



# White Bear Lake, Minnesota

Annual Comprehensive Financial Report

For the Year Ended December 31, 2022

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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended December 31, 2022**

## **CITY OF WHITE BEAR LAKE, MINNESOTA**

PREPARED BY  
FINANCE DEPARTMENT

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Finance Director

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Assistant Finance Director

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

Cover photo courtesy of White Bear Lake Area Historical Society  
*White Bear JC's Queen Parade 1951*

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**CITY OF WHITE BEAR LAKE, MINNESOTA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2022**

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

FOR THE YEAR ENDED  
DECEMBER 31, 2022

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**CITY OF WHITE BEAR LAKE, MINNESOTA**

Elected and Administrative Officials

December 31, 2022

**ELECTED OFFICIALS**

**TERMS EXPIRE**

Mayor, Dan Louismet

January, 2026

Council Members:

1st Ward, Bill Walsh

January, 2024

2nd Ward, Heidi Hughes

January, 2026

3rd Ward, Dan Jones

January, 2024

4th Ward, Kevin Edberg

January, 2026

5th Ward, Steven Engstran

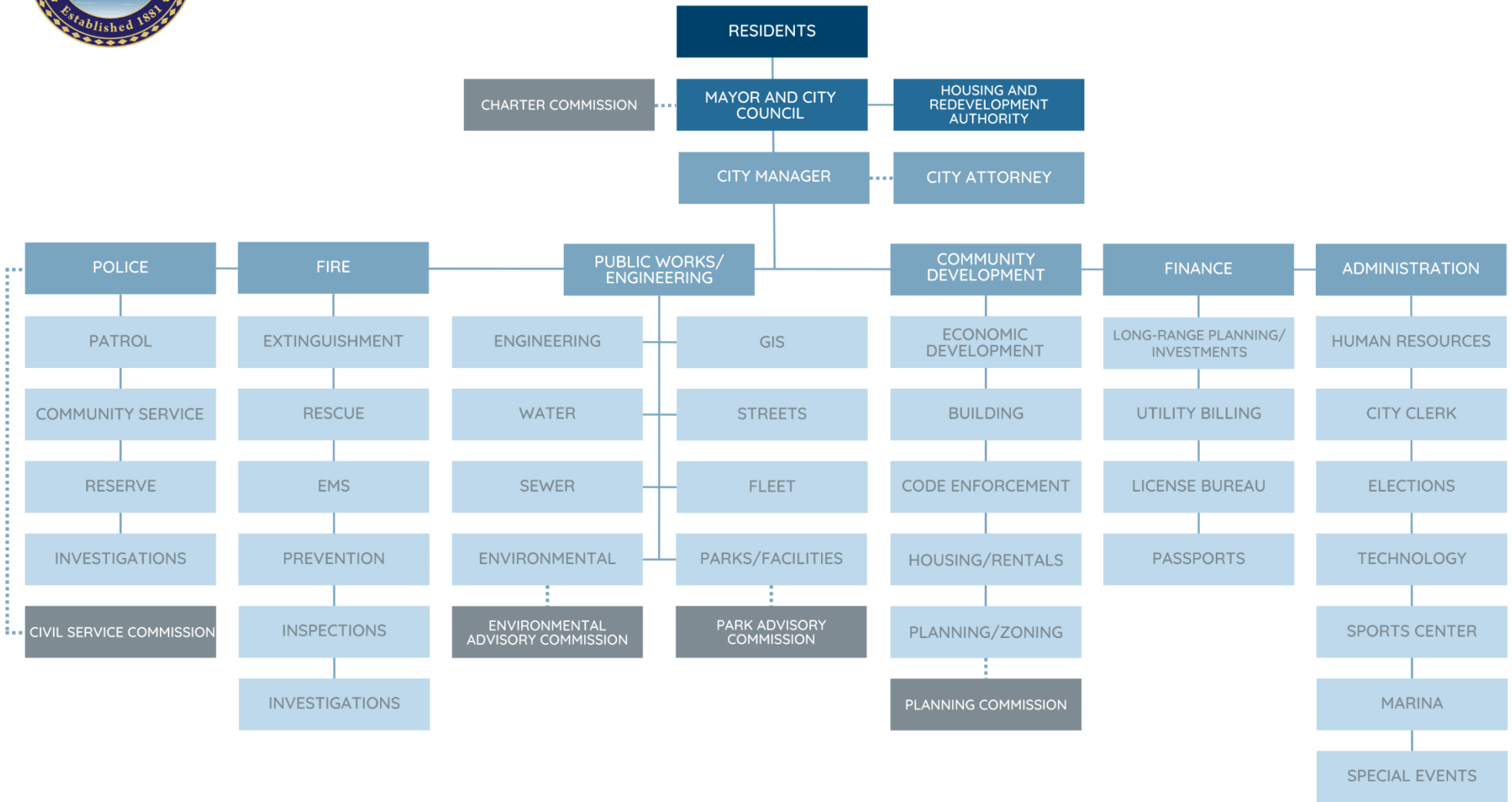
January, 2024

**ADMINISTRATIVE OFFICIALS**

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

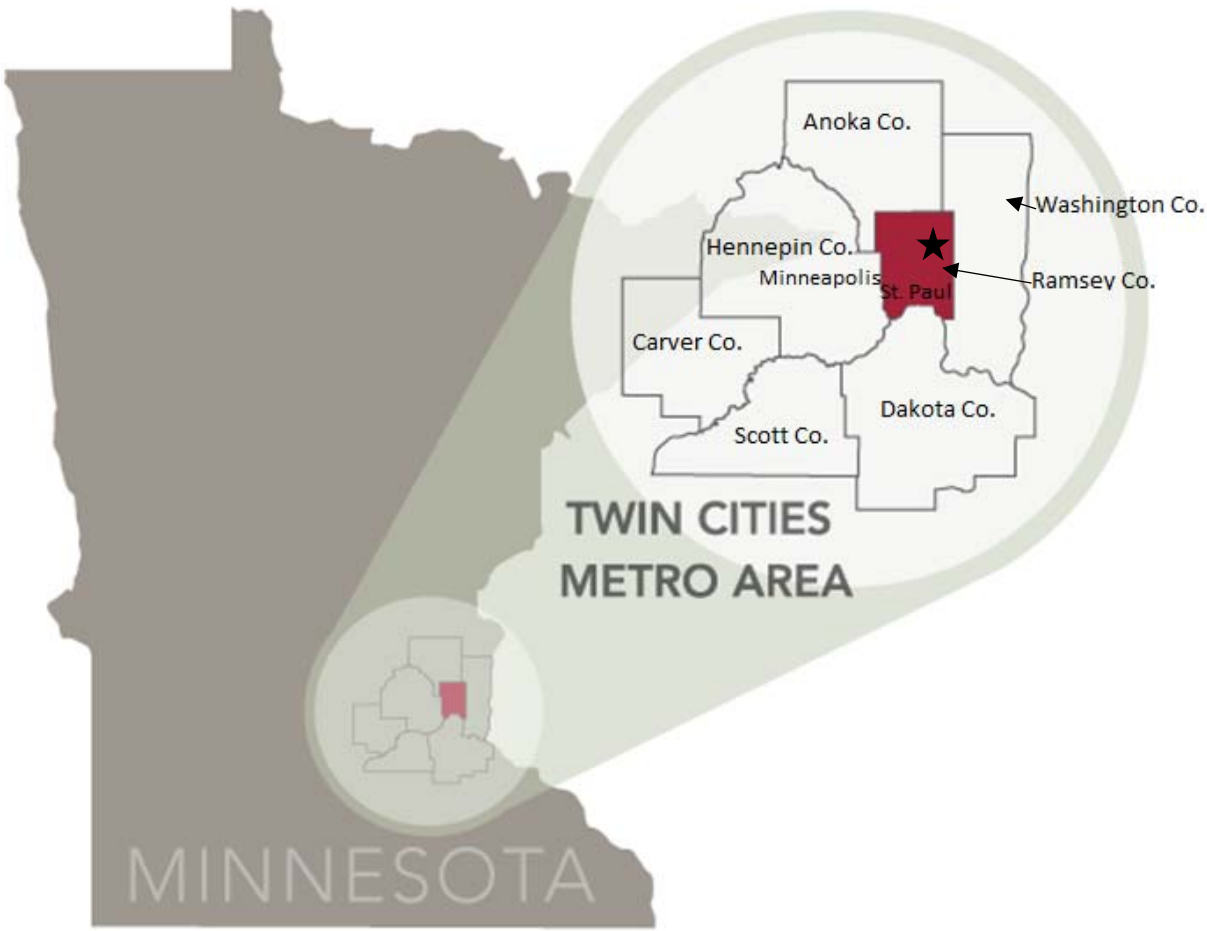


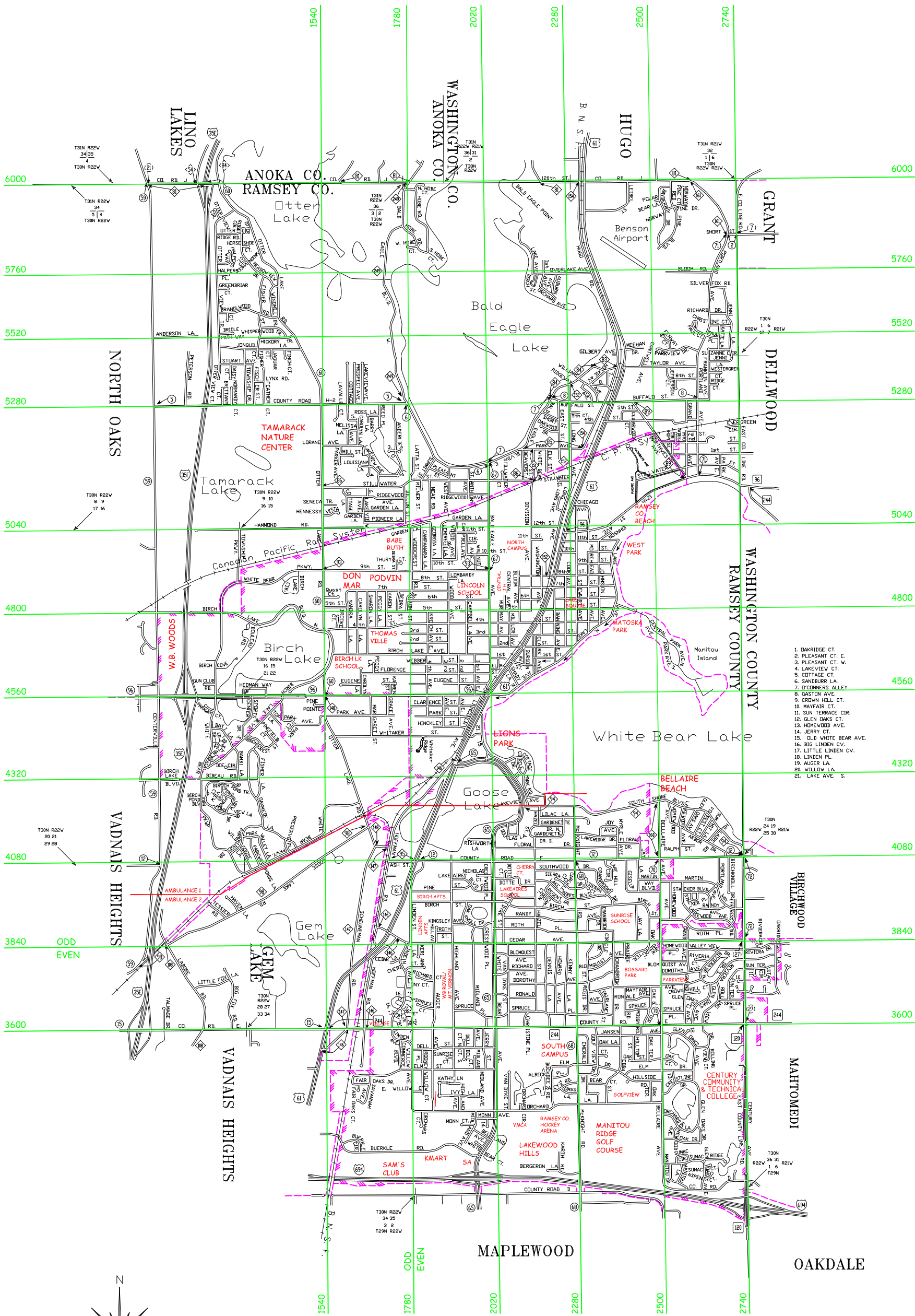
# CITY OF WHITE BEAR LAKE ORGANIZATIONAL CHART



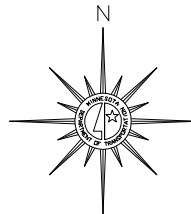
# City of White Bear Lake

## Geographical Location





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

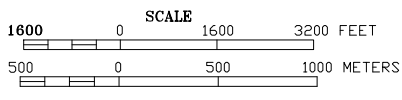


**LEGEND**

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

MUNICIPALITY OF  
**WHITE BEAR LAKE**

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



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

2005

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

### *Historical Beginnings*

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

Rich land, abundant game, and scenic lakes attracted the early pioneers to this area. In 1858, the year Minnesota became a state, these first European-American settlers established White Bear Township, which consisted of 36 square miles of land. As work 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, though the young brave cowardly. One night, the young lovers met secretly and sat amount 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 N.  
White Bear Lake, Minnesota 55110  
651-429-8526 | [www.whitebearlake.org](http://www.whitebearlake.org)

May 18, 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, 2022 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 of its home rule charter, 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. Residents elect five councilmembers by wards, who 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 election is on a non-partisan basis.

The council establishes policies, adopts ordinances for municipal regulation, adopts the budget, appoints committee members, and appoints 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 2022 population of 25,067, according to 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; housing and economic development; water, surface 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 a blended component unit of the City. The HRA is a legally separate unit 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, 2022, are 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 transactions of the city. The City maintains its accounting records 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 data for the major maintenance and replacement needs of all City facilities, equipment, parks, and transportation projects. Each item in the plan has a useful life used for planning purposes, not guaranteed purchase dates. Annually, management and department supervisors analyze all items in the plan to verify necessity and cost. If the item's condition does not warrant purchase or replacement in the planned year based on the review, management and department heads delay the funding to a future year.

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. Staff updates the forecast each year to add the prior year 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 optimum levels set by the City Council. In years when General Fund balances exceed the fund balance requirements, Council allocates the excess amounts 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 each January 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 is \$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 holds \$10,241,250 in debt obligation that has general property taxes as its sole source of revenue. The City has 90% of its legal debt limit, or \$97,858,986 available for debt bonding as of December 31, 2022. Net of premiums and discounts, the City has \$32,182,417 outstanding in Tax Increment, Special Assessment, and Tax Abatement debt as of December 31, 2022.

The City anticipates incurring a debt obligation in 2023 to finalize project funding for renovation and expansion of the Public Safety Facility. Due to the magnitude of the Public Safety Facility project, the City postponed the 2023 street improvement project to 2024, for completion in conjunction with the improvement of three downtown parking lots.

### **Debt Administration**

In 2022, 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, very 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. It is important to recognize that factors other than financial operation results and the balance sheet also influence the City's fiscal soundness. Therefore, readers should consider the financial statement information within the context of the external economic environment to gain a good understanding of the City's operations. The following three sections will provide information on the local economy, redevelopment activities and future development opportunities.

### **LOCAL ECONOMY**

Located within the Minneapolis/Saint Paul metropolitan area, White Bear Lake benefits from being in a region that is economically resilient due to having a broad mix of industries, with no one industry dominating the regional economy. This diversity of business sectors insulate it from economic instability due to downturns in any one sector. Home to a number of Fortune 500 headquarters, the metropolitan area's vibrant

business base includes companies involved in manufacturing electronics, national retail, leading-edge medical technology, milling, machine and product manufacturing, food processing, banking, higher education and research, graphic 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. Additionally, the area is well known for its high quality of life including leading health care systems, strong educational system and desirable outdoor recreation, making it easier to attract and retain a high quality labor force. Locally, the City benefits from a highly educated workforce, engaged civic and volunteer sector, excellent access to the regional highway and interstate system, positionality to the urban cores of Downtown Saint Paul and Minneapolis and localized diversity in industries. The community is supported by a school district and community college with a strong dedication to workforce development, both who partner with local businesses to address needs for specialization in the workforce. White Bear Lake is a regional entertainment, cultural and tourist destination, with a bustling downtown commercial district, active outdoor recreation opportunities including lakes, trails and parks, a growing Arts District, and many community events throughout the year.

The community's approval of a referendum in 2019 to invest \$326 million in transformational multi-year improvements and expansion of the White Bear Lake Area School District facilities makes our community an even more attractive place for families with children. The plan will unify the high school, bringing together the district's entire 9-12 student body in one campus for the first time since 1972. Included in the improvements is a state of the art field house and outdoor athletic facilities, which allow the high school to host regional athletic events bringing both student athletes and their supporters to the area. This increased activity will benefit local business as additional visitors patronize businesses in Downtown White Bear Lake.

In addition to the City's focus on economic development, a number of organizations, which include the White Bear Lake Economic Development Corporation, White Bear Area Chamber of Commerce, White Bear Lake Main Street Inc., and Explore White Bear, support the local business community. The presence of the organizations along with other civic groups has created a collaborative community environment that enhances the local economy and spurs strong resident support for local businesses.

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 March 2023 unemployment rate of 3.0%. The diverse labor market within the Twin Cities 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 2.8% as of March 2023.

The City realized a slight dip in building permit activities during the pandemic; however, the permitting activities exceeded pre-pandemic levels during 2022. The additions and renovations to the White Bear Lake Area School District buildings, roofing permits due

to storms in the summer of 2022 and some major redevelopment projects provided a significant portion of the growth during the year.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Permits Issued	2,687	2,599	2,817	3,767
Permit Valuations (all types)	\$ 65,328,427	\$ 54,730,496	\$137,576,203	\$140,811,845
New Construction activities only	\$ 37,575,730	\$ 11,140,000	\$ 7,006,960	\$ 13,230,169

The City anticipates the 2023 construction activity to be more in line with 2019 levels in 2023.

The County Assessor’s valuation of the median value home within the community increased 17.59% to \$306,100 in the 2022 for taxes payable in 2023. While there has been a dip in home sales due to the increase in mortgage interest rates and constrained inventory, the local for sale housing market remains strong in terms of increased median sales prices. Per the Minneapolis Area Realtors Association, September 2020 was the last time the City consistently had more than a one- month’s supply of for sale housing available with the exception of May 2021 and fall 2022. A five-month supply of available for sale housing is widely considered a balanced market. As of March 2023, the rolling 12-month period median home sales price in White Bear Lake was \$331,759 - a 2.1% annual increase.

While the economic outlook for the City remains strong, potential challenges include limited opportunities for redevelopment, labor force constraints and a need for additional lifecycle housing.

**REDEVELOPMENT ACTIVITIES**

The most notable private redevelopment project in recent years was the completion of a 192-unit market-rate multifamily apartment building at the northwest corner of County Road E and Linden Avenue. The development opened for occupation in April 2021 and has led to a significant increase in the tax base with a current valuation of \$41,090,400 for taxes payable in 2023 and a preliminary valuation of \$42,446,800 for taxes payable in 2024. Construction is underway for the second phase of the development, which will be a 243-unit market rate multifamily project anticipated to open in 2024.

Additional significant private redevelopment activity includes the construction of a music education center near the Arts District, development of a high capacity car wash at a former gas station and renovation of a vacant carwash into a modern carwash facility in the downtown area. Additionally, two projects anticipated to begin this year are a project converting a vacant former medical facility into a daycare and a project converting a vacant former office building into an assisted living facility. Both projects have received land use approvals.

The Ecowoods development (formerly the Rooney Farm site), platted for an additional eight single-family homes in 2022, has seen significant activity in the past year. In

addition to constructing the road that will serve the development, a model home was on display for the 2023 Spring Parade of Homes. The City has received a building permit application to develop a lot within the subdivision and staff anticipate additional building permits applications for the subdivision into 2024.

The White Bear Lake Area Historical Society purchased the Armory facility from the City in fall 2022. The organization has been developing plans to renovate the building into a local history museum, which would add an additional visitor attraction to the downtown area and further enhance White Bear Lake's status as a cultural destination.

### FUTURE DEVELOPMENT

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.

While the city is nearly fully developed, opportunities remain for infill development to create opportunities for additional housing and jobs creating commercial development. The City controls a handful of sites within the city that hold potential development opportunities in line with housing and economic development goals. Some sites are shovel ready, while others will require site preparation or assembly prior to moving forward with development.

Addressing the City's housing needs continues to be a strong focus of the City. In evaluating recommendations from the Housing Task Force, City Council has indicated a preference for pursuing a proactive approach in expanding housing options within the City. Additionally, they have indicated they are receptive to opportunities to preserve and maintain the existing housing stock as well as programs and policies that keep residents housed. A lack of supply and robust demand in White Bear Lake (and the Twin Cities in general) continues to cause both owner and renter occupied housing costs to increase. Development of many of the City's opportunity sites will incorporate housing and drive development within the city in future years.

The County Road E Corridor remains a primary focus for economic development within the community. The City received funding through a Ramsey County Corridor Improvement Program to develop a Corridor Action Plan in partnership with Gem Lake and Vadnais Heights to assist in the revitalization of the corridor. The project concluded in fall 2022 after an extensive amount of community engagement, and generated a significant amount of synergy between the partnering communities. Staff continues to explore options for continuing to capitalize on the momentum of the project including applying for additional funding to advance some of the recommendations from the report.

The Community Development Department continues to receive numerous inquiries for



potential commercial and residential projects, as well as general inquiries looking for sites. Staff anticipates demand for both commercial and housing development in White Bear Lake to remain strong for the near future barring any significant economic downturn.

## **Pension Reporting**

The City's Annual Comprehensive Financial Report dated December 31, 2022 incorporates GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". The Statement requires the City to report a net pension liability of \$16,808,800. The City calculates this liability by comparing its share of the Statewide plan (PERA) of \$21,026,333 with its share of the local Fire Relief Association credit (over 100% funded) of \$4,217,533.

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, 2021. This was the thirty-fifth consecutive year that the City has received this prestigious award. To receive the Certificate of Achievement in Excellence Reporting award, 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, 2022 financial report to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2022, which represents the twenty-first 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 as proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

## **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

May 18, 2023

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, 2021

*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, 2022

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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, 2022, 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, 2022, 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.

### ***Change in Accounting Principle***

As described in Note 18 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 87, Lease, for the year ended December 31, 2022. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 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, and the Schedule of Changes in Total OPEB Liability and Related Ratios to 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.





### **Supplementary 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 accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statement 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.

### **Other Information**

Management is responsible for the other information in the report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**Abdo**  
Minneapolis, Minnesota  
May 18, 2023



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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, 2022. 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 \$99,737,304 (net position). Of this amount, \$31,535,945 (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 \$38,988,199, an increase of \$7,050,392. Although expenditures exceeded revenues by \$4,140,986, the issuance of \$10,000,000 in bonds and transfers in of \$4,858,340 resulted in an increase in fund balance.
- At the end of the current fiscal year, the General Fund's unassigned fund balance totaled \$7,414,739. The General fund unassigned balance represents 58.3% of the total General Fund expenditures for the current fiscal year.
- The City's total debt increased by \$8,850,000 during the current fiscal year. The City issued 2022A G.O. Bonds for the financing of street construction and 2022B G.O. CIP Bonds to finance the renovation and expansion of the Public Safety Building.

### **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 six 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, Equipment Acquisition 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 pages 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 \$99,737,304 at the close of the most recent fiscal year.

### Statements of Net Position

	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Current/Other Asset	\$ 62,025,643	\$ 48,392,428	\$ 9,251,437	\$ 8,112,143	\$ 71,277,080	\$ 56,504,571
Capital Assets	74,756,752	75,703,787	7,321,235	7,013,865	82,077,987	82,717,652
Total Assets	136,782,395	124,096,215	16,572,672	15,126,008	153,355,067	139,222,223
Deferred Outflows of resources	12,799,938	7,577,459	1,879,386	1,943,163	14,679,324	9,520,622
Long-term liabilities	50,935,119	27,025,030	5,415,127	4,795,557	56,350,246	31,820,587
Other liabilities	3,162,745	2,609,528	1,000,945	803,443	4,163,690	3,412,971
Total Liabilities	54,097,864	29,634,558	6,416,072	5,599,000	60,513,936	35,233,558
Deferred Inflows of resources	6,168,729	8,622,519	1,614,422	2,268,661	7,783,151	10,891,180
Net Position						
Net Investment in Capital assets	53,084,601	56,335,785	4,206,358	4,140,024	57,290,959	60,475,809
Restricted	10,910,400	3,987,931	-	-	10,910,400	3,987,931
Unrestricted	25,320,739	33,092,881	6,215,206	5,061,486	31,535,945	38,154,367
Total	\$ 89,315,740	\$ 93,416,597	\$ 10,421,564	\$ 9,201,510	\$ 99,737,304	\$ 102,618,107

By far, the largest portion of the City's net position (57.4 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 10.9 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 \$31,535,945, which represents 31.7 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 \$5,158,702 from 2021 as a result of changes in actuarial assumptions relating to the pension plans. Deferred inflows of resources decreased \$3,108,029 as a result of changes in the net difference between projected and actual earnings related to pension plans. This decrease was significantly offset by an increase in deferred inflows of lease resources as a result of the implementation of GASB 87.

