

Annual Comprehensive Financial Report For the Fiscal Year Ended December 31, 2024

City of Big Lake, Minnesota

160 Lake Street North, 763-263-2107, www.biglakemn.org





City of Big Lake
Sherburne County, Minnesota

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024



Prepared by

THE FINANCE DEPARTMENT

Deb Wegeleben, Finance/HR Director
Lisa Miller, Payroll Accountant/Deputy City Clerk
Julie Rathmanner, Finance Assistant



**City of Big Lake
Table of Contents**

Introductory Section

Letter of Transmittal	3
GFOA Certificate of Achievement	9
City Officials	10
City Management	11
City Organizational Chart - by Services	12
Vision, Tag Line and Mission Statement	13

Financial Section

Independent Auditor's Report	17
Management's Discussion and Analysis	23
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	48
Statement of Activities	51
Fund Financial Statements	
Balance Sheet - Governmental Funds	52
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds	55
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	56
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Funds	58
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	59
Statement of Net Position - Proprietary Funds	60
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	61
Statement of Cash Flows - Proprietary Funds	62
Notes to the Basic Financial Statements	63
Required Supplementary Information	
Schedule of City's Proportionate Share of Net Pension Liability - General Employees Retirement Fund	98
Schedule of City's Proportionate Share of Net Pension Liability - Public Employees Police and Fire Retirement Fund	98
Schedule of City Contributions - General Employees Retirement Fund	99
Schedule of City Contributions - Public Employees Police and Fire Retirement Fund	99
Notes to Required Supplementary Information	100
Combining and Individual Fund Financial Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	116
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	122
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Economic Development Authority	124
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Farmers Market	125

**City of Big Lake
Table of Contents**

Financial Section (Continued)

Combining and Individual Fund Financial Statements and Schedules (Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Music in the Park	126
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - American Rescue Plan Special Revenue Fund	127

Statistical Section (Unaudited)

	Table	Page
Net Position by Component	1	132
Change in Net Position	2	134
Fund Balances of Governmental Funds	3	138
Change in Fund Balances of Governmental Funds	4	140
General Governmental Activities Tax Revenue by Source	5	142
Tax Capacity, Market Value and Estimated Actual Value of Taxable Property	6	144
Property Tax Capacity Rates - Direct and Overlapping Governments	7	147
Principal Property Taxpayers	8	148
Property Tax Levies and Collections	9	150
Ratios of Outstanding Debt by Type	10	152
Ratios of Net General Bonded Debt	11	154
Computation of Direct and Overlapping Governmental Activities	12	155
Legal Debt Margin Information	13	156
Pledged-Revenue Coverage - Utility Revenue Bonds	14	158
Demographic and Economic Statistics	15	159
Top Employers	16	160
Full-Time Equivalent City Government Employees by Function	17	161
Operating Indicators by Functions	18	162
Capital Assets Statistics by Function	19	165



INTRODUCTORY SECTION



Letter of Transmittal



May 16, 2025

Honorable Mayor, Members of the City Council, and the Citizens of the City of Big Lake:

The City is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Big Lake, Minnesota (the City) for the fiscal year ended December 31, 2024. The purpose of the report is to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with useful information concerning the City's operations and financial position.

This report was prepared by the City's Finance Department. Management assumes full responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, supporting schedules, and statistical tables contained in this report, based upon a comprehensive framework of internal control that has been established. To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's ACFR has been audited by BerganKDV, 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 for the fiscal year ended December 31, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2023 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The preparation of this ACFR is a requirement of state law. Also, the ACFR is required by bond rating agencies before they will rate the City's bonds. The report can be used by the City Council and residents of the City to gain a better understanding of the financial condition of the City.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

The organization, form and contents of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accounts, and the Minnesota Office of the State Auditor.

Profile of the City of Big Lake

The City of Big Lake is one of the youngest and fastest growing Cities in the State of Minnesota. Located a short drive northwest of Minneapolis/St. Paul, Big Lake has long been a popular destination for quick escapes from the City for summer recreation. That same proximity now allows residents to commute to the Minneapolis/St. Paul urban area for work while enjoying the natural beauty of a “beyond the suburbs” community, with Interstate 94 and Highway 10 connecting the City of Big Lake to the Minneapolis/St Paul Metro Area as well as the St Cloud Area. It was incorporated in 1898 and covers 7.85 square miles.

The City is categorized as a 501(a) entity by IRS code and operates under a Plan A Statutory City with a City Council/City Administrator form of government. Policy making and legislative authority are vested in a governing council consisting of a Mayor and four Council Members elected at large on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The Mayor is elected to a four-year term. The City Administrator is responsible for overseeing the day-to-day operations of the government, and to assign responsibility to City staff for the efficient and effective delivery of City Services. Currently the City has 48 Full-time positions, 19 part-time as well as 7 seasonal employees.

The Economic Development Authority (EDA) of the City was created in 1997 pursuant to Minnesota Statute Chapter 469 to carry out economic and industrial development and redevelopment consistent with policies established by the Council. Its board is comprised of two City Council members and five appointed at-large members. Although legally separate, the EDA is reported as if it were part of the primary government as for all practical purposes the EDA functions as a department of the City. In addition, any outstanding debt of the EDA is expected to be repaid almost entirely with recourses of the primary government.

The City provides a full range of municipal services to its citizens. This includes police services, fire protection services under a joint power agreement, zoning and code enforcement, municipal planning, building inspection, community development, recreational and cultural activities, the construction and maintenance of streets and other infrastructure, snow removal, fleet and equipment maintenance, parks and lake maintenance, provision of water, wastewater collection and treatment, and stormwater collection and treatment. The City has internal general government operations including administration, finance/accounting, human resources, and information systems to support the various services provided. The City also operates a municipal liquor store, Lake Liquors, located at 615 Rose Drive.

Financial planning and control for the City of Big Lake is based on the Annual Operating Budget and the multi-year Capital Improvement Program. Under Minnesota Statutes, a preliminary property tax levy must be adopted no later than September 30 of each year. This establishes a maximum levy that may be subsequently lowered, but not raised prior to the final tax levy that must be adopted in December of each year. The need to adopt a preliminary levy in September requires that a preliminary budget be prepared.

The Finance Director, with the assistance of the City Administrator and Department Directors, prepares the annual budget to present to the City Council, prior to the consideration of the preliminary tax levy. In

addition, the City Council reviews the recommended rates and charges for utilities funds and other operations on an annual basis as part of the budget process. Citizens receive a notice of taxes proposed for their individual properties in November based on the preliminary levies established by all taxing jurisdictions. All Citizens are invited to a public meeting in each taxing jurisdiction to review the preliminary levies. The City's meeting includes information about the proposed budget, the property tax levy, and the priorities of the City Council for the coming year as reflected in the proposed budget. Public comment is received and considered at this meeting. The City Council is required to adopt a final property tax levy and operating budgets by late December for the subsequent year.

The budget is prepared by fund (e.g. general), function (e.g. public safety), and department (e.g. police). Department heads are allowed to make administrative budget amendments (excluding personnel services) throughout the year if the total department budget does not change and the amendment is approved by the City Administrator and Finance Director. The legal level of budgetary control is the department level in the General Fund and fund level in all other funds. Budget amendments to the total budgeted expenditures require City Council approval. Transfers of appropriations between funds require the approval of the City Council.

In addition, the Capital Improvement Plan is reviewed and revised during the budget process each year. This plan includes projects for which the City may issue debt or fund with internal cash reserves. These projects will also indicate any future increase to the operational budgets for planning purposes.

Financial Planning and the Local Economy

The City's taxable market value is \$1,377,418,539 for taxes payable 2025, which is a decrease of \$8,662,336 or 1% from 2023. The net tax capacity of the City is estimated at \$14,881,185 a decrease of \$186,219 or 1%. The decrease is due to the change in the homestead exclusion calculation. The City's tax rate is estimated to increase by 2.352% to 39.592%, this tax rate is below the average of 47.4496% for Sherburne County. The impact on taxpayers for the average home in the City of Big Lake with a value of \$375,000 was projected at \$40, which was a \$3.30 a month increase. This was assuming the value of the parcel decreased by 1% due to the increase in the Homestead Exclusion calculate, which was the average for residential homes in the City of Big Lake. In 2023 the median value of an owner-occupied housing unit was \$291,700, compared to Sherburne County of \$332,700 and to the United States of \$303,400. The median household income in 2023 was \$113,333 for the City of Big Lake compared to Sherburne County of \$101,214 and to the United States of \$78,538.

