelopment within the Township's tax increments districts. At year-end, this fund had a fund balance of \$1,788,444. Fund balance increased by \$844,894, including prior period adjustments as previously mentioned. The increase in fund balance is due to decreased expenditures related to a commercial development in 2018, as previously mentioned.

The Improvement Capital Projects Fund ended the year with a fund balance of \$860,379. Fund balance increased by \$160,786, including prior period adjustments as previously mentioned, due to revenues and other financing sources exceeding the capital outlay expenditures in this fund for 2019.

Proprietary Funds – The Township's proprietary funds provide the same information for the business-type activities found in the government-wide financial statements, but in more detail.

The Township's enterprise funds had a total net position of \$19,499,208 at year-end, of which \$2,356,707 was unrestricted. The total net position of these funds decreased by \$964,383, including prior period adjustments as previously mentioned, during 2019.

The Water Fund net position decreased \$1,527,074, including prior period adjustments as previously mentioned, due to the Township replacing the majority of its water meters and repainting the water tower during the year.

The Sewer Fund net position increased \$142,446, including prior period adjustments as previously mentioned, mainly due to better operating results.

The Storm Water Fund had an increase in net position of \$420,245, including prior period adjustments as previously mentioned, mainly due to better operating results and increased investment earnings.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets – The Township’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2019 was \$33,808,345, an increase of \$759,990 from the prior year. The Township’s capital assets for the last two years are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,016,102	\$ 4,016,102	\$ –	\$ –	\$ 4,016,102	\$ 4,016,102
Construction in progress	2,611,979	1,404,699	352,238	282,987	2,964,217	1,687,686
Buildings	2,913,811	2,864,396	1,467,400	1,631,320	4,381,211	4,495,716
Vehicles and equipment	946,488	900,187	145,093	161,323	1,091,581	1,061,510
Machinery and shop equipment	925,720	784,891	(67,683)	(64,096)	858,037	720,795
Office furniture and equipment	59,714	57,260	322,291	347,509	382,005	404,769
Infrastructure	4,832,030	5,275,643	15,283,162	15,386,134	20,115,192	20,661,777
Net total	<u>\$ 16,305,844</u>	<u>\$ 15,303,178</u>	<u>\$ 17,502,501</u>	<u>\$ 17,745,177</u>	<u>\$ 33,808,345</u>	<u>\$ 33,048,355</u>

The majority of the increase in capital assets was in construction in progress, due to 2019 street reconstruction projects. Additional details of the Township’s capital asset activity for the year can be found in Note 4 of the notes to basic financial statements.

Long-Term Liabilities – The debt service funds account for the accumulation of resources to finance all of the Township’s governmental activity general obligation debt. The revenue sources for these funds include annual tax levies, tax increments, franchise taxes, and special assessments. At year-end, there was \$1,000,473 of fund balance restricted for debt service in the governmental funds. The revenue bonds will be paid from the designated business activity of all the enterprise funds. The following table presents the Township’s long-term liabilities as of the last two year-ends:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
G.O. improvement bonds	\$ 1,720,000	\$ 741,820	\$ –	\$ –	\$ 1,720,000	\$ 741,820
G.O. tax increment bonds	90,000	180,000	–	–	90,000	180,000
G.O. utility revenue bonds	–	–	360,000	718,180	360,000	718,180
Unamortized premium (discount)	89,998	(3,702)	–	–	89,998	(3,702)
Compensated absences	106,220	88,565	63,009	51,891	169,229	140,456
Net pension liability	670,692	1,131,708	407,419	428,125	1,078,111	1,559,833
Total	<u>\$ 2,676,910</u>	<u>\$ 2,138,391</u>	<u>\$ 830,428</u>	<u>\$ 1,198,196</u>	<u>\$ 3,507,338</u>	<u>\$ 3,336,587</u>

In 2019, the Township sold the following bond issue:

\$1,210,000 G.O. Improvement Bonds, Series 2019A – The proceeds of this issue are being used to finance the Township’s public improvement projects, and will be repaid from a combination of special assessments and property taxes.

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 2019, when it issued the 2019A bonds, and the rating remained at Aa2.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 3 percent of its total estimated market value. The debt limit for the Township as of December 31, 2019 was \$44,749,548, compared to \$42,496,995 for 2018. The outstanding balance of debt applicable to the limit of \$1,720,000 results in a legal debt margin for 2019 of \$43,029,548.

Additional details of long-term liabilities activity for the year can be found in Note 5 of the notes to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Township's appointed officials considered many factors when developing the 2020 budget and establishing the 2019 tax levy collectible in 2020, and appropriate fees that will be charged by business-type activities. With the focus on sustainability, the 2020 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 and 10-year Pavement Management Plan, the Township is expected to address long-term financial demands without causing significant fluctuation in the Township's tax burden. The Township's 10-year Capital Improvement Plan is funded mainly from reserves, while the 10-year Pavement Management Plan is funded from a combination of reserves, special assessments, and tax levies.

For the sixth consecutive year, the Township's tax base increased, due to increased home and commercial values and new residential developments. 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.

Shortly after the 2019 fiscal year-end, the worldwide spread of the novel coronavirus (COVID-19) has caused significant volatility in the economy and financial markets. There is significant uncertainty about the breadth and duration of potential business disruptions related to COVID-19, and its economic impact in the U.S. and around the world. At this time, the Township is unable to determine what effect this may have on its future financial condition and operations.

REQUESTS FOR 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@whitebeartownship.org or by phone at (651) 747-2750.

BASIC FINANCIAL STATEMENTS

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WHITE BEAR TOWNSHIP

Statement of Net Position
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 9,774,918	\$ 1,508,845	\$ 11,283,763
Receivables			
Accounts	110,903	1,300,575	1,411,478
Accrued interest	58,886	9,907	68,793
Taxes and tax increments	218,989	–	218,989
Special assessments	578,451	527,101	1,105,552
Due from other governmental units	34,648	68,345	102,993
Internal balances	413,584	(413,584)	–
Prepaid items	14,477	90,971	105,448
Land held for resale	1,406,582	–	1,406,582
Capital assets			
Not being depreciated	6,628,081	352,238	6,980,319
Depreciated, net of accumulated depreciation	9,677,763	17,150,263	26,828,026
Total assets	<u>28,917,282</u>	<u>20,594,661</u>	<u>49,511,943</u>
Deferred outflows of resources			
Pension plan deferments – PERA	56,430	34,280	90,710
Total assets and deferred outflows of resources	<u>\$ 28,973,712</u>	<u>\$ 20,628,941</u>	<u>\$ 49,602,653</u>
Liabilities			
Accounts and contracts payable	\$ 516,710	\$ 115,619	\$ 632,329
Due to other government	96,290	59,779	156,069
Accrued salaries payable	27,650	17,198	44,848
Accrued interest payable	14,595	2,982	17,577
Deposits payable	1,267,699	11,455	1,279,154
Unearned revenue	9,905	–	9,905
Due within one year			
Compensated absences payable	82,094	50,120	132,214
Bond principal payable	265,000	115,000	380,000
Due in more than one year			
Compensated absences payable	24,126	12,889	37,015
Bond principal payable	1,545,000	245,000	1,790,000
Unamortized premium (discount)	89,998	–	89,998
Net pension liability – PERA	670,692	407,419	1,078,111
Total liabilities	<u>4,609,759</u>	<u>1,037,461</u>	<u>5,647,220</u>
Deferred inflows of resources			
Pension plan deferments – PERA	151,899	92,272	244,171
Net position			
Net investment in capital assets	14,495,982	17,142,501	31,638,483
Restricted for			
Debt service	1,248,316	–	1,248,316
Economic development activities	1,841,823	–	1,841,823
Park development	6,385	–	6,385
Unrestricted	6,619,548	2,356,707	8,976,255
Total net position	<u>24,212,054</u>	<u>19,499,208</u>	<u>43,711,262</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 28,973,712</u>	<u>\$ 20,628,941</u>	<u>\$ 49,602,653</u>

WHITE BEAR TOWNSHIP

Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,065,697	\$ 578,037	\$ 29,958	\$ -
Public safety	1,322,660	20,523	37,004	-
Public works	1,704,699	436,474	28,835	685,827
Parks, recreation, and forestry	505,075	75,766	-	-
Community development	526,165	23,386	-	-
Interest on long-term debt	72,329	-	-	-
Total governmental activities	<u>5,196,625</u>	<u>1,134,186</u>	<u>95,797</u>	<u>685,827</u>
Business-type activities				
Water	3,102,557	1,554,242	444	-
Sewer	2,011,250	2,146,904	390	68,345
Storm water	286,940	603,745	119	-
Total business-type activities	<u>5,400,747</u>	<u>4,304,891</u>	<u>953</u>	<u>68,345</u>
Total	<u>\$ 10,597,372</u>	<u>\$ 5,439,077</u>	<u>\$ 96,750</u>	<u>\$ 754,172</u>

General revenues
 Property taxes
 Tax increments
 Franchise and other taxes
 Unrestricted grants and contributions
 Unrestricted investment earnings
 Gain on disposal of capital assets
 Other
 Total general revenues

Change in net position

Net position – beginning, as previously reported
 Prior period adjustments
 Net position – beginning, as restated

Net position – ending

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (457,702)	\$ —	\$ (457,702)
(1,265,133)	—	(1,265,133)
(553,563)	—	(553,563)
(429,309)	—	(429,309)
(502,779)	—	(502,779)
(72,329)	—	(72,329)
<u>(3,280,815)</u>	<u>—</u>	<u>(3,280,815)</u>
—	(1,547,871)	(1,547,871)
—	204,389	204,389
—	316,924	316,924
<u>—</u>	<u>(1,026,558)</u>	<u>(1,026,558)</u>
(3,280,815)	(1,026,558)	(4,307,373)
3,447,560	—	3,447,560
560,784	—	560,784
124,736	—	124,736
4,926	—	4,926
424,345	67,475	491,820
27,333	—	27,333
5,728	—	5,728
<u>4,595,412</u>	<u>67,475</u>	<u>4,662,887</u>
1,314,597	(959,083)	355,514
21,778,312	20,463,591	42,241,903
1,119,145	(5,300)	1,113,845
<u>22,897,457</u>	<u>20,458,291</u>	<u>43,355,748</u>
<u>\$ 24,212,054</u>	<u>\$ 19,499,208</u>	<u>\$ 43,711,262</u>

WHITE BEAR TOWNSHIP

Balance Sheet
Governmental Funds
December 31, 2019

	101	405	505		
	General	Economic Development Authority	Improvement	Nonmajor Governmental	Total Governmental
Assets					
Cash and investments	\$ 4,061,302	\$ 500,570	\$ 2,224,113	\$ 2,354,246	\$ 9,140,231
Receivables					
Accounts	28,902	82,001	-	-	110,903
Accrued interest	25,503	1,335	15,358	12,399	54,595
Property taxes					
Current	120,054	72,975	-	-	193,029
Delinquent	25,960	-	-	-	25,960
Special assessments					
Current	1,141	-	1,875	4,084	7,100
Delinquent	3,372	-	4,118	385	7,875
Deferred	41,900	-	169,387	352,189	563,476
Due from other funds	436,945	-	-	-	436,945
Due from other governments	34,648	-	-	-	34,648
Prepaid items	14,477	-	-	-	14,477
Land held for resale	-	1,406,582	-	-	1,406,582
Total assets	<u>\$ 4,794,204</u>	<u>\$ 2,063,463</u>	<u>\$ 2,414,851</u>	<u>\$ 2,723,303</u>	<u>\$11,995,821</u>
Liabilities					
Accounts and contracts payable	\$ 128,558	\$ 221,040	\$ 166,012	\$ 1,100	\$ 516,710
Due to other funds	-	-	-	23,361	23,361
Due to other governments	96,290	-	-	-	96,290
Accrued salaries payable	27,650	-	-	-	27,650
Deposits payable	52,744	-	1,214,955	-	1,267,699
Unearned revenue	9,305	600	-	-	9,905
Total liabilities	314,547	221,640	1,380,967	24,461	1,941,615
Deferred inflows of resources					
Unavailable revenue from					
Property taxes	87,690	53,379	-	-	141,069
Special assessments	45,272	-	173,505	352,574	571,351
Total deferred inflows of resources	132,962	53,379	173,505	352,574	712,420
Fund balances					
Nonspendable	14,477	-	-	-	14,477
Restricted	-	1,788,444	-	1,006,858	2,795,302
Assigned	3,402	-	860,379	1,362,904	2,226,685
Unassigned	4,328,816	-	-	(23,494)	4,305,322
Total fund balances	<u>4,346,695</u>	<u>1,788,444</u>	<u>860,379</u>	<u>2,346,268</u>	<u>9,341,786</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,794,204</u>	<u>\$ 2,063,463</u>	<u>\$ 2,414,851</u>	<u>\$ 2,723,303</u>	<u>\$11,995,821</u>

WHITE BEAR TOWNSHIP

Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Activities
December 31, 2019