## CHANGES IN NET POSITION

The City's net position totaled \$99,737,304 at December 31, 2022 compared to \$102,618,107 as of December 31, 2021. This represents a decrease of \$2,880,803 for fiscal year 2022. The decrease is partially attributable to a significant decrease in the market value of investments as of December 31, 2022, as well as an increase in expenses from 2021. The most significant increases in expenses occurred in the Public Works and Public Safety programs as a result of increased street construction costs and increased Public Employees Retirement Association (PERA) pension expense as a result of GASB 68.

Governmental activities net investment in capital assets decreased \$3,251,184. Governmental net capital assets decreased by only \$947,035, however the net investment in capital assets was decreased even further 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 \$1,220,054 or approximately 13.3 percent. This increase is mainly due to an increase in charges for services. The most significant increase was seen in the Water program. The City implemented a new commercial infrastructure fee structure in 2022, which increased revenues. In addition, the City started a Water Meter Replacement project in 2021 and into 2022 that replaced all of the City's old water meters. The new meters are more accurate at measuring water flow than the old water meters that were anywhere between 20-30 years old.

### Statements of Changes in Net Position

	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,384,480	\$ 4,983,056	\$ 11,202,816	\$ 10,587,676	\$ 16,587,296	\$ 15,570,732
Operating grants and contributions	3,065,285	1,658,897	333,838	261,657	3,399,123	1,920,554
Capital grants and contributions	1,033,013	2,054,214	175,000	-	1,208,013	2,054,214
General revenues:						
Property Taxes	8,025,911	7,369,573	-	-	8,025,911	7,369,573
Other Taxes	1,020,896	968,626	-	-	1,020,896	968,626
Grants and contributions not restricted specific programs	1,333,615	1,333,615	-	-	1,333,615	1,333,615
Sale of Capital Assets	-	114,058	26,719	15,069	26,719	129,127
Other	(894,675)	(171,564)	(123,634)	(19,460)	(1,018,309)	(191,024)
Total Revenue	<u>18,968,525</u>	<u>18,310,475</u>	<u>11,614,739</u>	<u>10,844,942</u>	<u>30,583,264</u>	<u>29,155,417</u>
Expenses:						
General government	2,471,461	2,238,562	-	-	2,471,461	2,238,562
Public Safety	8,929,360	7,057,931	-	-	8,929,360	7,057,931
Public Works	7,511,369	5,251,766	-	-	7,511,369	5,251,766
Community Development	1,070,005	1,028,532	-	-	1,070,005	1,028,532
Parks and Recreation	2,841,886	2,376,238	-	-	2,841,886	2,376,238
Interest on long-term debt	799,644	565,989	-	-	799,644	565,989
Water and Sewer	-	-	4,640,156	4,959,358	4,640,156	4,959,358
Refuse	-	-	1,618,519	1,590,039	1,618,519	1,590,039
Ambulance	-	-	2,349,885	1,876,292	2,349,885	1,876,292
Senior Housing	-	-	329,175	312,942	329,175	312,942
License Bureau	-	-	902,607	693,524	902,607	693,524
Total Expenses	<u>23,623,725</u>	<u>18,519,018</u>	<u>9,840,342</u>	<u>9,432,155</u>	<u>33,464,067</u>	<u>27,951,173</u>
Excess (deficiency) before transfers	(4,655,200)	(208,543)	1,774,397	1,412,787	(2,880,803)	1,204,244
Internal transfers	727,000	688,244	(727,000)	(688,244)	-	-
Change in net position	<u>(4,100,857)</u>	<u>479,701</u>	<u>1,220,054</u>	<u>724,543</u>	<u>(2,880,803)</u>	<u>1,204,244</u>
Net position - January 1	<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>
Net position - December 31	<u>\$ 89,315,740</u>	<u>\$ 93,416,597</u>	<u>\$ 10,421,564</u>	<u>\$ 9,201,510</u>	<u>\$ 99,737,304</u>	<u>\$ 102,618,107</u>

## GOVERNMENTAL ACTIVITIES

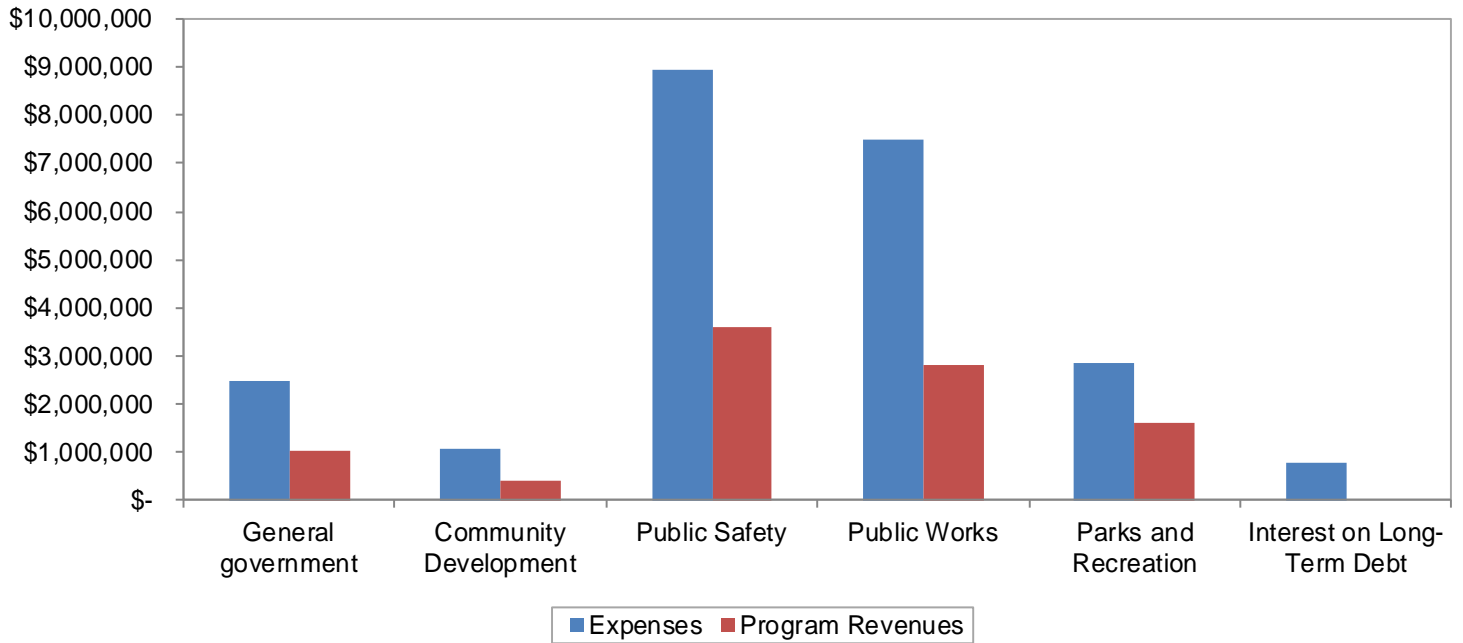
The governmental activities decreased the City's net position by \$4,100,857 thereby accounting for the overall decrease in the net position of the City. Key elements of this decrease, as well as other highlights of the governmental activities, are as follows:

- Charges for services increased by \$401,424 compared to 2021. The Public Safety program saw the largest increase. This program's increase was result of increased pension revenues related to PERA's Police and Fire Plan, as well as increases in rates charged for contracted fire and increased building department activity related to roofing permits from a hail storm in May 2022.
- Operating grants and contributions increased by \$1,406,388 from 2021. Last year, \$548,000 was recognized as American Rescue Plan revenue, while in 2022, \$1,036,000 was recognized.
- Capital grants and contributions decreased by \$1,021,201 in 2022. In 2021, the City received two large donations toward the restoration of the historic Geist Gazebo and the construction of an all abilities park. No such donations were received in 2022.
- Other revenues decreased by \$723,111 mainly due to a significant negative market value adjustment for investments.
- Governmental expenses increased by \$5,104,707 compared to 2021. As previously discussed, this increase is mainly due to a result of increased street construction costs and increased Public Employees Retirement Association (PERA) pension expense related to GASB 68.

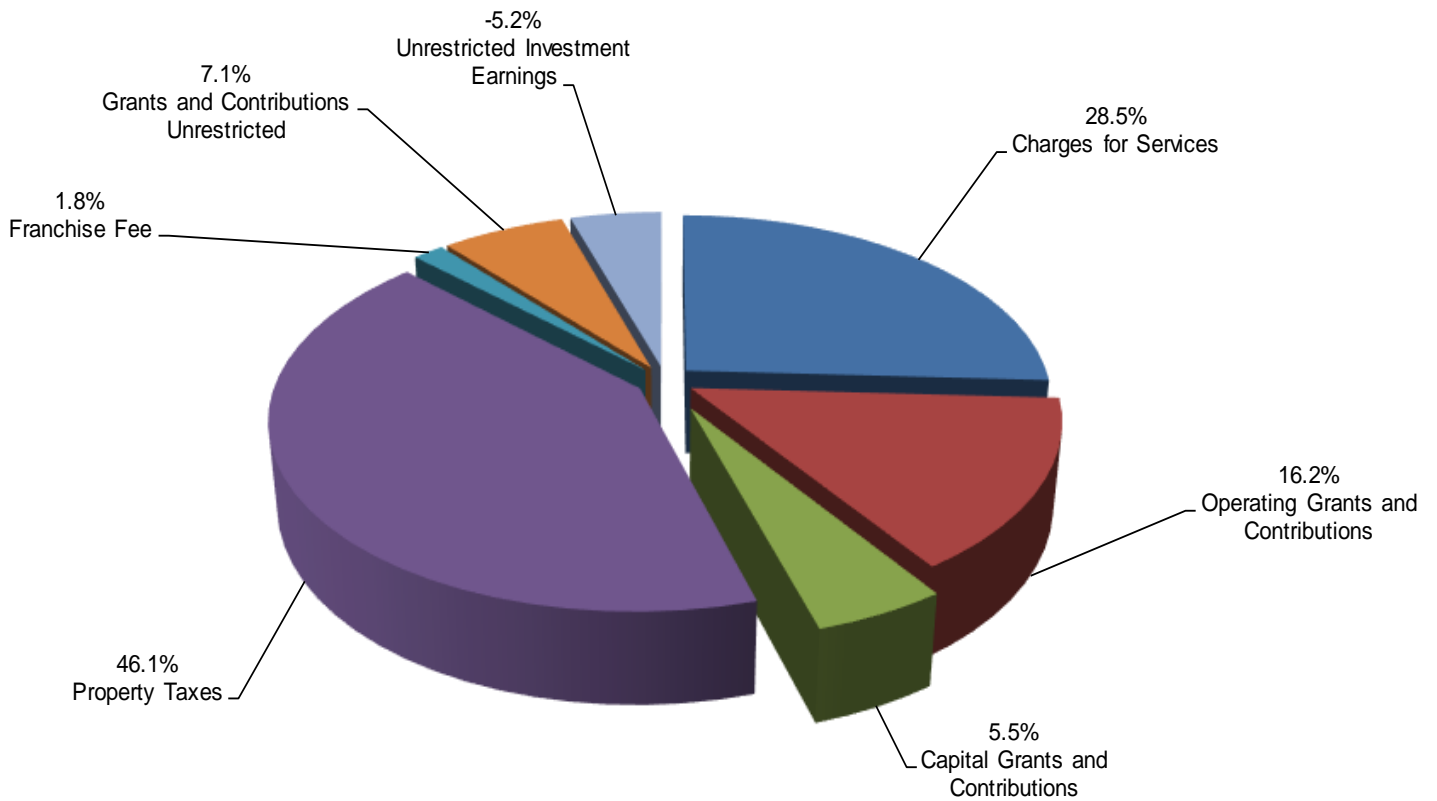


The following graphs depict various governmental activities and shows program revenues and expenses directly related to those activities.

### Expenses and Program Revenues - Governmental Activities



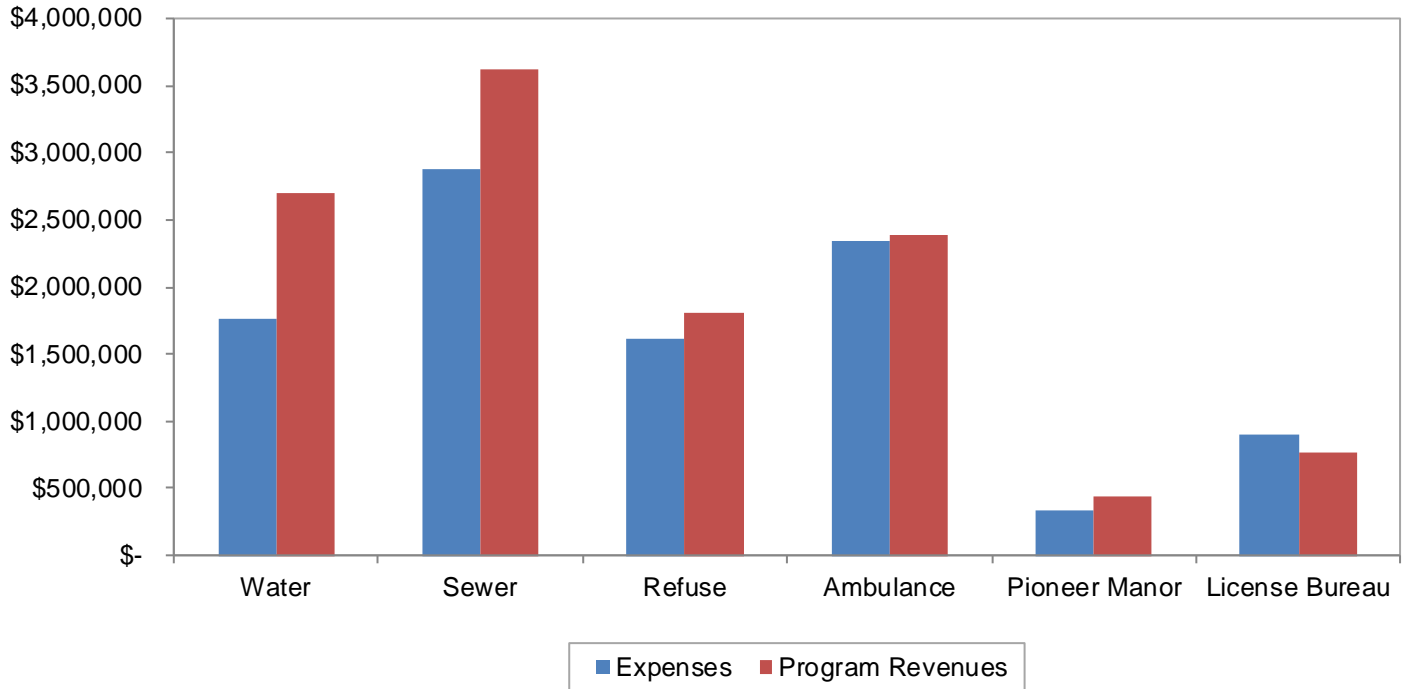
### Program Revenues - Governmental Activities



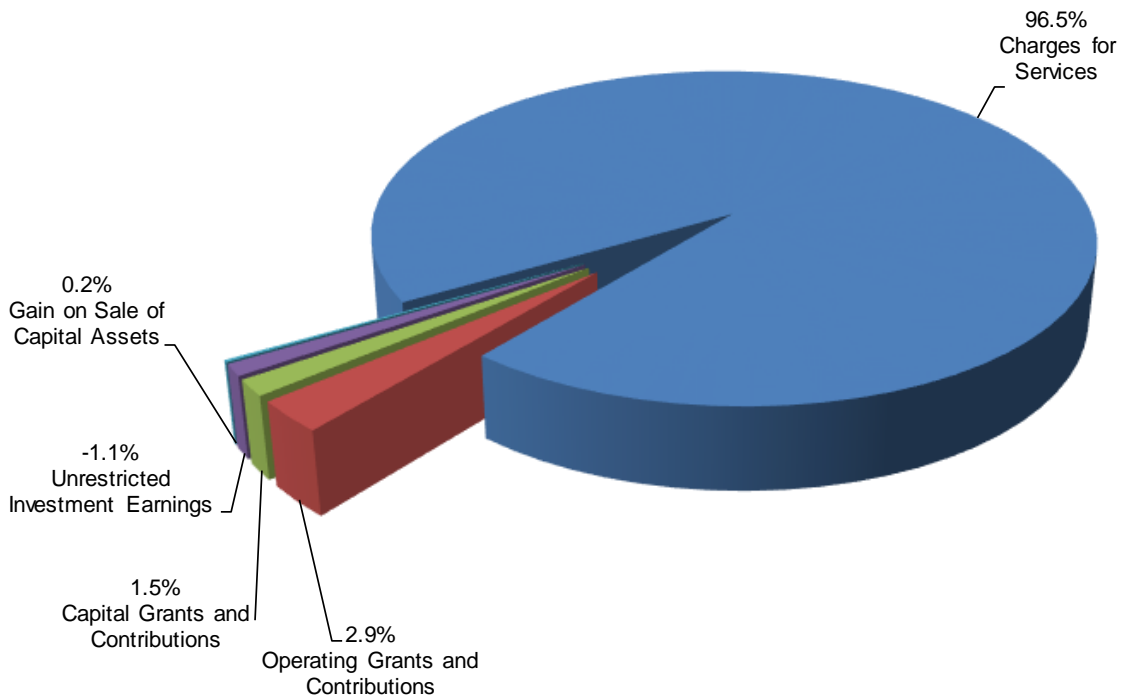
## BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$1,220,054. As discussed previously, the majority of the increase can be attributed to Water charges for services with the implementation of a new commercial infrastructure fee system and the installation of new meters that are more able to accurately measure water flow. Ambulance charges for services also saw an increase. In addition to an increase in fees charged, 2022 was the first full year of services with the City's new ambulance biller, who has a wider array of resources to better collect on claims.

**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 \$38,988,199, an increase of \$7,050,392 in comparison with the prior year. Approximately 16.9% of this total amount, \$6,570,272, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance of \$32,417,927 is not available for new spending because it is either 1) nonspendable (\$9,086), 2) restricted (\$11,061,761), 3) committed (\$14,996,615) or 4) assigned (\$6,350,465). For further classification, refer to note 11 on page 110 of this report.

The General Fund expenditures exceeded revenues by \$154,880, but after including the other financing sources and uses, the net increase in fund balance was \$758,204. The General Fund had a fund balance of \$7,415,784 at year-end. This increase in fund balance was mainly due to transfers in from other funds exceeding transfers out.

The Non-Bonded Debt Fund had a fund balance of \$1,094,708 at year-end, an increase of \$340,758 from 2021. The 2022 revenues collected in this fund are special assessments of \$564,133 used to finance street construction costs, negative investment income of \$15,130, a \$137,810 payment on the loan agreement for the Sports Center from the White Bear Lake Area Hockey Association, and \$1,121 of miscellaneous revenues.

The Construction Fund balance increased \$352,677. The fund balance at year-end was \$4,415,270. The increase in fund balance mainly due to decreased transfers out in 2022.

The Municipal Building Fund balance increased \$5,776,541 in 2022. The fund balance at year-end was \$6,631,404. The increase in fund balance was a direct result of the issuance \$6,990,000 2022B G.O. CIP Bonds for the renovation and expansion of the Public Safety Facility.

The Equipment Acquisition Fund balance decreased by \$114,655 which was partially due to an increased investment loss in 2022, as well as the implementation of the GASB 87 lease standard.

In 2022, the Community Reinvestment Fund balance decreased by \$433,403 to \$6,992,705 due to a negative 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, \$3,946,785; Sewer Fund, \$3,584,080, Refuse Fund, \$410,344; Ambulance Fund, \$511,574; License Bureau, negative \$312,069; Pioneer Manor, \$1,805,952.

The change in net position of the Water Fund was an increase of \$977,962. The majority of this increase was a result of an increase in charges for services and a decrease in expenses from the prior year when the City issued refunds for commercial meter fees. The Fund also received a donated water main from another local government worth \$175,000, as well as \$172,657 of contributed capital from the American Rescue Plan Fund for the Water Treatment Plant security project. There were no similar items in 2021.

The change in net position of the Sewer Fund was \$580,179. This increase was attributable to revenues exceeding expenses, as well as a decrease in disposal charges. Disposal fees fluctuate each year based on the City's percentage of the total regional flow through system.

The Ambulance Fund balance decreased \$42,046. Revenues increased due to increased rates as well as 2022 being the first full year of services with the City's new ambulance biller, who has a wider array of resources to better collect on claims. However, the increase in revenues was more than offset by an increase in expenses. Salary and benefit expenses were the main cause of this increase. Aside from regular cost of living increases, the City also changed the calculation as to how insurance contributions and worker's compensation are allocated to the fund to more accurately reflect the actual costs. In addition, the fund recognized positive \$2,249 of pension expense related to the PERA Police and Fire Plan in 2022 as compared to negative pension expense of \$185,485 in 2021.

The License Bureau Fund saw a decrease in fund balance of \$171,947 and was mainly attributable to an increase in salary and benefits. The City conducted a compensation study in 2022 and implemented the new compensation schedule as of September 1, 2022. The License Bureau in particular saw a large increase in wages as a result of the new compensation schedule.

The Pioneer Manor Fund balance decreased by \$81,690 in 2022 which was similar to the decrease in 2021. The decrease was due to operating expenses and transfers out exceeding revenues.

The Refuse Fund had a \$61,234 increase to its fund balance during 2022. While revenues decreased from 2021, they still exceeded expenses. 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. In 2020, the recycling market weakened and processing costs exceed revenue from sales. This resulted in the City having to pay the processing center each month. In order to cover these costs, the City began charging a recycling processing fee. As the recycling market strengthened again in 2021, the City began receiving larger revenue sharing payments. As a result, the City eliminated the recycling processing fee in 2022.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues came in over budget by \$218,327. The majority of this variance was due to building permits and plan reviews coming in higher than anticipated. Expenditures were \$516,166 under budget. This was primarily due to salaries and wages coming in less than budgeted in multiple departments due to turnover and position vacancies.

There were amendments to the original budget for the General Fund in 2022. The revenue budget was increased by \$689,293 to total \$12,344,199, and the expenditure budget was increased by \$304,067 to total \$13,233,572. Other financing sources (uses) were amended to decrease transfers in by \$56,790 and to increase transfers out by \$323,485. Net changes to the budget resulted in a budgeted surplus of \$23,586.

## CAPITAL ASSETS,

The City's investment in capital assets for its government and business-type activities as of December 31, 2022 totals \$82,077,987 (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 during the current fiscal year include the following:

- Addition of \$2,162,670 for the Water Meter Replacement Project (\$1,906,228 was included in work in process in the previous year)
- Public Safety Facility Building Renovation Project work in process totaling \$377,251
- Addition of City Hall Boilers totaling \$235,793
- Lakewood Hills All Abilities Park work in process totaling \$243,463
- Sports Center Energy Improvement Project work in process totaling \$903,387

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

	Governmental Activities			Business-type Activities		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Land and improvements	\$ 9,666,893	\$ 9,666,893	\$ -	\$ 490,275	\$ 490,275	\$ -
Work in process	2,587,829	728,962	1,858,867	317,272	1,906,228	(1,588,956)
Buildings and improvements	10,240,845	10,626,798	(385,953)	931,675	1,008,191	(76,516)
Other improvements	3,051,722	3,671,328	(619,606)	329,412	348,225	(18,813)
Furniture and equipment	4,419,909	5,017,438	(597,529)	1,228,703	1,466,890	(238,187)
Distribution/Collection System	-	-	-	4,023,898	1,794,056	2,229,842
Infrastructure						
Streets	40,339,058	41,466,762	(1,127,704)	-	-	-
Storm Sewer	4,450,496	4,525,606	(75,110)	-	-	-
<b>Total</b>	<b>\$ 74,756,752</b>	<b>\$ 75,703,787</b>	<b>\$ (947,035)</b>	<b>\$ 7,321,235</b>	<b>\$ 7,013,865</b>	<b>\$ 307,370</b>

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

## LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt outstanding of \$32,182,417. 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		
	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Tax Increment Bonds	\$ 2,045,000	\$ 2,305,000	\$ (260,000)	\$ -	\$ -	\$ -
Special Assessment Bonds	15,835,000	13,585,000	2,250,000	-	-	-
Tax Abatement Bonds	2,950,000	3,080,000	(130,000)	-	-	-
Capital Improvement Bonds	6,990,000	-	6,990,000	-	-	-
Utility Revenue Bonds	-	-	-	3,290,000	3,325,000	(35,000)
Premium on bonds	938,476	616,065	322,411	133,941	142,613	(8,672)
<b>Total</b>	<b>\$ 28,758,476</b>	<b>\$ 19,586,065</b>	<b>\$ 9,172,411</b>	<b>\$ 3,423,941</b>	<b>\$ 3,467,613</b>	<b>\$ (43,672)</b>

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

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City of White Bear Lake is \$108,100,236. The City had \$10,241,250 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 2022 of 2.6%. This compares with unemployment rates of 3.2% for the State of Minnesota and 3.3% for the United States.
- The City's local tax capacity will increase by 2.2% for property taxes payable in 2023.
- City population is expected to remain stable or increase in 2023.

