

CITY OF GRAND RAPIDS, MINNESOTA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

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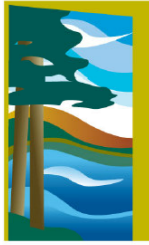
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I. INTRODUCTORY SECTION

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May 1, 2025

Honorable Mayor, Members of the City Council,
and Citizens of the City of Grand Rapids:

The Annual Comprehensive Financial Report (ACFR) for the City of Grand Rapids for the fiscal year ended December 31, 2024, is hereby submitted. Minnesota State Statutes require that local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This requirement has been met by the engagement of the firm of CliftonLarsonAllen (CLA) and their report is included in the financial section of this report.

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

The City of Grand Rapids' financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Grand Rapids for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the City of Grand Rapids' financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Village of Grand Rapids was incorporated on June 11, 1891, and became a statutory City on January 9, 1974. The City of Grand Rapids, the Itasca County seat, is located 180 miles north of Minneapolis and St. Paul, Minnesota, in the north central part of the state. The City is located in the heart of a resort and recreation area and is the major commercial service and industrial center. The City of Grand Rapids currently occupies a land area of 24.40 square miles and serves a population of 11,183.

The City operates under a Council-Administrator form of government. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and four other members. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and approving the hiring of City employees. The City Administrator is responsible for carrying out the policies and ordinances of the City Council and overseeing the day-to-day operations of the City. Council members serve four-year staggered terms, with two Council members elected every two years. The mayor is elected to serve a two-year term.

The City of Grand Rapids provides a full range of services, including police and fire protection, the construction and maintenance of highway, streets, and other infrastructure, recreational and cultural facilities, and general administrative services. In addition, the City also provides enterprise activities such as a golf course and storm water utility.

The City has two discretely presented component units, the Grand Rapids Economic Development Authority (GREDA) and the Grand Rapids Public Utilities Commission (GRPUC). Both governing boards are appointed by the City Council. The Council has the ability to approve or modify the GREDA's budget and is governed by Article VIII of the bylaws. The GREDA does not issue separate financial statements. The GRPUC provides electric power distribution system, water production treatment and distribution systems, and wastewater collection and treatment systems. The City guarantees the general obligation debt of the GRPUC. Separate financial statements are issued by the GRPUC.

The annual budget serves as the foundation for the City of Grand Rapids' financial planning and control. All agencies of the City of Grand Rapids are required to submit requests for appropriation to the City Administrator in May of each year for the following year's budget. The City Administrator uses these requests as the starting point for developing a proposed budget. The City Administrator meets with the Council to develop a budget. The Council is required to hold a public hearing on the proposed budget and certify an adopted final budget to the County Auditor by no later than December 30.

The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfer of appropriations between departments, however, require the special approval of the governing Council. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 101 as part of the basic financial statements for the government funds. For governmental funds other than the general fund, and with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, shown on pages 153 through 160.

LOCAL ECONOMY

Grand Rapids is a regional center with a retail market area population of approximately 49,000 and home to several state education and governmental agencies as well as the site of Itasca County government operations. The City is the regional headquarters for the Minnesota Department of Natural Resources and the home of Itasca Community College now reorganized and rebranded as Minnesota North College, Itasca Campus.

The City and Grand Rapids EDA are working with developers interested in addressing the current and increasing demand for housing in the community. The EDA has entered into development agreement with Oppidan, Inc. for their prospective development of a 132-unit apartment on EDA property which should be starting in early summer. They also entered into a developer agreement for a 63 unit apartment located on Block 19, across from the library. In addition, the EDA is working with multiple developers to bring up to 100 single family homes with the City.

Building permit activity in 2024 was a record year exceeding \$140 million which is double the previous record of a little over \$70 million. A major contributor to this was the HWY 35 project, with over \$95 million in construction on the former Ainsworth site, establishing the largest cannabis manufacturing community in Minnesota.

LONG-TERM FINANCIAL PLANNING

The City has a Five Year Capital Improvement Plan for infrastructure and equipment and a Pavement Management Plan for streets. The City analyzes each capital project to determine if sufficient funding is in place and how the project will affect the levy. Excess General Fund balances are annually allocated to capital equipment and building replacements. Projects that have additional outside funding are given a higher priority. This policy has allowed the City to meet future infrastructure and capital equipment needs without a significant increase in the levy.

Realizing the volatility of Local Government Aid (LGA) and the loss of the Market Value Homestead Credit, the City Council is developing funding mechanisms that will assist in minimizing the uncontrolled fluctuations in outside funding along with creating efficiencies in the work force. The City is focusing on reducing the growth of expenditure by making permanent adjustments to the base.

RELEVANT FINANCIAL POLICIES

In 2017, the City implemented the Uniform Guidance for Procurement Procedures to ensure that the procurement process complies with all applicable legal requirements, federal and state regulations. This ensures that the goods and services required by the City are obtained using established procedures that comply with all legal requirements for public purpose expenditures while promoting fair and open competition to ensure public confidence in the procurement process, ensure fair and equitable treatment of vendors who transact business with the City, and provide safeguards for the maintenance of a procurement system of quality and integrity.

In 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement 75 to improve accounting and financial reporting for postemployment benefits other than pensions. This statement identifies methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

In 2022, the City implemented the lease accounting standard, the latest Governmental Accounting Standards Board (GASB) Statement 87. Under the standard, state and local government organizations are required to capitalize most leases on the balance sheet, reporting them as right-of-use (ROU) assets and lease liabilities.

In 2023, the City implemented the Subscription-Based Information Technology Arrangements (SBITAs), Governmental Accounting Standards Board (GASB) Statement 96. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement defines a SBITA, establishes that a SBITA results in a ROU subscription asset and a corresponding subscription liability. It provides the capitalization criteria for outlays other than subscription payments, including implementation costs.

In 2024, the City implemented the compensated absences standard, the latest Governmental Accounting Standards Board (GASB) Statement 101. Under the standard, state and local government organizations are required to recognize liabilities for compensated absences for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to more services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

MAJOR INITIATIVES

The City is working on several major initiatives as follows:

1. Central School, originally constructed in 1895 as a K-12 school, transferred to the City in 1972, had its last major renovation in 1983, and is in need of major capital improvements. Improvements include, but are not limited to, a new roof/truss system, elevator, HVAC, and bathrooms. The opinion of cost for these improvements are \$7.6 million.
2. The downtown business plan has wrapped up and the EDA is moving forward with recommendations from the plan. This will include the formation of an association which will be staffed to ensure activity and growth in the downtown.
3. A Master Planning effort for Legion Park will begin in early Fall. The purpose of this plan is to inventory what activities currently exist with the over 160 acre park, determine what improvements are needed, and what the economic impact of the park will be when improvements are implemented.
4. TH 2/169 are programmed for improvements in the 2030's. MNDOT is currently developing what the improvements should be implemented. GREDA is paralleling this study with a corridor improvement plan that will focus on property redevelopment opportunities along TH 2/169.

AWARDS AND ACKNOWLEDGEMENTS

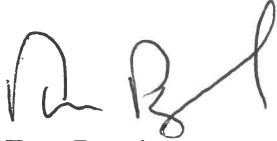
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Rapids for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. This was the thirty second consecutive year that the government has received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. The Mayor and City Council are to be commended for their diligence and resolve in keeping the City in sound and stable financial condition.

The City Council's commitment to continually plan for the City's future and dedication to maintaining high financial standards has helped the City maintain its strong financial condition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom Pagel', with a stylized, cursive script.

Tom Pagel
City Administrator

A handwritten signature in black ink, appearing to read 'Laura Pfeifer', with a stylized, cursive script.

Laura Pfeifer
Interim Finance Director

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Government Finance Officers Association

Certificate of
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Presented to

City of Grand Rapids Minnesota

For its Annual Comprehensive Financial
Report
For the Fiscal Year Ended December 31, 2023

Christopher P. Morill

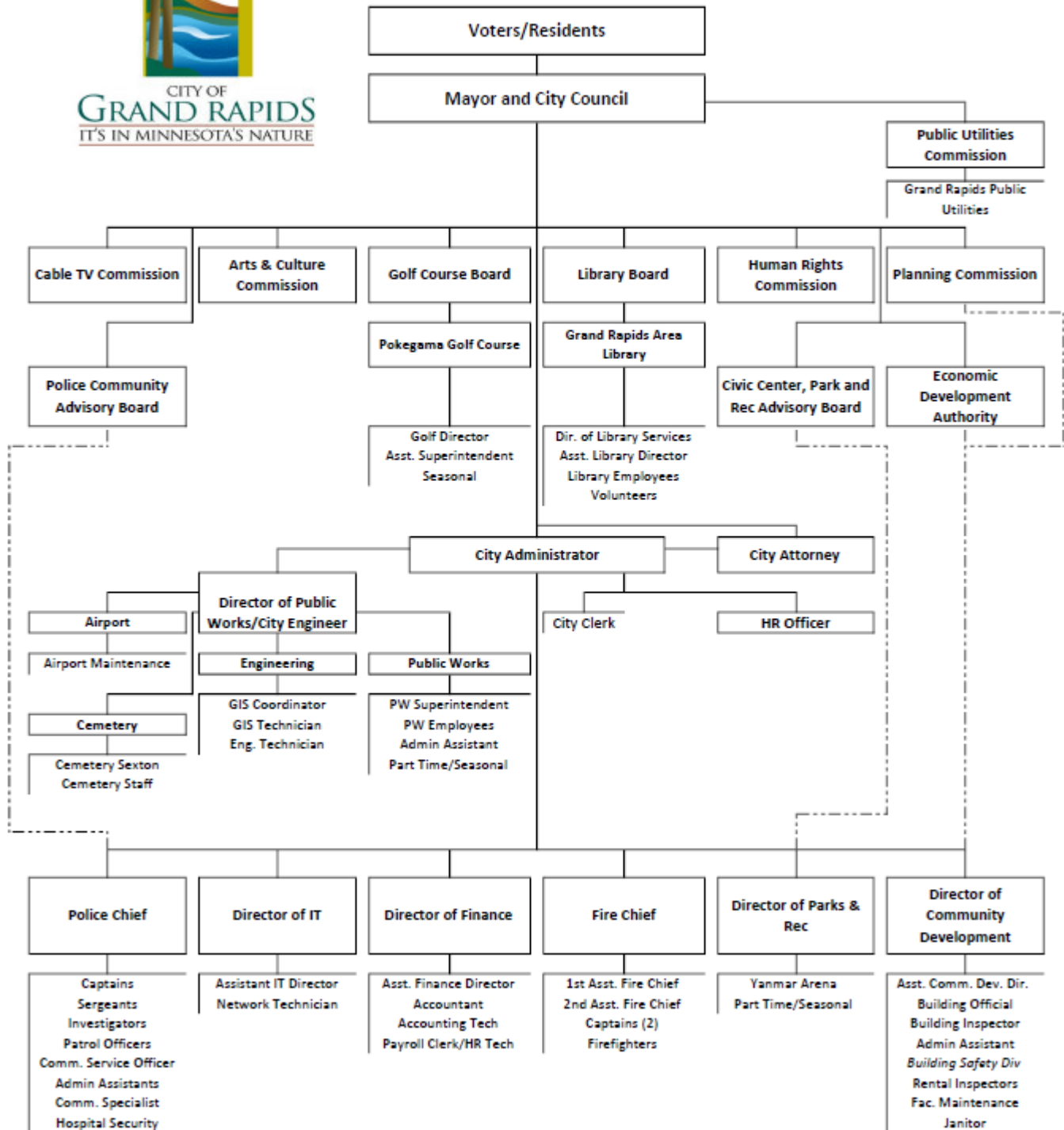
Executive Director/CEO

**CITY OF GRAND RAPIDS, MINNESOTA
PRINCIPAL CITY OFFICIALS AND DEPARTMENT HEADS
DECEMBER 31, 2024**

	Term Expires
Mayor:	
Dale Christy	December 31, 2024
Council Members:	
Dale Adams	December 31, 2024
Tasha Connelly	December 31, 2024
Molly MacGregor	December 31, 2026
Tom Sutherland	December 31, 2026
City Administrator.....Tom Pagel	
Finance Director - Treasurer... ..Barbara Baird	
Interim Finance Director – TreasurerLaura Pfeifer	
Fire Chief... ..Travis Cole	
Director of Library Services... ..Will Richter	
Director of Community Development... ..Rob Mattei	
Human Resource Officer.....Chery Pierzina	
City Clerk... ..Kimberly Gibeau	
Public Works Director / City Engineer... ..Matt Wegwerth	
Chief of Police.....Andy Morgan	
Director of Golf Operations.....Bob Cahill/Tom Beaudry	
Director of Parks and Recreation.....Dale Anderson	



City of Grand Rapids, Minnesota City Operations Organizational Chart



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II. FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Grand Rapids, Minnesota
Grand Rapids, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Grand Rapids' 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Rapids, as of December 31, 2024, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Grand Rapids 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.

Emphasis of Matter

As described in Note 22 and 23 of the financial statements, fund balance and net position was restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Honorable Mayor and
Members of the City Council
City of Grand Rapids, Minnesota

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 of Grand Rapids' 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 City of Grand Rapids' 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 City of Grand Rapids' 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of changes in the total OPEB liability and related ratios, schedules of the proportionate share of net pension liability, schedules of pension contributions, schedule of changes in the net pension liability and related ratios – Grand Rapids Fire Department Relief Association, schedule of contributions – Grand Rapids Fire Department Relief Association, and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 GAAS, 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 of Grand Rapids' basic financial statements. The 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 statements themselves, and other additional procedures in accordance with GAAS. 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 included in the annual report. The other information comprises the introductory section, other information - special revenue budgetary schedules, and other information – debt related as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements 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.

Honorable Mayor and
Members of the City Council
City of Grand Rapids, Minnesota

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2025, on our consideration of the City of Grand Rapids' 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 solely 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 effectiveness of the City of Grand Rapids' 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 City of Grand Rapids' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

St. Cloud, Minnesota
May 1, 2025

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Grand Rapids (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$75,566,337 (net position).

The City's total net position increased by \$2,689,376. The governmental activities of the City increased by \$2,413,904. This increase is due primarily to an increase in taxes and intergovernmental revenues.

The business-type activities increased by \$275,472 due primarily to an increase in charges for services.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,707,171. Of this amount, \$22,845,625 is restricted by external constraints established by creditors, grantors, contributors, or by state statutory provisions.

At the end of the current fiscal year the general fund balance was \$7,972,240. Of that amount, \$833,888 was in a nonspendable form, \$53,717 was restricted, \$1,412,248 was committed and \$5,672,387 was unassigned.

The City's total debt decreased from \$51,170,483 to \$46,621,127 (excluding compensated absences). The City issued General Obligation Street Reconstruction Bonds, Series 2024A for \$7,725,000 and General Obligation Equipment Certificates, Series 2024B for \$975,000 in 2024 and paid off the 2022A General Obligation Temporary Bond.

Overview of the Financial Statements

This discussion and analysis is intended to serve as 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 supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, 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.

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a golf course and a storm water utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also two legally separate entities (Public Utilities Commission and Economic Development Authority) for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Public Utilities Commission issues separate financial statements. The Economic Development Authority does not.

The government-wide financial statements can be found on pages 23 through 25 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 resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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 changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

For 2024, the City maintained three 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 balance for the following major funds:

- General Fund
- Debt Service Fund
- Capital Projects Fund

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

The City adopts an annual appropriated budget for its general and special revenue funds.

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

The basic governmental fund financial statements can be found on pages 26 through 29 of this report.

Proprietary Funds

The City maintains two enterprise funds as a part of its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its golf course and storm water utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 31 through 34 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 programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements provide separate information for the following custodial funds:

- Lodging Tax
- Cable TV Commission

The basic fiduciary fund financial statements can be found on pages 35 and 36 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 the financial statements can be found on pages 37 through 100 of this report.

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds, custodial funds, and the Economic Development Authority (EDA) component unit is presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 123 through 146 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$75,566,337 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$63,191,644 or 84%) reflects its investment in capital assets (e.g., land, infrastructure, 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 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 themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	\$ 37,519,634	\$ 41,471,152	\$ 1,111,776	\$ 1,180,821	\$ 38,631,410	\$ 42,651,973
Capital Assets	88,788,986	87,313,116	3,408,052	2,731,558	92,197,038	90,044,674
Total Assets	126,308,620	128,784,268	4,519,828	3,912,379	130,828,448	132,696,647
Deferred Outflows of Resources	4,033,742	5,197,950	26,327	-	4,060,069	5,197,950
Liabilities:						
Long-Term Liabilities Outstanding	45,501,616	52,584,116	203,458	38,643	45,705,074	52,622,759
Other Liabilities	7,927,375	7,235,713	110,160	96,230	8,037,535	7,331,943
Total Liabilities	53,428,991	59,819,829	313,618	134,873	53,742,609	59,954,702
Deferred Inflows of Resources	5,381,114	5,065,971	198,457	18,898	5,579,571	5,084,869
Net Position:						
Net Investment in Capital Assets	59,836,033	53,100,727	3,355,611	2,686,705	63,191,644	55,787,432
Restricted	10,307,516	10,325,138	-	-	10,307,516	10,325,138
Unrestricted	1,388,708	5,670,553	678,469	1,071,903	2,067,177	6,742,456
Total Net Position	\$ 71,532,257	\$ 69,096,418	\$ 4,034,080	\$ 3,758,608	\$ 75,566,337	\$ 72,855,026

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$2,067,177.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole.

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

Governmental Activities

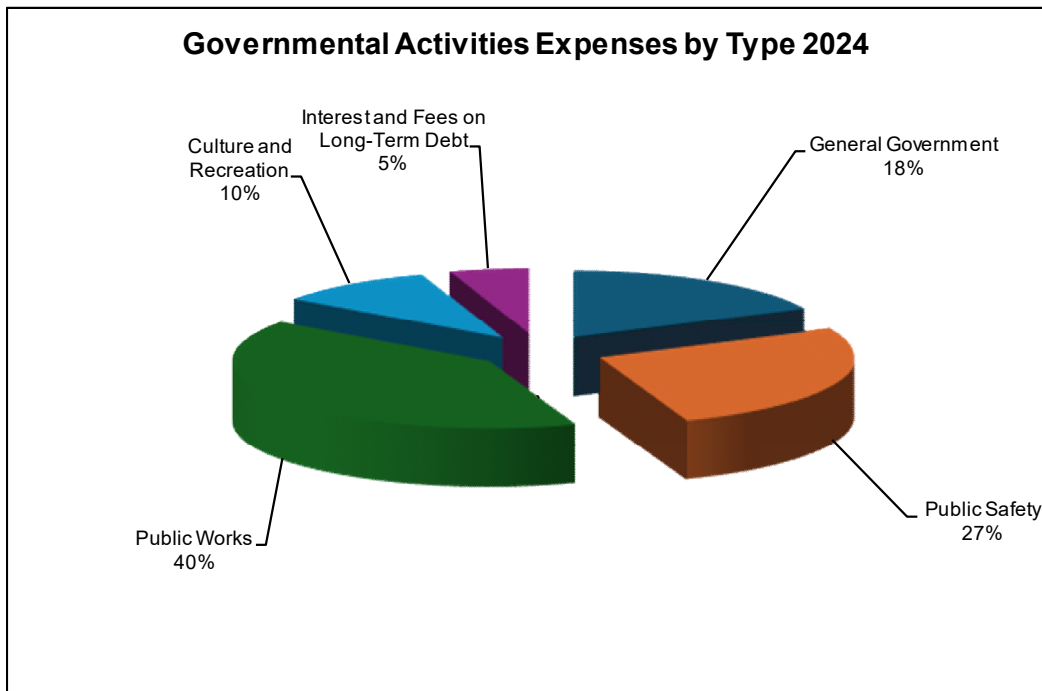
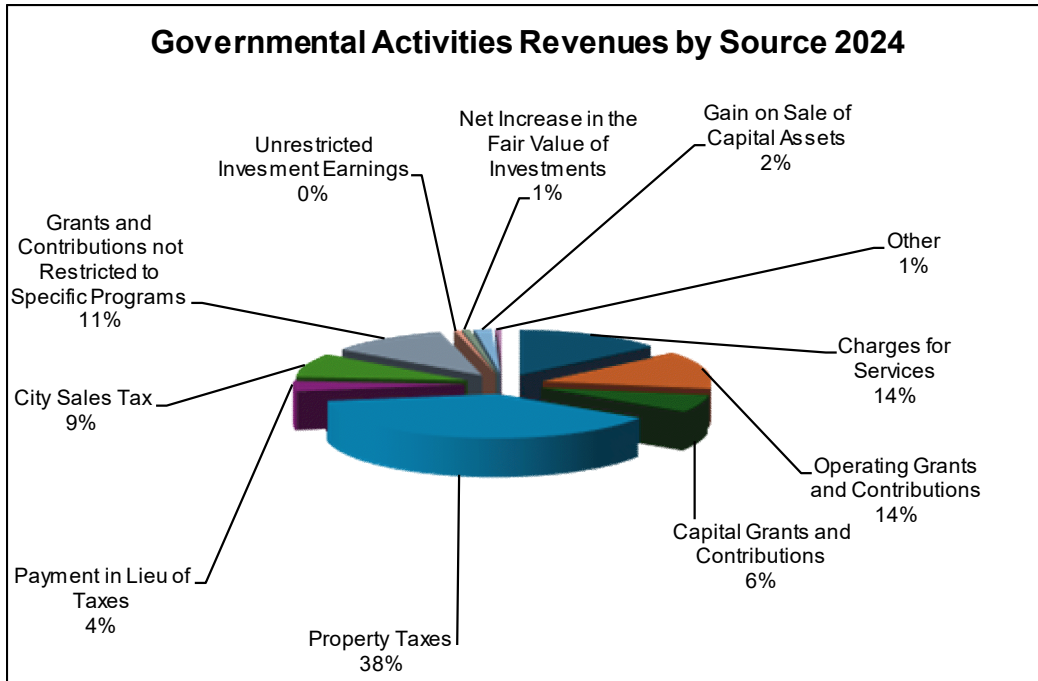
Governmental activities increased the City's net position by \$2,413,904 in 2024. Key elements of this increase are as follows:

- Operating grants and contributions decreased \$8,300,666 due to due to the city receiving \$2,500,000 in contributions for the CP2015-1 Sylvan Bay Project in the prior year. The City also received over \$5,000,000 in contributions for the GR/Cohasset Industrial Park Project in the prior year. The Police Department received a one-time Health and Safety grant from the State of Minnesota for \$490,000 in the prior year. As the projects were primarily finished in the previous year, no such amounts were received during 2024.
- Capital grants and contributions decreased by \$5,801,326 due to due to one-time State Bond in the amount of \$5,000,000 and an Iron Range Resources and Rehabilitation grant for \$500,000 for renovations and ADA compliance items at the Yanmar Arena in 2023. No such amounts were received in 2024
- These decreases in revenues were matched by expenses decreasing \$6,497,482 due to capital projects that included the Yanmar Arena Renovations, the GR/Cohasset Industrial Park Project and CP2015-1 Sylvan Bay Project in the prior year.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,541,034	\$ 3,229,662	\$ 1,928,377	\$ 1,818,827	\$ 5,469,411	\$ 5,048,489
Operating Grants and Contributions	3,471,603	11,772,269	-	-	3,471,603	11,772,269
Capital Grants and Contributions	1,617,288	7,418,614	-	20,046	1,617,288	7,438,660
General Revenues:						
Taxes	9,708,138	8,714,567	-	-	9,708,138	8,714,567
Payments in Lieu of Taxes (PILOT)	941,433	933,281	-	-	941,433	933,281
City Sales Tax	2,188,675	1,573,230	-	-	2,188,675	1,573,230
Grants and Contributions not						
Restricted to Specific Programs	2,862,903	2,669,197	6,259	-	2,869,162	2,669,197
Unrestricted Investment Earnings	138,774	142,687	12,534	11,264	151,308	153,951
Net Increase (Decrease) in the Fair						
Value of Investments	217,407	149,684	19,965	12,159	237,372	161,843
Gain on Sale of Capital Assets	447,134	101,514	135,625	13,925	582,759	115,439
Other	165,850	-	(165,850)	-	-	-
Total Revenues	25,300,239	36,704,705	1,936,910	1,876,221	27,237,149	38,580,926
Program Expenses:						
General Government	4,095,963	4,972,574	-	-	4,095,963	4,972,574
Public Safety	6,083,524	5,127,557	-	-	6,083,524	5,127,557
Public Works	9,260,273	15,721,896	-	-	9,260,273	15,721,896
Culture and Recreation	2,292,256	2,485,168	-	-	2,292,256	2,485,168
Interest and Fees on Long-Term Debt	1,154,319	1,076,622	-	-	1,154,319	1,076,622
Golf Course	-	-	1,098,562	947,369	1,098,562	947,369
Storm Water Utility	-	-	562,876	733,006	562,876	733,006
Total Program Expenses	22,886,335	29,383,817	1,661,438	1,680,375	24,547,773	31,064,192
Change in Net Position	2,413,904	7,320,888	275,472	195,846	2,689,376	7,516,734
Net Position - January 1, as Previously Reported	69,096,418	61,775,530	3,758,608	3,562,762	72,855,026	65,338,292
Correction of an Error	21,935	-	-	-	21,935	-
Net Position - January 1, as Restated	69,118,353	61,775,530	3,758,608	3,562,762	72,876,961	65,338,292
Ending Net Position	\$ 71,532,257	\$ 69,096,418	\$ 4,034,080	\$ 3,758,608	\$ 75,566,337	\$ 72,855,026

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

Below are specific graphs that provide comparisons of the governmental activities revenues and expenditures:



**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

Business-Type Activities

Business-type activities increased the City's net position by \$275,472 in 2024. The City has two business-type activities – Pokegama Golf Course and a Storm Water Utility Fund. The net position of the Pokegama Golf Course decreased \$4,504 in 2024 compared to a \$37,894 increase in 2023. The Golf Course had an overall similar number of rounds played during 2024, however they issued an interfund loan from the General Fund to purchase a new fleet of golf carts for \$204,715, leading to a decrease in net position for 2024.

The Storm Water Utility Fund is used to pay for storm water maintenance and infrastructure construction. The net position of the Storm Water Utility Fund increased \$279,976 in 2024 compared to a \$171,163 increase in 2023. The increase is due to \$79,075 in sales of fixed assets. Any funds that are not used for storm water utility maintenance by the Public Works Department are used to reduce storm water infrastructure improvement project costs.

Financial Analysis of the Government's Funds

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 government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,707,171. Approximately 4% of this total amount (\$1,086,483) constitutes nonspendable fund balance and approximately 74% (\$22,845,625) constitutes restricted fund balance. The remainder of the fund balance consists of amounts committed (\$2,811,166) by City Council, as well as unassigned fund balance (\$3,963,897).

Additional information about the City's fund balance classifications can be found in Note 16.

The general fund had fund balance increase by \$283,556 in 2024, compared to a \$59,844 increase in 2023. Prior to other financing sources and uses, the General Fund balance increased \$739,338 in 2024 compared to a \$715,620 increase in 2023. Key elements of this increase are as follows:

- General property tax revenue increased \$491,813 due to an increase in the overall property tax levy.
- Intergovernmental revenue increased \$444,248 due to the City receiving an additional \$402,097 increase in Local Government Aid.

The Debt Service fund had a fund balance decrease of \$1,897,732, before the restatement, due to the refunding of the 2022A G.O. Temporary Bonds for \$10,000,000, offset by the issuance of the 2024A G.O. Refunding Bond and 2024B G.O. Equipment Certificates for \$9,007,917, a \$419,993 increase in sales tax revenues collected, and \$421,607 of transfers in from other governmental funds to cover bond issuance costs.

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

The Capital Projects fund had a fund balance decrease of \$3,103,068 due primarily to the City's 3rd Ave NE/7th St NE reconstruction project that was ongoing during 2024 that the City did not receive funding for until 2025 for \$4,620,087. This decrease was offset by \$803,824 in new lease issuances and \$368,502 received for the issuance of the 2024B G.O. Equipment Certificates.

The nonmajor special revenue funds increased by \$519,645, before the restatement, for 2024 due to significant increase of \$181,026 in charges for services earned at the Yanmar Arena due to new sponsorship agreements entered into and the fact the arena was closed for part of 2023 due to remodeling, a \$82,143 in general property tax collections caused by an increase in the levy, \$83,241 in new lease issuances, and \$244,740 received for the sale of capital assets.

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 Golf Course had an operating loss of \$95,377. Operating revenues increased by \$61,680 due to an increase in cart rentals, however operating expenses increased \$178,138 due to an increase in personnel costs of \$116,076 and other services and charges of \$63,409.

The Storm Water Utility had an operating income of \$346,450. Operating revenues increased by \$52,145 due to an increase of their monthly billings from the public utilities commission caused by an increase in rates charged during 2024. Operating expenses decreased by \$166,293 due to a \$33,984 decrease in material and supplies costs and \$138,941 decrease in other services and charges.

Budgetary Highlights

General Fund. The General Fund had an increase in fund balance of \$283,556. The General Fund revenues were over budget by \$306,455 due to several items. Tax revenues were over by \$135,449 Licenses and Permits was over by \$45,696 because several large projects happening within the city and management was not aware of them. Intergovernmental revenues were over budget by \$183,344 primarily due to additional monies for Police and Fire aid received and new public safety grants that were not budgeted for. These amounts received over budget was offset by Charges for Services revenue being under budget by \$78,705 primarily due to GIS data fees expected to be collected for \$98,135, but none being received in 2024.

Total expenditures were over budget by \$156,884. This is due to the issuance of \$173,088 in new subscription-based information technology arrangements (SBITA) that were not budgeted for under GASB 96.

Capital Asset and Debt Administration

Capital assets. The City's gross investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$92,197,038 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, infrastructure, machinery and equipment. The increase of approximately \$2,152,000 relates primarily to the acquisition of \$642,018 of new leased equipment, \$185,526 of new subscription assets, and the completion of the final \$959,317 needed to place the new Yanmar Arena renovation into service.

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land and Land Improvements	\$ 6,964,229	\$ 6,978,701	\$ 949,123	\$ 919,686	\$ 7,913,352	\$ 7,898,387
Artwork	182,565	182,565	-	-	182,565	182,565
Construction in Progress	3,069,236	16,994,417	-	-	3,069,236	16,994,417
Building and Improvements	34,266,568	19,562,850	1,436,353	1,380,727	35,702,921	20,943,577
Vehicles, Equipment, and Furniture	4,858,840	4,897,353	968,422	386,940	5,827,262	5,284,293
Infrastructure	38,191,901	38,259,178	-	-	38,191,901	38,259,178
Right-to-Use Leased Assets - Vehicles	1,070,121	438,052	54,154	44,205	1,124,275	482,257
Right-to-Use Leased Assets - Subscriptions	185,526	-	-	-	185,526	-
Total	<u>\$ 88,788,986</u>	<u>\$ 87,313,116</u>	<u>\$ 3,408,052</u>	<u>\$ 2,731,558</u>	<u>\$ 92,197,038</u>	<u>\$ 90,044,674</u>

Additional information on the City's capital assets can be found in Note 6.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total long-term debt outstanding of \$46,621,127 (excluding compensated absences), a decrease of \$4,549,356 from 2023. Of the total outstanding amount:

- \$3,310,000 is general obligation improvement debt that is supported in part by special assessments,
- \$505,000 is general obligation tax increment debt which is financed through the City's economic development program,
- \$24,415,000 are CIP Bonds, Street Reconstruction Bonds, and Refunding Bonds that are supported by property tax levies,
- \$6,665,000 are general obligation revenue bonds that are due from the Grand Rapids Public Utilities Commission,
- \$8,091,000 are general obligation revenue notes that are due from the Grand Rapids Public Utilities Commission,
- \$975,000 is Equipment Certificates of which \$630,000 is due from the Grand Rapids Public Utilities Commission and \$345,000 is supported by property tax levies.
- \$1,157,950 are lease liabilities owed to vendors for the City's right to use assets that are supported by the City's everyday activities.
- \$126,357 are subscription liabilities owed to vendors for the City's right to use subscription assets that are supported by the City's everyday activities.
- \$1,375,820 is a combined total of unamortized bond premiums.

City of Grand Rapids' Outstanding Debt

G.O. Improvement Bonds, G.O. Tax Increment Bonds, other G.O. Bonds, G.O. Equipment Certificates, leases liabilities, loans and bond premium:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
General Obligation Improvement Bonds	\$ 3,310,000	\$ 4,620,000	\$ -	\$ -	\$ 3,310,000	\$ 4,620,000
General Obligation Tax Increment Bonds	505,000	540,000	-	-	505,000	540,000
Other General Obligation Bonds	24,415,000	27,855,000	-	-	24,415,000	27,855,000
General Obligation Revenue Bonds - PUC	6,665,000	7,149,000	-	-	6,665,000	7,149,000
General Obligation Revenue Notes - PUC	8,091,000	9,575,000	-	-	8,091,000	9,575,000
General Obligation Equipment Certificates	975,000	-	-	-	975,000	-
Lease Liability	1,105,509	432,283	52,441	44,853	1,157,950	477,136
Subscription Liability	126,357	-	-	-	126,357	-
Bond Premium	1,375,820	954,347	-	-	1,375,820	954,347
Total	<u>\$ 46,568,686</u>	<u>\$ 51,125,630</u>	<u>\$ 52,441</u>	<u>\$ 44,853</u>	<u>\$ 46,621,127</u>	<u>\$ 51,170,483</u>

**CITY OF GRAND RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024**

The City issued General Obligation Refunding Bonds, Series 2024A for \$7,725,000 and General Obligation Equipment Certificates, Series 2024B for \$975,000 in 2024.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$34,108,296. Of the City's outstanding debt, \$19,225,000 is counted within the statutory limitation.

Additional information on the City's long-term debt can be found in Note 8.

Requests for information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 420 North Pokegama Avenue, Grand Rapids, Minnesota 55744-2662.