Big Lake tax base majority is residential; however Big Lake has seen new growth in the commercial base. Total market value has fluctuated over the past 14 years. The total taxable market value has increased 126% over the last fifteen years from \$727 million in 2010 to \$1.386 billion in 2023 (for 2024 Taxes Payable). In years 2011-2014, market value growth decreased by 31.05%, then in 2015 market values increased by 10.45%. In the next five years 2016-2020, market values increased by 38.30%. In 2021 market values increased by 7.73%, and for 2022 the market values increased by 9.44%. For 2023 market values across the States increased substantially, for Sherburne County the projected valuation increase was 30%. For Big Lake the increase in market value was 29%, with about 3.13% contributed to new construction. For 2024, the market values increased approximately 9%. The information used to determine the market value would have been the new construction, improvements to existing property and the sales of property from October 2021 to September 30,2022. In addition, the market values must be within 90% - 105% of the actual sales

prices made during the same time frame. For 2025 Taxes Payable (2024 assessed values) there will be a decrease to market values due to the changes by legislation to the Homestead Exclusion in 2024. Staff does believe that the assessed values in 2025 for the 2026 Taxes Payable will remain flat.

While property tax revenue provides a significant share of the City's revenue, the other major revenue sources are the transfer from the Liquor Store of \$450,000 (budgeted each year), franchise fees, licenses and permits, along with state aid for street maintenance and police state aid. The City does not budget for the local government aid (LGA) received from the state in the General Fund, instead this aid is allocated to the City's capital improvement funds for the funding of capital equipment and projects. In addition, the City has budgeted conservatively over the years, resulting in very modest growth in the property tax levy. The City continues to look for other funding sources to maintain the modest growth in the property tax levy.

Past utility infrastructure investments have prepared Big Lake for capacity expansion for years to come and have created unique opportunities to reduce risk for developers. Multiple sites have been certified under the Shovel Ready program that offer public utilities, three phased electricity, along with a high-speed fiber broadband connection.

Established and prospective businesses will have a positive development and/or expansion experience including: a welcoming and friendly relationship with City staff, local and regional financial incentives, a workforce with Midwest talent and ethics, variety of housing types, strong school district, access to a full-service community hospital and opportunity to participate in many exciting community events that Big Lake has found to be successful.

Big Lakes population is approximately 12,610 and is primarily young families with a median age of 31 years. Big Lake values the quality of life that its residents have come to love. Big Lake ensures quality of life by actively enhancing community cohesiveness, cultural events, parks and natural resources, technology advancements, and financial transparency. Big Lake's population is an ideal workforce – prosperous, family-oriented, and highly educated. It also supports a robust partnership with the Big Lake School District.

Engaged Big Lake citizens find ideal recreational opportunities in 19 well-appointed and maintained City parks, 20 miles of hiking and biking trails, and a beautiful swimming beach. Weekly Farmer's Market and Music in the Park events highlight the summer season; similar community gatherings are scheduled year-around

Debt Administration

As of December 31, 2024, the City's outstanding debt total is \$18,691,545. This includes \$11,676,000 supported by a debt tax levy and special assessments, \$6,708,000 supported by revenues (utilities fees) from the Water and Wastewater funds and \$307,545 that are lease liabilities and finance purchases.

In 2022 S&P Global Ratings affirmed its 'AA' rating on Big Lake, Minn.'s general obligation (GO) debt. The rationale for S&P was that the economy has been largely resilient during the pandemic with a mix of new residential and commercial building or expansion over the past year that management expects to continue based on demand need for single family and affordable housing and both residential and commercial development proposals, which should extend the steady growth trend for the City's major revenue sources in our view given the ebbing pandemic and overall economic outlook. Given these trends in parallel with the ongoing economic development and a management team we view as strong, S&P believes the credit will remain stable over the outlook horizon.

The 'AA' rating reflects S&P view of the City's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with "strong" financial policies and practices under S&P Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with operating results that we expect could weaken in the near term relative to fiscal 2020, which closed with operating surpluses in the general fund and at the total governmental fund level in fiscal 2020;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2020 of 91% of operating expenditures;
- Very strong liquidity, with total government available cash at 1.7x total governmental fund expenditures and 7.2x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability profile, with debt service carrying charges at 23.9% of expenditures and net direct debt that is 153.9% of total governmental fund revenue, but rapid amortization, with 93.8% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

City Initiatives

In recent years, the City has conducted several long-term strategic planning studies to shape its future development and redevelopment including the Comprehensive Plan, Parks Master Plan and strategic updates. These plans are guiding documents that are periodically reviewed and updated.

The City of Big Lake's Economic Development Authority (EDA) initiated a branding campaign and identity design project in 2023, with the help of the community, to market Big Lake. The campaign aims to generate community pride and foster a stronger sense of place. This initiative will continue to support the City's marketing efforts while establishing a cohesive visual identity.

In addition, the EDA has purchased prime property in the downtown area for a future redevelopment project, which will include the site where the current City Hall is located. The EDA also acquired approximately five acres of land as a potential site for a new City Hall. Staff and the City Council are in the early stages of determining the scope of the new City Hall facility.

The City is also in the preliminary stages of a major expansion to the wastewater treatment facility. This expansion is necessary to accommodate the City's ongoing development and future growth. The Facility Plan is scheduled for approval in 2025, with construction anticipated to take place from 2027 through 2028. The City is actively seeking state and federal appropriation funding to help finance the project.

In 2024, the City Council and staff reviewed the City's Vision, Objectives, and Goals. This ongoing process ensures that the City continues to provide the highest level of service to its taxpayers. The Council and staff remain strong supporters of local community organizations and businesses. We encourage everyone to **Live Big!** by enjoying Big Lake's many amenities and choosing local options for goods and services.

Internal Control

The management of the City is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and that adequate and accurate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The City's internal controls are designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of cost and benefit requires estimates and judgments by management. The City's internal controls are subject to periodic evaluation by management and the finance department staff

of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose.

Budget Controls

The City maintains budgetary controls to assure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The activities of the General Fund are included in the annual appropriated budget. The level of the budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established by department within the General Fund, and at fund level in all other funds. The City Council adopts a one year and four-year concept budget (to be used for planning purposes only) for the General Fund, the special revenue funds, and the enterprise funds each year. The City also adopts a ten-year Capital Improvement Plan as a financial planning document for major purchases and projects. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

The City has legally adopted budgets for the General Fund, and Big Lake Economic Authority special revenue fund. Expenditures may not legally exceed budgeted appropriations at the total fund level. Any amounts over budget would need to be approved by the City Council, either through a budget amendment or disbursement process. Although the City is not legally required to adopt annual budgets for the remainder of special revenue funds, it does as a means of implementing an entity-wide view of the City's finances, all of which are included in the City's Annual Comprehensive Financial Report (ACFR) and Long-Term Financial Plan, which is updated annually.

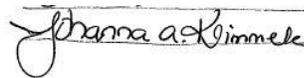
Acknowledgements

The 2024 ACFR meets the highest professional standards and was prepared in a timely and cost-effective manner. We wish to express our appreciation to the Finance Department staff for their diligent work in preparing this report. The preparation of this report would not have been possible without the cooperation and support from other City departments and with the helpful guidance and assistance from our auditing firm BerganKDV. We also wish to thank the Mayor and members of the City Council for support in planning and conducting the financial operations of the City in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully Submitted,



Deb Wegeleben
City Finance Director



Hanna Klimmek
City Administrator

City of Big Lake
Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Big Lake
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

City of Big Lake
City Officials



Left to Right, Front to Back

Councilmember Kim Noding - Term Expires 12/31/2026

Councilmember Sam Hanson - Term Expires 12/31/2024

Councilmember Paul Seefeld - Term Expires 12/31/2024

Mayor Paul Knier - Term Expires 12/31/2024

Councilmember Ken Halverson - Term Expires 12/31/2026

**City of Big Lake
City Management**

Position	Name
City Administrator	Hanna Klimmek
City Clerk	Gina Wolbeck
Finance Director	Deb Wegeleben
Community Development Director	Marie Pflipsen
Chief of Police	John Kaczmarek
Fire Chief - Paid on Call	Seth Hansen
City Engineer	Layne Otteson
Streets/Parks/Fleet Superintendent	Norm Michels
Water/Wastewater Superintendent	Dan Childs
Liquor Store Manager	Greg Zurbey

Professional Services

Position	Name
City Attorney	Campbell Knutson, P.A.
Financial Advisor	Northland Securities, Inc.
Information Technology Services	Sherburne County Sheriff IT Dept

City of Big Lake Organizational Chart



City of Big Lake
Vision, Tag Line and Mission Statement

Vision

Big Lake is vibrant, active, and safe community that focuses on excellence in service while promoting balanced growth through responsible leadership

Community Slogan

Live Big!

Mission Statement

Provide responsible governance through respect and trust while enhancing partnerships within the community and establish reasonable service expectations to meet the needs of the residents and business owners.







FINANCIAL SECTION





Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Big Lake
Big Lake, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Lake, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Big Lake's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Lake, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Big Lake 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.

Responsibilities of Management for the Financial Statements

The City of Big Lake's 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.

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 Big Lake's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the City of Big Lake's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Big Lake's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Big Lake's basic financial statements. The accompanying Combining and Individual Fund Financial Statements and Schedules identified in the Table of Contents 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is 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 Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2025, on our consideration of the City of Big Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Big Lake's internal control over financial reporting and compliance.

BerganKDV, Ltd.

