

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2011**

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**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF  
WHITE BEAR TOWNSHIP, MINNESOTA  
YEAR ENDED DECEMBER 31, 2011**

**Prepared by  
William Short, Township Clerk - Treasurer  
Jessie Hart, Finance Officer**

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

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**WHITE BEAR TOWNSHIP, MINNESOTA**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2011**

**I. INTRODUCTORY SECTION**

Letter of Transmittal	1
Township Officials and Personnel	8
Organization Chart	9
GFOA Certificate of Achievement for Excellence in Financial Reporting	10

**II. FINANCIAL SECTION**

Independent Auditors' Report	11
Management's Discussion and Analysis	13
<u>Basic Financial Statements</u>	
Statement of Net Assets	24
Statement of Activities	25
Balance Sheet - Governmental Funds	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets – Governmental Activities	29
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds	30
Reconciliation of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance to the Statement of Activities – Governmental Activities	32
Statement of Net Assets – Proprietary Funds	33
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Notes to the Financial Statements	36
<u>Required Supplementary Information – Budgetary Comparison Information</u>	
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	53
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – Economic Development Authority Special Revenue Fund	54
Notes to Required Supplementary Information	55

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**WHITE BEAR TOWNSHIP, MINNESOTA**  
**TABLE OF CONTENTS (CONTINUED)**  
**DECEMBER 31, 2011**

**II. FINANCIAL SECTION (CONTINUED)**

Combining Fund Financial Statements

Combining Balance Sheet – Nonmajor Governmental Funds	56
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	58

**III. STATISTICAL SECTION (UNAUDITED)**

Net Assets by Component – Last Eight Fiscal Years	60
Change in Net Assets – Last Eight Fiscal Years	61
Fund Balance, Governmental Funds – Last Ten Fiscal Years	62
Changes in Fund Balance, Governmental Funds – Last Ten Fiscal Years	64
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	66
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	67
Principal Property Taxpayers – Current Year and Nine Years Ago	69
Property Tax Levies and Collections – Last Ten Fiscal Years	71
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	73
Direct and Overlapping Governmental Activities Debt	75
Legal Debt Margin Information – Last Ten Fiscal Years	76
Demographic and Economic Statistics – Last Ten Calendar Years	78
Principal Employers – Current Year and Nine Years Ago	80
Full-Time-Equivalent Employees by Type – Last Ten Fiscal Years	81
Operating Indicators by Function / Program – Last Ten Years	83
Capital Assets Statistics by Function / Program – Last Ten Years	85

**IV. OTHER REQUIRED REPORTS**

Report on Minnesota Legal Compliance	87
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I.  
INTRODUCTORY  
SECTION

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

1281 HAMMOND ROAD  
WHITE BEAR TOWNSHIP, MN 55110

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July 24, 2012

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

In accordance with state statutes, we respectfully submit the Comprehensive Annual Financial Report for White Bear Township as of December 31, 2011 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 Town. Your 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 Town'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 Town's financial affairs have been included.

The Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, State Auditor's Office and the State of Minnesota.

The report consists of management's representations concerning the finances of the Town. 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 Town'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 Town's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

White Bear Township's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants appointed by the Town Board. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the year ended December 31, 2011 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 unqualified opinion that the Town's financial statements, for the year ended December 31, 2011, 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 auditor's report.

## **THE REPORTING ENTITY AND ITS SERVICE**

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

The Town 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 Town. Although the EDA is legally a separate unit, it was created by the Town Board to carry out responsibilities associated with development and redevelopment within the Town's tax increment districts. The EDA governing body is made up of the three Town Board Supervisors and the Town's Clerk-Treasurer is the executive director. The EDA financial statements are prepared in conjunction with the Town's annual report and are included as a Capital Project Fund of the Town. The EDA does not publish a separate financial statement.

## **PROFILE OF THE GOVERNMENT**

White Bear Township has been an unincorporated township since 1858. The Town 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 Town celebrated its sesquicentennial during 2008. White Bear Township has the largest population of the 1,800 townships within the State of Minnesota. The 2010 U.S. Census population for the Township is 11,949 which is a 2% decrease from the 2000 census. The Town is empowered to levy a property tax on both real and personal properties located within its boundaries.

White Bear Township government is conducted by a three-member Board of Supervisors, with a chairperson elected by the Board. Policy-making and legislative authority are vested in a Board of Supervisors consisting of the chairperson and two other members. The Board of Supervisors is responsible, among other things, for passing ordinances, appointing committees, and hiring Town 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 Town government. The Board of Supervisors is elected on a non-partisan basis. Board members serve three-year staggered terms, with one board member elected each year. The Board of Supervisors is elected at large.

The Town's financial planning and control foundation is the annual budget. The budget incorporates the Town'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 Town Meeting, which by statute must be held the second Tuesday in March. This meeting, which is run by the town 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 town budget meeting is set for later in the year at which time the town residents vote on and approve a final budget and property tax levy for the upcoming year.

All departments and agencies of the Town 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 Town Board prior to August 31<sup>st</sup> 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 15<sup>th</sup> of each year. This preliminary tax levy can be lowered but not increased. The Town 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 town budget meeting where the residents have the opportunity to vote on the final budget and tax levy. 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

Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund and other governmental funds with annual budgets, this comparison is on page 53 as part of the required supplementary information.

## FACTORS AFFECTING FINANCIAL CONDITION

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

### LOCAL ECONOMY

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

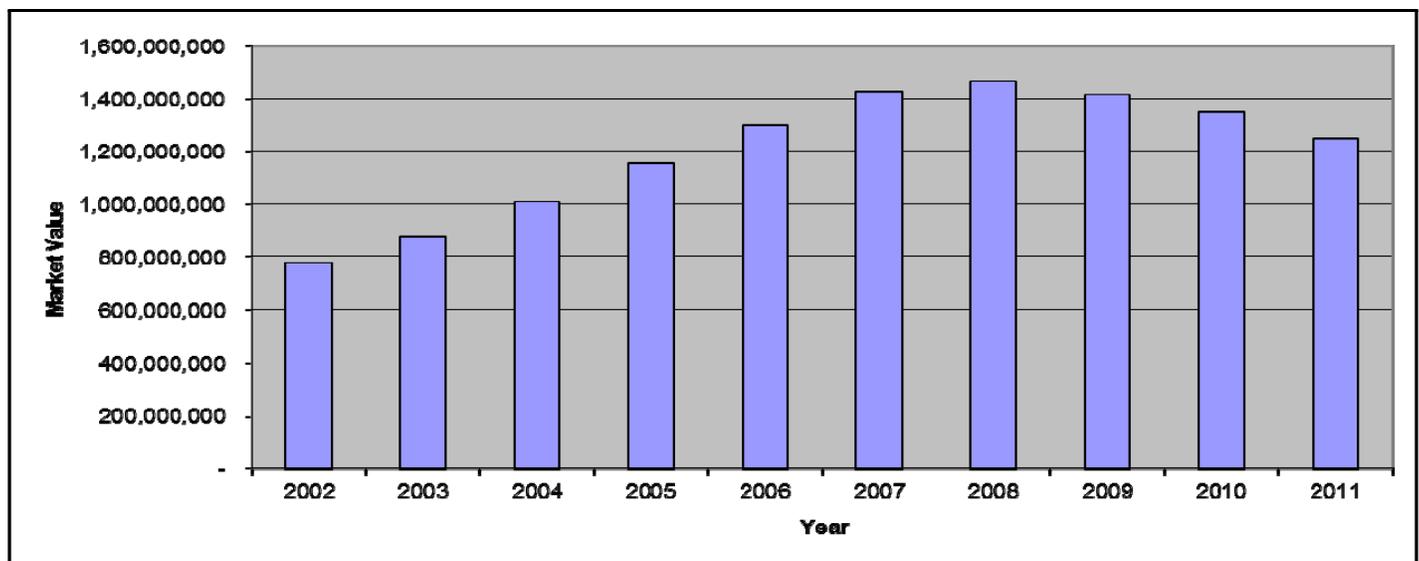
The Town is located in a region with varied economic base which has resulted in an unemployment rate that has consistently remained near or below national and state averages. While the national unemployment rate is 9.4% and the state's unemployment rate is 7.4%, the Town has a regional unemployment rate of 5.7% according to the Minnesota Department of Economic Security. Unemployment is expected to remain at or below the state average.

### DEVELOPMENT ACTIVITY

Residential and commercial/industrial new construction remained relatively slow during 2011 which was consistent with the overall building trends in the Midwest. The Town issued three permits during 2011 for new single-family home construction valued at \$590,000 and three permits for commercial/industrial new construction with a value of \$3,528,000, however there were several permits issued for remodel/additions with construction valued at \$574,800. The Town expects construction activity for 2012 to increase from 2011 totals due to the state and national economic climate improving slightly. Residential property experienced 326 renovation permits totaling \$2.8 million valuation increase. Combined, commercial and residential construction added over \$7.5 million in market growth compared to \$5.7 million of market growth in 2010.

The Town continues to review strategies regarding economic and community development looking at how to best utilize sites in the Town that would be candidates for new development and redevelopment projects. Residential and commercial market value annual growth since 2002 is highlighted below.

### COMMERCIAL AND RESIDENTIAL MARKET VALUES



## **FACTORS AFFECTING FINANCIAL CONDITION (CONTINUED)**

### FINANCIAL PERFORMANCE

The Town's General Fund (which includes the operations of the Capital Equipment Fund) completed 2011 with revenues being \$28,524 less than projected. This resulted from lower than anticipated collections of property taxes, and a decline in investment earnings and fines. Property taxes were \$182,585 lower than budgeted (or 7%) but stronger than anticipated building activities helped to offset the shortage. The Town realized market valuation decreases for the fourth year in a row, and significantly lower interest rates on investments. These interest rate adjustments resulted in the elimination of \$3,000 (or 4%) of interest for the General Fund in 2011 and almost \$38,000 (or 51%) over three years.

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

### **LONG-TERM FINANCIAL PLANNING**

The Township does not have a formal Capital Improvement Plan but continues to plan for all structures, equipment, parks, and transportation projects in the ensuing years. The Township analyzes each capital project to determine if sufficient reserves are in place to meet future infrastructure improvements. Excess General Fund balances, balances available after meeting the General Fund Fund Balance Policy, are annually allocated to construction funds, park development funds, building and equipment replacement funds.

The Town's financing policies have positioned the Town 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 Town'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. Completion of the amphitheatre, which was begun in 2008, will be completed by 2012 and will include a stage, band shell and dancing surface. 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 a 5-year capital program and related cash flow analysis.

During 2009 the Township became a partner in a regional YMCA redevelopment by contributing monies over a 5-year period to rehabilitate and complete enhancements of an existing facility in a neighboring community. The business venture did not utilize tax dollars with funding pledged from new cell tower and antenna leases and billboard revenues over the 5 year period. The regional YMCA provides programs and activities to White Bear Township residents from young children to senior citizens.

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. Funding for transportation will come from state, county and federal sources where available, with some portions supported by the local taxpayers through special assessments.

## **LONG-TERM FINANCIAL PLANNING (CONTINUED)**

The Township began the installation of water meters to all residential properties beginning in 2008. The cost of the project is anticipated to top \$1,200,000 and was completed during 2011. Prior to the installation of meters, Township residents had paid a flat rate for water and sewer services. The project, which had been in the making for over 10 years, will assist the Township in complying with water conservation rules and regulations and in helping residents with water conservation as well as more fairly allocating the cost of the water service to the benefactors of that service. The Township completed a water utility rate study in 2011 which incorporated not only current costs but also recognizes future system upgrades and repairs and maintenance costs over time. The new metered rate will be implemented with the winter usage quarterly billing (December 2011 – February 2012). Residents have been provided with consumption information for the two previous quarters and received this information before the implementation of actual usage rates. This will give residents the opportunity to see how much water they are using and find ways to conserve water where possible before being billed on actual consumption.

## **RELEVANT FINANCIAL POLICIES**

Trends of the past decade, changes in state aid and credit programs, and recent legislation indicates that the Town 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. Large cuts in local government aid and the market value homestead credit (MVHC) programs impacted the Town again in 2010 with the full reduction of MVHC. This reduction was anticipated to be a permanent loss to the Town, but the Town did receive some MVHC due to changes enacted by the State of Minnesota in 2011, however the State did eliminate the MVHC program for future years beginning in fiscal year 2012. In addition, as the Town approaches full development, and with the current economy, we anticipate future decreases 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 State of Minnesota's budget deficit has resulted in some challenges for White Bear Township in the past, however in 2011 some of the aids were reinstated resulting in revenues of \$34,186 more than anticipated.

The Town's computations of its direct debt and legal debt margin reports that it has less than 4.4% of its obligations that have general property taxes as the sole source of revenue. The Town has approximately 95% of its legal debt limit, or \$35,814,972 available for debt bonding as of December 31, 2011.

The Town continued to lower its debt limit percentage from 12.06% in 2006 to 4.40% in 2011. This decrease was achieved by adherence to the Town'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, 2011 was \$9,580,000 compared to \$6,455,000 at the end of 2010. The Township issued two refunding bonds and one improvement bond in 2011. The 2011A G. O. Improvement Bond financed a street and storm water improvement project in the Southwest area of the Township. The 2011B G. O. Refunding Bond retired the Town's 2001B G. O. Water Revenue Bonds, while the 2011C G. O. Refunding Bond retired the Town's 2001C G. O. Tax Increment Bonds. The Town continues to monitor and take advantage of market conditions for refunding or call features of existing debt.

## **PENSION BENEFITS**

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

PERF 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 Town's covered employees are all Coordinated Plan members.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three (3) years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

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

## **POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

## **STATISTICAL SECTION**

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

The statistical section presents detailed information as a context for the reader to understand the Town's overall financial well-being. This detailed information is organized and presented in five categories: 1) Financial Trends – how the Township's financial performance has changed over time; 2) Revenue Capacity – indicates how the Township's major revenue source (property tax) has changed over time; 3) Debt Capacity – assess the Town'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 Town provides.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The statistical data has been updated to conform to GASB pronouncement No. 44. Significant staff time has been invested modifying the statistical section to ensure that 10 years of statistical information is available. Some data may be presented with less than 10 years and will be updated annually until ten years of data has been compiled without the costs and time required exceeding the benefit.

## **AWARD FOR ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to White Bear Township for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the fifteenth consecutive year that the Township has received this prestigious award.

## **AWARD FOR ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING (CONTINUED)**

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

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current report continues to comply with GASB 34 reporting requirements and adhere to program requirements. The December 31, 2011 financial report will be submitted to the GFOA to determine its eligibility for another certificate.

