



**WHITE BEAR
TOWNSHIP**
MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2007

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF
WHITE BEAR TOWNSHIP, MINNESOTA
YEAR ENDED DECEMBER 31, 2007**

Prepared by

William Short, Township Clerk - Treasurer

Jessie Hart, Finance Officer

White Bear Township

1281 Hammond Road

White Bear Township, Minnesota 55110

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I.
**INTRODUCTORY
SECTION**



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WHITE BEAR TOWNSHIP

1858
RAMSEY COUNTY
MINNESOTA

Board of Supervisors
ROBERT J. WEISENBURGER, *Chairman*
RICHARD A. SAND
WILLIAM R. MAMPLE

1281 HAMMOND ROAD
WHITE BEAR TOWNSHIP, MN 55110

651-747-2750

FAX 651-426-2258

Email: wbt@ci.white-bear-township.mn.us

July 24, 2008

Township Board of Supervisors and Citizens
White Bear Township, Minnesota

Minnesota Statutes require townships with a population of more than 2,500 to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP), and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants or the Office of the State Auditor. Pursuant to that requirement, we hereby issue the comprehensive financial report of White Bear Township, Minnesota for the fiscal year ended December 31, 2007.

This report consists of management's representations concerning the finances of White Bear Township. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of White Bear Township has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of White Bear Township's financial statements in conformity with U.S. generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, White Bear Township's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, 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 LarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of White Bear Township for the fiscal year ended December 31, 2007, are free of 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 used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that White Bear Township's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. White Bear Township's MD&A can be found immediately following the independent auditors' reports.

Profile of the Government

White Bear Township has been an unincorporated township since 1858. The Township is a northern Saint 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 now is fragmented into four parcels covering an area of approximately 9.3 square miles (approximately 6,000 acres). White Bear Township has the largest population of the 1,800 townships within the state. The 2000 U.S. Census population for the Township is 11,293 and a current estimated population of 11,923. White Bear Township is empowered to levy a property tax on both real and personal properties located within its boundaries.



Profile of the Government (Continued)

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, adopting the budget, 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, 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 three-year staggered terms, with one board member elected each year. The Board of Supervisors is elected at large.

White Bear Township provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer services and park maintenance.

The annual budget serves as the foundation for White Bear Township's financial planning and control. All departments and agencies of White Bear Township submit requests for appropriation to the Clerk-Treasurer in June of each year. The Clerk-Treasurer uses these requests as the starting point for developing a proposed budget. The Clerk-Treasurer then presents this proposed budget to the Board of Supervisors for review prior to August 31. The Board of Supervisors are required to hold a town meeting on the proposed budget and have residents adopt a final budget by no later than December 31, the close of White Bear Township's fiscal year.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the board of supervisors. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 46 is part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, are shown on page 47.

Factors Affecting Financial Condition

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

Local Economy. White Bear Township currently enjoys a favorable economic environment and local indicators point to continued stability and improvement, although the instability in the national economy could have impacts on the local economy. However, the Township and surrounding area has experienced a slow down in new residential home construction in 2007. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within White Bear Township's boundaries or in close proximity include the largest fishing tackle manufacturer, vacuum formed plastics, computer components, a major cement pump manufacturer and several automobile dealerships.

The region (which includes White Bear Township and the surrounding incorporated area within Ramsey County) has an employed labor force of approximately 276,503, which is expected to grow at a rate of three percent each year for the next several years. White Bear Township is nearing full residential development, but still has approximately 128 acres available for commercial/industrial development.

Long-Term Financial Planning. White Bear Township began construction of the Township's community park in 2000 and has continued to add improvements to the park as funds become available. In 2007, the Township constructed a park/soccer shelter and began the planning process for updating dugouts at the ball fields and an outdoor amphitheatre.

The Township is also working 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 improvements will come from state, county and federal sources, with some portion supported by the local taxpayers.

Factors Affecting Financial Condition (Continued)

Long-Term Financial Planning (Continued). White Bear Township is also working with the state to upgrade major sewer lines within the Township and neighboring communities. Funding for this project will need to come from state sources. In 2007, the Township solicited bids for the installation of water meters at all properties at a cost of approximately \$1,000,000. This project has been in the making for over ten years and will take place over the next 12 – 18 months. Installation of water meters will allow for charging customers for water used and provide better information of how and where water is being used.

Cash Management Policies and Practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the US Treasury, commercial paper, and government agencies. The maturities of the investments range from 35 days to 15 years, with an average maturity of 3.325 years. The investment income return for 2007 on all investments was 4.86 percent. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that White Bear Township intends to hold to maturity.

Risk Management. White Bear Township uses an internal service fund (Risk Management Fund) for certain risk management activities. The Township purchases its insurance policies through the League of Minnesota Cities Insurance Trust. The Risk Management Fund is used to track costs paid for insurance policies, as well as losses that fall under the Township's insurance deductible.

Pension and other postemployment benefits. White Bear Township participates in a multiple employer cost-sharing pension plan administered by the Public Employee Retirement Association (PERA).

White Bear Township does not provide post-retirement health care benefits for retirees. Additional information on White Bear Township's pension plan can be found in Note 5 in the notes to the financial statements.

Awards and Acknowledgements

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, 2006. This was the 11th consecutive year the Township has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Township also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2007. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the Finance and Administration Department Staff. I would like to express my appreciation to all members of the staff who assisted and contributed to the preparation of this report. Credit also must be given to the Township Board of Supervisors for their unflinching support for maintaining the highest standards of professionalism in the management of White Bear Township's finances.

Respectfully submitted,

William F. Short
Clerk-Treasurer

Jessie Hart
Finance Officer

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**WHITE BEAR TOWNSHIP, MINNESOTA
TOWNSHIP OFFICIALS AND PERSONNEL
DECEMBER 31, 2007**

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

Bob Weisenburger
Chair

Dick Sand
Supervisor

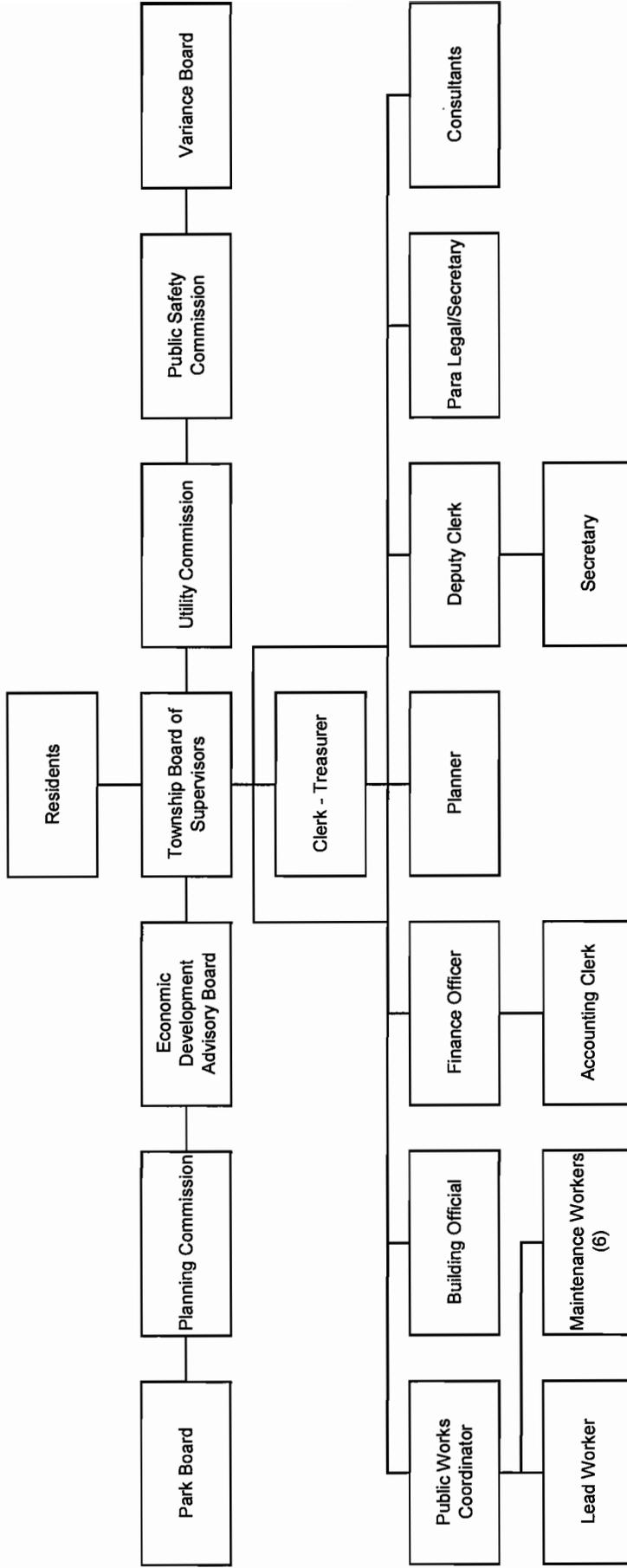
Bill Mample
Supervisor

TOWNSHIP STAFF

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

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**WHITE BEAR TOWNSHIP, MINNESOTA
 ORGANIZATIONAL CHART
 DECEMBER 31, 2007**



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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, 2006

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



Cherie S. Cox

President

Jeffrey R. Emery

Executive Director

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II.
FINANCIAL
SECTION

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CPAs, Consultants & Advisors

www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Township Board of Supervisors and Citizens
White Bear Township, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township, Minnesota as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township, Minnesota as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 13 to the financial statements, the Township restated the December 31, 2006 beginning net assets to correct capital asset balances.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the White Bear Township, Minnesota's basic financial statements. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



LarsonAllen LLP

Minneapolis, Minnesota
July 24, 2008



LLP is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

As management of White Bear Township, Minnesota, we offer readers of White Bear Township's financial statements this narrative overview and analysis of the financial activities of White Bear Township for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

Financial Highlights

- The assets of White Bear Township exceeded its liabilities at the close of the most recent fiscal year by \$41,885,237 (net assets). Of this amount, \$6,092,750 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Township's fund designations and fiscal policies.
- The Township's total net assets increased by \$170,721 during 2007.
- As of the close of the current fiscal year, White Bear Township's governmental funds reported combined ending fund balances of \$3,531,839. 65.93 percent of this total amount, \$2,328,712, is available for use within the Township's designations and policies.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,839,521, or 59.37 percent of total general fund expenditures.
- White Bear Township's total bonded debt decreased by \$675,000 during the current fiscal year. The key factor is regularly scheduled debt service payment.

Overview of the Financial Statements

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.

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

The statement of net assets presents information on all of White Bear Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of White Bear Township is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of White Bear Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of White Bear Township include general government, public safety, public works, economic development and park maintenance. The business-type activities of White Bear Township include water, sanitary sewer, and storm drainage.

The government-wide financial statements can be found on pages 15-17 of this report.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Overview of the Financial Statements (Continued)

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the Township's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

White Bear Township maintains five individual major government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, economic development authority special revenue fund, miscellaneous bond debt service fund, closed construction capital projects fund, and improvement capital projects fund, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

White Bear Township adopts an annual appropriated budget for its general fund and economic development authority special revenue fund. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-23 of this report.

Proprietary Funds. White Bear Township maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. White Bear Township uses enterprise funds to account for its sanitary sewer, water, and storm drainage operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among White Bear Township's various functions. White Bear Township uses internal service funds to account for its risk management and equipment replacement. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitary sewer, water, and storm drainage operations. All of which are considered to be major funds of White Bear Township. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Overview of the Financial Statements (Continued)

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-45 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on pages 46-47 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. By far the largest portion of White Bear Township's net assets (76.7 percent) 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 White Bear 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.