St. Cloud, Minnesota
May 16, 2025





Management's Discussion and Analysis



City of Big Lake Management's Discussion and Analysis

As management of the City of Big Lake (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 in December 31, 2024. We encourage readers to consider the information presented here.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows resources at the close of the most recent fiscal year by \$84,637,581. Of this amount, \$20,549,178 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased \$5,924,012 from the prior year. Of the increase, 57% was attributable to governmental activities and 43% to business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,229,652, a decrease of \$167,557 from the previous year. The decrease can be attributed to the transfer from the American Rescue Act Fund to the Water Enterprise Fund in the amount of \$961,322 for the completion of the water meter project. The City acquired a new ladder truck for the fire department, to which the City prepaid \$1,217,095 at the time of the order. In addition, the City continues to improve and repair the city's streets each year. The street projects beginning in 2024 are financed with prior years' transfers from the general fund to the capital improvement funds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,644,218 (not including those funds that are designed for specific purposes) or 73%, of the total General Fund expenditures not including transfers out. When transfers out to other funds are included, the unassigned fund balance is at 63%.
- The City's total bonded debt decreased by \$3,784,923 during the current fiscal year. In 2024, there was no new debt issued. The total outstanding bonded debt is \$18,691,884, of which \$11,794,590 is governmental activities and supported by the Debt Levy and Special Assessments. The remaining \$6,897,294 is contributed to business-type activities. Total bond indebtedness is down by 17% compared to 2023. The decrease was a result of the scheduled debt service payments.
- In 2022, the City implemented GASB 87, which is the recording of leased liabilities. For 2024, the total leased liabilities for the City is \$271,154, of which 30% or \$81,860 is for the leased office equipment of the general government and the remaining \$189,294 or 70% is for the leased land with the railroad for the water and sewer infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

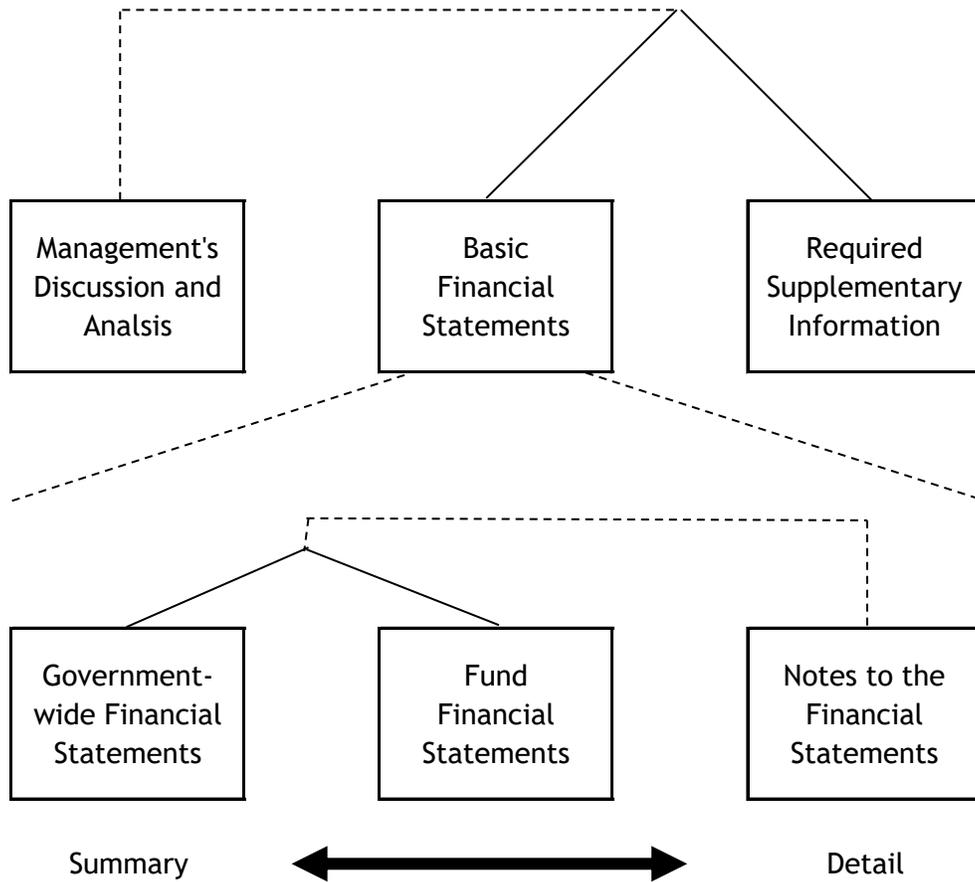
This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explain and support the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and related to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor government funds, which are added together and presented in single columns in the basic financial statements.

**FIGURE 1
REQUIRED COMPONENTS OF
THE ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City Government they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each statement.

**FIGURE 2
MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Prioprietary Funds
Scope	Entire City government (except fuduciary funds) and the City's component units	The activities of the City that are ot proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resoures information	All deferred outflows/inflows of resources, regardless of when case is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government'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 the 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 (uncollected taxes and earned but unused vacation and sick 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, streets and highways, economic development, culture and recreation and interest/fiscal charges on long term debt. The business-type activities of the City include water, wastewater(sewer), storm sewer and liquor operations.

The government-wide financial statements include the City itself (known as the primary government). The Economic Development Authority (EDA), although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included within the general government activities of the primary government.

The government-wide financial statements can be found on pages 48-51 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 two categories: governmental funds and proprietary 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 financing requirements.

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds (Continued)

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 government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 33 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund as it is considered a major fund and for the Capital Project/Street Improvement Fund, and the Capital Project/Infrastructure Improvement Fund, and the Capital Project/Equipment and Building Replacement Fund, and the GO Improvement Bonds 2021A Debt Service Fund and for the GO Improvement Bonds 2022A Debt Service Fund. Data from the other 27 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 52-59 of this report

Proprietary Funds

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 water, sewer, storm sewer, and liquor operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, storm sewer and liquor operations, all of which are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 60-62 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Financial Statements can be found on pages 63-96 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary pertaining to the net pension liability can be found on pages 98-107.

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements and required supplementary information. Combining and individual fund statements and schedules can be found on pages 110-127 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 and deferred outflows or resources exceeded liabilities and deferred inflows of resources by \$84,637,581 at the close of the most recent fiscal year.

Approximately 67% of the City's net position reflect its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to 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 the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$20,549,178 may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Analysis (Continued)

At the end of the current fiscal year, the City was able to report positive balances in all categories of the governmental activities and business-type activities.

City of Big Lake's Net Position									
	Governmental Activities			Business-type Activities			Total		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Assets									
Current and Other Assets	\$ 20,886,544	\$ 22,446,927	\$ (1,560,383)	\$ 13,279,521	\$ 12,361,981	\$ 917,540	\$ 34,166,065	\$ 34,808,908	\$ (642,843)
Capital Assets	36,916,316	35,628,356	1,287,960	39,662,665	39,723,886	(61,221)	76,578,981	75,352,242	1,226,739
Total Assets	57,802,860	58,075,283	(272,423)	52,942,186	52,085,867	856,319	110,745,046	110,161,150	583,896
Deferred Outflows of Resources Deferred									
Pension Resources	2,174,654	2,775,209	(600,555)	144,602	302,168	(157,566)	2,319,256	3,077,377	(758,121)
Liabilities									
Long-term Liabilities									
Outstanding	12,600,336	14,956,447	(2,356,111)	6,427,141	8,080,960	(1,653,819)	19,027,477	23,037,407	(4,009,930)
Other Liabilities	3,347,218	5,096,431	(1,749,213)	2,127,506	2,487,656	(360,150)	5,474,724	7,584,087	(2,109,363)
Total Liabilities	15,947,554	20,052,878	(4,105,324)	8,554,647	10,568,616	(2,013,969)	24,502,201	30,621,494	(6,119,293)
Deferred Inflows of Resources									
Deferred pension resources	2,679,032	2,745,638	(66,606)	517,045	361,022	156,023	3,196,077	3,106,660	89,417
Deferred lease resources	184,423	236,472	(52,049)	544,020	560,332	(16,312)	728,443	796,804	(68,361)
Total Deferred Inflows of Resources	2,863,455	2,982,110	(118,655)	1,061,065	921,354	139,711	3,924,520	3,903,464	21,056
Net Position									
Net Investment in Capital									
Assets	24,410,923	21,707,652	2,703,271	32,645,651	30,931,195	1,714,456	57,056,574	52,638,847	4,417,727
Restricted	7,031,829	7,694,753	(662,924)	-	-	-	7,031,829	7,694,753	(662,924)
Unrestricted	9,723,753	8,413,099	1,310,654	10,825,425	936,000	9,889,425	20,549,178	9,349,099	11,200,079
Total Net Position	\$ 41,166,505	\$ 37,815,504	\$ 3,351,003	\$ 43,471,076	\$ 40,898,065	\$ 2,573,011	\$ 84,637,581	\$ 78,713,569	\$ 5,924,014
Net Position as a Percent of Total									
Net Investment in									
Capital Assets	59%	57%		75%	82%		67%	67%	
Restricted	17%	20%		0%	0%		8%	10%	
Unrestricted	24%	22%		25%	26%		24%	23%	

The City's net position increased by \$5,924,012 during the current fiscal year. Of this increase, governmental activities increased the City's net position by 57% or \$3,351,001 and business type activities increased by \$2,573,011 or 44%. The City's total other liabilities decreased by \$2,109,363, for governmental activities the decrease was \$1,749,213. The business type activities had a decrease in other liabilities of \$360,150. Long-term liabilities decreased by \$4,009,930, this reflects the decrease in net pension liability, the reduction on debt due to the yearly scheduled debt payment, as well as escrow payables for those funds previously held for public improvements that were to be completed by developers as part of the development agreement and unearned revenue. The American Rescue Plan Act funds that were received in 2021 and 2022 were budgeted for the replacement of water meters within the community and that project began in 2023.

