



White Bear Lake, Minnesota

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2021

CITY OF WHITE BEAR LAKE, MINNESOTA

PREPARED BY
FINANCE DEPARTMENT

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Finance Director

Jessica Saari
Assistant Finance Director

(Member of the Government Finance Officers Association
of the United States and Canada)

Cover photo courtesy of Bob Gillen
A Scow in the Sun

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**CITY OF WHITE BEAR LAKE, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021**

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

FOR THE YEAR ENDED
DECEMBER 31, 2021

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CITY OF WHITE BEAR LAKE, MINNESOTA

Elected and Administrative Officials

December 31, 2021

ELECTED OFFICIALS

TERMS EXPIRE

Mayor, Jo Emerson

January, 2022

Council Members:

1st Ward, Bill Walsh

January, 2024

2nd Ward, Doug Biehn

January, 2022

3rd Ward, Dan Jones

January, 2024

4th Ward, Kevin Edberg

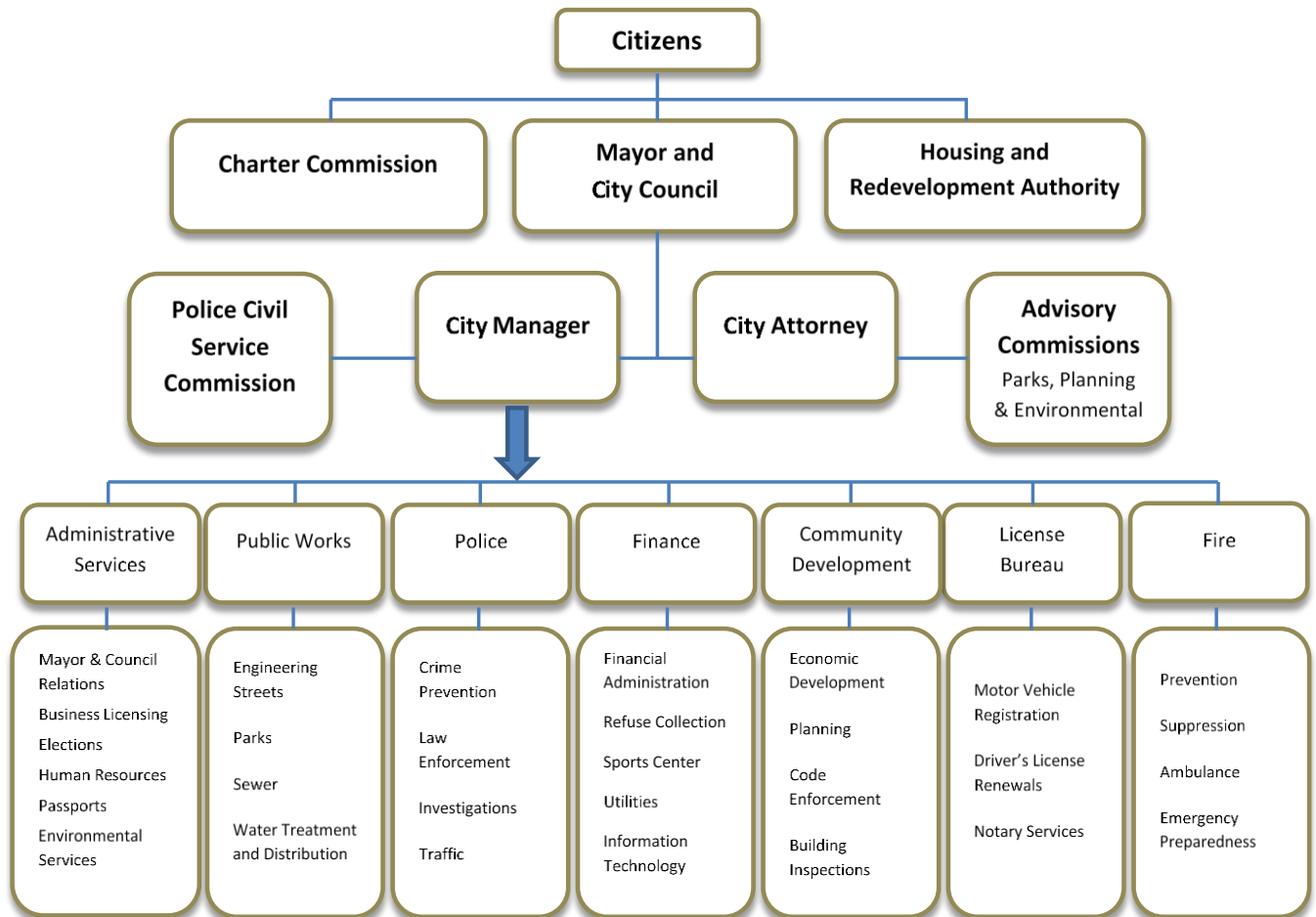
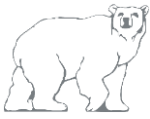
January, 2026

5th Ward, Steven Engstran

January, 2024

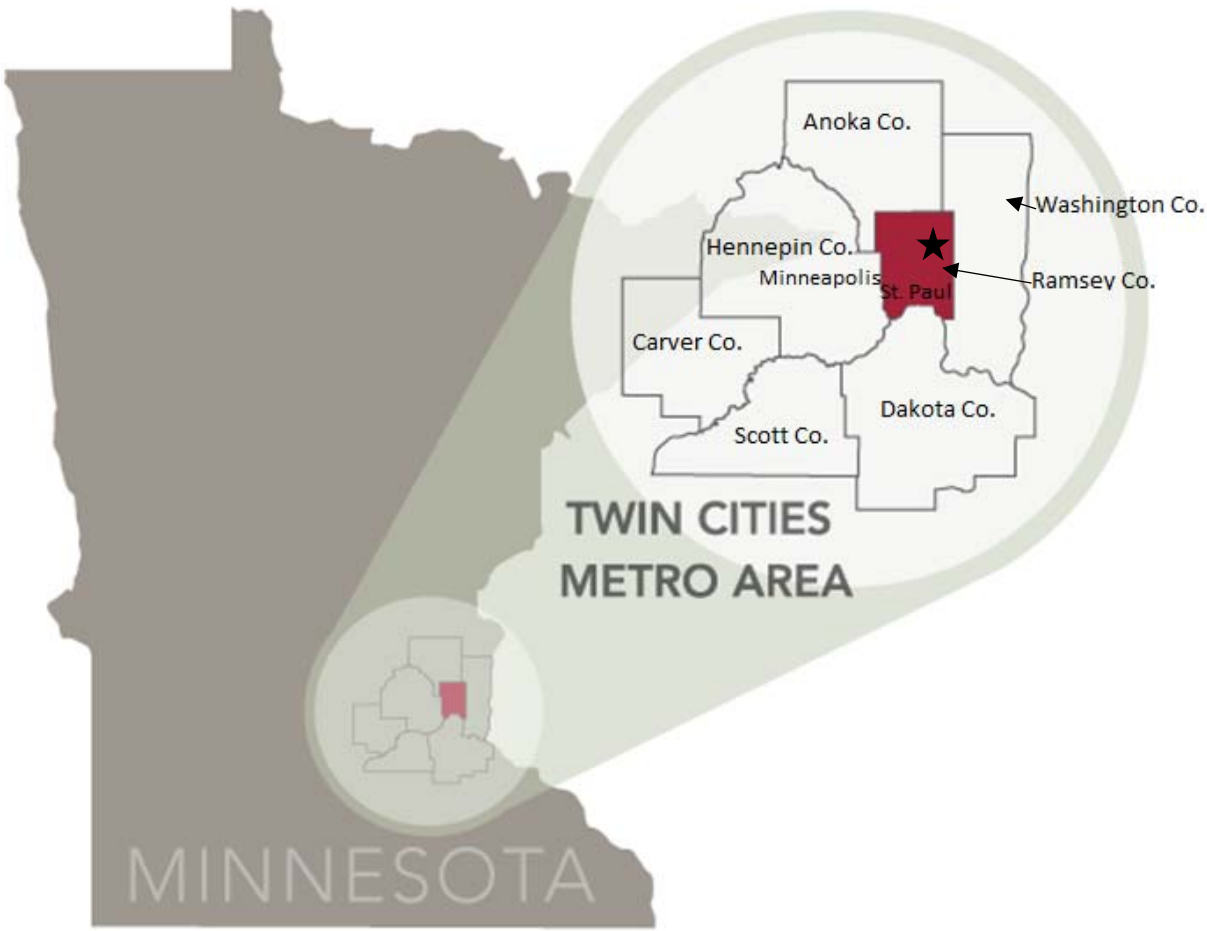
ADMINISTRATIVE OFFICIALS

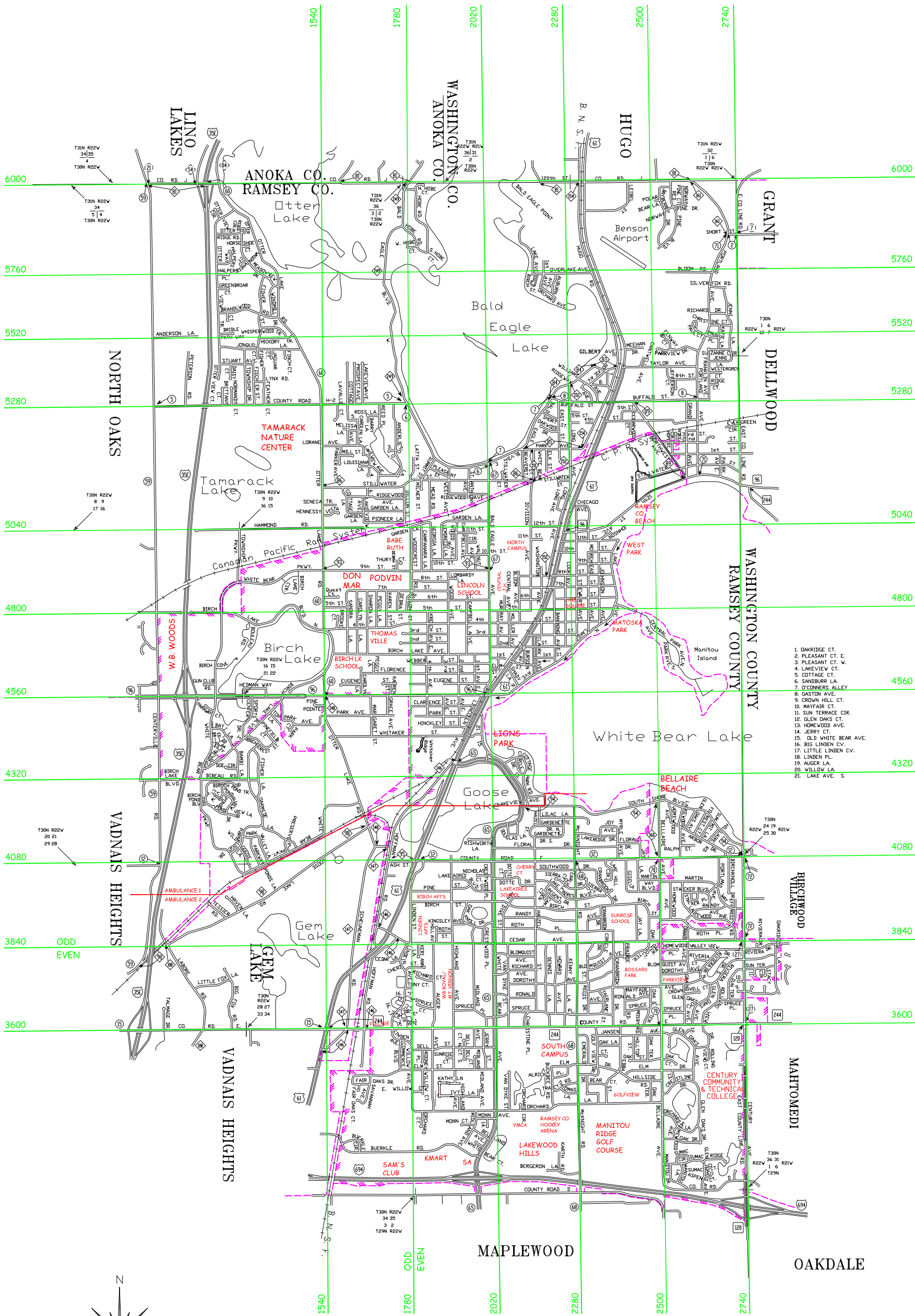
City Manager, Lindy Crawford
Community Development Director, Anne Kane
City Engineer, Paul Kauppi
Finance Director, Kerri Kindsvater
Police Chief, Julie Swanson
Fire Chief, Greg Peterson



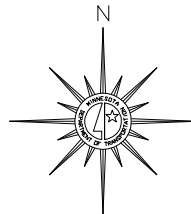
City of White Bear Lake

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.



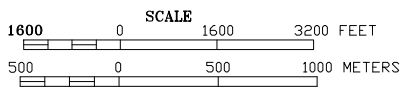
LEGEND

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

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

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



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.

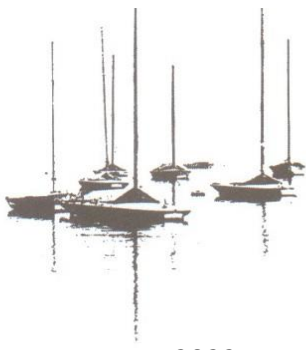
Rich land, abundant game, and scenic lakes attracted the early pioneers to this area. In 1858, the year Minnesota became a state, these first European-American settlers established White Bear Township, which consisted of 36 square miles of land. As word of its scenic landscape spread, the town grew into 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
TDD (651) 429-8511 • Fax (651) 429-8500
Phone (651) 429-8526

May 5, 2022

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

Minnesota State Statutes require each city to issue an annual report on its financial position and activity prepared in conjunction with accounting principles generally accepted in the United States of America. In accordance with the State Statutes and White Bear Lake City Charter provisions, we respectfully submit the Annual Comprehensive Financial Report (ACFR) of the City of White Bear Lake as of December 31, 2021 and for the year then ended.

The City of White Bear Lake's management is responsible for the accuracy, completeness, and the fairness of this report. We believe the report is accurate in all material aspects, 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 conditions have been included.

The Annual Report consists of three sections: Introductory, Financial and Statistical. The Introductory section includes this transmittal letter, a list of principal officials, the City's organizational chart, maps and historical information about the City. The Financial section includes the independent auditor's report, Management's Discussion & Analysis (MD&A), financial statements and financial schedules. The Statistical section includes select financial and demographic information, generally presented on a multi-year basis.

For additional discussion of the financial information, please refer to the Management's Discussion and Analysis document.

Government Structure

The City operates with a Modified Council-Manager form of government within the structure and powers of its home rule charter, which was first adopted in 1921. The city charter presents the mayor as the chief executive officer of the City, with the position 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 override the mayor's veto with a four-fifths vote of all members.

An at-large election occurs for the mayor position, which is a four-year term. The five councilmembers are elected by wards and serve four-year staggered terms. The elections for mayor, wards two and four coincide with each other and two years later the elections for wards one, three and five coincide with each other. The council is elected on a non-partisan basis.

The council establishes policies, passes ordinances for municipal regulation, adopts the budget, appoints committee members, and hires both the city's manager and attorney. The city manager is responsible for executing the ordinances and policies of the city council, overseeing the day-to-day operations of the government, appointing department supervisors, recommending and enforcing the budget, and keeping the mayor and city council advised as to the financial needs and condition of the City.

City Profile

The City of White Bear Lake is a second-tier St. Paul suburban community within two counties. The majority of the City is in northeast Ramsey County; however, a small section of the southeast area lies within western Washington County. The City incorporates an area of approximately 10 square miles, with a 2020 population of 24,883, according data from the U.S. Census Bureau. The City is approximately 12 miles from downtown St. Paul and 20 miles from the Minneapolis/St. Paul International Airport.

Reporting Entity

This report contains the financial information relating to all funds of the City of White Bear Lake and its component units. The City provides a full range of municipal services to its citizens. These services include, but are not limited to general administration; planning; building and code enforcement; police and fire protection; construction and maintenance of streets; parks and recreational facilities; surface water pollution prevention; housing and economic development; water and sanitary sewer utilities; refuse collection and disposal; ambulance service, a senior housing facility and deputy registrar 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 consists of the five council members with the city manager serving 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.

Independent Audit

The City Council appointed the Certified Public Accountants with Abdo to audit the City's financial statements. The independent audit involved examining evidence on a test basis to support both 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, 2021, are presented in conformity with Generally Accepted Accounting Principles (GAAP) accepted in the United States of America.

Accounting System and Internal Controls

This report, with its accompanying financial statements and statistical tables, was prepared in conformance with governmental accounting and financial reporting principles developed by the Governmental Accounting Standards Board (GASB).

Specific funds account for all financial transaction of the city. The City's accounting records are maintained on the accrual or the modified accrual basis, as appropriate. The notes to the financial statement (Note 1) present a summary of the significant accounts policies.

In developing and evaluating the City's accounting system, management established internal controls designed to safeguard the assets and provide proper recording of all financial transactions. Because of inherent limitations, no set of control procedures can absolutely assure that all issues, including fraud, have been eliminated or detected. Inherent limitations exist through the possibility of faulty judgments, errors, circumvention, collusion and management override. To the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

Long-Term Financial Planning

The City utilizes a Capital Improvement Plan (CIP) and Financial Management Plan (FMP) for long-term planning purposes.

The CIP provides 10-year information on major maintenance and replacement needs for all City facilities, 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 FMP allows the City to project expected revenues, operating expenditures, and CIP expenditures over a 10-year period to help anticipate financial requirements in future years. Annual updates to the forecast include each year's final audit results, approved budget amounts, and updated CIP data. The FMP analysis only assumes known decisions and does not presume future decisions of the Council.

Through these planning tools, the City analyzes each capital budget to determine if sufficient resources are in place to meet future infrastructure improvements with the goal of maintaining the fund balances at levels set by the City Council. In years when General Fund balances exceed the fund balance requirements, the excess amounts are allocated to the Equipment Acquisition, Municipal Building, or Construction Fund to provide additional financial support and reduce the need for future debt issuance to support operations.

Budget Preparation and Controls

Preparing the City's annual budget is a formal process that incorporates the data from the CIP, FMP, cash flow projections, and department operating plans into one overall document that aligns with the City's policies for operations, financial management, debt management, reserves, investments, and amendments. The City creates a budget for all City funds.

Budget preparations begin early each year with departments updating their CIP. This information flows into the FMP for discussion on funding for large-scale purchases and projects with the City Council each April. Each city department submits their operating budget requests to the finance department in July. These requests combine with projected revenue data and results from the FMP discussion to begin development of the budget. The city manager and finance director present a preliminary balanced budget to the Council prior to September 15 each year. At that time, the Council sets the preliminary tax levy. The Council holds budget work sessions and a formal public hearing before adopting the final budget and tax levy before December 20. The Council may adopt a final tax levy in December that is lower than the preliminary amount set in September; however, the levy may not increase.

The city manager has expenditure discretion within expenditure categories; however, adjustments between departments or funds require a budget amendment adopted by the Council.

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 maintain operational efficiencies, thus avoiding any need for short-term borrowing to meet operational requirements.

The City's General Fund reserve for cash flow totals \$4,010,000 and represents roughly one-half of the City's projected property tax collection, local government aid (LGA), and police aid payments; which are the 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 \$3,085,480 in debt obligation that has general property taxes as its sole source of revenue. The City has 96% of its legal debt limit, or \$91,722,803 available for debt bonding as of December 31, 2021. Net of premiums and discounts, the City has \$23,053,678 outstanding in Tax Increment, Special Assessment, and Tax Abatement debt as of December 31, 2021.

The City anticipates incurring debt obligation in 2022 to finance the 2022 street improvement project and the first of two issues to support the renovation and expansion of the Public Safety Facility. The second bond obligation for the Public Safety Facility will occur in 2023.

Debt Administration

In 2021, S&P Global Ratings affirmed their AA+ long-term rating to the City of White Bear Lake. The AA+ rating is one step below the highest possible rating of AAA. S&P Global Ratings cited the City's very strong economy, strong management, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, weak debt and contingent liability profile and strong institutional framework score as the basis for their rating.

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 within the context of the external economic environment. The following three sections will provide information on the local economy, redevelopment activities and future development opportunities.

LOCAL ECONOMY

As part of the Minneapolis/St. Paul metropolitan area, the City is immersed in an economically diverse urban environment. Through the years, the metropolitan area has built a vibrant business base, including companies involved in manufacturing 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. This economic diversity and the tourism/hospitality industry's comparatively smaller portion of the economy as a whole for the region has allowed the greater metropolitan area fare better than many other areas in the country through difficult times.

White Bear Lake residents and businesses benefit from the following community assets: a highly educated work force; moderately priced housing; access to advanced technology; available capital and an excellent transportation system including two major state highways and two federal interstate highways, which allow easy mobility in any direction. This transportation network makes White Bear Lake an ideal location for commercial/industrial development and redevelopment. In addition, the White Bear Lake area is considered a regional entertainment and tourist destination, with a quaint downtown shopping district, attractive outdoor recreation opportunities with lakes, recreation trails and parks, a growing Arts District, and many community events throughout the year.

The community’s approval of a referendum in 2019 to finance a \$326 million multi-year improvement plan for additions and renovations to the White Bear Lake Area School District buildings makes our community an even more attractive place to families with children. Additionally, one aspect of the project provides a renewed economic energy in the downtown area as we see more events at the newly expanded high school campus, located adjacent to the downtown. The project will be completed 2024, with the district’s grades 9-12 student body being united at one campus for the first time since 1972.

The outbreak of the COVID-19 in early 2020 created engagement opportunities between the City, residents, businesses and non-profit organizations to focus on sustaining the local economy. During that time, the City also collaborated with other community stakeholders such as the White Bear Lake Economic Development Corporation, White Bear Area Chamber of Commerce, White Bear Lake Main Street Inc., and the Explore White Bear group to develop creative efforts to help small businesses within the community weather the difficult times.

According to the Bureau of Labor Statistics, the unemployment rate within the community spiked to 12.5% in May 2020 and has since returned to pre-pandemic levels, with a February 2022 unemployment rate of 2.5%. Additionally, the February 2022 employment level of 12,893 shows employment levels nearing those seen prior to COVID-19, which in the time period from January 2018 to February 2020 ranged from a low of 12,896 in January 2018 to a high of 13,264 in February 2020. The diverse labor market within the Minneapolis/St. Paul metropolitan area, which includes White Bear Lake, has outperformed the nation as a whole, which recorded an unemployment rate high of 11.7% in May 2020 and 2.4% as of February 2022.

The City realized a slight dip in building permit activities during the pandemic; however, the permitting activities exceeded pre-pandemic levels during 2021. The additions and renovations to the White Bear Lake Area School District buildings provided a significant portion of the growth during the year.

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Permits Issued	2,687	2,599	2,817
Permit Valuations (all types)	\$ 65,328,427	\$ 54,730,496	\$ 137,576,203
New Construction activities only	\$ 37,575,730	\$ 11,140,000	\$ 7,006,960

The City anticipates 2022 construction activity to remain at the 2021 level as the school district project continues and then return to the 2019 levels in 2023.

The County Assessor's valuation of the median value home within the community increased 1.68% to \$260,300 in the 2021. The housing market remained extremely competitive during 2021 with homes selling quickly when placed on the market causing a low inventory of available homes for sale in the community. Per the Minneapolis Area Realtors Association, with the exception of May 2021, September 2020 was the last time the City consistently had more than a one month's supply of for sale housing available. The group considers a five-month supply of available housing to be a balanced market. As of February 2022, the rolling 12-month period median home sales price in White Bear Lake was \$320,000, with a 12.3% increase in median sales prices.

REDEVELOPMENT ACTIVITIES

While the Council understands the importance of maintaining the City's tax base, economic stability, and providing employment opportunities through the promotion of its commercial and industrial sectors, a strong residential housing market is equally important to the City's economic and social vitality. During 2019, the City invested in a comprehensive market assessment to gain an understanding of the opportunities, challenges and demographic trend impacting housing needs. Results show that in the next 10 years, the City will experience population and household growth, but with a decreasing average household size, the household growth will be exponentially higher. A lack of supply and a robust demand in White Bear Lake (and the Twin cities in general) is causing both owner and renter occupied housing costs to increase. As a continuation of efforts to evaluate the best methods to meet the community's housing needs and achieve the City's housing goals, a Housing Task Force was created. The group engaged with the community, evaluated housing data and best practices from other communities, and deliberated over a set of recommendations to bring forward for the Council's consideration. The Council will use these recommendations as a guide to ensure the City's current and future housing stock remains vibrant and continues to meet the community's needs. These recommendations will assist the Council in making decisions that influence housing regulations, ordinances and other homebuyer programs.