Total fund balances – governmental funds	\$ 9,341,786
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	37,542,193
Less accumulated depreciation	(21,236,349)
Certain revenues (including taxes and special assessments) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.	712,420
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(1,810,000)
Unamortized bond premiums	(89,998)
Compensated absences payable	(106,220)
Net pension liability – PERA	(670,692)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	(14,595)
Governmental funds do not report certain long-term amounts related to pensions that are included in governmental activities net position.	
Deferred outflows of resources – pension plan deferments	56,430
Deferred inflows of resources – pension plan deferments	(151,899)
Internal service funds are used by management to charge certain costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	<u>638,978</u>
Total net position – governmental activities	<u>\$ 24,212,054</u>

WHITE BEAR TOWNSHIP

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2019

	101	405	505		
	General	Economic Development Authority	Improvement	Nonmajor Governmental	Total Governmental
Revenue					
Taxes					
Property taxes	\$ 3,338,245	\$ -	\$ -	\$ -	\$ 3,338,245
Tax increment	-	560,784	-	-	560,784
Franchise fees	124,736	-	-	-	124,736
Special assessments	233	-	62,310	565,746	628,289
Park and recreation fees	-	-	-	20,875	20,875
Licenses and permits	200,707	-	-	-	200,707
Intergovernmental	99,155	-	-	-	99,155
Charges for services	196,193	7,200	-	-	203,393
Fines and forfeitures	9,728	-	-	-	9,728
Investment earnings	191,031	1,927	107,216	91,757	391,931
Equipment rental	243,300	-	-	-	243,300
Miscellaneous	405,634	5	9,883	56,272	471,794
Total revenue	4,808,962	569,916	179,409	734,650	6,292,937
Expenditures					
Current					
General government	1,102,355	-	-	-	1,102,355
Public safety	1,314,534	-	-	-	1,314,534
Public works	865,155	-	-	-	865,155
Parks, recreation, and forestry	406,116	-	-	41,547	447,663
Community development	225,373	295,631	-	-	521,004
Capital outlay	424,574	-	1,348,591	137,527	1,910,692
Debt service					
Principal	-	-	-	321,820	321,820
Interest and fiscal charges	-	-	49,154	17,379	66,533
Total expenditures	4,338,107	295,631	1,397,745	518,273	6,549,756
Excess (deficiency) of revenue over expenditures	470,855	274,285	(1,218,336)	216,377	(256,819)
Other financing sources (uses)					
Bond issuance proceeds	-	-	1,210,000	-	1,210,000
Premium on debt issuance	-	-	94,678	-	94,678
Sale of capital assets	27,333	-	-	-	27,333
Transfers in	15,000	-	81,500	304,231	400,731
Transfers (out)	(281,500)	(112,375)	-	(6,856)	(400,731)
Total other financing sources (uses)	(239,167)	(112,375)	1,386,178	297,375	1,332,011
Net change in fund balances	231,688	161,910	167,842	513,752	1,075,192
Fund balances					
Beginning of year, as previously reported	4,129,896	943,550	699,593	1,837,823	7,610,862
Prior period adjustments	(14,889)	682,984	(7,056)	(5,307)	655,732
Beginning of year, as restated	4,115,007	1,626,534	692,537	1,832,516	8,266,594
End of year	\$ 4,346,695	\$ 1,788,444	\$ 860,379	\$ 2,346,268	\$ 9,341,786

WHITE BEAR TOWNSHIP

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Activities
Year Ended December 31, 2019

Total net change in fund balances – governmental funds \$ 1,075,192

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	1,803,443
Depreciation expense	(800,777)

Certain revenues (including taxes and special assessments) are included in the change in net position, but are excluded from the change in fund balances until they are available to liquidate liabilities of the current period.

156,970

Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

321,820

Bond issuance proceeds and premiums are reported as other financing sources in the governmental funds, but increase long-term liabilities in the Statement of Net Position.

Bond issuance	(1,210,000)
Bond premium	(94,678)

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

Accrued interest	(6,774)
Amortization of bond premiums	978
Compensated absences payable	(17,655)
Net pension liability – PERA	(3,991)

Governmental funds do not report additions or deletions to certain long-term amounts related to pensions that are included in the change in governmental activities net position.

Deferred outflows of resources – pension plan deferments	(138,856)
Deferred inflows of resources – pension plan deferments	140,886

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.

88,039

Change in net position – governmental activities \$ 1,314,597

WHITE BEAR TOWNSHIP

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue			
Taxes			
Property taxes	\$ 3,403,055	\$ 3,338,245	\$ (64,810)
Franchise fees	82,000	124,736	42,736
Special assessments	–	233	233
Licenses and permits	187,200	200,707	13,507
Intergovernmental	118,516	99,155	(19,361)
Charges for services	135,425	196,193	60,768
Fines and forfeitures	9,000	9,728	728
Investment earnings	74,965	191,031	116,066
Equipment rental	233,300	243,300	10,000
Miscellaneous	384,552	405,634	21,082
Total revenue	4,628,013	4,808,962	180,949
Expenditures			
Current			
General government			
General government	332,124	336,074	3,950
Administration	310,209	331,601	21,392
Board of supervisors	46,814	43,976	(2,838)
Elections	28,000	27,584	(416)
Code enforcement	197,294	212,857	15,563
Town buildings	188,654	150,263	(38,391)
Total general government	1,103,095	1,102,355	(740)
Public safety			
Police and traffic control	1,078,493	1,016,402	(62,091)
Fire protection	299,000	298,132	(868)
Total public safety	1,377,493	1,314,534	(62,959)
Public works			
Road and bridge	552,234	526,100	(26,134)
Public works	299,193	320,092	20,899
Recycling	29,572	18,963	(10,609)
Total public works	880,999	865,155	(15,844)
Parks, recreation, and forestry	415,235	406,116	(9,119)
Community development	214,534	225,373	10,839

WHITE BEAR TOWNSHIP

General Fund

Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual (continued)
Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Expenditures (continued)			
Current (continued)			
Capital outlay	<u>597,160</u>	<u>424,574</u>	<u>(172,586)</u>
Total expenditures	4,588,516	4,338,107	(250,409)
Excess of revenues over expenditures	39,497	470,855	431,358
Other financing sources (uses)			
Sale of capital assets	21,000	27,333	6,333
Transfers in	15,000	15,000	–
Transfers (out)	<u>(281,500)</u>	<u>(281,500)</u>	<u>–</u>
Total other financing sources (uses)	<u>(245,500)</u>	<u>(239,167)</u>	<u>6,333</u>
Net change in fund balances	<u>\$ (206,003)</u>	231,688	<u>\$ 437,691</u>
Fund balances			
Beginning of year, as previously reported		4,129,896	
Prior period adjustments		<u>(14,889)</u>	
Beginning of year, as restated		<u>4,115,007</u>	
End of year		<u>\$ 4,346,695</u>	

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WHITE BEAR TOWNSHIP

Economic Development Authority Special Revenue Fund
 Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual
 Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue			
Taxes			
Tax increment	\$ 631,000	\$ 560,784	\$ (70,216)
Charges for services	7,200	7,200	–
Investment earnings	15,015	1,927	(13,088)
Miscellaneous	<u>–</u>	<u>5</u>	<u>5</u>
Total revenue	653,215	569,916	(83,299)
Expenditures			
Current			
Community development	<u>255,648</u>	<u>295,631</u>	<u>39,983</u>
Excess of revenues over expenditures	397,567	274,285	(123,282)
Other financing sources (uses)			
Transfers (out)	<u>(112,375)</u>	<u>(112,375)</u>	<u>–</u>
Net change in fund balances	<u>\$ 285,192</u>	161,910	<u>\$ (123,282)</u>
Fund balances			
Beginning of year, as previously reported		943,550	
Prior period adjustments		<u>682,984</u>	
Beginning of year, as restated		<u>1,626,534</u>	
End of year		<u>\$ 1,788,444</u>	

WHITE BEAR TOWNSHIP

Statement of Net Position
Proprietary Funds
December 31, 2019

	601	602	603	703	
	Business-Type Activities – Enterprise Funds				Governmental
	Water	Sewer	Storm Water	Total	Activities Internal Service Fund
Assets					
Current assets					
Cash and investments	\$ –	\$ –	\$ 1,508,845	\$ 1,508,845	\$ 634,687
Receivables					
Accounts	472,787	645,320	182,468	1,300,575	–
Accrued interest	4,054	(3,373)	9,226	9,907	4,291
Special assessments					
Current	–	9,435	–	9,435	–
Delinquent	–	1,722	–	1,722	–
Deferred	–	515,944	–	515,944	–
Due from other governments	–	68,345	–	68,345	–
Prepaid items	4,994	81,736	4,241	90,971	–
Total current assets	481,835	1,319,129	1,704,780	3,505,744	638,978
Noncurrent assets					
Capital assets					
Construction in progress	–	352,238	–	352,238	–
Buildings	6,378,758	–	–	6,378,758	–
Vehicles	15,440	340,037	–	355,477	–
Machinery and equipment	3,906	5,228	–	9,134	–
Office furniture and equipment	69,310	498,847	942	569,099	–
Infrastructure	12,456,300	15,497,721	1,474,339	29,428,360	–
Less accumulated depreciation	(11,607,435)	(7,593,142)	(389,988)	(19,590,565)	–
Total capital assets, net of accumulated depreciation	7,316,279	9,100,929	1,085,293	17,502,501	–
Total assets	7,798,114	10,420,058	2,790,073	21,008,245	638,978
Deferred outflows of resources					
Pension plan deferments – PERA	15,965	14,024	4,291	34,280	–
Total assets and deferred outflows of resources	\$ 7,814,079	\$ 10,434,082	\$ 2,794,364	\$ 21,042,525	\$ 638,978
Liabilities					
Current liabilities					
Accounts and contracts payable	\$ 73,426	\$ 41,559	\$ 634	\$ 115,619	\$ –
Due to other funds	5,856	407,728	–	413,584	–
Due to other governments	46,087	13,692	–	59,779	–
Accrued salaries payable	7,730	6,403	3,065	17,198	–
Accrued interest payable	935	1,373	674	2,982	–
Deposits payable	11,455	–	–	11,455	–
Compensated absences payable – current portion	22,481	19,344	8,295	50,120	–
Bonds payable – current portion	36,049	52,945	26,006	115,000	–
Total current liabilities	204,019	543,044	38,674	785,737	–
Noncurrent liabilities					
Net pension liability – PERA	189,748	166,676	50,995	407,419	–
Compensated absences payable	5,987	5,492	1,410	12,889	–
Bonds payable – long-term	76,801	112,795	55,404	245,000	–
Total noncurrent liabilities	272,536	284,963	107,809	665,308	–
Total liabilities	476,555	828,007	146,483	1,451,045	–
Deferred inflows of resources					
Pension plan deferments – PERA	42,974	37,749	11,549	92,272	–
Net position					
Net investment in capital assets	7,203,429	8,935,189	1,003,883	17,142,501	–
Unrestricted	91,121	633,137	1,632,449	2,356,707	638,978
Total net position	7,294,550	9,568,326	2,636,332	19,499,208	638,978
Total liabilities, deferred inflows of resources, and net position	\$ 7,814,079	\$ 10,434,082	\$ 2,794,364	\$ 21,042,525	\$ 638,978

See notes to basic financial statements

WHITE BEAR TOWNSHIP

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2019

	Business-Type Activities – Enterprise Funds				703
					Governmental
	601	602	603		Activities
	Water	Sewer	Storm Water	Total	Internal Service
					Fund
Operating revenue					
Charges for services	\$ 1,445,815	\$ 2,105,971	\$ 603,745	\$ 4,155,531	\$ 183,824
Water and sewer availability charges	97,900	18,000	–	115,900	–
Special assessments	–	22,933	–	22,933	–
Total operating revenue	1,543,715	2,146,904	603,745	4,294,364	183,824
Operating expenses					
Personal services	379,291	343,298	106,289	828,878	40,947
Other services and charges	460,340	1,059,000	87,284	1,606,624	87,252
Materials and supplies	1,845,129	266,373	60,846	2,172,348	–
Depreciation	414,135	338,983	30,753	783,871	–
Total operating expenses	3,098,895	2,007,654	285,172	5,391,721	128,199
Operating income (loss)	(1,555,180)	139,250	318,573	(1,097,357)	55,625
Nonoperating income (expense)					
Intergovernmental revenue	444	68,735	119	69,298	–
Investment earnings (charges)	23,535	(29,315)	73,255	67,475	32,414
Miscellaneous revenue	10,527	–	–	10,527	–
Interest and fiscal charges	(3,662)	(3,596)	(1,768)	(9,026)	–
Total nonoperating income (expense)	30,844	35,824	71,606	138,274	32,414
Changes in net position	(1,524,336)	175,074	390,179	(959,083)	88,039
Net position					
Beginning of year, as previously reported	8,821,624	9,425,880	2,216,087	20,463,591	552,533
Prior period adjustments	(2,738)	(32,628)	30,066	(5,300)	(1,594)
Beginning of year, as restated	8,818,886	9,393,252	2,246,153	20,458,291	550,939
End of year	\$ 7,294,550	\$ 9,568,326	\$ 2,636,332	\$ 19,499,208	\$ 638,978

