

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED DECEMBER 31, 2012**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF  
WHITE BEAR TOWNSHIP, MINNESOTA  
YEAR ENDED DECEMBER 31, 2012**

**Prepared by  
William Short, Township Clerk - Treasurer  
Tom Kelly, Finance Officer**

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

**WHITE BEAR TOWNSHIP, MINNESOTA**  
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I.  
INTRODUCTORY  
SECTION



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

1281 HAMMOND ROAD  
WHITE BEAR TOWNSHIP, MN 55110

651-747-2750  
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Email: [wbt@ci.white-bear-township.mn.us](mailto:wbt@ci.white-bear-township.mn.us)

June 21, 2013

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, 2012 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, 2012 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, 2012, 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 Special Revenue 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 tax levy and make recommendations to be incorporated into the final budget. This meeting is generally held in late-November or early-December in order to meet certification deadlines. Department heads may make transfers between line items within a department; however, adjustments between departments or funds require special approval of the Board of Supervisors.

## PROFILE OF THE GOVERNMENT (CONTINUED)

Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund and other governmental funds with annual budgets, this comparison is on page 54 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.

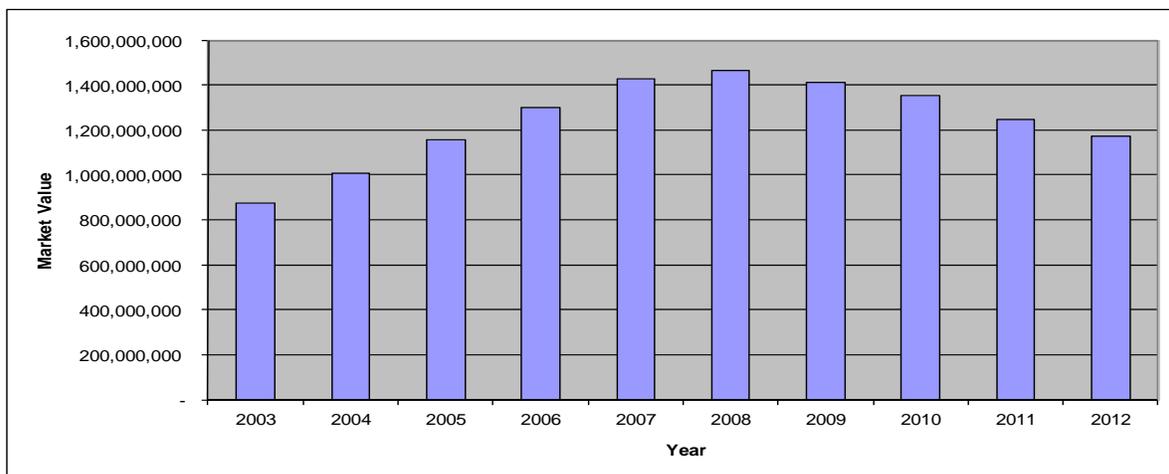
The Town is located in a region with varied economic base which has resulted in an unemployment rate that has consistently remained near or below national and state averages. While the national unemployment rate is 7.8% and the state's unemployment rate is 7.6%, the Town has a regional unemployment rate of 4.9% 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 increased during 2012 which was consistent with the overall building trends in the Midwest. The Town issued 26 permits during 2012 for new single-family home construction valued at \$5,870,000. No permits for commercial/industrial new construction were issued in 2012, however there were several permits issued for remodel/additions with construction valued at \$988,149. The Town expects construction activity for 2013 to continue to increase from 2012 totals due to the state and national economic climate improving slightly. Residential property experienced 347 renovation permits totaling \$4.1 million valuation increase. Combined, commercial and residential construction added over \$11.0 million in market growth compared to \$7.5 million of market growth in 2012.

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 2003 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 2012 with revenues being \$213,242 more than projected. This resulted from higher than anticipated building permit activity, and miscellaneous revenues, however, a decline in investment earnings resulted in lower than anticipated revenues. Property taxes were \$31,598 more than budgeted. The Town realized lower interest rates, along with the purchase of investments with accrued interest and premiums resulted in investment earnings being \$130,925 below budget.

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 did not have a formal Capital Improvement Plan during 2012 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.

As part of the Township's 2013 budget process, the Township adopted a formal 5 year Capital Improvement Plan for all structures, equipment, parks, and transportation projects, with the current year being incorporated into the Township budget. In addition 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. Current projects include the construction of the amphitheatre, which was begun in 2008 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 the Town's 5-year capital plan 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 with a cost in excess of \$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 was implemented with the winter usage quarterly billing (December 2011 – February 2012). Residents were provided with consumption information for the two previous quarters and received this information before the implementation of actual usage rates.

## **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 elimination of the market value homestead credit (MVHC) programs continue to impact the Town. In 2012, the State of Minnesota exempted Townships from having to pay sales tax on purchases, which reduces Township expenditures. In addition, as the Town approaches full development we anticipate future reductions in building and development related activities and revenues.

## **FISCAL STEWARDSHIP**

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

The State of Minnesota's budget deficit has resulted in some challenges for White Bear Township in the past, however, State budget forecasts have demonstrated some improvement.

The Town's computations of its direct debt and legal debt margin reports that it has less than 4.3% 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 \$33,588,242 available for debt bonding as of December 31, 2012.

The Town continued to lower its debt limit percentage from 12.06% in 2006 to 4.26% in 2012. 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, 2012 was \$8,090,000 compared to \$9,580,000 at the end of 2011. The Township did not issue any new debt or refund any existing debt in 2012.

## **PENSION BENEFITS**

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

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All members must participate in the Coordinated Plan since July 1, 1968. The 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 five (5) years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

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

## **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 nine 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.

## **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, 2011. This was the sixteenth 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, 2012 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



Tom Kelly  
Finance Officer

**WHITE BEAR TOWNSHIP, MINNESOTA  
TOWNSHIP OFFICIALS AND PERSONNEL  
DECEMBER 31, 2012**

**WHITE BEAR TOWNSHIP**

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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

Patti Walstad, Administrative Secretary/Para Legal

Tom Kelly, Finance Officer

Judy Moll, Accounting Clerk

Luana Kuehn, Utility Billing 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

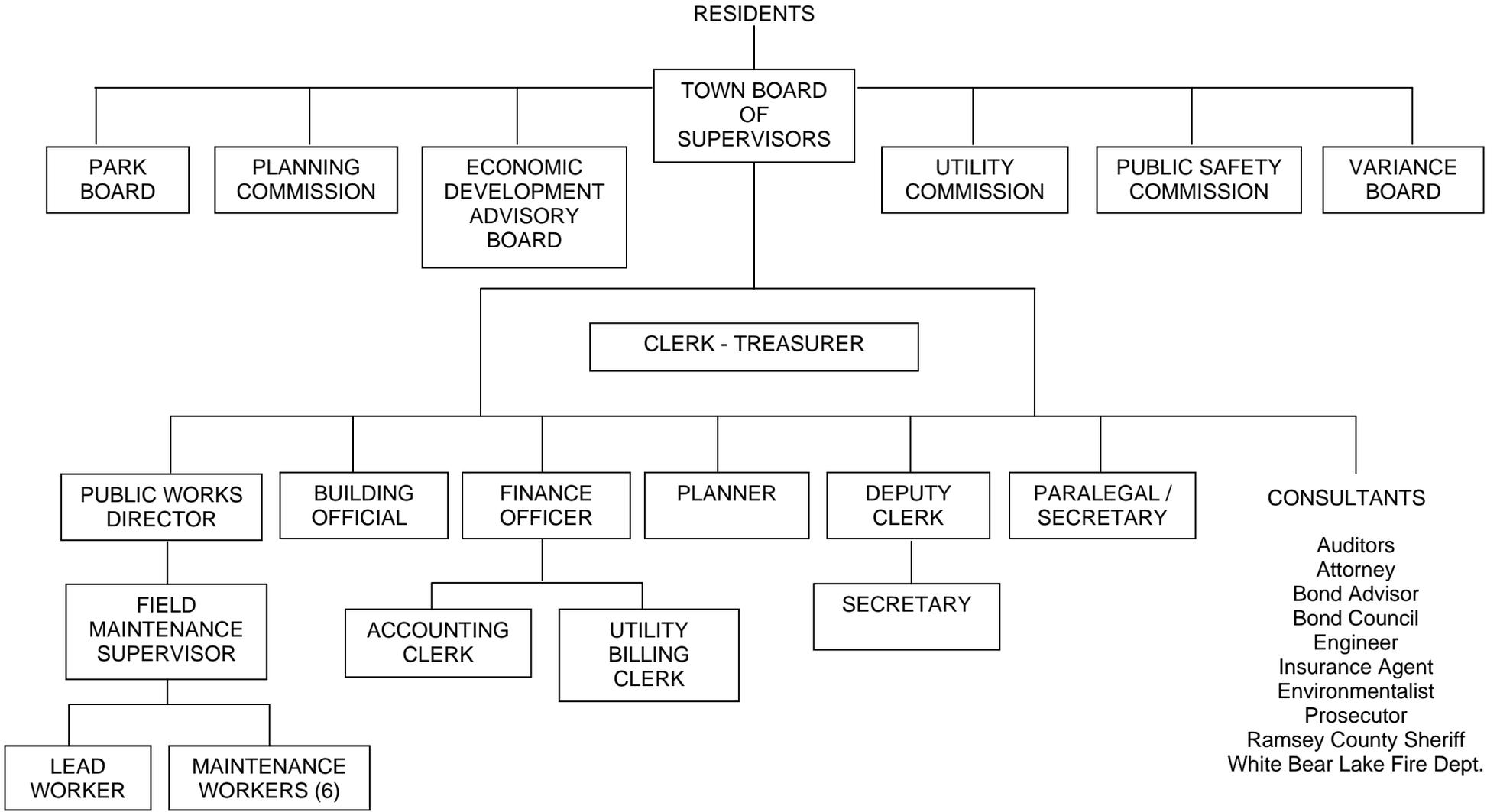
Rick Lillie, Public Works Maintenance Person

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, 2012**



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 Lake Township  
Minnesota

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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.



*Christopher P. Moynell*

President

*Jeffrey R. Emer*

Executive Director

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

## INDEPENDENT AUDITORS' REPORT

Township Board of Supervisors  
White Bear Township, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

*Supplementary and Other Information*

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

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

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



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 21, 2013

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

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, 2012. 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 \$43,013,674 (net position). Of this amount, \$11,882,405 (unrestricted net position) 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 position increased by \$911,085 during 2012.
- As of the close of the current fiscal year, White Bear Township's governmental funds reported combined ending fund balances of \$7,981,223. 60% of this total amount, \$4,783,991, 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 \$3,140,127, or 102% of total general fund expenditures.

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

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

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

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

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

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

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

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

**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 Position and the Statement of Activities) and governmental *funds* in reconciliations immediately following of the fund financial statements.

The fund financial statements can be found on pages 27-32 of this report.

