

# City of White Bear Lake Minnesota

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2018



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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
For the Fiscal Year Ended December 31, 2018

**CITY OF WHITE BEAR LAKE, MINNESOTA**

PREPARED BY  
FINANCE DEPARTMENT

Kerri Kindsvater  
Finance Director

Jessica Saari  
Assistant Finance Director

(Member of the Government Finance Officer's Association  
of the United States and Canada)

Cover photo courtesy of the  
City of White Bear Lake Engineering Department.  
Rotary Nature Preserve pavilion in White Bear Lake.

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**CITY OF WHITE BEAR LAKE, MINNESOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED DECEMBER 31, 2018**

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INTRODUCTORY SECTION  
CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

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**CITY OF WHITE BEAR LAKE, MINNESOTA**

Elected and Administrative Officials

December 31, 2018

**ELECTED OFFICIALS**

**TERMS EXPIRE**

Mayor, Jo Emerson

January, 2022

Council Members:

1st Ward, Bill Walsh

January, 2020

2nd Ward, Doug Biehn

January, 2022

3rd Ward, Dan Jones

January, 2020

4th Ward, Kevin Edberg

January, 2022

5th Ward, Steven Engstran

January, 2020

**ADMINISTRATIVE OFFICIALS**

City Manager, Ellen Hiniker

Community Development Director, Anne Kane

City Engineer, Paul Kauppi

Finance Director, Don Rambow

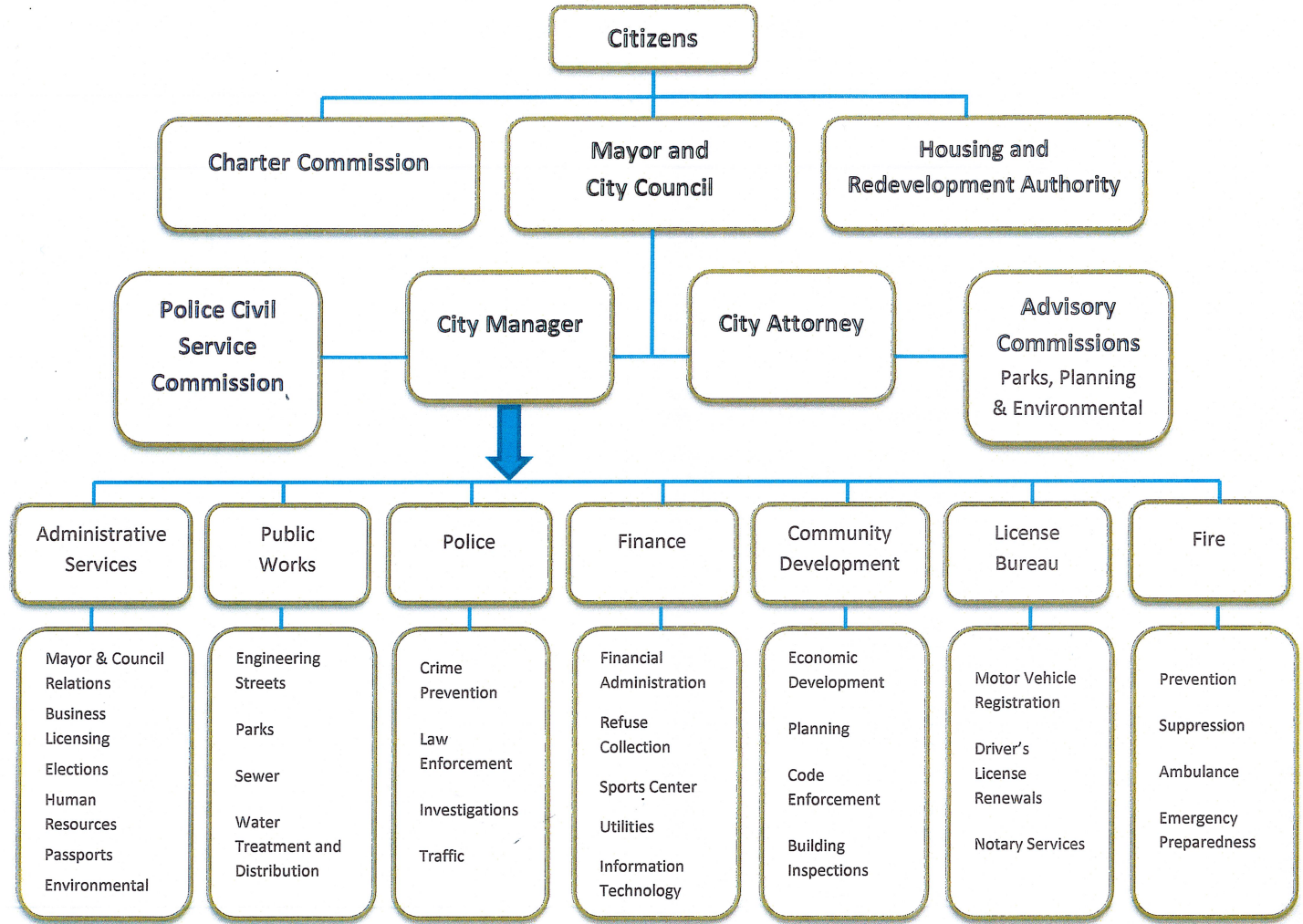
Police Chief, Julie Swanson

Fire Chief, Greg Peterson



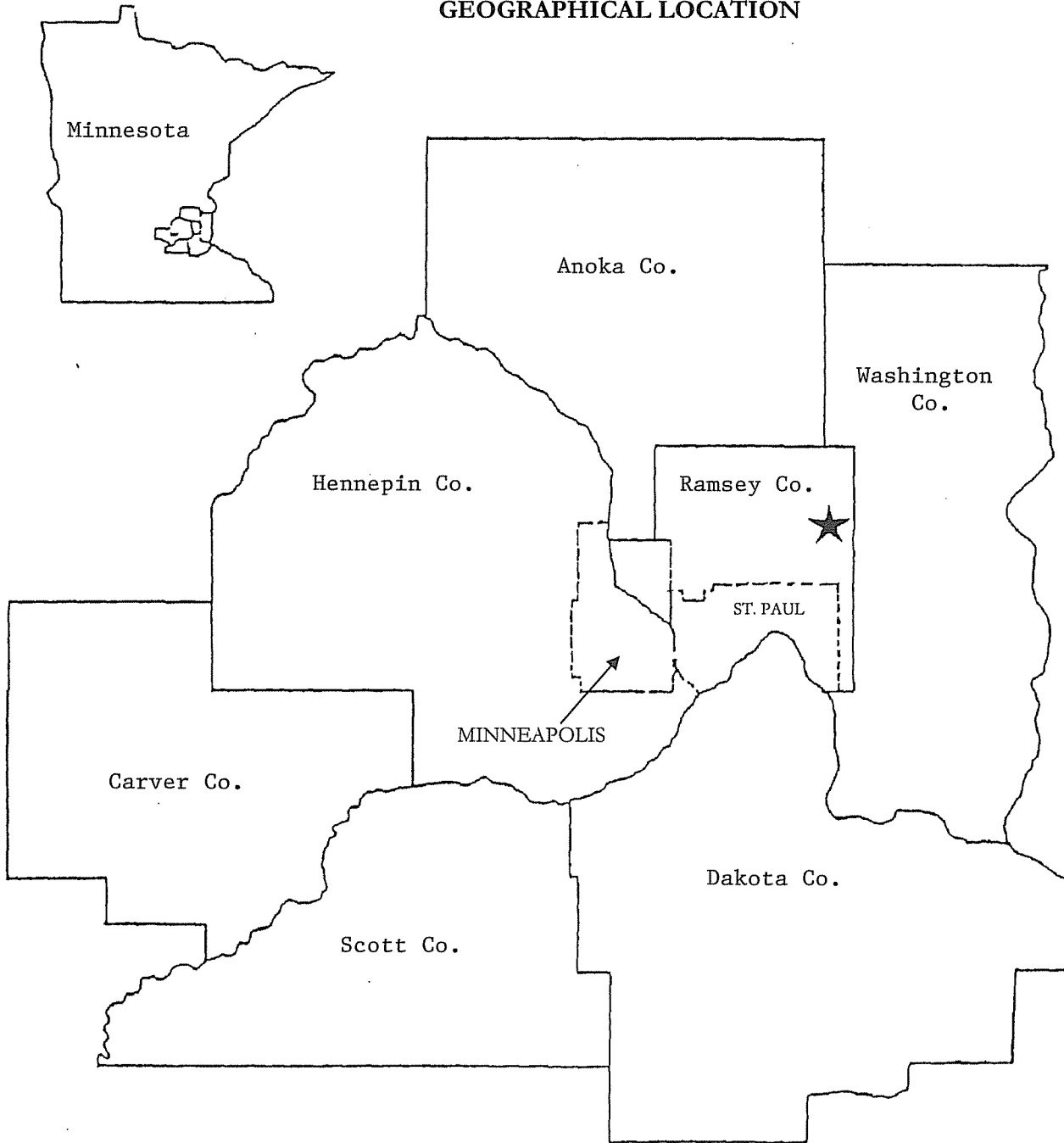
# City of White Bear Lake

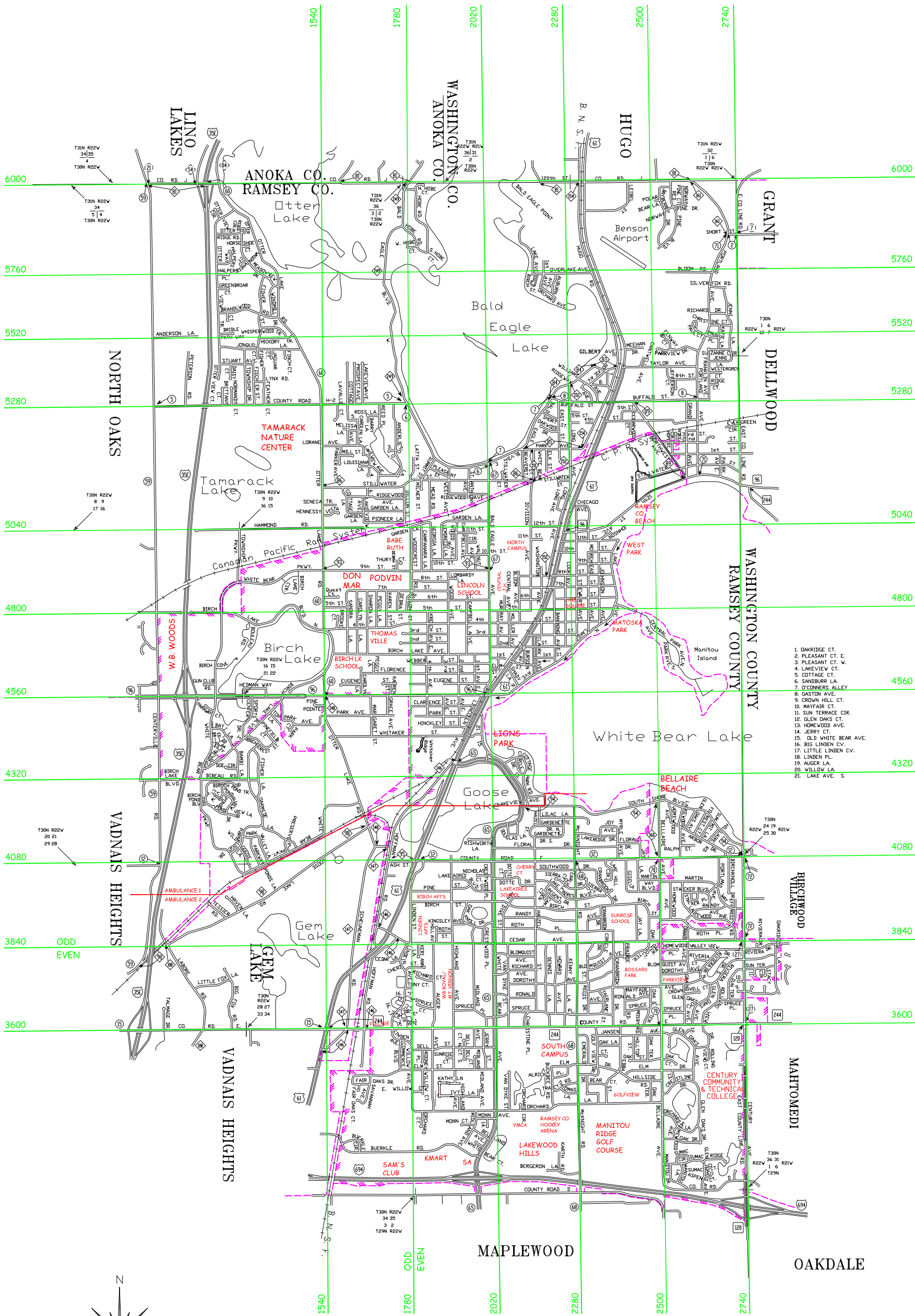
## Organizational Chart



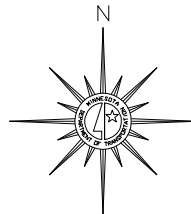
# CITY OF WHITE BEAR LAKE

## GEOGRAPHICAL LOCATION





1. DAKRIDGE CT.
2. PLEASANT CT. E.
3. PLEASANT CT. W.
4. LAKEVIEW CT.
5. COTTAGE CT.
6. SANDBURG LA.
7. O'CONNERS ALLEY
8. GASTON AVE.
9. CROWN HILL CT.
10. MAYFAIR CT.
11. SUN TERRACE CIR.
12. GLEN DAKS CT.
13. HOMEWOOD AVE.
14. JERRY CT.
15. OLD WHITE BEAR AVE.
16. BIG LINDEN CV.
17. LITTLE LINDEN CV.
18. LINDEN PL.
19. AUGER LA.
20. WILLOW LA.
21. LAKE AVE. S.

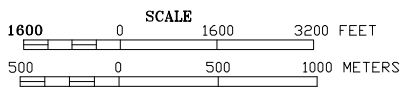


**LEGEND**

- INTERSTATE TRUNK HIGHWAY.....
- U.S. TRUNK HIGHWAY.....
- STATE TRUNK HIGHWAY.....
- COUNTY STATE AID HIGHWAY.....
- COUNTY ROAD.....
- CORPORATE LIMITS.....
- PUBLIC ROAD .....
- PRIVATE ROAD .....

MUNICIPALITY OF  
**WHITE BEAR LAKE**

PREPARED BY THE  
MINNESOTA DEPARTMENT OF TRANSPORTATION  
PROGRAM SUPPORT GROUP  
IN COOPERATION WITH  
U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION



2000 U.S. CENSUS - POP. 25,325  
WHITE BEAR LAKE (RAMSEY & WASHINGTON COUNTIES)

2005

## *White Bear Lake....The City of Lakes and Legends*

### *Historical Beginnings*

The earliest inhabitants of the White Bear Lake area were the Dakota and Ojibwa Indians who used it for their migratory hunting and harvesting grounds. The United States government designated the area as Dakota land in an 1825 treaty, but later purchased all Dakota Territory east of the Mississippi to open it for European-American settlement.

Rich land, abundant game, and scenic lakes attracted the early pioneers to this area. In 1858, the year Minnesota became a state, these first European-American settlers established White Bear Township, which consisted of 36 square miles of land. As word of its scenic landscape spread, the town grew into a popular resort area, attracting visitors from all along the Mississippi River. People would travel up the Mississippi by steamboat and then to White Bear Lake by train. Soon resorts and hotels lined the shores of the lake while restaurants, theaters and stores set up shop in the downtown to accommodate visitors. The extension of the Lake Superior and the Mississippi Railroad to White Bear Lake in 1868 turned what used to be a three-hour buggy ride from S. Paul into a twenty-minute trip. Rail service provided new and exciting opportunities for business and industry in the area, eventually connecting to Duluth in 1871.

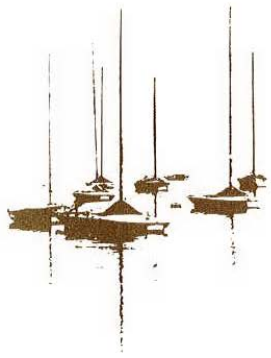
As the resort era faded shortly after the turn of the century, other industries, including farming and lumbering, continued to prosper. In keeping pace with this steady growth and development, leaders of the community officially incorporated the City of White Bear Lake in 1921. At that time, the city was 2 ¼ square miles with a population of just over 2,000. The 1950's and 1960's were times of rapid residential expansion. By 1960, the city's area had grown to 7 square miles with a population of about 13,000 people. During the 1970's and 1980's, large parcels of land opened for development through the city's effort to extend roads and utilities. The city's aggressive economic development program led to extensive growth in its tax base and employment levels. Several nationally known companies have moved into the area while downtown redevelopment efforts continue to make great strides in expanding. Over the years, the White Bear Lake area has continued to grow and prosper. Today the city's 24,000 residents enjoy the advantages of being part of a major metropolitan area while residing in a community that has maintained its small hometown appeal.

### *Legend of White Bear Lake*

The legend of White Bear Lake is one of forbidden love and courage. Like all folklore, some parts of the story may be true; however, all of it is interesting and captivating. It seems that every spring, people from the Dakota Indian tribe visited the island in the middle of White Bear Lake to make maple sugar. Tradition says that on the island, now called Manitou Island, an Indian princess and an Indian brave fell in love. They could not marry since the princess' father, the chief, thought the young brave cowardly. One night, the young lovers met secretly and sat among the branches of a large elm tree that hung far over the lake. As they sat there, a large albino bear, thinking perhaps, that polar snows and dismal winter weather extended everywhere, took up his journey southward. He approached the northern shore of the lake, walked down the bank and made his way noiselessly through the deep, heavy snow toward the island. As the princess and the brave were returning to camp in time to avoid suspicion, the bear leaped out and attacked the princess. The princess screamed for help. Bounding toward the young brave, she caught his blanket and fell, bearing the blanket with her into the great arms of the ferocious monster. Upon hearing the screams, every man, woman and child of the tribe ran to the bank to see the commotion, however, all were unarmed and could not save the princess. While the savage beast held the breathless woman in his huge grasp, the brave sprang to his feet, dashed to his wigwam for his knife and returned almost in a single bound. Springing with the fury of a mad panther, he pounced on his prey and killed him. The Indian Chief allowed the brave and the maiden to marry, and for many years their children played upon the skin of the white bear from which the lake derives its name.

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## City of White Bear Lake

4701 Highway 61 • White Bear Lake, Minnesota 55110  
Phone (651) 429-8526 • Fax (651) 429-8500  
[www.whitebearlake.org](http://www.whitebearlake.org)

April 26, 2019

Honorable Mayor and  
Members of the City Council  
City of White Bear Lake, Minnesota

In accordance with Minnesota State Statutes and White Bear Lake City Charter provisions, we respectfully submit the Comprehensive Annual Financial Report of the City of White Bear Lake as of December 31, 2018 and for the year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures supporting schedules, and statistical tables rests with the City. Your management staff believes that the information as presented herein is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of City operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

The City's financial statements have been audited by Abdo, Eick & Meyers, LLP, Certified Public Accountants who were appointed by the City Council. The independent audit is conducted to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2018 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 and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor rendered an unmodified or "clean" opinion that the City's financial statements, for the year ended December 31, 2018, are presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report.

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

**THE REPORTING ENTITY AND ITS SERVICE**

In accordance with GASB pronouncements, the City's financial statement includes all funds and account groups of the City of White Bear Lake, as well as all component units.

The City provides a full range of municipal services to its citizens. These services include, but are not limited to: police and fire protection; ambulance service; parks and recreational facilities; construction and maintenance of streets; water and sanitary sewer utilities; surface water pollution prevention; refuse collection and disposal; economic development, planning and general administrative services.

The White Bear Lake Housing and Redevelopment Authority (HRA) is considered a blended component unit of the City. Although the HRA is a legally separate unit, it was created by the City Council to carry out responsibilities associated with redevelopment within the City's tax increment districts. The HRA governing body is made up of the five council members and the city manager serves as the executive director. The HRA financial statements are prepared in conjunction with the City's annual report and are included as a Capital Project Fund of the city. The HRA does not publish a separate financial statement.

**PROFILE OF THE CITY**

The City of White Bear Lake is considered a second-tier St. Paul suburban community in northeast Ramsey County. The City incorporates an area of approximately 10 square miles. The City is approximately 12 miles from downtown St. Paul and 20 miles from the Minneapolis/St. Paul International Airport. The 2017 Metropolitan Council census estimate projects the City's population to be 25,512.

The City operates under the Council-Manager form of government through its home rule charter adopted in 1922. Policy-making and legislative authority are vested in the governing Council consisting of a Mayor and five council members.

The city charter provides that the mayor is the chief executive officer of the City and is responsible for the enforcement of provisions of the city charter and ordinances. The mayor does not have a vote on the council but does have veto authority over council actions.

The council may reconsider any vetoed action at the next regular meeting and by a four-fifths vote of all members override the mayor's veto. The mayor is elected at-large to serve a four year term. The five council members are elected by wards and serve four year staggered terms. Wards one, three, and five elections coincide with each other. The elections for mayor, wards two and four coincide with each other. The council is elected on a non-partisan basis.

The council is responsible, among other things, for establishing policy, passing ordinances, adopting the budget, appointing committees, and hiring both the city's manager and attorney. The city's manager is responsible for carrying out the policies of the city council, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, recommending and enforcing the budget and ordinances and keeping the mayor and city council advised as to the financial needs and condition of the City.

The City's financial planning and control foundation is the annual budget. The budget incorporates the City's financial policies related to operations, financial management, debt management, reserves, investments, and amendments into the overall documents. City departments submit their appropriation request to the finance department in July. These requests, along with projected revenue and consideration of the City's Capital Improvement Plan, are the starting point for developing the budget. The city manager and finance director present a preliminary balanced budget to the council prior to September 15<sup>th</sup> of each year and subsequently refine the budget to a final recommendation. The council at that time sets the preliminary tax levy, which can be lowered but not increased. The city council holds budget work sessions and a formal public hearing before adopting the final budget and tax levy by December 20<sup>th</sup>. The city manager has expenditure discretion within expenditure categories; however, adjustments between departments or funds require a budget amendment adopted by the city council.

## **FACTORS AFFECTING FINANCIAL CONDITION**

This report provides the reader with a clear understanding of the City's financial condition and data needed to conduct their analysis. However, the City's fiscal soundness is influenced by more than the results of its financial operations and balance sheet. The information presented in the financial statements is best understood when it is considered from the broader perspective of the economic environment within which the City of White Bear Lake operates.

### LOCAL ECONOMY

As part of the Minneapolis/St. Paul metropolitan area, the City is immersed in an economically diverse urban environment. The metropolitan area has a vibrant business base, including companies involved in manufacturing super computers, electronics, leading-edge medical technology, milling, machine and product manufacturing, food processing, banking, higher education and research, graphic arts and performing arts, and professional athletics. These businesses, and others, have helped make the Twin Cities area one of the largest commercial and cultural centers between Chicago and the west coast.

The diverse labor market within the Minneapolis/St. Paul metropolitan area which includes White Bear Lake continues to outperform the nation as a whole. The Minneapolis/St. Paul unemployment rate at December 31, 2018 stood at 2.7%. This rate is 1.2% below the national average.

The Federal Reserve's 2019 economic forecasting maintains a relatively favorable outlook for the region's economy based upon its large and diverse economic base. However, it is projected that GDP will slow to 2.1% in 2019 from 3% in 2018. Employment growth has remained widespread with particular gains in education, health care, retail trade and financial services. Improved construction activity in both homebuilding and commercial areas has pushed the State's unemployment rate to the lowest levels since the early 2000s. This rate represents the lowest rate among states with major metropolitan areas. The City has benefited from being part of the metropolitan area. The economy has benefited from a lower inflationary pattern as measured by the Consumers Price Index. The CPI was measured 1.9% in 2018, slightly less than the Federal Reserve's benchmark goal of 2.0% annual CPI growth.

The robust local economy benefits from the following community assets: a highly educated work force; moderately priced housing; access to high technology; available capital and an excellent transportation system including two major state highways and two federal interstate highways, which allows easy mobility in any direction. This transportation network is a very positive factor in making White Bear Lake an ideal location for commercial/industrial development and redevelopment.

Residential and commercial/industrial construction and redevelopment activity during 2018 was vibrant. The value of new construction totaled \$40.0 million for 2018, representing more than two and a half times the construction activity since 2011. The City anticipates 2019 construction activity to remain at this intense level due to planned construction projects, including the \$30 million Schafer Richardson redevelopment project.

**REDEVELOPMENT ACTIVITIES**

While the City recognizes the value of commercial/industrial development and its importance to maintaining the City's tax base, economic stability, and providing employment opportunities, a strong residential housing market is equally important to the City's economic and social vitality. As a mature community, White Bear Lake has a significant number of housing units, which are in the mid-market range for the metropolitan area. Several well-built, but smaller housing units are extremely attractive to the first-time homebuyer.

In the spring of 2018, the Lakeshore Players Theater project was completed. The project resulted in the redevelopment of the 2.6-acre Twin City Nursery property into a 16,000 square foot community-based performance theater facility. The facility boasts a proscenium theater with 240 seats, a 72 seat black box/children's performance theater, an enhanced lobby, and full-accessibilities for individuals with all abilities. The \$9 million investment was funded through a variety of sources including local foundation support, community fundraising and grant funding through local, regional and national resources. This new theater is a crucial component to the growing arts district in the City and supporting the downtown area.

In the fall of 2018, Lund's and Byerly's opened its doors as one of the area's premier upscale food and grocery providers. Included among its amenities are a Wines & Spirits shop and Creations Café, which features a vast array of chef-crafted meal options for breakfast, lunch and dinner.

Last fall, the City re-guided 4.6 acres at the northwest corner of County Road E and Linden Avenue from "Commercial" to "High Density Residential", which included five parcels comprised of two vacant lots and three single-family residences. This was done in advance of an application for a 189-unit market rate apartment complex, which is currently being considered through the City's PUD process. Construction is anticipated to commence during the summer of 2019. The City also anticipates an application from the same developer to construct workforce housing immediately west of this site as part of its total 10-acre redevelopment project.

The White Bear Lake Sports Center underwent a major \$5.5 million renovation in 2018. Improvements included replacement of the refrigeration system, replacement of the rink floor, new LED lighting throughout the building, remodeling all restrooms to meet current ADA standards, new bleachers, new air conditioning system, and new insulated metal panels on the roof and sidewalls.

Downtown remains vibrant with nearly 100% year-round occupancy and considerable investment in building façade improvements. Renovation of a historic building on Washington Avenue will result in a two-story, full-service restaurant slated to open during the summer of 2019.

**FUTURE DEVELOPMENT**

The County Road E Corridor is a primary focus of the White Bear Lake Economic Development Corporation and there are opportunities for redevelopment and intensification of key intersections, vacant or underutilized sites, and infill properties. Both the White Bear Hills Shopping Center and Festival Foods on Co Rd E completed significant exterior improvements to their property in 2018. Staff will seek funding through a new Ramsey County Corridor Improvement Pilot Program to develop a comprehensive plan for revitalization of this corridor and anticipates many of the corridor efforts by the EDC to continue into 2019, along with private investment.

The City's Revolving Loan and Grant Program was expanded in 2018 to include County Road E area. The Housing and Economic Competitiveness components of the 2040 Comprehensive Plan have been incorporated into the City's comprehensive plan. Much of this work is expected to create new investment opportunities for White Bear Lake, generate new resources for homeowners and businesses, and help create an economic development plan to guide the community through 2040.