Construction of a 192-unit market-rate apartment complex at the northwest corner of County Road E and Linden Avenue commenced in the fall of 2019. The property was open for occupation in April 2021, and was leasing ahead of projections, with 85-95% occupancy rates reported by Fall 2021. Notably, original estimates of taxable market value for this project were around \$30,000,000 and the preliminary market value for taxes payable in 2023 is \$41,090,400. The developer has submitted an application for conceptual plan approval for a second phase of construction with a proposed 243 unit building. If they receive the land use and building permits necessary to begin construction, they hope to break ground in the later part of 2022.

While the city is nearly fully developed, subdivisions of existing developments create opportunities for additional single-family housing. Recently a six-unit subdivision was approved by Council and a nine-unit subdivision will be breaking ground at the end of April 2022. Staff continues to work with developers to find creative opportunities for infill residential development.

The downtown area remains active with minimal vacancies, year-round occupancies and considerable investment in building façade improvements. Renovations to two historic buildings in the downtown district created a two-story, full-service restaurant and unique office space for small businesses in the past few years. These projects offer opportunities for other business owners to see the benefits of improvement projects to their neighboring properties. Additionally, as a regional hub for visitors, the continued growth in housing supply both within White Bear Lake and in surrounding communities bodes well for a growing customer base for businesses in our central business district and throughout our community as a whole.

FUTURE DEVELOPMENT

The County Road E Corridor remains a primary focus of the White Bear Lake Economic Development Corporation as there are opportunities for redevelopment and intensification of key intersections, vacant or underutilized sites, and infill properties. The City was awarded funding through a Ramsey County Corridor Improvement Program to develop a comprehensive plan for revitalization of this corridor and plans to launch this work in 2022. The City's Revolving Loan and Grant Program expanded in 2017 to include County Road E area as an incentive for business improvements.

The City's 2040 Comprehensive plan incorporates both a Housing and an Economic Competitiveness section which guide the community's future development. Much of this work is expected to create new investment opportunities for White Bear Lake, capitalize on opportunity sites, generate new resources for homeowners and businesses, and help create an economic development plan to guide the community through 2040.

In addition to private investment in the community, Phase 1 and 2 of the Bruce Vento Regional Bike Trail represents a major Ramsey County investment into the City's biking infrastructure. Once complete, the trail will connect the City to the region's extensive and nationally recognized biking system. In addition, it is likely this corridor will enhance nearby property values, as it will bring additional bike tourism to the community, which is known in the tourism industry to bring visitors who spend more in a region than an average visitor.

As previously mentioned, in November 2019, voters in the White Bear Lake Area School District approved a \$326 million building bond request to address building needs across the district. The multi-year improvement plan will include additions and renovations to current buildings. The plan is both complex and comprehensive as it touches each of the District's buildings in some way. Initial stages of the project began in late 2020 and will continue in 2022.

The Community Development Department continues to receive numerous inquiries for potential commercial and residential projects, as well as inquiries looking for sites and anticipates this

trend to continue.

Pension Reporting

The City's Comprehensive Annual Financial Report dated December 31, 2021 incorporates GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". The Statement requires the City to report a net pension liability of \$1,991,983. The City calculates this liability by comparing its share of the Statewide plan (PERA) of \$5,517,669 with its share of the local Fire Relief Association credit (over 100% funded) of \$3,525,686.

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 are made sufficiently funded rather than requiring the local governmental unit to fund its pension deficits.

Reporting Awards

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, 2020. This was the thirty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement in Excellence Reporting, the City must publish an easily readable and effectively organized annual report. This report satisfies both the General Accepted Accounting Principal and legal requirements.

A Certificate of Achievement for Excellence in Financial Report is valid for a period of one year only. The City will submit the December 31, 2021 financial report 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, 2021, which represents the twentieth consecutive year the City has received the award. In order to qualify for the Distinguished Budget Presentation Award, the City'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.

May 5, 2022

Acknowledgements

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 to Jessica Saari, Assistant Finance Director, who diligently prepared the audit work papers, developed the finance report, and the statistical section. Recognition is also extended to the Mayor and 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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

FOR THE YEAR ENDED
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



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 33, 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 and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios starting on page 118 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 May 5, 2022, 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.

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Minneapolis, Minnesota
May 5, 2022



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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, 2021. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$102,618,107 (net position). Of this amount, \$38,154,367 (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 \$31,937,807, an increase of \$1,823,425. Although expenditures exceeded revenues by \$765,598, the issuance of \$1,815,000 in bonds and transfers in of \$4,555,136 resulted in an increase in fund balance.
- At the end of the current fiscal year, the General Fund's unassigned fund balance totaled \$6,657,580. The General fund unassigned balance represents 56.9% of the total General Fund expenditures for the current fiscal year.
- The City's total debt increased by \$3,537,512 during the current fiscal year. The City issued 2021A G.O. Bonds for the financing of street construction, capital equipment acquisition, and water meter replacement.

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, community development, 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 49 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 seven 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, Non-Bonded Debt Fund, Construction Fund, Municipal Building 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 seven 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 54 through 61 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. 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 and Employment Expense. 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 62 through 68 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 statements can be found on page 72 and 73 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 75 through 116 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 118 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 136 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 \$102,618,107 at the close of the most recent fiscal year.

Statements of Net Position

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Current/Other Asset	\$ 48,392,428	\$ 44,591,665	\$ 8,112,143	\$ 6,558,537	\$ 56,504,571	\$ 51,150,202
Capital Assets	75,703,787	77,138,223	7,013,865	5,320,207	82,717,652	82,458,430
Total Assets	<u>124,096,215</u>	<u>121,729,888</u>	<u>15,126,008</u>	<u>11,878,744</u>	<u>139,222,223</u>	<u>133,608,632</u>
Deferred Outflows of resources	7,577,459	3,953,819	1,943,163	1,033,043	9,520,622	4,986,862
Long-term liabilities	27,025,030	27,805,069	4,795,557	3,029,190	31,820,587	30,834,259
Other liabilities	2,609,528	1,136,991	803,443	529,699	3,412,971	1,666,690
Total Liabilities	<u>29,634,558</u>	<u>28,942,060</u>	<u>5,599,000</u>	<u>3,558,889</u>	<u>35,233,558</u>	<u>32,500,949</u>
Deferred Inflows of resources	8,622,519	3,804,751	2,268,661	875,931	10,891,180	4,680,682
Net Position						
Net Investment in Capital assets	56,335,785	59,068,600	4,140,024	4,400,818	60,475,809	63,469,418
Restricted	3,987,931	2,671,668	-	-	3,987,931	2,671,668
Unrestricted	33,092,881	31,196,628	5,061,486	4,076,149	38,154,367	35,272,777
Total	<u>\$ 93,416,597</u>	<u>\$ 92,936,896</u>	<u>\$ 9,201,510</u>	<u>\$ 8,476,967</u>	<u>\$ 102,618,107</u>	<u>\$ 101,413,863</u>

By far, the largest portion of the City's net position (58.9 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 3.9 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 \$38,154,367, which represents 37.2 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.

Deferred outflows of resources increased \$4,533,760 from 2020 as a result of changes in actuarial assumptions relating to the pension and OPEB plans. Deferred inflows of resources also increased \$6,210,498 as a result of changes in actuarial assumptions relating to pension plans.

CHANGES IN NET POSITION

The City's net position totaled \$102,618,107 at December 31, 2021 compared to \$101,413,863 as of December 31, 2020. This represents an increase of \$1,204,244 for fiscal year 2021. The increase is attributable to a decrease in expenses as compared to 2020 amounts.

Governmental activities net investment in capital assets decreased \$2,139,043. Governmental net capital assets increased by \$2,373,256, however the net investment in capital assets was decreased by an increase in bonds payable. Another factor impacting governmental activities is the depreciation of streets and storm sewers (20-25 years).

Business-type net position increased \$724,543 or approximately 7.9 percent. This increase is mainly due to the increase in charges for services and operating grants and contributions exceeding the increase in expenses.

Statements of Changes in Net Position

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 4,983,056	\$ 4,079,008	\$ 10,587,676	\$ 9,549,298	\$ 15,570,732	\$ 13,628,306
Operating grants and contributions	1,658,897	3,579,830	261,657	210,076	1,920,554	3,789,906
Capital grants and contributions	2,054,214	1,502,431	-	379,351	2,054,214	1,881,782
General revenues:						
Property Taxes	7,369,573	6,883,703	-	-	7,369,573	6,883,703
Other Taxes	968,626	593,063	-	-	968,626	593,063
Grants and contributions not restricted to specific programs	1,333,615	1,588,195	-	-	1,333,615	1,588,195
Sale of Capital Assets	114,058	554,412	15,069	40,128	129,127	594,540
Other	(171,564)	394,010	(19,460)	47,455	(191,024)	441,465
Total Revenue	18,310,475	19,174,652	10,844,942	10,226,308	29,155,417	29,400,960
Expenses:						
General government	2,238,562	2,280,521	-	-	2,238,562	2,280,521
Public Safety	7,057,931	2,017,503	-	-	7,057,931	2,017,503
Public Works	5,251,766	6,698,809	-	-	5,251,766	6,698,809
Community Development	1,028,532	5,913,052	-	-	1,028,532	5,913,052
Parks and Recreation	2,376,238	2,141,183	-	-	2,376,238	2,141,183
Interest on long-term debt	565,989	575,748	-	-	565,989	575,748
Water and Sewer	-	-	4,959,358	5,404,334	4,959,358	5,404,334
Refuse	-	-	1,590,039	1,596,463	1,590,039	1,596,463
Ambulance	-	-	1,876,292	2,152,677	1,876,292	2,152,677
Senior Housing	-	-	312,942	339,860	312,942	339,860
License Bureau	-	-	693,524	606,698	693,524	606,698
Total Expenses	18,519,018	19,626,816	9,432,155	10,100,032	27,951,173	29,726,848
Excess (deficiency) before transfers	(208,543)	(452,164)	1,412,787	126,276	1,204,244	(325,888)
Internal transfers	688,244	(517,381)	(688,244)	517,381	-	-
Change in net position	479,701	(969,545)	724,543	643,657	1,204,244	(325,888)
Net position - January 1	92,936,896	93,906,441	8,476,967	7,833,310	101,413,863	101,739,751
Net position - December 31	\$ 93,416,597	\$ 92,936,896	\$ 9,201,510	\$ 8,476,967	\$ 102,618,107	\$ 101,413,863

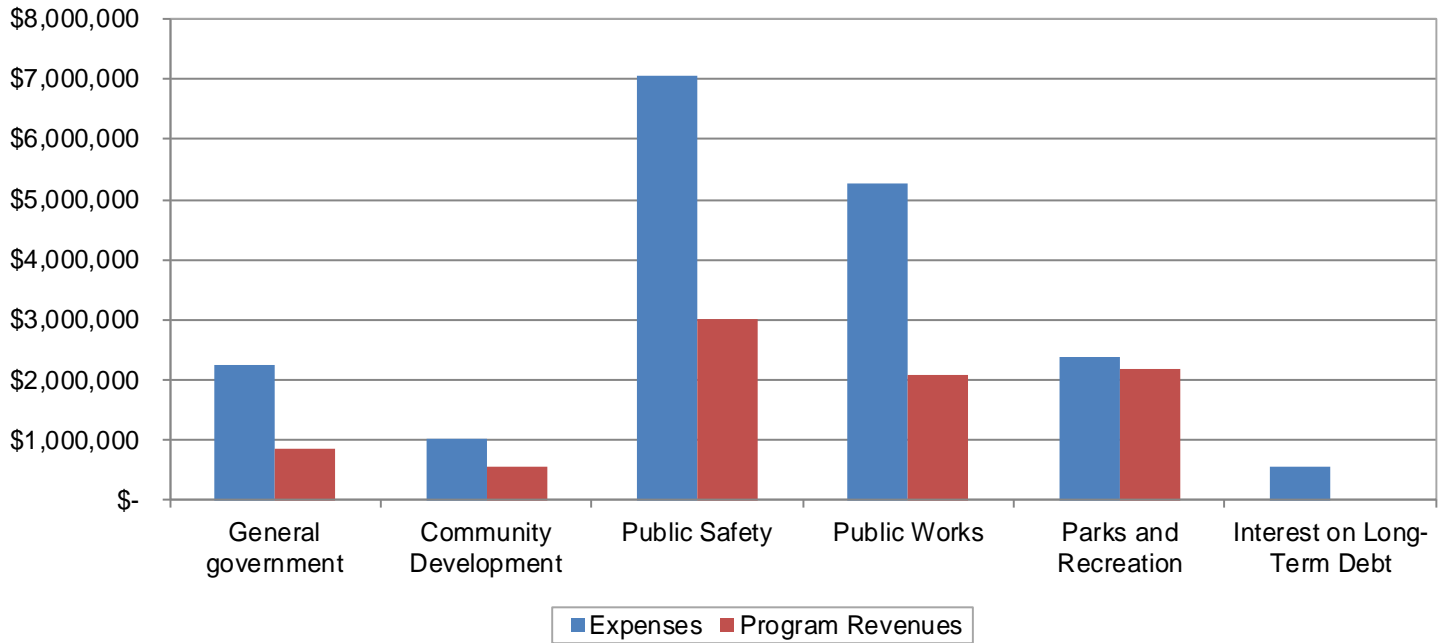
GOVERNMENTAL ACTIVITIES

The governmental activities increased the City's net position by \$479,701 thereby accounting for the overall decrease in the net position of the City. Key elements of this increase, as well as other highlights of the governmental activities, are as follows:

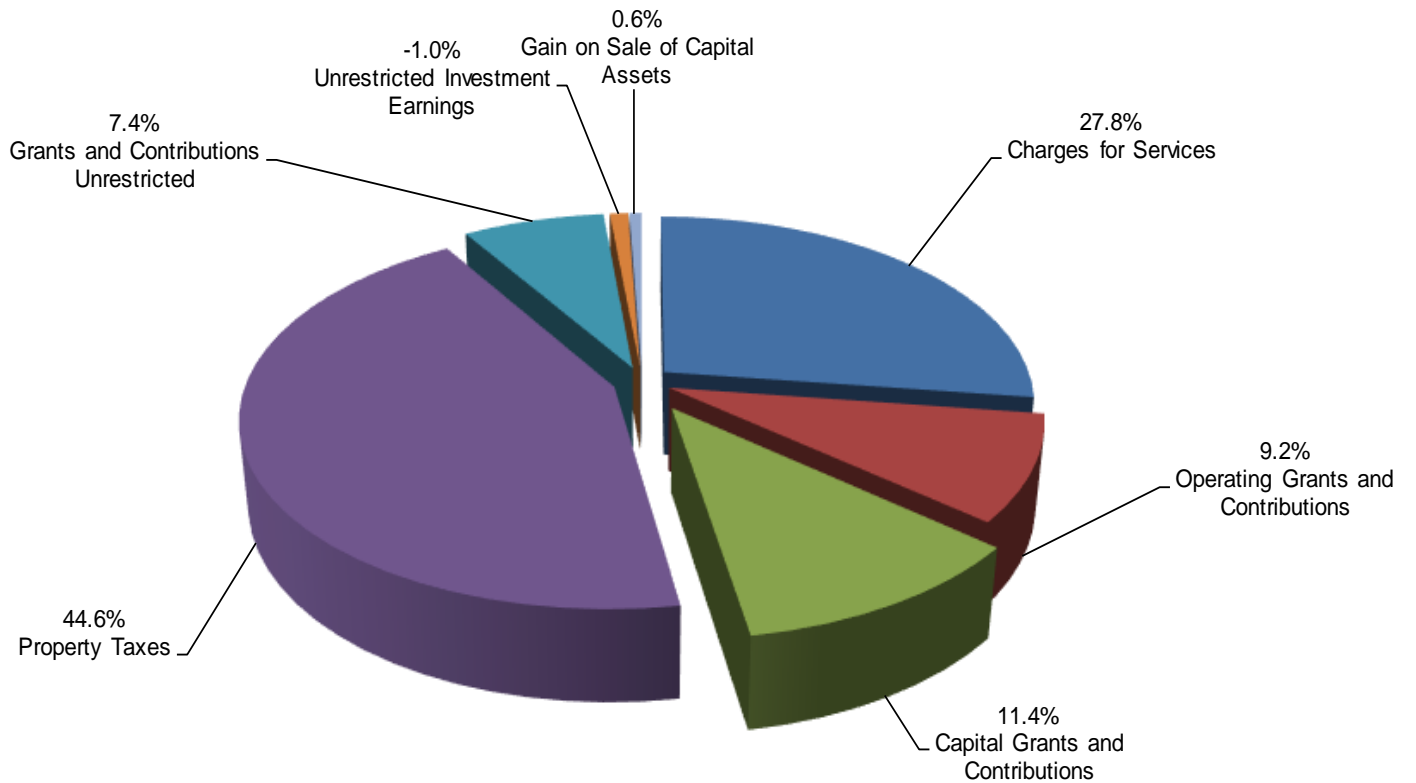
- Charges for services increased by \$904,048 compared to 2020. A majority of this increase is due to an increase in building permit activity related to the White Bear Lake Areas School District's \$326 million bond referendum in November 2019 to fund a multi-year improvement plan for additions and renovations to current buildings.
- Operating grants and contributions decreased by \$1,920,933 from 2020 with the receipt of over \$1.9 million in COVID-19 relief funding from the federal government in 2020.
- Capital grants and contributions increased by \$551,783 in 2021. This was a result of donations received for the restoration of the Erd-Geist Gazebo at Matoska Park and for the development of an All Abilities Park at Lakewood Hills Park.
- Governmental expenses decreased by \$1,107,798 compared to 2020, which was in part due to a one-time grant of COVID-19 relief aid to local businesses, non-profits, and residents and increased spending on COVID-19 related supplies and equipment in 2020.

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

Expenses and Program Revenues - Governmental Activities



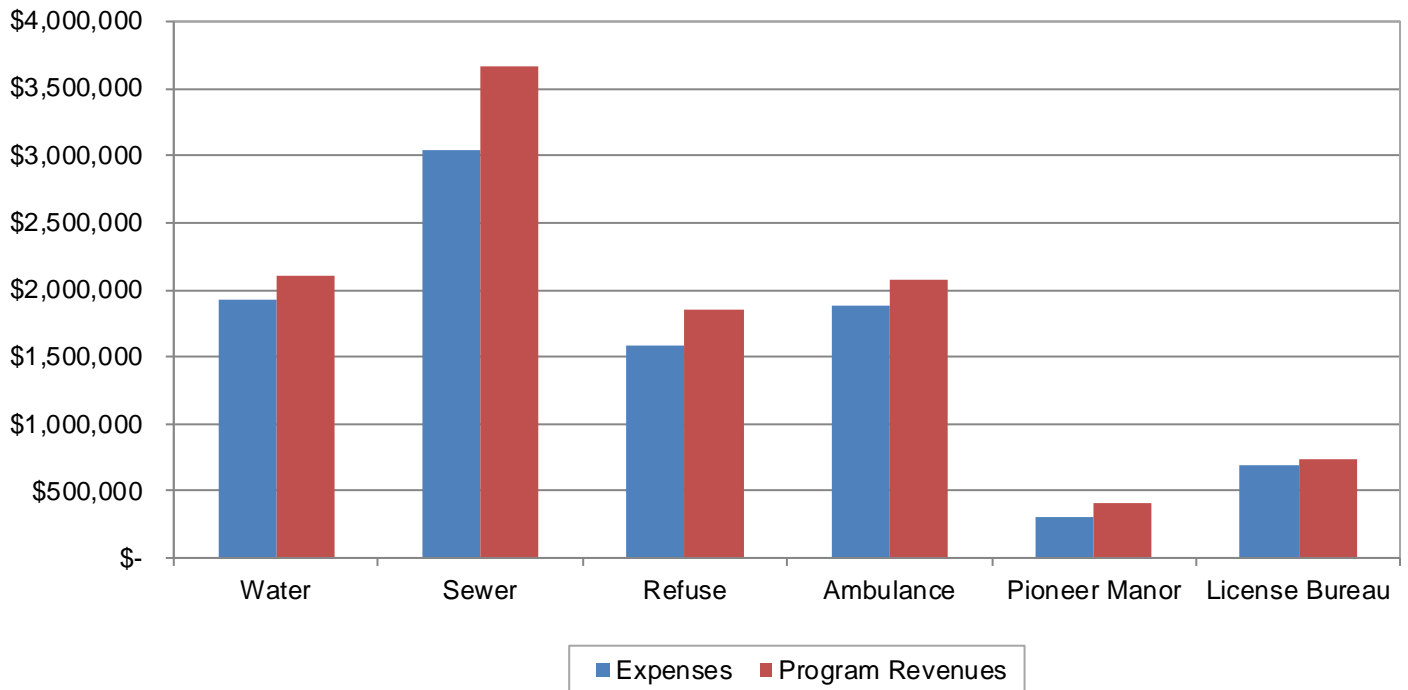
Program Revenues - Governmental Activities



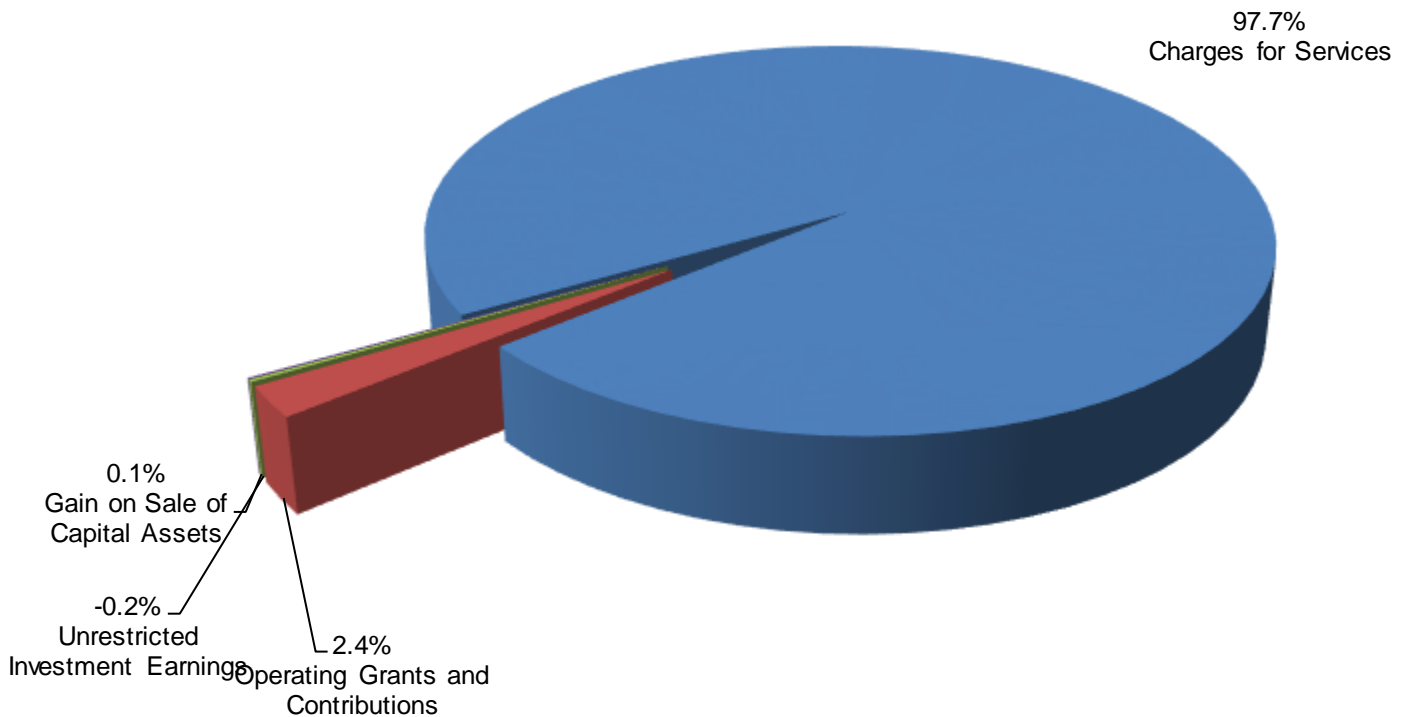
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$724,543. The majority of the increase in net position can be largely attributed to an increase in charges for services.