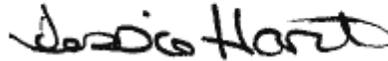
### **ACKNOWLEDGMENTS**

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

Respectfully submitted,



William F. Short  
Clerk-Treasurer



Jessie Hart  
Finance Officer

**WHITE BEAR TOWNSHIP, MINNESOTA  
TOWNSHIP OFFICIALS AND PERSONNEL  
DECEMBER 31, 2011**

**WHITE BEAR TOWNSHIP**

1281 Hammond Road  
White Bear Township, Minnesota 55110

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E-Mail Address: [wbt@ci.white-bear-township.mn.us](mailto:wbt@ci.white-bear-township.mn.us)

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

**TOWNSHIP BOARD OF SUPERVISORS**

Bill Mample  
Chair

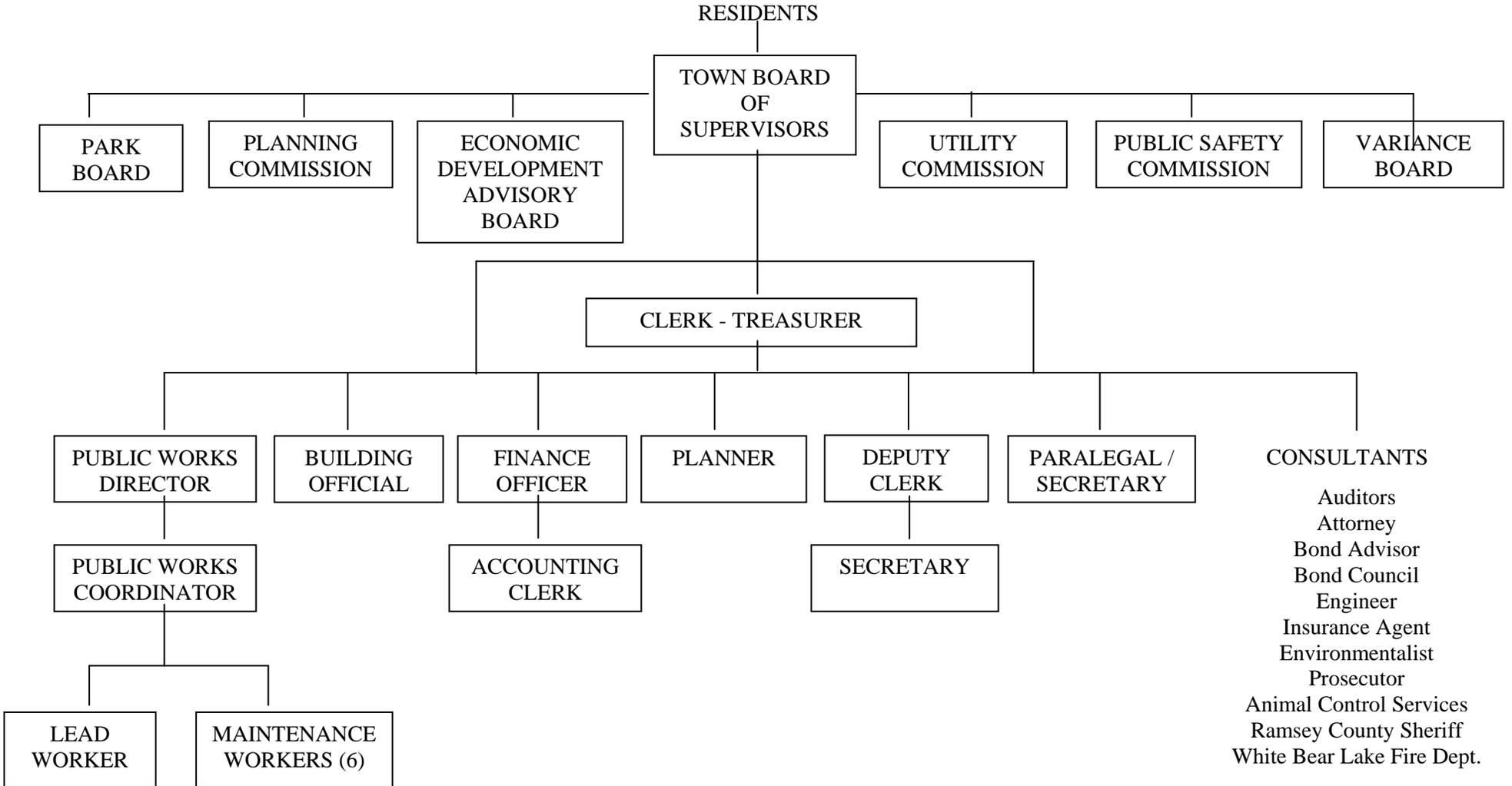
Ed Prudhon  
Supervisor

Bob Kermes  
Supervisor

**TOWNSHIP STAFF**

Bill Short, Clerk-Treasurer  
Jan Reagan, Deputy Clerk  
Mike Johnson, Building Inspector  
Sandy Charles, Administrative Secretary  
Patti Walstad, Administrative Secretary/Para Legal  
Jessie Hart, Finance Officer  
Judy Moll, Accounting Clerk  
Tom Riedesel, Planner  
Dale Reed, Public Works Director  
Bill LaBore, Public Works Coordinator  
Mike Cash, Public Works Lead Person  
Karl Struemke, Public Works Maintenance Person  
Reed Walstad, Public Works Maintenance Person  
Rick Lillie, Public Works Maintenance Person  
Paul Peltier, Public Works Maintenance Person  
Peter Tholen, Public Works Maintenance Person  
Joe Riel, Public Works Maintenance Person

**WHITE BEAR TOWNSHIP, MINNESOTA  
ORGANIZATIONAL CHART  
DECEMBER 31, 2011**



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 related with Town staff. The Board of Supervisors is also responsible for the hiring and dismissal of all Town staff and consultants.

# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

**II.**  
**FINANCIAL**  
**SECTION**

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CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## INDEPENDENT AUDITORS' REPORT

Township Board of Supervisors  
White Bear Township, Minnesota

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 White Bear Township, Minnesota as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of White Bear Township, Minnesota as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the basic financial statements, the Township adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended December 31, 2011. The statement results in the Township reporting nonspendable, restricted, assigned, and unassigned fund balances in its governmental funds.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules as listed on 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Township Board of Supervisors  
White Bear Township, Minnesota

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements as a whole. The combining fund financial statements as listed on the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section, as listed in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements of the Township. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
July 24, 2012

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

This discussion and analysis presents an overview of the financial activities and financial position for White Bear Township for the fiscal year ended December 31, 2011. The discussion and analysis is intended to be read in conjunction with additional information that we have furnished in our letter of transmittal in the Introductory Section, and the Township's financial statements presented in this report.

***FINANCIAL HIGHLIGHTS***

- The assets of White Bear Township exceeded its liabilities at the close of the most recent fiscal year by \$42,102,589 (net assets). Of this amount, \$9,279,322 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Township's fund designations and financial management policies.
- The Township's total net assets increased by \$1,232,050 during 2011.
- As of the close of the current fiscal year, White Bear Township's governmental funds reported combined ending fund balances of \$7,142,667. 56% of this total amount, \$3,971,902, is available for use within the Township's designations and policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,660,334, or 80% of total general fund expenditures.

***USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT***

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

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

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

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

***REPORTING THE TOWNSHIP AS A WHOLE***

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

**FUND FINANCIAL STATEMENTS**

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

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

The government-wide financial statements can be found on pages 24-26 of this report.

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

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

*Notes to the Financial Statements* – The notes provide additional information that is essential to fully understand the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements can be found on pages 36-52 of this report.

*Other Information* – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes schedules for the General Fund on page 53. Combining statements referred to earlier in conjunction with non-major governmental funds can be found on pages 56-59.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve as a useful indicator of Township's financial position over time. White Bear Township's assets exceeded liabilities by \$42,102,589 at the close of the fiscal year ended December 31, 2011. By far the largest portion of White Bear Township's net assets (66.9%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. White Bear Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

**Table 1  
STATEMENT OF NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 10,592,896	\$ 7,900,610	\$ 7,136,129	\$ 6,674,078	\$ 17,729,025	\$ 14,574,688
Capital Assets	16,990,211	15,670,762	17,973,019	18,050,522	34,963,230	33,721,284
Total Assets	<u>27,583,107</u>	<u>23,571,372</u>	<u>25,109,148</u>	<u>24,724,600</u>	<u>52,692,255</u>	<u>48,295,972</u>
Noncurrent Liabilities Outstanding	6,515,219	4,468,056	3,263,134	2,193,936	9,778,353	6,661,992
Other Liabilities	620,967	602,381	190,346	161,060	811,313	763,441
Total Liabilities	<u>7,136,186</u>	<u>5,070,437</u>	<u>3,453,480</u>	<u>2,354,996</u>	<u>10,589,666</u>	<u>7,425,433</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	12,902,768	13,201,804	15,271,382	16,162,163	28,174,150	29,363,967
Restricted	4,649,117	1,149,715	-	-	4,649,117	1,149,715
Unrestricted	2,895,036	4,149,416	6,384,286	6,207,441	9,279,322	10,356,857
Total Net Assets	<u>\$ 20,446,921</u>	<u>\$ 18,500,935</u>	<u>\$ 21,655,668</u>	<u>\$ 22,369,604</u>	<u>\$ 42,102,589</u>	<u>\$ 40,870,539</u>

Restricted net assets comprise 11.0% of total net assets. These assets are subject to external restrictions on how they may be used. The restrictions are related to legal bond covenants and state statutes.

The remaining balance totals \$9,279,322, which represents 22.0% of the net assets. These unrestricted net assets may be used to meet the Township's ongoing operations to citizens and creditors or may have Board-imposed restrictions that limit how these net assets may be used.

**CHANGES IN NET ASSETS**

Net assets of the Township increased \$1,232,050, or 3.0% during the current fiscal year, as shown on the following table. The governmental activities experienced an increase of \$1,945,986 in net assets for that period and the business-type activities experienced a \$713,936 decrease. The increase in the governmental activities is due primarily to a new assessment in 2011 related to the Southwest Area Street Improvement project. The decrease in the business-type activities net assets was due to transfers to governmental activities and maintenance projects including the water meter installation project and water tower painting and rehabilitation. The nature of the water meter project was maintenance related and included in expenses rather than added to capital assets.

The Township's capital assets increase was due primarily to an increase in the investment in infrastructure assets resulting from large street improvement projects.

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

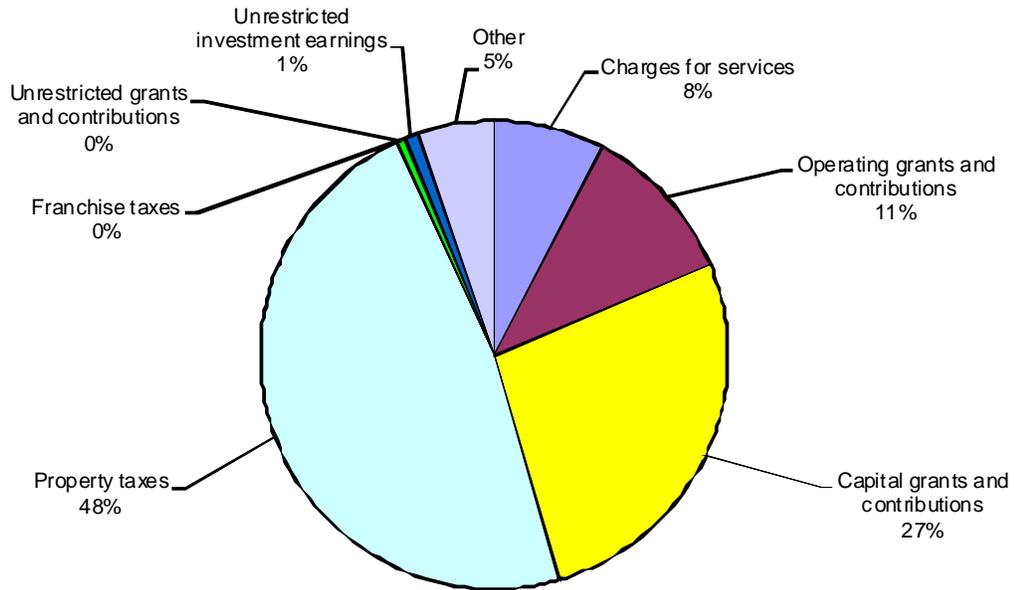
**Table 2  
STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 554,597	\$ 549,415	\$ 2,338,157	\$ 2,269,226	\$ 2,892,754	\$ 2,818,641
Operating Grants and Contributions	797,209	136,648	-	-	797,209	136,648
Capital Grants and Contributions	1,936,557	87,886	717	-	1,937,274	87,886
General Revenues:						
Property Taxes	3,449,241	3,015,729	-	-	3,449,241	3,015,729
Contributions Not Restricted to Specific Programs	38,957	17,623	-	-	38,957	17,623
Unrestricted Investment Earnings	68,405	73,651	74,860	90,462	143,265	164,113
Miscellaneous	386,023	217,803	-	-	386,023	217,803
Total Revenues	<u>7,230,989</u>	<u>4,098,755</u>	<u>2,413,734</u>	<u>2,359,688</u>	<u>9,644,723</u>	<u>6,458,443</u>
<b>EXPENSES</b>						
General Government	889,444	934,274	-	-	889,444	934,274
Public Safety	1,052,716	1,031,533	-	-	1,052,716	1,031,533
Public Service	1,396,533	1,237,007	-	-	1,396,533	1,237,007
Parks, Recreation and Forestry	304,424	342,767	-	-	304,424	342,767
Community Development	1,708,220	667,331	-	-	1,708,220	667,331
Interest and Fiscal Charges	155,488	189,773	-	-	155,488	189,773
Water Utility	-	-	1,345,217	1,406,671	1,345,217	1,406,671
Sewer Utility	-	-	1,422,937	1,240,584	1,422,937	1,240,584
Storm Sewer Utility	-	-	137,694	107,974	137,694	107,974
Total Expenses	<u>5,506,825</u>	<u>4,402,685</u>	<u>2,905,848</u>	<u>2,755,229</u>	<u>8,412,673</u>	<u>7,157,914</u>
<b>CHANGE IN NET ASSETS BEFORE TRANSFERS</b>	1,724,164	(303,930)	(492,114)	(395,541)	1,232,050	(699,471)
Transfers	221,822	107,158	(221,822)	(107,158)	-	-
<b>CHANGE IN NET ASSETS</b>	<u>1,945,986</u>	<u>(196,772)</u>	<u>(713,936)</u>	<u>(502,699)</u>	<u>1,232,050</u>	<u>(699,471)</u>
Net Assets - Beginning of Year	18,500,935	18,697,707	22,369,604	22,872,303	40,870,539	41,570,010
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 20,446,921</u>	<u>\$ 18,500,935</u>	<u>\$ 21,655,668</u>	<u>\$ 22,369,604</u>	<u>\$ 42,102,589</u>	<u>\$ 40,870,539</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

**GOVERNMENTAL ACTIVITIES**

**Revenues By Source -- Governmental Activities**



The Governmental Activities net assets increased by \$1,945,986, which represents approximately 10.5% of the Township's governmental net assets.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

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

At December 31, 2011, the Township's governmental funds reported combined fund balances of \$7,142,667. Of this total, \$3,971,902 or 56% is unrestricted and assigned fund balance. The remaining \$3,170,765 of fund balance is either nonspendable or restricted because it has already been committed as follows:

- Prepaid Items of \$27,690
- Land Held for Resale of \$354,556
- Debt Retirement of \$2,055,918
- Economic Development Activities of \$726,216
- Park Improvements of \$6,385

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

***GOVERNMENTAL ACTIVITIES (CONTINUED)***

Fund level governmental revenues increased \$1,674,095, or 38.0% compared to 2010. Key elements of this change are as follows:

- Property taxes increased \$411,821. The property tax levy for 2011 increased by \$197,264 and collections for the current year were at 97%. The increase in property tax collections is the direct result of the increase in the tax levy and collection rate for 2011.
- Intergovernmental revenues increased \$682,130. A \$650,000 combined state and county development grant was the reason for the increase over 2010.
- Investment earnings decreased \$4,528. Governmental activities carried a higher portion of the average cash balance during 2011, however, market rates had declined and investments maturing at higher rates during 2010 were reinvested in lower rate instruments in 2011.
- Special assessments revenue increased \$393,269, mostly due to a new assessment in 2011 related to the Southwest Area Street Improvement project.
- Equipment rental increased \$76,450. This increase was direct result of the operating budget for 2011. The Town Board adopted a budget that reduced the amount for equipment rental by fifty percent (50%) from governmental activities for 2009 and a portion of this reduction was restored in 2010 and the remaining in 2011. This reduction was not extended to business-type activities.
- Miscellaneous revenue increased \$88,434 due to revenue from the sale of property held for resale of \$95,399. A portion of the Ayde property was sold resulting in this miscellaneous revenue.