BASIC FINANCIAL STATEMENTS

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	Public Utilities Commission
ASSETS					
Current Assets:					
Cash and Investments	\$ 11,691,683	\$ 1,101,235	\$ 12,792,918	\$ 2,189,861	\$ 9,506,128
Accrued Interest Receivable	13,873	-	13,873	-	204,023
Due from Other Governmental Units	1,978,418	-	1,978,418	137	-
Due from Primary Government	-	-	-	-	238,866
Due from Component Units	18,344,037	74,524	18,418,561	-	-
Accounts Receivable - Net	211,665	22,588	234,253	36,494	3,953,064
Internal Balances	204,715	(204,715)	-	-	-
Prepaid Items	482,976	16,055	499,031	-	237,879
Property Taxes Receivable	391,587	-	391,587	-	-
Special Assessments Receivable	1,802,278	-	1,802,278	-	-
Supplies	-	-	-	-	1,468,886
Other Receivable	-	-	-	-	1,410
Restricted Accounts Receivable	-	-	-	-	8,397,538
Total Current Assets	35,121,232	1,009,687	36,130,919	2,226,492	24,007,794
Noncurrent Assets:					
Lease Receivable	760,834	102,089	862,923	-	1,379,934
Notes Receivable	300,000	-	300,000	868,933	-
Unbilled Landfill Receivable - Blandin	-	-	-	-	4,851,327
Net Pension Asset	1,337,568	-	1,337,568	-	-
Land Held for Resale	-	-	-	2,804,952	-
Capital Assets:					
Depreciable Capital Assets:					
Nondepreciable	10,216,030	949,123	11,165,153	-	3,021,401
Depreciable (Net of Accumulated Depreciation)	77,317,309	2,404,775	79,722,084	-	61,523,568
Amortizable Capital Assets:					
Nonamortizable	42,725	-	42,725	-	386,281
Right-to-Use Assets, Vehicles (Net of Accumulated Amortization)	1,212,922	54,154	1,267,076	-	359,690
Regulatory Asset - Landfill (net of accumulated amortization)	-	-	-	-	431,866
Total Noncurrent Assets	91,187,388	3,510,141	94,697,529	3,673,885	71,954,067
Total Assets	126,308,620	4,519,828	130,828,448	5,900,377	95,961,861
DEFERRED OUTFLOWS OF RESOURCES					
Service Territory Acquisition	-	-	-	-	82,568
Loss on Refunding	317,814	-	317,814	-	52,800
Related to Pensions	3,517,277	26,327	3,543,604	-	295,307
Related to OPEB	198,651	-	198,651	-	-
Total Deferred Outflows of Resources	4,033,742	26,327	4,060,069	-	430,675

See accompanying Notes to Financial Statements.

**CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	Public Utilities Commission
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 666,095	\$ 28,736	\$ 694,831	\$ 61,271	\$ 1,532,819
Accrued Wages Payable	211,076	7,284	218,360	-	85,434
Due to Other Governmental Units	29,284	979	30,263	196	102,445
Due to Component Units	223,105	15,483	238,588	-	-
Contracts Payable	218,817	-	218,817	-	-
Deposits Payable	10,959	32,000	42,959	1,730	350,525
Accrued Interest Payable	340,816	4,076	344,892	-	-
Unearned Revenue	731,725	21,602	753,327	427,838	-
Due to Primary Government	-	-	-	790,259	4,165,262
Other Postemployment Benefits	20,414	-	20,414	-	-
Long-Term Liabilities - Due Within One Year	5,475,084	24,699	5,499,783	160,831	480,998
Total Current Liabilities	7,927,375	134,859	8,062,234	1,442,125	6,717,483
Noncurrent Liabilities:					
Due in More than One Year	41,697,432	42,725	41,740,157	1,581,355	275,654
Net Pension Liability	3,546,365	136,034	3,682,399	-	1,345,636
Landfill Closure/Post Closure Costs	-	-	-	-	2,345,195
Due to Primary Government, Net of Current Portion	-	-	-	-	13,463,040
Other Postemployment Benefits, Net of Current Portion	257,819	-	257,819	-	-
Total Noncurrent Liabilities	45,501,616	178,759	45,680,375	1,581,355	17,429,525
Total Liabilities	53,428,991	313,618	53,742,609	3,023,480	24,147,008
DEFERRED INFLOWS OF RESOURCES					
Demand Payment Deferral	-	-	-	-	8,397,538
Related to Leases	694,516	100,779	795,295	-	1,390,727
Related to Pensions	4,662,858	97,678	4,760,536	-	973,466
Related to Other Post Employment Benefits	23,740	-	23,740	-	-
Other Deferred Credits	-	-	-	-	25,360
Total Deferred Inflows of Resources	5,381,114	198,457	5,579,571	-	10,787,091
NET POSITION					
Net Investment In Capital Assets	59,836,033	3,355,611	63,191,644	-	49,340,422
Restricted for:					
Debt Service	7,536,794	-	7,536,794	-	-
Public Safety	329,923	-	329,923	-	-
Itasca County Share of Airport	247,058	-	247,058	-	-
Pensions	1,337,568	-	1,337,568	-	-
Financial Assurance	-	-	-	-	2,506,132
Other Purposes	856,173	-	856,173	-	-
Unrestricted	1,388,708	678,469	2,067,177	2,876,897	9,611,883
Total Net Position	\$ 71,532,257	\$ 4,034,080	\$ 75,566,337	\$ 2,876,897	\$ 61,458,437

See accompanying Notes to Financial Statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Economic Development Authority	Public Utilities Commission
Primary Government:									
Governmental Activities:									
General Government	\$ 4,095,963	\$ 903,979	\$ 1,339,190	\$ -	\$ (1,852,794)	\$ -	\$ (1,852,794)	\$ -	\$ -
Public Safety	6,083,524	1,052,837	636,992	-	(4,393,695)	-	(4,393,695)	-	-
Public Works	9,260,273	567,611	788,510	1,617,288	(6,286,864)	-	(6,286,864)	-	-
Culture and Recreation	2,292,256	1,016,607	48,706	-	(1,226,943)	-	(1,226,943)	-	-
Interest and Fees on Long-Term Debt	1,154,319	-	658,205	-	(496,114)	-	(496,114)	-	-
Total Governmental Activities	22,886,335	3,541,034	3,471,603	1,617,288	(14,256,410)	-	(14,256,410)	-	-
Business-Type Activities:									
Golf Course	1,098,562	1,022,925	-	-	-	(75,637)	(75,637)	-	-
Storm Water Utility	562,876	905,452	-	-	-	342,576	342,576	-	-
Total Business-Type Activities	1,661,438	1,928,377	-	-	-	266,939	266,939	-	-
Total Primary Government	<u>\$ 24,547,773</u>	<u>\$ 5,469,411</u>	<u>\$ 3,471,603</u>	<u>\$ 1,617,288</u>	(14,256,410)	266,939	(13,989,471)	-	-
Component Units:									
Economic Development Authority	\$ 987,562	\$ 620,411	\$ 219,442	\$ -	-	-	-	(147,709)	-
Public Utilities Commission	28,372,027	27,795,809	-	1,956,008	-	-	-	-	1,379,790
Total Component Units	<u>\$ 29,359,589</u>	<u>\$ 28,416,220</u>	<u>\$ 219,442</u>	<u>\$ 1,956,008</u>	-	-	-	(147,709)	1,379,790
General Revenues									
General Property Taxes					9,708,138	-	9,708,138	94,550	-
Payments in Lieu of Taxes (PILOT)					941,433	-	941,433	-	-
City Sales Tax					2,188,675	-	2,188,675	-	-
Grants and Contributions not Restricted to Specific Programs					2,862,903	6,259	2,869,162	148,760	-
Unrestricted Investment Earnings (Loss)					138,774	12,534	151,308	22,943	354,785
Net Increase (Decrease) in the Fair Value of Investments					217,407	19,965	237,372	27,589	-
Transfers					165,850	(165,850)	-	-	-
Gain on Sale of Capital Assets					447,134	135,625	582,759	487,144	3,500
Total General Revenues					<u>16,670,314</u>	<u>8,533</u>	<u>16,678,847</u>	<u>780,986</u>	<u>358,285</u>
CHANGE IN NET POSITION					2,413,904	275,472	2,689,376	633,277	1,738,075
Net Position - January 1, as Previously Stated					69,096,418	3,758,608	72,855,026	2,243,620	59,720,362
Correction of an Error					21,935	-	21,935	-	-
Net Position - January 1, as Restated					<u>69,118,353</u>	<u>3,758,608</u>	<u>72,876,961</u>	<u>2,243,620</u>	<u>59,720,362</u>
NET POSITION - DECEMBER 31					<u>\$ 71,532,257</u>	<u>\$ 4,034,080</u>	<u>\$ 75,566,337</u>	<u>\$ 2,876,897</u>	<u>\$ 61,458,437</u>

See accompanying Notes to Financial Statements.

**CITY OF GRAND RAPIDS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 1,698,297	\$ 6,103,186	\$ 2,328,800	\$ 1,561,400	\$ 11,691,683
Accrued Interest Receivable	13,873	-	-	-	13,873
Due from Other Governmental Units	564,292	539,407	679,139	195,580	1,978,418
Due from Other Funds	4,629,001	-	-	-	4,629,001
Due from Component Units	862,757	15,827,061	1,654,219	-	18,344,037
Accounts Receivable	136,886	-	3,000	71,779	211,665
Interfund Loan Receivable	883,827	-	-	-	883,827
Prepaid Items	230,381	-	227,275	25,320	482,976
Taxes Receivable - Delinquent	342,423	-	-	44,841	387,264
Special Assessments Receivable	80,674	1,222,462	503,465	-	1,806,601
Lease Receivable	-	-	-	760,834	760,834
Note Receivable	300,000	-	-	-	300,000
Total Assets	<u>\$ 9,742,411</u>	<u>\$ 23,692,116</u>	<u>\$ 5,395,898</u>	<u>\$ 2,659,754</u>	<u>\$ 41,490,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 127,344	\$ 174,466	\$ 318,075	\$ 46,210	\$ 666,095
Accrued Wages Payable	187,495	-	-	23,581	211,076
Due to Other governmental Units	27,239	-	-	2,045	29,284
Due to Component Units	153,381	-	43,255	26,469	223,105
Contracts Payable	-	-	218,817	-	218,817
Due to Other Funds	-	-	4,584,828	44,173	4,629,001
Deposits Payable	8,085	-	-	2,874	10,959
Interfund Loan Payable	-	-	670,375	8,737	679,112
Unearned Revenue	543,530	-	143,778	44,417	731,725
Total Liabilities	<u>1,047,074</u>	<u>174,466</u>	<u>5,979,128</u>	<u>198,506</u>	<u>7,399,174</u>
DEFERRED INFLOWS OF RESOURCES					
Related to Leases	-	-	-	694,516	694,516
Unavailable Revenue	723,097	1,417,915	503,465	44,841	2,689,318
Total Deferred Inflows of Resources	<u>723,097</u>	<u>1,417,915</u>	<u>503,465</u>	<u>739,357</u>	<u>3,383,834</u>
FUND BALANCES					
Nonspendable	833,888	-	227,275	25,320	1,086,483
Restricted	53,717	22,099,735	394,520	297,653	22,845,625
Committed	1,412,248	-	-	1,398,918	2,811,166
Unassigned	5,672,387	-	(1,708,490)	-	3,963,897
Total Fund Balances	<u>7,972,240</u>	<u>22,099,735</u>	<u>(1,086,695)</u>	<u>1,721,891</u>	<u>30,707,171</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,742,411</u>	<u>\$ 23,692,116</u>	<u>\$ 5,395,898</u>	<u>\$ 2,659,754</u>	<u>\$ 41,490,179</u>

See accompanying Notes to Financial Statements.

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**CITY OF GRAND RAPIDS, MINNESOTA
RECONCILIATION TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Total Governmental Funds (Statement 3) \$ 30,707,171

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. 88,788,986

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:

Delinquent Taxes	387,264
Assessments Not Yet Due or Delinquent	1,806,602
Sales Tax Receivable	195,452
Notes Receivable Not Yet Due	300,000

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Bonds and Unamortized Bond Premium	(45,336,820)
Lease Liabilities	(1,105,509)
Subscription Liabilities	(126,357)
Accrued Interest Payable	(340,816)
Compensated Absences Payable	(603,830)

Unamortized loss on Bond Refunding not reflected in the funds:

Deferred Loss on Refunding	317,814
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The City's net pension asset and liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Asset	1,337,568
Net Pension Liability	(3,546,365)
Deferred Outflows of Resources - Related to Pension	3,517,277
Deferred Inflows of Resources - Related to Pension	(4,662,858)

The City's other postemployment benefit liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Total Other Postemployment Benefits Liability	(278,233)
Deferred Outflows of Resources - Related to OPEB	198,651
Deferred Inflows of Resources - Related to OPEB	(23,740)

Net Position of Governmental Activities	\$ 71,532,257
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CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	403 GR/ Cohasset Industrial Park	407 Capital Equipment Replacement	483 Civic Center Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
General Property	\$ 5,559,549	\$ 2,010,279	\$ 237,957	\$ -	\$ -	\$ -	\$ 1,011,410	\$ 8,819,195
Tax Abatements	-	3,495	-	-	-	-	-	3,495
Tax Increments	107,628	709,279	-	-	-	-	-	816,907
Payments in Lieu of Taxes (PILOT)	941,433	-	-	-	-	-	-	941,433
City Sales Tax	-	1,993,223	-	-	-	-	-	1,993,223
Licenses and Permits	401,481	-	-	-	-	-	-	401,481
Intergovernmental	3,356,643	424,080	1,295,709	-	-	-	298,308	5,374,740
Special Assessments	220	231,628	279,187	-	-	-	-	511,035
Charges for Services	1,619,076	-	-	-	-	-	1,152,327	2,771,403
Fines and Forfeits	60,493	-	-	-	-	-	31,549	92,042
Interest and Investment Income	34,767	76,589	17,019	-	-	-	72,385	200,760
Net Increase (Decrease) in the Fair Value of Investments	22,517	31,260	151,541	-	-	-	12,089	217,407
Contributions and Donations	25,117	-	193,981	-	-	-	48,606	267,704
Reimbursement from Component Units	-	658,205	1,636,233	-	-	-	-	2,294,438
Other	20,257	-	64,227	-	-	-	4,992	89,476
Total Revenues	12,149,181	6,138,038	3,875,854	-	-	-	2,631,666	24,794,739
EXPENDITURES								
Current:								
General Government	2,900,922	699,711	719,787	-	-	-	652	4,321,072
Public Safety	4,720,559	-	380,646	-	-	-	171,007	5,272,212
Public Works	2,664,760	-	136,541	-	-	-	484,312	3,285,613
Culture and Recreation	394,033	-	27,382	-	-	-	1,477,505	1,898,920
Miscellaneous	494,185	-	-	-	-	-	-	494,185
Capital Outlay/Construction	188,653	-	8,041,673	-	-	-	187,247	8,417,573
Debt Service:								
Principal Retirement	46,731	6,753,000	193,113	-	-	-	20,726	7,013,570
Interest	-	1,465,109	63,753	-	-	-	8,330	1,537,192
Paying Agent Fees	-	7,075	-	-	-	-	-	7,075
Bond Issuance Costs	-	174,056	17,219	-	-	-	-	191,275
Total Expenditures	11,409,843	9,098,951	9,580,114	-	-	-	2,349,779	32,438,687
REVENUES OVER (UNDER) EXPENDITURES	739,338	(2,960,913)	(5,704,260)	-	-	-	281,887	(7,643,948)

See accompanying Notes to Financial Statements.

**STATEMENT 5
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	403 GR/ Cohasset Industrial Park	407 Capital Equipment Replacement	483 Civic Center Capital Improvements	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)								
Subscription Issuance	\$ 173,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,088
Lease Issuance	-	-	803,824	-	-	-	83,241	887,065
Bond Issuance	-	8,355,000	345,000	-	-	-	-	8,700,000
Bond Premium	-	652,917	23,502	-	-	-	-	676,419
Payment on Refunded Bond	-	(7,725,000)	-	-	-	-	-	(7,725,000)
Sale of Capital Assets	-	-	315,989	-	-	-	244,740	560,729
Insurance Recoveries	8,198	-	-	-	-	-	-	8,198
Transfers In	-	421,607	1,147,490	-	-	-	181,384	1,750,481
Transfers Out	(637,068)	(641,343)	(34,613)	-	-	-	(271,607)	(1,584,631)
Total Other Financing Sources (Uses)	<u>(455,782)</u>	<u>1,063,181</u>	<u>2,601,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,758</u>	<u>3,446,349</u>
NET CHANGE IN FUND BALANCE	283,556	(1,897,732)	(3,103,068)	-	-	-	519,645	(4,197,599)
Fund Balances - January 1, as Previously Stated	7,688,684	-	-	3,548	(132,603)	358,827	10,011,548	17,930,004
Changes to or within the Financial Reporting Entity	-	7,022,701	2,016,373	(3,548)	132,603	(358,827)	(8,809,302)	-
Correction of an Error	-	16,974,766	-	-	-	-	-	16,974,766
Fund Balances - January 1, as Restated	<u>7,688,684</u>	<u>23,997,467</u>	<u>2,016,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,202,246</u>	<u>34,904,770</u>
FUND BALANCE - DECEMBER 31	<u>\$ 7,972,240</u>	<u>\$ 22,099,735</u>	<u>\$ (1,086,695)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,721,891</u>	<u>\$ 30,707,171</u>

See accompanying Notes to Financial Statements.

**CITY OF GRAND RAPIDS, MINNESOTA
RECONCILIATION TO THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

**RECONCILIATION TO THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES**

Net Changes in Fund Balances - Total Governmental Funds (Statement 5) \$ (4,197,599)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense:

Current Year Depreciation	(4,515,351)
Current Year Amortization	(305,652)
Capital Outlay	8,417,573
Capital Outlay Not Capitalized	(1,904,180)

In the Statement of Activities Only the Gain/Loss on the Sale of Capital Assets is Reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

(216,520)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in Delinquent Taxes	39,757
Change in Deferred and Delinquent Special Assessments	(415,694)
Change in Pledges Receivable	(6,500)
Change in Sales Tax Receivable	195,452
Change in Other Receivable	(6,500)
Change in Deferred Outflows Related to Pension	(1,502,361)
Change in Deferred Outflows Related to OPEB	(53,077)

The issuance of long-term debt (e.g., bonds, notes) 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts of these differences are:

Proceeds from the Issuance of Bonds	(8,700,000)
Bond Premiums Issued	(676,419)
Principal Payments on Bonds Payable	6,753,000
Payment to Refunded Bond Escrow Agent	7,725,000
Deferred Amount on Refunding	317,814
Principal Payments on Leases Payable	213,839
Principal Payments on Subscriptions Payable	46,731
Current Year Amortization of Bond Premium	254,946
Proceeds from the Issuance of Lease Liabilities	(887,065)
Proceeds from the Issuance of Subscription Liabilities	(173,088)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:

Change in Compensated Absences Payable	83,784
Change in Accrued Interest Payable	(69,140)
Change in Net Pension Asset	160,590
Change in Net Pension Liability	1,843,588
Change in Total OPEB Liability	1,925
Change in Deferred Inflows Related to Pension	(20,520)
Change in Deferred Inflows Related to OPEB	9,571

Change in Net Position of Governmental Activities (Statement 2)

\$ 2,413,904

See accompanying Notes to Financial Statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Business-Type Activities		
	613 Pokegama Golf Course	655 Storm Water Utility	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 334,368	\$ 766,867	\$ 1,101,235
Due from Component Units	-	74,524	74,524
Accounts Receivable	975	21,613	22,588
Prepaid Items	16,055	-	16,055
Lease Receivable	102,089	-	102,089
Total Current Assets	453,487	863,004	1,316,491
Noncurrent Assets:			
Capital Assets:			
Land and Land Improvements	871,481	77,642	949,123
Buildings and Structures	2,604,149	129,995	2,734,144
Machinery, Equipment, and Furniture	1,319,020	596,314	1,915,334
Right-to-Use Leased Assets - Vehicles & Equipment	23,334	46,278	69,612
Total Capital Assets	4,817,984	850,229	5,668,213
Less: Allowance for Depreciation and Amortization	(2,079,649)	(180,512)	(2,260,161)
Net Capital Assets	2,738,335	669,717	3,408,052
Total Noncurrent Assets	2,738,335	669,717	3,408,052
Total Assets	3,191,822	1,532,721	4,724,543
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	14,029	12,298	26,327
LIABILITIES			
Current Liabilities:			
Accounts Payable	27,963	32,773	60,736
Accrued Wages Payable	4,508	2,776	7,284
Due to Other Governmental Units	841	138	979
Due to Component Units	1,883	13,600	15,483
Accrued Interest Payable	4,076	-	4,076
Interfund Loan Payable	204,715	-	204,715
Lease Liability - Current	4,931	8,555	13,486
Compensated Absences Payable - Current	11,057	156	11,213
Unearned Revenue	21,602	-	21,602
Total Current Liabilities	281,576	57,998	339,574
Noncurrent Liabilities:			
Lease Liability	10,457	28,498	38,955
Compensated Absences Payable	3,709	61	3,770
Net Pension Liability	72,488	63,546	136,034
Total Noncurrent Liabilities	86,654	92,105	178,759
Total Liabilities	368,230	150,103	518,333
DEFERRED INFLOWS OF RESOURCES			
Related to Leases	100,779	-	100,779
Related to Pensions	52,049	45,629	97,678
Total Deferred Inflows of Resources	152,828	45,629	198,457
NET POSITION			
Investment in Capital Assets	2,722,947	632,664	3,355,611
Unrestricted	(38,154)	716,623	678,469
Total Net Position	\$ 2,684,793	\$ 1,349,287	4,034,080

See accompanying Notes to Financial Statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities			Governmental Activities
	613 Pokegama Golf Course	655 Storm Water Utility	Totals	Internal Service
OPERATING REVENUES				
Season Passes	\$ 224,442	\$ -	\$ 224,442	\$ -
Green Fees	413,169	-	413,169	-
Special Play	32,269	-	32,269	-
Rentals and Leases	343,931	-	343,931	-
Charges for Service	9,114	905,452	914,566	-
Total Operating Revenues	1,022,925	905,452	1,928,377	-
OPERATING EXPENSES				
Personnel Services	526,349	308,810	835,159	-
Materials and Supplies	64,326	49,245	113,571	-
Other Services and Charges	366,843	127,290	494,133	-
Depreciation and Amortization	160,784	73,657	234,441	-
Total Operating Expenses	1,118,302	559,002	1,677,304	-
OPERATING INCOME (LOSS)	(95,377)	346,450	251,073	-
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Revenue	3,335	2,924	6,259	-
Interest and Investment Income	3,575	8,959	12,534	-
Net Increase (Decrease) in the Fair Value of Investments	7,673	12,292	19,965	-
Interest Expense	(3,542)	(3,874)	(7,416)	-
Insurance Recoveries	23,282	-	23,282	-
Gain (Loss) on Sale of Capital Assets	56,550	79,075	135,625	-
Transfers Out	-	(165,850)	(165,850)	-
Total Nonoperating Revenues (Expenses)	90,873	(66,474)	24,399	-
CHANGE IN NET POSITION	(4,504)	279,976	275,472	-
Net Position - January 1, as Previously Stated	2,728,418	1,103,606	3,832,024	(5,390,306)
Correction of an Error	(39,121)	(34,295)	(73,416)	5,390,306
Net Position - January 1, as Restated	2,689,297	1,069,311	3,758,608	-
NET POSITION - DECEMBER 31	<u>\$ 2,684,793</u>	<u>\$ 1,349,287</u>	<u>\$ 4,034,080</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities			Governmental Activities
	613 Pokegama Golf Course	655 Storm Water Utility	Totals	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 1,022,726	\$ 887,725	\$ 1,910,451	\$ -
Payment to Suppliers	(401,542)	(163,130)	(564,672)	-
Payment to Employees	(377,447)	(244,398)	(621,845)	-
Net Cash Flows Provided by Operating Activities	243,737	480,197	723,934	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from Interfund Borrowing, Net	161,939	-	161,939	-
Interest On Interfund Borrowing	(3,148)	-	(3,148)	-
Transfer to Other Funds	-	(165,850)	(165,850)	-
Net Cash Flows Provided (Used) by Noncapital Financing Activities	158,791	(165,850)	(7,059)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(352,345)	(559,376)	(911,721)	-
Issuance of Lease Receivable	(100,281)	-	(100,281)	-
Lease Payments Received	17,090	-	17,090	-
Lease Payments Made	(5,006)	(7,800)	(12,806)	-
Interest on Leases	(394)	(3,874)	(4,268)	-
Insurance Recoveries	23,282	-	23,282	-
Proceeds on Sale of Capital Asset	56,550	100,255	156,805	-
Net Cash Flows Used by Capital and Related Financing Activities	(361,104)	(470,795)	(831,899)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Investment Income	11,248	21,251	32,499	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	52,672	(135,197)	(82,525)	-
Cash and Cash Equivalents - January 1	281,696	902,064	1,183,760	-
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ 334,368</u>	<u>\$ 766,867</u>	<u>\$ 1,101,235</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**STATEMENT 9
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Business-Type Activities			Governmental Activities
	613 Pokegama Golf Course	655 Storm Water Utility	Totals	Internal Service
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (95,377)	\$ 346,450	\$ 251,073	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	160,784	73,657	234,441	-
Miscellaneous Revenue	3,335	2,924	6,259	-
Changes in Assets and Liabilities:				
Decrease (Increase) in Receivables	(199)	(17,727)	(17,926)	-
Decrease (Increase) in Prepaid Items	(886)	-	(886)	-
Decrease (Increase) in Deferred Outflows of Resources - Pension	(4,398)	(12,298)	(16,696)	-
Increase (Decrease) in Unearned Revenue	13,770	-	13,770	-
Increase (Decrease) in Payables	22,002	12,162	34,164	-
Increase (Decrease) in Compensated Absences	(12,960)	149	(12,811)	-
Increase (Decrease) in Net Pension Liability	35,821	29,251	65,072	-
Increase (Decrease) in Deferred Inflows of Resources - Pension	39,964	45,629	85,593	-
Increase (Decrease) in Deferred Inflows of Resources - Leases	81,881	-	81,881	-
Total Adjustments	339,114	133,747	472,861	-
Net Cash Provided by Operating Activities	<u>\$ 243,737</u>	<u>\$ 480,197</u>	<u>\$ 723,934</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND FINANCING ACTIVITIES				
Lease Assets	<u>\$ 20,394</u>	<u>\$ -</u>	<u>\$ 20,394</u>	<u>\$ -</u>
Lease Liabilities	<u>\$ 20,394</u>	<u>\$ -</u>	<u>\$ 20,394</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024**

ASSETS

Cash and Investments

\$ 123,222

LIABILITIES

Accounts Payable

123,222**NET POSITION**

Restricted

\$ -

**CITY OF GRAND RAPIDS, MINNESOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024**

ADDITIONS:

Lodging Tax Collections	\$ 445,420
Cable Franchise Fee Collections	236,643
Total Additions	<u>682,063</u>

DEDUCTIONS:

Payments to Other Entities	652,724
Administrative Fees	29,339
Total Deductions	<u>682,063</u>

NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION

-

Net Position - Beginning

-

NET POSITION - ENDING

\$	<u>-</u>
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See accompanying Notes to Financial Statements.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Grand Rapids, Minnesota (the City) was incorporated in 1891 and operates under the State of Minnesota Statutory Plan A form of government. The governing body consists of a five member City council elected by voters of the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. Generally, component units are legally separate organizations for which the officials of the primary government are financially accountable.

Component Units

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

Discretely Presented Component Units

The component unit's columns in the combined financial statements include the financial data of the Economic Development Authority (EDA) and the Public Utilities Commission (PUC) of Grand Rapids. These component units are presented in separate columns to emphasize that they are legally separate from the City.

The EDA's governing board is appointed by the City Council. The primary government is able to impose its will because the City Council has the ability to approve or modify the EDA's budget and to veto or overrule other decisions of the EDA's governing body. The EDA is responsible for advancing the expansion of the local economy through efforts focused on business assistance, recruitment, retention and expansion. Funding for the various programs administered by the EDA is provided through imposed tax levies and state funding sources. The EDA does not issue separate financial statements.

The PUC's governing board is appointed by the City Council. The City guarantees the general obligation debt of the PUC, which was issued in the City's name. Accordingly, the PUC's debt has been reported as liabilities of the City, with an offsetting receivable due from the PUC component unit. Separate financial statements for the PUC may be obtained by contacting the City of Grand Rapids, Minnesota.

Joint Powers Agreement – Grand Rapids/Itasca County Airport

The agreement delegates to the City responsibility for all maintenance, management, and operations subject to certain limitations, and specifies the City will be the airport's fiscal agent. Real property, improvements, structures and equipment of the airport are owned 50% by the City and 50% by Itasca County.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund 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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *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 business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements and the fiduciary financial statements. 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 GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

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 City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund

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.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. Property taxes are the primary revenue source restricted for repayment of debt through bond documents.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for capital acquisition, construction, or improvement of major capital facilities. Grant monies and bond proceeds fund most of the projects.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major proprietary funds:

Pokegama Golf Course Fund

The Pokegama Golf Course Fund accounts for the City's golf course operations.

Storm Water Utility Fund

The Storm Water Utility Fund accounts for the City's storm water utility operations. Storm water infrastructure is accounted for by the City's governmental activities.

Additionally, the City reports the following fund types:

Fiduciary Funds – Custodial Funds

Fiduciary Funds –Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The City's Custodial Funds account for the lodging tax and the Cable T.V. Commission. The funds are custodial in nature and use the economic resources measurement focus.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 enterprise funds are charges for service. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General and Special Revenue Funds, except for the Electric Vehicle Charging Stations Fund.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

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

1. The City Administrator submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following January 1. These budgets include proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a fund basis.
4. Interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues. Management can amend budgets within each department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the Debt Service Funds. Supplementary budgets are adopted for the Proprietary Funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
8. Expenditures may not legally exceed budgeted appropriations at the total department level without City Council authorization. Monitoring of budgets is maintained at the expenditure category level (i.e., personnel; material and supplies; other services and charges; capital outlay) within each activity.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Information (Continued)

9. The City Council may authorize transfer of budgeted amounts between City funds.

The following is a listing of departments whose expenditures exceeded budgeted appropriations:

	Final Budget	Actual	Amount Over Budget
Major Funds:			
General Fund:			
Mayor and City Council	\$ 132,295	\$ 156,042	\$ 23,747
Administration	700,487	705,022	4,535
Finance	627,910	632,924	5,014
Information Technology	425,755	571,069	145,314
Community Development	607,576	610,553	2,977
Building Safety	382,040	398,400	16,360
Fire Protection	835,974	840,173	4,199
Culture and Recreation	338,633	394,033	55,400
City-Wide	368,032	396,925	28,893
Principal Retirement - SBITAs	-	46,731	46,731

The expenditures exceeding budget were funded by available fund balance, interfund loan or other financing sources.

E. Cash and Investments

Cash and investment balances of the primary government and the EDA (a component unit) are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool. Cash and investments of the Public Utilities Commission component unit are maintained and invested separately.

Investments are stated at fair value, based upon quoted market prices, except for investments like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows of the Proprietary Fund type, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the pooled cash and investments allocated to the primary government's Proprietary Fund types are considered to be cash and cash equivalents.

F. Investment Income

Investment income consists of interest and dividends received and the change in fair value of investments. The change in fair value consists of realized and unrealized gains and amortization of premiums and discounts.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Tax Revenue Recognition

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Government-Wide Financial Statements

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

Governmental Fund Financial Statements

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes, and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred inflows of resources because they are not available to finance current expenditures.

H. Special Assessment Revenue Recognition

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

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Special Assessment Revenue Recognition (Continued)

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

Government-Wide Financial Statements

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

Governmental Fund Financial Statements

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflows of resources.

I. Inventories

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventory.

J. Prepaid Items

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. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

K. Land Held for Resale

Land held for resale is valued at the lower of cost or market (net realizable value). Due to the nature of redevelopment activities, cost is frequently higher than the market value. Market values are determined using appraised values or estimated actual sales price.

L. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (i.e., roads, bridges, sidewalks, and similar items) and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

Capital assets are defined by the City as assets with an estimated useful life in excess of one year and an initial, individual cost meeting the following thresholds:

Assets	Governmental Funds	Proprietary Funds
Land and Land Improvements	\$ 10,000	\$ 5,000
Buildings and Structures	25,000	5,000
Vehicles, Equipment, and Furniture	5,000	2,500
Infrastructure	100,000	5,000

Capital assets are defined by the Public Utilities Commission as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	
Buildings and Structures	20 to 40 Years
Vehicles, Equipment, and Furniture	5 to 30 Years
Infrastructure	25 Years
Public Utilities	10 to 50 Years

Right to use leased assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

Subscription-based information technology arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

M. Interfund Transactions and Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered, and are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Short-term receivables and payables between funds are classified as “due from other funds” or “due to other funds” on the balance sheet. Such items, which are expected to be eliminated in 2024, represent temporary balances due to interfund billings or reclassifications of funds with internally reported negative cash balances.

Long-term interfund loans are classified as “interfund loan receivable” or “interfund loan payable” on the balance sheet. Interfund loan receivables are offset by nonspendable fund balance in the applicable governmental fund to indicate the related fund balance amount is not in a spendable form and is not available for appropriation.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Uncollectible amounts are not material for interfund receivables and have not been reported.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused flexible time off (FTO) and extended medical benefit (EMB). All FTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are being amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

P. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that cannot be spent because they are not in spendable form, such as prepaid items and interfund loans receivable.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. The committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by resolution.

Assigned – consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed:

- In governmental funds other than the General Fund, assigned fund balances represent the remaining amount that is not restricted or committed. The City Council retains the authority to assign fund balance, which is performed by resolution when a fund is established.
- In the General Fund, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Currently, no individual has been delegated this authority because no fund balance is assigned in the General Fund.

Unassigned – Is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Classifications (Continued)

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

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned, except for the revenue stabilization commitment which is to be used only in certain circumstances as described in Note 16C.

Q. Transactions Between the City and its Component Units

The City conducts routine transactions with its component units for goods or services provided or received. The PUC reimburses the City for its share of construction costs incurred by the City.

Significant transactions between the City and its component units during 2024 are described in Note 20.

R. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

S. Utility Revenue Recognition

Billings are rendered and recorded monthly based on metered usage.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. A refunding loss on bonds results from the difference in the carrying value debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second type relates to pension liabilities as described in Note 9 to the financial statements. The third type relates to other postemployment liabilities as described in Note 12 to the financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four types of items which occur creating deferred inflows of resources: The first type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available under the modified accrual basis of accounting. The second type relates to pension liabilities as described in Note 9 to the financial statements. The third type relates to other postemployment benefit liabilities as described in Note 12 to the financial statements. These inflows arise only under the full accrual basis of accounting and are reported only in the Statement of Net Position. The fourth type occurs because the City entered into lease agreements as described in Note 7. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

U. Pension Plans

Defined Benefit Cost Sharing Multiple – Employer Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and 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.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Pension Plans (Continued)

Single Employer Plan

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 Grand Rapids Fire Department Relief Association (Relief) and additions to/deductions from the Relief's fiduciary net position have been determined on the same basis as they were reported by the Relief. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. Other Postemployment Benefits (OPEB)

For purposes of measuring total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

At December 31, 2024 the carrying amount of the City's deposits with financial institutions was \$7,811,565.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State Statutes require that insurance, surety bonds or collateral protect all City deposits. The fair value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. As of December 31, 2024, the bank balance of the City's deposits was \$7,946,238, all of which was either insured by the Federal Deposit Insurance Corporation (FDIC) or covered by perfected pledged collateral held in the City's name.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

As of December 31, 2024, the City had the following investments and maturities:

Investment Type	Rating		Investment Maturities (in Years)		
			Less Than 1	1 - 5	6 - 10
Brokered CD's	NR	\$ 6,949,805	\$ 1,407,039	\$ 5,329,758	\$ 213,008
Federal Home Loan Bank	AAA	347,451	-	347,451	-
Money Market Mutual Fund	Aaa-mf	463	463	-	-
Total		<u>\$ 7,297,719</u>	<u>\$ 1,407,502</u>	<u>\$ 5,677,209</u>	<u>\$ 213,008</u>
Total Investments					\$ 7,297,719
Deposits					7,811,565
Petty Cash					1,040
Total Cash and Investments					<u>\$ 15,110,324</u>

NR - Not Rated

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. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs other than quoted prices included in Level 1 that are observable either directly or indirectly. Level 2 investments include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset, or inputs derived principally from or corroborated by observable market data by correlation or other means. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2024:

Investment Type	December 31, 2024	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Brokered CD's	\$ 6,949,805	\$ -	\$ 6,949,805	\$ -
Federal Home Loan Bank	347,451	-	347,451	-
Money Market Mutual Fund	463	-	463	-
Total	<u>\$ 7,297,719</u>	<u>\$ -</u>	<u>\$ 7,297,719</u>	<u>\$ -</u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Following is a reconciliation of the City's cash and investment balances as of December 31, 2024:

Governmental and Business-Type (Statement 1)	\$ 12,797,241
Fiduciary (Statement 9)	123,222
Cash and Investments - EDA (Statement 1)	2,189,861
Cash and Investments - PUC (Statement 1)	9,506,128
Total	<u><u>\$ 24,616,452</u></u>

C. Investment Risks

Custodial Credit Risk – Investments

For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form and therefore are not subject to custodial credit risk disclosures. The City policy is to limit its exposure by holding investments in securities with approved security broker/dealers selected by creditworthiness (minimum capital requirement \$10,000,000 and at least five years of operation).

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City's investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. No more than 25% of the total investments should have maturities extending beyond five years and in no circumstances should any extend beyond ten years. The policy also states the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating needs which may be reasonably anticipated.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated "A" or better by a national bond rating service for general obligation and rated "AA" or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated "A" or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The City's investment policy does not place further restrictions on investment options.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investment Risks (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer. The City does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

Investment balances at December 31, 2024 for the Public Utilities Commission are as follows:

Demand Deposits and Cash on Hand	\$ 3,444,310
Government Agencies Notes	1,029,451
CD's	4,656,508
Money Market	375,859
Total Cash and Investments	9,506,128
Less designated cash and investments:	
Electric Replacement Funds	1,320,031
Watermain Replacement Funds	898,377
Wastewater-Sewer Main Replacement Funds	468,367
Total Designated Cash and Investments	2,686,775
Total Cash and Investments	\$ 6,819,353

NOTE 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2024 are as follows:

	Primary Government						
	Major Funds					Total	EDA
	General	Debt Service	Capital Project	613 Pokegama Golf Course	Nonmajor Funds		
Special Assessments Receivable	\$ 52,424	\$ 1,117,945	\$ 491,705	\$ -	\$ -	\$ 1,662,074	\$ -
Property Taxes Receivable	342,423	-	-	-	44,841	387,264	-
Interfund Loan Receivable	603,509	-	-	-	-	603,509	-
Notes Receivable	300,000	-	-	-	-	300,000	700,604
Lease Receivable	-	-	-	82,203	586,697	668,900	-
Total	\$ 1,298,356	\$ 1,117,945	\$ 491,705	\$ 82,203	\$ 631,538	\$ 3,621,747	\$ 700,604

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 RECEIVABLES (CONTINUED)

Notes Receivable

The City issued a note receivable for \$300,000 due from Grand Plaza Housing Limited Partnership. The note is due January 1, 2039 and has a zero percent (0%) interest rate.

Forgivable Loan Receivable

Grand Rapids Economic Development Authority (GREDA) has established a loan program with forgivable terms to fund building improvements that are mandated by the State Building Code. There are two outstanding forgivable loans at year end issued on December 18, 2023, to Kreklow Enterprises, LLC, and December 19, 2024, to Eclipse Building Partners for \$50,000 and \$50,000 respectively, the maximum amount allowed, at 1.00%. The loans are only required to be repaid if the borrower defaults on the terms of the loans, which includes the sale of the property. Each year 10% of the principal balance of the loans will be forgiven providing there is no default. If a default should occur, the entire remaining balance unforgiven and accumulated interest will be paid back to GREDA. If no events of default occur, and the borrower does not sell the property within 10 years of the closing date, the principal and interest payments shall be deferred. Given the nature of these loans and uncertainty of repayment, management has determined that it is highly unlikely the borrower will default on the loans.

NOTE 4 UNAVAILABLE REVENUES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes	Special Assessments	Land Held for Resale	Notes Receivable	Other Receivables	Total
Primary Government:						
Major Funds:						
General Fund	\$ 342,423	\$ 80,674	\$ -	\$ 300,000	\$ -	\$ 723,097
Debt Service	-	1,222,463	-	-	195,452	1,417,915
Capital Projects	-	503,465	-	-	-	503,465
Nonmajor Funds	44,841	-	-	-	-	44,841
Total Primary Government	387,264	1,806,602	-	300,000	195,452	2,689,318
EDA (Discretely Presented Component Unit)	-	-	2,804,952	904,792	-	3,709,744
Total Unavailable Revenue	<u>\$ 387,264</u>	<u>\$ 1,806,602</u>	<u>\$ 2,804,952</u>	<u>\$ 1,204,792</u>	<u>\$ 195,452</u>	<u>\$ 6,399,062</u>

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City has approved four interfund loans. One loan was made to the Pokegama Golf Course for the Pokegama Golf and Park Place Project and the Pokegama Golf Course Irrigation Control Project. Another loan was made to the Pokegama Golf Course for the purchase of a new fleet of golf carts. Loans were also made to the Yanmar Arena Fund and the Capital Equipment Replacement Fund as financing to those funds for capital expenditures. A summary at December 31, 2024 is as follows:

	Interfund Loan Receivable	Interfund Loan Payable
Major Funds:		
General Fund	\$ 883,827	\$ -
Capital Projects Fund	-	670,375
613 Pokegama Golf Course	-	204,715
Nonmajor Funds:		
Special Revenue Funds:		
228 Yanmar Arena	-	8,737
Total	<u>\$ 883,827</u>	<u>\$ 883,827</u>

Amounts reported as due to/from other funds at December 31, 2024 are as follows:

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 4,629,001	\$ -
Capital Projects Fund	-	4,584,828
Nonmajor Funds:		
Special Revenue Funds:		
211 Public Library	-	1,747
225 Central School	-	4,625
228 Yanmar Arena	-	8,784
231 Haz-Mat	-	28,932
240 Electric Vehicle Charging Stations	-	85
Total	<u>\$ 4,629,001</u>	<u>\$ 4,629,001</u>

Due to/from other funds represent temporary balances due to interfund billings and reclassifications of funds with internally reported negative cash balances. The latter will be eliminated with a combination of tax levies, grant funds, bond proceeds and other operating revenues.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Amounts reported as interfund transfers at December 31, 2024 are as follows:

	Transfers In		Nonmajor Funds	Total
	Debt Service	Capital Project		
Transfers Out:				
Major Funds:				
General Fund	\$ 150,000	\$ 340,297	\$ 146,771	\$ 637,068
Debt Service	-	641,343	-	641,343
Capital Projects	-	-	34,613	34,613
Storm Water Utility	-	165,850	-	165,850
Nonmajor Funds	271,607	-	-	271,607
Total	<u>\$ 421,607</u>	<u>\$ 1,147,490</u>	<u>\$ 181,384</u>	<u>\$ 1,750,481</u>

The City makes routine interfund transfers to allocate financial resources to the funds that receive benefit from services provided by another fund or to establish or close-out funds. During 2024, the City made transfers from the General Fund to Special Revenue Funds (\$112,805) to provide ongoing support, to the Debt Service Fund (\$427,607) as part of various debt financing plans, and to Capital Project Funds (\$1,147,490) for capital purposes. Transfers were also made to allocate funds for other capital purposes (\$62,579).

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Primary Government</u>				
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 6,978,701	\$ 88,451	\$ 102,923	\$ 6,964,229
Artwork	182,565	-	-	182,565
Construction in Progress	16,994,417	4,342,610	18,267,791	3,069,236
Total Capital Assets, Not Being Depreciated	24,155,683	4,431,061	18,370,714	10,216,030
Capital Assets, Being Depreciated:				
Buildings and Structures	39,706,043	15,836,408	-	55,542,451
Vehicles, Equipment, and Furniture	13,786,846	793,098	1,090,356	13,489,588
Infrastructure	85,498,870	2,597,370	203,198	87,893,042
Total Capital Assets, Being Depreciated	138,991,759	19,226,876	1,293,554	156,925,081
Less: Accumulated Depreciation for:				
Buildings and Structures	20,143,193	1,132,690	-	21,275,883
Vehicles, Equipment, And Furniture	8,889,493	718,014	976,759	8,630,748
Infrastructure	47,239,692	2,664,647	203,198	49,701,141
Total Accumulated Depreciation	76,272,378	4,515,351	1,179,957	79,607,772
Total Capital Assets Being Depreciated, Net	62,719,381	14,711,525	113,597	77,317,309
Right-to-Use Assets, Not Being Amortized:				
Subscription Assets in Progress	-	42,725	-	42,725
Right-to-Use Assets, Being Amortized:				
Right-to-Use Leased Assets - Vehicles	470,340	887,065	-	1,357,405
Right-to-Use Subscription Assets - Software	-	193,457	-	193,457
Less Accumulated Amortization	32,288	305,652	-	337,940
Total Right-to-Use Assets Being Amortized, Net	438,052	774,870	-	1,212,922
Governmental Activities Capital Assets - Net	\$ 87,313,116	\$ 19,960,181	\$ 18,484,311	\$ 88,788,986

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Primary Government</u>				
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 919,686	\$ 29,437	\$ -	\$ 949,123
Capital Assets, Being Depreciated:				
Buildings and Structures	2,604,149	129,995	-	2,734,144
Machinery, Equipment, and Furniture	1,603,647	749,348	437,662	1,915,333
Total Capital Assets, Being Depreciated	4,207,796	879,343	437,662	4,649,477
Less: Accumulated Depreciation for:				
Buildings and Structures	1,223,422	74,369	-	1,297,791
Machinery, Equipment, and Furniture	1,216,707	146,941	416,737	946,911
Total Accumulated Depreciation	2,440,129	221,310	416,737	2,244,702
Total Capital Assets Being Depreciated, Net	1,767,667	658,033	20,925	2,404,775
Right-to-Use Assets				
Right-to-Use Leased Assets - Vehicles	46,532	23,080	-	69,612
Less Accumulated Amortization	2,327	13,131	-	15,458
Total Right-to-Use Assets, Net	44,205	9,949	-	54,154
Business-Type Activities Capital Assets - Net	\$ 2,731,558	\$ 697,419	\$ 20,925	\$ 3,408,052
<u>Discretely Presented component Units</u>				
Public Utilities Commission"				
Capital Assets, Not Being Depreciated/Amortized:				
Land and Land rights	\$ 2,009,617	\$ -	\$ 44,786	\$ 1,964,831
Construction in Progress	196,186	3,970,332	2,723,667	1,442,851
Total Capital Assets, Not Being Depreciated/Amortized	2,205,803	3,970,332	2,768,453	3,407,682
Capital Assets, Being Depreciated/Amortized:				
Intangibles	711,725	-	-	711,725
Infrastructure	56,141,706	2,147,145	-	58,288,851
Buildings and Improvements	34,572,294	218,826	(44,786)	34,835,906
Machinery and Equipment	37,981,612	355,616	18,299	38,318,929
Total Capital Assets, Being Depreciated/Amortized	129,407,337	2,721,587	(26,487)	132,155,411
Less: Accumulated Depreciation/Amortization For:				
Intangibles	596,251	61,249	-	657,500
Infrastructure	22,395,177	1,407,266	-	23,802,443
Buildings and Improvements	25,213,066	655,599	-	25,868,665
Machinery and Equipment	19,006,915	1,309,304	12,984	20,303,235
Total Accumulated Depreciation/Amortization	67,211,409	3,433,418	12,984	70,631,843
Total Capital Assets Being Depreciated/Amortized - Net	62,195,928	(711,831)	(39,471)	61,523,568
Right-to-Use Assets				
Right-to-Use Leased Assets - Vehicles	-	386,281	-	386,281
Less Accumulated Amortization	-	26,591	-	26,591
Total Right-to-Use Assets, Net	-	359,690	-	359,690
Governmental Activities Capital Assets - Net	\$ 64,401,731	\$ 3,618,191	\$ 2,728,982	\$ 65,290,940

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 199,030
Public Safety	600,311
Public Works, Including Depreciation and Amortization of General Infrastructure Assets	3,611,408
Culture and Recreation	<u>410,254</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 4,821,003</u></u>

Business-Type Activities:

Golf Course	\$ 160,784
Storm Water Utility	<u>73,657</u>
Total Depreciation and Amortization Expense - Business-Type Activities	<u><u>\$ 234,441</u></u>

NOTE 7 LEASE RECEIVABLES

The City leases a portion of its land for a Solar Garden. This lease is noncancelable for a period of 25 years, with three renewal periods of five years at the lessee's option. The City considers the likelihood of these options being exercised to be greater than 50%. The agreement calls for monthly lease payments of \$5,500 - \$6,624, with increases of 1% each year. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 4.75%, which is based on the rate available to finance equipment over the same time periods.

The City leases Golf Concessions to Pokegama Grill. This lease is noncancelable for a period of three years. The agreement calls for monthly lease payments of \$2,000. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 4.75%, which is based on the rate available to finance equipment over the same time periods.

The City leases 351 square feet of Pro Shop space to Bob's Pro Shop. This lease is noncancelable until the current lessor reaches retirement, which the City estimates to be in 10 years. The agreement calls for monthly lease payments of \$489 - \$562. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 3.90%, which is based on the rate available to finance equipment over the same time periods.

The City leases ice to ISD #318. This lease is noncancelable for a period of five years. The agreement calls for monthly lease payments of \$14,336 - \$16,619. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 4.75%, which is based on the rate available to finance equipment over the same time periods.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 LEASE RECEIVABLES (CONTINUED)

At December 31, 2024, the City recorded \$862,923 in leases receivables and \$795,295 in deferred inflows of resources for these arrangements.

Total revenue recognized in relation to leases is as follows:

Amortization of Lease-Related Deferred Inflows	
Space Leases	\$ 184,423
Land Leases	15,990
	<hr/>
Total Revenue Recognized Resulting from Deferred Inflow Amortization	200,413
Interest Revenue	43,334
	<hr/>
Total Revenue Recognized in Relation to Leased Assets	<u>\$ 243,747</u>

Principal and interest requirements to maturity for the lease receivables as of December 31, 2024 were as follows:

Year Ending December 31,	Solar Garden		ISD #318		Pokegama		Bob's Pro Shop	
	Nonmajor Fund		Nonmajor Fund		Major Fund		Major Fund	
	226 Airport Operations		228 Yanmar Arena		613 Pokegama Golf Course		613 Pokegama Golf Course	
	Lease Receivable		Lease Receivable		Lease Receivable		Lease Receivable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 718	\$ 14,163	\$ 173,418	\$ 17,379	\$ 15,926	\$ 2,074	\$ 3,960	\$ 1,956
2026	906	14,124	187,710	8,811	16,699	1,301	4,206	1,798
2027	1,105	14,075	98,735	978	17,511	490	4,463	1,629
2028	1,315	14,017	-	-	-	-	4,729	1,450
2029	1,537	13,949	-	-	-	-	5,006	1,261
2030-2034	11,469	68,316	-	-	-	-	29,589	3,063
2035-2039	19,150	64,704	-	-	-	-	-	-
2040-2044	29,122	59,008	-	-	-	-	-	-
2045-2049	42,010	50,616	-	-	-	-	-	-
2050-2054	58,605	38,746	-	-	-	-	-	-
2055-2059	79,912	22,404	-	-	-	-	-	-
2060-2063	55,122	3,340	-	-	-	-	-	-
Total	<u>\$ 300,971</u>	<u>\$ 377,462</u>	<u>\$ 459,863</u>	<u>\$ 27,168</u>	<u>\$ 50,136</u>	<u>\$ 3,865</u>	<u>\$ 51,953</u>	<u>\$ 11,157</u>

The Public Utilities Commission leases space for antenna on the roof of their building under a long-term, noncancelable lease agreement. The lease expires in 2035.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 LEASE RECEIVABLES (CONTINUED)

	Cellular Antenna	
	Public Utilities Commission	
	Water Utility	
	Lease Receivable	
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 188,582	\$ 5,706
2026	190,039	5,877
2027	195,741	6,054
2028	172,538	5,336
2029	159,071	4,920
2030-2034	445,342	13,042
2035	28,621	885
Total	<u>\$ 1,379,934</u>	<u>\$ 41,820</u>

The Public Utilities Commission recognized \$154,417 of lease revenue and \$16,636 of interest revenue for the year ended December 31, 2024 in relation to these lease receivables.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 LONG-TERM DEBT

A. Debt

The City issues general obligation bonds and equipment certificates to provide funds for the acquisition and construction of major capital facilities. The reporting 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, 2024, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Issue Date	Maturity Date	Original Issue	Payable 12/31/24
<u>Primary Government</u>					
Governmental Activities:					
G.O. Tax Increment Bonds:					
Refunding TIF Bonds Series 2017B	4.20 - 4.00	12/28/2017	2/1/2034	\$ 705,000	\$ 505,000
G.O. Improvement Bonds:					
Improvement Bonds of 2009C	1.85 - 4.30	9/1/2009	2/1/2025	4,565,000	365,000
Improvement Bonds of 2010A	0.75 - 3.625	11/1/2010	2/1/2026	1,115,000	130,000
Improvement Refunding Bonds of 2011B	0.50 - 3.15	12/1/2011	2/1/2027	1,555,000	230,000
Improvement Bonds of 2012A	0.50 - 3.25	4/1/2012	2/1/2028	2,245,000	650,000
Improvement Bonds of 2012B	0.40 - 2.60	4/1/2012	10/1/2027	4,175,000	920,000
Improvement Bonds of 2014A	0.50 - 2.90	11/1/2014	2/1/2030	3,000,000	1,015,000
Total G.O. Improvement Bonds				16,655,000	3,310,000
Other General Obligation Bonds:					
Street Reconstruction Bonds of 2013B	3.00 - 3.50	9/1/2013	2/1/2029	4,025,000	1,550,000
Street Reconstruction Bonds of 2016A	0.85 - 2.20	10/5/2016	2/1/2032	2,170,000	1,245,000
Street Reconstruction Bonds of 2017A	3.00 - 3.50	9/7/2017	2/1/2033	2,130,000	1,405,000
Street Reconstruction Bonds of 2018A	3.00 - 3.25	10/18/2018	2/1/2034	1,960,000	1,400,000
Street Reconstruction Bonds of 2020A	1.60 - 2.00	11/5/2020	2/1/2036	2,275,000	1,875,000
Street Reconstruction Bonds of 2023A	4.00 - 5.00	11/9/2023	2/1/2039	2,220,000	2,220,000
G.O. Abatement Bonds of 2019A	2.00 - 3.00	9/5/2019	2/1/2035	1,585,000	1,240,000
G.O. Abatement Bonds of 2021B	2.00 - 2.75	7/1/2021	2/1/2042	6,255,000	5,755,000
Total Other General Obligation Bonds				22,620,000	16,690,000
Refunding Bonds:					
G.O. Refunding Bonds 2024A	4.00 - 5.00	9/18/2024	2/1/2042	7,725,000	7,725,000
G.O. Revenue Note - Direct Placement - PUC:					
Taxable G.O. Wastewater Revenue Note of 2009E	2.90	11/10/2009	8/20/2029	26,370,232	8,091,000
G.O. Revenue Bonds - PUC:					
G.O. Utility Revenue Refunding Bonds of 2021A	0.25 - 0.63	5/27/2021	10/15/2025	872,000	195,000
G.O. Utility Revenue Refunding Bonds of 2021C	0.45 - 1.25	9/2/2021	2/1/2029	1,210,000	970,000
G.O. Utility Revenue Refunding Bonds of 2021D	2.00 - 3.00	12/9/2021	2/1/2033	1,120,000	925,000
G.O. Utility Revenue Bonds of 2023B	4.25 - 5.00	11/9/2023	2/1/2039	4,575,000	4,575,000
Total General Obligation Revenue Bonds - PUC				7,777,000	6,665,000
Equipment Certificates					
Equipment Certificates 2024B	4.00 - 5.00	9/18/2024	2/1/2032	345,000	345,000
Equipment Certificates 2024B - PUC	4.00 - 5.00	9/18/2024	2/1/2032	630,000	630,000
Total Equipment Certificates				975,000	975,000
Total Bonded Debt - Governmental Activities				<u>\$ 82,827,232</u>	<u>\$ 43,961,000</u>
Component Units:					
EDA:					
Note Payable - Airport Ind Park/Kent	-	7/16/2015	7/16/2035	\$ 350,000	\$ 192,500
Note Payable - Blandin	-	7/8/1905	7/18/1905	175,000	2,425
Note Payable - EWCL	-	4/1/2020	10/1/2026	650,000	175,748
Note Payable - VFW/Rose Buildings	-	1/29/2021	1/29/2026	140,000	140,000
Note Payable - IEDC and Plumer's Buildings	2.00	8/8/2024	8/8/2029	210,000	210,000
Note Payable - PRI CBIL P2024	2.00	8/8/2024	8/8/2034	400,000	400,000
Special Assessment Payable				657,883	621,513
Total EDA				<u>2,582,883</u>	<u>1,742,186</u>
Total Component Units				<u>\$ 2,582,883</u>	<u>\$ 1,742,186</u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 LONG-TERM DEBT (CONTINUED)

A. Debt (Continued)

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending December 31,	G.O. Tax Increment Bonds		G.O. Improvement Bonds		Equipment Certificates		Other G.O. Bonds	
	Governmental Activities		Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 40,000	\$ 13,815	\$ 1,175,000	\$ 81,163	\$ -	\$ 14,042	\$ 1,280,000	\$ 752,848
2026	40,000	12,895	755,000	50,067	40,000	15,150	2,095,000	743,559
2027	45,000	11,918	715,000	29,447	45,000	13,025	2,285,000	661,878
2028	45,000	10,725	330,000	14,473	50,000	10,650	2,385,000	573,078
2029	50,000	9,300	165,000	7,240	50,000	8,150	2,465,000	480,643
2030-2034	285,000	22,275	170,000	2,465	160,000	10,050	7,490,000	1,456,726
2035-2039	-	-	-	-	-	-	4,395,000	614,834
2040-2042	-	-	-	-	-	-	2,020,000	88,650
Total	<u>\$ 505,000</u>	<u>\$ 80,928</u>	<u>\$ 3,310,000</u>	<u>\$ 184,855</u>	<u>\$ 345,000</u>	<u>\$ 71,067</u>	<u>\$ 24,415,000</u>	<u>\$ 5,372,216</u>

Year Ending December 31,	Revenue Bonds and Notes		Equipment Certificates		Revenue Bonds and Notes	
	Governmental Activities - PUC		Governmental Activities - PUC		EDA Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,177,000	\$ 475,742	\$ -	\$ 25,605	\$ 160,831	\$ 8,152
2026	2,096,000	416,315	70,000	27,700	216,261	8,248
2027	2,157,000	354,127	85,000	23,825	29,743	7,917
2028	2,219,000	289,612	85,000	19,575	30,084	7,576
2029	2,277,000	222,961	90,000	15,200	578,754	7,224
2030-2034	1,925,000	607,313	300,000	18,875	87,500	-
2035-2039	1,905,000	205,568	-	-	17,500	-
Total	<u>\$ 14,756,000</u>	<u>\$ 2,571,638</u>	<u>\$ 630,000</u>	<u>\$ 130,780</u>	<u>\$ 1,120,673</u>	<u>\$ 39,117</u>

Year Ending December 31,	Lease Liabilities		Lease Liabilities		SBITAs	
	Governmental Activities		Business- Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 307,453	\$ 49,521	\$ 13,486	\$ 3,169	\$ 61,614	\$ 3,834
2026	323,606	33,369	14,426	2,228	64,743	1,111
2027	303,566	16,788	15,438	1,217	-	-
2028	142,562	4,042	9,091	287	-	-
2029	28,322	280	-	-	-	-
Total	<u>\$ 1,105,509</u>	<u>\$ 104,000</u>	<u>\$ 52,441</u>	<u>\$ 6,901</u>	<u>\$ 126,357</u>	<u>\$ 4,945</u>

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

A. Debt (Continued)

Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Beginning Balance 12/31/2023	Additions	Reductions	Ending Balance 12/31/24	Due Within One Year
Governmental Activities:					
Bonds Payable:					
G.O. Tax increment Bonds	\$ 540,000	\$ -	\$ 35,000	\$ 505,000	\$ 40,000
G.O. Improvement Bonds	4,620,000	-	1,310,000	3,310,000	1,175,000
Other G.O. Bonds	27,855,000	7,725,000	11,165,000	24,415,000	1,280,000
Equipment Certificates	-	345,000	-	345,000	-
G.O. Revenue Bonds - PUC	7,149,000	-	484,000	6,665,000	650,000
G.O. Revenue Note - Direct Placement - PUC	9,575,000	-	1,484,000	8,091,000	1,527,000
Equipment Certificates - PUC	-	630,000	-	630,000	-
Bond Premium	725,516	633,418	237,154	1,121,780	-
Bond Premium - PUC	228,831	43,001	17,792	254,040	-
Lease Liability	432,283	887,065	213,839	1,105,509	307,453
Subscription Liability	-	173,088	46,731	126,357	61,614
Compensated Absences *	687,614	-	83,784	603,830	434,017
Total Governmental Activities	<u>\$ 51,813,244</u>	<u>\$ 10,436,572</u>	<u>\$ 15,077,300</u>	<u>\$ 47,172,516</u>	<u>\$ 5,475,084</u>
Business Type Activities:					
Compensated Absences *	\$ 27,794	\$ -	\$ 12,811	\$ 14,983	\$ 11,213
Lease Liability	44,853	20,394	12,806	52,441	13,486
Total Business-Type Activities	<u>\$ 72,647</u>	<u>\$ 20,394</u>	<u>\$ 25,617</u>	<u>\$ 67,424</u>	<u>\$ 24,699</u>
Component Units:					
Note payables - EDA	\$ 758,230	\$ 610,000	\$ 247,557	\$ 1,120,673	\$ 160,831
Assessment payable - EDA	637,848	-	16,335	621,513	-
Lease Liability - PUC	-	386,281	23,003	363,278	-
Compensated absences - PUC *	312,821	80,553	-	393,374	292,298
Total Component Units	<u>\$ 1,708,899</u>	<u>\$ 1,076,834</u>	<u>\$ 286,895</u>	<u>\$ 2,498,838</u>	<u>\$ 453,129</u>

Taxable Note Payables – EDA

In 2010, the EDA entered into a \$100,000 mortgage agreement, without interest, with the Charles K. Blandin Foundation. The proceeds of this note were used to finance soil correction of EDA land held for resale at Block 20/21. The EDA has pledged proceeds from the sale of Block 20/21 to payment of this note upon the earlier of the sale of Block 20/21 or the extended maturity date of the note (December 31, 2029).

This note is a special limited obligation of the EDA. This note shall not be payable from nor charged upon any funds other than the proceeds of the sale of Block 20/21, nor shall the EDA be subject to any liability hereon or have the powers to obligate itself to pay this note from funds other than the proceeds of the sale of Block 20/21 and no holder of this note shall ever have the right to compel any exercise of any taxing power of the EDA or the City or any other public body, to pay this note, nor to enforce payment thereof against any property of the EDA or other public body other than that expressly pledged for payment of the note. This land was sold on December 30, 2024, and the note was subsequently paid off for the year ended December 31, 2024.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

A. Debt (Continued)

Taxable Note Payables – EDA (Continued)

On July 16, 2015, the EDA entered into a \$350,000 mortgage agreement, without interest, with the Charles K. Blandin Foundation. The proceeds of this note were used to finance the Economic Development Opportunity at the Grand Rapids Airport. The note is payable in annual installments of \$17,500 through the year 2035 commencing one calendar year after the funds are disbursed. The note may be fully or partially prepaid at any time.

In 2017, the EDA obtained a loan from the Blandin Foundation in the amount of \$175,000 for the purpose of providing financing for economic development projects. The loan proceeds were used to provide loans to private developers. The debt to the Blandin Foundation is payable solely from and to the extent of repayment of the developer loans.

In 2020, the EDA entered into a \$650,000 loan agreement with the Blandin Foundation. The loan proceeds were used to provide emergency working capital loans to local business. The loan matures on October 1, 2026. The interest rate is 0%.

In 2021, the EDA entered into a \$140,000 loan agreement with the Blandin Foundation. The loan matures on January 29, 2026. The interest rate is 0%.

In 2024, the EDA entered into a \$210,000 loan agreement with the Blandin Foundation. The loan matures on December 1, 2029. The interest rate is 4.50%. The EDA also entered into a \$400,000 loan agreement with the Blandin Foundation. The loan matures on August 8, 2034. The interest rate is 2.00%.

Taxable General Obligation Wastewater Revenue Note, Series 2009E

In 2009, the City authorized the issuance of the Taxable General Obligation Wastewater Revenue Note (Public Utilities Project), Series 2009E in the amount of \$28,509,779, payable to the Minnesota Public Facilities Authority. The bonds were closed in 2012 and the total draws made were \$26,370,232. As of December 31, 2024, the outstanding balance on the note was \$8,091,000.

The Note is secured by first, all Letter of Credit proceeds; second, net revenues of the Public Utilities Wastewater Fund; and third, ad valorem taxes levied by the City in the event proceeds of the Letter of Credit and net revenues are insufficient to pay when due the principal and interest on the Note.

The net revenues are supported by a Demand Charge Agreement between the City, Public Utilities Commission and Blandin Paper Company (the Company). Among other things, the demand charge agreement requires the Company to pay 90% of the debt service on the Note.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

A. Debt (Continued)

Taxable General Obligation Wastewater Revenue Note, Series 2009E (Continued)

The demand charge is secured by an Irrevocable Letter of Credit issued by Nordea Bank Finland PLC.

In accordance with Generally Accepted Accounting Principles, the G.O. Utility Revenue Note and Bonds are recorded in the financial statements of the City due to its general obligation pledge on the debt. The Public Utilities Commission reports a payable due to the Primary Government equal to the amount of the debt reported by the City.

Defeasance of Long-Term Debt

On September 18, 2024, the City issued \$7,725,000 (par value) of General Obligation Refunding Bonds, Series 2024A, to refund the outstanding principal amount of \$10,000,000 of the City's 2022A bonds. In addition to the issuance of the 2024A Refunding Bonds, the City also utilized \$1,984,447 of restricted cash to pay down the 2022A bonds. The refunding reduced debt service payments by \$1,276,972 and represents an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,940,495. The refunded bonds were called on October 1, 2024.

Lease Liabilities

The City has entered into lease agreements to lease various assets. Lease agreements that qualify as other than short-term leases under GASB 87 have been recorded at the present value of the future minimum lease payments as of the date of lease commencement.

As of December 31, 2024, the City had 20 outstanding vehicle leases. Each lease has terms of 36 to 60 monthly payments from commencement of the lease, ranging from \$600 to \$1,235. The lease liability is measured at discount rates ranging from 3.80% to 8.37%, which are the rates implicit in the leases.

As of December 31, 2024, the City had a lease for 60 golf cart GPS units. The lease has a term of four years with yearly payments from commencement of the lease of \$5,400. The lease liability is measured at discount rates ranging from 3.90%, which is based on the rate available to finance equipment over the same time periods.

As a result of the leases, the City's has recorded right-to-use leased assets with a net book value of \$1,124,275 as of December 31, 2024.

Subscription-Based Information Technology Arrangements (SBITA)

The City has entered into SBITAs for workspace one, cloud services, ELA server, and training software. The SBITA arrangements expire at various dates through 2026.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 LONG-TERM DEBT (CONTINUED)

A. Debt (Continued)

Revenue Pledged

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Improvement, 2009C (Build America Bond)	Infrastructure Improvements	Special Assessments	24 %	2010- 2024	\$ 374,673	\$ 383,664	\$ 323,021
		Federal BAB Credit	10 %				
		Ad Valorem Taxes	66 %				
G.O. Improvement, 2010A	Infrastructure Improvements, Refund Existing Debt	Special Assessments	34 %	2012- 2026	134,713	65,725	62,212
		Ad Valorem Taxes	66 %				
G.O. Improvement, 2011B	Infrastructure Improvements, Refund Existing Debt	Special Assessments	56 %	2012- 2026	240,969	78,183	72,296
		Ad Valorem Taxes	46 %				
G.O. Improvement, 2012A	Infrastructure Improvements	Special Assessments	32 %	2013- 2027	693,063	178,644	100,656
		Ad Valorem Taxes	68 %				
G.O. Improvement, 2012B	Street Reconstruction	MSA Allotments	100 %	2013- 2027	955,134	320,808	320,808
G.O. Street Reconstruction, 2013B	Street Reconstruction	Ad Valorem Taxes	100 %	2014- 2029	1,685,719	335,488	121,994
G.O. Improvement, 2014A	Street Reconstruction, Abatement, CIP Projects, and Equipment	Special Assessments	20 %	2014- 2029	1,096,305	239,120	228,316
		Ad Valorem Taxes	80 %				
G.O. Street Reconstruction, 2016A	Street Reconstruction, Abatement, CIP Projects, and Equipment	Special Assessments	80 %	2016- 2032	1,351,670	166,960	167,224
		Ad Valorem Taxes	20 %				
G.O. Street Reconstruction, 2017A	Street Reconstruction, Abatement, CIP Projects, and Equipment	Special Assessments	13 %	2018- 2033	1,623,588	182,250	180,164
		Ad Valorem Taxes	87 %				
G.O. Refunding, 2017B	Refund of 2006A, 2007A, 2008A, 2008B and 2008C Bonds	Special Assessments	11 %	2018- 2034	585,928	217,275	79,530
		Tax Increment	28 %				
G.O. Improvement, 2018A	Street Reconstruction, Abatement, CIP Projects, and Equipment	Ad Valorem Taxes	81 %	2018- 2033	1,628,081	164,938	158,294
		Special Assessments	19 %				
G.O. Improvement, 2019A	Abatement Bond	Ad Valorem Taxes	92 %	2019- 2035	1,397,350	126,105	19,894
		Tax Abatement	8 %				
G.O. Street Reconstruction, 2020A	CIP Projects, and Equipment	Special Assessments	92 %	2020- 2036	2,058,861	173,263	179,008
		Ad Valorem Taxes	8 %				
G.O. Improvement, 2021B	CIP projects, Abatement Bond	Ad Valorem Taxes	80 %	2022- 2042	6,897,300	386,056	404,477
		Tax Abatement	20 %				
G.O. Temporary, 2022A	CIP projects, Abatement Bond, and Equipment	City Sales Tax		2022- 2025	-	10,395,833	1,994,982
		Ad Valorem Taxes	34 %				
G.O. Street Reconstruction, 2023A	Street Reconstruction, Abatement, CIP Projects, and Equipment	Tax Abatement	66 %				
		Ad Valorem Taxes	100 %	2023- 2039	3,024,325	72,887	198,631
G.O. Refunding Bonds, 2024A	Refunding of Old Bonded Debt	City Sales Tax	51 %	2024- 2042	10,120,320	-	-
		Ad Valorem Taxes	7 %				
G.O. Equipment Certificates, 2024B	Purchase of Equipment	Tax Abatement	42 %				
		Ad Valorem Taxes	100 %	2025- 2032	1,176,847	-	-

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS

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 (IRC).