The future Rush Line transit corridor is already spurring market interest from residential developers along the planned transit area. Station area planning is underway as the process moves toward the Rush Line transit opening in 2025. Staff anticipates continued interest in this Rush Line corridor along Highway 61 and the perimeter of Downtown White Bear Lake.

**LONG-TERM FINANCIAL PLANNING**

The five-year Capital Improvement Program continues to provide the planning, benchmark and reference for major maintenance and replacement of all City structures, equipment, parks, and transportation projects. Continuous replacement of the City's infrastructure is scheduled to occur at the rate of approximately two to three percent per year; matching the rate of need.

The City's Capital Improvement Plan is updated annually as needed by the second quarter of each year. Preliminary estimates anticipate annual street reconstruction and mill overlay costs in the range of \$5.0 - \$7.5 million over the next five to six year period.

The City analyzes each capital budget to determine if sufficient resources are in place to meet future infrastructure improvements. General Fund balances in excess of requirements are allocated to Capital Construction budgets, specifically the Municipal Building and Interim Construction Funds.

**FISCAL STEWARDSHIP**

The City's Fiscal Policy provides that one-time revenue sources should fund capital improvements or non-recurring expenses rather than operations and that sufficient cash reserves be maintained to support operational efficiencies, thus avoiding any need for short-term borrowing to meet operational requirements.

The City's General Fund reserve for cash flow totals \$3,665,000 and represents one-half of the City's projected property tax collection, local government aid, and police aid payments; significant operating revenue sources not received until the second half of the fiscal year.

The City's computations of its direct debt and its legal debt margin reports that it has **no** obligation that has general property taxes as its sole source of revenue. The City has 100% of its legal debt limit, or \$82,176,975 available for debt bonding as of December 31, 2018.

The City systematically lowered its debt limit from 8.15% of the eligible sum in 1999 to zero by December 31, 2008. The City has maintained the zero debt limit over the last eleven consecutive years. This zero debt limit obligation has been maintained by strict adherence to the City's Fiscal Policy.

The City's Debt Policy, which restricts long-term borrowing for capital improvements that cannot be funded from operating revenues, has been a catalyst for achieving the debt reduction.

The City has \$13,740,000 outstanding in Tax Increment, Special Assessment, and Tax Abatement debt as of December 31, 2018.

It is anticipated that the City will be incurring a debt obligation in 2019 for the planned street improvement project.

**PENSION REPORTING**

The City's Comprehensive Annual Financial Report dated December 31, 2018 incorporates GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". The Statement requires the City to report a pension liability totaling \$4,794,514. This liability results from the City reporting its share of the Statewide plan (PERA) totaling \$6,721,484 and its share of the local Fire Relief Association credit (over 100% funded) totaling \$1,926,970.

State Statutes do not require any local governmental unit to be responsible for any state-wide pension funding deficit. The State legislature has previously utilized its state-wide funding resources to ensure local pensions be made sufficiently funded rather than requiring the local governmental unit to fund its pension deficits.

**AWARDS FOR ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Bear Lake for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the thirty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Report is valid for a period of one year only. The December 31, 2018 financial report will be submitted to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2018, which represents the seventeenth consecutive year the City has received the award. 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.

**ACKNOWLEDGMENTS**

We would like to express our appreciation to all members of the finance department who assisted and contributed to the preparation of this report. Special recognition is extended to Jessica Saari, Assistant Finance Director, who diligently prepared the appropriate audit work papers as well as development of the finance report including the entire statistical section. Recognition is also extended to the mayor and city council for their responsible and progressive policies involving the City's financial operations, along with their solidarity in placing long-range and infrastructure needs ahead of popular expenditures and careful consideration of staff recommendations.

Respectfully Submitted,



City Manager



Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of White Bear Lake  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

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FINANCIAL SECTION  
CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of White Bear Lake, Minnesota

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White Bear Lake, Minnesota (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## Change in Accounting Standards

As described in Note 18 of the notes to the basis financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year ended December 31, 2018. Our opinion is not modified with respect to this matter.

## Other Matters

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 31, the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual, the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer's Contributions and the Schedule of Funding Progress for Other Post-Employment Benefit Plan starting on page 116 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

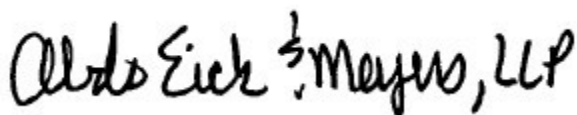
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements, schedules, and statistical section are presented for purposes of additional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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
April 26, 2019

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## **CITY OF WHITE BEAR LAKE, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis presents an overview of the financial activities and financial position for the City of White Bear Lake for the year ended December 31, 2018. The discussion and analysis is intended to be read in conjunction with the transmittal letter in the Introductory Section, and the City's financial statements presented in this report.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$101,938,364 (net position). Of this amount, \$33,230,549 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors according to City policy.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,998,283, an increase of \$2,315,454. Although expenditures exceeded revenues by \$8,069,018, the issuance of \$9,180,000 in bonds resulted in an increase in fund balance.
- At the end of the current fiscal year, the General fund's unassigned fund balance totaled \$3,773,666. The General fund balance represents 37.4% of the total General Fund expenditures for the current fiscal year.
- The City's total debt increased by \$8,760,000 during the current fiscal year. The City had two bond issues in 2018: 2018A G.O. Bonds used to finance street construction and refrigeration equipment for the Sport Center in the amount of \$5,850,000 and 2018B G.O. Tax Abatement Bonds used to finance the Sport Center Renovation Project in the amount of \$3,330,000.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to provide an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental 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 the City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City 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 the City include general government, public safety, public works, and parks and recreation. The business-type activities of the City include water, sewer, refuse, ambulance, license bureau, and Pioneer Manor, a senior apartment complex.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate White Bear Lake Housing and Redevelopment Authority (the Authority) for which the City is financially accountable. The Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on starting on page 45 of this report.

## **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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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 resource, 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 City'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.

The City maintains eight individual major governmental 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, G.O. Building Debt Fund, Non-Bonded Debt Fund, 2018 General Obligation Fund, Interim Construction Fund, Municipal Building Fund, HRA Tax Increment Pool Fund, and Community Reinvestment Fund, which are considered to be major funds.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and six special revenue funds.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 50 through 57 of this report.



## **PROPRIETARY FUNDS**

The City maintains two different types of proprietary funds, enterprise funds, and internal service funds. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for Water, Sewer, Refuse, Ambulance, the License Bureau, and Pioneer Manor. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for Insurance, Employment Expense, and Engineering. Because these services predominantly benefit governmental rather than business-type functions, it has 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 Water, Sewer, Refuse, Ambulance, the License Bureau, and Pioneer Manor.

The basic proprietary fund financial statements can be found on pages 58 through 67 of this report.

## **FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own program. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 68 of this report.

## **NOTES TO 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 financial statements can be found on pages 69 through 113 of this report.

## **OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 116 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 130 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the City's financial position over time. The City's assets exceeded liabilities by \$101,938,364 at the close of the most recent fiscal year.

### Statements of Net Position (In Thousands)

	Governmental		Business type		Total	
	2018	2017	2018	2017	2018	2017
Current/Other Asset	\$ 41,521	\$ 36,334	\$ 4,322	\$ 3,930	\$ 45,843	\$ 40,264
Capital Assets	77,291	71,059	5,071	3,935	82,362	74,994
Total Assets	118,812	107,393	9,393	7,865	128,205	115,258
Deferred Outflows of resources	4,988	6,811	327	386	5,315	7,197
Long-term liabilities	20,907	12,849	1,588	1,346	22,495	14,195
Other liabilities	1,524	1,395	426	317	1,950	1,712
Total Liabilities	22,431	14,244	2,014	1,663	24,445	15,907
Deferred Inflows of resources	6,706	7,223	431	321	7,137	7,544
Net Position						
Net Investment in Capital assets	63,484	66,079	5,071	3,935	68,555	70,014
Restricted	153	635	-	-	153	635
Unrestricted	31,026	26,023	2,204	2,332	33,230	28,355
TOTAL	\$ 94,663	\$ 92,737	\$ 7,275	\$ 6,267	\$ 101,938	\$ 99,004

By far, the largest portion of the City's net position (67.3 percent) is reflected in 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. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City'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 cannot themselves be utilized to liquidate these liabilities.

Restricted net position comprises 0.2 percent of total net position. These assets are subject to external restrictions on how they may be used. The restrictions are related to legal bond covenants and State Statutes. The remaining balance totals \$33,230,549, which represents 32.6 percent of the net position. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

## CHANGES IN NET POSITION

The City's net position totaled \$101,938,364 at December 31, 2018 compared to \$99,003,770 as of December 31, 2017. This represents an increase of \$2,934,594 for fiscal year 2018. The majority of the increase is attributable to a decrease in expenses and an increase in revenues as compared to 2017 amounts.

Governmental activities net investment in capital assets decreased \$2,595,000. The decrease in governmental net investment in capital assets reflects investments totaling \$11.5 million being significantly offset by the issuance of \$9.18 million in long-term debt. Another factor impacting governmental activities is the depreciation of streets and storm sewers (30 – 45 years).

Business-type net position increased \$1,008,181 or approximately 0.1 percent. This increase is mainly attributed to an increase in capital contributions to the Water, Sewer, and Ambulance Funds totaling \$1,344,151.

### Statements of Changes in Net position (In Thousands)

	Governmental		Business type		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,170	\$ 4,828	\$ 9,095	\$ 8,578	\$ 15,265	\$ 13,406
Operating grants and contributions	2,530	1,774	61	78	2,591	1,852
Capital grants and contributions	2,786	194	-	-	2,786	194
General revenues:						
Property Taxes	5,671	5,157	-	-	5,671	5,157
Other Taxes	490	482	-	-	490	482
Grants and contributions not restricted to specific programs	1,587	1,544	-	-	1,587	1,544
Sale of Capital Assets	84	-	17	10	101	10
Other	556	390	-	-	556	390
Total Revenue	19,874	14,369	9,173	8,666	29,047	23,035
Expenses:						
General government	2,230	2,033	-	-	2,230	2,033
Public Safety	6,938	6,902	-	-	6,938	6,902
Public Works	3,477	5,136	-	-	3,477	5,136
Community Development	996	1,303	-	-	996	1,303
Parks and Recreation	2,444	2,196	-	-	2,444	2,196
Interest on long-term debt	583	287	-	-	583	287
Water and Sewer	-	-	4,249	4,345	4,249	4,345
Refuse	-	-	1,292	1,239	1,292	1,239
Ambulance	-	-	1,901	1,300	1,901	1,300
Senior Housing	-	-	265	275	265	275
License Bureau	-	-	861	758	861	758
Total Expenses	16,668	17,857	8,568	7,917	25,236	25,774
Change in net position before transfers	3,206	(3,488)	605	749	3,811	(2,739)
Internal capital transfers	(1,460)	(116)	1,460	116	-	-
Internal transfers	1,057	395	(1,057)	(395)	-	-
Change in net position	2,803	(3,209)	1,008	470	3,811	(2,739)
Net position – January 1	92,737	95,946	6,267	5,797	99,004	101,743
Change in Accounting Principle	(877)	-	-	-	(877)	-
Net position – December 31	\$ 94,663	\$ 92,737	\$ 7,275	\$ 6,267	\$ 101,938	\$ 99,004

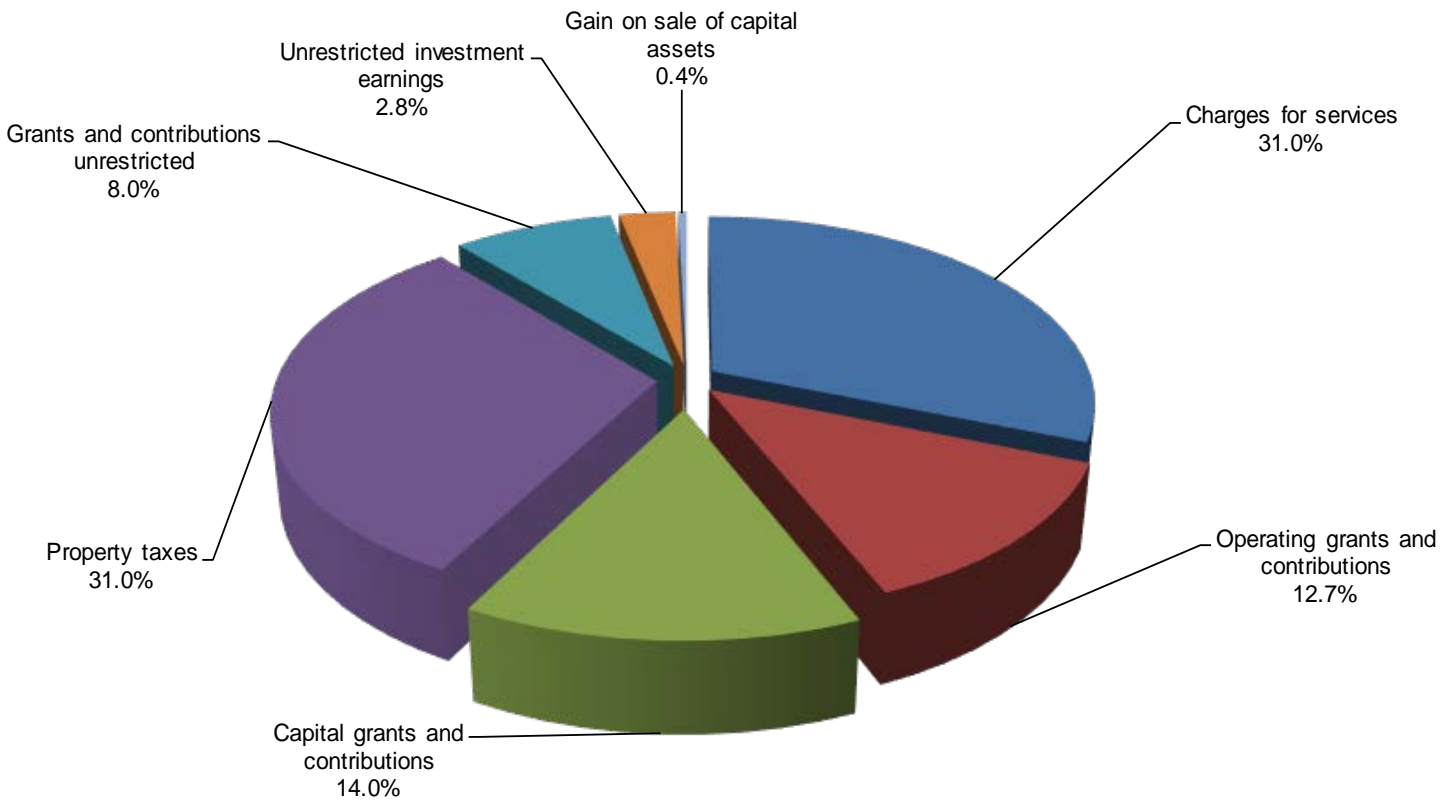
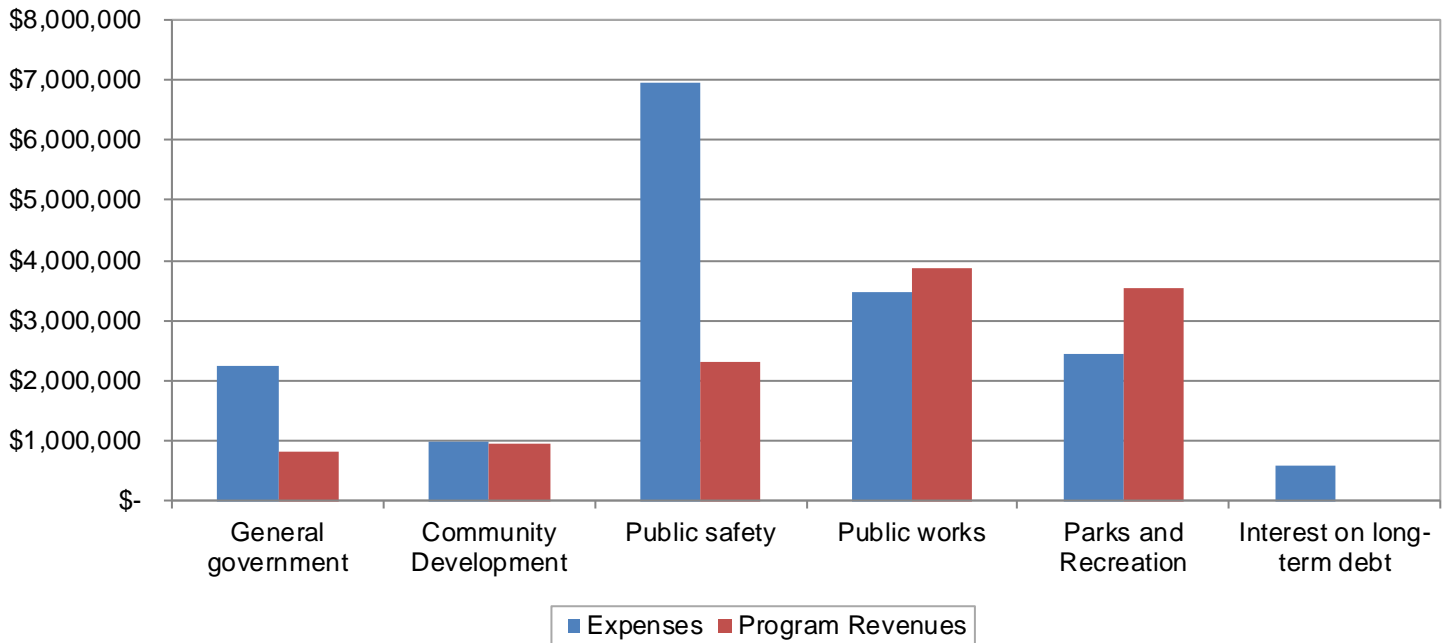
## GOVERNMENTAL ACTIVITIES

The governmental activities increased the City's net position by \$2,315,454 thereby accounting for 0.02 percent of the total increase in the net position of the City. Key elements of this increase, as well as other highlights of the governmental activities, are as follows:

- Charges for services increased by \$1,342,000 compared to 2017. The majority of this increase is attributable to a refund that was received from the county for their portion of the Centerville Road Traffic Signal project, as well as an increase in unavailable revenue for special assessments.
- Operating grants and contributions increased by \$756,000 over 2017 with the receipt of a livable communities grant in 2018. Additionally, the City received increased municipal state aid for street projects in the current year.
- Capital grants and contributions increased by \$2,592,000 in 2018. The increase was attributable to a \$2,500,000 contribution from the White Bear Lake Area Hockey Association for the Sports Center Renovation Project.
- Governmental expenses decreased by \$1,189,000 or 5.79% compared to 2017, \$1,636,000 of which was in the public works function. This was a result of increased costs related to construction of capitalized assets in 2018 that more significantly offset current expenditures, thus decreasing expenses.

The following graphs depict various governmental activities and shows program revenues and expenses directly related to those activities.

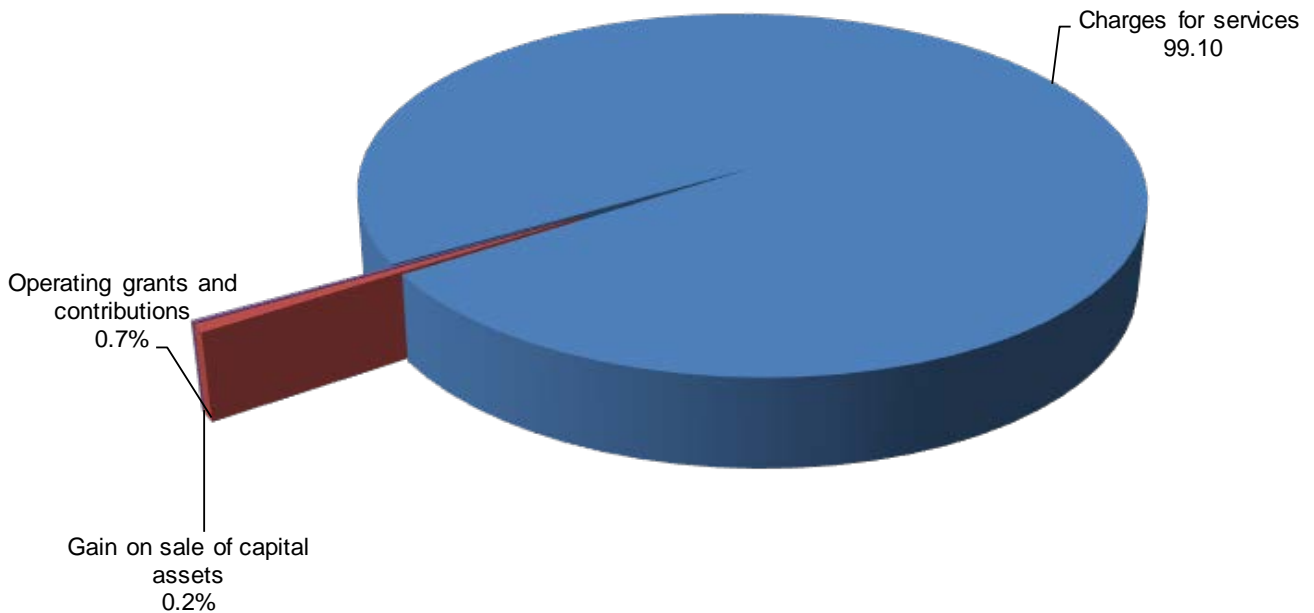
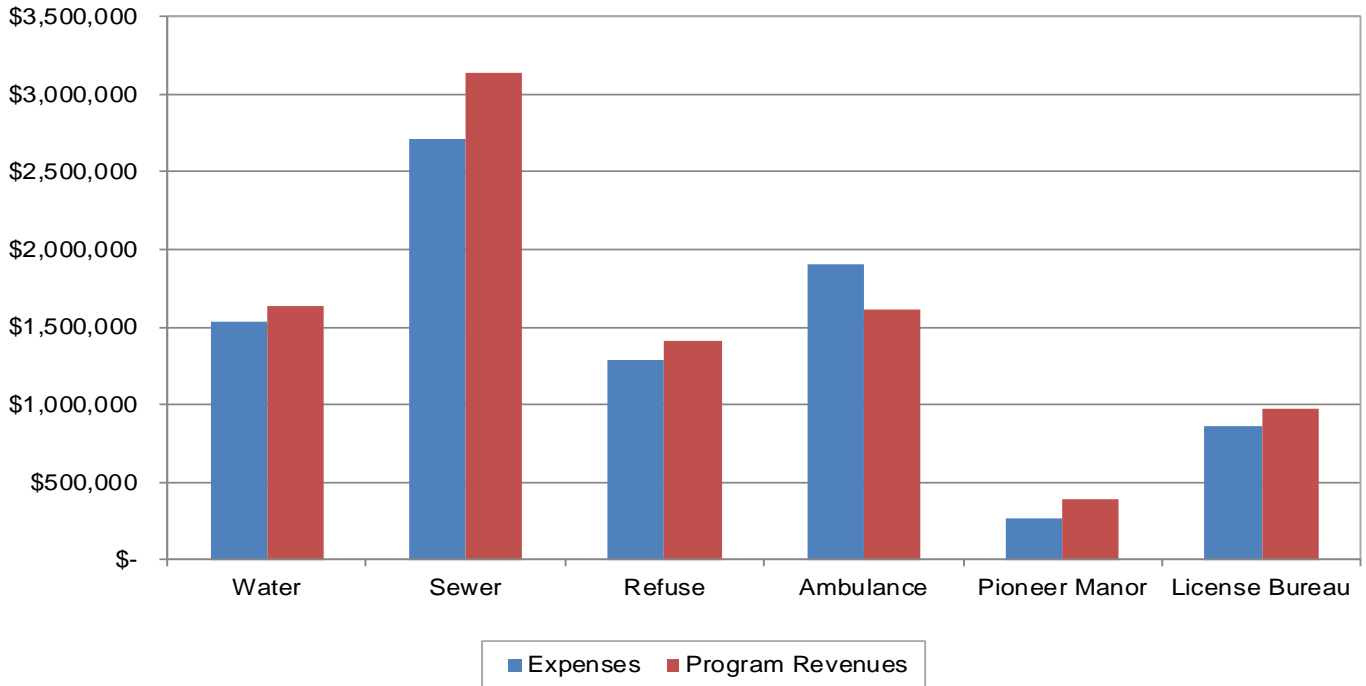
### Expenses and Program Revenues – Governmental Activities



## BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$1,008,181. The majority of the increase in net position can be attributed to significant capital contributions for building, infrastructure, and equipment. The business-type activities recognized \$1.5 million in capital contributions from governmental activities, which is accounted for in transfers. The capital contribution is netted against transfers in and out, resulting in net transfers of \$402,803.

**Expenses and Program Revenues – Business-type Activities**



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

### GOVERNMENTAL FUNDS

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,998,283, an increase of \$2,315,454 in comparison with the prior year. Approximately 8.1% of this total amount, \$2,185,142, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remaining fund balance of \$24,813,141 is not available for new spending because it is either 1) nonspendable (\$0), 2) restricted (\$354,360), 3) committed (\$18,592,436) or 4) assigned (\$5,866,345). For further classification, refer to note 12 on page 106 of this report.

The General Fund expenditures exceeded revenues by \$495,418, but after including the other financing sources and uses, the net increase in fund balance was \$168,887. There was an increase in the net change in fund balance due to the transfer of money for administrative overhead expenses related to Business-Type activities, the HRA Tax Increment Pool, and the Marina to the General Fund as reimbursement for the amounts paid on their behalf. The General Fund had a fund balance of \$3,773,666 at year-end.

The General Obligation Building Debt Services fund balance increased \$209,000 as the result of scheduled receipt payments related to an internal loan. The fund balance at year-end was negative \$1,414,966.

The Non-Bonded Debt Fund had a fund balance of \$1,386,091 at year-end, a decrease of \$460,232 from 2017. The 2018 revenues collected in this fund are special assessments of \$1,341,815 and investment income of \$47,500. These revenues are used to finance street construction costs. The decrease in fund balance was due to a larger transfer out to the Interim Construction fund in 2018 for construction activity.

The 2018 General Obligation Fund was established in 2018 with the issuance of the 2018A G.O. Bonds. The fund balance at year-end was \$120,724.

The Interim Construction fund balance increased \$2,315,781 due to the issuance of the 2018A G.O. Bonds. These proceeds were used to finance street reconstruction projects in 2018. The fund balance at year-end was \$5,091,368.

The Municipal Building fund balance increased \$133,770 in 2018. The fund had \$5,000,174 in bond issuance proceeds from the 2018A G.O. Bonds and the 2018B G.O. Tax abatement Bonds, which were used to finance the Sports Center Renovation Project. The fund balance at year-end was \$1,061,006.

HRA Tax Increment Pool fund balance increased \$112,049 as a result of fewer expenditures in the current year. This was due to closure of numerous tax increment districts and a return of excess tax increment collections to the County in the prior year. The ending fund balance deficit at year-end was \$173,558.

The Community Reinvestment fund balance remained unchanged from previous year's activity.

## **PROPRIETARY FUNDS**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The total net position in the respective proprietary funds are: Water Fund, \$3,045,350; Sewer Fund, \$1,537,544, Refuse Fund, \$214,631; Ambulance Fund, \$377,033; License Bureau, negative \$276,086; Pioneer Manor, \$1,748,748.