Fund level expenditures increased by \$3,024,372, or 83.2%, compared to 2010, not including principal debt payments. Key elements of this net change are as follows:

- Community Development expenditures increased \$1,145,117 due to a \$366,466 increase in tax increment financing pay-as-you-go financing agreements as well as an increase of \$674,053 in contractual services related to capital projects funded through a state grant.
- Capital expenditures increased \$1,734,534 compared to 2010. More than \$1,700,000 of this increase was due to the 2010 street improvement project.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

***FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)***

**General Fund.** The General Fund is the chief operating fund of the Township. In 2011, fund balance in the General Fund increased by \$549,389 or 25.6%, whereas in the prior year, fund balance in the General Fund decreased by \$74,087 or 3.3%. Key differences between the current and prior year change in General Fund fund balance include the following:

- Property taxes increased \$186,823. The increase in property tax collections is the direct result of an increase in the 2011 tax levy as well as collection rate during 2011.
- Intergovernmental revenues increased \$26,117. An increase in state aids coupled with minor increases and decreases in other intergovernmental revenues resulted in the increase from 2010.
- Charges for services increased \$29,031. This increase resulted from an increase in revenues from bond administrative fees.
- Equipment rental increased as a result of the reversal of a 2009 reduction in equipment rental charges which was originally done for budget purposes.
- General fund expenditures increased by \$45,354, primarily due to normal cost of living increases.

**Economic Development Fund.** The fund balance of the Economic Development Fund decreased by \$107,618 or 9.0% as a result of transfers to other funds. The fund also received 661,989 in government grants from the State of Minnesota and the Met Council to help offset program expenditures.

**2011 G.O. Improvement Bonds Fund.** The 2011 G.O. Improvement Bonds Fund was a new fund in 2011 and ended with a fund balance of \$465,395 due to the collection of special assessments.

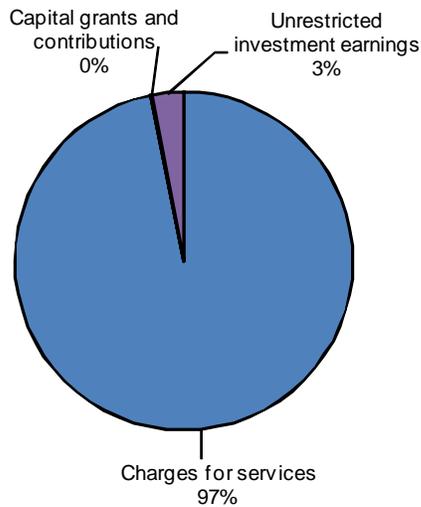
**Improvement Fund.** The increase of \$228,470 in the fund balance of the Improvement Fund was due to the collection of special assessments.

**2010 Street Improvement Fund.** The 2010 Street Improvement Fund experienced an increase in fund balance for 2011 of \$51,360 due to proceeds from the issuance of bonds exceeding capital outlay for the year.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

**BUSINESS-TYPE ACTIVITIES**

**Revenues By Source -- Business Type Activities**



Net assets of the business-type activities decreased by \$713,936. This results from net assets in the sewer fund operations decreasing. The change across business-type activities is as follows:

Water	\$ 1,065,743
Sewer	(1,804,618)
Storm Water	24,939

- The Water Fund net assets increase reflects a \$1,500,000 transfer in combined with expenses exceeding revenues by \$368,346. The fund showed a deficit before transfers of \$368,346 as compared to a 2010 deficit of \$456,403, mostly due to a decrease in materials and supplies costs.
- The Sewer Fund net assets decrease reflects expenses exceeding revenues by \$148,707 before transfers out and a transfer out of \$1,655,911. Operating revenue increased by \$30,945 due to a slight increase in quarterly rates. Operational expenses increased \$181,126 due mostly to an increase in M.C.E.S sewage treatment charges.
- Storm Water Fund net assets increase reflects revenues exceeding expenses by \$24,939 before transfers in. Operational expenses increased \$29,118 over 2010 levels.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

***BUSINESS-TYPE ACTIVITIES (CONTINUED)***

The business-type activities operating expense increased by \$155,718 from fiscal year 2011 compared to 2010 and included the following funds changes in operating expense:

<u>Activity</u>	<u>Change</u>
Water	\$ (54,525)
Sewer	181,126
Storm Water	29,117

***GENERAL FUND BUDGETARY HIGHLIGHTS***

The Board of Supervisors did not revise the Township's budget during the year for changes to the adopted budget during 2011. Rather these changes were absorbed by excess revenues or shifting and reprioritizing of expenditures throughout the year.

General Fund actual revenues were \$28,525 below the adopted budget amounts. These deficiencies in actual revenues were directly attributable to lower than expected collections of property taxes.

General Fund actual expenditures were \$209,049 below the adopted budget amounts which helped to offset the small deficiency in actual revenues for 2011. Most expenditure categories came in below budget with the exception of General Government which exceeded budget by \$61,294.

- Town Buildings actual expenditures for 2011 were \$29,500 below budget, a result of lower than budgeted energy costs.
- Road and Bridge were \$51,382 below budgeted amounts due primarily to lower expenditures for chemicals for winter road treatments than anticipated for 2011.
- Parks, Recreation and Forestry were \$44,898 below budgeted amounts. This was due primarily to the costs associated with energy and landscaping being less than had been anticipated for 2011.
- Capital outlay expenditures were \$81,802 below the 2011 budgeted amounts. This was due to the costs of equipment purchased in 2011 costing less than had been anticipated in the budget and delaying the purchase of some budgeted items.

Fund balance in the General Fund increased \$549,389 for 2011. With this increase, the Township continued to maintain its fund balance within its fund balance policy levels at the end of 2011.

***CAPITAL ASSETS***

The Township's investment in Capital Assets for its governmental and business-type activities as of December 31, 2011 totals \$34,963,230 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, park facilities, streets, water, sewer and storm water infrastructure and represents a net increase (including additions and deletions) of \$1,242,220 compared to 2010.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

**CAPITAL ASSETS (CONTINUED)**

The increase in net capital assets reflects an increase in infrastructure capital assets resulting from the Southwest Area Street Improvement Project as well as the SCADA Project.

Major capital asset additions, excluding previously constructed infrastructure during the current fiscal year include the following:

- General government infrastructure additions totaling \$1,836,588.
- Business-type infrastructure additions totaling \$616,418.
- Business-type vehicles and equipment additions totaling \$151,129.

A summary of the net changes in capital assets for 2011 is shown on the following chart:

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 4,016,102	\$ 4,016,102	\$ -	\$ -	\$ 4,016,102	\$ 4,016,102
Construction in Progress	-	55,668	-	93,592	-	149,260
Buildings	2,937,255	3,015,303	2,718,665	2,910,988	5,655,920	5,926,291
Vehicles and Equipment	867,571	851,416	478,757	398,987	1,346,328	1,250,403
Machinery and Shop Equipment	802,724	724,540	-	-	802,724	724,540
Office Furniture and Equipment	191,805	121,225	-	-	191,805	121,225
Infrastructure	8,174,754	6,886,508	14,775,597	14,646,952	22,950,351	21,533,460
Capital Assets, Net	<u>\$ 16,990,211</u>	<u>\$ 15,670,762</u>	<u>\$ 17,973,019</u>	<u>\$ 18,050,519</u>	<u>\$ 34,963,230</u>	<u>\$ 33,721,281</u>

Additional information on the Township's capital assets can be found in Note 3 on pages 45-46 of this report.

**LONG-TERM DEBT**

White Bear Township's Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
G.O. Bonds	\$ 6,407,058	\$ 4,347,514	\$ -	\$ -	\$ 6,407,058	\$ 4,347,514
G.O. Revenue Bonds	-	-	3,172,942	2,107,486	3,172,942	2,107,486
Compensated Absences Payable	116,494	114,098	75,355	69,292	191,849	183,390
Total Outstanding Debt	<u>\$ 6,523,552</u>	<u>\$ 4,461,612</u>	<u>\$ 3,248,297</u>	<u>\$ 2,176,778</u>	<u>\$ 9,771,849</u>	<u>\$ 6,638,390</u>

White Bear Township has \$9,580,000 in bonds outstanding at December 31, 2011 compared to \$6,455,000 last year. The increase results from the issuance of \$2,500,000 of general obligation bonds and \$1,290,000 of general obligation revenue bonds as well as payment of the annual principal balance, which totaled \$665,000.

The Township has maintained an "Aa3" bond rating from Moody's Investor Service on its debt since 2005. During 2010, Moody's recalibrated its U.S. Municipal Scale Underlying and Enhanced Ratings to the Global Scale which resulted in an automatic rating upgrade to "Aa2" for all Township debt.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

***LONG-TERM DEBT***

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total Estimated Market Value. The debt limit for the Township as of December 31, 2011 was \$37,464,972 compared to \$40,545,888 for 2010. The outstanding balance of \$1,650,000 on the Public Facilities Bond issued in 2004 represents 4.71% of the total debt limit and is chargeable against the total debt limit and results in a Legal Debt Margin for 2011 of \$35,814,972.

Additional information on White Bear Township's long-term debt can be found in Note 4 on pages 46-47 of this report.

***ECONOMIC FACTORS AND NEXT YEARS BUDGET***

The Township's appointed officials considered many factors when developing the 2012 budget and establishing the 2011 tax levy collectible in 2012 and appropriate fees that will be charged by business-type activities. With the focus on sustainability, the 2012 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, the Township is expected to address long-term financial demands without causing significant fluctuation in the Township's tax burden.

The Township has taken action to address the reduction for 2011 and elimination in 2012 and future years of State Aids related to the elimination of the State's continuing budget deficit battle. In addition to the reduction and elimination of state aids, the Township continues to be faced with a declining tax base and was challenged with a resident initiated vote to reduce the 2011 property tax levy and General Fund budget by \$100,000 from what had been presented. This reduction was made without impacting core services and did not use fund balance reserves to offset the reduced property tax levy.

***Contact Information***

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

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## **BASIC FINANCIAL STATEMENTS**

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**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2011**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 7,239,172	\$ 6,455,918	\$ 13,695,090
Accrued Interest Receivable	10,062	11,936	21,998
Accounts Receivable	66,011	546,080	612,091
Due from Other Governments	24,660	-	24,660
Taxes Receivable	139,824	-	139,824
Special Assessments Receivable	2,572,200	-	2,572,200
Other Assets	106,419	49,797	156,216
Prepaid Items	79,992	72,398	152,390
Land Held for Resale	354,556	-	354,556
Capital Assets:			
Land	4,016,102	-	4,016,102
Other Capital Assets, Net of Depreciation	12,974,109	17,973,019	30,947,128
Total Assets	<u>27,583,107</u>	<u>25,109,148</u>	<u>52,692,255</u>
<b>LIABILITIES</b>			
Accounts Payable	479,241	74,363	553,604
Salaries Payable	34,479	19,732	54,211
Accrued Interest Payable	68,966	33,192	102,158
Unearned Revenue	38,281	63,059	101,340
Noncurrent Liabilities:			
Due Within One Year	1,152,336	445,307	1,597,643
Due in More Than One Year	5,362,883	2,817,827	8,180,710
Total Liabilities	<u>7,136,186</u>	<u>3,453,480</u>	<u>10,589,666</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	12,902,768	15,271,382	28,174,150
Restricted for:			
Debt Service	3,534,472	-	3,534,472
Economic Development Activities	1,108,260	-	1,108,260
Park Improvements	6,385	-	6,385
Unrestricted	2,895,036	6,384,286	9,279,322
Total Net Assets	<u>\$ 20,446,921</u>	<u>\$ 21,655,668</u>	<u>\$ 42,102,589</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2011**

<b>FUNCTIONS/PROGRAMS</b>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 889,444	\$ 511,269	\$ 86,857	\$ -
Public Safety	1,052,716	23,367	35,335	-
Public Works	1,396,533	-	20,442	1,936,557
Parks, Recreation and Forestry	304,424	5,853	465	-
Community Development	1,708,220	14,108	654,110	-
Interest on Long-Term Debt	155,488	-	-	-
Total Governmental Activities	<u>5,506,825</u>	<u>554,597</u>	<u>797,209</u>	<u>1,936,557</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water	1,345,217	962,730	-	-
Sewer	1,422,937	1,219,541	-	-
Storm Sewer	137,694	155,886	-	717
Total Business-Type Activities	<u>2,905,848</u>	<u>2,338,157</u>	<u>-</u>	<u>717</u>
Total	<u>\$ 8,412,673</u>	<u>\$ 2,892,754</u>	<u>\$ 797,209</u>	<u>\$ 1,937,274</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purpose

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Gain on Disposal of Capital Assets

Other

Transfers

Total General Revenues and Transfers

**CHANGE IN NET ASSETS**

Net Assets - Beginning of Year

**NET ASSETS - END OF YEAR**

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (291,318)	\$ -	\$ (291,318)
(994,014)	-	(994,014)
560,466	-	560,466
(298,106)	-	(298,106)
(1,040,002)	-	(1,040,002)
(155,488)	-	(155,488)
<u>(2,218,462)</u>	<u>-</u>	<u>(2,218,462)</u>
-	(382,487)	(382,487)
-	(203,396)	(203,396)
-	18,909	18,909
<u>-</u>	<u>(566,974)</u>	<u>(566,974)</u>
(2,218,462)	(566,974)	(2,785,436)
3,449,241	-	3,449,241
38,957	-	38,957
68,405	74,860	143,265
246	-	246
385,777	-	385,777
221,822	(221,822)	-
<u>4,164,448</u>	<u>(146,962)</u>	<u>4,017,486</u>
1,945,986	(713,936)	1,232,050
<u>18,500,935</u>	<u>22,369,604</u>	<u>40,870,539</u>
<u>\$ 20,446,921</u>	<u>\$ 21,655,668</u>	<u>\$ 42,102,589</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

<b>ASSETS</b>	General	Economic Development Authority	GO Improvement Bonds 2011A	Improvement Fund
Cash and Investments	\$ 2,679,017	\$ 905,294	\$ 461,233	\$ 610,132
Accrued Interest Receivable	4,901	-	239	1,015
Accounts Receivable	31,228	-	-	-
Due from Other Governmental Units	8,039	16,621	-	-
Taxes Receivable:				
Delinquent	53,655	25,238	-	-
Due from County	55,470	1,573	-	-
Special Assessments Receivable:				
Delinquent	56,292	-	136,128	278,583
Deferred	-	-	1,225,148	689,939
Prepaid Items	25,440	2,250	-	-
Land Held for Resale	-	354,556	-	-
Total Assets	<u>\$ 2,914,042</u>	<u>\$ 1,305,532</u>	<u>\$ 1,822,748</u>	<u>\$ 1,579,669</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 95,711	\$ 197,272	\$ -	\$ -
Salaries Payable	34,479	-	-	-
Deferred Revenue	91,336	25,238	1,357,353	965,757
Total Liabilities	<u>221,526</u>	<u>222,510</u>	<u>1,357,353</u>	<u>965,757</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	25,440	2,250	-	-
Land Held for Resale	-	354,556	-	-
Restricted for:				
Debt Service	-	-	465,395	-
Economic Development Activities	-	726,216	-	-
Park Improvements	-	-	-	-
Assigned for:				
Public Safety	1,742	-	-	-
Compensation	5,000	-	-	-
Park Development	-	-	-	-
Capital Improvements	-	-	-	613,912
Unassigned	2,660,334	-	-	-
Total Fund Balances	<u>2,692,516</u>	<u>1,083,022</u>	<u>465,395</u>	<u>613,912</u>
Total Liabilities and Fund Balances	<u>\$ 2,914,042</u>	<u>\$ 1,305,532</u>	<u>\$ 1,822,748</u>	<u>\$ 1,579,669</u>

See accompanying Notes to the Financial Statements.