1. General Employees Retirement Fund (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in noncertified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police and Fire Fund (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

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. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. GERP Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. 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 prorated increase.

2. PEPFF Benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. PEPFF Benefits (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. 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 prorated increase.

C. Contributions

Minnesota Statutes Chapter 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$323,658. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$325,500. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,902,583 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 nonemployer 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 \$49,197.

City's Proportionate Share of the Net Pension Liability	\$ 1,902,583
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	49,197
Total	<u><u>\$ 1,951,780</u></u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .0515% at the end of the measurement period and .0530% for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$151,217 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$610 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a nonemployer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$87,536 for the year ended December 31, 2024 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 General Employees Fund.

At December 31, 2024, the City reported 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	\$ 178,893	\$ -
Changes of Actuarial Assumptions	9,289	720,096
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	552,494
Changes in Proportion	19,461	93,533
Employer Contributions Subsequent to the Measurement Date	160,563	-
Totals	<u>\$ 368,206</u>	<u>\$ 1,366,123</u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

The \$160,563 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2025	\$ (617,230)
2026	(138,190)
2027	(257,238)
2028	(145,822)

2. Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,779,816 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .1353% at the end of the measurement period and .1405% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. 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% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$67,846.

City's Proportionate Share of the Net Pension Liability	\$ 1,779,816
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	67,846
Total	<u>\$ 1,847,662</u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. Police and Fire Fund Pension Costs (Continued)

For the year ended December 31, 2024, the City recognized pension expense of \$322,695 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$26,672 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a nonemployer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$38,417 for the year ended December 31, 2024 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, 2024, the City reported 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	\$ 693,610	\$ -
Changes of Actuarial Assumptions	1,956,479	2,620,825
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	578,708
Changes in Proportion	86,893	103,537
Employer Contributions Subsequent to the Measurement Date	170,483	-
Totals	<u>\$ 2,907,465</u>	<u>\$ 3,303,070</u>

The \$170,483 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2025	\$ (98,906)
2026	461,168
2027	(257,749)
2028	(696,338)
2029	25,737

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Summary

The aggregate amount of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual activity in which the employee's costs are associated. The table below includes the City's portion of each plan.

	General Employees Fund	Police and Fire Fund	Fire Relief	Total
Net Pension Liability	\$ 1,902,583	\$ 1,779,816	\$ -	\$ 3,682,399
Net Pension Asset	-	-	1,337,568	1,337,568
Deferred Outflows of Resources	368,206	2,907,465	267,933	3,543,604
Deferred Inflows of Resources	1,366,123	3,303,070	91,343	4,760,536
Pension Expense	151,827	349,367	56,377	557,571

F. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan and Police & Fire Plan.
- Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1.00% for the Police & Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 11.75% after one year of service to 3% 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 & Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Actuarial Assumptions(Continued)

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation. The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Police and Fire Fund

Changes in Actuarial Assumptions:

- There were no changes in actuarial assumptions.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Actuarial Assumptions(Continued)

Police and Fire Fund (Continued)

Changes in Plan Provisions (Continued):

- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

G. 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
Total	100 %	

H. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.00%. 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 Plans 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 GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

I. 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:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Proportionate Share of the GERF Net Pension Liability	\$ 4,155,548	\$ 1,902,583	\$ 49,134
Proportionate Share of the PEPFF Net Pension Liability	4,206,052	1,779,816	(212,632)

J. 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.

K. Allocation

Below is the allocation of Deferred Outflows of Resources, Deferred Inflows of Resources, Net Pension Liability, and Pension Expense by opinion unit within the City:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Net Pension Asset	Pension Expense
Governmental Activities	\$ 3,517,277	\$ 4,662,858	\$ 3,546,365	\$ 1,337,568	\$ 546,943
613 Pokegama Golf Course	14,029	52,049	72,488	-	6,073
655 Storm Water Utility	12,298	45,629	63,546	-	4,555
Total	<u>\$ 3,543,604</u>	<u>\$ 4,760,536</u>	<u>\$ 3,682,399</u>	<u>\$ 1,337,568</u>	<u>\$ 557,571</u>

NOTE 10 DEFINED CONTRIBUTION PLAN

Four Council Members are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the IRC and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 DEFINED CONTRIBUTION PLAN (CONTINUED)

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5.00% of salary which is matched by the elected official's employer. 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 2.00% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2024 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employer				
Employee	(Pension Expense)	Employee	Employer	Rate
\$ 1,683	\$ 1,683	5 %	5 %	5 %

NOTE 11 SINGLE EMPLOYER PLAN

A. Plan Description

All members of the Grand Rapids Fire Department are covered by a defined benefit plan administered by the Grand Rapids Fire Department Relief Association (Relief Association). The Plan is a single employer retirement plan and is established and administered in accordance with Minnesota Statute, Chapter 424A and 424B.

B. Benefits Provided

The Relief Association provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established in accordance with the State Statute and vest after ten years of credited service. The defined retirement benefits are based on a member's years of service. Benefit provisions can be amended by the Relief Association within the parameters provided by State Statutes.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 SINGLE EMPLOYER PLAN (CONTINUED)

B. Benefits Provided (Continued)

Twenty Year Service Pension

A member of the Association who shall have served in the Grand Rapids Fire Department for at least 20 years, but has not reached the age of 50 years, may retire from said department and be placed on the deferred pension roll. When the member reaches the age of 50 years, upon application, the member shall be paid the sum of \$6,500 for each full year of active service. For members retiring prior to January 1, 2015, during the time the member is on the deferred pension roll, the Association shall add to the amount payable to such member interest, compounded annually, at the rate of 5% per year. Fully vested members will be eligible to receive the final year on a pro-rated basis. For members retiring after January 1, 2015, the amount payable will be transferred to a separate investment vehicle held by the Relief Association. The deferred member bears the full investment risk subsequent to transfer. When the member applies for their pension, the deferred service pension shall be equal to the fair value of the member's separate investment vehicle.

Disability Benefits

A member who becomes permanently disabled from being an active firefighter in the Fire Department of the City of Grand Rapids will be eligible to collect a disability benefit in an amount equal to his/her full years of active service multiplied by the yearly lump sum service pension rate. If a member receives a disability benefit and subsequently returns to active duty, the total disability benefit will be deducted from his/her service pension.

Survivor Benefits

To be eligible to receive a survivor benefit, a participant must satisfy the following requirements:

- i. Have died in active service with the Fire Department; or
- ii. Have died prior to receiving his retirement benefit.

If a participant in active service dies, the participant's beneficiary shall receive a lump sum payment equal to 100% of the participant's accrued benefit.

If a participant who has retired or ceased from active service dies, the participant's beneficiary shall receive a lump sum survivor benefit determined as follows:

Years of Active Service Credited to Participant	Multiplied by	Benefit Level in Effect for Participant	Multiplied by	Vesting Percentage for Completed Years of Active
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The survivor benefit level will be the benefit level in effect at the participant's separation date. However, if the participant had a break in service, the survivor benefit level shall be determined as described in the definition of break in service.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 SINGLE EMPLOYER PLAN (CONTINUED)

B. Benefits Provided (Continued)

Survivor Benefits (Continued)

Such survivor benefit shall be paid to the participant's beneficiary as soon as administratively feasible following the participant's death and the approval of the survivor benefit payment request form. A participant's beneficiary shall be as follows:

- a) The participant's surviving spouse; or
- b) If no surviving spouse, the participant's surviving children; or
- c) If no surviving spouse or surviving children, the participant's designated beneficiary or beneficiaries.

State Supplemental Benefits

Minnesota Statute 424A.10 provides for the payment of a supplemental benefit equal to ten percent of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of a State income tax exclusion for lump sum distributions and will no longer be available if State tax law is modified to exclude lump sum distributions from State income tax. The Association qualifies for these benefits.

C. Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Retired Members Entitled to Benefits, but have not Received them	12
Current Members:	
Fully Vested (20 Years or More)	3
Partially Vested (10 Years to 19 Years)	8
Nonvested (Less than 10 Years)	19
Total	<u>42</u>

D. Contributions

Minnesota Statutes Chapter 424A.092 sets the minimum contribution requirement for the City and State aid on an annual basis. These statutes are established and amended by the state legislature. The Relief Association is comprised of volunteers; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Relief Association. The City's contributions to the Relief Association for the year ended December 31, 2023 were \$5,000. State aid contributions for the year ended December 31, 2023 were \$147,629.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 SINGLE EMPLOYER PLAN (CONTINUED)

E. Net Pension Liability

The City's net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2023 (the most recent data available).

F. Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Expected Long-Term Investment Return	6.00 %
20-Year Municipal Bond Yield	N/A
Salary Increases	2.50 %
Inflation	None
Age of Service Retirement	50
Postretirement Benefit Increase	N/A

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. All results are then rounded to the nearest quarter percentage point.

The best-estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best-estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11 SINGLE EMPLOYER PLAN (CONTINUED)

F. Actuarial Assumptions (Continued)

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Portfolio Weight	Expected Class Return
Cash	5.00 %	2.00 %
Fixed Income	37.00	3.90
Equities	57.00	7.90
Other	1.00	7.00
Total Portfolio	100.00 %	6.00 %

G. Discount Rates

The discount rate used to measure the total pension liability was 6.00%. The liability discount rate was developed using the alternative method described in paragraph 43 of GASB 67, which states that "if the evaluations required by paragraph 41 can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan, alternative methods may be applied in making the evaluations." The determination of the discount rate assumed that the plan's current overfunded status, combined with Minnesota statutory funding requirements, provide sufficient reliability that projected plan assets will be adequate to pay future retiree benefits. Therefore, the plan's long-term expected return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance - January 1, 2023	\$ 2,145,637	\$ 3,241,079	\$ (1,095,442)
Changes for the Year:			
Service Cost	80,644	-	80,644
Interest Cost	127,999	-	127,999
Contributions - Employer	-	5,000	(5,000)
On Behalf Contributions - State of MN	-	148,629	(148,629)
Projected Investment Return	-	193,109	(193,109)
Gain or Loss	-	116,917	(116,917)
Benefit Payments	(185,942)	(185,942)	-
Administrative Expense	-	(12,886)	12,886
Net Changes	22,701	264,827	(242,126)
Balance - December 31, 2023	\$ 2,168,338	\$ 3,505,906	\$ (1,337,568)

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 SINGLE EMPLOYER PLAN (CONTINUED)

I. Pension Liability (Asset) Sensitivity

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease in Discount Rate (5.00%)	Discount Rate (6.00%)	1% Increase in Discount Rate (7.00%)
Net Pension Liability (Asset)	\$ (1,274,916)	\$ (1,337,568)	\$ (1,397,150)

J. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Relief Association financial report. That report may be obtained by writing to Grand Rapids Fire Department Relief Association, 104 SE 11th Street, Grand Rapids, Minnesota, 55744.

K. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2023, the City recognized pension expense of (\$124.195). The City also recognized \$148,629 for the year ended December 31, 2023, as pension expense (and grant revenue) for the State of Minnesota's on-behalf contribution to the plan. At December 31, 2023, the City reported 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 Projected and Actual Investment Earnings	\$ 200,960	\$ -
Difference Between Expected and Actual Economic Experience	34,577	40,428
Changes in Actuarial Assumptions	32,396	50,915
Totals	<u>\$ 267,933</u>	<u>\$ 91,343</u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 SINGLE EMPLOYER PLAN (CONTINUED)

K. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

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

<u>Year Ended December 31,</u>	<u>Expense Amount</u>
2024	\$ 50,270
2025	65,829
2026	102,981
2027	(25,682)
2028	(16,808)

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

In addition to providing the pension benefits described in Note 9 and 10, the City provides postemployment health care benefits, as defined in paragraph B, through The Operating Engineers Local #49 Health and Welfare Fund (the plan). The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by a plan administrator selected by the plan. The authority to provide these benefits is established in Minnesota Statutes Sections 471.61 Subd. 2a and 299A.465. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups.

B. Funding Policy

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The City is funding this liability on a pay-as-you-go basis. For the plan year 2024, the City contributed \$20,024 to the plan.

C. Benefits Provided

Clerical and Public Works Employees

Clerical and public works employees who retire at age 55 or older with 5 or more years of service may continue medical coverage in the Operating Engineer Local #49 Plan by paying full premiums from their City and State health savings accounts. Once these accounts are depleted, the City is required to allow retirees to continue participation in the plan until age 65. The City is required to pay \$100 per month and the retiree is required to pay the remaining portion of the premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

C. Benefits Provided (Continued)

Police and Sergeants

Police and sergeant employees who retire at age 50 or older with 5 or more years of service, or any age with 30 years of service (if hired before 7/1/89), or whose age plus service is at least 90, may continue medical coverage in the City Plan by paying full premiums from their City and State health savings accounts. Once these accounts are depleted, the City is required to allow retirees to continue participation in the Plan until age 65. The City is required to pay \$100 per month and the retiree is required to pay the remaining portion of the premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

Exempt and Library Employees

Exempt and library employees who retire at age 55 and older with 3 or more years of service, or any age with 30 years of service (if hired before 7/1/89), or whose age plus service is at least 90, may continue medical coverage in the City Plan until age 65. The retiree is required to pay 100% of their premium cost. The premium is a blended rate premium determined on the entire active and retired population. Since the projected claims costs for the retirees exceed the premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit).

D. Participants

At December 31, 2024, the following employees were covered by the benefit terms:

Active Employees Electing Coverage	45
Retirees Electing Coverage	1
Spouses Electing Coverage	1
Total	<u><u>47</u></u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

E. Total OPEB Liability and Changes in Total OPEB Liability

The City's total OPEB liability of \$278,233 was measured as of January 1, 2024 and was determined by an actuarial valuation dated January 1, 2023. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll forward techniques. Changes in the total OPEB liability during 2024 were:

Balance - January 1, 2024	\$ 280,158
Changes for the Year:	
Service Cost	1,379
Interest Cost	10,884
Plan Changes	4,886
Benefit Payments	(19,074)
Net Changes	<u>(1,925)</u>
Balance - December 31, 2024	<u>\$ 278,233</u>

There were no plan changes since the measurement date of January 1, 2024.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 %
Salary Increases	Service Graded Table
Discount Rate	3.70 %
20-Year Municipal Bond Yield	4.00 %

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on published rate information for 20-year high quality, tax exempt, general obligation municipal bonds as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2023 valuation are similar to those used to value pension liabilities for Minnesota public employees. The rates are based on the four-year experience study for the Public Employees Retirement Association of Minnesota Police and Fire Plan completed in 2020 and the four-year experience study for the Public Employees Retirement Association of Minnesota General Employees Plan completed in 2019.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

F. Actuarial Assumptions and Other Inputs (Continued)

The following changes in actuarial assumptions occurred in 2024:

- The discount rate was changed from 4.00% to 3.70%.

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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 a discount rate that is 1% lower (2.70%) or 1% higher (4.70%) than the current discount rate:

Discount Rate Sensitivity	1% Decrease (2.70%)	Discount Rate (3.70%)	1% Increase (4.70%)
Total OPEB Liability	\$ 295,667	\$ 278,233	\$ 262,216

H. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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 (5.25% decreasing to 4.00% over 6 years and then to 3.00% over the next 48 years) or 1% higher (7.25% decreasing to 6.00% over 6 years and then to 5.00% over the next 48 years) than the current healthcare cost trend rates (6.50% decreasing to 5.00% over 6 years and then to 4.00% over the next 48 years):

Medical Trend Rate Sensitivity	1% Decrease (5.25% Decreasing to 4.00% then 3.00%)	Current Trend Rates (6.25% Decreasing to 5.00% then 4.00%)	1% Increase (7.25% Decreasing to 6.00% then 5.00%)
Total OPEB Liability	\$ 262,554	\$ 278,233	\$ 295,051

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

I. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized \$61,845 of OPEB expense. At December 31, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual		
Economic Experience	\$ 173,957	\$ 2,947
Changes in Actuarial Assumptions	4,280	20,793
Contributions Paid Subsequent to the Measurement Date	20,414	-
Total	<u>\$ 198,651</u>	<u>\$ 23,740</u>

The \$20,414 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense Amount</u>
2025	\$ 49,590
2026	51,722
2027	52,211
2028	974

NOTE 13 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT

A. Tax Increment Discounts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT (CONTINUED)

B. Tax Abatements – Pay-as-You-Go Tax Increment

The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate- income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The City has entered into tax increment pay-as-you-go agreements. The agreements are not a general obligation of the City and are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the City. Details of the pay-as-you-go notes are as follows:

TIF District #1-6, Old Hospital:

Issued in 2008 (2008B) in the principal sum of \$307,500 with an interest rate of 7.75% per annum. Principal and interest shall be paid on August 1, 2010 and each February 1 and August 1 thereafter to and including February 1, 2032. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2032. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2032. The current year abatement (TIF note payments) amounted to \$45,049. At December 31, 2024, the principal amount outstanding on the note was \$307,500.

TIF District #1-7, Block 37:

Issued in 2008 (2008A) in the principal sum of \$389,300 with an interest rate of 7.25% per annum. Principal and interest shall be paid on August 1, 2009 and each February 1 and August 1 thereafter to and including February 1, 2035. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2035. The current year abatement (TIF note payments) amounted to \$14,387. At December 31, 2024, the principal amount outstanding on the note was \$389,300.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT (CONTINUED)

B. Tax Abatements – Pay-as-You-Go Tax Increment (Continued)

TIF District #1-8, Lakewood Heights:

Issued in 2013 (2013A) in the principal sum of \$350,000 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2013 and each February 1 and August 1 thereafter to and including February 1, 2035. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for street, utilities, right-of-way, land acquisition, and other public improvements. Principal and interest payments will be completed February 1, 2039. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2039. The current year abatement (TIF note payments) amounted to \$43,194. At December 31, 2024, the principal amount outstanding on the note was \$130,903.

TIF District #1-10, River Hills Apartments:

Issued in 2017 (2016A) in the principal sum of \$300,000 with an interest rate of 4.00% per annum. Principal and interest shall be paid on August 1, 2017 and each February 1 and August 1 thereafter to and including February 1, 2033. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2033. The current year abatement (TIF note payments) amounted to \$34,546. At December 31, 2024, the principal amount outstanding on the note was \$153,025.

Issued in 2018 (2017B) in the principal sum of \$300,000 with an interest rate of 4.00% per annum. Principal and interest shall be paid on August 1, 2018 and each February 1 and August 1 thereafter to and including February 1, 2034. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2034. The current year abatement (TIF note payments) amounted to \$36,912. At December 31, 2024, the principal amount outstanding on the note was \$165,113.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT (CONTINUED)

B. Tax Abatements – Pay-as-You-Go Tax Increment (Continued)

TIF District #1-13, Unique Opportunities Apartments:

Issued in 2021 (2021A) in the principal sum of \$372,000 with an interest rate of 5.00% per annum. Principal and interest shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including August 1, 2038. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed August 1, 2038. The current year abatement (TIF note payments) amounted to \$46,710. At December 31, 2024, the principal amount outstanding on the note was \$337,549.

TIF District #1-12, The Pillars:

Issued in 2022 (2022A) in the principal sum of \$1,751,833 with an interest rate of 4.75% per annum. Principal and interest shall be paid on August 1, 2022 and each February 1 and August 1 thereafter to and including February 1, 2030. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2030. The current year abatement (TIF note payments) amounted to \$186,513. At December 31, 2024, the principal amount outstanding on the note was \$1,635,921.

TIF District #1-11, Rebound (Sawmill):

Issued in 2023 (2023A) in the principal sum of \$1,250,000 with an interest rate of 5.5% per annum. Principal and interest shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including February 1, 2047. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 90% of all tax increment received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2047. The current year abatement (TIF note payments) amounted to \$89,944. At December 31, 2023, the principal amount outstanding on the note was \$1,201,988.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 13 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT (CONTINUED)

B. Tax Abatements – Pay-as-You-Go Tax Increment (Continued)

1st Avenue Condominiums Abatement:

Issued in 2015, this Taxable Limited Revenue Note, Series 2015 in the principal sum of \$320,000 with an interest rate of 3.00% per annum. Principal and interest shall be paid on August 1, 2015 and each February 1 and August 1 thereafter to and including February 1, 2030. Payments are payable solely from available tax abatement derived from the developed/redeveloped property and paid to the City and to Itasca County. The Taxable Limited Revenue Note provides for payment to the developer equal to all tax abatement received in the prior six months. The payment reimburses the developer for public improvements. Principal and interest payments will be completed February 1, 2030. The current year abatement (TIF note payments) amounted to \$11,980. At December 31, 2024, the principal amount outstanding on the note was \$0 as it was paid in full on July 23, 2024.

C. Arbitrage

The City has on occasion, issued greater than \$5 million of bonds in a given year (as listed in Footnote 8) and, therefore; is required to rebate excess investment income relating to these issues to the federal government. The City calculates arbitrage rebate every five years as permitted by arbitrage regulations. The extent of the City's liability for arbitrage rebates for bond issues not currently requiring five year rebate calculations is not determinable at this time. However, in the opinion of management, any such liability would be immaterial.

NOTE 14 CONTINGENCIES

A. Litigation

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 management, remotely recoverable by plaintiffs.

B. Federal and State Funds

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 14 CONTINGENCIES (CONTINUED)

C. Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

NOTE 15 OTHER DEFERRED DEBITS AND CREDITS

During 2011-2012, Grand Rapids PUC constructed landfill sites to dispose of industrial waste from UPM Blandin Paper. Cost of the sites is deferred and expensed over the estimated useful life of the individual site. A portion of the cost for the Landfill Phase 8 site was reimbursed by UPM Blandin Paper and is recorded as a deferred credit. These deferred credits are amortized as revenue over the life of the landfill. A portion of the 2011A bonds were issued for the landfill phase 8 project that finished construction in January 2013. UPM Blandin Paper pays a demand charge in amounts sufficient to pay principal and interest on these bonds. For rate making purposes, the Commission has elected to defer the demand charge revenue until the debt service is paid.

On the statement of net position, the Commission reports \$431,866 of nonutility property. This amount consists of deferred debits relating to the 2011 Landfill Phase 8.

NOTE 16 FUND BALANCE

A. Classifications

Definitions of fund balance classifications are included in Note 1R. At December 31, 2024, a summary of the governmental fund balance classifications are as follows:

	General Fund	Debt Service Funds	Capital Project Funds	Other Governmental Funds	Total
Nonspendable:					
Prepaid Items	\$ 230,381	\$ -	\$ 227,275	\$ 25,320	\$ 482,976
Interfund Loans Receivable	603,507	-	-	-	603,507
Restricted:					
Debt Service	-	22,099,735	-	-	22,099,735
Public Safety	-	-	279,328	-	279,328
Law Enforcement	-	-	-	50,595	50,595
Airport Operations (Itasca County's 50% Share)	-	-	-	247,058	247,058
Other Purposes	53,717	-	115,192	-	168,909
Committed:					
Revenue Stabilization	1,412,248	-	-	-	1,412,248
SRF Commitments	-	-	-	1,151,860	1,151,860
Airport Operations (City's 50% Share)	-	-	-	247,058	247,058
Unassigned	5,672,387	-	(1,708,490)	-	3,963,897
Total	<u>\$ 7,972,240</u>	<u>\$ 22,099,735</u>	<u>\$ (1,086,695)</u>	<u>\$ 1,721,891</u>	<u>\$ 30,707,171</u>

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 FUND BALANCE (CONTINUED)

B. Minimum Unassigned Fund Balance Policy

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The City's policy for unassigned funds in the General Fund is:

- Minimum cash flow – to equal 50% of the following year General Fund property tax levy and anticipated local government aids.
- Compensated absences – equal to the sum of flexible time off and compensatory time for employees each December 31.
- Emergency or unanticipated expenditures – equal to 10% of the prior year General Fund annual revenues.
- Neighborhood and economic development – equal to the principal amount of the sale of the liquor store.

At December 31, 2024, the unassigned fund balance of the General Fund was \$5,788,616, compared to its targeted unassigned fund balance of \$6,795,088 based on the above policy.

C. Revenue Stabilization

The City Council adopted Resolution No. 11-111 committing 10% of prior year annual revenues of the General Fund for revenue stabilization. This commitment of fund balance was done to provide a stable source of revenue for general operations of the City during periods of economic recession. The City uses the National Bureau for Economic Research (NBER) as its reference in determining the beginning and end of an economic recession.

During a recession, this fund balance commitment can be used to offset all or part of the temporary revenue decrease and shall occur at the end of the first and/or second fiscal year following the beginning of an economic recession as determined by the NBER. In the third fiscal year after the beginning of an economic recession, the revenue stabilization amount will be replenished by an annual amount equal to 10% of annual revenue, multiplied by a factor of approximately 11.25%.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 16 FUND BALANCE (CONTINUED)

C. Revenue Stabilization (Continued)

Due to the recession which began in 2008, the City depleted its revenue stabilization reserve in 2010. During 2011, the City began replenishing the reserve in accordance with its policy described above. The reserve at December 31, 2024 is as follows:

Revenue Stabilization at December 31, 2022	\$ 1,169,769
2023 Replenishment	116,353
Revenue Stabilization at December 31, 2023	<u>1,286,122</u>
2024 Replenishment	126,126
Revenue Stabilization at December 31, 2024	<u><u>\$ 1,412,248</u></u>

NOTE 17 COMMITMENTS

A. Power Contract

Minnesota Power (MP) provides wholesale electric service under a contract that expires December 31, 2029, unless prior to that date, a new customer of GRPU with a 15-minute peak of equal to or greater than 10 MW locates in the IEDC Eco Industrial Park. The contract requires no minimum purchase of power and provides that Grand Rapids PUC may add new renewable generation capacity up to ten percent (10%) (noncumulative) of the total Grand Rapids PUC load, based on the previous year's average annual billed demand, excluding any existing renewable generation capacity prior to September 1, 2015.

In addition, beginning in 2022, a new electric service agreement was negotiated with the 13 Northeast Minnesota Municipal Power Agency (NEMMPA) Municipal Customers. This contract expires December 31, 2029. The agreement includes a flat customer charge per month, a predetermined yearly base capacity charge, a yearly predetermined base energy charge, a yearly predetermined incremental capacity charge, and a yearly predetermined incremental energy charge. The contract also contains a base energy adjustment which reflects the sum of (1) a projection of fuel and purchased power costs for the upcoming service year; and (2) a true-up of any variances between projected and actual fuel and purchased power costs for services to NEMMPA Municipal Customers. Grand Rapids Public Utilities Commission is a member of NEMMPA. The peak power requirements for 2024 was 31,521 kW.

Grand Rapids PUC entered into a Municipal Minnesota Interconnect agreement on September 16, 2021, with MP. The Grand Rapids PUC, as the area EPS Operator, and MP, as the Interconnect Customer, both agree to allow each party to connect to the other party's area electric power system related solar equipment at the Itasca Clean Energy Solar Plus Battery Storage project in Grand Rapids, Minnesota.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 17 COMMITMENTS (CONTINUED)

B. Construction Commitments

The City has several active construction projects as of December 31, 2024. The remaining commitment on these projects is \$187,964.

The Public Utilities Commission has several active construction projects as of December 31, 2024. The remaining commitment related to these projects is \$1,622,149.

C. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the Public Utilities Commission to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 20 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Grand Rapids PUC reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date, in accordance with Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*.

The \$2,345,195 reported as the landfill closure and postclosure care liability at December 31, 2024, represents the cumulative amount reported to date based on the use of 48.34% of the estimated capacity of the currently permitted landfill. Grand Rapids PUC will recognize the remaining costs of closure and postclosure care of \$2,506,132 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

Under the 1996-2001 permit, landfill sites C, D, E, and F were filled to capacity. The 2001-2006 permit included Kettle D and landfill Phases One through Four. Phases Five through Eight were added under the new permit effective September 2006 to September 2011. Kettle D was filled in 2006 and closed in 2008. Phases One through Four were filled and began the closure process in 2007. Final closure on Phases One through Four was completed in 2010. Construction of Phases Five and Six was completed in 2008. Phases Five and Six were put into service in 2008 and have an estimated life of ten years. Phase 7 was constructed in 2010 and placed into service in 2010 with an estimated life of ten years. Construction of Phase 8 began in 2011 and was placed in service in 2013.

On November 4, 2024, UPM Blandin Paper Company established an irrevocable letter of credit for \$4,851,327 with Nordea Bank on behalf of the Grand Rapids Public Utilities Commission. The purpose of the letter of credit is to provide assurance that funds will be available when needed for closure, postclosure care of, and/or contingency action of the landfill.

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 17 COMMITMENTS (CONTINUED)

C. Landfill Closure and Postclosure Care Costs (Continued)

Closure costs relate to open and planned landfill sites. There are no sites that will be closed within one year. Postclosure costs cover all sites, including those that are already closed. No issues have been identified that would require postclosure costs to be incurred, and no issues are anticipated in the next year.

NOTE 18 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. The City does not have a deductible for its workers compensation insurance. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess various amounts. For property and casualty coverage, the City has a \$1,000 deductible per occurrence with no annual maximum.

The City carries commercial insurance for all other risks of loss, including life, employee health and accident insurance.

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

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 19 CONDUIT DEBT

From time to time, the City has issued various industrial development and housing revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2024, there was one bond issue outstanding, with an estimated aggregate principal amount payable of \$513,812.

NOTE 20 RELATED PARTY TRANSACTIONS – PUC

Effective January 1, 1997, the Grand Rapids Public Utilities Commission and the City of Grand Rapids established a formal agreement for payments in lieu of tax (PILOT) from the Grand Rapids PUC to the City. This payment was equal to 7% of gross retail electric sales for the prior year. Beginning January 1, 2010, the PILOT agreement was modified, and the annual cash payment changed to 4.84 mills per kilowatt hours sold, with a minimum annual payment of \$823,000. The agreement was modified again in 2012. Beginning January 1, 2013, the annual cash PILOT is increased to 5.00 mills per kilowatt hours sold, with a minimum annual payment of \$868,000. In 2015, a resolution was approved to exclude kilowatt hours sold in electric service territory acquisitions made after January 1, 2015, for a period of time equivalent to the time basis used in the lost revenue calculation; typically a period of ten years from the date of the electric service territory acquisition. The amount of the PILOT, including cash and utility supplied services, to the City for 2024 was \$941,433.

Grand Rapids Public Utilities Commission has a contract agreement with the municipality whereby the City is contracted to pay a portion of the Public Works/Public Utilities Service Center. The contract expires on September 1, 2095; however, the contract may be terminated by the City on September 1 of any year, by notice of termination not later than the preceding July 1. The contract payments are subject to annual appropriation by the City and are based on 41% of the service center operating costs. Total contract revenues were \$24,000 for 2024.

The following is a schedule of balances between the City of Grand Rapids and the Grand Rapids Public Utilities Commission as of December 31, 2024.

Due from Grand Rapids Public Utilities Commission:

Utility Bills and Service Center Operating Costs	<u>\$ 238,866</u>
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Due to Grand Rapids Public Utilities Commission:

General Operating and Capital Costs	<u>\$ 1,801,241</u>
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CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 21 MAJOR CUSTOMER AND DEMAND PAYMENT DEFERRAL

Grand Rapids Public Utilities Commission has a contract with UPM Blandin Paper Company (UPM Blandin) where UPM Blandin reimburses the Grand Rapids PUC for expenses associated with the operations of the industrial wastewater treatment plant. Amounts charged for wastewater treatment service was \$3,830,529. Grand Rapids PUC also has contracts with UPM Blandin whereby UPM Blandin pays demand charges for principal and interest on the General Obligation Revenue Bonds Series 2009E and 2021C. For ratemaking purposes, the commission has elected to defer the recognition of the revenue until the debt service on the bonds are paid. The total demand charges paid by UPM Blandin for 2024 was \$1,899,016.

NOTE 22 CHANGES TO OR WITHIN FINANCIAL REPORTING

The City previously reported the GR/Cohasset Industrial Park, Capital Equipment Replacement, and Civic Center Capital Improvement major governmental funds and separate capital projects and debt service funds that previously met the criteria to be reported as nonmajor governmental funds. However, effective January 1, 2024, the City elected to report all individual major and nonmajor capital project and debt service funds as one individual capital projects and debt service funds that met the criteria to be reported as major governmental funds for the fiscal year ended December 31, 2024. The effect of that change to or within the financial reporting entity is shown in the table in Note 23 below.

NOTE 23 CORRECTION OF AN ERROR

The City previously reported a due from component unit on the Governmental Activities Statement of Net Position owed from the Grand Rapids Public Utilities Commission for the amounts owed on any outstanding principal and accrued interest expense owed and any unamortized premium on G.O. bonds issued by the City for the Commission. However, effective January 1, 2024, the City restated the beginning fund balance in the debt service fund for the correction of an error. A receivable from the component unit was added to account for the debt to be paid by the component unit. The following table summarizes the effect of that correction of an error related to the correction of an error and the change in fund presentation mentioned in Note 22 above.

