

WHITE BEAR TOWNSHIP, MINNESOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
WHITE BEAR TOWNSHIP, MINNESOTA
YEAR ENDED DECEMBER 31, 2014**

**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
FAX 651-426-2258
Email: wbt@ci.white-bear-township.mn.us

June 23, 2015

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

In accordance with state statutes, we respectfully submit the Comprehensive Annual Financial Report for White Bear Township (Township) as of December 31, 2014 and for the year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures, supporting schedules, and statistical tables rests with the Township. 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 Township's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial affairs have been included.

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

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

White Bear Township's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants appointed by the Town Board. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Township for the year ended December 31, 2014 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Township's financial statements, as of and for the year ended December 31, 2014, are presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

THE REPORTING ENTITY AND ITS SERVICE

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

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

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

PROFILE OF THE GOVERNMENT

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

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

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

All departments and agencies of the Township submit requests for appropriation to the Clerk-Treasurer by June of each year. The Clerk-Treasurer and Finance Officer use the requests as the starting point for developing a preliminary balanced budget to be presented to the Township Board prior to August 31st of each year. The Board at that time sets the preliminary tax levy, which must take into consideration the maximum tax levy adopted at the annual meeting and must be certified prior to September 15th of each year. This preliminary tax levy can be lowered but not increased. The Township Board and management reviews and refines the preliminary budget and then presents the proposed budget and property tax levy to the residents at a special Township budget meeting where the residents have the opportunity to vote on the final tax levy and make recommendations to be incorporated into the final budget. This meeting is generally held in late-November or early-December in order to meet certification deadlines. Department heads may make transfers between line items within a department; however, adjustments between departments or funds require special approval of the Board of Supervisors.

PROFILE OF THE GOVERNMENT (CONTINUED)

Budget to actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the General Fund and other governmental funds with annual budgets, this comparison is on pages 53-55 as part of the required supplementary information.

FACTORS AFFECTING FINANCIAL CONDITION

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

LOCAL ECONOMY

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

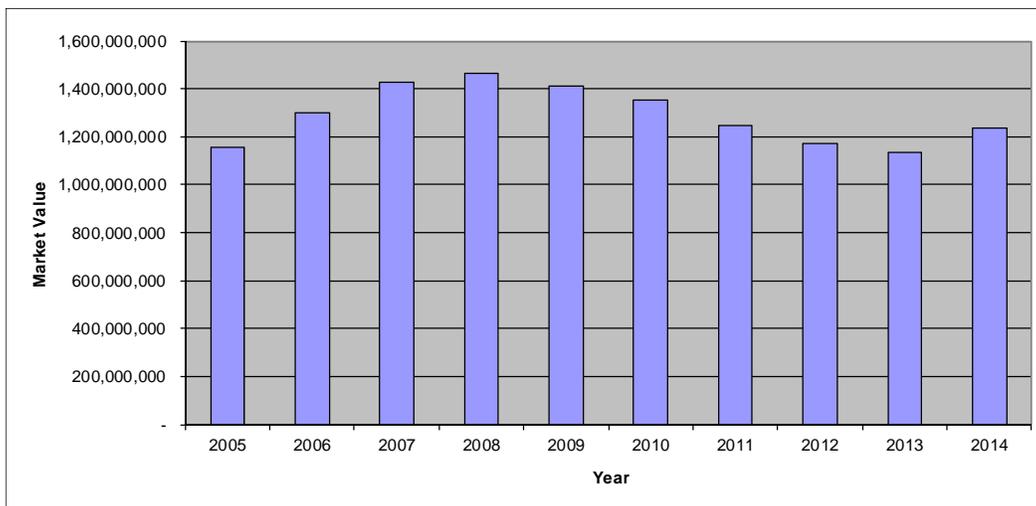
The Township is located in a region with varied economic base which has resulted in an unemployment rate that has consistently remained near or below national and state averages. While the national unemployment rate is 5.6% and the state's unemployment rate is 3.7%, the Township has a regional unemployment rate of 3.2% 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 2014 which was due to commercial businesses expanding and an improved economy resulting in increased residential remodeling projects. The Township issued 6 permits during 2014 for new single-family home construction valued at \$1,779,000. Three new permits for construction of commercial/industrial were issued in 2014 and there were several permits issued for remodel/additions with construction valued at \$8,925,205. The Township expects construction activity for 2015 to be similar to 2014 totals due to the amount of available land for new construction within the Township. Residential property experienced 324 renovation permits totaling \$2.5 million valuation increase. Combined, commercial and residential construction added over \$13.2 million in market growth compared to \$11.0 million of market growth in 2013.

The Township continues to review strategies regarding economic and community development looking at how to best utilize sites in the Township that would be candidates for new development and redevelopment projects. Residential and commercial market value annual growth since 2005 is highlighted below.

COMMERCIAL AND RESIDENTIAL MARKET VALUES



FACTORS AFFECTING FINANCIAL CONDITION (CONTINUED)

FINANCIAL PERFORMANCE

The Township's General Fund (which includes the operations of the Capital Equipment Fund) completed 2014 with revenues being \$124,848 more than projected. This resulted from higher than anticipated building permit activity from new commercial construction, and charges for services related to the construction activity. Property taxes were \$17,598 more than budgeted.

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

LONG-TERM FINANCIAL PLANNING

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. 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. In addition the Township's financing policies have positioned the Township to meet future infrastructure improvements without significant or unexpected tax levy or rate increases. Moody's has recognized this policy by stating, "Moody's expects the Township's financial position to remain healthy due to a historical trend of conservative financial management, further evidenced by consecutive operating surpluses and strong reserve balances."

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

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. This study was updated and the updated water rates were in place for 2014. The Town is was also studying its sanitary sewer and storm water utility rates during 2014.

RELEVANT FINANCIAL POLICIES

Trends of the past decade, changes in state aid and credit programs, and recent legislation indicates that the Township will have an even greater reliance on service fees and property taxes as a source of financing operations in the future and significantly less reliance on intergovernmental revenues (federal and state) and building and development related fees. Changes in state tax law over the past few years have resulted in funding changes for local governments. Large cuts in local government aid and the elimination of the market value homestead credit (MVHC) programs continue to impact the Township. In addition, as stated previously as the Township approaches full development we anticipate future reductions in building and development related activities and revenues.

FISCAL STEWARDSHIP

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

The Township's computations of its direct debt and legal debt margin reports that it has less than 3.2% of its obligations that have general property taxes as the sole source of revenue. The Township has approximately 97% of its legal debt limit, or \$35,914,708 available for debt bonding as of December 31, 2014.

The Township continued to lower its debt limit percentage from 12.06% in 2006 to 4.26% in 2013. This decrease was achieved by adherence to the Township's Financial Management Policies. The Debt Policies, which restrict long-term borrowing for capital improvements that cannot be funded from operating revenues or reserves, has been the catalyst for achieving the debt reduction.

The outstanding debt as of December 31, 2014 was \$5,920,000 compared to \$7,090,000 at the end of 2013. The Township did not issue any new debt or refund any existing debt in 2014, but did redeem two bond issues totaling \$330,000.

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 Township's covered employees are all Coordinated Plan members.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after five (5) years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

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

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 Township's current plan. Retirees are required to reimburse the Township for the entire premium cost. An Actuarial Valuation using the Alternative Measurement Method on the Township's implicit cost related to the benefit determined that any liability was determined to be immaterial.

STATISTICAL SECTION

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

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

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. 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, 2013. This was the eighteenth consecutive year that the Township has received this prestigious award.

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

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current report continues to comply with GASB 34 reporting requirements and adhere to program requirements. The December 31, 2014 financial report will be submitted to the GFOA to determine its eligibility for another certificate.

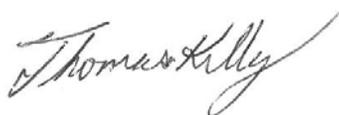
ACKNOWLEDGMENTS

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, 2014**

WHITE BEAR TOWNSHIP

1281 Hammond Road
White Bear Township, Minnesota 55110

Phone (651) 747-2750

Fax (651) 426-2258

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

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

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

TOWNSHIP BOARD OF SUPERVISORS

Robert Kermes
Chair

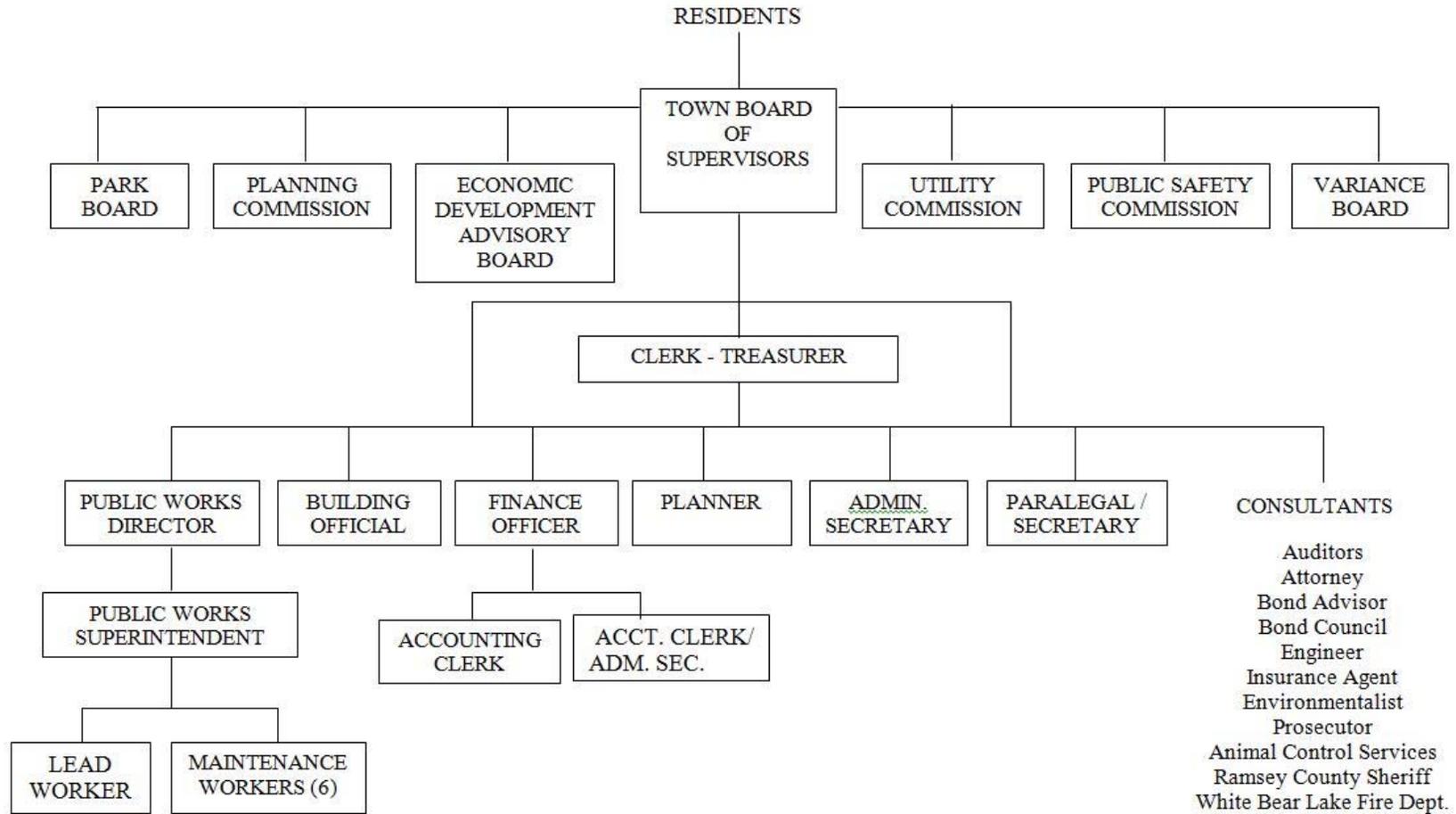
Steve Ruzek
Supervisor

Ed Prudhon
Supervisor

TOWNSHIP STAFF

Bill Short, Clerk-Treasurer
Mike Johnson, Code Enforcement Officer
Karen Edson, Administrative Secretary
Patti Walstad, Administrative Secretary/Para Legal
Tom Kelly, Finance Officer
Judy Moll, Accounting Clerk
Tori Leonhardt, Administrative Secretary/Accounts Payable
Tom Riedesel, Planner
Dale Reed, Public Works Director
Peter Tholen, Public Works Superintendent
Mike Cash, Public Works Lead Person
Karl Stuemke, Public Works Maintenance Person
Reed Walstad, Public Works Maintenance Person
Rick Lillie, Public Works Maintenance Person
Paul Peltier, Public Works Maintenance Person
G.T. Magnuson, Public Works Maintenance Person
Joe Riel, Public Works Maintenance Person

**WHITE BEAR TOWNSHIP, MINNESOTA
ORGANIZATIONAL CHART
DECEMBER 31, 2014**



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

White Bear Township
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

II.
FINANCIAL
SECTION

INDEPENDENT AUDITORS' REPORT

Township Board of Supervisors
White Bear Township, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township (Township), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township as of December 31, 2014, 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.