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities

As shown in the table below, Governmental activities revenues decreased by \$1,609,638 in 2024, reducing the City's net position. This decline was primarily due to lower Capital Grants and Contributions, State Aid, and Charges for Services. The decrease in Capital Grants and Contributions was driven by a drop in special assessments for street projects. The 2021 Street Project was certified to the County in 2022 for 2023 tax payables, while prepayments for the 2022 Street Project which was certified in 2023 for 2024 tax payables, was down. In 2023, the City received a one-time state aid of \$532,344 for Public Safety, designated for future police and fire capital equipment and police personnel costs. In 2024, the City experienced a positive fair value adjustment on its investments, along with increased investment earnings. The overall tax levy increased by 4.88% over 2023, resulting in higher property tax revenues. The City issued 27 new single-family building permits in 2024.

Additionally, new commercial and industrial developments included:

- Covenant Christian Academy
- LISI Medical expansion
- Goldenrod Glen Senior Apartments
- Rawr Organics
- MTL Companies

**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities

Overall, new residential and commercial/industrial development added \$44,812,157 to the City's property tax valuation in 2024.

	City of Big Lake's Change in Net Position								
	Governmental Activities			Business-type Activities			Total		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenue									
Program Revenues									
Charges for Services	\$ 1,006,995	\$ 1,148,619	\$ (141,624)	\$ 11,009,547	\$ 11,336,131	\$ (326,584)	\$ 12,016,542	\$ 12,484,750	\$ (468,208)
Operating Grants and Contributions	634,088	520,496	113,592	90,721	36,921	53,800	724,809	557,417	167,392
Capital Grants and Contributions	2,407,903	3,736,904	(1,329,001)	1,034,699	747,605	287,094	3,442,602	4,484,509	(1,041,907)
General Revenues									
Property Taxes and Tax Increment and Franchise Fees	6,049,695	6,032,796	16,899	-	-	-	6,049,695	6,032,796	16,899
State Aids	969,003	1,363,346	(394,343)	-	-	-	969,003	1,363,346	(394,343)
Unrestricted Investment Earnings	942,851	810,271	132,580	398,073	354,446	43,627	1,340,924	1,164,717	176,207
Other Income	40,649	48,390	(7,741)	-	9,975	(9,975)	40,649	58,365	(17,716)
Total Revenues	12,051,184	13,660,822	(1,609,638)	12,533,040	12,485,078	47,962	24,584,224	26,145,900	(1,561,676)
Expenses									
General Government	\$ 1,075,795	\$ 1,120,773	\$ (44,978)	\$ -	\$ -	\$ -	\$ 1,075,795	\$ 1,120,773	\$ (44,978)
Public Safety	3,655,270	3,541,163	114,107	-	-	-	3,655,270	3,541,163	114,107
Streets and Highways	1,897,287	2,317,949	(420,662)	-	-	-	1,897,287	2,317,949	(420,662)
Culture and Recreation	986,374	1,036,531	(50,157)	-	-	-	986,374	1,036,531	(50,157)
Economic Development	350,705	737,615	(386,910)	-	-	-	350,705	737,615	(386,910)
Interest on Long-Term Debt	265,236	319,346	(54,110)	-	-	-	265,236	319,346	(54,110)
Water	-	-	-	2,166,810	2,163,027	3,783	2,166,810	2,163,027	3,783
Sewer	-	-	-	2,968,555	2,966,902	1,653	2,968,555	2,966,902	1,653
Municipal Liquor	-	-	-	4,970,337	4,888,158	82,179	4,970,337	4,888,158	82,179
Storm Sewer	-	-	-	323,843	387,920	(64,077)	323,843	387,920	(64,077)
Total Expenses	8,230,667	9,073,377	(842,710)	10,429,545	10,406,007	23,538	18,660,212	19,479,384	(819,172)
Increase (Decrease) in Net Position before Transfers and Capital Contributions									
	3,820,517	4,587,445	(766,928)	2,103,495	2,079,071	24,424	5,924,012	6,666,516	(742,504)
Transfers									
	(469,516)	312,762	(782,278)	469,516	(312,762)	782,278	-	-	-
Increase (Decrease) in Net Position									
	3,351,001	4,900,207	(1,549,206)	2,573,011	1,766,309	806,702	5,924,012	6,666,516	(742,504)
Net Position - Beginning									
	37,815,504	32,915,297	4,900,207	40,898,065	39,131,756	1,766,309	78,713,569	72,047,053	6,666,516
Net Position - Ending									
	\$ 41,166,505	\$ 37,815,504	\$ 3,351,001	\$ 43,471,076	\$ 40,898,065	\$ 2,573,011	\$ 84,637,581	\$ 78,713,569	\$ 5,924,012

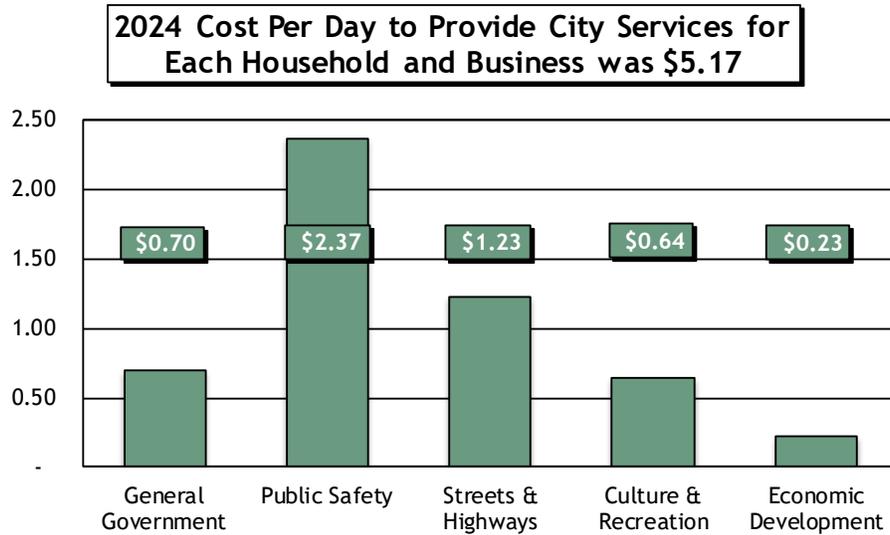
In 2024, the City of Big Lake was recognized as one of the 10 safest cities in Minnesota for populations between 10,000 and 20,000. That year, 45% of the total governmental activity's expenses were dedicated to public safety.

**City of Big Lake
Management's Discussion and Analysis**

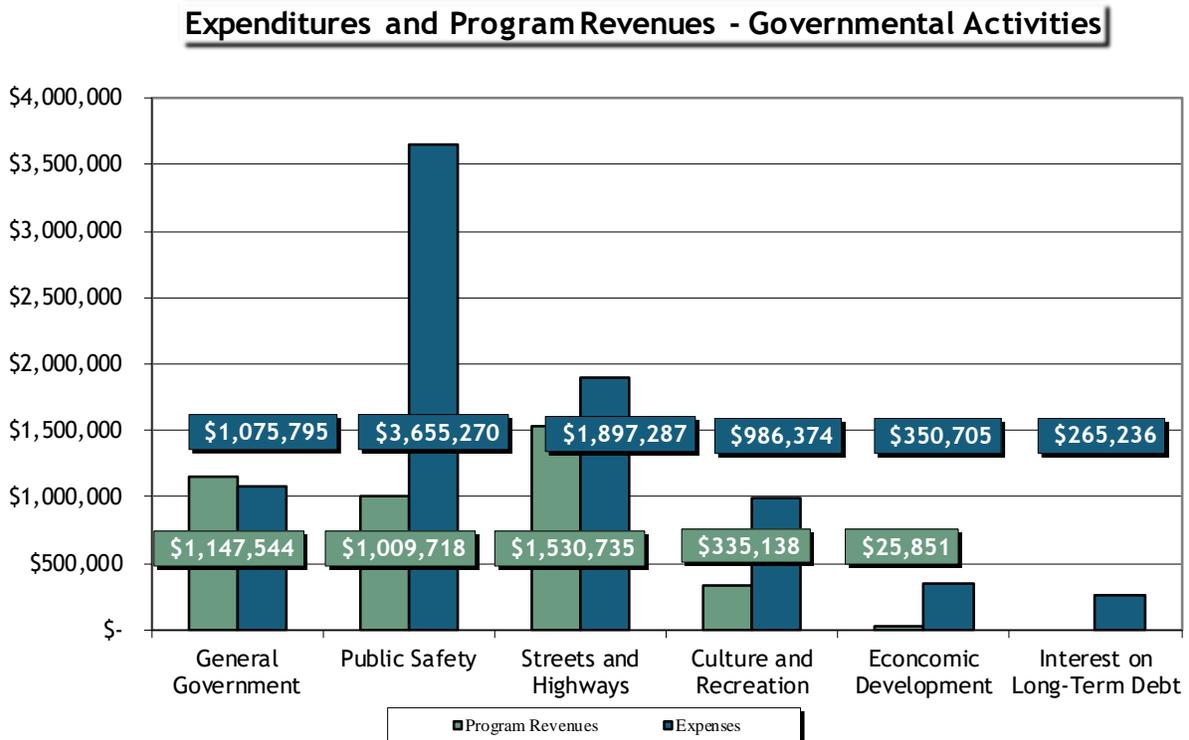
OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)