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

The basic proprietary fund financial statements can be found on pages 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 36-53 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 54. Combining statements referred to earlier in conjunction with non-major governmental funds can be found on pages 57-60.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve as a useful indicator of Township's financial position over time. White Bear Township's assets exceeded liabilities by \$43,013,674 at the close of the fiscal year ended December 31, 2012. By far the largest portion of White Bear Township's net position (62.1%) 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, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Table 1  
STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 10,673,883	\$ 10,592,896	\$ 7,745,571	\$ 7,136,129	\$ 18,419,454	\$ 17,729,025
Capital Assets	16,120,282	16,990,211	17,223,689	17,973,019	33,343,971	34,963,230
Total Assets	<u>26,794,165</u>	<u>27,583,107</u>	<u>24,969,260</u>	<u>25,109,148</u>	<u>51,763,425</u>	<u>52,692,255</u>
Noncurrent Liabilities Outstanding	5,440,353	6,515,219	2,846,791	3,263,134	8,287,144	9,778,353
Other Liabilities	364,415	620,967	98,192	190,346	462,607	811,313
Total Liabilities	<u>5,804,768</u>	<u>7,136,186</u>	<u>2,944,983</u>	<u>3,453,480</u>	<u>8,749,751</u>	<u>10,589,666</u>
Net Position:						
Net Investment in Capital Assets	12,258,761	12,902,768	14,445,266	15,271,382	26,704,027	28,174,150
Restricted	4,427,242	4,649,117	-	-	4,427,242	4,649,117
Unrestricted	4,303,394	2,895,036	7,579,011	6,384,286	11,882,405	9,279,322
Total Net Position	<u>\$ 20,989,397</u>	<u>\$ 20,446,921</u>	<u>\$ 22,024,277</u>	<u>\$ 21,655,668</u>	<u>\$ 43,013,674</u>	<u>\$ 42,102,589</u>

Restricted net position comprises 10.3% of total net position. These assets are subject to external restrictions on how they may be used. The restrictions are related to legal bond covenants and state statutes.

The remaining balance totals \$11,882,405, which represents 27.6% of the net position. This unrestricted net position may be used to meet the Township's ongoing operations to citizens and creditors or may have Board-imposed restrictions that limit how this net position may be used.

**CHANGES IN NET POSITION**

Net position of the Township increased \$911,085, or 2.2% during the current fiscal year, as shown on the following table. The governmental activities experienced an increase of \$542,476 in net position for that period and the business-type activities experienced a \$368,609 increase. The increase in the governmental activities is due to increases in permit activity and increased investment earnings and property tax collections. The increase in the business-type activities net position was due to water revenues received from the new water rate system of billing based on consumption verses a flat rate.

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

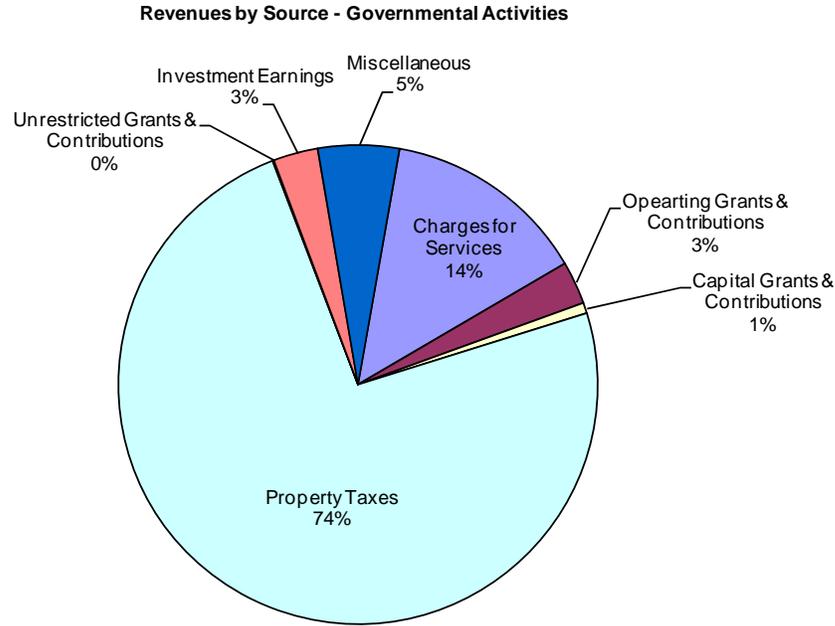
**CHANGES IN NET POSITION (CONTINUED)**

**Table 2  
STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 673,124	\$ 554,597	\$ 3,431,630	\$ 2,338,157	\$ 4,104,754	\$ 2,892,754
Operating Grants and Contributions	141,219	797,209	-	-	141,219	797,209
Capital Grants and Contributions	34,941	1,936,557	-	717	34,941	1,937,274
General Revenues:						
Property Taxes	3,612,679	3,449,241	-	-	3,612,679	3,449,241
Contributions Not Restricted to Specific Programs	4,266	38,957	-	-	4,266	38,957
Unrestricted Investment Earnings	147,737	68,405	145,704	74,860	293,441	143,265
Miscellaneous	266,851	386,023	-	-	266,851	386,023
Total Revenues	<u>4,880,817</u>	<u>7,230,989</u>	<u>3,577,334</u>	<u>2,413,734</u>	<u>8,458,151</u>	<u>9,644,723</u>
<b>EXPENSES</b>						
General Government	913,141	889,444	-	-	913,141	889,444
Public Safety	1,090,602	1,052,716	-	-	1,090,602	1,052,716
Public Service	1,486,743	1,396,533	-	-	1,486,743	1,396,533
Parks, Recreation and Forestry	403,408	304,424	-	-	403,408	304,424
Community Development	376,014	1,708,220	-	-	376,014	1,708,220
Interest and Fiscal Charges	177,338	155,488	-	-	177,338	155,488
Water Utility	-	-	1,241,287	1,345,217	1,241,287	1,345,217
Sewer Utility	-	-	1,686,562	1,422,937	1,686,562	1,422,937
Storm Sewer Utility	-	-	171,971	137,694	171,971	137,694
Total Expenses	<u>4,447,246</u>	<u>5,506,825</u>	<u>3,099,820</u>	<u>2,905,848</u>	<u>7,547,066</u>	<u>8,412,673</u>
<b>CHANGE IN NET POSITION BEFORE TRANSFERS</b>	433,571	1,724,164	477,514	(492,114)	911,085	1,232,050
Transfers	108,905	221,822	(108,905)	(221,822)	-	-
<b>CHANGE IN NET POSITION</b>	<u>542,476</u>	<u>1,945,986</u>	<u>368,609</u>	<u>(713,936)</u>	<u>911,085</u>	<u>1,232,050</u>
Net Position - Beginning of Year	<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>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 20,989,397</u>	<u>\$ 20,446,921</u>	<u>\$ 22,024,277</u>	<u>\$ 21,655,668</u>	<u>\$ 43,013,674</u>	<u>\$ 42,102,589</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

**GOVERNMENTAL ACTIVITIES**



The Governmental Activities net position increased by \$542,476, which represents approximately 2.7% of the Township's governmental net position.

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

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

**Governmental Funds.** The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the 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, 2012, the Township's governmental funds reported combined fund balances of \$7,981,223. Of this total, \$4,783,991 or 60% is unrestricted and assigned fund balance. The remaining \$3,197,232 of fund balance is either nonspendable or restricted because it has already been committed as follows:

- Prepaid Items of \$22,644
- Land Held for Resale of \$354,556
- Debt Retirement of \$1,761,019
- Economic Development Activities of \$1,052,628
- Park Improvements of \$6,385

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

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

Fund level governmental revenues decreased \$659,979, or 10.8% compared to 2011. Key elements of this change are as follows:

- Property taxes increased \$183,650. The property tax levy for 2012 increased by \$71,774 and collections for the current year were at 100%. The increase in property tax collections is the direct result of the increase in the tax levy and collection rate for 2012.
- Licenses and permits increased \$95,582, or 75.2%. The increase is due to increased building activity in 2012.
- Intergovernmental revenues decreased \$691,855. A \$650,000 combined state and county development grant increased intergovernmental revenues in 2011 and for 2012 intergovernmental revenues returned to normal revenue levels.
- Investment earnings increased \$76,704. Increased investments and less cash held in low rate money market funds resulted in the increased earnings.
- Equipment rental decreased \$93,925. This decrease was direct result of the operating budget for 2012. The Town Board adopted a budget that reduced the amount for equipment rental from governmental activities for 2012. This reduction was not extended to business-type activities.

Fund level expenditures decreased by \$3,237,954, or 48.6%, compared to 2011, not including principal debt payments. Key elements of this net change are as follows:

- Community Development expenditures decreased \$1,251,982 due to a decrease in contractual services related to capital projects funded through a state grant received and spent in 2011.
- Capital expenditures decreased \$1,918,109 compared to 2011. More than \$1,719,00 of this decrease was due to the completion of the 2010 street improvement project in 2011. The balance of the decrease is from reduced equipment purchases in 2012.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

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

**General Fund.** The General Fund is the chief operating fund of the Township. In 2012, fund balance in the General Fund increased by \$476,766 or 17.7%, whereas in the prior year, fund balance in the General Fund increased \$549,389 or 25.6%. Key differences between the current and prior year change in General Fund fund balance include the following:

- Property taxes increased \$284,943. The increase in property tax collections is the direct result of an increase in the 2012 tax levy as well as collection rate during 2012.
- Licenses and permits increased \$95,582 due to increased building permit activity in 2012.
- Investment earnings increased \$27,073 due to increased investments at higher yields than money markets.
- Equipment rental decreased which was done for budget purposes to reduce the property tax levy.
- General fund expenditures decreased by \$235,877, primarily due to reduced capital outlay expenditures.

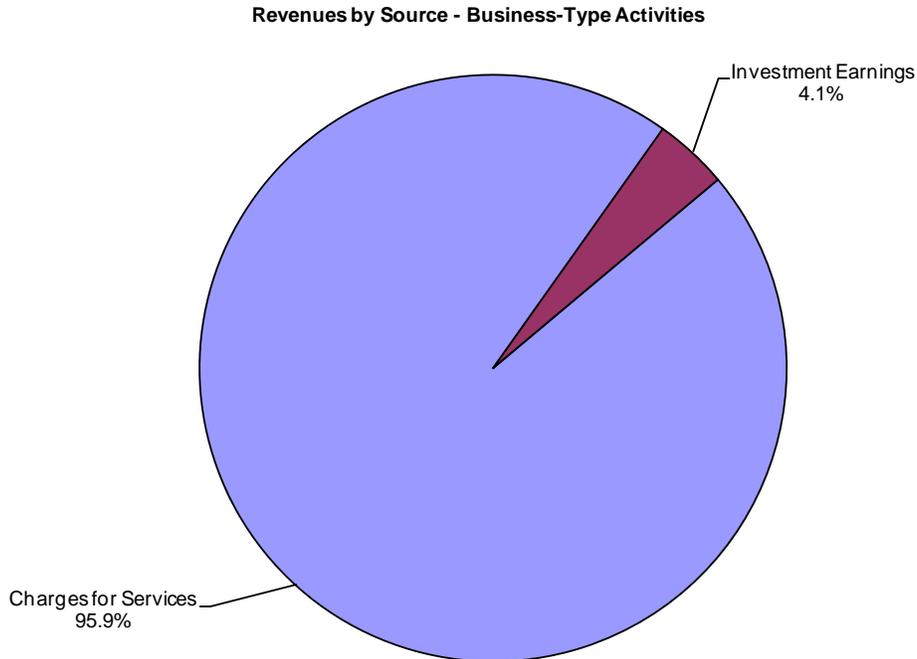
**Economic Development Fund.** The fund balance of the Economic Development Fund increased by \$324,162 or 29.9% as a result of reduced expenditures related to project funded through grants from the State of Minnesota and the Met Council in 2011.

**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 \$732,963 due to the collection of special assessments.

**Improvement Fund.** The increase of \$240,632 in the fund balance of the Improvement Fund was due to the collection of special assessments.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

**BUSINESS-TYPE ACTIVITIES**



Net position of the business-type activities increased by \$368,609. This results from net position in the water fund operations increasing and a reduced decrease in net position in the sewer fund. The change across business-type activities is as follows:

Water	\$ 683,995
Sewer	(310,890)
Storm Water	(4,496)

- The Water Fund net position increase reflects a water rate increase and the conversion to metered water usage instead of flat rate charges which resulted in increased revenue which resulted in revenues exceeding expenses by \$763,885
- The Sewer Fund net position decrease reflects expenses exceeding revenues by \$272,094 before transfers out and a transfer out of \$70,109. Operating revenue increased by \$127,719 due to a grant received to reduce clean water infiltration into the system and charges related to new construction. Operational expenses increased \$256,106 due mostly to an increase in M.C.E.S. sewage treatment charges.
- Storm Water Fund net position decrease reflects expenses exceeding revenues by \$4,496. Operational expenses increased \$30,585 over 2011 levels.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

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

The business-type activities operating expense increased by \$189,998 from fiscal year 2012 compared to 2011 and included the following funds changes in operating expense:

<u>Activity</u>	<u>Change</u>
Water	\$ (96,693)
Sewer	256,106
Storm Water	30,585

***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 2012. Rather these changes were absorbed by excess revenues or shifting and reprioritizing of expenditures throughout the year.