2010 Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 146,956	\$ 2,284,820	\$ 7,087,452
-	3,475	9,630
34,783	-	66,011
-	-	24,660
-	1,993	80,886
-	1,895	58,938
-	1,274	472,277
-	184,836	2,099,923
-	-	27,690
-	-	354,556
<u>\$ 181,739</u>	<u>\$ 2,478,293</u>	<u>\$ 10,282,023</u>

\$ 186,048	\$ -	\$ 479,031
-	-	34,479
-	186,162	2,625,846
<u>186,048</u>	<u>186,162</u>	<u>3,139,356</u>

-	-	27,690
-	-	354,556
-	1,590,523	2,055,918
-	-	726,216
-	6,385	6,385
-	-	1,742
-	-	5,000
-	630,753	630,753
-	64,470	678,382
(4,309)	-	2,656,025
<u>(4,309)</u>	<u>2,292,131</u>	<u>7,142,667</u>
<u>\$ 181,739</u>	<u>\$ 2,478,293</u>	<u>\$ 10,282,023</u>

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**WHITE BEAR TOWNSHIP, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2011**

<b>TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS</b>		<b>\$ 7,142,667</b>
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 4,016,102	
Buildings, Net of Accumulated Depreciation	2,937,255	
Vehicles, Net of Accumulated Depreciation	867,571	
Machinery and Shop Equipment, Net of Accumulated Depreciation	802,724	
Office Furniture and Equipment, Net of Accumulated Depreciation	191,805	
Infrastructure, Net of Accumulated Depreciation	<u>8,174,754</u>	16,990,211
Some of the Township's property taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds.		
		2,587,565
Bond issuance costs are reported as expenditures in the governmental funds and are shown net of accumulated amortization on the statement of net assets as other assets.		
		106,419
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net assets.		
		(68,966)
An internal service fund is used by management for the purpose of purchasing commercial insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are:		
		204,244
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:		
Bonds Payable	\$ (6,407,058)	
Unamortized Premiums	(18,031)	
Unamortized Discounts	26,364	
Compensated Absence Payable	<u>(116,494)</u>	<u>(6,515,219)</u>
<b>TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b><u><u>\$ 20,446,921</u></u></b>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2011**

	General	Economic Development Authority	GO Improvement Bonds 2011A	Improvement Fund
<b>REVENUE</b>				
General Property Taxes	\$ 2,535,726	\$ 795,049	\$ -	\$ -
Licenses and Permits	127,063	-	-	-
Intergovernmental	173,712	661,989	-	-
Charges for Services	157,996	3,600	-	-
Investment Earnings	29,949	8,370	629	7,200
Fines and Forfeits	14,867	-	-	-
Park and Recreation Fees	-	-	-	-
Special Assessments	-	-	465,516	285,345
Equipment Rental	225,500	-	-	-
Miscellaneous	256,295	95,399	-	13,600
Total Revenue	<u>3,521,108</u>	<u>1,564,407</u>	<u>466,145</u>	<u>306,145</u>
<b>EXPENDITURES</b>				
Current:				
General Government	961,827	-	-	-
Public Safety	1,052,119	-	-	-
Public Works	620,832	-	-	97,675
Parks, Recreation and Forestry	336,021	-	-	-
Community Development	180,190	1,397,535	-	-
Capital Outlay	175,898	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	750	-
Total Expenditures	<u>3,326,887</u>	<u>1,397,535</u>	<u>750</u>	<u>97,675</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	194,221	166,872	465,395	208,470
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	422,725	580,172	-	446,319
Transfer Out	(75,000)	(854,662)	-	(20,000)
Sale of Property	7,443	-	-	-
Issuance of Debt	-	-	-	-
Discount on Bonds Issued	-	-	-	-
Total Other Financing Sources (Uses)	<u>355,168</u>	<u>(274,490)</u>	<u>-</u>	<u>426,319</u>
<b>NET CHANGE IN FUND BALANCE</b>	549,389	(107,618)	465,395	634,789
Fund Balance - Beginning of Year	<u>2,143,127</u>	<u>1,190,640</u>	<u>-</u>	<u>(20,877)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 2,692,516</u></u>	<u><u>\$ 1,083,022</u></u>	<u><u>\$ 465,395</u></u>	<u><u>\$ 613,912</u></u>

See accompanying Notes to the Financial Statements.

2010 Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 106,529	\$ 3,437,304
-	-	127,063
-	-	835,701
-	-	161,596
-	19,347	65,495
-	-	14,867
-	4,000	4,000
-	44,615	795,476
-	-	225,500
-	50,757	416,051
-	<u>225,248</u>	<u>6,083,053</u>
-	-	961,827
-	-	1,052,119
43,455	-	761,962
-	1,295	337,316
-	-	1,577,725
1,719,130	71,808	1,966,836
-	440,456	440,456
22,840	189,254	212,844
<u>1,785,425</u>	<u>702,813</u>	<u>7,311,085</u>
(1,785,425)	(477,565)	(1,228,032)
-	422,882	1,872,098
-	(466,827)	(1,416,489)
-	-	7,443
1,850,000	650,000	2,500,000
(13,215)	(650)	(13,865)
<u>1,836,785</u>	<u>605,405</u>	<u>2,949,187</u>
51,360	127,840	1,721,155
(55,669)	2,164,291	5,421,512
<u>\$ (4,309)</u>	<u>\$ 2,292,131</u>	<u>\$ 7,142,667</u>

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2011**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,721,155

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

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

Capital Outlays	\$ 2,122,336	
Gain on Disposal of Capital Assets	246	
Proceeds from Sales of Capital Assets	(7,443)	
Depreciation Expense	<u>(795,690)</u>	1,319,449

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

Issuance of General Obligation Bonds	\$ (2,500,000)	
Bond Discount	13,865	
Bond Issuance Costs	58,733	
Repayment of Bond Principal	440,456	
Change in Accrued Interest Expense for General Obligation Bonds	5,904	
Amortization of Bond Issuance Costs	(8,193)	
Amortization of Bond Premium	2,738	
Amortization of Bond Discount	<u>(1,826)</u>	(1,988,323)

Delinquent and deferred property taxes and special assessments receivable will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.

Deferred Revenue - December 31, 2010	\$ 1,442,785	
Deferred Revenue - December 31, 2011	<u>2,587,565</u>	1,144,780

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

(2,396)

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.

(14,892)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 2,179,773**

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2011**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Storm Water	Totals 2011	Internal Service Fund
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 2,685,115	\$ 3,252,946	\$ 517,857	\$ 6,455,918	\$ 151,720
Accounts Receivable	234,153	269,144	42,783	546,080	-
Accrued Interest Receivable	2,301	8,611	1,024	11,936	432
Other Assets	27,351	15,053	7,393	49,797	-
Prepaid Items	5,844	64,990	1,564	72,398	52,302
Total Current Assets	<u>2,954,764</u>	<u>3,610,744</u>	<u>570,621</u>	<u>7,136,129</u>	<u>204,454</u>
<b>NONCURRENT ASSETS</b>					
Capital Assets:					
Buildings	6,177,719	-	-	6,177,719	-
Vehicles	15,440	340,037	-	355,477	-
Machinery and Shop Equipment	770	5,228	-	5,998	-
Office Furniture and Equipment	202,062	49,459	942	252,463	-
Infrastructure	11,331,793	12,542,825	877,892	24,752,510	-
Total Capital Assets	<u>17,727,784</u>	<u>12,937,549</u>	<u>878,834</u>	<u>31,544,167</u>	<u>-</u>
Less: Accumulated Depreciation	(8,183,591)	(5,192,122)	(195,435)	(13,571,148)	-
Total Noncurrent Assets	<u>9,544,193</u>	<u>7,745,427</u>	<u>683,399</u>	<u>17,973,019</u>	<u>-</u>
Total Assets	12,498,957	11,356,171	1,254,020	25,109,148	204,454
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	66,386	7,532	445	74,363	210
Salaries Payable	9,603	8,118	2,011	19,732	-
Deferred Revenue	9,059	54,000	-	63,059	-
Accrued Interest Payable	31,710	994	488	33,192	-
Bonds Payable - Current Maturities	407,650	-	-	407,650	-
Compensated Absences Payable - Current	19,159	14,777	3,721	37,657	-
Total Current Liabilities	<u>543,567</u>	<u>85,421</u>	<u>6,665</u>	<u>635,653</u>	<u>210</u>
<b>NONCURRENT LIABILITIES</b>					
Bonds Payable - Long Term	2,015,038	513,073	252,018	2,780,129	-
Compensated Absences Payable - Long Term	17,734	16,654	3,310	37,698	-
Total Liabilities	<u>2,576,339</u>	<u>615,148</u>	<u>261,993</u>	<u>3,453,480</u>	<u>210</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	7,601,208	7,236,672	433,502	15,271,382	-
Unrestricted	2,321,410	3,504,351	558,525	6,384,286	204,244
Total Net Assets	<u>\$ 9,922,618</u>	<u>\$ 10,741,023</u>	<u>\$ 992,027</u>	<u>\$ 21,655,668</u>	<u>\$ 204,244</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2011**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2011	Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 943,970	\$ 1,204,129	\$ 155,886	\$ 2,303,985	\$ 113,303
Water and Sewer Availability Charges	37,900	5,400	-	43,300	-
Total Operating Revenues	<u>981,870</u>	<u>1,209,529</u>	<u>155,886</u>	<u>2,347,285</u>	<u>113,303</u>
<b>OPERATING EXPENSES</b>					
Personnel Services	303,287	259,253	64,648	627,188	56,414
Other Services and Charges	189,344	757,028	26,062	972,434	73,809
Materials and Supplies	342,350	131,720	30,922	504,992	882
Depreciation	432,284	273,709	15,459	721,452	-
Total Operating Expenses	<u>1,267,265</u>	<u>1,421,710</u>	<u>137,091</u>	<u>2,826,066</u>	<u>131,105</u>
<b>OPERATING INCOME (LOSS)</b>	(285,395)	(212,181)	18,795	(478,781)	(17,802)
<b>OTHER INCOME (EXPENSE)</b>					
Investment Earnings	14,141	54,689	6,030	74,860	2,910
Miscellaneous Non-Operating Income (Expense)	(19,140)	10,012	717	(8,411)	-
Interest and Fiscal Agent Fees	(77,081)	(995)	(489)	(78,565)	-
Bond Discount Amortization Expense	(871)	(232)	(114)	(1,217)	-
Total Other Income	<u>(82,951)</u>	<u>63,474</u>	<u>6,144</u>	<u>(13,333)</u>	<u>2,910</u>
<b>INCOME (DEFICIT) BEFORE TRANSFERS</b>	(368,346)	(148,707)	24,939	(492,114)	(14,892)
<b>TRANSFERS</b>					
Transfers In	1,500,000	-	-	1,500,000	-
Transfers Out	(65,911)	(1,655,911)	-	(1,721,822)	-
Total Capital Contributions and Transfers	<u>1,434,089</u>	<u>(1,655,911)</u>	<u>-</u>	<u>(221,822)</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	1,065,743	(1,804,618)	24,939	(713,936)	(14,892)
Net Assets - Beginning of Year	<u>8,856,875</u>	<u>12,545,641</u>	<u>967,088</u>	<u>22,369,604</u>	<u>219,136</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 9,922,618</u>	<u>\$ 10,741,023</u>	<u>\$ 992,027</u>	<u>\$ 21,655,668</u>	<u>\$ 204,244</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2011**

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Water	Sewer	Storm Water	Totals 2011	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Receipts from Customers	\$ 979,875	\$ 1,212,519	\$ 156,899	\$ 2,349,293	\$ 113,303
Cash Paid to Suppliers	(507,423)	(960,672)	(63,559)	(1,531,654)	(80,378)
Cash Paid to Employees	(302,764)	(253,164)	(63,203)	(619,131)	(56,414)
Net Cash Provided (Used) by Operating Activities	169,688	(1,317)	30,137	198,508	(23,489)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Miscellaneous Nonoperating Income (Expense)	10,863	10,012	717	21,592	-
Transfers In	1,500,000	-	-	1,500,000	-
Transfers Out	(65,911)	(1,655,911)	-	(1,721,822)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,444,952	(1,645,899)	717	(200,230)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Paid on Bonds	(224,544)	-	-	(224,544)	-
Interest and Fiscal Agent Fees	(82,381)	(233)	(115)	(82,729)	-
Proceeds from the Issuance of Bonds	524,523	513,073	252,018	1,289,614	-
Acquisition of Capital Assets	(145,940)	(249,504)	(278,508)	(673,952)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	71,658	263,336	(26,605)	308,389	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income	15,460	63,542	6,814	85,816	3,394
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,701,758	(1,320,338)	11,063	392,483	(20,095)
Cash and Cash Equivalents - Beginning of Year	983,357	4,573,284	506,794	6,063,435	171,815
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,685,115</u>	<u>\$ 3,252,946</u>	<u>\$ 517,857</u>	<u>\$ 6,455,918</u>	<u>\$ 151,720</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (285,395)	\$ (212,181)	\$ 18,795	\$ (478,781)	\$ (17,802)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	432,284	273,709	15,459	721,452	-
Change in Assets and Liabilities:					
Accounts Receivable	5,665	2,990	1,013	9,668	-
Prepaid Items	(477)	(60,280)	789	(59,968)	(5,858)
Other Assets	(7,778)	(15,053)	(7,393)	(30,224)	-
Accounts Payable	24,748	3,409	29	28,186	171
Salaries Payable	(196)	1,758	432	1,994	-
Compensated Absences	719	4,331	1,013	6,063	-
Deferred Revenue	118	-	-	118	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 169,688</u>	<u>\$ (1,317)</u>	<u>\$ 30,137</u>	<u>\$ 198,508</u>	<u>\$ (23,489)</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. FINANCIAL REPORTING ENTITY**

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

**COMPONENT UNITS**

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

**Blended Component Unit**

The Economic Development Authority (EDA) for White Bear Township is an entity legally separate from the Township. However, for financial reporting purposes, the EDA is reported as if it were part of the Township's operations because the governing board is the Township's Board of Supervisors. The EDA does not issue separate financial statements.

**B. BASIC FINANCIAL STATEMENTS**

**1. Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall Township government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIC FINANCIAL STATEMENTS (CONTINUED)**

1. Government-Wide Statements (Continued)

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

2. Fund Financial Statements

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

The Township reports the following major governmental funds:

General Fund

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

Economic Development Authority

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

G.O. Improvement Bonds 2011A

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

Improvement Fund

The improvement fund accounts for improvement project activity.

2010 Street Improvement Fund

The 2010 Street Improvement Fund is used to account for activity related to the 2010 street improvement project.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIC FINANCIAL STATEMENTS (CONTINUED)**

2. Fund Financial Statements (Continued)

Water Fund

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

Sewer Fund

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

Storm Water Fund

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

Additionally, the Township reports the following fund:

Internal Service Fund

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

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

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

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)**

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

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

**D. BUDGETS**

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

**E. LEGAL COMPLIANCE - BUDGETS**

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

1. The Township Clerk-Treasurer submits to the Township Board of Supervisors of Supervisors a proposed operating budget (including the General Fund and Economic Development Authority Special Revenue Fund) for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution by voters at the annual budget meeting.
4. The Township Board of Supervisors 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 fund 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 as long as the actual fund expenditures do not exceed the total fund budget.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. CASH AND INVESTMENTS**

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

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

Investments are stated at fair value as of the balance sheet date. Interest earnings are accrued at the balance sheet date.

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

**G. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption. That portion of the relevant funds' balances equal to material prepaid items has been reserved.

**H. PROPERTY TAX CREDITS**

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

**I. PROPERTY TAX REVENUE RECOGNITION**

The Township Board of Supervisors annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the Township, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the Township at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the Township on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The Township has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. PROPERTY TAX REVENUE RECOGNITION (CONTINUED)**

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

The Township's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per *Minnesota Statute 473F*. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the Township through this formula for 2011 totaled \$229,490. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

**J. SPECIAL ASSESSMENT REVENUE RECOGNITION**

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

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. CAPITAL ASSETS**

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

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

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

**L. COMPENSATED ABSENCES**

It is the Township's policy to permit employees to accumulate earned but unused flex leave benefits. 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.