The change in net position of the Water and Sewer Funds were \$982,782 and \$362,803, respectively. The majority of these increases in both funds were due to significant capital contributions from other funds. The sewer fund also saw an increase in charges for services of \$399,338 over 2017.

The Ambulance fund balance decreased \$179,062. Despite a capital contribution of \$349,508, the fund balance decreased as a result of a \$631,599 increase in personal services. This increase was attributable to the addition of four full-time paramedic positions.

The License Bureau Fund saw a decrease in fund balance of \$114,507. This was a direct result of increased staff needs resulting from the implementation of the State's new Minnesota Licensing and Registration System (MNLARS), which has caused a heavier workload for the License Bureau staff.

Both the Refuse and Pioneer Manor funds had little change to their fund balances during 2018.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues were consistent with the budget, coming in over budget by only \$33,122. Expenditures were \$124,689 under budget. This was primarily due to public works expenditures coming in under budget by \$89,886 due to less personal services for snow and ice removal and lower actual expenditures for street lighting activities.

There were amendments to the original budget for the General Fund in 2018. The revenue budget was decreased by \$22,284 to total \$9,561,466, and the expenditure budget was increased by \$97,515 to total \$10,214,695. Other financing sources (uses) were increased by \$24,000 overall. Net changes to the budget resulted in a budgeted surplus of \$9,691.

## **CAPITAL ASSETS**

The City's investment in Capital Assets for its government and business-type activities as of December 31, 2018 totals \$82,362,163 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, park facilities, streets, storm sewers, and water and sewer basins.

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

- Reconstruction of existing residential and collector streets totaling \$2.725 million
- Street signal improvements totaling \$994,846
- Sports Center building renovation and equipment totaling \$5.015 million



**CITY OF WHITE BEAR LAKE'S CAPITAL ASSETS**  
(Net of Depreciation)

	Governmental Activities			Business-type Activities		
	2018	2017	Increase (Decrease)	2018	2017	Increase (Decrease)
Land and improvements	\$ 9,190,957	\$ 9,190,957	\$ -	\$ 490,275	\$ 490,275	\$ -
Work in process	27,129	65,993	(38,864)	-	88,327	(88,327)
Buildings and improvements	12,907,418	10,424,522	2,482,896	1,252,796	1,173,456	79,340
Other improvements	5,181,907	4,468,221	713,686	-	-	-
Furniture and equipment	4,423,638	2,977,527	1,446,111	1,198,874	640,425	558,449
Distribution/Collection System	-	-	-	2,128,761	1,542,649	586,112
Infrastructure						
Streets	40,809,267	39,105,819	1,703,448	-	-	-
Storm Sewer	4,751,141	4,826,251	(75,110)	-	-	-
<b>Total</b>	<b>\$ 77,291,457</b>	<b>\$ 71,059,290</b>	<b>\$ 6,232,167</b>	<b>\$ 5,070,706</b>	<b>\$ 3,935,132</b>	<b>\$ 1,135,574</b>

Additional information on the City of White Bear Lake's capital assets can be found in the financial statements Note 6 of the report.

**LONG-TERM DEBT**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$13,807,581. They are all backed by the full faith and credit of the City.

**CITY OF WHITE BEAR LAKE'S OUTSTANDING DEBT**

	Governmental Activities		
	2018	2017	Increase (Decrease)
Tax Increment Bonds	\$ 3,035,000	\$ 3,260,000	\$ (225,000)
Special Assessment Bonds	7,375,000	1,720,000	5,655,000
Tax Abatement Bonds	3,330,000	-	3,330,000
Premium on bonds	67,581	-	67,581
<b>Total</b>	<b>\$ 13,807,581</b>	<b>\$ 4,980,000</b>	<b>\$ 8,827,581</b>

Standard & Poor's Rating Services raised the City's bond rating to AA+ in May 2018 and the rating remains unchanged.

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City of White Bear Lake is \$82,176,975. The City had no debt applicable to this limit at year-end. Additional information of the City of White Bear Lake's long-term debt can be found in the financial statement Note 5 of the report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- Ramsey County had an annual average unemployment rate at the end of 2018 of 2.7%. This compares with unemployment rates of 3.2% for the State of Minnesota and 3.7% for the United States.
- The City's local tax capacity will increase by 7.5% for property taxes payable in 2019.
- City population is expected to remain stable or increase in 2019.

These factors were considered in preparing the City's budget for the 2019 fiscal year. The City's adopted 2019 budget includes a property tax levy of \$5,588,970, which is 0.06% less than the 2018 levy.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at City of White Bear Lake, 4701 Highway 61 North, White Bear Lake, Minnesota 55110-3227, (651-429-8526).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

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City of White Bear Lake, Minnesota  
Statement of Net Position  
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 31,333,612	\$ 975,193	\$ 32,308,805
Interest receivable	101,583	-	101,583
Accounts and loans/notes receivable, net	2,621,151	2,311,357	4,932,508
Taxes receivable	263,141	-	263,141
Special assessments receivable	5,065,719	328,787	5,394,506
Intergovernmental receivable	833,470	78,726	912,196
Internal balances	(627,576)	627,576	-
Prepaid expenses	2,466	-	2,466
Net pension asset	1,926,970	-	1,926,970
Capital assets, net of accumulated depreciation:			
Land and improvements	9,190,957	490,275	9,681,232
Buildings and improvements	12,907,418	1,252,796	14,160,214
Other improvements	5,181,907	-	5,181,907
Furniture and equipment	4,423,638	1,198,874	5,622,512
Infrastructure	45,560,408	-	45,560,408
Distribution \ Collection system	-	2,128,761	2,128,761
Work in progress	27,129	-	27,129
Total assets	<u>118,811,993</u>	<u>9,392,345</u>	<u>128,204,338</u>
<b>Deferred outflows of resources</b>			
Deferred pension resources	<u>4,988,120</u>	<u>326,967</u>	<u>5,315,087</u>
<b>Liabilities</b>			
Interest payable	201,127	-	201,127
Accounts payable	837,998	339,499	1,177,497
Contracts payable	37,924	-	37,924
Accrued wages payable	223,467	-	223,467
Intergovernmental payable	315	52,099	52,414
Deposits payable	130,901	33,225	164,126
Unearned revenue	92,542	690	93,232
Noncurrent liabilities:			
Due within one year	865,000	-	865,000
Due in more than one year	20,041,722	1,588,011	21,629,733
Total liabilities	<u>22,430,996</u>	<u>2,013,524</u>	<u>24,444,520</u>
<b>Deferred inflows of resources</b>			
Deferred pension resources	6,677,816	430,992	7,108,808
Deferred OPEB resources	27,733	-	27,733
Total deferred inflows of resources	<u>6,705,549</u>	<u>430,992</u>	<u>7,136,541</u>
<b>Net Position</b>			
Net investment in capital assets	63,483,876	5,070,706	68,554,582
Restricted for stormwater	31,033	-	31,033
Restricted for debt service	122,200	-	122,200
Unrestricted	31,026,459	2,204,090	33,230,549
Total net position	<u>\$ 94,663,568</u>	<u>\$ 7,274,796</u>	<u>\$ 101,938,364</u>

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2018

Function/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 2,229,732	\$ 686,180	\$ -	\$ 116,819
Community development	996,161	534,884	421,000	-
Public safety	6,938,342	1,491,098	818,651	8,052
Public works	3,477,255	2,545,402	1,288,749	28,762
Parks and recreation	2,443,894	912,141	1,515	2,632,606
Interest on long-term debt	583,390	-	-	-
Total governmental activities (See Note 1)	<u>16,668,774</u>	<u>6,169,705</u>	<u>2,529,915</u>	<u>2,786,239</u>
<b>Business-type activities:</b>				
Water	1,530,821	1,631,823	-	-
Sewer	2,717,434	3,137,600	-	-
Refuse	1,292,427	1,345,541	60,691	-
Ambulance	1,900,790	1,617,467	-	-
Pioneer Manor	265,272	390,436	-	-
License Bureau	860,555	972,573	-	-
Total business-type activities	<u>8,567,299</u>	<u>9,095,440</u>	<u>60,691</u>	<u>-</u>
Total government	<u>\$ 25,236,073</u>	<u>\$ 15,265,145</u>	<u>\$ 2,590,606</u>	<u>\$ 2,786,239</u>

General revenues:

- Property taxes levied for general purpose
- Property taxes levied for tax increments
- Grants and contributions not restricted to specific programs
- Investment income
- Gain on sale of capital assets
- Internal capital transfers
- Internal transfers
- Total general revenues and internal transfers

Change in net position

Net position - beginning

Change in accounting principle (See Note 18)

Net position - beginning, restated

Net position - ending

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,426,733)	\$ -	\$ (1,426,733)
(40,277)	-	(40,277)
(4,620,541)	-	(4,620,541)
385,658	-	385,658
1,102,368	-	1,102,368
(583,390)	-	(583,390)
<u>(5,182,915)</u>	<u>-</u>	<u>(5,182,915)</u>
-	101,002	101,002
-	420,166	420,166
-	113,805	113,805
-	(283,323)	(283,323)
-	125,164	125,164
-	112,018	112,018
-	<u>588,832</u>	<u>588,832</u>
<u>(5,182,915)</u>	<u>588,832</u>	<u>(4,594,083)</u>
5,670,981	-	5,670,981
490,475	-	490,475
1,587,299	-	1,587,299
556,126	-	556,126
84,222	16,546	100,768
(1,459,723)	1,459,723	-
1,056,920	(1,056,920)	-
<u>7,986,300</u>	<u>419,349</u>	<u>8,405,649</u>
<u>2,803,385</u>	<u>1,008,181</u>	<u>3,811,566</u>
92,737,155	6,266,615	99,003,770
<u>(876,972)</u>	<u>-</u>	<u>(876,972)</u>
<u>91,860,183</u>	<u>6,266,615</u>	<u>98,126,798</u>
<u>\$ 94,663,568</u>	<u>\$ 7,274,796</u>	<u>\$ 101,938,364</u>

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FUND FINANCIAL STATEMENTS

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

City of White Bear Lake, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2018

	General	G.O. Building Debt	Non-Bonded Debt	2018 General Obligation	Interim Construction
<b>Assets</b>					
Cash	\$ 3,739,774	\$ 200,034	\$ 349,599	\$ 120,724	\$ 4,487,546
Receivables:					
Unremitted tax collections	45,147	-	-	-	-
Delinquent tax collections	169,000	-	-	-	-
Unremitted special assessments	-	-	36,492	-	-
Delinquent special assessments	-	-	89,445	-	-
Unavailable special assessments	-	-	4,776,641	-	-
Other unavailable special assessments	-	-	93,203	-	-
Loan/Notes receivable	-	-	-	2,000,000	-
Accounts, net	3,625	-	-	-	38,339
Interest	-	-	-	-	-
Intergovernmental	196,860	-	-	-	606,577
Advances to other funds	-	-	1,000,000	-	-
<b>Total assets</b>	<b>\$ 4,154,406</b>	<b>\$ 200,034</b>	<b>\$ 6,345,380</b>	<b>\$ 2,120,724</b>	<b>\$ 5,132,462</b>
<b>Liabilities:</b>					
Accounts payable	\$ 206,815	\$ -	\$ -	\$ -	\$ 2,894
Contracts payable	-	-	-	-	37,924
Intergovernmental payable	-	-	-	-	276
Advances from other funds	-	1,615,000	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue - other	4,925	-	-	-	-
<b>Total liabilities</b>	<b>211,740</b>	<b>1,615,000</b>	<b>-</b>	<b>-</b>	<b>41,094</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue -					
Property taxes	169,000	-	-	-	-
Special assessments	-	-	4,959,289	-	-
Loan/Notes receivable	-	-	-	2,000,000	-
<b>Total deferred inflows of resources</b>	<b>169,000</b>	<b>-</b>	<b>4,959,289</b>	<b>2,000,000</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	-	-	-	120,724	-
Committed	-	-	1,386,091	-	-
Assigned	-	-	-	-	5,091,368
Unassigned	3,773,666	(1,414,966)	-	-	-
<b>Total fund balances</b>	<b>3,773,666</b>	<b>(1,414,966)</b>	<b>1,386,091</b>	<b>120,724</b>	<b>5,091,368</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,154,406</b>	<b>\$ 200,034</b>	<b>\$ 6,345,380</b>	<b>\$ 2,120,724</b>	<b>\$ 5,132,462</b>

The notes to financial statements are an integral part of this statement.

Municipal Building	HRA Tax Increment Pool	Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,358,462	\$ 573,448	\$ 7,553,417	\$ 8,615,815	\$ 26,998,819
46,000	2,994	-	-	94,141
-	-	-	-	169,000
-	-	-	1,443	37,935
-	-	-	9,469	98,914
-	-	-	59,026	4,835,667
-	-	-	-	93,203
-	-	-	443,904	2,443,904
30,000	-	-	100,904	172,868
-	-	101,583	-	101,583
-	-	-	29,588	833,025
-	-	-	750,000	1,750,000
<u>\$ 1,434,462</u>	<u>\$ 576,442</u>	<u>\$ 7,655,000</u>	<u>\$ 10,010,149</u>	<u>\$ 37,629,059</u>
\$ 343,456	\$ -	\$ -	\$ 254,296	\$ 807,461
-	-	-	-	37,924
-	-	-	39	315
-	750,000	-	-	2,365,000
-	-	-	130,901	130,901
30,000	-	-	57,616	92,541
<u>373,456</u>	<u>750,000</u>	<u>-</u>	<u>442,852</u>	<u>3,434,142</u>
-	-	-	-	169,000
-	-	-	68,345	5,027,634
-	-	-	-	2,000,000
-	-	-	68,345	7,196,634
-	-	-	233,636	354,360
1,061,006	-	7,655,000	8,490,339	18,592,436
-	-	-	774,977	5,866,345
-	(173,558)	-	-	2,185,142
<u>1,061,006</u>	<u>(173,558)</u>	<u>7,655,000</u>	<u>9,498,952</u>	<u>26,998,283</u>
<u>\$ 1,434,462</u>	<u>\$ 576,442</u>	<u>\$ 7,655,000</u>	<u>\$ 10,010,149</u>	<u>\$ 37,629,059</u>

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City of White Bear Lake, Minnesota  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 Governmental Funds  
 December 31, 2018

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

Total fund balances - governmental funds	\$ 26,998,283
<p>Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.</p>	
Capital assets	115,673,355
Less accumulated depreciation	(38,381,898)
<p>Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>	
	7,196,633
<p>Governmental funds do not report long-term amounts related to pensions</p>	
Deferred outflows of pension resources	4,904,776
Net pension asset	1,926,970
Pension liability	(4,728,687)
Deferred inflows of pension resources	(6,567,955)
<p>Internal service funds are used by the City to charge the costs of certain activities, such as insurance, employee benefits to individual funds and maintenance of City vehicles. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>	
	1,650,799
<p>Governmental funds do not report a liability for accrued interest until due and payable</p>	
	(201,127)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>	
Bonds payable	(13,740,000)
<p>Bond premiums are reported as a liability within the Statement of Net Position and are reported as an other financing source in the year the debt is issued in governmental funds</p>	
	(67,581)
Net position of governmental activities	\$ 94,663,568

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2018

	General	G. O. Building Debt	Non-Bonded Debt	2018 General Obligation	Interim Construction
<b>Revenues</b>					
General property taxes	\$ 5,116,594	\$ 129,000	\$ -	\$ -	\$ -
Tax Increment	-	-	-	-	-
Franchise fees	308,569	-	-	-	-
Licenses and permits	775,165	-	-	-	-
Fines and forfeits	78,357	-	-	-	-
Intergovernmental	2,604,171	-	-	-	982,501
Charges for services	562,967	-	-	-	-
Special assessments	-	-	1,341,815	-	-
Investment income	90,000	-	47,500	-	139,387
Rental and lease income	45,485	-	-	-	-
Refunds and reimbursements	9,677	-	-	-	671,639
Donations	2,311	-	-	-	-
Dedicated fees	-	-	-	-	-
Miscellaneous	1,292	-	-	-	68,015
Total revenues	<u>9,594,588</u>	<u>129,000</u>	<u>1,389,315</u>	<u>-</u>	<u>1,861,542</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	1,536,389	-	-	-	-
Public safety	6,346,758	-	-	-	-
Public works	1,259,543	-	-	-	613,179
Parks and recreation	644,981	-	-	-	-
Community development	302,335	-	-	-	-
<b>Capital outlay</b>					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	4,436,959
Parks and recreation	-	-	-	-	-
<b>Debt service</b>					
Principal retired on bonded debt	-	-	-	-	-
Interest and other expenditures	-	75,000	33,000	127,137	-
Total expenditures	<u>10,090,006</u>	<u>75,000</u>	<u>33,000</u>	<u>127,137</u>	<u>5,050,138</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(495,418)</u>	<u>54,000</u>	<u>1,356,315</u>	<u>(127,137)</u>	<u>(3,188,596)</u>
<b>Other financing sources (uses)</b>					
Sale of capital assets	2,384	-	-	-	1,186
Bonds issued	-	-	-	186,674	3,866,645
Premium on bonds issued	-	-	-	61,187	-
Transfers from other funds	686,921	155,000	200,000	-	1,699,175
Transfers (to) other funds	(25,000)	-	(2,016,547)	-	(62,629)
Total other financing sources (uses)	<u>664,305</u>	<u>155,000</u>	<u>(1,816,547)</u>	<u>247,861</u>	<u>5,504,377</u>
Net change in fund balance	<u>168,887</u>	<u>209,000</u>	<u>(460,232)</u>	<u>120,724</u>	<u>2,315,781</u>
Fund balance - beginning	3,604,779	(1,623,966)	1,846,323	-	2,775,587
Prior period adjustment (See Note 18)	-	-	-	-	-
Fund balance - beginning, restated	<u>3,604,779</u>	<u>(1,623,966)</u>	<u>1,846,323</u>	<u>-</u>	<u>2,775,587</u>
Fund balance - ending	<u>\$ 3,773,666</u>	<u>\$ (1,414,966)</u>	<u>\$ 1,386,091</u>	<u>\$ 120,724</u>	<u>\$ 5,091,368</u>

The notes to financial statements are an integral part of this statement.

Municipal Building	HRA Tax Increment Pool	Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ 143,800	\$ -	\$ -	\$ 190,000	\$ 5,579,394
-	490,475	-	32,587	523,062
-	-	-	-	308,569
-	-	-	9,976	785,141
-	-	-	-	78,357
32,845	-	-	526,716	4,146,233
-	-	-	472,763	1,035,730
-	-	-	63,450	1,405,265
33,303	-	125,000	93,436	528,626
6,000	-	-	1,215,865	1,267,350
52,683	-	-	324,490	1,058,489
500,000	-	-	156,914	659,225
-	-	-	45,312	45,312
-	-	-	55,612	124,919
<u>768,631</u>	<u>490,475</u>	<u>125,000</u>	<u>3,187,121</u>	<u>17,545,672</u>
23,633	-	-	93,734	1,653,756
140,317	-	-	373,635	6,860,710
20,728	-	-	241,709	2,135,159
186,139	-	-	1,023,496	1,854,616
-	198,426	-	552,976	1,053,737
32,845	-	-	300,943	333,788
117,443	-	-	410,792	528,235
-	-	-	517,887	4,954,846
5,123,930	-	-	270,856	5,394,786
-	-	-	420,000	420,000
-	-	-	189,921	425,058
<u>5,645,035</u>	<u>198,426</u>	<u>-</u>	<u>4,395,949</u>	<u>25,614,691</u>
<u>(4,876,404)</u>	<u>292,049</u>	<u>125,000</u>	<u>(1,208,828)</u>	<u>(8,069,019)</u>
-	-	-	76,402	79,972
5,000,174	-	-	126,507	9,180,000
-	-	-	6,394	67,581
10,000	110,000	-	995,000	3,856,096
-	(290,000)	(125,000)	(280,000)	(2,799,176)
<u>5,010,174</u>	<u>(180,000)</u>	<u>(125,000)</u>	<u>924,303</u>	<u>10,384,473</u>
<u>133,770</u>	<u>112,049</u>	<u>-</u>	<u>(284,525)</u>	<u>2,315,454</u>
927,236	464,393	7,655,000	9,033,477	24,682,829
-	(750,000)	-	750,000	-
<u>927,236</u>	<u>(285,607)</u>	<u>7,655,000</u>	<u>9,783,477</u>	<u>24,682,829</u>
<u>\$ 1,061,006</u>	<u>\$ (173,558)</u>	<u>\$ 7,655,000</u>	<u>\$ 9,498,952</u>	<u>\$ 26,998,283</u>

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City of White Bear Lake, Minnesota  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2018

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

Net change in fund balances - total governmental funds	\$ 2,315,454
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays were below depreciation in the current period.</p>	
Capital outlay	11,380,265
Depreciation expense	(3,013,813)
Capital contributions to enterprise funds	(1,459,723)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.</p>	
	(674,562)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Delinquent taxes	59,000
Special assessments	124,487
Notes receivable	2,000,000
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Proceeds from long-term debt	(9,180,000)
Debt issuance premium	(67,581)
Principal repayments	420,000
Interest payments	(158,332)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	1,062,739
Pension revenue	38,331
<p>Internal service funds are used by the City to charge the costs of certain activities, such as insurance, employee benefits to individual funds and maintenance of City vehicles. The net revenue (expense) of the internal service funds is reported in governmental activities.</p>	
	<u>(42,880)</u>
Changes in net position of governmental activities	<u><u>\$ 2,803,385</u></u>

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Water	Sewer	Refuse
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 178,615	\$ 226,155	\$ 238,090
Receivables:			
Unremitted special assessments	10,358	-	-
Delinquent special assessments	10,242	-	-
Unavailable special assessments	308,187	-	-
Accounts, net	1,112,200	300,900	116,100
Intergovernmental	-	5,325	73,401
Advances to other funds	-	-	-
Prepaid expenses	-	-	-
Total current assets	<u>1,619,602</u>	<u>532,380</u>	<u>427,591</u>
<b>Noncurrent Assets</b>			
Advances to other funds	-	-	-
<b>Capital Assets</b>			
Land	79,990	-	-
Buildings	2,092,171	109,501	-
Wells	747,187	-	-
Equipment	1,143,941	830,459	-
Distribution system	4,865,878	-	-
Collection system	-	5,087,041	-
Less accumulated depreciation	(7,152,710)	(4,771,312)	-
Total net capital assets	<u>1,776,457</u>	<u>1,255,689</u>	<u>-</u>
Total noncurrent assets	<u>1,776,457</u>	<u>1,255,689</u>	<u>-</u>
Total assets	<u>3,396,059</u>	<u>1,788,069</u>	<u>427,591</u>
<b>Deferred outflows of resources</b>			
Deferred pension resources	<u>56,970</u>	<u>38,881</u>	<u>392</u>

The notes to financial statements are an integral part of this statement.

Ambulance	License Bureau	Non-Major Pioneer Manor	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 63,443	\$ 268,890	\$ 975,193	\$ 4,334,793
-	-	-	10,358	-
-	-	-	10,242	-
-	-	-	308,187	-
776,771	5,286	100	2,311,357	4,379
-	-	-	78,726	445
-	145,310	-	145,310	-
-	-	-	-	2,466
<u>776,771</u>	<u>214,039</u>	<u>268,990</u>	<u>3,839,373</u>	<u>4,342,083</u>
-	-	-	-	615,000
-	-	410,285	490,275	-
-	5,760	2,437,134	4,644,566	-
-	-	-	747,187	-
1,262,652	21,569	160,023	3,418,644	-
-	-	-	4,865,878	-
-	-	-	5,087,041	-
(770,655)	(26,405)	(1,461,803)	(14,182,885)	-
<u>491,997</u>	<u>924</u>	<u>1,545,639</u>	<u>5,070,706</u>	<u>-</u>
<u>491,997</u>	<u>924</u>	<u>1,545,639</u>	<u>5,070,706</u>	<u>615,000</u>
<u>1,268,768</u>	<u>214,963</u>	<u>1,814,629</u>	<u>8,910,079</u>	<u>4,957,083</u>
<u>136,435</u>	<u>94,289</u>	<u>-</u>	<u>326,967</u>	<u>83,344</u>

(Continued)

City of White Bear Lake, Minnesota  
Statement of Net Position  
Proprietary Funds  
December 31, 2018

	Water	Sewer	Refuse
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 54,240	\$ 7,073	\$ 203,000
Accrued wages payable	-	-	-
Intergovernmental payable	1,654	42,245	7,930
Advances from other funds	-	-	-
Deposits payable	-	-	-
Unearned revenue	-	-	-
Compensated absences payable	-	-	-
Total current liabilities	55,894	49,318	210,930
<b>Noncurrent Liabilities</b>			
Pension liability	276,692	188,837	1,905
Compensated absences payable	-	-	-
Net other post employment benefits (OPEB) liability	-	-	-
Total noncurrent liabilities	276,692	188,837	1,905
Total liabilities	332,586	238,155	212,835
<b>Deferred inflows of resources</b>			
Deferred pension resources	75,093	51,251	517
Deferred OPEB resources	-	-	-
Total deferred inflows of resources	75,093	51,251	517
<b>Net Position</b>			
Investment in capital assets	1,776,457	1,255,689	-
Unrestricted net assets	1,268,893	281,855	214,631
Total net position	\$ 3,045,350	\$ 1,537,544	\$ 214,631

The notes to financial statements are an integral part of this statement.

Ambulance	License Bureau	Non-Major Pioneer Manor	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 40,381	\$ 2,839	\$ 31,966	\$ 339,499	\$ 30,537
-	-	-	-	223,467
-	270	-	52,099	-
145,310	-	-	145,310	-
-	-	33,225	33,225	-
-	-	690	690	-
-	-	-	-	445,000
185,691	3,109	65,881	570,823	699,004
662,636	457,941	-	1,588,011	404,786
-	-	-	-	568,884
-	-	-	-	951,784
662,636	457,941	-	1,588,011	1,925,454
848,327	461,050	65,881	2,158,834	2,624,458
179,843	124,288	-	430,992	109,861
-	-	-	-	27,733
179,843	124,288	-	430,992	137,594
491,997	924	1,545,639	5,070,706	-
(114,964)	(277,010)	203,109	1,576,514	2,278,375
\$ 377,033	\$ (276,086)	\$ 1,748,748	\$ 6,647,220	\$ 2,278,375

Total net position of enterprise funds \$ 6,647,220

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time

627,576

Net position of business-type activities

\$ 7,274,796

City of White Bear Lake, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2018

	Water	Sewer	Refuse
Operating revenues			
Charges for services	\$ 1,608,564	\$ 3,135,434	\$ 1,323,076
Penalties	13,689	-	-
Rent	-	-	-
Premium reimbursement	-	-	-
Other	4,561	2,166	22,228
Total operating revenues	<u>1,626,814</u>	<u>3,137,600</u>	<u>1,345,304</u>
Operating expenses			
Personal services	456,819	297,968	1,692
Supplies	305,419	27,199	1,149
Other services and charges	590,325	144,984	83,864
Disposal charges	89,180	2,154,783	1,206,066
Depreciation	89,543	91,488	-
Total operating expenses	<u>1,531,286</u>	<u>2,716,422</u>	<u>1,292,771</u>
Operating income (loss)	<u>95,528</u>	<u>421,178</u>	<u>52,533</u>
Nonoperating revenues			
Investment income	-	-	-
Intergovernmental	-	-	60,691
Miscellaneous revenues	5,009	-	237
Gain on disposal of assets	15,672	203	-
Total nonoperating revenues	<u>20,681</u>	<u>203</u>	<u>60,928</u>
Income (loss) before capital contributions and transfers	116,209	421,381	113,461
Capital contributions from other funds	862,393	247,822	-
Transfer from other funds	125,000	-	-
Transfers (to) other funds	<u>(120,820)</u>	<u>(306,400)</u>	<u>(109,000)</u>
Change in net position	<u>982,782</u>	<u>362,803</u>	<u>4,461</u>
Net position - beginning	2,062,568	1,174,741	210,170
Change in accounting principle (See Note 18)	-	-	-
Net position - beginning, restated	<u>2,062,568</u>	<u>1,174,741</u>	<u>210,170</u>
Net position - ending	<u>\$ 3,045,350</u>	<u>\$ 1,537,544</u>	<u>\$ 214,631</u>

The notes to financial statements are an integral part of this statement.