General Fund actual revenues were \$213,242 over the adopted budget amounts. The overage in actual revenues were directly attributable to better than expected building permit activity and various miscellaneous revenues activity.

General Fund actual expenditures were \$484,987 below the adopted budget amounts for 2012. Most expenditure categories came in below budget with the exception of Community Development which exceeded budget by \$1,532.

- Town Buildings actual expenditures for 2012 were \$48,506 below budget, a result of lower than budgeted energy costs and repair maintenance expenditures.
- Road and Bridge were \$66,240 below budgeted amounts due primarily to lower expenditures for chemicals for winter road treatments than anticipated for 2012.
- Parks, Recreation and Forestry were \$48,510 below budgeted amounts. This was due primarily to the costs associated with energy and landscaping being less than had been anticipated for 2012.
- Capital outlay expenditures were \$238,756 below the 2012 budgeted amounts. This was due to the costs of equipment purchased in 2012 costing less than had been anticipated in the budget and delaying the purchase of the majority of budgeted items.

Fund balance in the General Fund increased \$476,766 for 2012. With this increase, the Township continued to maintain its fund balance within its fund balance policy levels at the end of 2012.

***CAPITAL ASSETS***

The Township's investment in Capital Assets for its governmental and business-type activities as of December 31, 2012 totals \$33,343,971 (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 decrease (including additions and deletions) of \$1,619,259 compared to 2011.

**WHITE BEAR TOWNSHIP, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2012**

**CAPITAL ASSETS (CONTINUED)**

The decrease in net capital assets reflects no new major addition in equipment or infrastructure capital assets and reflects the 2012 depreciation of capital assets.

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

- General government infrastructure totaling \$587,068
- Business-type infrastructure totaling \$496,555
- Business-type vehicles and equipment totaling \$59,952

A summary of the net changes in capital assets for 2012 is shown on the following chart:

White Bear Township's Capital Assets (Net of Accumulated Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 4,016,102	\$ 4,016,102	\$ -	\$ -	\$ 4,016,102	\$ 4,016,102
Buildings	2,859,207	2,937,255	2,525,842	2,718,665	5,385,049	5,655,920
Vehicles and Equipment	792,101	867,571	418,805	478,757	1,210,906	1,346,328
Machinery and Shop Equipment	744,687	802,724	-	-	744,687	802,724
Office Furniture and Equipment	120,499	191,805	-	-	120,499	191,805
Infrastructure	7,587,686	8,174,754	14,279,042	14,775,597	21,866,728	22,950,351
Capital Assets, Net	<u>\$ 16,120,282</u>	<u>\$ 16,990,211</u>	<u>\$ 17,223,689</u>	<u>\$ 17,973,019</u>	<u>\$ 33,343,971</u>	<u>\$ 34,963,230</u>

Additional information on the Township's capital assets can be found in Note 3 on pages 46-47 of this report.

**LONG-TERM DEBT**

White Bear Township's Outstanding Long-Term Liabilities						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
G.O. Bonds	\$ 5,324,708	\$ 6,407,058	\$ -	\$ -	\$ 5,324,708	\$ 6,407,058
G.O. Revenue Bonds	-	-	2,765,292	3,172,942	2,765,292	3,172,942
Compensated Absences Payable	123,832	116,494	68,368	75,355	192,200	191,849
Total Outstanding Debt	<u>\$ 5,448,540</u>	<u>\$ 6,523,552</u>	<u>\$ 2,833,660</u>	<u>\$ 3,248,297</u>	<u>\$ 8,282,200</u>	<u>\$ 9,771,849</u>

White Bear Township has \$8,090,000 in bonds outstanding at December 31, 2012 compared to \$9,580,000 last year. The decrease results from the payment of the annual principal balance, which totaled \$1,490,000.

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, 2012**

***LONG-TERM DEBT (CONTINUED)***

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of its total Estimated Market Value. The debt limit for the Township as of December 31, 2012 was \$35,083,242 compared to \$37,464,972 for 2011. The outstanding balance of \$1,495,000 on the Public Facilities Bond issued in 2004 represents 4.26% of the total debt limit and is chargeable against the total debt limit and results in a Legal Debt Margin for 2012 of \$33,588,242.

Additional information on White Bear Township's long-term debt can be found in Note 4 on pages 48-49 of this report.

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

The Township's appointed officials considered many factors when developing the 2013 budget and establishing the 2012 tax levy collectible in 2013 and appropriate fees that will be charged by business-type activities. With the focus on sustainability, the 2013 budget was prepared with emphasis on ensuring current operational needs will be met as well as meeting long-term capital requirements. Through constant adherence to its fiscal policies and with the formal adoption of the Township's first 5 year Capital Improvement Plan, the Township is expected to address long-term financial demands without causing significant fluctuation in the Township's tax burden.

The Township continues to be faced with a declining tax base due to declining home value caused by the great recession, which places pressure on Township officials to keep the property tax levy as low as possible without affecting services and the Town's fund balance reserves.

***Contact Information***

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

## **BASIC FINANCIAL STATEMENTS**

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 7,877,157	\$ 6,890,664	\$ 14,767,821
Accrued Interest Receivable	27,537	26,799	54,336
Accounts Receivable	23,979	713,554	737,533
Due from Other Governments	14,611	-	14,611
Taxes Receivable	117,005	-	117,005
Special Assessments Receivable	2,107,187	-	2,107,187
Other Assets	92,327	43,999	136,326
Prepaid Items	59,524	70,555	130,079
Land Held for Resale	354,556	-	354,556
Capital Assets:			
Land	4,016,102	-	4,016,102
Other Capital Assets, Net of Depreciation	12,104,180	17,223,689	29,327,869
Total Assets	<u>26,794,165</u>	<u>24,969,260</u>	<u>51,763,425</u>
<b>LIABILITIES</b>			
Accounts Payable	249,287	30,380	279,667
Salaries Payable	35,652	21,425	57,077
Accrued Interest Payable	60,824	30,533	91,357
Due to Other Governments	7,373	-	7,373
Unearned Revenue	11,279	15,854	27,133
Noncurrent Liabilities:			
Due Within One Year	768,870	368,786	1,137,656
Due in More Than One Year	4,671,483	2,478,005	7,149,488
Total Liabilities	<u>5,804,768</u>	<u>2,944,983</u>	<u>8,749,751</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	12,258,761	14,445,266	26,704,027
Restricted for:			
Debt Service	3,005,201	-	3,005,201
Economic Development Activities	1,415,656	-	1,415,656
Park Improvements	6,385	-	6,385
Unrestricted	4,303,394	7,579,011	11,882,405
Total Net Position	<u>\$ 20,989,397</u>	<u>\$ 22,024,277</u>	<u>\$ 43,013,674</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

<b>FUNCTIONS/PROGRAMS</b>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 913,141	\$ 627,481	\$ 83,181	\$ -
Public Safety	1,090,602	28,593	35,546	-
Public Works	1,486,743	-	20,853	34,941
Parks, Recreation and Forestry	403,408	8,890	1,639	-
Community Development	376,014	8,160	-	-
Interest on Long-Term Debt	177,338	-	-	-
Total Governmental Activities	<u>4,447,246</u>	<u>673,124</u>	<u>141,219</u>	<u>34,941</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water	1,241,287	1,939,379	-	-
Sewer	1,686,562	1,337,167	-	-
Storm Sewer	171,971	155,084	-	-
Total Business-Type Activities	<u>3,099,820</u>	<u>3,431,630</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,547,066</u>	<u>\$ 4,104,754</u>	<u>\$ 141,219</u>	<u>\$ 34,941</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purpose

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Other

Transfers

Total General Revenues and Transfers

**CHANGE IN NET POSITION**

Net Position - Beginning of Year

**NET POSITION - END OF YEAR**

See accompanying Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (202,479)	\$ -	\$ (202,479)
(1,026,463)	-	(1,026,463)
(1,430,949)	-	(1,430,949)
(392,879)	-	(392,879)
(367,854)	-	(367,854)
(177,338)	-	(177,338)
<u>(3,597,962)</u>	<u>-</u>	<u>(3,597,962)</u>
-	698,092	698,092
-	(349,395)	(349,395)
-	(16,887)	(16,887)
<u>-</u>	<u>331,810</u>	<u>331,810</u>
(3,597,962)	331,810	(3,266,152)
3,612,679	-	3,612,679
4,266	-	4,266
147,737	145,704	293,441
266,851	-	266,851
108,905	(108,905)	-
<u>4,140,438</u>	<u>36,799</u>	<u>4,177,237</u>
542,476	368,609	911,085
<u>20,446,921</u>	<u>21,655,668</u>	<u>42,102,589</u>
<u>\$ 20,989,397</u>	<u>\$ 22,024,277</u>	<u>\$ 43,013,674</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

<b>ASSETS</b>	General	Economic Development Authority	GO Improvement Bonds 2011A	Improvement Fund
Cash and Investments	\$ 3,139,142	\$ 1,181,249	\$ 699,337	\$ 783,612
Accrued Interest Receivable	10,809	3,704	2,322	2,976
Accounts Receivable	23,979	-	-	-
Due from Other Governmental Units	14,611	-	-	-
Interfund Receivable	-	-	-	27,687
Taxes Receivable:				
Delinquent	62,146	8,471	-	-
Current	35,725	6,749	-	-
Special Assessments Receivable:				
Delinquent	7,955	-	131,559	217,797
Deferred	60,089	-	1,058,458	486,592
Prepaid Items	22,644	-	-	-
Land Held for Resale	-	354,556	-	-
<b>Total Assets</b>	<b>\$ 3,377,100</b>	<b>\$ 1,554,729</b>	<b>\$ 1,891,676</b>	<b>\$ 1,518,664</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Interfund Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	91,368	139,073	315	-
Salaries Payable	35,652	-	-	-
Due to Other Governments	7,373	-	-	-
Deferred Revenue	73,425	8,472	1,158,398	664,120
<b>Total Liabilities</b>	<b>207,818</b>	<b>147,545</b>	<b>1,158,713</b>	<b>664,120</b>
Fund Balances:				
Nonspendable:				
Prepaid Items	22,644	-	-	-
Land Held for Resale	-	354,556	-	-
Restricted for:				
Debt Service	-	-	732,963	-
Economic Development Activities	-	1,052,628	-	-
Park Improvements	-	-	-	-
Assigned for:				
Public Safety	1,511	-	-	-
Compensation	5,000	-	-	-
Park Development	-	-	-	-
Polar Lakes Park Development	-	-	-	-
Capital Improvements	-	-	-	854,544
Unassigned	3,140,127	-	-	-
<b>Total Fund Balances</b>	<b>3,169,282</b>	<b>1,407,184</b>	<b>732,963</b>	<b>854,544</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,377,100</b>	<b>\$ 1,554,729</b>	<b>\$ 1,891,676</b>	<b>\$ 1,518,664</b>

See accompanying Notes to the Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 1,837,804	\$ 7,641,144
6,682	26,493
-	23,979
-	14,611
-	27,687
2,213	72,830
1,701	44,175
597	357,908
144,140	1,749,279
-	22,644
-	354,556
<u>\$ 1,993,137</u>	<u>\$ 10,335,306</u>

\$ 27,687	\$ 27,687
1,862	232,618
-	35,652
-	7,373
146,338	2,050,753
<u>175,887</u>	<u>2,354,083</u>