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

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 23, 2015

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

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, 2014. 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 \$41,603,825 (net position). Of this amount, \$11,299,794 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors in accordance with the Township's fund designations and financial management policies.
- The Township's total net position decreased by \$855,024 during 2014.
- As of the close of the current fiscal year, White Bear Township's governmental funds reported combined ending fund balances of \$7,892,346. 65% of this total amount, \$5,132,288, 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 \$3,168,131, or 85% of total general fund expenditures.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

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

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

REPORTING THE TOWNSHIP AS A WHOLE

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

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

FUND FINANCIAL STATEMENTS

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

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

The fund financial statements can be found on pages 25-30 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 31-33 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 34-52 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This section includes budgetary compliance schedules for the General Fund and Economic Development Fund on pages 53 and 54. Combining statements referred to earlier in conjunction with non-major governmental funds can be found on pages 56-59.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of Township's financial position over time. White Bear Township's assets exceeded liabilities by \$41,603,825 at the close of the fiscal year ended December 31, 2014. By far the largest portion of White Bear Township's net position (64.03%) 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, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Table 1
STATEMENT OF NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 10,787,756	\$ 11,195,300	\$ 6,601,572	\$ 7,279,938	\$ 17,389,328	\$ 18,475,238
Capital Assets	15,142,768	15,561,961	16,487,282	17,010,320	31,630,050	32,572,281
Total Assets	<u>25,930,524</u>	<u>26,757,261</u>	<u>23,088,854</u>	<u>24,290,258</u>	<u>49,019,378</u>	<u>51,047,519</u>
Noncurrent Liabilities Outstanding	3,906,472	4,754,149	2,185,960	2,520,393	6,092,432	7,274,542
Other Liabilities	1,130,056	848,151	193,065	465,977	1,323,121	1,314,128
Total Liabilities	<u>5,036,528</u>	<u>5,602,300</u>	<u>2,379,025</u>	<u>2,986,370</u>	<u>7,415,553</u>	<u>8,588,670</u>
Net Position:						
Net Investment in Capital Assets	12,300,923	12,139,083	14,337,723	14,551,539	26,638,646	26,690,622
Restricted	3,665,385	4,376,137	-	-	3,665,385	4,376,137
Unrestricted	4,927,688	4,639,741	6,372,106	6,752,349	11,299,794	11,392,090
Total Net Position	<u>\$ 20,893,996</u>	<u>\$ 21,154,961</u>	<u>\$ 20,709,829</u>	<u>\$ 21,303,888</u>	<u>\$ 41,603,825</u>	<u>\$ 42,458,849</u>

Restricted net position comprises 8.81% 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 \$11,299,794, which represents 27.16% 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 decreased \$855,024, or 2.0% during the current fiscal year, as shown on the following table. The governmental activities experienced a decrease of \$260,965 in net position for that period and the business-type activities experienced a 594,059 decrease. The decrease in the governmental activities is due to increases in community development expenditures, decreases in revenues for charge for services and property tax collections. The decrease in the business-type activities net position was due to sewer and storm water revenues not being adjusted to meet expenses.

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, 2014**

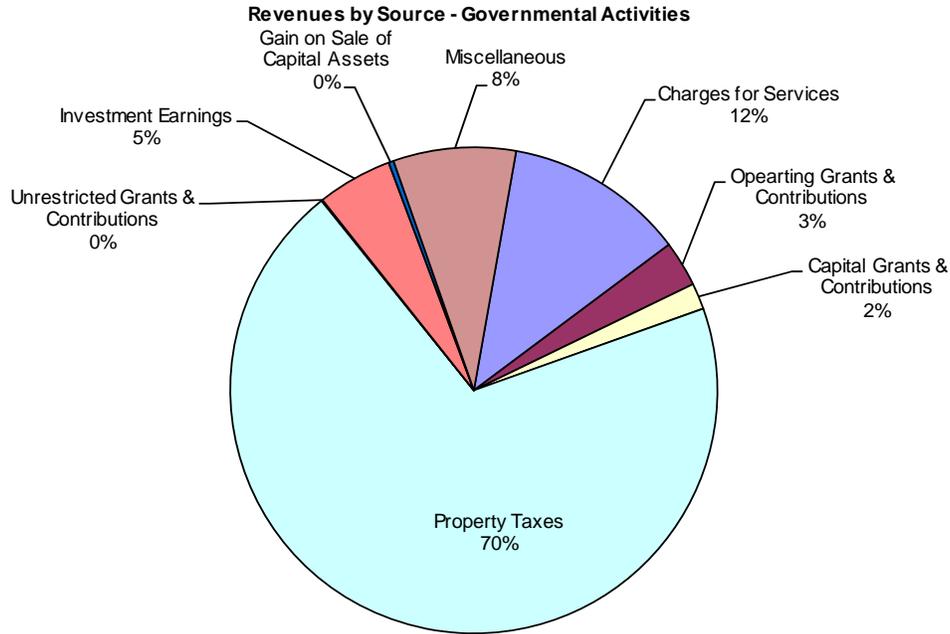
CHANGES IN NET POSITION (CONTINUED)

**Table 2
STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charges for Services	\$ 608,604	\$ 630,468	\$ 2,697,033	\$ 2,854,682	\$ 3,305,637	\$ 3,485,150
Operating Grants and Contributions	154,009	141,853	-	-	154,009	141,853
Capital Grants and Contributions	87,889	565,608	1,494	675	89,383	566,283
General Revenues:						
Property Taxes	3,535,485	3,561,781	-	-	3,535,485	3,561,781
Contributions Not Restricted to						
Specific Programs	4,283	32,434	-	-	4,283	32,434
Unrestricted Investment Earnings	253,245	(125,572)	185,845	(135,643)	439,090	(261,215)
Miscellaneous	429,558	298,534	-	-	429,558	298,534
Total Revenues	<u>5,073,073</u>	<u>5,105,106</u>	<u>2,884,372</u>	<u>2,719,714</u>	<u>7,957,445</u>	<u>7,824,820</u>
EXPENSES						
General Government	1,027,778	881,583	-	-	1,027,778	881,583
Public Safety	1,129,627	1,108,193	-	-	1,129,627	1,108,193
Public Service	1,691,642	1,852,916	-	-	1,691,642	1,852,916
Parks, Recreation and Forestry	437,214	452,089	-	-	437,214	452,089
Community Development	1,018,383	517,466	-	-	1,018,383	517,466
Interest and Fiscal Charges	110,637	226,435	-	-	110,637	226,435
Water Utility	-	-	1,518,328	1,577,742	1,518,328	1,577,742
Sewer Utility	-	-	1,669,057	1,502,337	1,669,057	1,502,337
Storm Sewer Utility	-	-	209,803	260,884	209,803	260,884
Total Expenses	<u>5,415,281</u>	<u>5,038,682</u>	<u>3,397,188</u>	<u>3,340,963</u>	<u>8,812,469</u>	<u>8,379,645</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	(342,208)	66,424	(512,816)	(621,249)	(855,024)	(554,825)
Transfers	81,243	99,140	(81,243)	(99,140)	-	-
CHANGE IN NET POSITION	<u>(260,965)</u>	<u>165,564</u>	<u>(594,059)</u>	<u>(720,389)</u>	<u>(855,024)</u>	<u>(554,825)</u>
Net Position - Beginning of Year	<u>21,154,961</u>	<u>20,989,397</u>	<u>21,303,888</u>	<u>22,024,277</u>	<u>42,458,849</u>	<u>43,013,674</u>
NET POSITION - END OF YEAR	<u>\$ 20,893,996</u>	<u>\$ 21,154,961</u>	<u>\$ 20,709,829</u>	<u>\$ 21,303,888</u>	<u>\$ 41,603,825</u>	<u>\$ 42,458,849</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

GOVERNMENTAL ACTIVITIES



The Governmental Activities net position decreased by \$260,965, which represents a 1.2% decrease in net position.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

At December 31, 2014, the Township's governmental funds reported combined fund balances of \$7,892,346. Of this total, \$5,132,288 or 65% is unrestricted and assigned fund balance. The remaining \$2,760,058 of fund balance is either nonspendable or restricted as follows:

- Prepaid Items of \$8,534
- Land Held for Resale of \$354,556
- Debt Retirement of \$1,484,015
- Economic Development Activities of \$906,568
- Park Improvements of \$6,385

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Fund level governmental revenues increased \$367,553, or 7.1% compared to 2013. Key elements of this change are as follows:

- Charges for services increased \$27,709, or 16.2%. The increase was due to revenues received for commercial/industrial building activities.
- Equipment rental increased \$14,300, or 8.3%. This increase was a direct result of the operating budget for 2014. The Township Board adopted a budget that increased the amount for equipment rental from governmental activities for 2013. This increase was not extended to business-type activities.
- Licenses and permits increased \$41,095, or 24.6%. The increase is due to increased residential and commercial remodeling/additions building activity in 2014.
- Investment earnings increased \$361,092. The increase is the result of increased market values of investments held by the Township.
- Miscellaneous revenues increased \$20,820, or 5.2%. This increase was due to equipment charges for uses outside the Township.

Fund level expenditures increased by \$645,875, or 15.1%, compared to 2013, not including principal debt payments. Key elements of this net change are as follows:

- Community Development expenditures increased \$530,931 due to an increase in refunded tax increments collected related to a tax increment district which was required to be decertified in 2014.
- General Government expenditures increased \$159,369, or 18.2% due to an increase in personnel costs related to the reorganization of office support staff in 2014.
- Capital expenditures decreased \$122,885 compared to 2013. The majority of the decrease was due to the construction and completion of the White Bear Parkway/Birch Lake Boulevard road improvement project in 2013 and no major construction projects taking place in 2014.

General Fund. The General Fund is the chief operating fund of the Township. In 2014, fund balance in the General Fund increased by \$137,317 or 4.5%, whereas in the prior year, fund balance in the General Fund decreased \$122,951 or 3.9%. Key differences between the current and prior year change in General Fund fund balance include the following:

- Licenses and permits increased \$41,095 due to increased residential and commercial remodeling/additions building permit activity in 2013.
- Investment earnings increased \$139,412 due to increased market value of Township investments.
- Equipment rental increased which was done for budget purposes to reduce the property tax levy.
- General fund expenditures increased by \$327,934, primarily due to an increase in General Government expenditures for personnel costs related to the reorganization of office support staff in 2014 and increased capital outlay expenditures.

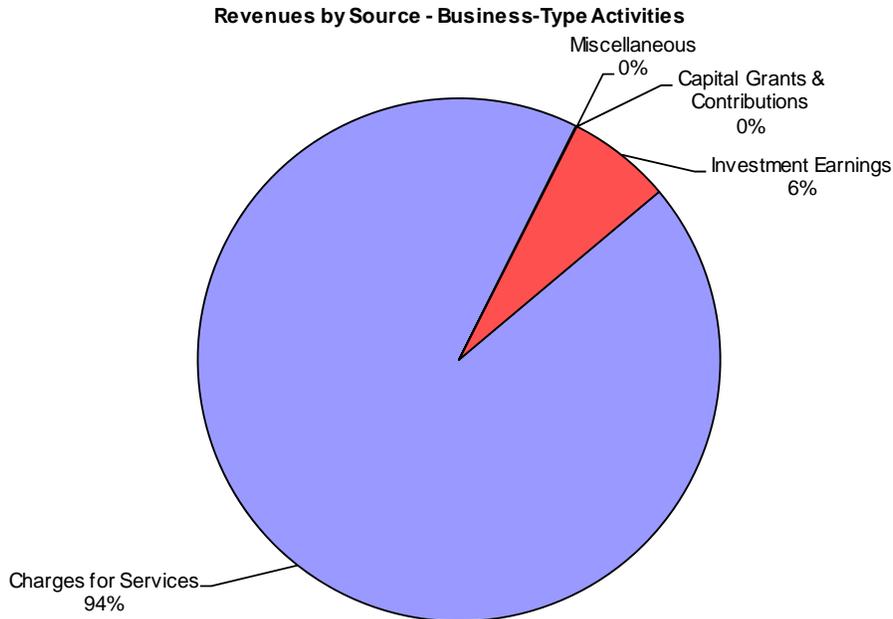
Economic Development Fund. The fund balance of the Economic Development Fund decreased by \$291,445 or 18.8% as a result of refunding past tax increments collected.

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 \$637,785 due to the continued collection of special assessments and debt service payments.

Improvement Fund. The increase of \$194,852 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, 2014**

BUSINESS-TYPE ACTIVITIES



Net position of the business-type activities decreased by \$594,059. This results from net position in the water fund, sewer fund and storm water fund operations decreasing. The change across business-type activities is as follows:

Water	\$ (210,222)
Sewer	(363,219)
Storm Water	(20,618)

- The Water Fund net position decrease reflects a change in the Township's water rate structure and the use of less water by users which resulted in decreased revenue which resulted in expenses exceeding by revenues \$143,788
- The Sewer Fund net position decrease reflects expenses exceeding revenues by \$327,160 before transfers out of \$66,434. Operating revenue decreased by \$18,969 due to a decrease in commercial sewer usage based on water usage. Operational expenses increased \$180,481 due mainly to an increase in M.C.E.S. sewage treatment charges and in 2014 the Township performed rehabilitation on a liftstation.
- Storm Water Fund net position decrease reflects expenses exceeding revenues by \$41,868. Operational expenses decreased \$44,323 primarily from the replacement of storm water drainage culverts in 2013.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

BUSINESS-TYPE ACTIVITIES (CONTINUED)

The business-type activities operating expense increased by \$112,523 for fiscal year 2014 compared to 2013 and included the following funds changes in operating expense:

<u>Activity</u>	<u>Change</u>
Water	(\$ 23,635)
Sewer	180,481
Storm Water	(44,323)

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 2014. Rather these changes were absorbed by excess revenues or shifting and reprioritizing of expenditures throughout the year.

General Fund actual revenues were \$109,417 over the adopted budget amounts. The overage in actual revenues were directly attributable to better than expected commercial/industrial building permit activity and charges for services related to that building activity such as plan review, engineering, and administration charges. However, these overages were off set by miscellaneous revenues being below their corresponding budgets for 2014.