**M. LONG-TERM OBLIGATIONS**

In the entity-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issue costs, if material, are reported as prepaid items and amortized over the term of the related debt using the straight-line method.

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

**N. NET ASSETS**

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. FUND BALANCE**

At December 31, 2011, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

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

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

Assigned – consists of internally imposed constraints. These constraints are established by the Town Board and/or management. The Town Board also delegates the authority to assign fund balance to the Finance Officer.

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

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

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

**P. INTERFUND TRANSACTIONS**

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

All Interfund transactions are eliminated except for activity between governmental activities and business-type activities for presentation in the entity-wide statements of net assets and statements of activities.

**Q. OTHER POST-EMPLOYMENT BENEFITS**

In 2009, the Township implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. It was determined that the Township's liability under this standard is immaterial, therefore the Township has not recorded a liability as of December 31, 2011.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

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

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

The Township had no deposits in banks at December 31, 2011, but utilized a sweep account to move deposits into overnight investments.

**B. INVESTMENTS**

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

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency and all of the investments have a final maturity of thirteen months or less.
- General obligations rated "A" or better; revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rate "A" or better.
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

At December 31, 2011, the Township's investment balances were as follows:

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. INVESTMENTS (CONTINUED)**

***Custodial Credit Risk***

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Township's investment policy doesn't specifically address custodial credit risk.

***Interest Rate Risk***

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

Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Minnesota Municipal Money Market Fund Trust	\$ 6,080,928	\$ 6,080,928	\$ -	\$ -	\$ -
Marketable Certificates of Deposit	1,472,000	920,000	456,000	96,000	-
Municipal Bonds	1,653,587	-	120,000	-	1,533,587
Federal Home Loan	60,156	-	-	-	60,156
Government National Mortgage Association	6,662	-	-	-	6,662
Government Money Market Mutual Funds	4,421,757	4,421,757	-	-	-
Total	<u>\$ 13,695,090</u>	<u>\$ 11,422,685</u>	<u>\$ 576,000</u>	<u>\$ 96,000</u>	<u>\$ 1,600,405</u>

***Credit Risk***

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

Type	Credit Quality Rating	Amount
Minnesota Municipal Money Market Fund Trust	Aa2	\$ 6,080,928
Government Money Market Mutual Funds	N/A	4,421,757
Municipal Bonds	AAA	1,653,587
Federal Home Loan	AA	60,156
Government National Mortgage Association	AA	6,662
Total		<u>\$ 12,223,090</u>

The Minnesota Municipal Money Market Fund Trust is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota statutes as described on the previous page. Its investments are valued at amortized cost, which approximates fair value in accordance with Rule 2a-7 of the Investment Company Act of 1940. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the fair value of instruments.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. INVESTMENTS (CONTINUED)**

***Credit Risk (Continued)***

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

***Concentration of Credit Risk***

The Township places no limit on the amount that maybe invested in any one issuer. The Township did not have any investments which individually comprised more than 5% of the Township's total investments in 2011.

**Note 3 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,016,102	\$ -	\$ -	\$ 4,016,102
Construction in Progress	55,668	-	(55,668)	-
Total Capital Assets, not Being Depreciated	<u>4,071,770</u>	<u>-</u>	<u>(55,668)</u>	<u>4,016,102</u>
Capital Assets, Being Depreciated:				
Buildings	3,699,502	-	-	3,699,502
Vehicles	1,300,981	91,689	(2,196)	1,390,474
Machinery and Shop Equipment	1,132,120	139,490	(13,594)	1,258,016
Office Furniture and Equipment	343,122	110,237	(5,018)	448,341
Infrastructure	<u>19,637,636</u>	<u>1,836,588</u>	<u>-</u>	<u>21,474,224</u>
Total Capital Assets, Being Depreciated	<u>26,113,361</u>	<u>2,178,004</u>	<u>(20,808)</u>	<u>28,270,557</u>
Accumulated Depreciation for:				
Buildings	(684,199)	(78,048)	-	(762,247)
Vehicles	(449,565)	(74,226)	888	(522,903)
Machinery and Shop Equipment	(407,580)	(55,417)	7,705	(455,292)
Office Furniture and Equipment	(221,897)	(39,657)	5,018	(256,536)
Infrastructure	<u>(12,751,128)</u>	<u>(548,342)</u>	<u>-</u>	<u>(13,299,470)</u>
Total Accumulated Depreciation	<u>(14,514,369)</u>	<u>(795,690)</u>	<u>13,611</u>	<u>(15,296,448)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,598,992</u>	<u>1,382,314</u>	<u>(7,197)</u>	<u>12,974,109</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,670,762</u>	<u>\$ 1,382,314</u>	<u>\$ (62,865)</u>	<u>\$ 16,990,211</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 19,664
Public Safety	1,233
Public Works	721,422
Parks, Recreation and Forestry	52,219
Community Development	1,152
Total Depreciation Expense, Governmental Activities	<u>\$ 795,690</u>

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**Note 3 CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended December 31, 2011 was as follows (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 93,592	\$ -	\$ (93,592)	\$ -
Capital Assets, Being Depreciated:				
Buildings	6,177,719	-	-	6,177,719
Vehicles and Equipment	567,129	151,129	(104,320)	613,938
Infrastructure	24,136,092	616,418	-	24,752,510
Total Capital Assets, Being Depreciated	<u>30,880,940</u>	<u>767,547</u>	<u>(104,320)</u>	<u>31,544,167</u>
Accumulated Depreciation for:				
Buildings	(3,266,731)	(192,323)	-	(3,459,054)
Vehicles and Equipment	(168,142)	(41,356)	74,317	(135,181)
Infrastructure	(9,489,140)	(487,773)	-	(9,976,913)
Total Accumulated Depreciation	<u>(12,924,013)</u>	<u>(721,452)</u>	<u>74,317</u>	<u>(13,571,148)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,956,927</u>	<u>46,095</u>	<u>(30,003)</u>	<u>17,973,019</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,050,519</u>	<u>\$ 46,095</u>	<u>\$ (123,595)</u>	<u>\$ 17,973,019</u>

**Note 4 TOWNSHIP INDEBTEDNESS**

Township indebtedness at December 31, 2011 is composed of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Balance 12/31/11
Governmental Activities:					
General Obligation Bonds:					
*G.O. Tax Increment Refund - 2006A	6/1/2006	2/1/2014	4.00%	\$ 1,155,000	\$ 485,000
*G.O. Tax Increment - 2001C	10/1/2001	2/1/2020	3.75%-5.00%	870,000	695,000
G.O. Public Facilities 2004A	11/1/2004	2/1/2020	3.75%	2,500,000	1,650,000
G.O. Improvement 2005A	6/1/2005	2/1/2021	3.00%-4.13%	755,000	200,000
*G.O. Tax Increment - 2005B	12/15/2005	2/1/2021	5.00%-5.25%	515,000	485,000
G.O. Improvement - 2008A	12/15/2005	2/1/2019	3.50%-4.00%	479,182	392,058
G.O. Improvement - 2011A	10/1/2011	2/1/2022	0.45%-2.15%	1,850,000	1,850,000
*G.O. Tax Increment Refund - 2011C	11/1/2011	2/1/2020	0.50%-2.00%	650,000	650,000
Total Bonds				<u>8,774,182</u>	<u>6,407,058</u>
Unamortized Bond Discount				(36,089)	(26,364)
Unamortized Bond Premium				33,839	18,031
Compensated Absences Payable				N/A	116,494
Total Governmental Activities				<u>\$ 8,771,932</u>	<u>\$ 6,515,219</u>
*Represents non-capital related debt					
Business-Type Activities:					
Revenue Bonds:					
2001B G.O. Water Revenue Bonds	10/1/2001	2/1/2017	3.75% - 5.00%	\$ 430,000	\$ 205,000
G.O. Water Rev Ref. - 2011B	11/1/2011	2/1/2022	0.45%-2.15%	1,290,000	1,290,000
2008A Improvement and Utility Revenue Bonds	12/15/2005	2/1/2019	3.50% - 4.00%	2,050,818	1,677,942
Total Bonds				<u>3,770,818</u>	<u>3,172,942</u>
Unamortized Bond Discount				(17,849)	(5,366)
Unamortized Bond Premium				29,101	20,203
Compensated Absences Payable				N/A	75,355
Total Business-Type Activities				<u>\$ 3,782,070</u>	<u>\$ 3,263,134</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 4 TOWNSHIP INDEBTEDNESS (CONTINUED)**

The following is a schedule of changes in Township indebtedness for the year ended December 31, 2011:

	Payable 12/31/10	Additions	Reductions	Payable 12/31/11	Due Within One Year
<b>Governmental Activities:</b>					
Bonded Debt:					
General Obligation Bonds	\$ 4,347,514	\$ 2,500,000	\$ 440,456	\$ 6,407,058	\$ 1,082,350
Unamortized Bond Discount	(14,325)	(13,865)	(1,826)	(26,364)	-
Unamortized Bond Premium	20,769	-	2,738	18,031	-
Compensated Absences Payable	114,098	99,869	97,473	116,494	69,986
Total Governmental Activities	4,468,056	2,586,004	538,841	6,515,219	1,152,336
<b>Business-Type Activities:</b>					
Revenue Bonds	2,107,486	1,290,000	224,544	3,172,942	407,650
Unamortized Bond Discount	(5,931)	(572)	(1,137)	(5,366)	-
Unamortized Bond Premium	23,089	-	2,886	20,203	-
Compensated Absences Payable	69,292	62,356	56,293	75,355	37,657
Total Business-Type Activities	2,193,936	1,351,784	282,586	3,263,134	445,307
Total	\$ 6,661,992	\$ 3,937,788	\$ 821,427	\$ 9,778,353	\$ 1,597,643

All long-term bonded indebtedness outstanding at December 31, 2011 is backed by the full faith and credit of the Township, including special assessment bond issues. For the governmental activities, compensated absences are generally liquidated by the general fund.

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

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$ 1,082,350	\$ 210,319	\$ 407,650	\$ 30,731	\$ 1,731,051
2013	679,508	178,554	320,491	28,088	1,206,641
2014	695,456	156,090	334,544	25,815	1,211,905
2015	521,403	105,267	338,597	53,606	1,018,873
2016	564,245	92,271	355,756	44,311	1,056,584
2017-2021	2,699,096	210,307	1,290,904	81,162	4,281,469
2022-2026	165,000	1,774	125,000	1,344	293,118
Total	\$ 6,407,058	\$ 954,582	\$ 3,172,942	\$ 265,057	\$ 10,799,639

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 5    DEFINED BENEFIT PENSION PLANS – STATEWIDE**

**A. PLAN DESCRIPTION**

All full-time and certain part-time employees of the Township are covered by defined benefit pension 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. This plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353 and 356.

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 new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service.

For GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)**

**B. FUNDING POLICY**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The Township makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2011. The Township is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, and 7.25% for Coordinated Plan PERF members. The Township's contributions to the Public Employees Retirement Fund for the years ended December 31, 2011, 2010, and 2009 were \$87,956, \$82,597, and \$72,468, respectively. The Township's contributions were equal to the contractually required contributions for each year as set by state statute.

**Note 6 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balances**

The Township has a deficit fund balance at December 31, 2011 in the following funds:

	Fund Balance Deficit
2010 Street Improvement Fund	\$ (4,309)

The Township intends to fund these deficits through future tax levies, special assessment levies, and various other sources.

**B. Excess of Expenditures over Appropriations**

Actual expenditures exceeded budgets during 2011 as follows:

	Final Budget	Actual	Excess
General Fund:			
General Government:			
General Government	\$ 331,377	\$ 392,671	\$ (61,294)
Economic Development Authority	270,231	1,397,535	(1,127,304)

These excess expenditures were funded by available fund balance in the General Fund.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 7 COMMITMENTS AND CONTINGENCIES**

Fire, Rescue and Ambulance Services – The Township has entered into an agreement with the City of White Bear Lake whereby the City will provide the Township with fire, rescue and ambulance services. The term of the contract is five years, commencing January 1, 1992, and renews automatically. Related expenditures for fiscal year 2011 were approximately \$226,970.

Law Enforcement Services – The Township has entered into an agreement with Ramsey County to provide law enforcement services for three years commencing January 1, 2004, and renewing automatically. The agreement calls for the Township to pay Ramsey County based on the actual costs associated with providing services under the agreement. Related expenditures for fiscal year 2011 were approximately \$825,149.

YMCA – The Township has entered into an agreement with the YMCA in the amount of \$135,000 to aid in a facility upgrade and renovation project.

**Note 8 INTERFUND TRANSFERS**

Individual fund transfers for fiscal year 2011 are as follows:

	Transfer In	Transfer Out
Governmental Activity:		
General Fund	\$ 422,725	\$ (75,000)
Economic Development Authority	580,172	(854,662)
Improvement Fund	446,319	(20,000)
Nonmajor Funds:		
Debt Service Funds:		
Tax Increment Bonds 1999D	93,017	-
Tax Increment Bonds 2001C	92,728	-
Tax Increment Bonds 2004A	163,822	-
GO Improvement Bonds 2005A	1,728	-
Tax Increment Bonds 2005B	51,587	-
Miscellaneous Bond Fund		(172,532)
Capital Projects Funds:		
Closed Construction Fund	20,000	(233,787)
Community Park Improvement Fund	-	(21,666)
Municipal Buildings Improvement Fund	-	(272,629)
Total Governmental Activity	1,872,098	(1,650,276)
Business-Type Activity:		
Water Fund	1,500,000	(65,911)
Sewer Fund	-	(1,655,911)
	\$ 3,372,098	\$ (3,372,098)

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**Note 8 INTERFUND TRANSFERS (CONTINUED)**

During 2011, the Township made routine interfund transfers to allocate financial resources to the funds that received benefit from services provided by another fund or to establish or close-out funds.