	Debt Service Fund	Capital Projects Fund	403 GR/Cohasset Industrial Park	407 Capital Equipment Replacement	483 Civic Center Capital Improvements	Other Governmental Funds	Governmental Activities
January 1, 2024, as Previously Reported	\$ -	\$ -	\$ 3,548	\$ (132,603)	\$ 358,827	\$ 10,011,548	\$ 69,118,353
Change in Fund Presentation	7,022,701	2,016,373	(3,548)	132,603	(358,827)	(8,809,302)	-
Correction of an Error	16,974,766	-	-	-	-	-	21,935
January 1, 2024, as Adjusted	<u>\$ 23,997,467</u>	<u>\$ 2,016,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,202,246</u>	<u>\$ 69,140,288</u>

CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 23 CORRECTION OF AN ERROR (CONTINUED)

The City previously reported an internal service fund to provide PERA pension benefits to other funds of the City on a cost reimbursement basis. However, effective January 1, 2024, the City elected to allocate this activity to the governmental activities and individual major enterprise funds based on payroll allocations for the fiscal year ended December 31, 2024. The effect of that change to or within the financial reporting entity is shown in the table below:

	Internal Service Fund	613 Pokegama Golf Course	655 Storm Water Utility
January 1, 2024, as Previously Reported	\$ (5,390,306)	\$ 2,728,418	\$ 1,103,606
Correction of an Error	5,390,306	(39,121)	(34,295)
January 1, 2024, as Adjusted	<u>\$ -</u>	<u>\$ 2,689,297</u>	<u>\$ 1,069,311</u>

The remaining balance of the internal service fund is allocated to the Governmental Activities already as of January 1, 2024, so no adjustment was deemed necessary.

NOTE 24 SUBSEQUENT EVENT

Subsequent to December 31, 2024, on April 2, 2025, the City issued \$4,770,000 in 2025A General Obligation Bonds. The bond proceeds are used to help finance construction of new street reconstruction projects and improvements to the City's sewer and water systems. The Bonds are general obligations of the City for which its full faith, credit and unlimited taxing powers are pledged. Payments on this debt begin February 1, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024**

	2024			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes	\$ 5,555,161	\$ 5,555,161	\$ 5,559,549	\$ 4,388
Tax Increments from Decertified TIF Districts	-	-	107,628	107,628
Payment in Lieu of Taxes:				
Housing Authorities	50,000	50,000	73,433	23,433
Public Utilities	868,000	868,000	868,000	-
Total Taxes	6,473,161	6,473,161	6,608,610	135,449
Licenses and Permits:				
Business	43,535	43,535	49,814	6,279
Nonbusiness	312,250	312,250	351,667	39,417
Total Licenses and Permits	355,785	355,785	401,481	45,696
Intergovernmental:				
Federal:				
Public Safety Grants	10,000	10,000	36,303	26,303
Federal - Miscellaneous	-	-	12,774	12,774
State:				
Local Government Aid	2,222,621	2,222,621	2,222,621	-
Market Value Homestead Credit	-	-	1,573	1,573
Taconite Supplemental Aid	250,808	250,808	250,808	-
Municipal State Aid Street Maintenance	186,200	186,200	186,200	-
Police Aid	173,000	173,000	238,574	65,574
Fire Aid	135,000	135,000	164,066	29,066
Police Training Aid	19,000	19,000	18,246	(754)
State - Miscellaneous	20,877	20,877	67,615	46,738
U.S. Gas Tax Refund	500	500	802	302
Local:				
Aitkin-Itasca-Mille Lacs Violent Crimes Enforcement Team	-	-	2,837	2,837
Itasca County - Excess School Levy Replacement	-	-	20,676	20,676
School District #318	155,293	155,293	133,548	(21,745)
Total Intergovernmental	3,173,299	3,173,299	3,356,643	183,344
Special Assessments	-	-	220	220
Charges for Services:				
General Government	703,846	703,846	581,679	(122,167)
Public Safety	924,210	924,210	960,796	36,586
Public Works	69,725	69,725	76,601	6,876
Total Charges for Services	1,697,781	1,697,781	1,619,076	(78,705)
Fines and Forfeits	69,000	69,000	60,493	(8,507)
Interest and Investment Income	41,000	41,000	34,767	(6,233)
Net Increase (Decrease) in the Fair Value of Investments	-	-	22,517	22,517
Contributions and Donations	10,000	10,000	25,117	15,117
Other	22,700	22,700	20,257	(2,443)
Total Revenues	11,842,726	11,842,726	12,149,181	306,455

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	2024			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures:				
General Government:				
Mayor and City Council:				
Current:				
Personnel Services	\$ 45,270	\$ 45,270	\$ 44,508	\$ 762
Materials and Supplies	-	-	304	(304)
Other Services and Charges	87,025	87,025	111,230	(24,205)
Total Mayor and City Council	132,295	132,295	156,042	(23,747)
Administration:				
Current:				
Personnel Services	615,592	615,592	623,558	(7,966)
Materials and Supplies	1,850	1,850	106	1,744
Other Services and Charges	83,045	83,045	81,358	1,687
Total Administration	700,487	700,487	705,022	(4,535)
Finance:				
Current:				
Personnel Services	572,780	572,780	577,290	(4,510)
Materials and Supplies	3,800	3,800	3,449	351
Other Services and Charges	51,330	51,330	52,185	(855)
Total Finance	627,910	627,910	632,924	(5,014)
Information Technology:				
Current:				
Personnel Services	357,600	357,600	360,098	(2,498)
Materials and Supplies	6,750	6,750	6,527	223
Other Services and Charges	61,405	61,405	31,356	30,049
Capital Outlay	-	-	173,088	(173,088)
Total Information Technology	425,755	425,755	571,069	(145,314)
Community Development:				
Current:				
Personnel Services	563,076	563,076	565,863	(2,787)
Materials and Supplies	7,200	7,200	2,645	4,555
Other Charges and Services	37,300	37,300	42,045	(4,745)
Total Community Development	607,576	607,576	610,553	(2,977)
Building Safety:				
Current:				
Personnel Services	379,072	272,415	281,516	(9,101)
Materials and Supplies	9,800	9,800	12,349	(2,549)
Other Charges and Services	99,825	99,825	104,535	(4,710)
Total Building Maintenance - City Hall	488,697	382,040	398,400	(16,360)
Total General Government	2,982,720	2,876,063	3,074,010	(197,947)
Public Safety:				
Police Protection:				
Current:				
Personnel Services	3,445,379	3,445,379	3,449,831	(4,452)
Materials and Supplies	127,724	127,724	107,534	20,190
Other Charges and Services	376,672	376,672	323,021	53,651
Total Police Protection	3,949,775	3,949,775	3,880,386	69,389
Fire Protection:				
Current:				
Personnel Services	559,457	666,114	665,156	958
Materials and Supplies	55,600	55,600	37,111	18,489
Other Charges and Services	114,260	114,260	137,906	(23,646)
Total Fire Protection	729,317	835,974	840,173	(4,199)
Total Public Safety	4,679,092	4,785,749	4,720,559	65,190

See accompanying Notes to Required Supplementary Information.

**STATEMENT 12
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	2024			
	Budgeted Amounts		Actual Amounts	Actual Over (Under) Final Budget
	Original	Final		
Expenditures: (Continued)				
Public Works:				
Public Works:				
Current:				
Personnel Services	\$ 1,428,561	\$ 1,428,561	\$ 1,432,470	\$ (3,909)
Materials and Supplies	282,100	282,100	259,591	22,509
Other Services and Charges	513,100	513,100	476,853	36,247
Street Lighting	240,000	240,000	208,185	31,815
Capital Outlay	-	-	15,565	(15,565)
Total Public Works	2,463,761	2,463,761	2,392,664	71,097
Fleet Maintenance:				
Current:				
Personnel Services	227,221	227,221	227,820	(599)
Materials and Supplies	20,300	20,300	17,454	2,846
Other Services and Charges	44,400	44,400	42,387	2,013
Total Fleet Maintenance	291,921	291,921	287,661	4,260
Total Public Works	2,755,682	2,755,682	2,680,325	75,357
Culture and Recreation:				
Current:				
Personnel Services	328,033	328,033	367,157	(39,124)
Materials and Supplies	300	300	12,873	(12,573)
Other Services and Charges	10,300	10,300	14,003	(3,703)
Total Culture and Recreation	338,633	338,633	394,033	(55,400)
Miscellaneous:				
City-Wide:				
Current:				
Other Services and Charges	368,032	368,032	396,925	(28,893)
Special Projects:				
Current:				
Other Services and Charges	128,800	128,800	97,260	31,540
Total Miscellaneous	496,832	496,832	494,185	2,647
Principal Retirement - SBITAs	-	-	46,731	(46,731)
Total Expenditures	11,252,959	11,252,959	11,409,843	(156,884)
Revenues Over (Under) Expenditures	589,767	589,767	739,338	(149,571)
Other Financing Sources (Uses):				
Subscription Issuance	-	-	173,088	173,088
Insurance Recoveries	-	-	8,198	8,198
Transfers Out	(589,767)	(589,767)	(637,068)	(47,301)
Total Other Financing Sources (Uses)	(589,767)	(589,767)	(455,782)	133,985
Net Change in Fund Balance	\$ -	\$ -	283,556	\$ 283,556
Fund Balance - January 1			7,688,684	
Fund Balance - December 31			\$ 7,972,240	

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS ⁽¹⁾
LAST TEN MEASUREMENT PERIODS**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	\$ 1,379	\$ 1,281	\$ 2,025	\$ 1,966	\$ 1,937	\$ 1,645	\$ 1,556
Interest Cost	10,884	471	436	672	935	1,648	16,116
Plan Changes	-	-	-	-	-	-	(402,538)
Differences Between Expected and Actual Experience	-	289,929	-	(3,354)	-	(12,815)	-
Changes in Assumptions	4,886	(33,776)	-	(685)	1,317	(2,164)	400
Benefit Payments	(19,074)	-	-	-	(11,216)	(16,670)	(35,410)
Net Change in Total OPEB Liability	(1,925)	257,905	2,461	(1,401)	(7,027)	(28,356)	(419,876)
Total OPEB Liability - Beginning	280,158	22,253	19,792	21,193	28,220	56,576	476,452
Total OPEB Liability - Ending	<u>\$ 278,233</u>	<u>\$ 280,158</u>	<u>\$ 22,253</u>	<u>\$ 19,792</u>	<u>\$ 21,193</u>	<u>\$ 28,220</u>	<u>\$ 56,576</u>
Covered-Employee Payroll	\$ 3,088,000	\$ 2,998,058	\$ 2,997,809	\$ 2,910,494	\$ 2,761,631	\$ 2,681,195	\$ 5,049,054
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.0%	9.3%	0.7%	0.7%	0.8%	1.1%	1.1%

(1) The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be added as they become available.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY –
GENERAL EMPLOYEES RETIREMENT FUND
LAST TEN MEASUREMENT PERIODS**

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0522 %	\$ 2,705,275	\$ -	\$ 2,705,275	\$ 2,975,003	90.9 %	78.2 %
2016	2016	0.0515	4,181,545	54,641	4,236,186	3,160,670	134.0	68.9
2017	2017	0.0522	3,332,414	41,879	3,374,293	3,354,712	100.6	75.9
2018	2018	0.0525	2,912,485	95,496	3,007,981	3,526,752	85.3	79.5
2019	2019	0.0509	2,814,147	87,496	2,901,643	3,593,322	80.8	80.2
2020	2020	0.0524	3,141,619	97,027	3,238,646	3,739,709	86.6	79.1
2021	2021	0.0522	2,233,444	68,208	2,301,652	3,757,969	61.2	87.0
2022	2022	0.0537	4,253,058	124,745	4,377,803	3,975,267	110.1	76.7
2023	2023	0.0530	2,963,701	81,757	3,045,458	4,217,484	72.2	83.1
2024	2024	0.0515	1,902,583	49,197	1,951,780	4,318,853	45.2	89.1

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS –
GENERAL EMPLOYEES RETIREMENT FUND
LAST TEN YEARS**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 233,723	\$ 233,723	\$ -	\$ 3,114,384	7.50 %
December 31, 2016	243,845	243,845	-	3,251,272	7.50
December 31, 2017	257,796	257,796	-	3,437,287	7.50
December 31, 2018	266,730	266,730	-	3,556,404	7.50
December 31, 2019	276,142	276,142	-	3,681,888	7.50
December 31, 2020	291,122	291,122	-	3,881,626	7.50
December 31, 2021	292,388	292,388	-	3,898,515	7.50
December 31, 2022	299,429	299,429	-	3,992,385	7.50
December 31, 2023	317,454	317,454	-	4,232,725	7.50
December 31, 2024	328,304	328,304	-	4,364,204	7.52

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY –
PUBLIC EMPLOYEES POLICE AND FIRE FUND
LAST TEN MEASUREMENT PERIODS**

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.1500 %	\$ 1,704,351	\$ -	\$ 1,704,351	\$ 1,333,738	127.8 %	86.6 %
2016	2016	0.1440	5,778,971	-	5,778,971	1,384,958	417.3	63.9
2017	2017	0.1310	1,768,656	-	1,768,656	1,348,835	131.1	85.4
2018	2018	0.1331	1,418,709	-	1,418,709	1,403,112	101.1	88.8
2019	2019	0.1377	1,465,956	-	1,465,956	1,452,254	100.9	89.3
2020	2020	0.1315	1,733,311	40,834	1,774,145	1,483,509	116.8	87.2
2021	2021	0.1298	1,001,918	45,032	1,046,950	1,533,581	65.3	93.7
2022	2022	0.1363	5,931,238	259,010	6,190,248	1,655,432	358.3	70.5
2023	2023	0.1405	2,426,252	97,691	2,523,943	1,844,891	131.5	86.5
2024	2024	0.1353	1,779,816	67,846	1,847,662	1,751,908	105.5	90.2

See accompanying Notes to Required Supplementary Information.

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**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS –
PUBLIC EMPLOYEES POLICE AND FIRE FUND
LAST TEN YEARS**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ 219,785	\$ 219,785	\$ -	\$ 1,354,978	16.22 %
December 31, 2016	223,959	223,959	-	1,382,461	16.20
December 31, 2017	221,152	221,152	-	1,365,140	16.20
December 31, 2018	232,463	232,463	-	1,434,959	16.20
December 31, 2019	248,008	248,008	-	1,463,178	16.95
December 31, 2020	279,224	279,224	-	1,577,536	17.70
December 31, 2021	281,680	281,680	-	1,591,411	17.70
December 31, 2022	301,697	301,697	-	1,704,501	17.70
December 31, 2023	327,515	327,515	-	1,850,366	17.70
December 31, 2024	351,196	351,196	-	1,984,159	17.70

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS ⁽¹⁾ –
GRAND RAPIDS FIRE DEPARTMENT RELIEF ASSOCIATION
LAST TEN MEASUREMENT PERIODS**

	(3)				
Fiscal Year Ending	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total Pension Liability:					
Service Cost	\$ 80,644	\$ 96,594	\$ 79,740	\$ 75,628	\$ 73,783
Interest Cost	127,999	109,591	91,327	88,668	79,734
Plan Changes	-	-	215,447	-	-
Gain or Loss	-	(46,387)	-	-	-
Differences Between Expected and Actual Experience	-	-	-	69,157	-
Changes of Assumptions	-	(71,281)	-	46,936	-
Benefit Payments, Including Refunds of Employee Contributions	(185,942)	(76,200)	-	-	-
Net Change in Total Pension Liability	22,701	12,317	386,514	280,389	153,517
Total Pension Liability - Beginning	2,145,637	2,133,320	1,746,806	1,466,417	1,312,900
Total Pension Liability - Ending (a)	<u>\$ 2,168,338</u>	<u>\$ 2,145,637</u>	<u>\$ 2,133,320</u>	<u>\$ 1,746,806</u>	<u>\$ 1,466,417</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Contributions - State Of Minnesota	148,629	132,100	143,391	137,585	131,658
Net Investment Income	193,109	183,640	161,612	242,051	133,639
Benefit Payments, Including Refunds of Employee Contributions	(185,942)	(76,200)	-	-	-
Administrative Expense	(12,886)	(10,429)	(12,532)	(12,022)	(11,439)
Gain or Loss	116,917	(640,602)	185,786	-	271,292
Net Change in Plan Fiduciary Net Position	264,827	(406,491)	483,257	372,614	530,150
Plan Fiduciary Net Position - Beginning	3,241,079	3,647,570	3,164,313	2,791,699	2,261,549
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,505,906</u>	<u>\$ 3,241,079</u>	<u>\$ 3,647,570</u>	<u>\$ 3,164,313</u>	<u>\$ 2,791,699</u>
Net Pension Liability / (Asset) - Ending (a) - (b)	<u>\$ (1,337,568)</u>	<u>\$ (1,095,442)</u>	<u>\$ (1,514,250)</u>	<u>\$ (1,417,507)</u>	<u>\$ (1,325,282)</u>
Plan Fiduciary Net Position as a Percentage of The Total Pension Liability	150.56 %	151.05 %	170.98 %	181.15 %	190.38 %
Covered Payroll	(2)	(2)	(2)	(2)	(2)
Net Pension Liability as a Percentage of Covered Payroll	(2)	(2)	(2)	(2)	(2)

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS ⁽¹⁾ –
GRAND RAPIDS FIRE DEPARTMENT RELIEF ASSOCIATION (CONTINUED)
LAST TEN MEASUREMENT PERIODS**

Fiscal Year Ending Measurement Date	December 31, 2018 December 31, 2018	December 31, 2017 December 31, 2017	December 31, 2016 December 31, 2016	December 31, 2015 December 31, 2015
Total Pension Liability:				
Service Cost	\$ 71,473	\$ 63,391	\$ 72,757	\$ 75,241
Interest Cost	81,962	72,102	68,376	66,133
Plan Changes	-	99,530	-	-
Gain or Loss	(21,899)	-	-	-
Differences Between Expected and Actual Experience	-	-	(40,925)	-
Changes of Assumptions	26,796	-	(11,420)	-
Benefit Payments, Including Refunds of Employee Contributions	(170,700)	-	(130,773)	(222,729)
Net Change in Total Pension Liability	(12,368)	235,023	(41,985)	(81,355)
Total Pension Liability - Beginning	1,325,268	1,090,245	1,132,230	1,213,585
Total Pension Liability - Ending (a)	<u>\$ 1,312,900</u>	<u>\$ 1,325,268</u>	<u>\$ 1,090,245</u>	<u>\$ 1,132,230</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Contributions - State of Minnesota	131,511	128,622	130,759	131,098
Net Investment Income	153,082	312,604	138,089	(98,329)
Benefit Payments, Including Refunds of Employee Contributions	(170,700)	-	(130,773)	(222,729)
Administrative Expense	(11,317)	(11,676)	(10,672)	(11,540)
Gain or Loss	(318,100)	-	-	-
Net Change in Plan Fiduciary Net Position	(210,524)	434,550	132,403	(196,500)
Plan Fiduciary Net Position - Beginning	2,472,073	2,037,523	1,905,120	2,101,620
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,261,549</u>	<u>\$ 2,472,073</u>	<u>\$ 2,037,523</u>	<u>\$ 1,905,120</u>
Net Pension Liability / (Asset) - Ending (a) - (b)	<u>\$ (948,649)</u>	<u>\$ (1,146,805)</u>	<u>\$ (947,278)</u>	<u>\$ (772,890)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	172.26 %	186.53 %	186.89 %	168.26 %
Covered Payroll	(2)	(2)	(2)	(2)
Net Pension Liability as a Percentage of Covered Payroll	(2)	(2)	(2)	(2)

1. GASB 68 was implemented in 2015. Information prior to 2015 is not available.
2. The Grand Rapids Fire Department Relief Association is comprised of volunteers, therefore there are no payroll expenditures
3. Represents the most recent information available.

See accompanying Notes to Required Supplementary Information.

**CITY OF GRAND RAPIDS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS ⁽¹⁾ –
GRAND RAPIDS FIRE DEPARTMENT RELIEF ASSOCIATION
LAST TEN YEARS**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$ -	\$ 5,000	\$ (5,000)	(2)	(2)
December 31, 2016	-	5,000	(5,000)	(2)	(2)
December 31, 2017	-	5,000	(5,000)	(2)	(2)
December 31, 2018	-	5,000	(5,000)	(2)	(2)
December 31, 2019	-	5,000	(5,000)	(2)	(2)
December 31, 2020	-	5,000	(5,000)	(2)	(2)
December 31, 2021	-	5,000	(5,000)	(2)	(2)
December 31, 2022	-	5,000	(5,000)	(2)	(2)
December 31, 2023 (3)	-	5,000	(5,000)	(2)	(2)

1. GASB 68 was implemented in 2015. Information prior to 2015 is not available.
2. The Grand Rapids Fire Department Relief Association is comprised of volunteers, therefore, there are no payroll expenditures. (i.e., there are no covered payroll amounts or percentage calculations.)
3. Represents the most recent information available.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

A. LEGAL COMPLIANCE – BUDGETS

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the expenditure department level.

The following major fund had expenditures in excess of budget at the department level for the year ended December 31, 2024:

	Final Budget	Actual	Amount Over Budget
Major Funds:			
General Fund:			
Mayor and City Council	\$ 132,295	\$ 156,042	\$ 23,747
Administration	700,487	705,022	4,535
Finance	627,910	632,924	5,014
Information Technology	425,755	571,069	145,314
Community Development	607,576	610,553	2,977
Building Safety	382,040	398,400	16,360
Fire Protection	835,974	840,173	4,199
Culture and Recreation	338,633	394,033	55,400
City-Wide	368,032	396,925	28,893
Principal Retirement - SBITAs	-	46,731	46,731

Any budgetary overages were considered by the City's management to be the result of necessary expenditures critical to operations and were approved by the Council.

B. PENSION INFORMATION

PERA – General Employees Retirement Fund

2024 Changes

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – General Employees Retirement Fund (Continued)

2024 Changes (Continued)

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was 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, noncompounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – General Employees Retirement Fund (Continued)

2020 Changes

Changes in Actuarial Assumptions:

- 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.

Changes in Plan Provisions:

- 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 Changes

Changes in Actuarial Assumptions:

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

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – General Employees Retirement Fund (Continued)

2019 Changes (Continued)

Changes in Plan Provisions:

- 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 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- 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% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1 percent per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1 percent and not more than 1.5%, 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 Changes

Changes in Actuarial Assumptions:

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

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – General Employees Retirement Fund (Continued)

2017 Changes

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018 and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study date June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2015 Changes:

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1% per year through 2030 and 2.5% per year thereafter to 1% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions:

- 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 increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – Public Employees Police and Fire Fund

2024 Changes

Changes in Actuarial Assumptions:

- There were no changes in actuarial assumptions.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was contributed to the Plan on October 1, 2023.
- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 Changes

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.50% to 7.00%.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million was 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% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, noncompounding benefit increase of 3.00% 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 Changes

Changes in Actuarial Assumptions:

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

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – Public Employees Police and Fire Fund (Continued)

2022 Changes (Continued)

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. 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% to 70%. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – Public Employees Police and Fire Fund (Continued)

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018
- Deferred augmentation was changed to 0.00%, 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 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.60% per annum to 7.50% per annum.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and nonvested deferred members. The CSO has been changed to 33% for vested members and 2% for nonvested members.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – Public Employees Police and Fire Fund (Continued)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued):

- 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 for 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% for the first three years of service. Rates beyond the selection period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members decreased from 65% to 60%.
- 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% for all years to 1.00% per year through 2064 and 2.50% thereafter.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%.
- The single discount rate changed from 7.90% to 5.60%.
- The assumed future increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions:

- There have been no changes in plan provisions since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1% per year through 2030 and 2.5% per year thereafter to 1% per year through 2037 and 2.5% per year thereafter.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

B. PENSION INFORMATION (CONTINUED)

PERA – Public Employees Police and Fire Fund (Continued)

2015 Changes (Continued)

Changes in Plan Provisions:

- The annual increase to be paid after the attainment of the 90% funding threshold was changed from inflation up to 2.5%, to a fixed rate of 2.5%.

Single Employer – Fire Relief Association

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only nine years reported in the RSI, there is no additional information to include in the notes. Details can be obtained from the financial reports of the Fire Relief Association.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits. During the measurement period ending December 31, 2021, benefit level per year of service increased from \$5,500 to \$6,500.

C. OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2024 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.00% to 3.70%.

2023 Changes

Changes in Actuarial Assumptions:

- Health care trend rates were added since the plan now has benefits where health care trend rates should be applied.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study.

**CITY OF GRAND RAPIDS, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

C. OPEB INFORMATION (CONTINUED)

2022 Changes

Changes in Actuarial Assumptions:

- None.

2021 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.90% to 2.00%.
- The mortality tables were updated from the RP-2014 tables to the Pub-2010 public retirement plans head count weighted mortality tables.

2020 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.80% to 2.90%.

2019 Changes

Changes in Actuarial Assumptions:

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for police and fire employees were updated.
- The discount rate was changed from 3.30% to 3.80%.
- These changes decreased the liability \$2,164.

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**COMBINING AND INDIVIDUAL NONMAJOR FUND, DEBT SERVICE FUND,
AND CAPITAL PROJECT FUND FINANCIAL STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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**CITY OF GRAND RAPIDS, MINNESOTA
DECEMBER 31, 2024**

SPECIAL REVENUE FUNDS

A Special Revenue Fund accounts for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute or local ordinance and/or resolution to finance particular functions, activities or governments.

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Public Library - accounts for the operations of the City's public library.

Central School - accounts for the operation and preservation of a historic building.

Airport Operations – accounts for the operations of the Grand Rapids/Itasca County Airport.

Yanmar Arena - accounts for the operation of the City's civic center.

Haz-Mat - accounts for the State approved Hazardous Materials Program.

Police Forfeiture - accounts for the County, State and Federal forfeitures received.

Cemetery - accounts for the operations of the City's cemetery.

Domestic Animal Control Facility - accounts for costs associated with operating the facility.

Electric Vehicle Charging Stations – accounts for the operation, maintenance, and use of electric charging stations.

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	211 Public Library	225 Central School	226 Airport Operations	228 Yanmar Arena	231 Haz-Mat	232 Police Forfeiture	233 Cemetery	235 Domestic Animal Control Facility	240 Electric Vehicle Charging Stations	Total Nonmajor Special Revenue Funds
ASSETS										
Cash and Investments	\$ 835,740	\$ 115,141	\$ 373,654	\$ -	\$ -	\$ 47,139	\$ 186,291	\$ 3,435	\$ -	\$ 1,561,400
Due from Other Governmental Units	38,804	-	114,111	-	32,801	-	1,321	8,543	-	195,580
Accounts Receivable	1,400	-	4,464	65,710	-	-	13	-	192	71,779
Prepaid Items	14,050	1,964	2,061	565	-	-	5,838	842	-	25,320
Taxes Receivable - Delinquent	34,306	-	-	-	-	-	10,535	-	-	44,841
Lease Receivable	-	-	300,971	459,863	-	-	-	-	-	760,834
Total Assets	<u>\$ 924,300</u>	<u>\$ 117,105</u>	<u>\$ 795,261</u>	<u>\$ 526,138</u>	<u>\$ 32,801</u>	<u>\$ 47,139</u>	<u>\$ 203,998</u>	<u>\$ 12,820</u>	<u>\$ 192</u>	<u>\$ 2,659,754</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE										
LIABILITIES										
Accounts Payable	\$ 8,902	\$ 7,457	\$ 4,974	\$ 23,299	\$ -	\$ -	\$ 1,088	\$ 428	\$ 62	\$ 46,210
Accrued Wages Payable	16,002	-	2,153	-	413	-	3,546	1,467	-	23,581
Due to Other Governmental Units	1,400	-	119	217	-	-	181	128	-	2,045
Due to Component Units	2,339	1,341	1,314	20,990	-	-	242	243	-	26,469
Due to Other Funds	1,747	4,625	-	8,784	28,932	-	-	-	85	44,173
Deposits Payable	-	2,874	-	-	-	-	-	-	-	2,874
Interfund Loan Payable	-	-	-	8,737	-	-	-	-	-	8,737
Unearned Revenue	4,000	175	6,192	33,950	-	-	100	-	-	44,417
Total Liabilities	<u>34,390</u>	<u>16,472</u>	<u>14,752</u>	<u>95,977</u>	<u>29,345</u>	<u>-</u>	<u>5,157</u>	<u>2,266</u>	<u>147</u>	<u>198,506</u>
DEFERRED INFLOWS OF RESOURCES										
Related to Leases	-	-	284,332	410,184	-	-	-	-	-	694,516
Unavailable Revenue	34,306	-	-	-	-	-	10,535	-	-	44,841
Total Deferred Inflows of Resources	<u>34,306</u>	<u>-</u>	<u>284,332</u>	<u>410,184</u>	<u>-</u>	<u>-</u>	<u>10,535</u>	<u>-</u>	<u>-</u>	<u>739,357</u>
FUND BALANCE (DEFICIT)										
Nonspendable	14,050	1,964	2,061	565	-	-	5,838	842	-	25,320
Restricted	-	-	247,058	-	3,456	47,139	-	-	-	297,653
Committed	841,554	98,669	247,058	19,412	-	-	182,468	9,712	45	1,398,918
Total Fund Balance (Deficit)	<u>855,604</u>	<u>100,633</u>	<u>496,177</u>	<u>19,977</u>	<u>3,456</u>	<u>47,139</u>	<u>188,306</u>	<u>10,554</u>	<u>45</u>	<u>1,721,891</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 924,300</u>	<u>\$ 117,105</u>	<u>\$ 795,261</u>	<u>\$ 526,138</u>	<u>\$ 32,801</u>	<u>\$ 47,139</u>	<u>\$ 203,998</u>	<u>\$ 12,820</u>	<u>\$ 192</u>	<u>\$ 2,659,754</u>

CITY OF GRAND RAPIDS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	211 Public Library	225 Central School	226 Airport Operations	228 Yanmar Arena	231 Haz-Mat	232 Police Forfeiture	233 Cemetery	235 Domestic Animal Control Facility	240 Electric Vehicle Charging Stations	Total Nonmajor Special Revenue Funds
REVENUES										
General Property Taxes	\$ 784,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,757	\$ -	\$ -	\$ 1,011,410
Intergovernmental	35,640	-	167,536	-	80,308	1,526	10,298	3,000	-	298,308
Charges for Services	194,838	52,326	166,740	684,667	-	-	53,041	-	715	1,152,327
Fines and Forfeits	37	-	-	-	-	210	-	31,302	-	31,549
Interest and Investment Income	9,922	595	9,355	50,385	-	575	1,553	-	-	72,385
Net Increase (Decrease) in the Fair Value of Investments	12,089	-	-	-	-	-	-	-	-	12,089
Contributions and Donations	48,606	-	-	-	-	-	-	-	-	48,606
Other	-	2,139	-	-	-	-	2,853	-	-	4,992
Total Revenues	1,085,785	55,060	343,631	735,052	80,308	2,311	294,502	34,302	715	2,631,666
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	652	652
Public Safety	-	-	-	-	81,492	15,087	-	74,428	-	171,007
Public Works	-	-	222,862	-	-	-	261,450	-	-	484,312
Culture and Recreation	1,005,420	122,128	-	349,957	-	-	-	-	-	1,477,505
Capital Outlay/Construction	-	-	187,247	-	-	-	-	-	-	187,247
Debt Service:										
Principal Retirement	-	-	14,420	-	-	-	6,306	-	-	20,726
Interest	-	-	5,829	-	-	-	2,501	-	-	8,330
Total Expenditures	1,005,420	122,128	430,358	349,957	81,492	15,087	270,257	74,428	652	2,349,779
REVENUES OVER (UNDER) EXPENDITURES	80,365	(67,068)	(86,727)	385,095	(1,184)	(12,776)	24,245	(40,126)	63	281,887
OTHER FINANCING SOURCES (USES)										
Lease Issuance	-	-	83,241	-	-	-	-	-	-	83,241
Sale of Capital Assets	-	-	244,740	-	-	-	-	-	-	244,740
Transfers In	-	72,675	33,966	-	-	-	-	40,130	34,613	181,384
Transfers Out	-	-	-	(271,607)	-	-	-	-	-	(271,607)
Total Other Financing Sources (Uses)	-	72,675	361,947	(271,607)	-	-	-	40,130	34,613	237,758
NET CHANGE IN FUND BALANCE	80,365	5,607	275,220	113,488	(1,184)	(12,776)	24,245	4	34,676	519,645
Fund Balance (Deficit) - January 1	775,239	95,026	220,957	(93,511)	4,640	59,915	164,061	10,550	(34,631)	1,202,246
FUND BALANCE (DEFICIT) - DECEMBER 31	<u>\$ 855,604</u>	<u>\$ 100,633</u>	<u>\$ 496,177</u>	<u>\$ 19,977</u>	<u>\$ 3,456</u>	<u>\$ 47,139</u>	<u>\$ 188,306</u>	<u>\$ 10,554</u>	<u>\$ 45</u>	<u>\$ 1,721,891</u>

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**CITY OF GRAND RAPIDS, MINNESOTA
YEAR ENDING DECEMBER 31, 2024**

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and payment of principal, interest and related costs on long-term debt.

The City's Debt Service Fund accounts for three types of bonded indebtedness:

- General Debt Bonds
- Tax Increment Bonds
- Improvement Bonds

General Debt Bonds are repaid primarily from general property taxes.

Tax Increment Bonds are repaid primarily from tax increment collections.

Improvement Bonds are repaid primarily from special assessments.