Expenses and Program Revenues - Business-type Activities



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 \$31,937,807, an increase of \$1,823,425 in comparison with the prior year. Approximately 20.8% of this total amount, \$6,654,901, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance of \$25,282,906 is not available for new spending because it is either 1) nonspendable (\$243,463), 2) restricted (\$3,085,790), 3) committed (\$16,514,686) or 4) assigned (\$5,438,967). For further classification, refer to note 11 on page 110 of this report.

The General Fund revenues exceeded expenditures by \$17,700, but after including the other financing sources and uses, the net increase in fund balance was \$852,923. The General Fund had a fund balance of \$6,657,580 at year-end. The increase in fund balance was mainly due to a decrease in transfers out in 2021.

The Non-Bonded Debt Fund had a fund balance of \$753,950 at year-end, an increase of \$250,974 from 2020. The 2021 revenues collected in this fund are special assessments of \$639,392 used to finance street construction costs, negative investment income of \$3,222, and a \$137,810 payment on the loan agreement for the Sports Center from the White Bear Lake Area Hockey Association.

The Construction Fund balance decreased \$341,763. The fund balance at year-end was \$4,062,593. The decrease in fund balance was partially due to less special assessment revenue recorded in this fund in 2021, in addition to increased transfers out.

The Municipal Building Fund balance decreased \$62,420 in 2021. The fund balance at year-end was \$854,863. The increase in fund balance was mainly due to transfers in from the Economic Development Fund and the Non-Bonded Debt Fund for an internal loan to fund energy-related improvements at the Sports Center and on city-wide lighting. The Fund also saw one-time transfers in from the General Fund and Park Improvement Fund to support future improvement projects.

In 2021, the Community Reinvestment Fund balance decreased by \$276,156 to \$7,426,108 due to a decrease in investment income.

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, \$2,968,823; Sewer Fund, \$3,003,901, Refuse Fund, \$349,110; Ambulance Fund, \$553,620; License Bureau, negative \$140,122; Pioneer Manor, \$1,887,642.

The change in net position of the Water Fund was an increase of \$59,142. The majority of this increase was a result of an increase in charges for services.

The change in net position of the Sewer Fund was \$512,581. This increase was mainly attributable to an increase in charges for services.

The Ambulance Fund balance increased \$73,267. The increase was due to a combination of an increase in charges for services and a decrease in pension expense related to the State's Police and Fire Plan.

The License Bureau Fund saw an increase in fund balance of \$52,342 and was mainly attributable to an increase in charges for services. This was a direct result of the loosening of the State's COVID-19 restrictions placed upon license bureaus.

The Pioneer Manor Fund balance decreased by \$78,784 in 2021 which was due to operating expenses and transfers out exceeding revenues.

The Refuse Fund had a \$156,417 increase to its fund balance during 2021 due to a strengthened recycling market. The City's contract with the recycling processing center includes a revenue sharing formula, which means that the City receives all revenues from sales minus the processing costs. As the recycling market strengthened in 2021, the City began receiving larger revenue sharing payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues came in over budget by \$717,625. The majority of this variance was due to building permits and plan reviews coming in higher than anticipated. In addition, the City recognized State fire aid of \$276,820 and a corresponding personal expenditure of \$276,820 is recognized as the aid is passed through to the White Bear Lake Fire Relief Association to help subsidize pension costs. The City did not budget for this aid. Expenditures were \$204,637 under budget. This was primarily due to salaries and wages coming in less than budgeted in multiple departments due to position vacancies and supplies and other services and charges coming in much less than budgeted in the streets department and snow and ice removal department. These under budget expenditures were slightly offset by the \$276,820 personal expenditure for State fire aid, as described above, which was not budgeted for.

There were amendments to the original budget for the General Fund in 2021. The revenue budget was increased by \$211,104 to total \$10,993,572, and the expenditure budget was decreased by \$192,458 to total \$11,898,134. Other financing sources (uses) were amended to increase transfers in by \$147,100 and to increase transfers out by \$575,000. Net changes to the budget resulted in a budgeted surplus of \$2,538.

CAPITAL ASSETS,

The City's investment in capital assets for its government and business-type activities as of December 31, 2021 totals \$82,717,652 (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:

- Acquisition of a Freightliner Tanker Truck for \$221,926
- Public Safety Facility Building Renovation Project work-in-progress totaling \$414,548
- Addition of a 2021 Pierce Aerial Fire Truck totaling \$1,031,895
- Water Meter Replacement Project work-in-progress totaling \$1,906,228
- Sports Center Energy Improvement Project work-in-progress totaling \$292,000

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

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Land and improvements	\$ 9,666,893	\$ 9,666,893	\$ -	\$ 490,275	\$ 490,275	\$ -
Work in process	728,962	698,736	30,226	1,906,228	-	1,906,228
Buildings and improvements	10,626,798	11,388,346	(761,548)	1,008,191	1,090,951	(82,760)
Other improvements	3,671,328	4,155,698	(484,370)	348,225	367,038	(18,813)
Furniture and equipment	5,017,438	4,030,787	986,651	1,466,890	1,471,257	(4,367)
Distribution/Collection System	-	-	-	1,794,056	1,900,686	(106,630)
Infrastructure						
Streets	41,466,762	42,597,047	(1,130,285)	-	-	-
Storm Sewer	4,525,606	4,600,716	(75,110)	-	-	-
Total	<u>\$ 75,703,787</u>	<u>\$ 77,138,223</u>	<u>\$ (1,434,436)</u>	<u>\$ 7,013,865</u>	<u>\$ 5,320,207</u>	<u>\$ 1,693,658</u>

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 \$23,053,678. They are all backed by the full faith and credit of the City.

CITY OF WHITE BEAR LAKE'S OUTSTANDING DEBT

	Governmental Activities			Business-type Activities		
	2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
Tax Increment Bonds	\$ 2,305,000	\$ 2,560,000	\$ (255,000)	\$ -	\$ -	\$ -
Special Assessment Bonds	13,585,000	12,285,000	1,300,000	-	-	-
Tax Abatement Bonds	3,080,000	3,205,000	(125,000)	-	-	-
Utility Revenue Bonds	-	-	-	3,325,000	860,000	2,465,000
Premium on bonds	616,065	546,777	69,288	142,613	59,389	83,224
Total	\$ 19,586,065	\$ 18,596,777	\$ 989,288	\$ 3,467,613	\$ 919,389	\$ 2,548,224

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 \$94,808,283. The City had \$3,085,480 of 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 2021 of 2.6%. This compares with unemployment rates of 2.6% for the State of Minnesota and 3.7% for the United States.
- The City's local tax capacity will increase by 1.5% for property taxes payable in 2022.
- City population is expected to remain stable or increase in 2022.

These factors were considered in preparing the City's budget for the 2022 fiscal year. The City's adopted 2022 budget includes a property tax levy of \$8,080,000, which is 9.6% more than the prior year's 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, 2021

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City of White Bear Lake, Minnesota
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 38,319,596	\$ 4,728,280	\$ 43,047,876
Interest receivable	17,089	-	17,089
Accounts and loans/notes receivable, net	2,080,400	2,457,187	4,537,587
Taxes receivable	214,578	-	214,578
Special assessments receivable	4,310,571	342,898	4,653,469
Intergovernmental receivable	259,581	4,472	264,053
Internal balances	(578,536)	578,536	-
Prepaid expenses	243,463	770	244,233
Net pension asset	3,525,686	-	3,525,686
Capital assets, net of accumulated depreciation:			
Land and improvements	9,666,893	490,275	10,157,168
Buildings and improvements	10,626,798	1,008,191	11,634,989
Other improvements	3,671,328	348,225	4,019,553
Furniture and equipment	5,017,438	1,466,890	6,484,328
Infrastructure	45,992,368	-	45,992,368
Distribution / Collection system	-	1,794,056	1,794,056
Work in progress	728,962	1,906,228	2,635,190
Total assets	<u>124,096,215</u>	<u>15,126,008</u>	<u>139,222,223</u>
Deferred outflows of resources			
Deferred pension resources	6,648,898	1,943,163	8,592,061
Deferred OPEB resources	928,561	-	928,561
Total deferred outflows of resources	<u>7,577,459</u>	<u>1,943,163</u>	<u>9,520,622</u>
Liabilities			
Interest payable	229,373	33,082	262,455
Accounts payable	715,237	437,086	1,152,323
Contracts payable	227,343	237,249	464,592
Accrued wages payable	438,770	-	438,770
Intergovernmental payable	482	48,825	49,307
Deposits payable	113,153	32,395	145,548
Unearned revenue	885,170	14,806	899,976
Noncurrent liabilities:			
Due within one year			
Long-term liabilities	1,738,032	43,672	1,781,704
Due in more than one year			
Long-term liabilities	19,010,925	3,423,941	22,434,866
Net pension liability	4,189,725	1,327,944	5,517,669
Total OPEB Liability	2,086,348	-	2,086,348
Total liabilities	<u>29,634,558</u>	<u>5,599,000</u>	<u>35,233,558</u>
Deferred inflows of resources			
Deferred pension resources	8,602,003	2,268,661	10,870,664
Deferred OPEB resources	20,516	-	20,516
Total deferred inflows of resources	<u>8,622,519</u>	<u>2,268,661</u>	<u>10,891,180</u>
Net Position			
Net investment in capital assets	56,335,785	4,140,024	60,475,809
Restricted for debt service	3,153,831	-	3,153,831
Restricted for economic development	759,213	-	759,213
Restricted for public safety	74,887	-	74,887
Unrestricted	33,092,881	5,061,486	38,154,367
Total net position	<u>\$ 93,416,597</u>	<u>\$ 9,201,510</u>	<u>\$ 102,618,107</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, 2021

Function/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,238,562	\$ 722,945	\$ 120,924	\$ -
Community development	1,028,532	574,468	-	-
Public safety	7,057,931	2,232,412	788,453	-
Public works	5,251,766	199,499	297,970	1,580,056
Parks and recreation	2,376,238	1,253,732	451,550	474,158
Interest on long-term debt	565,989	-	-	-
Total governmental activities (See Note 1)	<u>18,519,018</u>	<u>4,983,056</u>	<u>1,658,897</u>	<u>2,054,214</u>
Business-type activities:				
Water	1,922,192	2,087,357	15,747	-
Sewer	3,037,166	3,665,021	-	-
Refuse	1,590,039	1,794,669	62,388	-
Ambulance	1,876,292	1,940,031	133,522	-
Pioneer Manor	312,942	412,151	-	-
License Bureau	693,524	688,447	50,000	-
Total business-type activities	<u>9,432,155</u>	<u>10,587,676</u>	<u>261,657</u>	<u>-</u>
Total government	<u>\$ 27,951,173</u>	<u>\$ 15,570,732</u>	<u>\$ 1,920,554</u>	<u>\$ 2,054,214</u>

General revenues:

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

Change in net position

Net position - beginning

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
\$ (1,394,693)	\$ -	\$ (1,394,693)
(454,064)	-	(454,064)
(4,037,066)	-	(4,037,066)
(3,174,241)	-	(3,174,241)
(196,798)	-	(196,798)
(565,989)	-	(565,989)
<u>(9,822,851)</u>	<u>-</u>	<u>(9,822,851)</u>
-	180,912	180,912
-	627,855	627,855
-	267,018	267,018
-	197,261	197,261
-	99,209	99,209
-	44,923	44,923
<u>-</u>	<u>1,417,178</u>	<u>1,417,178</u>
<u>(9,822,851)</u>	<u>1,417,178</u>	<u>(8,405,673)</u>
7,369,573	-	7,369,573
661,056	-	661,056
307,570	-	307,570
1,333,615	-	1,333,615
(171,564)	(19,460)	(191,024)
114,058	15,069	129,127
688,244	(688,244)	-
<u>10,302,552</u>	<u>(692,635)</u>	<u>9,609,917</u>
479,701	724,543	1,204,244
<u>92,936,896</u>	<u>8,476,967</u>	<u>101,413,863</u>
<u>\$ 93,416,597</u>	<u>\$ 9,201,510</u>	<u>\$ 102,618,107</u>

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FUND FINANCIAL STATEMENTS
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

City of White Bear Lake, Minnesota
Balance Sheet
Governmental Funds
December 31, 2021

	General	Non-Bonded Debt	Construction	Municipal Building
Assets				
Cash	\$ 6,547,381	\$ 376,411	\$ 4,085,072	\$ 1,895,015
Receivables:				
Unremitted tax collections	111,316	-	-	-
Delinquent tax collections	74,274	-	-	-
Unremitted special assessments	-	27,702	-	-
Delinquent special assessments	-	9,585	1	-
Unavailable special assessments	-	2,461,415	247,265	-
Other unavailable special assessments	-	96,457	-	-
Loan/Notes receivable	-	1,702,407	-	-
Accounts	4,352	137,810	1,197	500
Interest	-	-	-	-
Intergovernmental	250,020	-	4,000	-
Due from other funds	-	14,250	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	199,500	-	-
Total assets	\$ 6,987,343	\$ 5,025,537	\$ 4,337,535	\$ 1,895,515
Liabilities:				
Accounts payable	\$ 212,546	\$ 1,723	\$ 27,634	\$ 59,428
Contracts payable	-	-	-	104,395
Deposits payable	38,408	-	-	-
Intergovernmental payable	-	-	42	-
Due to other funds	-	-	-	57,000
Advances from other funds	-	-	-	798,000
Unearned revenue - other	4,535	-	-	21,829
Total liabilities	255,489	1,723	27,676	1,040,652
Deferred Inflows of Resources				
Unavailable revenue -				
Property taxes	74,274	-	-	-
Special assessments	-	2,567,457	247,266	-
Loan/Notes receivable	-	1,702,407	-	-
Total deferred inflows of resources	74,274	4,269,864	247,266	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	218,063	-
Committed	-	-	-	854,863
Assigned	-	753,950	3,844,530	-
Unassigned	6,657,580	-	-	-
Total fund balances	6,657,580	753,950	4,062,593	854,863
Total liabilities, deferred inflows of resources and fund balances	\$ 6,987,343	\$ 5,025,537	\$ 4,337,535	\$ 1,895,515

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

Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ 7,409,019	\$ 12,346,980	\$ 32,659,878
-	11,328	122,644
-	17,660	91,934
-	25,340	53,042
-	4,101	13,687
-	1,438,705	4,147,385
-	-	96,457
-	208,473	1,910,880
-	22,003	165,862
17,089	-	17,089
-	5,381	259,401
-	42,750	57,000
-	243,463	243,463
-	1,348,500	1,548,000
<u>\$ 7,426,108</u>	<u>\$ 15,714,684</u>	<u>\$ 41,386,722</u>
\$ -	\$ 264,566	\$ 565,897
-	122,948	227,343
-	74,745	113,153
-	440	482
-	-	57,000
-	750,000	1,548,000
-	858,806	885,170
-	<u>2,071,505</u>	<u>3,397,045</u>
-	17,660	91,934
-	1,442,806	4,257,529
-	-	1,702,407
-	<u>1,460,466</u>	<u>6,051,870</u>
-	243,463	243,463
-	2,867,727	3,085,790
7,426,108	8,233,715	16,514,686
-	840,487	5,438,967
-	(2,679)	6,654,901
<u>7,426,108</u>	<u>12,182,713</u>	<u>31,937,807</u>
<u>\$ 7,426,108</u>	<u>\$ 15,714,684</u>	<u>\$ 41,386,722</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, 2021

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

Total fund balances - governmental funds	\$ 31,937,807
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	122,805,189
Less accumulated depreciation	(47,101,402)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	6,051,870
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	6,648,898
Net pension asset	3,525,686
Net pension liability	(4,189,725)
Deferred inflows of pension resources	(8,602,003)
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.	
	2,155,715
Governmental funds do not report a liability for accrued interest until due and payable	
	(229,373)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(18,970,000)
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	
	(616,065)
Net position of governmental activities	\$ 93,416,597

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, 2021

	General	Non-Bonded Debt	Construction	Municipal Building
Revenues				
General property taxes	\$ 6,667,935	\$ -	\$ 25,000	\$ -
Tax increment	-	-	-	-
Franchise fees	307,570	-	-	-
Licenses and permits	1,393,967	-	-	-
Fines and forfeits	78,008	-	-	-
Intergovernmental	2,481,616	-	697,056	469,489
Charges for services	730,177	-	-	-
Special assessments	-	639,392	101,050	-
Investment income (loss)	(25,701)	(3,222)	(22,616)	(5,917)
Rental and lease income	50,392	-	-	6,000
Refunds and reimbursements	4,028	137,810	19,012	-
Donations	1,175	-	-	20,000
Dedicated fees	-	-	-	-
Miscellaneous	22,030	-	2,014	-
Total revenues	<u>11,711,197</u>	<u>773,980</u>	<u>821,516</u>	<u>489,572</u>
Expenditures				
Current				
General government	1,732,265	-	-	21,309
Public safety	7,070,825	-	-	34,231
Public works	1,906,361	-	269,470	21,007
Parks and recreation	609,424	-	-	39,375
Community development	374,622	-	-	-
Capital outlay				
General government	-	-	-	49,310
Public safety	-	-	-	437,610
Public works	-	-	1,301,355	18,270
Parks and recreation	-	-	-	435,124
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	19,006	29,913	-
Total expenditures	<u>11,693,497</u>	<u>19,006</u>	<u>1,600,738</u>	<u>1,056,236</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,700</u>	<u>754,974</u>	<u>(779,222)</u>	<u>(566,664)</u>
Other financing sources (uses)				
Sale of capital assets	3,123	-	1,193	-
Bonds issued	-	-	1,318,323	-
Premium on bonds issued	-	-	71,835	-
Transfers from other funds	1,432,100	-	113,000	504,244
Transfers to other funds	(600,000)	(504,000)	(1,066,892)	-
Total other financing sources (uses)	<u>835,223</u>	<u>(504,000)</u>	<u>437,459</u>	<u>504,244</u>
Net change in fund balance	852,923	250,974	(341,763)	(62,420)
Fund balance - beginning	<u>5,804,657</u>	<u>502,976</u>	<u>4,404,356</u>	<u>917,283</u>
Fund balance - ending	<u>\$ 6,657,580</u>	<u>\$ 753,950</u>	<u>\$ 4,062,593</u>	<u>\$ 854,863</u>

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

Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 679,120	\$ 7,372,055
-	664,583	664,583
-	-	307,570
-	11,898	1,405,865
-	-	78,008
-	141,942	3,790,103
-	839,566	1,569,743
-	494,967	1,235,409
(37,256)	(53,222)	(147,934)
-	1,434,438	1,490,830
-	203,920	364,770
-	455,181	476,356
-	2,356	2,356
-	21,882	45,926
(37,256)	4,896,631	18,655,640
-	159,283	1,912,857
-	146,545	7,251,601
-	209,393	2,406,231
-	843,359	1,492,158
-	638,484	1,013,106
-	55,444	104,754
-	624,678	1,062,288
-	452,905	1,772,530
-	430,339	865,463
-	53,055	53,055
-	895,000	895,000
-	543,276	592,195
-	5,051,761	19,421,238
(37,256)	(155,130)	(765,598)
-	113,743	118,059
-	496,677	1,815,000
-	29,885	101,720
-	1,650,792	3,700,136
(238,900)	(736,100)	(3,145,892)
(238,900)	1,554,997	2,589,023
(276,156)	1,399,867	1,823,425
7,702,264	10,782,846	30,114,382
\$ 7,426,108	\$ 12,182,713	\$ 31,937,807

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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, 2021

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

Net change in fund balances - total governmental funds	\$ 1,823,425
<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	2,350,099
Depreciation expense	(3,780,534)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.</p>	
	(4,001)
<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	(6,009)
Special assessments	(397,791)
Notes receivable	(79,540)
<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	(1,815,000)
Debt issuance premium	(101,720)
Principal repayments	895,000
Interest payments	(6,226)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Negative pension expense	1,529,551
Pension revenue	47,747
<p>Premiums are recognized when debt is issued in the governmental funds but amortized over the life of the debt in the Statement of Activities</p>	
	32,432
<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>(7,732)</u>
Changes in net position of governmental activities	<u>\$ 479,701</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, 2021

	Water	Sewer	Refuse
Assets			
Current Assets			
Cash	\$ 2,139,603	\$ 1,459,008	\$ 367,737
Receivables:			
Unremitted special assessments	10,033	-	-
Delinquent special assessments	53,286	-	-
Unavailable special assessments	274,981	4,598	-
Accounts, net	1,149,941	340,980	142,559
Intergovernmental	-	4,472	-
Prepaid expenses	-	-	-
Total current assets	<u>3,627,844</u>	<u>1,809,058</u>	<u>510,296</u>
Noncurrent Assets			
Capital Assets			
Land	79,990	-	-
Buildings	2,060,171	109,501	-
Other improvements	-	-	-
Equipment	1,384,866	1,298,952	-
Wells	747,187	-	-
Distribution system	4,865,878	-	-
Collection system	-	5,087,041	-
Work in progress	1,906,228	-	-
Less accumulated depreciation	(7,481,946)	(5,019,968)	-
Total net capital assets	<u>3,562,374</u>	<u>1,475,526</u>	<u>-</u>
Total assets	<u>7,190,218</u>	<u>3,284,584</u>	<u>510,296</u>
Deferred outflows of resources			
Deferred pension resources	148,683	114,500	1,187
Deferred OPEB resources	-	-	-
Total deferred outflows of resources	<u>148,683</u>	<u>114,500</u>	<u>1,187</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 251,719	\$ 510,213	\$ 4,728,280	\$ 5,659,718
-	-	10,033	-
-	-	53,286	-
-	-	279,579	-
817,308	6,399	2,457,187	3,658
-	-	4,472	180
-	770	770	-
<u>1,069,027</u>	<u>517,382</u>	<u>7,533,607</u>	<u>5,663,556</u>
-	410,285	490,275	-
-	2,442,894	4,612,566	-
-	376,522	376,522	-
1,239,352	181,592	4,104,762	-
-	-	747,187	-
-	-	4,865,878	-
-	-	5,087,041	-
-	-	1,906,228	-
(923,372)	(1,751,308)	(15,176,594)	-
<u>315,980</u>	<u>1,659,985</u>	<u>7,013,865</u>	<u>-</u>
<u>1,385,007</u>	<u>2,177,367</u>	<u>14,547,472</u>	<u>5,663,556</u>
1,491,474	187,319	1,943,163	-
-	-	-	928,561
<u>1,491,474</u>	<u>187,319</u>	<u>1,943,163</u>	<u>928,561</u>

(Continued)

Non-Major	Total	Governmental Activities -
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City of White Bear Lake, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2021

	Water	Sewer	Refuse
Liabilities			
Current Liabilities:			
Accounts payable	\$ 199,089	\$ 10,487	\$ 150,719
Contracts payable	237,249	-	-
Accrued wages payable	-	-	-
Accrued interest payable	33,082	-	-
Intergovernmental payable	846	39,760	8,219
Deposits payable	-	-	-
Unearned revenue	1,526	13,280	-
Compensated absences payable	-	-	-
Bonds payable (net of unamortized premiums and discounts)	43,672	-	-
Total current liabilities	<u>515,464</u>	<u>63,527</u>	<u>158,938</u>
Noncurrent Liabilities			
Bonds payable (net of unamortized premiums and discounts)	3,423,941	-	-
Net pension liability	217,588	167,561	1,734
Compensated absences payable	-	-	-
Net OPEB liability	-	-	-
Total noncurrent liabilities	<u>3,641,529</u>	<u>167,561</u>	<u>1,734</u>
Total liabilities	<u>4,156,993</u>	<u>231,088</u>	<u>160,672</u>
Deferred inflows of resources			
Deferred pension resources	213,085	164,095	1,701
Deferred other postemployment benefit resources	-	-	-
Total deferred inflows of resources	<u>213,085</u>	<u>164,095</u>	<u>1,701</u>
Net Position			
Net Investment in capital assets	688,533	1,475,526	-
Unrestricted	2,280,290	1,528,375	349,110
Total net position	<u>\$ 2,968,823</u>	<u>\$ 3,003,901</u>	<u>\$ 349,110</u>