-	22,644
-	354,556
1,028,056	1,761,019
-	1,052,628
6,385	6,385
-	1,511
-	5,000
645,549	645,549
165,407	165,407
-	854,544
(28,147)	3,111,980
<u>1,817,250</u>	<u>7,981,223</u>
<u>\$ 1,993,137</u>	<u>\$ 10,335,306</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012**

**TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS** \$ 7,981,223

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

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

Land	\$ 4,016,102	
Buildings, Net of Accumulated Depreciation	2,859,207	
Vehicles, Net of Accumulated Depreciation	792,101	
Machinery and Shop Equipment, Net of Accumulated Depreciation	744,687	
Office Furniture and Equipment, Net of Accumulated Depreciation	120,499	
Infrastructure, Net of Accumulated Depreciation	<u>7,587,686</u>	16,120,282

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. 2,039,474

Bond issuance costs are reported as expenditures in the governmental funds and are shown net of accumulated amortization on the statement of net position as other assets. 92,327

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net position. (60,824)

An internal service fund is used by management for the purpose of purchasing commercial insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is: 257,268

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

Bonds Payable	(5,324,708)	
Unamortized Premiums	(15,293)	
Unamortized Discounts	23,480	
Compensated Absence Payable	<u>(123,832)</u>	<u>(5,440,353)</u>

**TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 20,989,397**

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	General	Economic Development Authority	GO Improvement Bonds 2011A	Improvement Fund
<b>REVENUE</b>				
General Property Taxes	\$ 2,820,669	\$ 686,048	\$ -	\$ -
Licenses and Permits	222,645	-	-	-
Intergovernmental	143,846	-	-	-
Charges for Services	123,726	5,500	-	-
Investment Earnings	57,022	19,784	12,250	20,587
Fines and Forfeits	9,724	-	-	-
Park and Recreation Fees	-	-	-	-
Special Assessments	-	-	257,523	263,442
Equipment Rental	131,575	-	-	-
Miscellaneous	377,603	2,121	16,710	808
Total Revenue	<u>3,886,810</u>	<u>713,453</u>	<u>286,483</u>	<u>284,837</u>
<b>EXPENDITURES</b>				
Current:				
General Government	882,843	-	-	-
Public Safety	1,089,601	-	-	-
Public Works	572,959	-	-	134,205
Parks, Recreation and Forestry	345,831	-	-	-
Community Development	184,532	141,211	-	-
Capital Outlay	15,244	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	18,915	-
Total Expenditures	<u>3,091,010</u>	<u>141,211</u>	<u>18,915</u>	<u>134,205</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	795,800	572,242	267,568	150,632
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	162,457	-	-	90,000
Transfer Out	(481,491)	(248,080)	-	-
Total Other Financing Sources (Uses)	<u>(319,034)</u>	<u>(248,080)</u>	<u>-</u>	<u>90,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	476,766	324,162	267,568	240,632
Fund Balance - Beginning of Year	<u>2,692,516</u>	<u>1,083,022</u>	<u>465,395</u>	<u>613,912</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 3,169,282</u></u>	<u><u>\$ 1,407,184</u></u>	<u><u>\$ 732,963</u></u>	<u><u>\$ 854,544</u></u>

See accompanying Notes to the Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 114,237	\$ 3,620,954
-	222,645
-	143,846
-	129,226
32,260	141,903
-	9,724
7,000	7,000
52,342	573,307
-	131,575
45,652	442,894
<u>251,491</u>	<u>5,423,074</u>
-	882,843
-	1,089,601
18,241	725,405
1,681	347,512
-	325,743
33,483	48,727
1,082,350	1,082,350
152,327	171,242
<u>1,288,082</u>	<u>4,673,423</u>
(1,036,591)	749,651
588,335	840,792
(22,316)	(751,887)
<u>566,019</u>	<u>88,905</u>
(470,572)	838,556
<u>2,287,822</u>	<u>7,142,667</u>
<u>\$ 1,817,250</u>	<u>\$ 7,981,223</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, 2012**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 838,556

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 depreciation exceeded capital outlays in the current period.

Capital Outlays	\$ 705	
Depreciation Expense	<u>(870,634)</u>	(869,929)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of 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:

Repayment of Bond Principal	1,082,350	
Change in Accrued Interest Expense for General Obligation Bonds	8,142	
Amortization of Bond Issuance Costs	(14,092)	
Amortization of Bond Premium	2,738	
Amortization of Bond Discount	<u>(2,884)</u>	1,076,254

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, 2011	2,587,565	
Deferred Revenue - December 31, 2012	<u>2,039,474</u>	(548,091)

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.

(7,338)

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.

53,024

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 542,476

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2012	Internal Service Fund
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 3,159,340	\$ 3,185,736	\$ 545,588	\$ 6,890,664	\$ 236,013
Accounts Receivable	414,452	260,669	38,433	713,554	-
Accrued Interest Receivable	10,652	13,906	2,241	26,799	1,044
Other Assets	23,836	13,522	6,641	43,999	-
Prepaid Items	5,079	62,934	2,542	70,555	36,880
Total Current Assets	<u>3,613,359</u>	<u>3,536,767</u>	<u>595,445</u>	<u>7,745,571</u>	<u>273,937</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	(8,624,564)	(5,480,483)	(215,431)	(14,320,478)	-
Total Noncurrent Assets	<u>9,103,220</u>	<u>7,457,066</u>	<u>663,403</u>	<u>17,223,689</u>	<u>-</u>
Total Assets	12,716,579	10,993,833	1,258,848	24,969,260	273,937
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	18,117	3,648	8,615	30,380	16,669
Salaries Payable	10,389	8,735	2,301	21,425	-
Deferred Revenue	9,091	6,763	-	15,854	-
Accrued Interest Payable	26,416	2,761	1,356	30,533	-
Bonds Payable - Current Maturities	251,838	46,039	22,614	320,491	-
Compensated Absences Payable - Current	23,407	19,835	5,053	48,295	-
Total Current Liabilities	<u>339,258</u>	<u>87,781</u>	<u>39,939</u>	<u>466,978</u>	<u>16,669</u>
<b>NONCURRENT LIABILITIES</b>					
Bonds Payable - Long Term	1,761,457	467,059	229,416	2,457,932	-
Compensated Absences Payable - Long Term	9,251	8,860	1,962	20,073	-
Total Liabilities	<u>2,109,966</u>	<u>563,700</u>	<u>271,317</u>	<u>2,944,983</u>	<u>16,669</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	7,089,925	6,943,968	411,373	14,445,266	-
Unrestricted	3,516,688	3,486,165	576,158	7,579,011	257,268
Total Net Position	<u>10,606,613</u>	<u>10,430,133</u>	<u>987,531</u>	<u>22,024,277</u>	<u>257,268</u>
Total Liabilities and Net Position	<u>\$ 12,716,579</u>	<u>\$ 10,993,833</u>	<u>\$ 1,258,848</u>	<u>\$ 24,969,260</u>	<u>\$ 273,937</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2012	Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 1,756,749	\$ 1,246,648	\$ 155,084	\$ 3,158,481	\$ 140,299
Water and Sewer Availability Charges	177,708	36,600	-	214,308	-
Intergovernmental	-	54,000	-	54,000	-
<b>Total Operating Revenues</b>	<b>1,934,457</b>	<b>1,337,248</b>	<b>155,084</b>	<b>3,426,789</b>	<b>140,299</b>
<b>OPERATING EXPENSES</b>					
Personnel Services	302,346	264,562	71,077	637,985	38,844
Other Services and Charges	166,007	832,665	33,613	1,032,285	74,265
Materials and Supplies	261,246	292,228	42,990	596,464	-
Depreciation	440,973	288,361	19,996	749,330	-
<b>Total Operating Expenses</b>	<b>1,170,572</b>	<b>1,677,816</b>	<b>167,676</b>	<b>3,016,064</b>	<b>113,109</b>
<b>OPERATING INCOME (LOSS)</b>	<b>763,885</b>	<b>(340,568)</b>	<b>(12,592)</b>	<b>410,725</b>	<b>27,190</b>
<b>OTHER INCOME (EXPENSE)</b>					
Investment Earnings	56,012	77,301	12,391	145,704	5,834
Miscellaneous Nonoperating Income (Expense)	4,922	(81)	-	4,841	-
Interest and Fiscal Agent Fees	(64,959)	(7,191)	(3,532)	(75,682)	-
Bond Discount Amortization Expense	(5,756)	(1,555)	(763)	(8,074)	-
<b>Total Other Income (Expense)</b>	<b>(9,781)</b>	<b>68,474</b>	<b>8,096</b>	<b>66,789</b>	<b>5,834</b>
<b>INCOME (DEFICIT) BEFORE TRANSFERS</b>	<b>754,104</b>	<b>(272,094)</b>	<b>(4,496)</b>	<b>477,514</b>	<b>33,024</b>
<b>TRANSFERS</b>					
Transfers In	-	31,313	-	31,313	20,000
Transfers Out	(70,109)	(70,109)	-	(140,218)	-
<b>Total Capital Contributions and Transfers</b>	<b>(70,109)</b>	<b>(38,796)</b>	<b>-</b>	<b>(108,905)</b>	<b>20,000</b>
<b>CHANGE IN NET POSITION</b>	<b>683,995</b>	<b>(310,890)</b>	<b>(4,496)</b>	<b>368,609</b>	<b>53,024</b>
Net Position - Beginning of Year	9,922,618	10,741,023	992,027	21,655,668	204,244
<b>NET POSITION - END OF YEAR</b>	<b>\$ 10,606,613</b>	<b>\$ 10,430,133</b>	<b>\$ 987,531</b>	<b>\$ 22,024,277</b>	<b>\$ 257,268</b>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Water	Sewer	Storm Water	Totals 2012	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Receipts from Customers	\$ 1,762,627	\$ 1,298,486	\$ 159,434	\$ 3,220,547	\$ 140,299
Cash Paid to Suppliers	(474,757)	(1,125,190)	(68,659)	(1,668,606)	(42,384)
Cash Paid to Employees	(305,795)	(266,681)	(70,803)	(643,279)	(38,844)
Net Cash Provided (Used) by Operating Activities	982,075	(93,385)	19,972	908,662	59,071
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	-	31,313	-	31,313	20,000
Transfers Out	(70,109)	(70,109)	-	(140,218)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(70,109)	(38,796)	-	(108,905)	20,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Paid on Bonds	(407,650)	-	-	(407,650)	-
Interest and Fiscal Agent Fees	(77,752)	(7,035)	(3,415)	(88,202)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(485,402)	(7,035)	(3,415)	(495,852)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income	47,661	72,006	11,174	130,841	5,222
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	474,225	(67,210)	27,731	434,746	84,293
Cash and Cash Equivalents - Beginning of Year	2,685,115	3,252,946	517,857	6,455,918	151,720
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,159,340</u>	<u>\$ 3,185,736</u>	<u>\$ 545,588</u>	<u>\$ 6,890,664</u>	<u>\$ 236,013</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 763,885	\$ (340,568)	\$ (12,592)	\$ 410,725	\$ 27,190
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	440,973	288,361	19,996	749,330	-
Miscellaneous Other Income	4,922	-	-	4,922	-
Change in Assets and Liabilities:					
Accounts Receivable	(180,299)	8,475	4,350	(167,474)	-
Prepaid Items	765	2,056	(978)	1,843	15,422
Other Assets	3,515	1,531	752	5,798	-
Accounts Payable	(48,269)	(3,884)	8,170	(43,983)	16,459
Salaries Payable	786	617	290	1,693	-
Compensated Absences	(4,235)	(2,736)	(16)	(6,987)	-
Deferred Revenue	32	(47,237)	-	(47,205)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 982,075</u>	<u>\$ (93,385)</u>	<u>\$ 19,972</u>	<u>\$ 908,662</u>	<u>\$ 59,071</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**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 accounting principles generally accepted in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

**A. FINANCIAL REPORTING ENTITY**

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

**COMPONENT UNITS**

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

**Blended Component Unit**

The Economic Development Authority (EDA) for White Bear Township is an entity legally separate from the Township. However, for financial reporting purposes, the EDA is presented as a blended component unit and is reported as if it were part of the Township's operations 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 position and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall Township 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 position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. The Township first utilizes restricted resources to finance qualifying activities.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**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.