**Note 9 RISK MANAGEMENT**

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

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

**Note 10 CONDUIT DEBT OBLIGATIONS**

The Township has issued revenue bonds for the purposes of providing capital financing to various private enterprises. Even though the debt bears the Township's name, the Township is not responsible for the payment of the original debt. The debt is secured by the payments agreed to be paid by the private enterprise under the terms of the agreement between the Township and the enterprise. The general description of the transaction and the outstanding balance at December 31, 2011 is as follows:

<u>Enterprises</u>	<u>Purpose</u>	<u>Balance at December 31, 2011</u>
N.A. Ternes & Associates	Construction of a Facility	\$ 775,000
St. Croix Valley Hardwoods	Construction of a Facility	44,482

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON INFORMATION**

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUE</b>				
General Property Taxes	\$ 2,718,311	\$ 2,718,311	\$ 2,535,726	\$ (182,585)
Licenses and Permits	65,200	65,200	127,063	61,863
Intergovernmental	139,526	139,526	173,712	34,186
Charges for Services	97,350	97,350	157,996	60,646
Investment Earnings	24,924	24,924	29,949	5,025
Fines and Forfeits	13,000	13,000	14,867	1,867
Equipment Rental	225,500	225,500	225,500	-
Miscellaneous	265,822	265,822	256,295	(9,527)
Total Revenue	<u>3,549,633</u>	<u>3,549,633</u>	<u>3,521,108</u>	<u>(28,525)</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
General Government	331,375	331,377	392,671	(61,294)
Administration	248,036	248,036	237,990	10,046
Board of Supervisors	38,324	38,324	35,625	2,699
Elections	13,016	13,016	7,053	5,963
Code Enforcement	189,610	189,610	181,635	7,975
Town Buildings	136,353	136,353	106,853	29,500
Total General Government	<u>956,714</u>	<u>956,716</u>	<u>961,827</u>	<u>(5,111)</u>
Public Safety:				
Police and Traffic Control	843,978	843,978	825,149	18,829
Fire Protection	226,970	226,970	226,970	-
Total Public Safety	<u>1,070,948</u>	<u>1,070,948</u>	<u>1,052,119</u>	<u>18,829</u>
Public Works:				
Road and Bridge	419,677	419,677	368,295	51,382
Public Works	245,228	245,228	230,965	14,263
Recycling	24,122	24,122	21,572	2,550
Total Public Works	<u>689,027</u>	<u>689,027</u>	<u>620,832</u>	<u>68,195</u>
Parks, Recreation and Forestry	380,919	380,919	336,021	44,898
Community Development	180,626	180,626	180,190	436
Capital Outlay	257,700	257,700	175,898	81,802
Total Expenditures	<u>3,535,934</u>	<u>3,535,936</u>	<u>3,326,887</u>	<u>209,049</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	13,699	13,697	194,221	180,524
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	422,725	422,725
Transfer Out	(75,000)	(75,000)	(75,000)	-
Sale of Property	3,000	3,000	7,443	4,443
Total Other Financing Uses	<u>(72,000)</u>	<u>(72,000)</u>	<u>355,168</u>	<u>427,168</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (58,301)</u>	<u>\$ (58,303)</u>	549,389	<u>\$ 607,692</u>
Fund Balance - Beginning of Year			<u>2,143,127</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,692,516</u>	

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUE</b>				
General Property Taxes	\$ 851,512	\$ 851,512	\$ 795,049	\$ (56,463)
Intergovernmental	-	-	661,989	661,989
Charges for Services	6,000	6,000	3,600	(2,400)
Investment Earnings	14,432	14,432	8,370	(6,062)
Miscellaneous	-	-	95,399	95,399
Total Revenue	<u>871,944</u>	<u>871,944</u>	<u>1,564,407</u>	<u>692,463</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>270,231</u>	<u>270,231</u>	<u>1,397,535</u>	<u>(1,127,304)</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	601,713	601,713	166,872	1,819,767
<b>OTHER FINANCING USES</b>				
Transfer Out	<u>(270,400)</u>	<u>(270,400)</u>	<u>(854,662)</u>	<u>(584,262)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 331,313</u>	<u>\$ 331,313</u>	(107,618)	<u>\$ 1,815,677</u>
Fund Balance - Beginning of Year			<u>1,190,640</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,083,022</u>	

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2011**

**STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY - BUDGETS**

The General Fund and Economic Development Authority Special Revenue Fund budgets are legally adopted on a basis consistent with U.S. generally accepted accounting principles. Actual expenditures exceeded budgets during 2011 as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
General Government:			
General Government	\$ 331,377	\$ 392,671	\$ (61,294)
Economic Development Authority	270,231	1,397,535	(1,127,304)

## **COMBINING FUND FINANCIAL STATEMENTS**

**WHITE BEAR TOWNSHIP, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

	Debt Service						
	Tax Increment Bonds 1999D	Tax Increment Bonds 2001C	Public Facility Bonds 2004A	Improvements Bonds 2005A	Tax Increment Bonds 2005B	G.O. Improvement and Utility Revenue Bonds 2008A	Debt Service Subtotal
<b>ASSETS</b>							
Cash and Investments	\$ 132,128	\$ 784,221	\$ 207,219	\$ 155,028	\$ 46,361	\$ 259,773	\$ 1,584,730
Accrued Interest Receivable	141	556	380	319	55	506	1,957
Taxes Receivable:							
Delinquent	790	-	1,203	-	-	-	1,993
Due from County	822	-	1,073	-	-	-	1,895
Special Assessments Receivable:							
Delinquent	-	-	-	333	-	941	1,274
Deferred	-	22,623	-	27,088	-	135,125	184,836
<b>Total Assets</b>	<b>\$ 133,881</b>	<b>\$ 807,400</b>	<b>\$ 209,875</b>	<b>\$ 182,768</b>	<b>\$ 46,416</b>	<b>\$ 396,345</b>	<b>\$ 1,776,685</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Deferred Revenue	\$ 790	\$ 22,623	\$ 1,203	\$ 27,421	\$ -	\$ 134,125	\$ 186,162
Fund Balance:							
Restricted for:							
Debt Service	133,091	784,777	208,672	155,347	46,416	262,220	1,590,523
Park Improvements	-	-	-	-	-	-	-
Assigned for:							
Park Development	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>133,091</b>	<b>784,777</b>	<b>208,672</b>	<b>155,347</b>	<b>46,416</b>	<b>262,220</b>	<b>1,590,523</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 133,881</b>	<b>\$ 807,400</b>	<b>\$ 209,875</b>	<b>\$ 182,768</b>	<b>\$ 46,416</b>	<b>\$ 396,345</b>	<b>\$ 1,776,685</b>

Capital Projects

Park Acquisition Fund	Community Park Improvement Fund	Municipal Buildings Improvement Fund	Capital Projects Subtotal	Totals 2011
\$ 635,770	\$ 64,320	\$ -	\$ 700,090	\$ 2,284,820
1,368	150	-	1,518	3,475
-	-	-	-	1,993
-	-	-	-	1,895
-	-	-	-	-
-	-	-	-	1,274
-	-	-	-	184,836
<u>\$ 637,138</u>	<u>\$ 64,470</u>	<u>\$ -</u>	<u>\$ 701,608</u>	<u>\$ 2,478,293</u>
\$ -	\$ -	\$ -	\$ -	\$ 186,162
-	-	-	-	1,590,523
6,385	-	-	6,385	6,385
630,753	-	-	630,753	630,753
-	64,470	-	64,470	64,470
<u>637,138</u>	<u>64,470</u>	<u>-</u>	<u>701,608</u>	<u>2,292,131</u>
<u>\$ 637,138</u>	<u>\$ 64,470</u>	<u>\$ -</u>	<u>\$ 701,608</u>	<u>\$ 2,478,293</u>

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2011**

	Debt Service							
					G.O.			
	Tax Increment Bonds 1999D	Tax Increment Bonds 2001C	Public Facility Bonds 2004A	Improvement Bonds 2005A	Tax Increment Bonds 2005B	Improvement and Utility Revenue Bonds 2008A	Miscellaneous Bond Fund	Debt Service Subtotal
<b>REVENUE</b>								
General Property Taxes	\$ 37,162	\$ -	\$ 69,367	\$ -	\$ -	\$ -	\$ -	\$ 106,529
Investment Earnings	858	2,331	793	2,056	315	3,227	-	9,580
Park and Recreation Fees	-	-	-	-	-	-	-	-
Special Assessments	-	6,425	-	6,000	-	32,190	-	44,615
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenue	<u>38,020</u>	<u>8,756</u>	<u>70,160</u>	<u>8,056</u>	<u>315</u>	<u>35,417</u>	<u>-</u>	<u>160,724</u>
<b>EXPENDITURES</b>								
Current:								
Parks, Recreation and Forestry	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal	150,000	60,000	155,000	20,000	10,000	45,456	-	440,456
Interest and Fiscal Charges	22,832	50,756	65,214	8,728	25,739	15,985	-	189,254
Total Expenditures	<u>172,832</u>	<u>110,756</u>	<u>220,214</u>	<u>28,728</u>	<u>35,739</u>	<u>61,441</u>	<u>-</u>	<u>629,710</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(134,812)	(102,000)	(150,054)	(20,672)	(35,424)	(26,024)	-	(468,986)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	93,017	92,728	163,822	1,728	51,587	-	-	402,882
Transfers Out	-	-	-	-	-	-	(172,532)	(172,532)
Issuance of Debt	-	650,000	-	-	-	-	-	650,000
Discount on bonds issued	-	(650)	-	-	-	-	-	(650)
Total Other Financing Sources (Uses)	<u>93,017</u>	<u>742,078</u>	<u>163,822</u>	<u>1,728</u>	<u>51,587</u>	<u>-</u>	<u>(172,532)</u>	<u>879,700</u>
<b>NET CHANGE IN FUND BALANCE</b>	(41,795)	640,078	13,768	(18,944)	16,163	(26,024)	(172,532)	410,714
Fund Balance - Beginning of Year	<u>174,886</u>	<u>144,699</u>	<u>194,904</u>	<u>174,291</u>	<u>30,253</u>	<u>288,244</u>	<u>172,532</u>	<u>1,179,809</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 133,091</u>	<u>\$ 784,777</u>	<u>\$ 208,672</u>	<u>\$ 155,347</u>	<u>\$ 46,416</u>	<u>\$ 262,220</u>	<u>\$ -</u>	<u>\$ 1,590,523</u>

Capital Projects

Closed Construction Fund	Park Acquisition Fund	Community Park Improvement Fund	Municipal Buildings Improvement Fund	Capital Projects Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -
-	8,819	948	-	9,767
-	4,000	-	-	4,000
-	-	-	-	-
-	-	50,757	-	50,757
-	12,819	51,705	-	64,524
-	1,295	-	-	1,295
-	56,225	15,583	-	71,808
-	-	-	-	-
-	-	-	-	-
-	57,520	15,583	-	73,103
-	(44,701)	36,122	-	(8,579)
-	20,000	-	-	20,000
(233,787)	-	(21,666)	(272,629)	(294,295)
-	-	-	-	-
-	-	-	-	-
(233,787)	20,000	(21,666)	(272,629)	(274,295)
(233,787)	(24,701)	14,456	(272,629)	(282,874)
233,787	661,839	50,014	272,629	984,482
\$ -	\$ 637,138	\$ 64,470	\$ -	\$ 701,608

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### III.

## STATISTICAL SECTION (UNAUDITED)

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

### Contents

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#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NET ASSETS BY COMPONENT**  
**LAST EIGHT FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 8,104,497	\$ 10,590,125	\$ 12,051,346	\$ 14,215,146	\$ 14,351,955	\$ 13,569,362	\$ 13,201,804	\$ 12,902,768
Restricted	4,732,097	2,367,524	3,577,932	3,666,021	3,290,443	3,291,589	1,149,715	4,649,117
Unrestricted	835,501	1,414,971	(297,869)	(338,758)	886,188	1,836,756	4,149,416	2,895,036
Total Governmental Activities Net Assets	<u>\$ 13,672,095</u>	<u>\$ 14,372,620</u>	<u>\$ 15,331,409</u>	<u>\$ 17,542,409</u>	<u>\$ 18,528,586</u>	<u>\$ 18,697,707</u>	<u>\$ 18,500,935</u>	<u>\$ 20,446,921</u>
<b>Business-Type Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 17,278,142	\$ 17,046,624	\$ 17,727,768	\$ 17,911,320	\$ 17,692,311	\$ 16,464,691	\$ 16,162,163	\$ 15,271,382
Unrestricted	5,518,910	6,219,528	6,190,223	6,431,508	6,114,260	6,407,612	6,207,441	6,384,286
Total Business-Type Activities Net Assets	<u>\$ 22,797,052</u>	<u>\$ 23,266,152</u>	<u>\$ 23,917,991</u>	<u>\$ 24,342,828</u>	<u>\$ 23,806,571</u>	<u>\$ 22,872,303</u>	<u>\$ 22,369,604</u>	<u>\$ 21,655,668</u>
<b>Primary Government:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 25,382,639	\$ 27,636,749	\$ 29,779,114	\$ 32,126,466	\$ 32,044,266	\$ 30,034,053	\$ 29,363,967	\$ 28,174,150
Restricted	4,732,097	2,367,524	3,577,932	3,666,021	3,290,443	3,291,589	1,149,715	4,649,117
Unrestricted	6,354,411	7,634,499	5,892,354	6,092,750	7,000,448	8,244,368	10,356,857	9,279,322
Total Primary Government Net Assets	<u>\$ 36,469,147</u>	<u>\$ 37,638,772</u>	<u>\$ 39,249,400</u>	<u>\$ 41,885,237</u>	<u>\$ 42,335,157</u>	<u>\$ 41,570,010</u>	<u>\$ 40,870,539</u>	<u>\$ 42,102,589</u>

**Note:** The Township began to report full accrual information when it implemented GASB 34 in fiscal year 2004. Due to the reporting complexity, the Township has elected to not retroactively report years prior to the implementation date.

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

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>								
Governmental Activities:								
General Government	\$ 784,823	\$ 379,547	\$ 646,066	\$ 821,104	\$ 819,309	\$ 905,477	\$ 934,274	\$ 889,444
Public Safety	847,531	885,898	934,373	972,081	995,844	1,028,345	1,031,533	1,052,716
Public Works	461,052	1,724,702	1,457,884	1,162,665	1,456,160	1,317,693	1,237,007	1,396,533
Parks, Recreation and Forestry	224,700	179,270	337,611	83,002	246,966	237,266	342,767	304,424
Community Development	518,968	2,249,824	1,197,358	1,626,198	833,115	652,991	667,331	1,708,220
Interest on Long-Term Debt	168,208	229,618	271,642	250,376	178,950	207,360	189,773	155,888
Total Governmental Activities Expenses	<u>3,005,282</u>	<u>5,648,859</u>	<u>4,844,934</u>	<u>4,915,426</u>	<u>4,530,344</u>	<u>4,349,132</u>	<u>4,402,685</u>	<u>5,506,825</u>
Business-Type Activities:								
Water	1,210,433	1,200,345	1,381,176	1,421,524	1,699,874	1,848,649	1,406,671	1,345,217
Sewer	762,828	744,766	868,204	914,986	1,137,302	1,283,429	1,240,584	1,422,937
Storm Sewer	45,137	60,662	91,606	71,334	167,314	92,992	107,974	137,694
Total Business-Type Activities	<u>2,018,398</u>	<u>2,005,773</u>	<u>2,340,986</u>	<u>2,407,844</u>	<u>3,004,490</u>	<u>3,225,070</u>	<u>2,755,229</u>	<u>2,905,848</u>
Total Primary Government Expenses	<u>\$ 5,023,680</u>	<u>\$ 7,654,632</u>	<u>\$ 7,185,920</u>	<u>\$ 7,323,270</u>	<u>\$ 7,534,834</u>	<u>\$ 7,574,202</u>	<u>\$ 7,157,914</u>	<u>\$ 8,412,673</u>
<b>Program Revenues:</b>								
Governmental Activities:								
Charges for Services:								
General Government	\$ 533,289	\$ 575,032	\$ 544,179	\$ 592,391	\$ 709,725	\$ 531,817	\$ 493,481	\$ 511,269
Public Safety	25,952	14,161	22,517	18,500	28,733	21,542	21,742	23,367
Public Works	-	-	-	-	-	-	16,500	-
Parks, Recreation and Forestry	17,937	94,043	53,221	51,219	57,986	36,204	5,500	5,853
Community Development	8,015	11,578	11,598	12,529	4,313	4,945	12,192	14,108
Operating Grants and Contributions	79,224	85,250	91,188	96,832	100,513	135,718	136,648	797,209
Capital Grants and Contributions	1,539,673	987,304	1,781,789	614,792	771,599	175,451	87,886	1,936,557
Total Governmental Activities Program Revenues	<u>2,204,090</u>	<u>1,767,368</u>	<u>2,504,492</u>	<u>1,386,263</u>	<u>1,672,869</u>	<u>905,677</u>	<u>773,949</u>	<u>3,288,363</u>
Business-Type Activities:								
Charges for Services:								
Water	793,756	1,059,624	986,137	987,098	1,148,012	941,586	935,467	962,730
Sewer	1,054,724	1,082,307	1,107,334	1,137,220	1,202,267	1,136,027	1,178,584	1,219,541
Storm Sewer	149,224	148,735	152,058	149,734	156,408	155,413	155,175	155,886
Capital grants and contributions	-	-	-	-	-	50,000	-	717
Total Business-Type Activities Program Revenues	<u>1,997,704</u>	<u>2,290,666</u>	<u>2,245,529</u>	<u>2,274,052</u>	<u>2,506,687</u>	<u>2,283,026</u>	<u>2,269,226</u>	<u>2,338,874</u>
Total Primary Government Program Revenues	<u>\$ 4,201,794</u>	<u>\$ 4,058,034</u>	<u>\$ 4,750,021</u>	<u>\$ 3,660,315</u>	<u>\$ 4,179,556</u>	<u>\$ 3,188,703</u>	<u>\$ 3,043,175</u>	<u>\$ 5,627,237</u>
<b>Net (Expense)/Revenue:</b>								
Governmental Activities	\$ (801,192)	\$ (3,881,491)	\$ (2,340,442)	\$ (3,529,163)	\$ (2,857,475)	\$ (3,443,455)	\$ (3,628,736)	\$ (2,218,462)
Business-Type Activities	(20,694)	284,893	(95,457)	(133,792)	(497,803)	(942,044)	(486,003)	(566,974)
Total Primary Government Net Expense	<u>\$ (821,886)</u>	<u>\$ (3,596,598)</u>	<u>\$ (2,435,899)</u>	<u>\$ (3,662,955)</u>	<u>\$ (3,355,278)</u>	<u>\$ (4,385,499)</u>	<u>\$ (4,114,739)</u>	<u>\$ (2,785,436)</u>
<b>General Revenues and Other Changes in Net Assets:</b>								
Governmental Activities:								
Property Taxes	\$ 3,175,590	\$ 3,137,255	\$ 3,181,931	\$ 3,265,438	\$ 3,221,451	\$ 3,449,241	\$ 3,015,729	\$ 3,449,241
Unrestricted Grants and Contributions	119,938	141,738	285,507	102,196	109,441	38,957	17,623	38,957
Unrestricted Investment Earnings	69,458	144,727	131,222	216,904	162,393	68,405	73,651	68,405
Gain on Sale of Capital Assets	25,402	3,756	-	-	-	246	10,243	246
Miscellaneous	66,851	25,382	149,503	61,183	123,106	385,777	207,560	385,777
Transfers	(289,665)	(351,672)	(448,932)	98,603	227,261	153,183	107,158	221,822
Total Governmental Activities	<u>3,167,574</u>	<u>3,101,186</u>	<u>3,299,231</u>	<u>3,744,324</u>	<u>3,843,652</u>	<u>4,095,809</u>	<u>3,431,964</u>	<u>4,164,448</u>
Business-Type Activities:								
Unrestricted Investment Earnings	93,889	104,847	298,364	187,955	188,807	160,959	90,462	74,860
Transfers	289,665	351,672	448,932	(98,603)	(227,261)	(153,183)	(107,158)	(221,822)
Total Business-Type Activities	<u>383,554</u>	<u>456,519</u>	<u>747,296</u>	<u>89,352</u>	<u>(38,454)</u>	<u>7,776</u>	<u>(16,696)</u>	<u>(146,962)</u>
Total Primary Government	<u>\$ 3,551,128</u>	<u>\$ 3,557,705</u>	<u>\$ 4,046,527</u>	<u>\$ 3,833,676</u>	<u>\$ 3,805,198</u>	<u>\$ 4,103,585</u>	<u>\$ 3,415,268</u>	<u>\$ 4,017,486</u>
<b>Change in Net Assets</b>								
Governmental Activities	\$ 2,366,382	\$ (780,305)	\$ 958,789	\$ 215,161	\$ 986,177	\$ 652,354	\$ (196,772)	\$ 1,945,986
Business-Type Activities	362,860	741,412	651,839	(44,440)	(536,257)	(934,268)	(502,699)	(713,936)
	<u>\$ 2,729,242</u>	<u>\$ (38,893)</u>	<u>\$ 1,610,628</u>	<u>\$ 170,721</u>	<u>\$ 449,920</u>	<u>\$ (281,914)</u>	<u>\$ (699,471)</u>	<u>\$ 1,232,050</u>