		Non-Major		
Ambulance	License Bureau	Pioneer Manor	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,611,960	\$ 968,501	\$ -	\$ 8,647,535	\$ 3,792,253
-	-	-	13,689	-
-	-	386,837	386,837	-
-	-	-	-	21,450
5,507	3,504	268	38,234	3,097
<u>1,617,467</u>	<u>972,005</u>	<u>387,105</u>	<u>9,086,295</u>	<u>3,816,800</u>
1,529,113	805,403	-	3,090,995	3,342,828
80,521	9,031	16,218	439,537	17,685
201,520	40,362	168,396	1,229,451	557,330
-	-	-	3,450,029	-
81,554	584	80,961	344,130	-
<u>1,892,708</u>	<u>855,380</u>	<u>265,575</u>	<u>8,554,142</u>	<u>3,917,843</u>
(275,241)	116,625	121,530	532,153	(101,043)
-	-	-	-	27,500
-	-	-	60,691	17,350
-	568	3,331	9,145	156
671	-	-	16,546	-
<u>671</u>	<u>568</u>	<u>3,331</u>	<u>86,382</u>	<u>45,006</u>
(274,570)	117,193	124,861	618,535	(56,037)
349,508	-	-	1,459,723	-
-	-	-	125,000	-
<u>(254,000)</u>	<u>(231,700)</u>	<u>(160,000)</u>	<u>(1,181,920)</u>	<u>-</u>
(179,062)	(114,507)	(35,139)	1,021,338	(56,037)
556,095	(161,579)	1,783,887	5,625,882	3,211,384
-	-	-	-	(876,972)
<u>556,095</u>	<u>(161,579)</u>	<u>1,783,887</u>	<u>5,625,882</u>	<u>2,334,412</u>
<u>\$ 377,033</u>	<u>\$ (276,086)</u>	<u>\$ 1,748,748</u>	<u>\$ 6,647,220</u>	<u>\$ 2,278,375</u>

Change in net position from enterprise funds \$ 1,021,338

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds. (13,157)

Changes in net position of business-type activities \$ 1,008,181

City of White Bear Lake, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2018

	Water	Sewer	Refuse
Cash flows from operating activities			
Receipts from customers	\$ 1,482,736	\$ 3,106,133	\$ 1,254,165
Receipts from other funds	-	-	-
Receipts from other governments	-	-	-
Payments to vendors	(908,319)	(6,514)	(1,211,003)
Payments to employees	(456,819)	(297,968)	(1,692)
Payments to other governments	(82,649)	(2,140,973)	(619)
Other receipts	9,570	2,166	22,465
Net cash provided (used) by operating activities	<u>44,519</u>	<u>662,844</u>	<u>63,316</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	-	60,691
Proceeds from (payments on) advances to other funds	-	(125,444)	-
Transfers from other funds	125,000	-	-
Transfers (to) other funds	(120,820)	(306,400)	(109,000)
Net cash provided (used) by noncapital financing activities	<u>4,180</u>	<u>(431,844)</u>	<u>(48,309)</u>
Cash flows from capital financing activities			
Purchase of property and equipment	-	(5,048)	-
Proceeds from the sale of capital assets	17,501	203	-
Net cash provided (used) by capital financing activities	<u>17,501</u>	<u>(4,845)</u>	<u>-</u>
Cash flows from investing activities			
Investment income received	-	-	-
Increase (decrease) in cash and cash equivalents	66,200	226,155	15,007
Cash and cash equivalents at beginning of year	<u>112,415</u>	<u>-</u>	<u>223,083</u>
Cash and cash equivalents at end of year	<u>\$ 178,615</u>	<u>\$ 226,155</u>	<u>\$ 238,090</u>

The notes to financial statements are an integral part of this statement.



		Non-Major		Total	Governmental
Ambulance	License Bureau	Pioneer Manor	Enterprise Funds	Enterprise Funds	Activities - Internal Service Funds
\$ 1,607,545	\$ 963,783	\$ 393,746	\$ 8,808,108	\$ -	-
-	-	-	-	-	3,791,917
371,445	62,819	-	434,264	-	-
(288,645)	(48,464)	(169,595)	(2,632,540)	(1,773,664)	-
(1,529,113)	(805,403)	-	(3,090,995)	(931,692)	-
-	-	(22)	(2,224,263)	(1,352,018)	-
5,507	3,504	268	43,480	24,703	-
166,739	176,239	224,397	1,338,054	(240,754)	-
-	-	-	60,691	17,350	-
81,171	44,273	-	-	210,000	-
-	-	-	125,000	-	-
(254,000)	(231,700)	(160,000)	(1,181,920)	-	-
(172,829)	(187,427)	(160,000)	(996,229)	227,350	-
-	-	(22,180)	(27,228)	-	-
6,090	-	-	23,794	-	-
6,090	-	(22,180)	(3,434)	-	-
-	-	-	-	27,500	-
-	(11,188)	42,217	338,391	14,096	-
-	74,631	226,673	636,802	4,320,697	-
\$ -	\$ 63,443	\$ 268,890	\$ 975,193	\$ 4,334,793	-

(Continued)

City of White Bear Lake, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2018

	Water	Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 95,528	\$ 421,178	\$ 52,533
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	89,543	91,488	-
Miscellaneous	5,009	-	237
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(115,901)	(29,301)	(6,200)
Decrease in special assessments	(23,616)	-	-
Decrease in due from governments	-	100	(62,711)
(Increase) decrease in prepaid expenses	-	179,565	-
Decrease in deferred outflows in pension resources	29,968	30,398	510
Increase (decrease) in accounts payable	(12,575)	(13,896)	80,076
Increase in wages payable	-	-	-
Increase (decrease) in due to governments	17	42,245	343
(Decrease) in deposits payable	-	-	-
Increase (decrease) in deferred inflows in pension resources	2,830	(6,336)	(233)
Increase in deferred inflows OPEB resources	-	-	-
(Decrease) in unearned revenue	-	-	-
Increase (decrease) in pension liability	(26,284)	(52,597)	(1,239)
Increase in post employment health care	-	-	-
Increase in compensated absences	-	-	-
Net cash provided (used) by operating activities	<u>\$ 44,519</u>	<u>\$ 662,844</u>	<u>\$ 63,316</u>
Noncash capital financing activities			
Acquisition of capital assets through capital contribution	<u>\$ 862,393</u>	<u>\$ 247,822</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.

Ambulance	License Bureau	Non-Major Pioneer Manor	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (275,241)	\$ 116,625	\$ 121,530	\$ 532,153	\$ (101,043)
81,554	584	80,961	344,130	-
-	568	3,331	9,145	156
(4,415)	(5,286)	763	(160,340)	(336)
-	-	-	(23,616)	-
-	-	-	(62,611)	(45)
-	-	-	179,565	673
(35,537)	33,864	-	59,203	53,681
(6,604)	929	15,019	62,949	(125,176)
-	-	-	-	(8,577)
-	(138)	(22)	42,445	-
-	-	2,125	2,125	-
95,972	17,762	-	109,995	(4,039)
-	-	-	-	27,733
-	-	690	690	-
311,010	11,331	-	242,221	(72,740)
-	-	-	-	5,997
-	-	-	-	(17,038)
<u>\$ 166,739</u>	<u>\$ 176,239</u>	<u>\$ 224,397</u>	<u>\$ 1,338,054</u>	<u>\$ (240,754)</u>
<u>\$ 349,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,459,723</u>	<u>\$ -</u>

City of White Bear Lake, Minnesota  
Statement of Fiduciary Net Position  
Agency Funds  
December 31, 2018

Assets		
Cash		<u>\$ 520,703</u>
Liabilities		
Accounts payable	\$ 1,919	
Deposits payable	<u>518,784</u>	
Total liabilities		<u>\$ 520,703</u>

The notes to financial statements are an integral part of this statement.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

**1. Summary of Significant Accounting Policies**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting Entity**

The City of White Bear Lake (the City) is established as a chartered "home rule" city as permitted under the laws of the State of Minnesota. The charter provides for a council/manager form of government. Within this form, the City is a municipal corporation governed by an elected mayor and five-member council. The City provides the following services: general administration, planning, zoning, public safety, streets, parks, public improvements, water, sewer and refuse utilities, ambulance services, sport center facility, senior housing facility and motor vehicle registration, vehicle licensing, and passport services.

As required by generally accepted accounting principles, these financial statements present the City of White Bear Lake and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Therefore, data from these units are combined with data of the primary government.

**Blended Component Unit:** The White Bear Lake Housing and Redevelopment Authority (the Authority) was created by the City to carry out the responsibilities associated with housing and redevelopment. The Authority provides this assistance through the administration of various programs. The Authority is governed by a five-member council comprised of the White Bear Lake five ward council members and the Authority's Executive Director is the City Manager. Because the City Council ward members also serve as the Authority's governing body, the Authority is reported as a blended component unit of the City and has operational responsibility for the component unit. The Authority does not issue separate financial statements. The Authority's financial activity is reported in a separate fund within the City's Capital Project Funds.

**C. Basis of Presentation - Government Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

As discussed earlier, the government has one blended component unit. While the White Bear Lake Housing and Redevelopment Authority is not considered a major component unit, it is a blended component shown in a separate column in the governmental fund financial statements. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and the charges between other functions of the government. Elimination of these charges would distort costs and program revenues reported for the various functions.

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for the fund categories of governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The non-major funds are presented in separate columns in the Combining statements and schedules sections of the report.

The City reports the following major governmental funds:

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

The *G.O. Building Debt fund* accounts for repayment of bonds and loans related to public improvements which are not assessable against specific properties.

The *Non-Bonded Debt fund* accounts for street construction costs that will be financed through special assessments.

The *2018 General Obligation* fund accounts for street construction and Sports Center equipment that were financed through general obligation bonds.

The *Interim Construction fund* accounts for transactions pertaining to public improvement construction projects.

The *Municipal Building* fund accounts for capital improvement project costs to municipal facilities.

The *HRA Tax Increment Pool fund* accounts for tax increment proceeds that are dedicated to fund specific economic development and redevelopment projects within the area wide district.

The *Community Reinvestment fund* provides constant funding for street and park improvements and is governed by City ordinance.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

The City reports the following major proprietary funds:

The *Water and Sewer funds* account for the activities related to the City's water and sewer services.

The *Refuse fund* accounts for weekly collection and disposal of residential garbage, yard waste, and recyclable materials.

The *Ambulance fund* accounts for transactions related to providing ambulance service to the White Bear Lake service area.

The *License Bureau fund* accounts for transactions related to the vehicle registration, licensing and passport services.

Additionally, the City reports the following fund types:

Internal service funds account for the activities provided to other departments of the City on a cost reimbursement basis for insurance, employment expenses, and engineering services.

Agency funds are used to account for assets held by the City as an agent for others. Agency funds are custodial in nature and do not include measurement of results of operations. The City's Agency funds account for activities of deputy registrar activities, employee flexible spending, and miscellaneous escrow accounts.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. However, interfund services provided and used are not eliminated in the process of consolidation.

Furthermore, activities occur during the year which involve transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

**E. Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is actually received by the government.



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

**F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position / Fund Balance**

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for the purposes of the Statement of Cash Flows.

2. Investments

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

3. Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure (i.e., streets, sidewalks, distribution systems, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical records exist.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not increase asset value or materially extend asset lives are not capitalized. Donated capital assets are valued at their acquisition value on the date received. Land and construction in progress are not depreciated. Buildings, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Improvements	10 - 50 years
Equipment - vehicles	3 - 15 years
Distribution and collection systems	40 years
Streets	50 years
Storm Sewers	100 years
Intangibles	5 - 20 years

5. Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

6. Deferred inflows of resources

In addition to liabilities, the statement of net position and fund financial statements will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items which qualifies for reporting in this category. Delinquent property taxes are reported as deferred inflows of resources of the General Fund because the date of collection is unknown. Unavailable special assessments are reported in the Non-Bonded Debt Service Fund and the Economic Development Fund as deferred inflows because the actual collection is legally delayed between one and twenty years. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred pension resources and deferred OPEB resources are reported only in the statements of net position and results from actuarial calculations.

7. Net position flow assumption

The City on occasion will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's position to consider restricted net position to have been depleted before unrestricted net position is applied.

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8. Fund balance policies

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Non-spendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council (the Council), which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General Fund, assigned fund balance represents all remaining amounts that are not classified as non-spendable and are neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the Council itself or by an official to which the governing body delegates the authority. The Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General Fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General Fund. The City's policy is to maintain a minimum unassigned fund balance of one-half of the City's General Fund major revenue sources which are property taxes, local government aid and police state aid. Property taxes and local government payments are not received until July and December each year. Police state aid is not received until November. The reserve funding provides sufficient resources to meet cash flow needs.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**G. Revenues and Expenditures / Expenses**

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources, are reported as general revenues rather than as program revenues.

2. Property taxes

Property tax levies are set by the City Council in December each year, and are certified to Ramsey and Washington Counties for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The Counties spread all levies over assessable property; the taxes become a lien on January 1st and are recorded as receivables by the City on that date. Property taxes are paid by taxpayers in two equal installments, May 15th and October 15th, without penalty. Personal property taxes are payable in one installment on May 15th.

The Counties remit collections to the City three times a year: January, July and December. Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and fully offset by deferred inflows of resources, because it is not known when they will be available to finance current expenditures.

3. Special assessments

Special assessments are levied against the benefited properties for the assessable costs of improvement projects in accordance with State Statutes. The City generally adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related or proposed bond issue. Collection of annual installments (including interest) is handled by the County in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31, are classified as delinquent receivables and, together with deferred assessments, are fully offset by deferred inflows of resources because it is not known when they will be available to finance current expenditures.

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4. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. The accumulation of unused vacation and comp time is limited based upon employee classification. Upon separation, the City will reimburse the employee for accumulated vacation and comp time not to exceed established maximums. The amount of unused sick leave accumulation is not limited. Upon retirement, or upon separation in good standing for employees, the City reimburses eligible employees a portion of unused sick leave according to the personnel policy and contractual agreements. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

All liabilities for vacation leave and severance, both current and long-term portions, are recorded in the Employment Expense Fund, which is an Internal Service Fund. No liability is recorded for unpaid accumulated sick leave, except for the portion that is payable to employees as severance.

Each year, compensated absence expenditures and expenses are recorded in the governmental and enterprise funds based on the total amount accrued by the employees during the year. These charges are offset by a corresponding transfer of assets from the home departments to the Employment Expense Fund to fund the liability. The personnel policy and union contracts limit the annual accumulation of benefits that can be accumulated from year to year and the amount of severance available. The City estimates \$445,000 will be due within the next fiscal year and \$568,884 will be due in more than one year.

5. Long-term obligations

Long-term obligations are recorded in the City's government-wide statement of net position when they become a liability of the City. The obligations are recognized as a liability of a governmental fund only when payment is due or when resources have been accumulated in a debt service fund for payment early in the following year. Long-term obligations financed through proprietary funds are accounted for in those funds.

6. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

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The total pension expense for the GERF, PEPFE, PEDCP and the White Bear Lake Fire Department Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)			Fire Relief Association	Total All Plans
	GERF	PEPFF	PEDCP		
	Pension expense	\$ 209,673	\$ 138,183		

7. Bond discounts / premiums / issuance costs

In governmental fund types, bond discounts / premiums are recognized in the current period. Bond discounts / premiums for proprietary fund types are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts are presented as a reduction of the face amount of bonds payable and premiums are presented as an increase of the full amount of bonds payable. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Inter-fund transactions

Internal services provided and used between the funds are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Other inter-fund transactions are reported as transfers.

Inter-fund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents inter-fund receivables or payables between the governmental and business-type activities.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**2. Stewardship, Compliance and Accountability**

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The City Charter grants the City Council full authority over the financial affairs of the City. The City Manager is charged with the responsibility of preparing the annual budget estimates and enforcing the financial management provisions specified in the budget. Upon adoption of the annual budget resolution by the Council, the budget becomes the formal appropriation for City operations. Legal compliance is adhered to as budgetary and actual amounts are presented in the Required Supplementary Information according to Generally Accepted Accounting Principles (GAAP). Once the budget resolution is adopted, the Council can increase the budget only if actual receipts exceed the budgeted estimates, or by a four/fifths vote authorizing the transfer of sums from the previous fiscal year's assigned or unassigned fund balances.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments corresponding to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The City has no outstanding encumbrances as of December 31, 2018.

2. Deficit Fund Equity

The General Obligation Building Debt Fund - The deficit fund balance of \$1,414,966 represents the advance from other funds which is scheduled to be reimbursed over a period of eleven years through marina operation revenues and a portion of the general tax levy.

HRA Tax Increment Pool - The deficit fund balance of \$173,558 occurred due to a prior period adjustment for an interfund loan between this fund and the Economic Development Fund. It is expected that the deficit balance will be recovered within three years.

The License Bureau Fund - The deficit net position of \$276,086 occurred due to higher Personal Service costs related to the State of Minnesota's implementation of their MNLARS software system in July 2017.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**3. Cash Deposits and Investments with Financial Institutions**

Cash and investments are pooled for deposit and investment purposes. Interest earned on pooled investments is deposited to each fund based upon City Council budget allocation.

In accordance with Minnesota Statutes, the City maintains deposits at multiple financial institutions. Deposits are carried at fair value. Minnesota Statutes require that all City deposits be protected by a surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds or 140% when mortgage notes are pledged as collateral.

Cash, including temporary investment, balances at December 31, 2018 are as follows:

Bank Deposits	<u>\$ 1,094,492</u>
Investments	
Government Agency Securities	18,134,872
Negotiable Certificates of Deposits	10,987,568
Minnesota Mutual Money Market Fund	<u>2,610,026</u>
	<u>31,732,466</u>
Other	
Petty Cash and Change Fund	<u>2,550</u>
Total Cash and Temporary Investments	<u><u>\$ 32,829,508</u></u>
Classification per financial statements	
Cash and Temporary Investments - Statement of Net Position	\$ 32,308,805
Cash in Fiduciary Net Position	<u>520,703</u>
Total	<u><u>\$ 32,829,508</u></u>



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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Minnesota Statutes and the City's Investment Policy authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage backed securities as high risk.
- b) Certificates of Deposit collateralized by FDIC or FSLIC insurance. Deposits exceeding the FDIC or FSLIC insurance limits shall be covered by a surety bond or collateralized with U.S. Treasury or Agency securities computed at its market value which shall be at least ten percent more than the amount of each deposit in excess of the insured portions. Collateral consisting of first mortgages shall be at least forty percent more than the amount of deposit in excess of the insured portion. All collateral shall be assigned to the City from the depository.
- c) General obligations of the State of Minnesota or any of its subsidiaries that are rated by at least one national rating agency with a rating level of at least the following rating:
  - general obligation rated "A" or better
  - revenue obligation rated "AA" or better
  - general obligations of the Minnesota Housing Finance Agency rated "A" or better.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality (A1, P1), and maturing in 270 days or less.
- f) Repurchase agreements must be from a national or state bank in the U.S. that is a member of the Federal Reserve System and whose capital and surplus reporting is at least \$10,000,000 or is a primary reporting dealer in the U.S. government securities to the Federal Reserve Bank of New York.
- g) The City may purchase shares on mutual fund holdings pursuant to M.S. 118A.04. The City will monitor the fair value of the fund(s) to ensure against potential losses. The City participates in the Minnesota Mutual Money Market Fund (4M Fund). The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

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*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list above.

*Custodial Credit Risk.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the City's investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City requires at least 5 percent of the City's investment portfolio to be available on a daily basis without loss of principal. Also, no more than 30 percent of the portfolio should have maturities exceeding 5 years.

The following chart summarizes the City's deposits and investments using segmented time distribution.

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using	
				Level 1	Level 2
Pooled investments at amortized costs					
4M Fund	N/A	less than 6 months	\$ 2,610,026		
Non-pooled investments at fair value					
Government Agency Securities	AAA	Less than 1 year	7,392,607	\$ 7,392,607	\$ -
Government Agency Securities	AAA	1 to 3 years	9,273,352	9,273,352	-
Government Agency Securities	AAA	3 to 5 years	1,468,913	1,468,913	-
Negotiable certificates of deposits	N/A	Less than 1 year	5,142,566	-	5,142,566
Negotiable certificates of deposits	N/A	1 to 3 years	5,845,002	-	5,845,002
Total investments			\$ 31,732,466	\$ 18,134,872	\$ 10,987,568

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**4. Due From Other Governmental Units**

A summary of amounts due from other governmental units as of December 31, 2018 is as follows:

Funds	Amount
<u>General Fund</u>	
State	\$ 33,983
County	19,843
Ramsey Washington Cable	91,307
Vadnais Lake Area Water Management Organization	29,865
White Bear Lake Conservation District	5,146
Local Municipalities	16,716
Total General Fund	196,860
 <u>Capital Project Funds</u>	
Interim Construction	
County	606,577
Equipment Acquisition	
Ramsey Washington Cable	17,451
Sewer Improvement Fund	
Local Municipalities	12,137
Total Capital Project Funds	636,165
 <u>Enterprise Funds</u>	
Sewer Fund	
Metropolitan Council	5,325
Refuse Fund	
County	73,401
Total Enterprise Funds	78,726
 <u>Internal Service Funds</u>	
Employment Expense Fund	
Ramsey Washington Cable	310
Vadnais Lake Area Water Management Organization	90
White Bear Lake Conservation District	45
Total Employment Expense Fund	445
Total Due From Other Governmental Units	\$ 912,196

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**5. Long-Term Debt**

**A. General Obligation Bond Tax Increment**

The City issues tax increment bonds to provide funding for the acquisition of property and redevelopment of the area. The bonds are repaid by tax increments collected from properties in the benefiting tax increment district. The City is obligated to pay the tax increment debt not covered through the collection of tax increments. Any obligation by the City would be paid from property taxes. It is not anticipated that any general tax levy will be required to retire the debt.

<u>Activity</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities - Refunding	2.00%	\$830,000

Maturity date is February 1st of each fiscal year. Annual debt service requirements to maturity for tax increment bonds are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 160,000	\$ 15,000	\$ 175,000
2020	160,000	11,800	171,800
2021	170,000	8,500	178,500
2022	170,000	5,100	175,100
2023	170,000	1,700	171,700
Total	<u>\$ 830,000</u>	<u>\$ 42,100</u>	<u>\$ 872,100</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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<u>Activity</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities - Refunding	2.00 - 3.00%	\$2,205,000

Maturity date is February 1st of each fiscal year. Annual debt service requirements to maturity for tax increment bonds are as follows:

<u>Year Ending December 31</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 75,000	\$ 55,738	\$ 130,738
2020	80,000	53,413	133,413
2021	85,000	50,938	135,938
2022	90,000	48,313	138,313
2023	90,000	45,612	135,612
2024 - 2028	525,000	188,286	713,286
2029 - 2033	650,000	124,011	774,011
2034 - 2037	610,000	35,457	645,457
Total	<u>\$ 2,205,000</u>	<u>\$ 601,768</u>	<u>\$ 2,806,768</u>

**B. General Obligation Special Assessment Bond**

The City issues special assessment bonds to provide funding for the construction of streets and utilities and financing the acquisition of capital equipment. The bonds will be repaid through special assessments against properties benefiting from the improvements. The City is obligated for the payment of the special assessments bonds if special assessment collections are insufficient to meet the bond obligations. Any obligation by the City would be paid from property taxes. It is not anticipated that any general tax levy will be required to retire the debt.

<u>Activity</u>	<u>Interest Rates</u>	<u>Amount</u>
Government Activities – Special Assessment	0.50 – 2.00%	\$1,525,000

Maturity date is February 1st of each fiscal year. Annual debt service requirements to maturity for the general obligation special assessment bond are as follows:

<u>Year Ending December 31</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 185,000	\$ 21,653	\$ 206,653
2020	185,000	19,802	204,802
2021	180,000	17,660	197,660
2022	175,000	15,310	190,310
2023	165,000	12,806	177,806
2024 - 2028	635,000	25,626	660,626
Total	<u>\$ 1,525,000</u>	<u>\$ 112,857</u>	<u>\$ 1,637,857</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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<u>Activity</u>	<u>Interest Rates</u>	<u>Amount</u>
Government Activities – Tax Abatement	3.00 - 4.00%	\$5,850,000

Maturity date is February 1st of each fiscal year. Annual debt service requirements to maturity for the general obligation special assessment bond are as follows:

<u>Year Ending December 31</u>	Governmental Activities		
	Principal	Interest	Total
2019	\$ -	\$ 216,452	\$ 216,452
2020	225,000	188,081	413,081
2021	235,000	181,181	416,181
2022	235,000	172,956	407,956
2023	245,000	163,356	408,356
2024 - 2028	1,330,000	683,531	2,013,531
2029 - 2033	1,505,000	468,878	1,973,878
2034 - 2038	1,705,000	213,013	1,918,013
2039	370,000	6,476	376,476
Total	<u>\$ 5,850,000</u>	<u>\$ 2,293,924</u>	<u>\$ 8,143,924</u>

**C. General Obligation Tax Abatement Bond**

The City issues tax abatement bonds to finance the costs associated with the Ice Arena Renovation. The bonds are repaid in part from abating the City's portion of taxes from specific parcels which will benefit from the development of the project. Any obligation by the City would be paid from property taxes. It is not anticipated that any general tax levy will be required to retire the debt.