General Fund actual expenditures were \$127,975 below the adopted budget amounts for 2014. Most expenditure categories came in below budget with the exception of General Government, Administration, Elections, Police and Traffic Control, Community Development, and Public Works which exceeded budget by a combined total of \$164,176.

- Code Enforcement actual expenditures for 2014 were \$12,099 below budget. This was primarily due to budgeting an expenditure for the hiring of an administrative secretary position, which instead was left vacant in 2014.
- Township Buildings actual expenditures for 2014 were \$4,836 below budget, a result of lower than budgeted energy costs and repair maintenance expenditures.
- Parks, Recreation and Forestry were \$152,201 below budgeted amounts. This was due primarily to lower part-time summer help costs and less chemicals used in playing areas.
- Capital outlay expenditures were \$101,425 below the 2014 budgeted amounts. This was due to the costs of equipment purchased in 2014 costing less than had been anticipated in the budget and delaying the purchase or construction of the majority of budgeted items.

Fund balance in the General Fund would have increased \$237,392 for 2014, however, the Township continued to maintain its fund balance within its fund balance policy levels at the end of 2014 by transferring out \$82,000 to other funds. These transfers result in the fund balance of the General Fund increasing \$137,317 for 2014.

CAPITAL ASSETS

The Township's investment in Capital Assests for its governmental and business-type activities as of December 31, 2014 totals \$31,630,050 (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 \$942,231 compared to 2014.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014**

CAPITAL ASSETS (CONTINUED)

The decrease in net capital assets is due to 2014 depreciation exceeding the value of the 2014 capital asset additions.

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

- Governmental funds infrastructure totaling \$528,583
- Governmental funds buildings totaling \$78,048
- Governmental funds vehicles and equipment totaling \$215,546
- Business-type infrastructure totaling \$503,938
- Business-type buildings totaling \$194,697
- Business-type vehicles and equipment totaling \$53,013

A summary of the net changes in capital assets for 2014 is shown on the following chart:

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 4,016,102	\$ 4,016,102	\$ -	\$ -	\$ 4,016,102	\$ 4,016,102
Construction in Progress	194,326	96,316	155,907	395,439	350,233	491,755
Buildings	2,703,111	2,781,159	2,139,936	2,332,301	4,843,047	5,113,460
Vehicles and Equipment	936,962	838,793	434,574	375,227	1,371,536	1,214,020
Machinery and Shop Equipment	714,773	711,069	-	-	714,773	711,069
Office Furniture and Equipment	41,761	89,186	-	-	41,761	89,186
Infrastructure	6,535,733	7,029,336	13,756,865	13,907,353	20,292,598	20,936,689
Capital Assets, Net	<u>\$ 15,142,768</u>	<u>\$ 15,561,961</u>	<u>\$ 16,487,282</u>	<u>\$ 17,010,320</u>	<u>\$ 31,630,050</u>	<u>\$ 32,572,281</u>

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

LONG-TERM DEBT

White Bear Township's Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
G.O. Bonds	\$ 3,809,740	\$ 4,645,199	\$ -	\$ -	\$ 3,809,740	\$ 4,645,199
G.O. Revenue Bonds	-	-	2,110,258	2,444,801	2,110,258	2,444,801
Compensated Absences Payable	104,353	116,991	64,555	61,612	168,908	178,603
Total Outstanding Debt	<u>\$ 3,914,093</u>	<u>\$ 4,762,190</u>	<u>\$ 2,174,813</u>	<u>\$ 2,506,413</u>	<u>\$ 6,088,906</u>	<u>\$ 7,268,603</u>

White Bear Township has \$5,919,998 in bonds outstanding at December 31, 2013 compared to \$7,090,000 last year. The decrease results from the payment of the annual principal balance, which totaled \$1,170,002.

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, 2014**

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, 2014 was \$34,084,245 compared to \$34,084,245 for 2013. The outstanding balance of \$1,168,938 on the Public Facilities Bond issued in 2004 represents 3.15% of the total debt limit and is chargeable against the total debt limit and results in a Legal Debt Margin for 2014 of \$35,905,770.

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

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The Township's appointed officials considered many factors when developing the 2015 budget and establishing the 2014 tax levy collectible in 2015 and appropriate fees that will be charged by business-type activities. With the focus on sustainability, the 2015 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 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.

For the second time since 2008 when the recession began the Township's tax base increased due to increased home values. This increase allows Township officials to keep the property tax rates as low as possible to minimize the affects of property tax increases to property owners without affecting services and the Township's fund balance reserves.

Contact Information

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

BASIC FINANCIAL STATEMENTS

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 8,702,787	\$ 5,973,062	\$ 14,675,849
Accrued Interest Receivable	33,228	25,014	58,242
Accounts Receivable	22,701	534,712	557,413
Due from Other Governments	27,104	-	27,104
Taxes Receivable	74,536	-	74,536
Special Assessments Receivable	1,467,915	-	1,467,915
Prepaid Items	104,929	68,784	173,713
Land Held for Resale	354,556	-	354,556
Capital Assets:			
Land	4,016,102	-	4,016,102
Construction in Progress	194,326	155,907	350,233
Other Capital Assets, Net of Depreciation	10,932,340	16,331,375	27,263,715
Total Assets	<u>25,930,524</u>	<u>23,088,854</u>	<u>49,019,378</u>
LIABILITIES			
Accounts Payable	313,748	120,539	434,287
Salaries Payable	15,273	7,043	22,316
Contracts Payable	-	28,154	28,154
Accrued Interest Payable	43,921	24,179	68,100
Due to Other Governments	657,632	-	657,632
Unearned Revenue	99,482	13,150	112,632
Noncurrent Liabilities:			
Due Within One Year	577,997	380,330	958,327
Due in More Than One Year	3,328,475	1,805,630	5,134,105
Total Noncurrent Liabilities	<u>3,906,472</u>	<u>2,185,960</u>	<u>6,092,432</u>
Total Liabilities	5,036,528	2,379,025	7,415,553
NET POSITION			
Net Investment in Capital Assets	12,300,923	14,337,723	26,638,646
Restricted for:			
Debt Service	2,388,043	-	2,388,043
Economic Development Activities	1,270,957	-	1,270,957
Park Improvements	6,385	-	6,385
Unrestricted	4,927,688	6,372,106	11,299,794
Total Net Position	<u>\$ 20,893,996</u>	<u>\$ 20,709,829</u>	<u>\$ 41,603,825</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 1,027,778	\$ 557,484	\$ 94,895	\$ 2,105
Public Safety	1,129,627	31,729	33,355	-
Public Works	1,691,642	-	22,948	85,784
Parks, Recreation and Forestry	437,214	3,415	2,811	-
Community Development	1,018,383	15,976	-	-
Interest on Long-Term Debt	110,637	-	-	-
Total Governmental Activities	<u>5,415,281</u>	<u>608,604</u>	<u>154,009</u>	<u>87,889</u>
BUSINESS-TYPE ACTIVITIES				
Water	1,518,328	1,279,197	-	-
Sewer	1,669,057	1,258,875	-	-
Storm Sewer	209,803	158,961	-	1,494
Total Business-Type Activities	<u>3,397,188</u>	<u>2,697,033</u>	<u>-</u>	<u>1,494</u>
Total	<u>\$ 8,812,469</u>	<u>\$ 3,305,637</u>	<u>\$ 154,009</u>	<u>\$ 89,383</u>

General Revenues:

Taxes:

Property Taxes, Levied for General Purpose

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings (Losses)

Gain on Disposal of Capital Assets

Other

Transfers

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (373,294)	\$ -	\$ (373,294)
(1,064,543)	-	(1,064,543)
(1,582,910)	-	(1,582,910)
(430,988)	-	(430,988)
(1,002,407)	-	(1,002,407)
(110,637)	-	(110,637)
<u>(4,564,779)</u>	<u>-</u>	<u>(4,564,779)</u>
-	(239,131)	(239,131)
-	(410,182)	(410,182)
-	(49,348)	(49,348)
<u>-</u>	<u>(698,661)</u>	<u>(698,661)</u>
(4,564,779)	(698,661)	(5,263,440)
3,535,485	-	3,535,485
4,283	-	4,283
253,245	185,845	439,090
17,137	-	17,137
412,421	-	412,421
81,243	(81,243)	-
<u>4,303,814</u>	<u>104,602</u>	<u>4,408,416</u>
(260,965)	(594,059)	(855,024)
<u>21,154,961</u>	<u>21,303,888</u>	<u>42,458,849</u>
<u>\$ 20,893,996</u>	<u>\$ 20,709,829</u>	<u>\$ 41,603,825</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	General	Economic Development Authority	G.O. Improvement Bonds 2011A	Improvement Fund
ASSETS				
Cash and Investments	\$ 3,295,238	\$ 1,702,071	\$ 619,566	\$ 1,088,832
Accrued Interest Receivable	11,812	5,006	2,166	5,289
Accounts Receivable	22,701	-	-	-
Due from Other Governmental Units	27,104	-	-	-
Interfund Receivable	18,773	-	-	-
Taxes Receivable:				
Delinquent	32,870	10,958	-	-
Current	28,129	1,125	-	-
Special Assessments Receivable:				
Delinquent	8,507	-	121,382	139,120
Other	41,098	-	758,101	314,912
Prepaid Items	8,534	-	-	-
Land Held for Resale	-	354,556	-	-
Total Assets	<u>\$ 3,494,766</u>	<u>\$ 2,073,716</u>	<u>\$ 1,501,215</u>	<u>\$ 1,548,153</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	155,446	153,229	-	5,073
Salaries Payable	15,273	-	-	-
Due to Other Governments	8,102	649,530	-	-
Unearned Revenue	99,482	-	-	-
Total Liabilities	<u>278,303</u>	<u>802,759</u>	<u>-</u>	<u>5,073</u>
Deferred Inflows of Resources:				
Unavailable Revenue - Taxes	32,815	9,833	-	-
Unavailable Revenue - Special Assessments	-	-	863,430	446,277
	<u>32,815</u>	<u>9,833</u>	<u>863,430</u>	<u>446,277</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	8,534	-	-	-
Land Held for Resale	-	354,556	-	-
Restricted for:				
Debt Service	-	-	637,785	-
Economic Development Activities	-	906,568	-	-
Park Improvements	-	-	-	-
Assigned for:				
Public Safety	1,983	-	-	-
Compensation	5,000	-	-	-
Park Development	-	-	-	-
Polar Lakes Park Development	-	-	-	-
Capital Improvements	-	-	-	1,096,803
Unassigned	3,168,131	-	-	-
Total Fund Balances	<u>3,183,648</u>	<u>1,261,124</u>	<u>637,785</u>	<u>1,096,803</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,494,766</u>	<u>\$ 2,073,716</u>	<u>\$ 1,501,215</u>	<u>\$ 1,548,153</u>

See accompanying Notes to the Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 1,722,711	\$ 8,428,418
7,318	31,591
-	22,701
-	27,104
-	18,773
928	44,756
526	29,780
1,111	270,120
83,684	1,197,795
-	8,534
-	354,556
<u>\$ 1,816,278</u>	<u>\$ 10,434,128</u>

\$ 18,773	\$ 18,773
-	313,748
-	15,273
-	657,632
-	99,482
<u>18,773</u>	<u>1,104,908</u>
-	42,648
<u>84,519</u>	<u>1,394,226</u>
84,519	1,436,874

-	8,534
-	354,556
846,230	1,484,015
-	906,568
6,385	6,385
-	1,983
-	5,000
655,197	655,197
223,981	223,981
-	1,096,803
(18,807)	3,149,324
<u>1,712,986</u>	<u>7,892,346</u>
<u>\$ 1,816,278</u>	<u>\$ 10,434,128</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 7,892,346

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

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

Land	\$ 4,016,102	
Construction in Progress	194,326	
Buildings, Net of Accumulated Depreciation	2,703,111	
Vehicles, Net of Accumulated Depreciation	936,962	
Machinery and Shop Equipment, Net of Accumulated Depreciation	714,773	
Office Furniture and Equipment, Net of Accumulated Depreciation	41,761	
Infrastructure, Net of Accumulated Depreciation	<u>6,535,733</u>	15,142,768

Some of the Township's property taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds. 1,436,874

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. (43,921)

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: 372,401

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	(3,809,740)	
Unamortized Premiums	(10,091)	
Unamortized Discounts	17,712	
Compensated Absence Payable	<u>(104,353)</u>	<u>(3,906,472)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 20,893,996**

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	General	Economic Development Authority	GO Improvement Bonds 2011A	Improvement Fund
REVENUE				
General Property Taxes	\$ 2,778,830	\$ 713,125	\$ -	\$ -
Licenses and Permits	208,418	-	-	-
Intergovernmental	155,481	-	-	-
Charges for Services	191,436	7,200	-	-
Investment Earnings (Losses)	88,889	37,906	16,184	41,436
Fines and Forfeits	11,622	-	-	-
Park and Recreation Fees	-	-	-	-
Special Assessments	-	-	205,476	351,183
Equipment Rental	186,925	-	-	-
Miscellaneous	366,966	1,425	981	1,300
Total Revenue	<u>3,988,567</u>	<u>759,656</u>	<u>222,641</u>	<u>393,919</u>
EXPENDITURES				
Current:				
General Government	1,034,246	-	-	-
Public Safety	1,127,832	-	-	-
Public Works	678,214	-	-	164,824
Parks, Recreation and Forestry	373,204	-	-	-
Community Development	192,825	823,450	-	-
Capital Outlay	340,975	-	-	104,243
Debt Service:				
Principal	-	-	205,000	-
Interest and Fiscal Charges	-	-	21,845	-
Total Expenditures	<u>3,747,296</u>	<u>823,450</u>	<u>226,845</u>	<u>269,067</u>
REVENUE OVER (UNDER) EXPENDITURES	241,271	(63,794)	(4,204)	124,852
OTHER FINANCING SOURCES (USES)				
Transfer In	16,727	-	-	70,000
Transfer Out	(134,019)	(239,799)	-	-
Sale of Property	13,338	12,148	-	-
Total Other Financing Sources (Uses)	<u>(103,954)</u>	<u>(227,651)</u>	<u>-</u>	<u>70,000</u>
NET CHANGE IN FUND BALANCE	137,317	(291,445)	(4,204)	194,852
Fund Balance - Beginning of Year	<u>3,046,331</u>	<u>1,552,569</u>	<u>641,989</u>	<u>901,951</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,183,648</u>	<u>\$ 1,261,124</u>	<u>\$ 637,785</u>	<u>\$ 1,096,803</u>