**Note:** The Township began to report full accrual information when it implemented GASB 34 in fiscal year 2004. Due to the reporting complexity, the Township has elected to not retroactively report years prior to the implementation date.

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>General Fund:</b>					
Reserved	\$ 10,509	\$ 200	\$ 16,239	\$ 14,564	\$ 17,209
Unreserved	1,678,399	1,545,829	1,574,184	1,686,788	1,729,465
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>1,688,908</u>	<u>1,546,029</u>	<u>1,590,423</u>	<u>1,701,352</u>	<u>1,746,674</u>
<b>All Other Governmental Funds:</b>					
Reserved Reported in:					
Special Revenue Funds	-	-	274,233	212,402	838,718
Capital Projects Funds	390,921	348,435	-	-	-
Debt Service Funds	2,995,286	2,733,353	1,747,810	727,559	634,932
Unreserved Reported in:					
Special Revenue Funds	450,739	485,320	433,044	716,631	180,366
Capital Projects Funds	1,693,590	1,131,014	1,960,763	1,727,989	(685,980)
Debt Service Funds	-	-	934,033	72,474	628,564
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>5,530,536</u>	<u>4,698,122</u>	<u>5,349,883</u>	<u>3,457,055</u>	<u>1,596,600</u>
Total All Funds	<u><u>\$ 7,219,444</u></u>	<u><u>\$ 6,244,151</u></u>	<u><u>\$ 6,940,306</u></u>	<u><u>\$ 5,158,407</u></u>	<u><u>\$ 3,343,274</u></u>

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

Fiscal Year				
2007	2008	2009	2010	2011
\$ 15,157	\$ 3,756	\$ 27,488	\$ 20,345	\$ -
1,839,521	2,220,282	2,189,726	2,122,782	-
-	-	-	-	25,440
-	-	-	-	6,742
-	-	-	-	2,660,334
<u>1,854,678</u>	<u>2,224,038</u>	<u>2,217,214</u>	<u>2,143,127</u>	<u>2,692,516</u>
834,591	632,517	634,155	632,718	-
-	-	-	-	-
330,011	190,433	201,201	1,007,277	-
236,151	554,240	1,066,657	1,219,761	-
(1,041,884)	(30,151)	(250,420)	479,884	-
1,318,292	1,006,006	1,487,357	172,532	-
-	-	-	-	356,806
-	-	-	-	2,788,519
-	-	-	-	1,309,135
-	-	-	-	(4,309)
<u>1,677,161</u>	<u>2,353,045</u>	<u>3,138,950</u>	<u>3,512,172</u>	<u>4,450,151</u>
<u>\$ 3,531,839</u>	<u>\$ 4,577,083</u>	<u>\$ 5,356,164</u>	<u>\$ 5,655,299</u>	<u>\$ 7,142,667</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Revenues:</b>					
Property Taxes	\$ 2,408,106	\$ 2,786,371	\$ 3,205,618	\$ 2,918,559	\$ 3,168,630
Licenses and Permits	446,199	376,872	215,991	199,941	165,917
Intergovernmental	308,886	233,075	181,888	225,374	209,123
Charges for Services	19,051	23,062	124,035	151,484	106,230
Investment Earnings	260,573	119,212	66,234	141,742	122,577
Fines and Forfeits	11,955	12,782	15,169	11,767	12,193
Park and Recreation Fees	95,498	26,492	18,722	29,658	8,905
Special Assessments	1,691,944	1,247,127	935,525	981,797	1,032,397
Equipment Rental	70,093	82,400	125,125	137,875	145,575
Miscellaneous	512,064	397,988	154,445	196,594	494,735
Total Revenues	<u>5,824,369</u>	<u>5,305,381</u>	<u>5,042,752</u>	<u>4,994,791</u>	<u>5,466,282</u>
<b>Expenditures:</b>					
Current:					
General Government	702,335	638,381	764,586	747,172	821,054
Public Safety	873,791	877,365	836,647	881,203	928,637
Public Works	390,082	481,843	768,514	1,149,795	1,078,006
Parks, Recreation and Forestry	201,326	185,790	264,952	255,184	265,267
Community Development	532,858	1,002,937	1,909,123	668,700	696,186
Capital Outlay	1,018,999	1,020,300	1,154,411	2,693,822	3,153,859
Debt Service:					
Principal	2,390,000	1,845,000	1,250,000	1,430,000	260,000
Interest and Fiscal Charges	361,169	290,057	209,911	258,136	277,945
Total Expenditures	<u>6,470,560</u>	<u>6,341,673</u>	<u>7,158,144</u>	<u>8,084,012</u>	<u>7,480,954</u>
Excess (Deficiency) of Revenues Over Expenditures	(646,191)	(1,036,292)	(2,115,392)	(3,089,221)	(2,014,672)
<b>Other Financing Sources (Uses):</b>					
Sale of Property	-	-	102,439	5,918	28,809
Issuance of Debt	-	-	2,500,000	1,270,000	1,155,000
Premium on Bonds Issued	-	-	22,660	-	4,379
Discount on Bonds Issued	-	-	-	(22,224)	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(1,585,000)
Transfer In	1,760,071	1,449,784	1,783,258	2,336,084	1,625,247
Transfer Out	(1,703,071)	(1,388,785)	(1,596,810)	(2,282,456)	(1,028,896)
Total Other Financing Sources (Uses)	<u>57,000</u>	<u>60,999</u>	<u>2,811,547</u>	<u>1,307,322</u>	<u>199,539</u>
Net Change in Fund Balances	<u>\$ (589,191)</u>	<u>\$ (975,293)</u>	<u>\$ 696,155</u>	<u>\$ (1,781,899)</u>	<u>\$ (1,815,133)</u>
Debt Service as a Percentage of Noncapital Expenditures	50.5%	40.1%	24.3%	31.3%	9.9%

Fiscal Year				
2007	2008	2009	2010	2011
\$ 3,247,353	\$ 3,226,216	\$ 3,320,266	\$ 3,025,483	\$ 3,437,304
135,275	162,266	92,970	129,311	127,063
189,278	209,902	201,737	153,571	835,701
170,389	174,069	115,127	132,565	161,596
205,902	154,790	62,576	70,023	65,495
14,404	15,519	16,988	13,631	14,867
5,750	18,000	1,500	5,500	4,000
1,012,514	699,269	616,415	402,207	795,476
155,335	171,200	124,450	149,050	225,500
264,964	387,987	267,154	327,617	416,051
<u>5,401,164</u>	<u>5,219,218</u>	<u>4,819,183</u>	<u>4,408,958</u>	<u>6,083,053</u>
851,375	856,600	884,291	908,524	961,827
966,064	995,444	1,026,176	1,030,499	1,052,119
914,458	1,212,395	623,983	701,375	761,962
314,609	286,153	315,828	328,105	337,316
770,666	482,857	322,310	432,608	1,577,725
945,419	363,385	325,070	232,302	1,966,836
410,000	495,000	495,000	406,668	440,456
230,185	212,303	200,852	189,805	212,844
<u>5,402,776</u>	<u>4,904,137</u>	<u>4,193,510</u>	<u>4,229,886</u>	<u>7,311,085</u>
(1,612)	315,081	625,673	179,072	(1,228,032)
2,646	4,014	225	12,905	7,443
-	485,982	-	-	2,500,000
-	-	-	-	-
(13,865)	-	-	-	(13,865)
-	-	-	-	-
1,518,980	1,652,269	479,709	1,227,559	1,872,098
<u>(1,331,449)</u>	<u>(1,412,102)</u>	<u>(326,526)</u>	<u>(1,120,401)</u>	<u>(1,416,489)</u>
<u>176,312</u>	<u>730,163</u>	<u>153,408</u>	<u>120,063</u>	<u>2,949,187</u>
<u>\$ 174,700</u>	<u>\$ 1,045,244</u>	<u>\$ 779,081</u>	<u>\$ 299,135</u>	<u>\$ 1,721,155</u>
14.0%	16.9%	18.1%	15.3%	12.6%

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

Payable Year	Residential Property	Commercial Property	Industrial Property	Utility and Other	Total Taxable Tax Capacity (Assessed) Value	Total Direct Tax Rate	Estimated Actual Market Value	Net Tax Capacity as a Percentage of Market Value
2002	\$6,731,733	\$ 688,866	\$ 1,084,630	\$ 198,951	\$ 8,704,180	\$ 14	\$ 779,634,700	1.12
2003	7,556,676	764,713	1,290,482	196,645	9,808,516	22.007	876,861,100	1.12
2004	8,706,052	761,033	1,581,915	253,167	11,302,167	20.753	1,009,884,700	1.12
2005	10,808,058	775,958	1,650,675	259,570	13,494,261	19.287	1,155,507,300	1.17
2006	11,440,382	909,777	1,803,815	274,509	14,428,483	17.939	1,299,810,400	1.11
2007	12,836,600	950,078	1,844,053	217,066	15,847,797	17.072	1,425,552,600	1.11
2008	13,073,934	1,112,877	2,146,805	182,294	16,515,910	16.491	1,465,891,200	1.13
2009	12,411,243	1,282,635	2,246,678	197,406	16,137,962	16.926	1,413,918,200	1.14
2010	11,862,056	1,266,037	2,065,192	206,322	15,399,607	17.584	1,351,529,600	1.14
2011	11,036,131	1,122,331	1,906,222	122,618	14,187,302	20.761	1,248,832,400	1.14

**Source:** Ramsey County, Minnesota Assessors' Office

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

Year	Township Direct Rate			Overlapping Rates			
	Basic Rate	General Obligation Debt Service	Total Direct	School District #624	School District #621	Special School District #916	Ramsey County
2002	13.207	0.751	13.958	49.850	25.379	0.314	42.166
2003	21.210	0.797	22.007	24.157	21.984	0.070	55.366
2004	20.045	0.708	20.753	24.347	21.843	0.083	53.135
2005	19.013	0.274	19.287	20.602	22.112	0.075	49.210
2006	17.619	0.320	17.939	17.785	23.419	0.066	46.623
2007	16.805	0.267	17.072	16.887	23.264	-	44.943
2008	16.237	0.254	16.491	15.422	20.380	-	44.023
2009	16.664	0.262	16.926	19.396	22.937	-	46.546
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

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

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

<u>Special Districts</u>	<u>Total Overlapping</u>	<u>Total Direct and Overlapping Tax Rate</u>
5.365	123.074	137.032
3.728	105.305	127.312
4.243	103.651	124.404
4.176	96.175	115.462
5.467	93.360	111.299
6.631	91.725	108.797
7.592	87.417	103.908
7.637	96.516	113.442
7.953	104.533	122.117
9.279	112.051	132.812

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

Taxpayer	2011		
	2011 Tax Capacity	Rank	Percentage of Total City Taxable Assessed Value
Specialty Manufacturing Inc.	\$ 243,976	1	1.7 %
Schwing America, Inc.	234,642	2	1.7
Wilbert Plastics, Inc. (Thermoform)	190,570	3	1.3
North Oaks Farms Inc	176,009	4	1.2
Chorus Corporation	160,704	5	1.1
JMK Limited Partnership	153,170	6	1.1
Muller Family Theatres	149,250	7	1.1
Heraeus Vadnais Inc.	122,750	8	0.9
Porus Media, LLC	120,250	9	0.8
Spearman Real Estate	105,250	10	0.7
Com Tal Machine & Engineering	-		-
N.A. Ternes & Associates	-		-
Lawin Enterprises LLC	-		-
All Other Taxpayers	<u>12,530,731</u>		<u>88.3</u>
Total	<u>\$ 14,187,302</u>		<u>100.0 %</u>

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

2002

<u>2002 Tax Capacity</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
\$ 112,343	7	1.3 %
208,583	2	2.3
282,601	1	3.2
-		-
145,380	4	1.6
151,500	3	1.7
142,062	5	1.6
-		-
96,349	8	1.1
-		-
133,436	6	1.5
76,007	9	0.9
74,263	10	0.8
<u>7,461,536</u>		<u>84.0</u>
<u>\$ 8,884,060</u>		<u>100.0 %</u>

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

Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy	
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy (1)	Amount	Percentage of Levy
2002	\$ 1,514,038	\$ 55,000	\$ 1,569,038	\$ 1,556,721	99.2
2003	1,729,738	65,000	1,794,738	1,779,034	99.1
2004	1,942,314	66,000	2,008,314	1,991,586	99.2
2005	2,142,460	30,000	2,172,460	2,171,147	99.9
2006	2,323,283	40,000	2,363,283	2,332,160	98.7
2007	2,466,626	90,000	2,556,626	2,425,568	94.9
2008	2,557,642	88,000	2,645,642	2,503,087	94.6
2009	2,550,337	100,000	2,650,337	2,491,321	94.0
2010	2,525,033	105,000	2,630,033	2,423,326	92.1
2011	2,722,297	110,000	2,832,297	2,650,697	93.6

Notes:

- (1) Beginning with payable year 2002, Market Value Homestead Credit is included in the operating levy.