In 2012 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This changed terminology in the government-wide financial statements from net assets to net position and invested in capital assets, net of related debt to net investment in capital assets. The standard had no financial impact.

2. Fund Financial Statements

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

The Township reports the following major governmental funds:

General Fund

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

Economic Development Authority

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

G.O. Improvement Bonds 2011A

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

Improvement Fund

The improvement capital projects fund accounts for improvement project activity.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

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

2. Fund Financial Statements (Continued)

The Township reports the following major enterprise funds:

Water Fund

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

Sewer Fund

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

Storm Water Fund

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

Additionally, the Township reports the following fund:

Internal Service Fund

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

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

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

**E. LEGAL COMPLIANCE - BUDGETS**

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

1. The Township Clerk-Treasurer submits to the Township Board of Supervisors 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 FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

**F. CASH AND INVESTMENTS**

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

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

Investments are stated at 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 classified as nonspendable.

**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 FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**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 2012 totaled \$237,749. 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 FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

**L. LAND HELD FOR RESALE**

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

**M. 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.

**N. 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.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

**O. NET POSITION**

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

**P. FUND BALANCE**

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

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

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

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

**Q. 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 position and statements of activities.

**R. 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, 2012.

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

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

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

The Township had no deposits in banks at December 31, 2012, 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.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**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	\$ 3,396,333	\$ 3,396,333	\$ -	\$ -	\$ -
Marketable Certificates of Deposit	3,163,896	467,033	310,958	1,523,701	862,204
Municipal Bonds	6,847,695	120,238	-	2,721,363	4,006,094
Federal National Mortgage Association	626,303	-	-	-	626,303
Government National Mortgage Association	6,144	-	-	-	6,144
Government Money Market Mutual Funds	727,450	727,450	-	-	-
Total	<u>\$ 14,767,821</u>	<u>\$ 4,711,054</u>	<u>\$ 310,958</u>	<u>\$ 4,245,064</u>	<u>\$ 5,500,745</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	\$ 3,396,333
Government Money Market Mutual Funds	N/A	727,450
Municipal Bonds	AAA	6,847,695
Federal National Mortgage Association	AA	626,303
Government National Mortgage Association	AA	6,144
Total		<u>\$ 11,603,925</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 FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

**B. INVESTMENTS (CONTINUED)**

***Credit Risk***

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

The Township's investment in marketable CDs is unrated as of December 31, 2012.

***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 2012.

**Note 3 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,016,102	\$ -	\$ -	\$ 4,016,102
Capital Assets, Being Depreciated:				
Buildings	3,699,502	-	-	3,699,502
Vehicles	1,390,474	-	-	1,390,474
Machinery and Shop Equipment	1,258,016	705	-	1,258,721
Office Furniture and Equipment	448,341	-	-	448,341
Infrastructure	21,474,224	-	-	21,474,224
Total Capital Assets, Being Depreciated	28,270,557	705	-	28,271,262
Accumulated Depreciation for:				
Buildings	(762,247)	(78,048)	-	(840,295)
Vehicles	(522,903)	(75,470)	-	(598,373)
Machinery and Shop Equipment	(455,292)	(58,742)	-	(514,034)
Office Furniture and Equipment	(256,536)	(71,306)	-	(327,842)
Infrastructure	(13,299,470)	(587,068)	-	(13,886,538)
Total Accumulated Depreciation	(15,296,448)	(870,634)	-	(16,167,082)
Total Capital Assets, Being Depreciated, Net	12,974,109	(869,929)	-	12,104,180
Governmental Activities Capital Assets, Net	<u>\$ 16,990,211</u>	<u>\$ (869,929)</u>	<u>\$ -</u>	<u>\$ 16,120,282</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 50,917
Public Safety	276
Public Works	762,477
Parks, Recreation and Forestry	55,960
Community Development	1,004
Total Depreciation Expense, Governmental Activities	<u>\$ 870,634</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Note 3 CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended December 31, 2012 was as follows (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets, Being Depreciated:				
Buildings	\$ 6,177,719	\$ -	\$ -	\$ 6,177,719
Vehicles and Equipment	613,938	-	-	613,938
Infrastructure	24,752,510	-	-	24,752,510
Total Capital Assets, Being Depreciated	<u>31,544,167</u>	<u>-</u>	<u>-</u>	<u>31,544,167</u>
Accumulated Depreciation for:				
Buildings	(3,459,054)	(192,823)	-	(3,651,877)
Vehicles and Equipment	(135,181)	(59,952)	-	(195,133)
Infrastructure	(9,976,913)	(496,555)	-	(10,473,468)
Total Accumulated Depreciation	<u>(13,571,148)</u>	<u>(749,330)</u>	<u>-</u>	<u>(14,320,478)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,973,019</u>	<u>\$ (749,330)</u>	<u>\$ -</u>	<u>\$ 17,223,689</u>

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

Business-Type Activities	
Water	\$ 440,973
Sewer	288,361
Storm Sewer	19,996
Total Depreciation Expense, Business-Type Activities	<u>\$ 749,330</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Note 4 TOWNSHIP INDEBTEDNESS**

Township indebtedness at December 31, 2012 is composed of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Balance 12/31/12
<b>Governmental Activities:</b>					
General Obligation Bonds:					
*G.O. Tax Increment Refund - 2006A	6/1/2006	2/1/2014	4.00%	\$ 1,155,000	\$ 330,000
G.O. Public Facilities 2004A	11/1/2004	2/1/2020	3.75%	2,500,000	1,495,000
G.O. Improvement 2005A	6/1/2005	2/1/2021	3.00%-4.13%	755,000	180,000
*G.O. Tax Increment - 2005B	12/15/2005	2/1/2021	5.00%-5.25%	515,000	475,000
G.O. Improvement - 2008A	12/15/2005	2/1/2019	3.50%-4.00%	479,182	344,708
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
<b>Total Bonds</b>				<u>7,904,182</u>	<u>5,324,708</u>
Unamortized Bond Discount				(36,089)	(23,480)
Unamortized Bond Premium				33,839	15,293
Compensated Absences Payable				N/A	123,832
<b>Total Governmental Activities</b>				<u>\$ 7,901,932</u>	<u>\$ 5,440,353</u>
*Represents non-capital related debt					
<b>Business-Type Activities:</b>					
Revenue Bonds:					
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	1,475,292
<b>Total Bonds</b>				<u>3,340,818</u>	<u>2,765,292</u>
Unamortized Bond Discount				(17,849)	(4,185)
Unamortized Bond Premium				29,101	17,316
Compensated Absences Payable				N/A	68,368
<b>Total Business-Type Activities</b>				<u>\$ 3,352,070</u>	<u>\$ 2,846,791</u>

The following is a schedule of changes in Township indebtedness for the year ended December 31, 2012:

	Payable 12/31/11	Additions	Reductions	Payable 12/31/12	Due Within One Year
<b>Governmental Activities:</b>					
Bonded Debt:					
General Obligation Bonds	\$ 6,407,058	\$ -	\$ 1,082,350	\$ 5,324,708	\$ 679,509
Unamortized Bond Discount	(26,364)	-	(2,884)	(23,480)	-
Unamortized Bond Premium	18,031	-	2,738	15,293	-
Compensated Absences Payable	116,494	110,113	102,775	123,832	89,361
<b>Total Governmental Activities</b>	<u>6,515,219</u>	<u>110,113</u>	<u>1,184,979</u>	<u>5,440,353</u>	<u>768,870</u>
<b>Business-Type Activities:</b>					
Revenue Bonds	3,172,942	-	407,650	2,765,292	320,491
Unamortized Bond Discount	(5,366)	-	(1,181)	(4,185)	-
Unamortized Bond Premium	20,203	-	2,887	17,316	-
Compensated Absences Payable	75,355	61,791	68,778	68,368	48,295
<b>Total Business-Type Activities</b>	<u>3,263,134</u>	<u>61,791</u>	<u>478,134</u>	<u>2,846,791</u>	<u>368,786</u>
<b>Total</b>	<u>\$ 9,778,353</u>	<u>\$ 171,904</u>	<u>\$ 1,663,113</u>	<u>\$ 8,287,144</u>	<u>\$ 1,137,656</u>

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Note 4 TOWNSHIP INDEBTEDNESS (CONTINUED)**

All long-term bonded indebtedness outstanding at December 31, 2012 is backed by the full faith and credit of the Township, including special assessment bond issues. For the governmental activities, compensated absences are generally liquidated by the general fund.

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 679,509	\$ 178,554	\$ 320,491	\$ 28,088	\$ 1,206,642
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	564,244	92,271	355,756	44,311	1,056,583
2017	595,191	76,814	364,809	34,285	1,071,099
2018-2022	2,268,905	135,267	1,051,095	48,220	3,503,487
Total	<u>\$ 5,324,708</u>	<u>\$ 744,263</u>	<u>\$ 2,765,292</u>	<u>\$ 234,325</u>	<u>\$ 9,068,588</u>

**Description and Restrictions of Long-Term Debt**

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

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

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

**A. PLAN DESCRIPTION**

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*, Chapters 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.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

**A. PLAN DESCRIPTION (CONTINUED)**

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 GERS 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.

**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. GERS Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2012. 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, 2012, 2011, and 2010 were \$89,746, \$87,956, and \$82,597, respectively. The Township's contributions were equal to the contractually required contributions for each year as set by state statute.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Note 6 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

**A. DEFICIT FUND BALANCES**

The Township has a deficit fund balance at December 31, 2012 in the following funds:

	Fund Balance Deficit
2010 Street Improvement Fund	\$ (28,147)

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 2012 as follows:

	Final Budget	Actual	Excess
General Fund:			
Community Development	\$ 183,000	\$ 184,532	\$ (1,532)

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

**Note 7 COMMITMENTS AND CONTINGENCIES**

Fire, Rescue and Ambulance Services – The Township has entered into an agreement with the City of White Bear Lake whereby the City will provide the Township with fire, rescue and ambulance services. The term of the original contract was five years, commencing January 1, 1992, and renews automatically. Related expenditures for fiscal year 2012 were approximately \$230,176.

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 2012 were approximately \$859,425.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Note 8 INTERFUND TRANSFERS**

Individual fund transfers for fiscal year 2012 are as follows:

	Transfer In	Transfer Out
Governmental Activity:		
General Fund	\$ 162,457	\$ (481,491)
Economic Development Authority	-	(248,080)
Improvement Fund	90,000	-
Debt Service Funds:		
Tax Increment Bonds 1999D	116,343	-
Tax Increment Bonds 2001C	71,950	-
Tax Increment Bonds 2004A	247,719	-
GO Improvement Bonds 2005A	7,100	-
Tax Increment Bonds 2005B	45,223	-
Capital Projects Funds:		
Park Acquisition Fund	20,000	-
Community Park Improvement Fund	80,000	(22,316)
Internal Service Funds	20,000	-
Total Governmental Activity	860,792	(751,887)
Business-Type Activity:		
Water Fund	-	(70,109)
Sewer Fund	31,313	(70,109)
	\$ 892,105	\$ (892,105)

During 2012, 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.