The cost to provide City services in 2024 was approximately \$5.17 per day for each household and business. This investment provides residents and businesses with exceptional public safety services, including the police, fire, and building departments, which contributed to Big Lake earning its **Safest City** recognition.



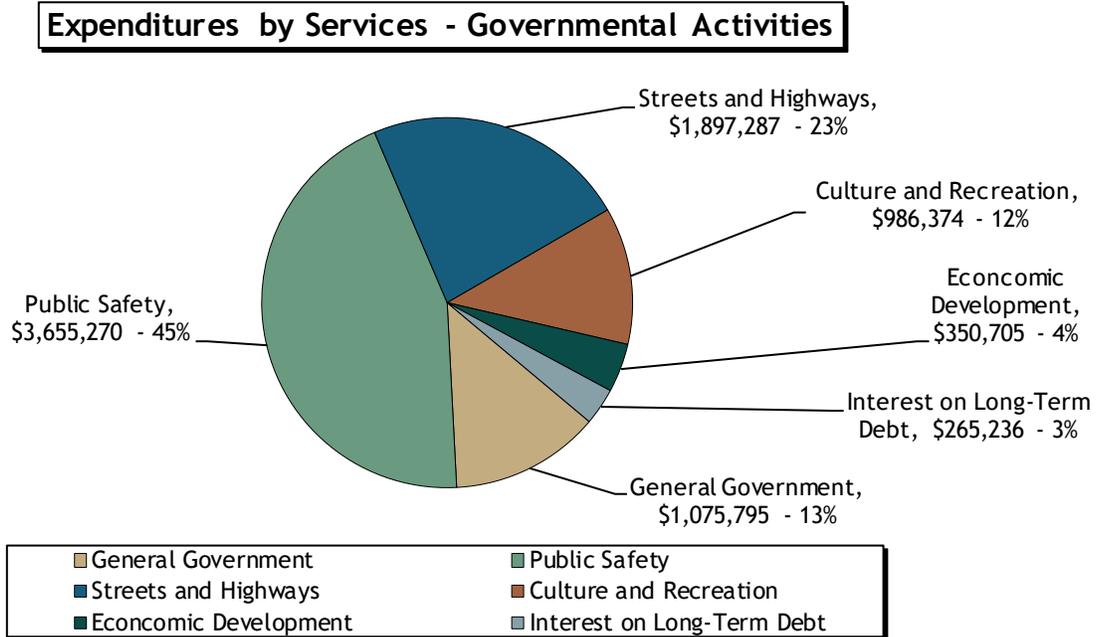
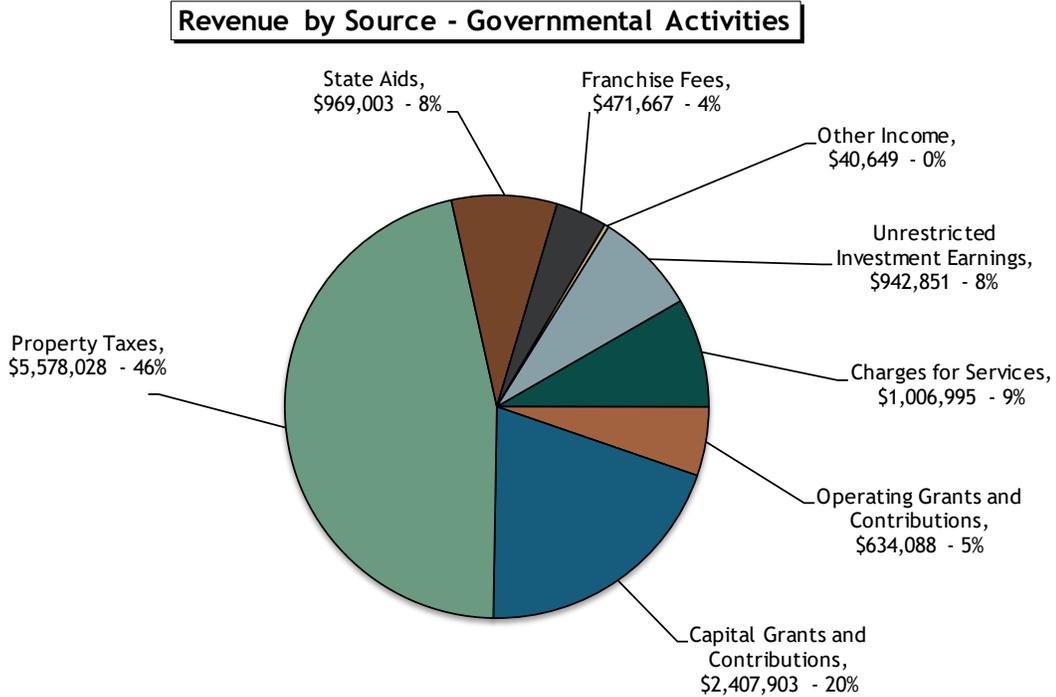
The following graphs depicts various government activities and shows the revenue and expenditures directly related to those activities



**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities (Continued)



**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Business-Type Activities

In 2024, business-type activities increased the City's net position by \$2,573,011. However, the City's overall net position increased by \$3,351,001.

The **Liquor Store** contributed \$450,000 to the General Fund, helping offset the City's levy needs. Despite this contribution, the Liquor Store experienced a slight decrease of less than 1% in sales compared to 2023. After transfers and depreciation expenses, the Liquor Store recorded net profits of \$54,518 for the year.

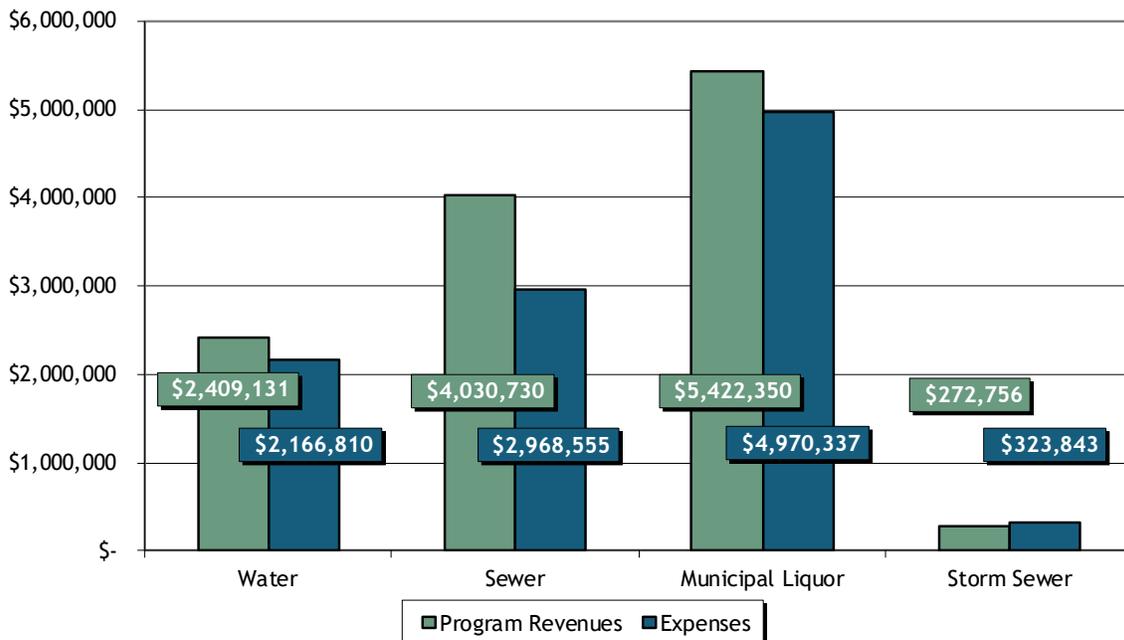
For the **Utility Funds**, Water usage declined by 13% due to a rainy season in Minnesota, while water rates remained unchanged from 2023. Slower development activity compared to 2023 resulted in a decrease of \$370,101 in overall revenues due to lower water access charges and trunk fees.