WHITE BEAR TOWNSHIP

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2019

	601	602	603	703	
	Business-Type Activities – Enterprise Funds				Governmental
	Water	Sewer	Storm Water	Total	Internal Service Fund
Cash flows from operating activities					
Receipts from customers and users	\$ 1,747,738	\$ 2,226,927	\$ 583,374	\$ 4,558,039	\$ 183,824
Payments to vendors	(2,230,450)	(1,400,555)	(154,543)	(3,785,548)	(87,252)
Payments to employees	(374,190)	(339,449)	(99,898)	(813,537)	(40,947)
Net cash flows from operating activities	(856,902)	486,923	328,933	(41,046)	55,625
Cash flows from noncapital and related financing activities					
Miscellaneous revenue	10,527	–	–	10,527	–
Intergovernmental	444	390	119	953	–
Cash received from other funds	5,856	(29,958)	33,295	9,193	–
Net cash flows from noncapital and related financing activities	16,827	(29,568)	33,414	20,673	–
Cash flows from capital and related financing activities					
Acquisition of capital assets	–	(443,532)	(97,663)	(541,195)	–
Intergovernmental	–	68,345	–	68,345	–
Principal paid on debt	(279,230)	(52,944)	(26,006)	(358,180)	–
Interest paid on debt	(7,955)	(3,949)	(1,942)	(13,846)	–
Net cash flows from capital and related financing activities	(287,185)	(432,080)	(125,611)	(844,876)	–
Cash flows from investing activities					
Interest received	23,517	(25,275)	69,166	67,408	30,989
Net increase (decrease) in cash and cash equivalents	(1,103,743)	–	305,902	(797,841)	86,614
Cash and cash equivalents – beginning	1,103,743	–	1,202,943	2,306,686	548,073
Cash and cash equivalents – ending	\$ –	\$ –	\$ 1,508,845	\$ 1,508,845	\$ 634,687
Reconciliation of operating income (loss) to net cash flows from operating activities					
Operating income (loss)	\$ (1,555,180)	\$ 139,250	\$ 318,573	\$ (1,097,357)	\$ 55,625
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Depreciation	414,135	338,983	30,753	783,871	–
Decrease (increase) in					
Accounts receivable	202,696	50,301	(20,371)	232,626	–
Special assessments receivable	–	94,517	–	94,517	–
Due from other governmental units	–	(64,795)	–	(64,795)	–
Prepaid items	(463)	(6,857)	(597)	(7,917)	–
Deferred outflows of resources	18,566	16,355	4,676	39,597	–
Increase (decrease) in					
Accounts payable	29,395	(74,562)	(5,816)	(50,983)	–
Due to other governments	46,087	6,237	–	52,324	–
Accrued salaries and wages	1,407	1,159	1,253	3,819	–
Deposits payable	1,327	–	–	1,327	–
Compensated absences payable	4,287	3,502	3,329	11,118	–
Net pension liability	(10,363)	(9,371)	(972)	(20,706)	–
Deferred inflows of resources	(8,796)	(7,796)	(1,895)	(18,487)	–
Net cash flows from operating activities	\$ (856,902)	\$ 486,923	\$ 328,933	\$ (41,046)	\$ 55,625

WHITE BEAR TOWNSHIP

Notes to Basic Financial Statements
December 31, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

The accounting policies of the Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the Township (the primary government) and its component unit. Component units are legally separate entities 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 unit includes 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.

As a result of applying these criteria, one organization has been included in this report as follows:

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.

C. Government-Wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the Township. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which significantly rely upon sales, fees, and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported as general revenues.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide 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 and special assessments are recognized as revenues in the fiscal year for which they are certified for levy. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the Township's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

- 1. Revenue Recognition** – Revenue is recognized when it becomes measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Proceeds of long-term debt are reported as other financing sources.

Major revenue that is susceptible to accrual includes property taxes, special assessments, intergovernmental revenue, charges for services, and interest earned on investments. Major revenue that is not susceptible to accrual includes licenses and permits, fees, fines and forfeitures, equipment rental, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected.

- 2. Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds.

Proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds and the Internal Service Fund are charges to customers for sales and services. The operating expenses for the enterprise funds and Internal Service Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Aggregated information for the Internal Service Fund is reported in a single column in the proprietary fund financial statements. Because the principal user of the internal services is the Township's governmental activities, the financial statements of the Internal Service Fund are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Description of Funds

The Township reports the following major governmental funds:

General Fund (101) – This 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 Special Revenue Fund (405) – This fund provides financial incentives to businesses to construct new or expand existing facilities and provide affordable (lower cost) housing. In return, the Township collects the additional property tax (increment) as its revenue source.

Improvement Capital Projects Fund (505) – This fund accounts for improvement project activity.

The Township reports the following major proprietary funds:

Water Fund (601) – The Water Fund accounts for customer water service charges that are used to finance water-operating expenses.

Sewer Fund (602) – The Sewer Fund accounts for customer sewer service charges that are used to finance sewer-operating expenses.

Storm Water Fund (603) – The Storm Water Fund accounts for customer storm water service charges that are used to finance storm water-operating expenses.

The Township also reports the following fund type:

Internal Service Fund (703) – 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.

E. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States 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.

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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution by the Township Board of Supervisors in December.
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.

For the year ended December 31, 2019, expenditures exceeded budget in the General Fund Community Development department by \$10,839 and the Economic Development Authority Special Revenue Fund by \$39,983. Expenditures in excess of budget were approved by the Township Board of Supervisors either through the disbursement process or separate Township Board of Supervisors action.

F. Cash and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average monthly cash and investment balances of the respective funds.

For purposes of the Statement of Cash Flows, the Township considers all highly liquid debt instruments with an original maturity from the time of purchase of three months or less to be cash equivalents. The proprietary funds' portion of the government-wide cash and investment pool is considered to be cash equivalent.

The Township generally reports investments at fair value other than for certain investment pools that are valued at amortized cost.

The Township categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the Township's recurring fair value measurements as of the current year-end.

G. Receivables

Utility and miscellaneous accounts receivable are reported at gross. Since the Township is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on current receivables.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Receivables and Payables

In the fund financial statements, activity between funds that is representative of lending or borrowing arrangements is reported as either “due to/from other funds” (current portion) or “advances to/from other funds.” All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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 statement of activities.

I. Land Held for Resale

Land held for resale represents various property purchases made by the Township with the intent to sell in order to increase the tax base or to attract new businesses. These assets are stated at the lower of cost or acquisition value. Management reviews the fair value reported for these assets and has indicated the properties are fairly presented for financial reporting purposes.

J. Property Taxes

Property tax levies are set by the Township Board of Supervisors in December of each year, and are certified to Ramsey County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads the levies over all taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the Township on that date. Property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. The county provides tax settlements to cities and other taxing districts three times a year; in July, December, and January.

Property taxes are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, taxes are recognized as revenue when received in cash or within 60 days after year-end. Taxes which remain unpaid on December 31 are classified as delinquent taxes receivable, and are offset by a deferred inflow of resources in the governmental fund financial statements.

K. Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. Special assessments are recorded as receivables upon certification to the county. Special assessments are recognized as revenue in the year levied in the government-wide financial statements and proprietary fund financial statements. In the governmental fund financial statements, special assessments are recognized as revenue when received in cash or within 60 days after year-end. Governmental fund special assessments receivable which remain unpaid on December 31 are offset by a deferred inflow of resources in the governmental fund financial statements.

L. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items both in the government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 and in the proprietary fund financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. The Township defines capital assets as those with an initial, individual cost of \$5,000 or more with an estimated useful life in excess of five years. 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. 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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	5–20 years
Buildings	30–40 years
Building improvements	15 years
Infrastructure and infrastructure improvements	10–50 years
Machinery, furniture and fixtures, and vehicles	5–10 years
Equipment	3–10 years

Capital assets not being depreciated include land and construction in progress.

N. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position, or balance sheets, will sometimes report deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

Unavailable revenue arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds financial statements. The governmental funds report unavailable revenue from two sources: property taxes and special assessments. These amounts are deferred and recognized as inflows of resources in the period they become available.

Deferred outflows and inflows of resources related to pensions are reported in the government-wide and proprietary funds Statement of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, assumption changes, differences between projected and actual earnings on plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the period incurred.

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

P. 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.

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.

Compensated absences are generally liquidated by the General Fund and enterprise funds.

Q. State-Wide Pension Plans

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 the PERA's fiduciary net position have been determined on the same basis as they are reported by the PERA except that the 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.

The PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

R. 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. Settled claims resulting from these risks did not exceed insurance coverage in any of the last three fiscal years. There were no significant reductions in insurance coverage in the current year.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent.

These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints established by resolution of the Township Board of Supervisors, which cannot be used for any other purpose unless the Township Board of Supervisors removes or changes the specified use by taking the same type of action employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints representing amounts intended to be used by the Township for specific purposes that do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. These constraints are established by the Township Board of Supervisors and/or management. The Township Board of Supervisors, via resolution, delegated the authority to assign fund balance to the finance officer.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the Township's policy to first use restricted resources, and then use unrestricted resources as needed. When committed, assigned, or unassigned resources are available for use, it is the Township's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

The Township's fund balance policy includes a fund balance goal in the General Fund of maintaining a fund balance reserve of 45 percent of the General Fund's operating budget for working capital to provide cash flow between its two semi-annual state aid and tax payments (July and December).

The Township will maintain a General Fund balance of 5 percent to 7 percent of the General Fund's operating budget for emergencies, such as natural disasters or other unforeseen needs.

At the end of the fiscal year, if the General Fund balance has a reserve for working capital at a minimum balance of 50 percent of next year's operating budget, the remaining reserves will be assigned for a specific use or transferred to other funds for the funding of future improvement projects or equipment purchases, or into the risk management fund to self-insure township assets as approved by the Township Board of Supervisors.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other elements of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The Township applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

U. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported at the date of the financial statements during the reporting period. Actual results could differ from those estimates.

V. Prior Period Adjustments

During the year ended December 31, 2019, the Township recorded a total of three prior period adjustments.

The Township recorded a prior period adjustment in the government-wide financial statements, increasing net position, and in the Economic Development Authority Special Revenue Fund, increasing fund balance. The change was related to the Township’s reporting property held for resale that was previously reported as expense/expenditure in prior periods.

The Township also recorded a prior period adjustment in the government-wide financial statements increasing net position. The change was related to the Township decreasing the governmental activities portion of the PERA deferred outflows, net pension liability, and deferred inflows that were previously overstated in the prior period.

Finally, the Township recorded a prior period adjustment in the government-wide financial statements, decreasing net position in the governmental activities and the business-type activities, and in the fund financial statements, in all of the Township’s fund types, decreasing fund balance in the governmental funds and decreasing net position in the proprietary funds. The change was related to adjusting journal entries that were recorded by the Township in the prior year general ledger that were not reflected in the audited financial statements for the year ended December 31, 2018.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The details of the prior period adjustments are as follows:

	Governmental Activities	Business-type Activities	Governmental Funds	Enterprise Funds	Internal Service Fund
Net position/total fund balances – beginning, as previously reported	\$ 21,778,312	\$ 20,463,591	\$ 7,610,862	\$ 20,463,591	\$ 552,533
Prior period adjustments					
Cash	(33,895)	(3,107)	(32,301)	(3,107)	(1,594)
Accrued interest receivable	2,228	(2,228)	2,228	(2,228)	–
Land held for resale	685,805	–	685,805	–	–
Deferred outflows – PERA	(73,877)	–	–	–	–
Deposits payable	–	35	–	35	–
Net pension liability – PERA	428,125	–	–	–	–
Deferred inflows – PERA	110,759	–	–	–	–
Total prior period adjustments	<u>1,119,145</u>	<u>(5,300)</u>	<u>655,732</u>	<u>(5,300)</u>	<u>(1,594)</u>
Net position/total fund balances – beginning, as restated	<u>\$ 22,897,457</u>	<u>\$ 20,458,291</u>	<u>\$ 8,266,594</u>	<u>\$ 20,458,291</u>	<u>\$ 550,939</u>

NOTE 2 – CASH AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$ 26,062
Investments	<u>11,257,701</u>
Total	<u>\$ 11,283,763</u>

Cash and investments are presented in the financial statements as follows:

Government-Wide Statement of Net Position	
Cash and investments	<u>\$ 11,283,763</u>

B. Deposits

In accordance with applicable Minnesota Statutes, the Township maintains deposits at depository banks authorized by the Township Board of Supervisors, including checking accounts and certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Township’s deposits may be lost. Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The Township has no additional deposit policies addressing custodial credit risk.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

At year-end, the carrying amount and the balance on the bank records of the Township’s deposits was \$26,062. At December 31, 2019, all deposits were fully covered by federal deposit insurance or collateral held by the Township’s agent in the Township’s name.