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUND
DECEMBER 31, 2024**

	305 Refunding Bonds of 2017B	306 GO Street Reconstruction & CIP 2018A	307 GO & Abatement Bond 2019A	310 GO Street Reconstruction Bonds of 2020A	311 GO & Abatement Bond 2021B	312 Taxable GO Temp Bond 2022A	313 GO Street Reconstruction Bonds 2023A
ASSETS							
Cash and Investments	\$ -	\$ 314,758	\$ 431,761	\$ 221,310	\$ 382,814	\$ 629,882	\$ 125,635
Due from Other Governmental Units	-	-	-	-	-	539,407	-
Due from Component Units	-	-	-	-	-	-	-
Special Assessments:							
Delinquent	-	481	-	-	-	-	-
Deferred	-	86,562	-	84,508	7,398	-	-
Special Deferred	-	-	621,512	-	-	-	-
	<u>-</u>	<u>-</u>	<u>621,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 401,801</u>	<u>\$ 1,053,273</u>	<u>\$ 305,818</u>	<u>\$ 390,212</u>	<u>\$ 1,169,289</u>	<u>\$ 125,635</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	87,043	621,512	84,508	7,398	195,452	-
FUND BALANCE							
Restricted	<u>-</u>	<u>314,758</u>	<u>431,761</u>	<u>221,310</u>	<u>382,814</u>	<u>973,837</u>	<u>125,635</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ -</u>	<u>\$ 401,801</u>	<u>\$ 1,053,273</u>	<u>\$ 305,818</u>	<u>\$ 390,212</u>	<u>\$ 1,169,289</u>	<u>\$ 125,635</u>

**STATEMENT 22
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUND (CONTINUED)
DECEMBER 31, 2024**

	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B	361 Improvement Bonds of 2012A	362 G.O. State-Aid Street Bonds of 2012B	365 G.O. Street Reconstruction Bonds of 2013B	366 Improvement Bonds of 2014A
ASSETS							
Cash and Investments	\$ 443,737	\$ 112,257	\$ 210,422	\$ 487,211	\$ 11,723	\$ 691,195	\$ 336,977
Due from Other Governmental Units	-	-	-	-	-	-	-
Due from Component Units	-	-	-	-	-	-	-
Special Assessments:							
Delinquent	2,191	-	7,016	2,489	-	7,917	80
Deferred	9,800	9,026	20,000	61,574	-	80,851	41,573
Special Deferred	-	-	-	5,152	-	1,175	-
	<u>443,737</u>	<u>112,257</u>	<u>210,422</u>	<u>487,211</u>	<u>11,723</u>	<u>691,195</u>	<u>336,977</u>
Total Assets	<u>\$ 443,737</u>	<u>\$ 112,257</u>	<u>\$ 210,422</u>	<u>\$ 487,211</u>	<u>\$ 11,723</u>	<u>\$ 691,195</u>	<u>\$ 336,977</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 525	\$ -	\$ -	\$ -	\$ 1,000
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	11,991	9,027	27,016	69,216	-	89,942	41,653
FUND BALANCE							
Restricted	<u>443,737</u>	<u>112,256</u>	<u>209,897</u>	<u>487,210</u>	<u>11,723</u>	<u>691,196</u>	<u>335,977</u>
	<u>443,737</u>	<u>112,256</u>	<u>209,897</u>	<u>487,210</u>	<u>11,723</u>	<u>691,196</u>	<u>335,977</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 443,737</u>	<u>\$ 112,256</u>	<u>\$ 209,897</u>	<u>\$ 487,210</u>	<u>\$ 11,723</u>	<u>\$ 691,196</u>	<u>\$ 335,977</u>

**STATEMENT 22
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUND (CONTINUED)
DECEMBER 31, 2024**

	367 Improvement Bonds of 2016A	368 G.O. Improvement Reconstruction Bonds of 2017A	369 1st Ave. Condo Abatement	370 TIF 1-8 Lakewood Heights	371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo
ASSETS							
Cash and Investments	\$ 312,995	\$ 382,551	\$ -	\$ 62,790	\$ 134,477	\$ 30,549	\$ 57,645
Due from Other Governmental Units	-	-	-	-	-	-	-
Due from Component Units	-	-	-	-	-	-	-
Special Assessments:							
Delinquent	309	644	-	-	-	-	-
Deferred	78,487	89,394	-	-	-	-	-
Special Deferred	-	-	-	-	-	-	-
Total Assets	<u>\$ 391,791</u>	<u>\$ 472,589</u>	<u>\$ -</u>	<u>\$ 62,790</u>	<u>\$ 134,477</u>	<u>\$ 30,549</u>	<u>\$ 57,645</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ 21,667	\$ -	\$ 7,194	\$ 26,547
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	78,796	90,038	-	-	-	-	-
FUND BALANCE							
Restricted	<u>312,995</u>	<u>382,551</u>	<u>-</u>	<u>41,123</u>	<u>134,477</u>	<u>23,355</u>	<u>31,098</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 391,791</u>	<u>\$ 472,589</u>	<u>\$ -</u>	<u>\$ 62,790</u>	<u>\$ 134,477</u>	<u>\$ 30,549</u>	<u>\$ 57,645</u>

**STATEMENT 22
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
DEBT SERVICE FUND (CONTINUED)
DECEMBER 31, 2024**

	375 TIF 1-4 Oakwood Terrace	376 TIF 1-10 River Hills	377 TIF 1-11 Sawmill Inn Redevelopment	378 TIF 1-2 The Pillars	379 TIF 1-13 Unique Opportunities	399 Public Utilities Commission Debt	Total Debt Service Fund
ASSETS							
Cash and Investments	\$ 525,723	\$ 85,704	\$ 76,861	\$ 517	\$ 33,692	\$ -	\$ 6,103,186
Due from Other Governmental Units	-	-	-	-	-	-	539,407
Due from Component Units	-	-	-	-	-	15,827,061	15,827,061
Special Assessments:							
Delinquent	-	-	4,323	-	-	-	25,450
Deferred	-	-	-	-	-	-	569,173
Special Deferred	-	-	-	-	-	-	627,839
	<u>525,723</u>	<u>85,704</u>	<u>81,184</u>	<u>517</u>	<u>33,692</u>	<u>15,827,061</u>	<u>23,692,116</u>
Total Assets	<u>\$ 525,723</u>	<u>\$ 85,704</u>	<u>\$ 81,184</u>	<u>\$ 517</u>	<u>\$ 33,692</u>	<u>\$ 15,827,061</u>	<u>\$ 23,692,116</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ 35,938	\$ 57,580	\$ 517	\$ 23,498	\$ -	\$ 174,466
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	-	4,323	-	-	-	1,417,915
FUND BALANCE							
Restricted	<u>525,723</u>	<u>49,766</u>	<u>19,281</u>	<u>-</u>	<u>10,194</u>	<u>15,827,061</u>	<u>22,099,735</u>
	<u>525,723</u>	<u>85,704</u>	<u>81,184</u>	<u>517</u>	<u>33,692</u>	<u>15,827,061</u>	<u>23,692,116</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 525,723</u>	<u>\$ 85,704</u>	<u>\$ 81,184</u>	<u>\$ 517</u>	<u>\$ 33,692</u>	<u>\$ 15,827,061</u>	<u>\$ 23,692,116</u>

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	305 Refunding Bonds of 2017B	306 GO Street Reconstruction & CIP 2018A	307 GO & Abatement Bond 2019A	310 GO Street Reconstruction Bonds of 2020A	311 GO & Abatement Bond 2021B	312 Taxable GO Temp Bond 2022A	313 GO Street Reconstruction Bonds 2023A
REVENUES							
Taxes:							
General Property	\$ -	\$ 134,314	\$ 124,592	\$ 155,520	\$ 386,151	\$ -	\$ 189,982
Tax Abatement	-	-	-	-	-	-	-
Tax Increments	-	-	-	-	-	-	-
City Sales Tax	-	-	-	-	-	1,993,223	-
Intergovernmental:							
State:							
Supplemental Aid	-	6,114	5,672	7,080	17,579	-	8,649
MSA	-	-	-	-	-	-	-
Federal Bab Credit	-	-	-	-	-	-	-
Special Assessments	77	17,866	16,333	16,408	747	-	-
Interest and Investment Income	332	2,690	3,506	1,563	2,391	30,053	615
Net Increase (Decrease) in the Fair Value of Investments	-	-	-	-	-	-	-
Reimbursement from Component Units	-	-	-	-	-	-	-
Total Revenues	409	160,984	150,103	180,571	406,868	2,023,276	199,246
EXPENDITURES							
General Government:							
Current:							
Contractual Services	224	223	2,723	224	225	13,405	224
Developer Assistance	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	165,000	120,000	95,000	140,000	255,000	2,275,000	-
Interest	2,475	44,938	31,105	33,263	131,056	395,833	72,887
Paying Agent Fees	-	550	550	500	500	-	500
Bond Issuance Costs	-	-	-	-	-	151,055	-
Total Expenditures	167,699	165,711	129,378	173,987	386,781	2,835,293	73,611
REVENUES OVER (UNDER) EXPENDITURES	(167,290)	(4,727)	20,725	6,584	20,087	(812,017)	125,635

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	305 Refunding Bonds of 2017B	306 GO Street Reconstruction & CIP 2018A	307 GO & Abatement Bond 2019A	310 GO Street Reconstruction Bonds of 2020A	311 GO & Abatement Bond 2021B	312 Taxable GO Temp Bond 2022A	313 GO Street Reconstruction Bonds 2023A
OTHER FINANCING SOURCES (USES)							
Bond Issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,725,000	\$ -
Bond Premium	-	-	-	-	-	609,916	-
Payment on Refunded Bond	-	-	-	-	-	(7,725,000)	-
Transfers In	-	-	-	-	-	271,607	-
Transfers Out	(35,434)	-	(38,190)	-	-	(567,719)	-
Total Other Financing Sources (Uses)	(35,434)	-	(38,190)	-	-	313,804	-
NET CHANGE IN FUND BALANCE	(202,724)	(4,727)	(17,465)	6,584	20,087	(498,213)	125,635
Fund Balance - January 1, as Previously Stated	202,724	319,485	449,226	214,726	362,727	1,472,050	-
Correction of an Error	-	-	-	-	-	-	-
Fund Balance - January 1, as Restated	202,724	319,485	449,226	214,726	362,727	1,472,050	-
FUND BALANCE - DECEMBER 31	<u>\$ -</u>	<u>\$ 314,758</u>	<u>\$ 431,761</u>	<u>\$ 221,310</u>	<u>\$ 382,814</u>	<u>\$ 973,837</u>	<u>\$ 125,635</u>

**STATEMENT 23
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B	361 Improvement Bonds of 2012A	362 G.O. State-Aid Street Bonds of 2012B	365 G.O. Street Reconstruction Bonds of 2013B	366 Improvement Bonds of 2014A
REVENUES							
Taxes:							
General Property	\$ 263,453	\$ 54,786	\$ 31,940	\$ 75,703	\$ -	\$ 93,008	\$ 209,326
Tax Abatement	-	-	-	-	-	-	-
Tax Increments	-	-	-	-	-	-	-
City Sales Tax	-	-	-	-	-	-	-
Intergovernmental:							
State:							
Supplemental Aid	11,993	2,494	1,454	3,446	-	4,234	9,529
MSA	-	-	-	-	320,808	-	-
Federal Bab Credit	9,545	-	-	-	-	-	-
Special Assessments	38,030	4,932	38,902	21,507	-	24,752	9,461
Interest and Investment Income	3,281	906	1,839	4,759	434	6,472	2,546
Net Increase (Decrease) in the Fair Value of Investments	-	-	-	20,091	-	11,169	-
Reimbursement from Component Units	-	-	-	-	-	-	-
Total Revenues	326,302	63,118	74,135	125,506	321,242	139,635	230,862
EXPENDITURES							
General Government:							
Current:							
Contractual Services	1,224	225	223	225	224	224	1,223
Developer Assistance	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	355,000	60,000	70,000	155,000	295,000	280,000	210,000
Interest	28,664	5,725	8,183	23,644	25,808	55,488	29,120
Paying Agent Fees	400	400	525	525	525	550	550
Bond Issuance Costs	-	-	-	-	-	-	-
Total Expenditures	385,288	66,350	78,931	179,394	321,557	336,262	240,893
REVENUES OVER (UNDER) EXPENDITURES	(58,986)	(3,232)	(4,796)	(53,888)	(315)	(196,627)	(10,031)

CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024

	358 Improvement Bonds of 2009C	359 Improvement Bonds of 2010A	360 Improvement Bonds of 2011B	361 Improvement Bonds of 2012A	362 G.O. State-Aid Street Bonds of 2012B	365 G.O. Street Reconstruction Bonds of 2013B	366 Improvement Bonds of 2014A
OTHER FINANCING SOURCES (USES)							
Bond Issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Premium	-	-	-	-	-	-	-
Payment on Refunded Bond	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	150,000	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	150,000	-
NET CHANGE IN FUND BALANCE	(58,986)	(3,232)	(4,796)	(53,888)	(315)	(46,627)	(10,031)
Fund Balance - January 1, as Previously Stated	502,723	115,488	214,693	541,098	12,038	737,823	346,008
Correction of an Error	-	-	-	-	-	-	-
Fund Balance - January 1, as Restated	502,723	115,488	214,693	541,098	12,038	737,823	346,008
FUND BALANCE - DECEMBER 31	<u>\$ 443,737</u>	<u>\$ 112,256</u>	<u>\$ 209,897</u>	<u>\$ 487,210</u>	<u>\$ 11,723</u>	<u>\$ 691,196</u>	<u>\$ 335,977</u>

**STATEMENT 23
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	367 Improvement Bonds of 2016A	368 G.O. Improvement Reconstruction Bonds of 2017A	369 1st Ave. Condo Abatement	370 TIF 1-8 Lakewood Heights	371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo
REVENUES							
Taxes:							
General Property	\$ 143,149	\$ 148,355	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Abatement	-	-	3,495	-	-	-	-
Tax Increments	-	-	-	48,148	79,453	15,986	54,780
City Sales Tax	-	-	-	-	-	-	-
Intergovernmental:							
State:							
Supplemental Aid	6,517	6,754	-	-	-	-	2,212
MSA	-	-	-	-	-	-	-
Federal Bab Credit	-	-	-	-	-	-	-
Special Assessments	17,558	25,055	-	-	-	-	-
Interest and Investment Income	2,586	3,286	-	491	1,031	267	407
Net Increase (Decrease) in the Fair Value of Investments	-	-	-	-	-	-	-
Reimbursement from Component Units	-	-	-	-	-	-	-
Total Revenues	169,810	183,450	3,495	48,639	80,484	16,253	57,399
EXPENDITURES							
General Government:							
Current:							
Contractual Services	223	999	-	858	349	248	2,143
Developer Assistance	-	-	11,980	43,334	-	14,387	51,293
Debt Service:							
Principal Retirement	140,000	135,000	-	-	35,000	-	-
Interest	26,960	47,250	-	-	14,800	-	-
Paying Agent Fees	500	500	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	-
Total Expenditures	167,683	183,749	11,980	44,192	50,149	14,635	53,436
REVENUES OVER (UNDER) EXPENDITURES	2,127	(299)	(8,485)	4,447	30,335	1,618	3,963

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	367 Improvement Bonds of 2016A	368 G.O. Improvement Reconstruction Bonds of 2017A	369 1st Ave. Condo Abatement	370 TIF 1-8 Lakewood Heights	371 TIF 1-6 Old Hospital Housing Bonds	372 TIF 1-7 Block 37 Redevelopment	373 TIF 1-6 Old Hospital Housing Paygo
OTHER FINANCING SOURCES (USES)							
Bond Issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Premium	-	-	-	-	-	-	-
Payment on Refunded Bond	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	2,127	(299)	(8,485)	4,447	30,335	1,618	3,963
Fund Balance - January 1, as Previously Stated	310,868	382,850	8,485	36,676	104,142	21,737	27,135
Correction of an Error	-	-	-	-	-	-	-
Fund Balance - January 1, as Restated	310,868	382,850	8,485	36,676	104,142	21,737	27,135
FUND BALANCE - DECEMBER 31	<u>\$ 312,995</u>	<u>\$ 382,551</u>	<u>\$ -</u>	<u>\$ 41,123</u>	<u>\$ 134,477</u>	<u>\$ 23,355</u>	<u>\$ 31,098</u>

**STATEMENT 23
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	375 TIF 1-4 Oakwood Terrace	376 TIF 1-10 River Hills	377 TIF 1-11 Sawmill Inn Redevelopment	378 TIF 1-2 The Pillars	379 TIF 1-13 Unique Opportunities	399 Public Utilities Commission Debt	Total Debt Service Fund
REVENUES							
Taxes:							
General Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,010,279
Tax Abatement	-	-	-	-	-	-	3,495
Tax Increments	25,428	79,863	144,653	208,749	52,219	-	709,279
City Sales Tax	-	-	-	-	-	-	1,993,223
Intergovernmental:							
State:							
Supplemental Aid	-	-	-	-	-	-	93,727
MSA	-	-	-	-	-	-	320,808
Federal Bab Credit	-	-	-	-	-	-	9,545
Special Assessments	-	-	-	-	-	-	231,628
Interest and Investment Income	5,697	616	347	306	168	-	76,589
Net Increase (Decrease) in the Fair Value of Investments	-	-	-	-	-	-	31,260
Reimbursement from Component Units	-	-	-	-	-	658,205	658,205
Total Revenues	31,125	80,479	145,000	209,055	52,387	658,205	6,138,038
EXPENDITURES							
General Government:							
Current:							
Contractual Services	70,560	247	529	138,499	247	-	235,718
Developer Assistance	-	71,877	130,188	93,937	46,997	-	463,993
Debt Service:							
Principal Retirement	-	-	-	-	-	1,968,000	6,753,000
Interest	-	-	-	-	-	487,910	1,465,109
Paying Agent Fees	-	-	-	-	-	-	7,075
Bond Issuance Costs	-	-	-	-	-	23,001	174,056
Total Expenditures	70,560	72,124	130,717	232,436	47,244	2,478,911	9,098,951
REVENUES OVER (UNDER) EXPENDITURES	(39,435)	8,355	14,283	(23,381)	5,143	(1,820,706)	(2,960,913)

**STATEMENT 23
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2024**

	375 TIF 1-4 Oakwood Terrace	376 TIF 1-10 River Hills	377 TIF 1-11 Sawmill Inn Redevelopment	378 TIF 1-2 The Pillars	379 TIF 1-13 Unique Opportunities	399 Public Utilities Commission Debt	Total Debt Service Fund
OTHER FINANCING SOURCES (USES)							
Bond Issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ 8,355,000
Bond Premium	-	-	-	-	-	43,001	652,917
Payment on Refunded Bond	-	-	-	-	-	-	(7,725,000)
Transfers In	-	-	-	-	-	-	421,607
Transfers Out	-	-	-	-	-	-	(641,343)
Total Other Financing Sources (Uses)	-	-	-	-	-	673,001	1,063,181
NET CHANGE IN FUND BALANCE	(39,435)	8,355	14,283	(23,381)	5,143	(1,147,705)	(1,897,732)
Fund Balance - January 1, as Previously Stated	565,158	41,411	4,998	23,381	5,051	-	7,022,701
Correction of an Error	-	-	-	-	-	16,974,766	16,974,766
Fund Balance - January 1, as Restated	565,158	41,411	4,998	23,381	5,051	16,974,766	23,997,467
FUND BALANCE - DECEMBER 31	<u>\$ 525,723</u>	<u>\$ 49,766</u>	<u>\$ 19,281</u>	<u>\$ -</u>	<u>\$ 10,194</u>	<u>\$ 15,827,061</u>	<u>\$ 22,099,735</u>

**CITY OF GRAND RAPIDS, MINNESOTA
YEAR ENDED DECEMBER 31, 2024**

CAPITAL PROJECT FUND

The Capital Projects Fund accounts for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

General Capital Improvement Projects – accounts for general capital improvement projects that are not funded by bonds.

Municipal State Aid – accounts for allotments received from the Minnesota Department of Transportation.

Park Acquisition and Development – accounts for the accumulation of resources to be used to improve the City's park and recreational facilities.

Airport Capital Fund – accounts for the capital activity of the Grand Rapids/Itasca County Airport.

GR Arts and Culture Capital Project Fund – accounts for the accumulation of resources to be used to improve the City's arts and culture.

Infrastructure – Bonded Funds – accounts for infrastructure improvements that have been financed by bond proceeds.

Infrastructure – ARPA Fund – accounts for infrastructure projects and the accumulation of resources and the costs related to the American Rescue Plan Funding.

Infrastructure – Other Funds – accounts for infrastructure projects which are not financed by bond proceeds.

Permanent Improvement Revolving – designed to be a revolving fund for infrastructure improvements.

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET
CAPITAL PROJECT FUND
DECEMBER 31, 2024**

	401 General Capital Improvement Projects	402 Municipal State Aid	403 GR/ Cohasset Industrial Park	404 Park Acquisition and Development	407 Capital Equipment Replacement
ASSETS					
Cash and Investments	\$ 457,986	\$ 423,310	\$ -	\$ 30,519	\$ 437,317
Due from Other Governmental Units	325,199	-	-	-	-
Due from Component Units	-	-	-	-	935
Accounts Receivable	-	-	-	3,000	-
Prepaid Items	-	-	-	-	168,661
Special Assessments:					
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Special Deferred	-	-	-	-	-
Total Assets	<u>\$ 783,185</u>	<u>\$ 423,310</u>	<u>\$ -</u>	<u>\$ 33,519</u>	<u>\$ 606,913</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 199,199	\$ 945	\$ -	\$ -	\$ 19,638
Due to Component Units	-	-	-	-	43,255
Contracts Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Interfund Loan Payable	-	-	-	-	670,375
Unearned Revenue	-	143,778	-	-	-
Total Liabilities	<u>199,199</u>	<u>144,723</u>	<u>-</u>	<u>-</u>	<u>733,268</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCE					
Nonspendable	-	-	-	-	168,661
Restricted	115,192	-	-	-	279,328
Unassigned	468,794	278,587	-	33,519	(574,344)
Total Fund Balance	<u>583,986</u>	<u>278,587</u>	<u>-</u>	<u>33,519</u>	<u>(126,355)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 783,185</u>	<u>\$ 423,310</u>	<u>\$ -</u>	<u>\$ 33,519</u>	<u>\$ 606,913</u>

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET (CONTINUED)
CAPITAL PROJECT FUND
DECEMBER 31, 2024**

	413 Airport Capital Fund	418 GR Arts and Culture Capital Projects	482 2021 Infrastructure Bonds	483 Civic Center Capital Improvements	484 2022 Infrastructure/ ARPA
ASSETS					
Cash and Investments	\$ -	\$ 56,698	\$ 206,014	\$ -	\$ -
Due from Other Governmental Units	333,367	-	-	20,573	-
Due from Component Units	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Prepaid Items	-	25,000	33,614	-	-
Special Assessments:					
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Special Deferred	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 333,367</u>	<u>\$ 81,698</u>	<u>\$ 239,628</u>	<u>\$ 20,573</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 37,680	\$ -	\$ -	\$ -	\$ -
Due to Component Units	-	-	-	-	-
Contracts Payable	19,928	-	-	-	-
Due to Other Funds	290,874	-	-	20,573	-
Interfund Loan Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	<u>348,482</u>	<u>-</u>	<u>-</u>	<u>20,573</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCE					
Nonspendable	-	25,000	33,614	-	-
Restricted	-	-	-	-	-
Unassigned	(15,115)	56,698	206,014	-	-
Total Fund Balance	<u>(15,115)</u>	<u>81,698</u>	<u>239,628</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 333,367</u>	<u>\$ 81,698</u>	<u>\$ 239,628</u>	<u>\$ 20,573</u>	<u>\$ -</u>

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET (CONTINUED)
CAPITAL PROJECT FUND
DECEMBER 31, 2024**

	485 2023 Infrastructure Bonds	486 2024 Infrastructure Bonds	487 2026 Infrastructure Bonds	501 Permanent Improvement Revolving	Total Capital Project Fund
ASSETS					
Cash and Investments	\$ 401,228	\$ -	\$ -	\$ 315,728	\$ 2,328,800
Due from Other Governmental Units	-	-	-	-	679,139
Due from Component Units	-	1,617,288	-	35,996	1,654,219
Accounts Receivable	-	-	-	-	3,000
Prepaid Items	-	-	-	-	227,275
Special Assessments:					
Delinquent	-	-	-	22,915	22,915
Deferred	-	-	-	46,689	46,689
Special Deferred	-	-	-	433,861	433,861
Total Assets	<u>\$ 401,228</u>	<u>\$ 1,617,288</u>	<u>\$ -</u>	<u>\$ 855,189</u>	<u>\$ 5,395,898</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ 6,116	\$ 53,997	\$ 500	\$ 318,075
Due to Component Units	-	-	-	-	43,255
Contracts Payable	-	198,889	-	-	218,817
Due to Other Funds	-	4,273,381	-	-	4,584,828
Interfund Loan Payable	-	-	-	-	670,375
Unearned Revenue	-	-	-	-	143,778
Total Liabilities	-	4,478,386	53,997	500	5,979,128
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	503,465	503,465
FUND BALANCE					
Nonspendable	-	-	-	-	227,275
Restricted	-	-	-	-	394,520
Unassigned	401,228	(2,861,098)	(53,997)	351,224	(1,708,490)
Total Fund Balance	<u>401,228</u>	<u>(2,861,098)</u>	<u>(53,997)</u>	<u>351,224</u>	<u>(1,086,695)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 401,228</u>	<u>\$ 1,617,288</u>	<u>\$ -</u>	<u>\$ 855,189</u>	<u>\$ 5,395,898</u>

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
CAPITAL PROJECT FUND
YEAR ENDED DECEMBER 31, 2024**

	401 General Capital Improvement Projects	402 Municipal State Aid	403 GR/ Cohasset Industrial Park	404 Park Acquisition and Development
REVENUES				
Taxes:				
General Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
State:				
MSA	-	76,058	-	-
Other	663,099	-	-	-
Other Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Interest and Investment Income	5,549	519	434	323
Net Increase (Decrease) in the Fair Value of Investments	-	-	-	-
Contributions and Donations	-	-	169,453	100
Reimbursement from Component Units	18,945	-	-	-
Other	45,585	-	-	-
Total Revenues	733,178	76,577	169,887	423
EXPENDITURES				
General Government:				
Current:				
General Government:	663,098	-	-	-
Public Safety	-	-	-	-
Public Works	-	60,403	-	-
Culture and Recreation	-	-	-	24,189
Capital Outlay/Construction	42,726	407,796	31,734	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	17,219	-	-	-
Total Expenditures	723,043	468,199	31,734	24,189
REVENUES OVER (UNDER) EXPENDITURES	10,135	(391,622)	138,153	(23,766)
OTHER FINANCING SOURCES (USES)				
Lease Issuance	-	-	-	-
Bond Issuance	345,000	-	-	-
Bond Premium	23,502	-	-	-
Sale of Capital Assets	-	91,000	-	-
Transfers In	7,438	165,850	-	-
Transfers Out	-	-	(141,701)	-
Total Other Financing Sources (Uses)	375,940	256,850	(141,701)	-
NET CHANGE IN FUND BALANCE	386,075	(134,772)	(3,548)	(23,766)
Fund Balance (Deficit) - January 1	197,911	413,359	3,548	57,285
FUND BALANCE (DEFICIT) - DECEMBER 31	\$ 583,986	\$ 278,587	\$ -	\$ 33,519

**STATEMENT 25
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (CONTINUED)
CAPITAL PROJECT FUND
YEAR ENDED DECEMBER 31, 2024**

	407 Capital Equipment Replacement	413 Airport Capital Fund	418 GR Arts and Culture Capital Projects	482 2021 Infrastructure Bonds
REVENUES				
Taxes:				
General Property	\$ 237,957	\$ -	\$ -	\$ -
Intergovernmental:				
State:				
MSA	81,618	43,801	-	-
Other	3,000	-	-	-
Other Intergovernmental	-	300,273	-	-
Special Assessments	-	-	-	-
Interest and Investment Income	5,472	-	724	-
Net Increase (Decrease) in the Fair Value of Investments	-	-	-	-
Contributions and Donations	2,450	21,978	-	-
Reimbursement from Component Units	-	-	-	-
Other	7,150	-	-	-
Total Revenues	<u>337,647</u>	<u>366,052</u>	<u>724</u>	<u>-</u>
EXPENDITURES				
General Government:				
Current:				
General Government:	48,653	-	1,501	-
Public Safety	380,646	-	-	-
Public Works	16,788	9,350	-	-
Culture and Recreation	-	-	-	3,193
Capital Outlay/Construction	1,036,968	362,020	-	3,251
Debt Service:				
Principal Retirement	193,113	-	-	-
Interest	63,753	-	-	-
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>1,739,921</u>	<u>371,370</u>	<u>1,501</u>	<u>6,444</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,402,274)	(5,318)	(777)	(6,444)
OTHER FINANCING SOURCES (USES)				
Lease Issuance	803,824	-	-	-
Bond Issuance	-	-	-	-
Bond Premium	-	-	-	-
Sale of Capital Assets	214,599	-	-	-
Transfers In	390,099	15,692	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,408,522</u>	<u>15,692</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,248	10,374	(777)	(6,444)
Fund Balance (Deficit) - January 1	<u>(132,603)</u>	<u>(25,489)</u>	<u>82,475</u>	<u>246,072</u>
FUND BALANCE (DEFICIT) - DECEMBER 31	<u>\$ (126,355)</u>	<u>\$ (15,115)</u>	<u>\$ 81,698</u>	<u>\$ 239,628</u>

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (CONTINUED)
CAPITAL PROJECT FUND
YEAR ENDED DECEMBER 31, 2024**

	483 Civic Center Capital Improvements	484 2022 Infrastructure/ ARPA	485 2023 Infrastructure Bonds	486 2024 Infrastructure Bonds
REVENUES				
Taxes:				
General Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
State:				
MSA	-	-	-	-
Other	-	-	-	-
Other Intergovernmental	-	127,860	-	-
Special Assessments	-	-	-	-
Interest and Investment Income	-	-	-	-
Net Increase (Decrease) in the Fair Value of Investments	36,062	10,655	-	-
Contributions and Donations	-	-	-	-
Reimbursement from Component Units	-	-	-	1,617,288
Other	11,492	-	-	-
Total Revenues	47,554	138,515	-	1,617,288
EXPENDITURES				
General Government:				
Current:				
General Government:	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	50,000	-	-
Culture and Recreation	-	-	-	-
Capital Outlay/Construction	974,100	90,680	232,700	4,620,087
Debt Service:				
Principal Retirement	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Expenditures	974,100	140,680	232,700	4,620,087
REVENUES OVER (UNDER) EXPENDITURES	(926,546)	(2,165)	(232,700)	(3,002,799)
OTHER FINANCING SOURCES (USES)				
Lease Issuance	-	-	-	-
Bond Issuance	-	-	-	-
Bond Premium	-	-	-	-
Sale of Capital Assets	-	-	-	-
Transfers In	567,719	12,820	-	141,701
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	567,719	12,820	-	141,701
NET CHANGE IN FUND BALANCE	(358,827)	10,655	(232,700)	(2,861,098)
Fund Balance (Deficit) - January 1	358,827	(10,655)	633,928	-
FUND BALANCE (DEFICIT) - DECEMBER 31	\$ -	\$ -	\$ 401,228	\$ (2,861,098)

**STATEMENT 25
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (CONTINUED)
CAPITAL PROJECT FUND
YEAR ENDED DECEMBER 31, 2024**

	487 2026 Infrastructure Bonds	501 Permanent Improvement Revolving	Intrafund Eliminations	Total Capital Project Fund
REVENUES				
Taxes:				
General Property	\$ -	\$ -	\$ -	\$ 237,957
Intergovernmental:				
State:				
MSA	-	-	-	201,477
Other	-	-	-	666,099
Other Intergovernmental	-	-	-	428,133
Special Assessments	-	279,187	-	279,187
Interest and Investment Income	-	3,998	-	17,019
Net Increase (Decrease) in the Fair Value of Investments	-	104,824	-	151,541
Contributions and Donations	-	-	-	193,981
Reimbursement from Component Units	-	-	-	1,636,233
Other	-	-	-	64,227
Total Revenues	-	388,009	-	3,875,854
EXPENDITURES				
General Government:				
Current:				
General Government:	-	6,535	-	719,787
Public Safety	-	-	-	380,646
Public Works	-	-	-	136,541
Culture and Recreation	-	-	-	27,382
Capital Outlay/Construction	53,997	185,614	-	8,041,673
Debt Service:				
Principal Retirement	-	-	-	193,113
Interest	-	-	-	63,753
Bond Issuance Costs	-	-	-	17,219
Total Expenditures	53,997	192,149	-	9,580,114
REVENUES OVER (UNDER) EXPENDITURES	(53,997)	195,860	-	(5,704,260)
OTHER FINANCING SOURCES (USES)				
Lease Issuance	-	-	-	803,824
Bond Issuance	-	-	-	345,000
Bond Premium	-	-	-	23,502
Sale of Capital Assets	-	10,390	-	315,989
Transfers In	-	73,624	(227,453)	1,147,490
Transfers Out	-	(120,365)	227,453	(34,613)
Total Other Financing Sources (Uses)	-	(36,351)	-	2,601,192
NET CHANGE IN FUND BALANCE	(53,997)	159,509	-	(3,103,068)
Fund Balance (Deficit) - January 1	-	191,715	-	2,016,373
FUND BALANCE (DEFICIT) - DECEMBER 31	\$ (53,997)	\$ 351,224	\$ -	\$ (1,086,695)

**CITY OF GRAND RAPIDS, MINNESOTA
YEAR ENDED DECEMBER 31, 2024**

CUSTODIAL FUNDS

Custodial Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. During 2024, the City of Grand Rapids had the following Custodial Funds:

Lodging Tax – accounts for tax pass-through of lodging tax collections.

Cable TV Commission – accounts for the pass-through of franchise fees to the Cable TV Commission.

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2024**

	<u>872 Lodging Tax</u>	<u>877 Cable TV Commission</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ 28,303	\$ 94,919	\$ 123,222
LIABILITIES			
Accounts Payable	<u>28,303</u>	<u>94,919</u>	<u>123,222</u>
NET POSITION			
Restricted	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF GRAND RAPIDS, MINNESOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	872 Lodging Tax	877 Cable TV Commission	Total
ADDITIONS			
Lodging Tax Collections	\$ 445,420	\$ -	\$ 445,420
Cable Franchise Fee Collections	-	236,643	236,643
Total Additions	445,420	236,643	682,063
DEDUCTIONS			
Payments to Other Entities	423,150	229,574	652,724
Administrative Fees	22,270	7,069	29,339
Total Deductions	445,420	236,643	682,063
NET INCREASE (DECREASE) IN FIDUCIARY NET POSTION	-	-	-
Net Position - Beginning	-	-	-
NET POSITION - Ending	\$ -	\$ -	\$ -

**CITY OF GRAND RAPIDS, MINNESOTA
YEAR ENDED DECEMBER 31, 2024**

COMPONENT UNIT

Economic Development Authority – The EDA is a discretely presented component unit which does not issue separate financial statements.

