

New Issue

Rating: S&P Global Ratings "AA+"/Stable

**ADDENDUM DATED MAY 9, 2025
TO PRELIMINARY OFFICIAL STATEMENT DATED MAY 2, 2025**

CITY OF WHITE BEAR LAKE, MINNESOTA
(Ramsey and Washington Counties)

\$2,430,000* GENERAL OBLIGATION BONDS, SERIES 2025A

PROPOSAL OPENING: May 13, 2025, 10:00 AM C.T.

The good faith deposit amount has been revised. The Cover, Rating, Appendix E, and Proposal Form have been revised. Following is the revised Preliminary Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 2, 2025

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the City, based on present federal and Minnesota laws, regulations, rulings and judicial decisions (which exclude any pending legislation which may have a retroactive effect) and, assuming the accuracy of certain representations and continuing compliance with certain covenants set forth in the resolution approving the issuance of the Bonds, interest to be paid on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "TAX EXEMPTION" herein.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating: S&P Global Ratings "AA+"/Stable

CITY OF WHITE BEAR LAKE, MINNESOTA (Ramsey and Washington Counties)

\$2,430,000* GENERAL OBLIGATION BONDS, SERIES 2025A

PROPOSAL OPENING: May 13, 2025, 10:00 A.M., C.T.

CONSIDERATION: May 13, 2025, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$2,430,000* General Obligation Bonds, Series 2025A (the "Bonds") are being issued pursuant to Minnesota Statutes, Sections 410.32 and 412.301, as amended, and Chapter 475, as amended, by the City of White Bear Lake, Minnesota (the "City"), for the purposes of financing various assessable public improvements and the purchase of a fire truck. The Bonds are general obligations of the City, for which its full faith and credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: May 29, 2025

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$165,000	2032	\$190,000	2037	\$100,000
2028	175,000	2033	195,000	2038	105,000
2029	180,000	2034	205,000	2039	105,000
2030	180,000	2035	205,000	2040	110,000
2031	190,000	2036	215,000	2041	110,000

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: February 1, 2026 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2036 and thereafter are subject to call for prior optional redemption on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM PROPOSAL: \$2,398,410.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$48,600 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation.

BOND COUNSEL: Kennedy & Graven, Chartered.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).



BUILDING COMMUNITIES. IT'S WHAT WE DO.

✉ info@ehlers-inc.com

☎ 1 (800) 552-1171

🌐 www.ehlers-inc.com

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities or shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT.....	1	TAX LEVIES, COLLECTIONS AND RATES	23
THE BONDS	1	TAX LEVIES AND COLLECTIONS	23
GENERAL	1	TAX CAPACITY RATES	24
OPTIONAL REDEMPTION	1	THE ISSUER	25
AUTHORITY; PURPOSE	2	CITY GOVERNMENT.....	25
ESTIMATED SOURCES AND USES	2	EMPLOYEES; PENSIONS; UNIONS	25
SECURITY.....	3	POST EMPLOYMENT BENEFITS.....	25
RATING	4	LITIGATION	25
CONTINUING DISCLOSURE.....	4	MUNICIPAL BANKRUPTCY.....	26
LEGAL OPINION	5	FUNDS ON HAND.....	26
TAX EXEMPTION.....	5	ENTERPRISE FUNDS.....	27
QUALIFIED TAX-EXEMPT OBLIGATIONS	6	SUMMARY GENERAL FUND INFORMATION.....	28
MUNICIPAL ADVISOR	6	GENERAL INFORMATION	29
MUNICIPAL ADVISOR AFFILIATED COMPANIES.....	6	LOCATION	29
INDEPENDENT AUDITORS	6	LARGER EMPLOYERS	29
RISK FACTORS.....	7	BUILDING PERMITS	30
VALUATIONS.....	9	U.S. CENSUS DATA	30
OVERVIEW	9	EMPLOYMENT/UNEMPLOYMENT DATA.....	31
CURRENT PROPERTY VALUATIONS.....	10	FINANCIAL STATEMENTS.....	A-1
2024/25 NET TAX CAPACITY BY CLASSIFICATION ..	11	FORM OF LEGAL OPINION	B-1
TREND OF VALUATIONS.....	11	BOOK-ENTRY-ONLY SYSTEM	C-1
LARGEST TAXPAYERS.....	12	FORM OF CONTINUING DISCLOSURE UNDERTAKING..	D-1
DEBT	12	TERMS OF PROPOSAL	E-1
DIRECT DEBT	12	PROPOSAL FORM	
DEBT PAYMENT HISTORY	13		
FUTURE FINANCING.....	13		
DEBT LIMIT	13		
SCHEDULES OF BONDED INDEBTEDNESS	14		
OVERLAPPING DEBT	21		
DEBT RATIOS	22		

CITY OF WHITE BEAR LAKE CITY COUNCIL

		<u>Term Expires</u>
Dan Louismet	Mayor	January 2026
Kevin Edberg	Council Member	January 2026
Steven Engstran	Council Member	January 2028
Heidi Hughes	Council Member	January 2026
Bill Walsh	Council Member	January 2028
Andrea West	Council Member	January 2028

ADMINISTRATION

Lindy Crawford, City Manager
Kerri Kindsvater, Finance Director

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel and City Attorney, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of White Bear Lake, Minnesota (the "City") and the issuance of its \$2,430,000* General Obligation Bonds, Series 2025A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on May 13, 2025.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of May 29, 2025. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2026, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2027 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2036 shall be subject to optional redemption prior to maturity on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Sections 410.32 and 412.301, as amended, and Minnesota Statutes, Chapters 429 and 475, as amended, by the City, for the purposes of financing the 2025 street improvement projects (the "Improvement Portion") and the purchase of a fire truck (the "Equipment Certificates Portion").

All equipment has an expected useful life at least as long as the term of the Equipment Certificates Portion of the Bonds. Pursuant to Minnesota Statutes, Sections 410.32 and 412.301, if the par amount of the Equipment Certificates Portion of the of the Bonds exceed 0.25% of the estimated market value of taxable property in the City, the Equipment Certificates Portion of the Bonds shall not be issued until after publication of the council resolution determining to issue the Equipment Certificates Portion of the and the issuance is subject to petition. The estimated market value of taxable property in the City for taxes collectible in 2024 is \$3,985,827,800. The par amount of the Equipment Certificates Portion of the Bonds does not exceed 0.25%, or \$9,964,570, and is therefore not subject to the limitation.

ESTIMATED SOURCES AND USES*

Sources	Improvement Portion	Equipment Certificates Portion	Total Bond Issue
Par Amount of Bonds	\$1,425,000	\$1,005,000	\$2,430,000
Prepaid Assessments	45,450	-	45,450
Total Sources	\$1,470,450	\$1,005,000	\$2,475,450
Uses			
Total Underwriter's Discount (1.300%)	\$18,525	\$13,065	\$31,590
Costs of Issuance	35,772	25,228	61,000
Capitalized Interest	32,978	21,832	54,810
Deposit to Construction Fund	1,382,400	944,000	2,326,400
Rounding Amount	776	875	1,651
Total Uses	\$1,470,451	\$1,005,000	\$2,475,451

*Preliminary, subject to change.

Breakdown of Principal Payments*:

Payment Date	Improvement Portion	Equipment Certificates Portion	Total Bond Issue
2/01/2027	\$80,000	\$85,000	\$165,000
2/01/2028	85,000	90,000	175,000
2/01/2029	85,000	95,000	180,000
2/01/2030	85,000	95,000	180,000
2/01/2031	90,000	100,000	190,000
2/01/2032	90,000	100,000	190,000
2/01/2033	90,000	105,000	195,000
2/01/2034	95,000	110,000	205,000
2/01/2035	95,000	110,000	205,000
2/01/2036	100,000	115,000	215,000
2/01/2037	100,000	-	100,000
2/01/2038	105,000	-	105,000
2/01/2039	105,000	-	105,000
2/01/2040	110,000	-	110,000
2/01/2041	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total	\$1,425,000	\$1,005,000	\$2,430,000

*Preliminary, subject to change.

SECURITY

The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged without limitation as to rate or amount.

The City anticipates that the debt service on the Improvement Portion of the Bonds will be paid from a combination of special assessments levied against properties benefitted by improvements financed by the Improvement Portion of the Bonds and from ad valorem property taxes. In accordance with Minnesota Statutes, receipt of special assessments and ad valorem property taxes will be sufficient to provide not less than 105% of principal and interest on the Improvement Portion of the Bonds.

The City anticipates that the debt service on the Equipment Certificates Portion of the Bonds will be paid from ad valorem property taxes. In accordance with Minnesota Statutes, the City will levy each year an amount not less than 105% of the debt service requirements on the Equipment Certificates Portion of the Bonds. In the event funds on hand for payment of principal and interest are at any time insufficient, the City is required to levy an additional ad valorem tax upon all taxable properties within its boundaries without limit as to rate or amount to make up any deficiency.

Should the special assessments and/or ad valorem property taxes pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

The City received a "AA+"/Stable outlook underlying rating on the Bonds from S&P Global Ratings ("S&P"), and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery of the Bonds, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, at the time of issuance and delivery of the Bonds to the original purchaser, based on present federal and State of Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants set forth in the Award Resolution, interest on the Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from the taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, interest on the Bonds is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. Section 59(k) of the Code defines "applicable corporation" as any corporation (other than an S corporation), a regulated investment company, or a real estate investment trust which meets the average annual adjusted financial statement income test set forth in Section 59(k) of the Code in one or more taxable years. No opinion will be expressed by Bond Counsel regarding other federal or State of Minnesota tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinions.

Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2023 have been audited by Abdo, Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A - FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds will be general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Minnesota (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Levy Limits: The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2022/23	2023/24	2024/25
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% ² Over \$1,890,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$2,150,000 - 0.50% ² Over \$2,150,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$3,500,000 - 0.50% ² Over \$3,500,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$174,000 - .75% Over \$174,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$100,000 - .75% Over \$100,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2023/24 Economic Market Value¹ \$3,957,733,239²

2024/25 Assessor's Estimated Market Value

	Ramsey County	Washington County	Total
Real Estate	\$3,907,882,600	\$56,508,900	\$3,964,391,500
Personal Property	<u>21,296,000</u>	<u>140,300</u>	<u>21,436,300</u>
Total Valuation	<u><u>\$3,929,178,600</u></u>	<u><u>\$56,649,200</u></u>	<u><u>\$3,985,827,800</u></u>

2024/25 Net Tax Capacity

	Ramsey County	Washington County	Total
Real Estate	\$44,489,238	\$660,283	\$45,149,521
Personal Property	<u>414,280</u>	<u>2,806</u>	<u>417,086</u>
Net Tax Capacity	\$44,903,518	\$663,089	\$45,566,607
Less:			
Captured Tax Increment Tax Capacity ³	(258,317)	0	(258,317)
Fiscal Disparities Contribution ⁴	<u>(4,263,204)</u>	<u>(62,119)</u>	<u>(4,325,323)</u>
Taxable Net Tax Capacity	\$40,381,997	\$600,970	\$40,982,967
Plus: Fiscal Disparities Distribution ⁴	<u>4,784,917</u>	<u>68,358</u>	<u>4,853,275</u>
Adjusted Taxable Net Tax Capacity	<u><u>\$45,166,914</u></u>	<u><u>\$669,328</u></u>	<u><u>\$45,836,242</u></u>

¹ Most recent value available from Minnesota Department of Revenue.

² According to the Minnesota Department of Revenue, the 2023/24 Assessor's Estimated Market Value (the "AEMV") for the City was about 95.79% of the actual selling prices of property sold in the City located in Ramsey County, and about 98.63% of the actual selling prices of property sold in the City located in Washington County. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in a 2023/24 Economic Market Value ("EMV") for the City of \$3,957,733,239.

³ The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

⁴ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2024/25 NET TAX CAPACITY BY CLASSIFICATION

	2024/25 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$23,813,785	52.26%
Commercial/industrial	10,557,749	23.17%
Public utility	154,106	0.34%
Railroad operating property	152,510	0.33%
Non-homestead residential	10,437,442	22.91%
Commercial & residential seasonal/rec.	33,929	0.07%
Personal property	<u>417,086</u>	<u>0.92%</u>
Total	<u><u>\$45,566,607</u></u>	<u><u>100.00%</u></u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Taxable Net Tax Capacity²	Percent Increase/Decrease in Estimated Market Value
2020/21	\$3,108,858,300	\$3,001,474,100	\$35,885,404	\$36,149,264	6.58%
2021/22	3,156,599,200	3,051,027,300	36,356,567	36,687,247	1.54%
2022/23	3,601,334,200	3,520,636,464	41,334,763	41,710,214	14.09%
2023/24	3,788,048,400	3,711,307,858	44,027,991	44,475,383	5.18%
2024/25	3,985,827,800	3,860,210,589	45,566,607	45,836,242	5.22%

¹ Net Tax Capacity is before fiscal disparity contributions and includes tax increment values.

² Taxable Net Tax Capacity is after fiscal disparity distributions and does not include tax increment values.

LARGEST TAXPAYERS

Taxpayer	Type of Property	2024/25 Net Tax Capacity	Percent of City's Total Net Tax Capacity
MIP LL LLC	Industrial	\$555,988	1.22%
Timberland White Bear Lake Woods LLC	Apartments	603,151	1.32%
WBL Lochner LLC	Apartments	500,433	1.10%
Martco LLC	Apartments	457,180	1.00%
Menard Inc.	Commercial	376,194	0.83%
Xcel Energy	Utility	353,516	0.78%
Norman White Bear MN LLC	Industrial	309,640	0.68%
Cars-DB4 LP	Commercial	304,880	0.67%
MG White Bear Lake Warehouse	Industrial	285,390	0.63%
Taylor Corporation	Commercial/Industrial	288,164	0.63%
		<u>\$4,034,536</u>	<u>8.85%</u>

City's Total 2024/25 Net Tax Capacity \$45,566,607

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Largest Taxpayers have been furnished by Ramsey and Washington Counties.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes (includes the Improvement Portion of the Bonds)*	\$13,935,000
Total G.O. debt secured by tax abatement revenues	2,530,000
Total G.O. debt secured by tax increment revenues	1,590,000
Total G.O. debt secured by taxes (includes the Equipment Certificates Portion of the Bonds)*	20,010,000
Total G.O. debt secured by utility revenues	2,750,000
Total General Obligation Debt*	<u><u>\$40,815,000</u></u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City may pursue general obligation financing in the amount up to \$10,000,000 for a downtown street project in 2026, but no determinations have been made regarding the scope or timing of any such potential project.

DEBT LIMIT

The statutory limit on net debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1, as amended) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" means the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of certain obligations enumerated under Minnesota Statutes, Section 475.51, subd.4, including the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property (includes the Improvement Portion of the Bonds); (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any revenue producing public convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4, as amended; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay certain postemployment benefit liabilities; (9) obligations issued to pay certain judgments against the City; and (10) all other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2024/25 Assessor's Estimated Market Value	\$3,985,827,800
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	<u>\$119,574,834</u>
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes (includes the Equipment Certificates Portion of the Bonds)*	<u>(20,010,000)</u>
Unused Debt Limit*	<u><u>\$99,564,834</u></u>

*Preliminary, subject to change.

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 05/29/2025)

	Improvement Bonds Series 2012B		Improvement Bonds 1) Series 2018A		Improvement Bonds Series 2019A		Improvement Bonds 2) Series 2020A		Improvement Bonds 3) Series 2021A	
Dated	12/19/2012		06/14/2018		07/18/2019		07/16/2020		06/17/2021	
Amount	\$2,555,000		\$3,995,000		\$1,925,000		\$2,450,000		\$1,335,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	0	3,088	0	47,600	0	23,300	0	22,550	0	9,200
2026	150,000	4,788	185,000	92,425	110,000	44,400	145,000	42,925	120,000	17,200
2027	100,000	2,400	190,000	86,800	110,000	40,000	145,000	38,575	125,000	14,750
2028	70,000	700	190,000	81,100	110,000	35,600	150,000	34,150	125,000	12,250
2029			195,000	75,325	115,000	31,100	150,000	29,650	125,000	9,750
2030			200,000	69,400	115,000	27,075	150,000	25,150	130,000	7,200
2031			205,000	63,325	95,000	23,925	155,000	21,350	130,000	4,600
2032			210,000	56,969	100,000	21,000	100,000	18,800	130,000	2,325
2033			215,000	50,328	100,000	18,000	105,000	16,750	90,000	675
2034			215,000	43,475	100,000	15,000	105,000	14,650		
2035			225,000	36,325	100,000	12,000	105,000	12,550		
2036			230,000	28,788	65,000	9,525	110,000	10,400		
2037			235,000	20,941	65,000	7,575	90,000	8,400		
2038			240,000	12,775	70,000	5,550	90,000	6,600		
2039			245,000	4,288	75,000	3,375	95,000	4,750		
2040					75,000	1,125	95,000	2,850		
2041							95,000	950		
	320,000	10,975	2,980,000	769,863	1,405,000	318,550	1,885,000	311,050	975,000	77,950

1) This represents the \$3,995,000 Improvement portion of the \$5,850,000 General Obligation Bonds, Series 2018A.

2) This represents the \$2,450,000 Improvement portion of the \$4,440,000 General Obligation Bonds, Series 2020A.

3) This represents the \$1,335,000 Improvement portion of the \$4,280,000 General Obligation Bonds, Series 2021A.

--Continued on next page

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 05/29/2025)

	Improvement Bonds Series 2022A		Improvement Bonds Series 2024A		Improvement Bonds 4) Series 2025A							
Dated	06/02/2022		06/06/2024		05/29/2025							
Amount	\$3,010,000		\$2,290,000		\$1,425,000*							
Maturity	02/01		02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	41,036	0	53,550	0	0	0	200,324	200,324	13,935,000	.00%	2025
2026	180,000	79,373	115,000	104,225	0	57,506	1,005,000	442,841	1,447,841	12,930,000	7.21%	2026
2027	185,000	73,898	120,000	98,350	80,000	47,838	1,055,000	402,610	1,457,610	11,875,000	14.78%	2027
2028	190,000	68,273	125,000	92,225	85,000	45,300	1,045,000	369,598	1,414,598	10,830,000	22.28%	2028
2029	195,000	62,498	130,000	85,850	85,000	42,665	995,000	336,838	1,331,838	9,835,000	29.42%	2029
2030	195,000	56,648	135,000	79,225	85,000	40,009	1,010,000	304,706	1,314,706	8,825,000	36.67%	2030
2031	200,000	50,723	140,000	72,350	90,000	37,253	1,015,000	273,525	1,288,525	7,810,000	43.95%	2031
2032	205,000	44,648	145,000	65,225	90,000	34,395	980,000	243,361	1,223,361	6,830,000	50.99%	2032
2033	205,000	38,395	150,000	57,850	90,000	31,493	955,000	213,491	1,168,491	5,875,000	57.84%	2033
2034	210,000	31,963	155,000	50,225	95,000	28,463	880,000	183,775	1,063,775	4,995,000	64.16%	2034
2035	215,000	25,268	165,000	42,225	95,000	25,280	905,000	153,648	1,058,648	4,090,000	70.65%	2035
2036	220,000	18,308	170,000	33,850	100,000	21,915	895,000	122,785	1,017,785	3,195,000	77.07%	2036
2037	225,000	11,131	175,000	26,100	100,000	18,365	890,000	92,512	982,512	2,305,000	83.46%	2037
2038	230,000	3,738	180,000	19,000	105,000	14,623	915,000	62,285	977,285	1,390,000	90.03%	2038
2039			190,000	11,600	105,000	10,685	710,000	34,698	744,698	680,000	95.12%	2039
2040			195,000	3,900	110,000	6,545	475,000	14,420	489,420	205,000	98.53%	2040
2041					110,000	2,200	205,000	3,150	208,150	0	100.00%	2041
	2,655,000	605,895	2,290,000	895,750	1,425,000	464,533	13,935,000	3,454,565	17,389,565			

* Preliminary, subject to change.

4) This represents the \$1,425,000 Improvement Portion of the \$2,430,000 General Obligation Bonds, Series 2025A.

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 05/29/2025)

Tax Abatement Bonds Series 2018B								
Dated	06/14/2018							
Amount	\$3,330,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	40,500	0	40,500	40,500	2,530,000	.00%	2025
2026	150,000	78,750	150,000	78,750	228,750	2,380,000	5.93%	2026
2027	150,000	74,250	150,000	74,250	224,250	2,230,000	11.86%	2027
2028	155,000	69,675	155,000	69,675	224,675	2,075,000	17.98%	2028
2029	160,000	64,950	160,000	64,950	224,950	1,915,000	24.31%	2029
2030	165,000	60,075	165,000	60,075	225,075	1,750,000	30.83%	2030
2031	170,000	55,050	170,000	55,050	225,050	1,580,000	37.55%	2031
2032	175,000	49,766	175,000	49,766	224,766	1,405,000	44.47%	2032
2033	180,000	44,219	180,000	44,219	224,219	1,225,000	51.58%	2033
2034	190,000	38,319	190,000	38,319	228,319	1,035,000	59.09%	2034
2035	195,000	32,063	195,000	32,063	227,063	840,000	66.80%	2035
2036	200,000	25,519	200,000	25,519	225,519	640,000	74.70%	2036
2037	205,000	18,684	205,000	18,684	223,684	435,000	82.81%	2037
2038	215,000	11,463	215,000	11,463	226,463	220,000	91.30%	2038
2039	220,000	3,850	220,000	3,850	223,850	0	100.00%	2039
	2,530,000	667,131	2,530,000	667,131	3,197,131			

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Increment Revenues
(As of 05/29/2025)

Tax Increment Revenue Bonds Series 2016A								
Dated	03/10/2016							
Amount	\$2,275,000							
Maturity	02/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	19,206	0	19,206	19,206	1,590,000	.00%	2025
2026	105,000	37,363	105,000	37,363	142,363	1,485,000	6.60%	2026
2027	110,000	35,213	110,000	35,213	145,213	1,375,000	13.52%	2027
2028	115,000	32,963	115,000	32,963	147,963	1,260,000	20.75%	2028
2029	120,000	30,553	120,000	30,553	150,553	1,140,000	28.30%	2029
2030	125,000	27,918	125,000	27,918	152,918	1,015,000	36.16%	2030
2031	130,000	25,048	130,000	25,048	155,048	885,000	44.34%	2031
2032	135,000	21,933	135,000	21,933	156,933	750,000	52.83%	2032
2033	140,000	18,563	140,000	18,563	158,563	610,000	61.64%	2033
2034	145,000	15,000	145,000	15,000	160,000	465,000	70.75%	2034
2035	150,000	11,125	150,000	11,125	161,125	315,000	80.19%	2035
2036	155,000	6,931	155,000	6,931	161,931	160,000	89.94%	2036
2037	160,000	2,400	160,000	2,400	162,400	0	100.00%	2037
	1,590,000	284,213	1,590,000	284,213	1,874,213			

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 05/29/2025)

	Equipment Certificates 1) Series 2018A		Equipment Certificates 2) Series 2020A		Equipment Certificates 3) Series 2021A		Capital Improvement Plan Bonds Series 2022B		Capital Improvement Plan Bonds Series 2023A	
Dated	06/14/2018		07/16/2020		06/17/2021		12/13/2022		03/23/2023	
Amount	\$1,855,000		\$1,130,000		\$480,000		\$6,990,000		\$10,000,000	
Maturity	02/01		02/01		02/01		02/01		02/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	0	22,728	0	9,975	0	3,300	0	144,825	0	196,710
2026	80,000	44,256	125,000	18,075	50,000	6,100	240,000	283,650	225,000	387,795
2027	85,000	41,781	130,000	14,250	55,000	5,050	250,000	271,400	275,000	375,295
2028	90,000	39,156	135,000	10,275	55,000	3,950	250,000	258,900	325,000	360,295
2029	90,000	36,456	135,000	6,225	55,000	2,850	275,000	245,775	410,000	341,920
2030	95,000	33,681	140,000	2,100	55,000	1,750	275,000	232,025	435,000	320,795
2031	95,000	30,831			60,000	600	300,000	217,650	455,000	300,820
2032	100,000	27,844					315,000	202,275	470,000	282,320
2033	100,000	24,719					325,000	187,900	490,000	263,120
2034	105,000	21,450					340,000	174,600	510,000	245,160
2035	110,000	17,956					350,000	160,800	525,000	228,338
2036	110,000	14,313					370,000	146,400	545,000	210,274
2037	115,000	10,516					375,000	131,500	565,000	190,703
2038	120,000	6,475					375,000	116,500	585,000	169,710
2039	125,000	2,188					400,000	101,000	605,000	147,544
2040							425,000	84,500	630,000	123,600
2041							450,000	67,000	655,000	97,900
2042							465,000	48,700	680,000	71,200
2043							485,000	29,700	705,000	43,500
2044							500,000	10,000	735,000	14,700
	1,420,000	374,350	665,000	60,900	330,000	23,600	6,765,000	3,115,100	9,825,000	4,371,698

- 1) This represents the \$1,855,000 Equipment Certificates portion of the \$5,850,000 General Obligation Bonds, Series 2018A.
- 2) This represents the \$1,130,000 Equipment Certificates portion of the \$4,440,000 General Obligation Bonds, Series 2020A.
- 3) This represents the \$480,000 Equipment Certificates portion of the \$4,280,000 General Obligation Bonds, Series 2021A.

--Continued on next page

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 05/29/2025)

Equipment Certificates 4) Series 2025A								
Dated	05/29/2025							
Amount	\$1,005,000*							
Maturity	02/01							
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	0	0	377,538	377,538	20,010,000	.00%	2025
2026	0	38,071	720,000	777,947	1,497,947	19,290,000	3.60%	2026
2027	85,000	31,181	880,000	738,958	1,618,958	18,410,000	8.00%	2027
2028	90,000	28,490	945,000	701,066	1,646,066	17,465,000	12.72%	2028
2029	95,000	25,623	1,060,000	658,849	1,718,849	16,405,000	18.02%	2029
2030	95,000	22,654	1,095,000	613,005	1,708,005	15,310,000	23.49%	2030
2031	100,000	19,583	1,010,000	569,484	1,579,484	14,300,000	28.54%	2031
2032	100,000	16,408	985,000	528,846	1,513,846	13,315,000	33.46%	2032
2033	105,000	13,101	1,020,000	488,840	1,508,840	12,295,000	38.56%	2033
2034	110,000	9,580	1,065,000	450,790	1,515,790	11,230,000	43.88%	2034
2035	110,000	5,895	1,095,000	412,989	1,507,989	10,135,000	49.35%	2035
2036	115,000	2,013	1,140,000	372,999	1,512,999	8,995,000	55.05%	2036
2037			1,055,000	332,718	1,387,718	7,940,000	60.32%	2037
2038			1,080,000	292,685	1,372,685	6,860,000	65.72%	2038
2039			1,130,000	250,731	1,380,731	5,730,000	71.36%	2039
2040			1,055,000	208,100	1,263,100	4,675,000	76.64%	2040
2041			1,105,000	164,900	1,269,900	3,570,000	82.16%	2041
2042			1,145,000	119,900	1,264,900	2,425,000	87.88%	2042
2043			1,190,000	73,200	1,263,200	1,235,000	93.83%	2043
2044			1,235,000	24,700	1,259,700	0	100.00%	2044
	1,005,000	212,597	20,010,000	8,158,245	28,168,245			

* Preliminary, subject to change.

4) This represents the \$1,005,000 Equipment Certificates Portion of the \$2,430,000 General Obligation Bonds, Series 2025A.