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

Ambulance	Enterprise Funds	Enterprise Funds	Internal Service Funds
\$ 34,606	\$ 42,185	\$ 437,086	\$ 149,340
-	-	237,249	-
-	-	-	438,770
-	-	33,082	-
-	-	48,825	-
-	32,395	32,395	-
-	-	14,806	-
-	-	-	551,589
-	-	43,672	-
<u>34,606</u>	<u>74,580</u>	<u>847,115</u>	<u>1,139,699</u>
-	-	3,423,941	-
666,931	274,130	1,327,944	-
-	-	-	611,303
-	-	-	2,086,348
<u>666,931</u>	<u>274,130</u>	<u>4,751,885</u>	<u>2,697,651</u>
<u>701,537</u>	<u>348,710</u>	<u>5,599,000</u>	<u>3,837,350</u>
1,621,324	268,456	2,268,661	-
-	-	-	20,516
<u>1,621,324</u>	<u>268,456</u>	<u>2,268,661</u>	<u>20,516</u>
315,980	1,659,985	4,140,024	-
237,640	87,535	4,482,950	2,734,251
<u>\$ 553,620</u>	<u>\$ 1,747,520</u>	<u>\$ 8,622,974</u>	<u>\$ 2,734,251</u>

Total net position of enterprise funds \$ 8,622,974

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 578,536

Net position of business-type activities \$ 9,201,510

City of White Bear Lake, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Water	Sewer	Refuse
Operating revenues			
Charges for services	\$ 2,059,046	\$ 3,652,515	\$ 1,699,107
Penalties	6,035	-	-
Rent	-	-	-
Donations	-	-	-
Premium reimbursement	-	-	-
Sale of recyclables	-	-	78,715
Other	14,794	12,506	16,740
Total operating revenues	<u>2,079,875</u>	<u>3,665,021</u>	<u>1,794,562</u>
Operating expenses			
Personal services	484,642	399,230	4,258
Supplies	239,399	35,512	1,003
Other services and charges	923,289	248,626	78,307
Disposal charges	104,200	2,177,792	1,505,720
Depreciation	118,547	165,667	-
Total operating expenses	<u>1,870,077</u>	<u>3,026,827</u>	<u>1,589,288</u>
Operating income (loss)	<u>209,798</u>	<u>638,194</u>	<u>205,274</u>
Nonoperating revenues (expenses)			
Investment income (loss)	(8,626)	(5,613)	(1,352)
Intergovernmental	15,747	-	62,388
Miscellaneous revenues	7,482	-	107
Interest expense	(39,084)	-	-
Gain on disposal of assets	15,069	-	-
Total nonoperating revenues	<u>(9,412)</u>	<u>(5,613)</u>	<u>61,143</u>
Income (loss) before capital contributions and transfers	200,386	632,581	266,417
Transfers from other funds	-	-	-
Transfers to other funds	(141,244)	(120,000)	(110,000)
Change in net position	59,142	512,581	156,417
Net position - beginning	<u>2,909,681</u>	<u>2,491,320</u>	<u>192,693</u>
Net position - ending	<u>\$ 2,968,823</u>	<u>\$ 3,003,901</u>	<u>\$ 349,110</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,927,330	\$ 687,000	\$ 10,024,998	\$ 3,600,570
-	-	6,035	-
-	409,554	409,554	-
-	55	55	-
-	-	-	84,198
-	-	78,715	-
12,701	892	57,633	-
<u>1,940,031</u>	<u>1,097,501</u>	<u>10,576,990</u>	<u>3,684,768</u>
1,432,866	619,982	2,940,978	3,317,594
126,842	18,220	420,976	-
164,644	267,660	1,682,526	537,304
-	-	3,787,712	-
134,697	91,546	510,457	-
<u>1,859,049</u>	<u>997,408</u>	<u>9,342,649</u>	<u>3,854,898</u>
80,982	100,093	1,234,341	(170,130)
(1,237)	(2,632)	(19,460)	(23,630)
133,522	50,000	261,657	-
-	3,097	10,686	1,606
-	-	(39,084)	-
-	-	15,069	-
<u>132,285</u>	<u>50,465</u>	<u>228,868</u>	<u>(22,024)</u>
213,267	150,558	1,463,209	(192,154)
-	-	-	134,000
<u>(140,000)</u>	<u>(177,000)</u>	<u>(688,244)</u>	<u>-</u>
73,267	(26,442)	774,965	(58,154)
<u>480,353</u>	<u>1,773,962</u>	<u>7,848,009</u>	<u>2,792,405</u>
<u>\$ 553,620</u>	<u>\$ 1,747,520</u>	<u>\$ 8,622,974</u>	<u>\$ 2,734,251</u>

Change in net position from
enterprise funds \$ 774,965

Adjustment for the net effect of the
current year activity between the
internal service funds and the
enterprise funds. (50,422)

Changes in net position of
business-type activities \$ 724,543

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Water	Sewer	Refuse
Cash flows from operating activities			
Receipts from customers	\$ 2,261,076	\$ 3,630,947	\$ 1,689,938
Receipts from other funds	-	-	-
Payments to vendors	(1,068,025)	(356,104)	(1,582,961)
Payments to employees	(484,642)	(399,230)	(4,258)
Payments to other governments	(129,800)	(2,207,048)	-
Other receipts	22,276	12,506	95,562
Net cash provided (used) by operating activities	<u>600,885</u>	<u>681,071</u>	<u>198,281</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	15,747	-	62,388
Proceeds from (payments on) advances to other funds	-	-	-
Transfers from other funds	-	-	-
Transfers (to) other funds	(141,244)	(120,000)	(110,000)
Net cash provided (used) by noncapital financing activities	<u>(125,497)</u>	<u>(120,000)</u>	<u>(47,612)</u>
Cash flows from capital financing activities			
Purchase of property and equipment	(1,890,905)	(75,961)	-
Proceeds from sale of bonds	2,465,000	-	-
Premium on bonds	89,276	-	-
Interest paid on debt	(21,404)	-	-
Proceeds from the sale of capital assets	15,069	-	-
Net cash provided (used) by capital financing activities	<u>657,036</u>	<u>(75,961)</u>	<u>-</u>
Cash flows from investing activities			
Investment interest loss	(8,626)	(5,613)	(1,352)
Increase (decrease) in cash and cash equivalents	1,123,798	479,497	149,317
Cash and cash equivalents at beginning of year	1,015,805	979,511	218,420
Cash and cash equivalents at end of year	<u>\$ 2,139,603</u>	<u>\$ 1,459,008</u>	<u>\$ 367,737</u>

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

Water	Sewer	Refuse
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Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,912,993	\$ 1,088,613	\$ 10,583,567	\$ -
-	-	-	3,603,901
(281,678)	(295,511)	(3,584,279)	(1,384,170)
(1,631,052)	(674,407)	(3,193,589)	(641,546)
-	-	(2,336,848)	(1,553,140)
12,701	947	143,992	85,804
12,964	119,642	1,612,843	110,849
133,522	50,000	261,657	-
-	-	-	126,000
-	-	-	134,000
(140,000)	(177,000)	(688,244)	-
(6,478)	(127,000)	(426,587)	260,000
-	-	(1,966,866)	-
-	-	2,465,000	-
-	-	89,276	-
-	-	(21,404)	-
-	-	15,069	-
-	-	581,075	-
(1,237)	(2,632)	(19,460)	(23,630)
5,249	(9,990)	1,747,871	347,219
246,470	520,203	2,980,409	5,312,499
\$ 251,719	\$ 510,213	\$ 4,728,280	\$ 5,659,718

(Continued)

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
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City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

Reconciliation of operating income (loss)
to net cash provided (used) by operating
activities:

Operating income (loss)	\$	209,798	\$	638,194	\$	205,274
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation		118,547		165,667		-
Miscellaneous		7,482		-		107
(Increase) decrease in assets/deferred outflows of resources						
Accounts receivable		187,514		(23,100)		(10,159)
Special assessments		8,481		1,532		-
Intergovernmental receivable		-		(64)		-
Prepaid expenses		-		-		-
Deferred outflows in OPEB resources		-		-		-
Deferred outflows in pension resources		(129,651)		(99,720)		(1,093)
Increase (decrease) in liabilities/deferred inflows of resources						
Accounts payable		139,534		(71,966)		2,069
Contracts payable		(44,871)		-		-
Wages payable		-		-		-
Intergovernmental payable		25		(7,455)		264
Deposits payable		-		-		-
Deferred inflows in pension resources		177,845		136,728		1,527
Deferred inflows in OPEB resources		-		-		-
Unearned revenue		-		-		-
Net pension liability		(73,819)		(58,745)		292
Postemployment health care		-		-		-
Compensated absences		-		-		-
<hr/>						
Net cash provided (used) by operating activities	\$	600,885	\$	681,071	\$	198,281
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Noncash capital and related financing activities

Amortization of bond premium	\$	(6,052)	\$	-	\$	-
Capital assets purchased on account	\$	237,249	\$	-	\$	-
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The notes to financial statements are an integral part of this statement.

\$	80,982	\$	100,093	\$	1,234,341	\$	(170,130)
	134,697		91,546		510,457		-
	-		3,097		10,686		1,606
	(14,337)		(9,313)		130,605		3,331
	-		-		10,013		-
	-		-		(64)		15,753
	-		330		330		-
	-		-		-		(508,221)
	(517,685)		(161,971)		(910,120)		-
	9,808		(9,955)		69,490		136,630
	-		-		(44,871)		-
	-		-		-		62,571
	-		(6)		(7,172)		-
	-		(960)		(960)		-
	855,108		221,522		1,392,730		-
	-		-		-		(1,517)
	-		(765)		(765)		-
	(535,609)		(113,976)		(781,857)		-
	-		-		-		621,794
	-		-		-		(50,968)
<u>\$</u>	<u>12,964</u>	<u>\$</u>	<u>119,642</u>	<u>\$</u>	<u>1,612,843</u>	<u>\$</u>	<u>110,849</u>
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>(6,052)</u>	<u>\$</u>	<u>-</u>
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>237,249</u>	<u>\$</u>	<u>-</u>

City of White Bear Lake, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 352,943</u>
Liabilities	
Deposits payable	<u>320,573</u>
Net position	
Restricted for individuals, organizations, and other governments	<u>\$ 32,370</u>

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

City of White Bear Lake, Minnesota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Custodial Funds
Additions	
Geographic information system fees collections	\$ 40,228
Fireworks contributions collections	38,280
Manitou Days event contributions collections	10,675
Manitou Days parade fees collections	2,115
Deputy Registrar collections	43,574,098
Total revenues	43,665,396
Deductions	
Geographic information system fee disbursements	21,632
Fireworks disbursements	20,799
Manitou Days events disbursements	4,891
Manitou Days parade disbursements	9,441
Deputy Registrar disbursements	43,564,876
Total expenditures	43,621,639
Net increase (decrease) in fiduciary net position	(6,243)
Net position - beginning	38,613
Net position - ending	\$ 32,370

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

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CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Note 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.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

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 Non-Bonded Debt fund provides for street construction costs that will be financed through special assessments not associated with a specific debt issue.

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

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

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 and employment expenses.

Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement. The City's custodial funds account for activities of deputy registrar activities and miscellaneous funds held for other organizations.

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.

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.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

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.

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.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, certificates of deposit, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

CITY OF WHITE BEAR LAKE, MINNESOTA
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Minnesota Statutes also authorize the City to invest in long-term equities. The City must maintain the highest bond rating by a national bond rating agency to qualify for this investment authority. The law limits the equity investment to index mutual funds that are held for long-term capital plans or long-term obligations. The amount invested cannot exceed 15 percent of the sum of unassigned cash, cash equivalents, deposits and investments. Equity Investments are limited to mutual funds indexed to the S & P 500, Dow Jones U.S. Total Stock Market Index or investments with the State Board of Investment.

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.

The City has the following recurring fair value measurements as of December 31, 2021:

- US Treasury bills and notes and government agency securities of \$25,565,719 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$13,392,996 are valued using a matrix pricing model (Level 2 inputs)

Brokered certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

2. Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Accounts receivable of the Ambulance Fund have been reported net of uncollectible amounts estimated to be \$196,700. Delinquent utility charges are annually certified to the county for collection. As a result, there is no allowance for uncollectable amounts in the other enterprise funds.

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
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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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 50 years
Furnitures and fixtures	5 - 15 years
Machinery and equipment	5 - 20 years
Distribution and collection systems	25 years
Streets	20 years
Storm sewers	25 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 two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred OPEB resources, are 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 four items which qualify for reporting in this category. Delinquent property taxes are reported as deferred inflows of resources of the General Fund and HRA Tax Increment Pool Fund because the date of collection is unknown. Unavailable special assessments are reported in the Non-Bonded Debt Fund, Construction Fund, and Non-Major Governmental Funds 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. Loan/notes receivable are reported as deferred inflows of resources of the Non-Bonded Debt Fund because the collection is delayed according to the payment schedule in the loan agreement. Deferred pension resources and deferred OPEB resources are reported only in the statements of net position and results from actuarial calculations.

CITY OF WHITE BEAR LAKE, MINNESOTA
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7. 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 \$551,589 will be due within the next fiscal year and \$611,303 will be due in more than one year.

8. 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.

9. 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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10. 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
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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.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
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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.

4. 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.

The total pension expense for the GERP, PEPFP, DCP 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
	GERP	PEPFP	DCP		
Pension expense	\$ (157,354)	\$ 204,318	\$ 2,079	\$ (470,540)	\$ (421,497)

5. 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.

6. 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
Notes to Financial Statements
December 31, 2021

Note 2: Stewardship, Compliance and Accountability

A. 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, 2021. The City amended the General Fund budget during the year increasing revenues and other financing sources by \$358,204 and increasing expenditures and other financing uses by \$382,542.

B. Deficit Fund Equity

At December 31, 2021, individual funds with deficit fund balances are as follows:

Fund	Amount
Special Revenue	
American Rescue Plan	\$ 2,679
Enterprise	
License Bureau	140,122
Internal Service Fund	
Employment Expense Fund	373,518

Deficits will be eliminated with future charges for services and positive interest earnings.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Note 3: Cash Deposits and Investments with Financial Institutions

A. Deposits

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by Minnesota Statutes. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and cash equivalents" or "investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized below.

Custodial Credit Risk - Deposits: The City addresses custodial credit risk by having the authority from the City Council to maintain deposits with various financial institutions that are members of the Federal Reserve System.

As required by Minnesota Statutes, any of the City's deposits are to be protected by \$250,000 of federal depository insurance and pledged collateral. The market value of pledged collateral must equal 110% of the deposits not covered by insurance or bonds.

As of December 31, 2021, the City was not exposed to custodial credit risk because deposits were fully collateralized. The City had bank deposits of \$1,900,718 as of December 31, 2021. The City's book balance for cash as of December 31, 2021 was \$1,523,247.

B. Investments

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 1 year	\$ 2,585,765	\$ -	\$ -
Brokered money market funds	N/A	Less than 1 year	324,756	-	-
Brokered insured cash sweep	N/A	Less than 1 year	5,686	-	-
Non-pooled investments at fair value					
US Treasury bills and notes	AAA	Less than 1 year	3,323,190	\$ 3,323,190	\$ -
US Treasury bills and notes	AAA	1 to 3 years	12,617,965	12,617,965	-
Government agency securities	AAA	Less than 1 year	1,398,278	1,398,278	-
Government agency securities	AAA	1 to 3 years	6,571,825	6,571,825	-
Government agency securities	AAA	3 to 5 years	1,074,910	1,074,910	-
Government agency securities	AAA	Over 5 years	579,551	579,551	-
Negotiable certificates of deposits	N/A	Less than 1 year	6,236,402	-	6,236,402
Negotiable certificates of deposits	N/A	1 to 3 years	4,940,262	-	4,940,262
Negotiable certificates of deposits	N/A	3 to 5 years	1,736,604	-	1,736,604
Negotiable certificates of deposits	N/A	Over 5 years	479,728	-	479,728
Total investments			<u>\$ 41,874,922</u>	<u>\$ 25,565,719</u>	<u>\$ 13,392,996</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
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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. As of December 31, 2021, the City is in compliance with its investment policy. The City had invested 5% or more of its total investment portfolio in the following issuers: FHLB (7%) and FFCB (10%).

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 will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Also, no more than 30 percent of the portfolio should have maturities exceeding 5 years.

C. Cash and Investments Summary

A reconciliation of cash and investments as reported on the statement of net position follows:

Bank Deposits	<u>\$ 1,523,247</u>
Investments	41,874,922
US Treasury Bills and Notes	15,941,155
Government Agency Securities	9,624,564
Negotiable Certificates of Deposits	13,392,996
Minnesota Mutual Money Market Fund	2,585,765
Brokered Money Market	324,756
Insured Cash Sweep	<u>5,686</u>
	<u>41,874,922</u>
Other	
Petty Cash and Change Fund	<u>2,650</u>
Total Cash and Temporary Investments	<u>\$ 43,400,819</u>
Classification per financial statements	
Cash and Temporary Investments - Statement of Net Position	\$ 43,047,876
Cash in Fiduciary Net Position	<u>352,943</u>
Total	<u>\$ 43,400,819</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
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Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not depreciated				
Land & improvements	\$ 9,666,893	\$ -	\$ -	\$ 9,666,893
Work in process	698,736	728,961	698,735	728,962
Total capital assets, not depreciated	10,365,629	728,961	698,735	10,395,855
Capital assets being depreciated				
Buildings & improvements	27,085,812	167,414	153,875	27,099,351
Other improvements	8,872,487	122,948	-	8,995,435
Furniture & equipment	10,316,404	2,029,511	1,018,077	11,327,838
Infrastructure				
Streets	57,478,555	-	-	57,478,555
Storm sewer	7,508,155	-	-	7,508,155
Total capital assets, depreciated	111,261,413	2,319,873	1,171,952	112,409,334
Less accumulated depreciation				
Buildings & improvements	15,697,466	928,962	153,875	16,472,553
Other improvements	4,716,789	607,318	-	5,324,107
Furniture & equipment	6,285,617	1,038,859	1,014,076	6,310,400
Infrastructure				
Streets	14,881,508	1,130,285	-	16,011,793
Storm sewer	2,907,439	75,110	-	2,982,549
Total accumulated depreciation	44,488,819	3,780,534	1,167,951	47,101,402
Total capital assets, depreciated net	66,772,594	(1,460,661)	4,001	65,307,932
Governmental activities				
Capital assets, net	\$ 77,138,223	\$ (731,700)	\$ 702,736	\$ 75,703,787

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not depreciated				
Land	\$ 490,275	\$ -	\$ -	\$ 490,275
Work in progress	-	1,906,228	-	1,906,228
Total capital assets, not depreciated	490,275	1,906,228	-	2,396,503
Capital assets being depreciated				
Buildings	4,644,566	-	32,000	4,612,566
Other improvements	376,522	-	-	376,522
Equipment	3,927,162	297,887	120,287	4,104,762
Distribution / collection system	10,700,106	-	-	10,700,106
Total capital assets	19,648,356	297,887	152,287	19,793,956
Less accumulated depreciation				
Buildings	3,553,615	82,760	32,000	3,604,375
Other improvements	9,484	18,813	-	28,297
Equipment	2,455,905	302,254	120,287	2,637,872
Distribution / collection system	8,799,420	106,630	-	8,906,050
Total accumulated depreciation	14,818,424	510,457	152,287	15,176,594
Total capital assets, depreciated net	4,829,932	(212,570)	-	4,617,362
Business-type activities				
Capital assets, net	\$ 5,320,207	\$ 1,693,658	\$ -	\$ 7,013,865

CITY OF WHITE BEAR LAKE, MINNESOTA
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Capital Assets (Continued)

Depreciation expense was charged to City functions as follows:

Governmental activities:

General government	\$ 364,844
Public safety	504,410
Public works	2,010,010
Parks and recreation	901,270
	901,270

Total depreciation expense - governmental activities	\$ 3,780,534
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Business-type activities:

Water	\$ 118,547
Sewer	165,667
Ambulance	134,697
Pioneer manor	91,546
	91,546

Total depreciation expense - business-type activities	\$ 510,457
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CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Note 5: Long-Term Debt

A. General Obligation Debt

The City issues general obligation bonds to provide funds for the acquisition and redevelopment of property, construction of streets and utilities, financing acquisition of capital equipment, and the construction of major capital facilities. The entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

As of December 31, 2021, the long-term bonded debt of the financial reporting entity consisted of the following:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Governmental activities					
G.O. Tax Increment Bonds					
G.O. Tax Increment Refunding Bonds, Series 2012A	2.00%	4/3/2012	2/1/2023	\$ 2,650,000	\$ 340,000
G.O. Tax Increment Revenue Bonds, Series 2016A	2.00 - 3.00%	3/10/2016	2/1/2037	2,275,000	1,965,000
Total G.O. Tax Increment Bonds					<u>2,305,000</u>
G.O. Special Assessment Bonds					
G.O. Improvement Bonds, Series 2012B	0.40 - 2.00%	12/19/2012	2/1/2028	2,555,000	975,000
G.O. Bonds, Series 2018A	3.00 - 4.00%	6/14/2018	2/1/2039	5,850,000	5,390,000
G.O. Improvement Bonds, Series 2019A	3.00 - 4.00%	7/18/2019	2/1/2040	1,925,000	1,825,000
G.O. Improvement and Equipment Certificate Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	3,580,000	3,580,000
G.O. Improvement and Equipment Certificate Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	1,815,000	1,815,000
Total G.O. Special Assessment Bonds					<u>13,585,000</u>
G.O. Tax Abatement Bonds					
G.O. Tax Abatement Bonds, Series 2018B	3.00 - 3.36%	6/14/2018	2/1/2039	3,330,000	3,080,000
Bond premium					
Compensated absences payable					
Total governmental indebtedness					<u>\$ 20,748,957</u>
Business-type activities					
G.O. Utility Revenue Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	860,000	\$ 860,000
G.O. Utility Revenue Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	2,465,000	2,465,000
Total G.O. Utility Revenue Bonds					<u>3,325,000</u>
Bond premium					
Total business-type indebtedness					<u>142,613</u>
Total City indebtedness					<u>\$ 3,467,613</u>
Total City indebtedness					<u>\$ 24,216,570</u>

The above G.O. Utility Revenue Bonds will be repaid with revenues from the City's municipal water system and with the full faith and credit and taxing powers of the City. Annual revenues from operating revenues were \$2,079,875 and principal and interest payments totaled \$21,404. The percentage of revenues covering principal and interest payments was 9,717% for 2021.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

B. Minimum Debt Payments

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Governmental Activities					
	G.O. Tax Increment Bonds		G.O. Special Assessment Bonds		G.O. Tax Abatement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$260,000	\$53,413	\$760,000	\$364,826	\$130,000	\$95,550
2023	260,000	47,313	940,000	354,988	135,000	91,575
2024	95,000	42,838	945,000	326,314	140,000	87,450
2025	100,000	39,913	960,000	298,313	145,000	83,175
2026	105,000	37,363	965,000	271,869	150,000	78,750
2027-2031	600,000	151,693	4,355,000	972,281	800,000	324,000
2032-2036	725,000	73,551	2,830,000	475,491	940,000	189,884
2037-2041	160,000	2,400	1,830,000	98,356	640,000	33,997
	<u>\$ 2,305,000</u>	<u>\$ 448,484</u>	<u>\$ 13,585,000</u>	<u>\$ 3,162,438</u>	<u>\$ 3,080,000</u>	<u>\$ 984,381</u>

Year	Business-type Activities	
	G.O. Utility Revenue Bonds	
	Principal	Interest
2022	\$35,000	\$48,615
2023	175,000	64,922
2024	180,000	60,373
2025	185,000	55,697
2026	190,000	51,648
2027-2031	1,015,000	193,562
2032-2036	1,110,000	93,289
2037-2041	435,000	15,553
	<u>\$ 3,325,000</u>	<u>\$ 583,659</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
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C. Changes in Long-Term Liabilities

Long-term debt activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Tax Increment Bonds	\$ 2,560,000	\$ -	\$ 255,000	\$ 2,305,000	\$ 260,000
Special Assessment Bonds	12,285,000	1,815,000	515,000	13,585,000	760,000
Tax Abatement Bonds	3,205,000	-	125,000	3,080,000	130,000
Bond premium	546,777	101,720	32,432	616,065	36,443
Compensated absences	1,213,860	977,474	1,028,442	1,162,892	551,589
Total governmental activities long-term liabilities	<u>\$ 19,810,637</u>	<u>\$ 2,894,194</u>	<u>\$ 1,955,874</u>	<u>\$ 20,748,957</u>	<u>\$ 1,738,032</u>
Business-type activities					
G.O. Utility Revenue Bonds	\$ 860,000	\$ 2,465,000	\$ -	\$ 3,325,000	\$ 35,000
Premium	59,389	89,276	6,052	142,613	8,672
Total business-type activities long-term liabilities	<u>\$ 919,389</u>	<u>\$ 2,554,276</u>	<u>\$ 6,052</u>	<u>\$ 3,467,613</u>	<u>\$ 43,672</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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Note 6: 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 Plan

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

Public Employees Police and Fire Plan

The Police and Fire Plan, 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 Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

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.