These factors were considered in preparing the City's budget for the 2023 fiscal year. The City's adopted 2023 budget includes a property tax levy of \$9,955,000, which is 23.2% 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, 2022

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City of White Bear Lake, Minnesota  
Statement of Net Position  
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 46,146,221	\$ 5,613,326	\$ 51,759,547
Interest receivable	90,776	-	90,776
Accounts and loans/notes receivable, net	1,812,652	2,744,008	4,556,660
Taxes receivable	133,650	-	133,650
Special assessments receivable	4,058,522	368,412	4,426,934
Lease receivable	351,775	-	351,775
Intergovernmental receivable	142,649	50,023	192,672
Internal balances	(474,898)	474,898	-
Prepaid expenses	9,086	770	9,856
Non-current assets:			
Lease receivable	5,537,677	-	5,537,677
Net pension asset - Fire Relief Association	4,217,533	-	4,217,533
Capital assets, net of accumulated depreciation:			
Land and improvements	9,666,893	490,275	10,157,168
Buildings and improvements	10,240,845	931,675	11,172,520
Other improvements	3,051,722	329,412	3,381,134
Furniture and equipment	4,419,909	1,228,703	5,648,612
Infrastructure	44,789,554	-	44,789,554
Distribution / Collection system	-	4,023,898	4,023,898
Work in progress	2,587,829	317,272	2,905,101
Total assets	<u>136,782,395</u>	<u>16,572,672</u>	<u>153,355,067</u>
<b>Deferred outflows of resources</b>			
Deferred pension resources	11,963,747	1,879,386	13,843,133
Deferred OPEB resources	836,191	-	836,191
Total deferred outflows of resources	<u>12,799,938</u>	<u>1,879,386</u>	<u>14,679,324</u>
<b>Liabilities</b>			
Interest payable	279,422	27,032	306,454
Accounts and contracts payable	1,386,894	558,916	1,945,810
Accrued wages payable	483,615	-	483,615
Intergovernmental payable	3,966	46,886	50,852
Deposits payable	77,312	34,305	111,617
Unearned revenue	931,536	333,806	1,265,342
Noncurrent liabilities:			
Due within one year			
Long-term liabilities	1,976,866	183,672	2,160,538
Due in more than one year			
Long-term liabilities	28,033,134	3,240,269	31,273,403
Net pension liability	19,035,147	1,991,186	21,026,333
Total OPEB Liability	1,889,972	-	1,889,972
Total liabilities	<u>54,097,864</u>	<u>6,416,072</u>	<u>60,513,936</u>
<b>Deferred inflows of resources</b>			
Deferred lease resources	5,789,059	-	5,789,059
Deferred pension resources	46,177	1,614,422	1,660,599
Deferred OPEB resources	333,493	-	333,493
Total deferred inflows of resources	<u>6,168,729</u>	<u>1,614,422</u>	<u>7,783,151</u>
<b>Net Position</b>			
Net investment in capital assets	53,084,601	4,206,358	57,290,959
Restricted for debt service	3,760,306	-	3,760,306
Restricted for economic development	1,551,852	-	1,551,852
Restricted for public safety	31,845	-	31,845
Restricted for Fire Relief Association	5,566,397	-	5,566,397
Unrestricted	25,320,739	6,215,206	31,535,945
Total net position	<u>\$ 89,315,740</u>	<u>\$ 10,421,564</u>	<u>\$ 99,737,304</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, 2022

Function/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 2,471,461	\$ 625,195	\$ 388,548	\$ -
Community development	1,070,005	416,393	-	-
Public safety	8,929,360	2,699,639	908,538	-
Public works	7,511,369	353,634	1,530,725	947,539
Parks and recreation	2,841,886	1,289,619	237,474	85,474
Interest on long-term debt	799,644	-	-	-
Total governmental activities (See Note 1)	<u>23,623,725</u>	<u>5,384,480</u>	<u>3,065,285</u>	<u>1,033,013</u>
<b>Business-type activities:</b>				
Water	1,757,373	2,513,365	7,966	175,000
Sewer	2,882,783	3,618,815	-	-
Refuse	1,618,519	1,729,480	74,872	-
Ambulance	2,349,885	2,166,899	226,000	-
Pioneer Manor	329,175	433,814	-	-
License Bureau	902,607	740,443	25,000	-
Total business-type activities	<u>9,840,342</u>	<u>11,202,816</u>	<u>333,838</u>	<u>175,000</u>
Total government	<u>\$ 33,464,067</u>	<u>\$ 16,587,296</u>	<u>\$ 3,399,123</u>	<u>\$ 1,208,013</u>

<b>General revenues:</b>	
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)	
Miscellaneous	
Gain on sale of capital assets	
Internal capital transfers	
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
\$ (1,457,718)	\$ -	\$ (1,457,718)
(653,612)	-	(653,612)
(5,321,183)	-	(5,321,183)
(4,679,471)	-	(4,679,471)
(1,229,319)	-	(1,229,319)
(799,644)	-	(799,644)
<u>(14,140,947)</u>	<u>-</u>	<u>(14,140,947)</u>
-	938,958	938,958
-	736,032	736,032
-	185,833	185,833
-	43,014	43,014
-	104,639	104,639
-	(137,164)	(137,164)
-	<u>1,871,312</u>	<u>1,871,312</u>
<u>(14,140,947)</u>	<u>1,871,312</u>	<u>(12,269,635)</u>
8,025,911	-	8,025,911
684,882	-	684,882
336,014	-	336,014
1,333,615	-	1,333,615
(986,376)	(123,634)	(1,110,010)
91,701	-	91,701
-	26,719	26,719
(172,657)	172,657	-
727,000	(727,000)	-
<u>10,040,090</u>	<u>(651,258)</u>	<u>9,388,832</u>
(4,100,857)	1,220,054	(2,880,803)
<u>93,416,597</u>	<u>9,201,510</u>	<u>102,618,107</u>
<u>\$ 89,315,740</u>	<u>\$ 10,421,564</u>	<u>\$ 99,737,304</u>

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

FOR THE YEAR ENDED  
DECEMBER 31, 2022

City of White Bear Lake, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2022

	General	Non-Bonded Debt	Construction	Municipal Building	Equipment Acquisition
<b>Assets</b>					
Cash	\$ 7,635,551	\$ 885,142	\$ 4,731,431	\$ 7,678,349	\$ 2,296,256
Accounts receivable	11,704	-	526	500	-
Accrued interest receivable	-	-	-	-	-
Taxes receivable	124,130	-	-	-	-
Special assessments receivable	-	2,104,900	232,459	-	-
Due from other governments	137,771	-	-	-	474
Advances to other funds	-	213,750	-	-	-
Leases receivable	-	-	-	-	5,326,164
Loans receivable	-	-	-	-	-
Notes receivable	-	1,620,266	-	-	-
Prepaid items	1,045	-	-	-	-
<b>Total assets</b>	<b>\$ 7,910,201</b>	<b>\$ 4,824,058</b>	<b>\$ 4,964,416</b>	<b>\$ 7,678,849</b>	<b>\$ 7,622,894</b>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 303,910	\$ 1,736	\$ 316,365	\$ 192,445	\$ 76,845
Deposits payable	65,817	-	-	-	-
Intergovernmental payable	-	2,448	322	-	-
Advances from other funds	-	-	-	855,000	-
Unearned revenue - other	50,750	-	-	-	1,778
<b>Total liabilities</b>	<b>420,477</b>	<b>4,184</b>	<b>316,687</b>	<b>1,047,445</b>	<b>78,623</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue -					
Property taxes	73,940	-	-	-	-
Special assessments	-	2,104,900	232,459	-	-
Loan/Notes receivable	-	1,620,266	-	-	-
Deferred lease resources -	-	-	-	-	5,213,364
<b>Total deferred inflows of resources</b>	<b>73,940</b>	<b>3,725,166</b>	<b>232,459</b>	<b>-</b>	<b>5,213,364</b>
<b>Fund Balances:</b>					
Nonspendable	1,045	-	-	-	-
Restricted	-	-	-	7,081,001	5,324
Committed	-	-	-	-	2,325,583
Assigned	-	1,094,708	4,415,270	-	-
Unassigned	7,414,739	-	-	(449,597)	-
<b>Total fund balances</b>	<b>7,415,784</b>	<b>1,094,708</b>	<b>4,415,270</b>	<b>6,631,404</b>	<b>2,330,907</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,910,201</b>	<b>\$ 4,824,058</b>	<b>\$ 4,964,416</b>	<b>\$ 7,678,849</b>	<b>\$ 7,622,894</b>

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

Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,901,929	\$ 10,626,861	\$ 40,755,519
-	73,140	85,870
90,776	-	90,776
-	9,520	133,650
-	1,721,163	4,058,522
-	4,269	142,514
-	1,391,250	1,605,000
-	563,288	5,889,452
-	106,038	106,038
-	-	1,620,266
-	8,041	9,086
<u>\$ 6,992,705</u>	<u>\$ 14,503,570</u>	<u>\$ 54,496,693</u>
\$ -	\$ 465,320	\$ 1,356,621
-	11,495	77,312
-	1,196	3,966
-	750,000	1,605,000
-	879,008	931,536
-	2,107,019	3,974,435
-	3,393	77,333
-	1,710,042	4,047,401
-	-	1,620,266
-	575,695	5,789,059
-	2,289,130	11,534,059
-	8,041	9,086
-	3,975,436	11,061,761
6,992,705	5,678,327	14,996,615
-	840,487	6,350,465
-	(394,870)	6,570,272
<u>6,992,705</u>	<u>10,107,421</u>	<u>38,988,199</u>
<u>\$ 6,992,705</u>	<u>\$ 14,503,570</u>	<u>\$ 54,496,693</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, 2022

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

Total fund balances - governmental funds	\$ 38,988,199
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	124,424,022
Less accumulated depreciation	(49,667,270)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	5,745,000
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	11,963,747
Net pension asset	4,217,533
Net pension liability	(19,035,147)
Deferred inflows of pension resources	(46,177)
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.	
	1,763,731
Governmental funds do not report a liability for accrued interest until due and payable	
	(279,422)
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	(27,820,000)
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	
	<u>(938,476)</u>
Net position of governmental activities	<u>\$ 89,315,740</u>

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, 2022

	General	Non-Bonded Debt	Construction	Municipal Building
<b>Revenues</b>				
General property taxes	\$ 7,174,250	\$ -	\$ 25,000	\$ -
Tax increment	-	-	-	-
Franchise fees	336,014	-	-	-
Licenses and permits	1,625,552	-	-	-
Fines and forfeits	68,385	-	-	-
Intergovernmental	2,576,763	-	899,853	121,829
Charges for services	862,424	-	-	-
Special assessments	-	564,133	149,821	-
Investment income (loss)	(193,573)	(15,130)	(131,805)	(45,948)
Rental and lease income	50,266	-	-	6,500
Refunds and reimbursements	23,221	137,810	12,948	-
Donations	665	-	-	-
Dedicated fees	-	-	-	-
Miscellaneous	38,559	1,121	113,189	-
Total revenues	<u>12,562,526</u>	<u>687,934</u>	<u>1,069,006</u>	<u>82,381</u>
<b>Expenditures</b>				
Current				
General government	1,836,772	-	-	1,315
Public safety	7,607,354	-	-	14,694
Public works	2,223,970	-	505,506	334
Parks and recreation	740,573	-	-	27,258
Community development	308,737	-	-	-
Capital outlay				
General government	-	-	-	135,610
Public safety	-	-	-	566,730
Public works	-	-	2,636,140	-
Parks and recreation	-	-	-	1,185,729
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	15,176	89,769	126,657
Total expenditures	<u>12,717,406</u>	<u>15,176</u>	<u>3,231,415</u>	<u>2,058,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,880)</u>	<u>672,758</u>	<u>(2,162,409)</u>	<u>(1,975,946)</u>
<b>Other financing sources (uses)</b>				
Sale of capital assets	359	-	1,007	-
Bonds issued	-	-	2,948,443	6,990,000
Premium on bonds issued	-	-	19,846	340,310
Transfers from other funds	1,236,210	-	113,000	422,177
Transfers to other funds	(323,485)	(332,000)	(567,210)	-
Total other financing sources (uses)	<u>913,084</u>	<u>(332,000)</u>	<u>2,515,086</u>	<u>7,752,487</u>
Net change in fund balance	758,204	340,758	352,677	5,776,541
Fund balance - beginning	<u>6,657,580</u>	<u>753,950</u>	<u>4,062,593</u>	<u>854,863</u>
Fund balance - ending	<u>\$ 7,415,784</u>	<u>\$ 1,094,708</u>	<u>\$ 4,415,270</u>	<u>\$ 6,631,404</u>

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

Equipment Acquisition	Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 835,435	\$ 8,034,685
-	-	690,709	690,709
-	-	-	336,014
-	-	16,435	1,641,987
-	-	-	68,385
4,319	-	689,826	4,292,590
-	-	825,233	1,687,657
-	-	511,073	1,225,027
(62,348)	(194,503)	(213,281)	(856,588)
329,568	-	783,490	1,169,824
216,464	-	22,107	412,550
-	-	187,519	188,184
-	-	3,600	3,600
83,168	-	91,104	327,141
<u>571,171</u>	<u>(194,503)</u>	<u>4,443,250</u>	<u>19,221,765</u>
185,445	-	3,647	2,027,179
87,548	-	46,429	7,756,025
8,212	-	159,775	2,897,797
-	-	905,528	1,673,359
-	-	651,883	960,620
1,240	-	235,792	372,642
158,059	-	83,735	808,524
43,987	-	255,372	2,935,499
286,996	-	438,483	1,911,208
-	-	82,558	82,558
-	-	1,150,000	1,150,000
-	-	555,738	787,340
<u>771,487</u>	<u>-</u>	<u>4,568,940</u>	<u>23,362,751</u>
<u>(200,316)</u>	<u>(194,503)</u>	<u>(125,690)</u>	<u>(4,140,986)</u>
102,661	-	195	104,222
-	-	61,557	10,000,000
-	-	-	360,156
-	-	3,086,953	4,858,340
(17,000)	(238,900)	(2,652,745)	(4,131,340)
<u>85,661</u>	<u>(238,900)</u>	<u>495,960</u>	<u>11,191,378</u>
(114,655)	(433,403)	370,270	7,050,392
<u>2,445,562</u>	<u>7,426,108</u>	<u>9,737,151</u>	<u>31,937,807</u>
<u>\$ 2,330,907</u>	<u>\$ 6,992,705</u>	<u>\$ 10,107,421</u>	<u>\$ 38,988,199</u>

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City of White Bear Lake, Minnesota  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2022

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

Net change in fund balances - total governmental funds	\$ 7,050,392
<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	3,092,471
Depreciation expense	(3,710,498)
Capital contributions to enterprise funds	(172,657)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.</p>	
	(156,351)
<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	(14,601)
Special assessments	(210,128)
Notes receivable	(82,141)
<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	(10,000,000)
Debt issuance premium	(360,156)
Principal repayments	1,150,000
Interest payments	(50,049)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Negative pension expense	(466,318)
Pension revenue	183,418
<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>	
	37,745
<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>(391,984)</u>
Changes in net position of governmental activities	<u>\$ (4,100,857)</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, 2022

	Water	Sewer	Refuse
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 1,907,522	\$ 2,229,620	\$ 388,407
Receivables:			
Unremitted special assessments	4,804	-	-
Delinquent special assessments	48,573	-	-
Unavailable special assessments	311,970	3,065	-
Accounts, net	1,478,835	333,080	146,600
Intergovernmental	-	7,707	42,316
Prepaid expenses	-	-	-
Total current assets	<u>3,751,704</u>	<u>2,573,472</u>	<u>577,323</u>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Land	79,990	-	-
Buildings	2,060,171	109,501	-
Other improvements	-	-	-
Equipment	1,341,065	1,310,942	-
Wells	747,187	-	-
Distribution system	7,203,548	-	-
Collection system	-	5,087,041	-
Work in progress	172,657	144,615	-
Less accumulated depreciation	<u>(7,524,384)</u>	<u>(5,189,630)</u>	<u>-</u>
Total net capital assets	<u>4,080,234</u>	<u>1,462,469</u>	<u>-</u>
Total assets	<u>7,831,938</u>	<u>4,035,941</u>	<u>577,323</u>
<b>Deferred outflows of resources</b>			
Deferred pension resources	122,496	95,146	1,210
Deferred OPEB resources	-	-	-
Total deferred outflows of resources	<u>122,496</u>	<u>95,146</u>	<u>1,210</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
\$ 680,538	\$ 407,239	\$ 5,613,326	\$ 5,390,702
-	-	4,804	-
-	-	48,573	-
-	-	315,035	-
774,444	11,049	2,744,008	478
-	-	50,023	135
-	770	770	-
<u>1,454,982</u>	<u>419,058</u>	<u>8,776,539</u>	<u>5,391,315</u>
-	410,285	490,275	-
-	2,442,894	4,612,566	-
-	376,522	376,522	-
1,256,351	181,592	4,089,950	-
-	-	747,187	-
-	-	7,203,548	-
-	-	5,087,041	-
-	-	317,272	-
<u>(1,046,956)</u>	<u>(1,842,156)</u>	<u>(15,603,126)</u>	<u>-</u>
<u>209,395</u>	<u>1,569,137</u>	<u>7,321,235</u>	<u>-</u>
<u>1,664,377</u>	<u>1,988,195</u>	<u>16,097,774</u>	<u>5,391,315</u>
1,488,105	172,429	1,879,386	-
-	-	-	836,191
<u>1,488,105</u>	<u>172,429</u>	<u>1,879,386</u>	<u>836,191</u>

(Continued)

City of White Bear Lake, Minnesota  
Statement of Net Position  
Proprietary Funds  
December 31, 2022

Liabilities

Current Liabilities:

	Water	Sewer	Refuse
Accounts payable	\$ 141,043	\$ 173,299	\$ 158,250
Accrued wages payable	-	-	-
Accrued interest payable	27,032	-	-
Intergovernmental payable	1,258	39,760	5,863
Deposits payable	-	-	-
Unearned revenue	1,526	13,280	-
Compensated absences payable	-	-	-
Bonds payable (net of unamortized premiums and discounts)	183,672	-	-
Total current liabilities	<u>354,531</u>	<u>226,339</u>	<u>164,113</u>

Noncurrent Liabilities

Bonds payable (net of unamortized premiums and discounts)	3,240,269	-	-
Net pension liability	405,872	315,249	4,007
Compensated absences payable	-	-	-
Net OPEB liability	-	-	-
Total noncurrent liabilities	<u>3,646,141</u>	<u>315,249</u>	<u>4,007</u>

Total liabilities

<u>4,000,672</u>	<u>541,588</u>	<u>168,120</u>
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Deferred inflows of resources

Deferred pension resources	6,977	5,419	69
Deferred OPEB resources	-	-	-
Total deferred inflows of resources	<u>6,977</u>	<u>5,419</u>	<u>69</u>

Net Position

Net Investment in capital assets	965,357	1,462,469	-
Unrestricted	<u>2,981,428</u>	<u>2,121,611</u>	<u>410,344</u>
Total net position	<u>\$ 3,946,785</u>	<u>\$ 3,584,080</u>	<u>\$ 410,344</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
\$ 35,030	\$ 51,294	\$ 558,916	\$ 30,273
-	-	-	483,615
-	-	27,032	-
-	5	46,886	-
-	34,305	34,305	-
319,000	-	333,806	-
-	-	-	588,053
-	-	183,672	-
<u>354,030</u>	<u>85,604</u>	<u>1,184,617</u>	<u>1,101,941</u>
-	-	3,240,269	-
694,742	571,316	1,991,186	-
-	-	-	663,471
-	-	-	1,889,972
<u>694,742</u>	<u>571,316</u>	<u>5,231,455</u>	<u>2,553,443</u>
<u>1,048,772</u>	<u>656,920</u>	<u>6,416,072</u>	<u>3,655,384</u>
1,592,136	9,821	1,614,422	-
-	-	-	333,493
<u>1,592,136</u>	<u>9,821</u>	<u>1,614,422</u>	<u>333,493</u>
209,395	1,569,137	4,206,358	-
302,179	(75,254)	5,740,308	2,238,629
<u>\$ 511,574</u>	<u>\$ 1,493,883</u>	<u>\$ 9,946,666</u>	<u>\$ 2,238,629</u>

Total net position of enterprise funds \$ 9,946,666

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 474,898

Net position of business-type activities \$ 10,421,564

(Continued)

City of White Bear Lake, Minnesota  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2022

	Water	Sewer	Refuse
Operating revenues			
Charges for services	\$ 2,479,810	\$ 3,608,304	\$ 1,650,120
Penalties	3,906	-	-
Rent	-	-	-
Premium reimbursement	-	-	-
Sale of recyclables	-	-	62,194
Other	28,959	10,511	16,937
Total operating revenues	<u>2,512,675</u>	<u>3,618,815</u>	<u>1,729,251</u>
Operating expenses			
Personal services	533,709	440,213	5,075
Supplies	241,492	49,372	1,537
Other services and charges	631,805	148,326	83,476
Disposal charges	132,989	2,059,668	1,527,899
Depreciation	142,579	169,662	-
Total operating expenses	<u>1,682,574</u>	<u>2,867,241</u>	<u>1,617,987</u>
Operating income (loss)	<u>830,101</u>	<u>751,574</u>	<u>111,264</u>
Nonoperating revenues (expenses)			
Investment income (loss)	(42,537)	(47,395)	(11,131)
Intergovernmental	7,966	-	74,872
Miscellaneous revenues	690	-	229
Interest expense	(56,866)	-	-
Gain on disposal of assets	23,951	-	-
Total nonoperating revenues	<u>(66,796)</u>	<u>(47,395)</u>	<u>63,970</u>
Income (loss) before capital contributions and transfers	763,305	704,179	175,234
Capital contributions from other funds	172,657	-	-
Capital contributions	175,000	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(133,000)	(124,000)	(114,000)
Change in net position	977,962	580,179	61,234
Net position - beginning	<u>2,968,823</u>	<u>3,003,901</u>	<u>349,110</u>
Net position - ending	<u>\$ 3,946,785</u>	<u>\$ 3,584,080</u>	<u>\$ 410,344</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
\$ 2,166,642	\$ 737,927	\$ 10,642,803	\$ 3,982,975
-	-	3,906	-
-	428,746	428,746	-
-	-	-	41,332
-	-	62,194	-
257	3,189	59,853	-
<u>2,166,899</u>	<u>1,169,862</u>	<u>11,197,502</u>	<u>4,024,307</u>
1,812,679	832,788	3,624,464	3,765,255
141,212	19,777	453,390	-
223,091	268,057	1,354,755	624,899
-	-	3,720,556	-
123,584	90,848	526,673	-
<u>2,300,566</u>	<u>1,211,470</u>	<u>9,679,838</u>	<u>4,390,154</u>
<u>(133,667)</u>	<u>(41,608)</u>	<u>1,517,664</u>	<u>(365,847)</u>
(9,147)	(13,424)	(123,634)	(129,788)
226,000	25,000	333,838	-
-	4,395	5,314	13
-	-	(56,866)	-
2,768	-	26,719	-
<u>219,621</u>	<u>15,971</u>	<u>185,371</u>	<u>(129,775)</u>
85,954	(25,637)	1,703,035	(495,622)
-	-	172,657	-
-	-	175,000	-
17,000	-	17,000	-
<u>(145,000)</u>	<u>(228,000)</u>	<u>(744,000)</u>	<u>-</u>
(42,046)	(253,637)	1,323,692	(495,622)
<u>553,620</u>	<u>1,747,520</u>	<u>8,622,974</u>	<u>2,734,251</u>
<u>\$ 511,574</u>	<u>\$ 1,493,883</u>	<u>\$ 9,946,666</u>	<u>\$ 2,238,629</u>