C. Investments

The Township has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurement Using	Interest Risk – Maturity Duration in Years					Total
	Rating	Agency		No Maturity	Less Than 1	1 to 5	6 to 10	Greater Than 10	
U.S. agency securities									
FICB	AA	S&P	Level 2	\$ –	\$ –	\$ –	\$ 101,961	\$ –	\$ 101,961
FHLB	AA	S&P	Level 2	–	–	–	367,803	–	367,803
FHLMC	AA	S&P	Level 2	–	–	163,726	449,995	–	613,721
Municipal bonds	AAA	S&P	Level 2	–	–	336,793	–	–	336,793
Municipal bonds	AA	S&P	Level 2	–	–	847,398	335,987	231,272	1,414,657
Municipal bonds	AA	Moody’s	Level 2	–	495,267	–	933,995	547,318	1,976,580
Municipal bonds	A	S&P	Level 2	–	–	–	283,616	431,631	715,247
Municipal bonds	A	Moody’s	Level 2	–	–	–	201,222	564,619	765,841
Negotiable certificates of deposit	Not Rated		Not Applicable	–	230,202	1,669,870	298,052	248,453	2,446,577
Investment pool/mutual funds									
4M Fund	Not Rated		Amortized Cost	492,809	–	–	–	–	492,809
4M Plus Fund	Not Rated		Amortized Cost	2,005,893	–	–	–	–	2,005,893
UBS Select Prime Institutional Fund	AAA	Moody’s	Amortized Cost	19,819	–	–	–	–	19,819
Total investments				\$ 2,518,521	\$ 725,469	\$ 3,017,787	\$ 2,972,631	\$ 2,023,293	\$ 11,257,701

The Minnesota Municipal Money Market (4M) Fund and 4M Plus Fund are external investment pools regulated by Minnesota Statutes that are not registered with the Securities and Exchange Commission (SEC), but follow the same regulatory rules of the SEC. The Township’s investments in these funds are measured using an amortized cost method that approximates fair value. For these investment pools, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the Liquid Class; the redemption notice period is 14 days for the Plus Class.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the Township would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the Township’s investments to 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 that receive 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 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with 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; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The Township’s investment policies do not further address credit risk.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Concentration Risk – This is the risk associated with investing a significant portion of the Township’s investment (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The Township’s investment policies state that no more than 5.0 percent of the overall portfolio may be invested in the securities of a single issuer, except for the securities of the United States Government and its agencies or an external investment pool. At year-end, Commerce California Community Development bonds comprised 7.5 percent of the Township’s total investments, which is higher than the limit provided in the Township’s investment policy.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Township does not have an investment policy limiting the duration of investments.

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

The Township had the following interfund balances at year-end:

Receivable Fund	Payable Fund	Amount	Reason
Due from/to other funds			
General	Nonmajor governmental	\$ 23,361	Short-term cash flow
General	Water Utility Enterprise	5,856	Short-term cash flow
General	Sewer Utility Enterprise	<u>407,728</u>	Short-term cash flow
Total interfund balances reported on fund financial statements		<u><u>\$ 436,945</u></u>	
Internal balances reported on government-wide financial statements			
Net interfund balances between governmental and enterprise funds		<u><u>\$ 413,584</u></u>	

B. Interfund Transfers

Interfund transfers for the 2019 fiscal year were as follows:

Transfers Out	Transfers In			Total
	Governmental Funds			
	General	Improvement	Nonmajor	
Governmental funds				
General	\$ –	\$ 81,500	\$ 200,000	\$ 281,500
Economic Development Authority	15,000	–	97,375	112,375
Nonmajor	–	–	<u>6,856</u>	<u>6,856</u>
Total	<u><u>\$ 15,000</u></u>	<u><u>\$ 81,500</u></u>	<u><u>\$ 304,231</u></u>	<u><u>\$ 400,731</u></u>

During 2019, the Township made routine interfund transfers for various reasons, including some fund balances exceeding the Township’s fund balance policies, to finance debt and operations, or to establish or close out funds.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

A. Changes in Capital Assets Used in Governmental Activities

	Beginning of Year	Additions	Deletions	Transfers and Completed Construction	End of Year
Capital assets, not depreciated					
Land	\$ 4,016,102	\$ –	\$ –	\$ –	\$ 4,016,102
Construction in progress	1,404,699	1,365,416	–	(158,136)	2,611,979
Total capital assets, not depreciated	5,420,801	1,365,416	–	(158,136)	6,628,081
Capital assets, depreciated					
Buildings	4,208,826	107,032	–	45,455	4,361,313
Vehicles	1,908,919	129,493	(81,438)	51,100	2,008,074
Machinery and equipment	1,674,955	174,421	(1,610)	61,581	1,909,347
Office furniture and equipment	465,018	27,081	–	–	492,099
Infrastructure	22,143,279	–	–	–	22,143,279
Total capital assets, depreciated	30,400,997	438,027	(83,048)	158,136	30,914,112
Less accumulated depreciation on					
Buildings	(1,344,430)	(103,072)	–	–	(1,447,502)
Vehicles	(1,008,732)	(134,292)	81,438	–	(1,061,586)
Machinery and equipment	(890,064)	(95,173)	1,610	–	(983,627)
Office furniture and equipment	(407,758)	(24,627)	–	–	(432,385)
Infrastructure	(16,867,636)	(443,613)	–	–	(17,311,249)
Total accumulated depreciation	(20,518,620)	(800,777)	83,048	–	(21,236,349)
Net capital assets, depreciated	9,882,377	(362,750)	–	158,136	9,677,763
Total capital assets, net	\$ 15,303,178	\$ 1,002,666	\$ –	\$ –	\$ 16,305,844

B. Changes in Capital Assets Used in Business-Type Activities

	Beginning of Year	Additions	Deletions	Transfers and Completed Construction	End of Year
Capital assets, not depreciated					
Construction in progress	\$ 282,987	\$ 352,238	\$ –	\$ (282,987)	\$ 352,238
Capital assets, depreciated					
Buildings	6,378,758	–	–	–	6,378,758
Vehicles	355,477	–	–	–	355,477
Machinery and equipment	9,134	–	–	–	9,134
Office furniture and equipment	569,099	–	–	–	569,099
Infrastructure	28,956,416	188,957	–	282,987	29,428,360
Total capital assets, depreciated	36,268,884	188,957	–	282,987	36,740,828
Less accumulated depreciation on					
Buildings	(4,747,438)	(163,920)	–	–	(4,911,358)
Vehicles	(194,154)	(16,230)	–	–	(210,384)
Machinery and equipment	(73,230)	(3,587)	–	–	(76,817)
Office furniture and equipment	(221,590)	(25,218)	–	–	(246,808)
Infrastructure	(13,570,282)	(574,916)	–	–	(14,145,198)
Total accumulated depreciation	(18,806,694)	(783,871)	–	–	(19,590,565)
Net capital assets, depreciated	17,462,190	(594,914)	–	282,987	17,150,263
Total capital assets, net	\$ 17,745,177	\$ (242,676)	\$ –	\$ –	\$ 17,502,501

NOTE 4 – CAPITAL ASSETS (CONTINUED)

C. Depreciation Expense by Function

Depreciation expense for the year ended December 31, 2019 was charged to the following functions:

Governmental activities	
General government	\$ 15,386
Public safety	5,681
Public works	680,800
Parks, recreation, and forestry	98,831
Community development	<u>79</u>
Total depreciation expense – governmental activities	<u>\$ 800,777</u>
Business-type activities	
Water	\$ 414,135
Sewer	338,983
Storm Water	<u>30,753</u>
Total depreciation expense – business-type activities	<u>\$ 783,871</u>

NOTE 5 – LONG-TERM DEBT

A. Long-Term Debt

The Township’s long-term debt at December 31, 2019 is as follows:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Balance – End of Year</u>
Governmental activities					
General obligation improvement bonds					
Improvement Bonds of 2011A	\$ 1,850,000	0.45–2.15%	10/01/2011	02/01/2022	\$ 510,000
Improvement Bonds of 2019A	\$ 1,210,000	2.00–5.00%	10/15/2019	02/01/2030	<u>1,210,000</u>
					1,720,000
General obligation tax increment bonds					
Tax Increment Refunding Bonds of 2011C	\$ 650,000	0.50–2.00%	11/01/2011	02/01/2020	90,000
Unamortized premiums					92,311
Unamortized discounts					<u>(2,313)</u>
Total governmental activity long-term debt					1,899,998
Business-type activities					
General obligation revenue bonds					
Utility Revenue and Refunding Bonds of 2011B	\$ 1,290,000	0.45–2.15%	11/01/2011	02/01/2022	<u>360,000</u>
Total government-wide long-term debt					<u>\$ 2,259,998</u>

NOTE 5 – LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in the Township’s long-term debt for the year ended December 31, 2019:

	Beginning of Year	Additions	Deletions	End of Year	Due Within One Year
Governmental activities					
G.O. improvement bonds	\$ 741,820	\$ 1,210,000	\$ 231,820	\$ 1,720,000	\$ 175,000
G.O. tax increment bonds	180,000	–	90,000	90,000	90,000
Unamortized premiums	–	94,678	2,367	92,311	–
Unamortized discounts	(3,702)	–	(1,389)	(2,313)	–
Total governmental activities	918,118	1,304,678	322,798	1,899,998	265,000
Business-type activities					
G.O. utility revenue bonds	718,180	–	358,180	360,000	115,000
Total	\$ 1,636,298	\$ 1,304,678	\$ 680,978	\$ 2,259,998	\$ 380,000

B. Minimum Debt Payments

All long-term bonded indebtedness outstanding at December 31, 2019 is backed by the full faith and credit of the Township.

Minimum annual principal and interest payments required to retire long-term debt are as follows:

Year Ending December 31,	Governmental Activities					
	G.O. Improvement Bonds		G.O. Tax Increment Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 175,000	\$ 45,146	\$ 90,000	\$ 900	\$ 265,000	\$ 46,046
2021	275,000	48,723	–	–	275,000	48,723
2022	285,000	39,624	–	–	285,000	39,624
2023	125,000	31,725	–	–	125,000	31,725
2024	130,000	25,350	–	–	130,000	25,350
2025–2029	610,000	49,200	–	–	610,000	49,200
2030	120,000	1,200	–	–	120,000	1,200
	\$ 1,720,000	\$ 240,968	\$ 90,000	\$ 900	\$ 1,810,000	\$ 241,868

Year Ending December 31,	Business-Type Activities	
	G.O. Utility Revenue Bonds	
	Principal	Interest
2020	\$ 115,000	\$ 6,123
2021	120,000	3,887
2022	125,000	1,344
	\$ 360,000	\$ 11,354

C. 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.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

General Obligation Utility 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 2019 operating revenues were \$1,543,715, \$2,146,904, and \$603,745 for the Water, Sewer, and Storm Water Funds, respectively. The 2019 principal and interest payments on the bonds required approximately 19 percent, 3 percent, and 5 percent of 2019 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.

D. 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, 2019 is as follows:

Issuer	Purpose	Principal Outstanding
White Bear Leased Housing Associates II	Construction of a facility	<u>\$ 8,609,036</u>

NOTE 6 – COMPONENTS OF FUND BALANCE

At December 31, 2019, the Township had the following fund balances:

	General	Economic Development Authority Special Revenue	Improvement Capital Project	Nonmajor	Total
Nonspendable					
Prepaid items	\$ 14,477	\$ –	\$ –	\$ –	\$ 14,477
Restricted					
Debt service	–	–	–	1,000,473	1,000,473
Economic development	–	1,788,444	–	–	1,788,444
Rutherford Park development	–	–	–	6,385	6,385
Total restricted	–	1,788,444	–	1,006,858	2,795,302
Assigned					
Public safety	3,402	–	–	–	3,402
Park development	–	–	–	769,780	769,780
Polar Lakes Park development	–	–	–	354,215	354,215
Capital improvements	–	–	860,379	238,909	1,099,288
Total assigned	3,402	–	860,379	1,362,904	2,226,685
Unassigned	4,328,816	–	–	(23,494)	4,305,322
Total	<u>\$ 4,346,695</u>	<u>\$ 1,788,444</u>	<u>\$ 860,379</u>	<u>\$ 2,346,268</u>	<u>\$ 9,341,786</u>

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

The Township participates in the following cost-sharing, multiple-employer defined benefit pension plan administered by the PERA of Minnesota. The PERA's defined benefit pension plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. The PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the Township are covered by the GERF. The GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statutes 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.

GERF Benefits

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 the PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2 percent of average salary for each of the first 10 years of service, and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent of average salary for all years 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 age 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the post-retirement increase will be equal to 50.0 percent of the cost of living adjustment (COLA) announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

C. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019. The Township was required to contribute 7.50 percent for Coordinated Plan members. The Township’s contributions to the GERF for the year ended December 31, 2019, were \$108,207. The Township’s contributions were equal to the required contributions as set by state statutes.

The Township provides its employees with various benefits, including pension benefits as further described elsewhere in this note. The General, Water, Sewer, and Storm Water Funds will be used to liquidate these liabilities.

D. Pension Costs

GERF Pension Costs

At December 31, 2019, the Township reported a liability of \$1,078,111 for its proportionate share of the GERF’s net pension liability. The net pension liability was measured as of June 30, 2019, 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 the PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of the PERA’s participating employers. The Township’s proportionate share was 0.0195 percent at the end of the measurement period and 0.0204 percent for the beginning of the period.