General Employees Plan 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
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Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan 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. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

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

General Employees Fund contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City contributions to the General Employees Fund for the year ended December 31, 2021, 2020, and 2019 were \$356,261, \$337,960, and \$343,333, respectively. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70 percent for Police and Fire Plan members. City's contributions to the Police and Fire Fund for the years ending December 31, 2021, 2020, and 2019 were \$757,809, \$746,128, and \$657,326, respectively.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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D. Pension costs

General Employees Fund pension costs

At December 31, 2021, the City reported a liability of \$2,728,816 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. 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 \$83,394. The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2021, the City's proportionate share was 0.0639 percent, which was a decrease of 0.0002 percent from its proportion measured as of June 30, 2020.

City's proportionate share of the net pension liability	\$ 2,728,816
State of Minnesota's proportionate share of the net pension liability associated with the City	83,394
Total	\$ 2,812,210

For the year ended December 31, 2021, the City recognized negative pension expense of \$164,083 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional \$6,729 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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At December 31, 2021, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 17,027	\$ 83,539
Changes in Actuarial Assumptions	1,666,160	60,792
Net Difference Between Projected and Actual Earnings on Plan Investments	-	2,382,077
Changes in Proportion	-	145,935
Contributions Paid to PERA Subsequent to the Measurement Date	181,482	-
Total	\$ 1,864,669	\$ 2,672,343

The \$181,482 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (267,518)
2023	(56,084)
2024	(20,966)
2025	(644,588)
Total	\$ (989,156)

Police and Fire fund pension costs

At December 31, 2021, the City reported a liability of \$2,788,853 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3613 percent, which was a decrease of 0.0026 percent from its proportion measured as of June 30, 2020.

CITY OF WHITE BEAR LAKE, MINNESOTA
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The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, the City recognized a pension expense of \$181,487 for its proportionate share of Police and Fire Plan's pension expense.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$22,831 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2021, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 531,021	\$ 140,248
Changes in Actuarial Assumptions	4,482,312	1,538,476
Net Difference Between Projected and Actual Earnings on Plan Investments	-	5,274,459
Changes in Proportion	1,057,349	22,847
Contributions to PERA Subsequent to the Measurement Date	<u>376,061</u>	<u>-</u>
Total	<u>\$ 6,446,743</u>	<u>\$ 6,976,030</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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The \$376,061 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (1,188,740)
2023	(128,994)
2024	(42,051)
2025	(442,887)
2026	<u>897,324</u>
 Total	 <u><u>\$ (905,348)</u></u>

E. Long-term expected return on investment

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Fixed Income	25.00	0.75
Private Markets	<u>25.00</u>	5.90
 Total	 <u><u>100.00 %</u></u>	

F. Actuarial assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service. In the Correctional Plan, salary growth assumptions range from 11.0 percent at age 20 to 3.0 percent at age 60.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience studies for the Police and Fire and the Correctional Plan were completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).

CITY OF WHITE BEAR LAKE, MINNESOTA
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- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

G. Discount rate

The discount rate used to measure the total pension liability in 2021 was 6.50 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 General Employees Fund and Police and Fire Fund 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.

H. 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:

	<u>1 Percent Decrease (5.50%)</u>	<u>Current (6.50%)</u>	<u>1 Percent Increase (7.50%)</u>
General Employees Fund	\$ 5,565,392	\$ 2,728,816	\$ 401,233
Police and Fire Fund	8,854,137	2,788,853	(2,183,177)

CITY OF WHITE BEAR LAKE, MINNESOTA
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I. 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.

Note 7: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Three part-time ambulance personnel of the City of White Bear Lake are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP 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.

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 seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 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 2021 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 2,079	\$ 2,079	5.00%	5.00%	5.00%

The City and member’s contributions to the DCP plan for the years ending December 31, 2021, 2020 and 2019 were \$2,079, \$2,723 and \$5,189, respectively.

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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Note 8: Defined Benefit Pension Plan - Fire Relief Association

A. Plan description

The White Bear Lake Fire Department (the Department) participates in the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan accounted for in the Volunteer Firefighter Fund), an agent multiple-employer monthly defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2021, the plan covered 23 active firefighters and 59 vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota statutes, chapter 353g.

B. Benefits provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a monthly retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent.

C. Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions. The State of Minnesota contributed \$276,820 in fire state aid to the fund for the year ended December 31, 2021. Required employer contributions are calculated annually based on statutory provisions. The City did not contribute to the Volunteer Firefighter Fund for the year ended December 31, 2021. The City's contributions were equal to the required contributions as set by state statute. In addition, the City made no voluntary contributions to the plan.

CITY OF WHITE BEAR LAKE, MINNESOTA
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D. Pension costs

At December 31, 2021, the City reported a net pension asset of \$3,525,686 for the plan. The net pension liability (asset) was measured as of December 31, 2020. 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, 2021. 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, 2020	\$ 4,368,983	\$ 6,953,658	\$ (2,584,675)
Changes for the Year			
Service cost	118,371	-	118,371
Interest on pension liability (asset)	259,796	-	259,796
Difference between expected and actual experience on pension liability (asset)	(59,709)	-	(59,709)
Changes of assumptions	5,106	-	5,106
Projected investment return	-	998,251	(998,251)
Contributions (employer)	-	263,727	(263,727)
Benefit payments	(314,826)	(314,826)	-
Administrative expenses	-	(3,110)	3,110
Other	-	5,707	(5,707)
Total Net Changes	<u>8,738</u>	<u>949,749</u>	<u>(941,011)</u>
Ending Balance December 31, 2020	<u>\$ 4,377,721</u>	<u>\$ 7,903,407</u>	<u>\$ (3,525,686)</u>

For the year ended December 31, 2021, the City recognized negative pension expense of \$470,540.

CITY OF WHITE BEAR LAKE, MINNESOTA
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At December 31, 2021, 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	\$ -	\$ 310,554
Changes in Actuarial Assumptions	3,829	185,201
Net Difference Between Projected and Actual Earnings on Plan Investments	-	726,536
Contributions to Plan Subsequent to the Measurement Date	<u>276,820</u>	<u>-</u>
Total	<u><u>\$ 280,649</u></u>	<u><u>\$ 1,222,291</u></u>

Deferred outflows of resources totaling \$276,820 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2022	\$ (421,547)
2023	(257,649)
2024	(422,768)
2025	<u>(116,498)</u>
Total	<u><u>\$ (1,218,462)</u></u>

E. Actuarial assumptions

The total pension liability at December 31, 2020 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	6.00%
Inflation rate of return	3.50%

CITY OF WHITE BEAR LAKE, MINNESOTA
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The 20-year municipal bond yield actuarial assumption changed from 2.75% in 2019 to 2.00% in 2020. There were no other changes in actuarial assumptions in 2020.

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 Stocks	35.00 %	5.10 %
International Stocks	15.00	5.30
Bonds	45.00	0.75
Unallocated Cash	<u>5.00</u>	-
Total	<u><u>100.00 %</u></u>	

F. Discount rate

The discount rate used to measure the total pension liability was 6.0 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 (5.00%)</u>	<u>Current (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Defined benefit plan	\$ (3,095,113)	\$ (3,525,686)	\$ (3,884,533)

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H. Pension plan fiduciary net position

Detailed information about the Volunteer Firefighter Fund’s fiduciary net position as of June 30, 2020, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org .

Note 9: Inter-fund Receivables, Payables, and Transfers

A. Interfund Assets/Liabilities

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 Municipal Building Fund and the HRA Tax Increment Pool Fund have interfund balances from various funds as follows:

Fund	Receivable	Payable
Non-Bonded Debt Fund	\$ 213,750	\$ -
Municipal Building Fund	-	855,000
Economic Development Fund	1,391,250	-
HRA Tax Increment Pool Fund	-	750,000
Total	\$ 1,605,000	\$ 1,605,000

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

B. Transfers

The composition of inter-fund transfers for the year ended December 31, 2021 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Fund	\$ 128,000	(1)
	Sewer Fund	120,000	(1)
	Refuse Fund	110,000	(1)
	Ambulance Fund	140,000	(1)
	Construction Fund	750,000	(1)
	Non-Major Governmental Funds	167,100	(1),(4)
	Non-Major Enterprise Funds	17,000	(1)
		<u>1,432,100</u>	
Construction Fund	Community Reinvestment Fund	<u>113,000</u>	(2)
Municipal Building Fund	Non-Major Governmental Funds	241,000	(2),(6)
	Water Fund	13,244	(2)
	General Fund	200,000	(6)
	Community Reinvestment Fund	50,000	(2)
		<u>504,244</u>	
Non-Major Governmental Funds	General Fund	400,000	(5)
	Construction Fund	316,892	(3)
	Community Reinvestment Fund	75,900	(2)
	Non-Bonded Debt Service Fund	370,000	(7)
	Non-Major Governmental Funds	328,000	(7),(8)
	Non-Major Enterprise Funds	160,000	(7)
		<u>1,650,792</u>	
Insurance Fund	Non-Bonded Debt Fund	<u>134,000</u>	(7)
Total Transfers		<u>\$ 3,834,136</u>	

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

- 1) Provide funding for professional and administrative services
- 2) Provide funding for various capital improvement projects
- 3) Transfer to correctly record special assessment payments to pay debt service payments
- 4) Allocate COVID-19 relief
- 5) Provide funding for the purchase of capital equipment
- 6) Contribute resources to build reserves for future improvement projects
- 7) Provide funding for debt service payment obligations
- 8) Additional revenue to support the tax levy in paying the debt service payment

Note 10: Note Receivable / Loans 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>
2022	\$ 82,141	\$ 55,669	\$ 137,810
2023	84,827	52,983	137,810
2024	87,601	50,209	137,810
2025	90,465	47,344	137,810
2026	93,423	44,386	137,810
2027-2031	514,989	174,059	689,048
2032-2036	604,879	84,168	689,048
2037-2038	144,082	5,071	149,153
Total	<u>\$ 1,702,407</u>	<u>\$ 513,889</u>	<u>\$ 2,216,296</u>

In addition, the City has economic development loans outstanding totaling \$208,473.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Note 11: Components of Fund Balance

At December 31, 2021, 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	Non-Bonded Debt	Construction	Municipal Building	Community Reinvestment	Non-Major	Total
Nonspendable							
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,463	\$ 243,463
Restricted							
Economic Development	-	-	-	-	-	741,553	741,553
Construction project	-	-	218,063	-	-	-	218,063
Forfeiture	-	-	-	-	-	74,887	74,887
Debt Service	-	-	-	-	-	2,051,287	2,051,287
Total Restricted	-	-	218,063	-	-	2,867,727	3,085,790
Committed							
Armory	-	-	-	-	-	24,191	24,191
Marina	-	-	-	-	-	305,108	305,108
Sports Center	-	-	-	-	-	192,121	192,121
Advances	-	-	-	-	-	1,391,250	1,391,250
Capital Improvement	-	-	-	854,863	7,426,108	3,811,135	12,092,106
Economic Development	-	-	-	-	-	2,509,910	2,509,910
Total Committed	-	-	-	854,863	7,426,108	8,233,715	16,514,686
Assigned							
Capital Improvement	-	-	3,844,530	-	-	-	3,844,530
Surface Water	-	-	-	-	-	840,487	840,487
Advances	-	213,750	-	-	-	-	213,750
Debt Service	-	540,200	-	-	-	-	540,200
Total Assigned	-	753,950	3,844,530	-	-	840,487	5,438,967
Unassigned	6,657,580	-	-	-	-	(2,679)	6,654,901
Total	\$ 6,657,580	\$ 753,950	\$ 4,062,593	\$ 854,863	\$ 7,426,108	\$ 12,182,713	\$ 31,937,807

Note 12: 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Note 13: 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, 2021.

Note 14: 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.

The City's workers compensation insurance is a deductible premium option. 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, 2021, 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Note 15: 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 2021, the City did not contribute to the plan.

For the governmental activities, the net OPEB obligation is generally liquidated by the General Fund.

D. Members

As of December 31, 2021, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Active employees	<u>81</u>
Total	<u><u>88</u></u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

E. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	3.50%, net of investment expense
Salary increases	3.25% to 11.25% for General Employees; 3.25% to 12.25% for Police and Fire Employees
Inflation	2.50%
Healthcare cost trend increases	8.25% 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-2018 from a base year of 2014 (MP-2018 from a base year of 2006 for Police and Fire employees)

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2021 - December 31, 2021.

The discount rate used to measure the total OPEB liability was 1.84% based on the estimated yield of 20-Year-AA-rated municipal bonds.

F. Total OPEB liability

The City's total OPEB liability of \$2,086,348 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2020	<u>\$ 1,464,554</u>
Changes for the year	
Service cost	69,413
Interest	29,148
Differences between expected and actual economic experience	608,442
Changes of assumptions	(1,463)
Benefit payments	<u>(83,746)</u>
Net changes	<u>621,794</u>
Balances at December 31, 2020	<u><u>\$ 2,086,348</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.00% in 2020 to 1.84% in 2021.

G. OPEB liability sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 1.84% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

<u>1% decrease (0.84%)</u>	<u>Current 1.84%</u>	<u>1% increase 2.84%</u>
\$ 2,246,481	\$ 2,086,348	\$ 1,934,415

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

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
(7.25% decreasing to 2.5%)	(8.25% decreasing to 3.5%)	(9.25% decreasing to 4.5%)
\$ 1,866,616	\$ 2,086,348	\$ 2,342,609

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$112,056. At December 31, 2021, 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
Differences between expected and actual experience	\$ 709,863	\$ 1,836
Changes of assumptions	218,698	18,680
Total	\$ 928,561	\$ 20,516

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Total</u>
2022	\$ 97,241
2023	97,241
2024	97,241
2025	97,241
2026	97,241
2027	97,241
2028	98,008
Thereafter	<u>226,591</u>
Total	<u><u>\$ 908,045</u></u>

Note 16: Conduit Debt Obligations

Conduit debt obligations are certain limited obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various revenue bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the financial statements of the City. The outstanding balance of conduit debt at December 31, 2021, is \$45,769,012.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2021

Schedule of Employer's Share of PERA Net Pension Liability - General Employees 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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2021	0.0639 %	\$ 2,728,816	\$ 83,394	\$ 2,812,210	\$ 4,574,545	59.7 %	87.0 %
6/30/2020	0.0641	3,843,088	118,549	3,961,637	4,570,467	84.1	79.0
6/30/2019	0.0649	3,588,176	111,495	3,699,671	4,708,610	76.2	80.2
6/30/2018	0.0723	4,010,908	131,615	4,142,523	4,743,584	84.6	79.5
6/30/2017	0.0734	4,685,808	58,907	4,744,715	4,549,458	103.0	75.9
6/30/2016	0.0684	5,553,741	72,541	5,626,282	4,421,512	125.6	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 Fund

Year Ending	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2021	\$ 356,261	\$ 356,261	-	\$ 4,750,147	7.5 %
12/31/2020	337,960	337,960	-	4,506,133	7.5
12/31/2019	343,333	343,333	-	4,577,773	7.5
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, 2021

Notes to the Required Supplementary Information - General Employees Fund

Changes in actuarial assumptions

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2021

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

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 – There were no changes in plan provisions since the previous valuation.

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, 2021

Schedule of Employer's Share of PERA Net Pension Liability - 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/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2021	0.3613 %	\$ 2,788,853	\$ 125,365	\$ 2,914,218	\$ 4,269,582	65.3 %	93.7 %
6/30/2020	0.3639	4,796,591	112,977	4,909,568	4,289,713	111.8	87.2
6/30/2019	0.3236	3,445,049	-	3,445,049	3,277,385	105.1	89.3
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 - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2021	\$ 757,809	\$ 757,809	\$ -	\$ 4,281,407	17.7 %
12/31/2020	746,128	746,128	-	4,215,412	17.7
12/31/2019	657,326	657,326	-	3,878,029	17.0
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, 2021

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

Changes in actuarial assumptions

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2021

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2021

Changes in plan provisions

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

2018 - 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. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective

January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

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 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 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 3.00 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 65.00 percent to 60.00 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 postretirement 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 5.60 percent per annum to 7.50 percent per annum.

2016 - No changes noted

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, 2021

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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 118,371	\$ 114,923	\$ 156,301	\$ 151,749	\$ 137,576	\$ 133,569	\$ 145,189
Interest	259,796	267,297	253,096	253,714	261,707	249,002	247,887
Changes of benefit terms	-	-	406,243	-	-	-	-
Differences between expected and actual experience	(59,709)	-	(466,686)	-	(194,578)	-	(14,592)
Changes of assumptions	5,106	-	(370,400)	-	-	190,378	-
Benefit payments, including refunds of employee contributions	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Net change in total pension liability	8,738	(324,300)	(403,235)	(99,557)	(24,811)	139,775	138,666
Total pension liability - January 1	4,368,983	4,693,283	5,096,518	5,196,075	5,220,886	5,081,111	4,942,445
Total pension liability - December 31, (a)	\$ 4,377,721	\$ 4,368,983	\$ 4,693,283	\$ 5,096,518	\$ 5,196,075	\$ 5,220,886	\$ 5,081,111
Plan fiduciary net position							
Contributions - employer	263,727	248,007	241,116	232,194	231,628	229,853	216,807
Net investment income	998,251	1,129,252	(479,034)	966,600	495,777	(293,258)	278,508
Benefit payments, including refunds of employee contributions	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Administrative expense	(3,110)	(17,118)	(45,208)	(29,980)	(24,898)	(32,395)	(29,243)
Other	5,707	(59,536)	1,000	2,000	-	275	137
Net change in plan fiduciary net position	949,749	594,085	(663,915)	665,794	472,991	(528,699)	226,391
Plan fiduciary net position - January 1	6,953,658	6,359,573	7,023,488	6,357,694	5,884,703	6,413,402	6,187,011
Plan fiduciary net position - December 31 (b)	\$ 7,903,407	\$ 6,953,658	\$ 6,359,573	\$ 7,023,488	\$ 6,357,694	\$ 5,884,703	\$ 6,413,402
Fire Relief's net pension liability (asset) - December 31 (a-b)	\$ (3,525,686)	\$ (2,584,675)	\$ (1,666,290)	\$ (1,926,970)	\$ (1,161,619)	\$ (663,817)	\$ (1,332,291)
Plan fiduciary net position as a percentage of the total pension liability (b/a)	180.54%	159.16%	135.50%	137.81%	122.36%	112.71%	126.22%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Benefit changes. There have been no plan changes since the January 1, 2018 valuation.

Changes of assumptions. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2018, amounts reported as changes of assumptions resulted from an adjustment to the 20-year municipal bond rate. The assumed rate of investment was changed from 5.00 percent to 6.00 percent. The base mortality table for healthy and disabled annuitants was changed from the RP-2000 fully generational table to the RF-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-2017. In 2021, amounts reported as changes of assumptions resulted from the assumed rate of inflation changing from 3.00% to 2.25%. The mortality improvement scale was changed from MP-2017 to MP-2019.

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, 2021

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/20	\$ 263,728	\$ 263,728	-
12/31/19	248,007	248,007	-
12/31/18	241,116	241,116	-
12/31/17	232,194	232,194	-
12/31/16	231,628	231,628	-
12/31/15	229,853	229,853	-
12/31/14	216,807	216,807	-

Schedule of Changes in Total OPEB Liability and Related Ratios

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 69,413	\$ 59,639	\$ 46,821	\$ 48,139
Interest	29,148	36,519	34,686	31,391
Difference between expected and actual experience	608,442	24,185	187,941	(2,928)
Changes of assumptions	(1,463)	89,717	201,075	(27,655)
Benefit payments	(83,746)	(87,266)	(80,547)	(42,950)
Net change in total OPEB liability	<u>621,794</u>	<u>122,794</u>	<u>389,976</u>	<u>5,997</u>
Beginning of year	<u>1,464,554</u>	<u>1,341,760</u>	<u>951,784</u>	<u>945,787</u>
End of year	<u>\$ 2,086,348</u>	<u>\$ 1,464,554</u>	<u>\$ 1,341,760</u>	<u>\$ 951,784</u>
Covered payroll	\$ 7,102,031	\$ 6,599,353	\$ 6,264,746	\$ 5,796,259
Total OPEB liability as a percentage of covered - employee payroll	29.38%	22.19%	21.42%	16.42%

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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 6,669,500	\$ 6,669,500	\$ 6,667,935	\$ (1,565)
Franchise fees	294,000	307,570	307,570	-
License and permits				
Business license and permits	138,350	70,180	80,180	10,000
Non-Business license and permits	625,500	914,324	1,313,787	399,463
Total license and permits	763,850	984,504	1,393,967	409,463
Fines	69,000	73,000	78,008	5,008
Intergovernmental				
Federal grants	59,500	41,190	119,824	78,634
State grants	1,878,797	1,892,922	2,185,574	292,652
County grants	21,000	21,200	21,218	18
Local grants	155,000	155,000	155,000	-
Total intergovernmental	2,114,297	2,110,312	2,481,616	371,304
Charges for services				
General government	-	10	87	77
Public safety	572,871	578,726	573,266	(5,460)
Public works	1,800	-	599	599
Other	-	-	23,260	23,260
Inspection services	140,000	140,000	132,965	(7,035)
Total charges for services	714,671	718,736	730,177	11,441
Interest income (loss)	115,000	75,000	(25,701)	(100,701)
Rental Income	35,650	44,550	50,392	5,842
Refunds and reimbursements	3,500	3,300	4,028	728
Donations	-	600	1,175	575
Miscellaneous	3,000	6,500	22,030	15,530
Total revenues	10,782,468	10,993,572	11,711,197	717,625
Expenditures				
General government				
Mayor and Council				
Personal services	99,129	98,934	98,337	(597)
Supplies	7,200	7,200	1,911	(5,289)
Other services and charges	50,162	47,252	38,746	(8,506)
Total Mayor and Council	156,491	153,386	138,994	(14,392)