(Continued)

Change in net position from  
enterprise funds \$ 1,323,692

Adjustment for the net effect of the  
current year activity between the  
internal service funds and the  
enterprise funds. (103,638)

Changes in net position of business-  
type activities \$ 1,220,054

City of White Bear Lake, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2022

	Water	Sewer	Refuse
Cash flows from operating activities			
Receipts from customers	\$ 2,127,775	\$ 3,617,737	\$ 1,603,763
Receipts from other funds	-	-	-
Payments to vendors	(931,344)	(34,884)	(1,605,381)
Payments to employees	(533,709)	(440,213)	(5,075)
Payments to other governments	(124,214)	(2,054,537)	(1,738)
Other receipts	29,649	10,511	79,360
Net cash provided (used) by operating activities	<u>568,157</u>	<u>1,098,614</u>	<u>70,929</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	7,966	-	74,872
Transfers from other funds	-	-	-
Transfers (to) other funds	(133,000)	(124,000)	(114,000)
Net cash provided (used) by noncapital financing activities	<u>(125,034)</u>	<u>(124,000)</u>	<u>(39,128)</u>
Cash flows from capital financing activities			
Purchase of property and equipment	(550,029)	(156,607)	-
Principal paid on capital debt	(35,000)	-	-
Interest paid on debt	(71,589)	-	-
Proceeds from the sale of capital assets	23,951	-	-
Net cash provided (used) by capital financing activities	<u>(632,667)</u>	<u>(156,607)</u>	<u>-</u>
Cash flows from investing activities			
Investment interest loss	(42,537)	(47,395)	(11,131)
Increase (decrease) in cash and cash equivalents	(232,081)	770,612	20,670
Cash and cash equivalents at beginning of year	<u>2,139,603</u>	<u>1,459,008</u>	<u>367,737</u>
Cash and cash equivalents at end of year	<u>\$ 1,907,522</u>	<u>\$ 2,229,620</u>	<u>\$ 388,407</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
\$ 2,528,506	\$ 1,162,047	\$ 11,039,828	\$ -
-	-	-	3,986,155
(363,879)	(272,439)	(3,207,927)	(2,498,462)
(1,810,687)	(779,347)	(3,569,031)	(1,849)
-	-	(2,180,489)	(1,666,417)
257	3,189	122,966	41,345
<u>354,197</u>	<u>113,450</u>	<u>2,205,347</u>	<u>(139,228)</u>
226,000	25,000	333,838	-
17,000	-	17,000	-
<u>(145,000)</u>	<u>(228,000)</u>	<u>(744,000)</u>	<u>-</u>
98,000	(203,000)	(393,162)	-
(16,999)	-	(723,635)	-
-	-	(35,000)	-
-	-	(71,589)	-
2,768	-	26,719	-
<u>(14,231)</u>	<u>-</u>	<u>(803,505)</u>	<u>-</u>
(9,147)	(13,424)	(123,634)	(129,788)
428,819	(102,974)	885,046	(269,016)
251,719	510,213	4,728,280	5,659,718
<u>\$ 680,538</u>	<u>\$ 407,239</u>	<u>\$ 5,613,326</u>	<u>\$ 5,390,702</u>

(Continued)

City of White Bear Lake, Minnesota  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2022

	Water	Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 830,101	\$ 751,574	\$ 111,264
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	142,579	169,662	-
Miscellaneous	690	-	229
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	(328,894)	7,900	(4,041)
Special assessments	(27,047)	1,533	-
Intergovernmental receivable	-	(3,235)	(42,316)
Deferred outflows in OPEB resources	-	-	-
Deferred outflows in pension resources	26,187	19,354	(23)
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(58,047)	162,814	7,531
Wages payable	-	-	-
Intergovernmental payable	412	-	(2,356)
Deposits payable	-	-	-
Deferred inflows in pension resources	(206,108)	(158,676)	(1,632)
Deferred inflows in OPEB resources	-	-	-
Unearned revenue	-	-	-
Net pension liability	188,284	147,688	2,273
OPEB Liability	-	-	-
Compensated absences	-	-	-
 Net cash provided (used) by operating activities	 \$ 568,157	 \$ 1,098,614	 \$ 70,929
 Noncash capital and related financing activities			
Acquisition of capital assets through capital contribution	 \$ 347,657	 \$ -	 \$ -
 Amortization of bond premium	 \$ (8,672)	 \$ -	 \$ -

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
\$ (133,667)	\$ (41,608)	\$ 1,517,664	\$ (365,847)
123,584	90,848	526,673	-
-	4,395	5,314	13
42,864	(10,931)	(293,102)	3,180
-	-	(25,514)	-
-	-	(45,551)	45
-	-	-	92,370
3,369	14,890	63,777	-
424	15,390	128,112	(119,067)
-	-	-	44,845
-	5	(1,939)	-
-	1,910	1,910	-
(29,188)	(258,635)	(654,239)	-
-	-	-	312,977
319,000	-	319,000	-
27,811	297,186	663,242	-
-	-	-	(196,376)
-	-	-	88,632
<u>\$ 354,197</u>	<u>\$ 113,450</u>	<u>\$ 2,205,347</u>	<u>\$ (139,228)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,657</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,672)</u>	<u>\$ -</u>

(Continued)

City of White Bear Lake, Minnesota  
Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2022

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 322,662</u>
Liabilities	
Deposits payable	<u>320,214</u>
Net position	
Restricted for individuals, organizations, and other governments	<u>\$ 2,448</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, 2022

	<u>Custodial Funds</u>
<b>Additions</b>	
Geographic information system fees collections	\$ 34,203
Fireworks contributions collections	52,755
Manitou Days event contributions collections	8,185
Manitou Days parade fees collections	7,017
Deputy Registrar collections	41,378,471
Total revenues	41,480,631
<b>Deductions</b>	
Geographic information system fee disbursements	85,668
Fireworks disbursements	28,864
Manitou Days events disbursements	8,822
Manitou Days parade disbursements	8,599
Deputy Registrar disbursements	41,378,600
Total expenditures	41,510,553
Net increase (decrease) in fiduciary net position	(29,922)
Net position - beginning	32,370
Net position - ending	\$ 2,448

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, 2022**

**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.

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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 Equipment Acquisition fund accounts for costs pertaining to capital equipment purchases.

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**  
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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.

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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.

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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, 2022:

- US Treasury bills and notes and government agency securities of \$36,087,478 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$9,345,696 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 \$171,652. 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. Lease Receivable**

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

## **4. Prepaid expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as

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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.

**5. 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.

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:

Assets	Years
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

**6. 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 assets that applies to future periods 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.

**7. 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 assets that applies to future periods 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 because



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the date of collection is unknown. Unavailable special assessments are reported 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. The City also recognizes a deferred lease receivable, which is reported under both the modified accrual and full accrual basis. Loan/notes receivable are reported as deferred inflows 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.

**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 \$588,053 will be due within the next fiscal year and \$663,471 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.

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It is the City's position to consider restricted net position to have been depleted before unrestricted net position is applied.

**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.

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.

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**G. Revenues and Expenditures / Expenses**

**1. Program revenues**

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

**2. Property taxes**

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

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

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

**3. Special assessments**

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

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

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**4. 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		
City's proportionate share	\$ 590,883	\$ 1,887,928	\$ 545	\$ (619,965)	\$ 1,859,391
Proportionate share of State's contribution	22,988	133,729	-	-	156,717
	<u>\$ 613,871</u>	<u>\$ 2,021,657</u>	<u>\$ 545</u>	<u>\$ (619,965)</u>	<u>\$ 2,016,108</u>

**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**  
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**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, 2022. The City amended the General Fund budget during the year increasing revenues and other financing sources by \$632,737 and increasing expenditures and other financing uses by \$627,552.

**B. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2022, expenditures exceeded appropriations in the special revenue Armory fund by \$8,407. The excess was funded by available fund balance and revenue in excess of budget.

**C. Deficit Fund Equity**

At December 31, 2022, individual funds with deficit fund balances are as follows:

Fund	Amount
Capital Project	
HRA District 27 Boatworks	\$ 394,870
Enterprise	
License Bureau	312,069
Internal Service Fund	
Employment Expense Fund	758,474

Deficits will be eliminated with future charges for services and tax increments.

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**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, 2022, the City was not exposed to custodial credit risk because deposits were fully collateralized. The City had bank deposits of \$1,967,961 as of December 31, 2022. The City's book balance for cash as of December 31, 2022 was \$1,754,414.

**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	\$ 2,347,147	\$ -	\$ -
Brokered money market funds	N/A	Less than 1 year	525,358	-	-
Brokered insured cash sweep	N/A	Less than 1 year	2,019,566	-	-
Non-pooled investments at fair value					
US Treasury bills and notes	AAA	Less than 1 year	12,020,004	\$ 12,020,004	\$ -
US Treasury bills and notes	AAA	1 to 3 years	7,934,783	7,934,783	-
Government agency securities	AAA	Less than 1 year	5,852,560	5,852,560	-
Government agency securities	AAA	1 to 3 years	8,245,864	8,245,864	-
Government agency securities	AAA	3 to 5 years	2,034,267	2,034,267	-
Negotiable certificates of deposits	N/A	Less than 1 year	3,419,697	-	3,419,697
Negotiable certificates of deposits	N/A	1 to 3 years	4,207,902	-	4,207,902
Negotiable certificates of deposits	N/A	3 to 5 years	1,308,544	-	1,308,544
Negotiable certificates of deposits	N/A	Over 5 years	409,553	-	409,553
Total investments			<u>\$ 50,325,245</u>	<u>\$ 36,087,478</u>	<u>\$ 9,345,696</u>

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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, 2022, 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 (14%), FNMA (5%), 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	\$ 1,754,414
Investments	50,325,245
Other	
Petty Cash and Change Fund	2,550
 Total Cash and Temporary Investments	 \$ 52,082,209
 Classification per financial statements	
Cash and Temporary Investments - Statement of Net Position	\$ 51,759,547
Cash in Fiduciary Net Position	322,662
 Total	 \$ 52,082,209

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**Note 4: Lease Receivable**

As of December 31, 2022, the City had the following Cell Tower lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Verizon Century Water Reservoir	5/1/1989	1.48%	\$ 82,213	\$ 1,464,715
Verizon Centerville Road	8/1/1997	1.59%	35,009	698,377
T Mobile Century Monopole	9/1/1996	1.44%	37,464	599,672
T Mobile Centerville Road	6/1/1996	1.44%	33,104	533,360
T Mobile 4701 Miller Road	2/17/1998	0.69%	32,024	127,651
SBA Stellmacher	6/1/2009	1.27%	23,696	285,501
AT&T Century Monopole	10/11/2006	1.75%	46,922	<u>1,616,887</u>
<b>Total</b>				<u><u>\$ 5,326,163</u></u>

Under the Cell Tower leases, the Tenants pay rent in exchange for the right to use the City's communications tower or water reservoirs for the purpose of maintaining and operating radio-based communications service facilities. Details on each cell tower lease are below.

Verizon Century Water Reservoir – under this lease, the Tenant pays \$62,665 in rent to the City annually. The current lease term extends through 4/30/2025 with three more options to renew for five-year terms. With each five-year renewal, rent increases by 27.7%.

Verizon Centerville Road – under this lease, the Tenant pays \$33,150 in rent to the City annually. The current lease term extends through 7/31/2027 with three more options to renew for five-year terms. Rent increases by 3.0% annually.

T Mobile Century Monopole – under this lease, the Tenant pays \$48,206 in rent to the City annually. The current lease term extends through 6/30/2023 with two more options to renew for five-years terms. Rent increases by 4.0% annually.

T Mobile Centerville Road - under this lease, the Tenant pays \$29,404 in rent to the City annually. The current lease term extends through 12/31/2026 with two more options to renew for five-years terms. With each five-year renewal, rent increases by 24.0%.

T Mobile 4701 Miller Road - under this lease, the Tenant pays \$32,467 in rent to the City annually. The current lease term extends through 12/31/2026 with no options to extend. Rent only increases at the beginning of the five-year lease term.



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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SBA Stellmacher - under this lease, the Tenant pays \$21,340 in rent to the City annually. The current lease term extends through 5/31/2024 with two more options to renew for five-years terms. Rent increases by 4.0% annually.

AT&T Century Monopole - under this lease, the Tenant pays \$40,314 in rent to the City annually. The current lease term extends through 10/11/2025 with six more options to renew for five-years terms. Rent increases by 3.0% annually.

As of December 31, 2022, the City had the following Bellaire Center lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Prestige Productions	10/1/2021	0.13%	\$ 7,055	\$ 6,166
Suburban Community Channels	6/1/2022	1.10%	38,801	122,141
Comcast	2/1/2022	1.10%	23,806	<u>107,535</u>
Total				<u>\$ 235,842</u>

Under the Prestige Productions lease, the Tenant pays rent in exchange for operating its business within a 5,480 square foot area of the City's 23,880 square foot Bellaire Center building. The Tenant pays \$6,180 per month from October-June each year. The current lease term extends through 9/30/2023 with the option to extend for two more years.

Under the Suburban Community Channels lease, the Tenant pays rent in exchange for operating its business within a 6,416 square foot area of the City's 23,880 square foot Bellaire Center building. The Tenant pays \$65,122 in rent to the City annually with a 3.0% increase each year. The current lease term extends through with one option to extend for five more years.

Under the Comcast lease, the Tenant pays rent in exchange for operating its business within a 1,702 square foot area of the City's 23,880 square foot Bellaire Center building. The Tenant pays \$25,530 in rent to the City annually with a 3.0% increase each year. The current lease term extends through 1/31/2027 with one option to extend for five more years.

As of December 31, 2022, the City had the following lease receivable with The Good Table Restaurant Group:

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Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
The Good Table Restaurant Group	12/1/2017	1.10%	\$ 21,316	\$ 73,161
Total				<u>\$ 73,161</u>

Under The Good Table Restaurant Group lease, the Tenant pays rent in exchange for operating its business within a 1,058 square foot building owned by the City. The Tenant pays \$1,819 in rent to the City per month. The current lease term extends through 5/31/2023 with two options to extend for three more years.

As of December 31, 2022, the City had the following Sports Center lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
White Bear Lake Area Varsity Girls Hockey	7/1/2022	1.10%	\$ 11,148	\$ 34,673
White Bear Lake Area Hockey Association	8/11/2021	2.26%	24,735	<u>219,613</u>
				<u>\$ 254,286</u>

Under the White Bear Lake Area Varsity Girls Hockey lease, the Tenant pays rent in exchange for the dedicated use of the locker rooms at the Sports Center. The Tenant pays \$1,100 of rent per month to the City. The current lease term extends through 6/30/2025.

Under the White Bear Lake Area Hockey Association lease, the Tenant pays rent in exchange for the dedicated use of the locker rooms at the Sports Center. The Tenant pays \$2,060 of rent per month to the City with a 3% annual increase. The current lease term extends through 8/11/2031.

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**Note 5: Capital Assets**

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not depreciated				
Land & improvements	\$ 9,666,893	\$ -	\$ -	\$ 9,666,893
Work in process	728,962	1,880,980	22,113	2,587,829
Total capital assets, not depreciated	<u>10,395,855</u>	<u>1,880,980</u>	<u>22,113</u>	<u>12,254,722</u>
Capital assets being depreciated				
Buildings & improvements	27,099,351	592,120	958,989	26,732,482
Other improvements	8,995,435	-	-	8,995,435
Furniture & equipment	11,327,838	468,827	341,992	11,454,673
Infrastructure				
Streets	57,478,555	-	-	57,478,555
Storm sewer	7,508,155	-	-	7,508,155
Total capital assets, depreciated	<u>112,409,334</u>	<u>1,060,947</u>	<u>1,300,981</u>	<u>112,169,300</u>
Less accumulated depreciation				
Buildings & improvements	16,472,553	906,939	887,855	16,491,637
Other improvements	5,324,107	619,606	-	5,943,713
Furniture & equipment	6,310,400	981,139	256,775	7,034,764
Infrastructure				
Streets	16,011,793	1,127,704	-	17,139,497
Storm sewer	2,982,549	75,110	-	3,057,659
Total accumulated depreciation	<u>47,101,402</u>	<u>3,710,498</u>	<u>1,144,630</u>	<u>49,667,270</u>
Total capital assets, depreciated net	<u>65,307,932</u>	<u>(2,649,551)</u>	<u>156,351</u>	<u>62,502,030</u>
Governmental activities				
Capital assets, net	<u>\$ 75,703,787</u>	<u>\$ (768,571)</u>	<u>\$ 178,464</u>	<u>\$ 74,756,752</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2022**

**Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not depreciated				
Land	\$ 490,275	\$ -	\$ -	\$ 490,275
Work in progress	1,906,228	317,272	1,906,228	317,272
Total capital assets, not depreciated	<u>2,396,503</u>	<u>317,272</u>	<u>1,906,228</u>	<u>807,547</u>
Capital assets being depreciated				
Buildings	4,612,566	-	-	4,612,566
Other improvements	376,522	-	-	376,522
Equipment	4,104,762	85,325	100,141	4,089,946
Distribution / collection system	10,700,106	2,337,674	-	13,037,780
Total capital assets	<u>19,793,956</u>	<u>2,422,999</u>	<u>100,141</u>	<u>22,116,814</u>
Less accumulated depreciation				
Buildings	3,604,375	76,516	-	3,680,891
Other improvements	28,297	18,813	-	47,110
Equipment	2,637,872	323,512	100,141	2,861,243
Distribution / collection system	8,906,050	107,832	-	9,013,882
Total accumulated depreciation	<u>15,176,594</u>	<u>526,673</u>	<u>100,141</u>	<u>15,603,126</u>
Total capital assets, depreciated net	<u>4,617,362</u>	<u>1,896,326</u>	<u>-</u>	<u>6,513,688</u>
Business-type activities				
Capital assets, net	<u>\$ 7,013,865</u>	<u>\$ 2,213,598</u>	<u>\$ 1,906,228</u>	<u>\$ 7,321,235</u>

**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	\$ 367,458
Public safety	500,231
Public works	2,036,240
Parks and recreation	806,569
	<hr/>

Total depreciation expense - governmental activities	<u><u>\$ 3,710,498</u></u>
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Business-type activities:

Water	\$ 142,579
Sewer	169,662
Ambulance	123,584
Pioneer manor	90,848
	<hr/>

Total depreciation expense - business-type activities	<u><u>\$ 526,673</u></u>
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**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
**December 31, 2022**

**Note 6: 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, 2022, 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	\$ 170,000
G.O. Tax Increment Revenue Bonds, Series 2016A	2.00 - 3.00%	3/10/2016	2/1/2037	2,275,000	<u>1,875,000</u>
Total G.O. Tax Increment Bonds					<u>2,045,000</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	800,000
G.O. Bonds, Series 2018A	3.00 - 4.00%	6/14/2018	2/1/2039	5,850,000	5,155,000
G.O. Improvement Bonds, Series 2019A	3.00 - 4.00%	7/18/2019	2/1/2040	1,925,000	1,725,000
G.O. Improvement and Equipment Certificate Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	3,580,000	3,330,000
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
G.O. Improvement Bonds, Series 2022A	3.00 - 3.25%	6/2/2022	2/1/2038	3,010,000	<u>3,010,000</u>
Total G.O. Special Assessment Bonds					<u>15,835,000</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	<u>2,950,000</u>
G.O. Capital Improvement Plan Bonds					
G.O. Capital Improvement Plan Bonds, Series 2022B	4.00 - 5.00%	12/13/2022	2/1/2044	6,990,000	<u>6,990,000</u>
Bond premium					
Compensated absences payable					938,476
					<u>1,251,524</u>
Total governmental indebtedness					<u>\$ 30,010,000</u>
Business-type activities					
G.O. Utility Revenue Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	860,000	\$ 825,000
G.O. Utility Revenue Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	2,465,000	<u>2,465,000</u>
Total G.O. Utility Revenue Bonds					<u>3,290,000</u>
Bond premium					
					133,941
Total business-type indebtedness					<u>\$ 3,423,941</u>
Total City indebtedness					<u>\$ 33,433,941</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 \$2,512,675 and principal and interest payments totaled \$91,866. The percentage of revenues covering principal and interest payments was 2,735% for 2022.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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**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
2023	\$260,000	\$47,313	\$940,000	\$460,782	\$135,000	\$91,575
2024	95,000	42,838	1,120,000	414,287	140,000	87,450
2025	100,000	39,913	1,140,000	381,385	145,000	83,175
2026	105,000	37,363	1,145,000	349,541	150,000	78,750
2027	110,000	35,213	1,125,000	317,503	150,000	74,250
2028-2032	625,000	138,413	5,040,000	1,129,248	825,000	299,516
2033-2037	750,000	54,019	3,770,000	519,401	970,000	158,803
2038-2042	-	-	1,555,000	54,663	435,000	15,313
	<u>\$ 2,045,000</u>	<u>\$ 395,072</u>	<u>\$ 15,835,000</u>	<u>\$ 3,626,810</u>	<u>\$ 2,950,000</u>	<u>\$ 888,832</u>

Year	Governmental Activities		Business-type Activities	
	G.O. CIP Bonds		G.O. Utility Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ -	\$190,570	\$175,000	\$63,173
2024	-	300,900	180,000	58,560
2025	225,000	295,275	185,000	54,198
2026	240,000	283,650	190,000	50,098
2027	250,000	271,400	195,000	45,873
2028-2032	1,415,000	1,156,625	1,035,000	163,987
2033-2037	1,760,000	801,200	1,130,000	68,180
2038-2042	2,115,000	417,700	200,000	8,000
2043-2044	985,000	39,700	-	-
	<u>\$ 6,990,000</u>	<u>\$ 3,757,020</u>	<u>\$ 3,290,000</u>	<u>\$ 512,069</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, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Tax Increment Bonds	\$ 2,305,000	\$ -	\$ 260,000	\$ 2,045,000	\$ 260,000
Special Assessment Bonds	13,585,000	3,010,000	760,000	15,835,000	940,000
Tax Abatement Bonds	3,080,000	-	130,000	2,950,000	135,000
Capital Improvement Bonds	-	6,990,000	-	6,990,000	-
Bond premium	616,065	360,156	37,745	938,476	53,813
Compensated absences	1,162,892	1,136,881	1,048,249	1,251,524	588,053
Total governmental activities long-term liabilities	<u>\$ 20,748,957</u>	<u>\$ 11,497,037</u>	<u>\$ 2,235,994</u>	<u>\$ 30,010,000</u>	<u>\$ 1,976,866</u>
Business-type activities					
G.O. Utility Revenue Bonds	\$ 3,325,000	\$ -	\$ 35,000	\$ 3,290,000	\$ 175,000
Premium	142,613	-	8,672	133,941	8,672
Total business-type activities long-term liabilities	<u>\$ 3,467,613</u>	<u>\$ -</u>	<u>\$ 43,672</u>	<u>\$ 3,423,941</u>	<u>\$ 183,672</u>



**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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**Note 7: Defined Benefit Pension Plan - Statewide**

**A. Plan description**

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

General Employees Retirement 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.

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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 2022 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, 2022, 2021, and 2020 were \$376,589, \$356,261, and \$337,960, 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 2022 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, 2022, 2021, and 2020 were \$804,804, \$757,809, and \$746,128, respectively.

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

General Employees Fund pension costs

At December 31, 2022, the City reported a liability of \$5,243,062 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 \$153,844. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2022, the City's proportionate share was 0.0662 percent, which was an increase of 0.0023 percent from its proportion measured as of June 30, 2021.

City's proportionate share of the net pension liability	\$ 5,243,062
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>153,844</u>
Total	<u><u>\$ 5,396,906</u></u>

For the year ended December 31, 2022, the City recognized pension expense of \$590,883 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional \$22,988 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.

At December 31, 2022, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 43,794	\$ 54,077
Changes in Actuarial Assumptions	1,146,621	20,648
Net Difference Between Projected and Actual Earnings on Plan Investments	154,347	-
Changes in Proportion	49,110	15,405
Contributions Paid to PERA Subsequent to the Measurement Date	<u>188,540</u>	<u>-</u>
Total	<u><u>\$ 1,582,412</u></u>	<u><u>\$ 90,130</u></u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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The \$188,540 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 469,174
2024	504,293
2025	(143,884)
2026	<u>474,159</u>
 Total	 <u>\$ 1,303,742</u>

Police and Fire fund pension costs

At December 31, 2022, the City reported a liability of \$15,783,271 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3627 percent, which was an increase of 0.0014 percent from its proportion measured as of June 30, 2021.

The State of Minnesota also contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. 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, 2021. 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.