City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 05/29/2025)

Utility Revenue Bonds 1) Series 2020A			Utility Revenue Bonds 2) Series 2021A							
Dated Amount	07/16/2020 \$860,000		06/17/2021 \$2,465,000							
Maturity	02/01		02/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2025	0	8,175	0	17,911	0	26,086	26,086	2,750,000	.00%	2025
2026	35,000	15,825	155,000	34,273	190,000	50,098	240,098	2,560,000	6.91%	2026
2027	40,000	14,700	155,000	31,173	195,000	45,873	240,873	2,365,000	14.00%	2027
2028	40,000	13,500	160,000	28,023	200,000	41,523	241,523	2,165,000	21.27%	2028
2029	40,000	12,300	160,000	24,823	200,000	37,123	237,123	1,965,000	28.55%	2029
2030	40,000	11,100	165,000	21,573	205,000	32,673	237,673	1,760,000	36.00%	2030
2031	45,000	10,050	170,000	18,223	215,000	28,273	243,273	1,545,000	43.82%	2031
2032	45,000	9,150	170,000	15,248	215,000	24,398	239,398	1,330,000	51.64%	2032
2033	45,000	8,250	175,000	12,660	220,000	20,910	240,910	1,110,000	59.64%	2033
2034	45,000	7,350	175,000	10,035	220,000	17,385	237,385	890,000	67.64%	2034
2035	45,000	6,450	180,000	7,373	225,000	13,823	238,823	665,000	75.82%	2035
2036	50,000	5,500	180,000	4,538	230,000	10,038	240,038	435,000	84.18%	2036
2037	50,000	4,500	185,000	1,526	235,000	6,026	241,026	200,000	92.73%	2037
2038	50,000	3,500			50,000	3,500	53,500	150,000	94.55%	2038
2039	50,000	2,500			50,000	2,500	52,500	100,000	96.36%	2039
2040	50,000	1,500			50,000	1,500	51,500	50,000	98.18%	2040
2041	50,000	500			50,000	500	50,500	0	100.00%	2041
	720,000	134,850	2,030,000	227,375	2,750,000	362,225	3,112,225			

1) This represents the \$860,000 Utility Revenue portion of the \$4,440,000 General Obligation Bonds, Series 2020A.

2) This represents the \$2,465,000 Utility Revenue portion of the \$4,280,000 General Obligation Bonds, Series 2021A.

OVERLAPPING DEBT¹

Taxing District	2024/25 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt ²	City's Proportionate Share
Ramsey County	\$873,807,438	5.1690%	\$188,305,000	\$9,733,485
Washington County	508,753,421	0.0106%	99,350,000	10,531
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	221,295,876	0.0058%	401,455,000 ³	23,284
I.S.D. No. 624 (White Bear Lake)	136,776,722	33.0130%	405,880,000 ³	133,993,164
I.S.D. No. 832 (Mahtomedi)	38,217,876	1.7513%	36,255,000 ³	634,934
Metropolitan Council	6,330,160,332	0.7241%	235,750,000 ⁴	1,707,066
City's Share of Total Overlapping Debt				<u>\$146,102,465</u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does **not** include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Minnesota School Districts may qualify for aid from the State of Minnesota through the Debt Service Equalization Formula, School Building Bond Agricultural Credit and Long Term Facilities Maintenance Revenue programs. While some of the districts listed may receive these aids, Ehlers has not attempted to estimate the portion of debt service payments that would be financed by state aids for the purposes of the Bonds.

⁴ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation wastewater revenue, grant anticipation notes and certificates of participation outstanding all of which are supported entirely by revenues and have not been included in the overlapping debt or debt ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value \$3,957,733,239	Debt/ Per Capita 24,617¹
Direct G.O. Debt Secured By:			
Special Assessments & Taxes*	\$13,935,000		
Tax Abatement Revenues	2,530,000		
Tax Increment Revenues	1,590,000		
Taxes*	20,010,000		
Utility Revenues	2,750,000		
Total General Obligation Debt*	<u>\$40,815,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ²	<u>(2,750,000)</u>		
Tax Supported General Obligation Debt*	<u>\$38,065,000</u>	0.96%	\$1,546.29
 City's Share of Total Overlapping Debt	 <u>\$146,102,465</u>	 <u>3.69%</u>	 <u>\$5,935.02</u>
 Total*	 <u><u>\$184,167,465</u></u>	 <u><u>4.65%</u></u>	 <u><u>\$7,481.31</u></u>

*Preliminary, subject to change.

¹ Estimated 2023 population.

² Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX LEVIES, COLLECTIONS AND RATES

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date	% Collected
2020/21	\$7,344,863	\$7,306,532	\$7,342,498	99.97%
2021/22	8,069,651	8,017,290	8,050,583	99.76%
2022/23	9,931,380	9,864,570	9,916,471	99.85%
2023/24	11,969,875	11,894,317	11,894,317	99.37%
2024/25	13,784,999	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.² Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2020/21	2021/22	2022/23	2023/24	2024/25
Ramsey County	43.859%	43.987%	41.231%	41.681%	47.476%
Washington County	27.435%	27.532%	23.625%	21.991%	23.846%
City of White Bear Lake	20.355%	22.271%	24.054%	27.319%	30.401%
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	31.840%	32.173%	29.826%	29.550%	32.002%
I.S.D. No. 624 (White Bear Lake Area Schools)	37.074%	34.805%	32.398%	34.006%	35.285%
I.S.D. No. 832 (Mahtomedi)	29.555%	29.032%	23.941%	23.316%	23.796%
Metro Watershed	2.893%	2.667%	2.667%	2.652%	2.612%
Metropolitan Council (portion applicable to Ramsey County)	1.809%	1.882%	1.681%	1.545%	1.592%
Metropolitan Council (portion applicable to Washington County)	0.628%	0.630%	0.537%	0.590%	0.572%
Metropolitan Mosquito (portion applicable to Ramsey County)	0.366%	0.381%	0.340%	0.313%	0.324%
Metropolitan Mosquito (portion applicable to Washington County)	0.379%	0.361%	0.309%	0.301%	0.331%
Ramsey County Regional Rail Authority	3.825%	4.054%	3.683%	3.974%	4.176%
Regional Rail 519	0.157%	0.149%	0.122%	0.109%	0.112%
Rice Creek Watershed 38	1.918%	1.805%	1.559%	1.612%	1.655%
Transit District 509	1.139%	1.056%	0.912%	0.809%	0.972%
Valley Branch Watershed	3.546%	2.885%	2.885%	2.595%	2.259%
Washington County CDA	1.289%	1.287%	1.093%	1.024%	1.120%

Referendum Market Value Rates:

Washington County	0.00325%	0.00308%	0.00261%	0.00235%	0.00236%
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	0.16749%	0.15595%	0.15048%	0.14839%	0.14887%
I.S.D. No. 624 (White Bear Lake Area Schools)	0.18064%	0.19261%	0.18282%	0.16377%	0.16877%
I.S.D. No. 832 (Mahtomedi)	0.25362%	0.28696%	0.21652%	0.20841%	0.23252%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Ramsey and Washington Counties.

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

THE ISSUER

CITY GOVERNMENT

The City was incorporated as a village by special law in 1881, and established as a municipality in 1921. The City operates under a home rule charter form of government consisting of a six-member City Council of which the Mayor is not a voting member. The City Manager and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 115 full-time and 29 part-time employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Law Enforcement Labor Services Local 286	December 31, 2026
International Operating Engineers Local 49	December 31, 2025
International Association of Firefighters Local 5202	December 31, 2026
Minnesota Public Employees Association Police Officers	December 31, 2026

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$2,702,707 as of December 31, 2023. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, Section 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (as of March 31, 2025)

Fund	Total Cash and Investments
General	\$7,030,653
Special Revenue	4,376,402
Debt Service	2,483,968
Capital Projects	20,578,149
Enterprise Funds	7,102,811
Internal Service Funds	<u>6,238,988</u>
Total Funds on Hand	<u><u>\$47,810,971</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2021 Audited	2022 Audited	2023 Audited
Water			
Total Operating Revenues	\$2,079,875	\$2,512,675	\$2,779,923
Less: Operating Expenses	<u>(1,870,077)</u>	<u>(1,682,574)</u>	<u>(2,217,684)</u>
Operating Income	\$209,798	\$830,101	\$562,239
Plus: Depreciation	<u>118,547</u>	<u>142,579</u>	<u>210,505</u>
Revenues Available for Debt Service ¹	<u><u>\$328,345</u></u>	<u><u>\$972,680</u></u>	<u><u>\$772,744</u></u>
Sewer			
Total Operating Revenues	\$3,665,021	\$3,618,815	\$3,928,039
Less: Operating Expenses	<u>(3,026,827)</u>	<u>(2,867,241)</u>	<u>(3,087,812)</u>
Operating Income	\$638,194	\$751,574	\$840,227
Plus: Depreciation	<u>165,667</u>	<u>169,662</u>	<u>161,127</u>
Revenues Available for Debt Service	<u><u>\$803,861</u></u>	<u><u>\$921,236</u></u>	<u><u>\$1,001,354</u></u>
Refuse			
Total Operating Revenues	\$1,794,562	\$1,729,251	\$1,801,630
Less: Operating Expenses	<u>(1,589,288)</u>	<u>(1,617,987)</u>	<u>(1,776,296)</u>
Operating Income	\$205,274	\$111,264	\$25,334
Plus: Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>\$205,274</u></u>	<u><u>\$111,264</u></u>	<u><u>\$25,334</u></u>
Ambulance			
Total Operating Revenues	\$1,940,031	\$2,166,899	\$1,931,650
Less: Operating Expenses	<u>(159,049)</u>	<u>(2,300,566)</u>	<u>(3,353,206)</u>
Operating Income	\$1,780,982	(\$133,667)	(\$1,421,556)
Plus: Depreciation	<u>134,697</u>	<u>123,584</u>	<u>116,626</u>
Revenues Available for Debt Service	<u><u>\$1,915,679</u></u>	<u><u>(\$10,083)</u></u>	<u><u>(\$1,304,930)</u></u>

¹ Includes a periodic major maintenance project.

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2021 Audited	2022 Audited	2023 Audited	2024 Unaudited ¹	2025 Adopted Budget ²
Revenues					
General property taxes	\$6,667,935	\$7,174,250	\$8,163,075	\$9,723,361	\$11,353,000
Licenses and permits	1,393,967	1,625,552	1,721,660	1,219,605	942,055
Fine and forfeits	78,008	68,385	52,548	66,835	59,000
Intergovernmental	2,481,616	2,576,763	2,623,256	2,380,776	2,593,814
Charges for services	730,177	862,424	932,410	3,562,994	3,426,559
Franchise fees	307,570	336,014	371,353	373,557	460,000
Investment income	(25,701)	(193,573)	272,348	315,259	150,000
Rental income	50,392	50,266	45,793	50,110	44,655
Refunds and reimbursements	4,028	23,221	30,081	6,310	6,500
Donations	1,175	665	1,020	10,506	0
Miscellaneous	22,030	38,559	22,006	29,486	8,500
Total Revenues	\$11,711,197	\$12,562,526	\$14,235,550	\$17,738,799	\$19,044,083
Expenditures					
Current:					
General government	\$1,732,265	\$1,836,772	\$1,961,492	\$1,984,947	\$2,354,493
Public safety	7,070,825	7,607,354	7,940,986	11,507,061	12,978,151
Public works	1,906,361	2,223,970	2,391,763	2,424,117	2,797,938
Parks and recreation	609,424	740,573	806,092	773,133	1,334,154
Community development	374,622	308,737	385,679	402,514	441,734
Total Expenditures	\$11,693,497	\$12,717,406	\$13,486,012	\$17,091,772	\$19,906,470
Excess of revenues over (under) expenditures	\$17,700	(\$154,880)	\$749,538	\$647,027	(\$862,387)
Other Financing Sources (Uses)					
Sale of capital asset	\$3,123	\$359	\$3,395	\$246	\$0
Transfers in	1,432,100	1,236,210	1,048,600	1,442,842	878,336
Transfers (out)	(600,000)	(323,485)	0	(1,189,561)	0
Total Other Financing Sources (Uses)	835,223	913,084	1,051,995	253,527	878,336
Net changes in Fund Balances	\$852,923	\$758,204	\$1,801,533	\$900,554	\$15,949
General Fund Balance January 1	\$5,804,657	\$6,657,580	\$7,415,784		
Prior Period Adjustment	0	0	0		
Residual Equity Transfer in (out)	0	0	0		
General Fund Balance December 31	\$6,657,580	\$7,415,784	\$9,217,317		
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$0	\$1,045	\$5,205		
Restricted	0	0	451,939		
Unassigned	6,657,580	7,414,739	8,760,173		
Total	\$6,657,580	\$7,415,784	\$9,217,317		

¹ The 2024 budget was adopted on December 12, 2023, and revised on December 10, 2024. Unaudited data is as of April 4, 2025.

² The 2025 budget was adopted on December 10, 2024.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 24,486 and a 2023 population estimate of 24,617, comprising an area of 10.06 square miles, is located in the Minneapolis-St. Paul metropolitan area, approximately 10 miles northeast of St. Paul, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 624 (White Bear Lake Area Schools)	Elementary and secondary education	1,550
Century College	Post-secondary education	605
Trane	HVAC distributor	360
Cerenity Care Center of White Bear Lake	Nursing home and senior living facilities	300
Saputo Dairy	Health club	200
Life Time Fitness	Dairy products	190
Taymark Corporation	Marketing supplies	175
The City	Municipal government and services	144
Sam's Club	Discount retail store	140
International Paper	Corrugated box plant	140

Source: Data Axle Reference Solutions, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS (as of March 31, 2025)

	2021	2022	2023	2024	2025
<u>New Single Family Homes</u>					
No. of building permits	9	7	8	4	2
Valuation	\$7,006,960	\$2,570,000	\$4,612,370	\$2,210,000	\$1,093,777
<u>New Multiple Family Buildings</u>					
No. of building permits	0	0	1	10	0
Valuation	\$0	\$0	\$44,700,000	\$3,160,422	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	0	2	1	1	0
Valuation	\$0	\$8,618,144	\$685,251	\$100,000	\$0
<u>All Building Permits</u> (including additions and remodelings)					
No. of building permits	2,808	3,758	3,466	2,618	485
Valuation	\$130,569,243	\$127,581,676	\$117,740,425	\$89,728,936	\$6,807,010

Source: The City.

U.S. CENSUS DATA**Population Trend:** The City

2010 U.S. Census population	23,797
2020 U.S. Census population	24,883
Percent of Change 2010 - 2020	4.56%
2023 Metropolitan Council Population Estimate	24,617

Income and Age Statistics

	The City	Ramsey County	State of Minnesota	United States
2023 per capita income	\$44,403	\$45,193	\$46,957	\$43,289
2023 median household income	\$79,712	\$81,004	\$87,556	\$78,538
2023 median family income	\$97,511	\$106,698	\$111,492	\$96,922
2023 median gross rent	\$1,540	\$1,298	\$1,235	\$1,348
2023 median value owner occupied units	\$318,000	\$304,900	\$305,500	\$303,400
2023 median age	42.1 yrs.	35.9 yrs.	38.6 yrs.	38.7 yrs.

	State of Minnesota	United States
City % of 2023 per capita income	94.56%	102.57%
City % of 2023 median family income	87.46%	100.61%

Housing Statistics

	<u>The City</u>		
	2020	2023	Percent of Change
All Housing Units	10,447	10,458	0.11%

Source: 2010 and 2020 Census of Population and Housing, and 2022 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov>), 2023 Population Estimates, Metropolitan Council (<https://metro council.org/>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

	<u>Average Employment</u>	<u>Average Unemployment</u>	
Year	Ramsey County	Ramsey County	State of Minnesota
2021	274,747	4.0%	3.7%
2022	278,919	2.5%	2.5%
2023	279,249	2.6%	2.8%
2024	279,350	2.9%	3.0%
2025, March	279,002	3.4%	3.9%

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse changes in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.



City of White Bear Lake, Minnesota



Annual Comprehensive Financial Report



For the Year Ended
December 31, 2023

THIS PAGE IS LEFT
BLANK INTENTIONALLY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2023

CITY OF WHITE BEAR LAKE, MINNESOTA

PREPARED BY
FINANCE DEPARTMENT

Kerri Kindsvater
Finance Director

Jessica Saari
Assistant Finance Director

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

Cover photos courtesy of White Bear Lake staff

THIS PAGE IS LEFT
BLANK INTENTIONALLY

**CITY OF WHITE BEAR LAKE, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Elected and Administrative Officials	11
Organizational Chart	12
Geographical Location	13
Informational Map	14
Historical Beginnings.....	15
Legend of White Bear Lake	15
Letter of Transmittal	17
Certificate of Achievement for Excellence in Financial Reporting	27

FINANCIAL SECTION

Independent Auditor's Report	31
Management's Discussion and Analysis	35

BASIC FINANCIAL STATEMENTS

Government - Wide Financial Statements	
Statement of Net Position.....	49
Statement of Activities.....	50
Fund Financial Statements	
Balance Sheet - Governmental Funds	54
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	57
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	58
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statements of Activities	61
Statement of Net Position - Proprietary Funds.....	62
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	66
Statement of Cash Flows - Proprietary Funds	68
Statement of Fiduciary Net Position	72
Statement of Changes in Fiduciary Net Position.....	73
Notes to Financial Statements.....	75

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability	
General Employees Retirement Fund.....	124
Schedule of Employer's Public Employees Retirement Association Contributions	
General Employees Retirement Fund.....	124
Notes to Required Supplemental Information - General Employees Retirement Fund	125
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability	
Public Employees Police and Fire Fund.....	128
Schedule of Employer's Public Employees Retirement Association Contributions	
Public Employees Police and Fire Fund.....	128
Notes to Required Supplemental Information - Public Employees Police and Fire Fund.....	129
Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios.....	132
Schedule of Employer's Fire Relief Association Contributions.....	133
Schedule of Changes in Total OPEB Liability and Related Ratios.....	133
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget to Actual - General Fund	134
Notes to Required Supplemental Information	139

THIS PAGE IS LEFT
BLANK INTENTIONALLY

CITY OF WHITE BEAR LAKE, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020
TABLE OF CONTENTS (continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Combining Balance Sheet - Non-Major Governmental Funds.....	142
Combining Statement of Revenues, Expenditures and Charges in Fund Balance - Non-Major Governmental Funds.....	146
Combining Statement of Net Position – Non-Major Proprietary Funds	150
Combining Statement of Revenues, Expenses, and Changes in Net Position – Non-Major Proprietary Funds	151
Combining Statement of Cash Flows – Non-Major Proprietary Funds	152
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - American Rescue Plan Fund	153
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Surface Water Pollution Prevention Fund	154
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Marina Fund	155
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Forfeiture Fund.....	156
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget to Actual – Economic Development Fund ..	157
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual - Sports Center Fund.....	158
Combining Statement of Net Position - Internal Service Funds.....	159
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	160
Combining Statement of Cash Flows - Internal Service Funds	161
Combining Statement of Fiduciary Net Position	162
Combining Statement of Changes in Fiduciary Net Position.....	163

STATISTICAL SECTION (UNAUDITED)

Statistical Section Overview	
Financial Trends	
Net Position by Component	166
Changes in Net Position	168
Fund Balances, Governmental Funds	172
Changes in Fund Balances, Governmental Funds	174
Revenue Capacity	
Assessed Tax Capacity and Market Value of Property.....	176
Property Tax Rates - Direct and Overlapping Governments.....	178
Principal Property Taxpayers	179
Property Tax Levies and Collections	181
Debt Capacity	
Ratios of Outstanding Debt by Type.....	182
Ratios of General Bonded Debt Outstanding	184
Computation of Direct and Overlapping Bonded and Comparative Debt Ratios	187
Legal Debt Margin Information	188
Revenue Bond Coverage - Sports Center	190
Demographics and Economic Information	
Demographic and Economic Statistics	192
Principal Employment Industries	193
Full-time Equivalent City Government Employees by Function/Department.....	194
Operating Information	
Operating Indicators by Function/Program	196
Capital Asset Statistics by Function.....	198

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INTRODUCTORY SECTION

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

THIS PAGE IS LEFT
BLANK INTENTIONALLY

CITY OF WHITE BEAR LAKE, MINNESOTA

Elected and Administrative Officials

December 31, 2023

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

Assistant City Manager, Rick Juba

Community Development Director, Jason Lindahl

City Engineer, Paul Kauppi

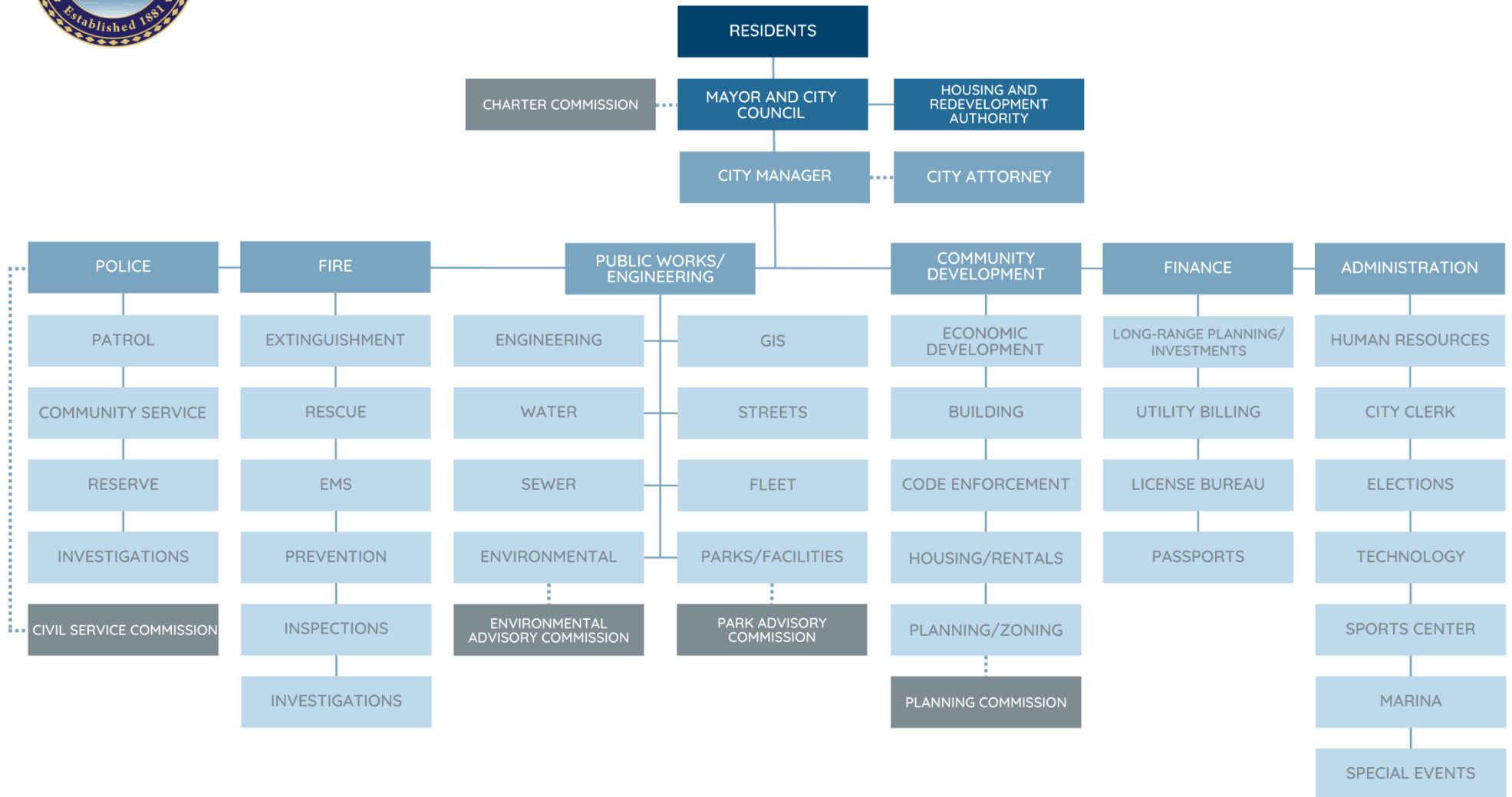
Finance Director, Kerri Kindsvater

Police Chief, Dale Hager

Fire Chief, Greg Peterson

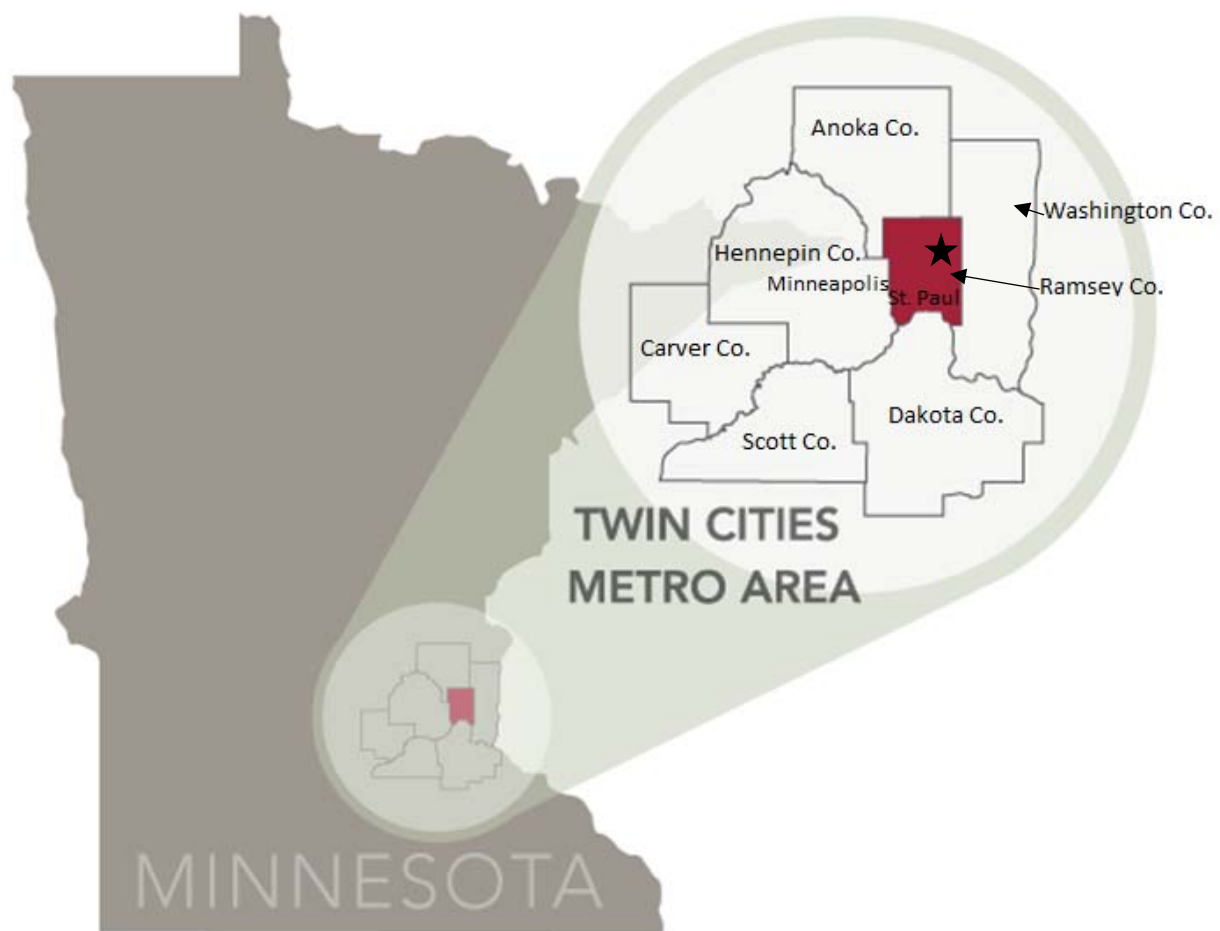


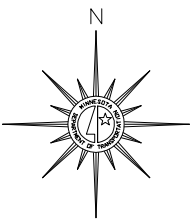
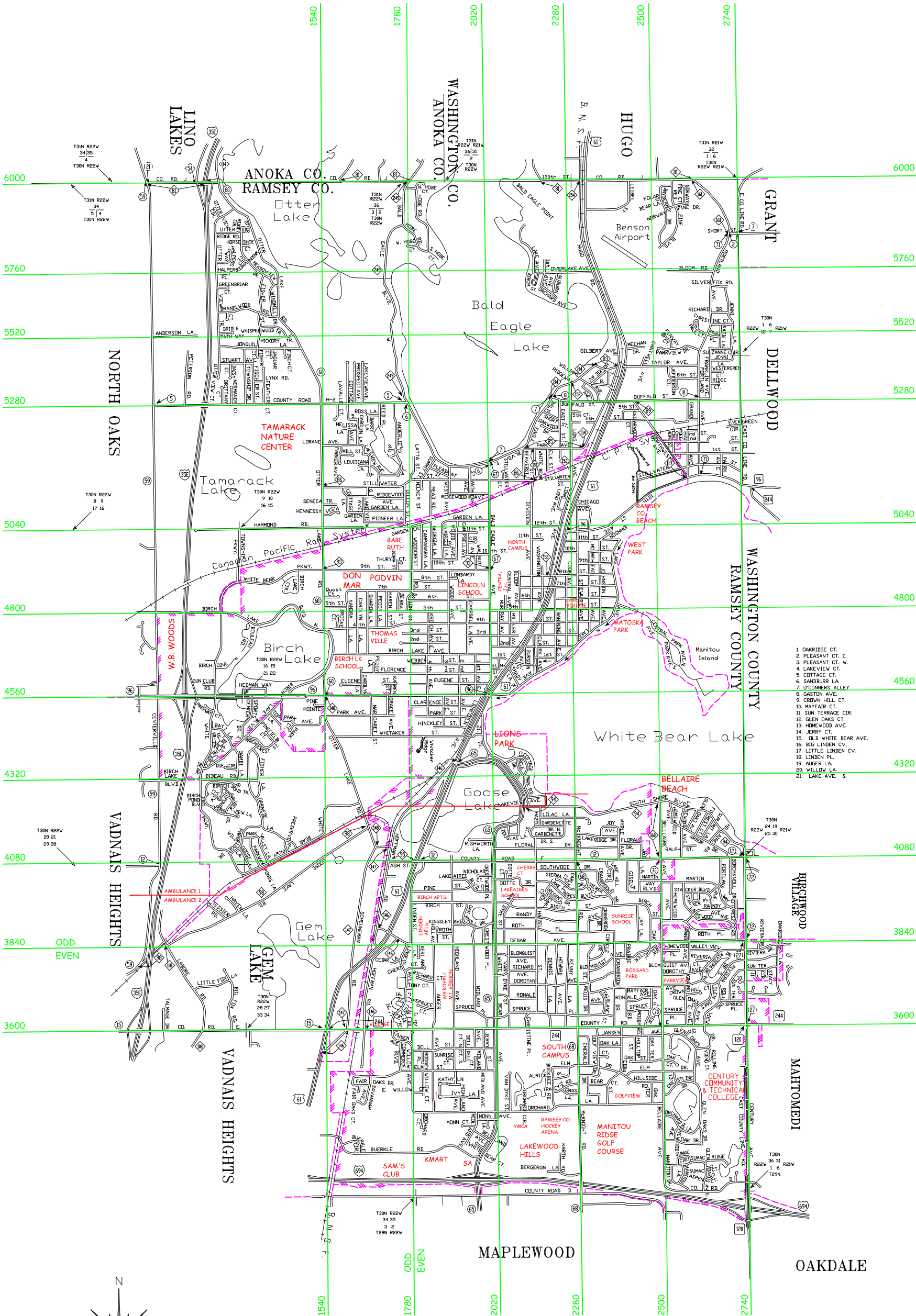
CITY OF WHITE BEAR LAKE ORGANIZATIONAL CHART



City of White Bear Lake

Geographical Location





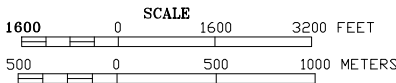
LEGEND

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

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

MUNICIPALITY OF
WHITE BEAR LAKE

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



2005

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

Historical Beginnings

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

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

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

Legend of White Bear Lake

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY



City of White Bear Lake

4701 Highway 61 N.
White Bear Lake, Minnesota 55110
651-429-8526 | www.whitebearlake.org

May 20, 2024

Honorable Mayor,
Members of the City Council and
White Bear Lake Citizens
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, 2023 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 2020 population of 24,883, 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, 2023, 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 City 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, City Council allocates the excess amounts to the Equipment Acquisition, Municipal Building, or Pavement Management Fund to provide additional funding 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 in June. 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 City Council prior to September 15 each year. At that time, the City Council sets the preliminary tax levy. The City Council holds budget work sessions and a formal public hearing before adopting the final budget and tax levy before December 20. The City 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 City 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 43% 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 \$20,455,028 in debt obligation that has general property taxes as its sole source of revenue. The City has 82% of its legal debt limit, or \$93,380,389 available for debt bonding as of December 31, 2023. Net of premiums and discounts, the City has \$20,476,414 outstanding in Tax Increment, Special Assessment, and Tax Abatement debt as of December 31, 2023.