Conversely, Wastewater (Sewer) sales increased, driven by a one-time payment of \$590,388 for an additional sewer access charge from a Significant Industrial User. Sewer rates remained the same as in 2023. Development activity in 2024 was in line with the City's expectations for 2025, including multi-family, residential, and commercial projects, as well as long-term planning efforts.

The Storm Sewer Fund saw a slight increase in total revenues compared to 2023, largely due to higher investment earnings.

Overall, the Liquor Store's total revenues were slightly lower than in 2023, while expenses, including transfers, increased by 2%. Personnel costs accounted for 13% of total sales. The Liquor Store ended 2024 with a 1% net profit, covering both depreciation expenses and the \$450,000 transfer to the General Fund. Without the continued support from Big Lake residents, the City would be unable to rely on Liquor Store transfers to help offset levy needs. This would necessitate either **raising the levy or cutting services**.

Expenses and Program Revenues - Business-Type Activities



**City of Big Lake
Management's Discussion and Analysis**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

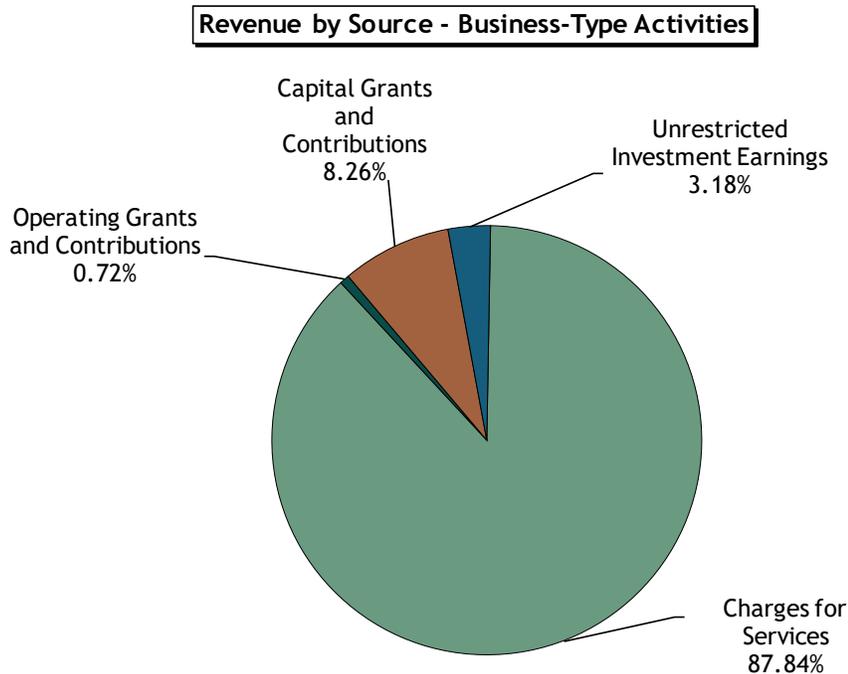
Business-Type Activities (Continued)

The total revenues collected from business-type activities for 2024 amounted to \$12,533,040, with 88% (\$11,009,547) generated from services provided. This reflects a decrease of \$326,584 from 2023, primarily due to reduced water usage, which impacted both the Water Fund and the Wastewater Fund.

Investment earnings for the year totaled \$398,073 (3% of total revenues), marking an increase from 2023. Operating Grants and Contributions brought in \$90,721, up \$53,800 from the prior year, driven by the Well 2 improvement project and funds from Big Lake Spud Fest for additional infrastructure needed to support the event's electricity demands.

Capital Grants and Contributions totaled \$1,034,588 (8% of total revenues), reflecting an increase over 2023. This included WAC/SAC fees from new development within the City.

Overall, total revenues increased by \$47,962 compared to 2023, and the net position for business-type activities grew by \$2,573,011.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

**City of Big Lake
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,229,652, a decrease of \$167,557 from the previous year. Approximately 72% of this total amount, \$10,995,310, constitutes assigned and unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted, committed or non-spendable to indicate that it is not available for new spending because it has spending requirements.

	General Fund	GO Improvement Bonds 2021A	GO Improvement Bonds 2022A	Capital Project/ Street Improvement	Infrastructure Improvement Fund	Equipment Building Replacement Fund	Other Governmental Funds	Total	Prior Year Total	Increase (Decrease)
Fund Balance										
Nonspendable	\$ 117,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,996	\$ 120,229	\$ 114,396	\$ 5,833
Restricted	-	394,439	809,875	-	-	-	2,059,796	3,264,110	3,791,761	(527,651)
Committed	-	-	-	-	-	-	850,003	850,003	838,082	11,921
Assigned	65,640	-	-	123,338	1,008,451	2,168,085	3,506,298	6,871,812	7,087,432	(215,620)
Unassigned	4,644,218	-	-	-	-	-	(520,720)	4,123,498	3,565,538	557,960
Total	\$ 4,827,091	\$ 394,439	\$ 809,875	\$ 123,338	\$ 1,008,451	\$ 2,168,085	\$ 5,898,373	\$ 15,229,652	\$ 15,397,209	\$ (167,557)

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unrestricted, unassigned and spendable fund balance of the General Fund was \$4,644,218, while total fund balance reached \$4,827,091. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 63% of the total General Fund expenditures and transfers out, while total fund balance represents 66% of that same amount.

	Ending Balance	Ending Balance	Increase (Decrease)
General Fund, Fund Balance			
Nonspendable	\$ 117,233	\$ 114,388	\$ 2,845
Assigned	65,640	96,668	(31,028)
Unassigned	4,644,218	4,132,226	511,992
Total	\$ 4,827,091	\$ 4,343,282	\$ 483,809

General Fund expenditures and transfers out	\$ 7,318,903	\$ 6,665,626
Unassigned as a percent of expenditures	63%	62%
Total Fund Balance as a percent of expenditures	66%	65%

The General Fund revenues includes investment earnings from investments held, these investments are subject to a fair market value (FMV) adjustment at year-end. The increase in the market value lead to an increase in investments earning and a substantial increase to the fund balance for the general fund in the amount of \$160,792. Tax revenues for the year increased due to the increased in the property tax levy, and a substantial increase to the fund balance of the general fund in the amount of \$345,542. An increase in state aid received for the Police and Fire departments increased the fund balance by \$146,650.

**City of Big Lake
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

Other major governmental funds analyses are shown below:

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase (Decrease)</u>
G.O. Improvement Bonds 2021A Fund Balance	\$ 394,439	\$ 551,651	\$ (157,212)

The decrease is due to the yearly principal and interest payments

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase (Decrease)</u>
G.O. Improvement Bonds 2022A Fund Balance	\$ 809,875	\$ 1,058,313	\$ (248,438)

The decrease is due to the yearly principal and interest payments

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase (Decrease)</u>
Capital Projects/Street Improvements Fund Balance	\$ 123,338	\$ 155,432	\$ (32,094)

The decrease was due to the construction payments for projects

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase (Decrease)</u>
Infrastructure Improvement Fund Balance	\$ 1,008,451	\$ 1,100,139	\$ (91,688)

The decrease was due to the transfer to the construction account for Highline Trail project

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase (Decrease)</u>
Equipment/Building Replacement Fund Balance	\$ 2,168,085	\$ 2,427,438	\$ (259,353)

The decrease was due to the purchase of equipment for the departments

Proprietary Funds

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

**City of Big Lake
Management's Discussion and Analysis**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Proprietary Funds (Continued)

Unrestricted net position of the water operations at the end of the year was \$1,564,280; for the Wastewater (sewer) operations the year ended at \$6,738,445 and the storm water operations was \$648,253 and for the liquor store operation the year ended at \$1,874,447. The changes in net position for each of the utility funds were as follows: water an increase of \$1,287,165, wastewater (sewer) an increase of \$1,270,303, and storm water a decrease of \$(38,975). The liquor fund saw an increase of \$54,518. Below is the total ending net position for each fund.