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, 2022, the City recognized a pension expense of \$1,887,928 for its proportionate share of Police and Fire Plan's pension expense. The City recognized \$133,729 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

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 \$32,643 for the year ended December 31, 2022 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.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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At December 31, 2022, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 963,179	\$ 69,955
Changes in Actuarial Assumptions	9,469,332	302,185
Net Difference Between Projected and Actual Earnings on Plan Investments	228,422	-
Changes in Proportion	741,965	17,135
Contributions to PERA Subsequent to the Measurement Date	401,028	-
Total	\$ 11,803,926	\$ 389,275

The \$401,028 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 2,225,263
2024	2,312,206
2025	1,911,370
2026	3,251,582
2027	1,313,202
Total	\$ 11,013,623

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**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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
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>100.00 %</u>	

**F. Actuarial assumptions**

The total pension liability in the June 30, 2022 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.

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 27 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.

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.

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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 2022:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

**G. Discount rate**

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 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 was 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.

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In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060 and June 30, 2061 respectively. Beginning in fiscal year ended June 30, 2061, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

**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	\$ 8,281,691	\$ 5,243,062	\$ 2,750,917
	<u>1 Percent Decrease (4.40%)</u>	<u>Current (5.40%)</u>	<u>1 Percent Increase (6.40%)</u>
Police and Fire Fund	23,885,957	15,783,271	9,232,735

**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](http://www.mnpera.org).



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**Note 8: 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 2022 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 545	\$ 545	5.00%	5.00%	5.00%

The City and member's contributions to the DCP plan for the years ending December 31, 2022, 2021 and 2020 were \$545, \$2,079, and \$2,723, 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.

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**Note 9: 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, 2022, 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 \$289,125 in fire state aid to the fund for the year ended December 31, 2022. 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, 2022. 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.

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**D. Pension costs**

At December 31, 2022, the City reported a net pension asset of \$4,217,533 for the plan. The net pension liability (asset) was measured as of December 31, 2021. 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, 2022. 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)
Beginning Balance January 1, 2021	\$ 4,377,721	\$ 7,903,407	\$ (3,525,686)
Changes for the Year			
Service cost	72,365	-	72,365
Interest on pension liability (asset)	251,818	-	251,818
Projected investment return	-	738,115	(738,115)
Contributions (employer)	-	276,820	(276,820)
Benefit payments	(506,254)	(506,254)	-
Administrative expenses	-	(905)	905
Other	-	2,000	(2,000)
Total Net Changes	(182,071)	509,776	(691,847)
Ending Balance December 31, 2021	\$ 4,195,650	\$ 8,413,183	\$ (4,217,533)

For the year ended December 31, 2022, the City recognized negative pension expense of \$619,965.

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At December 31, 2022, 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	\$ -	\$ 185,417
Changes in Actuarial Assumptions	2,552	123,468
Net Difference Between Projected and Actual Earnings on Plan Investments	165,118	872,309
Contributions to Plan Subsequent to the Measurement Date	<u>289,125</u>	<u>-</u>
Total	<u>\$ 456,795</u>	<u>\$ 1,181,194</u>

Deferred outflows of resources totaling \$289,125 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2023	\$ (311,801)
2024	(476,920)
2025	(170,650)
2026	<u>(54,153)</u>
Total	<u>\$ (1,013,524)</u>

**E. Actuarial assumptions**

The total pension liability at December 31, 2021 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%

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The 20-year municipal bond yield actuarial assumption changed from 2.00% in 2020 to 1.84% in 2021. There were no other changes in actuarial assumptions in 2021.

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	\$ (3,790,583)	\$ (4,217,533)	\$ (4,573,077)

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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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, 2021, 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](http://www.mnpera.org) .

**Note 10: 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 District 27 Boatworks Fund	-	750,000
	-	750,000
Total	\$ 1,605,000	\$ 1,605,000

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**B. Transfers**

The composition of inter-fund transfers for the year ended December 31, 2022 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Fund	\$ 133,000	(1)
	Sewer Fund	124,000	(1)
	Refuse Fund	114,000	(1)
	Ambulance Fund	145,000	(1)
	Construction Fund	567,210	(1),(3)
	Non-Major Governmental Funds	85,000	(1)
	Non-Major Enterprise Funds	68,000	(1)
		<u>1,236,210</u>	
Construction Fund	Community Reinvestment Fund	<u>113,000</u>	(2)
Municipal Building Fund	Non-Major Governmental Funds	48,692	(4)
	General Fund	323,485	(2)
	Community Reinvestment Fund	50,000	(2)
		<u>422,177</u>	
Non-Major Governmental Funds	Community Reinvestment Fund	75,900	(2)
	Non-Major Governmental Funds	2,851,053	(5),(6),(7)
	Non-Major Enterprise Funds	160,000	(5)
		<u>3,086,953</u>	
Ambulance Fund	Equipment Acquisition Fund	<u>17,000</u>	(8)
Total Transfers		<u>\$ 4,875,340</u>	

- 1) Provide funding for professional and administrative services
- 2) Provide funding for various capital improvement projects
- 3) Transfer reserves for Emerald Ash Borer
- 4) Transfer to close the Armory Fund
- 5) Provide funding for debt service payment obligations
- 6) Additional revenue to support the tax levy in paying the debt service payment
- 7) Transfer to close the HRA Tax Increment Pool Fund and open the HRA District 25 Downtown Expansion Fund, the HRA District 26 Hoffman Place Fund, and the HRA District 27 Boatworks Fund
- 8) Provide funding for the purchase of capital equipment

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**Note 11: 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>
2023	\$ 84,827	\$ 52,983	\$ 137,810
2024	87,601	50,209	137,810
2025	90,465	47,344	137,809
2026	93,423	44,386	137,809
2027	96,478	41,331	137,809
2028-2032	531,829	157,219	689,048
2033-2037	624,659	64,389	689,048
2038	10,984	359	11,343
Total	<u>\$ 1,620,266</u>	<u>\$ 458,220</u>	<u>\$ 2,078,486</u>

In addition, the City has economic development loans outstanding totaling \$106,038.



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**Note 12: Components of Fund Balance**

At December 31, 2022, 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	Equipment Acquisition	Community Reinvestment	Non-Major	Total
<b>Nonspendable</b>								
Prepaid items	\$ 1,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,041	\$ 9,086
<b>Restricted</b>								
Economic Development	-	-	-	-	-	-	1,548,459	1,548,459
Public Safety Facility	-	-	-	7,081,001	-	-	-	7,081,001
Forfeiture	-	-	-	-	-	-	31,845	31,845
Capital Asset Acquisition	-	-	-	-	5,324	-	-	5,324
Debt Service	-	-	-	-	-	-	2,395,132	2,395,132
Total Restricted	-	-	-	7,081,001	5,324	-	3,975,436	11,061,761
<b>Committed</b>								
Surface Water	-	-	-	-	-	-	43,208	43,208
Marina	-	-	-	-	-	-	363,694	363,694
Sports Center	-	-	-	-	-	-	257,254	257,254
Advances	-	-	-	-	-	-	1,391,250	1,391,250
Capital Improvement	-	-	-	-	2,325,583	6,992,705	1,403,922	10,722,210
Economic Development	-	-	-	-	-	-	2,218,999	2,218,999
Total Committed	-	-	-	-	2,325,583	6,992,705	5,678,327	14,996,615
<b>Assigned</b>								
Capital Improvement	-	-	4,415,270	-	-	-	-	4,415,270
Surface Water	-	-	-	-	-	-	840,487	840,487
Advances	-	213,750	-	-	-	-	-	213,750
Debt Service	-	880,958	-	-	-	-	-	880,958
Total Assigned	-	1,094,708	4,415,270	-	-	-	840,487	6,350,465
<b>Unassigned</b>	7,414,739	-	-	(449,597)	-	-	(394,870)	6,570,272
<b>Total</b>	<b>\$ 7,415,784</b>	<b>\$ 1,094,708</b>	<b>\$ 4,415,270</b>	<b>\$ 6,631,404</b>	<b>\$ 2,330,907</b>	<b>\$ 6,992,705</b>	<b>\$ 10,107,421</b>	<b>\$ 38,988,199</b>

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

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

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

At December 31, 2022, the following commitments existed for the City's construction projects:

Project	Contractor/Payee	Revised Contract Amount	Completed to Date	Amount Remaining
Energy Improvement Project	Trane	\$ 1,561,729	\$ 1,499,070	\$ 62,659
Public Safety Facility - Construction Final Cleaning	Nice & Clean Co.	25,000	-	25,000
Public Safety Facility - Demolition	Lloyd's Construction Services	129,855	-	129,855
Public Safety Facility - Structural Precast	Molin Concrete Products	1,959,468	-	1,959,468
Public Safety Facility - Masonry	Harbor City Masonry	280,670	-	280,670
Public Safety Facility - Structural Steel - Erection	Red Cedar Steel Erectors, Inc.	235,000	-	235,000
Public Safety Facility - Roofing	Lake Area Roofing & Construction	1,180,699	-	1,180,699
Public Safety Facility - Interior Sealant	Right-Way Caulking, Inc.	44,847	-	44,847
Public Safety Facility - Doors, Frames, and Hardware	Twin City Hardware	234,000	-	234,000
Public Safety Facility - Specialty Door	Crawford Door Sales Company	362,425	-	362,425
Public Safety Facility - Exterior Glass and Glazing	MT Contracting, Inc.	531,000	-	531,000
Public Safety Facility - Tile	Advance Terrazzo & Tile Co.	116,650	-	116,650
Public Safety Facility - Roofing	Acoustics Associates, Inc.	80,700	-	80,700
Public Safety Facility - Painting	Mulcahy Nickolaus, LLC	136,582	-	136,582
Public Safety Facility - Manufactured Casework	Woodside Industries, Inc.	289,348	-	289,348
Public Safety Facility - Fire Suppression	NOVA Fire Protection, Inc.	126,750	-	126,750
Public Safety Facility - HVAC	SCR, Inc.	1,562,000	-	1,562,000
Public Safety Facility - Site Clearing and Earthwork	Rachel Contracting, LLC.	1,189,800	-	1,189,800
Public Safety Facility - Concrete Paving	Pember Companies, Inc.	168,500	-	168,500
Public Safety Facility - Site Fencing	Century Fence Company	399,315	-	399,315
Public Safety Facility - Landscape	Autumn Ridge Landscaping, Inc.	87,359	-	87,359
Public Safety Facility - Ceiling and Acoustical Treatment	Twin Cities Acoustics	53,690	1,070	52,620
Public Safety Facility - Carpentry	Century Construction	333,500	23,467	310,033
Public Safety Facility - Concrete	Ebert Construction	812,200	12,334	799,866
Public Safety Facility - Drywall	RTL Construction	351,939	6,000	345,939
Public Safety Facility - Electrical	Vinco	1,441,000	17,000	1,424,000
Public Safety Facility - Metal Panels	Atomic Architectural Sheet Metal	350,000	8,295	341,705
Public Safety Facility - Plumbing	Kraft Contracting & Mechanical	814,000	7,064	806,936
Public Safety Facility - Structural Steel - Material Only	Ben's Structural Fabrication	690,000	3,452	686,548
Public Safety Facility - Elevator	Otis Elevator Company	109,925	43,970	65,955
Water Treatment Plant Fence and Security	UHL	41,075	30,806	10,269
2022 Sanitary Sewer Lining	Visu-Sewer	132,330	-	132,330
Total Commitment				<u>\$ 14,178,827</u>

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**Note 14: Federally Assisted Programs - Compliance Audits**

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

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2022.

**Note 15: Risk Management**

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

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

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, 2022, 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, 2022**

**Note 16: Other Post-Employment Benefits**

**A. Plan description**

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

**B. Benefits provided**

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

**C. Contributions**

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica and Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2022, 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, 2022, 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**  
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**E. Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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Investment rate of return	3.50%, net of investment expense
Salary increases	3.00% to 10.25% for General Employees; 3.00% to 11.75% for Police and Fire Employees
Inflation	2.25%
Healthcare cost trend increases	7.5% initially, gradually decreasing to an ultimate rate of 3.5% in year 12
Mortality assumption	Pub-2010 Mortality Table adjusted for mortality improvements using projection scale MP-2020

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2022 - December 31, 2022.

The discount rate used to measure the total OPEB liability was 4.05% based on the estimated yield of 20-Year-AA-rated municipal bonds.

**F. Total OPEB liability**

The City's total OPEB liability of \$1,889,972 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Financial Statements**  
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Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2021	<u>\$ 2,086,348</u>
Changes for the year	
Service cost	187,283
Interest	39,302
Differences between expected and actual economic experience	8,536
Changes of assumptions	(343,513)
Benefit payments	<u>(87,984)</u>
Net changes	<u>(196,376)</u>
Balances at December 31, 2021	<u><u>\$ 1,889,972</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 1.84% in 2021 to 4.05% in 2022.

**G. OPEB liability sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 4.05% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

1% decrease	Current	1% increase
<u>(3.05%)</u>	<u>(4.05%)</u>	<u>(5.05%)</u>
\$ 2,038,967	\$ 1,889,972	\$ 1,751,335

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

Total OPEB Liability/(Asset)		
1% decrease	Current	1% increase
(6.5% decreasing to 2.5%)	(7.5% decreasing to 3.5%)	(8.5% decreasing to 4.5%)
\$ 1,684,931	\$ 1,889,972	\$ 2,129,954

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$208,971. At December 31, 2022, 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	\$ 644,173	\$ 1,563
Changes of assumptions	192,018	331,930
Total	\$ 836,191	\$ 333,493

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

Year Ending December 31,	Total
2023	\$ 70,370
2024	70,370
2025	70,370
2026	70,370
2027	70,370
Thereafter	150,848
Total	\$ 502,698

**Note 17: 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, 2022, is \$35,676,332.

**Note 18: Changes in Accounting Principle and Restatement**

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements and had no effect on the beginning net position of the Governmental Activities.

**Note 19: Subsequent Events**

On March 21, 2023, the City issued \$10,000,000 General Obligation Capital Improvement Plan Bonds, series 2023A to finance the City's public safety facility. The bonds bear interest between 3.20 percent and 5.00 percent and mature on February 1, 2044.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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**December 31, 2022**

**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
6/30/2022	0.0662 %	\$ 5,243,062	\$ 153,844	\$ 5,396,906	\$ 4,927,083	106.4 %	76.7 %
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)
12/31/2022	\$ 376,589	\$ 376,589	\$ -	\$ 5,021,187	7.5 %
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

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

Changes in actuarial assumptions

2022- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

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

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2022**

assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

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

Changes in plan provisions

2022 - There were no changes in plan provisions since the previous valuation.

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, 2022**

**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
6/30/2022	0.3627 %	\$ 15,783,271	\$ 689,419	\$ 16,472,690	\$ 4,405,863	358.2 %	70.5 %
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)
12/31/2022	\$ 804,804	\$ 804,804	\$ -	\$ 4,546,915	17.7 %
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, 2022**

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

Changes in actuarial assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.5% to 5.4%.

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.

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

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
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post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

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

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

Changes in plan provisions

2022 - There were no changes in plan provisions since the previous valuation.

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

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2022**

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.

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

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 72,365	\$ 118,371	\$ 114,923	\$ 156,301	\$ 151,749	\$ 137,576	\$ 133,569	\$ 145,189
Interest	251,818	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	(506,254)	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
<b>Net change in total pension liability</b>	<b>(182,071)</b>	<b>8,738</b>	<b>(324,300)</b>	<b>(403,235)</b>	<b>(99,557)</b>	<b>(24,811)</b>	<b>139,775</b>	<b>138,666</b>
<b>Total pension liability - January 1</b>	<b>4,377,721</b>	<b>4,368,983</b>	<b>4,693,283</b>	<b>5,096,518</b>	<b>5,196,075</b>	<b>5,220,886</b>	<b>5,081,111</b>	<b>4,942,445</b>
<b>Total pension liability - December 31, (a)</b>	<b>\$ 4,195,650</b>	<b>\$ 4,377,721</b>	<b>\$ 4,368,983</b>	<b>\$ 4,693,283</b>	<b>\$ 5,096,518</b>	<b>\$ 5,196,075</b>	<b>\$ 5,220,886</b>	<b>\$ 5,081,111</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	276,820	263,727	248,007	241,116	232,194	231,628	229,853	216,807
Net investment income	738,115	998,251	1,129,252	(479,034)	966,600	495,777	(293,258)	278,508
Benefit payments, including refunds of employee contributions	(506,254)	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Administrative expense	(905)	(3,110)	(17,118)	(45,208)	(29,980)	(24,898)	(32,395)	(29,243)
Other	2,000	5,707	(59,536)	1,000	2,000	-	275	137
<b>Net change in plan fiduciary net position</b>	<b>509,776</b>	<b>949,749</b>	<b>594,085</b>	<b>(663,915)</b>	<b>665,794</b>	<b>472,991</b>	<b>(528,699)</b>	<b>226,391</b>
<b>Plan fiduciary net position - January 1</b>	<b>7,903,407</b>	<b>6,953,658</b>	<b>6,359,573</b>	<b>7,023,488</b>	<b>6,357,694</b>	<b>5,884,703</b>	<b>6,413,402</b>	<b>6,187,011</b>
<b>Plan fiduciary net position - December 31 (b)</b>	<b>\$ 8,413,183</b>	<b>\$ 7,903,407</b>	<b>\$ 6,953,658</b>	<b>\$ 6,359,573</b>	<b>\$ 7,023,488</b>	<b>\$ 6,357,694</b>	<b>\$ 5,884,703</b>	<b>\$ 6,413,402</b>
<b>Fire Relief's net pension liability (asset) - December 31 (a-b)</b>	<b>\$ (4,217,533)</b>	<b>\$ (3,525,686)</b>	<b>\$ (2,584,675)</b>	<b>\$ (1,666,290)</b>	<b>\$ (1,926,970)</b>	<b>\$ (1,161,619)</b>	<b>\$ (663,817)</b>	<b>\$ (1,332,291)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability (b/a)</b>	<b>200.52%</b>	<b>180.54%</b>	<b>159.16%</b>	<b>135.50%</b>	<b>137.81%</b>	<b>122.36%</b>	<b>112.71%</b>	<b>126.22%</b>
<b>Covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Fire Relief's net pension liability (asset) as a percentage of covered payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**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, 2022**

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

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/21	\$ 276,820	\$ 276,820	-
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**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 187,283	\$ 69,413	\$ 59,639	\$ 46,821	\$ 48,139
Interest	39,302	29,148	36,519	34,686	31,391
Difference between expected and actual experience	8,536	608,442	24,185	187,941	(2,928)
Changes of assumptions	(343,513)	(1,463)	89,717	201,075	(27,655)
Benefit payments	(87,984)	(83,746)	(87,266)	(80,547)	(42,950)
Net change in total OPEB liability	(196,376)	621,794	122,794	389,976	5,997
Beginning of year	2,086,348	1,464,554	1,341,760	951,784	945,787
End of year	\$ 1,889,972	\$ 2,086,348	\$ 1,464,554	\$ 1,341,760	\$ 951,784
Covered-employee payroll	\$ 6,662,986	\$ 7,102,031	\$ 6,599,353	\$ 6,264,746	\$ 5,796,259
Total OPEB liability as a percentage of covered-employee payroll	28.37%	29.38%	22.19%	21.42%	16.42%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2022

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 7,216,000	\$ 7,200,828	\$ 7,174,250	\$ (26,578)
Franchise fees	315,000	336,014	336,014	-
License and permits				
Business license and permits	153,455	144,175	168,061	23,886
Non-Business license and permits	853,235	1,158,878	1,457,491	298,613
Total license and permits	1,006,690	1,303,053	1,625,552	322,499
Fines	66,000	56,650	68,385	11,735
Intergovernmental				
Federal grants	40,000	115,940	149,094	33,154
State grants	1,922,115	2,231,894	2,239,347	7,453
County grants	21,200	21,200	28,672	7,472
Local grants	160,000	160,000	159,650	(350)
Total intergovernmental	2,143,315	2,529,034	2,576,763	47,729
Charges for services				
General government	-	-	428	428
Public safety	642,251	644,301	652,573	8,272
Public works	-	395	395	-
Other	-	-	18,208	18,208
Inspection services	140,000	140,000	190,820	50,820
Total charges for services	782,251	784,696	862,424	77,728
Interest income (loss)	80,000	50,000	(193,573)	(243,573)
Rental Income	37,650	55,015	50,266	(4,749)
Refunds and reimbursements	3,000	10,549	23,221	12,672
Donations	-	150	665	515
Miscellaneous	5,000	18,210	38,559	20,349
Total revenues	11,654,906	12,344,199	12,562,526	218,327
Expenditures				
General government				
Mayor and Council				
Personal services	99,031	92,828	92,997	169
Supplies	7,700	7,975	7,859	(116)
Other services and charges	49,982	47,997	41,155	(6,842)
Total Mayor and Council	156,713	148,800	142,011	(6,789)

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, 2022

	Budget		Actual	Variances with Final Budget
	Original	Final		
Public safety				
Public Safety Facility				
Supplies	\$ 1,587	\$ 3,325	\$ 4,384	\$ 1,059
Other services and charges	84,960	129,035	131,061	2,026
Total public safety facility	<u>86,547</u>	<u>132,360</u>	<u>135,445</u>	<u>3,085</u>
Police				
Personal services	4,717,589	4,719,498	4,537,626	(181,872)
Supplies	196,440	211,872	209,025	(2,847)
Other services and charges	260,598	241,899	213,206	(28,693)
Total police	<u>5,174,627</u>	<u>5,173,269</u>	<u>4,959,857</u>	<u>(213,412)</u>
Dispatch				
Other services and charges	<u>223,300</u>	<u>223,300</u>	<u>222,648</u>	<u>(652)</u>
Animal control				
Personal services	16,783	18,080	10,949	(7,131)
Supplies	1,050	550	806	256
Other services and charges	6,600	4,450	6,009	1,559
Total animal control	<u>24,433</u>	<u>23,080</u>	<u>17,764</u>	<u>(5,316)</u>
Legal prosecution				
Personal services	1,433	1,407	1,092	(315)
Other services and charges	156,800	152,500	152,000	(500)
Total legal prosecution	<u>158,233</u>	<u>153,907</u>	<u>153,092</u>	<u>(815)</u>
Fire				
Personal services	847,660	1,156,088	1,124,425	(31,663)
Supplies	89,058	92,278	96,702	4,424
Other services and charges	169,003	187,308	150,054	(37,254)
Total fire	<u>1,105,721</u>	<u>1,435,674</u>	<u>1,371,181</u>	<u>(64,493)</u>
Emergency preparedness				
Supplies	7,390	6,270	4,530	(1,740)
Other services and charges	9,179	11,954	9,020	(2,934)
Total emergency preparedness	<u>16,569</u>	<u>18,224</u>	<u>13,550</u>	<u>(4,674)</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, 2022

	Budget		Actual	Variances with Final Budget
	Original	Final		
City Manager				
Personal services	\$ 421,023	\$ 389,790	\$ 388,269	\$ (1,521)
Supplies	390	490	269	(221)
Other services and charges	20,125	18,905	14,858	(4,047)
Total city manager	<u>441,538</u>	<u>409,185</u>	<u>403,396</u>	<u>(5,789)</u>
Finance				
Personal services	609,456	574,235	578,494	4,259
Supplies	1,950	2,160	1,251	(909)
Other services and charges	112,618	117,938	103,683	(14,255)
Total finance	<u>724,024</u>	<u>694,333</u>	<u>683,428</u>	<u>(10,905)</u>
Legal counselor				
Other services and charges	<u>68,583</u>	<u>70,236</u>	<u>83,530</u>	<u>13,294</u>
City hall				
Personal services	198,357	199,993	181,810	(18,183)
Supplies	19,550	18,250	15,497	(2,753)
Other services and charges	137,775	142,015	134,482	(7,533)
Total city hall	<u>355,682</u>	<u>360,258</u>	<u>331,789</u>	<u>(28,469)</u>
Elections				
Other services and charges	<u>84,505</u>	<u>81,905</u>	<u>81,871</u>	<u>(34)</u>
Total general government	<u>1,831,045</u>	<u>1,764,717</u>	<u>1,726,025</u>	<u>(38,692)</u>
Community development				
Planning				
Personal services	345,008	296,616	284,571	(12,045)
Supplies	1,725	1,800	524	(1,276)
Other services and charges	28,660	30,270	23,642	(6,628)
Total community development	<u>375,393</u>	<u>328,686</u>	<u>308,737</u>	<u>(19,949)</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, 2022