**Table 1
STATEMENT OF NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 6,525,124	\$ 6,808,609	\$ 6,602,750	\$ 6,388,312	\$ 13,127,874	\$ 13,196,921
Capital Assets	17,062,936	15,109,366	19,141,302	19,218,672	36,204,238	34,328,038
Total Assets	23,588,060	21,917,975	25,744,052	25,606,984	49,332,112	47,524,959
Noncurrent Liabilities Outstanding	5,355,394	5,809,283	1,262,740	1,490,904	6,618,134	7,300,187
Other Liabilities	690,257	777,283	138,484	198,089	828,741	975,372
Total Liabilities	6,045,651	6,586,566	1,401,224	1,688,993	7,446,875	8,275,559
Net Assets:						
Invested in Capital Assets, Net of Related Debt	14,215,146	12,051,346	17,911,320	17,727,768	32,126,466	29,779,114
Restricted	3,666,021	3,577,932	-	-	3,666,021	3,577,932
Unrestricted	(338,758)	(297,869)	6,431,508	6,190,223	6,092,750	5,892,354
Total Net Assets	\$ 17,542,409	\$ 15,331,409	\$ 24,342,828	\$ 23,917,991	\$ 41,885,237	\$ 39,249,400

A portion of White Bear Township's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,092,750) may be used to meet the Township's ongoing obligations to citizens and creditors. At the end of the current fiscal year, White Bear Township is able to report positive balances in all three categories of net assets for the government as a whole.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Government-Wide Financial Analysis (Continued)

Governmental Activities

Net assets of the Township's governmental activities increased by \$215,161. The most significant impact to governmental net assets is due to higher than anticipated contract revenues for services provided to the City of Gem Lake, increased administrative fees and miscellaneous one time revenues. Also the Township levied and collected more in special assessments than in past years. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirement was a deficit of \$338,758 at December 31, 2007.

The Township's capital assets increase was due primarily to the increased investment in infrastructure assets, which was done to continue the replacement of the Township's aging infrastructure system.

Business-Type Activities

The net assets of our business-type activities decreased by \$44,440. The major components of this decrease in net assets are a decrease in interest earnings in 2007 and minimal capital contributions from the governmental activities. Unrestricted net assets in the business-type activities increased by \$241,285.

The following table indicates the changes in net assets for the Township's governmental and business-type activities:

**Table 2
STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
REVENUES						
Program Revenues:						
Charges for Services	\$ 674,639	\$ 631,515	\$ 2,274,052	\$ 2,245,529	\$ 2,948,691	\$ 2,877,044
Operating Grants and Contributions	96,832	91,188	-	-	96,832	91,188
Capital Grants and Contributions	614,792	1,781,789	-	-	614,792	1,781,789
General Revenues:						
Property Taxes	3,265,438	3,181,931	-	-	3,265,438	3,181,931
Contributions Not Restricted to Specific Programs	102,196	285,507	-	-	102,196	285,507
Unrestricted Investment Earnings	216,904	131,222	187,955	298,364	404,859	429,586
Miscellaneous	61,183	149,503	-	-	61,183	149,503
Total Revenues	5,031,984	6,252,655	2,462,007	2,543,893	7,493,991	8,796,548
EXPENSES						
General Government	821,104	646,066	-	-	821,104	646,066
Public Safety	972,081	934,373	-	-	972,081	934,373
Public Service	1,162,665	1,457,884	-	-	1,162,665	1,457,884
Parks, Recreation and Forestry	83,002	337,611	-	-	83,002	337,611
Community Development	1,626,198	1,197,358	-	-	1,626,198	1,197,358
Interest and Fiscal Charges	250,376	271,642	-	-	250,376	271,642
Water Utility	-	-	1,421,524	1,381,176	1,421,524	1,381,176
Sewer Utility	-	-	914,986	868,204	914,986	868,204
Storm Sewer Utility	-	-	71,334	91,606	71,334	91,606
Total Expenses	4,915,426	4,844,934	2,407,844	2,340,986	7,323,270	7,185,920
CHANGE IN NET ASSETS BEFORE TRANSFERS	116,558	1,407,721	54,163	202,907	170,721	1,610,628
Transfers	98,603	(448,932)	(98,603)	448,932	-	-
CHANGE IN NET ASSETS	215,161	958,789	(44,440)	651,839	170,721	1,610,628
Net Assets - Beginning of Year, as Previously Stated	15,331,409	-	23,917,991	-	39,249,400	-
Prior Period Adjustment	1,995,839	-	469,277	-	2,465,116	-
Net Assets - Beginning of Year	17,327,248	14,372,620	24,387,268	23,266,152	41,714,516	37,638,772
NET ASSETS - END OF YEAR	\$ 17,542,409	\$ 15,331,409	\$ 24,342,828	\$ 23,917,991	\$ 41,885,237	\$ 39,249,400

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Financial Analysis of the Township's Funds

General Fund – Fund balance in the Township's General Fund increased \$108,004 for 2007. The increase in the fund balance was attributed to lower permit revenues than in the past, increased charges for services provided to the City of Gem Lake, increased miscellaneous revenues for facility rentals, and expenditures under anticipated levels and an operating transfer to other funds according to the Township's reserve policy.

Economic Development Fund – The increase of \$60,722 in fund balance is due to decreased property tax incentive expenditures related to the various tax increment districts and decreased capital outlay in 2007.

Miscellaneous Bond Fund – The increase in fund balance of \$54,797 is mainly the result of collections of special assessments being greater than transfers out for internal funding of infrastructure projects.

Municipal Building Improvement Fund – The decrease of \$132,833 in fund balance is due to capital outlay expenditures related to the construction of the public works building expansion and the joint facility with the City of Gem Lake.

Improvement Fund – The increase in fund balance of \$226,686 is due to a decrease in the investment in Township infrastructure combined with the transfer in of funds from the Miscellaneous Bond Fund and Sewer Fund.

General Fund Budgetary Highlights

Over the course of the year, the Board of Supervisors did not revise the Township's budget. Instead, revenue shortfalls were offset by reduced expenditures or by other revenue sources that exceeded budget amounts.

The Township spent \$42,904 less in capital outlay than budget due to public works equipment purchases. Specifically, the central computer hardware and software upgrade, which was budgeted in 2007 for \$35,000, was delayed until 2008. Additionally, several capital purchases came in under what had been estimated in the original budget.

The Township transferred \$100,000, which was not budgeted, from the General Fund to other Township funds to maintain the Township's fund balance within its fund balance policy levels.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Capital Asset and Debt Administration

Capital Assets

At the end of 2007, the Township had \$36,204,238 invested in a broad range of capital assets net of related accumulated depreciation. This amount represents a net decrease (including additions and deductions) of \$588,916 over last year. Refer to Note 3 of the basic financial statements for a schedule showing the Township's capital asset activity.

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

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 3,843,864	\$ 3,843,864	\$ -	\$ -	\$ 3,843,864	\$ 3,843,864
Construction in Progress	558,128	3,387,039	-	2,339,136	558,128	5,726,175
Buildings	3,196,144	3,062,675	3,094,496	3,273,742	6,290,640	6,336,417
Vehicles	666,621	633,417	21,803	23,966	688,424	657,383
Machinery and Shop Equipment	652,413	605,376	40,765	36,670	693,178	642,046
Office Furniture and Equipment	86,580	92,977	42,363	45,260	128,943	138,237
Infrastructure	8,059,186	5,479,857	15,941,875	13,969,175	24,001,061	19,449,032
Capital Assets, Net	<u>\$ 17,062,936</u>	<u>\$ 17,105,205</u>	<u>\$ 19,141,302</u>	<u>\$ 19,687,949</u>	<u>\$ 36,204,238</u>	<u>\$ 36,793,154</u>

Long-Term Debt

At year-end the Township, has \$6,515,000 in bonds outstanding. During 2007, the Township retired \$675,000 in debt. Refer to Note 4 of the basic financial statements for a schedule showing the Township's long-term debt activity.

The Township general obligation bond rating continues to carry an "Aa-3" bond rating from Moody's Investor's Service.

State statutes limit the amount of general obligation debt a government entity may issue to 2% of total Estimated Market Value. The current debt limitation for White Bear Township is \$28,511,052.

White Bear Township's Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
G.O. Bonds	\$ 5,265,000	\$ 5,675,000	\$ -	\$ -	\$ 5,265,000	\$ 5,675,000
G.O. Revenue Bonds	-	-	1,250,000	1,515,000	1,250,000	1,515,000
Compensated Absences Payable	87,604	130,917	32,758	-	120,362	130,917
Total Outstanding Debt	<u>\$ 5,352,604</u>	<u>\$ 5,805,917</u>	<u>\$ 1,282,758</u>	<u>\$ 1,515,000</u>	<u>\$ 6,635,362</u>	<u>\$ 7,320,917</u>

Economic Factors and Next Year's Budget

The Township's appointed officials considered many factors when setting the fiscal year 2008 budget and rates and fees that will be charged for the business-type activities. The major factors accounted for when adopting the General Fund budget was a nominal increase in the property taxes, emphasis towards public safety and public works and normal inflationary increase in other expenditures. The 2008 budget also anticipates the use of fund balance to offset the decline in building related permits and fees.

**WHITE BEAR TOWNSHIP, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007**

Contact Information

This annual report is designed to provide a general overview of the Township's finances for citizens, customers and others. Questions concerning any of the information contained in this report and request for additional information should be addressed to the 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.

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BASIC FINANCIAL STATEMENTS

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WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 4,807,138	\$ 4,569,146	\$ 9,376,284
Accrued Interest Receivable	51,530	72,726	124,256
Accounts Receivable	15,740	388,713	404,453
Interfund Balances	(1,522,083)	1,522,083	-
Due from Other Governments	2,999	-	2,999
Taxes Receivable	72,007	-	72,007
Special Assessments Receivable	2,174,959	-	2,174,959
Notes Receivable	200,000	-	200,000
Prepaid Items	90,317	50,082	140,399
Land Held for Resale	632,517	-	632,517
Capital Assets:			
Land	3,843,864	-	3,843,864
Construction in Progress	558,128	-	558,128
Other Capital Assets, Net of Depreciation	12,660,944	19,141,302	31,802,246
Total Assets	<u>23,588,060</u>	<u>25,744,052</u>	<u>49,332,112</u>
LIABILITIES			
Accounts Payable	252,289	50,044	302,333
Salaries Payable	19,647	7,631	27,278
Accrued Interest Payable	115,809	18,572	134,381
Due to Other Governments	214,998	-	214,998
Unearned Revenue	87,514	62,237	149,751
Noncurrent Liabilities:			
Due Within One Year	562,646	547,284	1,109,930
Due in More Than One Year	4,792,748	715,456	5,508,204
Total Liabilities	<u>6,045,651</u>	<u>1,401,224</u>	<u>7,446,875</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	14,215,146	17,911,320	32,126,466
Restricted for Debt Service	3,666,021	-	3,666,021
Unrestricted	(338,758)	6,431,508	6,092,750
Total Net Assets	<u>\$ 17,542,409</u>	<u>\$ 24,342,828</u>	<u>\$ 41,885,237</u>

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 821,104	\$ 592,391	\$ 38,446	\$ -
Public Safety	972,081	18,500	33,785	-
Public Works	1,162,665	-	14,851	614,792
Parks, Recreation and Forestry	83,002	51,219	9,750	-
Community Development	1,626,198	12,529	-	-
Interest on Long-Term Debt	250,376	-	-	-
Total Governmental Activities	<u>4,915,426</u>	<u>674,639</u>	<u>96,832</u>	<u>614,792</u>
BUSINESS-TYPE ACTIVITIES				
Water	1,421,524	987,098	-	-
Sewer	914,986	1,137,220	-	-
Storm Sewer	71,334	149,734	-	-
Total Business-Type Activities	<u>2,407,844</u>	<u>2,274,052</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,323,270</u>	<u>\$ 2,948,691</u>	<u>\$ 96,832</u>	<u>\$ 614,792</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purpose

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Other

Transfers

Total General Revenues and Transfers

CHANGE IN NET ASSETS

Net Assets - Beginning of Year

Prior Period Adjustment

Net Assets - Beginning of Year, as Restated

NET ASSETS - END OF YEAR

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (190,267)	\$ -	\$ (190,267)
(919,796)	-	(919,796)
(533,022)	-	(533,022)
(22,033)	-	(22,033)
(1,613,669)	-	(1,613,669)
(250,376)	-	(250,376)
<u>(3,529,163)</u>	<u>-</u>	<u>(3,529,163)</u>
-	(434,426)	(434,426)
-	222,234	222,234
-	78,400	78,400
-	<u>(133,792)</u>	<u>(133,792)</u>
<u>(3,529,163)</u>	<u>(133,792)</u>	<u>(3,662,955)</u>
3,265,438	-	3,265,438
102,196	-	102,196
216,904	187,955	404,859
61,183	-	61,183
98,603	(98,603)	-
<u>3,744,324</u>	<u>89,352</u>	<u>3,833,676</u>
215,161	(44,440)	170,721
15,331,409	23,917,991	39,249,400
1,995,839	469,277	2,465,116
<u>17,327,248</u>	<u>24,387,268</u>	<u>41,714,516</u>
<u>\$ 17,542,409</u>	<u>\$ 24,342,828</u>	<u>\$ 41,885,237</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