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINING BALANCE SHEET AND
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT
DECEMBER 31, 2024**

	General	Capital Project	Total
ASSETS			
Cash and Investments	\$ 21,525	\$ 2,168,336	\$ 2,189,861
Due from Other Governmental Units	-	137	137
Accounts Receivable	-	36,494	36,494
Inventory - Land Held for Resale	-	2,804,952	2,804,952
Notes Receivable	-	868,933	868,933
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 21,525</u>	<u>\$ 5,878,852</u>	<u>\$ 5,900,377</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 5,000	\$ 56,271	\$ 61,271
Due to Other Governmental Units	-	196	196
Deposits Payable	-	1,730	1,730
Unearned Revenue	-	427,838	427,838
Due to Primary Government	-	790,259	790,259
Total Revenues	<u>5,000</u>	<u>1,276,294</u>	<u>1,281,294</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	3,709,744	3,709,744
FUND BALANCE			
Assigned	<u>16,525</u>	<u>892,814</u>	<u>909,339</u>
Total Fund Balance	<u>16,525</u>	<u>892,814</u>	<u>909,339</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 21,525</u>	<u>\$ 5,878,852</u>	<u>\$ 5,900,377</u>
Fund Balance Reported Above			\$ 909,339
Amounts reported for the discrete component unit in the Statement of Net Position are different because:			
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:			
Inventory - Land Held for Resale			2,804,952
Notes Receivable Not Yet Due			868,933
Accounts Receivable Not Yet Due			35,859
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:			
Assessment Payable			(621,513)
Notes Payable			<u>(1,120,673)</u>
Net Position of Discrete Component Unit			<u>\$ 2,876,897</u>

CITY OF GRAND RAPIDS, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AND RECONCILIATION OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT
YEAR ENDED DECEMBER 31, 2024

	General	Capital Project	Total
REVENUES			
General Property Taxes	\$ -	\$ 94,550	\$ 94,550
Intergovernmental	-	163,760	163,760
Charges for Services	-	1,638	1,638
Interest and Investment Income	250	22,693	22,943
Net Increase (Decrease) in the Fair Value of Investments	-	27,589	27,589
Contributions	-	204,442	204,442
Miscellaneous:			
Loan Repayment	-	208,276	208,276
Other	-	10,068	10,068
Total Revenues	<u>250</u>	<u>733,016</u>	<u>733,266</u>
EXPENDITURES			
Economic Development:			
Current:			
Materials and Supplies	20	-	20
Other Services and Charges	8,992	708,138	717,130
Loan Disbursement	-	170,268	170,268
Debt Service:			
Principal	-	263,892	263,892
Interest	-	144	144
Total Expenditures	<u>9,012</u>	<u>1,142,442</u>	<u>1,151,454</u>
REVENUES OVER (UNDER) EXPENDITURES	(8,762)	(409,426)	(418,188)
OTHER FINANCING SOURCES (USES)			
Loan Issuance	-	610,000	610,000
Sale of Land Held for Resale	-	339,264	339,264
Total Other Financial Sources (Uses)	<u>-</u>	<u>949,264</u>	<u>949,264</u>
NET CHANGE IN FUND BALANCE	(8,762)	539,838	531,076
Fund Balance - January 1	<u>25,287</u>	<u>352,976</u>	<u>378,263</u>
FUND BALANCE - DECEMBER 31	<u>\$ 16,525</u>	<u>\$ 892,814</u>	<u>\$ 909,339</u>
Net Changes in Fund Balances - Total Economic Development Authority Funds			\$ 531,076
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:			
Change in Inventory - Land Held for Resale			147,880
Change in Notes Receivable Not Yet Due			302,087
Change in Accounts Receivable Not Yet Due			(1,658)
The issuance of long-term debt (e.g., bonds, notes) 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. The amounts of these differences are:			
Proceeds from the Issuance of Loans			(610,000)
Principal Payments on Loans Payable			<u>263,892</u>
Change in Net Position of Economic Development Authority			<u>\$ 633,277</u>

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INDIVIDUAL BUDGET TO ACTUAL SCHEDULES SPECIAL REVENUE FUNDS

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**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 211 PUBLIC LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
General Property Taxes	\$ 789,488	\$ 789,488	\$ 784,653
Intergovernmental:			
State:			
Supplemental Aid	35,640	35,640	35,640
Charges for Services:			
Townships	128,000	128,000	142,281
Other	28,081	28,081	52,557
Fines and Forfeits	-	-	37
Interest and Investment Income	4,300	4,300	9,922
Net Increase (Decrease) in the Fair Value of Investments	-	-	12,089
Contributions and Donations	1,500	1,500	48,606
Total Revenues	<u>987,009</u>	<u>987,009</u>	<u>1,085,785</u>
EXPENDITURES			
Culture and Recreation:			
Current:			
Personnel Services	718,449	718,449	735,511
Materials and Supplies	90,500	90,500	112,576
Other Services and Charges	178,060	178,060	157,333
Total Expenditures	<u>987,009</u>	<u>987,009</u>	<u>1,005,420</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	80,365
Fund Balance - January 1			<u>775,239</u>
FUND BALANCE - DECEMBER 31			<u>\$ 855,604</u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 225 CENTRAL SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Charges for Services:			
Rent	\$ 60,100	\$ 60,100	\$ 52,426
Interest and Investment Income	-	-	595
Other Services and Charges	-	-	2,039
Total Revenues	<u>60,100</u>	<u>60,100</u>	<u>55,060</u>
EXPENDITURES			
Culture and Recreation:			
Current:			
Materials and Supplies	1,300	1,300	2,401
Other Services and Charges	123,450	123,450	119,727
Total Expenditures	<u>124,750</u>	<u>124,750</u>	<u>122,128</u>
REVENUES OVER (UNDER) EXPENDITURES	(64,650)	(64,650)	(67,068)
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>64,650</u>	<u>64,650</u>	<u>72,675</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	5,607
Fund Balance - January 1			<u>95,026</u>
FUND BALANCE - DECEMBER 31			<u>\$ 100,633</u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 226 AIRPORT OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Intergovernmental:			
State Operations Reimbursement	\$ 66,231	\$ 66,231	\$ 66,231
State Project Reimbursement	-	-	65,176
Itasca County	20,000	20,000	36,129
Charges for Services:			
Rent	121,200	121,200	136,314
Other	22,700	22,700	30,426
Interest and Investment Income	250	250	9,355
Total Revenues	<u>230,381</u>	<u>230,381</u>	<u>343,631</u>
EXPENDITURES			
Public Works:			
Current:			
Personnel Services	112,007	112,007	112,551
Materials and Supplies	46,500	46,500	39,325
Other Services and Charges	119,500	119,500	70,986
Total Current	<u>278,007</u>	<u>278,007</u>	<u>222,862</u>
Capital Outlay/Construction	-	-	187,247
Debt Service:			
Principal Retirement	-	-	14,420
Interest	-	-	5,829
Total Expenditures	<u>278,007</u>	<u>278,007</u>	<u>430,358</u>
REVENUES OVER (UNDER) EXPENDITURES	(47,626)	(47,626)	(86,727)
OTHER FINANCING SOURCES (USES)			
Lease Issuance	-	-	83,241
Sale of Capital Assets	-	-	244,740
Transfers In	20,000	20,000	33,966
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>361,947</u>
NET CHANGE IN FUND BALANCE	<u>\$ (27,626)</u>	<u>\$ (27,626)</u>	275,220
Fund Balance - January 1			<u>220,957</u>
FUND BALANCE - DECEMBER 31			<u>\$ 496,177</u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 228 YANMAR ARENA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Charges for Services:			
Rent	\$ 519,400	\$ 519,400	\$ 541,343
Advertising	148,000	148,000	141,183
Other	1,000	1,000	2,141
Interest and Investment Income	-	-	50,385
Total Revenues	<u>668,400</u>	<u>668,400</u>	<u>735,052</u>
EXPENDITURES			
Culture and Recreation:			
Current:			
Other Services and Charges	<u>229,000</u>	<u>229,000</u>	<u>349,957</u>
REVENUES OVER (UNDER) EXPENDITURES	(600)	(600)	385,095
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>-</u>	<u>(271,607)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (600)</u>	<u>\$ (600)</u>	113,488
Fund Balance - January 1			<u>(93,511)</u>
FUND BALANCE - DECEMBER 31			<u>\$ 19,977</u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 231 HAZ-MAT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Intergovernmental:			
State:			
Haz-Mat Reimbursement	\$ 60,000	\$ 60,000	\$ 80,308
EXPENDITURES			
Public Safety:			
Current:			
Personnel Services	32,190	32,190	43,527
Materials and Supplies	10,810	10,810	6,787
Other Services and Charges	17,000	17,000	31,178
Total Expenditures	60,000	60,000	81,492
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(1,184)
Fund Balance - January 1			<u>4,640</u>
FUND BALANCE - DECEMBER 31			<u><u>\$ 3,456</u></u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 232 POLICE FORFEITURE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Intergovernmental	\$ 500	\$ 500	\$ 1,526
Fines and Forfeits	-	-	210
Interest and Investment Income	-	-	575
Total Revenues	<u>500</u>	<u>500</u>	<u>2,311</u>
EXPENDITURES			
Public Safety:			
Current:			
Materials and Supplies	2,500	2,500	11,798
Other	-	-	3,289
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>15,087</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	(12,776)
Fund Balance - January 1			<u>59,915</u>
FUND BALANCE - DECEMBER 31			<u><u>\$ 47,139</u></u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 233 CEMETERY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
General Property Taxes	\$ 227,901	\$ 227,901	\$ 226,757
Intergovernmental:			
State:			
Supplemental Aid	10,298	10,298	10,298
Charges for Services:			
Cemetery	36,000	36,000	53,041
Interest and Investment Income	300	300	1,553
Other	1,000	1,000	2,853
Total Revenues	<u>275,499</u>	<u>275,499</u>	<u>294,502</u>
EXPENDITURES			
Public Works			
Current:			
Personnel Services	222,209	222,209	225,809
Materials and Supplies	15,600	15,600	7,055
Other Services and Charges	37,690	37,690	28,586
Debt Service:			
Principal Retirement	-	-	6,306
Interest	-	-	2,501
Total Expenditures	<u>275,499</u>	<u>275,499</u>	<u>270,257</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	24,245
Fund Balance - January 1			<u>164,061</u>
FUND BALANCE - DECEMBER 31			<u>\$ 188,306</u>

**CITY OF GRAND RAPIDS, MINNESOTA
SPECIAL REVENUE FUND – 235 DOMESTIC ANIMAL CONTROL FACILITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts
	Original	Final	
REVENUES			
Intergovernmental	\$ 3,000	\$ 3,000	\$ 3,000
Fines and Forfeits	37,250	37,250	31,302
Total Revenues	40,250	40,250	34,302
EXPENDITURES			
Public Safety:			
Current:			
Personnel Services	56,040	56,040	58,053
Materials and Supplies	4,000	4,000	3,147
Other Services and Charges	18,160	18,160	13,228
Total Expenditures	78,200	78,200	74,428
REVENUES OVER (UNDER) EXPENDITURES	(37,950)	(37,950)	(40,126)
OTHER FINANCING SOURCES (USES)			
Transfers In	37,950	37,950	40,130
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	4
Fund Balance - January 1			<u>10,550</u>
FUND BALANCE - DECEMBER 31			<u><u>\$ 10,554</u></u>

III. STATISTICAL SECTION (UNAUDITED)

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III. STATISTICAL SECTION (UNAUDITED)

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

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TABLE 1

**CITY OF GRAND RAPIDS, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 33,884,548	\$ 36,974,014	\$ 37,512,255	\$ 40,214,116	\$ 42,846,042	\$ 45,277,093	\$ 48,653,953	\$ 47,899,453	\$ 53,100,727	\$ 59,836,033
Restricted	9,803,311	9,084,391	13,147,731	10,060,607	10,896,992	10,530,098	9,519,302	9,316,590	10,325,138	10,307,516
Unrestricted	4,927,309	3,956,874	(1,186,433)	814,352	1,270,800	2,115,273	3,420,365	4,559,487	5,670,553	1,388,708
Total Governmental Activities Net Assets	<u>\$ 48,615,168</u>	<u>\$ 50,015,279</u>	<u>\$ 49,473,553</u>	<u>\$ 51,089,075</u>	<u>\$ 55,013,834</u>	<u>\$ 57,922,464</u>	<u>\$ 61,593,620</u>	<u>\$ 61,775,530</u>	<u>\$ 69,096,418</u>	<u>\$ 71,532,257</u>
Business Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 2,841,005	\$ 2,797,345	\$ 2,904,137	\$ 2,954,613	\$ 2,888,261	\$ 2,708,980	\$ 2,756,809	\$ 2,790,676	\$ 2,686,705	\$ 3,355,611
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	494,673	337,782	14,513	(60,547)	(74,841)	214,488	624,115	772,086	1,071,903	678,469
Total Business-Type Activities Net Assets	<u>\$ 3,335,678</u>	<u>\$ 3,135,127</u>	<u>\$ 2,918,650</u>	<u>\$ 2,894,066</u>	<u>\$ 2,813,420</u>	<u>\$ 2,923,468</u>	<u>\$ 3,380,924</u>	<u>\$ 3,562,762</u>	<u>\$ 3,758,608</u>	<u>\$ 4,034,080</u>
Primary Government:										
Invested in Capital Assets, Net of Related Debt	\$ 36,725,553	\$ 39,768,359	\$ 40,416,692	\$ 43,168,729	\$ 45,734,303	\$ 47,986,073	\$ 51,410,762	\$ 50,690,129	\$ 55,787,432	\$ 63,191,644
Restricted	9,803,311	9,084,391	13,147,731	10,060,607	10,896,992	10,530,098	9,519,302	9,316,590	10,325,138	10,307,516
Unrestricted	5,421,982	4,294,656	(1,171,920)	753,805	1,195,959	2,329,761	4,044,480	5,331,573	6,742,456	2,067,177
Total Primary Government Net Assets	<u>\$ 51,950,846</u>	<u>\$ 53,147,406</u>	<u>\$ 52,392,503</u>	<u>\$ 53,983,141</u>	<u>\$ 57,827,254</u>	<u>\$ 60,845,932</u>	<u>\$ 64,974,544</u>	<u>\$ 65,338,292</u>	<u>\$ 72,855,026</u>	<u>\$ 75,566,337</u>

Note: GASB 68 was implemented in 2015. Net position was restated for 2014 to reflect the reporting of net pension liability

TABLE 2

**CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	\$ 2,993,026	\$ 3,649,895	\$ 3,096,685	\$ 3,027,254	\$ 4,330,097	\$ 4,566,308	\$ 3,727,831	\$ 4,615,082	\$ 4,972,574	\$ 4,095,963
Public Safety	3,674,182	4,208,454	3,807,777	3,551,574	3,872,939	3,811,071	3,907,045	4,678,868	5,127,557	6,083,524
Public Works	5,239,892	5,646,605	6,368,065	6,569,274	8,735,821	7,451,179	6,633,805	7,788,447	15,721,896	9,260,273
Culture and Recreation	2,028,067	2,367,449	2,327,649	2,387,392	2,215,769	1,825,496	1,954,824	2,081,855	2,485,168	2,292,256
Interest on Long-Term Debt	740,526	731,702	871,133	662,757	654,344	625,932	715,158	703,269	1,076,622	1,154,319
Total Governmental Activities Expenses	14,675,693	16,604,105	16,471,309	16,198,251	19,808,970	18,279,986	16,938,663	19,867,521	29,383,817	22,886,335
Business-Type Activities:										
Golf Course	598,114	651,127	683,231	628,752	630,928	636,642	712,099	858,647	947,369	1,098,562
Storm Water Utility	440,557	688,176	701,325	755,772	743,983	657,178	613,529	654,748	733,006	562,876
Total Business-Type Activities Expenses	1,038,671	1,339,303	1,384,556	1,384,524	1,374,911	1,293,820	1,325,628	1,513,395	1,680,375	1,661,438
Total Primary Government Expenses	<u>\$ 15,714,364</u>	<u>\$ 17,943,408</u>	<u>\$ 17,855,865</u>	<u>\$ 17,582,775</u>	<u>\$ 21,183,881</u>	<u>\$ 19,573,806</u>	<u>\$ 18,264,291</u>	<u>\$ 21,380,916</u>	<u>\$ 31,064,192</u>	<u>\$ 24,547,773</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 565,218	\$ 458,276	\$ 559,770	\$ 425,485	\$ 1,126,227	\$ 649,606	\$ 591,979	\$ 759,284	\$ 960,267	\$ 903,979
Decertify TIF District	561,365	580,225	587,714	614,953	717,861	781,224	879,364	881,549	1,006,901	1,052,837
Public Works	323,177	326,167	1,048,588	897,927	488,316	1,387,390	505,483	388,751	498,520	567,611
Culture and Recreation:										
Ice Rent	484,801	496,778	509,811	526,840	562,840	421,120	588,587	540,271	433,048	518,229
Other Activities	532,720	551,263	531,064	463,216	450,658	383,881	305,231	383,810	330,926	498,378
Operating Grants and Contributions	1,615,576	2,262,521	1,179,042	1,878,743	2,536,708	3,169,921	2,153,675	3,248,624	11,772,269	3,471,603
Capital Grants and Contributions	806,243	3,523,916	1,410,953	2,730,703	7,022,082	1,088,517	4,403,281	3,221,907	7,418,614	1,617,288
Total Governmental Activities Program Revenues	4,889,100	8,199,146	5,826,942	7,537,867	12,904,692	7,881,659	9,427,600	9,424,196	22,420,545	8,629,925
Business-Type Activities:										
Charges for Services:										
Golf Course	589,499	569,276	567,053	582,728	597,184	653,736	781,728	877,502	963,245	1,022,925
Storm Water Utility	563,011	567,359	592,947	718,751	696,628	746,488	875,888	858,646	855,582	905,452
Capital Grants and Contributions	-	-	-	-	-	-	115,400	-	20,046	-
Total Business-Type Activities Program Revenues	1,152,510	1,136,635	1,160,000	1,301,479	1,293,812	1,400,224	1,773,016	1,736,148	1,838,873	1,928,377
Total Primary Government Program Revenues	<u>\$ 6,041,610</u>	<u>\$ 9,335,781</u>	<u>\$ 6,986,942</u>	<u>\$ 8,839,346</u>	<u>\$ 14,198,504</u>	<u>\$ 9,281,883</u>	<u>\$ 11,200,616</u>	<u>\$ 11,160,344</u>	<u>\$ 24,259,418</u>	<u>\$ 10,558,302</u>

**TABLE 2
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense) Revenue:										
Governmental Activities	\$ (9,786,593)	\$ (8,404,959)	\$ (10,644,367)	\$ (8,660,384)	\$ (6,904,278)	\$ (10,398,327)	\$ (7,511,063)	\$ (10,443,325)	\$ (6,963,272)	\$ (14,256,410)
Business-Type Activities	113,839	(202,670)	(224,556)	(83,045)	(81,099)	106,404	447,388	222,753	158,498	266,939
Total Primary Government Net (Expense) Revenue	(9,672,754)	(8,607,629)	(10,868,923)	(8,743,429)	(6,985,377)	(10,291,923)	(7,063,675)	(10,220,572)	(6,804,774)	(13,989,471)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes	\$ 6,640,739	\$ 6,945,795	\$ 7,239,603	\$ 7,354,409	\$ 7,629,869	\$ 7,659,562	\$ 7,924,863	\$ 8,464,200	\$ 8,714,567	\$ 9,708,138
Payments in Lieu of Taxes (PILOT)	902,766	903,478	906,119	915,788	913,682	911,762	914,886	924,990	933,281	941,433
Unrestricted Grants and Contributions	1,742,132	1,776,992	1,759,578	1,864,606	1,843,498	2,086,492	2,096,967	1,766,907	1,573,230	2,862,903
City Sales Tax	-	-	-	-	-	-	-	-	2,669,197	2,188,675
Investment Earnings	109,041	107,331	121,034	133,871	206,030	136,466	107,623	(534,203)	292,371	356,181
Gain on Sale of Capital Assets	-	14,196	60,429	21,576	199,455	2,512,675	67,402	3,341	101,514	447,134
Insurance Recoveries	7,450	50,778	15,678	14,856	-	-	70,478	-	-	-
Special Item - Reimbursement for Land Swap Costs	-	-	-	-	33,003	-	-	-	-	-
Transfers	103,500	3,500	3,500	(29,500)	3,500	-	-	-	-	165,850
Total Governmental Activities	9,505,628	9,802,070	10,105,941	10,275,606	10,829,037	13,306,957	11,182,219	10,625,235	14,284,160	16,670,314
Business-Type Activities:										
Unrestricted Grants and Contributions	-	-	1,000	-	-	-	-	-	-	6,259
Investment Earnings	6,349	5,619	3,884	3,322	3,953	3,644	5,229	(36,076)	23,423	32,499
Gain on Sale of Capital Assets	331	-	5,750	895	-	-	-	-	13,925	135,625
Insurance Recoveries	-	-	945	24,744	-	-	-	-	-	-
Transfers	(103,500)	(3,500)	(3,500)	29,500	(3,500)	-	-	-	-	(165,850)
Total Business-Type Activities	(96,820)	2,119	8,079	58,461	453	3,644	5,229	(36,076)	37,348	8,533
Total Primary Government	<u>\$ 9,408,808</u>	<u>\$ 9,804,189</u>	<u>\$ 10,114,020</u>	<u>\$ 10,334,067</u>	<u>\$ 10,829,490</u>	<u>\$ 13,310,601</u>	<u>\$ 11,187,448</u>	<u>\$ 10,589,159</u>	<u>\$ 14,321,508</u>	<u>\$ 16,678,847</u>
Change in Net Assets:										
Government Activities	\$ (280,965)	\$ 1,397,111	\$ (538,426)	\$ 1,615,222	\$ 3,924,759	\$ 2,908,630	\$ 3,671,156	\$ 181,910	\$ 7,320,888	\$ 2,413,904
Business-Type Activities	17,019	(200,551)	(216,477)	(24,584)	(80,646)	110,048	452,617	186,677	195,846	275,472
Total Primary Government	<u>\$ (263,946)</u>	<u>\$ 1,196,560</u>	<u>\$ (754,903)</u>	<u>\$ 1,590,638</u>	<u>\$ 3,844,113</u>	<u>\$ 3,018,678</u>	<u>\$ 4,123,773</u>	<u>\$ 368,587</u>	<u>\$ 7,516,734</u>	<u>\$ 2,689,376</u>

Note: GASB 68 was implemented in 2015. Pension expense for years prior to 2015 was not restated.

TABLE 3

**CITY OF GRAND RAPIDS, MINNESOTA
FUND BALANCES – GOVERNMENTAL FUNDS⁽¹⁾
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Fund Balance:										
Nonspendable	\$ 306,783	\$ 636,954	\$ 1,108,226	\$ 1,146,321	\$ 1,236,463	\$ 1,471,076	\$ 1,652,993	\$ 1,411,674	\$ 1,173,469	\$ 833,888
Restricted	17,185	17,577	21,677	19,419	22,535	35,950	39,516	35,374	37,348	53,717
Committed	422,995	517,869	613,922	713,901	817,236	925,572	1,049,832	1,169,769	1,286,122	1,412,248
Unassigned	5,253,912	5,066,530	4,526,746	4,339,372	4,544,575	4,909,111	4,812,207	5,012,023	5,191,745	5,672,387
Total General Fund	6,000,875	6,238,930	6,270,571	6,219,013	6,620,809	7,341,709	7,554,548	7,628,840	7,688,684	7,972,240
All Other Governmental Funds:										
Fund Balance:										
Nonspendable	26,659	18,334	37,351	38,130	79,738	52,941	45,109	35,693	128,084	252,595
Restricted	7,012,776	7,033,902	9,945,077	7,212,565	7,108,403	6,792,754	6,282,145	13,375,777	7,265,545	22,791,908
Committed	646,943	804,728	748,398	736,371	780,416	853,737	931,143	1,030,787	1,132,852	1,398,918
Assigned	2,076,696	1,480,898	1,433,487	2,110,453	1,677,812	1,811,774	2,364,975	1,748,247	2,115,974	-
Unassigned	(184,210)	(579,562)	(929,731)	(798,902)	(537,062)	(944,929)	(1,920,561)	(1,505,563)	(401,135)	(1,708,490)
Total All Other Government Funds	9,578,864	8,758,300	11,234,582	9,298,617	9,109,307	8,566,277	7,702,811	14,684,941	10,241,320	22,734,931
Total All Funds	<u>\$ 15,579,739</u>	<u>\$ 14,997,230</u>	<u>\$ 17,505,153</u>	<u>\$ 15,517,630</u>	<u>\$ 15,730,116</u>	<u>\$ 15,907,986</u>	<u>\$ 15,257,359</u>	<u>\$ 22,313,781</u>	<u>\$ 17,930,004</u>	<u>\$ 30,707,171</u>

TABLE 4

**CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 7,549,081	\$ 7,802,196	\$ 8,179,557	\$ 8,217,883	\$ 8,490,925	\$ 8,536,045	\$ 8,758,762	\$ 9,440,654	\$ 11,169,116	\$ 12,574,253
Licenses and Permits	343,241	259,518	332,376	212,505	499,947	450,688	384,777	479,768	440,743	401,481
Intergovernmental	3,887,034	5,726,983	3,771,612	5,860,934	10,498,053	5,742,470	8,423,475	7,337,009	16,317,196	5,374,740
Special Assessments	835,650	989,932	631,282	762,813	514,977	432,474	341,486	318,005	264,640	511,035
Charges for Services	1,945,088	1,980,441	2,083,233	2,089,178	2,163,196	2,067,732	2,219,548	2,275,889	2,569,519	2,771,403
Fines and Forfeitures	150,911	140,003	116,367	114,828	112,553	92,407	98,337	114,060	110,569	92,042
Investment Income	109,041	107,331	121,034	133,871	206,030	136,466	107,623	(534,203)	292,371	418,167
Contributions and Donations	-	-	-	-	-	-	-	326,351	346,624	267,704
Other	378,950	899,017	1,093,069	712,397	312,273	1,063,428	242,963	445,944	4,853,952	2,383,914
Total Revenues	15,198,996	17,905,421	16,328,530	18,104,409	22,797,954	18,521,710	20,576,971	20,203,477	36,364,730	24,794,739
Expenditures										
Current:										
General Government	2,318,002	3,047,872	2,404,189	2,426,762	3,525,148	2,960,690	3,094,350	3,805,894	4,293,761	4,321,072
Public Safety	3,224,886	3,338,016	3,340,909	3,608,088	3,798,604	3,847,373	4,020,689	4,202,501	4,606,345	5,272,212
Public Works	2,575,664	2,731,258	2,822,303	2,795,132	2,864,435	2,984,860	3,275,655	3,388,567	3,383,502	3,285,613
Culture and Recreation	1,720,627	1,947,341	1,931,650	2,015,958	1,869,413	1,525,058	1,663,705	1,781,666	1,677,314	1,898,920
Miscellaneous	545,535	514,541	553,452	562,856	332,564	1,214,096	569,299	422,144	475,302	494,185
Capital Outlay/Construction	749,073	5,870,681	4,736,594	4,546,229	8,813,591	7,745,469	12,160,921	6,306,014	25,452,036	8,417,573
Decertify TIF District	-	-	91,038	-	95,693	-	-	-	-	-
Debt Service:										
Principal Retirement	2,475,000	2,590,000	2,597,000	5,420,000	2,480,000	2,480,000	2,515,000	2,495,000	2,619,262	7,013,570
Interest	764,607	711,789	680,534	669,089	629,512	613,237	578,766	670,696	1,040,558	1,537,192
Paying Agent Fees	8,000	7,600	7,150	6,250	6,350	6,850	6,600	7,075	7,575	7,075
Bond Issuance Costs	-	52,693	112,018	60,199	50,948	57,920	116,617	123,390	72,562	191,275
Total Expenditures	14,381,394	20,811,791	19,276,837	22,110,563	24,466,258	23,435,553	28,001,602	23,202,947	43,628,217	32,438,687
Revenues Over (Under) Expenditures	817,602	(2,906,370)	(2,948,307)	(4,006,154)	(1,668,304)	(4,913,843)	(7,424,631)	(2,999,470)	(7,263,487)	(7,643,948)

**TABLE 4
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses)										
Sale of Capital Assets	\$ 2,000	\$ 55,400	\$ 133,885	\$ 47,887	\$ 210,616	\$ 2,526,905	\$ 51,402	\$ 6,476	\$ 101,514	\$ 560,729
Lease Issuance	-	-	-	-	-	-	-	-	470,340	887,065
Issuance of Refunding Bonds	-	-	3,013,286	-	-	2,275,000	-	-	-	9,007,917
Bond Issuance/Bond Premium	-	2,214,183	2,289,881	1,973,026	1,647,547	83,520	6,625,304	10,000,000	2,255,700	368,502
Insurance Recoveries	35,950	50,778	15,678	27,218	19,127	206,288	97,298	49,416	52,156	8,198
Subscription Issue	-	-	-	-	-	-	-	-	-	173,088
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(7,725,000)
Transfers In	602,038	1,002,717	4,116,142	2,096,040	982,070	806,486	1,297,912	823,737	1,285,790	1,750,481
Transfers Out	(498,538)	(999,217)	(4,112,642)	(2,125,540)	(978,570)	(806,486)	(1,297,912)	(823,737)	(1,285,790)	(1,584,631)
Total Other Financing Sources (Uses)	141,450	2,323,861	5,456,230	2,018,631	1,880,790	5,091,713	6,774,004	10,055,892	2,879,710	3,446,349
Net Change In Fund Balance	<u>\$ 959,052</u>	<u>\$ (582,509)</u>	<u>\$ 2,507,923</u>	<u>\$ (1,987,523)</u>	<u>\$ 212,486</u>	<u>\$ 177,870</u>	<u>\$ (650,627)</u>	<u>\$ 7,056,422</u>	<u>\$ (4,383,777)</u>	<u>\$ (4,197,599)</u>
Debt Service as a Percentage of Noncapital Expenditures	23.7%	21.8%	21.3%	32.8%	16.7%	18.1%	19.2%	18.7%	13.8%	23.6%

TABLE 5

**CITY OF GRAND RAPIDS, MINNESOTA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government	\$ 594,476	\$ 781,676	\$ 567,926	\$ 486,735	\$ 1,261,059	\$ 1,627,440	\$ 1,352,643	\$ 2,235,654	\$ 2,383,464	\$ 2,243,169
Public Safety	1,141,745	1,083,258	1,133,127	1,154,522	1,393,344	1,322,337	1,516,232	1,491,635	2,194,375	1,689,829
Public Works	1,922,976	3,971,370	2,785,332	4,360,082	8,941,143	3,638,837	5,628,437	4,699,936	12,060,419	2,973,409
Culture and Recreation	1,070,269	2,115,700	1,108,439	1,494,977	1,255,309	1,263,344	905,912	978,241	6,316,224	1,065,313
Other	-	-	232,118	41,551	34,710	29,701	24,376	18,730	12,877	658,205
Total Governmental Activities Program Revenues	4,729,466	7,952,004	5,826,942	7,537,867	12,885,565	7,881,659	9,427,600	9,424,196	22,967,359	8,629,925
Business-Type Activities:										
Golf Course	589,499	569,276	567,053	582,728	597,184	653,736	781,728	877,502	963,245	1,022,925
Storm Water Utility	563,011	567,357	592,947	718,751	696,628	746,488	875,888	858,646	855,582	905,452
Total Business-Type Activities Program Revenues	1,152,510	1,136,633	1,160,000	1,301,479	1,293,812	1,400,224	1,657,616	1,736,148	1,818,827	1,928,377
Total Primary Government Program Revenues	\$ 5,881,976	\$ 9,088,637	\$ 6,986,942	\$ 8,839,346	\$ 14,179,377	\$ 9,281,883	\$ 11,085,216	\$ 11,160,344	\$ 24,786,186	\$ 10,558,302

TABLE 6

CITY OF GRAND RAPIDS, MINNESOTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Residential Property	Commercial/ Industrial Property	All Other	Total Tax Capacity	Less: Fiscal Disparity Contribution	Adjusted Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Tax Capacity as a Percent of EMV
2015	\$ 4,571,503	\$ 3,906,927	\$ 681,838	\$ 9,160,268	\$ 933,840	\$ 8,226,428	79.245	\$ 762,916,480	1.08%
2016	4,724,671	3,974,339	819,387	9,518,397	1,109,824	8,408,573	79.232	786,530,358	1.07%
2017	4,756,343	3,960,710	882,231	9,599,284	1,192,888	8,406,396	82.208	792,082,220	1.06%
2018	4,757,558	3,908,563	937,951	9,604,072	1,216,383	8,387,689	82.493	795,696,602	1.05%
2019	5,115,784	3,801,713	910,424	9,827,921	1,219,912	8,608,009	83.290	824,925,900	1.04%
2020	5,144,945	3,818,146	789,321	9,752,412	1,152,780	8,599,632	83.457	822,147,100	1.05%
2021	5,258,120	3,870,142	769,972	9,898,234	1,094,170	8,804,064	83.454	836,239,865	1.05%
2022	5,858,812	3,900,149	703,981	10,462,942	1,172,324	9,290,618	82.553	891,732,700	1.04%
2023	7,663,545	4,013,585	713,279	12,390,409	1,002,186	11,388,223	71.662	1,066,232,900	1.07%
2024	8,086,617	4,480,133	716,391	13,283,141	1,198,566	12,084,575	73.180	1,130,571,800	1.07%

Source: Itasca County Auditor's Office

TABLE 7

**CITY OF GRAND RAPIDS, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rate - City of Grand Rapids			Overlapping Rates			
	Operating	Debt	Total	Itasca County	School District #318	Special Taxing District	Overlapping Tax Rate
2015	59.934	19.311	79.245	55.038	16.618	0.115	151.016
2016	62.105	17.127	79.232	58.157	16.530	0.296	154.215
2017	63.426	18.782	82.208	60.240	16.909	0.293	159.650
2018	63.881	18.612	82.493	62.465	17.189	0.254	162.401
2019	65.202	18.088	83.290	64.844	24.182	0.298	172.614
2020	65.307	18.150	83.457	67.034	23.901	0.305	174.697
2021	66.095	17.359	83.454	62.770	21.635	0.281	168.140
2022	62.569	19.984	82.553	61.029	22.808	0.283	166.673
2023	55.294	16.368	71.662	48.590	18.176	0.227	138.655
2024	56.578	16.602	73.180	46.672	18.266	0.220	138.338

Source: Itasca County Auditor's Office

TABLE 8

**CITY OF GRAND RAPIDS, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2024			2015		
	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value	Taxable Capacity Value	Rank	Percentage of Total City Capacity Value
UPM Blandin Paper Mill	\$ 463,333	1	3.45%	\$ 615,463	1	7.56%
Enbridge Energy, LP	328,022	2	2.44%	333,641	2	4.10%
Wal-Mart Stores	193,550	3	1.44%	207,352	3	2.55%
Grand Hospitality LLC	175,249	4	1.31%	113,995	6	1.40%
Pillars of Grand Rapids, LLC	151,678	5	1.13%			
Enbridge Energy Pipelines	135,304	6	1.01%	141,488	4	1.74%
Majestic Pines Grand, LLC	125,097	7	0.93%			
Grand Rapids Healthcare	115,811	8	0.86%			
Arrowhead Promotion & Fulfillment Co	115,628	9	0.86%	106,404	9	1.31%
Grand Itasca Clinic & Hospital	114,800	10	0.86%			
Burlington Northern & Santa Fe				128,364	5	1.58%
ASV, Inc. *				112,032	7	1.38%
Target Corporation				108,442	8	1.33%
Home Depot USA, Inc				100,430	10	1.23%
Total principal taxpayers	1,918,472		14.30%	1,967,611		24.17%
All other taxpayers	11,501,852		85.70%	6,171,964		75.83%
Total	\$ 13,420,324		100.00%	\$ 8,139,575		100.00%

*Formerly Terex Corporation

Source: Itasca County Auditor's Office

Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Itasca County.