	Budget		Actual	Variances with Final Budget
	Original	Final		
Building and code enforcement				
Personal services	\$ 599,831	\$ 604,133	\$ 565,822	\$ (38,311)
Supplies	11,500	12,745	10,430	(2,315)
Other services and charges	137,820	139,990	157,565	17,575
Total building / code enforcement	<u>749,151</u>	<u>756,868</u>	<u>733,817</u>	<u>(23,051)</u>
Total public safety	<u>7,538,581</u>	<u>7,916,682</u>	<u>7,607,354</u>	<u>(309,328)</u>
Public works				
Shop				
Personal services	92,147	93,071	93,300	229
Supplies	21,565	29,715	27,831	(1,884)
Other services and charges	100,511	129,866	109,757	(20,109)
Total shop	<u>214,223</u>	<u>252,652</u>	<u>230,888</u>	<u>(21,764)</u>
Engineering				
Personal services	649,665	638,841	627,829	(11,012)
Supplies	10,610	8,760	4,762	(3,998)
Other services and charges	91,968	97,668	82,498	(15,170)
Total engineering	<u>752,243</u>	<u>745,269</u>	<u>715,089</u>	<u>(30,180)</u>
Garage				
Personal services	186,418	193,832	194,477	645
Supplies	38,380	37,780	32,691	(5,089)
Other services and charges	31,062	30,167	22,637	(7,530)
Total garage	<u>255,860</u>	<u>261,779</u>	<u>249,805</u>	<u>(11,974)</u>
Streets				
Personal services	367,725	366,717	351,872	(14,845)
Supplies	108,300	111,450	105,103	(6,347)
Other services and charges	137,407	135,447	97,043	(38,404)
Total streets	<u>613,432</u>	<u>613,614</u>	<u>554,018</u>	<u>(59,596)</u>
Snow and ice removal				
Personal services	112,767	112,766	96,606	(16,160)
Supplies	114,500	126,500	119,207	(7,293)
Other services and charges	54,800	48,050	43,075	(4,975)
Total snow and ice removal	<u>282,067</u>	<u>287,316</u>	<u>258,888</u>	<u>(28,428)</u>
Street lighting				
Personal services	11,384	11,384	11,124	(260)
Supplies	32,200	30,700	18,158	(12,542)
Other services and charges	174,500	196,630	186,000	(10,630)
Total street lighting	<u>218,084</u>	<u>238,714</u>	<u>215,282</u>	<u>(23,432)</u>
Total public works	<u>2,335,909</u>	<u>2,399,344</u>	<u>2,223,970</u>	<u>(175,374)</u>
Parks and recreation				
Personal services	507,002	511,165	537,414	26,249
Supplies	95,508	102,195	107,020	4,825
Other services and charges	113,582	111,398	96,139	(15,259)
Total parks and recreation	<u>716,092</u>	<u>724,758</u>	<u>740,573</u>	<u>15,815</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, 2022

	Budget		Actual	Variances with Final Budget
	Original	Final		
Non-departmental				
General services	\$ 106,485	\$ 99,385	\$ 93,339	\$ (6,046)
Contingency	26,000	-	17,408	17,408
Total non-departmental	<u>132,485</u>	<u>99,385</u>	<u>110,747</u>	<u>11,362</u>
Total expenditures	<u>12,929,505</u>	<u>13,233,572</u>	<u>12,717,406</u>	<u>(516,166)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,274,599)</u>	<u>(889,373)</u>	<u>(154,880)</u>	<u>734,493</u>
Other financing sources (uses)				
Sale of assets	-	234	359	125
Transfers from other funds	1,293,000	1,236,210	1,236,210	-
Transfers to other funds	-	(323,485)	(323,485)	-
Total other financing sources (uses)	<u>1,293,000</u>	<u>912,959</u>	<u>913,084</u>	<u>125</u>
Net change in fund balance	18,401	23,586	758,204	734,618
Fund balance - beginning	<u>5,816,054</u>	<u>6,657,580</u>	<u>6,657,580</u>	<u>-</u>
Fund balance - ending	<u>\$ 5,834,455</u>	<u>\$ 6,681,166</u>	<u>\$ 7,415,784</u>	<u>\$ 734,618</u>

(Continued)

**CITY OF WHITE BEAR LAKE, MINNESOTA**  
**Notes to Required Supplemental Information**  
**December 31, 2022**

**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, 2022.



COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

City of White Bear Lake, Minnesota  
Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2022

	Special Revenue Funds				
	American Rescue Plan	Armory	Surface Water Pollution Prevention	Marina	Forfeiture
<b>Assets</b>					
Cash	\$ 1,008,382	\$ 1,791	\$ 876,057	\$ 363,944	\$ 35,117
Accounts receivable	-	4,374	21,300	-	-
Taxes receivable	-	-	-	-	-
Special assessments receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Leases receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,008,382</b>	<b>\$ 6,165</b>	<b>\$ 897,357</b>	<b>\$ 363,944</b>	<b>\$ 35,117</b>
<b>Liabilities:</b>					
Accounts payable	\$ 132,030	\$ 4,315	\$ 13,662	\$ 250	\$ 3,272
Deposits payable	-	1,850	-	-	-
Intergovernmental payable	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue - other	876,352	-	-	-	-
<b>Total liabilities</b>	<b>1,008,382</b>	<b>6,165</b>	<b>13,662</b>	<b>250</b>	<b>3,272</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue -					
Property taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Deferred lease resources	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	31,845
Committed	-	-	43,208	363,694	-
Assigned	-	-	840,487	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>883,695</b>	<b>363,694</b>	<b>31,845</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,008,382</b>	<b>\$ 6,165</b>	<b>\$ 897,357</b>	<b>\$ 363,944</b>	<b>\$ 35,117</b>

Special Revenue Funds		Debt Service Funds		
Economic Development	Sports Center	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment
\$ 2,294,019	\$ 260,146	\$ 30,452	\$ 31,368	\$ 32,202
9,945	32,201	-	-	-
280	-	-	-	-
67,044	-	-	-	-
-	4,269	-	-	-
1,391,250	-	-	-	-
309,003	254,285	-	-	-
106,038	-	-	-	-
-	8,041	-	-	-
<u>\$ 4,177,579</u>	<u>\$ 558,942</u>	<u>\$ 30,452</u>	<u>\$ 31,368</u>	<u>\$ 32,202</u>
\$ 169,784	\$ 46,876	\$ 5,550	\$ -	\$ -
500	-	-	-	-
-	20	-	-	-
-	-	-	-	-
-	2,656	-	-	-
<u>170,284</u>	<u>49,552</u>	<u>5,550</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
65,446	-	-	-	-
<u>331,600</u>	<u>244,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>397,046</u>	<u>244,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	8,041	-	-	-
-	-	24,902	31,368	32,202
3,610,249	257,254	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,610,249</u>	<u>265,295</u>	<u>24,902</u>	<u>31,368</u>	<u>32,202</u>
<u>\$ 4,177,579</u>	<u>\$ 558,942</u>	<u>\$ 30,452</u>	<u>\$ 31,368</u>	<u>\$ 32,202</u>

(Continued)

City of White Bear Lake, Minnesota  
Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2022

	Debt Service Funds				
	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds	2020 General Obligation Bonds	2021 General Obligation Bonds
<b>Assets</b>					
Cash	\$ 437,763	\$ 235,086	\$ 404,522	\$ 616,267	\$ 339,995
Accounts receivable	-	-	-	-	-
Taxes receivable	1,504	903	554	1,771	1,115
Special assessments receivable	255,090	-	295,313	393,842	213,621
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Leases receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 694,357</b>	<b>\$ 235,989</b>	<b>\$ 700,389</b>	<b>\$ 1,011,880</b>	<b>\$ 554,731</b>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 475	475	475
Deposits payable	-	-	-	-	-
Intergovernmental payable	449	-	-	725	-
Advances from other funds	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
<b>Total liabilities</b>	<b>449</b>	<b>-</b>	<b>475</b>	<b>1,200</b>	<b>475</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue -					
Property taxes	-	-	-	-	-
Special assessments	254,115	-	291,546	389,216	213,466
Deferred lease resources	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>254,115</b>	<b>-</b>	<b>291,546</b>	<b>389,216</b>	<b>213,466</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	439,793	235,989	408,368	621,464	340,790
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>439,793</b>	<b>235,989</b>	<b>408,368</b>	<b>621,464</b>	<b>340,790</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 694,357</b>	<b>\$ 235,989</b>	<b>\$ 700,389</b>	<b>\$ 1,011,880</b>	<b>\$ 554,731</b>

Capital Projects Funds							Total Non-Major Governmental Funds
2022 General Obligation Bonds	Park Improvement	HRA Tax Increment Pool	HRA District 25 Downtown Expansion	HRA District 26 Hoffman Place	HRA District 27 Boatworks		
\$ 260,731	\$ 1,493,121	\$ -	\$ 1,482,674	\$ 67,477	\$ 355,747	\$ 10,626,861	
-	5,320	-	-	-	-	73,140	
-	-	-	3,393	-	-	9,520	
496,253	-	-	-	-	-	1,721,163	
-	-	-	-	-	-	4,269	
-	-	-	-	-	-	1,391,250	
-	-	-	-	-	-	563,288	
-	-	-	-	-	-	106,038	
-	-	-	-	-	-	8,041	
<b>\$ 756,984</b>	<b>\$ 1,498,441</b>	<b>\$ -</b>	<b>\$ 1,486,067</b>	<b>\$ 67,477</b>	<b>\$ 355,747</b>	<b>\$ 14,503,570</b>	
475	\$ 85,374	\$ -	\$ 1,162	\$ 528	\$ 617	\$ 465,320	
-	9,145	-	-	-	-	11,495	
-	-	-	2	-	-	1,196	
-	-	-	-	-	750,000	750,000	
-	-	-	-	-	-	879,008	
475	94,519	-	1,164	528	750,617	2,107,019	
-	-	-	3,393	-	-	3,393	
496,253	-	-	-	-	-	1,710,042	
-	-	-	-	-	-	575,695	
496,253	-	-	3,393	-	-	2,289,130	
-	-	-	-	-	-	8,041	
260,256	-	-	1,481,510	66,949	-	3,975,436	
-	1,403,922	-	-	-	-	5,678,327	
-	-	-	-	-	-	840,487	
-	-	-	-	-	(394,870)	(394,870)	
260,256	1,403,922	-	1,481,510	66,949	(394,870)	10,107,421	
<b>\$ 756,984</b>	<b>\$ 1,498,441</b>	<b>\$ -</b>	<b>\$ 1,486,067</b>	<b>\$ 67,477</b>	<b>\$ 355,747</b>	<b>\$ 14,503,570</b>	

(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, 2022

	Special Revenue Funds			
	American Rescue Plan	Armory	Surface Water Pollution Prevention	Marina
Revenues				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax Increment	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	579,326	45,000	500	-
Charges for services	-	-	225,435	-
Special assessments	-	-	-	-
Investment income (loss)	2,679	-	(23,498)	(12,126)
Rental and lease income	-	24,098	-	400,000
Refunds and reimbursements	-	9,364	546	-
Donations	-	-	-	-
Dedicated fees	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>582,005</u>	<u>78,462</u>	<u>202,983</u>	<u>387,874</u>
Expenditures				
Current				
General government	3,647	-	-	-
Public safety	780	-	-	-
Public works	-	-	159,775	-
Parks and recreation	-	53,961	-	123,288
Community development	-	-	-	-
Capital outlay				
General government	235,792	-	-	-
Public safety	83,735	-	-	-
Public works	255,372	-	-	-
Parks and recreation	-	-	-	6,000
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	-	-	-
Total expenditures	<u>579,326</u>	<u>53,961</u>	<u>159,775</u>	<u>129,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,679</u>	<u>24,501</u>	<u>43,208</u>	<u>258,586</u>
Other financing sources (uses)				
Sale of capital assets	-	-	-	-
Bonds issued	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	(48,692)	-	(200,000)
Total other financing sources (uses)	<u>-</u>	<u>(48,692)</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	2,679	(24,191)	43,208	58,586
Fund balance - beginning	<u>(2,679)</u>	<u>24,191</u>	<u>840,487</u>	<u>305,108</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 883,695</u>	<u>\$ 363,694</u>

Special Revenue Funds			Debt Service		
Forfeiture	Economic Development	Sports Center	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,827	-	-	-	-
-	-	-	-	-	-
-	-	65,000	-	-	-
-	8,807	583,041	-	-	-
-	67,360	-	-	-	-
(1,377)	(61,191)	(4,564)	(833)	(861)	(865)
-	311,429	46,143	-	-	-
3,497	7,501	780	-	-	-
-	-	475	-	-	-
-	-	-	-	-	-
487	5,770	84,847	-	-	-
2,607	345,503	775,722	(833)	(861)	(865)
-	-	-	-	-	-
45,649	-	-	-	-	-
-	-	-	-	-	-
-	-	702,548	-	-	-
-	576,551	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	82,558	-	-	-	-
-	-	-	175,000	170,000	90,000
-	-	-	21,782	11,022	49,184
45,649	659,109	702,548	196,782	181,022	139,184
(43,042)	(313,606)	73,174	(197,615)	(181,883)	(140,049)
-	195	-	-	-	-
-	-	-	-	-	-
-	22,500	-	192,000	160,000	140,000
-	-	-	-	-	-
-	22,695	-	192,000	160,000	140,000
(43,042)	(290,911)	73,174	(5,615)	(21,883)	(49)
74,887	3,901,160	192,121	30,517	53,251	32,251
\$ 31,845	\$ 3,610,249	\$ 265,295	\$ 24,902	\$ 31,368	\$ 32,202

(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, 2022

	Debt Service Funds						
	2018		2019	2020		2021	2022
	General	2018 Tax	Improvement	General	General	General	
	Obligation Bonds	Abatement	Bonds	Obligation Bonds	Obligation Bonds	Obligation Bonds	
<b>Revenues</b>							
General property taxes	\$ 214,966	\$ 128,979	\$ 79,147	\$ 253,073	\$ 159,270	\$ -	
Tax Increment	-	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Special assessments	47,931	-	60,569	97,210	37,457	200,546	
Investment income	(5,957)	(2,814)	(8,938)	(11,036)	(5,867)	(951)	
Rental and lease income	-	-	-	-	-	-	
Refunds and reimbursements	-	-	-	-	-	-	
Donations	-	-	-	-	-	-	
Dedicated fees	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
<b>Total revenues</b>	<b>256,940</b>	<b>126,165</b>	<b>130,778</b>	<b>339,247</b>	<b>190,860</b>	<b>199,595</b>	
<b>Expenditures</b>							
<b>Current</b>							
General government	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	
Parks and recreation	-	-	-	-	-	-	
Community development	-	-	-	-	-	-	
<b>Capital outlay</b>							
General government	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	
Parks and recreation	-	-	-	-	-	-	
Community development	-	-	-	-	-	-	
<b>Debt service</b>							
Principal retired on bonded debt	235,000	130,000	100,000	250,000	-	-	
Interest and other expenditures	173,928	96,521	66,048	93,573	42,784	896	
<b>Total expenditures</b>	<b>408,928</b>	<b>226,521</b>	<b>166,048</b>	<b>343,573</b>	<b>42,784</b>	<b>896</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(151,988)</b>	<b>(100,356)</b>	<b>(35,270)</b>	<b>(4,326)</b>	<b>148,076</b>	<b>198,699</b>	
<b>Other financing sources (uses)</b>							
Sale of capital assets	-	-	-	-	-	-	
Bonds issued	-	-	-	-	-	61,557	
Transfers in from other funds	140,000	115,000	-	-	-	-	
Transfers (to) other funds	-	-	-	-	-	-	
<b>Total other financing sources (uses)</b>	<b>140,000</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,557</b>	
<b>Net change in fund balance</b>	<b>(11,988)</b>	<b>14,644</b>	<b>(35,270)</b>	<b>(4,326)</b>	<b>148,076</b>	<b>260,256</b>	
<b>Fund balance - beginning</b>	<b>451,781</b>	<b>221,345</b>	<b>443,638</b>	<b>625,790</b>	<b>192,714</b>	<b>-</b>	
<b>Fund balance - ending</b>	<b>\$ 439,793</b>	<b>\$ 235,989</b>	<b>\$ 408,368</b>	<b>\$ 621,464</b>	<b>\$ 340,790</b>	<b>\$ 260,256</b>	



Capital Projects Funds					Total
Park Improvement	HRA Tax Increment Pool	HRA District 25 Downtown Expansion	HRA District 26 Hoffman Place	HRA District 27 Boatworks	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835,435
-	-	360,591	63,248	261,043	690,709
16,435	-	-	-	-	16,435
-	-	-	-	-	689,826
7,950	-	-	-	-	825,233
-	-	-	-	-	511,073
(39,649)	-	(28,309)	(932)	(6,192)	(213,281)
1,820	-	-	-	-	783,490
-	-	-	-	419	22,107
187,044	-	-	-	-	187,519
3,600	-	-	-	-	3,600
-	-	-	-	-	91,104
177,200	-	332,282	62,316	255,270	4,443,250
-	-	-	-	-	3,647
-	-	-	-	-	46,429
-	-	-	-	-	159,775
25,731	-	-	-	-	905,528
-	-	1,628	56,070	17,634	651,883
-	-	-	-	-	235,792
-	-	-	-	-	83,735
-	-	-	-	-	255,372
432,483	-	-	-	-	438,483
-	-	-	-	-	82,558
-	-	-	-	-	1,150,000
-	-	-	-	-	555,738
458,214	-	1,628	56,070	17,634	4,568,940
(281,014)	-	330,654	6,246	237,636	(125,690)
-	-	-	-	-	195
-	-	-	-	-	61,557
75,900	750,000	1,150,856	60,703	279,994	3,086,953
-	(1,491,553)	-	-	(912,500)	(2,652,745)
75,900	(741,553)	1,150,856	60,703	(632,506)	495,960
(205,114)	(741,553)	1,481,510	66,949	(394,870)	370,270
1,609,036	741,553	-	-	-	9,737,151
\$ 1,403,922	\$ -	\$ 1,481,510	\$ 66,949	\$ (394,870)	\$ 10,107,421

(Continued)

City of White Bear Lake, Minnesota  
Combining Statement of Net Position  
Non-Major Proprietary Funds  
December 31, 2022

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 89,048	\$ 318,191	\$ 407,239
Accounts receivable	9,568	1,481	11,049
Prepaid expenses	770	-	770
Total current assets	<u>99,386</u>	<u>319,672</u>	<u>419,058</u>
<b>Capital Assets</b>			
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)	(1,814,827)	(1,842,156)
Total net capital assets	<u>-</u>	<u>1,569,137</u>	<u>1,569,137</u>
Total assets	<u>99,386</u>	<u>1,888,809</u>	<u>1,988,195</u>
<b>Deferred outflows of resources</b>			
Deferred pension resources	<u>172,429</u>	<u>-</u>	<u>172,429</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	2,747	48,547	51,294
Intergovernmental payable	-	5	5
Deposits payable	-	34,305	34,305
Total current liabilities	<u>2,747</u>	<u>82,857</u>	<u>85,604</u>
<b>Noncurrent Liabilities</b>			
Net pension liability	<u>571,316</u>	<u>-</u>	<u>571,316</u>
Total liabilities	<u>574,063</u>	<u>82,857</u>	<u>656,920</u>
<b>Deferred inflows of resources</b>			
Deferred pension resources	<u>9,821</u>	<u>-</u>	<u>9,821</u>
<b>Net Position</b>			
Investment in capital assets	-	1,569,137	1,569,137
Unrestricted	(312,069)	236,815	(75,254)
Total net position	<u>\$ (312,069)</u>	<u>\$ 1,805,952</u>	<u>\$ 1,493,883</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, 2022

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Operating revenues			
Charges for services	\$ 737,927	\$ -	\$ 737,927
Rent	-	428,746	428,746
Other	2,505	684	3,189
Total operating revenues	<u>740,432</u>	<u>429,430</u>	<u>1,169,862</u>
Operating expenses			
Personal services	832,788	-	832,788
Supplies	9,756	10,021	19,777
Other services and charges	40,139	227,918	268,057
Depreciation	-	90,848	90,848
Total operating expenses	<u>882,683</u>	<u>328,787</u>	<u>1,211,470</u>
Operating income (loss)	<u>(142,251)</u>	<u>100,643</u>	<u>(41,608)</u>
Nonoperating revenues			
Investment income (loss)	(4,707)	(8,717)	(13,424)
Intergovernmental	25,000	-	25,000
Miscellaneous revenues	11	4,384	4,395
Total nonoperating revenues	<u>20,304</u>	<u>(4,333)</u>	<u>15,971</u>
Income before transfers (loss)	(121,947)	96,310	(25,637)
Transfers to other funds	<u>(50,000)</u>	<u>(178,000)</u>	<u>(228,000)</u>
Change in net position	(171,947)	(81,690)	(253,637)
Net position - beginning	<u>(140,122)</u>	<u>1,887,642</u>	<u>1,747,520</u>
Net position - ending	<u>\$ (312,069)</u>	<u>\$ 1,805,952</u>	<u>\$ 1,493,883</u>

City of White Bear Lake, Minnesota  
Combining Statement of Cash Flows  
Non-Major Proprietary Funds  
For the Year Ended December 31, 2022

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 728,370	\$ 433,677	\$ 1,162,047
Payments to vendors	(42,379)	(230,060)	(272,439)
Payments to employees	(779,347)	-	(779,347)
Other receipts	2,505	684	3,189
Net cash provided (used) by operating activities	<u>(90,851)</u>	<u>204,301</u>	<u>113,450</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	25,000	-	25,000
Transfers (to) other funds	(50,000)	(178,000)	(228,000)
Net cash provided (used) by noncapital financing activities	<u>(25,000)</u>	<u>(178,000)</u>	<u>(203,000)</u>
Cash flows from investing activities			
Investment interest loss	(4,707)	(8,717)	(13,424)
Increase (decrease) in cash and cash equivalents	(120,558)	17,584	(102,974)
Cash and cash equivalents at beginning of year	<u>209,606</u>	<u>300,607</u>	<u>510,213</u>
Cash and cash equivalents at end of year	<u>\$ 89,048</u>	<u>\$ 318,191</u>	<u>\$ 407,239</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (142,251)	\$ 100,643	\$ (41,608)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	90,848	90,848
Miscellaneous	11	4,384	4,395
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	(9,568)	(1,363)	(10,931)
Deferred outflows in pension resources	14,890	-	14,890
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	7,516	7,874	15,390
Due to governments	-	5	5
Deposits payable	-	1,910	1,910
Deferred inflows in pension resources	(258,635)	-	(258,635)
Net pension liability	297,186	-	297,186
Net cash provided (used) by operating activities	<u>\$ (90,851)</u>	<u>\$ 204,301</u>	<u>\$ 113,450</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, 2022

	Original	Final	Actual	Variances with Final Budget
Revenues				
Intergovernmental	\$ 1,369,007	\$ 1,455,678	\$ 579,326	\$ (876,352)
Investment income	-	-	2,679	2,679
Total revenues	<u>1,369,007</u>	<u>1,455,678</u>	<u>582,005</u>	<u>(873,673)</u>
Expenditures				
General government				
Other services and charges	10,000	-	3,647	3,647
Capital outlay	600,000	260,000	235,792	(24,208)
Total general government	<u>610,000</u>	<u>260,000</u>	<u>239,439</u>	<u>(20,561)</u>
Public safety				
Other services and charges	-	-	780	780
Capital outlay	240,000	103,172	83,735	(19,437)
	<u>240,000</u>	<u>103,172</u>	<u>84,515</u>	<u>(18,657)</u>
Public works				
Capital outlay	605,900	602,700	255,372	(347,328)
Total expenditures	<u>1,455,900</u>	<u>965,872</u>	<u>579,326</u>	<u>(386,546)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(86,893)</u>	<u>489,806</u>	<u>2,679</u>	<u>(487,127)</u>
Other financing sources (uses)				
Transfers to other funds	<u>(420,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(506,893)	489,806	2,679	(487,127)
Fund balance - beginning	<u>828,839</u>	<u>(2,679)</u>	<u>(2,679)</u>	<u>-</u>
Fund balance - ending	<u>\$ 321,946</u>	<u>\$ 487,127</u>	<u>\$ -</u>	<u>\$ (487,127)</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Armory Fund  
For the Year Ended December 31, 2022