ASSETS	<u>General</u>	<u>Economic Development Authority</u>	<u>Miscellaneous Bond Fund</u>	<u>Municipal Building Improvement Fund</u>
Cash and Investments	\$ 1,883,532	\$ -	\$ 651,498	\$ 152,072
Accrued Interest Receivable	18,976	-	4,141	3,086
Accounts Receivable	15,740	-	-	-
Due from Other Governmental Units	2,999	-	-	-
Interfund Receivable	16,056	-	-	-
Taxes Receivable:				
Delinquent	53,952	-	-	-
Due from County	15,610	-	-	-
Special Assessments Receivable:				
Delinquent	-	-	193,779	-
Deferred	-	-	1,712,062	-
Notes Receivable	-	200,000	-	-
Prepaid Items	15,157	2,074	-	-
Land Held for Resale	-	632,517	-	-
Total Assets	<u>\$ 2,022,022</u>	<u>\$ 834,591</u>	<u>\$ 2,561,480</u>	<u>\$ 155,158</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ 16,056	\$ -	\$ -
Accounts Payable	60,130	151,389	-	4,633
Salaries Payable	18,355	1,292	-	-
Due to other governments	-	214,998	-	-
Deferred Revenue	88,859	-	1,878,119	-
Total Liabilities	<u>167,344</u>	<u>383,735</u>	<u>1,878,119</u>	<u>4,633</u>
Fund Balances:				
Reserved:				
Reserved for Debt Retirement	-	-	-	-
Reserved for Note Receivable	-	200,000	-	-
Reserved for Prepaid Items	15,157	2,074	-	-
Reserved for Land Held for Resale	-	632,517	-	-
Unreserved:				
Designated:				
General Fund	11,428	-	-	-
Special Revenue Funds	-	-	-	-
Undesignated Reported in:				
General Fund	1,828,093	-	-	-
Special Revenue Funds	-	(383,735)	-	-
Debt Service Funds	-	-	683,361	-
Capital Projects Funds	-	-	-	150,525
Total Fund Balances	<u>1,854,678</u>	<u>450,856</u>	<u>683,361</u>	<u>150,525</u>
Total Liabilities and Fund Balances	<u>\$ 2,022,022</u>	<u>\$ 834,591</u>	<u>\$ 2,561,480</u>	<u>\$ 155,158</u>

See accompanying Notes to the Financial Statements.

Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,926,178	\$ 4,613,280
-	22,787	48,990
-	-	15,740
-	-	2,999
-	-	16,056
-	1,021	54,973
-	1,424	17,034
-	120,073	313,852
-	149,045	1,861,107
-	-	200,000
-	-	17,231
-	-	632,517
<u>\$ -</u>	<u>\$ 2,220,528</u>	<u>\$ 7,793,779</u>
\$ 1,522,083	\$ -	\$ 1,538,139
20,774	940	237,866
-	-	19,647
-	-	214,998
-	284,312	2,251,290
<u>1,542,857</u>	<u>285,252</u>	<u>4,261,940</u>
-	330,011	330,011
-	-	200,000
-	-	17,231
-	-	632,517
-	-	11,428
-	11,940	11,940
-	-	1,828,093
-	607,946	224,211
-	634,931	1,318,292
(1,542,857)	350,448	(1,041,884)
<u>(1,542,857)</u>	<u>1,935,276</u>	<u>3,531,839</u>
<u>\$ -</u>	<u>\$ 2,220,528</u>	<u>\$ 7,793,779</u>

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**WHITE BEAR TOWNSHIP, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007**

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS **\$ 3,531,839**

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

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

Land	\$ 3,843,864	
Construction in Progress	558,128	
Buildings, Net of Accumulated Depreciation	3,196,144	
Vehicles, Net of Accumulated Depreciation	666,621	
Machinery and Shop Equipment, Net of Accumulated Depreciation	652,413	
Office Furniture and Equipment, Net of Accumulated Depreciation	86,580	
Infrastructure, Net of Accumulated Depreciation	8,059,186	17,062,936

Some of the Township's property taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the governmental funds. 2,163,776

Bond issuance costs are reported as expenditures in the governmental funds and are shown net of accumulated amortization on the statement of net assets as prepaid items. 73,086

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is included in the statement of net assets. (115,809)

An internal service fund is used by management for the purpose of purchasing commercial insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are: 181,975

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

Bonds Payable	\$ (5,265,000)	
Unamortized Premiums	(21,560)	
Unamortized Discounts	18,770	
Compensated Absence Payable	(87,604)	(5,355,394)

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 17,542,409**

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007

	General	Economic Development Authority	Miscellaneous Bond Fund	Municipal Building Improvement Fund
REVENUE				
General Property Taxes	\$ 2,384,611	\$ 774,654	\$ -	\$ -
Licenses and Permits	135,275	-	-	-
Intergovernmental	189,278	-	-	-
Charges for Services	168,389	2,000	-	-
Investment Earnings	61,438	-	37,915	6,674
Fines and Forfeits	14,404	-	-	-
Park and Recreation Fees	-	-	-	-
Special Assessments	-	-	734,413	-
Equipment Rental	155,335	-	-	-
Miscellaneous	194,851	14,244	-	-
Total Revenue	<u>3,303,581</u>	<u>790,898</u>	<u>772,328</u>	<u>6,674</u>
EXPENDITURES				
Current:				
General Government	851,375	-	-	-
Public Safety	966,064	-	-	-
Public Works	675,632	-	-	78,583
Parks, Recreation and Forestry	291,103	-	-	-
Community Development	127,953	642,713	-	-
Capital Outlay	186,096	-	-	75,924
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,098,223</u>	<u>642,713</u>	<u>-</u>	<u>154,507</u>
REVENUE OVER (UNDER) EXPENDITURES	205,358	148,185	772,328	(147,833)
OTHER FINANCING SOURCES (USES)				
Transfer In	-	15,000	-	15,000
Transfer Out	(100,000)	(102,463)	(717,531)	-
Sale of Property	2,646	-	-	-
Total Other Financing Sources (Uses)	<u>(97,354)</u>	<u>(87,463)</u>	<u>(717,531)</u>	<u>15,000</u>
NET CHANGE IN FUND BALANCE	108,004	60,722	54,797	(132,833)
Fund Balance - Beginning of Year	<u>1,746,674</u>	<u>390,134</u>	<u>628,564</u>	<u>283,358</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,854,678</u></u>	<u><u>\$ 450,856</u></u>	<u><u>\$ 683,361</u></u>	<u><u>\$ 150,525</u></u>

See accompanying Notes to the Financial Statements.

Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 88,088	\$ 3,247,353
-	-	135,275
-	-	189,278
-	-	170,389
-	99,875	205,902
-	-	14,404
-	5,750	5,750
-	278,101	1,012,514
-	-	155,335
-	55,869	264,964
-	527,683	5,401,164
-	-	851,375
-	-	966,064
160,243	-	914,458
-	23,506	314,609
-	-	770,666
465,627	217,772	945,419
-	410,000	410,000
-	230,185	230,185
625,870	881,463	5,402,776
(625,870)	(353,780)	(1,612)
852,556	636,424	1,518,980
-	(411,455)	(1,331,449)
-	-	2,646
852,556	224,969	190,177
226,686	(128,811)	188,565
(1,769,543)	2,064,087	3,343,274
\$ (1,542,857)	\$ 1,935,276	\$ 3,531,839

WHITE BEAR TOWNSHIP, MINNESOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 188,565**

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

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

Capital Outlays	\$ 821,461	
Loss on Disposal of Capital Assets	(3,098)	
Proceeds from Sales of Capital Assets	(2,646)	
Depreciation Expense	<u>(857,986)</u>	(42,269)

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

Repayment of Bond Principal	410,000	
Change in Accrued Interest Expense for General Obligation Bonds	(13,506)	
Amortization of Bond Issuance Costs	(7,261)	
Amortization of Bond Premium	2,058	
Amortization of Bond Discount	<u>(1,482)</u>	389,809

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

Deferred Revenue - December 31, 2006	2,543,961	
Deferred Revenue - December 31, 2007	<u>2,163,776</u>	(380,185)

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.

43,313

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.

15,928

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 215,161**

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Water	Totals 2007	Internal Service Fund
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,470,742	\$ 2,725,816	\$ 372,588	\$ 4,569,146	\$ 193,858
Accounts Receivable	152,422	204,683	31,608	388,713	-
Accrued Interest Receivable	15,739	52,069	4,918	72,726	2,540
Interfund Receivable	-	1,522,083	-	1,522,083	-
Prepaid Items	2,618	47,212	252	50,082	-
Total Current Assets	<u>1,641,521</u>	<u>4,551,863</u>	<u>409,366</u>	<u>6,602,750</u>	<u>196,398</u>
NONCURRENT ASSETS					
Capital Assets:					
Buildings	5,811,375	-	-	5,811,375	-
Vehicles	975	42,600	-	43,575	-
Machinery and Shop Equipment	80,607	-	-	80,607	-
Office Furniture and Equipment	107,382	7,357	-	114,739	-
Infrastructure	<u>23,985,430</u>	<u>-</u>	<u>-</u>	<u>23,985,430</u>	<u>-</u>
Total Capital Assets	29,985,769	49,957	-	30,035,726	-
Less: Accumulated Depreciation	<u>(10,868,017)</u>	<u>(26,407)</u>	<u>-</u>	<u>(10,894,424)</u>	<u>-</u>
Net Capital Assets	<u>19,117,752</u>	<u>23,550</u>	<u>-</u>	<u>19,141,302</u>	<u>-</u>
Total Noncurrent Assets	<u>19,117,752</u>	<u>23,550</u>	<u>-</u>	<u>19,141,302</u>	<u>-</u>
Total Assets	20,759,273	4,575,413	409,366	25,744,052	196,398
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	36,117	13,927	-	50,044	14,423
Salaries Payable	4,060	2,834	737	7,631	-
Deferred Revenue	8,237	54,000	-	62,237	-
Accrued Interest Payable	18,572	-	-	18,572	-
Bonds Payable - Current Maturities	525,000	-	-	525,000	-
Compensated Absences Payable - Current	11,584	7,658	3,042	22,284	-
Total Current Liabilities	<u>603,570</u>	<u>78,419</u>	<u>3,779</u>	<u>685,768</u>	<u>14,423</u>
NONCURRENT LIABILITIES					
Bonds Payable - Long-Term	704,982	-	-	704,982	-
Compensated Absences Payable - Long Term	4,743	4,689	1,042	10,474	-
Total Liabilities	<u>1,313,295</u>	<u>83,108</u>	<u>4,821</u>	<u>1,401,224</u>	<u>14,423</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	17,887,770	23,550	-	17,911,320	-
Unrestricted	<u>1,558,208</u>	<u>4,468,755</u>	<u>404,545</u>	<u>6,431,508</u>	<u>181,975</u>
Total Net Assets	<u>\$19,445,978</u>	<u>\$ 4,492,305</u>	<u>\$ 404,545</u>	<u>\$24,342,828</u>	<u>\$ 181,975</u>

See accompanying Notes to the Financial Statements.

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds			Totals 2007	Governmental Activities
	Water	Sewer	Storm Water		Internal Service Fund
OPERATING REVENUES					
Charges for Services	\$ 866,451	\$ 1,115,920	\$ 149,734	\$ 2,132,105	\$ 96,585
Water and Sewer Availability Charges	100,650	21,300	-	121,950	-
Total Operating Revenue	<u>967,101</u>	<u>1,137,220</u>	<u>149,734</u>	<u>2,254,055</u>	<u>96,585</u>
OPERATING EXPENSES					
Personnel Services	231,735	159,593	41,624	432,952	21,923
Other Services and Charges	306,009	599,495	17,001	922,505	69,739
Materials and Supplies	166,876	153,683	12,709	333,268	-
Depreciation	666,416	2,215	-	668,631	-
Total Operating Expenses	<u>1,371,036</u>	<u>914,986</u>	<u>71,334</u>	<u>2,357,356</u>	<u>91,662</u>
OPERATING INCOME (LOSS)	(403,935)	222,234	78,400	(103,301)	4,923
OTHER INCOME (EXPENSE)					
Investment Earnings	64,694	102,482	20,779	187,955	11,005
Miscellaneous Non-Operating Income	19,997	-	-	19,997	-
Interest and Fiscal Agent Fees	(46,410)	-	-	(46,410)	-
Bond Discount Amortization Expense	(4,078)	-	-	(4,078)	-
Total Other Income	<u>34,203</u>	<u>102,482</u>	<u>20,779</u>	<u>157,464</u>	<u>11,005</u>
Income (Deficit) Before Transfers	(369,732)	324,716	99,179	54,163	15,928
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	88,928	-	-	88,928	-
Transfers Out	(67,869)	(67,868)	(51,794)	(187,531)	-
Total Capital Contributions and Transfers	<u>21,059</u>	<u>(67,868)</u>	<u>(51,794)</u>	<u>(98,603)</u>	<u>-</u>
CHANGE IN NET ASSETS	(348,673)	256,848	47,385	(44,440)	15,928
Net Assets - Beginning of Year	19,325,374	4,235,457	357,160	23,917,991	166,047
Prior Period Adjustment	469,277	-	-	469,277	-
Net Assets - Beginning of Year, as Restated	<u>19,794,651</u>	<u>4,235,457</u>	<u>357,160</u>	<u>24,387,268</u>	<u>166,047</u>
NET ASSETS - END OF YEAR	<u>\$19,445,978</u>	<u>\$ 4,492,305</u>	<u>\$ 404,545</u>	<u>\$24,342,828</u>	<u>\$ 181,975</u>

See accompanying Notes to the Financial Statements.