The City anticipates incurring a debt obligation in 2024 to fund the 2024 street improvement project.

Debt Administration

In 2023, 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 budgetary performance, very weak debt and contingent liability profile and strong management with good financial policies and practices under their financial management assessment methodology, 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 a community college with a strong dedication to workforce development, both who partner with local businesses to address needs for specialization in the labor force. 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 at one campus when the school year begins in September 2024 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 January 2024 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 3% as of January 2024.

The City realized a slight dip in building permit activities during the pandemic; however, the permitting activities exceeded pre-pandemic levels during 2023. In 2023, construction of The Lochner, a 244-unit market rate multifamily development, increased the new construction commercial valuations.

	2019	2020	2021	2022	2023
Permits Issued	2,687	2,599	2,817	3,767	3,476
Permit Valuations (all types)	\$ 65,328,427	\$ 54,730,496	\$137,576,203	\$140,811,845	\$167,738,046
New Construction:					
Residential	\$ 12,575,730	\$ 2,540,000	\$ 7,006,960	\$ 4,612,025	\$ 4,612,370
Commercial	25,000,000	8,600,000	-	8,618,144	45,385,251
	<u>\$ 37,575,730</u>	<u>\$ 11,140,000</u>	<u>\$ 7,006,960</u>	<u>\$ 13,230,169</u>	<u>\$ 49,997,621</u>

Based on the projects currently in the development pipeline, the City anticipates construction activity in 2024 to be more in line with 2019 levels.

The County Assessor's valuation of the median value home within the community increased 1.96% to \$312,100 in 2023 for taxes payable in 2024. 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, there has been a slight loosening of the for sale housing market, hovering between 1.1-1.7 months' supply of houses for sale beginning summer 2023 having previously been mostly below a one-month supply since Fall 2020. Despite this, there continues to be upward movement in our median home sales price, which is not surprising given a five-month supply of available for sale housing is widely considered a balanced market. As of February 2024, the rolling 12-month period median home sales price in White Bear Lake was \$340,000 - a 2.4% 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

Construction is nearing completion for The Lochner, a 244-unit market rate multifamily project. The project will significantly increase the tax base, with a preliminary estimated market value of \$40,034,600 for taxes payable in 2025, up from an estimated market value of \$2,229,000 for taxes payable in 2024.

In the past year, the following significant redevelopment projects were completed:

- construction of a music education center near the Arts District
- development of a high capacity car wash at a former gas station on Highway 61
- renovation of a vacant carwash into a modern carwash facility in the downtown area
- renovation of a vacant medical facility into a daycare

Projects underway include the expansion SmarteCart, a local manufacturer, and the conversion of a former office building into an assisted living facility. Two additional residential projects have received land use approval including a 9-unit for-sale townhome community and a 14-bed nursing home. The City is supporting the townhome development by working with the developer to apply for redevelopment grants through various agencies.

The Ecowoods development (formerly the Rooney Farm site), was platted for an additional eight single-family home parcels in 2022. In addition to construction of the road serving the development, a model home was completed, two single-family houses in the subdivision are nearing completion and a third has received building permits. There are additional scattered site single family homes under construction throughout the city, which highlights the community's desirability as a place to live.

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. The City expects much of this work to create new private 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 additional housing options and job producing commercial development. The City controls a handful of sites with potential future uses that are in line with housing and economic development goals. Some are shovel ready, while others will require site preparation or assembly prior to moving forward with development. Currently the City has selected a preferred developer to produce additional housing on a city owned parcel on Highway 96.

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. In 2023, the Minnesota Legislature created a Local Affordable Housing Aid program funded through a metro-wide sales tax. The City will receive an allocation of this funding, which is an additional tool the City may opt to utilize to promote development of housing for people with low and moderate incomes.

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 the neighboring cities of Vadnais Heights and Gem Lake 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. In 2023, the City secured additional funding from Ramsey County in partnership with Vadnais Heights and Gem Lake. This funding will support the creation of branding, marketing and place-making strategy to enhance the perception of the corridor and attract residents and visitors to the businesses within it.

The City is currently engaged in two high level planning related projects anticipated to enhance the desirability for private investment in White Bear Lake real estate.

- The first project is a Downtown Mobility and Parking Study, which is a precursor to the near term Downtown street and public parking reconstruction projects, as well as a guide for future public realm improvements. Improvements in Downtown will increase the attractiveness of private investment in both residential and commercial projects as well as being a catalyst for tourism.

- The second project is an update of the City's zoning code, which will be the first substantial revision since 1983. Modernizing the zoning code will make the development process more predictable, which will increase the ability of the city to attract developers to produce projects aligned with the City's goals.

The Community Development Department continues to receive inquiries for potential commercial and residential projects, as well as general inquiries looking for available sites. Based on land use applications and the frequency of inquiries, it appears market pressures on real estate development, including interest rates and construction costs, have softened demand. Staff anticipates demand will pick up when the Federal Reserve begins reducing interest rates, as the community continues to remain highly desirable for residents, businesses and potential development investors.

Pension Reporting

The City's Annual Comprehensive Financial Report dated December 31, 2023 incorporates GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". The Statement requires the City to report a net pension liability of \$6,656,922. The City calculates this liability by comparing its share of the Statewide plan (PERA) of \$9,606,900 with its share of the local Fire Relief Association credit (over 100% funded) of \$2,949,978.

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 annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the thirty-sixth 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, 2023 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, 2023, which represents the twenty-second 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 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 City Council for their responsible and progressive policies involving the City's financial operations, along with their solidarity in placing long-range and infrastructure needs ahead of popular expenditures and careful consideration of staff recommendations.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Zib" followed by a stylized flourish.

City Manager

A handwritten signature in black ink that reads "Kerri L. Kindsater".

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, 2022

Christopher P. Morill

Executive Director/CEO

THIS PAGE IS LEFT
BLANK INTENTIONALLY

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

FOR THE YEAR ENDED
DECEMBER 31, 2023

THIS PAGE IS LEFT
BLANK INTENTIONALLY

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 35, 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 124, 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 20, 2024 , 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 20, 2024



THIS PAGE IS LEFT
BLANK INTENTIONALLY

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, 2023. 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 \$100,802,388 (net position). Of this amount, \$36,198,588 (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 \$39,946,903, an increase of \$958,704. Although expenditures exceeded revenues by \$9,971,421, the issuance of \$10,000,000 in bonds and transfers in of \$2,126,485 resulted in an increase in fund balance.
- At the end of the current fiscal year, the General Fund's unassigned fund balance totaled \$8,760,173. The General Fund unassigned balance represents 65.0% of the total General Fund expenditures for the current fiscal year.
- The City's total debt increased by \$8,490,000 during the current fiscal year. The City issued 2023A 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, Pavement Management 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 six special revenue funds.

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

The basic governmental fund financial statements can be found on pages 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, and Ambulance. Data from the non-major enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 62 through 71 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 121 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 124 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 142 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,802,388 at the close of the most recent fiscal year.

Statements of Net Position

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Current/Other Asset	\$ 62,072,721	\$ 62,025,643	\$ 9,363,226	\$ 9,251,437	\$ 71,435,947	\$ 71,277,080
Capital Assets	84,400,051	74,756,752	7,658,618	7,321,235	92,058,669	82,077,987
Total Assets	146,472,772	136,782,395	17,021,844	16,572,672	163,494,616	153,355,067
Deferred Outflows of Resources	10,320,170	12,799,938	2,976,233	1,879,386	13,296,403	14,679,324
Long-term Liabilities	48,800,396	50,935,119	5,858,577	5,415,127	54,658,973	56,350,246
Other Liabilities	4,393,512	3,162,745	790,957	1,000,945	5,184,469	4,163,690
Total Liabilities	53,193,908	54,097,864	6,649,534	6,416,072	59,843,442	60,513,936
Deferred Inflows of Resources	13,287,454	6,168,729	2,857,735	1,614,422	16,145,189	7,783,151
Net Position						
Net Investment in Capital assets	52,246,551	53,084,601	4,418,349	4,206,358	56,664,900	57,290,959
Restricted	7,938,900	10,910,400	-	-	7,938,900	10,910,400
Unrestricted	30,126,129	25,320,739	6,072,459	6,215,206	36,198,588	31,535,945
Total	\$ 90,311,580	\$ 89,315,740	\$ 10,490,808	\$ 10,421,564	\$ 100,802,388	\$ 99,737,304

By far, the largest portion of the City's net position (56.2 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 7.9 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 \$36,198,588, which represents 35.9 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 decreased \$1,382,921 from 2022 as a result of changes in actuarial assumptions and the net difference between projected and actual earnings relating to the pension plans. Deferred inflows of resources increased \$8,362,038 mainly due to changes in actuarial assumptions related to pension plans.

CHANGES IN NET POSITION

The City's net position totaled \$100,802,388 at December 31, 2023 compared to \$99,737,304 as of December 31, 2022. This represents an increase of \$1,065,084 for fiscal year 2023. The increase is mainly attributable to a significant increase in the market value of investments as of December 31, 2023, as well as an increase in property taxes levied in 2023.

Governmental activities net investment in capital assets decreased \$838,050. Governmental net capital assets increased by \$9,643,299, however the net investment in capital assets was offset by an even larger 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 by only \$69,244 or approximately 0.7 percent.

Statements of Changes in Net Position

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 5,374,311	\$ 5,384,480	\$ 11,745,614	\$ 11,202,816	\$ 17,119,925	\$ 16,587,296
Operating grants and contributions	3,391,532	3,065,285	366,699	333,838	3,758,231	3,399,123
Capital grants and contributions	357,531	1,033,013	-	175,000	357,531	1,208,013
General revenues						
Property Taxes	9,846,759	8,025,911	-	-	9,846,759	8,025,911
Other Taxes	1,050,856	1,020,896	-	-	1,050,856	1,020,896
Grants and contributions not restricted specific programs	1,127,728	1,333,615	-	-	1,127,728	1,333,615
Sale of Capital Assets	49,600	-	12,381	26,719	61,981	26,719
Other	2,211,622	(894,675)	215,610	(123,634)	2,427,232	(1,018,309)
Total Revenue	23,409,939	18,968,525	12,340,304	11,614,739	35,750,243	30,583,264
Expenses						
General government	2,622,891	2,471,461	-	-	2,622,891	2,471,461
Public Safety	8,555,389	8,929,360	-	-	8,555,389	8,929,360
Public Works	5,182,844	7,511,369	-	-	5,182,844	7,511,369
Community Development	2,584,811	1,070,005	-	-	2,584,811	1,070,005
Parks and Recreation	2,645,681	2,841,886	-	-	2,645,681	2,841,886
Interest on long-term debt	1,365,349	799,644	-	-	1,365,349	799,644
Water and Sewer	-	-	5,377,491	4,640,156	5,377,491	4,640,156
Refuse	-	-	1,777,238	1,618,519	1,777,238	1,618,519
Ambulance	-	-	3,355,106	2,349,885	3,355,106	2,349,885
Senior Housing	-	-	358,583	329,175	358,583	329,175
License Bureau	-	-	859,776	902,607	859,776	902,607
Total Expenses	22,956,965	23,623,725	11,728,194	9,840,342	34,685,159	33,464,067
Excess (deficiency) before transfers	452,974	(4,655,200)	612,110	1,774,397	1,065,084	(2,880,803)
Internal capital transfers	(10,967)	(172,657)	10,967	172,657	-	-
Internal transfers	553,833	727,000	(553,833)	(727,000)	-	-
Change in net position	995,840	(4,100,857)	69,244	1,220,054	1,065,084	(2,880,803)
Net position - January 1	89,315,740	93,416,597	10,421,564	9,201,510	99,737,304	102,618,107
Net position - December 31	\$ 90,311,580	\$ 89,315,740	\$ 10,490,808	\$ 10,421,564	\$ 100,802,388	\$ 99,737,304

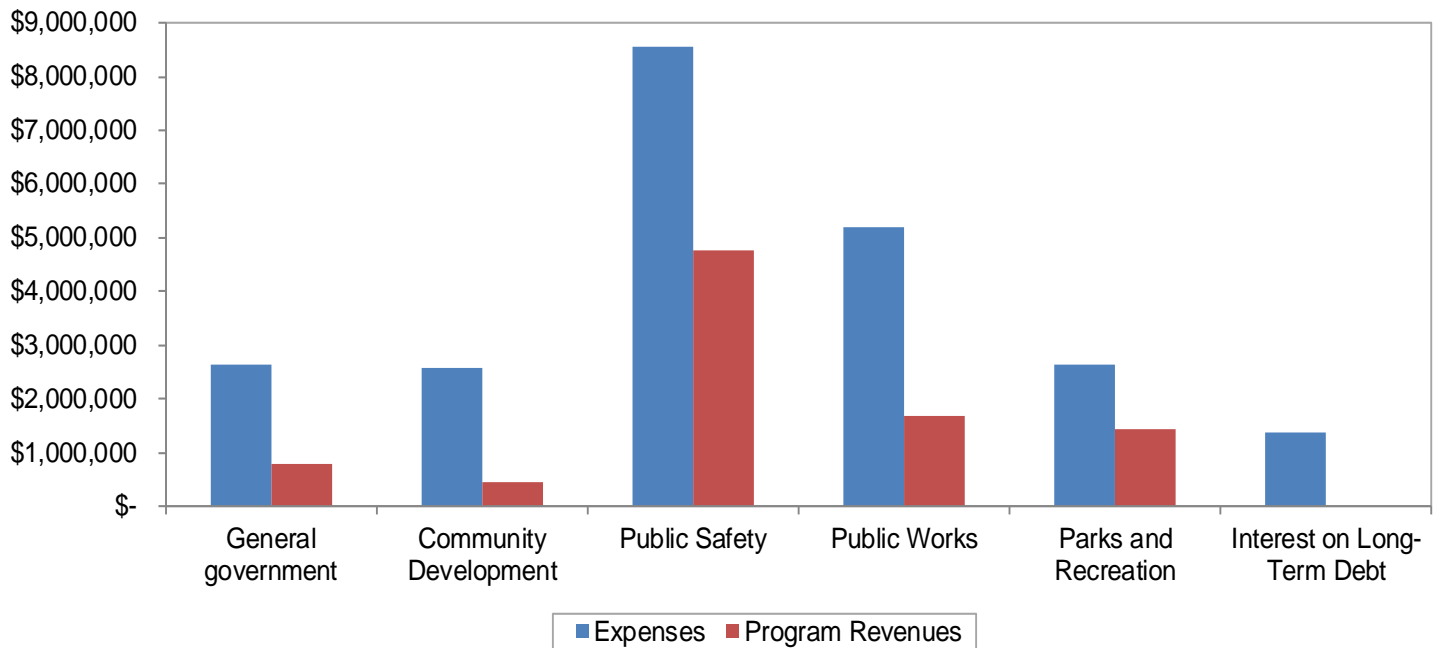
GOVERNMENTAL ACTIVITIES

The governmental activities increased the City's net position by \$995,840 thereby accounting for the overall increase in the net position of the City. Key elements of this increase, as well as other highlights of the governmental activities, are as follows:

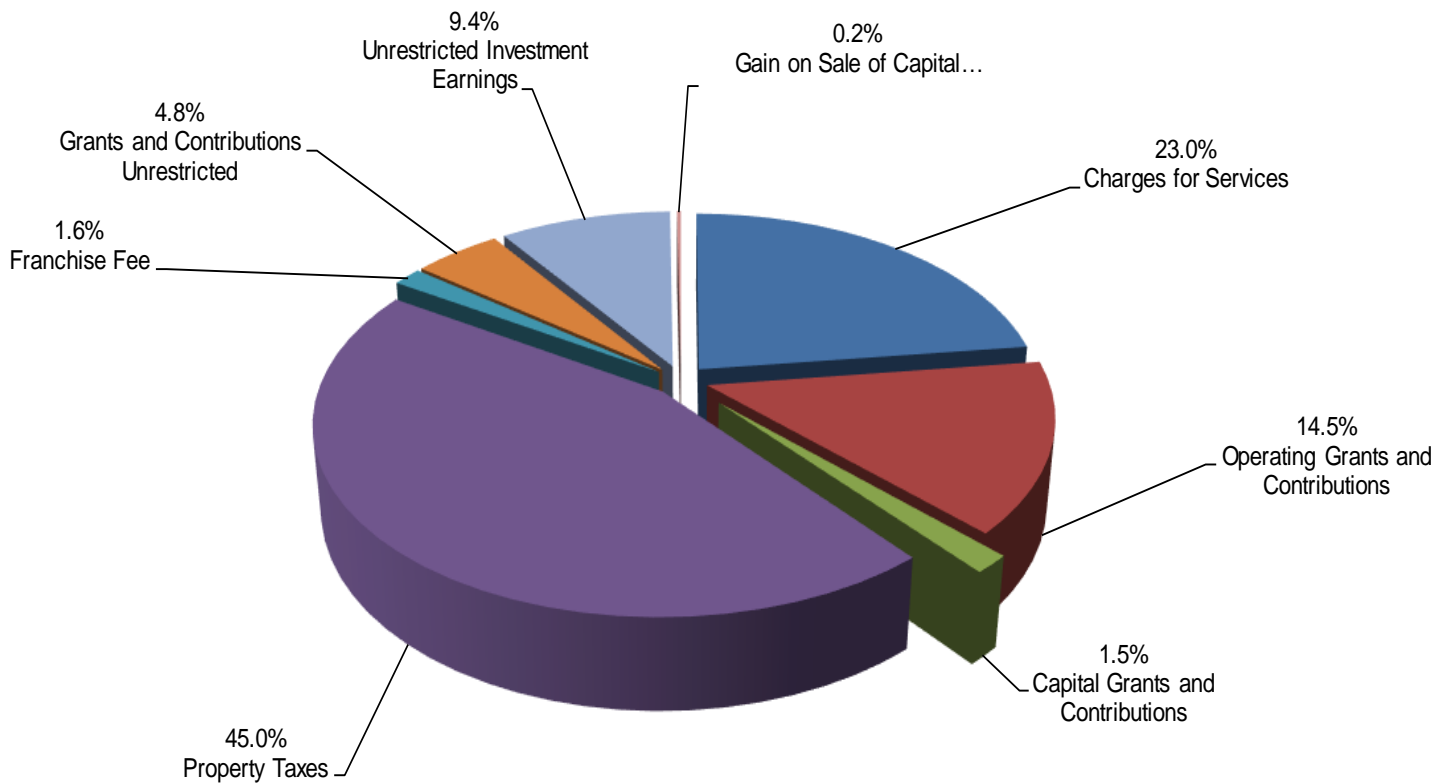
- Charges for services decreased by only \$10,169 in 2023.
- Operating grants and contributions increased by \$326,247 from 2022. This increase is mainly due to the one-time Public Safety Local Government Aid that the City received at year-end in 2023.
- Capital grants and contributions decreased by \$675,482 in 2023. This decrease is due to less revenue received for special assessments because the City did not have a street construction project in 2023 so that bonded funds could go towards the Public Safety Facility renovation.
- Other revenues increased by \$4,800,818 mainly due to a significant positive market value adjustment for investments, as well as an increase in property taxes levied.
- Governmental expenses decreased by \$666,760 compared to 2022. The most significant portion of the decrease (\$2,328,525) was in Public Works. As mentioned above, the City did not have a street construction project in 2023. This decrease was partially offset by an increase (\$1,514,806) in Community Development expenses. The City decertified one of its Tax Increment Financing (TIF) Districts and excess TIF funds of \$1,480,502 were returned to the County in 2023 so that the funds could be redistributed to the appropriate agencies.

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

Expenses and Program Revenues - Governmental Activities



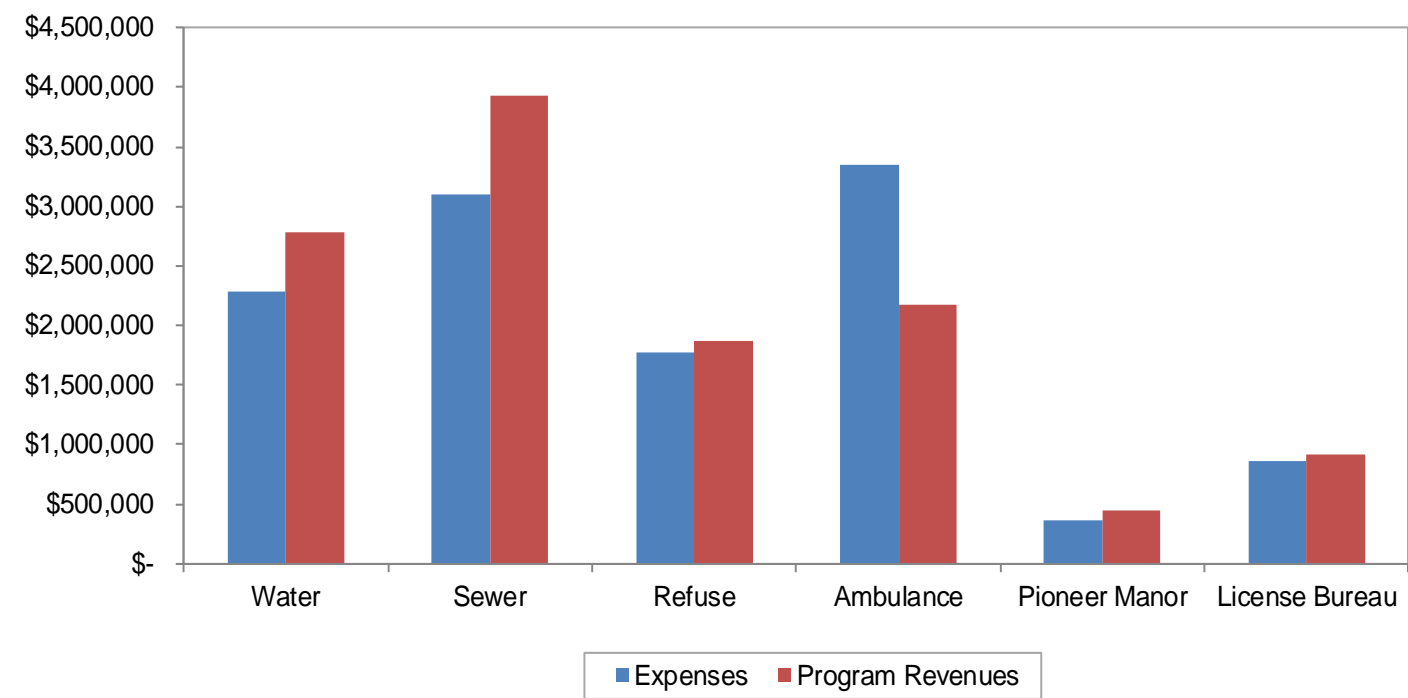
Program Revenues - Governmental Activities



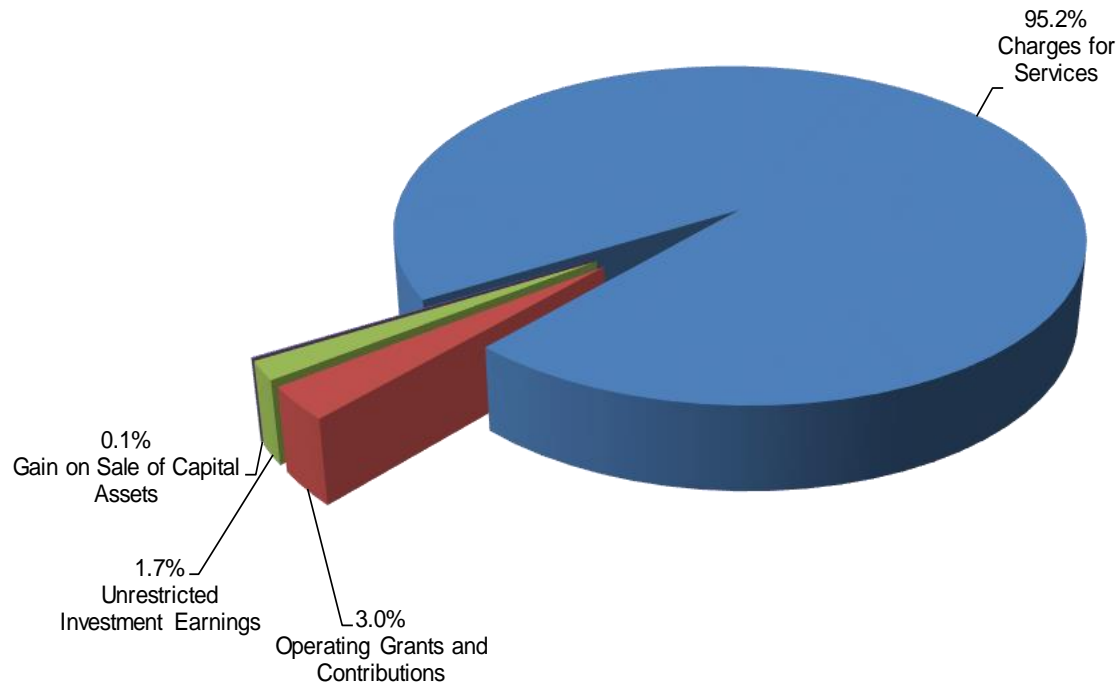
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City’s net position by \$69,244, or 0.70% from 2022.