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**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, 2012 is as follows:

<u>Enterprises</u>	<u>Purpose</u>	<u>Balance at December 31, 2012</u>
N.A. Ternes & Associates	Construction of a Facility	\$ 610,000
St. Croix Valley Hardwoods	Construction of a Facility	31,447
Cerenity Care Center	Construction of a Facility	7,595,000
White Bear Leased Housing Associates II	Construction of a Facility	7,630,000

**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, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUE</b>				
General Property Taxes	\$ 2,789,071	\$ 2,789,071	\$ 2,820,669	\$ 31,598
Licenses and Permits	95,625	95,625	222,645	127,020
Intergovernmental	132,857	132,857	143,846	10,989
Charges for Services	82,950	82,950	123,726	40,776
Investment Earnings	22,924	22,924	57,022	34,098
Fines and Forfeits	12,000	12,000	9,724	(2,276)
Equipment Rental	262,500	262,500	131,575	(130,925)
Miscellaneous	275,641	275,641	377,603	101,962
Total Revenue	<u>3,673,568</u>	<u>3,673,568</u>	<u>3,886,810</u>	<u>213,242</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
General Government	269,700	269,700	262,612	7,088
Administration	262,224	262,224	250,036	12,188
Board of Supervisors	38,608	38,608	37,303	1,305
Elections	30,251	30,251	20,686	9,565
Code Enforcement	189,987	189,987	183,408	6,579
Town Buildings	177,304	177,304	128,798	48,506
Total General Government	<u>968,074</u>	<u>968,074</u>	<u>882,843</u>	<u>85,231</u>
Public Safety:				
Police and Traffic Control	880,943	880,943	859,425	21,518
Fire Protection	231,509	231,509	230,176	1,333
Total Public Safety	<u>1,112,452</u>	<u>1,112,452</u>	<u>1,089,601</u>	<u>22,851</u>
Public Works:				
Road and Bridge	423,218	423,218	356,978	66,240
Public Works	214,498	214,498	199,237	15,261
Recycling	26,414	26,414	16,744	9,670
Total Public Works	<u>664,130</u>	<u>664,130</u>	<u>572,959</u>	<u>91,171</u>
Parks, Recreation and Forestry	394,341	394,341	345,831	48,510
Community Development	183,000	183,000	184,532	(1,532)
Capital Outlay	254,000	254,000	15,244	238,756
Total Expenditures	<u>3,575,997</u>	<u>3,575,997</u>	<u>3,091,010</u>	<u>484,987</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	97,571	97,571	795,800	698,229
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	36,166	36,166	162,457	126,291
Transfer Out	(106,313)	(106,313)	(481,491)	(375,178)
Sale of Property	5,000	5,000	-	(5,000)
Total Other Financing Uses	<u>(65,147)</u>	<u>(65,147)</u>	<u>(319,034)</u>	<u>(253,887)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 32,424</u>	<u>\$ 32,424</u>	476,766	<u>\$ 444,342</u>
Fund Balance - Beginning of Year			<u>2,692,516</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 3,169,282</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, 2012**

	<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	\$ 686,048	\$ (165,464)
Charges for Services	6,000	6,000	5,500	(500)
Investment Earnings	14,436	14,436	19,784	5,348
Miscellaneous	-	-	2,121	2,121
Total Revenue	<u>871,948</u>	<u>871,948</u>	<u>713,453</u>	<u>(158,495)</u>
<b>EXPENDITURES</b>				
Current:				
Community Development	<u>279,031</u>	<u>279,031</u>	<u>141,211</u>	<u>137,820</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	592,917	592,917	572,242	(20,675)
<b>OTHER FINANCING USES</b>				
Transfer Out	<u>(270,400)</u>	<u>(270,400)</u>	<u>(248,080)</u>	<u>22,320</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 322,517</u>	<u>\$ 322,517</u>	324,162	<u>\$ 1,645</u>
Fund Balance - Beginning of Year			<u>1,083,022</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,407,184</u>	

**WHITE BEAR TOWNSHIP, MINNESOTA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2012**

**STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY - BUDGETS**

The General Fund and Economic Development Authority Special Revenue Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Actual expenditures exceeded budgets during 2012 as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Community Development	\$ 183,000	\$ 184,532	\$ (1,532)

These excess expenditures were funded by existing General Fund fund balances.

## **COMBINING FUND FINANCIAL STATEMENTS**

**WHITE BEAR TOWNSHIP, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	Debt Service					G.O.	
	Tax Increment Bonds 1999D	Tax Increment Bonds 2001C	Public Facility Bonds 2004A	Improvements Bonds 2005A	Tax Increment Bonds 2005B	Improvement and Utility Revenue Bonds 2008A	Debt Service Subtotal
<b>ASSETS</b>							
Cash and Investments	\$ 116,600	\$ 147,654	\$ 318,991	\$ 146,450	\$ 49,210	\$ 243,588	\$ 1,022,493
Accrued Interest Receivable	63	623	844	603	119	998	3,250
Taxes Receivable:							
Delinquent	877	-	1,336	-	-	-	2,213
Due from County	584	-	1,117	-	-	-	1,701
Special Assessments Receivable:							
Delinquent	-	-	-	248	-	349	597
Deferred	-	18,098	-	14,588	-	111,454	144,140
Total Assets	<u>\$ 118,124</u>	<u>\$ 166,375</u>	<u>\$ 322,288</u>	<u>\$ 161,889</u>	<u>\$ 49,329</u>	<u>\$ 356,389</u>	<u>\$ 1,174,394</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-
Deferred Revenue - Unavailable	883	18,098	1,336	14,708	-	111,313	146,338
Total Liabilities	<u>883</u>	<u>18,098</u>	<u>1,336</u>	<u>14,708</u>	<u>-</u>	<u>111,313</u>	<u>146,338</u>
Fund Balance:							
Restricted for:							
Debt Service	117,241	148,277	320,952	147,181	49,329	245,076	1,028,056
Park Improvements	-	-	-	-	-	-	-
Assigned for:							
Park Development	-	-	-	-	-	-	-
Polar Lakes Park Development	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	<u>117,241</u>	<u>148,277</u>	<u>320,952</u>	<u>147,181</u>	<u>49,329</u>	<u>245,076</u>	<u>1,028,056</u>
Total Liabilities and Fund Balance	<u>\$ 118,124</u>	<u>\$ 166,375</u>	<u>\$ 322,288</u>	<u>\$ 161,889</u>	<u>\$ 49,329</u>	<u>\$ 356,389</u>	<u>\$ 1,174,394</u>

Special Revenue	Capital Projects			
Park Acquisition Fund	Community Park Improvement Fund	2010 Street Improvement Fund	Capital Projects Subtotal	Totals 2012
\$ 649,016	\$ 165,030	\$ 1,265	\$ 166,295	\$ 1,837,804
2,918	377	137	514	6,682
-	-	-	-	2,213
-	-	-	-	1,701
-	-	-	-	597
-	-	-	-	144,140
<u>\$ 651,934</u>	<u>\$ 165,407</u>	<u>\$ 1,402</u>	<u>\$ 166,809</u>	<u>\$ 1,993,137</u>
\$ -	\$ -	\$ 27,687	\$ 27,687	\$ 27,687
-	-	1,862	1,862	1,862
-	-	-	-	146,338
-	-	29,549	29,549	175,887
-	-	-	-	1,028,056
6,385	-	-	-	6,385
645,549	-	-	-	645,549
-	165,407	-	165,407	165,407
-	-	(28,147)	(28,147)	(28,147)
<u>651,934</u>	<u>165,407</u>	<u>(28,147)</u>	<u>137,260</u>	<u>1,817,250</u>
<u>\$ 651,934</u>	<u>\$ 165,407</u>	<u>\$ 1,402</u>	<u>\$ 166,809</u>	<u>\$ 1,993,137</u>

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	Debt Service						
	Tax Increment Bonds 1999D	Tax Increment Bonds 2001C	Public Facility Bonds 2004A	Improvement Bonds 2005A	Tax Increment Bonds 2005B	G.O. Improvement and Utility Revenue Bonds 2008A	Debt Service Subtotal
<b>REVENUE</b>							
General Property Taxes	\$ 39,985	\$ -	\$ 74,252	\$ -	\$ -	\$ -	\$ 114,237
Investment Earnings	(232)	3,448	4,491	3,334	484	5,543	17,068
Park and Recreation Fees	-	-	-	-	-	-	-
Special Assessments	-	6,376	-	14,226	-	31,740	52,342
Miscellaneous	(123)	-	351	-	-	-	228
Total Revenue	<u>39,630</u>	<u>9,824</u>	<u>79,094</u>	<u>17,560</u>	<u>484</u>	<u>37,283</u>	<u>183,875</u>
<b>EXPENDITURES</b>							
Current:							
Public Works	-	-	-	-	-	-	-
Parks, Recreation and Forestry	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	155,000	695,000	155,000	20,000	10,000	47,350	1,082,350
Interest and Fiscal Charges	16,823	23,274	59,533	12,826	32,794	7,077	152,327
Total Expenditures	<u>171,823</u>	<u>718,274</u>	<u>214,533</u>	<u>32,826</u>	<u>42,794</u>	<u>54,427</u>	<u>1,234,677</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(132,193)	(708,450)	(135,439)	(15,266)	(42,310)	(17,144)	(1,050,802)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	116,343	71,950	247,719	7,100	45,223	-	488,335
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>116,343</u>	<u>71,950</u>	<u>247,719</u>	<u>7,100</u>	<u>45,223</u>	<u>-</u>	<u>488,335</u>
<b>NET CHANGE IN FUND BALANCE</b>	(15,850)	(636,500)	112,280	(8,166)	2,913	(17,144)	(562,467)
Fund Balance - Beginning of Year	<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>1,590,523</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 117,241</u>	<u>\$ 148,277</u>	<u>\$ 320,952</u>	<u>\$ 147,181</u>	<u>\$ 49,329</u>	<u>\$ 245,076</u>	<u>\$ 1,028,056</u>

Special Revenue	Capital Projects			
Park Acquisition Fund	Community Park Improvement Fund	2010 Street Improvement Fund	Capital Projects Subtotal	Totals 2012
\$ -	\$ -	\$ -	\$ -	\$ 114,237
16,362	(2,121)	951	(1,170)	32,260
7,000	-	-	-	7,000
-	-	-	-	52,342
-	45,424	-	45,424	45,652
<u>23,362</u>	<u>43,303</u>	<u>951</u>	<u>44,254</u>	<u>251,491</u>
-	-	18,241	18,241	18,241
1,681	-	-	-	1,681
26,885	50	6,548	6,598	33,483
-	-	-	-	1,082,350
-	-	-	-	152,327
<u>28,566</u>	<u>50</u>	<u>24,789</u>	<u>24,839</u>	<u>1,288,082</u>
(5,204)	43,253	(23,838)	19,415	(1,036,591)
20,000	80,000	-	80,000	588,335
-	(22,316)	-	(22,316)	(22,316)
<u>20,000</u>	<u>57,684</u>	<u>-</u>	<u>57,684</u>	<u>566,019</u>
14,796	100,937	(23,838)	77,099	(470,572)
<u>637,138</u>	<u>64,470</u>	<u>(4,309)</u>	<u>60,161</u>	<u>2,287,822</u>
<u>\$ 651,934</u>	<u>\$ 165,407</u>	<u>\$ (28,147)</u>	<u>\$ 137,260</u>	<u>\$ 1,817,250</u>

### III.

## STATISTICAL SECTION (UNAUDITED)

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

### Contents

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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 which the Township's financial activities take place.