	<u>Ending Net Position 2024</u>	<u>Ending Net Position 2023</u>	<u>Increase (Decrease)</u>
Water Fund	\$ 15,884,779	\$ 14,597,614	\$ 1,287,165
	<u>Ending Net Position 2024</u>	<u>Ending Net Position 2023</u>	<u>Increase (Decrease)</u>
Wastewater (Sewer) Fund	\$ 22,125,965	\$ 20,855,662	\$ 1,270,303
	<u>Ending Net Position 2024</u>	<u>Ending Net Position 2023</u>	<u>Increase (Decrease)</u>
Storm Water Fund	\$ 2,685,757	\$ 2,724,732	\$ (38,975)
	<u>Ending Net Position 2024</u>	<u>Ending Net Position 2023</u>	<u>Increase (Decrease)</u>
Liquor Store Fund	\$ 2,774,575	\$ 2,720,057	\$ 54,518

The water operations increase in net position pertained to the transfers in for the funding of the water meter project as well as additional investment earnings and trunk and access charges for new water services. The wastewater operations increase to net position pertains to the additional investment earnings as well as increase to trunk and access charges for new wastewater services. The liquor store operations increase to net position pertains to the increase in investment earnings and a slight decrease in cost of goods sold. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was one (1) amendment to the General Fund Budget. The budget called for revenues to equal expenditures. The original budget was \$6,775,309, with the budget amendment to both revenues and expenditures of \$138,000, leaving the amended budget totals at \$6,913,309.

**City of Big Lake
Management's Discussion and Analysis**

GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

General Fund 2024 Budget

	Final Budget Amount	Actual Amounts	Variance with Final Budget
Revenues	\$ 6,460,809	\$ 7,219,945	\$ 759,136
Expenditures	6,461,264	6,329,218	(132,046)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(455)	890,727	891,182
Other Financing Uses			
Leases Issued	-	83,821	83,821
Insurance Recoveries	2,500	48,946	46,446
Transfers In	450,000	450,000	-
Transfers Out	(455,611)	(989,685)	(534,074)
Total Other Financing Sources (Uses)	(3,111)	(406,918)	(403,807)
Net Change in Fund Balance	(3,566)	483,809	487,375
Fund Balance, January 1		4,343,282	
Fund Balance, December 31		\$ 4,827,091	

Actual revenues were over final budget amounts in the amount of \$759,136 for the following reasons:

- Taxes were over budget by \$51,838 due to budgeting conservatively.
- Licenses and Permits revenues were over budget by \$3,922, due to budgeting conservatively.
- Intergovernmental revenues were over budget by \$150,207, due to an increase in state aid received for street maintenance, police retirement, duty disability insurance reimbursement and training reimbursement for the police department.
- Charges for Services were over budget by \$25,888.
- Donations and Contributions were over budget by \$8,570.
- Other Miscellaneous and Insurance Recoveries were over budget by \$52,319.
- Investment Income was over budget by \$495,132, due to the positive fair market value adjustment made to investment, plus the increase in investment earnings and rates.

Actual expenditures, including transfers out, were over final budgets amounts in the amount of \$402,028, for the following reasons:

- Operating budgets for departments were under final budget amounts by \$225,306.
- Transfer outs were over final budget amounts by \$534,074, this was for the year-end transfer of excess fund balance based on the City's financial policies of \$500,000 to the Capital Improvement Funds.

**City of Big Lake
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of December 31, 2024, amounts to \$76,578,981 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, improvements, infrastructure, collection and distribution systems, buildings, machinery and equipment, as well as leased assets per new General Accounting Standard Board requirements. Major capital assets events during the current fiscal year include the following:

- Resurface the parking lot at the Fire Station
- Resurface the truck bay floor at the Fire Station
- Shelter for the Freedom Rock at Lakeside Park
- Pickle Ball Court
- Upgrades on Browns Park
- Replacements of the doors at the Wastewater and Water plants
- Computer replacement program
- Election equipment
- Police fleet replacement program
- Police speed-alert 24 radar message trailer
- Police radios, tasers, body cameras and firearms
- Fire Department Extrication equipment
- Streets division equipment purchases - loader and vehicle replacement
- 2021 Street Improvements finalized and closed out
- Well 1 Redevelopment project completed
- Well pumps replaced
- Lift stations improvements
- Water utility vehicle
- Upgrades to Liquor Store equipment
- Construction in progress
 - Fire Department Engine
 - CR 43 project
 - CR 73 Highland Drive project
 - 2022 Street Improvements
 - 2024 Street Improvements
 - Well 2 improvements
 - Water meter project
 - Wastewater facility expansion

**City of Big Lake
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

**City of Big Lake's Capital Assets
(Net of Depreciation/Amortization)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 8,007,824	\$ 8,007,824	\$ 1,534,320	\$ 1,534,320	\$ 9,542,144	\$ 9,542,144
Construction in Progress	6,628,614	8,177,775	2,726,492	1,282,506	9,355,106	9,460,281
Lease - Land	-	-	182,062	187,750	182,062	187,750
Leasehold Improvements	413,460	349,857	49,530	55,572	462,990	405,429
Infrastructure	17,270,043	14,829,174	-	-	17,270,043	14,829,174
Collection and Distribution Systems	-	-	18,722,439	19,301,761	18,722,439	19,301,761
Buildings	1,898,042	2,006,091	15,664,394	16,554,034	17,562,436	18,560,125
Machinery and Equipment	2,616,866	2,234,875	783,428	807,943	3,400,294	3,042,818
Lease - Machinery and Equipment	81,467	22,760	-	-	81,467	22,760
Total	\$ 36,916,316	\$ 35,628,356	\$ 39,662,665	\$ 39,723,886	\$ 76,578,981	\$ 75,352,242

The City does lease office equipment that is recognized in government activities as a right to use lease asset and does amortize the asset over the term of the lease. The City does lease land for use of by the water and wastewater division. This lease is recognized in the business-type activities and is amortized over the term of the lease. Additional information on the City's capital assets can be found in Note 6 on pages 78-80 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had a total bonded debt outstanding of \$18,691,884. Of this amount, \$936,000 comprises of debt backed by the full faith and credit of the government and \$9,840,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's debt represents bonds secured by specific revenue sources (i.e., tax increment financing [TIF] bonds, revenue bonds, lease revenue bonds, lease liabilities or financed purchases).

City of Big Lake's Outstanding Bonded Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
G.O. Bonds/Notes	\$ 936,000	\$ 1,124,000	\$ -	\$ -	\$ 936,000	\$ 1,124,000
G.O. Tax Increment Bonds	900,000	1,180,000	-	-	900,000	1,180,000
G.O. Improvement Bonds	9,840,000	11,400,000	-	-	9,840,000	11,400,000
PFA Drinking Water Revolving Loan	-	-	-	565,000	-	565,000
PFA Clean Water Revolving Loan	-	-	4,568,000	5,418,000	4,568,000	5,418,000
G.O. Taxable Tax Abatement Bonds	-	-	-	-	-	-
G.O. Revenue Bonds/Notes	-	-	2,140,000	2,525,000	2,140,000	2,525,000
Finance Purchase	36,730	48,611	-	-	36,730	48,611
Lease Liability	81,860	23,522	189,294	192,674	271,154	216,196
Total	\$ 11,794,590	\$ 13,776,133	\$ 6,897,294	\$ 8,700,674	\$ 18,691,884	\$ 22,476,807

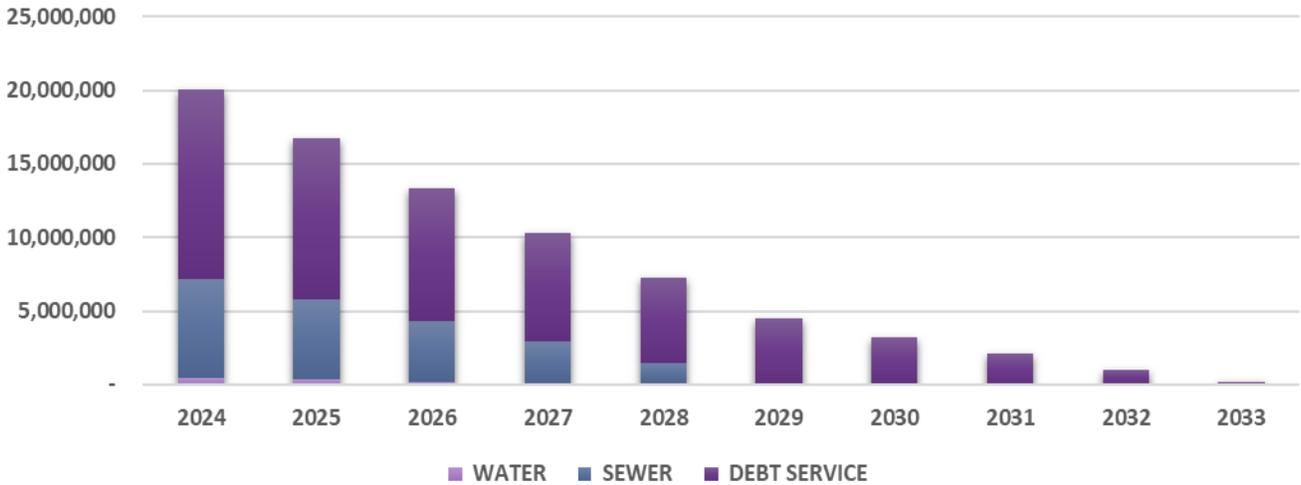
**City of Big Lake
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