WHITE BEAR TOWNSHIP, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds			Totals 2007	Governmental Activities
	Water	Sewer	Storm Water		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Customers	\$ 990,380	\$ 1,132,901	\$ 150,491	\$ 2,273,772	\$ 96,585
Cash Paid to Suppliers	(515,390)	(812,051)	(38,600)	(1,366,041)	14,688
Cash Paid to Employees	(213,838)	(146,260)	(37,445)	(397,543)	(21,923)
Net Cash Flows from Operating Activities	261,152	174,590	74,446	510,188	89,350
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advance Payment Made to Other Funds	-	1,119,135	-	1,119,135	-
Transfers Out	(67,869)	(67,868)	(51,794)	(187,531)	-
Net Cash Flows from Noncapital Financing Activities	(67,869)	1,051,267	(51,794)	931,604	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Paid on Bonds	(265,000)	-	-	(265,000)	-
Interest and Fiscal Agent Fees	(49,123)	-	-	(49,123)	835
Acquisition of Capital Assets	(30,990)	(2,066)	-	(33,056)	-
Net Cash Flows from Capital and Related Financing Activities	(345,113)	(2,066)	-	(347,179)	(835)
CASH FLOWS FROM INVESTING ACTIVITIES					
Collection of Assessments	-	(1,522,083)	-	(1,522,083)	-
Investment Income	62,835	93,155	19,234	175,224	11,005
Net Cash Flows from Investing Activities	62,835	(1,428,928)	19,234	(1,346,859)	11,005
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(88,995)	(205,137)	41,886	(252,246)	99,520
Cash and Cash Equivalents - Beginning of Year	1,559,737	2,930,953	330,702	4,821,392	94,338
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,470,742	\$ 2,725,816	\$ 372,588	\$ 4,569,146	\$ 193,858
NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION					
Contributions of Capital Assets Received	\$ 88,928	\$ -	\$ -	\$ 88,928	\$ -
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ (403,935)	\$ 222,234	\$ 78,400	\$ (103,301)	\$ 4,923
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Depreciation	666,416	2,215	-	668,631	-
Miscellaneous Nonoperating Income	19,997	-	-	19,997	-
Change in Assets and Liabilities:					
Accounts Receivable	2,639	(4,319)	757	(923)	-
Prepaid Items	(2,618)	(47,212)	(252)	(50,082)	70,004
Accounts Payable	(39,887)	(11,661)	(8,638)	(60,186)	14,423
Salaries Payable	1,570	986	95	2,651	-
Compensated Absences	16,327	12,347	4,084	32,758	-
Deferred Revenue	643	-	-	643	-
Net Cash Flows from Operating Activities	\$ 261,152	\$ 174,590	\$ 74,446	\$ 510,188	\$ 89,350

See accompanying Notes to the Financial Statements.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

COMPONENT UNITS

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

Blended Component Unit

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

B. BASIC FINANCIAL STATEMENTS

1. Government-Wide Statements

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

1. Government-Wide Statements (Continued)

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

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

2. Fund Financial Statements

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

The Township reports the following major governmental funds:

General Fund

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

Economic Development Authority

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

Miscellaneous Bond Fund

The miscellaneous bond fund is used to internally fund infrastructure improvements within the Township. Property owners are assessed the cost of the project, which are this fund's revenue source.

Municipal Building Improvement Fund

The municipal building improvement fund accounts for improvement project activity associated with the Township's buildings.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

Improvement Fund

This fund records all revenues and expenditures related to infrastructure improvements within the Township, except those projects paid from business type activities (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 Sewer Fund

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

Additionally, the Township reports the following fund:

Internal Service Fund

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

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

D. BUDGETS

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

E. LEGAL COMPLIANCE - BUDGETS

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

1. The Township Clerk-Treasurer submits to the Township Board of Supervisors of Supervisors a proposed operating budget (including the General Fund and Economic Development Authority Special Revenue Fund) for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution by voters at the annual budget meeting.
4. The Township Board of Supervisors of Supervisors may authorize transfers of budgets between departments within any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Economic Development Authority Special Revenue Fund.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

6. The legal level of budgetary control is at the fund level. Monitoring of budgets is maintained at the expenditure category level (i.e., salaries, wages, benefits, material, supplies, services, capital outlay) within each activity. This means that General Fund and the Economic Development Authority Special Revenue Fund individual line items may overspend budgeted amounts without Township Board of Supervisors approval as long as the actual fund expenditures do not exceed the total fund budget.

F. CASH AND INVESTMENTS

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

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

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

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

G. PREPAID ITEMS

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

H. PROPERTY TAX CREDITS

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

The Township's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per *Minnesota Statute 473F*. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the Township through this formula for 2007 totaled \$187,947. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

J. SPECIAL ASSESSMENT REVENUE RECOGNITION

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. SPECIAL ASSESSMENT REVENUE RECOGNITION (CONTINUED)

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.

K. CAPITAL ASSETS

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

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. COMPENSATED ABSENCES

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

M. LONG-TERM OBLIGATIONS

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

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

N. FUND BALANCE

In the governmental fund financial statements, reservations of fund balance represent those portions of fund balance not appropriable for expenditure or legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

O. INTERFUND TRANSACTIONS

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

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

Township deposits in banks at December 31, 2007 totaled \$1,837,410 and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. INVESTMENTS

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

At December 31, 2007, the Township's investment balances were as follows:

Custodial Credit Risk

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

Interest Rate Risk

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

Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Minnesota Municipal Money Market Fund Trust	\$ 2,217,272	\$ 2,217,272	\$ -	\$ -	\$ -
Municipal Bonds	189,625	54,813	54,819	79,994	-
Commercial Paper	2,508,688	2,508,688	-	-	-
Federal Home Loan	2,123,524	600,228	-	300,000	1,223,296
Federal National Mortgage Association	491,114	-	-	-	491,114
Government National Mortgage Association	8,649	-	-	-	8,649
Total	<u>\$ 7,538,874</u>	<u>\$ 5,381,002</u>	<u>\$ 54,819</u>	<u>\$ 379,994</u>	<u>\$ 1,723,060</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	\$ 2,217,272
Municipal Bonds	Aaa	189,625
Commercial Paper	P-1	2,508,688
Federal Home Loan	Aaa	2,123,524
Federal National Mortgage Association	Aaa	491,114
Government National Mortgage Association	Aaa	8,649
Total		<u>\$ 7,538,874</u>

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

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

Concentration of Credit Risk

The Township places no limit on the amount that the Township may invest in any one issuer. The following is a list of investments which individually comprise more than 5 percent of the Township's total investments:

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
4M Fund	\$ 2,217,272	29.41%
CP GE Capital	997,861	13.24%
CP AIG Funding	581,850	7.72%
CP CBA Delaware	494,286	6.56%
Federal Home Loan	2,123,524	28.17%
Federal National Mortgage Association	491,114	6.51%

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 3 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,843,864	\$ -	\$ -	\$ 3,843,864
Construction in Progress	(a) 3,387,039	558,127	(3,387,038)	558,128
Total Capital Assets, not Being Depreciated	7,230,903	558,127	(3,387,038)	4,401,992
Capital Assets, Being Depreciated:				
Buildings	(a) 3,470,379	197,414	(18,000)	3,649,793
Vehicles	1,069,975	97,844	(5,315)	1,162,504
Machinery and Shop Equipment	941,887	95,982	(3,418)	1,034,451
Office Furniture and Equipment	235,584	16,297	-	251,881
Infrastructure	15,578,654	3,242,835	-	18,821,489
Total Capital Assets, Being Depreciated	21,296,479	3,650,372	(26,733)	24,920,118
Accumulated Depreciation for:				
Buildings	(407,704)	(63,070)	17,125	(453,649)
Vehicles	(436,558)	(62,507)	3,182	(495,883)
Machinery and Shop Equipment	(336,511)	(46,209)	682	(382,038)
Office Furniture and Equipment	(142,607)	(22,694)	-	(165,301)
Infrastructure	(10,098,797)	(663,506)	-	(10,762,303)
Total Accumulated Depreciation	(11,422,177)	(857,986)	20,989	(12,259,174)
Total Capital Assets, Being Depreciated, Net	9,874,302	2,792,386	(5,744)	12,660,944
Governmental Activities Capital Assets, Net	\$ 17,105,205	\$ 3,350,513	\$ (3,392,782)	\$ 17,062,936

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	\$ 28,503
Public Safety	4,381
Public Works	798,496
Parks, Recreation and Forestry	25,802
Community Development	804
Total Depreciation Expense, Governmental Activities	\$ 857,986

WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

Note 3 CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2007 was as follows (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	(a) \$ 2,339,136	\$ -	\$ (2,339,136)	\$ -
Capital Assets, Being Depreciated:				
Buildings	5,808,270	3,105	-	5,811,375
Vehicles	43,575	-	-	43,575
Machinery and Shop Equipment	71,958	10,348	(1,699)	80,607
Office Furniture and Equipment	113,784	955	-	114,739
Infrastructure	21,537,946	2,447,484	-	23,985,430
Total Capital Assets, Being Depreciated	<u>27,575,533</u>	<u>2,461,892</u>	<u>(1,699)</u>	<u>30,035,726</u>
Accumulated Depreciation for:				
Buildings	(2,534,528)	(182,351)	-	(2,716,879)
Vehicles	(19,609)	(2,163)	-	(21,772)
Machinery and Shop Equipment	(35,288)	(5,481)	927	(39,842)
Office Furniture and Equipment	(68,524)	(3,852)	-	(72,376)
Infrastructure	(7,568,771)	(474,784)	-	(8,043,555)
Total Accumulated Depreciation	<u>(10,226,720)</u>	<u>(668,631)</u>	<u>927</u>	<u>(10,894,424)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,348,813</u>	<u>1,793,261</u>	<u>(772)</u>	<u>19,141,302</u>
Business-Type Activities Capital Assets, Net	<u>\$ 19,687,949</u>	<u>\$ 1,793,261</u>	<u>\$ (2,339,908)</u>	<u>\$ 19,141,302</u>

(a) = See note 14 regarding restatement of beginning balances.