#### **Operating Information**

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

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities:</b>									
Net Investment in Capital Assets	\$ 8,104,497	\$ 10,590,125	\$ 12,051,346	\$ 14,215,146	\$ 14,351,955	\$ 13,569,362	\$ 13,201,804	\$ 12,902,768	\$ 12,258,761
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	4,427,242
Unrestricted	835,501	1,414,971	(297,869)	(338,758)	886,188	1,836,756	4,149,416	2,895,036	4,303,394
Total Governmental Activities Net Position	<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>	<u>\$ 20,989,397</u>
<b>Business-Type Activities:</b>									
Net Investment in Capital Assets	\$ 17,278,142	\$ 17,046,624	\$ 17,727,768	\$ 17,911,320	\$ 17,692,311	\$ 16,464,691	\$ 16,162,163	\$ 15,271,382	\$ 14,445,266
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	7,579,011
Total Business-Type Activities Net Position	<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>	<u>\$ 22,024,277</u>
<b>Primary Government:</b>									
Net Investment in Capital Assets	\$ 25,382,639	\$ 27,636,749	\$ 29,779,114	\$ 32,126,466	\$ 32,044,266	\$ 30,034,053	\$ 29,363,967	\$ 28,174,150	\$ 26,704,027
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	4,427,242
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	11,882,405
Total Primary Government Net Position	<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>	<u>\$ 43,013,674</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 POSITION**  
**LAST NINE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>									
Governmental Activities:									
General Government	\$ 784,823	\$ 379,547	\$ 646,066	\$ 821,104	\$ 819,309	\$ 905,477	\$ 934,274	\$ 889,444	\$ 913,141
Public Safety	847,531	885,898	934,373	972,081	995,844	1,028,345	1,031,533	1,052,716	1,090,602
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	1,486,743
Parks, Recreation and Forestry	224,700	179,270	337,611	83,002	246,966	237,266	342,767	304,424	403,408
Community Development	518,968	2,249,824	1,197,358	1,626,198	833,115	652,991	667,331	1,708,220	376,014
Interest on Long-Term Debt	168,208	229,618	271,642	250,376	178,950	207,360	189,773	155,488	177,338
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>	<u>4,447,246</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	1,241,287
Sewer	762,828	744,766	868,204	914,986	1,137,302	1,283,429	1,240,584	1,422,937	1,686,562
Storm Sewer	45,137	60,662	91,606	71,334	167,314	92,992	107,974	137,694	171,971
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>	<u>3,099,820</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>	<u>\$ 7,547,066</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	\$ 627,481
Public Safety	25,952	14,161	22,517	18,500	28,733	21,542	21,742	23,367	28,593
Public Works	-	-	-	-	-	-	16,500	-	-
Parks, Recreation and Forestry	17,937	94,043	53,221	51,219	57,986	36,204	5,500	5,853	8,890
Community Development	8,015	11,578	11,598	12,529	4,313	4,945	12,192	14,108	8,160
Operating Grants and Contributions	79,224	85,250	91,188	96,832	100,513	135,718	136,648	797,209	141,219
Capital Grants and Contributions	1,539,673	987,304	1,781,789	614,792	771,599	175,451	87,886	1,936,557	34,941
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>	<u>849,284</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	1,939,379
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	1,337,167
Storm Sewer	149,224	148,735	152,058	149,734	156,408	155,413	155,175	155,886	155,084
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>	<u>3,431,630</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>	<u>\$ 4,280,914</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)	\$ (3,597,962)
Business-Type Activities	(20,694)	284,893	(95,457)	(133,792)	(497,803)	(942,044)	(486,003)	(566,974)	331,810
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>	<u>\$ (3,266,152)</u>
<b>General Revenues and Other Changes in Net Position:</b>									
Governmental Activities:									
Property Taxes	\$ 3,175,590	\$ 3,137,255	\$ 3,181,931	\$ 3,265,438	\$ 3,221,451	\$ 3,612,679	\$ 3,015,729	\$ 3,449,241	\$ 3,612,679
Unrestricted Grants and Contributions	119,938	141,738	285,507	102,196	109,441	4,266	17,623	38,957	4,266
Unrestricted Investment Earnings	69,458	144,727	131,222	216,904	162,393	147,737	73,651	68,405	147,737
Gain on Sale of Capital Assets	25,402	3,756	-	-	-	-	10,243	246	-
Miscellaneous	66,851	25,382	149,503	61,183	123,106	266,851	207,560	385,777	266,851
Transfers	(289,665)	(351,672)	(448,932)	98,603	227,261	153,183	107,158	221,822	108,905
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>4,184,716</u>	<u>3,431,964</u>	<u>4,164,448</u>	<u>4,140,438</u>
Business-Type Activities:									
Unrestricted Investment Earnings	93,889	104,847	298,364	187,955	188,807	160,959	90,462	74,860	145,704
Transfers	289,665	351,672	448,932	(98,603)	(227,261)	(153,183)	(107,158)	(221,822)	(108,905)
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>	<u>36,799</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>\$ 4,192,492</u>	<u>\$ 3,415,268</u>	<u>\$ 4,017,486</u>	<u>\$ 4,177,237</u>
<b>Change in Net Position</b>									
Governmental Activities	\$ 2,366,382	\$ (780,305)	\$ 958,789	\$ 215,161	\$ 986,177	\$ 741,261	\$ (196,772)	\$ 1,945,986	\$ 542,476
Business-Type Activities	362,860	741,412	651,839	(44,440)	(536,257)	(934,268)	(502,699)	(713,936)	368,609
Total Primary Government	<u>\$ 2,729,242</u>	<u>\$ (38,893)</u>	<u>\$ 1,610,628</u>	<u>\$ 170,721</u>	<u>\$ 449,920</u>	<u>\$ (193,007)</u>	<u>\$ (699,471)</u>	<u>\$ 1,232,050</u>	<u>\$ 911,085</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				
	2003	2004	2005	2006	2007
<b>General Fund:</b>					
Reserved	\$ 200	\$ 16,239	\$ 14,564	\$ 17,209	\$ 15,157
Unreserved	1,545,829	1,574,184	1,686,788	1,729,465	1,839,521
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>1,546,029</u>	<u>1,590,423</u>	<u>1,701,352</u>	<u>1,746,674</u>	<u>1,854,678</u>
<b>All Other Governmental Funds:</b>					
Reserved Reported in:					
Special Revenue Funds	-	274,233	212,402	838,718	834,591
Capital Projects Funds	348,435	-	-	-	-
Debt Service Funds	2,733,353	1,747,810	727,559	634,932	330,011
Unreserved Reported in:					
Special Revenue Funds	485,320	433,044	716,631	180,366	236,151
Capital Projects Funds	1,131,014	1,960,763	1,727,989	(685,980)	(1,041,884)
Debt Service Funds	-	934,033	72,474	628,564	1,318,292
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	<u>4,698,122</u>	<u>5,349,883</u>	<u>3,457,055</u>	<u>1,596,600</u>	<u>1,677,161</u>
 Total All Funds	 <u>\$ 6,244,151</u>	 <u>\$ 6,940,306</u>	 <u>\$ 5,158,407</u>	 <u>\$ 3,343,274</u>	 <u>\$ 3,531,839</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				
2008	2009	2010	2011	2012		
\$ 3,756	\$ 27,488	\$ 20,345	\$ 20,345	\$ -		
2,220,282	2,189,726	2,122,782	2,122,782	-		
-	-	-	-	22,644		
-	-	-	-	6,511		
-	-	-	-	3,140,127		
<u>2,224,038</u>	<u>2,217,214</u>	<u>2,143,127</u>	<u>2,143,127</u>	<u>3,169,282</u>		
632,517	634,155	632,718	632,718	-		
-	-	-	-	-		
190,433	201,201	1,007,277	1,007,277	-		
554,240	1,066,657	1,219,761	1,219,761	-		
(30,151)	(250,420)	479,884	479,884	-		
1,006,006	1,487,357	172,532	172,532	-		
-	-	-	-	354,556		
-	-	-	-	2,820,032		
-	-	-	-	1,665,500		
-	-	-	-	(28,147)		
<u>2,353,045</u>	<u>3,138,950</u>	<u>3,512,172</u>	<u>3,512,172</u>	<u>4,811,941</u>		
<u>\$ 4,577,083</u>	<u>\$ 5,356,164</u>	<u>\$ 5,655,299</u>	<u>\$ 5,655,299</u>	<u>\$ 7,981,223</u>		

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

	Fiscal Year			
	2003	2004	2005	2006
<b>Revenues:</b>				
Property Taxes	\$ 2,786,371	\$ 3,205,618	\$ 2,918,559	\$ 3,168,630
Licenses and Permits	376,872	215,991	199,941	165,917
Intergovernmental	233,075	181,888	225,374	209,123
Charges for Services	23,062	124,035	151,484	106,230
Investment Earnings	119,212	66,234	141,742	122,577
Fines and Forfeits	12,782	15,169	11,767	12,193
Park and Recreation Fees	26,492	18,722	29,658	8,905
Special Assessments	1,247,127	935,525	981,797	1,032,397
Equipment Rental	82,400	125,125	137,875	145,575
Miscellaneous	397,988	154,445	196,594	494,735
Total Revenues	<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	638,381	764,586	747,172	821,054
Public Safety	877,365	836,647	881,203	928,637
Public Works	481,843	768,514	1,149,795	1,078,006
Parks, Recreation and Forestry	185,790	264,952	255,184	265,267
Community Development	1,002,937	1,909,123	668,700	696,186
Capital Outlay	1,020,300	1,154,411	2,693,822	3,153,859
Debt Service:				
Principal	1,845,000	1,250,000	1,430,000	260,000
Interest and Fiscal Charges	290,057	209,911	258,136	277,945
Total Expenditures	<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	(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	1,449,784	1,783,258	2,336,084	1,625,247
Transfer Out	(1,388,785)	(1,596,810)	(2,282,456)	(1,028,896)
Total Other Financing Sources (Uses)	<u>60,999</u>	<u>2,811,547</u>	<u>1,307,322</u>	<u>199,539</u>
Net Change in Fund Balances	<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	40.1%	24.3%	31.3%	9.9%

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 3,247,353	\$ 3,226,216	\$ 3,320,266	\$ 3,025,483	\$ 3,437,304	\$ 3,620,954
135,275	162,266	92,970	129,311	127,063	222,645
189,278	209,902	201,737	153,571	835,701	143,846
170,389	174,069	115,127	132,565	161,596	129,226
205,902	154,790	62,576	70,023	65,495	141,903
14,404	15,519	16,988	13,631	14,867	9,724
5,750	18,000	1,500	5,500	4,000	7,000
1,012,514	699,269	616,415	402,207	795,476	573,307
155,335	171,200	124,450	149,050	225,500	131,575
264,964	387,987	267,154	327,617	416,051	442,894
<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>	<u>5,423,074</u>
851,375	856,600	884,291	908,524	961,827	882,843
966,064	995,444	1,026,176	1,030,499	1,052,119	1,089,601
914,458	1,212,395	623,983	701,375	761,962	725,405
314,609	286,153	315,828	328,105	337,316	347,512
770,666	482,857	322,310	432,608	1,577,725	325,743
945,419	363,385	325,070	232,302	1,966,836	48,727
410,000	495,000	495,000	406,668	440,456	1,082,350
230,185	212,303	200,852	189,805	212,844	171,242
<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>	<u>4,673,423</u>
(1,612)	315,081	625,673	179,072	(1,228,032)	749,651
2,646	4,014	225	12,905	7,443	-
-	485,982	-	-	2,500,000	-
-	-	-	-	-	-
-	-	-	-	(13,865)	-
-	-	-	-	-	-
1,518,980	1,652,269	479,709	1,227,559	1,872,098	840,792
<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>(751,887)</u>
<u>190,177</u>	<u>730,163</u>	<u>153,408</u>	<u>120,063</u>	<u>2,949,187</u>	<u>88,905</u>
<u>\$ 188,565</u>	<u>\$ 1,045,244</u>	<u>\$ 779,081</u>	<u>\$ 299,135</u>	<u>\$ 1,721,155</u>	<u>\$ 838,556</u>
14.0%	16.9%	18.1%	15.3%	8.9%	26.8%

**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
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
2012	9,714,486	1,060,494	1,797,980	119,326	12,692,286	23.767	1,169,441,400	1.09

**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
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
2012	23.399	0.368	23.767	26.102	29.044	-	61.316

**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>
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
9.955	126.417	150.184