See accompanying Notes to the Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 55,204	\$ 3,547,159
-	208,418
-	155,481
-	198,636
55,928	240,343
-	11,622
1,500	1,500
31,816	588,475
-	186,925
49,600	420,272
<u>194,048</u>	<u>5,558,831</u>
-	1,034,246
-	1,127,832
-	843,038
-	373,204
-	1,016,275
95,254	540,472
630,459	835,459
98,051	119,896
<u>823,764</u>	<u>5,890,422</u>
(629,716)	(331,591)
391,690	478,417
(23,356)	(397,174)
-	25,486
<u>368,334</u>	<u>106,729</u>
(261,382)	(224,862)
<u>1,974,368</u>	<u>8,117,208</u>
<u>\$ 1,712,986</u>	<u>\$ 7,892,346</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, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (224,862)

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	\$	411,333	
Gain on Disposal of Capital Assets		17,137	
Proceeds from Sales of Capital Assets		(25,486)	
Depreciation Expense		<u>(822,177)</u>	(419,193)

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

Repayment of Bond Principal		835,459	
Change in Accrued Interest Expense for General Obligation Bonds		9,679	
Amortization of Bond Premium		2,464	
Amortization of Bond Discount		<u>(2,884)</u>	844,718

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

Deferred Inflows of Resources - December 31, 2013		(1,952,671)	
Deferred Inflows of Resources - December 31, 2014		<u>1,436,874</u>	(515,797)

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:

12,638

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.

41,531

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (260,965)

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2014	Internal Service Fund
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,269,077	\$ 2,448,125	\$ 255,860	\$ 5,973,062	\$ 274,369
Accounts Receivable	241,106	246,784	46,822	534,712	-
Accrued Interest Receivable	12,652	11,249	1,113	25,014	1,637
Prepaid Items	1,956	64,872	1,956	68,784	96,395
Total Current Assets	<u>3,524,791</u>	<u>2,771,030</u>	<u>305,751</u>	<u>6,601,572</u>	<u>372,401</u>
NONCURRENT ASSETS					
Capital Assets:					
Construction in Progress	-	155,907	-	155,907	-
Buildings	6,180,051	-	-	6,180,051	-
Vehicles	15,928	340,524	-	356,452	-
Machinery and Shop Equipment	43,614	45,651	-	89,265	-
Office Furniture and Equipment	173,586	120,048	942	294,576	-
Infrastructure	11,329,458	12,881,716	1,019,540	25,230,714	-
Total Capital Assets	<u>17,742,637</u>	<u>13,543,846</u>	<u>1,020,482</u>	<u>32,306,965</u>	<u>-</u>
Less: Accumulated Depreciation	(9,508,543)	(6,051,457)	(259,683)	(15,819,683)	-
Total Noncurrent Assets	<u>8,234,094</u>	<u>7,492,389</u>	<u>760,799</u>	<u>16,487,282</u>	<u>-</u>
Total Assets	11,758,885	10,263,419	1,066,550	23,088,854	372,401
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	76,543	42,820	1,176	120,539	-
Salaries Payable	3,401	2,892	750	7,043	-
Contracts Payable	-	28,154	-	28,154	-
Unearned Revenue	9,431	3,719	-	13,150	-
Accrued Interest Payable	20,341	2,574	1,264	24,179	-
Bonds Payable - Current Maturities	266,512	48,341	23,745	338,598	-
Compensated Absences Payable - Current	20,083	17,323	4,326	41,732	-
Total Current Liabilities	<u>396,311</u>	<u>145,823</u>	<u>31,261</u>	<u>573,395</u>	<u>-</u>
NONCURRENT LIABILITIES					
Bonds Payable - Long Term	1,230,426	370,429	181,952	1,782,807	-
Compensated Absences Payable - Long Term	10,505	10,031	2,287	22,823	-
Total Noncurrent Liabilities	<u>1,240,931</u>	<u>380,460</u>	<u>184,239</u>	<u>1,805,630</u>	<u>-</u>
Total Liabilities	<u>1,637,242</u>	<u>526,283</u>	<u>215,500</u>	<u>2,379,025</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	6,737,156	7,045,465	555,102	14,337,723	-
Unrestricted	3,384,487	2,691,671	295,948	6,372,106	372,401
Total Net Position	<u>10,121,643</u>	<u>9,737,136</u>	<u>851,050</u>	<u>20,709,829</u>	<u>372,401</u>
Total Liabilities and Net Position	<u>\$ 11,758,885</u>	<u>\$ 10,263,419</u>	<u>\$ 1,066,550</u>	<u>\$ 23,088,854</u>	<u>\$ 372,401</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, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2014	Internal Service Fund
OPERATING REVENUES					
Charges for Services	\$ 1,122,670	\$ 1,228,075	\$ 158,961	\$ 2,509,706	\$ 141,587
Water and Sewer Availability Charges	155,800	30,600	-	186,400	-
Total Operating Revenues	<u>1,278,470</u>	<u>1,258,675</u>	<u>158,961</u>	<u>2,696,106</u>	<u>141,587</u>
OPERATING EXPENSES					
Personnel Services	312,791	271,566	70,016	654,373	32,442
Other Services and Charges	205,834	849,525	70,296	1,125,655	80,516
Materials and Supplies	512,479	255,107	42,057	809,643	-
Depreciation	440,636	286,635	24,377	751,648	-
Total Operating Expenses	<u>1,471,740</u>	<u>1,662,833</u>	<u>206,746</u>	<u>3,341,319</u>	<u>112,958</u>
OPERATING INCOME (LOSS)	(193,270)	(404,158)	(47,785)	(645,213)	28,629
OTHER INCOME (EXPENSE)					
Investment Earnings	95,343	83,022	7,480	185,845	12,902
Miscellaneous Nonoperating Income	727	200	1,494	2,421	-
Interest and Fiscal Agent Fees	(49,456)	(6,199)	(3,045)	(58,700)	-
Bond Discount Amortization Expense	2,868	(25)	(12)	2,831	-
Total Other Income (Expense)	<u>49,482</u>	<u>76,998</u>	<u>5,917</u>	<u>132,397</u>	<u>12,902</u>
INCOME (DEFICIT) BEFORE TRANSFERS	(143,788)	(327,160)	(41,868)	(512,816)	41,531
TRANSFERS					
Transfers In	-	30,375	25,000	55,375	-
Transfers Out	(66,434)	(66,434)	(3,750)	(136,618)	-
Total Transfers	<u>(66,434)</u>	<u>(36,059)</u>	<u>21,250</u>	<u>(81,243)</u>	<u>-</u>
CHANGE IN NET POSITION	(210,222)	(363,219)	(20,618)	(594,059)	41,531
Net Position - Beginning of Year	<u>10,331,865</u>	<u>10,100,355</u>	<u>871,668</u>	<u>21,303,888</u>	<u>330,870</u>
NET POSITION - END OF YEAR	<u>\$ 10,121,643</u>	<u>\$ 9,737,136</u>	<u>\$ 851,050</u>	<u>\$ 20,709,829</u>	<u>\$ 372,401</u>

See accompanying Notes to the Financial Statements.

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2014	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Customers	\$ 1,353,627	\$ 1,280,600	\$ 152,905	\$ 2,787,132	\$ 141,587
Cash Paid to Suppliers	(690,050)	(1,069,179)	(119,608)	(1,878,837)	(195,478)
Cash Paid to Employees	(319,146)	(277,049)	(71,490)	(667,685)	(32,442)
Net Cash Provided (Used) by Operating Activities	344,431	(65,628)	(38,193)	240,610	(86,333)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	-	30,375	25,000	55,375	-
Transfers Out	(66,434)	(66,434)	(3,750)	(136,618)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(66,434)	(36,059)	21,250	(81,243)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Paid on Bonds	(259,572)	(48,366)	(23,757)	(331,695)	-
Interest and Fiscal Agent Fees	(55,525)	(6,275)	(3,083)	(64,883)	-
Acquisition of Capital Assets	-	(506,305)	(24,669)	(530,974)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(315,097)	(560,946)	(51,509)	(927,552)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	96,893	86,291	8,573	191,757	12,537
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	59,793	(576,342)	(59,879)	(576,428)	(73,796)
Cash and Cash Equivalents - Beginning of Year	3,209,284	3,024,467	315,739	6,549,490	348,165
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,269,077</u>	<u>\$ 2,448,125</u>	<u>\$ 255,860</u>	<u>\$ 5,973,062</u>	<u>\$ 274,369</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (193,270)	\$ (404,158)	\$ (47,785)	\$ (645,213)	\$ 28,629
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	440,636	286,635	24,377	751,648	-
Miscellaneous Other Income	730	200	1,494	2,424	-
Change in Assets and Liabilities:					
Accounts Receivable	74,249	24,257	(7,550)	90,956	-
Prepaid Items	2,868	1,610	592	5,070	(96,395)
Accounts Payable	25,395	33,843	(7,847)	51,391	(18,567)
Salaries Payable	(7,904)	(6,609)	(1,742)	(16,255)	-
Compensated Absences	1,549	1,126	268	2,943	-
Unearned Revenue	178	(2,532)	-	(2,354)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 344,431</u>	<u>\$ (65,628)</u>	<u>\$ (38,193)</u>	<u>\$ 240,610</u>	<u>\$ (86,333)</u>
Schedule of Non-cash Capital Activities:					
Capital Assets on Account	\$ -	\$ (28,154)	\$ -	\$ (28,154)	\$ -
Amortization of Premium/(Discount)	2,868	(25)	(12)	2,831	-

See accompanying Notes to the Financial Statements.

WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

COMPONENT UNITS

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

Blended Component Unit

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

B. BASIC FINANCIAL STATEMENTS

1. Government-Wide Statements

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

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, 2014**

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 activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

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

The Township reports the following major governmental funds:

General Fund

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

Economic Development Authority

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

G.O. Improvement Bonds 2011A

The G.O. improvement bonds of 2011A debt service fund are used to 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, 2014

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 proprietary fund:

Internal Service Fund

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

D. BUDGETS

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

E. LEGAL COMPLIANCE - BUDGETS

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported 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, 2014**

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 inflows of resources because it is not available to finance current expenditures. Deferred inflows of resources in governmental activities are susceptible to full accrual on the government-wide statements.

The Township's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the Township through this formula for 2014 totaled \$285,843. 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, noncurrent, and other special assessments receivable in governmental funding are completely offset by deferred inflows of resources. Deferred inflows of resources 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, 2014

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. DEFERRED OUTFLOWS OF RESOURCES

The Township would report a consumption of net position or fund balance which relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position or governmental fund balance sheet. No deferred outflows of resources are reported in these financial statements in the current year.

M. LAND HELD FOR RESALE

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

N. COMPENSATED ABSENCES

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

WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. LONG-TERM OBLIGATIONS

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

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

P. DEFERRED INFLOWS OF RESOURCES

The Township's financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an acquisition of net position or fund balance that applies to a future period. At the fund level, the Township will not recognize the deferred inflow of resources because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's year) under the modified accrual basis of accounting. The Township does not have deferred inflows of resources to report in its government-wide or proprietary fund financial statements in the current year.

Q. NET POSITION

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

R. FUND BALANCE

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

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

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

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

Assigned – consists of internally imposed constraints. These constraints are established by the Township Board and/or management. The Township Board 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.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. FUND BALANCE (CONTINUED)

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

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

S. 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.

T. 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, 2014.

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, 2014, but utilized a sweep account to move deposits into overnight investments.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

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.
- Obligations of a school district with an original maturity not exceeding 13 months which is (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to Minnesota Statute Section 126C.55.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Township’s investment policy doesn’t specifically address custodial credit risk. As of December 31, 2014, all of the Township’s investments are insured and registered, and are held by the counterparty’s agent in the Township’s name.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

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	\$ 2,590,303	\$ 2,590,303	\$ -	\$ -	\$ -
Marketable Certificates of Deposit	4,349,782	1,474,087	514,553	1,520,570	840,572
Municipal Bonds	5,923,038	810,426	2,051,804	1,288,881	1,771,927
Federal Home Loan	811,364	-	-	-	811,364
Federal National Mortgage Association	624,751	-	-	-	624,751
Government National Mortgage Association	5,009	-	-	-	5,009
Government Money Market Mutual Funds	371,602	371,602	-	-	-
Total	<u>\$ 14,675,849</u>	<u>\$ 5,246,418</u>	<u>\$ 2,566,357</u>	<u>\$ 2,809,451</u>	<u>\$ 4,053,623</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	\$ 2,590,303
Marketable Certificates of Deposit	NR	4,349,782
Government Money Market Mutual Funds	NR	371,602
Municipal Bonds	A	5,923,038
Federal Home Loan	AA	811,364
Federal National Mortgage Association	AA	624,751
Government National Mortgage Association	AA	5,009
Total		<u>\$ 14,675,849</u>

NR = Not rated by a national bond rating service.