The Township’s net pension liability reflected a reduction, due to the state of Minnesota’s contribution of \$16 million to the fund in 2019. The state of Minnesota is considered a nonemployer contributing entity and the state’s contribution meets the definition of a special funding situation. The amount recognized by the Township as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the Township were as follows:

Township’s proportionate share of the net pension liability	\$ 1,078,111
State’s proportionate share of the net pension liability associated with the Township	\$ 33,665

For the year ended December 31, 2019, the Township recognized pension expense of \$110,578 for its proportionate share of the GERF’s pension expense. In addition, the Township recognized an additional \$2,521 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$16 million to the GERF.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At December 31, 2019, the Township reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 30,619	\$ –
Changes in actuarial assumptions	–	88,054
Difference between projected and actual investment earnings	–	115,479
Changes in proportion	4,060	40,638
Contributions paid to the PERA subsequent to the measurement date	<u>56,031</u>	<u>–</u>
Total	<u>\$ 90,710</u>	<u>\$ 244,171</u>

A total of \$56,031 reported as deferred outflows of resources related to pensions resulting from township contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2020	\$ (70,940)
2021	(105,182)
2022	(35,108)
2023	<u>1,738</u>
	<u>\$ (209,492)</u>

E. Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using an individual entry-age normal actuarial cost method and 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 for all plans were based on RP-2014 tables for males and females, as appropriate, with slight adjustments to fit the PERA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the GERF.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2019. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The following changes in actuarial assumptions and plan provisions occurred in 2019:

GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state’s special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

The Minnesota State Board of Investment, which manages the investments of the 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 equity	35.5 %	5.10 %
Private markets	25.0	5.90 %
Fixed income	20.0	0.75 %
International equity	17.5	5.90 %
Cash equivalents	2.0	– %
Total	<u>100.0 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50 percent. 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 GERF 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 table 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:

	1% Decrease in Discount Rate 6.50%	Discount Rate 7.50%	1% Increase in Discount Rate 8.50%
Township’s proportionate share of the GERF net pension liability	\$ 1,772,357	\$ 1,078,111	\$ 504,874

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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 PERA website at www.mnpera.org; by writing to the PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103; or by calling (651) 296-7460 or (800) 652-9026.

NOTE 8 – TAX ABATEMENT AGREEMENTS

The Township, in order to spur economic development and redevelopment, has entered into private development and redevelopment agreements to encourage a developer to construct, expand, or improve new or existing properties and buildings, or clean up and redevelop blighted areas. The Township has four agreements that would be considered a tax abatement under GASB Statement No. 77. The Township is authorized to create a tax increment finance plan under Minnesota Statutes, Chapter 469.175.

The Township has entered into private development agreements regarding certain properties within a tax increment district. Included in the development agreement was the reimbursement of eligible development costs. The vehicle used for this reimbursement is called a tax increment revenue note.

These notes provide for the payment of principal, equal to the developer’s eligible costs, plus interest at a set rate. Payments on the note will be made at the lesser of the note payment or a percent of the available tax increment received during the specific year as stated in the agreement. Payments are first applied to accrued interest and then to the principal balance. The notes are to be cancelled at the end of the term, whether or not the note has been repaid in full.

The agreements are not a general obligation of the Township and are payable solely from available tax increments received from the property owner. The Township’s position is that these are obligations to assign future and uncertain revenues sources and, as such, is not actual debt in substance.

The outstanding principal balances as of December 31, 2019 for these agreements are as follows:

	District Name			
	Boardwalk #1-17	Wyldridge #1-18	Nexturn/Wellsprings #1-21	Water Gramlin #1-22
Agreement with Property	Brandelle Builders County # 247-0	WBT Development County # 256-0	Nexturn/Wellsprings County # 300	Water Gramlin County # 311
Amount of taxes returned during the fiscal year	\$58,098	\$23,263	\$30,394	\$95,391
Outstanding principal at year-end	\$559,557	\$246,780	\$625,833	\$1,309,349

NOTE 9 – CONTINGENCIES AND COMMITMENTS

A. Legal Claims

The Township has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the Township's management believes that the Township will not incur any material monetary loss resulting from these claims. No loss has been recorded on the Township's financial statements relating to these claims.

B. Federal and State Receivables

Amounts recorded or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

C. Tax Increment Districts

The Township's tax increment districts are subject to review by the Office of the State Auditor. Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that it is not aware of any instances of noncompliance, which would have a material effect on the financial statements.

D. Construction Commitments

At December 31, 2019, the Township is committed to various construction contracts for the improvement of township property. The Township's remaining commitment under these contracts is \$549,365.

NOTE 10 – DEFICIT FUND BALANCE

At December 31, 2019, the nonmajor G.O. Improvement Bonds and Utility Revenue Bonds of 2008A Debt Service Fund reported a deficit fund balance of \$23,494. The deficit is due to bond payments incurred in advance of funding and will be eliminated through future revenues and other resources.

NOTE 11 – SUBSEQUENT EVENTS – COVID-19

Shortly after the 2019 fiscal year-end, the worldwide spread of the novel coronavirus (COVID-19) has caused significant volatility in the economy and financial markets. There is significant uncertainty about the breadth and duration of potential business disruptions related to COVID-19, and its economic impact in the U.S. and around the world. At this time, the Township is unable to determine what effect this may have on its future financial condition and operations.

REQUIRED SUPPLEMENTARY INFORMATION

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WHITE BEAR TOWNSHIP

PERA – General Employees Retirement Fund
 Schedule of Township’s and Nonemployer Proportionate Share of Net Pension Liability
 Year Ended December 31, 2019

Township Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	Township’s Proportion of the Net Pension Liability	Township’s Proportionate Share of the Net Pension Liability	Township’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the Township’s Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Township’s Covered Payroll	Township’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.0213%	\$ 1,103,877	\$ –	\$ 1,103,877	\$ 1,253,899	88.04%	78.20%
12/31/2016	06/30/2016	0.0203%	\$ 1,648,256	\$ 21,459	\$ 1,669,715	\$ 1,258,333	130.99%	68.90%
12/31/2017	06/30/2017	0.0205%	\$ 1,308,706	\$ 16,447	\$ 1,325,153	\$ 1,319,960	99.15%	75.90%
12/31/2018	06/30/2018	0.0204%	\$ 1,131,708	\$ 37,000	\$ 1,168,708	\$ 1,366,547	82.82%	79.50%
12/31/2019	06/30/2019	0.0195%	\$ 1,078,111	\$ 33,665	\$ 1,111,776	\$ 1,383,374	77.93%	80.20%

PERA – General Employees Retirement Fund
 Schedule of Township Contributions
 December 31, 2019

Township Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 94,393	\$ 94,393	\$ –	\$ 1,258,573	7.50%
12/31/2016	\$ 95,703	\$ 95,703	\$ –	\$ 1,276,040	7.50%
12/31/2017	\$ 99,882	\$ 99,882	\$ –	\$ 1,331,760	7.50%
12/31/2018	\$ 106,384	\$ 106,384	\$ –	\$ 1,418,453	7.50%
12/31/2019	\$ 108,207	\$ 108,207	\$ –	\$ 1,442,762	7.50%

Note: The Township implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

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WHITE BEAR TOWNSHIP

Notes to Required Supplementary Information
December 31, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

WHITE BEAR TOWNSHIP

Notes to Required Supplementary Information (continued)
December 31, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

WHITE BEAR TOWNSHIP

Notes to Required Supplementary Information (continued)
December 31, 2019

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

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SUPPLEMENTAL INFORMATION

WHITE BEAR TOWNSHIP

Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2019

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets			
Cash and investments	\$ 994,101	\$ 1,360,145	\$ 2,354,246
Receivables			
Accrued interest	3,255	9,144	12,399
Special assessments			
Current	4,084	-	4,084
Delinquent	385	-	385
Deferred	352,189	-	352,189
	<u>352,189</u>	<u>-</u>	<u>352,189</u>
Total assets	<u>\$ 1,354,014</u>	<u>\$ 1,369,289</u>	<u>\$ 2,723,303</u>
Liabilities			
Accounts and contracts payable	\$ 1,100	\$ -	\$ 1,100
Due to other funds	23,361	-	23,361
Total liabilities	<u>24,461</u>	<u>-</u>	<u>24,461</u>
Deferred inflows of resources			
Unavailable revenue from special assessments	352,574	-	352,574
Fund balances			
Restricted	1,000,473	6,385	1,006,858
Assigned	-	1,362,904	1,362,904
Unassigned	(23,494)	-	(23,494)
	<u>976,979</u>	<u>1,369,289</u>	<u>2,346,268</u>
Total fund balances	<u>976,979</u>	<u>1,369,289</u>	<u>2,346,268</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,354,014</u>	<u>\$ 1,369,289</u>	<u>\$ 2,723,303</u>

WHITE BEAR TOWNSHIP

Nonmajor Governmental Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenue			
Special assessments	\$ 565,746	\$ -	\$ 565,746
Park and recreation fees	-	20,875	20,875
Investment earnings	21,643	70,114	91,757
Miscellaneous	1,381	54,891	56,272
	<u>588,770</u>	<u>145,880</u>	<u>734,650</u>
Total revenue			
Expenditures			
Current			
Parks, recreation, and forestry	-	41,547	41,547
Capital outlay			
Parks, recreation, and forestry	-	137,527	137,527
Debt service			
Principal	321,820	-	321,820
Interest and fiscal charges	17,379	-	17,379
	<u>339,199</u>	<u>179,074</u>	<u>518,273</u>
Total expenditures			
Excess (deficiency) of revenue over expenditures	249,571	(33,194)	216,377
Other financing sources (uses)			
Transfers in	97,375	206,856	304,231
Transfers (out)	-	(6,856)	(6,856)
	<u>97,375</u>	<u>200,000</u>	<u>297,375</u>
Total other financing sources (uses)			
Net change in fund balances	346,946	166,806	513,752
Fund balances			
Beginning of year, as previously reported	631,736	1,206,087	1,837,823
Prior period adjustments	(1,703)	(3,604)	(5,307)
Beginning of year, as restated	<u>630,033</u>	<u>1,202,483</u>	<u>1,832,516</u>
End of year	<u>\$ 976,979</u>	<u>\$ 1,369,289</u>	<u>\$ 2,346,268</u>

WHITE BEAR TOWNSHIP

Nonmajor Debt Service Funds
 Combining Balance Sheet
 December 31, 2019

	386	387	388 G.O. Improvement and Utility Revenue	389 G.O. Improvement	390 G.O. Improvement	Totals
	Tax Increment Bonds 2011C	Tax Increment Bonds 2005B	Bonds 2008A	Bonds 2011A	Bonds 2019A	
Assets						
Cash and investments	\$ 119,109	\$ 2,546	\$ -	\$ 406,390	\$ 466,056	\$ 994,101
Receivables						
Accrued interest	617	18	(133)	2,321	432	3,255
Special assessments						
Current	-	-	-	1,340	2,744	4,084
Delinquent	-	-	-	385	-	385
Deferred	-	-	-	171,933	180,256	352,189
	<u>119,726</u>	<u>2,564</u>	<u>(133)</u>	<u>582,369</u>	<u>649,488</u>	<u>1,354,014</u>
Total assets	\$ 119,726	\$ 2,564	\$ (133)	\$ 582,369	\$ 649,488	\$ 1,354,014
Liabilities						
Accounts payable	\$ 1,100	\$ -	\$ -	\$ -	\$ -	\$ 1,100
Due to other funds	-	-	23,361	-	-	23,361
Total liabilities	1,100	-	23,361	-	-	24,461
Deferred inflows of resources						
Unavailable revenue from special assessments	-	-	-	172,318	180,256	352,574
Fund balances (deficits)						
Restricted for debt service	118,626	2,564	-	410,051	469,232	1,000,473
Unassigned	-	-	(23,494)	-	-	(23,494)
Total fund balances (deficits)	118,626	2,564	(23,494)	410,051	469,232	976,979
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,726	\$ 2,564	\$ (133)	\$ 582,369	\$ 649,488	\$ 1,354,014

WHITE BEAR TOWNSHIP

Nonmajor Debt Service Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	386	387	388	389	390	
			G.O.			
	Tax	Tax	Improvement	G.O.	G.O.	
	Increment	Increment	and Utility	Improvement	Improvement	Totals
	Bonds 2011C	Bonds 2005B	Revenue	Bonds 2011A	Bonds 2019A	
			Bonds 2008A			
Revenue						
Special assessments	\$ -	\$ -	\$ 8	\$ 99,994	\$ 465,744	\$ 565,746
Investment earnings (charges)	4,418	52	(2,116)	14,951	4,338	21,643
Miscellaneous	-	-	-	1,381	-	1,381
Total revenue	4,418	52	(2,108)	116,326	470,082	588,770
Expenditures						
Debt service						
Principal	90,000	-	56,820	175,000	-	321,820
Interest and fiscal charges	3,800	-	1,231	11,498	850	17,379
Total expenditures	93,800	-	58,051	186,498	850	339,199
Excess (deficiency) of revenues over expenditures	(89,382)	52	(60,159)	(70,172)	469,232	249,571
Other financing sources						
Transfers in	97,375	-	-	-	-	97,375
Net change in fund balances	7,993	52	(60,159)	(70,172)	469,232	346,946
Fund balances (deficits)						
Beginning of year,						
as previously reported	110,792	2,521	36,788	481,635	-	631,736
Prior period adjustments	(159)	(9)	(123)	(1,412)	-	(1,703)
Beginning of year, as restated	110,633	2,512	36,665	480,223	-	630,033
End of year	\$ 118,626	\$ 2,564	\$ (23,494)	\$ 410,051	\$ 469,232	\$ 976,979