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

Taxpayer	2012		
	2012 Tax Capacity	Rank	Percentage of Total City Taxable Assessed Value
Specialty Manufacturing Inc.	\$ 233,354	1	1.8 %
Wilbert Plastics, Inc. (Thermoform)	190,570	2	1.5
Muller Family Theatres	149,250	3	1.2
North Oaks Farms Inc	148,026	4	1.2
Schwing America, Inc.	146,296	5	1.2
JMK Limited Partnership	145,474	6	1.1
Heraeus Vadnais Inc.	122,750	7	1.0
PM Minnesota LLC & CO Pentair	120,250	8	0.9
Spearman Real Estate	103,250	9	0.8
Chorus Corporation	89,250	10	0.7
Porus Media, LLC			-
EPI Corporation			-
Com Tal Machine & Engineering			-
Cortec Corporation			-
Water Gremlin Company			-
All Other Taxpayers	<u>11,243,816</u>		<u>88.6</u>
Total	<u>\$ 12,692,286</u>		<u>100.0 %</u>

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

2003

2003 Tax Capacity		Rank	Percentage of Total City Taxable Assessed Value
\$	100,212	5	1.0 %
	263,966	1	2.7
	128,540	4	1.3
	-		-
	222,364	2	2.3
	98,476	6	1.0
	-		-
	-		-
	-		-
	79,026	8	0.8
	141,212	3	1.4
	96,830	7	1.0
	77,062	9	0.8
	59,804	10	0.6
	<u>8,599,133</u>		<u>87.2</u>
\$	<u>9,866,625</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
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
2012	2,789,071	115,000	2,904,071	2,912,863	100.3

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		
\$ 11,476	\$ 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
18,605	2,931,468	100.9	62,146	2.1

**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
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
2012	5,324,708	-	-	2,765,292

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>
\$ 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	0.0036	1.7	680
7,290,000	0.29	0.0052	1.4	621
6,455,000	0.28	0.0048	1.4	590
9,580,000	0.45	0.0077	1.9	871
8,090,000	0.42	0.0069	1.6	730

**WHITE BEAR TOWNSHIP, MINNESOTA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**DECEMBER 31, 2012**  
**(UNAUDITED)**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Overlapping:</b>			
Ramsey County	\$ 190,777,000	1.666 %	\$ 3,179,149
County Library	19,775,000	4.771	943,456
Metro Watershed	1,732,957	-	-
I.S.D. #621	183,433,495	0.027	50,147
I.S.D. #624	125,540,000	13.385	16,802,908
S.I.S.D. #916	5,145,000	5.017	258,127
Metro Council	1,469,848,995	0.301	4,421,775
Metro Airports Commission	9,240,000	0.099	9,151
Total Overlapping			<u>25,664,713</u>
White Bear Township Direct Debt	5,499,708	100.000	<u>5,499,708</u>
Total Direct and Overlapping Debt			<u><u>\$ 31,164,421</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				
	2003	2004	2005	2006	2007
Debt Limit	\$ 17,537,222	\$ 20,197,694	\$ 23,110,146	\$ 25,996,208	\$ 28,511,052
Total Net Debt Applicable to Limit	-	1,595,587	2,423,097	3,135,000	2,845,000
Legal Debt Margin	<u>\$ 17,537,222</u>	<u>\$ 18,602,107</u>	<u>\$ 20,687,049</u>	<u>\$ 22,861,208</u>	<u>\$ 25,666,052</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	7.90%	10.48%	12.06%	9.98%

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

Legal Debt Margin Calculation for Fiscal Year 2012:

Estimated Market Value	\$ 1,169,441,400
Debt Limit (3% of Estimated Market Value) **	35,083,242
Debt Applicable to Limit	1,495,000
Legal Debt Margin	<u>\$ 33,588,242</u>

		Fiscal Year				
		2008	2009	2010	2011	2012
	\$	43,976,736	42,417,546	40,545,888	37,464,972	35,083,242
		<u>2,100,000</u>	<u>1,955,000</u>	<u>1,805,000</u>	<u>1,650,000</u>	<u>1,495,000</u>
	\$	<u>41,876,736</u>	<u>40,462,546</u>	<u>38,740,888</u>	<u>35,814,972</u>	<u>33,588,242</u>
		4.78%	4.61%	4.45%	4.40%	4.26%

**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)
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
2012	11,089	503,052	45,365

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			
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
11	988,149	373	9,986,083	37.4	8,022	4.9

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

Employer	2012			2003		
	Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Heraeus Medical Components	350	1	23.1 %	-		- %
Water Gremlin Company	208	2	13.7	330	2	17.2
Wilbert Plastics Inc. (Thermorform)	169	3	11.1	295	3	15.4
Porous Media Corporation	168	4	11.1	80	9	4.2
Cub Foods	155	5	10.2	220	4	11.5
Specialty Manufacturing Inc.	120	6	7.9	-		-
Schwing America Inc.	94	7	6.2	375	1	19.6
Herold Precision Metals	87	8	5.7	-		-
Veeco Instruments	86	9	5.7	-		-
Muller Family Theatres	80	10	5.3	125	7	6.5
Cortec Corporation	-		-	75	10	3.9
Com Tal Machine & Engineering	-		-	185	5	9.7
E.P.I.	-		-	150	6	7.8
Electric Cord Incorporated	-		-	80	8	4.2
<b>Total</b>	<b>1,517</b>		<b>100.0 %</b>	<b>1,915</b>		<b>88.0 %</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,				
	2003	2004	2005	2006	2007
<b>General Government</b>					
Administration	2.34	2.17	2.14	2.14	2.00
Code Enforcement	1.78	2.13	2.13	2.15	2.15
Town Buildings	0.35	0.35	0.15	0.15	0.20
Total General Government	<u>4.47</u>	<u>4.65</u>	<u>4.42</u>	<u>4.44</u>	<u>4.35</u>
<b>Public Works</b>					
Recycle	-	-	-	0.10	0.10
Public Works	1.15	0.80	1.00	1.00	0.80
Road and Bridge	2.52	3.05	2.62	2.61	2.53
Total Public Works	<u>3.67</u>	<u>3.85</u>	<u>3.62</u>	<u>3.71</u>	<u>3.43</u>
<b>Parks, Recreation and Forestry</b>	2.73	2.70	3.21	3.21	2.53
<b>Community Development</b>					
Community Development	1.04	0.94	0.94	1.10	1.44
Economic Development Authority	1.23	1.22	1.22	0.69	0.69
Total Community Development	<u>2.27</u>	<u>2.16</u>	<u>2.16</u>	<u>1.79</u>	<u>2.13</u>
<b>Water</b>	2.22	2.22	2.61	2.70	3.01
<b>Sewer</b>	1.31	1.12	1.38	1.50	1.75
<b>Storm Sewer</b>	<u>0.38</u>	<u>0.35</u>	<u>0.35</u>	<u>0.40</u>	<u>0.38</u>
<b>Total</b>	<u><u>17.05</u></u>	<u><u>17.05</u></u>	<u><u>17.75</u></u>	<u><u>17.75</u></u>	<u><u>17.58</u></u>

**Source:** Township Records

Full-Time-Equivalent Employees as of December 31,

2008	2009	2010	2011	2012
2.00	1.96	1.96	1.96	2.05
2.15	2.20	2.20	2.20	1.60
0.20	0.36	0.49	0.21	0.58
<u>4.35</u>	<u>4.52</u>	<u>4.65</u>	<u>4.37</u>	<u>4.23</u>
0.10	0.05	0.05	0.05	0.05
0.80	0.80	0.88	0.90	0.90
2.53	2.21	2.32	2.66	2.65
<u>3.43</u>	<u>3.06</u>	<u>3.25</u>	<u>3.61</u>	<u>3.60</u>
2.53	2.72	2.09	2.99	3.07
1.44	1.50	1.50	1.50	1.50
0.69	-	-	-	-
<u>2.13</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
3.01	3.43	3.64	3.27	3.17
1.75	1.72	1.97	2.68	2.65
<u>0.38</u>	<u>0.35</u>	<u>0.45</u>	<u>0.70</u>	<u>0.76</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>	<u><u>18.98</u></u>

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

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Government</b>					
Elections	1	3	1	3	1
Number of Votes Cast	138	8,160	442	6,814	671
<b>Public Safety</b>					
Police:	(A)	(A)	(A)	(A)	(A)
Crimes Investigated	488	506	539	489	527
Administrative Citations Collection	\$ -	\$ -	\$ -	\$ -	\$ -
Animal Impounds	72	81	81	70	94
Neighborhood Watch Groups	23	25	25	25	25
Fire:	(B)	(B)	(B)	(B)	(B)
Fire	432	410	410	422	420
Average Response Time (minutes)	5.5	5.5	5.5	5.5	5.0
Dollar Loss	\$ 480,300	\$ 498,000	\$ 468,000	\$ 472,300	\$ 475,000
Inspections:					
Building Permits	558	533	500	413	523
Value of Building Permits	\$ 25,098,910	\$ 13,627,251	\$ 19,083,103	\$ 9,879,882	\$ 9,256,133
<b>Public Works</b>					
Vehicles Maintained	20	21	22	22	23
Miles of Streets	68.50	70.00	70.50	70.50	70.50
Snow Removal (events)	26	25	28	22	25
<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	63.25	63.5	63.5	65.83	65.83
Water Customers	4,227	4,431	4,495	4,532	4,550
Miles of Sewer Mains	61	62	62	64.42	64.42
Sewer Customers	4,209	4,377	4,443	4,478	4,496

**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				
2008	2009	2010	2011	2012
3	1	3	1	3
8,993	225	7,228	364	7,486
(A)	(A)	(A)	(A)	(A)
587	531	570	459	594
\$ -	\$ -	\$ 10,602	\$ 10,541	\$ 10,818
71	56	6	12	87
25	25	25	25	16
(B)	(B)	(B)	(B)	(B)
558	488	567	487	496
7.0	6.4	7.2	7.3	5.9
\$ 1,148,400	\$ 1,853,150	\$ 300,850	\$ 1,108,300	\$ 1,015,850
595	457	375	345	389
\$ 10,711,347	\$ 5,254,751	\$ 5,731,643	\$ 7,550,276	\$ 10,974,232
23	22	22	27	27
70.50	70.50	70.50	70.50	70.5
27	32	36	15	9
26	25	25	25	25
172.22	191.65	191.65	191.65	191.65
65.83	65.83	65.83	65.83	65.83
4,573	4,656	4,651	4,663	4,675
64.42	64.42	64.42	64.42	64.42
4,511	4,552	4,567	4,556	4,568

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

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
<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	21	22	22	22
Miles of Township Streets	62.00	70.50	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	63.25	63.50	63.50	65.83	65.83
Water Connections	4,227	4,431	4,495	4,532	4,532
<b>Sewer</b>					
Miles of Sewer Lines	61.00	62.00	62.00	64.42	64.42
Sewer Connections	4,209	4,377	4,443	4,478	4,478
<b>Storm Sewer</b>					
Miles of Storm Water Lines/Culverts	13.62	15.00	15.00	15.00	15.00

**Source:** Various Township Departments.

Fiscal Year				
2008	2009	2010	2011	2012
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
25	25	26	27	27
70.50	70.50	70.50	70.50	70.5
25	25	25	25	25
191.65	191.65	191.65	191.65	191.65
9	9	9	9	9
5	5	5	5	5
3	3	3	3	3
1	1	1	1	1
9	9	9	9	9
3	3	3	3	3
8	8	8	8	8
1	1	1	1	1
9	9	8	8	8
3	3	3	3	3
65.83	65.83	65.83	65.83	65.83
4,573	4,656	4,651	4,663	4675
64.42	64.42	64.42	64.42	64.42
4,511	4,552	4,567	4,556	4568
15.00	15.00	15.00	15.00	15.00

**IV.**

**OTHER REQUIRED REPORTS**



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**INDEPENDENT AUDITORS' REPORT  
ON MINNESOTA LEGAL COMPLIANCE**

Township Board of Supervisors  
White Bear Township, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of White Bear Township, Minnesota, as of December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated June 21, 2013.

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

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

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
June 21, 2013