	Original	Final	Actual	Variances with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 45,000	\$ 45,000	\$ -
Rental income	20,300	27,560	24,098	(3,462)
Refunds and reimbursements	2,000	4,900	9,364	4,464
<b>Total revenues</b>	<b>22,300</b>	<b>77,460</b>	<b>78,462</b>	<b>1,002</b>
<b>Expenditures</b>				
Parks and recreation				
Personal services	36,666	27,306	25,756	(1,550)
Materials and supplies	1,625	1,150	813	(337)
Other services and charges	30,064	32,910	27,392	(5,518)
<b>Total expenditures</b>	<b>68,355</b>	<b>61,366</b>	<b>53,961</b>	<b>(7,405)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(46,055)</b>	<b>16,094</b>	<b>24,501</b>	<b>8,407</b>
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	1	-	(1)
Transfers from other funds	45,000	-	-	-
Transfers to other funds	(10,000)	(40,286)	(48,692)	(8,406)
<b>Total other financing sources (uses)</b>	<b>35,000</b>	<b>(40,285)</b>	<b>(48,692)</b>	<b>(8,407)</b>
<b>Net change in fund balance</b>	<b>(11,055)</b>	<b>(24,191)</b>	<b>(24,191)</b>	<b>-</b>
<b>Fund balance - beginning</b>	<b>25,898</b>	<b>24,191</b>	<b>24,191</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 14,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2022

	Original	Final	Actual	Variances with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 1,250	\$ 500	\$ (750)
Charges for Services	231,170	231,167	225,435	(5,732)
Interest income (loss)	5,000	5,000	(23,498)	(28,498)
Refunds and reimbursements	-	-	546	546
<b>Total revenues</b>	<b>236,170</b>	<b>237,417</b>	<b>202,983</b>	<b>(34,434)</b>
<b>Expenditures</b>				
Public works				
Personal services	104,837	116,718	116,475	(243)
Materials and supplies	4,600	3,850	1,823	(2,027)
Other services and charges	252,490	72,950	34,314	(38,636)
Capital outlay	-	55,000	7,163	(47,837)
<b>Total expenditures</b>	<b>361,927</b>	<b>248,518</b>	<b>159,775</b>	<b>(88,743)</b>
<b>Net change in fund balance</b>	<b>(125,757)</b>	<b>(11,101)</b>	<b>43,208</b>	<b>54,309</b>
<b>Fund balance - beginning</b>	<b>761,313</b>	<b>840,487</b>	<b>840,487</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 635,556</b>	<b>\$ 829,386</b>	<b>\$ 883,695</b>	<b>\$ 54,309</b>

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, 2022

	Original	Final	Actual	Variances with Final Budget
<b>Revenues</b>				
Rental income	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Interest income (loss)	-	-	(12,126)	(12,126)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>387,874</u>	<u>(12,126)</u>
<b>Expenditures</b>				
Parks and recreation				
Personal services	40,992	41,375	33,865	(7,510)
Materials and supplies	7,500	5,400	1,261	(4,139)
Other services and charges	97,790	90,690	88,162	(2,528)
Capital outlay	-	36,000	6,000	(30,000)
Total expenditures	<u>146,282</u>	<u>173,465</u>	<u>129,288</u>	<u>(44,177)</u>
Excess (deficiency) of revenues over (under) expenditures	253,718	226,535	258,586	32,051
<b>Other Financing Uses</b>				
Transfers to other funds	<u>(195,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	58,718	26,535	58,586	32,051
Fund balance - beginning	<u>286,203</u>	<u>305,108</u>	<u>305,108</u>	<u>-</u>
Fund balance - ending	<u>\$ 344,921</u>	<u>\$ 331,643</u>	<u>\$ 363,694</u>	<u>\$ 32,051</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, 2022

	Original	Final	Actual	Variances with Final Budget
Revenues				
Miscellaneous	\$ 10,000	\$ 205	\$ 487	\$ 282
Interest income (loss)	1,000	-	(1,377)	(1,377)
Refunds and reimbursements	30,000	3,495	3,497	2
Total revenues	<u>41,000</u>	<u>3,700</u>	<u>2,607</u>	<u>(1,093)</u>
Expenditures				
Current				
Public safety				
Materials and supplies	6,800	40,000	35,067	(4,933)
Other services and charges	27,300	16,800	10,582	(6,218)
Total expenditures	<u>34,100</u>	<u>56,800</u>	<u>45,649</u>	<u>(11,151)</u>
Net change in fund balance	6,900	(53,100)	(43,042)	10,058
Fund balance - beginning	<u>77,135</u>	<u>74,887</u>	<u>74,887</u>	-
Fund balance - ending	<u>\$ 84,035</u>	<u>\$ 21,787</u>	<u>\$ 31,845</u>	<u>\$ 10,058</u>

City of White Bear Lake, Minnesota  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Economic Development Fund  
For the Year Ended December 31, 2022

	Original	Final	Actual	Variances with Final Budget
<b>Revenues</b>				
Tax increment	\$ -	\$ 2,773	\$ 5,827	\$ 3,054
Charges for services				
Farmer's Market	5,000	5,040	5,650	610
Loan repayments	72,500	127,620	3,157	(124,463)
Special assessments	58,000	64,880	67,360	2,480
Rental income	313,300	325,494	311,429	(14,065)
Miscellaneous	-	140	5,770	5,630
Interest income (loss)	40,000	-	(61,191)	(61,191)
Refunds and reimbursements	-	30,000	7,501	(22,499)
<b>Total revenues</b>	<b>488,800</b>	<b>555,947</b>	<b>345,503</b>	<b>(210,444)</b>
<b>Expenditures</b>				
Community Development				
Personal services	143,232	148,917	152,067	3,150
Materials and supplies	60,175	40,401	36,688	(3,713)
Other services and charges	509,695	478,423	387,796	(90,627)
Capital outlay	125,000	120,000	82,558	(37,442)
<b>Total expenditures</b>	<b>838,102</b>	<b>787,741</b>	<b>659,109</b>	<b>(128,632)</b>
Excess (deficiency) of revenues over (under) expenditures	(349,302)	(231,794)	(313,606)	(81,812)
<b>Other financing sources</b>				
Sale of capital assets	-	140	195	55
Transfers from other funds	-	-	22,500	22,500
Transfers to other funds	-	(641,250)	-	641,250
<b>Total other financing sources</b>	<b>-</b>	<b>(641,110)</b>	<b>22,695</b>	<b>663,805</b>
Net change in fund balance	(349,302)	(872,904)	(290,911)	581,993
Fund balance - beginning	2,227,354	2,942,687	3,901,160	958,473
Fund balance - ending	\$ 1,878,052	\$ 2,069,783	\$ 3,610,249	\$ 1,540,466

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, 2022

	Original	Final	Actual	Variances with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 65,000	\$ 65,000	\$ -
Charges for services	540,840	559,676	583,041	23,365
Interest income (loss)	2,000	-	(4,564)	(4,564)
Rental income	13,500	37,320	46,143	8,823
Donations	175	400	475	75
Refunds and reimbursements	-	380	780	400
Miscellaneous	12,650	35,339	84,847	49,508
Total revenues	<u>569,165</u>	<u>698,115</u>	<u>775,722</u>	<u>77,607</u>
<b>Expenditures</b>				
Parks and recreation				
Personal services	421,641	426,131	416,865	(9,266)
Materials and supplies	35,710	30,035	30,880	845
Other services and charges	218,578	263,420	254,803	(8,617)
Total expenditures	<u>675,929</u>	<u>719,586</u>	<u>702,548</u>	<u>(17,038)</u>
Excess (deficiency) of revenues over (under) expenditures	(106,764)	(21,471)	73,174	94,645
<b>Other Financing Sources</b>				
Transfers from other funds	50,000	-	-	-
Net change in fund balance	(56,764)	(21,471)	73,174	94,645
Fund balance - beginning	85,514	192,121	192,121	-
Fund balance - ending	<u>\$ 28,750</u>	<u>\$ 170,650</u>	<u>\$ 265,295</u>	<u>\$ 94,645</u>

City of White Bear Lake, Minnesota  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2022

	Insurance	Employment Expense	Total Internal Service Funds
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 3,006,825	\$ 2,383,877	\$ 5,390,702
Receivables:			
Accounts	478	-	478
Intergovernmental	-	135	135
Total assets	3,007,303	2,384,012	5,391,315
<b>Deferred Outflows of Resources</b>			
Deferred other postemployment benefit resources	-	836,191	836,191
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	10,200	20,073	30,273
Accrued wages payable	-	483,615	483,615
Compensated absences payable	-	588,053	588,053
Total current liabilities	10,200	1,091,741	1,101,941
<b>Noncurrent Liabilities:</b>			
Compensated absences payable	-	663,471	663,471
Other postemployment benefits (OPEB) liability	-	1,889,972	1,889,972
Total noncurrent liabilities	-	2,553,443	2,553,443
Total liabilities	10,200	3,645,184	3,655,384
<b>Deferred Inflows of Resources</b>			
Deferred other postemployment benefit resources	-	333,493	333,493
<b>Net Position</b>			
Unrestricted	\$ 2,997,103	\$ (758,474)	\$ 2,238,629

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, 2022

	Insurance	Employment Expense	Total Internal Service Funds
Operating revenues			
Charges for services	\$ 285,428	\$ 3,697,547	\$ 3,982,975
Premium reimbursement	40,299	1,033	41,332
Total operating revenues	<u>325,727</u>	<u>3,698,580</u>	<u>4,024,307</u>
Operating expenses			
Personal services	-	3,765,255	3,765,255
Other services and charges	356,223	268,676	624,899
Total operating expenses	<u>356,223</u>	<u>4,033,931</u>	<u>4,390,154</u>
Operating income (loss)	<u>(30,496)</u>	<u>(335,351)</u>	<u>(365,847)</u>
Nonoperating revenues			
Investment income	(80,170)	(49,618)	(129,788)
Miscellaneous	-	13	13
Total nonoperating revenues	<u>(80,170)</u>	<u>(49,605)</u>	<u>(129,775)</u>
Change in net position	(110,666)	(384,956)	(495,622)
Net position - beginning	<u>3,107,769</u>	<u>(373,518)</u>	<u>2,734,251</u>
Net position - ending	<u>\$ 2,997,103</u>	<u>\$ (758,474)</u>	<u>\$ 2,238,629</u>

City of White Bear Lake, Minnesota  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2022

	Insurance	Employment Expense	Total Internal Service Funds
Cash flows from operating activities			
Receipts from other funds	\$ 288,608	\$ 3,697,547	\$ 3,986,155
Payments to vendors	(352,730)	(2,145,732)	(2,498,462)
Payments to other governments	-	(1,666,417)	(1,666,417)
Payments to employees	-	(1,849)	(1,849)
Other receipts	40,299	1,046	41,345
Net cash provided (used) by operating activities	<u>(23,823)</u>	<u>(115,405)</u>	<u>(139,228)</u>
Cash flows from investing activities			
Investment loss	<u>(80,170)</u>	<u>(49,618)</u>	<u>(129,788)</u>
Increase (decrease) in cash and cash equivalents	(103,993)	(165,023)	(269,016)
Cash and cash equivalents at beginning of year	<u>3,110,818</u>	<u>2,548,900</u>	<u>5,659,718</u>
Cash and cash equivalents at end of year	<u>\$ 3,006,825</u>	<u>\$ 2,383,877</u>	<u>\$ 5,390,702</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (30,496)	\$ (335,351)	\$ (365,847)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Miscellaneous	-	13	13
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	3,180	-	3,180
Due from governments	-	45	45
Deferred outflows in OPEB resources	-	92,370	92,370
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	3,493	(122,560)	(119,067)
Wages payable	-	44,845	44,845
Deferred inflows in OPEB resources	-	312,977	312,977
OPEB liability	-	(196,376)	(196,376)
Compensated absences	-	88,632	88,632
Net cash provided (used) by operating activities	<u>\$ (23,823)</u>	<u>\$ (115,405)</u>	<u>\$ (139,228)</u>

City of White Bear Lake, Minnesota  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2022

	Deputy Registrar	Ramsey County GIS User Group	Fireworks Contributions	Manitou Days	Total
Assets					
Cash	\$ (3,198)	\$ 145,110	\$ 106,859	\$ 73,891	\$ 322,662
Liabilities					
Deposits payable	448	167,077	85,545	67,144	\$ 320,214
Net position					
Restricted for individuals, organizations, and other governments	\$ (3,646)	\$ (21,967)	\$ 21,314	\$ 6,747	\$ 2,448

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

City of White Bear Lake, Minnesota  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2022

	Deputy Registrar	Ramsey County GIS User Group	Fireworks Contributions	Manitou Days	Total
<b>Additions</b>					
Geographic information system fees collections	\$ -	\$ 34,203	\$ -	\$ -	\$ 34,203
Fireworks contributions collections	-	-	52,755	-	52,755
Manitou Days event contributions collections	-	-	-	8,185	8,185
Manitou Days parade fees collections	-	-	-	7,017	7,017
Deputy Registrar collections	41,378,471	-	-	-	41,378,471
Total revenues	<u>41,378,471</u>	<u>34,203</u>	<u>52,755</u>	<u>15,202</u>	<u>41,480,631</u>
<b>Deductions</b>					
Geographic information system fee disbursements	-	85,668	-	-	85,668
Fireworks disbursements	-	-	28,864	-	28,864
Manitou Days events disbursements	-	-	-	8,822	8,822
Manitou Days parade disbursements	-	-	-	8,599	8,599
Deputy Registrar disbursements	41,378,600	-	-	-	41,378,600
Total expenditures	<u>41,378,600</u>	<u>85,668</u>	<u>28,864</u>	<u>17,421</u>	<u>41,510,553</u>
Net increase (decrease) in fiduciary net position	(129)	(51,465)	23,891	(2,219)	(29,922)
Net position - beginning	<u>(3,517)</u>	<u>29,498</u>	<u>(2,577)</u>	<u>8,966</u>	<u>32,370</u>
Net position - ending	<u>\$ (3,646)</u>	<u>\$ (21,967)</u>	<u>\$ 21,314</u>	<u>\$ 6,747</u>	<u>\$ 2,448</u>

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



STATISTICAL SECTION (UNAUDITED)

CITY OF WHITE BEAR LAKE  
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

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

	Fiscal Years			
	2013	2014	2015	2016
<b>Governmental activities</b>				
Net investment in capital assets	\$ 65,111,033	\$ 70,454,106	\$ 69,690,757	\$ 66,342,321
Restricted for armory	-	-	-	-
Restricted for stormwater	27,464	31,033	31,033	31,033
Restricted for debt service	258,435	192,389	127,709	103,228
Restricted for economic development	914,455	-	-	629,646
Restricted for public safety	-	-	-	-
Restricted for Fire Relief Association	-	-	-	-
Unrestricted	32,231,764	27,617,496	29,293,742	28,839,930
<b>Total governmental activities net position</b>	<b>\$ 98,543,151</b>	<b>\$ 98,295,024</b>	<b>\$ 99,143,241</b>	<b>\$ 95,946,158</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 4,422,893	\$ 4,259,544	\$ 4,189,988	\$ 4,034,239
Unrestricted	4,459,462	3,953,646	2,208,696	1,762,479
<b>Total business-type activities net position</b>	<b>\$ 8,882,355</b>	<b>\$ 8,213,190</b>	<b>\$ 6,398,684</b>	<b>\$ 5,796,718</b>
<b>Total primary government</b>				
Net investment in capital assets	\$ 69,533,926	\$ 74,713,650	\$ 73,880,745	\$ 70,376,560
Restricted for armory	-	-	-	-
Restricted for stormwater	27,464	31,033	31,033	31,033
Restricted for debt service	258,435	192,389	127,709	103,228
Restricted for economic development	914,455	-	-	629,646
Restricted for public safety	-	-	-	-
Restricted for Fire Relief Association	-	-	-	-
Unrestricted	36,691,226	31,571,142	31,502,438	30,602,409
<b>Total primary government net position</b>	<b>\$ 107,425,506</b>	<b>\$ 106,508,214</b>	<b>\$ 105,541,925</b>	<b>\$ 101,742,876</b>

		Fiscal Years					
2017	2018	2019	2020	2021	2022		
\$ 66,079,290	\$ 63,483,876	\$ 62,561,789	\$ 59,068,600	\$ 56,335,785	\$ 53,084,601		
-	-	-	-	-	-		
31,033	31,033	-	-	-	-		
139,623	122,200	1,847,261	2,265,278	3,153,831	3,760,306		
464,393	-	-	324,051	759,213	1,551,852		
-	-	-	82,339	74,887	31,845		
-	-	-	-	-	5,566,397		
26,022,816	31,026,459	29,497,391	31,196,628	33,092,881	25,320,739		
<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>	<u>\$ 89,315,740</u>		
\$ 3,935,132	\$ 5,070,706	\$ 4,875,313	\$ 4,400,818	\$ 4,140,024	\$ 4,206,358		
2,331,483	2,204,090	2,957,997	4,076,149	5,061,486	6,215,206		
<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>	<u>\$ 10,421,564</u>		
\$ 70,014,422	\$ 68,554,582	\$ 67,437,102	\$ 63,469,418	\$ 60,475,809	\$ 57,290,959		
-	-	-	-	-	-		
31,033	31,033	-	-	-	-		
139,623	122,200	1,847,261	2,265,278	3,153,831	3,760,306		
464,393	-	-	324,051	759,213	1,551,852		
-	-	-	82,339	74,887	31,845		
-	-	-	-	-	5,566,397		
28,354,299	33,230,549	32,455,388	35,272,777	38,154,367	31,535,945		
<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>	<u>\$ 99,737,304</u>		

(Continued)

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

	Fiscal Years			
	2013	2014	2015	2016
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 1,434,549	\$ 1,384,578	\$ 1,289,857	\$ 1,894,885
Community development	1,599,276	2,200,586	976,641	1,274,267
Public safety	5,619,039	6,009,046	5,866,999	7,344,542
Public works	2,376,178	3,032,841	3,316,921	6,081,952
Parks and recreation	1,383,926	1,513,999	1,673,231	1,949,905
Interest on long-term debt	196,259	203,444	201,602	216,142
<b>Total governmental activities expenses</b>	<b>12,609,227</b>	<b>14,344,494</b>	<b>13,325,251</b>	<b>18,761,693</b>
<b>Business-type activities:</b>				
Water	1,256,185	1,501,481	1,218,301	1,436,995
Sewer	2,432,860	2,356,471	2,407,703	2,583,293
Refuse	1,323,476	1,269,935	1,347,339	1,266,330
Ambulance	1,174,927	1,303,816	1,561,444	1,401,154
Pioneer Manor	240,515	231,469	221,177	231,666
License Bureau	545,962	601,184	593,088	627,705
<b>Total business-type activities expenses</b>	<b>6,973,925</b>	<b>7,264,356</b>	<b>7,349,052</b>	<b>7,547,144</b>
<b>Total primary government expenses</b>	<b>\$ 19,583,152</b>	<b>\$ 21,608,850</b>	<b>\$ 20,674,303</b>	<b>\$ 26,308,837</b>
<b>Program Revenues</b>				
<b>Governmental activities</b>				
Charges for services				
Community development	\$ 648,104	\$ 466,380	\$ 486,528	\$ 552,222
Public safety	1,512,403	1,448,604	1,333,433	1,462,598
Public works	2,138,913	1,607,337	2,852,668	1,198,061
Other activities	1,165,561	1,368,593	1,964,137	1,732,107
Operating grants and contributions	1,860,303	969,094	758,819	2,013,226
Capital grants and contributions	1,120,488	3,204,949	1,235,765	236,298
<b>Total governmental activities program revenues</b>	<b>8,445,772</b>	<b>9,064,957</b>	<b>8,631,350</b>	<b>7,194,512</b>

		Fiscal Years									
		2017	2018	2019	2020	2021	2022				
\$	2,032,563	\$	2,229,732	\$	1,780,202	\$	2,280,521	\$	2,238,562	\$	2,471,461
	1,303,137		996,161		913,745		2,017,503		1,028,532		1,070,005
	6,901,502		6,938,342		8,107,785		6,698,809		7,057,931		8,929,360
	5,136,511		3,477,255		4,982,461		5,913,052		5,251,766		7,511,369
	2,196,181		2,443,894		2,110,546		2,141,183		2,376,238		2,841,886
	286,638		583,390		586,792		575,748		565,989		799,644
	<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>		<u>23,623,725</u>
	1,522,190		1,530,821		1,383,570		2,389,924		1,922,192		1,757,373
	2,821,396		2,717,434		2,900,620		3,014,410		3,037,166		2,882,783
	1,238,814		1,292,427		1,394,947		1,596,463		1,590,039		1,618,519
	1,300,483		1,900,790		2,177,945		2,152,677		1,876,292		2,349,885
	275,119		265,272		316,986		339,860		312,942		329,175
	758,487		860,555		869,093		606,698		693,524		902,607
	<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>9,840,342</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>	\$	<u>33,464,067</u>
\$	601,369	\$	534,884	\$	549,179	\$	575,201	\$	574,468	\$	416,393
	1,324,364		1,491,098		1,669,572		1,710,271		2,232,412		2,699,639
	1,248,613		2,545,402		1,741,350		150,297		199,499		353,634
	1,653,693		1,598,321		1,873,465		1,643,239		1,976,677		1,914,814
	1,773,381		2,529,915		1,816,662		3,579,830		1,658,897		3,065,285
	193,819		2,786,239		234,945		1,502,431		2,054,214		1,033,013
	<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>		<u>9,482,778</u>

(Continued)

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

	Fiscal Years			
	2013	2014	2015	2016
Business-type activities:				
Charges for services				
Water	\$ 1,116,799	\$ 1,130,956	\$ 1,033,562	\$ 1,317,467
Sewer	2,355,493	2,266,411	2,278,271	2,458,993
Refuse	1,271,011	1,266,393	1,331,974	1,287,837
Ambulance	1,289,760	1,467,576	1,533,843	1,364,463
Pioneer Manor	370,341	374,610	379,942	379,437
License Bureau	903,202	966,451	1,009,610	1,036,532
Operating grants and contributions	84,321	52,414	-	146,693
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>7,390,927</u>	<u>7,524,811</u>	<u>7,567,202</u>	<u>7,991,422</u>
Total primary government program revenues	<u>\$ 15,836,699</u>	<u>\$ 16,589,768</u>	<u>\$ 16,198,552</u>	<u>\$ 15,185,934</u>
Net (Expense)/Revenue				
Governmental activities	\$ (4,163,455)	\$ (5,279,537)	\$ (4,693,901)	\$ (11,567,181)
Business-type activities	417,002	260,455	218,150	444,278
Total primary government net expense	<u>(3,746,453)</u>	<u>(5,019,082)</u>	<u>(4,475,751)</u>	<u>(11,122,903)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes	5,693,462	5,101,437	5,430,074	5,425,913
Unrestricted grants and contributions	1,532,542	1,532,454	1,542,705	1,542,738
Investment earnings	(46,110)	435,659	275,401	314,014
Miscellaneous	-	-	-	-
Gain on sale of capital assets	1,335,877	5,556	205,895	39,118
Capital transfers	-	-	-	-
Transfers	878,661	929,620	881,506	1,048,315
Total governmental activities	<u>9,394,432</u>	<u>8,004,726</u>	<u>8,335,581</u>	<u>8,370,098</u>
Business-type activities:				
Investment earnings	-	-	-	-
Gain on sale of capital assets	15,334	-	12,236	2,071
Capital transfers	-	-	-	-
Transfers	(878,661)	(929,620)	(881,506)	(1,048,315)
Total business-type activities	<u>(863,327)</u>	<u>(929,620)</u>	<u>(869,270)</u>	<u>(1,046,244)</u>
Total primary government	<u>\$ 8,531,105</u>	<u>\$ 7,075,106</u>	<u>\$ 7,466,311</u>	<u>\$ 7,323,854</u>
Change in Net Position				
Governmental activities	\$ 5,230,977	\$ 2,725,189	\$ 3,641,680	\$ (3,197,083)
Business-type activities	(446,325)	(669,165)	(651,120)	(601,966)
Total primary government	<u>\$ 4,784,652</u>	<u>\$ 2,056,024</u>	<u>\$ 2,990,560</u>	<u>\$ (3,799,049)</u>