(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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
City Manager				
Personal services	\$ 385,942	\$ 380,752	\$ 379,856	\$ (896)
Supplies	350	300	163	(137)
Other services and charges	16,281	15,541	11,915	(3,626)
Total city manager	<u>402,573</u>	<u>396,593</u>	<u>391,934</u>	<u>(4,659)</u>
Finance				
Personal services	521,724	546,478	528,207	(18,271)
Supplies	1,950	1,550	1,260	(290)
Other services and charges	104,180	104,325	100,482	(3,843)
Total finance	<u>627,854</u>	<u>652,353</u>	<u>629,949</u>	<u>(22,404)</u>
Legal counselor				
Other services and charges	<u>65,569</u>	<u>77,469</u>	<u>75,005</u>	<u>(2,464)</u>
City hall				
Personal services	180,166	182,227	181,949	(278)
Supplies	19,950	17,625	10,153	(7,472)
Other services and charges	131,419	131,684	117,340	(14,344)
Total city hall	<u>331,535</u>	<u>331,536</u>	<u>309,442</u>	<u>(22,094)</u>
Elections				
Other services and charges	<u>84,461</u>	<u>83,434</u>	<u>79,609</u>	<u>(3,825)</u>
Total general government	<u>1,668,483</u>	<u>1,694,771</u>	<u>1,624,933</u>	<u>(69,838)</u>
Community development				
Planning				
Personal services	354,161	353,366	353,153	(213)
Supplies	1,775	1,480	124	(1,356)
Other services and charges	24,933	24,448	21,345	(3,103)
Total community development	<u>380,869</u>	<u>379,294</u>	<u>374,622</u>	<u>(4,672)</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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Public safety				
Police				
Personal services	\$ 4,518,297	\$ 4,503,794	\$ 4,424,015	\$ (79,779)
Supplies	189,125	182,370	188,002	5,632
Other services and charges	295,195	279,482	254,030	(25,452)
Total police	<u>5,002,617</u>	<u>4,965,646</u>	<u>4,866,047</u>	<u>(99,599)</u>
Dispatch				
Other services and charges	<u>218,000</u>	<u>220,700</u>	<u>213,760</u>	<u>(6,940)</u>
Animal control				
Personal services	16,369	16,294	10,979	(5,315)
Supplies	1,050	1,050	-	(1,050)
Other services and charges	6,605	5,055	2,554	(2,501)
Total animal control	<u>24,024</u>	<u>22,399</u>	<u>13,533</u>	<u>(8,866)</u>
Legal prosecution				
Personal services	1,391	1,391	1,196	(195)
Other services and charges	157,200	152,200	152,000	(200)
Total legal prosecution	<u>158,591</u>	<u>153,591</u>	<u>153,196</u>	<u>(395)</u>
Fire				
Personal services	704,066	688,453	927,260	238,807
Supplies	85,970	88,770	92,542	3,772
Other services and charges	196,316	201,721	154,861	(46,860)
Total fire	<u>986,352</u>	<u>978,944</u>	<u>1,174,663</u>	<u>195,719</u>
Emergency preparedness				
Supplies	7,265	5,450	3,199	(2,251)
Other services and charges	9,149	9,099	6,190	(2,909)
Total emergency preparedness	<u>16,414</u>	<u>14,549</u>	<u>9,389</u>	<u>(5,160)</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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Building and code enforcement				
Personal services	\$ 548,555	\$ 513,628	\$ 513,087	\$ (541)
Supplies	11,500	11,100	7,207	(3,893)
Other services and charges	93,935	113,310	119,943	6,633
Total building / code enforcement	<u>653,990</u>	<u>638,038</u>	<u>640,237</u>	<u>2,199</u>
Total public safety	<u>7,059,988</u>	<u>6,993,867</u>	<u>7,070,825</u>	<u>76,958</u>
Public works				
Shop				
Personal services	83,887	87,957	87,469	(488)
Supplies	15,500	22,540	28,881	6,341
Other services and charges	94,545	100,680	97,031	(3,649)
Total shop	<u>193,932</u>	<u>211,177</u>	<u>213,381</u>	<u>2,204</u>
Engineering				
Personal services	646,221	585,165	536,729	(48,436)
Supplies	8,710	8,160	6,044	(2,116)
Other services and charges	71,389	67,099	56,563	(10,536)
Total engineering	<u>726,320</u>	<u>660,424</u>	<u>599,336</u>	<u>(61,088)</u>
Garage				
Personal services	93,151	121,930	123,227	1,297
Supplies	29,950	35,130	27,568	(7,562)
Other services and charges	28,670	20,165	11,329	(8,836)
Total garage	<u>151,771</u>	<u>177,225</u>	<u>162,124</u>	<u>(15,101)</u>
Streets				
Personal services	348,568	347,460	350,661	3,201
Supplies	97,200	104,750	101,838	(2,912)
Other services and charges	142,180	133,480	91,521	(41,959)
Total streets	<u>587,948</u>	<u>585,690</u>	<u>544,020</u>	<u>(41,670)</u>
Snow and ice removal				
Personal services	107,789	102,032	81,296	(20,736)
Supplies	110,800	110,800	79,929	(30,871)
Other services and charges	54,375	46,925	23,594	(23,331)
Total snow and ice removal	<u>272,964</u>	<u>259,757</u>	<u>184,819</u>	<u>(74,938)</u>
Street lighting				
Personal services	10,569	10,858	10,883	25
Supplies	19,100	19,100	11,541	(7,559)
Other services and charges	174,000	173,000	180,257	7,257
Total street lighting	<u>203,669</u>	<u>202,958</u>	<u>202,681</u>	<u>(277)</u>
Total public works	<u>2,136,604</u>	<u>2,097,231</u>	<u>1,906,361</u>	<u>(190,870)</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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Parks and recreation				
Personal services	537,069	455,518	459,472	3,954
Supplies	86,586	86,180	72,946	(13,234)
Other services and charges	104,413	90,193	77,006	(13,187)
Total parks and recreation	<u>728,068</u>	<u>631,891</u>	<u>609,424</u>	<u>(22,467)</u>
Non-departmental				
General services	\$ 116,580	\$ 101,080	\$ 96,571	\$ (4,509)
Contingency	-	-	10,761	10,761
Total non-departmental	<u>116,580</u>	<u>101,080</u>	<u>107,332</u>	<u>6,252</u>
Total expenditures	<u>12,090,592</u>	<u>11,898,134</u>	<u>11,693,497</u>	<u>(204,637)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,308,124)</u>	<u>(904,562)</u>	<u>17,700</u>	<u>922,262</u>
Other financing sources (uses)				
Sale of assets	-	-	3,123	3,123
Transfers in	1,360,000	1,507,100	1,432,100	(75,000)
Transfers out	(25,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>1,335,000</u>	<u>907,100</u>	<u>835,223</u>	<u>(71,877)</u>
Net change in fund balance	26,876	2,538	852,923	850,385
Fund balance - beginning	<u>4,982,100</u>	<u>5,813,516</u>	<u>5,804,657</u>	<u>(8,859)</u>
Fund balance - ending	<u>\$ 5,008,976</u>	<u>\$ 5,816,054</u>	<u>\$ 6,657,580</u>	<u>\$ 841,526</u>

(Continued)

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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Tax increment	\$ -	\$ 1,763	\$ 3,527	\$ 1,764
Charges for services				
Farmer's Market	5,000	5,525	5,045	(480)
Loan repayments	72,500	185,000	5,429	(179,571)
Special assessments	54,000	58,608	61,604	2,996
Rental income	426,900	443,900	469,312	25,412
Miscellaneous	-	650	279	(371)
Interest income (loss)	-	40,000	(13,650)	(53,650)
Refunds and reimbursements	-	4,420	9,539	5,119
Total revenues	558,400	739,866	541,085	(198,781)
Expenditures				
Community Development				
Personal services	135,432	139,023	132,365	(6,658)
Materials and supplies	46,560	63,025	33,373	(29,652)
Other services and charges	407,475	485,005	415,631	(69,374)
Capital outlay	152,000	67,700	53,055	(14,645)
Total expenditures	741,467	754,753	634,424	(120,329)
Excess (deficiency) of revenues over (under) expenditures	<u>(183,067)</u>	<u>(14,887)</u>	<u>(93,339)</u>	<u>(78,452)</u>
Other financing sources				
Sale of capital assets	-	-	526	526
Transfers from other funds	-	-	22,500	22,500
Transfers (to) other funds	-	(728,350)	(87,100)	641,250
Total other financing sources	-	(728,350)	(64,074)	664,276
Net change in fund balance	(183,067)	(743,237)	(157,413)	585,824
Fund balance - beginning	<u>2,586,898</u>	<u>2,970,591</u>	<u>4,058,573</u>	<u>1,087,982</u>
Fund balance - ending	<u>\$ 2,403,831</u>	<u>\$ 2,227,354</u>	<u>\$ 3,901,160</u>	<u>\$ 1,673,806</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2021

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, 2021.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

City of White Bear Lake, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2021

	Special Revenue Funds			
	American Rescue Plan	Armory	Surface Water Pollution Prevention	Marina
Assets				
Cash	\$ 826,160	\$ 39,372	\$ 861,433	\$ 305,108
Receivables:				
Unremitted tax collections	-	-	-	-
Delinquent tax collections	-	-	-	-
Unremitted special assessments	-	-	-	-
Delinquent special assessments	-	-	-	-
Unavailable special assessments	-	-	-	-
Loans/notes receivable	-	-	-	-
Accounts	-	-	18,500	-
Intergovernmental	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 826,160	\$ 39,372	\$ 879,933	\$ 305,108
Liabilities:				
Accounts payable	-	2,481	39,446	-
Contracts payable	-	-	-	-
Deposits payable	-	2,400	-	-
Intergovernmental payable	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue - other	828,839	10,300	-	-
Total liabilities	828,839	15,181	39,446	-
Deferred Inflows of Resources				
Unavailable revenue -				
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	24,191	-	305,108
Assigned	-	-	840,487	-
Unassigned	(2,679)	-	-	-
Total fund balances	(2,679)	24,191	840,487	305,108
Total liabilities, deferred inflows of resources, and fund balances	\$ 826,160	\$ 39,372	\$ 879,933	\$ 305,108

Special Revenue Funds			Debt Service Funds		
Forfeiture	Economic Development	Sports Center	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment
\$ 74,887	\$ 2,368,951	\$ 224,433	\$ 30,517	\$ 53,251	\$ 32,251
-	-	-	-	-	-
-	-	-	-	-	-
-	2,294	-	-	-	-
-	1,995	-	-	-	-
-	108,894	-	-	-	-
-	208,473	-	-	-	-
-	1,385	1,217	-	-	-
-	-	5,381	-	-	-
-	42,750	-	-	-	-
-	-	-	-	-	-
-	1,348,500	-	-	-	-
<u>\$ 74,887</u>	<u>\$ 4,083,242</u>	<u>\$ 231,031</u>	<u>\$ 30,517</u>	<u>\$ 53,251</u>	<u>\$ 32,251</u>
\$ -	\$ 70,691	\$ 18,805	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	500	-	-	-	-
-	2	438	-	-	-
-	-	-	-	-	-
-	-	19,667	-	-	-
-	71,193	38,910	-	-	-
-	-	-	-	-	-
-	110,889	-	-	-	-
-	110,889	-	-	-	-
-	-	-	-	-	-
74,887	-	-	30,517	53,251	32,251
-	3,901,160	192,121	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>74,887</u>	<u>3,901,160</u>	<u>192,121</u>	<u>30,517</u>	<u>53,251</u>	<u>32,251</u>
<u>\$ 74,887</u>	<u>\$ 4,083,242</u>	<u>\$ 231,031</u>	<u>\$ 30,517</u>	<u>\$ 53,251</u>	<u>\$ 32,251</u>

(Continued)

City of White Bear Lake, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2021

	Debt Service Funds				
	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds	2020 General Obligation Bonds	2021 General Obligation Bonds
Assets					
Cash	\$ 436,178	\$ 219,184	\$ 441,355	\$ 611,938	\$ 192,714
Receivables:					
Unremitted tax collections	3,602	2,161	1,358	4,207	-
Delinquent tax collections	-	-	-	-	-
Unremitted special assessments	12,001	-	1,400	9,645	-
Delinquent special assessments	276	-	328	1,502	-
Unavailable special assessments	291,529	-	336,736	460,597	240,949
Loans	-	-	-	-	-
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 743,586	\$ 221,345	\$ 781,177	\$ 1,087,889	\$ 433,663
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 475	\$ -	\$ -
Contracts payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	-	-	475	-	-
Deferred Inflows of Resources					
Unavailable revenue -					
Property taxes	-	-	-	-	-
Special assessments	291,805	-	337,064	462,099	240,949
Total deferred inflows of resources	291,805	-	337,064	462,099	240,949
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	451,781	221,345	443,638	625,790	192,714
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	451,781	221,345	443,638	625,790	192,714
Total liabilities, deferred inflows of resources, and fund balances	\$ 743,586	\$ 221,345	\$ 781,177	\$ 1,087,889	\$ 433,663

Capital Projects Funds			Total
Park Improvement	Equipment Acquisition	HRA Tax Increment Pool	Non-Major Governmental Funds
\$ 1,496,765	\$ 2,640,930	\$ 1,491,553	\$ 12,346,980
-	-	-	11,328
-	-	17,660	17,660
-	-	-	25,340
-	-	-	4,101
-	-	-	1,438,705
-	-	-	208,473
901	-	-	22,003
-	-	-	5,381
-	-	-	42,750
243,463	-	-	243,463
-	-	-	1,348,500
<u>\$ 1,741,129</u>	<u>\$ 2,640,930</u>	<u>\$ 1,509,213</u>	<u>\$ 15,714,684</u>
\$ -	\$ 132,668	\$ -	\$ 264,566
122,948	-	-	122,948
9,145	62,700	-	74,745
-	-	-	440
-	-	750,000	750,000
-	-	-	858,806
<u>132,093</u>	<u>195,368</u>	<u>750,000</u>	<u>2,071,505</u>
-	-	17,660	17,660
-	-	-	1,442,806
-	-	17,660	1,460,466
243,463	-	-	243,463
-	-	741,553	2,867,727
1,365,573	2,445,562	-	8,233,715
-	-	-	840,487
-	-	-	(2,679)
<u>1,609,036</u>	<u>2,445,562</u>	<u>741,553</u>	<u>12,182,713</u>
<u>\$ 1,741,129</u>	<u>\$ 2,640,930</u>	<u>\$ 1,509,213</u>	<u>\$ 15,714,684</u>

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Funds			
	American Rescue Plan	Armory	Surface Water Pollution Prevention	Marina
Revenues				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax Increment	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	50,000	29,956	-
Charges for services	-	-	177,874	-
Special assessments	-	-	-	-
Investment income (loss)	(2,679)	(174)	(4,235)	(2,022)
Rental and lease income	-	25,532	-	384,000
Refunds and reimbursements	-	901	-	-
Donations	-	-	-	-
Dedicated fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>(2,679)</u>	<u>76,259</u>	<u>203,595</u>	<u>381,978</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	209,393	-
Parks and recreation	-	69,877	-	111,072
Community development	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>69,877</u>	<u>209,393</u>	<u>111,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,679)</u>	<u>6,382</u>	<u>(5,798)</u>	<u>270,906</u>
Other financing sources (uses)				
Sale of capital assets	-	-	-	-
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in from other funds	-	-	-	-
Transfers (to) other funds	-	(10,000)	-	(245,500)
Total other financing sources (uses)	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(245,500)</u>
Net change in fund balance	(2,679)	(3,618)	(5,798)	25,406
Fund balance - beginning	-	27,809	846,285	279,702
Fund balance - ending	<u>\$ (2,679)</u>	<u>\$ 24,191</u>	<u>\$ 840,487</u>	<u>\$ 305,108</u>

Special Revenue Funds			Debt Service		
Forfeiture	Economic Development	Sports Center	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,527	-	-	-	-
-	-	-	-	-	-
-	-	60,000	-	-	-
-	10,474	608,859	-	-	-
-	61,604	-	-	-	-
(428)	(13,650)	(563)	-	-	-
-	469,312	40,104	-	-	-
27,855	9,539	-	-	-	-
-	-	1,975	-	-	-
-	-	-	-	-	-
6,682	279	14,921	-	-	-
<u>34,109</u>	<u>541,085</u>	<u>725,296</u>	-	-	-
-	-	-	-	-	-
41,561	-	-	-	-	-
-	-	-	-	-	-
-	-	620,098	-	-	-
-	581,369	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	53,055	-	-	-	-
-	-	-	180,000	170,000	85,000
-	-	-	18,703	9,543	53,930
<u>41,561</u>	<u>634,424</u>	<u>620,098</u>	<u>198,703</u>	<u>179,543</u>	<u>138,930</u>
<u>(7,452)</u>	<u>(93,339)</u>	<u>105,198</u>	<u>(198,703)</u>	<u>(179,543)</u>	<u>(138,930)</u>
-	526	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	22,500	-	200,000	160,000	140,000
-	(87,100)	-	-	-	-
<u>-</u>	<u>(64,074)</u>	<u>-</u>	<u>200,000</u>	<u>160,000</u>	<u>140,000</u>
(7,452)	(157,413)	105,198	1,297	(19,543)	1,070
<u>82,339</u>	<u>4,058,573</u>	<u>86,923</u>	<u>29,220</u>	<u>72,794</u>	<u>31,181</u>
<u>\$ 74,887</u>	<u>\$ 3,901,160</u>	<u>\$ 192,121</u>	<u>\$ 30,517</u>	<u>\$ 53,251</u>	<u>\$ 32,251</u>

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2021

	Debt Service Funds				
	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds	2020 General Obligation Bonds	2021 General Obligation Bonds
Revenues					
General property taxes	\$ 213,471	\$ 128,082	\$ 80,449	\$ 257,118	\$ -
Tax Increment	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Special assessments	93,135	-	68,605	101,804	169,819
Investment income	(817)	(187)	(1,780)	(1,503)	(66)
Rental and lease income	-	-	-	-	-
Refunds and reimbursements	-	-	-	-	-
Donations	-	-	-	-	-
Dedicated fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>305,789</u>	<u>127,895</u>	<u>147,274</u>	<u>357,419</u>	<u>169,753</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Debt service					
Principal retired on bonded debt	235,000	125,000	100,000	-	-
Interest and other expenditures	182,225	100,417	66,892	100,965	-
Total expenditures	<u>417,225</u>	<u>225,417</u>	<u>166,892</u>	<u>100,965</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(111,436)</u>	<u>(97,522)</u>	<u>(19,618)</u>	<u>256,454</u>	<u>169,753</u>
Other financing sources (uses)					
Sale of capital assets	-	-	-	-	-
Bonds issued	-	-	-	-	22,961
Premium on bonds issued	-	-	-	-	-
Transfers in from other funds	170,000	165,500	-	316,892	-
Transfers (to) other funds	-	-	-	-	-
Total other financing sources (uses)	<u>170,000</u>	<u>165,500</u>	<u>-</u>	<u>316,892</u>	<u>22,961</u>
Net change in fund balance	58,564	67,978	(19,618)	573,346	192,714
Fund balance - beginning	<u>393,217</u>	<u>153,367</u>	<u>463,256</u>	<u>52,444</u>	<u>-</u>
Fund balance - ending	<u>\$ 451,781</u>	<u>\$ 221,345</u>	<u>\$ 443,638</u>	<u>\$ 625,790</u>	<u>\$ 192,714</u>

Capital Projects Funds			Total
Park Improvement	Equipment Acquisition	HRA Tax Increment Pool	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 679,120
-	-	661,056	664,583
11,898	-	-	11,898
-	1,986	-	141,942
42,359	-	-	839,566
-	-	-	494,967
(8,566)	(10,742)	(5,810)	(53,222)
1,696	513,794	-	1,434,438
-	165,625	-	203,920
453,206	-	-	455,181
2,356	-	-	2,356
-	-	-	21,882
502,949	670,663	655,246	4,896,631
-	159,283	-	159,283
-	104,984	-	146,545
-	-	-	209,393
41,412	900	-	843,359
-	-	57,115	638,484
-	55,444	-	55,444
-	624,678	-	624,678
-	452,905	-	452,905
309,676	120,663	-	430,339
-	-	-	53,055
-	-	-	895,000
-	10,601	-	543,276
351,088	1,529,458	57,115	5,051,761
151,861	(858,795)	598,131	(155,130)
-	113,217	-	113,743
-	473,716	-	496,677
-	29,885	-	29,885
75,900	400,000	-	1,650,792
(231,000)	-	(162,500)	(736,100)
(155,100)	1,016,818	(162,500)	1,554,997
(3,239)	158,023	435,631	1,399,867
1,612,275	2,287,539	305,922	10,782,846
\$ 1,609,036	\$ 2,445,562	\$ 741,553	\$ 12,182,713

City of White Bear Lake, Minnesota
Combining Statement of Net Position
Non-Major Proprietary Funds
December 31, 2021

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Assets			
Current Assets			
Cash	\$ 209,606	\$ 300,607	\$ 510,213
Accounts receivable	6,281	118	6,399
Prepaid expenses	770	-	770
Total current assets	<u>216,657</u>	<u>300,725</u>	<u>517,382</u>
Capital Assets			
Land	-	410,285	410,285
Buildings	5,760	2,437,134	2,442,894
Other Improvements	-	376,522	376,522
Equipment	21,569	160,023	181,592
Less accumulated depreciation	(27,329)	(1,723,979)	(1,751,308)
Total net capital assets	<u>-</u>	<u>1,659,985</u>	<u>1,659,985</u>
Total assets	<u>216,657</u>	<u>1,960,710</u>	<u>2,177,367</u>
Deferred outflows of resources			
Deferred pension resources	<u>187,319</u>	<u>-</u>	<u>187,319</u>
Liabilities			
Current Liabilities:			
Accounts payable	1,512	40,673	42,185
Deposits payable	-	32,395	32,395
Total current liabilities	<u>1,512</u>	<u>73,068</u>	<u>74,580</u>
Noncurrent Liabilities			
Net pension liability	<u>274,130</u>	<u>-</u>	<u>274,130</u>
Total liabilities	<u>275,642</u>	<u>73,068</u>	<u>348,710</u>
Deferred inflows of resources			
Deferred pension resources	<u>268,456</u>	<u>-</u>	<u>268,456</u>
Net Position			
Investment in capital assets	-	1,659,985	1,659,985
Unrestricted	(140,122)	227,657	87,535
Total net position	<u>\$ (140,122)</u>	<u>\$ 1,887,642</u>	<u>\$ 1,747,520</u>

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Proprietary Funds
For the Year Ended December 31, 2021

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Operating revenues			
Charges for services	\$ 687,000	\$ -	\$ 687,000
Rent	-	409,554	409,554
Donations	-	55	55
Other	676	216	892
Total operating revenues	<u>687,676</u>	<u>409,825</u>	<u>1,097,501</u>
Operating expenses			
Personal services	619,982	-	619,982
Supplies	5,737	12,483	18,220
Other services and charges	59,351	208,309	267,660
Depreciation	-	91,546	91,546
Total operating expenses	<u>685,070</u>	<u>312,338</u>	<u>997,408</u>
Operating income	<u>2,606</u>	<u>97,487</u>	<u>100,093</u>
Nonoperating revenues			
Investment income (loss)	(1,035)	(1,597)	(2,632)
Intergovernmental	50,000	-	50,000
Miscellaneous revenues	771	2,326	3,097
Total nonoperating revenues	<u>49,736</u>	<u>729</u>	<u>50,465</u>
Income before transfers	52,342	98,216	150,558
Transfers to other funds	-	(177,000)	(177,000)
Change in net position	52,342	(78,784)	(26,442)
Net position - beginning	<u>(192,464)</u>	<u>1,966,426</u>	<u>1,773,962</u>
Net position - ending	<u>\$ (140,122)</u>	<u>\$ 1,887,642</u>	<u>\$ 1,747,520</u>

City of White Bear Lake, Minnesota
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended December 31, 2021

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 678,531	\$ 410,082	\$ 1,088,613
Payments to vendors	(65,107)	(230,404)	(295,511)
Payments to employees	(674,407)	-	(674,407)
Other receipts	676	271	947
Net cash provided (used) by operating activities	<u>(60,307)</u>	<u>179,949</u>	<u>119,642</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	50,000	-	50,000
Transfers (to) other funds	-	(177,000)	(177,000)
Net cash provided (used) by noncapital financing activities	<u>50,000</u>	<u>(177,000)</u>	<u>(127,000)</u>
Cash flows from investing activities			
Investment interest loss	<u>(1,035)</u>	<u>(1,597)</u>	<u>(2,632)</u>
Increase (decrease) in cash and cash equivalents	(11,342)	1,352	(9,990)
Cash and cash equivalents at beginning of year	<u>220,948</u>	<u>299,255</u>	<u>520,203</u>
Cash and cash equivalents at end of year	<u>\$ 209,606</u>	<u>\$ 300,607</u>	<u>\$ 510,213</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 2,606	\$ 97,487	\$ 100,093
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	91,546	91,546
Miscellaneous	771	2,326	3,097
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	(9,240)	(73)	(9,313)
Prepaid expenses	330	-	330
Deferred outflows in pension resources	(161,971)	-	(161,971)
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(349)	(9,606)	(9,955)
Due to governments	-	(6)	(6)
Deposits payable	-	(960)	(960)
Deferred inflows in pension resources	221,522	-	221,522
Unearned revenue	-	(765)	(765)
Net pension liability	(113,976)	-	(113,976)
Net cash provided (used) by operating activities	<u>\$ (60,307)</u>	<u>\$ 179,949</u>	<u>\$ 119,642</u>