The Minnesota Municipal Money Market Fund Trust is a common law trust organized in accordance with the Minnesota Joint Powers Act, which invests only in investment instruments allowable under Minnesota statutes as described on the previous page. Its investments are valued at amortized cost, 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, 2014**

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, 2014.

Concentration of Credit Risk

The Township places no limit on the amount that may be invested in any one issuer. The Township had the following investments which individually comprised more than 5% of the Township's total investments in 2014.

Investment	Amount	Percentage
Federal Home Loan Bank Bond	\$ 811,364	5.53%

Note 3 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 4,016,102	\$ -	\$ -	\$ -	\$ 4,016,102
Construction in Progress	96,316	229,224	(131,214)	-	194,326
Total Capital Assets, not Being Depreciated	4,112,418	229,224	(131,214)	-	4,210,428
Capital Assets, Being Depreciated:					
Buildings	3,699,502	-	-	-	3,699,502
Vehicles	1,522,640	197,575	(133,274)	-	1,586,941
Machinery and Shop Equipment	1,280,568	67,763	(10,757)	-	1,337,574
Office Furniture and Equipment	485,160	13,005	(9,367)	-	488,798
Infrastructure	21,474,224	34,980	-	-	21,509,204
Total Capital Assets, Being Depreciated	28,462,094	313,323	(153,398)	-	28,622,019
Accumulated Depreciation for:					
Buildings	(918,343)	(78,048)	-	-	(996,391)
Vehicles	(683,847)	(99,406)	133,274	-	(649,979)
Machinery and Shop Equipment	(569,499)	(64,059)	10,757	-	(622,801)
Office Furniture and Equipment	(395,974)	(52,081)	1,018	-	(447,037)
Infrastructure	(14,444,888)	(528,583)	-	-	(14,973,471)
Total Accumulated Depreciation	(17,012,551)	(822,177)	145,049	-	(17,689,679)
Total Capital Assets, Being Depreciated, Net	11,449,543	(508,854)	(8,349)	-	10,932,340
Governmental Activities Capital Assets, Net	\$ 15,561,961	\$ (279,630)	\$ (139,563)	\$ -	\$ 15,142,768

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 3 CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2014 was as follows (continued):

Governmental Activities:

General Government	\$	41,300
Public Safety		444
Public Works		716,954
Parks, Recreation and Forestry		62,444
Community Development		1,035
Total Depreciation Expense, Governmental Activities	<u>\$</u>	<u>822,177</u>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 395,439	\$ 155,907	\$ (395,439)	\$ -	\$ 155,907
Capital Assets, Being Depreciated:					
Buildings	6,177,719	-	-	2,332	6,180,051
Vehicles and Equipment	627,933	-	-	112,360	740,293
Infrastructure	24,877,264	468,142	-	(114,692)	25,230,714
Total Capital Assets, Being Depreciated	31,682,916	468,142	-	-	32,151,058
Accumulated Depreciation for:					
Buildings	(3,845,418)	(194,697)	-	-	(4,040,115)
Vehicles and Equipment	(252,706)	(53,013)	-	-	(305,719)
Infrastructure	(10,969,911)	(503,938)	-	-	(11,473,849)
Total Accumulated Depreciation	(15,068,035)	(751,648)	-	-	(15,819,683)
Total Capital Assets, Being Depreciated, Net	16,614,881	(283,506)	-	-	16,331,375
Business-Type Activities Capital Assets, Net	\$ 17,010,320	\$ (127,599)	\$ (395,439)	\$ -	\$ 16,487,282

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

Business-Type Activities

Water	\$	440,636
Sewer		286,635
Storm Sewer		24,377
Total Depreciation Expense, Business-Type Activities	<u>\$</u>	<u>751,648</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 4 TOWNSHIP INDEBTEDNESS

Township indebtedness at December 31, 2014 is composed of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Balance 12/31/14
Governmental Activities:					
General Obligation Bonds:					
G.O. Public Facilities 2004A	11/1/2004	2/1/2020	3.75%	\$ 2,500,000	\$ 1,160,000
*G.O. Tax Increment - 2005B	12/15/2005	2/1/2021	5.00%-5.25%	515,000	455,000
G.O. Improvement - 2008A	12/15/2005	2/1/2019	3.50%-4.00%	479,182	254,740
G.O. Improvement - 2011A	10/1/2011	2/1/2022	0.45%-2.15%	1,850,000	1,435,000
*G.O. Tax Increment Refund - 2011C	11/1/2011	2/1/2020	0.50%-2.00%	650,000	505,000
Total Bonds				<u>7,904,182</u>	<u>3,809,740</u>
Unamortized Bond Discount				(36,089)	(17,712)
Unamortized Bond Premium				33,839	10,091
Compensated Absences Payable				N/A	104,353
Total Governmental Activities				<u>\$ 7,901,932</u>	<u>\$ 3,906,472</u>
<i>*Represents non-capital related debt</i>					
Business-Type Activities:					
Revenue Bonds:					
G.O. Water Rev Ref. - 2011B	11/1/2011	2/1/2022	0.45%-2.15%	\$ 1,290,000	\$ 1,020,000
2008A Improvement and Utility Revenue Bonds	12/15/2005	2/1/2019	3.50%-4.00%	2,050,818	1,090,258
Total Bonds				<u>3,340,818</u>	<u>2,110,258</u>
Unamortized Bond Discount				(17,849)	(397)
Unamortized Bond Premium				29,101	11,544
Compensated Absences Payable				N/A	64,555
Total Business-Type Activities				<u>\$ 3,352,070</u>	<u>\$ 2,185,960</u>

The following is a schedule of changes in Township indebtedness for the year ended December 31, 2014:

	Payable 12/31/13	Additions	Reductions	Payable 12/31/14	Due Within One Year
Governmental Activities:					
Bonded Debt:					
General Obligation Bonds	\$ 4,645,199	\$ -	\$ 835,459	\$ 3,809,740	\$ 501,403
Unamortized Bond Discount	(20,596)	-	(2,884)	(17,712)	-
Unamortized Bond Premium	12,555	-	2,464	10,091	-
Compensated Absences Payable	116,991	100,453	113,091	104,353	76,594
Total Governmental Activities	<u>4,754,149</u>	<u>100,453</u>	<u>948,130</u>	<u>3,906,472</u>	<u>577,997</u>
Business-Type Activities:					
Revenue Bonds	2,444,801	-	334,543	2,110,258	338,598
Unamortized Bond Discount	(450)	-	(53)	(397)	-
Unamortized Bond Premium	14,430	-	2,886	11,544	-
Compensated Absences Payable	61,612	61,807	58,864	64,555	41,732
Total Business-Type Activities	<u>2,520,393</u>	<u>61,807</u>	<u>396,240</u>	<u>2,185,960</u>	<u>380,330</u>
Total	<u>\$ 7,274,542</u>	<u>\$ 162,260</u>	<u>\$ 1,344,370</u>	<u>\$ 6,092,432</u>	<u>\$ 958,327</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 4 TOWNSHIP INDEBTEDNESS (CONTINUED)

All long-term bonded indebtedness outstanding at December 31, 2014 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>	
2015	\$ 501,403	\$ 130,318	\$ 338,598	\$ 23,229	\$ 993,548
2016	544,241	87,734	355,756	44,311	1,032,042
2017	575,191	73,101	364,809	34,285	1,047,386
2018	587,085	56,690	332,915	23,926	1,000,616
2019	606,820	27,293	358,180	12,941	1,005,234
2020-2022	995,000	68,610	360,000	11,354	1,434,964
Total	<u>\$ 3,809,740</u>	<u>\$ 443,746</u>	<u>\$ 2,110,258</u>	<u>\$ 150,046</u>	<u>\$ 6,513,790</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, 2014**

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 GERP 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, 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. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in 2014. The Township is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, and 7.50% for Coordinated Plan PERF members. The Township's contributions to the Public Employees Retirement Fund for the years ended December 31, 2014, 2013, and 2012 were \$91,051, \$86,734, and \$89,746, respectively. The Township's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers).

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 6 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Actual expenditures exceeded budgets during 2014 as follows:

	Final Budget	Actual	Excess
General Fund:			
General Government:			
General Government	\$ 276,047	\$ 359,904	\$ (83,857)
Administration	272,778	292,425	(19,647)
Elections	22,730	24,717	(1,987)
Public Safety:			
Police and Traffic Control	911,195	915,121	(3,926)
Public Works:			
Public Works	204,291	256,857	(52,566)
Community Development	190,632	192,825	(2,193)
Transfers Out	52,019	134,019	(82,000)
Economic Development Authority	258,686	823,450	(564,764)

These excess expenditures were funded by available fund balance and greater than anticipated revenues in the General Fund. In the Economic Development Authority fund, the expenditures in excess of budget were funded with accumulated fund balance due to the collection of tax increments, when a tax increment district is decertified, excess collections, must be remitted back to the county according to Minnesota Statutes.

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 2014 were approximately \$212,711.

Law Enforcement Services – The Township entered into an agreement with Ramsey County to provide law enforcement services for an initial three year period commencing January 1, 2004, and renewing automatically, until one party terminates the agreement. The agreement calls for the Township to pay Ramsey County based on the actual costs associated with providing services under the agreement. Related expenditures for fiscal year 2014 were approximately \$915,121.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Note 8 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2014 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activity:		
General Fund	\$ 16,727	\$ (134,019)
Economic Development Authority	-	(239,799)
Improvement Fund	70,000	-
Debt Service Funds:		
Tax Increment Bonds 1999D	90,000	-
Tax Increment Bonds 2001C	71,925	-
Tax Increment Bonds 2004A	160,868	-
GO Improvement Bonds 2005A	26,692	-
Tax Increment Bonds 2005B	21,455	-
Capital Projects Funds:		
Park Acquisition Fund	20,750	-
Community Park Improvement Fund	-	(23,356)
Total Governmental Activity	<u>478,417</u>	<u>(397,174)</u>
Business-Type Activity:		
Water Fund	-	(66,434)
Sewer Fund	30,375	(66,434)
Storm Sewer Fund	25,000	(3,750)
	<u>\$ 533,792</u>	<u>\$ (533,792)</u>

During 2014, the Township made routine interfund transfers for various reasons including some fund balances exceeding the Town's fund balance policies, to finance debt and operations or to establish or close-out funds.

Note 9 RISK MANAGEMENT

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 is as follows:

<u>Enterprises</u>	<u>Purpose</u>	<u>Balance at December 31, 2014</u>
N.A. Ternes & Associates	Construction of a Facility	\$ 315,000
St. Croix Valley Hardwoods	Construction of a Facility	4,583
Cerenity Care Center	Construction of a Facility	7,582,456
White Bear Leased Housing Associates II	Construction of a Facility	1,321,445

Note 11 SUBSEQUENT EVENTS

In March of 2015, the Township called the remaining outstanding balance on the 2004 Public Facilities Bonds in the amount of \$985,000. This resulted in savings of approximately \$20,000 for the Township. Funding for this call came from existing cash reserves.

**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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUE				
General Property Taxes	\$ 2,761,232	\$ 2,761,232	\$ 2,778,830	\$ 17,598
Licenses and Permits	151,000	151,000	208,418	57,418
Intergovernmental	168,003	168,003	155,481	(12,522)
Charges for Services	108,620	108,620	191,436	82,816
Investment Earnings (Losses)	54,995	54,995	88,889	33,894
Fines and Forfeits	11,000	11,000	11,622	622
Equipment Rental	186,925	186,925	186,925	-
Miscellaneous	437,375	437,375	366,966	(70,409)
Total Revenue	<u>3,879,150</u>	<u>3,879,150</u>	<u>3,988,567</u>	<u>109,417</u>
EXPENDITURES				
Current:				
General Government:				
General Government	276,047	276,047	359,904	(83,857)
Administration	272,778	272,778	292,425	(19,647)
Board of Supervisors	40,671	40,672	39,010	1,662
Elections	22,730	22,730	24,717	(1,987)
Code Enforcement	186,132	186,132	174,033	12,099
Town Buildings	148,993	148,993	144,157	4,836
Total General Government	<u>947,351</u>	<u>947,352</u>	<u>1,034,246</u>	<u>(86,894)</u>
Public Safety:				
Police and Traffic Control	911,195	911,195	915,121	(3,926)
Fire Protection	218,264	218,264	212,711	5,553
Total Public Safety	<u>1,129,459</u>	<u>1,129,459</u>	<u>1,127,832</u>	<u>1,627</u>
Public Works:				
Road and Bridge	408,485	408,485	401,649	6,836
Public Works	204,291	204,291	256,857	(52,566)
Recycling	27,248	27,247	19,708	7,539
Total Public Works	<u>640,024</u>	<u>640,023</u>	<u>678,214</u>	<u>(38,191)</u>
Parks, Recreation and Forestry	525,405	525,405	373,204	152,201
Community Development	190,632	190,632	192,825	(2,193)
Capital Outlay	442,400	442,400	340,975	101,425
Total Expenditures	<u>3,875,271</u>	<u>3,875,271</u>	<u>3,747,296</u>	<u>127,975</u>
REVENUE OVER (UNDER) EXPENDITURES	3,879	3,879	241,271	237,392
OTHER FINANCING SOURCES (USES)				
Transfer in	26,000	26,000	16,727	(9,273)
Transfer Out	(52,019)	(52,019)	(134,019)	(82,000)
Sale of Property	58,000	58,000	13,338	(44,662)
Total Other Financing Sources (Uses)	<u>31,981</u>	<u>31,981</u>	<u>(103,954)</u>	<u>(135,935)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 35,860</u>	<u>\$ 35,860</u>	137,317	<u>\$ 101,457</u>
Fund Balance - Beginning of Year			<u>3,046,331</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,183,648</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUE				
General Property Taxes	\$ 798,115	\$ 798,115	\$ 713,125	\$ (84,990)
Charges for Services	6,000	6,000	7,200	1,200
Investment Earnings (Losses)	21,090	21,090	37,906	16,816
Miscellaneous	-	-	1,425	1,425
Total Revenue	<u>825,205</u>	<u>825,205</u>	<u>759,656</u>	<u>(65,549)</u>
EXPENDITURES				
Current:				
Community Development	<u>258,686</u>	<u>258,686</u>	<u>823,450</u>	<u>(564,764)</u>
REVENUE OVER (UNDER) EXPENDITURES	566,519	566,519	(63,794)	(630,313)
OTHER FINANCING USES				
Transfer Out	<u>(249,072)</u>	<u>(249,072)</u>	<u>(239,799)</u>	<u>9,273</u>
NET CHANGE IN FUND BALANCE	<u>\$ 317,447</u>	<u>\$ 317,447</u>	(291,445)	<u>\$ (608,892)</u>
Fund Balance - Beginning of Year			<u>1,552,569</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,261,124</u>	