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 \$39,946,903, an increase of \$958,704 in comparison with the prior year. Approximately 20.9% of this total amount, \$8,351,927, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance of \$31,594,976 is not available for new spending because it is either 1) nonspendable (\$5,288), 2) restricted (\$9,709,368), 3) committed (\$15,045,213) or 4) assigned (\$6,835,107). For further classification, refer to note 12 on page 114 of this report.

The General Fund revenues exceeded expenditures by \$749,358, but after including the other financing sources and uses, the net increase in fund balance was \$1,801,533. The General Fund had a fund balance of \$9,217,317 at year-end. This increase in fund balance was mainly due the receipt of approximately \$452,000 of one-time Public Safety Local Government Aid and an increased permit and plan review revenues.

The Non-Bonded Debt Fund had a fund balance of \$1,359,988 at year-end, an increase of \$265,280 from 2022. The 2023 revenues collected in this fund are special assessments of \$471,428 used to finance street construction costs, investment income of \$26,285, and a \$137,810 payment on the loan agreement for the Sports Center from the White Bear Lake Area Hockey Association.

The Pavement Management Fund balance increased \$219,362. The fund balance at year-end was \$4,634,632. The increase in fund balance is mainly due to positive investment income in 2023.

The Municipal Building Fund balance decreased \$1,226,292 in 2023. The fund balance at year-end was \$5,405,112. The City issued \$6,990,000 in G.O. CIP Bonds in December 2022 and \$10,000,000 in G.O. CIP Bonds in March 2023 for the renovation and expansion of the Public Safety Facility. The decrease in fund balance was due to the City spending the bond proceeds on the renovation and expansion.

The Equipment Acquisition Fund balance increased by \$496,313 which was mainly due to the receipt of \$645,000 in one-time Public Safety Local Government Aid at year-end in 2023.

In 2023, the Community Reinvestment Fund balance decreased by \$38,446 to \$6,954,259 due to transfers out exceeding revenues.

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 major proprietary funds are: Water Fund, \$4,399,738; Sewer Fund, \$4,399,159, Refuse Fund, \$396,468; Ambulance Fund, negative \$573,230.

The change in net position of the Water Fund was an increase of \$452,953. The majority of this increase was due to a 3.0% increase in water rates, as well as an increase in the quarterly infrastructure fees charged to residents and commercial customers.

The change in net position of the Sewer Fund was \$815,079. 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 \$1,084,804. The fund recognized \$746,265 of pension expense related to the PERA Police and Fire Plan in 2023 which contributed significantly to the decrease in fund balance.

The Refuse Fund balance remained consistent with the prior year and only decreased by \$13,876.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues came in over budget by \$1,027,146. There were two main factors that contributed to this variance. The first factor was building permits and plan reviews coming in higher than anticipated. The second factor was the receipt of one-time Public Safety Local Government Aid. The City budgeted to receive these funds in early 2024, however the funds were received on the final business day of 2023. Expenditures were \$696,872 under budget. This was primarily due to salaries and wages coming in less than budgeted in the Police and Building departments due to turnover and position vacancies.

There were amendments to the original budget for the General Fund in 2023. The revenue budget was increased by \$457,001 to total \$13,208,404, and the expenditure budget was decreased by \$290,013 to total \$14,182,884. Other financing sources (uses) were amended to increase sale of assets by \$2,870. Net changes to the budget resulted in a budgeted surplus of \$76,990.

CAPITAL ASSETS,

The City's investment in capital assets for its government and business-type activities as of December 31, 2023 totals \$92,058,669 (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:

- Public Safety Facility Building Renovation Project work in process totaling \$11,799,217
- Replacement of City Hall air handler units totaling \$215,652
- Replacement of a lime slaker at the Water Treatment Plant totaling \$401,412
- Replacement of an ambulance totaling \$235,658
- Sports Center Energy Improvement Project addition totaling \$1,243,513
- Addition of the Lakewood Hills All Abilities Park totaling \$513,469

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

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land and improvements	\$ 9,666,893	\$ 9,666,893	\$ -	\$ 490,275	\$ 490,275	\$ -
Work in process	13,091,381	2,587,829	10,503,552	144,615	317,272	(172,657)
Buildings and improvements	10,902,809	10,240,845	661,964	910,267	931,675	(21,408)
Other improvements	3,101,194	3,051,722	49,472	489,597	329,412	160,185
Furniture and equipment	4,049,097	4,419,909	(370,812)	1,743,106	1,228,703	514,403
Distribution/Collection System	-	-	-	3,880,758	4,023,898	(143,140)
Infrastructure						
Streets	39,213,291	40,339,058	(1,125,767)	-	-	-
Storm Sewer	4,375,386	4,450,496	(75,110)	-	-	-
Total	<u>\$ 84,400,051</u>	<u>\$ 74,756,752</u>	<u>\$ 9,643,299</u>	<u>\$ 7,658,618</u>	<u>\$ 7,321,235</u>	<u>\$ 337,383</u>

Additional information on the City of White Bear Lake's capital assets can be found in the financial statements Note 5 of the report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt outstanding of \$40,931,442. 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		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Tax Increment Bonds	\$ 1,785,000	\$ 2,045,000	\$ (260,000)	\$ -	\$ -	\$ -
Special Assessment Bonds	14,895,000	15,835,000	(940,000)	-	-	-
Tax Abatement Bonds	2,815,000	2,950,000	(135,000)	-	-	-
Capital Improvement Bonds	16,990,000	6,990,000	10,000,000	-	-	-
Utility Revenue Bonds	-	-	-	3,115,000	3,290,000	(175,000)
Premium on bonds	1,206,173	938,476	267,697	125,269	133,941	(8,672)
Total	\$ 37,691,173	\$ 28,758,476	\$ 8,932,697	\$ 3,240,269	\$ 3,423,941	\$ (183,672)

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 \$113,835,417. The City had \$20,455,028 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 6 of the report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- Ramsey County had an annual average unemployment rate at the end of 2023 of 2.3%. This compares with unemployment rates of 2.6% for the State of Minnesota and 3.5% for the United States.
- The City's local tax capacity will increase by 3.3% for property taxes payable in 2024.
- City population is expected to remain stable or increase in 2024.

These factors were considered in preparing the City's budget for the 2024 fiscal year. The City's adopted 2024 budget includes a property tax levy of \$12,003,000, which is 20.6% more than the prior year's levy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of White Bear Lake, Minnesota
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 47,783,567	\$ 6,040,145	\$ 53,823,712
Interest receivable	164,882	-	164,882
Accounts and loans/notes receivable, net	1,890,335	2,456,576	4,346,911
Taxes receivable	116,805	-	116,805
Special assessments receivable	3,551,036	403,906	3,954,942
Lease receivable	271,363	-	271,363
Intergovernmental receivable	523,381	12,254	535,635
Internal balances	(450,228)	450,228	-
Prepaid expenses	5,288	117	5,405
Non-current assets:			
Lease receivable	5,266,314	-	5,266,314
Net pension asset - Fire Relief Association	2,949,978	-	2,949,978
Capital assets, net of accumulated depreciation:			
Land and improvements	9,666,893	490,275	10,157,168
Buildings and improvements	10,902,809	910,267	11,813,076
Other improvements	3,101,194	489,597	3,590,791
Furniture and equipment	4,049,097	1,743,106	5,792,203
Infrastructure	43,588,677	-	43,588,677
Distribution / Collection system	-	3,880,758	3,880,758
Work in progress	13,091,381	144,615	13,235,996
Total assets	<u>146,472,772</u>	<u>17,021,844</u>	<u>163,494,616</u>
 Deferred outflows of resources			
Deferred pension resources	8,940,295	2,976,233	11,916,528
Deferred OPEB resources	1,379,875	-	1,379,875
Total deferred outflows of resources	<u>10,320,170</u>	<u>2,976,233</u>	<u>13,296,403</u>
 Liabilities			
Interest payable	666,850	25,153	692,003
Accounts and contracts payable	2,440,146	546,445	2,986,591
Accrued wages payable	563,223	-	563,223
Intergovernmental payable	1,218	90,252	91,470
Deposits payable	72,700	34,301	107,001
Unearned revenue	649,375	94,806	744,181
Noncurrent liabilities:			
Due within one year			
Long-term liabilities	2,089,975	188,672	2,278,647
Net pension liability	203,234	430,537	633,771
Total OPEB Liability	119,493	-	119,493
Due in more than one year			
Long-term liabilities	37,019,122	3,051,597	40,070,719
Net pension liability	6,785,358	2,187,771	8,973,129
Total OPEB Liability	2,583,214	-	2,583,214
Total liabilities	<u>53,193,908</u>	<u>6,649,534</u>	<u>59,843,442</u>
 Deferred inflows of resources			
Deferred lease resources	5,343,652	-	5,343,652
Deferred pension resources	7,640,845	2,857,735	10,498,580
Deferred OPEB resources	302,957	-	302,957
Total deferred inflows of resources	<u>13,287,454</u>	<u>2,857,735</u>	<u>16,145,189</u>
 Net Position			
Net investment in capital assets	52,246,551	4,418,349	56,664,900
Restricted for debt service	3,784,772	-	3,784,772
Restricted for economic development	71,116	-	71,116
Restricted for public safety	1,133,034	-	1,133,034
Restricted for Fire Relief Association	2,949,978	-	2,949,978
Unrestricted	30,126,129	6,072,459	36,198,588
Total net position	<u>\$ 90,311,580</u>	<u>\$ 10,490,808</u>	<u>\$ 100,802,388</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, 2023

Function/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,622,891	\$ 704,968	\$ 77,436	\$ -
Community development	2,584,811	415,315	29,690	-
Public safety	8,555,389	2,683,538	2,096,345	-
Public works	5,182,844	268,436	1,187,509	226,918
Parks and recreation	2,645,681	1,302,054	552	130,613
Interest on long-term debt	1,365,349	-	-	-
Total governmental activities (See Note 1)	<u>22,956,965</u>	<u>5,374,311</u>	<u>3,391,532</u>	<u>357,531</u>
Business-type activities:				
Water	2,282,156	2,782,538	3,562	-
Sewer	3,095,335	3,928,039	-	-
Refuse	1,777,238	1,801,633	62,880	-
Ambulance	3,355,106	1,931,650	239,000	-
Pioneer Manor	358,583	442,144	-	-
License Bureau	859,776	859,610	61,257	-
Total business-type activities	<u>11,728,194</u>	<u>11,745,614</u>	<u>366,699</u>	<u>-</u>
Total government	<u>\$ 34,685,159</u>	<u>\$ 17,119,925</u>	<u>\$ 3,758,231</u>	<u>\$ 357,531</u>

General revenues:

- Property taxes levied for general purpose
- Property taxes levied for tax increments
- Franchise taxes
- Grants and contributions not restricted to specific programs
- Investment income (loss)
- Gain on sale of capital assets
- Internal 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
\$ (1,840,487)	\$ -	\$ (1,840,487)
(2,139,806)	-	(2,139,806)
(3,775,506)	-	(3,775,506)
(3,499,981)	-	(3,499,981)
(1,212,462)	-	(1,212,462)
(1,365,349)	-	(1,365,349)
<u>(13,833,591)</u>	<u>-</u>	<u>(13,833,591)</u>
-	503,944	503,944
-	832,704	832,704
-	87,275	87,275
-	(1,184,456)	(1,184,456)
-	83,561	83,561
-	61,091	61,091
<u>-</u>	<u>384,119</u>	<u>384,119</u>
(13,833,591)	384,119	(13,449,472)
9,846,759	-	9,846,759
679,503	-	679,503
371,353	-	371,353
1,127,728	-	1,127,728
2,211,622	215,610	2,427,232
49,600	12,381	61,981
(10,967)	10,967	-
553,833	(553,833)	-
<u>14,829,431</u>	<u>(314,875)</u>	<u>14,514,556</u>
995,840	69,244	1,065,084
<u>89,315,740</u>	<u>10,421,564</u>	<u>99,737,304</u>
<u>\$ 90,311,580</u>	<u>\$ 10,490,808</u>	<u>\$ 100,802,388</u>

(Continued)

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of White Bear Lake, Minnesota
Balance Sheet
Governmental Funds
December 31, 2023

	General	Non-Bonded Debt	Pavement Management	Municipal Building	Equipment Acquisition
Assets					
Cash	\$ 9,258,312	\$ 1,003,998	\$ 5,057,520	\$ 7,698,963	\$ 2,669,325
Accounts receivable	24,033	137,810	-	-	-
Accrued interest receivable	-	-	-	-	-
Taxes receivable	88,022	-	-	-	-
Special assessments receivable	2,885	1,729,623	216,318	-	-
Due from other governments	307,982	-	-	-	135,586
Advances to other funds	-	213,750	-	-	-
Leases receivable	-	-	-	-	5,154,289
Loans receivable	-	-	-	-	-
Notes receivable	-	1,535,440	-	-	-
Prepaid items	5,205	-	-	-	-
Total assets	\$ 9,686,439	\$ 4,620,621	\$ 5,273,838	\$ 7,698,963	\$ 7,959,200
Liabilities:					
Accounts and contracts payable	\$ 263,609	\$ 8,346	\$ 422,973	\$ 1,438,851	\$ 209,048
Deposits payable	72,200	-	-	-	-
Intergovernmental payable	860	-	-	-	-
Advances from other funds	-	-	-	855,000	-
Unearned revenue - other	50,750	-	-	-	-
Total liabilities	387,419	8,346	422,973	2,293,851	209,048
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	81,703	-	-	-	-
Special assessments	-	1,716,847	216,233	-	-
Loan/Notes receivable	-	1,535,440	-	-	-
Deferred lease resources	-	-	-	-	4,922,932
Total deferred inflows of resources	81,703	3,252,287	216,233	-	4,922,932
Fund Balances:					
Nonspendable	5,205	-	-	-	-
Restricted	451,939	-	-	5,537,673	645,000
Committed	-	-	-	-	2,182,220
Assigned	-	1,359,988	4,634,632	-	-
Unassigned	8,760,173	-	-	(132,561)	-
Total fund balances	9,217,317	1,359,988	4,634,632	5,405,112	2,827,220
Total liabilities, deferred inflows of resources and fund balances	\$ 9,686,439	\$ 4,620,621	\$ 5,273,838	\$ 7,698,963	\$ 7,959,200

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

Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,789,377	\$ 9,391,707	\$ 41,869,202
-	123,953	285,796
164,882	-	164,882
-	28,783	116,805
-	1,602,210	3,551,036
-	18,091	461,659
-	1,391,250	1,605,000
-	383,388	5,537,677
-	69,099	69,099
-	-	1,535,440
-	83	5,288
<u>\$ 6,954,259</u>	<u>\$ 13,008,564</u>	<u>\$ 55,201,884</u>
\$ -	\$ 94,648	\$ 2,437,475
-	500	72,700
-	358	1,218
-	750,000	1,605,000
-	598,625	649,375
-	1,444,131	4,765,768
-	3,391	85,094
-	1,591,947	3,525,027
-	-	1,535,440
-	420,720	5,343,652
-	2,016,058	10,489,213
-	83	5,288
-	3,074,756	9,709,368
6,954,259	5,908,734	15,045,213
-	840,487	6,835,107
-	(275,685)	8,351,927
<u>6,954,259</u>	<u>9,548,375</u>	<u>39,946,903</u>
<u>\$ 6,954,259</u>	<u>\$ 13,008,564</u>	<u>\$ 55,201,884</u>

(Continued)

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of White Bear Lake, Minnesota
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Governmental Funds
December 31, 2023

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

Total fund balances - governmental funds	\$ 39,946,903
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	137,540,679
Less accumulated depreciation	(53,140,628)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	5,145,561
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	8,940,295
Net pension asset	2,949,978
Net pension liability	(6,988,592)
Deferred inflows of pension resources	(7,640,845)
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.	1,916,252
Governmental funds do not report a liability for accrued interest until due and payable	(666,850)
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	(36,485,000)
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	(1,206,173)
Net position of governmental activities	<u>\$ 90,311,580</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, 2023

	General	Non-Bonded Debt	Pavement Management	Municipal Building
Revenues				
General property taxes	\$ 8,163,075	\$ -	\$ -	\$ -
Tax increment	-	-	-	-
Franchise fees	371,353	-	-	-
Licenses and permits	1,721,660	-	-	-
Fines and forfeits	52,548	-	-	-
Intergovernmental	2,623,256	-	786,113	-
Charges for services	932,410	-	-	-
Special assessments	-	471,428	27,964	-
Investment income	272,348	26,285	192,802	923,766
Rental and lease income	45,793	-	-	-
Refunds and reimbursements	30,081	137,810	1,185	5,450
Donations	1,020	-	-	-
Dedicated fees	-	-	-	-
Miscellaneous	22,006	-	540	-
Total revenues	14,235,550	635,523	1,008,604	929,216
Expenditures				
Current				
General government	1,961,492	-	-	-
Public safety	7,940,986	-	-	126,335
Public works	2,391,763	-	394,486	-
Parks and recreation	806,092	-	-	2,036
Community development	385,679	-	-	-
Capital outlay				
General government	-	-	-	282,775
Public safety	-	-	-	11,827,858
Public works	-	-	210,000	6,994
Parks and recreation	-	-	-	103,279
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	17,866	-	207,923
Total expenditures	13,486,012	17,866	604,486	12,557,200
Excess (deficiency) of revenues over (under) expenditures	749,538	617,657	404,118	(11,627,984)
Other financing sources (uses)				
Sale of capital assets	3,395	-	244	-
Bonds issued	-	-	-	10,000,000
Premium on bonds issued	-	-	-	326,692
Transfers from other funds	1,048,600	-	115,000	75,000
Transfers to other funds	-	(352,377)	(300,000)	-
Total other financing sources (uses)	1,051,995	(352,377)	(184,756)	10,401,692
Net change in fund balance	1,801,533	265,280	219,362	(1,226,292)
Fund balance - beginning	7,415,784	1,094,708	4,415,270	6,631,404
Fund balance - ending	\$ 9,217,317	\$ 1,359,988	\$ 4,634,632	\$ 5,405,112

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

Equipment Acquisition	Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,675,923	\$ 9,838,998
-	-	679,503	679,503
-	-	-	371,353
-	-	18,225	1,739,885
-	-	-	52,548
751,770	-	351,859	4,512,998
-	-	923,981	1,856,391
-	-	314,872	814,264
78,750	251,554	277,523	2,023,028
402,975	-	794,793	1,243,561
149,198	-	7,614	331,338
-	-	13,399	14,419
-	-	122,456	122,456
80,766	-	54,681	157,993
1,463,459	251,554	5,234,829	23,758,735
175,882	-	19,327	2,156,701
132,837	-	4,269	8,204,427
21,250	-	227,694	3,035,193
5,026	-	899,843	1,712,997
-	-	2,175,551	2,561,230
18,606	-	10,216	311,597
216,026	-	-	12,043,884
117,732	-	252,920	587,646
92,748	-	528,345	724,372
-	-	20,193	20,193
-	-	1,335,000	1,335,000
-	-	811,127	1,036,916
780,107	-	6,284,485	33,730,156
683,352	251,554	(1,049,656)	(9,971,421)
45,961	-	-	49,600
-	-	-	10,000,000
-	-	-	326,692
-	-	887,885	2,126,485
(233,000)	(290,000)	(397,275)	(1,572,652)
(187,039)	(290,000)	490,610	10,930,125
496,313	(38,446)	(559,046)	958,704
2,330,907	6,992,705	10,107,421	38,988,199
\$ 2,827,220	\$ 6,954,259	\$ 9,548,375	\$ 39,946,903

(Continued)

THIS PAGE IS LEFT
BLANK INTENTIONALLY

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, 2023

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

Net change in fund balances - total governmental funds	\$ 958,704
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.	
Capital outlay	13,501,786
Depreciation expense	(3,829,710)
Capital contributions to enterprise funds	(10,967)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(17,810)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent taxes	7,761
Special assessments	(522,374)
Notes receivable	(84,826)
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.	
Proceeds from long-term debt	(10,000,000)
Debt issuance premium	(326,692)
Principal repayments	1,335,000
Interest payments	(387,428)
Long-term pension activity is not reported in governmental funds.	
Pension expense	148,431
Pension revenue	12,449
Premiums are recognized when debt is issued in the governmental funds but amortized over the life of the debt in the Statement of Activities	58,995
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.	152,521
Changes in net position of governmental activities	<u>\$ 995,840</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, 2023

	Water	Sewer	Refuse
Assets			
Current Assets			
Cash	\$ 1,929,422	\$ 3,095,034	\$ 416,969
Receivables:			
Unremitted special assessments	10,159	-	-
Delinquent special assessments	47,003	-	-
Unavailable special assessments	278,949	67,795	-
Accounts, net	1,475,397	322,980	158,600
Intergovernmental	4,377	5,785	2,092
Prepaid expenses	-	-	-
Total current assets	<u>3,745,307</u>	<u>3,491,594</u>	<u>577,661</u>
Noncurrent Assets			
Capital Assets			
Land	79,990	-	-
Buildings	2,060,171	109,501	-
Other improvements	-	-	-
Equipment	1,671,188	1,384,597	-
Wells	930,811	-	-
Distribution system	7,203,548	-	-
Collection system	-	5,087,041	-
Work in progress	-	144,615	-
Less accumulated depreciation	(7,596,614)	(5,334,528)	-
Total net capital assets	<u>4,349,094</u>	<u>1,391,226</u>	<u>-</u>
Total assets	<u>8,094,401</u>	<u>4,882,820</u>	<u>577,661</u>
Deferred outflows of resources			
Deferred pension resources	73,692	56,550	992
Deferred OPEB resources	-	-	-
Total deferred outflows of resources	<u>73,692</u>	<u>56,550</u>	<u>992</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
\$ 198,181	\$ 400,539	\$ 6,040,145	\$ 5,914,365
-	-	10,159	-
-	-	47,003	-
-	-	346,744	-
499,599	8,455	2,465,031	-
-	-	12,254	61,722
-	117	117	-
697,780	409,111	8,921,453	5,976,087
-	410,285	490,275	-
-	2,499,238	4,668,910	-
-	376,522	376,522	-
1,337,471	181,592	4,574,848	-
-	-	930,811	-
-	-	7,203,548	-
-	-	5,087,041	-
-	-	144,615	-
(952,375)	(1,934,435)	(15,817,952)	-
385,096	1,533,202	7,658,618	-
1,082,876	1,942,313	16,580,071	5,976,087
2,744,205	100,794	2,976,233	-
-	-	-	1,379,875
2,744,205	100,794	2,976,233	1,379,875

(Continued)

City of White Bear Lake, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Sewer	Refuse
Liabilities			
Current Liabilities:			
Accounts payable	\$ 121,617	\$ 157,020	\$ 167,734
Accrued wages payable	-	-	-
Accrued interest payable	25,153	-	-
Intergovernmental payable	1,373	79,520	9,359
Deposits payable	-	-	-
Unearned revenue	1,526	13,280	-
Compensated absences payable	-	-	-
Bonds payable (net of unamortized premiums and discounts)	188,672	-	-
Net pension liability	46,788	35,903	629
Net OPEB liability	-	-	-
Total current liabilities	<u>385,129</u>	<u>285,723</u>	<u>177,722</u>
Noncurrent Liabilities			
Bonds payable (net of unamortized premiums and discounts)	3,051,597	-	-
Net pension liability	237,746	182,443	3,199
Compensated absences payable	-	-	-
Net OPEB liability	-	-	-
Total noncurrent liabilities	<u>3,289,343</u>	<u>182,443</u>	<u>3,199</u>
Total liabilities	<u>3,674,472</u>	<u>468,166</u>	<u>180,921</u>
Deferred inflows of resources			
Deferred pension resources	93,883	72,045	1,264
Deferred OPEB resources	-	-	-
Total deferred inflows of resources	<u>93,883</u>	<u>72,045</u>	<u>1,264</u>
Net Position			
Net Investment in capital assets	1,108,825	1,391,226	-
Unrestricted	<u>3,290,913</u>	<u>3,007,933</u>	<u>396,468</u>
Total net position	<u>\$ 4,399,738</u>	<u>\$ 4,399,159</u>	<u>\$ 396,468</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
\$ 35,758	\$ 72,771	\$ 554,900	\$ 2,671
-	-	-	563,223
-	-	25,153	-
-	-	90,252	-
-	34,301	34,301	-
80,000	-	94,806	-
-	-	-	665,500
-	-	188,672	-
283,223	63,994	430,537	-
-	-	-	119,493
398,981	171,066	1,418,621	1,350,887
-	-	3,051,597	-
1,439,198	325,185	2,187,771	-
-	-	-	752,424
-	-	-	2,583,214
1,439,198	325,185	5,239,368	3,335,638
1,838,179	496,251	6,657,989	4,686,525
2,562,132	128,411	2,857,735	-
-	-	-	302,957
2,562,132	128,411	2,857,735	302,957
385,096	1,533,202	4,418,349	-
(958,326)	(114,757)	5,622,231	2,366,480
\$ (573,230)	\$ 1,418,445	\$ 10,040,580	\$ 2,366,480

Total net position of enterprise
funds

\$ 10,040,580

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

450,228

Net position of business-type
activities

\$ 10,490,808

(Continued)

City of White Bear Lake, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Water	Sewer	Refuse
Operating revenues			
Charges for services	\$ 2,749,020	\$ 3,915,592	\$ 1,776,978
Penalties	6,368	-	-
Rent	-	-	-
Premium reimbursement	-	-	-
Sale of recyclables	-	-	732
Other	24,535	12,447	23,920
Total operating revenues	<u>2,779,923</u>	<u>3,928,039</u>	<u>1,801,630</u>
Operating expenses			
Personal services	575,449	441,952	7,694
Supplies	297,246	36,523	1,483
Other services and charges	971,873	449,494	122,845
Disposal charges	162,611	1,998,716	1,644,274
Depreciation	210,505	161,127	-
Total operating expenses	<u>2,217,684</u>	<u>3,087,812</u>	<u>1,776,296</u>
Operating income (loss)	<u>562,239</u>	<u>840,227</u>	<u>25,334</u>
Nonoperating revenues (expenses)			
Investment income	64,141	100,022	16,907
Intergovernmental	3,562	-	62,880
Miscellaneous revenues	2,615	-	3
Interest expense	(52,622)	-	-
Gain on disposal of assets	51	4,830	-
Total nonoperating revenues	<u>17,747</u>	<u>104,852</u>	<u>79,790</u>
Income (loss) before capital contributions and transfers	579,986	945,079	105,124
Capital contributions from other funds	10,967	-	-
Transfers from other funds	-	-	-
Transfers to other funds	<u>(138,000)</u>	<u>(130,000)</u>	<u>(119,000)</u>
Change in net position	452,953	815,079	(13,876)
Net position - beginning	<u>3,946,785</u>	<u>3,584,080</u>	<u>410,344</u>
Net position - ending	<u>\$ 4,399,738</u>	<u>\$ 4,399,159</u>	<u>\$ 396,468</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,926,960	\$ 859,531	\$ 11,228,081	\$ 4,231,058
-	-	6,368	-
-	438,131	438,131	-
-	-	-	107,648
-	-	732	-
4,690	721	66,313	-
1,931,650	1,298,383	11,739,625	4,338,706
2,887,386	812,045	4,724,526	3,680,702
144,839	14,066	494,157	-
204,355	297,515	2,046,082	718,747
-	-	3,805,601	-
116,626	92,278	580,536	-
3,353,206	1,215,904	11,650,902	4,399,449
(1,421,556)	82,479	88,723	(60,743)
23,252	11,288	215,610	188,594
239,000	61,257	366,699	-
-	3,371	5,989	-
-	-	(52,622)	-
7,500	-	12,381	-
269,752	75,916	548,057	188,594
(1,151,804)	158,395	636,780	127,851
-	-	10,967	-
233,000	18,667	251,667	-
(166,000)	(252,500)	(805,500)	-
(1,084,804)	(75,438)	93,914	127,851
511,574	1,493,883	9,946,666	2,238,629
\$ (573,230)	\$ 1,418,445	\$ 10,040,580	\$ 2,366,480