WHITE BEAR TOWNSHIP

Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2019

	504 Community Park Improvement	516 Park Acquisition	517 Parks and Trails Park Improvement	Totals
Assets				
Cash and investments	\$ 351,932	\$ 770,943	\$ 237,270	\$ 1,360,145
Receivables				
Accrued interest	<u>2,283</u>	<u>5,222</u>	<u>1,639</u>	<u>9,144</u>
Total assets	<u>\$ 354,215</u>	<u>\$ 776,165</u>	<u>\$ 238,909</u>	<u>\$ 1,369,289</u>
Fund balances				
Restricted	\$ -	\$ 6,385	\$ -	\$ 6,385
Assigned	<u>354,215</u>	<u>769,780</u>	<u>238,909</u>	<u>1,362,904</u>
Total fund balances	<u>\$ 354,215</u>	<u>\$ 776,165</u>	<u>\$ 238,909</u>	<u>\$ 1,369,289</u>

WHITE BEAR TOWNSHIP

Nonmajor Capital Projects Funds
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Year Ended December 31, 2019

	504 Community Park Improvement	516 Park Acquisition	517 Parks and Trails Park Improvement	Totals
Revenue				
Park and recreation fees	\$ —	\$ 20,875	\$ —	\$ 20,875
Investment earnings	17,620	38,483	14,011	70,114
Miscellaneous	54,891	—	—	54,891
Total revenue	72,511	59,358	14,011	145,880
Expenditures				
Current				
Parks, recreation, and forestry	23,560	17,987	—	41,547
Capital outlay	—	—	137,527	137,527
Total expenditures	23,560	17,987	137,527	179,074
Excess (deficiency) of revenue over expenditures	48,951	41,371	(123,516)	(33,194)
Other financing sources (uses)				
Transfers in	—	—	206,856	206,856
Transfers (out)	—	(6,856)	—	(6,856)
Total other financing sources (uses)	—	(6,856)	206,856	200,000
Net change in fund balances	48,951	34,515	83,340	166,806
Fund balances				
Beginning of year, as previously reported	306,239	744,103	155,745	1,206,087
Prior period adjustments	(975)	(2,453)	(176)	(3,604)
Beginning of year, as restated	305,264	741,650	155,569	1,202,483
End of year	\$ 354,215	\$ 776,165	\$ 238,909	\$ 1,369,289

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STATISTICAL SECTION

(UNAUDITED)

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STATISTICAL SECTION (UNAUDITED)

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

	<u>Page</u>
Contents:	
Financial Trends	62
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	72
These schedules contain information to help the reader assess the Township's most significant revenue source, including the property tax and utility revenue.	
Debt Capacity	79
These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	
Demographic and Economic Information	83
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	
Operating Indicators	86
These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides, and the activities it performs.	

Source: Unless otherwise noted, the information in these schedules is derived from the CAFR for the relevant year.

WHITE BEAR TOWNSHIP

Net Position by Component
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

				Fiscal Year
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 13,201,804	\$ 12,902,768	\$ 12,258,761	\$ 12,139,083
Restricted	1,149,715	4,649,117	4,427,242	4,376,137
Unrestricted	4,149,416	2,895,036	4,303,394	4,639,741
Total governmental activities net position	<u>\$ 18,500,935</u>	<u>\$ 20,446,921</u>	<u>\$ 20,989,397</u>	<u>\$ 21,154,961</u>
Business-type activities				
Net investment in capital assets	\$ 16,162,163	\$ 15,271,382	\$ 14,445,266	\$ 14,551,539
Unrestricted	6,207,441	6,384,286	7,579,011	6,752,349
Total business-type activities net position	<u>\$ 22,369,604</u>	<u>\$ 21,655,668</u>	<u>\$ 22,024,277</u>	<u>\$ 21,303,888</u>
Primary government				
Net investment in capital assets	\$ 29,363,967	\$ 28,174,150	\$ 26,704,027	\$ 26,690,622
Restricted	1,149,715	4,649,117	4,427,242	4,376,137
Unrestricted	10,356,857	9,279,322	11,882,405	11,392,090
Total primary government net position	<u>\$ 40,870,539</u>	<u>\$ 42,102,589</u>	<u>\$ 43,013,674</u>	<u>\$ 42,458,849</u>

2014	2015	2016	2017	2018	2019
\$ 12,300,923	\$ 13,292,401	\$ 14,289,017	\$ 14,045,226	\$ 14,513,571	\$ 14,495,982
3,665,385	3,236,601	3,364,485	2,725,600	1,836,541	3,096,524
4,927,688	5,123,683	4,458,172	5,467,540	5,428,200	6,619,548
<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>	<u>\$ 24,212,054</u>
\$ 14,337,723	\$ 14,492,265	\$ 14,876,547	\$ 15,992,846	\$ 16,916,015	\$ 17,142,501
6,372,106	4,986,226	4,269,429	2,706,964	3,547,576	2,356,707
<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>	<u>\$ 19,499,208</u>
\$ 26,638,646	\$ 27,784,666	\$ 29,165,564	\$ 30,038,072	\$ 31,429,586	\$ 31,638,483
3,665,385	3,236,601	3,364,485	2,725,600	1,836,541	3,096,524
11,299,794	10,109,909	8,727,601	8,174,504	8,975,776	8,976,255
<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>	<u>\$ 43,711,262</u>

WHITE BEAR TOWNSHIP

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 934,274	\$ 889,444	\$ 913,141	\$ 881,583
Public safety	1,031,533	1,052,716	1,090,602	1,108,193
Public works	1,237,007	1,396,533	1,486,743	1,852,916
Parks, recreation, and forestry	342,767	304,424	403,408	452,089
Community development	667,331	1,708,220	376,014	517,466
Interest and fiscal charges	189,773	155,488	177,338	226,435
Total governmental activities expenses	<u>4,402,685</u>	<u>5,506,825</u>	<u>4,447,246</u>	<u>5,038,682</u>
Business-type activities				
Water	1,406,671	1,345,217	1,241,287	1,577,742
Sewer	1,240,584	1,422,937	1,686,562	1,502,337
Storm Water	107,974	137,694	171,971	260,884
Total business-type activities expenses	<u>2,755,229</u>	<u>2,905,848</u>	<u>3,099,820</u>	<u>3,340,963</u>
Total primary government expenses	<u>\$ 7,157,914</u>	<u>\$ 8,412,673</u>	<u>\$ 7,547,066</u>	<u>\$ 8,379,645</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 493,481	\$ 511,269	\$ 627,481	\$ 576,218
Public safety	21,742	23,367	28,593	29,349
Public works	16,500	-	-	-
Parks, recreation, and forestry	5,500	5,853	8,890	8,853
Community development	12,192	14,108	8,160	16,048
Operating grants and contributions	136,648	797,209	141,219	141,853
Capital grants and contributions	87,886	1,936,557	34,941	565,608
Total governmental activities program revenues	<u>773,949</u>	<u>3,288,363</u>	<u>849,284</u>	<u>1,337,929</u>
Business-type activities				
Charges for services				
Water	935,467	962,730	1,939,379	1,414,141
Sewer	1,178,584	1,219,541	1,337,167	1,282,750
Storm Water	155,175	155,886	155,084	157,791
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	717	-	675
Total business-type activities program revenues	<u>2,269,226</u>	<u>2,338,874</u>	<u>3,431,630</u>	<u>2,855,357</u>
Total primary government program revenues	<u>\$ 3,043,175</u>	<u>\$ 5,627,237</u>	<u>\$ 4,280,914</u>	<u>\$ 4,193,286</u>

2014	2015	2016	2017	2018	2019
\$ 1,027,778	\$ 862,396	\$ 902,593	\$ 1,015,785	\$ 1,204,114	\$ 1,065,697
1,129,627	1,125,305	1,159,394	1,220,765	1,305,225	1,322,660
1,691,642	1,695,502	1,560,387	1,599,838	2,058,800	1,704,699
437,214	477,652	720,489	631,597	746,173	505,075
1,018,383	400,748	349,687	560,489	1,203,982	526,165
110,637	64,254	58,771	39,290	23,348	72,329
<u>5,415,281</u>	<u>4,625,857</u>	<u>4,751,321</u>	<u>5,067,764</u>	<u>6,541,642</u>	<u>5,196,625</u>
1,518,328	1,471,084	1,748,513	2,682,754	1,432,155	3,102,557
1,669,057	1,617,751	1,714,216	2,048,861	1,942,370	2,011,250
209,803	187,404	201,909	244,932	272,050	286,940
<u>3,397,188</u>	<u>3,276,239</u>	<u>3,664,638</u>	<u>4,976,547</u>	<u>3,646,575</u>	<u>5,400,747</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>	<u>\$ 10,597,372</u>
\$ 557,484	\$ 787,071	\$ 599,289	\$ 718,469	\$ 741,348	\$ 578,037
31,729	18,932	27,697	22,804	26,937	20,523
—	—	—	—	385,990	436,474
3,415	21,313	7,101	3,100	64,636	75,766
15,976	38,948	9,579	11,461	27,229	23,386
154,009	202,473	235,545	185,255	206,100	95,797
87,889	272,539	264,934	32,714	1,335,198	685,827
<u>850,502</u>	<u>1,341,276</u>	<u>1,144,145</u>	<u>973,803</u>	<u>2,787,438</u>	<u>1,915,810</u>
1,279,197	1,203,344	1,454,982	1,513,555	1,898,215	1,554,242
1,258,875	1,291,601	1,275,141	2,485,352	2,058,417	2,146,904
158,961	280,767	361,026	508,490	545,138	603,745
—	—	—	—	—	953
1,494	—	—	—	31,300	68,345
<u>2,698,527</u>	<u>2,775,712</u>	<u>3,091,149</u>	<u>4,507,397</u>	<u>4,533,070</u>	<u>4,374,189</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>	<u>\$ 6,289,999</u>

WHITE BEAR TOWNSHIP

Changes in Net Position (continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Net (expense) revenue				
Governmental activities	\$ (3,628,736)	\$ (2,218,462)	\$ (3,597,962)	\$ (3,700,753)
Business-type activities	(486,003)	(566,974)	331,810	(485,606)
Total primary government net expense	<u>\$ (4,114,739)</u>	<u>\$ (2,785,436)</u>	<u>\$ (3,266,152)</u>	<u>\$ (4,186,359)</u>
General revenues and other changes in net position				
Governmental activities				
Taxes	\$ 3,015,729	\$ 3,449,241	\$ 3,612,679	\$ 3,561,781
Unrestricted grants and contributions	17,623	38,957	4,266	32,434
Unrestricted investment earnings	73,651	68,405	147,737	(125,572)
Gain on sale of capital assets	10,243	246	-	5,454
Miscellaneous	207,560	385,777	266,851	293,080
Transfers	107,158	221,822	108,905	99,140
Total governmental activities	<u>3,431,964</u>	<u>4,164,448</u>	<u>4,140,438</u>	<u>3,866,317</u>
Business-type activities				
Unrestricted investment earnings	90,462	74,860	145,704	185,845
Contributed capital	-	-	-	-
Transfers	(107,158)	(221,822)	(108,905)	(78,432)
Total business-type activities	<u>(16,696)</u>	<u>(146,962)</u>	<u>36,799</u>	<u>107,413</u>
Total primary government	<u>\$ 3,415,268</u>	<u>\$ 4,017,486</u>	<u>\$ 4,177,237</u>	<u>\$ 3,973,730</u>
Changes in net position				
Governmental activities	\$ (196,772)	\$ 1,945,986	\$ 542,476	\$ 165,564
Business-type activities	(502,699)	(713,936)	368,609	(378,193)
Total primary government	<u>\$ (699,471)</u>	<u>\$ 1,232,050</u>	<u>\$ 911,085</u>	<u>\$ (212,629)</u>