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2014**

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 2014 as follows:

	Final Budget	Actual	Excess
General Fund:			
General Government:			
General Government	\$ 276,047	\$ 359,904	\$ (83,857)
Administration	272,778	292,425	(19,647)
Elections	22,730	24,717	(1,987)
Public Safety:			
Police and Traffic Control	911,195	915,121	(3,926)
Public Works:			
Public Works	204,291	256,857	(52,566)
Community Development	190,632	192,825	(2,193)
Transfers Out	52,019	134,019	(82,000)
Economic Development Authority	258,686	823,450	(564,764)

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

COMBINING FUND FINANCIAL STATEMENTS

**WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Debt Service				G.O.		Debt Service Subtotal
	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	
ASSETS							
Cash and Investments	\$ -	\$ 141,444	\$ 467,710	\$ -	\$ 49,152	\$ 182,757	\$ 841,063
Accrued Interest Receivable	(49)	603	1,847	16	241	745	3,403
Taxes Receivable:							
Delinquent	213	-	715	-	-	-	928
Due from County	(72)	-	598	-	-	-	526
Special Assessments Receivable:							
Delinquent	-	-	-	76	-	1,035	1,111
Other	-	9,050	-	8,347	-	66,287	83,684
Total Assets	\$ 92	\$ 151,097	\$ 470,870	\$ 8,439	\$ 49,393	\$ 250,824	\$ 930,715
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Interfund Payable	\$ 16,424	\$ -	\$ -	\$ 2,349	\$ -	\$ -	\$ 18,773
Deferred Inflows of Resources:							
Unavailable Revenue	213	9,049	715	8,352	-	66,190	84,519
Fund Balance:							
Restricted for:							
Debt Service	-	142,048	470,155	-	49,393	184,634	846,230
Park Improvements	-	-	-	-	-	-	-
Assigned for:							
Park Development	-	-	-	-	-	-	-
Polar Lakes Park Development	-	-	-	-	-	-	-
Unassigned	(16,545)	-	-	(2,262)	-	-	(18,807)
Total Fund Balance	(16,545)	142,048	470,155	(2,262)	49,393	184,634	827,423
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 92	\$ 151,097	\$ 470,870	\$ 8,439	\$ 49,393	\$ 250,824	\$ 930,715

Special Revenue	Capital Projects		
Park Acquisition Fund	Community Park Improvement Fund	Capital Projects Subtotal	Totals 2014
\$ 658,695	\$ 222,953	\$ 222,953	\$ 1,722,711
2,887	1,028	1,028	7,318
-	-	-	928
-	-	-	526
-	-	-	1,111
-	-	-	83,684
<u>\$ 661,582</u>	<u>\$ 223,981</u>	<u>\$ 223,981</u>	<u>\$ 1,816,278</u>
\$ -	\$ -	\$ -	\$ 18,773
-	-	-	84,519
-	-	-	846,230
6,385	-	-	6,385
655,197	-	-	655,197
-	223,981	223,981	223,981
-	-	-	(18,807)
<u>661,582</u>	<u>223,981</u>	<u>223,981</u>	<u>1,712,986</u>
<u>\$ 661,582</u>	<u>\$ 223,981</u>	<u>\$ 223,981</u>	<u>\$ 1,816,278</u>

WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	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
	REVENUE						
General Property Taxes	\$ 225	\$ -	\$ 54,979	\$ -	\$ -	\$ -	\$ 55,204
Investment Earnings (Losses)	(540)	4,830	14,790	(483)	1,841	5,509	25,947
Park and Recreation Fees	-	-	-	-	-	-	-
Special Assessments	-	5,475	-	3,618	-	22,723	31,816
Miscellaneous	-	-	-	-	-	-	-
Total Revenue	(315)	10,305	69,769	3,135	1,841	28,232	112,967
EXPENDITURES							
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal	170,000	75,000	170,000	160,000	10,000	45,459	630,459
Interest and Fiscal Charges	3,399	7,887	47,139	4,325	24,262	11,039	98,051
Total Expenditures	173,399	82,887	217,139	164,325	34,262	56,498	728,510
REVENUE UNDER EXPENDITURES	(173,714)	(72,582)	(147,370)	(161,190)	(32,421)	(28,266)	(615,543)
OTHER FINANCING SOURCES (USES)							
Transfers In	90,000	71,925	160,868	26,692	21,455	-	370,940
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	90,000	71,925	160,868	26,692	21,455	-	370,940
NET CHANGE IN FUND BALANCE	(83,714)	(657)	13,498	(134,498)	(10,966)	(28,266)	(244,603)
Fund Balance - Beginning of Year	67,169	142,705	456,657	132,236	60,359	212,900	1,072,026
FUND BALANCE - END OF YEAR	<u>\$ (16,545)</u>	<u>\$ 142,048</u>	<u>\$ 470,155</u>	<u>\$ (2,262)</u>	<u>\$ 49,393</u>	<u>\$ 184,634</u>	<u>\$ 827,423</u>

Special Revenue	Capital Projects			
Park Acquisition Fund	Community Park Improvement Fund	Capital Projects Subtotal	Totals 2014	
\$ -	\$ -	\$ -	\$	55,204
21,881	8,100	8,100		55,928
1,500	-	-		1,500
-	-	-		31,816
2,250	47,350	47,350		49,600
<u>25,631</u>	<u>55,450</u>	<u>55,450</u>		<u>194,048</u>
34,981	60,273	60,273		95,254
-	-	-		630,459
-	-	-		98,051
<u>34,981</u>	<u>60,273</u>	<u>60,273</u>		<u>823,764</u>
(9,350)	(4,823)	(4,823)		(629,716)
20,750	-	-		391,690
-	(23,356)	(23,356)		(23,356)
<u>20,750</u>	<u>(23,356)</u>	<u>(23,356)</u>		<u>368,334</u>
11,400	(28,179)	(28,179)		(261,382)
<u>650,182</u>	<u>252,160</u>	<u>252,160</u>		<u>1,974,368</u>
<u>\$ 661,582</u>	<u>\$ 223,981</u>	<u>\$ 223,981</u>	<u>\$</u>	<u>1,712,986</u>

III.

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 10,590,125	\$ 12,051,346	\$ 14,215,146	\$ 14,351,955	\$ 13,569,362	\$ 13,201,804	\$ 12,902,768	\$ 12,258,761	\$ 12,139,083	\$ 12,300,923
Restricted	2,367,524	3,577,932	3,666,021	3,290,443	3,291,589	1,149,715	4,649,117	4,427,242	4,376,137	3,665,385
Unrestricted	1,414,971	(297,869)	(338,758)	886,188	1,836,756	4,149,416	2,895,036	4,303,394	4,639,741	4,927,688
Total Governmental Activities Net Position	<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>	<u>\$ 21,154,961</u>	<u>\$ 20,893,996</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 17,046,624	\$ 17,727,768	\$ 17,911,320	\$ 17,692,311	\$ 16,464,691	\$ 16,162,163	\$ 15,271,382	\$ 14,445,266	\$ 14,551,539	\$ 14,337,723
Unrestricted	6,219,528	6,190,223	6,431,508	6,114,260	6,407,612	6,207,441	6,384,286	7,579,011	6,752,349	6,372,106
Total Business-Type Activities Net Position	<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>	<u>\$ 21,303,888</u>	<u>\$ 20,709,829</u>
Primary Government:										
Net Investment in Capital Assets	\$ 27,636,749	\$ 29,779,114	\$ 32,126,466	\$ 32,044,266	\$ 30,034,053	\$ 29,363,967	\$ 28,174,150	\$ 26,704,027	\$ 26,690,622	\$ 26,638,646
Restricted	2,367,524	3,577,932	3,666,021	3,290,443	3,291,589	1,149,715	4,649,117	4,427,242	4,376,137	3,665,385
Unrestricted	7,634,499	5,892,354	6,092,750	7,000,448	8,244,368	10,356,857	9,279,322	11,882,405	11,392,090	11,299,794
Total Primary Government Net Position	<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>	<u>\$ 42,458,849</u>	<u>\$ 41,603,825</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses:					
Governmental Activities:					
General Government	\$ 379,547	\$ 646,066	\$ 821,104	\$ 819,309	\$ 905,477
Public Safety	885,898	934,373	972,081	995,844	1,028,345
Public Works	1,724,702	1,457,884	1,162,665	1,456,160	1,317,693
Parks, Recreation and Forestry	179,270	337,611	83,002	246,966	237,266
Community Development	2,249,824	1,197,358	1,626,198	833,115	652,991
Interest on Long-Term Debt	229,618	271,642	250,376	178,950	207,360
Total Governmental Activities Expenses	<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>
Business-Type Activities:					
Water	1,200,345	1,381,176	1,421,524	1,699,874	1,848,649
Sewer	744,766	868,204	914,986	1,137,302	1,283,429
Storm Sewer	60,662	91,606	71,334	167,314	92,992
Total Business-Type Activities	<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>
Total Primary Government Expenses	<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>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$ 575,032	\$ 544,179	\$ 592,391	\$ 709,725	\$ 531,817
Public Safety	14,161	22,517	18,500	28,733	21,542
Public Works	-	-	-	-	-
Parks, Recreation and Forestry	94,043	53,221	51,219	57,986	36,204
Community Development	11,578	11,598	12,529	4,313	4,945
Operating Grants and Contributions	85,250	91,188	96,832	100,513	135,718
Capital Grants and Contributions	987,304	1,781,789	614,792	771,599	175,451
Total Governmental Activities Program Revenues	<u>1,767,368</u>	<u>2,504,492</u>	<u>1,386,263</u>	<u>1,672,869</u>	<u>905,677</u>
Business-Type Activities:					
Charges for Services:					
Water	1,059,624	986,137	987,098	1,148,012	941,586
Sewer	1,082,307	1,107,334	1,137,220	1,202,267	1,136,027
Storm Sewer	148,735	152,058	149,734	156,408	155,413
Capital Grants and Contributions	-	-	-	-	50,000
Total Business-Type Activities Program Revenues	<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>
Total Primary Government Program Revenues	<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>
Net (Expense)/Revenue:					
Governmental Activities	\$ (3,881,491)	\$ (2,340,442)	\$ (3,529,163)	\$ (2,857,475)	\$ (3,443,455)
Business-Type Activities	284,893	(95,457)	(133,792)	(497,803)	(942,044)
Total Primary Government Net Expense	<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>
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property Taxes	\$ 3,137,255	\$ 3,181,931	\$ 3,265,438	\$ 3,221,451	\$ 3,561,781
Unrestricted Grants and Contributions	141,738	285,507	102,196	109,441	32,434
Unrestricted Investment Earnings	144,727	131,222	216,904	162,393	(125,572)
Gain on Sale of Capital Assets	3,756	-	-	-	5,454
Miscellaneous	25,382	149,503	61,183	123,106	293,080
Transfers	(351,672)	(448,932)	98,603	227,261	153,183
Total Governmental Activities	<u>3,101,186</u>	<u>3,299,231</u>	<u>3,744,324</u>	<u>3,843,652</u>	<u>3,920,360</u>
Business-Type Activities:					
Unrestricted Investment Earnings	104,847	298,364	187,955	188,807	160,959
Contributed Capital	-	-	-	-	-
Transfers	351,672	448,932	(98,603)	(227,261)	(153,183)
Total Business-Type Activities	<u>456,519</u>	<u>747,296</u>	<u>89,352</u>	<u>(38,454)</u>	<u>7,776</u>
Total Primary Government	<u>\$ 3,557,705</u>	<u>\$ 4,046,527</u>	<u>\$ 3,833,676</u>	<u>\$ 3,805,198</u>	<u>\$ 3,928,136</u>
Change in Net Position					
Governmental Activities	\$ (780,305)	\$ 958,789	\$ 215,161	\$ 986,177	\$ 986,177
Business-Type Activities	741,412	651,839	(44,440)	(536,257)	(536,257)
Total Primary Government	<u>\$ (38,893)</u>	<u>\$ 1,610,628</u>	<u>\$ 170,721</u>	<u>\$ 449,920</u>	<u>\$ 449,920</u>