TABLE 9

**CITY OF GRAND RAPIDS, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 6,845,166	\$ 6,774,792	98.97%	\$ 70,374	\$ 6,845,166	100.00%
2016	6,951,560	6,847,996	98.51%	87,383	6,935,379	99.77%
2017	7,258,674	7,169,418	98.77%	49,666	7,219,084	99.45%
2018	7,408,178	7,249,845	97.86%	60,368	7,310,213	98.68%
2019	7,689,023	7,545,606	98.13%	69,298	7,614,904	99.04%
2020	7,793,670	7,698,321	98.78%	90,932	7,789,253	99.94%
2021	8,079,328	7,864,173	97.34%	88,410	7,952,583	98.43%
2022	8,603,265	8,555,109	99.44%	29,002	8,584,111	99.78%
2023	8,603,265	8,492,059	98.71%	8,184	8,500,243	98.80%
2024	9,336,352	9,263,655	99.22%	-	9,263,655	99.22%

Source: Itasca County Auditor's Office

TABLE 10

**CITY OF GRAND RAPIDS, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities							General Obligation PUC Debt*	Total Governmental Activities
	General Obligation Bonds	General Obligation Impr Bonds	Equipment Certificates	Tax Increment Bonds	Other Debt	Subscription Liabilities	Lease Liabilities		
2015	\$ 5,794,793	\$ 18,268,519	\$ -	\$ 770,000	\$ 85,224	\$ -	\$ -	\$ 27,721,386	\$ 52,639,922
2016	7,276,630	16,417,458	-	750,000	61,580	-	-	25,506,149	50,011,817
2017	8,821,458	17,584,683	-	730,000	40,936	-	-	23,469,912	50,646,989
2018	9,664,438	13,270,296	-	705,000	27,292	-	-	21,389,000	45,056,026
2019	10,678,913	11,416,220	-	680,000	13,648	-	-	19,240,000	42,028,781
2020	12,429,876	9,537,720	-	650,000	-	-	-	17,201,000	39,818,596
2021	18,320,191	7,751,432	-	615,000	-	-	-	17,186,187	43,872,810
2022	27,422,573	6,130,228	-	580,000	-	-	-	14,069,500	48,202,301
2023	28,500,651	4,699,865	-	540,000	-	-	432,283	16,724,000	50,896,799
2024	25,511,813	3,334,967	345,000	505,000	-	126,357	1,105,509	15,640,040	46,568,686

Note: Personal income not available

Excludes component units.

Includes unamortized issuance premium for 2015 through 2024.

* Debt of the Public Utilities Commission component unit, for which the City has a general obligation pledge

**TABLE 10
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	Business-Type Activities		Total Primary Government	Bonded Debt Per Capita
	Lease Liabilities	Total Business-Type Activities		
2015	\$ -	\$ -	\$ 52,639,922	\$ 4,843
2016	-	-	50,011,817	4,601
2017	111,968	111,968	50,758,957	4,439
2018	85,564	85,564	45,141,590	3,964
2019	58,129	58,129	42,086,910	3,695
2020	29,621	29,621	39,848,217	3,499
2021	-	-	43,872,810	3,943
2022	-	-	48,202,301	4,272
2023	44,853	44,853	50,941,652	4,490
2024	52,441	52,441	46,621,127	4,169

TABLE 11

**CITY OF GRAND RAPIDS, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds <i>c</i>	Less Amounts Restricted for Debt Service	Net General Obligation Bonded Debt	Percentage of Estimated Market Value <i>a</i>	Bonded Debt Per Capita <i>b</i>
2015	\$ 5,794,793	\$ 1,252,221	\$ 4,542,572	0.5954%	\$ 417.94
2016	7,276,630	2,100,311	5,176,319	0.6581%	476.25
2017	8,821,458	2,913,286	5,908,172	0.7459%	516.67
2018	9,664,438	2,690,044	6,974,394	0.8765%	612.38
2019	10,678,913	3,716,614	6,962,299	0.8440%	611.32
2020	12,429,876	3,903,822	8,526,054	1.0370%	748.56
2021	18,320,191	4,051,168	14,269,023	1.7063%	1,282.49
2022	27,422,573	4,370,275	23,052,298	2.5851%	2,043.10
2023	28,500,651	5,499,560	23,001,091	2.1572%	2,027.24
2024	25,511,813	5,096,151	20,415,662	1.8058%	1,825.60

a See Table 6 for Estimated Market Value data.

b Population can be found in Table 14.

c Includes unamortized issuance premium for 2015 through 2024.

**CITY OF GRAND RAPIDS, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2024**

	<u>Net Debt Outstanding</u>	<u>% of Debt Applicable to City ⁽²⁾</u>	<u>City of Grand Rapids Share of Debt</u>
Direct Debt			
City of Grand Rapids ⁽¹⁾	\$ 45,302,710	100.00%	\$ 45,302,710
Overlapping Debt:			
Itasca County	84,585,000	13.27%	11,225,430
School District 318	<u>92,305,000</u>	19.31%	<u>17,822,425</u>
Total Overlapping Debt	<u>176,890,000</u>		<u>29,047,855</u>
Total Direct and Overlapping Debt	<u>\$ 222,192,710</u>		<u>\$ 74,350,565</u>

Source: Itasca County Auditor's Office

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 the City of Grand Rapids. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) Includes all debt related to governmental activities as presented in Table 10, which includes unamortized bond premiums of \$1,375,820

(2) The percentage of overlapping debt applicable is estimated using the taxable market values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable market value that is within the City's boundaries.

**CITY OF GRAND RAPIDS, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2024

Estimated Market Value	\$ 1,130,571,800
Debt Limit Percentage	3%
Debt Limit Amount	<u>33,917,154</u>
Debt Applicable to Limit:	
Lease Revenue Bonds	-
General Obligation Bonds	<u>21,562,208</u>
	21,562,208
Less:	
Cash and Equivalents in G.O. Bond Debt Service Funds	<u>(3,567,701)</u>
Total Net Debt Applicable to Limit	<u>17,994,507</u>
Legal Debt Margin	<u><u>\$ 15,922,647</u></u>

Legal Debt Margin Calculation for Fiscal Years 2015 Through 2024

Fiscal Year	Population	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Amount of Debt Applicable to Debt Limit	Net Bonded Debt per Capita
2015	10,869	\$ 22,887,494	\$ 4,581,451	\$ 18,306,043	20.02%	421.52
2016	10,869	23,595,911	5,471,587	18,124,324	23.19%	503.41
2017	11,435	23,762,467	6,588,263	17,174,204	27.73%	576.15
2018	11,389	23,870,898	7,606,103	16,264,795	31.86%	667.85
2019	11,389	24,747,777	8,386,527	16,361,250	33.89%	736.37
2020	11,390	24,664,413	10,002,051	14,662,362	40.55%	878.14
2021	11,126	25,087,196	15,747,803	9,339,393	62.77%	1,415.41
2022	11,283	26,751,981	17,848,824	8,903,157	66.72%	1,581.92
2023	11,346	31,986,987	18,020,896	13,966,091	56.34%	1,588.30
2024	11,183	33,917,154	17,994,507	15,922,647	53.05%	1,609.09

Source: Itasca County Auditors Office and City Finance Department

TABLE 14

**CITY OF GRAND RAPIDS, MINNESOTA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Improvement Bonds				Tax Increment Bonds			
	Special Assessment Collections	Debt Service		Coverage	Tax Increment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2015	\$ 551,895	\$ 1,315,000	\$ 437,515	31.49%	\$ 237,023	\$ 20,000	\$ 34,715	433.20%
2016	514,410	1,505,000	416,830	26.77%	372,139	20,000	33,965	689.59%
2017	412,018	1,495,000	380,497	21.97%	383,897	20,000	33,170	722.02%
2018	447,143	1,450,000	344,854	24.91%	362,772	25,000	28,371	679.72%
2019	404,464	1,510,000	296,329	22.39%	227,734	25,000	19,900	507.20%
2020	314,002	1,505,000	256,638	17.82%	228,705	30,000	19,076	466.02%
2021	258,644	1,420,000	215,700	15.81%	235,563	35,000	18,100	443.62%
2022	249,526	1,255,000	174,800	17.45%	275,131	35,000	17,051	528.58%
2023	237,124	1,420,000	167,505	14.94%	566,948	40,000	15,925	1013.76%
2024	201,968	1,310,000	123,617	14.09%	709,279	35,000	14,801	1424.23%

Special assessment collections do not include prepayments.

Excludes component units.

TABLE 15

**CITY OF GRAND RAPIDS, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	10,869			7.60%
2016	10,869			6.70%
2017	11,435			8.47%
2018	11,389			10.60%
2019	11,389	Information Not Available		6.10%
2020	11,389			5.60%
2021	11,390			5.28%
2022	11,283			4.61%
2023	11,346			4.00%
2024	11,183			4.00%

Source: Minnesota Department of Employment and Economic Development

TABLE 16

**CITY OF GRAND RAPIDS, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
ISD #318(1)	636	1	6.75%	600	1	6.64%
Grand Itasca Clinic & Hospital	526	2	5.58%	480	3	5.31%
Itasca County	421	3	4.47%	310	4	3.43%
Northland Counseling Center, Inc	250	4	2.65%			
ASV Inc.(2)	250	5	2.65%	190	8	2.10%
North Homes, Inc.	250	6	2.65%			
UPM Blandin Paper Mill	230	7	2.44%	500	2	5.53%
Arrowhead Promo & Fulfillment	220	8	2.33%	280	5	3.10%
Wal-Mart	183	9	1.94%	185	9	2.05%
City of Grand Rapids(1)	170	10	1.80%	270	6	2.99%
Minnesota Diversified				205	7	2.27%
Cub Foods				125	10	1.38%
Total	3,136		33.27%	3,145		34.80%
All other employers	6,291		66.73%	5,892		65.20%
Total	9,427		100.00%	9,037		100.00%

Source: Minnesota Department of Employment and Economic Development

(1) Includes full-and part-time employees.

(2) Formerly Terex Corp., Inc.

TABLE 17

CITY OF GRAND RAPIDS, MINNESOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-time Equivalent Employees as of December 31									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Administration	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Community Development	4.05	4.55	4.55	4.55	5.55	5.55	4.55	4.55	4.55	4.55
Engineering	2.45	2.45	3.45	3.45	4.45	4.45	4.45	4.45	4.45	2.45
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Police Officers and Records	22.50	22.50	25.50	26.50	27.50	27.70	24.70	24.70	22.50	23.00
Full time Fire/Rental Inspectors	-	-	-	-	-	1.00	3.00	3.00	3.00	3.00
Public Works	14.00	14.00	16.00	17.00	18.00	20.00	20.00	19.00	18.00	18.00
Parks and Recreation	3.00	3.00	3.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00
Library	8.75	8.50	8.50	8.50	8.50	6.50	7.50	7.50	7.50	7.50
Golf Course	2.00	2.00	2.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Total	67.75	68.00	74.00	73.00	79.00	79.20	79.20	78.20	76.00	74.50

The City has 30 paid-on-call firefighters.

Source: City Finance Department

TABLE 18

**CITY OF GRAND RAPIDS, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Physical and Sexual Assaults	441	346	145	218	230	231	191	137	190	197
Parking Citations	239	208	590	487	451	370	337	383	177	164
Dui Arrests	117	110	94	72	73	52	56	86	62	81
Traffic Citations	2,175	1,579	1,366	1,232	1,381	863	953	984	606	1,033
Accidents	495	451	416	535	412	320	358	408	361	378
Fire:										
Emergency Responses	167	182	212	146	199	203	219	214	194	190
Haz-Mat Responses	53	17	13	3	-	1	1	1	2	2
Inspections	55	6	5	8	19	28	26	4	18	25
Community Development:										
Permits Issued:										
Commercial	110	120	153	120	107	113	134	88	110	82
Governmental	20	29	22	12	12	13	14	5	17	7
Residential	401	405	382	393	442	368	378	354	401	303
Building Safety Division:										
Rental Inspections	-	-	-	-	-	-	-	181	132	84
Reinspections	-	-	-	-	-	-	-	169	135	78
Public Works:										
Streets Swept (Miles)	93	93	93	93	94	94	94	94	94	94
Road (miles)	93	93	93	93	94	94	94	94	94	94
Streetlights	1,325	1,325	1,578	1,584	1,630	1,624	1,696	1,924	1,667	1,667
Parks and Recreation:										
Playgrounds	11	11	11	11	11	11	11	11	11	11
Baseball/Softball Fields	7	7	7	7	7	7	7	7	7	7
Soccer Fields	3	3	3	2	3	3	3	3	3	3
Skate Park	1	1	1	1	1	1	1	1	1	1
Library:										
Volumes in Collection	75,751	74,541	70,991	73,232	74,073	73,670	72,425	70,704	71,039	66,412
Total Volumes Borrowed	173,954	163,483	160,089	183,169	191,876	98,190	131,131	160,723	165,796	168,080
Golf Course:										
Number of Passes Sold:										
Junior*	77	57	46	42	40	62	48	63	84	72
Young Adult*	15	12	11	11	10	34	38	53	48	39
Single	107	128	113	99	101	101	127	124	118	120
Family	74	63	60	64	62	48	56	54	58	56

*Junior =Children ages 10 to 18

*Young Adult=Ages 19 to 24

Source: Various City Departments

TABLE 19

**CITY OF GRAND RAPIDS, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	20	20	20	22	20	20	20	21	22	22
Fire Stations	2	2	2	2	2	2	1	1	1	1
Public Works:										
Miles of Streets Maintained	93	95	95	95	95	94	94	95	95	95
Miles of Sidewalks Maintained	100	103	103	104	103	48	48	49	49	49
Miles of Curbs and Gutters Maintained	112	113	113	114	113	113	113	160	160	160
Parks and Recreation:										
Community Parks and Playgrounds	26	25	25	25	25	25	25	25	25	25
Total Acres	350	350	350	350	350	350	350	350	350	350

Source: Various City Departments

IV. OTHER INFORMATION – DEBT RELATED (UNAUDITED)

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2024**

	Interest Rates	Issue Date	Final Maturity Date	Prior Years		Payable 1/1/2024
				Original Issue	Payments	
General Obligation Tax Increment Bonds:						
Refunding TIF Bonds Series 2017B	4.20 - 4.60	12/28/2017	2/1/2034	\$ 705,000	\$ 165,000	\$ 540,000
Total General Obligation Tax Increment Bonds				705,000	165,000	540,000
General Obligation Improvement Bonds:						
Improvement Bonds of 2009C	1.85 - 4.30	9/1/2009	2/1/2025	4,565,000	3,845,000	720,000
Improvement Bonds of 2010A	0.75 - 3.625	11/1/2010	2/1/2026	1,115,000	925,000	190,000
Improvement Refunding Bonds of 2011B	0.50 - 3.15	12/1/2011	2/1/2027	1,555,000	1,255,000	300,000
Improvement Bonds of 2012A	0.50 - 3.25	4/1/2012	2/1/2028	2,245,000	1,440,000	805,000
Improvement Bonds of 2012B	0.40 - 2.60	4/1/2012	10/1/2027	4,175,000	2,960,000	1,215,000
Improvement Bonds of 2014A	0.50 - 2.90	11/1/2014	2/1/2030	3,000,000	1,775,000	1,225,000
Improvement Refunding Bonds of 2017B	2.30 - 3.00	12/28/2017	2/1/2034	2,215,000	2,050,000	165,000
Total General Obligation Improvement Bonds				18,870,000	14,250,000	4,620,000
Other General Obligation Debt:						
Street Reconstruction Bonds of 2013B	3.00 - 3.50	9/1/2013	2/1/2029	4,025,000	2,195,000	1,830,000
Street Reconstruction Bonds of 2016A	0.85 - 2.20	10/5/2016	2/1/2032	2,170,000	785,000	1,385,000
Street Reconstruction Bonds of 2017A	3.00 - 3.45	9/7/2017	2/1/2033	2,130,000	590,000	1,540,000
Street Reconstruction Bonds of 2018A	3.00 - 3.25	10/18/2018	2/1/2034	1,960,000	440,000	1,520,000
Street Reconstruction Bonds of 2020A	1.60 - 2.00	11/5/2020	2/1/2036	2,275,000	260,000	2,015,000
Street Reconstruction Bonds of 2023A	4.00 - 5.00	11/9/2023	2/1/2039	2,220,000	-	2,220,000
G.O. Abatement Bonds of 2019A	2.00 - 3.00	9/5/2019	2/1/2035	1,585,000	250,000	1,335,000
G.O. Abatement Bonds of Bonds of 2021B	2.00 - 2.75	7/1/2021	2/1/2042	6,255,000	245,000	6,010,000
G.O. Temporary Bonds of 2022A	4.75	12/22/2022	12/1/2025	10,000,000	-	10,000,000
Refunding Bonds 2024A	4.00 - 5.00	9/18/2024	2/1/2042	-	-	-
Total Other General Obligation Debt				32,620,000	4,765,000	27,855,000
Note Payable - Block 20 & 21 Soil	0.00	8/5/2010	12/31/2029	100,000	-	100,000
Note Payable - Airport Ind Park/Kent	0.00	7/16/2015	7/16/2035	350,000	140,000	210,000
Note Payable - Blandin	0.00	2/1/2016	1/1/2025	175,000	131,026	43,974
Note Payable - VFW/Rose buildings	0.00	1/29/2021	1/29/2026	140,000	-	140,000
Note Payable - Blandin	0.00	4/1/2020	10/1/2026	550,000	320,294	229,706
Note Payable - Blandin	0.00	4/1/2020	10/1/2026	100,000	65,450	34,550
Note Payable - CBIL P2024	2.00	8/8/2024	8/8/1934	-	-	-
Note Payable - IEDC & Plumer's Bldgs	2.00	8/8/2024	8/8/2029	-	-	-
Total Note Payables				1,415,000	656,770	758,230
Equipment Certificates:						
Equipment Certificate 2024B	4.00 - 5.00	9/18/2024	2/1/2032	-	-	-
Equipment Certificate 2024B - PUC	4.00 - 5.00	9/18/2024	2/1/2032	-	-	-
Total Equipment Certificates				-	-	-
Revenue Bonds and Notes (Public Utilities):						
Taxable G.O. Wastewater Revenue Note of 2009E	2.90	11/10/2009	8/20/2029	26,370,232	16,795,232	9,575,000
G.O. Utility Revenue Refunding Bonds of 2021A	0.25 - 0.63	5/27/2021	10/15/2025	872,000	483,000	389,000
G.O. Utility Revenue Refunding Bonds of 2021D	2.00 - 3.00	12/9/2021	2/1/2033	1,120,000	95,000	1,025,000
G.O. Utility Revenue Refunding Bonds of 2021C	0.45 - 1.25	9/2/2021	2/1/2029	1,210,000	50,000	1,160,000
G.O. Utility Revenue Bonds of 2023B	4.25 - 5.00	11/9/2023	2/1/2039	4,575,000	-	4,575,000
Total Revenue Bonds (Public Utilities)				34,147,232	17,423,232	16,724,000
Total Bonded Indebtedness				\$ 87,757,232	\$ 37,260,002	\$ 50,497,230

**CITY OF GRAND RAPIDS, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS (CONTINUED)
DECEMBER 31, 2024**

	2024		Payable 12/31/2024	Due in 2025	
	Issued	Payments		Principal	Interest
General Obligation Tax Increment Bonds:					
Refunding TIF Bonds Series 2017B	\$ -	\$ 35,000	\$ 505,000	\$ 40,000	\$ 13,815
Total General Obligation Tax Increment Bonds	-	35,000	505,000	40,000	13,815
General Obligation Improvement Bonds:					
Improvement Bonds of 2009C	-	355,000	365,000	365,000	9,673
Improvement Bonds of 2010A	-	60,000	130,000	65,000	3,534
Improvement Refunding Bonds of 2011B	-	70,000	230,000	75,000	6,007
Improvement Bonds of 2012A	-	155,000	650,000	155,000	18,607
Improvement Bonds of 2012B	-	295,000	920,000	300,000	19,112
Improvement Bonds of 2014A	-	210,000	1,015,000	215,000	24,230
Improvement Refunding Bonds of 2017B	-	165,000	-	-	-
Total General Obligation Improvement Bonds	-	1,310,000	3,310,000	1,175,000	81,163
Other General Obligation Debt:					
Street Reconstruction Bonds of 2013B	-	280,000	1,550,000	290,000	46,938
Street Reconstruction Bonds of 2016A	-	140,000	1,245,000	145,000	24,110
Street Reconstruction Bonds of 2017A	-	135,000	1,405,000	140,000	43,126
Street Reconstruction Bonds of 2018A	-	120,000	1,400,000	125,000	41,263
Street Reconstruction Bonds of 2020A	-	140,000	1,875,000	140,000	30,461
Street Reconstruction Bonds of 2023A	-	-	2,220,000	85,000	98,025
G.O. Abatement Bonds of 2019A	-	95,000	1,240,000	95,000	28,255
G.O. Abatement Bonds of Bonds of 2021B	-	255,000	5,755,000	260,000	123,975
G.O. Temporary Bonds of 2022A	-	10,000,000	-	-	-
Refunding Bonds 2024A	7,725,000	-	7,725,000	-	316,695
Total Other General Obligation Debt	7,725,000	11,165,000	24,415,000	1,280,000	752,848
Note Payable - Block 20 & 21 Soil	-	100,000	-	-	-
Note Payable - Airport Ind Park/Kent	-	17,500	192,500	17,500	-
Note Payable - Blandin	-	41,549	2,425	2,425	-
Note Payable - VFW/Rose buildings	-	-	140,000	-	-
Note Payable - Blandin	-	53,958	175,748	128,899	-
Note Payable - Blandin	-	34,550	-	-	-
Note Payable - CBIL P2024	400,000	-	400,000	8,450	3,730
Note Payable - IEDC & Plumer's Bldgs	210,000	-	210,000	3,557	4,422
Total Note Payables	610,000	247,557	1,120,673	160,831	8,152
Equipment Certificates:					
Equipment Certificate 2024B	345,000	-	345,000	-	14,042
Equipment Certificate 2024B - PUC	630,000	-	630,000	-	25,605
Total Equipment Certificates	975,000	-	975,000	-	39,647
Revenue Bonds and Notes (Public Utilities):					
Taxable G.O. Wastewater Revenue Note of 2009E	-	1,484,000	8,091,000	1,527,000	234,639
G.O. Utility Revenue Refunding Bonds of 2021A	-	194,000	195,000	195,000	873
G.O. Utility Revenue Refunding Bonds of 2021D	-	100,000	925,000	100,000	23,250
G.O. Utility Revenue Refunding Bonds of 2021C	-	190,000	970,000	190,000	8,918
G.O. Utility Revenue Bonds of 2023B	-	-	4,575,000	165,000	208,062
Total Revenue Bonds (Public Utilities)	-	1,968,000	14,756,000	2,177,000	475,742
Total Bonded Indebtedness	\$ 9,310,000	\$ 14,725,557	\$ 45,081,673	\$ 4,832,831	\$ 1,371,367

**CITY OF GRAND RAPIDS, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
GENERAL OBLIGATION BONDS
DECEMBER 31, 2024**

	Tax Increment Bonds Series 2017B	Street Reconstruction Bonds Series 2013B	Street Reconstruction Bonds Series 2016A	Street Reconstruction Bonds Series 2017A	Street Reconstruction Bonds Series 2018A	G.O. Abatement Bonds Series 2019A	Street Reconstruction Bonds Series 2020A	G.O. Abatement Bonds Series 2021B	Street Reconstruction Bonds Series 2023A	G.O. Refunding Bonds Series 2024A	Total
Bonds Payable	\$ 505,000	\$ 1,550,000	\$ 1,245,000	\$ 1,405,000	\$ 1,400,000	\$ 1,240,000	\$ 1,875,000	\$ 5,755,000	\$ 2,220,000	\$ 7,725,000	\$ 24,920,000
Future Interest Payable	80,928	135,719	106,670	218,588	228,081	157,350	183,861	1,142,300	804,325	2,395,320	5,453,142
Totals	<u>\$ 585,928</u>	<u>\$ 1,685,719</u>	<u>\$ 1,351,670</u>	<u>\$ 1,623,588</u>	<u>\$ 1,628,081</u>	<u>\$ 1,397,350</u>	<u>\$ 2,058,861</u>	<u>\$ 6,897,300</u>	<u>\$ 3,024,325</u>	<u>\$ 10,120,320</u>	<u>\$ 30,373,142</u>
Payments to Maturity:											
2025	\$ 53,815	\$ 336,937	\$ 169,110	\$ 183,125	\$ 166,263	\$ 123,255	\$ 170,462	\$ 383,975	\$ 183,025	\$ 316,696	\$ 2,086,663
2026	52,895	337,712	171,160	183,850	167,438	130,255	172,612	381,756	203,150	1,090,626	2,891,454
2027	56,918	332,881	168,160	179,500	163,538	127,105	169,712	384,331	202,525	1,219,126	3,003,796
2028	55,725	337,325	170,110	179,963	164,562	128,880	171,762	381,700	201,650	1,222,126	3,013,803
2029	59,300	340,863	167,010	180,158	165,437	126,130	173,713	378,932	200,525	1,212,875	3,004,943
2030	62,725	-	168,860	180,117	161,237	128,880	170,613	380,956	204,025	1,211,375	2,668,788
2031	56,150	-	170,445	179,754	156,950	126,580	173,102	383,850	202,150	320,125	1,769,106
2032	59,575	-	166,815	179,058	162,418	129,170	171,103	382,700	204,900	320,125	1,775,864
2033	62,850	-	-	178,062	157,638	126,650	173,908	386,400	202,275	319,625	1,607,408
2034	65,975	-	-	-	162,600	124,070	171,515	384,950	205,100	318,625	1,432,835
2035	-	-	-	-	-	126,375	168,999	383,400	203,400	323,200	1,205,374
2036	-	-	-	-	-	-	171,360	381,750	201,500	323,400	1,078,010
2037	-	-	-	-	-	-	-	384,950	204,300	323,200	912,450
2038	-	-	-	-	-	-	-	383,000	201,800	322,600	907,400
2039	-	-	-	-	-	-	-	385,900	204,000	316,700	906,600
2040	-	-	-	-	-	-	-	383,650	-	325,300	708,950
2041	-	-	-	-	-	-	-	381,300	-	318,400	699,700
2042	-	-	-	-	-	-	-	383,800	-	316,200	700,000
Total	<u>\$ 585,928</u>	<u>\$ 1,685,719</u>	<u>\$ 1,351,670</u>	<u>\$ 1,623,587</u>	<u>\$ 1,628,081</u>	<u>\$ 1,397,350</u>	<u>\$ 2,058,861</u>	<u>\$ 6,897,300</u>	<u>\$ 3,024,325</u>	<u>\$ 10,120,324</u>	<u>\$ 30,373,144</u>

**CITY OF GRAND RAPIDS, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
GENERAL OBLIGATION IMPROVEMENT
DECEMBER 31, 2024**

	2009C Improvement Bonds	2010A Improvement Bonds	2011B Improvement Refunding Bonds	2012A Improvement Bonds	2012B Improvement Bond	2014A Improvement Bonds	Total
Bonds Payable	\$ 365,000	\$ 130,000	\$ 230,000	\$ 650,000	\$ 920,000	\$ 1,015,000	\$ 3,310,000
Future Interest	9,673	4,713	4,713	43,063	35,134	81,305	178,601
Totals	<u>\$ 374,673</u>	<u>\$ 134,713</u>	<u>\$ 234,713</u>	<u>\$ 693,063</u>	<u>\$ 955,134</u>	<u>\$ 1,096,305</u>	<u>\$ 3,488,601</u>
Payments to Maturity:							
2025	\$ 374,673	\$ 68,534	\$ 81,007	\$ 173,607	\$ 319,112	\$ 239,230	\$ 1,256,163
2026	-	66,177	78,701	173,488	316,926	169,775	805,067
2027	-	-	81,260	173,207	319,095	170,885	744,447
2028	-	-	-	172,763	-	171,710	344,473
2029	-	-	-	-	-	172,240	172,240
2030	-	-	-	-	-	172,465	172,465
Totals	<u>\$ 374,673</u>	<u>\$ 134,711</u>	<u>\$ 240,968</u>	<u>\$ 693,065</u>	<u>\$ 955,133</u>	<u>\$ 1,096,305</u>	<u>\$ 3,494,855</u>

CITY OF GRAND RAPIDS, MINNESOTA
TAXABLE VALUATIONS
DECEMBER 31, 2024

	2025 Tax Capacity Values	2024 Tax Capacity Values
Taxable Valuations:		
Real Estate	\$ 13,050,751	\$ 12,569,690
Personal Property	764,615	716,391
Net Tax Capacity	13,815,366	13,286,081
Less: Captured Tax Increment Value	(374,628)	(523,923)
Fiscal Disparities Contributions	(1,377,931)	(1,198,566)
Taxable Net Tax Capacity	\$ 12,062,807	\$ 11,563,592

**CITY OF GRAND RAPIDS, MINNESOTA
SCHEDULE OF DEFERRED TAX LEVIES
GENERAL OBLIGATION BONDS
DECEMBER 31, 2024**

Year of Levy/ Collection	Supplemental Improvement Bond Levy ⁽¹⁾	\$1,750,000 Improvement and CIP Bonds Series 2010A	\$1,555,000 Improvement & Refunding Bonds Series 2011B	\$2,245,000 Improvement Bonds Series 2012A	\$4,025,000 Improvement Bonds Series 2013B	\$3,000,000 Improvement Bonds Series 2014A	\$2,170,000 GO Street Reconst Bonds Series 2016A	\$2,130,000 GO Street Reconst Bonds Series 2017A
2024/2025	\$ (80,000)	\$ 55,486	\$ 56,792	\$ 124,376	\$ 109,510	\$ 162,032	\$ 153,334	\$ 172,237
2025/2026	(80,000)	-	60,309	124,165	104,522	163,345	150,184	167,670
2026/2027	(55,000)	-	-	123,784	109,864	164,363	152,284	168,353
2027/2028	(10,000)	-	-	-	113,854	165,077	149,029	168,641
2028/2029	-	-	-	-	-	165,476	151,024	168,765
2029/2030	-	-	-	-	-	-	152,914	168,555
2030/2031	-	-	-	-	-	-	149,102	168,001
2031/2032	-	-	-	-	-	-	-	167,093
2032/2033	-	-	-	-	-	-	-	-
2033/2034	-	-	-	-	-	-	-	-
2034/2035	-	-	-	-	-	-	-	-
2035/2036	-	-	-	-	-	-	-	-
2036/2037	-	-	-	-	-	-	-	-
2037/2038	-	-	-	-	-	-	-	-
2038/2039	-	-	-	-	-	-	-	-
2039/2040	-	-	-	-	-	-	-	-
2040/2041	-	-	-	-	-	-	-	-
Total	<u>\$ (225,000)</u>	<u>\$ 55,486</u>	<u>\$ 117,101</u>	<u>\$ 372,325</u>	<u>\$ 437,750</u>	<u>\$ 820,293</u>	<u>\$ 1,057,871</u>	<u>\$ 1,349,315</u>

(1) This column represents decreased levies which were approved to eliminate projected cash surpluses in various Debt Service Funds.

**EXHIBIT 5
(CONTINUED)**

**CITY OF GRAND RAPIDS, MINNESOTA
SCHEDULE OF DEFERRED TAX LEVIES
GENERAL OBLIGATION BONDS (CONTINUED)
DECEMBER 31, 2024**

Year of Levy/ Collection	\$1,960,000 GO Street Reconst Bonds Series 2018A	\$1,585,000 Improvement Bonds Series 2019A	\$2,275,000 GO Street Reconst Bonds Series 2020A	\$6,255,000 GO CIP/ Abatement 2021B	\$2,220,000 GO Street Reconst Bonds Series 2023A	\$7,725,000 GO Refunding Abatement Series 2024A	\$345,000 GO Equip Certificate Bonds Series 2024B	Total
2024/2025	\$ 143,953	\$ 63,421	\$ 166,191	\$ 404,670	\$ 205,900	\$ -	\$ 65,223	\$ 1,737,902
2025/2026	140,690	135,114	163,331	407,518	215,670	315,463	62,107	2,067,981
2026/2027	142,677	137,057	165,720	404,828	214,883	317,562	64,995	2,046,375
2027/2028	144,507	133,591	168,005	401,992	213,832	313,888	62,370	1,962,416
2028/2029	140,929	136,532	164,935	404,263	217,770	309,950	59,745	1,859,644
2029/2030	137,351	134,116	167,115	406,245	215,933	311,250	62,370	1,693,479
2030/2031	144,089	136,952	165,283	405,090	219,082	311,512	60,060	1,699,111
2031/2032	139,999	134,305	168,534	409,080	216,458	311,250	-	1,546,719
2032/2033	146,213	131,660	166,293	407,610	218,820	305,463	-	1,376,059
2033/2034	-	134,137	163,879	406,035	217,140	309,400	-	1,230,591
2034/2035	-	-	166,628	404,355	215,250	309,820	-	1,096,053
2035/2036	-	-	-	407,820	218,400	304,820	-	931,040
2036/2037	-	-	-	405,825	215,880	304,400	-	926,105
2037/2038	-	-	-	408,975	218,400	298,310	-	925,685
2038/2039	-	-	-	406,665	-	302,760	-	709,425
2039/2040	-	-	-	404,250	-	295,620	-	699,870
2040/2041	-	-	-	406,980	-	293,520	-	700,500
Total	<u>\$ 1,280,408</u>	<u>\$ 1,276,885</u>	<u>\$ 1,825,914</u>	<u>\$ 6,902,201</u>	<u>\$ 3,023,418</u>	<u>\$ 4,914,988</u>	<u>\$ 436,870</u>	<u>\$ 23,208,955</u>