Note 4 TOWNSHIP INDEBTEDNESS

Township indebtedness at December 31, 2007 is composed of the following:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Balance 12/31/07
Governmental Activities:					
General Obligation Bonds:					
2001C Tax Increment Bonds	10/1/2001	2/1/2020	3.75% - 5.00%	\$ 870,000	\$ 870,000
2004A Public Facility Bonds	11/1/2004	2/1/2020	3.75%	2,500,000	2,240,000
2005A Improvement Bonds	6/1/2005	2/1/2021	3.00 - 4.125%	755,000	605,000
2005B Tax Increment Bonds	12/15/2005	2/1/2021	5.00 - 5.25%	515,000	515,000
2006A Tax Increment Refunding Bonds	6/1/2006	2/1/2014	4.00%	1,155,000	1,035,000
Total Bonds				<u>5,795,000</u>	<u>5,265,000</u>
Unamortized Bond Discount				(22,224)	(18,770)
Unamortized Bond Premium				27,039	21,560
Compensated Absences Payable				N/A	87,604
Total Governmental Activities				<u>\$ 5,799,815</u>	<u>\$ 5,355,394</u>
Business-Type Activities:					
Revenue Bonds:					
1998B G.O. Water Revenue Bonds	5/1/1998	2/1/2014	3.85% - 5.00%	\$ 505,000	\$ 290,000
2001B G.O. Water Revenue Bonds	10/1/2001	2/1/2017	3.75% - 5.00%	430,000	315,000
2003A G.O. Water Revenue Refunding Bonds	11/4/2003	2/1/2010	1.20% - 2.90%	1,225,000	645,000
Total Bonds				<u>2,160,000</u>	<u>1,250,000</u>
Unamortized Bond Discount				(60,411)	(20,018)
Compensated Absences Payable				N/A	32,758
Total Business-Type Activities				<u>\$ 2,099,589</u>	<u>\$ 1,262,740</u>

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 4 TOWNSHIP INDEBTEDNESS (CONTINUED)

The following is a schedule of changes in Township indebtedness for the year ended December 31, 2007:

	Payable 12/31/06	Additions	Reductions	Payable 12/31/07	Due Within One Year
Governmental Activities:					
Bonded Debt:					
General Obligation Bonds	\$ 5,675,000	\$ -	\$ 410,000	\$ 5,265,000	\$ 495,000
Unamortized Bond Discount	(20,252)	-	(1,482)	(18,770)	-
Unamortized Bond Premium	23,618	-	2,058	21,560	-
Compensated Absences Payable	130,917	70,381	113,694	87,604	67,646
Total Governmental Activities	5,809,283	70,381	524,270	5,355,394	562,646
Business-Type Activities:					
Revenue Bonds	1,515,000	-	265,000	1,250,000	525,000
Unamortized Bond Discount	(24,096)	-	(4,078)	(20,018)	-
Compensated Absences Payable	-	57,647	24,889	32,758	22,284
Total	\$ 7,300,187	\$ 128,028	\$ 810,081	\$ 6,618,134	\$ 1,109,930

All long-term bonded indebtedness outstanding at December 31, 2007 is backed by the full faith and credit of the Township, including special assessment bond issues. For the governmental activities, compensated absences are generally liquidated by the general fund.

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

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2008	\$ 495,000	\$ 204,425	\$ 525,000	\$ 36,793	\$ 1,261,218
2009	495,000	186,569	240,000	21,580	943,149
2010	365,000	170,194	250,000	14,443	799,637
2011	395,000	155,181	30,000	9,978	590,159
2012	405,000	139,363	30,000	8,695	583,058
2013-2017	1,810,000	464,035	175,000	21,355	2,470,390
2018-2022	1,300,000	102,465	-	-	1,402,465
Total	\$ 5,265,000	\$ 1,422,232	\$ 1,250,000	\$ 112,844	\$ 8,050,076

Description and Restrictions of Long-Term Debt

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

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

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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 Public Employees Retirement Fund (PERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

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

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

For PERF 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.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 5 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

B. FUNDING POLICY

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The Township makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 5.75% respectively, of their annual covered salary in 2007. Contribution rates in the Coordinated Plan will increase in 2008 to 6.00%. The Township is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, and 6.25% for Coordinated Plan PERF members. Employer contribution rates for the Coordinated Plan will increase to 6.50% effectively January 1, 2008. The Township's contributions to the Public Employees Retirement Fund for the years ending December 31, 2007, 2006, and 2005 were \$61,607, \$55,993, and \$49,156, respectively. The Township's contributions were equal to the contractually required contributions for each year as set by state statute.

Note 6 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

The Township has a deficit fund balance at December 31, 2007 in the following fund:

	Fund Balance Deficit
Improvement Fund	\$ (1,542,857)

The Township intends to fund this deficit through future tax levies, special assessment levies, tax increments, transfers from other funds, and various other sources.

B. Excess of Expenditures over Appropriations

Actual expenditures exceeded budgets during 2007 as follows:

	Final Budget	Actual	Excess
General Fund:			
General Government:			
Administration	\$ 228,643	\$ 236,571	\$ (7,928)
Public Works:			
Public Works	215,292	221,940	(6,648)
Recycling	22,238	26,404	(4,166)
Parks and Recreation	286,249	291,103	(4,854)
Economic Development Authority	209,909	642,713	(432,804)

These excess expenditures were funded by available fund balance in the General Fund and Economic Development Authority.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 7 COMMITMENTS AND CONTINGENCIES

Fire, Rescue and Ambulance Services – The Township has entered into an agreement with the City of White Bear Lake whereby the City will provide the Township with fire, rescue and ambulance services. The term of the contract is five years, commencing January 1, 1992, and renews automatically. Related expenditures for fiscal year 2007 were approximately \$230,585.

Law Enforcement Services – The Township has entered into an agreement with Ramsey County to provide law enforcement services for three years commencing January 1, 2004. 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 2007 were approximately \$716,214.

Note 8 DESIGNATIONS AND RESERVATIONS OF FUND BALANCE

At December 31, 2007, the Township had designated and reserved portions of its various fund balance through legal restriction and Township Board of Supervisors authorization. Major fund balance appropriations at December 31, 2007 are shown on the various balance sheets as segregations of the fund balance. A summary of such designations is as follows:

	December 31, 2007
General Fund:	
Reserved for Prepaid Items	\$ 15,157
Designated for Public Safety	6,428
Designated for Compensation Adjustment	5,000
Special Revenue Funds:	
Reserved for prepaid items	2,074
Reserved for Notes Receivable	200,000
Reserved for Land Held for Resale	632,517
Designated for Park Improvements	11,940
Debt Service Funds:	
Reserved for Debt Retirement	330,011

Note 9 INTERFUND RECEIVABLE AND PAYABLE

Individual fund receivable and payable balances at December 31, 2007 are as follows:

	Interfund Receivable	Interfund Payable
Governmental Activity:		
General Fund	\$ 16,056	\$ -
Economic Development Authority Improvement Fund	-	16,056
Total Governmental Activity	16,056	1,522,083
Business-Type Activity:		
Sewer Fund	1,522,083	-
Total Governmental Activity	\$ 1,538,139	\$ 1,538,139

Interfund receivable and payable balances represent the elimination of negative cash between funds.

**WHITE BEAR TOWNSHIP, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 10 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2007 are as follows:

	Transfer In	Transfer Out
Governmental Activity:		
General Fund	\$ -	\$ (100,000)
Economic Development Authority	15,000	(102,463)
Miscellaneous Bonds Fund	-	(717,531)
Municipal Building Improvement Fund	15,000	-
Improvement Fund	852,556	-
Nonmajor Funds:		
Debt Service Funds:		
Tax Increment Bonds 1999D	65,975	-
Tax Increment Bonds 2001C	308,222	-
Tax Increment Bonds 2004A	165,237	-
Tax Increment Bonds 2005B	26,990	-
Capital Projects Funds:		
Closed Construction Fund	55,000	(103,232)
Community Park Improvement Fund	15,000	-
Park Improvement Fund	-	(308,223)
Total Governmental Activity	1,518,980	(1,331,449)
Business-Type Activity:		
Water Fund	-	(67,869)
Sewer Fund	-	(67,868)
Storm Sewer Fund	-	(51,794)
	\$ 1,518,980	\$ (1,518,980)

During 2007, the Township made routine interfund transfers to allocate financial resources to the funds that received benefit from services provided by another fund or to establish or close-out funds.

Note 11 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 THE FINANCIAL STATEMENTS
DECEMBER 31, 2007**

Note 12 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, 2007, is as follows:

<u>Enterprises</u>	<u>Purpose</u>	<u>Balance at December 31, 2007</u>
Porous Media	Construction of a Facility	\$ 590,000
N.A. Ternes & Associates	Construction of a Facility	1,225,000
St. Croix Valley Hardwoods	Construction of a Facility	91,594

Note 13 PRIOR PERIOD ADJUSTMENT

During 2007, adjustments to beginning net assets were made to reflect capital asset corrections. The adjustments reflect an increase of \$2,465,116 for assets which were omitted from prior year capital asset balances as well as a reclassification of assets between governmental and business-type activities in the amount of \$469,115.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Asset Increase (Decrease):			
Previously Omitted Construction In Progress	\$ 2,465,116	\$ -	\$ 2,465,116
Incorrect Allocation of Construction In Progress Between Governmental and Business-Type Activities	(469,277)	469,277	-
Net asset restatement	<u>\$ 1,995,839</u>	<u>\$ 469,277</u>	<u>\$ 2,465,116</u>

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION**

WHITE BEAR TOWNSHIP, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
General Property Taxes	\$ 2,436,625	\$ 2,436,625	\$ 2,384,611	\$ (52,014)
Licenses and Permits	142,800	142,800	135,275	(7,525)
Intergovernmental	174,250	174,250	189,278	15,028
Charges for Services	77,294	77,294	168,389	91,095
Investment Earnings	38,976	38,976	61,438	22,462
Fines and Forfeits	11,000	11,000	14,404	3,404
Equipment Rental	155,335	155,335	155,335	-
Miscellaneous	151,490	151,490	194,851	43,361
Total Revenue	<u>3,187,770</u>	<u>3,187,770</u>	<u>3,303,581</u>	<u>115,811</u>
EXPENDITURES				
Current:				
General Government				
General Government	334,550	334,550	310,283	24,267
Administration	228,643	228,643	236,571	(7,928)
Board of Supervisors	32,473	32,473	31,934	539
Elections	10,283	10,283	7,686	2,597
Code Enforcement	172,638	172,638	157,514	15,124
Town Buildings	108,797	108,797	107,387	1,410
Total General Government	<u>887,384</u>	<u>887,384</u>	<u>851,375</u>	<u>36,009</u>
Public Safety:				
Police and Traffic Control	747,550	747,550	735,479	12,071
Fire Protection	230,600	230,600	230,585	15
Total Public Safety	<u>978,150</u>	<u>978,150</u>	<u>966,064</u>	<u>12,086</u>
Public Works:				
Road and Bridge	428,268	428,268	427,288	980
Public Works	215,292	215,292	221,940	(6,648)
Recycling	22,238	22,238	26,404	(4,166)
Total Public Works	<u>665,798</u>	<u>665,798</u>	<u>675,632</u>	<u>(9,834)</u>
Parks, Recreation and Forestry	286,249	286,249	291,103	(4,854)
Community Development	157,849	157,849	127,953	29,896
Capital Outlay	229,000	229,000	186,096	42,904
Total Expenditures	<u>3,204,430</u>	<u>3,204,430</u>	<u>3,098,223</u>	<u>106,207</u>
REVENUE OVER (UNDER) EXPENDITURES	(16,660)	(16,660)	205,358	222,018
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	(100,000)	(100,000)
Sale of Property	3,000	3,000	2,646	(354)
Total Other Financing Uses	<u>3,000</u>	<u>3,000</u>	<u>(97,354)</u>	<u>(100,354)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (13,660)</u>	<u>\$ (13,660)</u>	108,004	<u>\$ 121,664</u>
Fund Balance - Beginning of Year			<u>1,746,674</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,854,678</u>	

WHITE BEAR TOWNSHIP, MINNESOTA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
General Property Taxes	\$ 850,105	\$ 850,105	\$ 774,654	\$ (75,451)
Charges for Services	-	-	2,000	2,000
Investment Earnings	(8,876)	(8,876)	-	8,876
Total Revenue	<u>841,229</u>	<u>841,229</u>	<u>790,898</u>	<u>(50,331)</u>
EXPENDITURES				
Current:				
Community Development	205,409	205,409	642,713	(437,304)
Capital Outlay	4,500	4,500	-	4,500
Total Expenditures	<u>209,909</u>	<u>209,909</u>	<u>642,713</u>	<u>(432,804)</u>
REVENUE OVER (UNDER) EXPENDITURES	631,320	631,320	148,185	382,473
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	15,000	15,000
Transfer Out	(121,818)	(121,818)	(102,463)	19,355
Total Other Financing Sources (Uses)	<u>(121,818)</u>	<u>(121,818)</u>	<u>(87,463)</u>	<u>34,355</u>
NET CHANGE IN FUND BALANCE	<u>\$ 509,502</u>	<u>\$ 509,502</u>	60,722	<u>\$ 416,828</u>
Fund Balance - Beginning of Year			<u>390,134</u>	
FUND BALANCE - END OF YEAR			<u>\$ 450,856</u>	

**WHITE BEAR TOWNSHIP, MINNESOTA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED DECEMBER 31, 2007**

STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The General Fund and Economic Development Authority Special Revenue Fund budgets are legally adopted on a basis consistent with U.S. generally accepted accounting principles. Actual expenditures exceeded budgets during 2007 as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
General Government:			
Administration	\$ 228,643	\$ 236,571	\$ (7,928)
Public Works:			
Public Works	215,292	221,940	(6,648)
Recycling	22,238	26,404	(4,166)
Parks and Recreation	286,249	291,103	(4,854)
Economic Development Authority	209,909	642,713	(432,804)