2014	2015	2016	2017	2018	2019
\$ (4,564,779)	\$ (3,284,581)	\$ (3,607,176)	\$ (4,093,961)	\$ (3,754,204)	\$ (3,280,815)
(698,661)	(500,527)	(573,489)	(469,150)	886,495	(1,026,558)
<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>	<u>\$ (4,307,373)</u>
\$ 3,535,485	\$ 3,655,622	\$ 3,674,932	\$ 3,585,171	\$ 3,765,504	\$ 4,133,080
4,283	4,284	4,283	4,281	4,281	4,926
253,245	111,727	118,314	199,915	160,858	424,345
17,137	–	5,705	18,091	11,363	27,333
412,421	352,088	462,931	413,195	4,876	5,728
81,243	554,375	(200,000)	–	(652,732)	–
<u>4,303,814</u>	<u>4,678,096</u>	<u>4,066,165</u>	<u>4,220,653</u>	<u>3,294,150</u>	<u>4,595,412</u>
185,845	46,809	40,974	22,984	(10,250)	67,475
–	171,391	–	–	–	–
(81,243)	(554,375)	200,000	–	652,732	–
<u>104,602</u>	<u>(336,175)</u>	<u>240,974</u>	<u>22,984</u>	<u>642,482</u>	<u>67,475</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>	<u>\$ 4,662,887</u>
\$ (260,965)	\$ 1,393,515	\$ 458,989	\$ 126,692	\$ (460,054)	\$ 1,314,597
(594,059)	(836,702)	(332,515)	(446,166)	1,528,977	(959,083)
<u>\$ (855,024)</u>	<u>\$ 556,813</u>	<u>\$ 126,474</u>	<u>\$ (319,474)</u>	<u>\$ 1,068,923</u>	<u>\$ 355,514</u>

WHITE BEAR TOWNSHIP

Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 20,345	\$ -	\$ -	\$ -
Unreserved	2,122,782	-	-	-
Nonspendable	-	25,440	22,644	23,879
Assigned	-	6,742	6,511	6,749
Unassigned	-	2,660,334	3,140,127	3,015,703
Total General Fund	2,143,127	2,692,516	3,169,282	3,046,331
All other governmental funds				
Reserved, reported in				
Special revenue funds	632,718	632,718	-	-
Debt service funds	1,007,277	1,007,277	-	-
Unreserved, reported in				
Special revenue funds	1,219,761	1,219,761	-	-
Capital project funds	479,884	479,884	-	-
Debt service funds	172,532	172,532	-	-
Nonspendable	-	-	354,556	354,556
Restricted	-	-	2,820,032	2,918,413
Assigned	-	-	1,665,500	1,797,908
Unassigned	-	-	(28,147)	-
Total all other governmental funds	3,512,172	3,512,172	4,811,941	5,070,877
Total all funds	\$ 5,655,299	\$ 6,204,688	\$ 7,981,223	\$ 8,117,208

Note: The Township implemented GASB Statement No. 54 in 2011, which changed fund balance classifications. Fund balances for previous years have not been restated.

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,534	20,461	33,616	17,462	9,609	14,477
6,983	7,315	7,490	6,610	5,596	3,402
<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>	<u>4,328,816</u>
3,183,648	3,577,071	3,428,646	3,774,913	4,129,896	4,346,695
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
354,556	223,476	223,476	-	-	-
2,396,968	2,319,421	2,612,052	2,346,188	1,581,671	2,795,302
1,975,981	2,249,058	1,743,541	2,051,222	1,899,295	2,223,283
<u>(18,807)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,494)</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>4,995,091</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>	<u>\$ 9,341,786</u>

WHITE BEAR TOWNSHIP

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 3,025,483	\$ 3,437,304	\$ 3,620,954	\$ 3,595,761
Special assessments	402,207	795,476	573,307	613,711
Park and recreation fees	5,500	4,000	7,000	7,000
Licenses and permits	129,311	127,063	222,645	167,323
Intergovernmental	153,571	835,701	143,846	173,712
Charges for services	132,565	161,596	129,226	170,927
Fines and forfeitures	13,631	14,867	9,724	11,516
Investment earnings (charges)	70,023	65,495	141,903	(120,749)
Equipment rental	149,050	225,500	131,575	172,625
Miscellaneous	327,617	416,051	442,894	399,452
Total revenues	<u>4,408,958</u>	<u>6,083,053</u>	<u>5,423,074</u>	<u>5,191,278</u>
Expenditures				
Current				
General government	908,524	961,827	882,843	874,877
Public safety	1,030,499	1,052,119	1,089,601	1,107,462
Public works	701,375	761,962	725,405	789,691
Parks, recreation, and forestry	328,105	337,316	347,512	368,461
Community development	432,608	1,577,725	325,743	485,344
Capital outlay	232,302	1,966,836	48,727	663,357
Debt service				
Principal	406,668	440,456	1,082,350	679,509
Interest and fiscal charges	189,805	212,844	171,242	141,186
Total expenditures	<u>4,229,886</u>	<u>7,311,085</u>	<u>4,673,423</u>	<u>5,109,887</u>
Excess of revenues over (under) expenditures	179,072	(1,228,032)	749,651	81,391
Other financing sources (uses)				
Sale of capital assets	12,905	7,443	-	5,454
Bond issuance proceeds	-	2,500,000	-	-
Premiums (discounts) on debt issuance	-	(13,865)	-	-
Transfers in	1,227,559	1,872,098	840,792	1,022,914
Transfers (out)	(1,120,401)	(1,416,489)	(751,887)	(973,774)
Total other financing sources (uses)	<u>120,063</u>	<u>2,949,187</u>	<u>88,905</u>	<u>54,594</u>
Net change in fund balances	<u>\$ 299,135</u>	<u>\$ 1,721,155</u>	<u>\$ 838,556</u>	<u>\$ 135,985</u>
Debt service as a percentage of noncapital expenditures				
	<u>15.3%</u>	<u>10.5%</u>	<u>26.8%</u>	<u>20.4%</u>

	2014	2015	2016	2017	2018	2019
\$	3,547,159	\$ 3,654,850	\$ 3,634,769	\$ 3,586,263	\$ 3,773,377	\$ 4,023,765
	588,475	488,226	608,870	303,681	256,327	628,289
	1,500	19,798	5,756	3,100	11,343	20,875
	208,418	232,254	245,408	233,907	257,957	200,707
	155,481	205,693	238,038	189,536	210,381	99,155
	198,636	265,938	189,386	181,299	258,612	203,393
	11,622	11,618	10,724	12,184	11,073	9,728
	240,343	105,183	111,335	181,728	356,277	391,931
	186,925	197,350	225,355	278,055	233,055	243,300
	420,272	493,812	432,298	452,884	1,460,867	471,794
	<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>	<u>6,292,937</u>
	1,034,246	886,467	980,674	977,656	1,065,024	1,102,355
	1,127,832	1,148,571	1,154,155	1,215,198	1,303,621	1,314,534
	843,038	799,260	947,781	900,390	919,378	865,155
	373,204	401,743	451,996	422,838	615,514	447,663
	1,016,275	394,203	337,578	550,709	1,362,953	521,004
	540,472	550,159	1,573,156	451,969	1,793,306	1,910,692
	835,459	1,486,400	364,244	720,191	317,085	321,820
	119,896	89,424	59,371	39,890	29,158	66,533
	<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>	<u>6,549,756</u>
	(331,591)	(81,505)	(167,016)	143,796	(576,770)	(256,819)
	25,486	3,810	5,705	20,812	15,309	27,333
	-	-	-	-	-	1,210,000
	-	-	-	-	-	94,678
	478,417	1,320,613	634,022	1,645,722	183,111	400,731
	<u>(397,174)</u>	<u>(766,238)</u>	<u>(834,022)</u>	<u>(1,645,722)</u>	<u>(183,111)</u>	<u>(400,731)</u>
	<u>106,729</u>	<u>558,185</u>	<u>(194,295)</u>	<u>20,812</u>	<u>15,309</u>	<u>1,332,011</u>
\$	<u>(224,862)</u>	<u>\$ 476,680</u>	<u>\$ (361,311)</u>	<u>\$ 164,608</u>	<u>\$ (561,461)</u>	<u>\$ 1,075,192</u>
	<u>16.2%</u>	<u>27.4%</u>	<u>8.8%</u>	<u>18.1%</u>	<u>5.5%</u>	<u>8.2%</u>

WHITE BEAR TOWNSHIP

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Tax Capacities (1)				
Payable Year	Residential Property	Commercial Property	Industrial Property	Utility and Other
2010	\$ 11,862,056	\$ 1,266,037	\$ 2,065,192	\$ 206,322
2011	11,036,131	1,122,331	1,906,222	122,618
2012	9,714,486	1,060,494	1,797,980	119,326
2013	8,768,510	1,091,778	1,675,100	261,474
2014	9,170,505	1,044,276	1,725,327	204,583
2015	10,284,512	1,136,795	1,617,134	251,101
2016	10,511,847	1,150,585	1,618,964	259,851
2017	10,857,152	1,048,141	2,014,816	278,432
2018	11,890,569	1,079,193	2,250,836	251,578
2019	12,557,566	1,301,821	2,163,498	370,296

(1) Tax rates are expressed in terms of “net tax capacity.” A property’s tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and change periodically based on state legislation.

Source: Ramsey County, Minnesota Assessors' Office

<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>
\$ 15,399,607	16.926 %	\$ 1,351,529,600	1.14 %
14,187,302	20.761	1,248,832,400	1.14
12,692,286	23.767	1,169,441,400	1.09
11,796,862	25.246	1,136,141,500	1.04
12,144,691	25.292	1,235,823,600	0.98
13,289,542	22.031	1,237,406,800	1.07
13,541,247	22.875	1,260,201,700	1.07
14,198,541	21.976	1,311,645,000	1.08
15,472,176	21.623	1,416,566,500	1.09
16,393,181	21.722	1,491,651,600	1.10

WHITE BEAR TOWNSHIP

Property Tax Rates (1)
Direct and Overlapping (2) Governments
Last Ten Fiscal Years

Year	Direct Rates			Overlapping Rates		
	Basic Rate	General Obligation Debt Service	Total Direct	Independent School District No. 624	Independent School District No. 621	Ramsey County
2010	17.310	0.274	17.584	21.772	24.560	50.248
2011	20.460	0.301	20.761	22.521	25.573	54.678
2012	23.399	0.368	23.767	26.102	29.044	61.316
2013	24.947	0.299	25.246	28.622	29.444	65.240
2014	24.014	0.278	24.292	28.562	29.734	63.735
2015	22.031	0.245	22.276	26.660	27.378	58.922
2016	22.875	–	22.875	26.236	26.245	58.885
2017	21.976	–	21.976	23.476	25.305	55.850
2018	21.623	–	21.623	23.685	28.464	53.962
2019	21.722	–	21.722	26.081	26.330	52.879

- (1) Information reflects total tax rates levied by each entity. Tax rates are expressed in terms of “net tax capacity.” A property’s tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and change periodically based on state legislation.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the Township. Not all overlapping rates apply to all township property owners (e.g., the rates for special districts apply only to the proportion of the government’s property owners whose property is located within the geographic boundaries of the special district).

Source: Department of Property Records and Revenue, Ramsey County

<u>Special Districts</u>	<u>Total Overlapping</u>	<u>Total Direct and Overlapping Rates</u>
7.953	104.533	122.117
9.279	112.051	132.812
9.955	126.417	150.184
10.200	133.506	158.752
11.978	134.009	158.301
11.233	124.193	146.469
11.158	122.524	145.399
10.385	115.016	136.992
10.169	116.280	137.903
9.794	115.084	136.806

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WHITE BEAR TOWNSHIP

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	2019 Tax Capacity	Rank	Percentage of Total Township Taxable Assessed Value	2010 Tax Capacity	Rank	Percentage of Total Township Taxable Assessed Value
Specialty Manufacturing, Inc.	\$ 259,904	1	1.6 %	\$ 254,424	1	1.7 %
Water Gremlin Company	240,022	2	1.5	–		–
JMK Limited Partnership	175,930	3	1.1	161,270	6	1.0
Northern States Power Company	175,322	4	1.1	–		–
Heraeus Vadrnais, Inc.	163,904	5	1.0	129,250	9	0.8
Schwing America, Inc.	152,620	6	0.9	247,030	2	1.6
PM Minnesota LLC & CO Pentair, Inc.	135,064	7	0.8	149,692	7	1.0
North Oaks Farms, Inc.	128,936	8	0.8	181,625	4	1.2
Miksic Realty LLC	121,988	9	0.8	–		–
Spearman Real Estate	111,250	10	0.7	105,910	10	0.7
Emagine White Bear Township Theater	–		–	149,250	8	1.0
Wilbert Plastics, Inc. (Thermoform)	–		–	225,286	3	1.5
Chorus Corporation	–		–	169,202	5	1.1
All other taxpayers	14,433,150		89.7	13,626,668		88.4
Total	<u>\$ 16,098,090</u>		<u>100.0 %</u>	<u>\$ 15,399,607</u>		<u>100.0 %</u>

Source: Department of Property Records and Revenue, Ramsey County

WHITE BEAR TOWNSHIP

Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year			Collected Within the Fiscal Year of Levy		Collections in Subsequent Years
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Amount	Percentage of Levy	
2010	\$ 2,525,033	\$ 105,000	\$ 2,630,033	\$ 2,423,326	92.1 %	\$ 203,609
2011	2,722,297	110,000	2,832,297	2,650,697	93.6	175,256
2012	2,789,071	115,000	2,904,071	2,912,863	100.3	(11,989)
2013	2,774,002	85,000	2,859,002	2,798,836	97.9	55,388
2014	2,761,232	55,000	2,816,232	2,800,636	99.5	–
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	(2,759)
2018	3,226,691	–	3,226,691	3,191,475	98.9	26,193
2019	3,403,055	–	3,403,055	3,365,960	98.9	–

(1) Does not include tax increments levied and collected.