<u>Activity</u>	<u>Interest Rates</u>	<u>Amount</u>
Government Activities – Tax Abatement	3.00 - 3.375%	\$3,330,000

Maturity date is February 1st of each fiscal year. Annual debt service requirements to maturity for the general obligation special assessment bond are as follows:

<u>Year Ending December 31</u>	Governmental Activities		
	Principal	Interest	Total
2019	\$ -	\$ 118,708	\$ 118,708
2020	125,000	103,125	228,125
2021	125,000	99,375	224,375
2022	130,000	95,550	225,550
2023	135,000	91,575	226,575
2024 - 2028	740,000	393,300	1,133,300
2029 - 2033	850,000	274,059	1,124,059
2034 - 2038	1,005,000	126,047	1,131,047
2039	220,000	3,851	223,851
Total	<u>\$ 3,330,000</u>	<u>\$ 1,305,590</u>	<u>\$ 4,635,590</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**D. General Obligation Bond Authority**

Long-term debt activity for the year ended December 31, 2018 was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental</u>					
Tax Increment Bonds	\$ 3,260,000	\$ -	\$ 225,000	\$ 3,035,000	\$ 235,000
Special Assessment Bonds	1,720,000	5,850,000	195,000	7,375,000	185,000
Tax Abatement Bonds	-	3,330,000	-	3,330,000	-
Premium	-	67,581	-	67,581	-
Compensated Absences	1,030,922	945,526	962,564	1,013,884	445,000
Net OPEB Liability *	945,787	5,997	-	951,784	-
Pension Liabilities					
GERF	3,340,018	-	917,121	2,422,897	-
PEPFF	3,429,302	-	718,726	2,710,576	-
	13,726,029	10,199,104	3,018,411	20,906,722	865,000
<u>Business-Type</u>					
Pension Liabilities					
GERF	1,345,790	454,666	212,445	1,588,011	-
<b>Total Long Term Liabilities</b>	<b>\$ 15,071,819</b>	<b>\$ 10,653,770</b>	<b>\$ 3,230,856</b>	<b>\$ 22,494,733</b>	<b>\$ 865,000</b>

\* Restated beginning balance for the effects of implementation of GASB statement No. 75.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**6. Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not depreciated				
Land & improvements	\$ 9,190,957	\$ -	\$ -	\$ 9,190,957
Work in process	65,993	27,129	65,993	27,129
Total capital assets, not depreciated	<u>9,256,950</u>	<u>27,129</u>	<u>65,993</u>	<u>9,218,086</u>
Capital assets being depreciated				
Buildings & improvements	24,066,000	3,620,450	934,640	26,751,810
Other improvements	7,509,093	1,211,641	25,533	8,695,201
Furniture & equipment	9,082,149	2,402,126	1,749,911	9,734,364
Infrastructure				
Streets	51,251,339	2,725,189	210,789	53,765,739
Storm sewer	7,508,155	-	-	7,508,155
Total capital assets, depreciated	<u>99,416,736</u>	<u>9,959,406</u>	<u>2,920,873</u>	<u>106,455,269</u>
Less accumulated depreciation				
Buildings & improvements	13,641,478	793,422	590,508	13,844,392
Other improvements	3,040,872	497,955	25,533	3,513,294
Furniture & equipment	6,104,622	641,851	1,435,747	5,310,726
Infrastructure				
Streets	12,145,520	1,005,475	194,523	12,956,472
Storm sewer	2,681,904	75,110	-	2,757,014
Total accumulated depreciation	<u>37,614,396</u>	<u>3,013,813</u>	<u>2,246,311</u>	<u>38,381,898</u>
Total capital assets, depreciated net	<u>61,802,340</u>	<u>6,945,593</u>	<u>674,562</u>	<u>68,073,371</u>
Governmental activities				
Capital assets, net	<u>\$ 71,059,290</u>	<u>\$ 6,972,722</u>	<u>\$ 740,555</u>	<u>\$ 77,291,457</u>



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**Capital Assets - continued**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not depreciated				
Land	\$ 490,275	\$ -	\$ -	\$ 490,275
Work in progress	88,327	-	88,327	-
Total capital assets, not depreciated	<u>578,602</u>	-	<u>88,327</u>	<u>490,275</u>
Capital assets being depreciated				
Buildings	4,500,852	158,358	14,644	4,644,566
Equipment	3,111,957	727,125	420,438	3,418,644
Distribution / collection system	10,010,311	689,795	-	10,700,106
Total capital assets	<u>17,623,120</u>	<u>1,575,278</u>	<u>435,082</u>	<u>18,763,316</u>
Less accumulated depreciation				
Buildings	3,327,396	79,019	14,645	3,391,770
Equipment	2,471,532	161,428	413,190	2,219,770
Distribution / collection system	8,467,662	103,683	-	8,571,345
Total accumulated depreciation	<u>14,266,590</u>	<u>344,130</u>	<u>427,835</u>	<u>14,182,885</u>
Total capital assets, depreciated net	<u>3,356,530</u>	<u>1,231,148</u>	<u>7,247</u>	<u>4,580,431</u>
Business-type activities				
Capital assets, net	<u>\$ 3,935,132</u>	<u>\$ 1,231,148</u>	<u>\$ 95,574</u>	<u>\$ 5,070,706</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**Capital Assets - continued**

Governmental activities:	
General government	\$ 382,289
Public safety	391,367
Public works	1,805,616
Parks and recreation	434,541
Total depreciation expense - governmental activities	\$ 3,013,813
Business-type activities:	
Water	\$ 89,543
Sewer	91,488
Ambulance	81,554
Pioneer manor	80,961
License bureau	584
Total depreciation expense - business-type activities	\$ 344,130

**7. Defined Benefit Pension Plan - Statewide**

**A. Plan description**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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**B. Benefits provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

GERF benefits

General Employees Plan 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

PEPFF benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase.

Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**C. Contributions**

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF contributions

Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2018 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City contributions to the GERF for the year ended December 31, 2018, 2017, and 2016 were \$357,270, \$355,409, and \$328,868, respectively. The City's contributions were equal to the required contributions as set by state statute.

PEPFF contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2018. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2018. The City's contributions to the PEPFF for the years ending December 31, 2018, 2017, and 2016 were \$474,595, \$408,224, and \$402,054, respectively.

**D. Pension costs**

GERF pension costs

At December 31, 2018, the City reported a liability of \$4,010,908 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$131,615. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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At June 30, 2018, the City's proportionate share was 0.0723 percent, which was a decrease of 0.0011 percent from its proportion measured as of June 30, 2017.

City's proportionate share of the net pension liability	\$ 4,010,908
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>131,615</u>
Total	<u><u>\$ 4,142,523</u></u>

For the year ended December 31, 2018, the City recognized pension expense of \$148,289 for its proportionate share of GERP's pension expense. In addition, the City recognized an additional \$30,692 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERP.

At December 31, 2018, the City reported its proportionate share of GERP's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 106,563	\$ 110,969
Changes in Actuarial Assumptions	383,890	450,669
Net Difference Between Projected and Actual Earnings on Plan Investments	-	428,153
Changes in Proportion	152,434	98,793
Contributions to GERP Subsequent to the Measurement Date	<u>182,949</u>	<u>-</u>
Total	<u><u>\$ 825,836</u></u>	<u><u>\$ 1,088,584</u></u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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Deferred outflows of resources totaling \$182,949 related to pensions resulting from the City's contributions to GERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to GERS pensions will be recognized in pension expense as follows:

2019	\$ 148,666
2020	(162,540)
2021	(348,108)
2022	(83,715)
2023	-
Thereafter	-
Total	<u>\$ (445,697)</u>

PEPFF pension costs

At December 31, 2018, the City reported a liability of \$2,710,576 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportionate share was 0.2543 percent, which was an increase of 0.0003 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City recognized a pension expense of \$115,296 for its proportionate share of PEPFF's pension expense. The City also recognized \$22,887 for the year ended December 31, 2018 as pension expense (and an offsetting reduction of net pension liability) for its proportionate share of the State of Minnesota's on-behalf contributions to the plan. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to PEPFF each year, starting in fiscal year 2014.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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At December 31, 2018, the City reported its proportionate share of PEPFF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 110,014	\$ 658,884
Changes in Actuarial Assumptions	3,508,345	3,990,321
Net Difference Between Projected and Actual Earnings on Plan Investments	-	574,258
Changes in Proportion	64,832	19,577
Contributions to PEPFF Subsequent to the Measurement Date	226,926	-
Total	\$ 3,910,117	\$ 5,243,040

Deferred outflows of resources totaling \$226,926 related to pensions resulting from the City's contributions to PEPFF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to PEPFF pensions will be recognized in pension expense as follows:

2019	\$ 83,471
2020	(179,004)
2021	(385,068)
2022	(1,071,228)
2023	(8,020)
Total	\$ (1,559,849)

**E. Actuarial assumptions**

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for GERP and 1.0 percent per year for PEPFF.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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experience studies. The most recent six-year experience study in the GERP Plan was completed in 2015. The most recent four-year experience study for PEPFF Plan was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

GERF

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

PEPFF

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Stocks	36.00 %	5.10 %
International Stocks	17.00	5.30
Bonds (Fixed Income)	20.00	0.75
Alternative Assets (Private Markets)	25.00	5.90
Cash	<u>2.00</u>	-
Total	<u><u>100.00</u></u> %	



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**F. Discount rate**

The discount rate used to measure the total pension liability in 2018 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF and PEPFF were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension liability sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	GERF	\$ 6,518,238	\$ 4,010,908
PEPFF	5,811,645	2,710,576	146,121

**H. Pension plan fiduciary net position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**8. Defined Contribution Plan**

Twelve part-time ambulance personnel of the City of White Bear Lake are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

The defined contribution plan consists of individual accounts paying a lump-sum benefit. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota statutes, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City during the fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,139	\$ 12,083	5.00%	5.00%	5.00%

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by the City of White Bear Lake and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**9. Defined Benefit Pension Plan - Fire Relief Association**

**A. Plan description**

All members of the White Bear Lake Fire Department (the Department) are covered by a defined benefit plan administered by the White Bear Lake Fire Department Relief Association (the Association). As of December 31, 2018, the plan covered 50 active firefighters and 54 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

**B. Benefits provided**

A fire fighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, shall be equal to 60 percent of the pension as prescribed by the bylaws. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

**C. Contributions**

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$241,116 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2018, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the plan for the year ended December 31, 2018 were \$0. The City's contributions were equal to the required contributions as set by state statute. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**D. Pension costs**

At December 31, 2018, the City reported a net pension asset of \$1,926,970 for the plan. The net pension liability (asset) was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by Gabriel Roeder Smith & Company applying an actuarial formula to specific census data certified by the Department as of December 31, 2018. The following table presents the changes in net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Beginning Balance January 1, 2017	\$ 5,196,075	\$ 6,357,694	\$ (1,161,619)
Changes for the Year			
Service cost	151,749	-	151,749
Interest on pension liability (asset)	253,714	-	253,714
Actuarial experience (gains)/losses	-	-	-
Projected investment return	-	966,600	(966,600)
Contributions (employer)	-	232,194	(232,194)
Benefit payments	(505,020)	(505,020)	-
Administrative expenses	-	(29,980)	29,980
Other	-	2,000	(2,000)
Total Net Changes	<u>(99,557)</u>	<u>665,794</u>	<u>(765,351)</u>
Ending Balance December 31, 2017	<u>\$ 5,096,518</u>	<u>\$ 7,023,488</u>	<u>\$ (1,926,970)</u>

For the year ended December 31, 2018, the City recognized pension expense of \$72,909.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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At December 31, 2018, the City reported deferred inflows of resources and deferred outflows of resources, its contributions subsequent to the measurement date, related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 129,718
Changes in Actuarial Assumptions	95,188	-
Net Difference Between Projected and Actual Earnings on Plan Investments	242,830	647,466
Contributions to Plan Subsequent to the Measurement Date	<u>241,116</u>	<u>-</u>
Total	<u>\$ 579,134</u>	<u>\$ 777,184</u>

Deferred outflows of resources totaling \$241,116 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2019	\$ (51,284)
2020	(51,282)
2021	(172,702)
2022	(163,898)
2023	-
Thereafter	-
Total	<u>\$ (439,166)</u>

**E. Actuarial assumptions**

The total pension liability at December 31, 2017 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Active Firefighters are assumed to retire at the later of age 53 and 20 years of service	
Salary increases	N/A
Investment Rate of Return	5.00%
20 Year Municipal Bond Yield	3.31%

There were no changes in actuarial assumptions in 2017.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Fixed Income	30.00 %	1.10 %
International Fixed Income	5.00	1.40
Domestic Equity	45.00	5.00
International Equity	15.00	5.30
Cash	<u>5.00</u>	0.50
Total	<u><u>100.00 %</u></u>	

**F. Discount rate**

The discount rate used to measure the total pension liability was 5.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension liability sensitivity**

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	<u>1 Percent Decrease (4.00%)</u>	<u>Current (5.00%)</u>	<u>1 Percent Increase (6.00%)</u>
Defined benefit plan	\$ (1,361,238)	\$ (1,926,970)	\$ (2,398,723)

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**H. Pension plan fiduciary net position**

The Association issues a publicly available financial report. The report may be obtained by writing to the White Bear Lake Fire Department Relief Association, 4701 Highway 61 North, White Bear Lake, MN 55110.

**10. Inter-fund Receivables, Payables, and Transfers**

**A. Due To and Due From Other Funds**

The City has one interfund receivable/payable as of December 31, 2018. The loan was established to eliminate cash flow deficiencies. These loans are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
License Bureau	\$ 145,310	\$ -
Ambulance	-	145,310
	<u>\$ 145,310</u>	<u>\$ 145,310</u>

The internal balances amount on the Statement of Net Position represents the consolidation of internal service fund activities related to governmental and enterprise fund activities. This is a reconciliation adjustment and is not a formal due to and due from fund.

The General Obligation Building Debt Fund and the HRA Tax Increment Pool Fund have internal advances from various funds as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Insurance Fund	\$ 615,000	\$ -
Non-Bonded Debt Fund	1,000,000	-
G.O. Building Fund	-	1,615,000
Economic Development Fund	750,000	-
HRA Tax Increment Pool Fund	-	750,000
Total	<u>\$ 2,365,000</u>	<u>\$ 2,365,000</u>

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**B. Transfers**

The composition of inter-fund transfers for the year ended December 31, 2018 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Fund	\$ 120,820	(1)
	Sewer Fund	106,400	(1)
	Refuse Fund	109,000	(1)
	Ambulance Fund	254,000	(1)
	License Bureau Fund	31,700	(1)
	Marina	40,000	(1)
	HRA Tax Increment Pool	25,001	(1)
		<u>686,921</u>	
Non-Bonded Debt Fund	Sewer Fund	<u>200,000</u>	(5)
G.O. Building Debt Fund	Marina Fund	<u>155,000</u>	(16)
Interim Construction Fund	Non-Bonded Debt Fund	1,266,546	(2)
	Community Reinvestment Fund	95,000	(10)
	Surface Water Pollution Prevention	75,000	(11)
	License Bureau Fund	200,000	(3)
	Interim Construction Fund	62,629	(15)
		<u>1,699,175</u>	
Municipal Building	Non-Major Governmental Funds	<u>10,000</u>	(7)
HRA Tax Increment Pool	Non-Major Governmental Fund	<u>110,000</u>	(14)
Water Fund	Non-Bonded Debt Fund	<u>125,000</u>	(4)
Non-Major Governmental Funds	General Fund	25,000	(6)
	Community Reinvestment Fund	30,000	(10)
	HRA Tax Increment Pool	155,000	(12)
	Non-Bonded Debt Service Fund	225,000	(9)
	Equipment Acquisition Fund	400,000	(13)
	Non-Major Business-Type Fund	160,000	(8)
		<u>995,000</u>	

- 1) The City transferred money for administrative overhead expenses related to Business-Type activities, the HRA Tax Increment Pool, and the Marina to the General Fund as reimbursement for the amounts paid on their behalf.
- 2) The Interim Construction Fund received resources from the Non-Bonded Debt Fund for construction activity.



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2018**

- 3) Non-Major Business-Type Fund - License Bureau contributed funding for street improvements according to City policy.
- 4) The Non-Bonded Fund contributed funding to the Water Fund to stabilize the balance in the fund.
- 5) The Sewer Fund transferred \$200,000 to the Non-Bonded Debt Service Fund for repayment of a loan made to the Sewer Fund in the prior year to stabilize the balance in the fund.
- 6) The General Fund transfer to the Non-Major Governmental Fund - Armory provided funding for operations.
- 7) The Non-Major Governmental Fund - Armory contributed resources to the Municipal Building to build reserves for future facility improvements.
- 8) Non-Major Business-Type Fund - Pioneer Manor transferred resources to a Non-Major Governmental Debt Fund to provide resources for appropriate debt service obligations.
- 9) The Non Bonded Debt Service Fund transferred resources to the Non-Major Governmental Fund - Special Assessment Debt Service to pay the required appropriate debt service payment obligation.
- 10) The Community Reinvestment Fund contributed \$95,000 to the Interim Construction Fund for street improvements and \$30,000 to the Non-Major Governmental Fund - Park Improvement for park renovation projects.
- 11) The Surface Water Pollution Prevention Fund contributed \$75,000 to the Interim Construction Fund For street improvements
- 12) The HRA Tax Increment Fund transfer to the Non-Major Governmental Debt Service Fund for the payments related to the Boatworks Common debt issue.
- 13) The Non-Bonded Special Assessment Debt Service Fund contributed \$400,000 to the Equipment Acquisition Fund for the purchase of a fire apparatus.
- 14) The Non-Major Governmental Fund – HRA Economic Development transferred funds to the HRA Tax Increment Pool to repay an internal loan between the funds.
- 15) Internal transfers between projects in the Interim Construction Fund.
- 16) The Non-Major Governmental Fund – Marina transferred \$155,000 to fund the YMCA Bond internal funding payment.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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**11. Note Receivable**

On December 11, 2017, the City entered into an agreement with the White Bear Lake Area Hockey Association to share the cost of the Sports Center Renovation. The Association agreed to provide up to \$2,500,000 in cost sharing for the project, \$500,000 of which was fronted as an initial contribution to the project. The annual interest rate is 3.27%. Annual principal and interest payments are due December 1 of each year and are summarized below:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 137,718	\$ 91	\$ 137,809
2020	76,913	60,897	137,810
2021	79,428	58,382	137,810
2022	82,025	55,784	137,809
2023	84,707	53,102	137,809
2024 - 2028	466,943	222,105	689,048
2029 - 2033	548,447	140,600	689,047
2034 - 2038	523,819	44,870	568,689
<b>Total</b>	<b>\$ 2,000,000</b>	<b>\$ 635,831</b>	<b>\$ 2,635,831</b>

**12. Components of Fund Balance**

At December 31, 2018, portions of the City's fund balance are not available for appropriation due either not being in spendable form (Non-spendable); a prepaid item or has legal restrictions (Restricted); and/or being held because of City Council action (Committed). The following is a summary of the components of fund balance:

	General	G.O. Bldg Debt	Non-Bonded Debt	2018 General Obligation	Interim Construct.	Municipal Building	HRA Tax Increment	Comm. Reinvest.	Non-Major	Total
<b>Restricted for:</b>										
Surface Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,033	\$ 31,033
Debt Service	-	-	-	120,724	-	-	-	-	202,603	323,327
<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233,636</b>	<b>354,360</b>
<b>Committed for:</b>										
Debt Service	-	-	386,091	-	-	-	-	-	-	386,091
Armory	-	-	-	-	-	-	-	-	52,867	52,867
Marina	-	-	-	-	-	-	-	-	166,994	166,994
Forfeiture	-	-	-	-	-	-	-	-	61,614	61,614
Sports Center	-	-	-	-	-	-	-	-	270,792	270,792
Advances	-	-	1,000,000	-	-	-	-	-	750,000	1,750,000
Capital Improve.	-	-	-	-	1,061,006	-	-	7,655,000	3,926,841	12,642,847
Economic Dev.	-	-	-	-	-	-	-	-	3,261,232	3,261,232
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>1,386,091</b>	<b>-</b>	<b>-</b>	<b>1,061,006</b>	<b>-</b>	<b>7,655,000</b>	<b>8,490,340</b>	<b>18,592,437</b>
<b>Assigned for:</b>										
Capital Improve.	-	-	-	-	5,091,368	-	-	-	-	5,091,368
Surface Water	-	-	-	-	-	-	-	-	774,977	774,977
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,091,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>774,977</b>	<b>5,866,345</b>
<b>Unassigned</b>	<b>3,773,666</b>	<b>(1,414,966)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,558)</b>	<b>-</b>	<b>-</b>	<b>2,185,142</b>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**13. Other Commitments and Contingencies**

In connection with the normal conduct of its affairs, the City is involved in various claims, litigation and judgments. It is expected that the final settlement of these matters will not materially affect the financial condition of the City.

The City Attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

**14. Federally Assisted Programs - Compliance Audits**

The City receives financial assistance from Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2018.

**15. Risk Management**

The City established the Insurance Fund to account for losses related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disaster. The Insurance Fund provides for losses up to \$25,000 for each claim (annual aggregate is \$100,000). The City purchases commercial insurance coverage above the deductible amount through the League of Minnesota Insurance Trust with other cities in the State. This is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through member premiums and re-insures through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, but retains risk for the deductible portion of its insurance policies. The amount of the deductibles is considered immaterial to the financial statements.

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.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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The City's workers compensation insurance policy changed from the retrospectively rated premium to a deductible premium option as of February 1, 2018. Transactions related to workers compensation insurance are reported in the Employment Expense Fund.

The Insurance and Employment Expense Funds are presented as internal service funds. All funds of the City participate in the programs and make payments to the Insurance and Employment Expense fund based on historical cost information. At December 31, 2018, there is no liability reported in the funds based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**16. Other Post-Employment Benefits**

**A. Plan description**

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by Medica. Dental coverage is administered by Health Partners. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

**B. Benefits provided**

The plan is required by State Statute to provide healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Retirees reimburse the city of the total cost of their healthcare insurance, plus a two percent administrative fee.

**C. Contributions**

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica and Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2018, the City contributed \$0 to the plan.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**December 31, 2018**

**D. Members**

As of December 31, 2018, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Active employees	<u>74</u>
 Total	 <u><u>83</u></u>

**E. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Investment rate of return	3.50%, net of investment expense
Salary increases	3.50% to 12.50% for Police and Fire Employees
Inflation	2.50%
Healthcare cost trend increases	9.0% initially, gradually decreasing to an ultimate rate of 3.5% in year 10
 Mortality assumption	 RP-2014 annuitant generational mortality table, projected with scale MP-2015 from a base year of 2014 (MP-2016 from a base year of 2006 for Police and Fire employees)

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2017 - December 31, 2017.

The discount rate used to measure the total OPEB liability was 3.7% based on the estimated yield of 20-Year-AA-rated municipal bonds.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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**F. Total OPEB liability**

The City's total OPEB liability of \$951,784 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2018	<u>\$ 945,787</u>
Changes for the year	
Service cost	48,139
Interest	31,391
Differences between expected and actual economic experience	(2,928)
Changes of assumptions	(27,655)
Benefit payments	<u>(42,950)</u>
Net changes	<u>5,997</u>
Balances at December 31, 2018	<u><u>\$ 951,784</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.31% in 2017 to 3.71% in 2018.

**G. OPEB liability sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 3.71% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability/(Asset)		
1% decrease (2.71%)	Current (3.71%)	1% increase (4.71%)
\$ 1,022,653	\$ 951,784	\$ 885,661

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability/(Asset)		
1% decrease	Current	1% increase
(8.0% decreasing to 2.5%)	(9.0% decreasing to 3.5%)	(10.0% decreasing to 4.5%)
\$ 894,885	\$ 951,784	\$ 1,000,742

**H. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB**

For the year ended December 31, 2018, the City recognized OPEB expense of \$33,730. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 2,655
Differences between expected and actual economic experience	-	25,078
Changes of assumptions	-	-
Total	\$ -	\$ 27,733

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Total
2019	\$ (2,850)
2020	(2,850)
2021	(2,850)
2022	(2,850)
2023	(2,850)
2024	(2,850)
2025	(2,850)
Thereafter	(7,783)
Total	\$ (27,733)

**17. Conduit Debt Obligations**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial, commercial, and educational facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2018, there were twenty-five series of Industrial Revenue Bonds outstanding.

The aggregate principal amount payable for the eighteen series issued after July 1, 1995, was estimated to be \$92,121,579.

The aggregate principal amount payable for the seven series issued prior to July 1, 1995, could not be determined; however, their original amount totaled \$27,105,000.



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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**18. Change in Accounting Principle and Prior Period Adjustment**

For the year ended December 31, 2018, the City implemented GASB Statement 74, Financial Reporting for Postemployment Benefit Plans other than Pensions Plans and GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This resulted in an adjustment of \$(876,972) to the beginning net position on the Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds and the Statement of Activities.

The City recorded a prior period adjustment related to an interfund loan from the Economic Development Fund to the HRA Tax Increment Pool Fund. This resulted in an increase of \$750,000 to the Economic Development Fund's beginning fund balance, and a decrease of \$750,000 to the HRA Tax Increment Pool Fund's beginning fund balance.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees Retirement Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2018	0.0723 %	\$ 4,010,908	\$ 131,615	\$ 4,142,523	\$ 4,743,584	87.3 %	79.5 %
6/30/2017	0.0734	4,685,808	58,907	4,744,715	4,549,458	104.3	75.9
6/30/2016	0.0684	5,553,741	72,541	5,626,282	4,421,512	127.2	68.9
6/30/2015	0.0717	3,715,866	-	3,715,866	4,381,773	84.8	78.2

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of Employer's PERA Contributions - General Employees Retirement Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2018	\$ 357,270	\$ 357,270	\$ -	\$ 4,763,600	7.5 %
12/31/2017	355,409	355,409	-	4,738,783	7.5
12/31/2016	328,868	328,868	-	4,384,906	7.5
12/31/2015	327,158	327,158	-	4,362,107	7.5

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**Notes to the Required Supplementary Information - General Employees Retirement Fund**

Changes in actuarial assumptions

2018 - The morality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in plan provisions

2017 - The State's special funding contribution increased from \$6 million to \$16 million.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**Schedule of Employer's Share of PERA Net Pension Liability - Public Employees Police and Fire Fund**

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2018	0.2543 %	\$ 2,710,576	\$ -	\$ 2,710,576	\$ 2,808,744	96.5 %	88.8 %
6/30/2017	0.2540	3,429,302	-	3,429,302	2,514,962	136.4	85.4
6/30/2016	0.2500	10,032,935	-	10,032,935	2,503,201	400.8	63.9
6/30/2015	0.2530	2,874,672	-	2,874,672	2,114,755	135.9	86.6

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of Employer's PERA Contributions - Public Employees Police and Fire Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2018	\$ 474,595	\$ 474,595	\$ -	\$ 2,929,599	16.2 %
12/31/2017	408,224	408,224	-	2,519,899	16.2
12/31/2016	402,054	402,054	-	2,481,816	16.2
12/31/2015	400,740	400,740	-	2,473,704	16.2

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**Notes to the Required Supplementary Information - Public Employees Police and Fire Fund**

Changes in actuarial assumptions

2018 - The morality projection scale was changed from MP-2016 to MP-2017.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in plan provisions

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios**

	2017	2016	2015	2014
<b>Total pension liability</b>				
Service cost	\$ 151,749	\$ 137,576	\$ 133,569	\$ 145,189
Interest	253,714	261,707	249,002	247,887
Differences between expected and actual experience	-	(194,578)	-	(14,592)
Changes of assumptions	-	-	190,378	-
Benefit payments, including refunds of employee contributions	(505,020)	(229,516)	(433,174)	(239,818)
<b>Net change in total pension liability</b>	<u>(99,557)</u>	<u>(24,811)</u>	<u>139,775</u>	<u>138,666</u>
<b>Total pension liability - January 1</b>	<u>5,196,075</u>	<u>5,220,886</u>	<u>5,081,111</u>	<u>4,942,445</u>
<b>Total pension liability - December 31, (a)</b>	<u>\$ 5,096,518</u>	<u>\$ 5,196,075</u>	<u>\$ 5,220,886</u>	<u>\$ 5,081,111</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	232,194	231,628	229,853	216,807
Net investment income	966,600	495,777	(293,258)	278,508
Benefit payments, including refunds of employee contributions	(505,020)	(229,516)	(433,174)	(239,818)
Administrative expense	(29,980)	(24,898)	(32,395)	(29,243)
Other	2,000	-	275	137
<b>Net change in plan fiduciary net position</b>	<u>665,794</u>	<u>472,991</u>	<u>(528,699)</u>	<u>226,391</u>
<b>Plan fiduciary net position - January 1</b>	<u>6,357,694</u>	<u>5,884,703</u>	<u>6,413,402</u>	<u>6,187,011</u>
<b>Plan fiduciary net position - December 31 (b)</b>	<u>\$ 7,023,488</u>	<u>\$ 6,357,694</u>	<u>\$ 5,884,703</u>	<u>\$ 6,413,402</u>
<b>Fire Relief's net pension liability (asset) - December 31 (a-b)</b>	<u>\$ (1,926,970)</u>	<u>\$ (1,161,619)</u>	<u>\$ (663,817)</u>	<u>\$ (1,332,291)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability (b/a)</b>	137.81%	122.36%	112.71%	126.22%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A
<b>Fire Relief's net pension liability (asset) as a percentage of covered payroll</b>			N/A	N/A

**Notes to Schedule:**

*Benefit changes.* There have been no plan changes since the January 1, 2016 valuation.