Change in net position from
enterprise funds \$ 93,914

Adjustment for the net effect of the
current year activity between the
internal service funds and the
enterprise funds. (24,670)

Changes in net position of business-
type activities \$ 69,244

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Water	Sewer	Refuse
Cash flows from operating activities			
Receipts from customers	\$ 2,788,062	\$ 3,860,962	\$ 1,805,202
Receipts from other funds	-	-	-
Payments to vendors	(1,288,546)	(502,295)	(1,759,118)
Payments to employees	(575,449)	(441,952)	(7,694)
Payments to other governments	(152,501)	(1,948,715)	-
Other receipts	27,150	12,447	29,385
Net cash provided (used) by operating activities	798,716	980,447	67,775
Cash flows from noncapital financing activities			
Intergovernmental receipts	3,562	-	62,880
Transfers from other funds	-	-	-
Transfers (to) other funds	(138,000)	(130,000)	(119,000)
Net cash provided (used) by noncapital financing activities	(134,438)	(130,000)	(56,120)
Cash flows from capital financing activities			
Purchase of property and equipment	(468,397)	(89,885)	-
Principal paid on capital debt	(175,000)	-	-
Interest paid on debt	(63,173)	-	-
Proceeds from the sale of capital assets	51	4,830	-
Net cash provided (used) by capital financing activities	(706,519)	(85,055)	-
Cash flows from investing activities			
Investment income received	64,141	100,022	16,907
Increase (decrease) in cash and cash equivalents	21,900	865,414	28,562
Cash and cash equivalents at beginning of year	1,907,522	2,229,620	388,407
Cash and cash equivalents at end of year	\$ 1,929,422	\$ 3,095,034	\$ 416,969

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,962,805	\$ 1,304,770	\$ 11,721,801	\$ -
-	-	-	4,231,536
(348,466)	(290,603)	(4,189,028)	(2,322,010)
(2,145,811)	(803,957)	(3,974,863)	-
-	-	(2,101,216)	(1,801,903)
4,690	721	74,393	227,446
(526,782)	210,931	1,531,087	335,069
239,000	61,257	366,699	-
233,000	18,667	251,667	-
(166,000)	(252,500)	(805,500)	-
306,000	(172,576)	(187,134)	-
(292,327)	(56,343)	(906,952)	-
-	-	(175,000)	-
-	-	(63,173)	-
7,500	-	12,381	-
(284,827)	(56,343)	(1,132,744)	-
23,252	11,288	215,610	188,594
(482,357)	(6,700)	426,819	523,663
680,538	407,239	5,613,326	5,390,702
\$ 198,181	\$ 400,539	\$ 6,040,145	\$ 5,914,365

(Continued)

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Water	Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 562,239	\$ 840,227	\$ 25,334
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	210,505	161,127	-
Miscellaneous	2,615	-	3
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	3,438	10,100	(12,000)
Special assessments	29,236	(64,730)	-
Intergovernmental receivable	(4,377)	1,922	40,224
Prepaid expenses	-	-	-
Deferred outflows in OPEB resources	-	-	-
Deferred outflows in pension resources	48,804	38,596	218
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(19,427)	(16,278)	9,484
Wages payable	-	-	-
Intergovernmental payable	115	39,760	3,496
Deposits payable	-	-	-
Deferred inflows in pension resources	86,906	66,626	1,195
Deferred inflows in OPEB resources	-	-	-
Unearned revenue	-	-	-
Net pension liability	(121,338)	(96,903)	(179)
OPEB Liability	-	-	-
Compensated absences	-	-	-
Net cash provided (used) by operating activities	<u>\$ 798,716</u>	<u>\$ 980,447</u>	<u>\$ 67,775</u>
Noncash capital and related financing activities			
Acquisition of capital assets through capital contribution	<u>\$ 10,967</u>	<u>\$ -</u>	<u>\$ -</u>
Amortization of bond premium	<u>\$ (8,672)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (1,421,556)	\$ 82,479	\$ 88,723	\$ (60,743)
116,626	92,278	580,536	-
-	3,371	5,989	-
274,845	3,741	280,124	478
-	-	(35,494)	-
-	-	37,769	(61,587)
-	653	653	-
-	-	-	(543,684)
(1,256,100)	71,635	(1,096,847)	-
728	20,330	(5,163)	(27,602)
-	-	-	79,608
-	(5)	43,366	-
-	(4)	(4)	-
969,996	118,590	1,243,313	-
-	-	-	(30,536)
(239,000)	-	(239,000)	-
1,027,679	(182,137)	627,122	-
-	-	-	812,735
-	-	-	166,400
\$ (526,782)	\$ 210,931	\$ 1,531,087	\$ 335,069
\$ -	\$ -	\$ 10,967	\$ -
\$ -	\$ -	\$ (8,672)	\$ -

(Continued)

City of White Bear Lake, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 346,503</u>
Liabilities	
Deposits payable	<u> 320,037</u>
Net position	
Restricted for individuals, organizations, and other governments	<u><u>\$ 26,466</u></u>

City of White Bear Lake, Minnesota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	<u>Custodial Funds</u>
Additions	
Geographic information system fees collections	\$ 37,051
Fireworks contributions collections	40,125
Manitou Days event contributions collections	8,218
Manitou Days parade fees collections	12,778
Deputy Registrar collections	55,207,291
Total revenues	<u>55,305,463</u>
Deductions	
Geographic information system fee disbursements	26,367
Fireworks disbursements	30,046
Manitou Days events disbursements	10,459
Manitou Days parade disbursements	8,175
Deputy Registrar disbursements	55,206,398
Total expenditures	<u>55,281,445</u>
Net increase (decrease) in fiduciary net position	24,018
Net position - beginning	<u>2,448</u>
Net position - ending	<u><u>\$ 26,466</u></u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, sports center facility, senior housing facility, and motor vehicle registration and vehicle licensing.

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

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

C. Basis of Presentation - Government Wide Financial Statements

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

As discussed earlier, the government has one blended component unit. While the White Bear Lake Housing and Redevelopment Authority is not considered a major component unit, it is a blended component shown in a separate column in the governmental fund financial statements. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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 Pavement Management 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
Notes to the Financial Statements
December 31, 2023

Additionally, the City reports the following fund types:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Measurement Focus and Basis of Accounting

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

1. Cash and cash equivalents

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

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023:

- US Treasury bills and notes and government agency securities of \$41,415,835 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$7,779,564 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 \$128,798. 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

4. Prepaid expenses

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

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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 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.

8. 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 \$665,500 will be due within the next fiscal year and \$752,424 will be due in more than one year.

9. 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

10. Net position flow assumption

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

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

11. Fund balance policies

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

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

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

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

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

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

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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	\$ 471,924	\$ 1,874,679	\$ 545	\$ (147,338)	\$ 2,199,810
Proportionate share of State's contribution	443	(14,639)	-	-	(14,196)
	<u>\$ 472,367</u>	<u>\$ 1,860,040</u>	<u>\$ 545</u>	<u>\$ (147,338)</u>	<u>\$ 2,185,614</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
Notes to the Financial Statements
December 31, 2023

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, 2023. The City amended the General Fund budget during the year increasing revenues and other financing sources by \$457,001 and decreasing expenditures and other financing uses by \$290,013.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, there were no excesses of expenditures over appropriations.

C. Deficit Fund Balance/Net Position

At December 31, 2023, individual funds with deficit fund balances/net position are as follows:

Fund	Amount
Capital Project	
HRA District 27 Boatworks	\$ 275,685
Enterprise	
Ambulance	573,230
License Bureau	302,224
Internal Service Fund	
Employment Expense Fund	677,818

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023, the City was not exposed to custodial credit risk because deposits were fully collateralized. The City had bank deposits of \$1,973,373 as of December 31, 2023. The City's book balance for cash as of December 31, 2023 was \$1,567,655.

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	\$ 3,326,805	\$ -	\$ -
Brokered money market funds	N/A	Less than 1 year	77,556	-	-
Non-pooled investments at fair value					
US Treasury bills and notes	AAA	Less than 1 year	14,763,091	14,763,091	-
US Treasury bills and notes	AAA	1 to 3 years	5,317,232	5,317,232	-
Government agency securities	AAA	Less than 1 year	4,594,453	4,594,453	-
Government agency securities	AAA	1 to 3 years	14,866,404	14,866,404	-
Government agency securities	AAA	3 to 5 years	1,874,655	1,874,655	-
Negotiable certificates of deposits	N/A	Less than 1 year	3,145,626	-	3,145,626
Negotiable certificates of deposits	N/A	1 to 3 years	3,742,094	-	3,742,094
Negotiable certificates of deposits	N/A	3 to 5 years	891,844	-	891,844
Total investments			\$ 52,599,760	\$ 41,415,835	\$ 7,779,564

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023, 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 (23%), FHLMC (7%), and FFCB (7%).

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	\$ 1,567,655
Investments	52,599,760
Other	
Petty Cash and Change Fund	<u>2,800</u>
Total Cash and Temporary Investments	<u><u>\$ 54,170,215</u></u>
Classification per financial statements	
Cash and Temporary Investments - Statement of Net Position	\$ 53,823,712
Cash in Fiduciary Net Position	<u>346,503</u>
Total	<u><u>\$ 54,170,215</u></u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 4: Lease Receivable

As of December 31, 2023, 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	\$ 1,423,449
Verizon Centerville Road	8/1/1997	1.59%	35,009	675,754
T Mobile Century Monopole	9/1/1996	1.44%	37,464	575,346
T Mobile Centerville Road	6/1/1996	1.44%	33,104	511,687
T Mobile 4701 Miller Road	2/17/1998	0.69%	32,024	96,068
SBA Stellmacher	6/1/2009	1.27%	23,696	266,888
AT&T Century Monopole	10/11/2006	1.75%	46,922	1,605,096
Total				<u>\$ 5,154,288</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 6/30/2028 with one 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.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023, the City had the following Bellaire Center lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Suburban Community Channels	6/1/2022	1.10%	66,515	\$ 27,872
Comcast	2/1/2022	1.10%	25,970	<u>82,295</u>
Total				<u>\$ 110,167</u>

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 4/30/2025 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, 2023, the City had the following lease receivable with The Good Table Restaurant Group:

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	<u>\$ 52,032</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 5/31/2026 with one option to extend for three more years.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

As of December 31, 2023, 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	\$ 21,790
White Bear Lake Area Hockey Association	8/11/2021	2.26%	24,735	<u>199,400</u>
				<u><u>\$ 221,190</u></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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not depreciated				
Land & improvements	\$ 9,666,893	\$ -	\$ -	\$ 9,666,893
Work in process	2,587,829	12,153,137	1,649,585	13,091,381
Total capital assets, not depreciated	12,254,722	12,153,137	1,649,585	22,758,274
Capital assets being depreciated				
Buildings & improvements	26,732,482	1,622,274	13,000	28,341,756
Other improvements	8,995,435	692,518	5,483	9,682,470
Furniture & equipment	11,454,673	672,475	355,679	11,771,469
Infrastructure				
Streets	57,478,555	-	-	57,478,555
Storm sewer	7,508,155	-	-	7,508,155
Total capital assets, depreciated	112,169,300	2,987,267	374,162	114,782,405
Less accumulated depreciation				
Buildings & improvements	16,491,637	960,310	13,000	17,438,947
Other improvements	5,943,713	642,087	4,524	6,581,276
Furniture & equipment	7,034,764	1,026,436	338,828	7,722,372
Infrastructure				
Streets	17,139,497	1,125,767	-	18,265,264
Storm sewer	3,057,659	75,110	-	3,132,769
Total accumulated depreciation	49,667,270	3,829,710	356,352	53,140,628
Total capital assets, depreciated net	62,502,030	(842,443)	17,810	61,641,777
Governmental activities				
Capital assets, net	\$ 74,756,752	\$ 11,310,694	\$ 1,667,395	\$ 84,400,051

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not depreciated				
Land	\$ 490,275	\$ -	\$ -	\$ 490,275
Work in progress	317,272	-	172,657	144,615
Total capital assets, not depreciated	807,547	-	172,657	634,890
Capital assets being depreciated				
Buildings	4,612,566	56,344	-	4,668,910
Other improvements	376,522	183,623	-	560,145
Equipment	4,089,946	850,609	365,710	4,574,845
Distribution / collection system	13,037,780	-	-	13,037,780
Total capital assets	22,116,814	1,090,576	365,710	22,841,680
Less accumulated depreciation				
Buildings	3,680,891	77,752	-	3,758,643
Other improvements	47,110	23,438	-	70,548
Equipment	2,861,243	336,206	365,710	2,831,739
Distribution / collection system	9,013,882	143,140	-	9,157,022
Total accumulated depreciation	15,603,126	580,536	365,710	15,817,952
Total capital assets, depreciated net	6,513,688	510,040	-	7,023,728
Business-type activities				
Capital assets, net	\$ 7,321,235	\$ 510,040	\$ 172,657	\$ 7,658,618

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Capital Assets (Continued)

Depreciation expense was charged to City functions as follows:

Governmental activities:

General government	\$ 379,765
Public safety	488,555
Public works	2,066,188
Parks and recreation	<u>895,202</u>

Total depreciation expense - governmental activities	<u><u>\$ 3,829,710</u></u>
--	----------------------------

Business-type activities:

Water	\$ 210,505
Sewer	161,127
Ambulance	116,626
Pioneer manor	<u>92,278</u>

Total depreciation expense - business-type activities	<u><u>\$ 580,536</u></u>
---	--------------------------

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023, the long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rate	Issue Date	Final Maturity	Original Issue	Principal Outstanding
Governmental activities					
G.O. Tax Increment Bonds					
G.O. Tax Increment Revenue Bonds, Series 2016A	2.00 - 3.00%	3/10/2016	2/1/2037	2,275,000	\$ 1,785,000
Total G.O. Tax Increment Bonds					<u>1,785,000</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	635,000
G.O. Bonds, Series 2018A	3.00 - 4.00%	6/14/2018	2/1/2039	5,850,000	4,910,000
G.O. Improvement Bonds, Series 2019A	3.00 - 4.00%	7/18/2019	2/1/2040	1,925,000	1,620,000
G.O. Improvement and Equipment Certificate Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	3,580,000	3,075,000
G.O. Improvement and Equipment Certificate Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	1,815,000	1,645,000
G.O. Improvement Bonds, Series 2022A	3.00 - 3.25%	6/2/2022	2/1/2038	3,010,000	3,010,000
Total G.O. Special Assessment Bonds					<u>14,895,000</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>2,815,000</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	6,990,000
G.O. Capital Improvement Plan Bonds, Series 2023A	3.20-5.00%	3/23/2023	2/1/2044	10,000,000	<u>10,000,000</u>
Total G.O. Capital Improvement Plan Bonds					<u>16,990,000</u>
Bond premium					1,206,173
Compensated absences payable					1,417,924
Total OPEB liability					2,702,707
Pension liabilities					6,988,592
Total governmental activities					<u>11,109,223</u>
Total governmental indebtedness					<u>\$ 48,800,396</u>
Business-type activities					
G.O. Utility Revenue Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	860,000	\$ 790,000
G.O. Utility Revenue Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	2,465,000	<u>2,325,000</u>
Total G.O. Utility Revenue Bonds					<u>3,115,000</u>
Bond premium					125,269
Pension liabilities					<u>2,618,308</u>
Total business-type indebtedness					<u>\$ 5,858,577</u>
Total City indebtedness					<u>\$ 54,658,973</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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 \$2,814,479 and principal and interest payments totaled \$243,173. The percentage of revenues covering principal and interest payments was 1,157% for 2023.

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
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	115,000	32,963	1,115,000	285,453	155,000	69,675
2029-2033	650,000	124,013	4,740,000	992,661	850,000	274,059
2034-2038	610,000	35,456	3,705,000	405,672	1,005,000	126,047
2039-2043	-	-	805,000	19,525	220,000	3,850
	<u>\$ 1,785,000</u>	<u>\$ 347,759</u>	<u>\$ 14,895,000</u>	<u>\$ 3,166,027</u>	<u>\$ 2,815,000</u>	<u>\$ 797,256</u>

Year	Governmental Activities		Business-type Activities	
	G.O. CIP Bonds		G.O. Utility Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ -	\$ 846,064	\$ 180,000	\$ 58,560
2025	400,000	693,070	185,000	54,198
2026	465,000	671,445	190,000	50,098
2027	525,000	646,695	195,000	45,873
2028	575,000	619,195	200,000	41,523
2029-2033	3,750,000	2,594,600	1,055,000	143,374
2034-2038	4,540,000	1,773,984	960,000	50,770
2039-2043	5,500,000	814,644	150,000	4,500
2044	1,235,000	24,700	-	-
	<u>\$ 16,990,000</u>	<u>\$ 8,684,397</u>	<u>\$ 3,115,000</u>	<u>\$ 448,896</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

C. Changes in Long-Term Liabilities

Long-term debt activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Tax Increment Bonds	\$ 2,045,000	\$ -	\$ 260,000	\$ 1,785,000	\$ 95,000
Special Assessment Bonds	15,835,000	-	940,000	14,895,000	1,120,000
Tax Abatement Bonds	2,950,000	-	135,000	2,815,000	140,000
Capital Improvement Bonds	6,990,000	10,000,000	-	16,990,000	-
Bond premium	938,476	326,692	58,995	1,206,173	69,475
Net pension liability	19,035,147	-	12,046,555	6,988,592	203,234
Total OPEB liability	1,889,972	812,735	-	2,702,707	119,493
Compensated absences	1,251,524	996,424	830,024	1,417,924	665,500
Total governmental activities long-term liabilities	<u>\$ 50,935,119</u>	<u>\$ 12,135,851</u>	<u>\$ 14,270,574</u>	<u>\$ 48,800,396</u>	<u>\$ 2,412,702</u>
Business-type activities					
G.O. Utility Revenue Bonds	\$ 3,290,000	\$ -	\$ 175,000	\$ 3,115,000	\$ 180,000
Premium	133,941	-	8,672	125,269	8,672
Net pension liability	1,991,186	627,122	-	2,618,308	430,537
Total business-type activities long-term liabilities	<u>\$ 5,415,127</u>	<u>\$ 627,122</u>	<u>\$ 183,672</u>	<u>\$ 5,858,577</u>	<u>\$ 619,209</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - 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 Employee 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 for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

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. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

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. 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 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$395,924, \$376,589 and \$356,261, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

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 2023 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2023, 2022 and 2021 were \$841,686, \$804,804 and \$757,809, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$3,573,216 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 \$98,559. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0639 percent at the end of the measurement period and 0.0662 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	\$ 3,573,216
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>98,559</u>
Total	<u><u>\$ 3,671,775</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$471,924 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$443 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2023, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 118,360	\$ 24,615
Changes in Actuarial Assumptions	579,284	979,388
Net Difference Between Projected and Actual Investment Earnings	-	83,916
Changes in Proportion	24,555	91,081
Contributions Paid to PERA Subsequent to the Measurement Date	203,234	-
Total	<u>\$ 925,433</u>	<u>\$ 1,179,000</u>

The \$203,234 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 84,496
2025	(563,681)
2026	99,900
2027	(77,516)
2028	-
Thereafter	-

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$6,033,684 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3494 percent at the end of the measurement period and 0.3627 percent for the beginning of the period.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 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, 2022. 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 (pension allocation schedules) 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, 2023, the City recognized pension expense of \$1,874,679 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional -\$14,639 as pension expense (grant revenue) for its proportionate share of the State of Minnesota's 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 supplemental state aid. The City recognized \$31,446 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the City reported its proportionate share of the 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 Economic Experience	\$ 1,688,826	\$ -
Changes in Actuarial Assumptions	7,258,588	8,483,774
Net Difference Between Projected and Actual Investment Earnings	-	262,679
Changes in Proportion	429,284	397,265
Contributions Paid to PERA Subsequent to the Measurement Date	430,537	-
	<u>\$ 9,807,235</u>	<u>\$ 9,143,718</u>
Total		

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

The \$430,537 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 547,610
2025	146,774
2026	1,486,985
2027	(451,394)
2028	(1,496,995)
Thereafter	-

E. Long-term Expected Return on Investment

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
	100.0 %	

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, 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 7.0 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 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

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 and 1.00 percent for the the Police and Fire Plan.

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. 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 is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 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 and Police and Fire Funds were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

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 one percentage point lower or one percentage point higher than the current discount rate:

	<u>1 Percent Decrease (6.0%)</u>	<u>Current (7.0%)</u>	<u>1 Percent Increase (8.0%)</u>
General Employees Fund	\$ 6,321,307	\$ 3,573,216	\$ 1,312,808
Police and Fire Fund	11,971,548	6,033,684	1,151,965

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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 2023 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, 2023, 2022 and 2021 were \$545, \$545, and \$2,079, respectively.

Pensions

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023, 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 \$317,500 in fire state aid to the fund for the year ended December 31, 2023. 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, 2023. The City's contributions were equal to the required contributions as set by state statute. In addition, the City made no voluntary contributions to the plan.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

D. Pension costs

At December 31, 2023, the City reported a net pension asset of \$2,949,978 for the plan. The net pension liability (asset) was measured as of December 31, 2022. 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, 2023. 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, 2022	\$ 4,195,650	\$ 8,413,183	\$ (4,217,533)
Changes for the Year			
Service cost	73,993	-	73,993
Interest on pension liability (asset)	243,091	-	243,091
Liability experience gains and losses	(28,562)	-	(28,562)
Changes of assumptions	19,127	-	19,127
Projected investment return	-	(1,248,748)	1,248,748
Contributions (employer)	-	289,125	(289,125)
Benefit payments	(436,261)	(436,261)	-
Administrative expenses	-	(2,283)	2,283
Other	-	2,000	(2,000)
Total Net Changes	(128,612)	(1,396,167)	1,267,555
Ending Balance December 31, 2022	\$ 4,067,038	\$ 7,017,016	\$ (2,949,978)

For the year ended December 31, 2023, the City recognized negative pension expense of \$147,338.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

At December 31, 2023, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 114,130
Changes in Actuarial Assumptions	15,623	61,732
Net Difference Between Projected and Actual Earnings on Plan Investments	850,737	-
Contributions to Plan Subsequent to the Measurement Date	317,500	-
	<u>317,500</u>	<u>-</u>
Total	<u>\$ 1,183,860</u>	<u>\$ 175,862</u>

Deferred outflows of resources totaling \$317,500 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:

2024	\$ (129,456)
2025	176,815
2026	293,311
2027	<u>349,828</u>
Total	<u>\$ 690,498</u>

E. Actuarial assumptions

The total pension liability at December 31, 2022 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%

The 20-year municipal bond yield actuarial assumption changed from 1.84% in 2021 to 4.05% in 2022. There were no other changes in actuarial assumptions in 2022.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	35.00 %	5.10 %
International Stocks	15.00	5.30
Bonds	45.00	0.75
Unallocated Cash	5.00	-
	<u>100.00 %</u>	
Total	<u>100.00 %</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:

	1 Percent Decrease (5.00%)	Current (6.00%)	1 Percent Increase (7.00%)
Defined benefit plan	\$ (2,553,489)	\$ (2,949,978)	\$ (3,280,682)

H. Pension plan fiduciary net position

Detailed information about the Volunteer Firefighter Fund's fiduciary net position as of June 30, 2022, 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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Non-Bonded Debt Fund	\$ 213,750	\$ -
Municipal Building Fund	-	855,000
Economic Development Fund	1,391,250	-
HRA District 27 Boatworks Fund	-	750,000
	<hr/>	<hr/>
Total	\$ 1,605,000	\$ 1,605,000

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

B. Transfers

The composition of inter-fund transfers for the year ended December 31, 2023 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Fund	\$ 138,000	(1)
	Sewer Fund	130,000	(1)
	Refuse Fund	119,000	(1)
	Ambulance Fund	166,000	(1)
	Pavement Management Fund	300,000	(1)
	Non-Major Governmental Funds	120,100	(1)
	Non-Major Enterprise Funds	75,500	(1)
		<u>1,048,600</u>	
Construction Fund	Community Reinvestment Fund	<u>115,000</u>	(2)
Municipal Building Fund	Community Reinvestment Fund	<u>75,000</u>	(2)
Non-Major Governmental Funds	Community Reinvestment Fund	100,000	(2)
	Non-Bonded Debt Fund	352,377	(3),(5)
	Non-Major Governmental Funds	258,508	(5),(6),(7)
	Non-Major Enterprise Funds	177,000	(1),(5)
		<u>887,885</u>	
Ambulance Fund	Equipment Acquisition Fund	<u>233,000</u>	(4)
Non-Major Enterprise Funds	Non-Major Governmental Funds	<u>18,667</u>	
Total Transfers		<u>\$ 2,378,152</u>	

- 1) Provide funding for professional and administrative services
- 2) Provide funding for various capital improvement projects
- 3) Planned issuer equity contribution for debt issuance
- 4) Provide funding for the purchase of capital equipment
- 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 District 25 Downtown Expansion Fund

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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>
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	99,633	38,176	137,809
2029-2033	549,220	139,828	689,048
2034-2038	518,620	43,963	562,583
Total	<u>\$ 1,535,440</u>	<u>\$ 405,237</u>	<u>\$ 1,940,677</u>

In addition, the City has economic development loans outstanding totaling \$69,099.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 12: Components of Fund Balance

At December 31, 2023, 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
Nonspendable								
Prepaid items	\$ 5,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83	\$ 5,288
Restricted								
Economic Development	-	-	-	-	-	-	67,725	67,725
Public Safety Facility	-	-	-	5,537,673	-	-	-	5,537,673
Forfeiture	-	-	-	-	-	-	36,095	36,095
Public Safety LGA	451,939	-	-	-	645,000	-	-	1,096,939
Debt Service	-	-	-	-	-	-	2,970,936	2,970,936
Total Restricted	451,939	-	-	5,537,673	645,000	-	3,074,756	9,709,368
Committed								
Surface Water	-	-	-	-	-	-	143,239	143,239
Marina	-	-	-	-	-	-	462,002	462,002
Sports Center	-	-	-	-	-	-	238,435	238,435
Advances	-	-	-	-	-	-	1,391,250	1,391,250
Capital Improvement	-	-	-	-	2,182,220	6,954,259	1,185,398	10,321,877
Economic Development	-	-	-	-	-	-	2,488,410	2,488,410
Total Committed	-	-	-	-	2,182,220	6,954,259	5,908,734	15,045,213
Assigned								
Capital Improvement	-	-	4,634,632	-	-	-	-	4,634,632
Surface Water	-	-	-	-	-	-	840,487	840,487
Advances	-	213,750	-	-	-	-	-	213,750
Debt Service	-	1,146,238	-	-	-	-	-	1,146,238
Total Assigned	-	1,359,988	4,634,632	-	-	-	840,487	6,835,107
Unassigned	8,760,173	-	-	(132,561)	-	-	(275,685)	8,351,927
Total	\$ 9,217,317	\$ 1,359,988	\$ 4,634,632	\$ 5,405,112	\$ 2,827,220	\$ 6,954,259	\$ 9,548,375	\$ 39,946,903

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023, the following commitments existed for the City's construction projects:

Project	Contractor/Payee	Revised Contract Amount	Completed to Date	Amount Remaining
Public Safety Facility - Flooring	Acoustics Associates, Inc.	\$ 99,929	\$ 92,574	\$ 7,355
Public Safety Facility - Tile	Advance Terrazzo & Tile Co.	116,650	12,820	103,830
Public Safety Facility - Metal Panels	Atomic Architectural Sheet Metal	334,546	259,078	75,467
Public Safety Facility - Landscape	Autumn Ridge Landscaping, Inc.	87,359	-	87,359
Public Safety Facility - Structural Steel - Material Only	Ben's Structural Fabrication	720,011	572,082	147,929
Public Safety Facility - Site Fencing	Century Fence Company	346,165	194,501	151,664
Public Safety Facility - Specialty Door	Crawford Door Sales Company	362,425	-	362,425
Public Safety Facility - Concrete	Ebert Construction	813,172	744,085	69,088
Public Safety Facility - Masonry	Harbor City Masonry	287,110	168,367	118,743
Public Safety Facility - Plumbing	Kraft Contracting & Mechanical	849,691	589,017	260,674
Public Safety Facility - Construction Management Services	Kraus-Anderson	1,320,095	683,981	636,114
Public Safety Facility - Roofing	Lake Area Roofing & Construction	1,180,699	1,097,092	83,607
Public Safety Facility - Demolition	Lloyd's Construction Services	138,562	117,152	21,410
Public Safety Facility - Exterior Glass and Glazing	MT Contracting, Inc.	531,000	465,324	65,677
Public Safety Facility - Carpentry	Maertens-Brenny Construction Company	397,000	88,025	308,975
Public Safety Facility - Painting	Mulcahy Nickolaus, LLC	152,767	54,921	97,846
Public Safety Facility - Construction Final Cleaning	Nice & Clean Co.	25,000	5,000	20,000
Public Safety Facility - Asphalt Paving	Northwest Asphalt	215,800	174,769	41,031
Public Safety Facility - Fire Suppression	NOVA Fire Protection, Inc.	126,750	35,884	90,866
Public Safety Facility - Elevator	Otis Elevator Company	109,925	43,970	65,955
Public Safety Facility - Concrete Paving	Pember Companies, Inc.	168,500	88,013	80,487
Public Safety Facility - Site Clearing and Earthwork	Rachel Contracting, LLC.	1,226,477	1,148,462	78,015
Public Safety Facility - Structural Steel - Erection	Red Cedar Steel Erectors, Inc.	235,000	212,550	22,450
Public Safety Facility - Interior Sealant	Right-Way Caulking, Inc.	44,847	9,962	34,885
Public Safety Facility - Drywall	RTL Construction	371,383	226,808	144,575
Public Safety Facility - HVAC	St. Cloud Refrigeration	1,579,167	933,167	646,000
Public Safety Facility - Ceiling and Acoustical Treatment	Twin Cities Acoustics	60,617	30,737	29,880
Public Safety Facility - Doors, Frames, and Hardware - Material Only	Twin City Hardware	236,250	227,823	8,427
Public Safety Facility - Video Cameras	UHL	21,765	12,000	9,765
Public Safety Facility - Card Access	UHL	47,845	34,000	13,845
Public Safety Facility - Electrical	Vinco	1,602,307	1,066,317	535,991
Public Safety Facility - A/V	Wold Architects	24,000	21,360	2,640
Public Safety Facility - FF&E	Wold Architects	12,000.00	9,600.00	2,400
Public Safety Facility - CD-CA	Wold Architects	495,990.00	451,311.96	44,678
Public Safety Facility - Manufactured Casework	Woodside Industries, Inc.	295,647.19	174,243.61	121,404
Downtown Mobility and Parking Study	SEH	150,000.00	90,276.87	59,723
Total Commitment				<u>\$ 4,651,179</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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, 2023.