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 1,413,839	\$ -	\$ (1,413,839)
Investment income (loss)	-	-	(2,679)	(2,679)
Total revenues	-	1,413,839	(2,679)	(1,416,518)
Other financing sources (uses)				
Transfers (to) other funds	-	(585,000)	-	585,000
Net change in fund balance	-	828,839	(2,679)	(831,518)
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ 828,839	\$ (2,679)	\$ (831,518)

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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 50,000	\$ 50,000
Rental income	30,300	20,300	25,532	5,232
Interest income (loss)	-	-	(174)	(174)
Refunds and reimbursements	2,450	2,000	901	(1,099)
Total revenues	32,750	22,300	76,259	53,959
Expenditures				
Parks and recreation				
Personal services	38,225	35,323	33,761	(1,562)
Materials and supplies	2,480	850	1,190	340
Other services and charges	27,150	28,039	34,926	6,887
Total expenditures	67,855	64,212	69,877	5,665
Excess (deficiency) of revenues over (under) expenditures	(35,105)	(41,912)	6,382	48,294
Other financing sources (uses)				
Transfers from other funds	25,000	50,000	-	(50,000)
Transfers (to) other funds	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	15,000	40,000	(10,000)	(50,000)
Net change in fund balance	(20,105)	(1,912)	(3,618)	(1,706)
Fund balance - beginning	34,223	27,809	27,809	-
Fund balance - ending	\$ 14,118	\$ 25,897	\$ 24,191	\$ (1,706)

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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 31,047	\$ 29,956	\$ (1,091)
Charges for Services	164,040	165,120	177,874	12,754
Interest income (loss)	5,000	5,000	(4,235)	(9,235)
Total revenues	<u>169,040</u>	<u>201,167</u>	<u>203,595</u>	<u>2,428</u>
Expenditures				
Public works				
Personal services	101,652	101,212	100,643	(569)
Materials and supplies	4,900	3,300	865	(2,435)
Other services and charges	<u>176,325</u>	<u>181,627</u>	<u>107,885</u>	<u>(73,742)</u>
Total expenditures	<u>282,877</u>	<u>286,139</u>	<u>209,393</u>	<u>(76,746)</u>
Net change in fund balance	(113,837)	(84,972)	(5,798)	79,174
Fund balance - beginning	<u>695,617</u>	<u>846,285</u>	<u>846,285</u>	<u>-</u>
Fund balance - ending	<u>\$ 581,780</u>	<u>\$ 761,313</u>	<u>\$ 840,487</u>	<u>\$ 79,174</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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Rental income	\$ 384,000	\$ 384,000	\$ 384,000	\$ -
Interest income (loss)	-	-	(2,022)	(2,022)
Total revenues	<u>384,000</u>	<u>384,000</u>	<u>381,978</u>	<u>(2,022)</u>
Expenditures				
Parks and recreation				
Personal services	29,853	35,709	23,747	(11,962)
Materials and supplies	7,500	4,150	454	(3,696)
Other services and charges	95,410	92,140	86,871	(5,269)
Total expenditures	<u>132,763</u>	<u>131,999</u>	<u>111,072</u>	<u>(20,927)</u>
Excess (deficiency) of revenues over (under) expenditures	251,237	252,001	270,906	18,905
Other Financing Uses				
Transfers (to) other funds	<u>(235,500)</u>	<u>(245,500)</u>	<u>(245,500)</u>	<u>-</u>
Net change in fund balance	15,737	6,501	25,406	18,905
Fund balance - beginning	<u>251,872</u>	<u>279,702</u>	<u>279,702</u>	<u>-</u>
Fund balance - ending	<u>\$ 267,609</u>	<u>\$ 286,203</u>	<u>\$ 305,108</u>	<u>\$ 18,905</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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 6,682	\$ (3,318)
Interest income (loss)	-	1,000	(428)	(1,428)
Refunds and reimbursements	30,000	30,000	27,855	(2,145)
Total revenues	<u>40,000</u>	<u>41,000</u>	<u>34,109</u>	<u>(6,891)</u>
Expenditures				
Current				
Public safety				
Materials and supplies	3,800	24,704	24,558	(146)
Other services and charges	23,650	21,500	17,003	(4,497)
Total expenditures	<u>27,450</u>	<u>46,204</u>	<u>41,561</u>	<u>(4,643)</u>
Net change in fund balance	12,550	(5,204)	(7,452)	(2,248)
Fund balance - beginning	<u>79,417</u>	<u>82,339</u>	<u>82,339</u>	<u>-</u>
Fund balance - ending	<u>\$ 91,967</u>	<u>\$ 77,135</u>	<u>\$ 74,887</u>	<u>\$ (2,248)</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, 2021

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 60,000	\$ 60,000
Charges for services	492,600	537,550	608,859	71,309
Interest income (loss)	2,000	2,000	(563)	(2,563)
Rental income	13,500	13,500	40,104	26,604
Donations	-	500	1,975	1,475
Miscellaneous	6,915	11,054	14,921	3,867
Total revenues	<u>515,015</u>	<u>564,604</u>	<u>725,296</u>	<u>160,692</u>
Expenditures				
Parks and recreation				
Personal services	392,498	390,774	378,041	(12,733)
Materials and supplies	34,675	28,355	27,892	(463)
Other services and charges	199,529	221,884	214,165	(7,719)
Total expenditures	<u>626,702</u>	<u>641,013</u>	<u>620,098</u>	<u>(20,915)</u>
Excess (deficiency) of revenues over (under) expenditures	(111,687)	(76,409)	105,198	181,607
Other Financing Sources				
Transfers In	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Net change in fund balance	(111,687)	(1,409)	105,198	106,607
Fund balance - beginning	<u>122,351</u>	<u>86,923</u>	<u>86,923</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,664</u>	<u>\$ 85,514</u>	<u>\$ 192,121</u>	<u>\$ 106,607</u>

City of White Bear Lake, Minnesota
Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	Insurance	Employment Expense	Total Internal Service Funds
Assets			
Current Assets			
Cash	\$ 3,110,818	\$ 2,548,900	\$ 5,659,718
Receivables:			
Accounts	3,658	-	3,658
Intergovernmental	-	180	180
Total assets	<u>3,114,476</u>	<u>2,549,080</u>	<u>5,663,556</u>
Deferred Outflows of Resources			
Deferred other postemployment benefit resources	-	928,561	928,561
Liabilities			
Current Liabilities:			
Accounts payable	6,707	142,633	149,340
Accrued wages payable	-	438,770	438,770
Compensated absences payable	-	551,589	551,589
Total current liabilities	<u>6,707</u>	<u>1,132,992</u>	<u>1,139,699</u>
Noncurrent Liabilities:			
Compensated absences payable	-	611,303	611,303
Other postemployment benefits (OPEB) liability	-	2,086,348	2,086,348
Total noncurrent liabilities	<u>-</u>	<u>2,697,651</u>	<u>2,697,651</u>
Total liabilities	<u>6,707</u>	<u>3,830,643</u>	<u>3,837,350</u>
Deferred Inflows of Resources			
Deferred other postemployment benefit resources	-	20,516	20,516
Net Position			
Unrestricted	<u>\$ 3,107,769</u>	<u>\$ (373,518)</u>	<u>\$ 2,734,251</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, 2021

	Insurance	Employment Expense	Total Internal Service Funds
Operating revenues			
Charges for services	\$ 255,516	\$ 3,345,054	\$ 3,600,570
Premium reimbursement	83,075	1,123	84,198
Total operating revenues	<u>338,591</u>	<u>3,346,177</u>	<u>3,684,768</u>
Operating expenses			
Personal services	-	3,317,594	3,317,594
Other services and charges	381,658	155,646	537,304
Total operating expenses	<u>381,658</u>	<u>3,473,240</u>	<u>3,854,898</u>
Operating income (loss)	<u>(43,067)</u>	<u>(127,063)</u>	<u>(170,130)</u>
Nonoperating revenues			
Investment income	(13,745)	(9,885)	(23,630)
Miscellaneous	1,571	35	1,606
Total nonoperating revenues	<u>(12,174)</u>	<u>(9,850)</u>	<u>(22,024)</u>
Income (loss) before transfers	(55,241)	(136,913)	(192,154)
Transfers in	<u>134,000</u>	<u>-</u>	<u>134,000</u>
Change in net position	78,759	(136,913)	(58,154)
Net position - beginning	<u>3,029,010</u>	<u>(236,605)</u>	<u>2,792,405</u>
Net position - ending	<u>\$ 3,107,769</u>	<u>\$ (373,518)</u>	<u>\$ 2,734,251</u>

City of White Bear Lake, Minnesota
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	Insurance	Employment Expense	Total Internal Service Funds
Cash flows from operating activities			
Receipts from other funds	\$ 258,847	\$ 3,345,054	\$ 3,603,901
Payments to vendors	(379,133)	(1,005,037)	(1,384,170)
Payments to other governments	-	(1,553,140)	(1,553,140)
Payments to employees	-	(641,546)	(641,546)
Other receipts	84,646	1,158	85,804
Net cash provided (used) by operating activities	<u>(35,640)</u>	<u>146,489</u>	<u>110,849</u>
Cash flows from noncapital financing activities			
Decrease in advances to other funds	126,000	-	126,000
Transfers from other funds	134,000	-	134,000
Net cash provided (used) by noncapital financing activities	<u>260,000</u>	<u>-</u>	<u>260,000</u>
Cash flows from investing activities			
Investment loss	<u>(13,745)</u>	<u>(9,885)</u>	<u>(23,630)</u>
Increase (decrease) in cash and cash equivalents	210,615	136,604	347,219
Cash and cash equivalents at beginning of year	2,900,203	2,412,296	5,312,499
Cash and cash equivalents at end of year	<u>\$ 3,110,818</u>	<u>\$ 2,548,900</u>	<u>\$ 5,659,718</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (43,067)	\$ (127,063)	\$ (170,130)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Miscellaneous	1,571	35	1,606
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	3,331	-	3,331
Due from governments	-	15,753	15,753
Deferred outflows in OPEB resources	-	(508,221)	(508,221)
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	2,525	134,105	136,630
Wages payable	-	62,571	62,571
Deferred inflows in OPEB resources	-	(1,517)	(1,517)
OPEB liability	-	621,794	621,794
Compensated absences	-	(50,968)	(50,968)
Net cash provided (used) by operating activities	<u>\$ (35,640)</u>	<u>\$ 146,489</u>	<u>\$ 110,849</u>

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STATISTICAL SECTION (UNAUDITED)

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2021

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

	Fiscal Years			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 53,729,136	\$ 65,111,033	\$ 70,454,106	\$ 69,690,757
Restricted for armory	46,181	-	-	-
Restricted for stormwater	4,583	27,464	31,033	31,033
Restricted for debt service	341,258	258,435	192,389	127,709
Restricted for economic development	2,409,773	914,455	-	-
Restricted for public safety	-	-	-	-
Unrestricted	35,589,459	32,231,764	27,617,496	29,293,742
Total governmental activities net position	\$ 92,120,390	\$ 98,543,151	\$ 98,295,024	\$ 99,143,241
Business-type activities				
Net investment in capital assets	\$ 5,829,454	\$ 4,422,893	\$ 4,259,544	\$ 4,189,988
Unrestricted	4,691,010	4,459,462	3,953,646	2,208,696
Total business-type activities net position	\$ 10,520,464	\$ 8,882,355	\$ 8,213,190	\$ 6,398,684
Total primary government				
Net investment in capital assets	\$ 59,558,590	\$ 69,533,926	\$ 74,713,650	\$ 73,880,745
Restricted for armory	46,181	-	-	-
Restricted for stormwater	4,583	27,464	31,033	31,033
Restricted for debt service	341,258	258,435	192,389	127,709
Restricted for economic development	2,409,773	914,455	-	-
Restricted for public safety	-	-	-	-
Unrestricted	40,280,469	36,691,226	31,571,142	31,502,438
Total primary government net position	\$ 102,640,854	\$ 107,425,506	\$ 106,508,214	\$ 105,541,925

Fiscal Years					
2016	2017	2018	2019	2020	2021
\$ 66,342,321	\$ 66,079,290	\$ 63,483,876	\$ 62,561,789	\$ 59,068,600	\$ 56,335,785
-	-	-	-	-	-
31,033	31,033	31,033	-	-	-
103,228	139,623	122,200	1,847,261	2,265,278	3,153,831
629,646	464,393	-	-	324,051	759,213
-	-	-	-	82,339	74,887
28,839,930	26,022,816	31,026,459	29,497,391	31,196,628	33,092,881
<u>\$ 95,946,158</u>	<u>\$ 92,737,155</u>	<u>\$ 94,663,568</u>	<u>\$ 93,906,441</u>	<u>\$ 92,936,896</u>	<u>\$ 93,416,597</u>
\$ 4,034,239	\$ 3,935,132	\$ 5,070,706	\$ 4,875,313	\$ 4,400,818	\$ 4,140,024
1,762,479	2,331,483	2,204,090	2,957,997	4,076,149	5,061,486
<u>\$ 5,796,718</u>	<u>\$ 6,266,615</u>	<u>\$ 7,274,796</u>	<u>\$ 7,833,310</u>	<u>\$ 8,476,967</u>	<u>\$ 9,201,510</u>
\$ 70,376,560	\$ 70,014,422	\$ 68,554,582	\$ 67,437,102	\$ 63,469,418	\$ 60,475,809
-	-	-	-	-	-
31,033	31,033	31,033	-	-	-
103,228	139,623	122,200	1,847,261	2,265,278	3,153,831
629,646	464,393	-	-	324,051	759,213
-	-	-	-	82,339	74,887
30,602,409	28,354,299	33,230,549	32,455,388	35,272,777	38,154,367
<u>\$ 101,742,876</u>	<u>\$ 99,003,770</u>	<u>\$ 101,938,364</u>	<u>\$ 101,739,751</u>	<u>\$ 101,413,863</u>	<u>\$ 102,618,107</u>

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

	Fiscal Years			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 1,323,209	\$ 1,434,549	\$ 1,384,578	\$ 1,289,857
Community development	945,394	1,599,276	2,200,586	976,641
Public safety	5,331,485	5,619,039	6,009,046	5,866,999
Public works	3,296,517	2,376,178	3,032,841	3,316,921
Parks and recreation	793,111	1,383,926	1,513,999	1,673,231
Counseling center	240,232	-	-	-
Interest on long-term debt	226,667	196,259	203,444	201,602
Total governmental activities expenses	12,156,615	12,609,227	14,344,494	13,325,251
Business-type activities:				
Water	1,253,619	1,256,185	1,501,481	1,218,301
Sewer	2,331,164	2,432,860	2,356,471	2,407,703
Refuse	1,373,872	1,323,476	1,269,935	1,347,339
Sports Center	627,507	-	-	-
Ambulance	1,072,538	1,174,927	1,303,816	1,561,444
Pioneer Manor	232,459	240,515	231,469	221,177
License Bureau	477,197	545,962	601,184	593,088
Total business-type activities expenses	7,368,356	6,973,925	7,264,356	7,349,052
Total primary government expenses	\$ 19,524,971	\$ 19,583,152	\$ 21,608,850	\$ 20,674,303
Program Revenues				
Governmental activities				
Charges for services				
Community development	\$ 667,976	\$ 648,104	\$ 466,380	\$ 486,528
Public safety	1,458,837	1,512,403	1,448,604	1,333,433
Public works	344,646	2,138,913	1,607,337	2,852,668
Other activities	544,347	1,165,561	1,368,593	1,964,137
Operating grants and contributions	944,466	1,860,303	969,094	758,819
Capital grants and contributions	2,442,615	1,120,488	3,204,949	1,235,765
Total governmental activities program revenues	6,402,887	8,445,772	9,064,957	8,631,350

		Fiscal Years									
		2016	2017	2018	2019	2020	2021				
\$	1,894,885	\$	2,032,563	\$	2,229,732	\$	1,780,202	\$	2,280,521	\$	2,238,562
	1,274,267		1,303,137		996,161		913,745		2,017,503		1,028,532
	7,344,542		6,901,502		6,938,342		8,107,785		6,698,809		7,057,931
	6,081,952		5,136,511		3,477,255		4,982,461		5,913,052		5,251,766
	1,949,905		2,196,181		2,443,894		2,110,546		2,141,183		2,376,238
	-		-		-		-		-		-
	216,142		286,638		583,390		586,792		575,748		565,989
	<u>18,761,693</u>		<u>17,856,532</u>		<u>16,668,774</u>		<u>18,481,531</u>		<u>19,626,816</u>		<u>18,519,018</u>
	1,436,995		1,522,190		1,530,821		1,383,570		2,389,924		1,922,192
	2,583,293		2,821,396		2,717,434		2,900,620		3,014,410		3,037,166
	1,266,330		1,238,814		1,292,427		1,394,947		1,596,463		1,590,039
	-		-		-		-		-		-
	1,401,154		1,300,483		1,900,790		2,177,945		2,152,677		1,876,292
	231,666		275,119		265,272		316,986		339,860		312,942
	627,705		758,487		860,555		869,093		606,698		693,524
	<u>7,547,144</u>		<u>7,916,489</u>		<u>8,567,299</u>		<u>9,043,161</u>		<u>10,100,032</u>		<u>9,432,155</u>
\$	<u>26,308,837</u>	\$	<u>25,773,021</u>	\$	<u>25,236,073</u>	\$	<u>27,524,692</u>	\$	<u>29,726,848</u>	\$	<u>27,951,173</u>
\$	552,222	\$	601,369	\$	534,884	\$	549,179	\$	575,201	\$	574,468
	1,462,598		1,324,364		1,491,098		1,669,572		1,710,271		2,232,412
	1,198,061		1,248,613		2,545,402		1,741,350		150,297		199,499
	1,732,107		1,653,693		1,598,321		1,873,465		1,643,239		1,976,677
	2,013,226		1,773,381		2,529,915		1,816,662		3,579,830		1,658,897
	236,298		193,819		2,786,239		234,945		1,502,431		2,054,214
	<u>7,194,512</u>		<u>6,795,239</u>		<u>11,485,859</u>		<u>7,885,173</u>		<u>9,161,269</u>		<u>8,696,167</u>

(Continued)

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

	Fiscal Years			
	2012	2013	2014	2015
Business-type activities:				
Charges for services				
Water	\$ 1,299,555	\$ 1,116,799	\$ 1,130,956	\$ 1,033,562
Sewer	2,439,310	2,355,493	2,266,411	2,278,271
Refuse	1,283,336	1,271,011	1,266,393	1,331,974
Sports Center	436,610	-	-	-
Ambulance	1,261,191	1,289,760	1,467,576	1,533,843
Pioneer Manor	360,017	370,341	374,610	379,942
License Bureau	911,822	903,202	966,451	1,009,610
Operating grants and contributions	66,381	84,321	52,414	-
Capital grants and contributions	30,000	-	-	-
Total business-type activities program revenues	8,088,222	7,390,927	7,524,811	7,567,202
Total primary government program revenues	\$ 14,491,109	\$ 15,836,699	\$ 16,589,768	\$ 16,198,552
Net (Expense)/Revenue				
Governmental activities	\$ (5,753,728)	\$ (4,163,455)	\$ (5,279,537)	\$ (4,693,901)
Business-type activities	719,866	417,002	260,455	218,150
Total primary government net expense	(5,033,862)	(3,746,453)	(5,019,082)	(4,475,751)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes	5,380,530	5,693,462	5,101,437	5,430,074
Unrestricted grants and contributions	1,532,871	1,532,542	1,532,454	1,542,705
Investment earnings	332,293	(46,110)	435,659	275,401
Gain on sale of capital assets	81,103	1,335,877	5,556	205,895
Capital transfers	-	-	-	-
Transfers	986,417	878,661	929,620	881,506
Total governmental activities	8,313,214	9,394,432	8,004,726	8,335,581
Business-type activities:				
Investment earnings	31,937	-	-	-
Gain on sale of capital assets	-	15,334	-	12,236
Capital transfers	-	-	-	-
Transfers	(986,417)	(878,661)	(929,620)	(881,506)
Total business-type activities	(954,480)	(863,327)	(929,620)	(869,270)
Total primary government	\$ 7,358,734	\$ 8,531,105	\$ 7,075,106	\$ 7,466,311
Change in Net Position				
Governmental activities	\$ 2,559,486	\$ 5,230,977	\$ 2,725,189	\$ 3,641,680
Business-type activities	(234,614)	(446,325)	(669,165)	(651,120)
Total primary government	\$ 2,324,872	\$ 4,784,652	\$ 2,056,024	\$ 2,990,560

		Fiscal Years									
		2016	2017	2018	2019	2020	2021				
\$	1,317,467	\$	1,352,090	\$	1,631,823	\$	1,630,455	\$	1,949,067	\$	2,087,357
	2,458,993		2,737,128		3,137,600		3,301,230		3,284,394		3,665,021
	1,287,837		1,313,995		1,345,541		1,422,623		1,626,462		1,794,669
	-		-		-		-		-		-
	1,364,463		1,819,626		1,617,467		1,991,667		1,738,264		1,940,031
	379,437		382,935		390,436		402,734		405,800		412,151
	1,036,532		971,880		972,573		972,466		545,311		688,447
	146,693		77,717		60,691		279,418		210,076		261,657
	-		-		-		2,453		379,351		-
	7,991,422		8,655,371		9,156,131		10,003,046		10,138,725		10,849,333
\$	15,185,934	\$	15,450,610	\$	20,641,990	\$	17,888,219	\$	19,299,994	\$	19,545,500
\$	(11,567,181)	\$	(11,061,293)	\$	(5,182,915)	\$	(10,596,358)	\$	(10,465,547)	\$	(9,822,851)
	444,278		738,882		588,832		959,885		38,693		1,417,178
	(11,122,903)		(10,322,411)		(4,594,083)		(9,636,473)		(10,426,854)		(8,405,673)
	5,425,913		5,638,926		6,161,456		6,753,944		7,476,766		8,338,199
	1,542,738		1,543,705		1,587,299		1,588,195		1,588,195		1,333,615
	314,014		390,231		556,126		975,843		554,412		(171,564)
	39,118		-		84,222		50,949		394,010		114,058
	-		-		(1,459,723)		(9,500)		-		-
	1,048,315		279,428		1,056,920		479,800		(517,381)		688,244
	8,370,098		7,852,290		7,986,300		9,839,231		9,496,002		10,302,552
	-		-		-		28,826		47,455		(19,460)
	2,071		10,443		16,546		40,103		40,128		15,069
	-		-		1,459,723		9,500		-		-
	(1,048,315)		(279,428)		(1,056,920)		(479,800)		517,381		(688,244)
	(1,046,244)		(268,985)		419,349		(401,371)		604,964		(692,635)
\$	7,323,854	\$	7,583,305	\$	8,405,649	\$	9,437,860	\$	10,100,966	\$	9,609,917
\$	(3,197,083)	\$	(3,209,003)	\$	2,803,385	\$	(757,127)	\$	(969,545)	\$	479,701
	(601,966)		469,897		1,008,181		558,514		643,657		724,543
\$	(3,799,049)	\$	(2,739,106)	\$	3,811,566	\$	(198,613)	\$	(325,888)	\$	1,204,244

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

	Fiscal Years			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	3,351,922	3,564,689	3,240,501	3,275,500
Total general fund	<u>3,351,922</u>	<u>3,564,689</u>	<u>3,240,501</u>	<u>3,275,500</u>
All Other Governmental Funds				
Nonspendable				
Capital improvements	-	-	-	-
Sports center	-	-	-	-
Restricted				
Armory	46,181	-	-	-
Surface water pollution prevention	4,583	27,464	31,033	31,033
Debt service	363,341	288,648	218,493	149,490
Public safety	-	-	-	-
Economic development	2,409,773	914,455	-	-
Committed				
Armory	-	49,983	54,033	62,013
Marina	-	188,910	275,010	408,717
Sports center	-	352,470	348,724	344,004
Forfeiture	-	-	-	-
Debt service	694,682	1,220,207	1,321,100	428,022
Advances	2,080,000	1,430,000	1,325,000	1,220,000
Capital improvements	4,930,998	14,367,004	14,179,649	15,173,631
Economic development	1,002,251	915,912	1,116,556	1,104,556
Assigned				
Surface water pollution prevention	871,823	744,981	801,349	766,754
Capital improvements	14,590,161	4,068,818	3,610,771	3,553,171
Debt service	-	-	-	-
Advances	-	-	-	-
Economic development	2,173,274	2,663,221	2,289,733	2,386,090
Unassigned	(2,918,533)	(2,264,286)	(4,213,915)	(4,478,829)
Total all other governmental funds	<u>26,248,534</u>	<u>24,967,787</u>	<u>21,357,536</u>	<u>21,148,652</u>
Total fund balances	<u>\$ 29,600,456</u>	<u>\$ 28,532,476</u>	<u>\$ 24,598,037</u>	<u>\$ 24,424,152</u>