*Changes of assumptions.* In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.
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**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**Schedule of Employer's Fire Relief Association Contributions**

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/17	\$ 83,385	\$ 232,194	\$ (148,809)
12/31/16	55,672	231,628	(175,956)
12/31/15	53,021	229,853	(176,832)
12/31/14	130,890	216,807	(85,917)

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	2018
Total OPEB Liability	
Service cost	\$ 48,139
Interest	31,391
Difference between expected and actual experience	(2,928)
Changes of assumptions	(27,655)
Benefit payments	(42,950)
Net change in total OPEB liability	<u>5,997</u>
Beginning of year	<u>945,787</u>
End of year	<u>\$ 951,784</u>
Covered payroll	\$ 5,796,259
Total OPEB liability as a percentage of covered - employee payroll	16.42%

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City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 5,117,000	\$ 5,117,000	\$ 5,116,594	\$ (406)
Franchise fees	302,000	308,000	308,569	569
License and permits				
Business license and permits	142,000	141,600	141,871	271
Non-Business license and permits	616,500	597,000	633,294	36,294
Total license and permits	758,500	738,600	775,165	36,565
Fines	115,000	90,000	78,357	(11,643)
Intergovernmental				
Federal grants	73,000	107,500	92,358	(15,142)
State grants	2,313,000	2,301,244	2,333,517	32,273
County grants	44,000	44,000	31,296	(12,704)
Local grants	148,000	148,000	147,000	(1,000)
Total intergovernmental	2,578,000	2,600,744	2,604,171	3,427
Charges for services				
General government	3,250	500	593	93
Public safety	404,000	416,500	410,290	(6,210)
Public works	2,000	2,000	10,740	8,740
Other	-	-	11,565	11,565
Inspection services	135,000	135,000	129,779	(5,221)
Total charges for services	544,250	554,000	562,967	8,967
Interest	100,000	90,000	90,000	-
Rental Income	65,000	59,122	45,485	(13,637)
Refunds and reimbursements	2,000	2,000	9,677	7,677
Donations	2,000	2,000	2,311	311
Miscellaneous	-	-	1,292	1,292
Total revenues	9,583,750	9,561,466	9,594,588	33,122
Expenditures				
General government				
Mayor and Council				
Personal services	92,771	93,017	92,847	(170)
Supplies	6,200	5,400	4,926	(474)
Other services and charges	51,872	45,127	43,308	(1,819)
Total Mayor and Council	150,843	143,544	141,081	(2,463)

(Continued)

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
City Manager				
Personal services	\$ 308,249	\$ 334,131	\$ 332,964	\$ (1,167)
Supplies	950	650	126	(524)
Other services and charges	20,851	20,561	21,654	1,093
Total city manager	<u>330,050</u>	<u>355,342</u>	<u>354,744</u>	<u>(598)</u>
Finance				
Personal services	482,993	488,315	492,089	3,774
Supplies	2,650	2,540	1,890	(650)
Other services and charges	86,280	102,155	99,685	(2,470)
Total finance	<u>571,923</u>	<u>593,010</u>	<u>593,664</u>	<u>654</u>
Legal counselor				
Other services and charges	<u>71,169</u>	<u>63,889</u>	<u>51,298</u>	<u>(12,591)</u>
City hall				
Personal services	102,297	104,071	130,923	26,852
Supplies	19,600	17,069	14,733	(2,336)
Other services and charges	111,383	117,828	111,053	(6,775)
Total city hall	<u>233,280</u>	<u>238,968</u>	<u>256,709</u>	<u>17,741</u>
Elections				
Personal services	68,816	-	-	-
Supplies	650	-	-	-
Other services and charges	24,696	94,438	95,568	1,130
Total elections	<u>94,162</u>	<u>94,438</u>	<u>95,568</u>	<u>1,130</u>
Total general government	<u>1,451,427</u>	<u>1,489,191</u>	<u>1,493,064</u>	<u>3,873</u>
Community development				
Planning				
Personal services	393,282	294,951	280,083	(14,868)
Supplies	3,060	2,405	695	(1,710)
Other services and charges	21,383	22,853	21,557	(1,296)
Total community development	<u>417,725</u>	<u>320,209</u>	<u>302,335</u>	<u>(17,874)</u>

(Continued)

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Public safety				
Police				
Personal services	\$ 3,720,039	\$ 3,726,189	\$ 3,726,960	\$ 771
Supplies	148,100	167,845	197,129	29,284
Other services and charges	228,353	223,053	223,755	702
Total police	<u>4,096,492</u>	<u>4,117,087</u>	<u>4,147,844</u>	<u>30,757</u>
Dispatch				
Personal services	497,642	369,236	345,462	(23,774)
Supplies	5,925	2,150	870	(1,280)
Other services and charges	36,368	152,788	157,841	5,053
Total dispatch	<u>539,935</u>	<u>524,174</u>	<u>504,173</u>	<u>(20,001)</u>
Animal control				
Personal services	11,090	12,275	9,542	(2,733)
Supplies	750	650	914	264
Other services and charges	7,000	5,800	4,378	(1,422)
Total animal control	<u>18,840</u>	<u>18,725</u>	<u>14,834</u>	<u>(3,891)</u>
Legal prosecution				
Personal services	970	970	646	(324)
Other services and charges	148,000	153,000	153,085	85
Total legal prosecution	<u>148,970</u>	<u>153,970</u>	<u>153,731</u>	<u>(239)</u>
Fire				
Personal services	678,834	691,074	686,873	(4,201)
Supplies	83,850	67,305	78,530	11,225
Other services and charges	181,075	179,715	159,552	(20,163)
Total fire	<u>943,759</u>	<u>938,094</u>	<u>924,955</u>	<u>(13,139)</u>
Emergency preparedness				
Personal services	2,155	2,155	2,136	(19)
Supplies	5,650	4,200	3,314	(886)
Other services and charges	9,099	8,399	5,914	(2,485)
Total emergency preparedness	<u>16,904</u>	<u>14,754</u>	<u>11,364</u>	<u>(3,390)</u>

(Continued)

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Building and code enforcement				
Personal services	\$ 495,010	\$ 499,487	\$ 496,903	\$ (2,584)
Supplies	8,300	9,300	11,191	1,891
Other services and charges	79,208	78,163	81,763	3,600
Total building / code enforcement	<u>582,518</u>	<u>586,950</u>	<u>589,857</u>	<u>2,907</u>
Total public safety	<u>6,347,418</u>	<u>6,353,754</u>	<u>6,346,758</u>	<u>(6,996)</u>
Public works				
Shop				
Personal services	-	85,752	85,042	(710)
Supplies	-	13,000	10,221	(2,779)
Other services and charges	-	80,050	67,857	(12,193)
Total shop	<u>-</u>	<u>178,802</u>	<u>163,120</u>	<u>(15,682)</u>
Garage				
Personal services	108,557	83,450	88,064	4,614
Supplies	45,350	25,100	14,579	(10,521)
Other services and charges	21,670	18,370	11,513	(6,857)
Total garage	<u>175,577</u>	<u>126,920</u>	<u>114,156</u>	<u>(12,764)</u>
Streets				
Personal services	315,023	310,622	320,108	9,486
Supplies	71,000	79,750	74,429	(5,321)
Other services and charges	136,327	170,672	167,023	(3,649)
Total streets	<u>522,350</u>	<u>561,044</u>	<u>561,560</u>	<u>516</u>
Snow and ice removal				
Personal services	90,030	118,310	77,786	(40,524)
Supplies	74,750	86,500	79,024	(7,476)
Other services and charges	45,418	75,918	77,591	1,673
Total snow and ice removal	<u>210,198</u>	<u>280,728</u>	<u>234,401</u>	<u>(46,327)</u>
Street lighting				
Personal services	9,735	9,735	9,830	95
Supplies	10,500	17,200	7,151	(10,049)
Other services and charges	175,600	175,000	169,325	(5,675)
Total street lighting	<u>195,835</u>	<u>201,935</u>	<u>186,306</u>	<u>(15,629)</u>
Total public works	<u>1,103,960</u>	<u>1,349,429</u>	<u>1,259,543</u>	<u>(89,886)</u>
Parks and recreation				
Personal services	509,627	458,114	473,059	14,945
Supplies	61,235	73,635	80,577	6,942
Other services and charges	121,713	127,038	91,345	(35,693)
Total parks and recreation	<u>692,575</u>	<u>658,787</u>	<u>644,981</u>	<u>(13,806)</u>

(Continued)

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Non-departmental				
General services	\$ 89,855	\$ 43,325	\$ 43,325	\$ -
Contingency	14,220	-	-	-
Total non-departmental	<u>104,075</u>	<u>43,325</u>	<u>43,325</u>	<u>-</u>
 Total expenditures	 <u>10,117,180</u>	 <u>10,214,695</u>	 <u>10,090,006</u>	 <u>(124,689)</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(533,430)</u>	 <u>(653,229)</u>	 <u>(495,418)</u>	 <u>157,811</u>
 Other financing sources (uses)				
Sale of property	1,000	1,000	2,384	1,384
Transfers in	662,920	686,920	686,921	1
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	<u>638,920</u>	<u>662,920</u>	<u>664,305</u>	<u>1,385</u>
 Net change in fund balance	 105,490	 9,691	 168,887	 159,196
 Fund balance - beginning	 <u>3,334,060</u>	 <u>3,443,921</u>	 <u>3,604,779</u>	 <u>160,858</u>
 Fund balance - ending	 <u>\$ 3,439,550</u>	 <u>\$ 3,453,612</u>	 <u>\$ 3,773,666</u>	 <u>\$ 320,054</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2018**

**1. Budgetary Reporting**

**A. The Schedule**

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

**B. Summary of Significant Budget Policies**

The City Charter, Sections 5.03 through 5.09, sets forth the requirements that the City Manager must prepare and submit an annual budget to the City Council. The Council conducts informal budget discussions with the City Manager on an on-going basis. The Mayor, City Council, and citizens are asked to convey budget priorities to the City Manager prior to preparation of the proposed budget. The White Bear Lake City Charter requires the City Manager to enforce the provisions of the budget upon adoption. Minnesota State Law requires that the preliminary budget and proposed tax levy be approved by the City Council prior to September 30 of each year. State statutes require the preliminary property tax levy be certified to the County Auditor by September 30. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy. The City Council is required to adopt the final tax levy and submit the levy to the County Auditor by December 28.

**C. Budget Amendments**

After the budget resolution has been adopted, the Council, under Section 5.09 of the City Charter, shall have no power to increase the amounts fixed in the budget resolution, by insertion of new items or otherwise, beyond the estimated revenues, unless actual receipts exceed the estimates and then not beyond the actual receipts. The Council may at any time, by resolution, reduce the sums appropriated for any purpose by the budget resolution. The Council may, by four-fifths majority vote, authorize the transfer of sums from unencumbered balances of appropriations in the budget resolution to other purposes, except from dedicated funds, and subject to the limitations of the City Charter.

**D. Budgetary Compliance**

There were no budgetary compliance violations for the fiscal year ending December 31, 2018.



COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

City of White Bear Lake, Minnesota  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	Special Revenue Funds		
	Surface Water		
	Armory	Pollution Prevention	Marina
Assets			
Cash	\$ 83,310	\$ 806,228	\$ 166,994
Receivables:			
Unremitted special assessments	-	-	-
Delinquent special assessments	-	-	-
Unavailable special assessments	-	-	-
Loans	-	-	-
Accounts, net	1,050	-	-
Intergovernmental	-	-	-
Advances to other funds	-	-	-
Total assets	<u>\$ 84,360</u>	<u>\$ 806,228</u>	<u>\$ 166,994</u>
Liabilities:			
Accounts payable	\$ 3,343	\$ 218	\$ -
Deposits payable	2,350	-	-
Intergovernmental	-	-	-
Unearned revenue - other	25,800	-	-
Total liabilities	<u>31,493</u>	<u>218</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue - Special assessments	-	-	-
Fund Balances:			
Restricted	-	31,033	-
Committed	52,867	-	166,994
Assigned	-	774,977	-
Total fund balances	<u>52,867</u>	<u>806,010</u>	<u>166,994</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 84,360</u>	<u>\$ 806,228</u>	<u>\$ 166,994</u>

Special Revenue Funds			Debt Service Funds		
Forfeiture	Sports Center	Economic Development	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment
\$ 65,787	\$ 266,534	\$ 2,812,376	\$ 11,984	\$ 99,586	\$ 24,825
-	-	1,443	-	-	-
-	-	9,469	-	-	-
-	-	59,026	-	-	-
-	-	443,904	-	-	-
-	57,853	19,245	-	-	-
-	-	-	-	-	-
-	-	750,000	-	-	-
<u>\$ 65,787</u>	<u>\$ 324,387</u>	<u>\$ 4,095,463</u>	<u>\$ 11,984</u>	<u>\$ 99,586</u>	<u>\$ 24,825</u>
\$ 4,173	\$ 34,767	\$ 15,731	\$ -	\$ -	\$ -
-	1,935	-	-	-	-
-	33	6	-	-	-
-	16,860	150	-	-	-
<u>4,173</u>	<u>53,595</u>	<u>15,887</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	68,345	-	-	-
-	-	-	11,984	99,586	24,825
61,614	270,792	4,011,231	-	-	-
-	-	-	-	-	-
<u>61,614</u>	<u>270,792</u>	<u>4,011,231</u>	<u>11,984</u>	<u>99,586</u>	<u>24,825</u>
<u>\$ 65,787</u>	<u>\$ 324,387</u>	<u>\$ 4,095,463</u>	<u>\$ 11,984</u>	<u>\$ 99,586</u>	<u>\$ 24,825</u>

(Continued)

City of White Bear Lake, Minnesota  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2018

	Debt Service Funds	Capital Projects Funds	
	2018 Tax Abatement	Park Improvement	Equipment Acquisition
Assets			
Cash	\$ 66,208	\$ 1,776,597	\$ 1,579,343
Receivables:			
Unremitted special assessments	-	-	-
Delinquent special assessments	-	-	-
Unavailable special assessments	-	-	-
Loans	-	-	-
Accounts, net	-	7,950	-
Intergovernmental	-	-	17,451
Advances to other funds	-	-	-
Total assets	<u>\$ 66,208</u>	<u>\$ 1,784,547</u>	<u>\$ 1,596,794</u>
Liabilities:			
Accounts payable	\$ -	\$ 2,702	\$ 193,362
Deposits payable	-	126,616	-
Intergovernmental	-	-	-
Unearned revenue - other	-	-	-
Total liabilities	<u>-</u>	<u>129,318</u>	<u>193,362</u>
Deferred Inflows of Resources			
Unavailable revenue - Special assessments	-	-	-
Fund Balances:			
Restricted	66,208	-	-
Committed	-	1,655,229	1,403,432
Assigned	-	-	-
Total fund balances	<u>66,208</u>	<u>1,655,229</u>	<u>1,403,432</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 66,208</u>	<u>\$ 1,784,547</u>	<u>\$ 1,596,794</u>

Capital Projects Funds		Total Non-major Governmental Funds
Sewer Improvement	Water Improvement	
\$ 490,486	\$ 365,557	\$ 8,615,815
-	-	1,443
-	-	9,469
-	-	59,026
-	-	443,904
13,280	1,526	100,904
12,137	-	29,588
-	-	750,000
<u>\$ 515,903</u>	<u>\$ 367,083</u>	<u>\$ 10,010,149</u>
\$ -	\$ -	\$ 254,296
-	-	130,901
-	-	39
13,280	1,526	57,616
<u>13,280</u>	<u>1,526</u>	<u>442,852</u>
-	-	68,345
-	-	233,636
502,623	365,557	8,490,339
-	-	774,977
<u>502,623</u>	<u>365,557</u>	<u>9,498,952</u>
<u>\$ 515,903</u>	<u>\$ 367,083</u>	<u>\$ 10,010,149</u>

City of White Bear Lake, Minnesota  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2018

	Special Revenue Funds		
	Armory	Surface Water Pollution Prevention	Marina
Revenues			
General property taxes	\$ -	\$ -	\$ -
Tax Increment	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	103,545	-
Charges for services	-	-	16,800
Special assessments	-	-	-
Investment income	-	-	-
Rental and lease income	37,028	-	372,638
Refunds and reimbursements	3,531	-	-
Donations	-	-	-
Dedicated fees	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>40,559</u>	<u>103,545</u>	<u>389,438</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	76,165	-
Parks and recreation	62,335	-	100,527
Community development	-	-	-
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Debt service			
Principal retired on bonded debt	-	-	-
Interest and other expenditures	-	-	-
Total expenditures	<u>62,335</u>	<u>76,165</u>	<u>100,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,776)</u>	<u>27,380</u>	<u>288,911</u>
Other financing sources (uses)			
Sale of capital assets	-	-	-
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Transfer in from other funds	25,000	-	-
Transfer (to) other funds	(10,000)	(75,000)	(195,000)
Total other financing sources (uses)	<u>15,000</u>	<u>(75,000)</u>	<u>(195,000)</u>
Net change in fund balance	<u>(6,776)</u>	<u>(47,620)</u>	<u>93,911</u>
Fund balance - beginning	59,643	853,630	73,083
Prior period adjustment (See Note 18)	-	-	-
Fund balance - beginning, restated	<u>59,643</u>	<u>853,630</u>	<u>73,083</u>
Fund balance - ending	<u>\$ 52,867</u>	<u>\$ 806,010</u>	<u>\$ 166,994</u>

Special Revenue Funds			Debt Service		
Forfeiture	Sports Center	Economic Development	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	32,587	-	-	-
-	-	-	-	-	-
2,171	-	421,000	-	-	-
-	418,170	36,773	-	-	-
-	-	63,450	-	-	-
-	-	-	-	-	-
-	7,375	373,401	-	-	-
65,693	65	2,973	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,550	3,340	46,722	-	-	-
73,414	428,950	976,906	-	-	-
-	-	-	-	-	-
71,387	-	-	-	-	-
-	-	-	-	-	-
-	441,329	-	-	-	-
-	-	552,976	-	-	-
-	-	-	-	-	-
69,231	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	195,000	155,000	70,000
-	-	-	23,715	18,650	80,863
140,618	441,329	552,976	218,715	173,650	150,863
(67,204)	(12,379)	423,930	(218,715)	(173,650)	(150,863)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	225,000	160,000	155,000
-	-	-	-	-	-
-	-	-	225,000	160,000	155,000
(67,204)	(12,379)	423,930	6,285	(13,650)	4,137
128,818	283,171	2,837,301	5,699	113,236	20,688
-	-	750,000	-	-	-
128,818	283,171	3,587,301	5,699	113,236	20,688
\$ 61,614	\$ 270,792	\$ 4,011,231	\$ 11,984	\$ 99,586	\$ 24,825

(Continued)

City of White Bear Lake, Minnesota  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2018

	Debt Service Funds	Capital Projects Funds	
	2018 Tax Abatement	Park Improvement	Equipment Acquisition
<b>Revenues</b>			
General property taxes	\$ -	\$ -	\$ 190,000
Tax Increment	-	-	-
Licenses and permits	-	9,976	-
Intergovernmental	-	-	-
Charges for services	-	1,020	-
Special assessments	-	-	-
Investment income	-	43,554	28,896
Rental and lease income	-	1,201	424,222
Refunds and reimbursements	-	1,012	231,079
Donations	-	84,726	72,188
Dedicated fees	-	16,550	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>158,039</u>	<u>946,385</u>
<b>Expenditures</b>			
<b>Current</b>			
General government	-	-	93,734
Public safety	-	-	302,248
Public works	-	-	10,873
Parks and recreation	-	413,655	5,650
Community development	-	-	-
<b>Capital outlay</b>			
General government	-	-	300,943
Public safety	-	-	341,561
Public works	-	-	215,414
Parks and recreation	-	138,231	132,625
<b>Debt service</b>			
Principal retired on bonded debt	-	-	-
Interest and other expenditures	66,693	-	-
Total expenditures	<u>66,693</u>	<u>551,886</u>	<u>1,403,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,693)</u>	<u>(393,847)</u>	<u>(456,663)</u>
<b>Other financing sources (uses)</b>			
Sale of capital assets	-	-	76,402
Bonds issued	126,507	-	-
Premium on bonds issued	6,394	-	-
Transfer in from other funds	-	30,000	400,000
Transfer (to) other funds	-	-	-
Total other financing sources (uses)	<u>132,901</u>	<u>30,000</u>	<u>476,402</u>
Net change in fund balance	<u>66,208</u>	<u>(363,847)</u>	<u>19,739</u>
Fund balance - beginning	-	2,019,076	1,383,693
Prior period adjustment (See Note 18)	-	-	-
Fund balance - beginning, restated	<u>-</u>	<u>2,019,076</u>	<u>1,383,693</u>
Fund balance - ending	<u>\$ 66,208</u>	<u>\$ 1,655,229</u>	<u>\$ 1,403,432</u>



Capital Projects Funds		Total
Sewer Improvement	Water Improvement	Non-major Governmental Funds
\$ -	\$ -	\$ 190,000
-	-	32,587
-	-	9,976
-	-	526,716
-	-	472,763
-	-	63,450
12,024	8,962	93,436
-	-	1,215,865
12,137	8,000	324,490
-	-	156,914
5,200	23,562	45,312
-	-	55,612
<u>29,361</u>	<u>40,524</u>	<u>3,187,121</u>
-	-	93,734
-	-	373,635
116,253	38,418	241,709
-	-	1,023,496
-	-	552,976
-	-	300,943
-	-	410,792
73,625	228,848	517,887
-	-	270,856
-	-	420,000
-	-	189,921
<u>189,878</u>	<u>267,266</u>	<u>4,395,949</u>
<u>(160,517)</u>	<u>(226,742)</u>	<u>(1,208,828)</u>
-	-	76,402
-	-	126,507
-	-	6,394
-	-	995,000
-	-	(280,000)
-	-	924,303
<u>(160,517)</u>	<u>(226,742)</u>	<u>(284,525)</u>
663,140	592,299	9,033,477
-	-	750,000
<u>663,140</u>	<u>592,299</u>	<u>9,783,477</u>
<u>\$ 502,623</u>	<u>\$ 365,557</u>	<u>\$ 9,498,952</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Armory Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
<b>Revenues</b>				
Rental income	\$ 32,300	\$ 38,300	\$ 32,778	\$ (5,522)
Lease income	4,250	4,250	4,250	-
Refunds and reimbursements	2,000	2,000	3,531	1,531
Total revenues	<u>38,550</u>	<u>44,550</u>	<u>40,559</u>	<u>(3,991)</u>
<b>Expenditures</b>				
Parks and recreation				
Personal services	35,607	34,669	33,273	(1,396)
Materials and supplies	4,925	4,575	1,280	(3,295)
Other services and charges	28,650	28,800	27,782	(1,018)
Total expenditures	<u>69,182</u>	<u>68,044</u>	<u>62,335</u>	<u>(5,709)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,632)</u>	<u>(23,494)</u>	<u>(21,776)</u>	<u>1,718</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	25,000	25,000	25,000	-
Transfer (to) other funds	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(15,632)	(8,494)	(6,776)	1,718
Fund balance - beginning	<u>61,932</u>	<u>51,904</u>	<u>59,643</u>	<u>7,739</u>
Fund balance - ending	<u>\$ 46,300</u>	<u>\$ 43,410</u>	<u>\$ 52,867</u>	<u>\$ 9,457</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Surface Water Pollution Prevention Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 87,297	\$ 87,297	\$ 103,545	\$ 16,248
Expenditures				
Public works				
Personal services	45,413	44,508	38,560	(5,948)
Materials and supplies	32,000	14,600	1,227	(13,373)
Other services and charges	132,150	123,300	36,378	(86,922)
Total expenditures	<u>209,563</u>	<u>182,408</u>	<u>76,165</u>	<u>(106,243)</u>
Net change in fund balance	(122,266)	(95,111)	(47,620)	47,491
Fund balance - beginning	<u>647,735</u>	<u>737,847</u>	<u>853,630</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 525,469</u></u>	<u><u>\$ 642,736</u></u>	<u><u>\$ 806,010</u></u>	<u><u>\$ 47,491</u></u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Marina Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Rental income	\$ 379,000	\$ 388,200	\$ 372,638	\$ (15,562)
Miscellaneous	-	-	16,800	16,800
Total revenues	<u>379,000</u>	<u>388,200</u>	<u>389,438</u>	<u>1,238</u>
Expenditures				
Parks and recreation				
Personal services	10,765	5,400	8,563	3,163
Materials and supplies	4,000	10,500	6,943	(3,557)
Other services and charges	243,100	97,750	85,021	(12,729)
Total expenditures	<u>257,865</u>	<u>113,650</u>	<u>100,527</u>	<u>(13,123)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>121,135</u>	<u>274,550</u>	<u>288,911</u>	<u>14,361</u>
Other Financing Uses				
Transfer (to) other funds	<u>-</u>	<u>(195,000)</u>	<u>(195,000)</u>	<u>-</u>
Net change in fund balance	121,135	79,550	93,911	14,361
Fund balance - beginning	<u>122,512</u>	<u>64,732</u>	<u>73,083</u>	<u>8,351</u>
Fund balance - ending	<u>\$ 243,647</u>	<u>\$ 144,282</u>	<u>\$ 166,994</u>	<u>\$ 22,712</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Forfeiture Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 2,000	\$ 2,171	\$ 171
Miscellaneous	31,000	75,500	5,550	(69,950)
Refunds and reimbursements	-	-	65,693	65,693
Total revenues	<u>31,000</u>	<u>77,500</u>	<u>73,414</u>	<u>(4,086)</u>
Expenditures				
Current				
Public safety				
Materials and supplies	1,000	9,500	46,462	36,962
Other services and charges	19,800	33,800	24,925	(8,875)
Capital outlay	15,000	83,700	69,231	(14,469)
Total expenditures	<u>35,800</u>	<u>127,000</u>	<u>140,618</u>	<u>13,618</u>
Net change in fund balance	(4,800)	(49,500)	(67,204)	(17,704)
Fund balance - beginning	<u>180,660</u>	<u>141,554</u>	<u>128,818</u>	<u>(12,736)</u>
Fund balance - ending	<u>\$ 175,860</u>	<u>\$ 92,054</u>	<u>\$ 61,614</u>	<u>\$ (30,440)</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Sports Center Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 393,000	\$ 408,500	\$ 418,170	\$ 9,670
Rental income	3,500	3,000	7,375	4,375
Donations	-	140	-	(140)
Refunds and reimbursements	-	-	65	65
Miscellaneous	10,500	12,000	3,340	(8,660)
Total revenues	<u>407,000</u>	<u>423,640</u>	<u>428,950</u>	<u>5,310</u>
Expenditures				
Parks and recreation				
Personal services	324,051	251,810	252,811	1,001
Materials and supplies	34,730	29,010	29,974	964
Other services and charges	151,702	134,443	158,544	24,101
Total expenditures	<u>510,483</u>	<u>415,263</u>	<u>441,329</u>	<u>26,066</u>
Net change in fund balance	(103,483)	8,377	(12,379)	(20,756)
Fund balance - beginning	<u>304,973</u>	<u>313,499</u>	<u>283,171</u>	<u>(30,328)</u>
Fund balance - ending	<u>\$ 201,490</u>	<u>\$ 321,876</u>	<u>\$ 270,792</u>	<u>\$ (51,084)</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Economic Development Fund  
For the Year Ended December 31, 2018