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, 2023, 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 the Financial Statements
December 31, 2023

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 2023, 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, 2023, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Active employees	<u>77</u>
Total	<u><u>89</u></u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

E. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	3.50%, net of investment expense
Salary increases	3.00% 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2023 - December 31, 2023.

The discount rate used to measure the total OPEB liability was 3.77% based on the estimated yield of 20-Year-AA-rated municipal bonds.

F. Total OPEB liability

The City's total OPEB liability of \$2,702,707 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2023	\$ 1,889,972
Changes for the year	
Service cost	138,091
Interest	76,920
Change of benefit terms	16,409
Difference between expected and actual experience	632,694
Changes of assumptions	68,114
Benefit payments	<u>(119,493)</u>
Net Changes	<u>812,735</u>
Balances at December 31, 2023	<u><u>\$ 2,702,707</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.05% in 2022 to 3.77% in 2023.

G. OPEB liability sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 3.77% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

1% decrease	Current	1% increase
<u>(2.77%)</u>	<u>(3.77%)</u>	<u>(4.77%)</u>
\$ 2,963,159	\$ 2,702,707	\$ 2,473,118

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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%)
\$ 2,432,494	\$ 2,702,707	\$ 3,017,017

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$238,515. At December 31, 2023, 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	\$ 1,151,887	\$ 1,290
Changes of assumptions	227,988	301,667
Total	<u>\$ 1,379,875</u>	<u>\$ 302,957</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ 126,588
2025	126,588
2026	126,588
2027	126,588
2028	127,355
Thereafter	443,211
Total	<u><u>\$ 1,076,918</u></u>

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, 2023, is \$34,960,763.

Note 18: Subsequent Event

On May 14, 2024, the City issued \$2,290,000 General Obligation Improvement Bonds, Series 2024A to finance the City's 2024 pavement rehabilitation project. The bonds bear interest between 4.00 and 5.00 percent and mature on February 1, 2040.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

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
6/30/2023	0.0639 %	\$ 3,573,216	\$ 98,559	\$ 3,671,775	\$ 5,083,056	70.3 %	83.1 %
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)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 395,924	\$ 395,924	\$ -	\$ 5,278,987	7.5 %
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
12/31/2015	327,158	327,158	-	4,362,107	7.5

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Notes to the Required Supplementary Information - General Employees Fund

Changes in actuarial assumptions

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

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

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

Changes in plan provisions

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

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, 2023

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
6/30/2023	0.3494 %	\$ 6,033,684	\$ 243,058	\$ 6,276,742	\$ 4,588,572	131.5 %	86.5 %
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)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 841,686	\$ 841,686	\$ -	\$ 4,755,288	17.7 %
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, 2023

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

Changes in actuarial assumptions

2023 - The investment return assumption was changed from 6.5 percent to 7.00 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

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

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

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

Changes in plan provisions

2023 - Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023. Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years. A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability benefit was increased, effective July 1, 2023.

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.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective

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

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - No changes noted

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 73,993	\$ 72,365	\$ 118,371	\$ 114,923	\$ 156,301	\$ 151,749	\$ 137,576	\$ 133,569	\$ 145,189
Interest	243,091	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	(28,562)	-	(59,709)	-	(466,686)	-	(194,578)	-	(14,592)
Changes of assumptions	19,127	-	5,106	-	(370,400)	-	-	190,378	-
Benefit payments, including refunds of employee contributions	(436,261)	(506,254)	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Net change in total pension liability	(128,612)	(182,071)	8,738	(324,300)	(403,235)	(99,557)	(24,811)	139,775	138,666
Total pension liability - January 1	4,195,650	4,377,721	4,368,983	4,693,283	5,096,518	5,196,075	5,220,886	5,081,111	4,942,445
Total pension liability - December 31, (a)	\$ 4,067,038	\$ 4,195,650	\$ 4,377,721	\$ 4,368,983	\$ 4,693,283	\$ 5,096,518	\$ 5,196,075	\$ 5,220,886	\$ 5,081,111
Plan fiduciary net position									
Contributions - employer	289,125	276,820	263,727	248,007	241,116	232,194	231,628	229,853	216,807
Net investment income	(1,248,748)	738,115	998,251	1,129,252	(479,034)	966,600	495,777	(293,258)	278,508
Benefit payments, including refunds of employee contributions	(436,261)	(506,254)	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Administrative expense	(2,283)	(905)	(3,110)	(17,118)	(45,208)	(29,980)	(24,898)	(32,395)	(29,243)
Other	2,000	2,000	5,707	(59,536)	1,000	2,000	-	275	137
Net change in plan fiduciary net position	(1,396,167)	509,776	949,749	594,085	(663,915)	665,794	472,991	(528,699)	226,391
Plan fiduciary net position - January 1	8,413,183	7,903,407	6,953,658	6,359,573	7,023,488	6,357,694	5,884,703	6,413,402	6,187,011
Plan fiduciary net position - December 31 (b)	\$ 7,017,016	\$ 8,413,183	\$ 7,903,407	\$ 6,953,658	\$ 6,359,573	\$ 7,023,488	\$ 6,357,694	\$ 5,884,703	\$ 6,413,402
Fire Relief's net pension liability (asset) - December 31 (a-b)	\$ (2,949,978)	\$ (4,217,533)	\$ (3,525,686)	\$ (2,584,675)	\$ (1,666,290)	\$ (1,926,970)	\$ (1,161,619)	\$ (663,817)	\$ (1,332,291)
Plan fiduciary net position as a percentage of the total pension liability (b/a)	172.53%	200.52%	180.54%	159.16%	135.50%	137.81%	122.36%	112.71%	126.22%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

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

Changes of assumptions. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2018, amounts reported as changes of assumptions resulted from an adjustment to the 20-year municipal bond rate. The assumed rate of investment was changed from 5.00 percent to 6.00 percent. The base mortality table for healthy and disabled annuitants was changed from the RP-2000 fully generational table to the RF-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2017. In 2021, amounts reported as changes of assumptions resulted from the assumed rate of inflation changing from 3.00% to 2.25%. The mortality improvement scale was changed from MP-2017 to MP-2019.

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/22	\$ 289,125	\$ 289,125	-
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

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 138,091	\$ 187,283	\$ 69,413	\$ 59,639	\$ 46,821
Interest	76,920	39,302	29,148	36,519	34,686
Change of benefit terms	16,409	-	-	-	-
Difference between expected and actual experience	632,694	8,536	608,442	24,185	187,941
Changes of assumptions	68,114	(343,513)	(1,463)	89,717	201,075
Benefit payments	(119,493)	(87,984)	(83,746)	(87,266)	(80,547)
Net change in total OPEB liability	812,735	(196,376)	621,794	122,794	389,976
Beginning of year	1,889,972	2,086,348	1,464,554	1,341,760	951,784
End of year	\$ 2,702,707	\$ 1,889,972	\$ 2,086,348	\$ 1,464,554	\$ 1,341,760
Covered-employee payroll	\$ 7,153,027	\$ 6,662,986	\$ 7,102,031	\$ 6,599,353	\$ 6,264,746
Total OPEB liability as a percentage of covered-employee payroll	37.78%	28.37%	29.38%	22.19%	21.42%

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budget			Variances with Final Budget
	Original	Final	Actual	
Revenues				
Property taxes	\$ 8,233,000	\$ 8,233,000	\$ 8,163,075	\$ (69,925)
Franchise fees	325,000	371,353	371,353	-
License and permits				
Business license and permits	159,500	142,360	147,645	5,285
Non-Business license and permits	969,307	1,220,245	1,574,015	353,770
Total license and permits	1,128,807	1,362,605	1,721,660	359,055
Fines	57,000	61,275	52,548	(8,727)
Intergovernmental				
Federal grants	84,000	84,000	77,136	(6,864)
State grants	1,803,390	1,846,906	2,361,942	515,036
County grants	21,200	21,200	21,335	135
Local grants	165,000	162,843	162,843	-
Total intergovernmental	2,073,590	2,114,949	2,623,256	508,307
Charges for services				
General government	-	160	938	778
Public safety	721,126	733,126	737,275	4,149
Other	-	-	13,460	13,460
Inspection services	150,000	150,000	180,737	30,737
Total charges for services	871,126	883,286	932,410	49,124
Interest income	-	120,000	272,348	152,348
Rental Income	53,450	41,796	45,793	3,997
Refunds and reimbursements	6,300	11,185	30,081	18,896
Donations	-	450	1,020	570
Miscellaneous	6,000	8,505	22,006	13,501
Total revenues	12,754,273	13,208,404	14,235,550	1,027,146
Expenditures				
General government				
Mayor and Council				
Personal services	102,161	101,136	101,096	(40)
Supplies	14,450	14,400	6,633	(7,767)
Other services and charges	48,157	43,147	44,023	876
Total Mayor and Council	164,768	158,683	151,752	(6,931)

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, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
City Manager				
Personal services	\$ 429,698	\$ 520,033	\$ 521,728	\$ 1,695
Supplies	410	335	483	148
Other services and charges	21,765	22,765	21,443	(1,322)
Total city manager	451,873	543,133	543,654	521
Finance				
Personal services	614,549	515,258	520,317	5,059
Supplies	2,045	1,770	787	(983)
Other services and charges	129,448	159,929	141,604	(18,325)
Total finance	746,042	676,957	662,708	(14,249)
Legal counselor				
Other services and charges	72,836	79,736	85,114	5,378
City hall				
Personal services	82,582	81,898	81,993	95
Supplies	19,600	18,950	14,793	(4,157)
Other services and charges	156,325	155,305	124,498	(30,807)
Total city hall	258,507	256,153	221,284	(34,869)
Technology				
Personal services	132,869	116,368	115,801	(567)
Supplies	1,000	550	596	46
Other services and charges	9,090	22,230	8,668	(13,562)
Total technology	142,959	139,148	125,065	(14,083)
Elections				
Other services and charges	80,405	79,405	78,854	(551)
Total general government	1,917,390	1,933,215	1,868,431	(64,784)
Community development				
Planning				
Personal services	348,155	360,834	361,200	366
Supplies	1,650	1,370	404	(966)
Other services and charges	31,435	29,110	24,075	(5,035)
Total community development	381,240	391,314	385,679	(5,635)

(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, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
Public safety				
Public Safety Facility				
Supplies	\$ 3,325	\$ 3,975	\$ 3,482	\$ (493)
Other services and charges	145,430	144,145	134,707	(9,438)
Total public safety facility	148,755	148,120	138,189	(9,931)
Police				
Personal services	5,169,839	5,035,313	4,662,748	(372,565)
Supplies	218,340	205,458	213,770	8,312
Other services and charges	263,428	293,182	290,690	(2,492)
Total police	5,651,607	5,533,953	5,167,208	(366,745)
Dispatch				
Other services and charges	251,800	251,800	249,137	(2,663)
Animal control				
Personal services	18,766	11,867	11,605	(262)
Supplies	1,050	650	-	(650)
Other services and charges	7,300	4,650	4,270	(380)
Total animal control	27,116	17,167	15,875	(1,292)
Legal prosecution				
Personal services	1,463	1,463	614	(849)
Other services and charges	158,600	136,000	136,000	-
Total legal prosecution	160,063	137,463	136,614	(849)
Fire				
Personal services	1,216,585	1,212,162	1,202,287	(9,875)
Supplies	105,938	108,795	105,883	(2,912)
Other services and charges	198,654	202,036	164,116	(37,920)
Total fire	1,521,177	1,522,993	1,472,286	(50,707)
Emergency preparedness				
Supplies	6,200	3,500	1,808	(1,692)
Other services and charges	12,379	11,254	8,438	(2,816)
Total emergency preparedness	18,579	14,754	10,246	(4,508)

(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, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
Building and code enforcement				
Personal services	\$ 643,710	\$ 600,483	\$ 558,420	\$ (42,063)
Supplies	13,450	11,880	8,980	(2,900)
Other services and charges	192,740	180,795	184,031	3,236
Total building / code enforcement	849,900	793,158	751,431	(41,727)
 Total public safety	 8,628,997	 8,419,408	 7,940,986	 (478,422)
 Public works				
Shop				
Personal services	97,390	97,380	97,599	219
Supplies	30,175	31,315	24,792	(6,523)
Other services and charges	134,616	140,404	121,281	(19,123)
Total shop	262,181	269,099	243,672	(25,427)
 Engineering				
Personal services	678,480	667,475	660,806	(6,669)
Supplies	9,010	8,585	5,742	(2,843)
Other services and charges	102,923	102,443	87,601	(14,842)
Total engineering	790,413	778,503	754,149	(24,354)
 Garage				
Personal services	209,539	208,337	211,005	2,668
Supplies	37,280	45,195	41,792	(3,403)
Other services and charges	31,092	36,702	24,854	(11,848)
Total garage	277,911	290,234	277,651	(12,583)
 Streets				
Personal services	367,843	347,041	382,557	35,516
Supplies	111,650	128,350	146,827	18,477
Other services and charges	142,142	160,222	133,188	(27,034)
Total streets	621,635	635,613	662,572	26,959
 Snow and ice removal				
Personal services	111,408	111,408	70,355	(41,053)
Supplies	125,500	128,650	121,013	(7,637)
Other services and charges	50,550	65,650	49,363	(16,287)
Total snow and ice removal	287,458	305,708	240,731	(64,977)
 Street lighting				
Personal services	11,494	11,495	11,224	(271)
Supplies	30,700	31,600	1,640	(29,960)
Other services and charges	202,630	221,300	200,124	(21,176)
Total street lighting	244,824	264,395	212,988	(51,407)
 Total public works	 2,484,422	 2,543,552	 2,391,763	 (151,789)
 Parks and recreation				
Personal services	546,614	515,493	530,479	14,986
Supplies	121,375	144,210	120,219	(23,991)
Other services and charges	147,817	148,442	155,394	6,952
Total parks and recreation	815,806	808,145	806,092	(2,053)

(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, 2023

	Budget			Variances with Final Budget
	Original	Final	Actual	
Non-departmental				
General services	\$ 97,250	\$ 87,250	\$ 80,417	\$ (6,833)
Contingency	147,792	-	12,644	12,644
Total non-departmental	245,042	87,250	93,061	5,811
Total expenditures	14,472,897	14,182,884	13,486,012	(696,872)
Excess (deficiency) of revenues over (under) expenditures	(1,718,624)	(974,480)	749,538	1,724,018
Other financing sources (uses)				
Sale of capital assets	-	2,870	3,395	525
Transfers from other funds	1,048,600	1,048,600	1,048,600	-
Total other financing sources (uses)	1,048,600	1,051,470	1,051,995	525
Net change in fund balance	(670,024)	76,990	1,801,533	1,724,543
Fund balance - beginning	6,681,169	7,415,784	7,415,784	-
Fund balance - ending	\$ 6,011,145	\$ 7,492,774	\$ 9,217,317	\$ 1,724,543

(Continued)

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

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, 2023.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of White Bear Lake, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2023

Special Revenue Funds

	American Rescue Plan	Surface Water Pollution Prevention	Marina	Forfeiture	Economic Development	Sports Center
Assets						
Cash	\$ 575,889	\$ 965,387	\$ 466,002	\$ 36,095	\$ 2,467,282	\$ 209,331
Accounts receivable	-	37,500	-	-	37,211	49,242
Taxes receivable	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	112,340	-
Due from other governments	-	-	-	-	-	18,091
Advances to other funds	-	-	-	-	1,391,250	-
Leases receivable	-	-	-	-	162,198	221,190
Loans receivable	-	-	-	-	69,099	-
Prepaid expenses	-	-	-	-	-	83
Total assets	\$ 575,889	\$ 1,002,887	\$ 466,002	\$ 36,095	\$ 4,239,380	\$ 497,937
Liabilities						
Accounts payable	\$ -	\$ 19,161	\$ 4,000	\$ -	\$ 32,441	\$ 31,123
Deposits payable	-	-	-	-	500	-
Intergovernmental payable	-	-	-	-	-	358
Advances from other funds	-	-	-	-	-	-
Unearned revenue - other	575,889	-	-	-	3,011	19,725
Total liabilities	575,889	19,161	4,000	-	35,952	51,206
Deferred Inflows of Resources						
Unavailable revenue						
Property taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	111,261	-
Deferred lease resources	-	-	-	-	212,507	208,213
Total deferred inflows of resources	-	-	-	-	323,768	208,213
Fund Balances						
Nonspendable	-	-	-	-	-	83
Restricted	-	-	-	36,095	-	-
Committed	-	143,239	462,002	-	3,879,660	238,435
Assigned	-	840,487	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	983,726	462,002	36,095	3,879,660	238,518
Total liabilities, deferred inflows of resources, and fund balances	\$ 575,889	\$ 1,002,887	\$ 466,002	\$ 36,095	\$ 4,239,380	\$ 497,937

Debt Service Funds						
2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds	
\$ 25,664	\$ -	\$ 34,279	\$ 436,824	\$ 236,227	\$ 378,328	
-	-	-	-	-	-	
-	-	-	3,244	1,946	1,180	
-	-	-	226,980	-	264,347	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 25,664	\$ -	\$ 34,279	\$ 667,048	\$ 238,173	\$ 643,855	
\$ 550	\$ -	\$ -	\$ -	\$ -	\$ 720	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
550	-	-	-	-	720	
-	-	-	-	-	-	
-	-	-	226,142	-	259,035	
-	-	-	-	-	-	
-	-	-	226,142	-	259,035	
-	-	-	-	-	-	
25,114	-	34,279	440,906	238,173	384,100	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
25,114	-	34,279	440,906	238,173	384,100	
\$ 25,664	\$ -	\$ 34,279	\$ 667,048	\$ 238,173	\$ 643,855	

(Continued)

City of White Bear Lake, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2023

	Debt Service Funds				
	2020 General Obligation Bonds	2021 General Obligation Bonds	2022 General Obligation Bonds	2022 Capital Improvement Plan Bonds	2023 Capital Improvement Plan Bonds
Assets					
Cash	\$ 597,198	\$ 329,375	\$ 419,188	\$ 158,719	\$ 323,728
Accounts receivable	-	-	-	-	-
Taxes receivable	3,804	2,374	2,979	5,382	4,483
Special assessments receivable	345,079	188,628	464,836	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Leases receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	\$ 946,081	\$ 520,377	\$ 887,003	\$ 164,101	\$ 328,211
Liabilities:					
Accounts payable	475	475	475	-	475
Deposits payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	475	475	475	-	475
Deferred Inflows of Resources					
Unavailable revenue -					
Property taxes	-	-	-	-	-
Special assessments	344,568	188,229	462,712	-	-
Deferred lease resources	-	-	-	-	-
Total deferred inflows of resources	344,568	188,229	462,712	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	601,038	331,673	423,816	164,101	327,736
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	601,038	331,673	423,816	164,101	327,736
Total liabilities, deferred inflows of resources, and fund balances	\$ 946,081	\$ 520,377	\$ 887,003	\$ 164,101	\$ 328,211

Capital Projects Funds					Total
Park Improvement	HRA District 25 Downtown Expansion	HRA District 26 Hoffman Place	HRA District 27 Boatworks		Non-Major Governmental Funds
\$ 1,188,091	\$ -	\$ 68,216	\$ 475,884	\$	9,391,707
-	-	-	-		123,953
-	-	-	3,391		28,783
-	-	-	-		1,602,210
-	-	-	-		18,091
-	-	-	-		1,391,250
-	-	-	-		383,388
-	-	-	-		69,099
-	-	-	-		83
<u>\$ 1,188,091</u>	<u>\$ -</u>	<u>\$ 68,216</u>	<u>\$ 479,275</u>	<u>\$</u>	<u>13,008,564</u>
\$ 2,693	\$ -	\$ 491	\$ 1,569	\$	94,648
-	-	-	-		500
-	-	-	-		358
-	-	-	750,000		750,000
-	-	-	-		598,625
<u>2,693</u>	<u>-</u>	<u>491</u>	<u>751,569</u>		<u>1,444,131</u>
-	-	-	3,391		3,391
-	-	-	-		1,591,947
-	-	-	-		420,720
-	-	-	3,391		2,016,058
-	-	-	-		83
-	-	67,725	-		3,074,756
1,185,398	-	-	-		5,908,734
-	-	-	-		840,487
-	-	-	(275,685)		(275,685)
<u>1,185,398</u>	<u>-</u>	<u>67,725</u>	<u>(275,685)</u>		<u>9,548,375</u>
<u>\$ 1,188,091</u>	<u>\$ -</u>	<u>\$ 68,216</u>	<u>\$ 479,275</u>	<u>\$</u>	<u>13,008,564</u>

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue Funds					
	American Rescue Plan	Surface Water Pollution Prevention	Marina	Forfeiture	Economic Development	Sports Center
Revenues						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Increment	-	-	-	-	356,343	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	300,463	26,396	-	-	25,000	-
Charges for services	-	266,711	-	-	8,510	634,712
Special assessments	-	-	-	-	64,972	-
Investment income	-	34,618	17,045	1,297	82,529	7,294
Rental and lease income	-	-	431,400	-	322,410	40,983
Refunds and reimbursements	-	-	-	4,385	2,811	297
Donations	-	-	-	-	4,690	552
Dedicated fees	-	-	-	-	-	-
Miscellaneous	-	-	-	2,837	3,031	48,813
Total revenues	300,463	327,725	448,445	8,519	870,296	732,651
Expenditures						
Current						
General government	19,327	-	-	-	-	-
Public safety	-	-	-	4,269	-	-
Public works	-	227,694	-	-	-	-
Parks and recreation	-	-	92,633	-	-	759,428
Community development	-	-	-	-	638,192	-
Capital outlay						
General government	10,216	-	-	-	-	-
Public works	252,920	-	-	-	-	-
Parks and recreation	-	-	39,404	-	-	-
Community development	18,000	-	-	-	2,193	-
Debt service						
Principal retired on bonded debt	-	-	-	-	-	-
Interest and other expenditures	-	-	-	-	-	-
Total expenditures	300,463	227,694	132,037	4,269	640,385	759,428
Excess (deficiency) of revenues over (under) expenditures	-	100,031	316,408	4,250	229,911	(26,777)
Other financing sources (uses)						
Transfers from other funds	-	-	-	-	39,500	-
Transfers to other funds	-	-	(218,100)	-	-	-
Total other financing sources (uses)	-	-	(218,100)	-	39,500	-
Net change in fund balance	-	100,031	98,308	4,250	269,411	(26,777)
Fund balance - beginning	-	883,695	363,694	31,845	3,610,249	265,295
Fund balance - ending	\$ -	\$ 983,726	\$ 462,002	\$ 36,095	\$ 3,879,660	\$ 238,518

Debt Service

2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds
\$ -	\$ -	\$ -	\$ 214,114	\$ 128,468	\$ 77,859
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	43,356	-	50,081
1,058	-	1,678	11,040	6,332	11,300
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,058	-	1,678	268,510	134,800	139,240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
165,000	170,000	90,000	245,000	135,000	105,000
13,846	2,701	46,601	167,397	95,616	58,508
178,846	172,701	136,601	412,397	230,616	163,508
(177,788)	(172,701)	(134,923)	(143,887)	(95,816)	(24,268)
178,000	160,000	137,000	145,000	98,000	-
-	(18,667)	-	-	-	-
178,000	141,333	137,000	145,000	98,000	-
212	(31,368)	2,077	1,113	2,184	(24,268)
24,902	31,368	32,202	439,793	235,989	408,368
\$ 25,114	\$ -	\$ 34,279	\$ 440,906	\$ 238,173	\$ 384,100

(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, 2023

	2020 General Obligation Bonds	2021 General Obligation Bonds	2022 General Obligation Bonds	2022 Capital Improvement Plan Bonds	2023 Capital Improvement Plan Bonds
Revenues					
General property taxes	\$ 251,097	\$ 156,691	\$ 196,595	\$ 355,233	\$ 295,866
Tax Increment	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Special assessments	57,935	32,303	66,225	-	-
Investment income	14,883	7,626	9,623	401	3,457
Rental and lease income	-	-	-	-	-
Refunds and reimbursements	-	-	-	-	-
Donations	-	-	-	-	-
Dedicated fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	323,915	196,620	272,443	355,634	299,323
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Debt service					
Principal retired on bonded debt	255,000	170,000	-	-	-
Interest and other expenditures	89,341	35,737	108,883	191,533	964
Total expenditures	344,341	205,737	108,883	191,533	964
Excess (deficiency) of revenues over (under) expenditures	(20,426)	(9,117)	163,560	164,101	298,359
Other financing sources (uses)					
Transfers in from other funds	-	-	-	-	29,377
Transfers (to) other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	29,377
Net change in fund balance	(20,426)	(9,117)	163,560	164,101	327,736
Fund balance - beginning	621,464	340,790	260,256	-	-
Fund balance - ending	\$ 601,038	\$ 331,673	\$ 423,816	\$ 164,101	\$ 327,736

Capital Projects Funds				Total
Park Improvement	HRA District 25 Downtown Expansion	HRA District 26 Hoffman Place	HRA District 27 Boatworks	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,675,923
-	-	50,807	272,353	679,503
18,225	-	-	-	18,225
-	-	-	-	351,859
14,048	-	-	-	923,981
-	-	-	-	314,872
55,313	-	1,604	10,425	277,523
-	-	-	-	794,793
-	-	-	121	7,614
8,157	-	-	-	13,399
122,456	-	-	-	122,456
-	-	-	-	54,681
218,199	-	52,411	282,899	5,234,829
-	-	-	-	19,327
-	-	-	-	4,269
-	-	-	-	227,694
47,782	-	-	-	899,843
-	1,480,502	52,026	4,831	2,175,551
-	-	-	-	10,216
-	-	-	-	252,920
488,941	-	-	-	528,345
-	-	-	-	20,193
-	-	-	-	1,335,000
-	-	-	-	811,127
536,723	1,480,502	52,026	4,831	6,284,485
(318,524)	(1,480,502)	385	278,068	(1,049,656)
100,000	-	391	617	887,885
-	(1,008)	-	(159,500)	(397,275)
100,000	(1,008)	391	(158,883)	490,610
(218,524)	(1,481,510)	776	119,185	(559,046)
1,403,922	1,481,510	66,949	(394,870)	10,107,421
\$ 1,185,398	\$ -	\$ 67,725	\$ (275,685)	\$ 9,548,375