Fiscal Year				
2010	2011	2012	2013	2014
\$ 934,274	\$ 889,444	\$ 913,141	\$ 881,583	\$ 1,027,778
1,031,533	1,052,716	1,090,602	1,108,193	1,129,627
1,237,007	1,396,533	1,486,743	1,852,916	1,691,642
342,767	304,424	403,408	452,089	437,214
667,331	1,708,220	376,014	517,466	1,018,383
189,773	155,488	177,338	226,435	110,637
<u>4,402,685</u>	<u>5,506,825</u>	<u>4,447,246</u>	<u>5,038,682</u>	<u>5,415,281</u>
1,406,671	1,345,217	1,241,287	1,577,742	1,518,328
1,240,584	1,422,937	1,686,562	1,502,337	1,669,057
107,974	137,694	171,971	260,884	209,803
<u>2,755,229</u>	<u>2,905,848</u>	<u>3,099,820</u>	<u>3,340,963</u>	<u>3,397,188</u>
<u>\$ 7,157,914</u>	<u>\$ 8,412,673</u>	<u>\$ 7,547,066</u>	<u>\$ 8,379,645</u>	<u>\$ 8,812,469</u>
\$ 493,481	\$ 511,269	\$ 627,481	\$ 576,218	\$ 557,484
21,742	23,367	28,593	29,349	31,729
16,500	-	-	-	-
5,500	5,853	8,890	8,853	3,415
12,192	14,108	8,160	16,048	15,976
136,648	797,209	141,219	141,853	154,009
87,886	1,936,557	34,941	565,608	87,889
<u>773,949</u>	<u>3,288,363</u>	<u>849,284</u>	<u>1,337,929</u>	<u>850,502</u>
935,467	962,730	1,939,379	1,414,141	1,279,197
1,178,584	1,219,541	1,337,167	1,282,750	1,258,875
155,175	155,886	155,084	157,791	158,961
-	717	-	675	1,494
<u>2,269,226</u>	<u>2,338,874</u>	<u>3,431,630</u>	<u>2,855,357</u>	<u>2,698,527</u>
<u>\$ 3,043,175</u>	<u>\$ 5,627,237</u>	<u>\$ 4,280,914</u>	<u>\$ 4,193,286</u>	<u>\$ 3,549,029</u>
\$ (3,628,736)	\$ (2,218,462)	\$ (3,597,962)	\$ (3,700,753)	\$ (4,564,779)
(486,003)	(566,974)	331,810	(485,606)	(698,661)
<u>\$ (4,114,739)</u>	<u>\$ (2,785,436)</u>	<u>\$ (3,266,152)</u>	<u>\$ (4,186,359)</u>	<u>\$ (5,263,440)</u>
\$ 3,015,729	\$ 3,449,241	\$ 3,612,679	\$ 3,561,781	\$ 3,535,485
17,623	38,957	4,266	32,434	4,283
73,651	68,405	147,737	(125,572)	253,245
10,243	246	-	5,454	17,137
207,560	385,777	266,851	293,080	412,421
107,158	221,822	108,905	99,140	81,243
<u>3,431,964</u>	<u>4,164,448</u>	<u>4,140,438</u>	<u>3,866,317</u>	<u>4,303,814</u>
90,462	74,860	145,704	185,845	185,845
-	-	-	-	-
(107,158)	(221,822)	(108,905)	(78,432)	(81,243)
<u>(16,696)</u>	<u>(146,962)</u>	<u>36,799</u>	<u>107,413</u>	<u>104,602</u>
<u>\$ 3,415,268</u>	<u>\$ 4,017,486</u>	<u>\$ 4,177,237</u>	<u>\$ 3,973,730</u>	<u>\$ 4,408,416</u>
\$ (196,772)	\$ (196,772)	\$ 542,476	\$ 542,476	\$ (260,965)
(502,699)	(502,699)	368,609	368,609	(594,059)
<u>\$ (699,471)</u>	<u>\$ (699,471)</u>	<u>\$ 911,085</u>	<u>\$ 911,085</u>	<u>\$ (855,024)</u>

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund:				
Reserved	\$ 14,564	\$ 17,209	\$ 15,157	\$ 3,756
Unreserved	1,686,788	1,729,465	1,839,521	2,220,282
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>1,701,352</u>	<u>1,746,674</u>	<u>1,854,678</u>	<u>2,224,038</u>
All Other Governmental Funds:				
Reserved Reported in:				
Special Revenue Funds	212,402	838,718	834,591	632,517
Capital Projects Funds	-	-	-	-
Debt Service Funds	727,559	634,932	330,011	190,433
Unreserved Reported in:				
Special Revenue Funds	716,631	180,366	236,151	554,240
Capital Projects Funds	1,727,989	(685,980)	(1,041,884)	(30,151)
Debt Service Funds	72,474	628,564	1,318,292	1,006,006
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>3,457,055</u>	<u>1,596,600</u>	<u>1,677,161</u>	<u>2,353,045</u>
Total All Funds	<u><u>\$ 5,158,407</u></u>	<u><u>\$ 3,343,274</u></u>	<u><u>\$ 3,531,839</u></u>	<u><u>\$ 4,577,083</u></u>

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 27,488	\$ 20,345	\$ -	\$ -	\$ -	\$ -
2,189,726	2,122,782	-	-	-	-
-	-	25,440	22,644	23,879	8,534
-	-	6,742	6,511	6,749	6,983
-	-	2,660,334	3,140,127	3,015,703	3,168,131
<u>2,217,214</u>	<u>2,143,127</u>	<u>2,692,516</u>	<u>3,169,282</u>	<u>3,046,331</u>	<u>3,183,648</u>
634,155	632,718	632,718	-	-	-
-	-	-	-	-	-
201,201	1,007,277	1,007,277	-	-	-
1,066,657	1,219,761	1,219,761	-	-	-
(250,420)	479,884	479,884	-	-	-
1,487,357	172,532	172,532	-	-	-
-	-	-	354,556	354,556	354,556
-	-	-	2,820,032	2,918,413	2,396,968
-	-	-	1,665,500	1,797,908	1,975,981
-	-	-	(28,147)	-	(18,807)
<u>3,138,950</u>	<u>3,512,172</u>	<u>3,512,172</u>	<u>4,811,941</u>	<u>5,070,877</u>	<u>4,708,698</u>
<u>\$ 5,356,164</u>	<u>\$ 5,655,299</u>	<u>\$ 6,204,688</u>	<u>\$ 7,981,223</u>	<u>\$ 8,117,208</u>	<u>\$ 7,892,346</u>

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

	Fiscal Year		
	2005	2006	2007
Revenues:			
Property Taxes	\$ 2,918,559	\$ 3,168,630	\$ 3,247,353
Licenses and Permits	199,941	165,917	135,275
Intergovernmental	225,374	209,123	189,278
Charges for Services	151,484	106,230	170,389
Investment Earnings (Losses)	141,742	122,577	205,902
Fines and Forfeits	11,767	12,193	14,404
Park and Recreation Fees	29,658	8,905	5,750
Special Assessments	981,797	1,032,397	1,012,514
Equipment Rental	137,875	145,575	155,335
Miscellaneous	196,594	494,735	264,964
Total Revenues	<u>4,994,791</u>	<u>5,466,282</u>	<u>5,401,164</u>
Expenditures:			
Current:			
General Government	747,172	821,054	851,375
Public Safety	881,203	928,637	966,064
Public Works	1,149,795	1,078,006	914,458
Parks, Recreation and Forestry	255,184	265,267	314,609
Community Development	668,700	696,186	770,666
Capital Outlay	2,693,822	3,153,859	945,419
Debt Service:			
Principal	1,430,000	260,000	410,000
Interest and Fiscal Charges	258,136	277,945	230,185
Total Expenditures	<u>8,084,012</u>	<u>7,480,954</u>	<u>5,402,776</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,089,221)	(2,014,672)	(1,612)
Other Financing Sources (Uses):			
Sale of Property	5,918	28,809	2,646
Issuance of Debt	1,270,000	1,155,000	-
Premium on Bonds Issued	-	4,379	-
Discount on Bonds Issued	(22,224)	-	-
Payment to Refunded Bond Escrow Agent	-	(1,585,000)	-
Transfer In	2,336,084	1,625,247	1,518,980
Transfer Out	(2,282,456)	(1,028,896)	(1,331,449)
Total Other Financing Sources (Uses)	<u>1,307,322</u>	<u>199,539</u>	<u>190,177</u>
Net Change in Fund Balances	<u>\$ (1,781,899)</u>	<u>\$ (1,815,133)</u>	<u>\$ 188,565</u>
Debt Service as a Percentage of Noncapital Expenditures	31.3%	9.9%	14.0%

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 3,226,216	\$ 3,320,266	\$ 3,025,483	\$ 3,437,304	\$ 3,620,954	\$ 3,595,761	\$ 3,547,159
162,266	92,970	129,311	127,063	222,645	167,323	208,418
209,902	201,737	153,571	835,701	143,846	173,712	155,481
174,069	115,127	132,565	161,596	129,226	170,927	198,636
154,790	62,576	70,023	65,495	141,903	(120,749)	240,343
15,519	16,988	13,631	14,867	9,724	11,516	11,622
18,000	1,500	5,500	4,000	7,000	7,000	1,500
699,269	616,415	402,207	795,476	573,307	613,711	588,475
171,200	124,450	149,050	225,500	131,575	172,625	186,925
387,987	267,154	327,617	416,051	442,894	399,452	420,272
<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>	<u>5,191,278</u>	<u>5,558,831</u>
856,600	884,291	908,524	961,827	882,843	874,877	1,034,246
995,444	1,026,176	1,030,499	1,052,119	1,089,601	1,107,462	1,127,832
1,212,395	623,983	701,375	761,962	725,405	789,691	843,038
286,153	315,828	328,105	337,316	347,512	368,461	373,204
482,857	322,310	432,608	1,577,725	325,743	485,344	1,016,275
363,385	325,070	232,302	1,966,836	48,727	663,357	540,472
495,000	495,000	406,668	440,456	1,082,350	679,509	835,459
212,303	200,852	189,805	212,844	171,242	141,186	119,896
<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>	<u>5,109,887</u>	<u>5,890,422</u>
315,081	625,673	179,072	(1,228,032)	749,651	81,391	(331,591)
4,014	225	12,905	7,443	-	5,454	25,486
485,982	-	-	2,500,000	-	-	-
-	-	-	-	-	-	-
-	-	-	(13,865)	-	-	-
-	-	-	-	-	-	-
1,652,269	479,709	1,227,559	1,872,098	840,792	1,022,914	478,417
(1,412,102)	(326,526)	(1,120,401)	(1,416,489)	(751,887)	(973,774)	(397,174)
<u>730,163</u>	<u>153,408</u>	<u>120,063</u>	<u>2,949,187</u>	<u>88,905</u>	<u>54,594</u>	<u>106,729</u>
<u>\$ 1,045,244</u>	<u>\$ 779,081</u>	<u>\$ 299,135</u>	<u>\$ 1,721,155</u>	<u>\$ 838,556</u>	<u>\$ 135,985</u>	<u>\$ (224,862)</u>
16.9%	18.1%	15.3%	9.5%	26.8%	17.5%	17.4%

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

<u>Payable Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Utility and Other</u>	<u>Total Taxable Tax Capacity (Assessed) Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Market Value</u>	<u>Net Tax Capacity as a Percentage of Market Value</u>
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
2013	8,768,510	1,091,778	1,675,100	261,474	11,796,862	25.246	1,136,141,500	1.04
2014	9,170,505	1,044,276	1,725,327	204,583	12,144,691	24.292	1,235,823,600	0.98

Source: Ramsey County, Minnesota Assessors' Office

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

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

Year	Township Direct Rate			Overlapping Rates			
	Basic Rate	General Obligation Debt Service	Total Direct	School District #624	School District #621	Special School District #916	Ramsey County
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
2013	24.947	0.299	25.246	28.622	29.444	-	65.240
2014	24.014	0.278	24.292	28.562	29.734	-	63.735

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.