	Budget		Actual	Variances with Final Budget
	Original	Final		
<b>Revenues</b>				
Tax increment	\$ 10,000	\$ 35,000	\$ 32,587	\$ -
Intergovernmental	-	421,000	421,000	-
Charges for services	6,000	5,000	5,520	520
Special assessments	57,200	62,200	63,450	1,250
Rental income	368,300	387,500	373,401	(14,099)
Miscellaneous	800	1,600	46,722	45,122
Loan repayments	59,500	72,500	31,253	(41,247)
Refunds and reimbursements	-	-	2,973	2,973
<b>Total revenues</b>	<u>501,800</u>	<u>984,800</u>	<u>976,906</u>	<u>(5,481)</u>
<b>Expenditures</b>				
Community Development				
Personal services	37,029	112,763	124,670	11,907
Materials and supplies	2,000	2,000	13,644	11,644
Other services and charges	365,645	522,725	414,662	(108,063)
<b>Total expenditures</b>	<u>404,674</u>	<u>637,488</u>	<u>552,976</u>	<u>(84,512)</u>
<b>Net change in fund balance</b>	<u>97,126</u>	<u>347,312</u>	<u>423,930</u>	<u>76,618</u>
Fund balance - beginning	696,498	2,593,584	2,837,301	243,717
Prior period adjustment (See Note 18)	-	-	750,000	750,000
Fund balance - beginning, restated	<u>696,498</u>	<u>2,593,584</u>	<u>3,587,301</u>	<u>993,717</u>
Fund balance - ending	<u>\$ 793,624</u>	<u>\$ 2,940,896</u>	<u>\$ 4,011,231</u>	<u>\$ 1,070,335</u>

City of White Bear Lake, Minnesota  
Combining Statement of Net Position  
Internal Service Funds  
For the Year Ended December 31, 2018

	Insurance	Employment Expense	Engineering	Total Internal Service Funds
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 1,984,141	\$ 2,344,169	\$ 6,483	\$ 4,334,793
Receivables:				
Accounts, net	-	4,379	-	4,379
Intergovernmental	-	445	-	445
Prepaid expenses	-	2,466	-	2,466
Total current assets	<u>1,984,141</u>	<u>2,351,459</u>	<u>6,483</u>	<u>4,342,083</u>
<b>Noncurrent assets</b>				
Advances to other funds	<u>615,000</u>	<u>-</u>	<u>-</u>	<u>615,000</u>
Total assets	<u>2,599,141</u>	<u>2,351,459</u>	<u>6,483</u>	<u>4,957,083</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension resources	<u>-</u>	<u>-</u>	<u>83,344</u>	<u>83,344</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	19,342	4,712	6,483	30,537
Accrued wages payable	-	223,467	-	223,467
Compensated absences payable	-	445,000	-	445,000
Total current liabilities	<u>19,342</u>	<u>673,179</u>	<u>6,483</u>	<u>699,004</u>
<b>Noncurrent Liabilities:</b>				
Pension liability	-	-	404,786	404,786
Compensated absences payable	-	568,884	-	568,884
Net other post employment benefits (OPEB) liability	-	951,784	-	951,784
Total noncurrent liabilities	<u>-</u>	<u>1,520,668</u>	<u>404,786</u>	<u>1,925,454</u>
Total liabilities	<u>19,342</u>	<u>2,193,847</u>	<u>411,269</u>	<u>2,624,458</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension resources	-	-	109,861	109,861
Deferred OPEB resources	-	27,733	-	27,733
Total deferred inflows of resources	<u>-</u>	<u>27,733</u>	<u>109,861</u>	<u>137,594</u>
<b>Net Position</b>				
Unrestricted	<u>\$ 2,579,799</u>	<u>\$ 129,879</u>	<u>\$ (431,303)</u>	<u>\$ 2,278,375</u>



City of White Bear Lake, Minnesota  
Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Year Ended December 31, 2018

	Insurance	Employment Expense	Engineering	Total Internal Service Funds
Operating revenues				
Charges for services	\$ 449,179	\$ 2,695,921	\$ 647,153	\$ 3,792,253
Other	-	-	3,097	3,097
Premium reimbursement	16,657	4,793	-	21,450
Total operating revenues	<u>465,836</u>	<u>2,700,714</u>	<u>650,250</u>	<u>3,816,800</u>
Operating expenses				
Personal services	-	2,729,217	613,611	3,342,828
Supplies	12,682	-	5,003	17,685
Other services and charges	428,239	69,187	59,904	557,330
Total operating expenses	<u>440,921</u>	<u>2,798,404</u>	<u>678,518</u>	<u>3,917,843</u>
Operating income (loss)	<u>24,915</u>	<u>(97,690)</u>	<u>(28,268)</u>	<u>(101,043)</u>
Nonoperating revenues				
Investment income	27,500	-	-	27,500
Intergovernmental	-	17,350	-	17,350
Miscellaneous	-	156	-	156
Total nonoperating revenues	<u>27,500</u>	<u>17,506</u>	<u>-</u>	<u>45,006</u>
Change in net position	<u>52,415</u>	<u>(80,184)</u>	<u>(28,268)</u>	<u>(56,037)</u>
Net position - beginning	2,527,384	1,087,035	(403,035)	3,211,384
Change in accounting principle (See Note 18)	-	(876,972)	-	(876,972)
Net position - beginning restated	<u>2,527,384</u>	<u>210,063</u>	<u>(403,035)</u>	<u>2,334,412</u>
Net position - ending	<u>\$ 2,579,799</u>	<u>\$ 129,879</u>	<u>\$ (431,303)</u>	<u>\$ 2,278,375</u>

City of White Bear Lake, Minnesota  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2018

	Insurance	Employment Expense	Engineering	Total Internal Service Funds
Cash flows from operating activities				
Receipts from other funds	\$ 449,179	\$ 2,695,585	\$ 647,153	\$ 3,791,917
Payments to vendors	(427,632)	(1,285,400)	(60,632)	(1,773,664)
Payments to other governments	-	(1,352,018)	-	(1,352,018)
Payments to employees	-	(294,983)	(636,709)	(931,692)
Other receipts	16,657	4,949	3,097	24,703
Net cash provided (used) by operating activities	<u>38,204</u>	<u>(231,867)</u>	<u>(47,091)</u>	<u>(240,754)</u>
Cash flows from investing activities				
Investment income received	<u>27,500</u>	-	-	<u>27,500</u>
Cash flows from noncapital financing activities				
Intergovernmental receipts	-	17,350	-	17,350
Decrease in advances to other funds	<u>210,000</u>	-	-	<u>210,000</u>
Net cash provided (used) by noncapital financing activities	<u>210,000</u>	<u>17,350</u>	-	<u>227,350</u>
Increase (decrease) in cash and cash equivalents	275,704	(214,517)	(47,091)	14,096
Cash and cash equivalents at beginning of year	<u>1,708,437</u>	<u>2,558,686</u>	<u>53,574</u>	<u>4,320,697</u>
Cash and cash equivalents at end of year	<u>\$ 1,984,141</u>	<u>\$ 2,344,169</u>	<u>\$ 6,483</u>	<u>\$ 4,334,793</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 24,915	\$ (97,690)	\$ (28,268)	\$ (101,043)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Miscellaneous	-	156	-	156
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	-	(336)	-	(336)
(Increase) decrease in due from governments	-	(45)	-	(45)
(Increase ) decrease in prepaid expenses	-	673	-	673
(Increase) decrease in deferred outflows in pension	-	-	53,681	53,681
Increase (decrease) in accounts payable	13,289	(142,740)	4,275	(125,176)
Increase (decrease) in wages payable	-	(8,577)	-	(8,577)
Increase (decrease) in deferred inflows in pension resources	-	-	(4,039)	(4,039)
Increase (decrease) in deferred inflows in OPEB resources	-	27,733	-	27,733
Increase (decrease) in net OPEB liability	-	5,997	-	5,997
Increase (decrease) in compensated absences	-	(17,038)	-	(17,038)
Increase (decrease) in pension liability	-	-	(72,740)	(72,740)
Net cash provided (used) by operating activities	<u>\$ 38,204</u>	<u>\$ (231,867)</u>	<u>\$ (47,091)</u>	<u>\$ (240,754)</u>

City of White Bear Lake, Minnesota  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
December 31, 2018

	Balance January 1	Additions	Deductions	Balance December 31
<u>Deputy Registrar Fund</u>				
Assets				
Cash	\$ 251,664	\$ 48,357,600	\$ 48,469,202	\$ 140,062
Accounts receivable	475	-	475	-
Total assets	<u>\$ 252,139</u>	<u>\$ 48,357,600</u>	<u>\$ 48,469,677</u>	<u>\$ 140,062</u>
Liabilities				
Accounts payable	\$ -	\$ 5,413	\$ 5,399	\$ 14
Deposits payable	252,139	48,783,334	48,895,425	140,048
Total liabilities	<u>\$ 252,139</u>	<u>\$ 48,788,747</u>	<u>\$ 48,900,824</u>	<u>\$ 140,062</u>
<u>Escrow Fund</u>				
Assets				
Cash	\$ 547,715	\$ 8,382,157	\$ 8,549,231	\$ 380,641
Liabilities				
Accounts payable	\$ 65,134	\$ 2,050,890	\$ 2,114,119	\$ 1,905
Deposits payable	482,081	1,318,437	1,421,782	378,736
Unearned revenue	500	500	1,000	-
Total liabilities	<u>\$ 547,715</u>	<u>\$ 3,369,827</u>	<u>\$ 3,536,901</u>	<u>\$ 380,641</u>
<u>Total Agency Funds</u>				
Assets				
Cash	\$ 799,379	\$ 56,739,757	\$ 57,018,433	\$ 520,703
Receivables:				
Accounts, net	475	-	475	-
Total assets	<u>\$ 799,854</u>	<u>\$ 56,739,757</u>	<u>\$ 57,018,908</u>	<u>\$ 520,703</u>
Liabilities				
Accounts payable	\$ 65,134	\$ 2,056,303	\$ 2,119,518	\$ 1,919
Deposits payable	734,220	50,101,771	50,317,207	518,784
Intergovernmental	500	500	1,000	-
Total liabilities	<u>\$ 799,854</u>	<u>\$ 52,158,574</u>	<u>\$ 52,437,725</u>	<u>\$ 520,703</u>

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STATISTICAL SECTION (UNAUDITED)

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2018

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# City of White Bear Lake, Minnesota

## Statistical Section

This part of the City of White Bear Lake's comprehensive annual financial report presents detailed statistical information. The following five sections provide the reader with historical data that is intended to provide valuable trend information and insight into the City's financial health.

### Contents

#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

#### Demographic and Economic Information

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

#### Operating Information

The schedules contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of White Bear Lake, Minnesota  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Years		
	2009	2010	2011
Governmental activities			
Net investment in capital assets	\$ 45,153,006	\$ 53,646,800	\$ 56,636,347
Restricted	2,153,446	4,096,440	-
Restricted for counseling center	-	-	81,200
Restricted for armory	-	-	52,622
Restricted for stormwater	-	-	28,590
Restricted for debt service	-	-	346,322
Restricted for economic development	-	-	2,359,897
Unrestricted	40,024,705	30,397,226	29,900,926
Total governmental activities net position	<u>\$ 87,331,157</u>	<u>\$ 88,140,466</u>	<u>\$ 89,405,904</u>
Business-type activities			
Net investment in capital assets	\$ 6,224,958	\$ 6,166,474	\$ 5,911,634
Unrestricted	5,050,173	4,830,266	4,998,444
Total business-type activities net position	<u>\$ 11,275,131</u>	<u>\$ 10,996,740</u>	<u>\$ 10,910,078</u>
Total primary government			
Net investment in capital assets	\$ 51,377,964	\$ 59,813,274	\$ 62,547,981
Restricted	2,153,446	4,096,440	-
Restricted for counseling center	-	-	81,200
Restricted for armory	-	-	52,622
Restricted for stormwater	-	-	28,590
Restricted for debt service	-	-	346,322
Restricted for economic development	-	-	2,359,897
Unrestricted	45,074,878	35,227,492	34,899,370
Total primary government net position	<u>\$ 98,606,288</u>	<u>\$ 99,137,206</u>	<u>\$ 100,315,982</u>

Note: The city implemented GASB Statement 54 in fiscal year 2011.



	Fiscal Years						
	2012	2013	2014	2015	2016	2017	2018
\$	53,729,136	\$ 65,111,033	\$ 70,454,106	\$ 69,690,757	\$ 66,342,321	\$ 66,079,290	\$ 63,483,876
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	46,181	-	-	-	-	-	-
	4,583	27,464	31,033	31,033	31,033	31,033	31,033
	341,258	258,435	192,389	127,709	103,228	139,623	122,200
	2,409,773	914,455	-	-	629,646	464,393	-
	35,589,459	32,231,764	27,617,496	29,293,742	28,839,930	26,022,816	31,026,459
\$	92,120,390	\$ 98,543,151	\$ 98,295,024	\$ 99,143,241	\$ 95,946,158	\$ 92,737,155	\$ 94,663,568
\$	5,829,454	\$ 4,422,893	\$ 4,259,544	\$ 4,189,988	\$ 4,034,239	\$ 3,935,132	\$ 5,070,706
	4,691,010	4,459,462	3,953,646	2,208,696	1,762,479	2,331,483	2,204,090
\$	10,520,464	\$ 8,882,355	\$ 8,213,190	\$ 6,398,684	\$ 5,796,718	\$ 6,266,615	\$ 7,274,796
\$	59,558,590	\$ 69,533,926	\$ 74,713,650	\$ 73,880,745	\$ 70,376,560	\$ 70,014,422	\$ 68,554,582
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	46,181	-	-	-	-	-	-
	4,583	27,464	31,033	31,033	31,033	31,033	31,033
	341,258	258,435	192,389	127,709	103,228	139,623	122,200
	2,409,773	914,455	-	-	629,646	464,393	-
	40,280,469	36,691,226	31,571,142	31,502,438	30,602,409	28,354,299	33,230,549
\$	102,640,854	\$ 107,425,506	\$ 106,508,214	\$ 105,541,925	\$ 101,742,876	\$ 99,003,770	\$ 101,938,364

City of White Bear Lake, Minnesota  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Years		
	2009	2010	2011
Expenses			
Governmental activities:			
General government	\$ 1,655,707	\$ 1,761,951	\$ 1,559,230
Community development	1,492,554	3,102,640	387,494
Public safety	5,015,310	5,043,588	5,278,869
Public works	2,992,460	2,247,410	3,901,382
Parks and recreation	858,973	852,109	752,502
Counseling center	640,967	681,744	505,904
Interest on long-term debt	181,387	135,929	278,754
Total governmental activities expenses	<u>12,837,358</u>	<u>13,825,371</u>	<u>12,664,135</u>
Business-type activities:			
Water	1,237,189	1,230,241	1,256,581
Sewer	2,273,588	2,423,828	2,480,514
Refuse	1,332,257	1,285,343	1,287,025
Sports Center	603,303	577,809	563,960
Ambulance	1,000,231	1,020,892	1,043,181
Pioneer Manor	225,026	277,697	235,010
License Bureau	525,831	516,445	501,058
Total business-type activities expenses	<u>7,197,425</u>	<u>7,332,255</u>	<u>7,367,329</u>
Total primary government expenses	<u>\$ 20,034,783</u>	<u>\$ 21,157,626</u>	<u>\$ 20,031,464</u>
Program Revenues			
Governmental activities			
Charges for services			
Community development	\$ 825,586	\$ 559,685	\$ 539,811
Public safety	1,417,608	1,178,852	1,349,852
Public works	1,718,326	1,723,124	1,514,084
Other activities	690,927	776,091	725,387
Operating grants and contributions	1,217,616	1,300,748	1,096,891
Capital grants and contributions	1,376,055	1,038,643	947,133
Total governmental activities program revenues	<u>7,246,118</u>	<u>6,577,143</u>	<u>6,173,158</u>

		Fiscal Years						
2012	2013	2014	2015	2016	2017	2018		
\$ 1,323,209	\$ 1,434,549	\$ 1,384,578	\$ 1,289,857	\$ 1,894,885	\$ 2,032,563	\$ 2,229,732		
945,394	1,599,276	2,200,586	976,641	1,274,267	1,303,137	996,161		
5,331,485	5,619,039	6,009,046	5,866,999	7,344,542	6,901,502	6,938,342		
3,296,517	2,376,178	3,032,841	3,316,921	6,081,952	5,136,511	3,477,255		
793,111	1,383,926	1,513,999	1,673,231	1,949,905	2,196,181	2,443,894		
240,232	-	-	-	-	-	-		
226,667	196,259	203,444	201,602	216,142	286,638	583,390		
12,156,615	12,609,227	14,344,494	13,325,251	18,761,693	17,856,532	16,668,774		
1,253,619	1,256,185	1,501,481	1,218,301	1,436,995	1,522,190	1,530,821		
2,331,164	2,432,860	2,356,471	2,407,703	2,583,293	2,821,396	2,717,434		
1,373,872	1,323,476	1,269,935	1,347,339	1,266,330	1,238,814	1,292,427		
627,507	-	-	-	-	-	-		
1,072,538	1,174,927	1,303,816	1,561,444	1,401,154	1,300,483	1,900,790		
232,459	240,515	231,469	221,177	231,666	275,119	265,272		
477,197	545,962	601,184	593,088	627,705	758,487	860,555		
7,368,356	6,973,925	7,264,356	7,349,052	7,547,144	7,916,489	8,567,299		
\$ 19,524,971	\$ 19,583,152	\$ 21,608,850	\$ 20,674,303	\$ 26,308,837	\$ 25,773,021	\$ 25,236,073		
\$ 667,976	\$ 648,104	\$ 466,380	\$ 486,528	\$ 552,222	\$ 601,369	\$ 534,884		
1,458,837	1,512,403	1,448,604	1,333,433	1,462,598	1,324,364	1,491,098		
344,646	2,138,913	1,607,337	2,852,668	1,198,061	1,248,613	2,545,402		
544,347	1,165,561	1,368,593	1,964,137	1,732,107	1,653,693	1,598,321		
944,466	1,860,303	969,094	758,819	2,013,226	1,773,381	2,529,915		
2,442,615	1,120,488	3,204,949	1,235,765	236,298	193,819	2,786,239		
6,402,887	8,445,772	9,064,957	8,631,350	7,194,512	6,795,239	11,485,859		

(Continued)

City of White Bear Lake, Minnesota  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Years		
	2009	2010	2011
Business-type activities:			
Charges for services			
Water	\$ 1,298,276	\$ 1,399,473	\$ 1,273,691
Sewer	2,234,153	2,251,182	2,348,587
Refuse	1,189,993	1,200,355	1,350,646
Sports Center	480,757	488,821	518,961
Ambulance	1,121,798	1,156,028	1,216,881
Pioneer Manor	351,149	351,276	363,633
License Bureau	759,608	743,680	825,609
Operating grants and contributions	55,936	61,382	96,085
Capital grants and contributions	-	94,526	10,917
Total business-type activities program revenues	<u>7,491,670</u>	<u>7,746,723</u>	<u>8,005,010</u>
Total primary government program revenues	<u>\$ 14,737,788</u>	<u>\$ 14,323,866</u>	<u>\$ 14,178,168</u>
Net (Expense)/Revenue			
Governmental activities	\$ (5,591,240)	\$ (7,248,228)	\$ (6,490,977)
Business-type activities	294,245	414,468	637,681
Total primary government net expense	<u>(5,296,995)</u>	<u>(6,833,760)</u>	<u>(5,853,296)</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes	4,806,798	4,788,335	5,020,540
Unrestricted grants and contributions	2,026,745	1,532,448	1,533,186
Investment earnings	636,830	395,275	455,281
Gain on sale of capital assets	1,475	13,328	-
Transfers	596,137	873,474	747,408
Total governmental activities	<u>8,067,985</u>	<u>7,602,860</u>	<u>7,756,415</u>
Business-type activities:			
Taxes	152,000	147,000	-
Investment earnings	31,038	33,615	23,065
Gain on sale of capital assets	-	-	-
Transfers	(596,137)	(873,474)	(747,408)
Total business-type activities	<u>(413,099)</u>	<u>(692,859)</u>	<u>(724,343)</u>
Total primary government	<u>\$ 7,654,886</u>	<u>\$ 6,910,001</u>	<u>\$ 7,032,072</u>
Change in Net Position			
Governmental activities	\$ 2,476,745	\$ 354,632	\$ 1,265,438
Business-type activities	(118,854)	(278,391)	(86,662)
Total primary government	<u>\$ 2,357,891</u>	<u>\$ 76,241</u>	<u>\$ 1,178,776</u>

		Fiscal Years											
		2012	2013	2014	2015	2016	2017	2018					
\$	1,299,555	\$	1,116,799	\$	1,130,956	\$	1,033,562	\$	1,317,467	\$	1,352,090	\$	1,631,823
	2,439,310		2,355,493		2,266,411		2,278,271		2,458,993		2,737,128		3,137,600
	1,283,336		1,271,011		1,266,393		1,331,974		1,287,837		1,313,995		1,345,541
	436,610		-		-		-		-		-		-
	1,261,191		1,289,760		1,467,576		1,533,843		1,364,463		1,819,626		1,617,467
	360,017		370,341		374,610		379,942		379,437		382,935		390,436
	911,822		903,202		966,451		1,009,610		1,036,532		971,880		972,573
	66,381		84,321		52,414		-		146,693		77,717		60,691
	30,000		-		-		-		-		-		-
	8,088,222		7,390,927		7,524,811		7,567,202		7,991,422		8,655,371		9,156,131
\$	14,491,109	\$	15,836,699	\$	16,589,768	\$	16,198,552	\$	15,185,934	\$	15,450,610	\$	20,641,990
\$	(5,753,728)	\$	(4,163,455)	\$	(5,279,537)	\$	(4,693,901)	\$	(11,567,181)	\$	(11,061,293)	\$	(5,182,915)
	719,866		417,002		260,455		218,150		444,278		738,882		588,832
	(5,033,862)		(3,746,453)		(5,019,082)		(4,475,751)		(11,122,903)		(10,322,411)		(4,594,083)
	5,380,530		5,693,462		5,101,437		5,430,074		5,425,913		5,638,926		6,161,456
	1,532,871		1,532,542		1,532,454		1,542,705		1,542,738		1,543,705		1,587,299
	332,293		(46,110)		435,659		275,401		314,014		390,231		556,126
	81,103		1,335,877		5,556		205,895		39,118		-		84,222
	986,417		878,661		929,620		881,506		1,048,315		279,428		1,056,920
	8,313,214		9,394,432		8,004,726		8,335,581		8,370,098		7,852,290		9,446,023
	-		-		-		-		-		-		-
	31,937		-		-		-		-		-		-
	-		15,334		-		12,236		2,071		10,443		16,546
	(986,417)		(878,661)		(929,620)		(881,506)		(1,048,315)		(279,428)		(1,056,920)
	(954,480)		(863,327)		(929,620)		(869,270)		(1,046,244)		(268,985)		(1,040,374)
\$	7,358,734	\$	8,531,105	\$	7,075,106	\$	7,466,311	\$	7,323,854	\$	7,583,305	\$	8,405,649
\$	2,559,486	\$	5,230,977	\$	2,725,189	\$	3,641,680	\$	(3,197,083)	\$	(3,209,003)	\$	4,263,108
	(234,614)		(446,325)		(669,165)		(651,120)		(601,966)		469,897		(451,542)
\$	2,324,872	\$	4,784,652	\$	2,056,024	\$	2,990,560	\$	(3,799,049)	\$	(2,739,106)	\$	3,811,566

City of White Bear Lake, Minnesota  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Years		
	2009	2010	2011
General Fund			
Unassigned	\$ -	\$ -	\$ 3,510,610
Unreserved, designated	2,725,000	2,830,000	-
Unreserved, undesignated	504,663	440,461	-
Total general fund	<u>3,229,663</u>	<u>3,270,461</u>	<u>3,510,610</u>
All Other Governmental Funds			
Restricted			
Counseling center	-	-	81,200
Armory	-	-	52,622
Surface water pollution prevention	-	-	28,590
Debt service	-	-	346,322
Economic development	-	-	2,359,897
Committed			
Armory	-	-	-
Marina	-	-	-
Sports center	-	-	-
Forfeiture	-	-	-
Debt service	-	-	721,342
Advances	-	-	2,350,000
Capital improvements	-	-	4,843,935
Economic development	-	-	1,016,897
Assigned			
Surface water pollution prevention	-	-	908,041
Capital improvements	-	-	11,959,978
Economic development	-	-	1,956,848
Unassigned			(3,190,990)
Reserved	2,153,446	3,096,440	-
Unreserved, designated, reported in:			
Debt service funds	-	307,956	-
Capital projects funds	29,237,859	23,080,595	-
Unreserved, undesignated, reported in:			
Special revenue funds	1,043,577	1,100,254	-
Debt service funds	-	(3,590,000)	-
Total all other governmental funds	<u>32,434,882</u>	<u>23,995,245</u>	<u>23,434,682</u>
Total fund balances	<u>\$ 35,664,545</u>	<u>\$ 27,265,706</u>	<u>\$ 26,945,292</u>

Note: The City implemented GASB Statement 54 in fiscal year 2011.