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Net Position
Non-Major Proprietary Funds
December 31, 2023

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Assets			
Current Assets			
Cash	\$ 108,811	\$ 291,728	\$ 400,539
Accounts receivable	8,455	-	8,455
Prepaid expenses	117	-	117
Total current assets	117,383	291,728	409,111
Capital Assets			
Land	-	410,285	410,285
Buildings	5,760	2,493,478	2,499,238
Other Improvements	-	376,522	376,522
Equipment	21,569	160,023	181,592
Less accumulated depreciation	(27,329)	(1,907,106)	(1,934,435)
Total net capital assets	-	1,533,202	1,533,202
Total assets	117,383	1,824,930	1,942,313
Deferred outflows of resources			
Deferred pension resources	100,794	-	100,794
Liabilities			
Current Liabilities:			
Accounts payable	2,811	69,960	72,771
Deposits payable	-	34,301	34,301
Net pension liability	63,994	-	63,994
Total current liabilities	66,805	104,261	171,066
Noncurrent Liabilities			
Net pension liability	325,185	-	325,185
Total liabilities	391,990	104,261	496,251
Deferred inflows of resources			
Deferred pension resources	128,411	-	128,411
Net Position			
Investment in capital assets	-	1,533,202	1,533,202
Unrestricted	(302,224)	187,467	(114,757)
Total net position	\$ (302,224)	\$ 1,720,669	\$ 1,418,445

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, 2023

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Operating revenues			
Charges for services	\$ 859,531	\$ -	\$ 859,531
Rent	-	438,131	438,131
Other	49	672	721
Total operating revenues	859,580	438,803	1,298,383
Operating expenses			
Personal services	812,045	-	812,045
Supplies	6,392	7,674	14,066
Other services and charges	39,669	257,846	297,515
Depreciation	-	92,278	92,278
Total operating expenses	858,106	357,798	1,215,904
Operating income	1,474	81,005	82,479
Nonoperating revenues			
Investment income	4,084	7,204	11,288
Intergovernmental	61,257	-	61,257
Miscellaneous revenues	30	3,341	3,371
Total nonoperating revenues	65,371	10,545	75,916
Income before transfers	66,845	91,550	158,395
Transfers from other funds	-	18,667	18,667
Transfers to other funds	(57,000)	(195,500)	(252,500)
Change in net position	9,845	(85,283)	(75,438)
Net position - beginning	(312,069)	1,805,952	1,493,883
Net position - ending	\$ (302,224)	\$ 1,720,669	\$ 1,418,445

City of White Bear Lake, Minnesota
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended December 31, 2023

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 861,821	\$ 442,949	\$ 1,304,770
Payments to vendors	(46,491)	(244,112)	(290,603)
Payments to employees	(803,957)	-	(803,957)
Other receipts	49	672	721
Net cash provided (used) by operating activities	11,422	199,509	210,931
Cash flows from noncapital financing activities			
Intergovernmental receipts	61,257	-	61,257
Transfers from other funds	-	18,667	18,667
Transfers (to) other funds	(57,000)	(195,500)	(252,500)
Net cash provided (used) by noncapital financing activities	4,257	(176,833)	(172,576)
Cash flows from capital financing activities			
Purchase of property and equipment	-	(56,343)	(56,343)
Cash flows from investing activities			
Investment interest	4,084	7,204	11,288
Increase (decrease) in cash and cash equivalents	19,763	(26,463)	(6,700)
Cash and cash equivalents at beginning of year	89,048	318,191	407,239
Cash and cash equivalents at end of year	\$ 108,811	\$ 291,728	\$ 400,539
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,474	\$ 81,005	\$ 82,479
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	92,278	92,278
Miscellaneous	30	3,341	3,371
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	2,260	1,481	3,741
Prepaid expenses	653	-	653
Deferred outflows in pension resources	71,635	-	71,635
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(1,083)	21,413	20,330
Due to governments	-	(5)	(5)
Deposits payable	-	(4)	(4)
Deferred inflows in pension resources	118,590	-	118,590
Net pension liability	(182,137)	-	(182,137)
Net cash provided (used) by operating activities	\$ 11,422	\$ 199,509	\$ 210,931

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, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Intergovernmental	\$ -	\$ 305,714	\$ 300,463	\$ (5,251)
Expenditures				
General government				
Other services and charges	10,000	-	19,327	19,327
Capital outlay	340,000	29,460	10,216	(19,244)
Total general government	350,000	29,460	29,543	83
Public safety				
Capital outlay	136,828	15,000	-	(15,000)
Public works				
Capital outlay	-	243,254	252,920	9,666
Community Development				
Other services and charges	-	18,000	18,000	-
Total expenditures	486,828	305,714	300,463	(5,251)
Excess (deficiency) of revenues over (under) expenditures	(486,828)	-	-	-
Net change in fund balance	(486,828)	-	-	-
Fund balance - beginning	487,127	-	-	-
Fund balance - ending	\$ 299	\$ -	\$ -	\$ -

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, 2023

	<u>Original</u> <u>Final</u>		<u>Actual</u>	<u>Variances with Final Budget</u>
Revenues				
Intergovernmental	\$ 20,000	\$ 26,396	\$ 26,396	\$ -
Charges for Services	254,031	254,032	266,711	12,679
Interest income	-	16,925	34,618	17,693
Total revenues	<u>274,031</u>	<u>297,353</u>	<u>327,725</u>	<u>30,372</u>
Expenditures				
Public works				
Personal services	134,280	134,280	134,186	(94)
Materials and supplies	3,750	3,750	1,777	(1,973)
Other services and charges	79,350	48,290	39,621	(8,669)
Capital outlay	152,500	155,900	52,110	(103,790)
Total expenditures	<u>369,880</u>	<u>342,220</u>	<u>227,694</u>	<u>(114,526)</u>
Net change in fund balance	(95,849)	(44,867)	100,031	144,898
Fund balance - beginning	<u>829,386</u>	<u>883,695</u>	<u>883,695</u>	<u>-</u>
Fund balance - ending	<u>\$ 733,537</u>	<u>\$ 838,828</u>	<u>\$ 983,726</u>	<u>\$ 144,898</u>

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Marina Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Rental income	\$ 432,000	\$ 431,400	\$ 431,400	\$ -
Interest income	-	7,675	17,045	9,370
Total revenues	432,000	439,075	448,445	9,370
Expenditures				
Parks and recreation				
Materials and supplies	6,850	8,400	4,377	(4,023)
Other services and charges	98,010	94,195	88,256	(5,939)
Capital outlay	180,000	134,400	39,404	(94,996)
Total expenditures	284,860	236,995	132,037	(104,958)
Excess of revenues over expenditures	147,140	202,080	316,408	114,328
Other Financing Uses				
Transfers to other funds	(218,100)	(218,100)	(218,100)	-
Net change in fund balance	(70,960)	(16,020)	98,308	114,328
Fund balance - beginning	331,643	363,694	363,694	-
Fund balance - ending	\$ 260,683	\$ 347,674	\$ 462,002	\$ 114,328

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, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Miscellaneous	\$ 3,000	\$ 1,552	\$ 2,837	\$ 1,285
Interest income	-	650	1,297	647
Refunds and reimbursements	10,000	4,385	4,385	-
Total revenues	13,000	6,587	8,519	1,932
Expenditures				
Current				
Public safety				
Materials and supplies	10,500	-	-	-
Other services and charges	22,600	11,100	4,269	(6,831)
Total expenditures	33,100	11,100	4,269	(6,831)
Net change in fund balance	(20,100)	(4,513)	4,250	8,763
Fund balance - beginning	21,787	31,845	31,845	-
Fund balance - ending	\$ 1,687	\$ 27,332	\$ 36,095	\$ 8,763

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, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Tax increment	\$ -	\$ 2,490	\$ 356,343	\$ 353,853
Intergovernmental	-	25,000	25,000	-
Charges for services				
Farmer's Market	5,000	6,320	6,715	395
Loan repayments	39,300	61,071	1,795	(59,276)
Special assessments	64,665	65,940	64,972	(968)
Rental income	330,366	348,752	322,410	(26,342)
Miscellaneous	-	600	3,031	2,431
Interest income	-	41,600	82,529	40,929
Refunds and reimbursements	-	500	2,811	2,311
Donations	-	2,820	4,690	1,870
Total revenues	439,331	555,093	870,296	315,203
Expenditures				
Community Development				
Personal services	159,456	153,677	155,849	2,172
Materials and supplies	59,775	40,160	24,322	(15,838)
Other services and charges	650,910	576,165	458,021	(118,144)
Capital outlay	145,000	152,560	2,193	(150,367)
Total expenditures	1,015,141	922,562	640,385	(282,177)
Excess (deficiency) of revenues over (under) expenditures	(575,810)	(367,469)	229,911	597,380
Other financing sources				
Transfers from other funds	-	17,000	39,500	22,500
Net change in fund balance	(575,810)	(350,469)	269,411	619,880
Fund balance - beginning	2,069,783	2,135,558	3,610,249	1,474,691
Fund balance - ending	\$ 1,493,973	\$ 1,785,089	\$ 3,879,660	\$ 2,094,571

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, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Charges for services	\$ 603,000	\$ 635,661	\$ 634,712	\$ (949)
Interest income	-	3,825	7,294	3,469
Rental income	40,164	42,389	40,983	(1,406)
Donations	400	400	552	152
Refunds and reimbursements	-	325	297	(28)
Miscellaneous	18,250	75,993	48,813	(27,180)
Total revenues	661,814	758,593	732,651	(25,942)
Expenditures				
Parks and recreation				
Personal services	494,870	491,332	477,049	(14,283)
Materials and supplies	32,240	35,840	36,398	558
Other services and charges	273,963	276,904	245,981	(30,923)
Total expenditures	801,073	804,076	759,428	(44,648)
Net change in fund balance	(139,259)	(45,483)	(26,777)	18,706
Fund balance - beginning	170,650	255,106	265,295	10,189
Fund balance - ending	\$ 31,391	\$ 209,623	\$ 238,518	\$ 28,895

City of White Bear Lake, Minnesota
Combining Statement of Net Position
Internal Service Funds
December 31, 2023

	Insurance	Employment Expense	Total Internal Service Funds
Assets			
Current Assets			
Cash	\$ 3,045,039	\$ 2,869,326	\$ 5,914,365
Receivables:			
Intergovernmental	-	61,722	61,722
Total assets	<u>3,045,039</u>	<u>2,931,048</u>	<u>5,976,087</u>
Deferred Outflows of Resources			
Deferred other postemployment benefit resources	-	1,379,875	1,379,875
Liabilities			
Current Liabilities:			
Accounts payable	741	1,930	2,671
Accrued wages payable	-	563,223	563,223
Compensated absences payable	-	665,500	665,500
Net OPEB liability	-	119,493	119,493
Total current liabilities	<u>741</u>	<u>1,350,146</u>	<u>1,350,887</u>
Noncurrent Liabilities:			
Compensated absences payable	-	752,424	752,424
Net OPEB liability	-	2,583,214	2,583,214
Total noncurrent liabilities	<u>-</u>	<u>3,335,638</u>	<u>3,335,638</u>
Total liabilities	<u>741</u>	<u>4,685,784</u>	<u>4,686,525</u>
Deferred Inflows of Resources			
Deferred other postemployment benefit resources	-	302,957	302,957
Net Position			
Unrestricted	<u>\$ 3,044,298</u>	<u>\$ (677,818)</u>	<u>\$ 2,366,480</u>

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2023

	Insurance	Employment Expense	Total Internal Service Funds
Operating revenues			
Charges for services	\$ 285,908	\$ 3,945,150	\$ 4,231,058
Premium reimbursement	106,570	1,078	107,648
Total operating revenues	<u>392,478</u>	<u>3,946,228</u>	<u>4,338,706</u>
Operating expenses			
Personal services	-	3,680,702	3,680,702
Other services and charges	453,930	264,817	718,747
Total operating expenses	<u>453,930</u>	<u>3,945,519</u>	<u>4,399,449</u>
Operating income (loss)	<u>(61,452)</u>	<u>709</u>	<u>(60,743)</u>
Nonoperating revenues			
Investment income	<u>108,647</u>	<u>79,947</u>	<u>188,594</u>
Change in net position	47,195	80,656	127,851
Net position - beginning	<u>2,997,103</u>	<u>(758,474)</u>	<u>2,238,629</u>
Net position - ending	<u>\$ 3,044,298</u>	<u>\$ (677,818)</u>	<u>\$ 2,366,480</u>

City of White Bear Lake, Minnesota
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	Insurance	Employment Expense	Total Internal Service Funds
Cash flows from operating activities			
Receipts from other funds	\$ 286,386	\$ 3,945,150	\$ 4,231,536
Payments to vendors	(463,389)	(1,858,621)	(2,322,010)
Payments to other governments	-	(1,801,903)	(1,801,903)
Other receipts	106,570	120,876	227,446
Net cash provided (used) by operating activities	<u>(70,433)</u>	<u>405,502</u>	<u>335,069</u>
Cash flows from investing activities			
Investment income received	<u>108,647</u>	<u>79,947</u>	<u>188,594</u>
Increase (decrease) in cash and cash equivalents	38,214	485,449	523,663
Cash and cash equivalents at beginning of year	<u>3,006,825</u>	<u>2,383,877</u>	<u>5,390,702</u>
Cash and cash equivalents at end of year	<u>\$ 3,045,039</u>	<u>\$ 2,869,326</u>	<u>\$ 5,914,365</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (61,452)	\$ 709	\$ (60,743)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	478	-	478
Due from governments	-	(61,587)	(61,587)
Deferred outflows in OPEB resources	-	(543,684)	(543,684)
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(9,459)	(18,143)	(27,602)
Wages payable	-	79,608	79,608
Deferred inflows in OPEB resources	-	(30,536)	(30,536)
OPEB liability	-	812,735	812,735
Compensated absences	-	166,400	166,400
Net cash provided (used) by operating activities	<u>\$ (70,433)</u>	<u>\$ 405,502</u>	<u>\$ 335,069</u>

City of White Bear Lake, Minnesota
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Deputy Registrar	Ramsey County GIS User Group	Fireworks Contributions	Manitou Days	Total
Assets					
Cash	\$ (2,482)	\$ 155,794	\$ 116,938	\$ 76,253	\$ 346,503
Liabilities					
Deposits payable	271	167,077	85,545	67,144	\$ 320,037
Net position					
Restricted for individuals, organizations, and other governments	\$ (2,753)	\$ (11,283)	\$ 31,393	\$ 9,109	\$ 26,466

City of White Bear Lake, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Deputy Registrar	Ramsey County GIS User Group	Fireworks Contributions	Manitou Days	Total
Additions					
Geographic information system fees collections	\$ -	\$ 37,051	\$ -	\$ -	\$ 37,051
Fireworks contributions collections	-	-	40,125	-	40,125
Manitou Days event contributions collections	-	-	-	8,218	8,218
Manitou Days parade fees collections	-	-	-	12,778	12,778
Deputy Registrar collections	55,207,291	-	-	-	55,207,291
Total revenues	55,207,291	37,051	40,125	20,996	55,305,463
Deductions					
Geographic information system fee disbursements	-	26,367	-	-	26,367
Fireworks disbursements	-	-	30,046	-	30,046
Manitou Days events disbursements	-	-	-	10,459	10,459
Manitou Days parade disbursements	-	-	-	8,175	8,175
Deputy Registrar disbursements	55,206,398	-	-	-	55,206,398
Total expenditures	55,206,398	26,367	30,046	18,634	55,281,445
Net increase (decrease) in fiduciary net position	893	10,684	10,079	2,362	24,018
Net position - beginning	(3,646)	(21,967)	21,314	6,747	2,448
Net position - ending	<u>\$ (2,753)</u>	<u>\$ (11,283)</u>	<u>\$ 31,393</u>	<u>\$ 9,109</u>	<u>\$ 26,466</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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

	Fiscal Years				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 70,454,106	\$ 69,690,757	\$ 66,342,321	\$ 66,079,290	\$ 63,483,876
Restricted for stormwater	31,033	31,033	31,033	31,033	31,033
Restricted for debt service	192,389	127,709	103,228	139,623	122,200
Restricted for economic development	-	-	629,646	464,393	-
Restricted for public safety	-	-	-	-	-
Restricted for Fire Relief Association	-	-	-	-	-
Unrestricted	27,617,496	29,293,742	28,839,930	26,022,816	31,026,459
Total governmental activities net position	<u>\$ 98,295,024</u>	<u>\$ 99,143,241</u>	<u>\$ 95,946,158</u>	<u>\$ 92,737,155</u>	<u>\$ 94,663,568</u>
Business-type activities					
Net investment in capital assets	\$ 4,259,544	\$ 4,189,988	\$ 4,034,239	\$ 3,935,132	\$ 5,070,706
Unrestricted	3,953,646	2,208,696	1,762,479	2,331,483	2,204,090
Total business-type activities net position	<u>\$ 8,213,190</u>	<u>\$ 6,398,684</u>	<u>\$ 5,796,718</u>	<u>\$ 6,266,615</u>	<u>\$ 7,274,796</u>
Total primary government					
Net investment in capital assets	\$ 74,713,650	\$ 73,880,745	\$ 70,376,560	\$ 70,014,422	\$ 68,554,582
Restricted for stormwater	31,033	31,033	31,033	31,033	31,033
Restricted for debt service	192,389	127,709	103,228	139,623	122,200
Restricted for economic development	-	-	629,646	464,393	-
Restricted for public safety	-	-	-	-	-
Restricted for Fire Relief Association	-	-	-	-	-
Unrestricted	31,571,142	31,502,438	30,602,409	28,354,299	33,230,549
Total primary government net position	<u>\$ 106,508,214</u>	<u>\$ 105,541,925</u>	<u>\$ 101,742,876</u>	<u>\$ 99,003,770</u>	<u>\$ 101,938,364</u>

Fiscal Years				
2019	2020	2021	2022	2023
\$ 62,561,789	\$ 59,068,600	\$ 56,335,785	\$ 53,084,601	\$ 52,246,551
-	-	-	-	-
1,847,261	2,265,278	3,153,831	3,760,306	3,784,772
-	324,051	759,213	1,551,852	71,116
-	82,339	74,887	31,845	1,133,034
-	-	-	5,566,397	2,949,978
29,497,391	31,196,628	33,092,881	25,320,739	30,126,129
<u>\$ 93,906,441</u>	<u>\$ 92,936,896</u>	<u>\$ 93,416,597</u>	<u>\$ 89,315,740</u>	<u>\$ 90,311,580</u>
\$ 4,875,313	\$ 4,400,818	\$ 4,140,024	\$ 4,206,358	\$ 4,418,349
2,957,997	4,076,149	5,061,486	6,215,206	6,072,459
<u>\$ 7,833,310</u>	<u>\$ 8,476,967</u>	<u>\$ 9,201,510</u>	<u>\$ 10,421,564</u>	<u>\$ 10,490,808</u>
\$ 67,437,102	\$ 63,469,418	\$ 60,475,809	\$ 57,290,959	\$ 56,664,900
-	-	-	-	-
1,847,261	2,265,278	3,153,831	3,760,306	3,784,772
-	324,051	759,213	1,551,852	71,116
-	82,339	74,887	31,845	1,133,034
-	-	-	5,566,397	2,949,978
32,455,388	35,272,777	38,154,367	31,535,945	36,198,588
<u>\$ 101,739,751</u>	<u>\$ 101,413,863</u>	<u>\$ 102,618,107</u>	<u>\$ 99,737,304</u>	<u>\$ 100,802,388</u>

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

	Fiscal Years			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 1,384,578	\$ 1,289,857	\$ 1,894,885	\$ 2,032,563
Community development	2,200,586	976,641	1,274,267	1,303,137
Public safety	6,009,046	5,866,999	7,344,542	6,901,502
Public works	3,032,841	3,316,921	6,081,952	5,136,511
Parks and recreation	1,513,999	1,673,231	1,949,905	2,196,181
Interest on long-term debt	203,444	201,602	216,142	286,638
Total governmental activities expenses	14,344,494	13,325,251	18,761,693	17,856,532
Business-type activities:				
Water	1,501,481	1,218,301	1,436,995	1,522,190
Sewer	2,356,471	2,407,703	2,583,293	2,821,396
Refuse	1,269,935	1,347,339	1,266,330	1,238,814
Ambulance	1,303,816	1,561,444	1,401,154	1,300,483
Pioneer Manor	231,469	221,177	231,666	275,119
License Bureau	601,184	593,088	627,705	758,487
Total business-type activities expenses	7,264,356	7,349,052	7,547,144	7,916,489
Total primary government expenses	\$ 21,608,850	\$ 20,674,303	\$ 26,308,837	\$ 25,773,021
Program Revenues				
Governmental activities				
Charges for services				
Community development	\$ 466,380	\$ 486,528	\$ 552,222	\$ 601,369
Public safety	1,448,604	1,333,433	1,462,598	1,324,364
Public works	1,607,337	2,852,668	1,198,061	1,248,613
Other activities	1,368,593	1,964,137	1,732,107	1,653,693
Operating grants and contributions	969,094	758,819	2,013,226	1,773,381
Capital grants and contributions	3,204,949	1,235,765	236,298	193,819
Total governmental activities program revenues	9,064,957	8,631,350	7,194,512	6,795,239

Fiscal Years					
2018	2019	2020	2021	2022	2023
\$ 2,229,732	\$ 1,780,202	\$ 2,280,521	\$ 2,238,562	\$ 2,471,461	\$ 2,622,891
996,161	913,745	2,017,503	1,028,532	1,070,005	2,584,811
6,938,342	8,107,785	6,698,809	7,057,931	8,929,360	8,555,389
3,477,255	4,982,461	5,913,052	5,251,766	7,511,369	5,182,844
2,443,894	2,110,546	2,141,183	2,376,238	2,841,886	2,645,681
583,390	586,792	575,748	565,989	799,644	1,365,349
16,668,774	18,481,531	19,626,816	18,519,018	23,623,725	22,956,965
1,530,821	1,383,570	2,389,924	1,922,192	1,757,373	2,282,156
2,717,434	2,900,620	3,014,410	3,037,166	2,882,783	3,095,335
1,292,427	1,394,947	1,596,463	1,590,039	1,618,519	1,777,238
1,900,790	2,177,945	2,152,677		2,349,885	3,355,106
265,272	316,986	339,860	312,942	329,175	358,583
860,555	869,093	606,698	693,524	902,607	859,776
8,567,299	9,043,161	10,100,032	7,555,863	9,840,342	11,728,194
\$ 25,236,073	\$ 27,524,692	\$ 29,726,848	\$ 26,074,881	\$ 33,464,067	\$ 34,685,159
\$ 534,884	\$ 549,179	\$ 575,201	\$ 574,468	\$ 416,393	\$ 415,315
1,491,098	1,669,572	1,710,271	2,232,412	2,699,639	2,683,538
2,545,402	1,741,350	150,297	199,499	353,634	268,436
1,598,321	1,873,465	1,643,239	1,976,677	1,914,814	2,007,022
2,529,915	1,816,662	3,579,830	1,658,897	3,065,285	3,391,532
2,786,239	234,945	1,502,431	2,054,214	1,033,013	357,531
11,485,859	7,885,173	9,161,269	8,696,167	9,482,778	9,123,374

(Continued)

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

	Fiscal Years			
	2014	2015	2016	2017
Business-type activities:				
Charges for services				
Water	\$ 1,130,956	\$ 1,033,562	\$ 1,317,467	\$ 1,352,090
Sewer	2,266,411	2,278,271	2,458,993	2,737,128
Refuse	1,266,393	1,331,974	1,287,837	1,313,995
Ambulance	1,467,576	1,533,843	1,364,463	1,819,626
Pioneer Manor	374,610	379,942	379,437	382,935
License Bureau	966,451	1,009,610	1,036,532	971,880
Operating grants and contributions	52,414	-	146,693	77,717
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>7,524,811</u>	<u>7,567,202</u>	<u>7,991,422</u>	<u>8,655,371</u>
Total primary government program revenues	<u>\$ 16,589,768</u>	<u>\$ 16,198,552</u>	<u>\$ 15,185,934</u>	<u>\$ 15,450,610</u>
Net (Expense)/Revenue				
Governmental activities	\$ (5,279,537)	\$ (4,693,901)	\$ (11,567,181)	\$ (11,061,293)
Business-type activities	260,455	218,150	444,278	738,882
Total primary government net expense	<u>(5,019,082)</u>	<u>(4,475,751)</u>	<u>(11,122,903)</u>	<u>(10,322,411)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes	5,101,437	5,430,074	5,425,913	5,638,926
Unrestricted grants and contributions	1,532,454	1,542,705	1,542,738	1,543,705
Investment earnings	435,659	275,401	314,014	390,231
Miscellaneous	-	-	-	-
Gain on sale of capital assets	5,556	205,895	39,118	-
Capital transfers	-	-	-	-
Transfers	929,620	881,506	1,048,315	279,428
Total governmental activities	<u>8,004,726</u>	<u>8,335,581</u>	<u>8,370,098</u>	<u>7,852,290</u>
Business-type activities:				
Investment earnings	-	-	-	-
Gain on sale of capital assets	-	12,236	2,071	10,443
Capital transfers	-	-	-	-
Transfers	(929,620)	(881,506)	(1,048,315)	(279,428)
Total business-type activities	<u>(929,620)</u>	<u>(869,270)</u>	<u>(1,046,244)</u>	<u>(268,985)</u>
Total primary government	<u>\$ 7,075,106</u>	<u>\$ 7,466,311</u>	<u>\$ 7,323,854</u>	<u>\$ 7,583,305</u>
Change in Net Position				
Governmental activities	\$ 2,725,189	\$ 3,641,680	\$ (3,197,083)	\$ (3,209,003)
Business-type activities	(669,165)	(651,120)	(601,966)	469,897
Total primary government	<u>\$ 2,056,024</u>	<u>\$ 2,990,560</u>	<u>\$ (3,799,049)</u>	<u>\$ (2,739,106)</u>

Fiscal Years					
2018	2019	2020	2021	2022	2023
\$ 1,631,823	\$ 1,630,455	\$ 1,949,067	\$ 2,087,357	\$ 2,513,365	\$ 2,782,538
3,137,600	3,301,230	3,284,394	3,665,021	3,618,815	3,928,039
1,345,541	1,422,623	1,626,462	1,794,669	1,729,480	1,801,633
1,617,467	1,991,667	1,738,264	1,940,031	2,166,899	1,931,650
390,436	402,734	405,800	412,151	433,814	442,144
972,573	972,466	545,311	688,447	740,433	859,610
60,691	279,418	210,076	261,657	333,838	366,699
-	2,453	379,351	-	175,000	-
9,156,131	10,003,046	10,138,725	10,849,333	11,711,644	12,112,313
\$ 20,641,990	\$ 17,888,219	\$ 19,299,994	\$ 19,545,500	\$ 21,194,422	\$ 21,235,687
\$ (5,182,915)	\$ (10,596,358)	\$ (10,465,547)	\$ (9,822,851)	\$ (14,140,947)	\$ (13,833,591)
588,832	959,885	38,693	3,293,470	1,871,302	384,119
(4,594,083)	(9,636,473)	(10,426,854)	(6,529,381)	(12,269,645)	(13,449,472)
6,161,456	6,753,944	7,476,766	8,338,199	9,046,807	10,897,615
1,587,299	1,588,195	1,588,195	1,333,615	1,333,615	1,127,728
556,126	975,843	554,412	(171,564)	(986,376)	2,211,622
-	-	-	-	91,701	-
84,222	50,949	394,010	114,058	-	49,600
(1,459,723)	(9,500)	-	-	(172,657)	(10,967)
1,056,920	479,800	(517,381)	688,244	727,000	553,833
7,986,300	9,839,231	9,496,002	10,302,552	10,040,090	14,829,431
-	28,826	47,455	(19,460)	(123,634)	215,610
16,546	40,103	40,128	15,069	26,719	12,381
1,459,723	9,500	-	-	172,657	10,967
(1,056,920)	(479,800)	517,381	(688,244)	(727,000)	(553,833)
419,349	(401,371)	604,964	(692,635)	(651,258)	(314,875)
\$ 8,405,649	\$ 9,437,860	\$ 10,100,966	\$ 9,609,917	\$ 9,388,832	\$ 14,514,556
\$ 2,803,385	\$ (757,127)	\$ (969,545)	\$ 479,701	\$ (4,100,857)	\$ 995,840
1,008,181	558,514	643,657	2,600,835	1,220,044	69,244
\$ 3,811,566	\$ (198,613)	\$ (325,888)	\$ 3,080,536	\$ (2,880,813)	\$ 1,065,084