Fiscal Years						
2017	2018	2019	2020	2021	2022	
\$ 1,352,090	\$ 1,631,823	\$ 1,630,455	\$ 1,949,067	\$ 2,087,357	\$ 2,513,365	
2,737,128	3,137,600	3,301,230	3,284,394	3,665,021	3,618,815	
1,313,995	1,345,541	1,422,623	1,626,462	1,794,669	1,729,480	
1,819,626	1,617,467	1,991,667	1,738,264	1,940,031	2,166,899	
382,935	390,436	402,734	405,800	412,151	433,814	
971,880	972,573	972,466	545,311	688,447	740,443	
77,717	60,691	279,418	210,076	261,657	333,838	
-	-	2,453	379,351	-	175,000	
8,655,371	9,156,131	10,003,046	10,138,725	10,849,333	11,711,654	
\$ 15,450,610	\$ 20,641,990	\$ 17,888,219	\$ 19,299,994	\$ 19,545,500	\$ 21,194,432	
\$ (11,061,293)	\$ (5,182,915)	\$ (10,596,358)	\$ (10,465,547)	\$ (9,822,851)	\$ (14,140,947)	
738,882	588,832	959,885	38,693	1,417,178	1,871,312	
(10,322,411)	(4,594,083)	(9,636,473)	(10,426,854)	(8,405,673)	(12,269,635)	
5,638,926	6,161,456	6,753,944	7,476,766	8,338,199	9,046,807	
1,543,705	1,587,299	1,588,195	1,588,195	1,333,615	1,333,615	
390,231	556,126	975,843	554,412	(171,564)	(986,376)	
-	-	-	-	-	91,701	
-	84,222	50,949	394,010	114,058	-	
-	(1,459,723)	(9,500)	-	-	(172,657)	
279,428	1,056,920	479,800	(517,381)	688,244	727,000	
7,852,290	7,986,300	9,839,231	9,496,002	10,302,552	10,040,090	
-	-	28,826	47,455	(19,460)	(123,634)	
10,443	16,546	40,103	40,128	15,069	26,719	
-	1,459,723	9,500	-	-	172,657	
(279,428)	(1,056,920)	(479,800)	517,381	(688,244)	(727,000)	
(268,985)	419,349	(401,371)	604,964	(692,635)	(651,258)	
\$ 7,583,305	\$ 8,405,649	\$ 9,437,860	\$ 10,100,966	\$ 9,609,917	\$ 9,388,832	
\$ (3,209,003)	\$ 2,803,385	\$ (757,127)	\$ (969,545)	\$ 479,701	\$ (4,100,857)	
469,897	1,008,181	558,514	643,657	724,543	1,220,054	
\$ (2,739,106)	\$ 3,811,566	\$ (198,613)	\$ (325,888)	\$ 1,204,244	\$ (2,880,803)	

(Continued)

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

	Fiscal Years			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	3,564,689	3,240,501	3,275,500	3,443,521
Total general fund	<u>3,564,689</u>	<u>3,240,501</u>	<u>3,275,500</u>	<u>3,443,521</u>
All Other Governmental Funds				
Nonspendable				
Capital improvements	-	-	-	-
Sports center	-	-	-	-
Restricted				
Surface water pollution prevention	27,464	31,033	31,033	31,033
Debt service	288,648	218,493	149,490	171,524
Public safety	-	-	-	-
Capital asset acquisition	-	-	-	-
Economic development	914,455	-	-	629,646
Committed				
Armory	49,983	54,033	62,013	68,460
Surface water pollution prevention	-	-	-	-
Marina	188,910	275,010	408,717	420,002
Sports center	352,470	348,724	344,004	347,985
Forfeiture	-	-	-	153,554
Debt service	1,220,207	1,321,100	428,022	899,591
Advances	1,430,000	1,325,000	1,220,000	1,025,000
Capital improvements	14,367,004	14,179,649	15,173,631	13,964,494
Economic development	915,912	1,116,556	1,104,556	1,113,652
Assigned				
Surface water pollution prevention	744,981	801,349	766,754	805,238
Capital improvements	4,068,818	3,610,771	3,553,171	3,726,267
Debt service	-	-	-	-
Advances	-	-	-	-
Economic development	2,663,221	2,289,733	2,386,090	1,649,148
Unassigned	(2,264,286)	(4,213,915)	(4,478,829)	(1,828,066)
Total all other governmental funds	<u>24,967,787</u>	<u>21,357,536</u>	<u>21,148,652</u>	<u>23,177,528</u>
Total fund balances	<u>\$ 28,532,476</u>	<u>\$ 24,598,037</u>	<u>\$ 24,424,152</u>	<u>\$ 26,621,049</u>



							Fiscal Years					
2017		2018		2019		2020		2021		2022		
\$	-	\$	-	\$	-	\$	15	\$	-	\$	1,045	
	3,604,779		3,773,666		4,902,116		5,804,642		6,657,580		7,414,739	
	3,604,779		3,773,666		4,902,116		5,804,657		6,657,580		7,415,784	
	-		-		2,400		-		243,463		-	
	-		-		-		3,263		-		8,041	
	31,033		31,033		-		-		-		-	
	139,623		323,327		1,148,411		1,195,479		2,051,287		2,395,132	
	-		-		-		-		74,887		7,112,846	
	-		-		-		-		-		5,324	
	464,393		-		-		305,922		741,553		1,548,459	
	59,643		52,867		48,160		27,809		24,191		-	
	-		-		-		-		-		43,208	
	73,083		166,994		222,160		279,702		305,108		363,694	
	283,171		270,792		264,837		83,660		192,121		257,254	
	128,818		61,614		54,045		-		-		-	
	846,323		386,091		-		-		-		-	
	1,000,000		1,750,000		750,000		750,000		1,348,500		1,391,250	
	13,240,444		12,642,847		12,298,103		12,519,361		12,092,106		10,722,210	
	2,837,301		3,261,231		2,509,228		3,308,573		2,552,660		2,218,999	
	822,597		774,977		835,054		846,285		840,487		840,487	
	2,775,587		5,091,368		4,400,538		4,404,356		3,844,530		4,415,270	
	-		-		404,761		502,976		554,450		880,958	
	-		-		-		-		199,500		213,750	
	-		-		-		-		-		-	
	(1,623,966)		(1,588,524)		(57,808)		-		(2,679)		(844,467)	
	21,078,050		23,224,617		22,879,889		24,227,386		25,062,164		31,572,415	
\$	24,682,829	\$	26,998,283	\$	27,782,005	\$	30,032,043	\$	31,719,744	\$	38,988,199	

(Continued)

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

	Fiscal Years			
	2013	2014	2015	2016
Revenues				
Taxes	\$ 5,693,462	\$ 5,038,466	\$ 5,513,046	\$ 5,410,913
Licenses, fees and permits	539,126	575,525	743,511	637,247
Fines and forfeits	117,284	142,657	106,539	92,968
Charges for services	1,070,868	965,652	962,246	1,243,285
Special assessments	1,340,918	1,479,834	1,423,952	1,363,846
Intergovernmental	4,476,834	3,932,027	3,316,877	3,574,867
Investment earnings	(74,110)	402,659	238,901	271,982
Other revenues	1,982,071	3,476,927	3,013,404	2,271,189
Total revenues	<u>15,146,453</u>	<u>16,013,747</u>	<u>15,318,476</u>	<u>14,866,297</u>
Expenditures				
General government	1,178,625	1,227,203	1,179,741	1,396,395
Public safety	5,127,904	5,485,868	5,547,655	5,749,040
Public works	899,077	1,459,540	1,827,692	1,848,175
Parks and recreation	1,115,357	1,243,397	1,461,734	1,403,256
Social and economic development	1,592,501	2,186,706	967,991	1,121,905
Capital outlay	8,603,081	8,674,837	4,896,700	4,216,946
Debt service				
Principal	455,000	665,000	680,000	345,000
Interest	188,130	207,553	205,925	169,628
Total expenditures	<u>19,159,675</u>	<u>21,150,104</u>	<u>16,767,438</u>	<u>16,250,345</u>
Excess of revenues over (under) expenditures	<u>(4,013,222)</u>	<u>(5,136,357)</u>	<u>(1,448,962)</u>	<u>(1,384,048)</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	-	2,275,000
Premium on bonds issued	-	-	-	-
Sale of capital assets	1,585,303	6,647	262,667	51,960
Transfers in	5,694,577	3,756,935	4,484,192	4,159,689
Transfers out	(4,381,277)	(2,811,435)	(3,471,782)	(2,905,704)
Total other financing sources (uses)	<u>2,898,603</u>	<u>952,147</u>	<u>1,275,077</u>	<u>3,580,945</u>
Net changes in fund balances	<u>\$ (1,114,619)</u>	<u>\$ (4,184,210)</u>	<u>\$ (173,885)</u>	<u>\$ 2,196,897</u>
Debt service as a percentage of noncapital	6.0%	7.0%	7.4%	3.5%

		Fiscal Years									
		2017	2018	2019	2020	2021	2022				
\$	5,588,926	\$	6,102,456	\$	6,829,685	\$	7,472,082	\$	8,036,638	\$	8,725,394
	696,282		785,141		892,276		845,633		1,405,865		1,641,987
	89,062		78,357		87,063		60,489		78,008		68,385
	989,085		1,035,730		1,267,682		1,133,738		1,569,743		1,687,657
	1,268,893		1,405,265		1,448,465		1,424,125		1,235,409		1,225,027
	3,318,121		4,146,233		3,393,992		5,308,025		3,790,103		4,292,590
	350,481		528,626		855,613		472,064		(147,934)		(856,588)
	2,280,430		3,463,864		2,716,316		2,144,866		2,687,808		2,437,313
	14,581,280		17,545,672		17,491,092		18,861,022		18,655,640		19,221,765
	1,617,010		1,653,756		1,779,680		1,908,340		1,912,857		2,027,179
	6,262,229		6,860,710		6,498,002		6,662,012		7,251,601		7,756,025
	3,231,023		2,135,159		2,294,282		2,193,221		2,406,231		2,897,797
	1,718,351		1,854,616		1,504,270		1,366,047		1,492,158		1,673,359
	1,294,178		1,053,737		1,093,417		1,623,799		1,013,106		960,620
	2,451,652		11,211,655		5,357,364		5,012,902		3,858,090		6,110,431
	355,000		420,000		420,000		775,000		895,000		1,150,000
	312,139		425,058		606,920		560,709		592,195		787,340
	17,241,582		25,614,691		19,553,935		20,102,030		19,421,238		23,362,751
	(2,660,302)		(8,069,019)		(2,062,843)		(1,241,008)		(765,598)		(4,140,986)
	-		9,180,000		1,925,000		3,580,000		1,815,000		10,000,000
	-		67,581		164,335		341,970		101,720		360,156
	47,082		79,972		42,430		460,571		118,059		104,222
	5,101,950		3,856,096		5,119,617		4,281,435		3,700,136		4,858,340
	(4,426,950)		(2,799,176)		(4,404,817)		(5,090,591)		(3,145,892)		(4,131,340)
	722,082		10,384,473		2,846,565		3,573,385		2,589,023		11,191,378
\$	(1,938,220)	\$	2,315,454	\$	783,722	\$	2,332,377	\$	1,823,425	\$	7,050,392
	4.5%		6.0%		6.7%		7.7%		8.7%		9.6%

(Continued)

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
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	35,930,953	3,102,937,014	425,614	53,662,186
2022	2023	40,908,111	3,542,084,400	470,135	61,256,800

Source: Ramsey County and Washington County

Total				
Assessed Tax Capacity	Market Value	% Total of Assessed Tax Capacity to Market Value	Total Direct Tax Rate	
\$ 22,662,159	\$ 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	
36,356,567	3,156,599,200	1.15%	22.271	
41,378,246	3,603,341,200	1.15%	24.448	

(Continued)

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)	2013	19.766	0.893	0.789	21.496	28.562	65.144	10.187	125.389
	2013					0.264			0.264
(A)	2014	19.447	0.879	0.777	21.102	28.562	63.735	9.825	123.224
	2014					0.273			0.273
(A)	2015	18.682	0.277	1.408	20.367	26.660	58.922	9.179	115.128
	2015					0.240			0.240
(A)	2016	18.223	0.528	0.939	19.690	26.236	58.885	9.052	113.863
	2016					0.235			0.235
(A)	2017	17.936	0.484	0.550	18.969	23.454	55.920	8.565	106.908
	2017					0.212			0.212
(A)	2018	17.548	0.446	0.999	19.058	23.631	53.692	8.215	104.596
	2018					0.223			0.223
(A)	2019	19.070	0.420	0.700	20.143	26.081	52.879	8.265	107.368
	2019					0.232			0.232
(A)	2020	19.261	0.394	0.974	20.629	36.777	52.302	8.249	117.957
	2020					0.220			0.220
(A)	2021	18.375	0.365	1.616	20.355	37.074	47.760	7.815	113.004
	2021					0.180			0.180
(A)	2022	19.845	0.364	2.062	22.271	34.805	48.070	9.970	115.116
	2022					0.190			0.190
(A)	2023	20.219	0.324	3.905	24.448	34.763	48.034	9.961	117.206
	2023					0.190			0.190

(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	2022			2013		
	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%	\$ 350,138	2	1.56%
Tundra Companies	416,168	2	1.16%	174,912	6	0.78%
White Bear Marketplace	342,328	3	0.95%			
Trane Corporation	278,178	4	0.78%	240,850	3	1.07%
White Bear Polar Chevrolet/Mazda	266,036	5	0.74%			
The Waters of White Bear Lake	331,470	6	0.92%			
White Bear Shopping Center	228,632	7	0.64%	211,702	5	0.94%
Xcel Energy	220,374	8	0.61%	401,762	1	1.79%
Harbor Crossing	282,689	9	0.79%			
US Storage Centers	213,590	10	0.60%			
Sam's Club				217,250	4	0.97%
Taylor Corporation				166,802	7	0.74%
Festival Foods				144,660	8	0.64%
K Mart Corporation				137,224	9	0.61%
Life Time Fitness				134,250	10	0.60%
Total	<u>\$ 3,206,465</u>		<u>8.94%</u>	<u>\$ 2,179,550</u>		<u>9.71%</u>
Total Tax Capacity of City	<u>\$ 35,885,404</u>			<u>\$ 22,439,789</u>		

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	Collection of Current Year's Levy	Percentage of Levy Collected	Collections/ Refunds in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
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%	81,037	5,157,481	99.70%
2018	5,625,000	5,540,565	98.50%	53,270	5,593,835	99.45%
2019	6,345,000	6,238,360	98.32%	75,181	6,313,541	99.50%
2020	6,908,000	6,846,046	99.10%	14,397	6,860,443	99.31%
2021	7,370,000	7,370,000	100.00%	-	7,370,000	100.00%
2022	8,080,000	7,996,739	98.97%	-	7,996,739	98.97%

(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	Capital Improvement Bonds	Tax Abatement Bonds	General Obligation Bonds		
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
2022	16,428,554	2,045,000	7,329,747	2,955,175	3,423,941	-	32,182,417

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
\$ 1,286,899,744	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%	25,067	919.68
1,824,877,600	1.76%	25,067	1,283.86

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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
2013	\$ 4,750,000	\$ 258,435	\$ 4,491,565	\$ 2,001,867,700	0.22%
2014	4,085,000	192,389	3,892,611	2,018,498,400	0.19%
2015	3,405,000	127,709	3,277,291	2,139,511,900	0.15%
2016	5,335,000	103,228	5,231,772	2,208,426,900	0.24%
2017	4,980,000	139,623	4,840,377	2,558,489,600	0.19%
2018	13,740,000	122,200	13,617,800	2,739,232,500	0.50%
2019	15,468,480	1,847,261	13,621,219	2,804,152,700	0.49%
2020	19,516,166	2,265,278	17,250,888	3,108,858,300	0.55%
2021	23,053,678	3,153,831	19,899,847	3,156,599,200	0.63%
2022	32,182,417	3,760,306	28,422,111	3,603,341,200	0.79%

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.

Assessed Value of Property	Percentage of Assessed Value of Property	Population	Per Capita
\$ 22,430,009	20.02%	24,074	\$ 186.57
22,662,159	17.18%	24,100	161.52
23,893,184	13.72%	24,159	135.66
24,679,181	21.20%	24,138	216.74
29,199,673	16.58%	25,001	193.61
31,468,763	43.27%	25,512	533.78
33,431,934	40.74%	25,752	528.94
35,885,404	48.07%	24,883	693.28
36,356,567	54.74%	25,067	793.87
41,378,246	68.69%	25,067	1,133.85

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City of White Bear Lake, Minnesota  
 Computation of Direct and Overlapping  
 Bonded Debt and Comparative Debt Ratios  
 December 31, 2022

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
<b>Direct Debt:</b>			
Special Assessments	\$ 16,428,554	100.00%	\$ 16,428,554
Tax Increment	2,045,000	100.00%	2,045,000
Capital Improvement	7,329,747	100.00%	7,329,747
Tax Abatement	2,955,175	100.00%	2,955,175
Subtotal	<u>28,758,476</u>		<u>28,758,476</u>
City of White Bear Lake	<u>28,758,476</u>	100.00%	<u>28,758,476</u>
<b>Overlapping Debt:</b>			
Ramsey County	126,396,486	5.97%	5,956,762
Washington County	93,947,960	0.13%	121,017
Independent School District #622	410,348,693	0.10%	420,127
Independent School District #624	361,997,169	33.11%	119,852,564
Independent School District #832	43,955,596	2.03%	893,321
Independent School District #916	71,500,000	7.88%	5,630,976
Metropolitan Council - Parks	(5,599,715)	1.00%	(55,997)
Metropolitan Council - Regional Transit	411,024,112	1.00%	4,110,241
Total overlapping debt	<u>1,513,570,301</u>		<u>136,929,011</u>
<b>Total direct and overlapping debt</b>	<u>\$ 1,542,328,777</u>		<u>\$ 165,687,487</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			
	2013	2014	2015	2016
Debt limit	\$ 55,413,426	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 55,413,426	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%

Market value		<u>\$3,603,341,200</u>
Debt limit - 3.00% of market value (Note A)		\$ 108,100,236
Total bonded debt	32,182,417	
Less (Note B)		
Tax Increment Bonds	2,045,000	
Special Assessment Bonds	16,428,554	
Revenue Bonds	<u>3,467,613</u>	
	<u>21,941,167</u>	
Total debt applicable		<u>10,241,250</u>
Legal debt margin		<u>\$ 97,858,986</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					
2017	2018	2019	2020	2021	2022
\$70,917,876	\$77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 94,808,283	\$ 108,100,236
-	-	-	-	3,085,480	10,241,250
\$70,917,876	\$77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 91,722,803	\$ 97,858,986
0.00%	0.00%	0.00%	0.00%	3.25%	9.47%

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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
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
2022	2,502,745	1,539,995	962,750	35,000	56,866

(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%
	7,995	-3548.22%
	39,084	916.02%
	91,866	1047.99%

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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)
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	24,811	1,458,514,512	58,785	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	25,458	1,550,188,536	60,892	8,602	2.90%
2020	25,752	1,601,568,384	62,192	8,478	4.70%
2021	24,883	1,634,215,908	65,676	8,282	2.60%
2022	25,067	1,824,877,600	72,800	8,279	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	2022			2013		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Educational Services	2,104	1	17.20%	1,732	1	15.41%
Health Care and Social Assistance Services	1,475	2	12.06%	1,442	2	12.83%
Accommodation and Food Services	1,396	4	11.41%	1,240	4	11.04%
Retail Trade	1,385	3	11.32%	1,409	3	12.54%
Manufacturing	982	5	8.03%	912	5	8.12%
Administrative, Support, Waste Management, and Remediation	821	6	6.71%			
Other Services (except Public Administration)	783	7	6.40%	910	6	8.10%
Professional, Scientific and Technical Services	733	9	5.99%	748	7	6.66%
Wholesale Trade Services	693	8	5.66%	413	8	3.68%
Finance and Insurance Services	460	10	3.76%	364	9	3.24%
Arts, Entertainment, and Recreation				308	10	2.74%
<b>Total Industries Listed</b>	<b>10,832</b>		<b>88.53%</b>	<b>9,478</b>		<b>84.35%</b>
<b>Total City Employment</b>	<b>12,235</b>			<b>11,236</b>		

Source: Minnesota Department of Employment and Economic Development's website [www.mn.gov/deed](http://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			
	2013	2014	2015	2016
General government				
Legislative	0.65	0.65	0.65	0.50
Administration	1.55	1.55	1.55	2.30
Finance	4.90	4.90	4.90	5.00
City Hall	1.00	1.00	1.00	1.40
Technology	-	-	-	-
Elections	0.20	0.20	0.25	0.40
Planning	3.00	3.00	3.00	3.00
Public Safety				
Police	31.81	31.81	31.81	32.01
Dispatch	5.75	5.75	5.75	5.50
Fire	2.75	2.75	2.75	3.00
Building / Code Enforcement	5.00	5.00	5.00	5.00
Public Works				
Streets	4.70	4.70	4.70	4.20
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	6.40
Armory	-	-	0.35	0.35
Surface Water	-	-	-	0.50
Sports Center	3.85	3.85	3.50	3.50
Economic Development	-	-	-	-
Water	4.80	4.80	4.80	4.70
Sewer	4.50	4.50	4.50	4.40
Refuse	0.60	0.35	0.70	-
Ambulance	3.25	7.25	7.25	7.25
License Bureau	9.75	9.80	8.90	10.10
<b>Total</b>	<b>101.06</b>	<b>104.86</b>	<b>104.36</b>	<b>106.81</b>

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

Fiscal Years						
2017	2018	2019	2020	2021	2022	
0.50	0.50	0.50	0.50	0.50	0.50	0.50
2.50	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	2.00	2.00	2.00	2.00	2.00	1.00
-	-	-	-	-	-	1.00
0.20	-	-	-	-	-	-
4.00	3.00	3.00	3.00	3.00	3.00	3.00
32.01	32.40	35.65	36.95	38.50	38.20	38.20
5.50	2.75	-	-	-	-	-
3.00	1.75	4.10	4.10	4.10	5.25	5.25
6.00	6.00	6.00	6.00	6.00	6.00	6.00
4.20	4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	6.00	5.00	4.50	5.00	5.00
1.30	1.00	1.00	1.00	1.50	2.00	2.00
-	0.90	0.90	0.90	0.90	0.90	0.90
6.40	6.00	6.00	5.00	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	1.00	1.00	1.00
3.50	4.15	4.15	4.10	4.22	4.22	4.22
0.50	1.50	1.50	1.15	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	13.75	11.90	11.90	11.90	12.75	12.75
11.10	11.30	12.80	9.20	9.50	9.90	9.90
110.31	114.45	116.95	112.25	114.72	117.82	117.82

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

	Fiscal Years			
	2013	2014	2015	2016
<b>Building</b>				
Building permits issued	795	740	968	883
Other permits issued	1,401	1,332	1,537	1,479
<b>Police</b>				
Number of Calls for Service	27,659	28,293	24,270	26,475
Administrative Citations				
City	338	295	309	207
State	291	455	352	292
Total	629	750	661	499
<b>Fire</b>				
Fire calls*	104	130	126	115
Staged responses (Silent)*	315	361	339	359
Rescue calls*	111	114	104	136
Fire/Rescue Calls*	-	-	-	-
<b>Parks</b>				
Reservations	267	268	242	240
<b>Water</b>				
Gallons pumped	902,001,000	805,400,000	777,995,000	815,073,000
Water main breaks	18	23	11	13
<b>Refuse</b>				
Accounts serviced each week	7,585	7,597	7,662	7,660
<b>Ambulance</b>				
Ambulance calls	2,841	2,971	2,739	2,631
<b>License Bureau</b>				
Motor Vehicle transactions	88,226	88,192	94,280	94,842
Drivers License transactions	18,372	18,547	18,634	18,696
DNR licenses	6,685	6,184	6,214	6,676
Game and Fish licenses	969	845	648	538

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

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



Fiscal Years						
2017	2018	2019	2020	2021	2022	
1,156	1,356	1,091	1,024	1,087	1,886	
1,461	1,622	1,594	1,575	1,730	1,878	
28,491	26,538	27,396	22,499	22,309	20,454	
44	30	21	10	6	21	
383	409	336	137	521	259	
427	439	357	147	527	280	
229	-	-	-	-	-	
226	-	-	-	-	-	
129	-	-	-	-	-	
-	300	510	822	933	958	
311	342	311	175	409	419	
813,123,000	731,118,167	717,745,028	727,055,858	760,002,312	719,668,225	
16	17	22	9	16	23	
7,654	7,601	7,530	7,539	7,524	7,514	
2,948	3,047	3,619	3,289	3,663	4,325	
90,085	88,923	80,122	48,739	54,185	54,323	
17,724	18,090	20,880	6,609	8,990	18,787	
5,747	6,316	5,938	4,162	4,532	5,175	
500	439	292	55	243	290	

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

	Fiscal Years			
	2013	2014	2015	2016
Public Safety				
Police				
Stations	1	1	1	1
Patrol Vehicles	18	18	17	19
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	50.61	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						
2017	2018	2019	2020	2021	2022	
1	1	1	1	1	1	1
19	20	19	19	20	19	
2	2	2	2	2	2	2
6	6	6	5	5	5	5
2	2	2	2	1	1	1
114.81	114.81	114.81	114.81	114.71	114.77	(1)
515	523	529	529	529	525	
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	5	5	5	5	5	5
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	0	0	0
126.81	126.95	127.08	127.10	127.10	127.30	
907	908	909	913	913	916	
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
50.61	50.97	51.21	51.32	51.39	51.39	
120.36	120.36	120.36	120.36	120.36	120.50	

(Continued)