COMBINING FUND FINANCIAL STATEMENTS

**WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	Special Revenue	Debt Service					Debt Service Subtotal
	Park Acquisition Fund	Tax Increment Bonds 1999D	Tax Increment Bonds 2001C	Public Facility Bonds 2004A	Improvements Bonds 2005B	Tax Increment Bonds 2005B	
ASSETS							
Cash and Investments	\$ 612,085	\$ 276,737	\$ 334,403	\$ 90,093	\$ 254,205	\$ -	\$ 955,438
Accrued Interest Receivable	7,801	2,664	3,997	1,034	1,258	-	8,953
Taxes Receivable:							
Delinquent	-	-	-	1,021	-	-	1,021
Due from County	-	1,122	-	302	-	-	1,424
Special Assessments Receivable:							
Delinquent	-	-	-	-	120,073	-	120,073
Deferred	-	-	40,722	-	108,323	-	149,045
Total Assets	\$ 619,886	\$ 280,523	\$ 379,122	\$ 92,450	\$ 483,859	\$ -	\$ 1,235,954
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	874	40,721	1,021	228,396	-	271,012
Total Liabilities	-	874	40,721	1,021	228,396	-	271,012
Fund Balance (Deficit):							
Reserved for Debt Retirement	-	(57,754)	338,400	(6,004)	55,369	-	330,011
Unreserved:							
Designated:							
Park Improvements	11,940	-	-	-	-	-	-
Undesignated	607,946	337,403	1	97,433	200,094	-	634,931
Total Fund Balance (Deficit)	619,886	279,649	338,401	91,429	255,463	-	964,942
Total Liabilities and Fund Balance	\$ 619,886	\$ 280,523	\$ 379,122	\$ 92,450	\$ 483,859	\$ -	\$ 1,235,954

Capital Projects

Closed Construction Fund	Community Park Improvement Fund	Park Improvement Fund	Capital Projects Subtotal	Totals 2007
\$ 281,266	\$ 77,389	\$ -	\$ 358,655	\$ 1,926,178
3,859	2,174	-	6,033	22,787
-	-	-	-	1,021
-	-	-	-	1,424
-	-	-	-	120,073
-	-	-	-	149,045
<u>\$ 285,125</u>	<u>\$ 79,563</u>	<u>\$ -</u>	<u>\$ 364,688</u>	<u>\$ 2,220,528</u>
\$ -	\$ 940	\$ -	\$ 940	\$ 940
13,300	-	-	13,300	284,312
<u>13,300</u>	<u>940</u>	<u>-</u>	<u>14,240</u>	<u>285,252</u>
-	-	-	-	330,011
-	-	-	-	11,940
271,825	78,623	-	350,448	1,593,325
<u>271,825</u>	<u>78,623</u>	<u>-</u>	<u>350,448</u>	<u>1,935,276</u>
<u>\$ 285,125</u>	<u>\$ 79,563</u>	<u>\$ -</u>	<u>\$ 364,688</u>	<u>\$ 2,220,528</u>

WHITE BEAR TOWNSHIP, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007

	Special	Debt Service					Debt Service Subtotal
	Revenue	Tax	Tax	Public	Improvement	Tax	
	Park Acquisition Fund	Increment Bonds 1999D	Increment Bonds 2001C	Facility Bonds 2004A	Bonds 2005A	Increment Bonds 2005B	
REVENUE							
General Property Taxes	\$ -	\$ 38,420	\$ -	\$ 49,668	\$ -	\$ -	\$ 88,088
Investment Earnings	35,268	9,782	17,432	6,147	4,221	-	37,582
Park and Recreation Fees	5,750	-	-	-	-	-	-
Special Assessments	-	-	53,488	-	224,613	-	278,101
Miscellaneous	4,000	-	-	-	-	-	-
Total Revenue	45,018	48,202	70,920	55,815	228,834	-	403,771
EXPENDITURES							
Current:							
Parks, Recreation and Forestry	15,004	-	-	-	-	-	-
Capital Outlay	39,078	-	-	-	-	-	-
Debt Service:							
Principal	-	120,000	-	140,000	150,000	-	410,000
Interest and Fiscal Charges	-	51,932	40,741	87,057	23,465	26,990	230,185
Total Expenditures	54,082	171,932	40,741	227,057	173,465	26,990	640,185
REVENUE OVER (UNDER) EXPENDITURES	(9,064)	(123,730)	30,179	(171,242)	55,369	(26,990)	(236,414)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	65,975	308,222	165,237	-	26,990	566,424
Transfers Out	-	-	-	-	-	-	-
Sale of Property	-	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-
Payment to Refunding Bond Escrow	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	65,975	308,222	165,237	-	26,990	566,424
NET CHANGE IN FUND BALANCE	(9,064)	(57,755)	338,401	(6,005)	55,369	-	330,010
Fund Balance - Beginning of Year	628,950	337,404	-	97,434	200,094	-	634,932
FUND BALANCE - END OF YEAR	\$ 619,886	\$ 279,649	\$ 338,401	\$ 91,429	\$ 255,463	\$ -	\$ 964,942

Capital Projects

<u>Closed Construction Fund</u>	<u>Community Park Improvement Fund</u>	<u>Park Improvement Fund</u>	<u>Capital Projects Subtotal</u>	<u>Totals 2007</u>
\$ -	\$ -	\$ -	\$ -	\$ 88,088
14,336	12,689	-	27,025	99,875
-	-	-	-	5,750
-	-	-	-	278,101
550	51,319	-	51,869	55,869
<u>14,886</u>	<u>64,008</u>	<u>-</u>	<u>78,894</u>	<u>527,683</u>
-	8,502	-	8,502	23,506
-	178,694	-	178,694	217,772
-	-	-	-	410,000
-	-	-	-	230,185
-	<u>187,196</u>	<u>-</u>	<u>187,196</u>	<u>881,463</u>
14,886	(123,188)	-	(108,302)	(353,780)
55,000	15,000	-	70,000	636,424
(103,232)	-	(308,223)	(411,455)	(411,455)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(48,232)</u>	<u>15,000</u>	<u>(308,223)</u>	<u>(341,455)</u>	<u>224,969</u>
(33,346)	(108,188)	(308,223)	(449,757)	(128,811)
<u>305,171</u>	<u>186,811</u>	<u>308,223</u>	<u>800,205</u>	<u>2,064,087</u>
<u>\$ 271,825</u>	<u>\$ 78,623</u>	<u>\$ -</u>	<u>\$ 350,448</u>	<u>\$ 1,935,276</u>

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III.

STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 8,104,497	\$ 10,590,125	\$ 12,051,346	\$ 14,215,146
Restricted	4,732,097	2,367,524	3,577,932	3,666,021
Unrestricted	835,501	1,414,971	(297,869)	(338,758)
Total Governmental Activities Net Assets	<u>\$ 13,672,095</u>	<u>\$ 14,372,620</u>	<u>\$ 15,331,409</u>	<u>\$ 17,542,409</u>
Business-Type Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 17,278,142	\$ 17,046,624	\$ 17,727,768	\$ 17,911,320
Unrestricted	5,518,910	6,219,528	6,190,223	6,431,508
Total Business-Type Activities Net Assets	<u>\$ 22,797,052</u>	<u>\$ 23,266,152</u>	<u>\$ 23,917,991</u>	<u>\$ 24,342,828</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$ 25,382,639	\$ 27,636,749	\$ 29,779,114	\$ 32,126,466
Restricted	4,732,097	2,367,524	3,577,932	3,666,021
Unrestricted	6,354,411	7,634,499	5,892,354	6,092,750
Total Primary Government Net Assets	<u>\$ 36,469,147</u>	<u>\$ 37,638,772</u>	<u>\$ 39,249,400</u>	<u>\$ 41,885,237</u>

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

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses:				
Governmental Activities:				
General Government	\$ 784,823	\$ 379,547	\$ 646,066	\$ 821,104
Public Safety	847,531	885,898	934,373	972,081
Public Works	461,052	1,724,702	1,457,884	1,162,665
Parks, Recreation and Forestry	224,700	179,270	337,611	83,002
Community Development	518,968	2,249,824	1,197,358	1,626,198
Interest on Long-Term Debt	168,208	229,618	271,642	250,376
Total Governmental Activities Expenses	<u>3,005,282</u>	<u>5,648,859</u>	<u>4,844,934</u>	<u>4,915,426</u>
Business-Type Activities:				
Water	1,210,433	1,200,345	1,381,176	1,421,524
Sewer	762,828	744,766	868,204	914,986
Storm Sewer	45,137	60,662	91,606	71,334
Total Business-Type Activities	<u>2,018,398</u>	<u>2,005,773</u>	<u>2,340,986</u>	<u>2,407,844</u>
Total Primary Government Expenses	<u>\$ 5,023,680</u>	<u>\$ 7,654,632</u>	<u>\$ 7,185,920</u>	<u>\$ 7,323,270</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$ 533,289	\$ 575,032	\$ 544,179	\$ 592,391
Public Safety	25,952	14,161	22,517	18,500
Parks, Recreation and Forestry	17,937	94,043	53,221	51,219
Community Development	8,015	11,578	11,598	12,529
Operating Grants and Contributions	79,224	85,250	91,188	96,832
Capital Grants and Contributions	1,539,673	987,304	1,781,789	614,792
Total Governmental Activities Program Revenues	<u>2,204,090</u>	<u>1,767,368</u>	<u>2,504,492</u>	<u>1,386,263</u>
Business-Type Activities:				
Charges for Services:				
Water	793,756	1,059,624	986,137	987,098
Sewer	1,054,724	1,082,307	1,107,334	1,137,220
Storm Sewer	149,224	148,735	152,058	149,734
Total Business-Type Activities Program Revenues	<u>1,997,704</u>	<u>2,290,666</u>	<u>2,245,529</u>	<u>2,274,052</u>
Total Primary Government Program Revenues	<u>\$ 4,201,794</u>	<u>\$ 4,058,034</u>	<u>\$ 4,750,021</u>	<u>\$ 3,660,315</u>
Net (Expense)/Revenue:				
Governmental Activities	\$ (801,192)	\$ (3,881,491)	\$ (2,340,442)	\$ (3,529,163)
Business-Type Activities	(20,694)	284,893	(95,457)	(133,792)
Total Primary Government Net Expense	<u>\$ (821,886)</u>	<u>\$ (3,596,598)</u>	<u>\$ (2,435,899)</u>	<u>\$ (3,662,955)</u>

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

	Fiscal Year			
	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets:				
Governmental Activities:				
Property Taxes	\$ 3,175,590	\$ 3,137,255	\$ 3,181,931	\$ 3,265,438
Unrestricted Grants and Contributions	119,938	141,738	285,507	102,196
Unrestricted Investment Earnings	69,458	144,727	131,222	216,904
Gain on Sale of Capital Assets	25,402	3,756	-	-
Miscellaneous	66,851	25,382	149,503	61,183
Transfers	(289,665)	(351,672)	(448,932)	98,603
Total Governmental Activities	<u>3,167,574</u>	<u>3,101,186</u>	<u>3,299,231</u>	<u>3,744,324</u>
Business-Type Activities:				
Unrestricted Investment Earnings	93,889	104,847	298,364	187,955
Transfers	289,665	351,672	448,932	(98,603)
Total Business-Type Activities	<u>383,554</u>	<u>456,519</u>	<u>747,296</u>	<u>89,352</u>
Total Primary Government	<u>\$ 3,551,128</u>	<u>\$ 3,557,705</u>	<u>\$ 4,046,527</u>	<u>\$ 3,833,676</u>
Change in Net Assets				
Governmental Activities	\$ 2,366,382	\$ (780,305)	\$ 958,789	\$ 215,161
Business-Type Activities	362,860	741,412	651,839	(44,440)
	<u>\$ 2,729,242</u>	<u>\$ (38,893)</u>	<u>\$ 1,610,628</u>	<u>\$ 170,721</u>

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

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

	Fiscal Year		
	1998	1999	2000
General Fund:			
Reserved	\$ 8,584	\$ 7,348	\$ 11,761
Unreserved	1,001,178	1,229,214	1,352,537
Total General Fund	<u>1,009,762</u>	<u>1,236,562</u>	<u>1,364,298</u>
All Other Governmental Funds:			
Reserved Reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	463,113
Debt Service Funds	2,924,586	2,711,156	3,429,514
Unreserved Reported in:			
Special Revenue Funds	232,158	215,221	299,854
Capital Projects Funds	213,398	2,834,778	1,790,435
Debt Service Funds	-	-	-
Total All Other Governmental Funds	<u>3,370,142</u>	<u>5,761,155</u>	<u>5,982,916</u>
 Total All Funds	 <u>\$ 4,379,904</u>	 <u>\$ 6,997,717</u>	 <u>\$ 7,347,214</u>