(Continued)

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

	Fiscal Years				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	3,240,501	3,275,500	3,443,521	3,604,779	3,773,666
Total general fund	3,240,501	3,275,500	3,443,521	3,604,779	3,773,666
All Other Governmental Funds					
Nonspendable					
Capital improvements	-	-	-	-	-
Sports center	-	-	-	-	-
Restricted					
Surface water pollution prevention	31,033	31,033	31,033	31,033	31,033
Debt service	218,493	149,490	171,524	139,623	323,327
Public safety	-	-	-	-	-
Capital asset acquisition	-	-	-	-	-
Economic development	-	-	629,646	464,393	-
Committed					
Armory	54,033	62,013	68,460	59,643	52,867
Surface water pollution prevention	-	-	-	-	-
Marina	275,010	408,717	420,002	73,083	166,994
Sports center	348,724	344,004	347,985	283,171	270,792
Forfeiture	-	-	153,554	128,818	61,614
Debt service	1,321,100	428,022	899,591	846,323	386,091
Advances	1,325,000	1,220,000	1,025,000	1,000,000	1,750,000
Capital improvements	14,179,649	15,173,631	13,964,494	13,240,444	12,642,847
Economic development	1,116,556	1,104,556	1,113,652	2,837,301	3,261,231
Assigned					
Surface water pollution prevention	801,349	766,754	805,238	822,597	774,977
Capital improvements	3,610,771	3,553,171	3,726,267	2,775,587	5,091,368
Debt service	-	-	-	-	-
Advances	-	-	-	-	-
Economic development	2,289,733	2,386,090	1,649,148	-	-
Unassigned	(4,213,915)	(4,478,829)	(1,828,066)	(1,623,966)	(1,588,524)
Total all other governmental funds	21,357,536	21,148,652	23,177,528	21,078,050	23,224,617
Total fund balances	\$ 24,598,037	\$ 24,424,152	\$ 26,621,049	\$ 24,682,829	\$ 26,998,283

Fiscal Years				
2019	2020	2021	2022	2023
\$ -	\$ 15	\$ -	\$ 1,045	\$ 5,205
4,902,116	5,804,642	6,657,580	7,414,739	8,760,173
4,902,116	5,804,657	6,657,580	7,415,784	8,765,378
2,400	-	243,463	-	-
-	3,263	-	8,041	83
-	-	-	-	-
1,148,411	1,195,479	2,051,287	2,395,132	2,970,936
-	-	74,887	7,112,846	6,025,707
-	-	-	5,324	645,000
-	305,922	741,553	1,548,459	67,725
48,160	27,809	24,191	-	-
-	-	-	43,208	143,239
222,160	279,702	305,108	363,694	462,002
264,837	83,660	192,121	257,254	238,435
54,045	-	-	-	-
-	-	-	-	-
750,000	750,000	1,348,500	1,391,250	1,391,250
12,298,103	12,519,361	12,092,106	10,722,210	10,321,877
2,509,228	3,308,573	2,552,660	2,218,999	2,488,410
835,054	846,285	840,487	840,487	840,487
4,400,538	4,404,356	3,844,530	4,415,270	4,634,632
404,761	502,976	554,450	880,958	1,146,238
-	-	199,500	213,750	213,750
-	-	-	-	-
(57,808)	-	(2,679)	(844,467)	(408,246)
22,879,889	24,227,386	25,062,164	31,572,415	31,181,525
\$ 27,782,005	\$ 30,032,043	\$ 31,719,744	\$ 38,988,199	\$ 39,946,903

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

	Fiscal Years			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 5,038,466	\$ 5,513,046	\$ 5,410,913	\$ 5,588,926
Licenses, fees and permits	575,525	743,511	637,247	696,282
Fines and forfeits	142,657	106,539	92,968	89,062
Charges for services	965,652	962,246	1,243,285	989,085
Special assessments	1,479,834	1,423,952	1,363,846	1,268,893
Intergovernmental	3,932,027	3,316,877	3,574,867	3,318,121
Investment earnings	402,659	238,901	271,982	350,481
Other revenues	3,476,927	3,013,404	2,271,189	2,280,430
Total revenues	16,013,747	15,318,476	14,866,297	14,581,280
Expenditures				
General government	1,227,203	1,179,741	1,396,395	1,617,010
Public safety	5,485,868	5,547,655	5,749,040	6,262,229
Public works	1,459,540	1,827,692	1,848,175	3,231,023
Parks and recreation	1,243,397	1,461,734	1,403,256	1,718,351
Social and economic development	2,186,706	967,991	1,121,905	1,294,178
Capital outlay	8,674,837	4,896,700	4,216,946	2,451,652
Debt service				
Principal	665,000	680,000	345,000	355,000
Interest	207,553	205,925	169,628	312,139
Total expenditures	21,150,104	16,767,438	16,250,345	17,241,582
Excess of revenues over (under) expenditures	(5,136,357)	(1,448,962)	(1,384,048)	(2,660,302)
Other Financing Sources (Uses)				
Bonds issued	-	-	2,275,000	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	6,647	262,667	51,960	47,082
Transfers in	3,756,935	4,484,192	4,159,689	5,101,950
Transfers out	(2,811,435)	(3,471,782)	(2,905,704)	(4,426,950)
Total other financing sources (uses)	952,147	1,275,077	3,580,945	722,082
Net changes in fund balances	\$ (4,184,210)	\$ (173,885)	\$ 2,196,897	\$ (1,938,220)
Debt service as a percentage of noncapital	7.0%	7.4%	3.5%	4.5%

		Fiscal Years									
2018		2019		2020		2021		2022		2023	
\$	6,102,456	\$	6,829,685	\$	7,472,082	\$	8,036,638	\$	8,725,394	\$	10,518,501
	785,141		892,276		845,633		1,405,865		1,641,987		1,739,885
	78,357		87,063		60,489		78,008		68,385		52,548
	1,035,730		1,267,682		1,133,738		1,569,743		1,687,657		1,856,391
	1,405,265		1,448,465		1,424,125		1,235,409		1,225,027		814,264
	4,146,233		3,393,992		5,308,025		3,790,103		4,292,590		4,512,998
	528,626		855,613		472,064		(147,934)		(856,588)		2,023,028
	3,463,864		2,716,316		2,144,866		2,687,808		2,437,313		2,241,120
	17,545,672		17,491,092		18,861,022		18,655,640		19,221,765		23,758,735
	1,653,756		1,779,680		1,908,340		1,912,857		2,027,179		2,156,701
	6,860,710		6,498,002		6,662,012		7,251,601		7,756,025		8,204,427
	2,135,159		2,294,282		2,193,221		2,406,231		2,897,797		3,035,193
	1,854,616		1,504,270		1,366,047		1,492,158		1,673,359		1,712,997
	1,053,737		1,093,417		1,623,799		1,013,106		960,620		2,561,230
	11,211,655		5,357,364		5,012,902		3,858,090		6,110,431		13,687,692
	420,000		420,000		775,000		895,000		1,150,000		1,335,000
	425,058		606,920		560,709		592,195		787,340		1,036,916
	25,614,691		19,553,935		20,102,030		19,421,238		23,362,751		33,730,156
	(8,069,019)		(2,062,843)		(1,241,008)		(765,598)		(4,140,986)		(9,971,421)
	9,180,000		1,925,000		3,580,000		1,815,000		10,000,000		10,000,000
	67,581		164,335		341,970		101,720		360,156		326,692
	79,972		42,430		460,571		118,059		104,222		49,600
	3,856,096		5,119,617		4,281,435		3,700,136		4,858,340		2,126,485
	(2,799,176)		(4,404,817)		(5,090,591)		(3,145,892)		(4,131,340)		(1,572,652)
	10,384,473		2,846,565		3,573,385		2,589,023		11,191,378		10,930,125
\$	2,315,454	\$	783,722	\$	2,332,377	\$	1,823,425	\$	7,050,392	\$	958,704
	6.0%		6.7%		7.7%		8.7%		9.6%		11.7%

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

Levy Year	Fiscal Year	Real Property		Personal Property	
		Assessed Tax Capacity	Market Value	Assessed Tax Capacity	Market Value
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	40,900,039	3,542,084,400	434,724	61,256,800
2023	2024	40,908,111	3,730,007,164	482,527	64,506,736

Source: Ramsey County and Washington County

Total				
Assessed Tax Capacity	Market Value	% Total of Assessed Tax Capacity to Market Value	Total Direct Tax Rate	
\$ 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	
41,334,763	3,603,341,200	1.15%	24.054	
41,390,638	3,794,513,900	1.09%	27.263	

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)	2014 2014	19.447	0.879	0.777	21.102	28.562 0.273	63.735	9.825	123.224 0.273
(A)	2015 2015	18.682	0.277	1.408	20.367	26.660 0.240	58.922	9.179	115.128 0.240
(A)	2016 2016	18.223	0.528	0.939	19.690	26.236 0.235	58.885	9.052	113.863 0.235
(A)	2017 2017	17.936	0.484	0.550	18.969	23.454 0.212	55.920	8.565	106.908 0.212
(A)	2018 2018	17.548	0.446	0.999	19.058	23.631 0.223	53.692	8.215	104.596 0.223
(A)	2019 2019	19.070	0.420	0.700	20.143	26.081 0.232	52.879	8.265	107.368 0.232
(A)	2020 2020	19.261	0.394	0.974	20.629	36.777 0.220	52.302	8.249	117.957 0.220
(A)	2021 2021	18.375	0.365	1.616	20.355	37.074 0.180	47.760	7.815	113.004 0.180
(A)	2022 2022	19.845	0.364	2.062	22.271	34.805 0.190	48.070	9.970	115.116 0.190
(A)	2023 2023	19.893	0.319	3.842	24.054	32.398 0.180	44.901	8.740	110.093 0.180
(A)	2024 2024	22.547	0.304	4.927	27.778	33.940 0.160	45.446	8.961	116.126 0.160

(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	2023			2014		
	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	\$ 703,000	1	1.96%	\$ 350,138	2	1.56%
The Barnum	553,265	2	1.54%			
Tundra Companies	455,704	3	1.27%	174,912	6	0.78%
The Waters of White Bear Lake	350,880	4	0.98%			
White Bear Marketplace	344,346	5	0.96%			
Harbor Crossing	323,961	6	0.90%			
Birch Lake Townhomes	310,924	7	0.87%			
White Bear Polar Chevrolet/Mazda	309,816	8	0.86%			
Trane Corporation	248,046	9	0.69%	240,850	3	1.07%
Xcel Energy	234,514	10	0.65%	401,762	1	1.79%
Sam's Club				217,250	4	0.97%
White Bear Shopping Center				211,702	5	0.94%
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>\$ 3,834,456</u>		<u>10.69%</u>	<u>\$ 2,179,550</u>		<u>9.70%</u>
Total Tax Capacity of City	<u>\$ 35,885,404</u>			<u>\$ 22,476,259</u>		

Source: Ramsey County and Washington County

THIS PAGE IS LEFT
BLANK INTENTIONALLY

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

Fiscal Year	Total Levy	(1)		Collections/ Refunds in Subsequent Years	Total Collections to Date	
		Collection of Current Year's Levy	Percentage of Levy Collected		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%	44,952	5,585,517	99.30%
2019	6,345,000	6,238,360	98.32%	70,127	6,308,487	99.42%
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%	7,378	8,004,117	99.06%
2023	9,955,000	9,888,232	99.33%	-	9,888,232	99.33%

(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		
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
2023	15,451,146	1,785,000	17,635,157	2,819,871	3,240,268	-	40,931,442

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
\$ 1,497,574,000	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
1,824,877,600	2.24%	25,067	1,632.88

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

Fiscal Year	General Obligation Bonds (1)	Less Amount Restricted to Debt Service (2)	Net General Bonded Debt	Market Value of Property	Percentage of Market Value of Property	Assessed Value of Property
2014	\$ 4,085,000	\$ 192,389	\$ 3,892,611	\$ 2,018,498,400	0.19%	\$ 22,662,159
2015	3,405,000	127,709	3,277,291	2,139,511,900	0.15%	23,893,184
2016	5,335,000	103,228	5,231,772	2,208,426,900	0.24%	24,679,181
2017	4,980,000	139,623	4,840,377	2,558,489,600	0.19%	29,199,673
2018	13,740,000	122,200	13,617,800	2,739,232,500	0.50%	31,468,763
2019	15,468,480	1,847,261	13,621,219	2,804,152,700	0.49%	33,431,934
2020	19,516,166	2,265,278	17,250,888	3,108,858,300	0.55%	35,885,404
2021	23,053,678	3,153,831	19,899,847	3,156,599,200	0.63%	36,356,567
2022	32,182,417	3,760,306	28,422,111	3,603,341,200	0.79%	41,334,763
2023	40,931,442	3,784,772	37,146,670	3,794,513,900	0.98%	41,390,638

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

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

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

Percentage of Assessed Value of Property	Population	Per Capita
17.18%	24,100	\$ 161.52
13.72%	24,159	135.66
21.20%	24,138	216.74
16.58%	25,001	193.61
43.27%	25,512	533.78
40.74%	25,752	528.94
48.07%	24,883	693.28
54.74%	25,067	793.87
68.76%	25,067	1,133.85
89.75%	25,067	1,481.90

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of White Bear Lake, Minnesota
Computation of Direct and Overlapping
Bonded Debt and Comparative Debt Ratios
December 31, 2023

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
Direct Debt:			
Special Assessments	\$ 15,451,146	100.00%	\$ 15,451,146
Tax Increment	1,785,000	100.00%	1,785,000
Capital Improvement	17,635,157	100.00%	17,635,157
Tax Abatement	2,819,871	100.00%	2,819,871
Subtotal	<u>37,691,174</u>		<u>37,691,174</u>
City of White Bear Lake	<u>37,691,174</u>	100.00%	<u>37,691,174</u>
Overlapping Debt:			
Ramsey County	143,790,224	4.90%	5,956,762
Washington County	81,623,765	0.12%	101,020
Independent School District #622	417,293,896	0.09%	377,141
Independent School District #624	383,334,036	32.43%	124,328,284
Independent School District #916	69,450,000	7.88%	5,472,736
Metropolitan Council - Parks	(6,171,757)	1.00%	(61,718)
Metropolitan Council - Regional Transit	363,499,887	1.00%	3,634,999
Total overlapping debt	<u>1,452,820,051</u>		<u>139,809,224</u>
Total direct and overlapping debt	<u>\$ 1,490,511,225</u>		<u>\$ 177,500,398</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			
	2014	2015	2016	2017
Debt limit	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306	\$70,917,876
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306	\$ 70,917,876
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%

Market value		\$ 3,794,513,900
Debt limit - 3.00% of market value (Note A)		\$ 113,835,417
Total bonded debt	40,931,442	
Less (Note B)		
Tax Increment Bonds	1,785,000	
Special Assessment Bonds	15,451,146	
Revenue Bonds	3,240,268	
	20,476,414	
Total debt applicable		20,455,028
Legal debt margin		\$ 93,380,389

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					
2018	2019	2020	2021	2022	2023
\$77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 94,808,283	\$ 108,100,236	\$ 113,835,417
-	-	-	3,085,480	10,241,250	20,455,028
\$77,077,101	\$82,176,975	\$ 87,849,879	\$ 91,722,803	\$ 97,858,986	\$ 93,380,389
0.00%	0.00%	0.00%	3.25%	9.47%	17.97%

(Continued)

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
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
2023	2,850,292	2,007,179	843,113	175,000	63,173

(A) Direct Operating Expenses exclude related depreciation.

Total Debt Requirements		Coverage
\$	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	7,995	-3548.22%
	39,084	916.02%
	91,866	1047.99%
	238,173	353.99%

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)
2014	24,100	\$ 1,497,574,000	\$ 62,140	8,019	3.50%
2015	24,159	1,347,975,564	55,796	8,038	3.80%
2016	24,811	1,458,514,512	58,785	8,206	3.50%
2017	25,001	1,458,514,512	58,338	8,551	2.90%
2018	25,512	1,491,125,376	58,448	8,593	2.90%
2019	25,458	1,550,188,536	60,892	8,602	2.80%
2020	25,752	1,601,568,384	62,192	8,478	5.10%
2021	24,883	1,634,215,908	65,676	8,282	2.80%
2022	25,067	1,824,877,600	72,800	8,279	2.60%
2023	25,067	1,824,877,600	72,800	8,224	2.30%

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	2023			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Educational Services	2,151	1	17.34%	1,682	1	14.74%
Health Care and Social Assistance Services	1,593	2	12.84%	1,486	2	13.02%
Accommodation and Food Services	1,418	3	11.43%	1,203	4	10.54%
Retail Trade	1,387	4	11.18%	1,419	3	12.44%
Other Services (except Public Administration)	867	5	6.99%	892	6	7.82%
Professional, Scientific and Technical Services	784	6	6.32%	719	7	6.30%
Administrative, Support, Waste Management, and Remediation	782	7	6.30%	560	8	4.91%
Manufacturing	744	8	6.00%	974	5	8.54%
Wholesale Trade Services	694	9	5.59%	490	9	4.29%
Finance and Insurance Services	453	10	3.65%	374	10	3.28%
Total Industries Listed	<u>10,873</u>		<u>87.65%</u>	<u>9,799</u>		<u>85.88%</u>
Total City Employment	<u>12,405</u>			<u>11,410</u>		

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

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

	Fiscal Years			
	2014	2015	2016	2017
General government				
Legislative	0.65	0.65	0.50	0.50
Administration	1.55	1.55	2.30	2.50
Finance	4.90	4.90	5.00	5.00
City Hall	1.00	1.00	1.40	1.40
Technology	-	-	-	-
Elections	0.20	0.25	0.40	0.20
Planning	3.00	3.00	3.00	4.00
Public Safety				
Police	31.81	31.81	32.01	32.01
Dispatch	5.75	5.75	5.50	5.50
Fire	2.75	2.75	3.00	3.00
Building / Code Enforcement	5.00	5.00	5.00	6.00
Public Works				
Streets	4.70	4.70	4.20	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	6.40	6.40
Armory	-	0.35	0.35	0.35
Surface Water	-	-	0.50	0.50
Sports Center	3.85	3.50	3.50	3.50
Economic Development	-	-	-	0.50
Water	4.80	4.80	4.70	4.70
Sewer	4.50	4.50	4.40	4.40
Refuse	0.35	0.70	-	-
Ambulance	7.25	7.25	7.25	7.25
License Bureau	9.80	8.90	10.10	11.10
Total	104.86	104.36	106.81	110.31

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

Fiscal Years					
2018	2019	2020	2021	2022	2023
0.50	0.50	0.50	0.50	0.50	0.50
2.50	2.50	2.50	2.50	2.50	3.50
5.00	5.00	5.00	5.00	5.00	4.00
2.00	2.00	2.00	2.00	1.00	1.00
-	-	-	-	1.00	1.00
-	-	-	-	-	-
3.00	3.00	3.00	3.00	3.00	3.00
32.40	35.65	36.95	38.50	38.20	38.80
2.75	-	-	-	-	-
1.75	4.10	4.10	4.10	5.25	6.00
6.00	6.00	6.00	6.00	6.00	6.00
4.00	4.00	4.00	4.00	4.00	4.00
6.00	6.00	5.00	4.50	5.00	5.00
1.00	1.00	1.00	1.50	2.00	2.00
0.90	0.90	0.90	0.90	0.90	0.90
6.00	6.00	5.00	5.00	5.00	5.00
0.35	0.35	0.35	0.35	0.35	-
0.50	0.50	0.50	1.00	1.00	1.00
4.15	4.15	4.10	4.22	4.22	4.57
1.50	1.50	1.15	1.15	1.15	1.15
4.70	4.70	4.70	4.70	4.70	4.70
4.40	4.40	4.40	4.40	4.40	4.40
-	-	-	-	-	-
13.75	11.90	11.90	11.90	12.75	14.00
11.30	12.80	9.20	9.50	9.90	9.40
114.45	116.95	112.25	114.72	117.82	119.92

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

	Fiscal Years				
	2014	2015	2016	2017	2018
Building					
Building permits issued	740	968	883	1,156	1,356
Other permits issued	1,332	1,537	1,479	1,461	1,622
Police					
Number of Calls for Service	28,293	24,270	26,475	28,491	26,538
Administrative Citations					
City	295	309	207	44	30
State	455	352	292	383	409
Total	750	661	499	427	439
Fire					
Fire calls*	130	126	115	229	-
Staged responses (Silent)*	361	339	359	226	-
Rescue calls*	114	104	136	129	-
Fire/Rescue Calls*	-	-	-	-	300
Parks					
Reservations	268	242	240	311	342
Water					
Gallons pumped	805,400,000	777,995,000	815,073,000	813,123,000	731,118,167
Water main breaks	23	11	13	16	17
Refuse					
Accounts serviced each week	7,597	7,662	7,660	7,654	7,601
Ambulance					
Ambulance calls	2,971	2,739	2,631	2,948	3,047
License Bureau					
Motor Vehicle transactions	88,192	94,280	94,842	90,085	88,923
Drivers License transactions	18,547	18,634	18,696	17,724	18,090
DNR licenses	6,184	6,214	6,676	5,747	6,316
Game and Fish licenses	845	648	538	500	439

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.

2019	2020	Fiscal Years 2021	2022	2023
1,091	1,024	1,087	1,886	1,540
1,594	1,575	1,730	1,878	1,936
27,396	22,499	22,309	20,454	15,414
21	10	6	21	9
336	137	521	259	134
357	147	527	280	143
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
510	822	933	958	1,090
311	175	409	419	395
717,745,028	727,055,858	760,002,312	719,668,225	642,488,179
22	9	16	23	18
7,530	7,539	7,524	7,514	7,517
3,619	3,289	3,663	4,325	3,865
80,122	48,739	54,185	54,323	60,279
20,880	6,609	8,990	18,787	21,349
5,938	4,162	4,532	5,175	4,126
292	55	243	290	240

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

	2014	2015	Fiscal Years 2016	2017	2018
Public Safety					
Police					
Stations	1	1	1	1	1
Patrol Vehicles	18	17	19	19	20
Fire					
Stations	2	2	2	2	2
Fire trucks (1)	6	6	6	6	6
Rescue boats with motors	2	2	2	2	2
Public Works					
Streets					
Miles	114.81	114.81	114.81	114.81	114.81
Street lights	515	515	515	515	523
Parks and recreation					
Public Docks (1)	9	9	9	9	9
Outdoor ice rinks	5	5	5	5	5
Playgrounds	11	11	11	11	11
Softball fields	13	13	13	13	13
Basketball court	2	2	2	2	5
Disc golf course	1	1	1	1	1
Sports Center					
Indoor ice rink	1	1	1	1	1
Racquetball courts	5	5	5	5	5
Water					
Miles of watermain	126.81	126.81	126.81	126.81	126.95
Fire hydrants	907	907	907	907	908
Water tower storage	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Sewer					
Miles of storm sewers	50.02	50.61	50.61	50.61	50.97
Miles of sanitary sewers	120.36	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.
- (2) The number of fire hydrants owned by the City increased in 2023. The City now has it's own Geographical Information System Technician who was able to provide a more accurate count.

2019	2020	Fiscal Years 2021	2022	2023
1	1	1	1	1
19	19	20	19	19
2	2	2	2	2
6	5	5	5	5
2	2	1	1	1
114.81	114.81	114.71	114.77	114.77 (1)
529	529	529	525	525
9	9	9	9	9
5	5	5	5	5
11	11	11	11	11
13	13	13	13	13
5	5	5	5	5
1	1	1	1	1
1	1	1	1	1
5	5	0	0	0
127.08	127.10	127.10	127.30	127.30
909	913	913	916	1,144 (2)
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
51.21	51.32	51.39	51.39	51.39
120.36	120.36	120.36	120.50	120.50

FORM OF LEGAL OPINION

(See following pages)



150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
www.kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

§ _____
CITY OF WHITE BEAR LAKE, MINNESOTA
GENERAL OBLIGATION BONDS
SERIES 2025A

We have acted as bond counsel to City of White Bear Lake, Minnesota (the “Issuer”), in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2025A (the “Bonds”), originally dated _____, 2025, and issued in the original aggregate principal amount of \$_____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings, and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable in part from ad valorem taxes, and in part from special assessments levied or to be levied on property specially benefited by local improvements, but if necessary for the payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. However, such interest is included in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) of applicable corporations (as defined in Section 59(k) of the Code) for purposes of computing the alternative minimum tax imposed on such applicable corporations, and is subject to Minnesota franchise taxes on certain corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated _____, 2025, at Minneapolis, Minnesota.

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

(See following pages)

\$ _____
CITY OF WHITE BEAR LAKE, MINNESOTA
GENERAL OBLIGATION BONDS
SERIES 2025A

CONTINUING DISCLOSURE CERTIFICATE

_____, 2025

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of White Bear Lake, Minnesota (the “City”) in connection with the issuance of its General Obligation Bonds, Series 2025A (the “Bonds”) in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the City Council of the City (the “Resolutions”). The Bonds are being delivered to _____, (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the City has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the City, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Capital Improvement Plan Bonds, Series 2025A, issued by the City in the original aggregate principal amount of \$ _____.

“City” means the City of White Bear Lake, Minnesota, which is the obligated person with respect to the Bonds.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated _____, 2025, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the City.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The City shall provide to the Repository not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2024, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the City shall send a notice of that fact to the Repository and the MSRB.

(c) The City shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. US Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The City shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the City shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the City's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the City shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The City's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the City delivers to the Repository an opinion of nationally-recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the City to the Repository of the proposed amendment and an opinion of nationally-recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

CITY OF WHITE BEAR LAKE, MINNESOTA

By _____
Mayor

By _____
City Administrator

TERMS OF PROPOSAL

\$2,430,000* GENERAL OBLIGATION BONDS SERIES 2025A CITY OF WHITE BEAR LAKE, MINNESOTA

Proposals for the purchase of \$2,430,000* General Obligation Bonds Series 2025A (the "Bonds") of the City of White Bear Lake, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via bondsale@ehlers-inc.com or **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on May 13, 2025, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

AUTHORITY; PURPOSE; SECURITY

The Bonds are being issued pursuant to Minnesota Statutes, Sections 410.32 and 412.301, as amended, and Minnesota Statutes, Chapters 429 and 475, as amended, by the City, for the purposes of financing various assessable public improvements and the purchase of a fire truck. The Bonds will be general obligations of the City for which its full faith and credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated May 29, 2025, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$165,000	2032	\$190,000	2037	\$100,000
2028	175,000	2033	195,000	2038	105,000
2029	180,000	2034	205,000	2039	105,000
2030	180,000	2035	205,000	2040	110,000
2031	190,000	2036	215,000	2041	110,000

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2026, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2027 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2036 shall be subject to optional redemption prior to maturity on February 1, 2035 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about May 29, 2025, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$2,398,410 plus accrued interest on the principal sum of \$2,430,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M., Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a submission.

A good faith deposit ("Deposit") in the amount of \$48,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate, the form of which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date of the Bonds (the "Closing Date") has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of White Bear Lake, Minnesota

PROPOSAL FORM

The City Council
City of White Bear Lake, Minnesota (the "City")

May 13, 2025

RE: \$2,430,000* General Obligation Bonds Series 2025A (the "Bonds")
DATED: May 29, 2025

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$2,398,410) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2027	_____ % due 2032	_____ % due 2037
_____ % due 2028	_____ % due 2033	_____ % due 2038
_____ % due 2029	_____ % due 2034	_____ % due 2039
_____ % due 2030	_____ % due 2035	_____ % due 2040
_____ % due 2031	_____ % due 2036	_____ % due 2041

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2027 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$48,600 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about May 29, 2025.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from May 29, 2025 of the above proposal is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of White Bear Lake, Minnesota, on May 13, 2025.

By: _____ By: _____
Title: _____ Title: _____