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Amount	Percentage of Levy		
\$ 11,825	\$ 1,568,546	100.0	\$ 49,608	3.2
11,476	1,790,510	99.8	51,986	2.9
16,228	2,007,814	100.0	18,550	0.9
1,673	2,172,820	100.0	24,689	1.1
18,385	2,350,545	99.5	68,796	2.9
29,983	2,455,551	96.0	55,847	2.2
31,696	2,534,783	95.8	53,682	2.0
23,587	2,514,908	94.9	71,237	2.7
26,334	2,449,660	93.1	74,286	2.8
32,133	2,682,830	94.7	55,649	2.0

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

Fiscal Year	Governmental Activities			Business-Type Activities
	General Obligation Bonds	General Obligation Special Assessment Bonds	Capital Lease	General Obligation Revenue Bonds
2002	\$ 3,630,000	\$ 3,490,000	\$ -	\$ 2,390,000
2003	3,405,000	1,870,000	-	3,415,000
2004	5,360,000	1,165,000	-	2,000,000
2005	6,365,000	-	-	1,770,000
2006	5,675,000	-	-	1,515,000
2007	5,265,000	-	-	1,250,000
2008	5,249,182	-	-	2,775,818
2009	4,754,182	-	-	2,535,818
2010	4,347,514	-	-	2,107,486
2011	6,407,058	-	-	3,172,942

Notes:

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

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

	<u>Total Primary Government</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Estimated Actual Property Value</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$	9,510,000	0.42	0.0122	1.9	825
	8,690,000	0.35	0.0099	1.7	749
	8,525,000	0.47	0.0084	1.6	731
	8,135,000	0.47	0.0070	1.5	691
	7,190,000	0.39	0.0055	1.3	608
	6,515,000	0.33	0.0046	1.2	546
	8,025,000	0.32	0.0055	1.7	680
	7,290,000	0.29	0.0052	1.4	621
	6,455,000	0.42	0.0048	1.4	590
	9,580,000	0.45	0.0077	1.9	871

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**WHITE BEAR TOWNSHIP, MINNESOTA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**DECEMBER 31, 2011**  
**(UNAUDITED)**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Overlapping:</b>			
Ramsey County	\$ 201,484,088	2.093 %	\$ 4,217,894
County Library	19,337,828	5.174	1,000,634
Metro Watershed	697,615	-	-
I.S.D. #621	184,011,422	0.026	48,389
I.S.D. #624	93,858,231	20.005	18,776,334
S.I.S.D. #916	6,166,838	6.332	390,475
Metro Council	1,262,875,596	0.396	5,000,032
Commission	4,856,985	15.209	<u>738,679</u>
Total Overlapping			<u>30,172,437</u>
White Bear Township Direct Debt	6,407,058	100.000	<u>6,407,058</u>
Total Direct and Overlapping Debt			<u><u>\$ 36,579,495</u></u>

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

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

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt Limit	\$ 15,592,694	\$ 17,537,222	\$ 20,197,694	\$ 23,110,146	\$ 25,996,208
Total Net Debt Applicable to Limit	-	-	1,595,587	2,423,097	3,135,000
Legal Debt Margin	<u>\$ 15,592,694</u>	<u>\$ 17,537,222</u>	<u>\$ 18,602,107</u>	<u>\$ 20,687,049</u>	<u>\$ 22,861,208</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	7.90%	10.48%	12.06%

\*\* In years prior to 2008, the statutory debt limit was 2% of estimated market value.

Legal Debt Margin Calculation for Fiscal Year 2011:

Estimated Market Value	\$ 1,248,832,400
Debt Limit (3% of Estimated Market Value) **	37,464,972
Debt Applicable to Limit	<u>1,650,000</u>
Legal Debt Margin	<u>\$ 35,814,972</u>

Fiscal Year				
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 28,511,052	\$ 43,976,736	\$ 42,417,546	\$ 40,545,888	\$ 37,464,972
<u>2,845,000</u>	<u>2,100,000</u>	<u>1,955,000</u>	<u>1,805,000</u>	<u>1,650,000</u>
<u>\$ 25,666,052</u>	<u>\$ 41,876,736</u>	<u>\$ 40,462,546</u>	<u>\$ 38,740,888</u>	<u>\$ 35,814,972</u>
9.98%	4.78%	4.61%	4.45%	4.40%

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

Fiscal Year	Population (1)	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income (2)
2002	11,528	\$ 490,597	\$ 42,557
2003	11,600	520,678	44,886
2004	11,664	528,892	45,344
2005	11,778	532,106	45,178
2006	11,830	547,812	46,307
2007	11,923	534,127	44,798
2008	11,802	485,121	41,105
2009	11,745	504,483	42,953
2010	10,949	458,259	41,854
2011	11,000	491,392	44,672

Source:

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

Construction

Commercial and Industrial		Residential		Median Age (3)	School Enrollment K Thru 12 (4)	Average Unemployment Rate (2)
Number Of Units	Value	Number Of Units	Value			
38	\$ 3,939,124	554	\$ 20,782,058	33.7	9,309	3.2
48	8,557,032	500	16,553,876	33.7	9,176	3.6
36	2,601,286	494	11,025,965	33.7	8,642	4.4
56	8,691,163	440	10,391,940	33.7	8,681	4.3
51	3,611,937	357	6,267,945	33.7	8,529	3.7
45	3,265,342	477	5,990,791	33.7	8,401	4.4
15	3,704,609	580	7,006,738	26.8	8,324	6.6
23	247,604	434	5,007,147	37.5	8,065	7.4
33	1,258,735	347	4,472,908	37.4	8,100	6.9
15	4,102,800	329	3,447,476	37.4	8,250	5.7

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Heraeus Medical Components	307	1	21.1 %	-		- %
Water Gremlin Company	210	2	14.4	240	4	14.0
Wilbert Plastics Inc. (Thermorform)	196	3	13.5	295	2	17.3
Porous Media Corporation	157	4	10.8	80	7	4.7
Cub Foods	157	5	10.8	240	3	14.0
Specialty Manufacturing Inc.	123	6	8.4	120	6	7.0
Schwing America Inc.	84	7	5.8	375	1	21.9
Muller Family Theatres	78	8	5.4	75	10	4.4
Herold Precision Metals	75	9	5.1	-		-
Cortec Corporation	70	10	4.8	75	9	4.4
Com Tal Machine & Engineering	-		-	130	5	7.6
Electric Cord Incorporated	-		-	80	8	4.7
<b>Total</b>	<b>1,457</b>		<b>100.0 %</b>	<b>1,710</b>		<b>100.0 %</b>

Source: Business Licenses, White Bear Township.

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

	Full-Time-Equivalent Employees as of December 31,				
	2002	2003	2004	2005	2006
<b>General Government</b>					
Administration	2.48	2.34	2.17	2.14	2.14
Code Enforcement	1.75	1.78	2.13	2.13	2.15
Town Buildings	0.30	0.35	0.35	0.15	0.15
Total General Government	<u>4.53</u>	<u>4.47</u>	<u>4.65</u>	<u>4.42</u>	<u>4.44</u>
<b>Public Works</b>					
Recycle	-	-	-	-	0.10
Public Works	0.95	1.15	0.80	1.00	1.00
Road and Bridge	2.11	2.52	3.05	2.62	2.61
Total Public Works	<u>3.06</u>	<u>3.67</u>	<u>3.85</u>	<u>3.62</u>	<u>3.71</u>
<b>Parks, Recreation and Forestry</b>	2.75	2.73	2.70	3.21	3.21
<b>Community Development</b>					
Community Development	0.94	1.04	0.94	0.94	1.10
Economic Development Authority	1.23	1.23	1.22	1.22	0.69
Total Community Development	<u>2.17</u>	<u>2.27</u>	<u>2.16</u>	<u>2.16</u>	<u>1.79</u>
<b>Water</b>	2.44	2.22	2.22	2.61	2.70
<b>Sewer</b>	1.61	1.31	1.12	1.38	1.50
<b>Storm Sewer</b>	<u>0.25</u>	<u>0.38</u>	<u>0.35</u>	<u>0.35</u>	<u>0.40</u>
<b>Total</b>	<u><u>16.81</u></u>	<u><u>17.05</u></u>	<u><u>17.05</u></u>	<u><u>17.75</u></u>	<u><u>17.75</u></u>

**Source:** Township Records

Full-Time-Equivalent Employees as of December 31,

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2.00	2.00	1.96	1.96	1.96
2.15	2.15	2.20	2.2	2.2
0.20	0.20	0.36	0.49	0.21
<u>4.35</u>	<u>4.35</u>	<u>4.52</u>	<u>4.65</u>	<u>4.37</u>
0.10	0.10	0.05	0.05	0.05
0.80	0.80	0.80	0.88	0.9
2.53	2.53	2.21	2.32	2.66
<u>3.43</u>	<u>3.43</u>	<u>3.06</u>	<u>3.25</u>	<u>3.61</u>
2.53	2.53	2.72	2.09	2.99
1.44	1.44	1.50	1.5	1.5
0.69	0.69	-	0	0
<u>2.13</u>	<u>2.13</u>	<u>1.50</u>	<u>1.5</u>	<u>1.5</u>
3.01	3.01	3.43	3.64	3.27
1.75	1.75	1.72	1.97	2.68
<u>0.38</u>	<u>0.38</u>	<u>0.35</u>	<u>0.45</u>	<u>0.7</u>
<u><u>17.58</u></u>	<u><u>17.58</u></u>	<u><u>17.30</u></u>	<u><u>17.55</u></u>	<u><u>19.12</u></u>

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

<b>Function/Program</b>	Fiscal Year				
	2002	2003	2004	2005	2006
<b>General Government</b>					
Elections	3	1	3	1	3
Number of Votes Cast	6,520	138	8,160	442	6,814
<b>Public Safety</b>					
Police:	(A)	(A)	(A)	(A)	(A)
Crimes Investigated	485	488	506	539	489
Administrative Citations Collection	\$ -	\$ -	\$ -	\$ -	\$ -
Animal Impounds	75	72	81	81	70
Neighborhood Watch Groups	20	23	25	25	25
Fire:	(B)	(B)	(B)	(B)	(B)
Fire	437	432	410	410	422
Average Response Time (minutes)	5.5	5.5	5.5	5.5	5.5
Dollar Loss	\$ 478,030	\$ 480,300	\$ 498,000	\$ 468,000	\$ 472,300
Inspections:					
Building Permits	599	558	533	500	413
Value of Building Permits	\$ 24,721,189	\$ 25,098,910	\$ 13,627,251	\$ 19,083,103	\$ 9,879,882
<b>Public Works</b>					
Vehicles Maintained	20	20	21	22	22
Miles of Streets	67.00	68.50	70.00	70.50	70.50
Snow Removal (events)	20	26	25	28	22
<b>Parks, Recreation and Forestry</b>					
Parks:					
Number of Parks	26	26	26	26	26
Acres of Parks	172.22	172.22	172.22	172.22	172.22
<b>Utilities</b>					
Miles of Water Mains	63.11	63.25	63.5	63.5	65.83
Water Customers	4,107	4,227	4,431	4,495	4,532
Miles of Sewer Mains	60.87	61	62	62	64.42
Sewer Customers	3,840	4,209	4,377	4,443	4,478

**Source:** Various City Departments

**Notes:**

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

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

Fiscal Year					
2007	2008	2009	2010	2011	
1	3	1	3	1	
671	8,993	225	7,228	364	
(A)	(A)	(A)	(A)	(A)	
527	587	531	570	459	
\$ -	\$ -	\$ -	\$ 10,602	\$ 10,541	
94	71	56	6	12	
25	25	25	25	25	
(B)	(B)	(B)	(B)	(B)	
420	558	488	567	487	
5.0	7.0	6.4	7.2	7.3	
\$ 475,000	\$ 1,148,400	\$ 1,853,150	\$ 300,850	\$ 1,108,300	
523	595	457	375	345	
\$ 9,256,133	\$ 10,711,347	\$ 5,254,751	\$ 5,731,643	\$ 7,550,276	
23	23	22	22	27	
70.50	70.50	70.50	70.50	70.50	
25	27	32	36	15	
26	26	25	25	25	
172.22	172.22	191.65	191.65	191.65	
65.83	65.83	65.83	65.83	65.83	
4,550	4,573	4,656	4,651	4,663	
64.42	64.42	64.42	64.42	64.42	
4,496	4,511	4,552	4,567	4,556	

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

Function/Program	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Public Safety</b>					
Police:					
Stations	1	1	1	1	1
Correctional Facilities	1	1	1	1	1
Fire:					
Stations	2	2	2	2	2
<b>Public Works</b>					
Vehicles	20	20	21	22	22
Miles of Township Streets	62.00	62.00	70.50	70.50	70.50
<b>Parks, Recreation and Forestry</b>					
Parks:					
Parks	26	26	26	26	26
Park Acres	172.22	172.22	172.22	172.22	172.22
Park Shelters	9	9	9	9	9
Basketball Courts	3	3	3	3	3
Sliding Hills	3	3	3	3	3
Horseshoe Courts	1	1	1	1	1
Skating Rinks	9	9	9	9	9
Soccer Fields	3	3	3	3	3
Ball Fields	10	10	10	10	10
Swimming Beach	1	1	1	1	1
Tennis Courts	6	6	6	6	6
Volleyball Courts	3	3	3	3	3
<b>Water</b>					
Miles of Water Mains	63.11	63.25	63.50	63.50	65.83
Water Connections	4,107	4,227	4,431	4,495	4,532
<b>Sewer</b>					
Miles of Sewer Lines	60.87	61.00	62.00	62.00	64.42
Sewer Connections	3,840	4,209	4,377	4,443	4,478
<b>Storm Sewer</b>					
Miles of Storm Water Lines/Culverts	13.62	13.62	15.00	15.00	15.00

**Source:** Various Township Departments.

Fiscal Year				
2007	2008	2009	2010	2011
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
22	25	25	26	27
70.50	70.50	70.50	70.50	70.50
26	25	25	25	25
172.22	191.65	191.65	191.65	191.65
9	9	9	9	9
3	5	5	5	5
3	3	3	3	3
1	1	1	1	1
9	9	9	9	9
3	3	3	3	3
10	8	8	8	8
1	1	1	1	1
6	9	9	8	8
3	3	3	3	3
65.83	65.83	65.83	65.83	65.83
4,532	4,573	4,656	4,651	4,663
64.42	64.42	64.42	64.42	64.42
4,478	4,511	4,552	4,567	4,556
15.00	15.00	15.00	15.00	15.00

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**IV.**

**OTHER REQUIRED REPORTS**

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## REPORT ON MINNESOTA LEGAL COMPLIANCE

Township Board of Supervisors  
White Bear Township, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of White Bear Township, Minnesota, which collectively comprise the Township's basic financial statements as of and for the year ended December 31, 2011, and have issued our report thereon dated July 24, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute. §6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous city provisions, and tax increment financing districts. Our study included all of the listed categories.

The results of our tests indicate that, with respect to the items tested, White Bear Township, Minnesota complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of management, the Board of Supervisors, the Office of the State Auditor, and other state agencies, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota  
July 24, 2012

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