Fiscal Year						
2001	2002	2003	2004	2005	2006	2007
\$ 13,810	\$ 10,509	\$ 200	\$ 16,239	\$ 14,564	\$ 17,209	\$ 15,157
1,285,014	1,678,399	1,545,829	1,574,184	1,686,788	1,729,465	1,839,521
<u>1,298,824</u>	<u>1,688,908</u>	<u>1,546,029</u>	<u>1,590,423</u>	<u>1,701,352</u>	<u>1,746,674</u>	<u>1,854,678</u>
-	-	-	274,233	212,402	838,718	834,591
443,893	390,921	348,435	-	-	-	-
3,542,695	2,995,286	2,733,353	1,747,810	727,559	634,932	330,011
282,296	450,739	485,320	433,044	716,631	180,366	236,151
2,240,927	1,693,590	1,131,014	1,960,763	1,727,989	(685,980)	(1,041,884)
-	-	-	934,033	72,474	628,564	1,318,292
<u>6,509,811</u>	<u>5,530,536</u>	<u>4,698,122</u>	<u>5,349,883</u>	<u>3,457,055</u>	<u>1,596,600</u>	<u>1,677,161</u>
<u>\$ 7,808,635</u>	<u>\$ 7,219,444</u>	<u>\$ 6,244,151</u>	<u>\$ 6,940,306</u>	<u>\$ 5,158,407</u>	<u>\$ 3,343,274</u>	<u>\$ 3,531,839</u>

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

	Fiscal Year		
	1998	1999	2000
Revenues:			
Property Taxes	\$ 2,300,574	\$ 2,350,386	\$ 2,365,345
Licenses and Permits	345,672	348,485	478,121
Intergovernmental	317,251	302,750	292,995
Charges for Services	34,732	5,658	21,453
Investment Earnings	182,181	148,940	423,312
Fines and Forfeits	18,144	17,486	15,168
Park and Recreation Fees	60,914	73,687	86,646
Special Assessments	1,034,811	1,541,531	1,950,071
Equipment Rental	34,955	46,605	48,000
Miscellaneous	420,552	231,592	197,870
Total Revenues	<u>4,749,786</u>	<u>5,067,120</u>	<u>5,878,981</u>
Expenditures:			
Current:			
General Government	543,932	564,983	611,321
Public Safety	760,099	779,784	804,365
Public Works	294,967	281,777	477,679
Parks, Recreation and Forestry	103,234	115,418	133,953
Community Development	436,219	1,019,626	848,693
Capital Outlay	1,277,429	3,252,380	1,945,821
Debt Service:			
Principal	1,205,000	1,970,000	900,000
Interest and Fiscal Charges	301,378	348,263	403,066
Total Expenditures	<u>4,922,258</u>	<u>8,332,231</u>	<u>6,124,898</u>
Excess (Deficiency) of Revenues			
Over Expenditures	(172,472)	(3,265,111)	(245,917)
Other Financing Sources (Uses):			
Sale of Property	-	-	-
Issuance of Debt	700,000	5,800,000	-
Premium on Bonds Issued	-	-	-
Discount on Bonds Issued	-	(48,306)	-
Payment to Refunded Bond Escrow Agent	-	-	-
Transfer In	769,595	1,962,224	1,761,290
Transfer Out	(555,544)	(1,830,994)	(1,612,150)
Total Other Financing Sources (Uses)	<u>914,051</u>	<u>5,882,924</u>	<u>149,140</u>
Net Change in Fund Balances	<u>\$ 741,579</u>	<u>\$ 2,617,813</u>	<u>\$ (96,777)</u>
Debt Service as a Percentage of Noncapital Expenditures	41.3%	45.6%	31.2%

Fiscal Year						
2001	2002	2003	2004	2005	2006	2007
\$ 2,673,931	\$ 2,408,106	\$ 2,786,371	\$ 3,205,618	\$ 2,918,559	\$ 3,168,630	\$ 3,247,353
500,403	446,199	376,872	215,991	199,941	165,917	135,275
291,384	308,886	233,075	181,888	225,374	209,123	189,278
29,739	19,051	23,062	124,035	151,484	106,230	170,389
308,469	260,573	119,212	66,234	141,742	122,577	205,902
14,363	11,955	12,782	15,169	11,767	12,193	14,404
85,459	95,498	26,492	18,722	29,658	8,905	5,750
1,175,504	1,691,944	1,247,127	935,525	981,797	1,032,397	1,012,514
51,000	70,093	82,400	125,125	137,875	145,575	155,335
248,523	512,064	397,988	154,445	196,594	494,735	264,964
<u>5,378,775</u>	<u>5,824,369</u>	<u>5,305,381</u>	<u>5,042,752</u>	<u>4,994,791</u>	<u>5,466,282</u>	<u>5,401,164</u>
666,343	702,335	638,381	764,586	747,172	821,054	851,375
891,433	873,791	877,365	836,647	881,203	928,637	966,064
610,711	390,082	481,843	768,514	1,149,795	1,078,006	914,458
169,499	201,326	185,790	264,952	255,184	265,267	314,609
811,066	532,858	1,002,937	1,909,123	668,700	696,186	770,666
2,300,953	1,018,999	1,020,300	1,154,411	2,693,822	3,153,859	945,419
1,390,000	2,390,000	1,845,000	1,250,000	1,430,000	260,000	410,000
370,902	361,169	290,057	209,911	258,136	277,945	230,185
<u>7,210,907</u>	<u>6,470,560</u>	<u>6,341,673</u>	<u>7,158,144</u>	<u>8,084,012</u>	<u>7,480,954</u>	<u>5,402,776</u>
(1,832,132)	(646,191)	(1,036,292)	(2,115,392)	(3,089,221)	(2,014,672)	(1,612)
-	-	-	102,439	5,918	28,809	2,646
2,220,000	-	-	2,500,000	1,270,000	1,155,000	-
-	-	-	22,660	-	4,379	-
(19,210)	-	-	-	(22,224)	-	-
-	-	-	-	-	(1,585,000)	-
1,086,249	1,760,071	1,449,784	1,783,258	2,336,084	1,625,247	1,518,980
(993,486)	(1,703,071)	(1,388,785)	(1,596,810)	(2,282,456)	(1,028,896)	(1,331,449)
<u>2,293,553</u>	<u>57,000</u>	<u>60,999</u>	<u>2,811,547</u>	<u>1,307,322</u>	<u>199,539</u>	<u>190,177</u>
<u>\$ 461,421</u>	<u>\$ (589,191)</u>	<u>\$ (975,293)</u>	<u>\$ 696,155</u>	<u>\$ (1,781,899)</u>	<u>\$ (1,815,133)</u>	<u>\$ 188,565</u>
35.9%	50.5%	40.1%	24.3%	31.3%	9.9%	14.0%

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

Payable Year	Residential Property	Commercial Property	Industrial Property	Utility and Other	Total Taxable Tax Capacity (Assessed) Value	Total Direct Tax Rate
1998	\$ 6,629,336	\$ 998,916	\$ 691,207	\$ 175,153	\$ 8,494,612	14.032
1999	6,774,276	1,023,879	773,518	177,468	8,749,141	14.319
2000	7,276,785	1,070,010	1,113,403	185,068	9,645,266	14.473
2001	8,051,889	1,008,719	1,559,349	301,349	10,921,306	14.280
2002	6,731,733	688,866	1,084,630	198,951	8,704,180	13.958
2003	7,556,676	764,713	1,290,482	196,645	9,808,516	22.007
2004	8,706,052	761,033	1,581,915	253,167	11,302,167	20.753
2005	10,808,058	775,958	1,650,675	259,570	13,494,261	19.287
2006	11,440,382	909,777	1,803,815	274,509	14,428,483	17.939
2007	12,764,520	950,078	1,844,053	217,066	15,775,717	17.072

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.

Estimated Actual Market Value	Net Tax Capacity as a Percentage of Market Value
\$ 535,899,150	1.59 %
579,880,500	1.51
634,035,950	1.52
701,969,000	1.56
779,634,700	1.12
876,861,100	1.12
1,009,884,700	1.12
1,155,507,300	1.17
1,299,810,400	1.11
1,425,552,600	1.11

**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
1998	13.623	0.409	14.032	59.805	50.164	0.297
1999	13.897	0.422	14.319	53.104	48.241	0.194
2000	14.059	0.414	14.473	53.912	46.421	0.333
2001	13.862	0.418	14.280	52.752	49.585	0.261
2002	13.207	0.751	13.958	49.850	25.379	0.314
2003	21.210	0.797	22.007	24.157	21.984	0.070
2004	20.045	0.708	20.753	24.347	21.843	0.083
2005	19.013	0.274	19.287	20.602	22.112	0.075
2006	17.619	0.320	17.939	17.785	23.419	0.066
2007	16.805	0.267	17.072	16.887	23.264	-

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.

Ramsey County	Special Districts	Total Overlapping	Total Direct and Overlapping Tax Rate
44.226	4.491	158.983	173.015
46.246	4.814	152.599	166.918
47.021	5.978	153.665	168.138
44.839	5.423	152.860	167.140
42.166	5.365	123.074	137.032
55.366	3.728	105.305	127.312
53.135	4.243	103.651	124.404
49.210	4.176	96.175	115.462
46.623	5.467	93.360	111.299
44.943	6.631	91.725	108.797

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

Taxpayer	2007		Percentage of Total City Taxable Assessed Value
	2007 Tax Capacity	Rank	
Schwing America, Inc.	\$ 246,772	1	1.6 %
Chorus Corporation	232,336	2	1.5
Thermoform Plastics, Inc.	221,084	3	1.4
Muller Family Theatres	198,250	4	1.3
Specialty Manufacturing Inc.	172,252	5	1.1
North Oaks Farms Inc	145,032	6	0.9
JMK Limited Partnership	129,250	7	0.8
Porus Media, LLC	126,434	8	0.8
Water Gremlin	111,090	9	0.7
Spearman Real Estate	109,250	10	0.7
Metal Technologies Group LP	-		-
Cortec Corporation	-		-
Lawin Enterprises LLC	-		-
Northern States Power	-		-
All Other Taxpayers	<u>14,083,967</u>		<u>89.3</u>
Total	<u>\$ 15,775,717</u>		<u>100.0 %</u>

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

1998

<u>1998 Tax Capacity</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
\$ 203,350	2	2.4 %
-		-
276,154	1	3.2
140,418	4	1.6
106,094	6	1.2
-		-
173,218	3	2.0
-		-
-		-
115,538	5	1.4
80,946	7	1.0
77,014	8	0.9
75,902	9	0.9
43,992	10	0.5
<u>7,224,254</u>		<u>84.8</u>
<u>\$ 8,516,880</u>		<u>100.0 %</u>

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

Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy	
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy (1)	Amount	Percentage of Levy
1998	\$ 1,103,315	\$ 28,000	\$ 1,131,315	\$ 1,121,285	99.1 %
1999	1,191,343	30,000	1,221,343	1,206,953	98.8
2000	1,219,299	33,000	1,252,299	1,239,097	98.9
2001	1,324,465	37,000	1,361,465	1,344,723	98.8
2002	1,514,038	55,000	1,569,038	1,556,721	99.2
2003	1,729,738	65,000	1,794,738	1,779,034	99.1
2004	1,942,314	66,000	2,008,314	1,991,586	99.2
2005	2,142,460	30,000	2,172,460	2,171,147	99.9
2006	2,323,283	40,000	2,363,283	2,332,160	98.7
2007	2,466,626	90,000	2,556,626	2,425,568	94.9

Notes:

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

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Amount	Percentage of Levy		
\$ 13,204	\$ 1,134,489	100.3 %	\$ 32,348	2.9 %
11,590	1,218,543	99.8	38,300	3.1
8,327	1,247,424	99.6	40,021	3.2
15,037	1,359,760	99.9	47,225	3.5
11,825	1,568,546	100.0	49,608	3.2
11,476	1,790,510	99.8	51,986	2.9
16,228	2,007,814	100.0	18,550	0.9
1,673	2,172,820	100.0	24,689	1.1
18,385	2,350,545	99.5	68,796	2.9
29,983	2,455,551	96.0	55,847	2.2