Special Districts	Total Overlapping	Total Direct and Overlapping Tax Rate
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
10.200	133.506	158.752
11.978	134.009	158.301

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

Taxpayer	2014		Percentage of Total City Taxable Assessed Value
	2014 Tax Capacity	Rank	
Specialty Manufacturing Inc.	\$ 234,226	1	1.8 %
Wilbert Plastics, Inc. (Thermoform)	153,452	2	1.2
Muller Family Theatres	149,250	3	1.1
JMK Limited Partnership	147,486	4	1.1
North Oaks Farms Inc.	144,717	5	1.1
Schwing America, Inc.	122,567	6	0.9
Miksic Realty LLC	113,844	7	0.9
PM Minnesota LLC & CO Pentair	113,582	8	0.9
Heraeus Vadnais Inc.	106,560	9	0.8
Spearman Real Estate	103,250	10	0.8
Porus Media, LLC			-
EPI Corporation			-
Com Tal Machine & Engineering			-
Water Gremlin Company			-
All Other Taxpayers	11,862,188		89.5
Total	\$ 13,251,122		100.0 %

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

2005

<u>2005 Tax Capacity</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
\$ 106,740	7	0.8 %
309,250	1	2.4
141,250	4	1.1
104,574	8	0.8
79,861	10	0.6
302,578	2	2.3
		-
		-
		-
		-
115,718	6	0.9
191,530	3	1.5
126,626	5	1.0
84,064	9	0.7
<u>11,359,540</u>		<u>87.9</u>
<u>\$ 12,921,731</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	Amount	Percentage of Levy
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
2013	2,774,002	85,000	2,859,002	2,798,836	97.9
2014	2,761,232	55,000	2,816,232	2,800,636	99.4

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Amount	Percentage of Levy		
\$ 1,313	\$ 2,172,460	100.0 %	\$ -	-
31,123	2,363,283	100.0	-	-
131,058	2,556,626	100.0	-	-
143,498	2,646,585	100.0	(943)	-
157,288	2,648,609	99.9	1,728	0.1
203,609	2,626,935	99.9	3,098	0.1
175,256	2,825,953	99.8	6,344	0.2
(11,989)	2,900,874	99.9	3,197	0.1
55,388	2,854,224	99.8	4,778	0.2
-	2,800,636	99.4	15,596	0.6

**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
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
2013	4,645,399	-	-	2,444,801
2014	3,802,119	-	-	2,121,405

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 Bonded Debt to Assessed Value</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 8,135,000	0.47	1.5 %	\$ 691
7,190,000	0.39	1.3	608
6,515,000	0.33	1.2	546
8,025,000	0.32	1.4	680
7,290,000	0.29	1.4	621
6,455,000	0.28	1.3	590
9,580,000	0.45	1.8	871
8,090,000	0.42	1.4	730
7,090,200	0.39	1.2	639
5,923,524	0.31	1.0	534

WHITE BEAR TOWNSHIP, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014
(UNAUDITED)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping:			
Ramsey County	\$ 161,305,406	2.553 %	\$ 4,117,825
County Library	20,007,754	4.988	998,006
Metro Watershed	1,394,386	-	-
I.S.D. #621	96,656,899	0.027	26,412
I.S.D. #624	83,848,438	18.055	15,139,174
S.I.S.D. #916	2,219,617	5.062	112,355
Metro Council	1,156,829,992	0.381	4,412,462
Metro Airports Commission	(88,424)	0.381	<u>(337)</u>
Total Overlapping			<u>24,805,897</u>
White Bear Township Direct Debt	3,802,119	100.000	<u>3,802,119</u>
Total Direct and Overlapping Debt			<u><u>\$ 28,608,016</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			
	2005	2006	2007	2008
Debt Limit	\$ 23,110,146	\$ 25,996,208	\$ 28,511,052	\$ 43,976,736
Total Net Debt Applicable to Limit	<u>2,423,097</u>	<u>3,135,000</u>	<u>2,845,000</u>	<u>2,100,000</u>
Legal Debt Margin	<u>\$ 20,687,049</u>	<u>\$ 22,861,208</u>	<u>\$ 25,666,052</u>	<u>\$ 41,876,736</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.48%	12.06%	9.98%	4.78%

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

Legal Debt Margin Calculation for Fiscal Year 2014:

Estimated Market Value	1,235,823,600
Debt Limit (3% of Estimated Market Value) **	37,074,708
Debt Applicable to Limit	1,168,938
Legal Debt Margin	<u>\$ 35,905,770</u>

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 42,417,546	\$ 40,545,888	\$ 37,464,972	\$ 35,083,242	\$ 34,084,245	\$ 37,074,708
<u>1,955,000</u>	<u>1,805,000</u>	<u>1,650,000</u>	<u>1,495,000</u>	<u>1,330,000</u>	<u>1,168,938</u>
<u>\$ 40,462,546</u>	<u>\$ 38,740,888</u>	<u>\$ 35,814,972</u>	<u>\$ 33,588,242</u>	<u>\$ 32,754,245</u>	<u>\$ 35,905,770</u>
4.61%	4.45%	4.40%	4.26%	3.90%	3.15%

**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)
2005	11,778	\$ 532,106	\$ 45,178
2006	11,830	547,812	46,307
2007	11,923	534,127	44,798
2008	11,802	564,856	47,861
2009	11,745	525,965	44,782
2010	10,949	499,888	45,656
2011	11,000	546,601	49,691
2012	11,089	561,869	50,669
2013	11,089	579,034	52,217
2014	11,089	594,260	53,590

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			
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	8,425	4.4
15	3,704,609	580	7,006,738	26.8	8,232	6.6
23	247,604	434	5,007,147	37.5	8,121	7.4
33	1,258,735	347	4,472,908	37.4	8,020	6.9
15	4,102,800	329	3,447,476	37.4	8,231	5.7
11	988,149	373	9,986,083	37.4	8,005	4.9
13	6,756,075	272	4,270,649	37.4	8,035	4.1
19	8,925,205	330	4,298,663	37.4	8,056	4.7

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

Employer	2014			2005		
	Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Heraeus Medical Components	400	1	13.8 %	-		- %
Schwing America Inc.	237	2	8.2	470	1	22.9
Pentair (Porous Media Corporation)	211	3	7.3	190	5	9.3
Water Gremlin Company	210	4	7.2	250	3	12.2
Wilbert Plastics Inc. (Thermoform)	196	5	6.8	202	4	9.8
Cub Foods	188	6	6.5	350	2	17.1
Cortec Corporation	170	7	5.9			-
Specialty Manufacturing Inc.	148	8	5.1			-
First Student (Rehbein Transit)	80	9	2.8	150	7	7.3
Herold Precision Metals	78	10	2.7	90	9	4.4
Muller Family Theatres	-		-	130	8	6.3
Com Tal Machine & Engineering	-		-	70	10	3.4
E.P.I	-		-	150	6	7.3
Total	2,902		66.1 %	2,052		100.0 %

Source: Business Licenses, White Bear Township.

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

	Full-Time-Equivalent Employees as of December 31,				
	2005	2006	2007	2008	2009
General Government					
Administration	2.14	2.14	2.00	2.00	1.96
Code Enforcement	2.13	2.15	2.15	2.15	2.20
Town Buildings	0.15	0.15	0.20	0.20	0.36
Total General Government	<u>4.42</u>	<u>4.44</u>	<u>4.35</u>	<u>4.35</u>	<u>4.52</u>
Public Works					
Recycle	-	0.10	0.10	0.10	0.05
Public Works	1.00	1.00	0.80	0.80	0.80
Road and Bridge	2.62	2.61	2.53	2.53	2.21
Total Public Works	<u>3.62</u>	<u>3.71</u>	<u>3.43</u>	<u>3.43</u>	<u>3.06</u>
Parks, Recreation and Forestry	3.21	3.21	2.53	2.53	2.72
Community Development					
Community Development	0.94	1.10	1.44	1.44	1.50
Economic Development Authority	1.22	0.69	0.69	0.69	-
Total Community Development	<u>2.16</u>	<u>1.79</u>	<u>2.13</u>	<u>2.13</u>	<u>1.50</u>
Water	2.61	2.70	3.01	3.01	3.43
Sewer	1.38	1.50	1.75	1.75	1.72
Storm Sewer	<u>0.35</u>	<u>0.40</u>	<u>0.38</u>	<u>0.38</u>	<u>0.35</u>
Total	<u><u>17.75</u></u>	<u><u>17.75</u></u>	<u><u>17.58</u></u>	<u><u>17.58</u></u>	<u><u>17.30</u></u>

Source: Township Records

Full-Time-Equivalent Employees as of December 31,

2010	2011	2012	2013	2014
1.96	1.96	2.05	2.00	1.90
2.20	2.20	1.60	1.00	2.15
0.49	0.21	0.58	0.58	0.22
<u>4.65</u>	<u>4.37</u>	<u>4.23</u>	<u>3.58</u>	<u>4.27</u>
0.05	0.05	0.05	0.05	0.05
0.88	0.90	0.90	0.90	0.90
2.32	2.66	2.65	2.60	2.73
<u>3.25</u>	<u>3.61</u>	<u>3.6</u>	<u>3.55</u>	<u>3.68</u>
2.09	2.99	3.07	3.02	3.25
1.50	1.50	1.50	1.50	1.50
0.00	0.00	0.00	0.00	0.00
<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
3.64	3.27	3.17	3.07	3.18
1.97	2.68	2.65	2.55	2.65
<u>0.45</u>	<u>0.7</u>	<u>0.76</u>	<u>0.71</u>	<u>0.77</u>
<u><u>17.55</u></u>	<u><u>19.12</u></u>	<u><u>18.98</u></u>	<u><u>17.98</u></u>	<u><u>19.30</u></u>

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

Function/Program	Fiscal Year				
	2005	2006	2007	2008	2009
General Government					
Elections	1	3	1	3	1
Number of Votes Cast	442	6,814	671	8,993	225
Public Safety					
Police:	(A)	(A)	(A)	(A)	(A)
Crimes Investigated	539	489	527	587	531
Administrative Citations Collection	0	0	0	0	0
Animal Impounds	81	70	94	71	56
Neighborhood Watch Groups	25	25	25	25	25
Fire:	(B)	(B)	(B)	(B)	(B)
Fire	410	422	420	558	488
Average Response Time (minutes)	5.5	5.5	5.0	7.0	6.4
Total Dollar Loss	\$1,243,854	\$438,850	\$986,500	\$1,148,400	\$1,853,150
Inspections:					
Building Permits	500	413	523	595	457
Value of Building Permits	\$19,083,103	\$9,879,882	\$9,256,133	\$10,711,347	\$5,254,751
Public Works					
Vehicles Maintained	22	22	23	25	25
Miles of Streets	70.50	70.50	70.50	70.50	70.50
Snow Removal (events)	28	22	25	27	32
Parks, Recreation and Forestry					
Parks:					
Number of Parks	26	26	26	26	25
Acres of Parks	172.22	172.22	172.22	172.22	191.65
Utilities					
Miles of Water Mains	63.5	65.83	65.83	65.83	65.83
Water Customers	4,495	4,532	4,550	4,573	4,656
Miles of Sewer Mains	62	64.42	64.42	64.42	64.42
Sewer Customers	4,443	4,478	4,496	4,511	4,552

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				
2010	2011	2012	2013	2014
3	1	3	1	1
7,228	364	7,486	179	5,296
(A)	(A)	(A)	(A)	(A)
570	459	594	532	416
\$ 10,602	\$ 10,541	\$ 10,818	\$ 16,109	\$ 12,865
6	12	87	7	10
25	25	16	16	16
(B)	(B)	(B)	(B)	(B)
567	487	496	530	476
7.2	7.3	5.9	6	5.8
\$ 300,850	\$ 1,108,300	\$1,015,850	\$344,000	\$663,200
375	344	389	285	349
\$ 5,731,643	\$ 7,550,276	\$10,974,232	\$11,026,724	\$13,223,868
26	27	27	27	27
70.50	70.50	70.5	70.5	70.5
36	15	9	22	15
25	25	25	25	25
191.65	191.65	191.65	191.65	191.65
65.83	65.83	65.83	65.83	65.83
4,651	4,663	4,675	4,682	4,760
64.42	64.42	64.42	64.42	64.42
4,567	4,556	4,568	4,575	4,661

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

Function/Program	Fiscal Year					Fiscal Year				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Correctional Facilities	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Vehicles	22	22	22	25	25	26	27	27	27	27
Miles of Township Streets	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.5	70.5	70.5
Parks, Recreation and Forestry										
Parks										
Parks	26	26	26	25	25	25	25	25	25	25
Park Acres	172.22	172.22	172.22	191.65	191.65	191.65	191.65	191.65	191.65	191.65
Park Shelters	9	9	9	9	9	9	9	9	9	9
Basketball Courts	3	3	3	5	5	5	5	5	5	5
Sliding Hills	3	3	3	3	3	3	3	3	3	3
Horseshoe Courts	1	1	1	1	1	1	1	1	1	1
Skating Rinks	9	9	9	9	9	9	9	9	9	9
Soccer Fields	3	3	3	3	3	3	3	3	3	3
Ball Fields	10	10	10	8	8	8	8	8	8	8
Swimming Beach	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	9	9	8	8	8	8	8
Volleyball Courts	3	3	3	3	3	3	3	3	3	3
Water										
Miles of Water Mains	63.50	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83	65.83
Water Connections	4,495	4,532	4,550	4,573	4,656	4,651	4,663	4675	4682	4760
Sewer										
Miles of Sewer Lines	62.00	64.42	64.42	64.42	64.42	64.42	64.42	64.42	64.42	64.42
Sewer Connections	4,443	4,478	4,496	4,511	4,552	4,567	4,556	4568	4575	4661
Storm Sewer										
Miles of Storm Water Lines/Culverts	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Source: Various Township Departments.

IV.

OTHER REQUIRED REPORTS

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

Township Board of Supervisors
White Bear Township, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of White Bear Township (Township), Minnesota, as of December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 23, 2015.

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*, except for the item described in detail in the attached Schedule of Findings and Responses as finding 2014-001. 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.

White Bear Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. White Bear Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 23, 2015

**WHITE BEAR TOWNSHIP, MINNESOTA
SCHEDULE OF MINNESOTA LEGAL COMPLIANCE FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2014**

MINNESOTA LEGAL COMPLIANCE FINDINGS

Finding: 2014-001

TIF District Decertification - Section 469.177 subd. 12

Finding: Minnesota Statutes require that TIF Districts be decertified when, beginning in the sixth year following certification of a post-1990 TIF district, sufficient tax increment revenues are available to pay, to defease, or to set aside to pay, outstanding bonds and binding contracts entered into before or within five years of the certification of the district. During the year, the Towhship received a letter from the Office of the State Auditor inquiring as to why the TIF District had not been decertified as it had incurred only administrative expenses since 2007. The TIF District should have been decertified in 2007 once the balance of the TIF District's outstanding debt had been fully paid off.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

During fiscal year 2015, the Township will revise its procedures as necessary to ensure all TIF Districts are properly decertified in accordance with Minnesota Statutes.

Official Responsible for Ensuring CAP:

The Finance Office and Township Clerk-Treasurer will be reponsible for ensuring the CAP.

Planned Completion Date for CAP:

The Township will begin implementing additional revoew of its TIF Districts immediately.

Plan to Monitor Completion of CAP:

The Board of Supervisors will be monitoring this corrective action plan.