		Fiscal Years											
		2012	2013	2014	2015	2016	2017	2018					
\$	3,351,922	\$	3,564,689	\$	3,240,501	\$	3,275,500	\$	3,443,521	\$	3,604,779	\$	3,773,666
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	3,351,922		3,564,689		3,240,501		3,275,500		3,443,521		3,604,779		3,773,666
	-		-		-		-		-		-		-
	46,181		-		-		-		-		-		-
	4,583		27,464		31,033		31,033		31,033		31,033		31,033
	363,341		288,648		218,493		149,490		171,524		139,623		323,327
	2,409,773		914,455		-		-		629,646		464,393		-
	-		49,983		54,033		62,013		68,460		59,643		52,867
	-		188,910		275,010		408,717		420,002		73,083		166,994
	-		352,470		348,724		344,004		347,985		283,171		270,792
	-		-		-		-		153,554		128,818		61,614
	694,682		1,220,207		1,321,100		428,022		899,591		846,323		386,091
	2,080,000		1,430,000		1,325,000		1,220,000		1,025,000		1,000,000		1,750,000
	4,930,998		14,367,004		14,179,649		15,173,631		13,964,494		13,240,444		12,642,847
	1,002,251		915,912		1,116,556		1,104,556		1,113,652		2,837,301		3,261,231
	871,823		744,981		801,349		766,754		805,238		822,597		774,977
	14,590,161		4,068,818		3,610,771		3,553,171		3,726,267		2,775,587		5,091,368
	2,173,274		2,663,221		2,289,733		2,386,090		1,649,148		-		-
	(2,918,533)		(2,264,286)		(4,213,915)		(4,478,829)		(1,828,066)		(1,623,966)		(1,588,524)
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	26,248,534		24,967,787		21,357,536		21,148,652		23,177,528		21,078,050		23,224,617
\$	29,600,456	\$	28,532,476	\$	24,598,037	\$	24,424,152	\$	26,621,049	\$	24,682,829	\$	26,998,283

City of White Bear Lake, Minnesota  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Years		
	2009	2010	2011
<b>Revenues</b>			
Taxes	\$ 4,791,798	\$ 4,788,335	\$ 5,020,539
Licenses, fees and permits	514,734	517,972	411,812
Fines and forfeits	121,005	104,151	123,292
Charges for services	719,213	747,045	711,342
Special assessments	1,310,671	1,231,029	1,275,500
Intergovernmental	4,193,960	3,330,662	3,432,022
Investment earnings	636,830	395,275	429,018
Other revenues	1,822,778	1,826,853	1,824,871
<b>Total revenues</b>	<u>14,110,989</u>	<u>12,941,322</u>	<u>13,228,396</u>
<b>Expenditures</b>			
General government	1,029,587	1,042,178	1,243,838
Public safety	4,673,367	4,724,755	5,005,284
Public works	1,057,217	1,283,417	1,045,742
Parks and recreation	667,583	548,387	539,792
Social and economic development	1,781,609	3,760,019	905,740
Capital outlay	6,522,253	9,907,429	4,995,085
Debt service			
Interest	188,762	149,504	284,294
Principal	505,000	825,000	395,000
<b>Total expenditures</b>	<u>16,425,378</u>	<u>22,240,689</u>	<u>14,414,775</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(2,314,389)</u>	<u>(9,299,367)</u>	<u>(1,186,379)</u>
<b>Other Financing Sources (Uses)</b>			
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Sale of capital assets	3,325	13,328	12,765
Transfers in	3,816,255	8,392,456	3,680,690
Transfers out	(2,977,055)	(7,505,256)	(2,827,490)
<b>Total other financing sources (uses)</b>	<u>842,525</u>	<u>900,528</u>	<u>865,965</u>
<b>Net changes in fund balances</b>	<u>\$ (1,471,864)</u>	<u>\$ (8,398,839)</u>	<u>\$ (320,414)</u>
<b>Debt service as a percentage of noncapital</b>	5.9%	7.7%	6.0%



		Fiscal Years					
2012	2013	2014	2015	2016	2017	2018	
\$ 5,380,529	\$ 5,693,462	\$ 5,038,466	\$ 5,513,046	\$ 5,410,913	\$ 5,588,926	\$ 6,102,456	
481,975	539,126	575,525	743,511	637,247	696,282	785,141	
113,751	117,284	142,657	106,539	92,968	89,062	78,357	
651,379	1,070,868	965,652	962,246	1,243,285	989,085	1,035,730	
1,160,078	1,340,918	1,479,834	1,423,952	1,363,846	1,268,893	1,405,265	
3,245,182	4,476,834	3,932,027	3,316,877	3,574,867	3,318,121	4,146,233	
307,793	(74,110)	402,659	238,901	271,982	350,481	528,626	
1,832,038	1,982,071	3,476,927	3,013,404	2,271,189	2,280,430	3,463,864	
13,172,725	15,146,453	16,013,747	15,318,476	14,866,297	14,581,280	17,545,672	
1,094,681	1,178,625	1,227,203	1,179,741	1,396,395	1,617,010	1,653,756	
5,014,537	5,127,904	5,485,868	5,547,655	5,749,040	6,262,229	6,860,710	
1,145,039	899,077	1,459,540	1,827,692	1,848,175	3,231,023	2,135,159	
587,283	1,115,357	1,243,397	1,461,734	1,403,256	1,718,351	1,854,616	
949,448	1,592,501	2,186,706	967,991	1,121,905	1,294,178	1,053,737	
4,826,366	8,603,081	8,674,837	4,896,700	4,216,946	2,451,652	11,211,655	
283,668	188,130	207,553	205,925	169,628	312,139	425,058	
3,070,000	455,000	665,000	680,000	345,000	355,000	420,000	
16,971,022	19,159,675	21,150,104	16,767,438	16,250,345	17,241,582	25,614,691	
(3,798,297)	(4,013,222)	(5,136,357)	(1,448,962)	(1,384,048)	(2,660,302)	(8,069,019)	
5,205,000	-	-	-	2,275,000	-	9,180,000	
29,465	-	-	-	-	-	67,581	
196,376	1,585,303	6,647	262,667	51,960	47,082	79,972	
6,539,277	5,694,577	3,756,935	4,484,192	4,159,689	5,101,950	3,856,096	
(5,516,657)	(4,381,277)	(2,811,435)	(3,471,782)	(2,905,704)	(4,426,950)	(2,799,176)	
6,453,461	2,898,603	952,147	1,275,077	3,580,945	722,082	10,384,473	
\$ 2,655,164	\$ (1,114,619)	\$ (4,184,210)	\$ (173,885)	\$ 2,196,897	\$ (1,938,220)	\$ 2,315,454	
25.3%	6.0%	7.0%	7.4%	3.5%	4.5%	6.0%	

City of White Bear Lake, Minnesota  
 Assessed Tax Capacity and Market Value of Property  
 Last Ten Fiscal Years

Levy Year	Fiscal Year	Real Property		Personal Property	
		Assessed Tax Capacity	Market Value	Assessed Tax Capacity	Market Value
2009	2010	\$ 27,966,642	\$ 2,318,041,440	\$ 420,296	\$ 59,436,960
2010	2011	26,122,322	2,191,275,486	440,313	37,895,914
2011	2012	23,638,933	1,969,224,043	467,304	34,055,757
2012	2013	21,941,998	1,967,835,949	488,011	34,031,751
2013	2014	22,166,306	1,984,183,927	495,853	34,314,473
2014	2015	23,397,317	2,103,140,198	495,867	36,371,702
2015	2016	24,139,655	2,170,883,643	539,526	37,543,257
2016	2017	26,067,338	2,323,498,521	593,786	40,182,579
2017	2018	28,577,080	2,514,995,277	622,593	43,494,323
2018	2019	28,577,080	2,692,665,548	659,373	46,566,953

Source: Ramsey County and Washington County

Total			
Assessed Tax Capacity	Market Value	% Total of Assessed Tax Capacity to Market Value	Total Direct Tax Rate
\$ 28,386,938	\$ 2,377,478,400	1.19%	16.520
26,562,635	2,229,171,400	1.19%	17.705
24,106,237	2,003,279,800	1.20%	19.940
22,430,009	2,001,867,700	1.12%	21.496
22,662,159	2,018,498,400	1.12%	21.102
23,893,184	2,139,511,900	1.12%	20.367
24,679,181	2,208,426,900	1.12%	19.690
26,661,124	2,363,681,100	1.13%	18.969
29,199,673	2,558,489,600	1.14%	19.058
29,236,453	2,739,232,500	1.07%	20.143

City of White Bear Lake, Minnesota  
Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years

Tax Rates  
(Per \$100 of Tax Capacity Valuation)  
(Per \$100 of Market Valuation)

Fiscal Year	City				Ind. School District No. 624	Ramsey County	Other Special Districts	Total
	General Fund	Debt Service	Capital	Total				
2009	13.531	0.663	1.072	15.266	19.396	46.496	7.642	88.800
(A) 2009					0.174			0.174
2010	15.200	0.701	0.619	16.520	21.716	50.067	7.923	96.226
(A) 2010					0.191			0.191
2011	16.290	0.751	0.664	17.705	22.521	54.678	8.355	103.259
(A) 2011					0.241			0.241
2012	18.346	0.846	0.748	19.940	26.102	61.317	9.955	117.314
(A) 2012					0.248			0.248
2013	19.766	0.893	0.789	21.448	28.562	65.144	10.187	125.341
(A) 2013					0.264			0.264
2014	19.447	0.879	0.777	21.102	28.562	63.735	9.825	123.224
(A) 2014					0.273			0.273
2015	18.682	0.277	1.408	20.368	26.660	58.922	9.179	115.129
(A) 2015					0.240			0.240
2016	18.223	0.528	0.939	19.690	26.236	58.885	9.052	113.863
(A) 2016					0.235			0.235
2017	17.936	0.484	0.550	18.970	23.454	55.920	8.565	106.909
(A) 2017					0.212			0.212
2018	17.548	0.446	0.999	18.993	23.631	53.692	8.215	104.531
(A) 2018					0.223			0.223
2019	19.070	0.420	0.700	20.190	26.081	52.879	8.265	107.415
(A) 2019					0.232			0.232

(A) Voter approved referendums are levied against market value rather than tax capacity value of the taxing authority.

City of White Bear Lake, Minnesota  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value
White Bear Woods Apartments	\$ 508,277	1	1.74%			
Xcel Energy	482,656	2	1.65%	\$ 267,188	3	0.90%
White Bear Marketplace	310,890	3	0.84%			
Trane Corporation	244,806	4	0.79%	380,316	1	1.28%
The Waters of White Bear Lake	231,875	5	0.79%	205,838	6	0.69%
Birch Lake Townhomes	230,103	6	0.74%	292,762	2	0.99%
White Bear Shopping Center	217,272	7	0.73%	176,768	8	0.60%
Aspen Research	213,470	8	0.73%	225,068	4	0.76%
Sam's Club Retail	209,246	9	0.72%			
Taylor Corporation	205,942	10	0.70%	155,250	9	0.52%
Festival Foods				195,602	7	0.66%
K Mart Corporation				209,250	5	0.71%
Oak Ridge Pond Office Building				137,218	10	0.46%
<b>Total</b>	<b>\$ 2,854,537</b>		<b>9.43%</b>	<b>\$ 2,245,260</b>		<b>7.58%</b>
<b>Total Tax Capacity of City</b>	<b>\$ 29,236,453</b>			<b>\$ 29,639,594</b>		

Source: Ramsey County and Washington County

City of White Bear Lake, Minnesota  
Property Tax Levies and Collections  
For the Last Ten Fiscal Years

Levy Year	Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
2008	2009	\$ 4,556,518	\$ 4,482,377	98.37%	\$ 44,646
2009	2010	4,666,000	4,247,804 (1)	91.04%	49,790
2010	2011	4,666,000	4,337,357 (1)	92.96%	35,702
2011	2012	4,666,000	4,624,251	99.11%	14,820
2012	2013	4,755,000	4,734,372	99.57%	89,755
2013	2014	4,755,000	4,606,934	96.89%	(27,094)
2014	2015	4,845,000	4,841,359	99.92%	56,605
2015	2016	4,927,000	4,878,320	99.01%	25,970
2016	2017	5,173,000	5,076,444	98.13%	61,431
2017	2018	5,625,000	5,540,565	98.50%	-

(1) Tax collections reflect elimination of State market value credit aid totaling \$224,832 in 2010 and \$249,777 in 2011 being credited to residential property but being eliminated as a State reimbursement to the City. Property tax collections percentage would have been 95.9% in 2010 and 98.31% in 2011 if the State had remitted their obligation.

	Total Tax Collections	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
\$	4,527,023	99.35%	\$ 70,000	1.54%
	4,297,594	92.10%	60,000	1.29%
	4,373,059	93.72%	114,000	2.44%
	4,639,071	99.42%	105,000	2.25%
	4,824,127	101.45%	45,000	0.95%
	4,579,840	96.32%	47,882	1.01%
	4,897,964	101.09%	42,000	0.87%
	4,904,290	99.54%	15,000	0.30%
	5,137,875	99.32%	110,000	2.13%
	5,540,565	98.50%	169,000	3.00%

City of White Bear Lake, Minnesota  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government
	Special Assessment Bonds	Tax Increment Financing Bonds	Tax Abatement Bonds	Revenue Bonds		
2009	\$ 445,000	\$ 3,845,000	\$ -	\$ 130,000	\$ -	\$ 4,420,000
2010	-	3,465,000	-	-	-	3,465,000
2011	-	3,070,000	-	-	-	3,070,000
2012	2,555,000	2,650,000	-	-	-	5,205,000
2013	2,555,000	2,195,000	-	-	-	4,750,000
2014	2,340,000	1,745,000	-	-	-	4,085,000
2015	2,125,000	1,280,000	-	-	-	3,405,000
2016	1,920,000	3,415,000	-	-	-	5,335,000
2017	1,720,000	3,260,000	-	-	-	4,980,000
2018	7,375,000	3,035,000	3,330,000	-	-	13,740,000

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



Personal Income	Percentage of Personal Income	Population	Per Capita
\$ 1,197,326,364	0.37%	24,679	\$ 179.10
1,138,448,480	0.30%	23,797	145.61
1,199,083,236	0.26%	23,797	129.01
1,218,273,900	0.43%	23,820	218.51
1,286,899,744	0.37%	24,074	197.31
1,497,574,000	0.27%	24,100	169.50
1,347,975,564	0.25%	24,159	140.94
1,458,514,512	0.37%	24,138	221.02
1,458,514,512	0.34%	25,001	199.19
1,491,125,376	0.92%	25,512	538.57

City of White Bear Lake, Minnesota  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Market Value of Property	Percentage of Market Value of Property	Assessed Value of Property	Percentage of Assessed Value of Property
2009	\$ 4,290,000	\$ 2,484,102,200	0.17%	\$ 29,416,297	14.58%
2010	3,465,000	2,377,478,400	0.15%	28,386,938	12.21%
2011	3,070,000	2,229,171,400	0.14%	26,562,635	11.56%
2012	5,205,000	2,003,279,800	0.26%	24,106,237	21.59%
2013	4,750,000	2,001,867,700	0.24%	22,430,009	21.18%
2014	4,085,000	2,018,498,400	0.20%	22,662,159	18.03%
2015	3,405,000	2,139,511,900	0.16%	23,893,184	14.25%
2016	5,335,000	2,208,426,900	0.24%	24,679,181	21.62%
2017	4,980,000	2,558,489,600	0.19%	29,199,673	17.05%
2018	13,740,000	2,739,232,500	0.50%	29,236,453	47.00%

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

<u>Population</u>		<u>Per Capita</u>
24,679	\$	173.83
23,797		145.61
23,797		129.01
23,820		218.51
24,074		197.31
24,100		169.50
24,159		140.94
24,138		221.02
25,001		199.19
25,512		538.57

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City of White Bear Lake, Minnesota  
 Computation of Direct and Overlapping  
 Bonded Debt and Comparative Debt Ratios  
 December 31, 2018

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
Direct Debt:			
Special Assessments	\$ 7,375,000	100.00%	\$ 7,375,000
Tax Increment	3,035,000	100.00%	3,035,000
Tax Abatement	3,330,000	100.00%	3,330,000
Subtotal	<u>13,740,000</u>		<u>13,740,000</u>
City of White Bear Lake	<u>13,740,000</u>	100.00%	<u>13,740,000</u>
Overlapping Debt:			
Ramsey County	124,511,208	4.95%	6,167,573
Washington County	102,083,169	0.19%	192,160
Independent School District #622	122,273,490	0.12%	151,453
Independent School District #624	73,326,429	34.12%	25,018,960
Independent School District #832	47,641,173	2.51%	1,195,238
Independent School District #916	75,125,459	8.38%	6,293,173
Metropolitan Council - Parks	(17,955,910)	1.00%	(179,559)
Metropolitan Council - Regional Transit	93,858,599	1.00%	938,586
Total overlapping debt	<u>620,863,617</u>		<u>39,777,584</u>
Total direct and overlapping debt	<u>\$ 634,603,617</u>		<u>\$ 53,517,584</u>

Source: Information obtained from Ramsey County and Washington County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of White Bear Lake. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business 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.

City of White Bear Lake, Minnesota  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	2009	2010	2011	2012
Debt limit	\$ 47,549,568	\$ 44,583,428	\$ 64,046,034	\$ 55,413,426
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 47,549,568	\$ 44,583,428	\$ 64,046,034	\$ 55,413,426
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%

Market value		<u>\$ 2,739,232,500</u>
Debt limit - 3.00% of market value (Note A)		<u>\$ 82,176,975</u>
Total bonded debt	13,740,000	
Less (Note B)		
Tax Increment Bonds	3,035,000	
Special Assessment Bonds	7,375,000	
Tax Abatement Bonds	<u>3,330,000</u>	
	<u>13,740,000</u>	
Total debt applicable		-
Legal debt margin		<u>\$ 82,176,975</u>

The debt limit percentage of market value was established at 3.00% beginning in fiscal year 2011.

Note A:

M.S.A. Section 475.53 (Limit on Net Debt)

"Subdivision 1. Generally, except as otherwise provided in Sections 475.51 to 475.75 to municipality, except a school district or a city of the first class shall incur or be subject to a net debt in excess of 3.00% of the market value of taxable property in the municipality.

Note B:

M.S.A. Section 475.51 (Definitions) "Subdivision 4. Net Debt means the amount remaining after deducting from its gross debt the aggregate of the principal of the following":

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue-producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving funds.
5. Obligations issued for the acquisition, and betterment of public water works systems and public lighting, heating or power systems and of any combinations thereof, or for any combination thereof, or for any other public convenience from which a revenue is or may be derived.
6. Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.
7. All other obligations which under the provisions of the law authorizing their issuance are not to be included in computing the net debt of the municipality.

2013	2014	2015	2016	2017	2018
\$ 60,099,952	\$ 64,185,357	\$66,276,306	\$70,917,876	\$ 77,077,101	\$ 82,176,975
-	-	-	-	-	-
\$ 60,099,952	\$ 64,185,357	\$66,276,306	\$70,917,876	\$ 77,077,101	\$ 82,176,975
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of White Bear Lake, Minnesota  
Revenue Bond Coverage - Sports Center  
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (A)	Net Revenue Available for Debt Service	Principal	Interest
2009	\$ 639,378	\$ 539,212	\$ 100,166	\$ 120,000	\$ 8,365
2010	645,821	528,746	117,075	130,000	2,893
2011	520,961	523,940	(2,979)	-	-
2012	437,210	587,463	(150,253)	-	-
2013	480,060	527,229	(47,169)	-	-
2014	569,141	572,887	(3,746)	-	-
2015	525,367	530,087	(4,720)	-	-
2016	548,874	544,893	3,981	-	-
2017	499,566	564,380	(64,814)	-	-
2018	428,950	441,329	(12,379)		

(A) Direct Operating Expenses exclude related depreciation.



	Total Debt Requirements	Coverage
\$	128,365	78.03%
	132,893	88.10%
	-	
	-	
	-	
	-	
	-	
	-	
	-	

City of White Bear Lake, Minnesota  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	School District Enrollment (3)	Ramsey County Unemployment Rate (4)
2009	24,679	\$ 1,197,326,364	\$ 48,516	8,238	9.30%
2010	23,797	1,138,448,480	47,840	8,065	8.10%
2011	23,797	1,199,083,236	50,388	8,000	7.20%
2012	23,820	1,218,273,900	51,145	7,946	6.40%
2013	24,074	1,286,899,744	53,456	8,056	5.30%
2014	24,100	1,497,574,000	62,140	8,019	4.30%
2015	24,159	1,347,975,564	55,796	8,038	3.10%
2016	24,138	1,458,514,512	60,424	8,206	3.50%
2017	25,001	1,458,514,512	58,338	8,551	2.80%
2018	25,512	1,491,125,376	58,448	8,593	2.70%

Sources:

- (1) Metropolitan Council
- (2) U.S. Department of Labor
- (3) White Bear Lake Area School District
- (4) Minnesota Department of Economic Development - Ramsey County rate

City of White Bear Lake, Minnesota  
Principal Employment Industries  
Current Year and Nine Years Ago

Employer	2018			2009		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Educational Services	1,752	1	13.83%	2,367	1	20.84%
Health Care and Social Assistance Services	1,498	2	11.83%	1,465	3	12.90%
Accommodation and Food Services	1,466	3	11.57%	1,123	4	9.89%
Retail Trade	1,429	4	11.28%	1,624	2	14.30%
Manufacturing	1,138	5	8.98%	1,049	5	9.24%
Administrative, Support, Waste Management, and Remediation	829	6	6.55%			
Professional, Scientific and Technical Services	828	7	6.54%	480	7	4.23%
Wholesale Trade Services	809	8	6.39%	351	9	3.09%
Other Services (except Public Administration)	781	9	6.17%	763	6	6.72%
Construction	468	10	3.69%			
Finance and Insurance Services				358	8	3.15%
Public Administration				283	10	2.49%
<b>Total Industries Listed</b>	<b>10,998</b>		<b>86.83%</b>	<b>9,863</b>		<b>86.85%</b>
<b>Total City Employment</b>	<b>12,666</b>			<b>11,357</b>		

Source: Minnesota Department of Employment and Economic Development's website [www.positivelyminnesota.com](http://www.positivelyminnesota.com).

City of White Bear Lake, Minnesota  
 Full-Time Equivalent City Government Employees by Function/Program  
 Last Ten Fiscal Years

	2009	2010	2011	2012	2013
General government					
Legislative	0.65	0.65	0.65	0.65	0.65
Administration	1.85	1.75	1.75	1.75	1.55
Finance	4.60	4.80	4.80	4.90	4.90
City Hall	1.00	1.00	1.00	1.00	1.00
Elections	0.15	0.15	0.15	0.15	0.20
Planning	3.00	3.00	3.00	3.00	3.00
Public Safety					
Police	31.75	31.75	31.75	31.81	31.81
Dispatch	5.35	5.35	5.35	5.35	5.75
Fire	1.75	1.75	2.75	2.75	2.75
Building / Code Enforcement	5.00	5.00	5.00	5.00	5.00
Public Works					
Streets	4.70	4.70	4.70	4.70	4.70
Engineering	6.00	6.00	6.00	6.00	6.00
Garage	1.30	1.30	1.30	1.30	1.30
Public Works Facility					
Parks and recreation	5.50	5.50	4.70	5.70	5.70
Armory					
Surface Water					
Sports Center	3.85	3.85	3.85	3.85	3.85
Counseling Center	7.00	7.00	5.60		
Economic Development					
Water	4.80	4.80	4.80	4.80	4.80
Sewer	4.70	3.70	3.50	4.50	4.50
Refuse	0.60	0.60	0.60	0.60	0.60
Ambulance	3.25	3.25	3.25	3.25	3.25
License Bureau	11.40	11.40	7.85	8.35	9.75
<b>Total</b>	<b>108.20</b>	<b>107.30</b>	<b>102.35</b>	<b>99.41</b>	<b>101.06</b>

Note: Details regarding the City's full time equivalents can be found the in the City's budget document.

2014	2015	2016	2017	2018
0.65	0.65	0.50	0.50	0.50
1.55	1.55	2.30	2.30	2.50
4.90	4.90	5.00	5.00	5.00
1.00	1.00	1.40	1.40	2.00
0.20	0.25	0.40	0.20	0.00
3.00	3.00	3.00	4.00	3.00
31.81	31.81	32.01	32.01	33.00
5.75	5.75	5.50	5.50	1.75
2.75	2.75	3.00	3.00	4.10
5.00	5.00	5.00	6.00	6.00
4.70	4.70	4.20	4.20	4.00
6.00	6.00	6.00	6.00	6.00
1.30	1.30	1.30	1.30	1.00
				0.90
5.70	5.70	6.40	6.40	6.00
	0.35	0.35	0.35	0.35
		0.50	0.50	0.50
3.85	3.50	3.50	3.50	4.15
			0.50	1.50
4.80	4.80	4.70	4.70	4.70
4.50	4.50	4.40	4.40	4.40
0.35	0.70			
7.25	7.25	7.25	7.25	14.30
9.80	8.90	10.10	11.10	11.30
104.86	104.36	106.81	110.11	116.95

City of White Bear Lake, Minnesota  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Building				
Building permits issued	753	759	777	762
Other permits issued	1,161	1,458	1,366	1,503
Police				
Number of Calls for Service	14,169	23,229	29,000	27,466
Administrative Citations				
City	872	411	378	309
State		186	273	292
Total	872	597	651	601
Fire				
Fire calls*	141	147	132	115
Staged responses (Silent)*	277	351	288	278
Rescue calls*	70	69	67	103
Staffed responses*	-	-	-	-
Call-back responses*	-	-	-	-
Parks				
Reservations	261	296	279	259
Water				
Gallons pumped	976,543,000	897,078,000	885,638,000	963,288,000
Water main breaks	16	17	11	23
Refuse				
Accounts serviced each week	7,545	7,553	7,575	7,579
Ambulance				
Ambulance calls	2,618	2,700	2,786	2,842
License Bureau				
Motor Vehicle transactions	88,548	87,268	92,361	89,623
Drivers License transactions	17,981	18,032	17,859	19,112
DNR licenses	6,487	6,608	6,290	6,719
Game and Fish licenses	624	703	584	1,049

Note: Details regarding the City's operating indicators can be found in the annual finance director's summary to the City Manager.

\* In 2018, the fire department no longer has staged responses or rescue calls - fire calls are now classified as either staffed responses or call-back responses.

Fiscal year						
2013	2014	2015	2016	2017	2018	
795	740	968	883	1,156	1,356	
1,401	1,332	1,537	1,479	1,461	1,622	
27,659	28,293	24,270	26,475	28,491	26,538	
338	295	309	207	44	30	
291	455	352	292	383	409	
629	750	661	499	427	439	
104	130	126	115	229	-	
315	361	339	359	226	-	
111	114	104	136	129	-	
-	-	-	-	-	300	
-	-	-	-	-	503	
267	268	242	240	311	342	
902,001,000	805,400,000	777,995,000	815,073,000	813,123,000	731,118,167	
18	23	11	13	16	17	
7,585	7,597	7,662	7,660	7,654	7,601	
2,841	2,971	2,739	2,631	2,948	3,047	
88,226	88,192	94,280	94,842	90,085	88,923	
18,372	18,547	18,634	18,696	17,724	18,090	
6,685	6,184	6,214	6,676	5,747	6,316	
969	845	648	538	500	439	

City of White Bear Lake, Minnesota  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Public Safety				
Police				
Stations	1	1	1	1
Patrol Vehicles	18	17	17	17
Fire				
Stations	2	2	2	2
Fire trucks (1)	6	6	6	6
Rescue boats with motors	3	3	2	2
Public Works				
Streets				
Miles	114.84	114.81	114.81	114.81
Street lights	515	515	515	515
Parks and recreation				
Public Docks (1)	11	7	9	9
Outdoor ice rinks	7	2	5	5
Playgrounds	9	9	11	11
Softball fields	13	13	13	13
Basketball court	1	2	2	2
Disc golf course	1	1	1	1
Sports Center				
Indoor ice rink	1	1	1	1
Racquetball courts	4	4	4	5
Water				
Miles of watermains	126.81	126.81	126.81	126.81
Fire hydrants	906	906	907	907
Water tower storage	5,000,000	5,000,000	5,000,000	5,000,000
Sewer				
Miles of storm sewers	48.80	49.37	49.72	50.02
Miles of sanitary sewers	120.36	120.36	120.36	120.36

Sources: Various city departments

Note:

(1) Street miles listed on this report includes City, County, MSA, State and Private mileage within the City limits.



	Fiscal Year					
2013	2014	2015	2016	2017	2018	
1	1	1	1	1	1	1
18	18	17	19	19	20	
2	2	2	2	2	2	2
6	6	6	6	6	6	6
2	2	2	2	2	2	2
114.81	114.81	114.81	114.81	114.81	114.81	114.81 (1)
515	515	515	515	515	523	
9	9	9	9	9	9	9
5	5	5	5	5	5	5
11	11	11	11	11	11	11
13	13	13	13	13	13	13
2	2	2	2	2	2	5
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	5
126.81	126.81	126.81	126.81	126.81	126.81	126.95
907	907	907	907	907	907	908
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
50.02	50.02	50.61	50.61	50.61	50.61	50.97
120.36	120.36	120.36	120.36	120.36	120.36	120.36