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
1998	\$ 1,410,000	\$ 4,340,000	\$ -	\$ 2,575,000
1999	3,615,000	5,965,000	-	2,450,000
2000	3,385,000	5,295,000	-	2,305,000
2001	3,990,000	5,520,000	-	2,565,000
2002	3,630,000	3,490,000	-	2,390,000
2003	3,405,000	1,870,000	-	3,415,000
2004	5,360,000	1,165,000	-	2,000,000
2005	6,365,000	-	-	1,770,000
2006	5,675,000	-	-	1,515,000
2007	5,265,000	-	-	1,250,000

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>Percentage of Personal Income</u>	<u>Per Capita</u>
\$	8,325,000	2.0 %	767
	12,030,000	2.8	1,101
	10,985,000	2.4	973
	12,075,000	2.6	1,061
	9,510,000	1.9	825
	8,690,000	1.7	749
	8,525,000	1.6	731
	8,135,000	1.5	691
	7,190,000	1.3	608
	6,515,000	1.2	546

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WHITE BEAR TOWNSHIP, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2007
(UNAUDITED)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping:			
Ramsey County	\$ 165,271,390	2.821 %	\$ 4,661,979
County Library	7,194,844	5.427	390,477
Metro Watershed	1,238,741	-	-
I.S.D. #621	115,230,700	0.025	29,138
I.S.D. #624	63,430,905	19.811	12,566,448
S.I.S.D. #916	10,604,723	5.507	584,044
Metro Council	965,238,870	0.446	4,309,441
Metro Airports Commission	252,374,850	0.446	1,126,762
Total Overlapping			23,668,289
White Bear Township Direct Debt	7,190,000	100.00	7,190,000
Total Direct and Overlapping Debt:			\$ 30,858,289

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		
	1998	1999	2000
Debt Limit	\$ 10,717,983	\$ 11,597,610	\$ 12,680,719
Total Net Debt Applicable to Limit	-	-	-
Legal Debt Margin	<u>\$ 10,717,983</u>	<u>\$ 11,597,610</u>	<u>\$ 12,680,719</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2007:

Estimated Market Value	\$ 1,425,552,600
Debt Limit (2% of Estimated Market Value)	28,511,052
Debt Applicable to Limit	<u>2,845,000</u>
Legal Debt Margin	<u>\$ 25,666,052</u>

Fiscal Year						
<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$14,039,380	\$15,592,694	\$17,537,222	\$20,197,694	\$ 23,110,146	\$ 25,996,208	\$ 28,511,052
-	-	-	1,595,587	2,423,097	3,135,000	2,845,000
<u>\$14,039,380</u>	<u>\$15,592,694</u>	<u>\$17,537,222</u>	<u>\$ 18,602,107</u>	<u>\$ 20,687,049</u>	<u>\$ 22,861,208</u>	<u>\$ 25,666,052</u>
0.00%	0.00%	0.00%	7.90%	10.48%	12.06%	9.98%

**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)
1998	10,852	\$ 406,972	\$ 37,502
1999	10,925	423,803	38,792
2000	11,293	448,648	39,728
2001	11,384	456,293	40,082
2002	11,528	490,597	42,557
2003	11,600	520,678	44,886
2004	11,664	528,892	45,344
2005	11,778	532,106	45,178
2006	11,830	547,812	46,307
2007	11,923	534,127	44,798

Source:

- (1) Sources for 200 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			
30	\$ 10,999,472	585	\$ 14,198,154	32.0	9,607	1.7
23	6,057,470	523	14,243,291	32.0	9,610	1.5
56	6,743,846	1,520	23,364,740	33.7	9,319	2.7
39	5,018,992	994	26,426,112	33.7	9,391	2.4
38	3,939,124	554	20,782,058	33.7	9,309	3.2
48	8,557,032	500	16,553,876	33.7	9,176	3.6
36	2,601,286	494	11,025,965	33.7	8,642	4.4
56	8,691,163	440	10,391,940	33.7	8,681	4.3
51	3,611,937	357	6,267,945	33.7	8,529	3.7
45	3,265,342	477	5,990,791	33.7	8,401	4.4

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

Employer	2007			1998		
	Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Schwing America Inc.	502	1	25.9 %	375	1	24.4 %
Thermoform Plastics Inc.	250	2	12.9	295	2	19.2
Cub Foods	225	3	11.6	120	4	7.8
Water Gremlin Company	210	4	10.8	240	3	15.6
Porous Media Corporation	183	5	9.4	80	6	5.2
Specialty Manufacturing Inc.	176	6	9.1	120	5	7.8
Cortec Corporation	147	7	7.6	75	9	4.9
Herold Precision Metals	100	8	5.2	-	-	-
Muller Family Theatres	76	9	3.9	-	-	-
E.P.I./Veeco	70	10	3.6	75	10	4.9
Rehbein Transit	-	-	-	-	-	-
Electric Cord Incorporated	-	-	-	80	7	5.2
Brennan Medical Inc.	-	-	-	75	8	4.9
Total	1,939		100.0 %	1,535		100.0 %

Source: Business Licenses, White Bear Township.

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

	Full-Time-Equivalent Employees as of December 31,				
	1998	1999	2000	2001	2002
General Government					
Administration	2.48	2.46	2.48	2.48	2.48
Code Enforcement	1.85	1.75	1.75	1.75	1.75
Town Buildings	0.20	0.30	0.30	0.30	0.30
Total General Government	<u>4.53</u>	<u>4.51</u>	<u>4.53</u>	<u>4.53</u>	<u>4.53</u>
Public Works					
Recycle	-	-	-	-	-
Public Works	0.90	0.95	0.95	0.95	0.95
Road and Bridge	2.05	1.95	2.04	2.11	2.11
Total Public Works	<u>2.95</u>	<u>2.90</u>	<u>2.99</u>	<u>3.06</u>	<u>3.06</u>
Parks, Recreation and Forestry	2.40	2.35	2.92	2.75	2.75
Community Development					
Community Development	1.06	0.96	0.96	0.96	0.94
Economic Development Authority	1.00	1.22	1.22	1.22	1.23
Total Community Development	<u>2.06</u>	<u>2.18</u>	<u>2.18</u>	<u>2.18</u>	<u>2.17</u>
Water	2.41	2.41	2.44	2.44	2.44
Sewer	1.56	1.56	1.59	1.59	1.61
Storm Sewer	<u>0.31</u>	<u>0.31</u>	<u>0.31</u>	<u>0.31</u>	<u>0.25</u>
Total	<u><u>16.22</u></u>	<u><u>16.22</u></u>	<u><u>16.96</u></u>	<u><u>16.86</u></u>	<u><u>16.81</u></u>

Source: Township Records

Full-Time-Equivalent Employees as of December 31,

2003	2004	2005	2006	2007
2.34	2.17	2.14	2.14	2.00
1.78	2.13	2.13	2.15	2.15
0.35	0.35	0.15	0.15	0.20
<u>4.47</u>	<u>4.65</u>	<u>4.42</u>	<u>4.44</u>	<u>4.35</u>
-	-	-	0.10	0.10
1.15	0.80	1.00	1.00	0.80
2.52	3.05	2.62	2.61	2.53
<u>3.67</u>	<u>3.85</u>	<u>3.62</u>	<u>3.71</u>	<u>3.43</u>
2.73	2.70	3.21	3.21	2.53
1.04	0.94	0.94	1.10	1.44
1.23	1.22	1.22	0.69	0.69
<u>2.27</u>	<u>2.16</u>	<u>2.16</u>	<u>1.79</u>	<u>2.13</u>
2.22	2.22	2.61	2.70	3.01
1.31	1.12	1.38	1.50	1.75
0.38	0.35	0.35	0.40	0.38
<u>17.05</u>	<u>17.05</u>	<u>17.75</u>	<u>17.75</u>	<u>17.58</u>

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

Function/Program	Fiscal Year		
	1998	1999	2000
General Government			
Elections	3	1	3
Number of Votes Cast	5,793	366	6,200
Public Safety			
Police:	(A)	(A)	(A)
Crimes Investigated	612	578	601
Animal Impounds	60	63	60
Neighborhood Watch Groups	11	10	10
Fire:	(B)	(B)	(B)
Fire	512	523	512
Average Response Time (minutes)	5.4	6.0	5.5
Dollar Loss	582,120	1,046,300	742,300
Inspections:			
Building Permits	624	562	623
Value of Building Permits	\$25,197,626	\$20,300,761	\$32,762,760
Public Works			
Vehicles Maintained	18	18	20
Miles of Streets	57.00	57.50	59.00
Snow Removal (events)	33	37	26
Parks, Recreation and Forestry			
Parks:			
Number of Parks	24	25	26
Acres of Parks	140.52	170.52	172.22
Utilities			
Miles of Water Mains	60.15	60.25	60.5
Water Customers	3,755	3,819	3,822
Miles of Sewer Mains	57.45	57.55	57.85
Sewer Customers	3,759	3,799	3,804

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						
2001	2002	2003	2004	2005	2006	2007
1	3	1	3	1	3	1
146	6,520	138	8,160	442	6,814	671
(A)	(A)	(A)	(A)	(A)	(A)	(A)
494	485	488	506	539	489	527
76	75	72	81	81	70	94
19	20	23	25	25	25	25
(B)	(B)	(B)	(B)	(B)	(B)	(B)
423	437	432	410	410	422	420
5.7	5.5	5.5	5.5	5.5	5.5	5.0
661,200	478,030	480,300	498,000	468,000	472,300	475,000
1,056	599	558	533	500	413	523
\$31,695,104	\$24,721,189	\$25,098,910	\$13,627,251	\$19,083,103	\$9,879,882	\$9,256,133
20	20	20	21	22	22	23
62.00	67.00	68.50	70.00	70.50	70.50	70.50
20	20	26	25	28	22	25
26	26	26	26	26	26	26
172.22	172.22	172.22	172.22	172.22	172.22	172.22
61.45	63.11	63.25	63.5	63.5	65.83	65.83
3,845	4,107	4,227	4,431	4,495	4,532	4,550
58.75	60.87	61	62	62	64.42	64.42
3,820	3,840	4,209	4,377	4,443	4,478	4,496

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

Function/Program	Fiscal Year				
	1998	1999	2000	2001	2002
Public Safety					
Police					
Stations	1	1	1	1	1
Correctional Facilities	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Public Works					
Vehicles	18	18	20	20	20
Miles of Township Streets	38.10	57.50	40.64	40.64	62.00
Parks, Recreation and Forestry					
Parks					
Parks	24	25	26	26	26
Park Acres	140.52	170.52	172.22	172.22	172.22
Park Shelters	8	8	8	8	9
Basketball Courts	3	3	3	3	3
Sliding Hills	3	3	3	3	3
Horseshoe Courts	1	1	1	1	1
Skating Rinks	9	9	9	9	9
Soccer Fields	1	1	3	3	3
Ball Fields	6	6	10	10	10
Swimming Beach	1	1	1	1	1
Tennis Courts	6	6	6	6	6
Volleyball Courts	3	3	3	3	3
Water					
Miles of Water Mains	60.15	60.25	60.50	61.45	63.11
Water Connections	3,755	3,819	3,822	3,845	4,107
Sewer					
Miles of Sewer Lines	57.45	57.55	57.85	58.75	60.87
Sewer Connections	3,759	3,799	3,804	3,820	3,840
Storm Sewer					
Miles of Storm Water Lines/Culverts	11.90	12.10	13.52	13.62	13.62

Source: Various Township Departments.

Fiscal Year				
2003	2004	2005	2006	2007
1	1	1	1	1
1	1	1	1	1
2	2	2	2	2
20	21	22	22	22
62.00	70.50	70.50	70.50	70.50
26	26	26	26	26
172.22	172.22	172.22	172.22	172.22
9	9	9	9	9
3	3	3	3	3
3	3	3	3	3
1	1	1	1	1
9	9	9	9	9
3	3	3	3	3
10	10	10	10	10
1	1	1	1	1
6	6	6	6	6
3	3	3	3	3
63.25	63.50	63.50	65.83	65.83
4,227	4,431	4,495	4,532	4,532
61.00	62.00	62.00	64.42	64.42
4,209	4,377	4,443	4,478	4,478
13.62	15.00	15.00	15.00	15.00

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IV.

OTHER REQUIRED REPORTS

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REPORT ON MINNESOTA LEGAL COMPLIANCE

Township Board of Supervisors
White Bear Township, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Bear Township, Minnesota, which collectively comprise the Township's basic financial statements as of and for the year ended December 31, 2007, and have issued our report thereon dated July 24, 2008.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the State Auditor pursuant to Minn. Stat. §6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

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



LarsonAllen LLP

Minneapolis, Minnesota
July 24, 2008