Fiscal Years							
2016	2017	2018	2019	2020	2021		
\$	-	\$	-	\$	15	\$	-
3,443,521	3,604,779	3,773,666	4,902,116	5,804,642	6,657,580		
3,443,521	3,604,779	3,773,666	4,902,116	5,804,657	6,657,580		
-	-	-	2,400	-	243,463		
-	-	-	-	3,263	-		
-	-	-	-	-	-		
31,033	31,033	31,033	-	-	-		
171,524	139,623	323,327	1,148,411	1,195,479	2,051,287		
-	-	-	-	-	74,887		
629,646	464,393	-	-	305,922	741,553		
68,460	59,643	52,867	48,160	27,809	24,191		
420,002	73,083	166,994	222,160	279,702	305,108		
347,985	283,171	270,792	264,837	83,660	192,121		
153,554	128,818	61,614	54,045	-	-		
899,591	846,323	386,091	-	-	-		
1,025,000	1,000,000	1,750,000	750,000	750,000	1,348,500		
13,964,494	13,240,444	12,642,847	12,298,103	12,519,361	12,092,106		
1,113,652	2,837,301	3,261,231	2,509,228	3,308,573	2,552,660		
805,238	822,597	774,977	835,054	846,285	840,487		
3,726,267	2,775,587	5,091,368	4,400,538	4,404,356	3,844,530		
-	-	-	404,761	502,976	554,450		
-	-	-	-	-	199,500		
1,649,148	-	-	-	-	-		
(1,828,066)	(1,623,966)	(1,588,524)	(57,808)	-	(2,679)		
23,177,528	21,078,050	23,224,617	22,879,889	24,227,386	25,062,164		
\$ 26,621,049	\$ 24,682,829	\$ 26,998,283	\$ 27,782,005	\$ 30,032,043	\$ 31,719,744		

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

	Fiscal Years			
	2012	2013	2014	2015
Revenues				
Taxes	\$ 5,380,529	\$ 5,693,462	\$ 5,038,466	\$ 5,513,046
Licenses, fees and permits	481,975	539,126	575,525	743,511
Fines and forfeits	113,751	117,284	142,657	106,539
Charges for services	651,379	1,070,868	965,652	962,246
Special assessments	1,160,078	1,340,918	1,479,834	1,423,952
Intergovernmental	3,245,182	4,476,834	3,932,027	3,316,877
Investment earnings	307,793	(74,110)	402,659	238,901
Other revenues	1,832,038	1,982,071	3,476,927	3,013,404
Total revenues	13,172,725	15,146,453	16,013,747	15,318,476
Expenditures				
General government	1,094,681	1,178,625	1,227,203	1,179,741
Public safety	5,014,537	5,127,904	5,485,868	5,547,655
Public works	1,145,039	899,077	1,459,540	1,827,692
Parks and recreation	587,283	1,115,357	1,243,397	1,461,734
Social and economic development	949,448	1,592,501	2,186,706	967,991
Capital outlay	4,826,366	8,603,081	8,674,837	4,896,700
Debt service				
Principal	3,070,000	455,000	665,000	680,000
Interest	283,668	188,130	207,553	205,925
Total expenditures	16,971,022	19,159,675	21,150,104	16,767,438
Excess of revenues over (under) expenditures	(3,798,297)	(4,013,222)	(5,136,357)	(1,448,962)
Other Financing Sources (Uses)				
Bonds issued	5,205,000	-	-	-
Premium on bonds issued	29,465	-	-	-
Sale of capital assets	196,376	1,585,303	6,647	262,667
Transfers in	6,539,277	5,694,577	3,756,935	4,484,192
Transfers out	(5,516,657)	(4,381,277)	(2,811,435)	(3,471,782)
Total other financing sources (uses)	6,453,461	2,898,603	952,147	1,275,077
Net changes in fund balances	\$ 2,655,164	\$ (1,114,619)	\$ (4,184,210)	\$ (173,885)
Debt service as a percentage of noncapital	25.3%	6.0%	7.0%	7.4%

		Fiscal Years									
		2016	2017	2018	2019	2020	2021				
\$	5,410,913	\$	5,588,926	\$	6,102,456	\$	6,829,685	\$	7,472,082	\$	8,036,638
	637,247		696,282		785,141		892,276		845,633		1,405,865
	92,968		89,062		78,357		87,063		60,489		78,008
	1,243,285		989,085		1,035,730		1,267,682		1,133,738		1,569,743
	1,363,846		1,268,893		1,405,265		1,448,465		1,424,125		1,235,409
	3,574,867		3,318,121		4,146,233		3,393,992		5,308,025		3,790,103
	271,982		350,481		528,626		855,613		472,064		(147,934)
	2,271,189		2,280,430		3,463,864		2,716,316		2,144,866		2,687,808
	14,866,297		14,581,280		17,545,672		17,491,092		18,861,022		18,655,640
	1,396,395		1,617,010		1,653,756		1,779,680		1,908,340		1,912,857
	5,749,040		6,262,229		6,860,710		6,498,002		6,662,012		7,251,601
	1,848,175		3,231,023		2,135,159		2,294,282		2,193,221		2,406,231
	1,403,256		1,718,351		1,854,616		1,504,270		1,366,047		1,492,158
	1,121,905		1,294,178		1,053,737		1,093,417		1,623,799		1,013,106
	4,216,946		2,451,652		11,211,655		5,357,364		5,012,902		3,858,090
	345,000		355,000		420,000		420,000		775,000		895,000
	169,628		312,139		425,058		606,920		560,709		592,195
	16,250,345		17,241,582		25,614,691		19,553,935		20,102,030		19,421,238
	(1,384,048)		(2,660,302)		(8,069,019)		(2,062,843)		(1,241,008)		(765,598)
	2,275,000		-		9,180,000		1,925,000		3,580,000		1,815,000
	-		-		67,581		164,335		341,970		101,720
	51,960		47,082		79,972		42,430		460,571		118,059
	4,159,689		5,101,950		3,856,096		5,119,617		4,281,435		3,700,136
	(2,905,704)		(4,426,950)		(2,799,176)		(4,404,817)		(5,090,591)		(3,145,892)
	3,580,945		722,082		10,384,473		2,846,565		3,573,385		2,589,023
\$	2,196,897	\$	(1,938,220)	\$	2,315,454	\$	783,722	\$	2,332,377	\$	1,823,425
	3.5%		4.5%		6.0%		6.7%		7.7%		8.7%

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
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	30,809,390	2,692,665,548	659,373	46,566,953
2019	2020	32,814,944	2,756,482,104	616,990	47,670,596
2020	2021	35,193,508	3,056,007,709	691,896	52,850,591
2021	2022	35,959,433	3,106,551,406	467,548	53,724,694

Source: Ramsey County and Washington County

Total			
Assessed Tax Capacity	Market Value	% Total of Assessed Tax Capacity to Market Value	Total Direct Tax Rate
\$ 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
31,468,763	2,739,232,500	1.15%	20.143
33,431,934	2,804,152,700	1.19%	20.629
35,885,404	3,108,858,300	1.15%	20.355
36,426,981	3,160,276,100	1.15%	22.216

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				
(A) 2012	18.346	0.846	0.748	19.940	26.102	61.317	9.955	117.314
(A) 2012					0.248			0.248
(A) 2013	19.766	0.893	0.789	21.496	28.562	65.144	10.187	125.389
(A) 2013					0.264			0.264
(A) 2014	19.447	0.879	0.777	21.102	28.562	63.735	9.825	123.224
(A) 2014					0.273			0.273
(A) 2015	18.682	0.277	1.408	20.367	26.660	58.922	9.179	115.128
(A) 2015					0.240			0.240
(A) 2016	18.223	0.528	0.939	19.690	26.236	58.885	9.052	113.863
(A) 2016					0.235			0.235
(A) 2017	17.936	0.484	0.550	18.969	23.454	55.920	8.565	106.908
(A) 2017					0.212			0.212
(A) 2018	17.548	0.446	0.999	19.058	23.631	53.692	8.215	104.596
(A) 2018					0.223			0.223
(A) 2019	19.070	0.420	0.700	20.143	26.081	52.879	8.265	107.368
(A) 2019					0.232			0.232
(A) 2020	19.261	0.394	0.974	20.629	36.777	52.302	8.249	117.957
(A) 2020					0.220			0.220
(A) 2021	18.375	0.365	1.616	20.355	37.074	47.760	7.815	113.004
(A) 2021					0.180			0.180
(A) 2022	19.796	0.363	2.057	22.216	34.763	48.034	9.961	113.072
(A) 2022					0.190			0.220

(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	2021			2012		
	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	\$ 627,000	1	1.75%	\$ 337,750	1	1.51%
Xcel Energy	526,656	2	1.47%	322,362	2	1.44%
White Bear Marketplace	342,754	3	0.96%			
Aspen Research	327,540	4	0.91%	159,244	6	0.71%
The Pillars of White Bear Lake	279,336	5	0.78%			
Birch Lake Townhomes	275,432	6	0.77%			
The Waters of White Bear Lake	275,416	7	0.77%			
Boatworks Commons	239,210	8	0.67%			
White Bear Shopping Center	232,576	9	0.65%	217,432	5	0.97%
Majestic Pines Apartments	228,708	10	0.64%			
Trane Corporation				252,702	3	1.13%
Sam's Club				225,250	4	1.01%
Taylor Corporation				154,532	7	0.69%
Festival Foods				152,250	8	0.68%
K Mart Corporation				141,250	9	0.63%
Life Time Fitness				134,250	10	0.60%
Total	\$ 3,354,628		9.35%	\$ 2,097,022		9.39%
Total Tax Capacity of City	\$ 35,885,404			\$ 22,341,490		

Source: Ramsey County and Washington County

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

Fiscal Year	Total Levy	(1) Collection of Current Year's Levy	Percentage of Levy Collected	Collections/ Refunds in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2012	\$ 4,666,000	\$ 4,624,251	99.11%	\$ 41,749	\$ 4,666,000	100.00%
2013	4,755,000	4,734,372	99.57%	20,628	4,755,000	100.00%
2014	4,755,000	4,606,934	96.89%	148,066	4,755,000	100.00%
2015	4,845,000	4,841,359	99.92%	3,641	4,845,000	100.00%
2016	4,927,000	4,878,320	99.01%	41,321	4,919,641	99.85%
2017	5,173,000	5,076,444	98.13%	85,888	5,162,332	99.79%
2018	5,625,000	5,540,565	98.50%	61,714	5,602,279	99.60%
2019	6,345,000	6,238,360	98.32%	81,975	6,320,335	99.61%
2020	6,908,000	6,846,046	99.10%	16,737	6,862,783	99.35%
2021	7,370,000	7,370,000	100.00%	-	7,370,000	100.00%

(1) Includes state paid property tax credits.

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	General Obligation Bonds		
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	7,436,187	3,035,000	3,336,394	-	-	13,807,581
2019	9,332,390	2,800,000	3,336,090	-	-	15,468,480
2020	12,825,993	2,560,000	3,210,784	919,389	-	19,516,166
2021	14,195,585	2,305,000	3,085,480	3,467,613	-	23,053,678

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
\$ 1,218,273,900	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	0.93%	25,512	541.22
1,550,188,536	1.00%	25,752	600.67
1,601,568,384	1.22%	24,883	784.32
1,634,215,908	1.41%	24,883	926.48

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

Fiscal Year	General Obligation Bonds (1)	Less Amount Restricted to Debt Service (2)	Net General Bonded Debt	Market Value of Property	Percentage of Market Value of Property	Assessed Value of Property
2012	\$ 5,205,000	\$ 341,258	\$ 4,863,742	\$ 2,003,279,800	0.24%	\$ 24,106,237
2013	4,750,000	258,435	4,491,565	2,001,867,700	0.22%	22,430,009
2014	4,085,000	192,389	3,892,611	2,018,498,400	0.19%	22,662,159
2015	3,405,000	127,709	3,277,291	2,139,511,900	0.15%	23,893,184
2016	5,335,000	103,228	5,231,772	2,208,426,900	0.24%	24,679,181
2017	4,980,000	139,623	4,840,377	2,558,489,600	0.19%	29,199,673
2018	13,740,000	122,200	13,617,800	2,739,232,500	0.50%	31,468,763
2019	15,468,480	1,847,261	13,621,219	2,804,152,700	0.49%	33,431,934
2020	19,516,166	2,265,278	17,250,888	3,108,858,300	0.55%	35,885,404
2021	23,053,678	3,153,831	19,899,847	3,160,276,100	0.63%	36,426,981

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

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

Percentage of Assessed Value of Property	Population	Per Capita
20.18%	23,820	\$ 204.19
20.02%	24,074	186.57
17.18%	24,100	161.52
13.72%	24,159	135.66
21.20%	24,138	216.74
16.58%	25,001	193.61
43.27%	25,512	533.78
40.74%	25,752	528.94
48.07%	24,883	693.28
54.63%	24,883	799.74

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City of White Bear Lake, Minnesota
 Computation of Direct and Overlapping
 Bonded Debt and Comparative Debt Ratios
 December 31, 2021

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
Direct Debt:			
Special Assessments	\$ 14,195,585	100.00%	\$ 14,195,585
Tax Increment	2,305,000	100.00%	2,305,000
Tax Abatement	3,085,480	100.00%	3,085,480
Subtotal	<u>19,586,065</u>		<u>19,586,065</u>
City of White Bear Lake	<u>19,586,065</u>	100.00%	<u>19,586,065</u>
Overlapping Debt:			
Ramsey County	99,835,310	5.97%	5,956,762
Washington County	96,886,028	0.13%	128,518
Independent School District #622	420,430,106	0.11%	446,266
Independent School District #624	309,647,882	33.56%	103,918,004
Independent School District #832	38,914,469	2.01%	781,598
Independent School District #916	73,470,000	8.00%	5,875,918
Metropolitan Council - Parks	(2,214,990)	1.00%	(22,150)
Metropolitan Council - Regional Transit	467,139,590	1.00%	4,671,396
Total overlapping debt	<u>1,504,108,395</u>		<u>121,756,313</u>
Total direct and overlapping debt	<u><u>\$ 1,523,694,460</u></u>		<u><u>\$ 141,342,378</u></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

	Fiscal Years			
	2012	2013	2014	2015
Debt limit	\$ 55,413,426	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 55,413,426</u>	<u>\$ 60,099,952</u>	<u>\$ 64,185,357</u>	<u>\$ 66,276,306</u>
Total net debt applicable to the limit as a percentage of the debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Market value		<u>\$ 3,160,276,100</u>
Debt limit - 3.00% of market value (Note A)		\$ 94,808,283
Total bonded debt	23,053,678	
Less (Note B)		
Tax Increment Bonds	2,305,000	
Special Assessment Bonds	14,195,585	
Revenue Bonds	<u>3,467,613</u>	
	<u>19,968,198</u>	
Total debt applicable		<u>3,085,480</u>
Legal debt margin		<u>\$ 91,722,803</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.

Fiscal Years					
2016	2017	2018	2019	2020	2021
\$70,917,876	\$77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 93,504,588	\$ 94,808,283
-	-	-	-	3,210,784	3,085,480
\$70,917,876	\$77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 90,293,804	\$ 91,722,803
0.00%	0.00%	0.00%	0.00%	3.43%	3.25%

City of White Bear Lake, Minnesota - Water Fund
Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (A)	Net Revenue Available for Debt Service	Principal	Interest
2012	\$ 1,325,913	\$ 1,176,610	\$ 149,303	-	-
2013	1,125,785	1,141,053	(15,268)	-	-
2014	1,130,956	1,385,574	(254,618)	-	-
2015	1,043,648	1,113,192	(69,544)	-	-
2016	1,366,067	1,318,148	47,919	-	-
2017	1,375,334	1,398,799	(23,465)	-	-
2018	1,647,495	1,441,743	205,752	-	-
2019	1,653,482	1,271,411	382,071	-	-
2020	2,007,058	2,290,738	(283,680)	-	7,995
2021	2,109,547	1,751,530	358,017	-	39,084

(A) Direct Operating Expenses exclude related depreciation.

	Total Debt Requirements	Coverage
\$	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	7,995	-3548.22%
	39,084	916.02%

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)
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%
2019	25,752	1,550,188,536	60,197	8,602	2.90%
2020	24,883	1,601,568,384	64,364	8,478	4.70%
2021	24,883	1,634,215,908	65,676	8,282	2.60%

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	2021			2012		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Educational Services	1,992	1	17.00%	1,716	1	15.17%
Health Care and Social Assistance Services	1,434	2	12.24%	1,603	2	14.17%
Retail Trade	1,394	3	11.90%	1,493	3	13.20%
Accommodation and Food Services	1,250	4	10.67%	1,176	4	10.39%
Manufacturing	1,024	5	8.74%	824	6	7.28%
Administrative, Support, Waste Management, and Remediation	740	6	6.32%	785	7	6.94%
Other Services (except Public Administration)	735	7	6.27%			0.00%
Wholesale Trade Services	712	8	6.08%	385	8	3.40%
Professional, Scientific and Technical Services	620	9	5.29%			0.00%
Finance and Insurance Services	446	10	3.81%	375	9	3.31%
Other Executive Public Administrative				858	5	7.58%
Arts, Entertainment, and Recreation				263	10	2.32%
Total Industries Listed	10,347		88.31%	9,478		83.77%
Total City Employment	11,717			11,314		

Source: Minnesota Department of Employment and Economic Development's website www.mn.gov/deed

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

	Fiscal Years			
	2012	2013	2014	2015
General government				
Legislative	0.65	0.65	0.65	0.65
Administration	1.75	1.55	1.55	1.55
Finance	4.90	4.90	4.90	4.90
City Hall	1.00	1.00	1.00	1.00
Elections	0.15	0.20	0.20	0.25
Planning	3.00	3.00	3.00	3.00
Public Safety				
Police	31.81	31.81	31.81	31.81
Dispatch	5.35	5.75	5.75	5.75
Fire	2.75	2.75	2.75	2.75
Building / Code Enforcement	5.00	5.00	5.00	5.00
Public Works				
Streets	4.70	4.70	4.70	4.70
Engineering	6.00	6.00	6.00	6.00
Garage	1.30	1.30	1.30	1.30
Public Works Facility	-	-	-	-
Parks and recreation	5.70	5.70	5.70	5.70
Armory	-	-	-	0.35
Surface Water	-	-	-	-
Sports Center	3.85	3.85	3.85	3.50
Counseling Center	-	-	-	-
Economic Development	-	-	-	-
Water	4.80	4.80	4.80	4.80
Sewer	4.50	4.50	4.50	4.50
Refuse	0.60	0.60	0.35	0.70
Ambulance	3.25	3.25	7.25	7.25
License Bureau	8.35	9.75	9.80	8.90
Total	99.41	101.06	104.86	104.36

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

Fiscal Years						
2016	2017	2018	2019	2020	2021	
0.50	0.50	0.50	0.50	0.50	0.50	0.50
2.30	2.50	2.50	2.50	2.50	2.50	2.50
5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.40	1.40	2.00	2.00	2.00	2.00	2.00
0.40	0.20	-	-	-	-	-
3.00	4.00	3.00	3.00	3.00	3.00	3.00
32.01	32.01	32.40	35.65	36.95	38.50	38.50
5.50	5.50	2.75	-	-	-	-
3.00	3.00	1.75	4.10	4.10	4.10	4.10
5.00	6.00	6.00	6.00	6.00	6.00	6.00
4.20	4.20	4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	6.00	5.00	4.50	4.50
1.30	1.30	1.00	1.00	1.00	1.50	1.50
-	-	0.90	0.90	0.90	0.90	0.90
6.40	6.40	6.00	6.00	5.00	5.00	5.00
0.35	0.35	0.35	0.35	0.35	0.35	0.35
0.50	0.50	0.50	0.50	0.50	1.00	1.00
3.50	3.50	4.15	4.15	4.10	4.22	4.22
-	-	-	-	-	-	-
-	0.50	1.50	1.50	1.15	1.15	1.15
4.70	4.70	4.70	4.70	4.70	4.70	4.70
4.40	4.40	4.40	4.40	4.40	4.40	4.40
-	-	-	-	-	-	-
7.25	7.25	13.75	11.90	11.90	11.90	11.90
10.10	11.10	11.30	12.80	9.20	9.50	9.50
106.81	110.31	114.45	116.95	112.25	114.72	114.72

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

	Fiscal Years			
	2012	2013	2014	2015
Building				
Building permits issued	762	795	740	968
Other permits issued	1,503	1,401	1,332	1,537
Police				
Number of Calls for Service	27,466	27,659	28,293	24,270
Administrative Citations				
City	309	338	295	309
State	292	291	455	352
Total	601	629	750	661
Fire				
Fire calls*	115	104	130	126
Staged responses (Silent)*	278	315	361	339
Rescue calls*	103	111	114	104
Fire/Rescue Calls*	-	-	-	-
Call-back responses*	-	-	-	-
Parks				
Reservations	259	267	268	242
Water				
Gallons pumped	963,288,000	902,001,000	805,400,000	777,995,000
Water main breaks	23	18	23	11
Refuse				
Accounts serviced each week	7,579	7,585	7,597	7,662
Ambulance				
Ambulance calls	2,842	2,841	2,971	2,739
License Bureau				
Motor Vehicle transactions	89,623	88,226	88,192	94,280
Drivers License transactions	19,112	18,372	18,547	18,634
DNR licenses	6,719	6,685	6,184	6,214
Game and Fish licenses	1,049	969	845	648

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

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

Fiscal Years						
2016	2017	2018	2019	2020	2021	
883	1,156	1,356	1,091	1,024	1,087	
1,479	1,461	1,622	1,594	1,575	1,730	
26,475	28,491	26,538	27,396	22,499	22,309	
207	44	30	21	10	6	
292	383	409	336	137	521	
499	427	439	357	147	527	
115	229	-	-	-	-	
359	226	-	-	-	-	
136	129	-	-	-	-	
-	-	300	510	822	933	
-	-	503	282	120	76	
240	311	342	311	175	409	
815,073,000	813,123,000	731,118,167	717,745,028	727,055,858	760,002,312	
13	16	17	22	9	16	
7,660	7,654	7,601	7,530	7,539	7,524	
2,631	2,948	3,047	3,619	3,289	3,663	
94,842	90,085	88,923	80,122	48,739	54,185	
18,696	17,724	18,090	20,880	6,609	8,990	
6,676	5,747	6,316	5,938	4,162	4,532	
538	500	439	292	55	243	

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

	Fiscal Years			
	2012	2013	2014	2015
Public Safety				
Police				
Stations	1	1	1	1
Patrol Vehicles	17	18	18	17
Fire				
Stations	2	2	2	2
Fire trucks (1)	6	6	6	6
Rescue boats with motors	2	2	2	2
Public Works				
Streets				
Miles	114.81	114.81	114.81	114.81
Street lights	515	515	515	515
Parks and recreation				
Public Docks (1)	9	9	9	9
Outdoor ice rinks	5	5	5	5
Playgrounds	11	11	11	11
Softball fields	13	13	13	13
Basketball court	2	2	2	2
Disc golf course	1	1	1	1
Sports Center				
Indoor ice rink	1	1	1	1
Racquetball courts	5	5	5	5
Water				
Miles of watermains	126.81	126.81	126.81	126.81
Fire hydrants	907	907	907	907
Water tower storage	5,000,000	5,000,000	5,000,000	5,000,000
Sewer				
Miles of storm sewers	50.02	50.02	50.02	50.61
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 Years						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
19	19	20	19	19	19	20
2	2	2	2	2	2	2
6	6	6	6	6	5	5
2	2	2	2	2	2	1
114.81	114.81	114.81	114.81	114.81	114.81	114.81 (1)
515	515	523	529	529	529	529
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	5	5	5	5	5
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	0
126.81	126.81	126.95	127.08	127.08	127.08	127.08
907	907	908	909	909	909	909
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
50.61	50.61	50.97	51.21	51.21	51.21	51.21
120.36	120.36	120.36	120.36	120.36	120.36	120.36