<u>Total Collections to Date</u>		<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Levy Outstanding</u>
<u>Amount</u>	<u>Percentage of Levy</u>		
\$ 2,626,935	99.9 %	\$ 3,098	0.1 %
2,825,953	99.8	6,344	0.2
2,900,874	99.9	3,197	0.1
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
2,973,742	99.1	26,258	0.9
3,217,668	99.7	9,023	0.3
3,365,960	98.9	37,095	1.1

WHITE BEAR TOWNSHIP

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Ratio of Net Bonded Debt to Assessed Value	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	General Obligation Revenue Bonds				
2010	\$ 4,347,514	\$ 2,107,486	\$ 6,455,000	0.28	1.3 %	\$ 590
2011	6,407,058	3,172,942	9,580,000	0.45	1.8	871
2012	5,324,708	2,765,292	8,090,000	0.42	1.4	730
2013	4,645,399	2,444,801	7,090,200	0.39	1.2	639
2014	3,802,119	2,121,405	5,923,524	0.31	1.0	534
2015	2,310,496	1,779,977	4,090,473	0.17	1.2	369
2016	1,948,456	1,421,676	3,370,132	0.14	0.6	304
2017	1,230,470	1,053,981	2,284,451	0.09	0.3	201
2018	918,118	718,180	1,636,298	0.06	0.2	139
2019	1,899,998	360,000	2,259,998	0.12	0.3	204

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details regarding the Township's outstanding debt can be found in the notes to basic financial statements.

WHITE BEAR TOWNSHIP

Direct and Overlapping Governmental Activities Debt
as of December 31, 2019

	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping			
Ramsey County	\$ 148,297,000	1.59 %	\$ 2,354,118
County Library	27,180,000	4.59	1,247,652
Metro Watershed	255,531	7.44	19,019
ISD No. 621, Mounds View	235,390,000	0.03	58,975
ISD No. 624, White Bear Lake	77,560,000	13.62	10,563,183
Intermediate School District No. 916	77,200,000	4.81	3,711,027
Metropolitan Council	1,555,384,035	0.32	<u>5,007,544</u>
Total overlapping debt			22,961,518
White Bear Township direct debt	1,899,998	100.00	<u>1,899,998</u>
Total direct and overlapping debt			<u><u>\$ 24,861,516</u></u>

(1) Special assessment, tax abatement, tax increment, lease revenue, and state-aid street bonds have been included in this table because property taxes will be used to pay the debt on these issues should other revenue sources fail to provide adequate amounts.

Note: 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.

Source: Ramsey County Taxpayer Department of Property Records and Revenue

WHITE BEAR TOWNSHIP

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
Debt limit	\$ 40,545,888	\$ 37,464,972	\$ 35,083,242	\$ 34,084,245
Total net debt applicable to the limit	1,805,000	1,650,000	1,495,000	1,330,000
Legal debt margin	<u>\$ 38,740,888</u>	<u>\$ 35,814,972</u>	<u>\$ 33,588,242</u>	<u>\$ 32,754,245</u>
Total net debt applicable to the limit as a percentage of the debt limit	4.45%	4.40%	4.26%	3.90%

Note: Under state finance law, the Township's outstanding general obligation debt should not exceed 3 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Market Value	\$ 1,491,651,600
Debt Limit (3% of Estimated Market Value)	44,749,548
Debt Applicable to Limit	<u>1,720,000</u>
Legal Debt Margin	<u><u>\$ 43,029,548</u></u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 37,074,708	\$ 37,122,204	\$ 37,806,051	\$ 39,349,350	\$ 42,496,995	\$ 44,749,548
<u>1,168,938</u>	<u>1,442,725</u>	<u>1,209,096</u>	<u>973,905</u>	<u>741,820</u>	<u>1,720,000</u>
<u><u>\$ 35,905,770</u></u>	<u><u>\$ 35,679,479</u></u>	<u><u>\$ 36,596,955</u></u>	<u><u>\$ 38,375,445</u></u>	<u><u>\$ 41,755,175</u></u>	<u><u>\$ 43,029,548</u></u>
3.15%	3.89%	3.20%	2.48%	1.75%	3.84%

WHITE BEAR TOWNSHIP
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (Thousands of Dollars)	Per Capita Personal Income (2)	Construction	
				Commercial and Industrial	
				Number of Units	Value
2010	10,949	\$ 499,888	\$ 45,656	33	\$ 1,258,735
2011	11,000	546,601	49,691	15	4,102,800
2012	11,089	561,869	50,669	11	988,149
2013	11,089	579,034	52,217	13	6,756,075
2014	11,089	594,260	53,590	19	8,925,205
2015	11,072	349,576	31,573	15	642,940
2016	11,078	536,807	48,457	14	4,148,455
2017	11,348	654,973	57,717	18	4,370,300
2018	11,789	689,043	58,448	22	4,492,828
2019	11,095	669,040	60,301	16	2,647,837

Sources:

- (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 Lake

Residential					
Number of Units	Value	Median Age (3)	School Enrollment (4)	Unemployment Rate (2)	
\$ 347	\$ 4,472,908	37.4	8,020	6.9	%
329	3,447,476	37.4	8,231	5.7	
373	9,986,083	37.4	8,005	4.9	
272	4,270,649	37.4	8,035	4.1	
330	4,298,663	37.4	8,056	4.7	
854	11,548,136	41.3	8,829	5.1	
543	9,786,792	41.1	8,043	3.5	
561	12,025,922	34.9	8,473	5.0	
575	10,622,478	36.2	8,593	2.7	
583	10,115,075	44.2	8,765	3.1	

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WHITE BEAR TOWNSHIP

Principal Employers
Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Heraeus Medical Components	450	1	14.6 %	350	1	13.9 %
Schwing America Inc.	317	2	10.3	84	10	3.3
Water Gremlin Company	300	3	9.7	210	2	8.3
Specialty Manufacturing Inc.	243	4	7.9	125	6	4.9
Pentair (Porous Media Corporation)	181	5	5.9	157	3	6.2
Cub Foods	180	6	5.8	150	4	5.9
Wilbert Plastics Inc. (Thermorform)	141	7	4.6	150	4	5.9
Emagine White Bear Township Theater	100	8	3.2	–		–
Herold Precision Metals	90	9	2.9	85	9	3.4
Cortec Corporation	86	10	2.8	123	7	4.9
E.P.I	–		–	95	8	3.8
All Other Employers	1,000		32.3	998		39.5
Total	<u>3,088</u>		<u>100.0 %</u>	<u>2,527</u>		<u>100.0 %</u>

Source: Business Licenses – White Bear Township

WHITE BEAR TOWNSHIP

Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year			
	2010	2011	2012	2013
General government				
Administration	2.10	2.10	2.10	2.10
Code enforcement	2.20	2.20	2.20	1.60
Town buildings	0.22	0.22	0.22	0.22
Total general government	<u>4.52</u>	<u>4.52</u>	<u>4.52</u>	<u>3.92</u>
Public works				
Recycle	0.05	0.05	0.05	0.05
Public works	0.90	0.90	0.90	0.90
Road and bridge	2.73	2.73	2.73	2.68
Total public works	<u>3.68</u>	<u>3.68</u>	<u>3.68</u>	<u>3.63</u>
Parks, recreation, and forestry	3.25	3.25	3.25	3.20
Community development	1.50	1.50	1.50	1.50
Water	3.08	3.08	3.28	3.18
Sewer	2.56	2.56	2.76	2.66
Storm sewer	0.71	0.71	0.81	0.76
Total	<u>19.30</u>	<u>19.30</u>	<u>19.80</u>	<u>18.85</u>

Source: Township records

2014	2015	2016	2017	2018	2019
1.90	1.90	1.90	1.90	1.90	1.90
2.15	2.15	2.15	2.15	2.15	2.15
0.22	0.22	0.27	0.27	0.27	0.27
4.27	4.27	4.32	4.32	4.32	4.32
0.05	0.05	0.05	0.05	0.05	0.05
0.90	0.90	1.00	1.00	1.00	1.00
2.73	2.73	3.21	3.21	3.21	3.21
3.68	3.68	4.26	4.26	4.26	4.26
3.25	3.25	4.03	4.03	4.03	4.03
1.50	1.50	1.50	1.50	1.50	1.50
3.18	3.18	3.45	3.45	3.45	3.45
2.65	2.65	2.90	2.90	2.90	2.90
0.77	0.77	0.84	0.84	0.84	0.84
19.30	19.30	21.30	21.30	21.30	21.30

WHITE BEAR TOWNSHIP

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
General government				
Elections	3	1	3	1
Number of votes cast	7,228	364	7,486	179
Public safety				
Police	(A)	(A)	(A)	(A)
Crimes investigated	570	459	594	532
Administrative citations collection	\$ 10,602	\$ 10,541	\$ 10,818	\$ 16,109
Animal impounds	6	12	87	7
Neighborhood watch groups	25	25	16	16
Fire	(B)	(B)	(B)	(B)
Fire	567	487	496	530
Average response time (minutes)	7.20	7.30	5.90	6.00
Total dollar loss	\$ 300,850	\$ 1,108,300	\$ 1,015,850	\$ 344,000
Inspections				
Building permits	375	344	389	285
Value of building permits	\$ 5,731,643	\$ 7,550,276	\$ 10,974,232	\$ 11,026,724
Public works				
Vehicles maintained	26	27	27	27
Miles of streets	70.5	70.5	70.5	70.5
Snow removal (events)	36	15	9	22
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	4,558	4,558	4,559	4,559
Miles of sewer mains	64.42	64.42	64.42	64.42
Sewer customers	4,556	4,556	4,558	4,558

Note (A): Police protection provided by the Ramsey County Sheriffs Department by contract.

Note (B): Fire projection provided by the City of White Bear Lake Fire Department by contract.

Source: Various township departments

	2014	2015	2016	2017	2018	2019
	1	–	1	–	2	–
	5,296	–	7,375	–	6,552	–
	(A)	(A)	(A)	(A)	(A)	(A)
	416	475	533	496	472	466
\$	12,865	\$ 4,910	\$ 7,600	\$ 8,800	\$ 7,269	\$ 8,471
	10	23	15	17	13	19
	16	16	25	25	25	25
	(B)	(B)	(B)	(B)	(B)	(B)
	476	480	482	468	473	458
	5.80	5.50	5.60	5.20	5.20	5.00
\$	663,200	\$ 1,000,000	\$ 783,200	\$ 960,100	\$ 895,200	\$ 762,000
	349	869	562	583	599	603
\$	13,223,868	\$ 12,191,176	\$ 13,395,247	\$ 16,396,222	\$ 15,115,306	\$ 12,762,913
	27	27	27	27	27	28
	70.5	70.5	70.5	70.5	70.5	71.5
	15	15	18	18	18	40
	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
	4,561	4,583	4,677	4,693	4,847	4,789
	64.42	64.42	64.42	64.42	64.42	64.42
	4,560	4,581	4,621	4,638	4,792	4,717

WHITE BEAR TOWNSHIP

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety				
Police				
Stations	1	1	1	1
Correctional facilities	1	1	1	1
Fire				
Stations	2	2	2	2
Public works				
Vehicles	26	27	27	27
Miles of township streets	70.5	70.5	70.5	70.5
Parks, recreation, and forestry				
Parks				
Parks	25	25	25	25
Parks acres	191.65	191.65	191.65	191.65
Park shelters	9	9	9	9
Basketball courts	5	5	5	5
Sliding hills	3	3	3	3
Horseshoe courts	1	1	1	1
Skating rinks	9	9	9	9
Soccer fields	3	3	3	3
Ball fields	8	8	8	8
Swimming beach	1	1	1	1
Tennis courts	8	8	8	8
Volleyball courts	3	3	3	3
Water				
Miles of water mains	65.83	65.83	65.83	65.83
Water connections	4,558	4,558	4,559	4,559
Sewer				
Miles of sewer lines	64.42	64.42	64.42	64.42
Sewer connections	4,556	4,556	4,558	4,558
Storm water				
Miles of storm water lines/culverts	15.00	15.00	15.00	15.00

Source: Various township departments

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
27	27	27	27	27	28
70.5	70.5	70.5	70.5	70.5	71.5
25	25	25	25	25	25
191.65	191.65	191.65	191.65	191.65	191.65
9	9	9	9	9	9
5	5	5	5	5	5
3	3	3	3	3	3
1	1	1	1	1	1
9	9	9	9	9	9
3	3	3	3	3	3
8	8	8	8	8	8
1	1	1	1	1	1
8	8	8	8	8	8
3	3	3	3	3	3
65.83	65.83	65.83	65.83	65.83	66.83
4,561	4,583	4,677	4,693	4,693	4,789
64.42	64.42	64.42	64.42	64.42	65.42
4,560	4,581	4,621	4,638	4,638	4,717
15.00	15.00	15.00	15.00	15.00	16.00

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