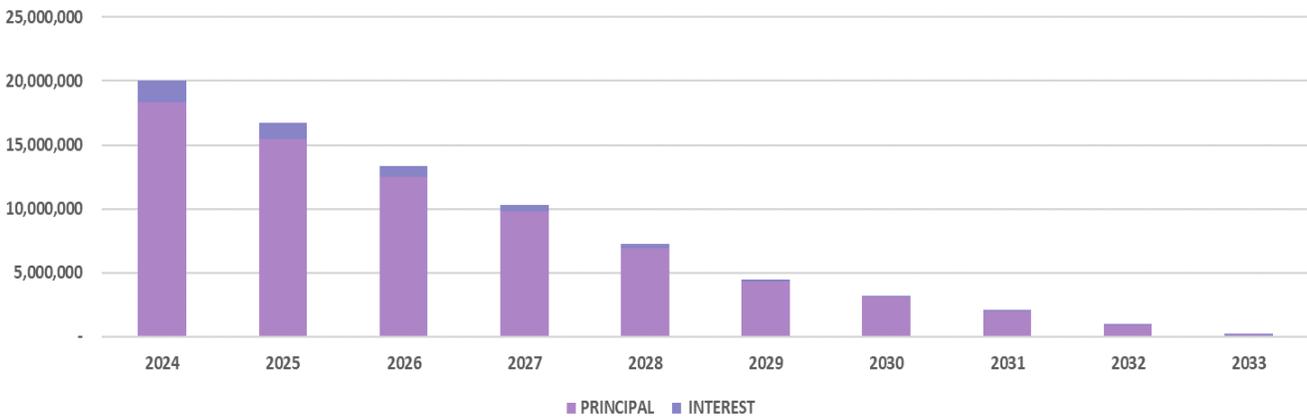
Long-Term Debt (Continued)

The following graph shows the amount of existing outstanding principal debt for the City of Big Lake based on activities and how it has decreased over the years. The total outstanding bonded debt decreased by \$3,785,262. The City did not issue any new debt for 2024. Shown below is the outstanding principal and interest debt for the City.

Outstanding Debt - Principal and Interest



Total Outstanding Debt - Principal and Interest



Additional information on the City's long-term debt can be found in Note 7 on pages 80-84 of this report.

**City of Big Lake
Management's Discussion and Analysis**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Budgeted spending for the City's General Fund for 2025 was increased by 8.67% over the 2024 budget; for an overall balanced budget of \$7,366,689. In 2025, the City did budget for an 10.87% increase in personnel, with the increase to the City's pay plan, increase in staffing for the police, engineering and streets and parks department. An increase in the wellness program budget, a reallocation between the General Fund and the Enterprise Funds for administrative support, and increase cost of insurance as well as workers compensation.
- A market-rate increase to the City's pay plan for 2025 of 3% increases.
- Budget a yearly amount for the Advance Resignation Notice program.
- The 2025 total levy amount of \$5,886,357 was a 4.98% increase over the 2024 amount.
- In 2023, the City began levying for an Abatement Property tax levy for the Carlson Group, which is for Premier Marine. The Tax Abatement note is for 12 years or \$1,200,000, whichever comes first and must be levied as a special levy. The City also levies for the Lupulin/Garage Guys Tax Abatement note, which was entered into in 2020 and was for \$284,000 or 15 years. For 2025 the tax abatement levies increased from \$57,050 to a total of \$92,050, beginning in 2027 the tax abatement levy is projected to increase to \$107,050, to reflect the increase taxable value of the Premier Marine project.
- The Net Tax Capacity is projected to decrease by 1.05% for 2025 with Taxable Market Value decreasing by 4%. This is due to the legislative change to the homestead exclusion. In 2025, the maximum exclusion amount will increase to \$38,000 for properties valued at \$95,000, with no exclusion for properties valued over \$517,200. Prior years this exclusion amount was \$30,400 for properties valued at \$76,000, with no exclusion for properties valued over \$413,800. This exclusion reduces the taxable market value of qualifying homestead properties. With the decreasing taxable market values, net property taxable values are also decreased.
- For the 2024 assessment year, which is for 2025 taxes payable, the City did have \$19,586,300 in new taxable value contributed to new construction, with an estimated market value of \$1,460,706,700.
- In 2025, the City anticipates receiving approximately \$752,831 in Local Government Aid (LGA), as compared to \$877,751 received in 2024. The anticipated amount for 2025 is more in-line with the normal amount that the city does receive. In 2024, the state did authorize a one-time increase. The City continues to budget the LGA in the Capital Improvement and Equipment replacement funds instead of the general operating fund. These funds will be used for future purchase or improvement of Capital Assets. LGA payments are typically received in July and December.
- In 2024, the water and sewer usage rates did not changed from 2023. The base fees will remain flat. Municipal water usage rates will increase 5% and Industrial rates will increase 8%.
- For 2025, water usage rates will decrease by 5% and the sewer usage rates will increase by 8% for residential, multi-family and commercial. Municipal water usage rates will increase 5% and Industrial rates will increase 8%. For the next coming years, it is projected that the water rates will need to increase by 1% to cover the increasing cost of treatment as well as needed infrastructure. Sewer usage will need to increase 10 to 15 percent to cover the rising cost of infrastructure replacement and treatment.
- Building Permits for single family homes continues to grow, and the City will need additional development of plats to accommodate the growth. In 2024 the City was anticipating approximately 40 new permits, which is more consistent of year over year compared, however only 27 new home permits were issued. Future long-term planning is projecting only 25 new home permits until additional plats are developed to accommodate the addition needs.

**City of Big Lake
Management's Discussion and Analysis**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

- The City did see current business expand their operations as well as an increase in housing projects that should be completed in the coming years. For new projects, the City has seen the following:
 - Marketplace Crossing - 60 Market Rate & Affordable Units - has been completed.
 - Aeon-Goldenrod Glen - 74 Senior Affordable Rental Units - will be completed in 2025.
 - Prairie Meadows 3rd & 4th Addition - 75 Single-Family Twin Homes/Townhomes.
 - Prairie Meadows 5th Addition - 99 Single-Family homes - in the beginning stages.
 - Big Lake Car Condos - phases 1-3 have all been completed.
 - MTL Companies a CR 15 Development - in the beginning stages of development.
 - Rawr Organics - purchased land in the industrial park.
 - Covenant Christian Academy - beginning stages of development, scheduled to be completed prior to Fall of 2025.
 - LISI Medical Building Expansion - will be completed in 2025.
- The City began the street reconstruction projects in 2018, in 2020 the projects were postponed until 2021. In 2022 the City did several street projects that were planned in 2023-2027 to take advantage of the low borrowing rate. This saved the tax payers approximately \$500,000 in interest. Beginning in 2023, the street projects will be funded with funds in the Capital Street Maintenance Fund. Streets projects were completed in 2023 and 2024. The 2025 Street project will be completed by fall of 2025. This project will also use State Aid Funds.
- The City Five-Year plan for the General Fund reflects tax levy increases necessary to deliver the current scope of services and capital replacement plans, assuming the normal budget "pressures" as stated below:
 - Health Insurance - the plan reflects a 10 percent increase each year to the budget.
 - Wages - the plan reflects a 6 percent increase each year to the budget to reflect the step increases as well as market value increases to the total pay plan to remain competitive in the market.
 - Building Permits - the plan reflects growth at a slow and steady pace with 25 new home permits a year.
 - Operational Expenditures - the plan reflects a three percent increase in some expenditures such as supplies and utilities.
 - Transfer of a portion of the Franchise fees to the Street Improvement Capital Fund for future street projects.
 - Increase in General levy beginning in 2030 for the same amount that the debt levy decreases. This will reflect additional transfer to the Street Improvement Capital Fund for future projects.
 - Transfer of \$100,000 to the Parks-Trail Improvement Capital fund for years 2023-2026 and then beginning in 2027, the \$50,000 would be an allocation from the Local Government Aid received.
 - Beginning in 2027, a \$50,000 would be allocated from the Local Government Aid to the Street Improvement Capital funds for future street projects.
 - The tax capacity would increase one (1) percent and the increase to the total levy would be in the five (5) percent to seven (7) percent increase, which would take into consideration the growth anticipated for upcoming years as well as future debt levies.
 - Increase in the levy for a proposed new City Hall, this would increase the levy the year of construction by approximately 24%, still unknown is the scope of the project and the time frame.

**City of Big Lake
Management's Discussion and Analysis**

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 submitted in writing and addressed to: City of Big Lake, Attn: Finance Director, 160 Lake Street North, Big Lake, Minnesota 55309

(THIS PAGE LEFT BLANK INTENTIONALLY)



BASIC FINANCIAL STATEMENTS

City of Big Lake
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments (including cash equivalents)	\$ 15,355,814	\$ 10,686,912	\$ 26,042,726
Receivables			
Property tax receivable	58,686	-	58,686
Accounts receivable	147,576	530,144	677,720
Interest receivable	65,271	-	65,271
Notes receivable	180,000	-	180,000
Lease Receivable	184,423	544,020	728,443
Special assessments receivable			
Delinquent	11,250	4,843	16,093
Deferred	3,306,704	42,024	3,348,728
Due from other governments	1,445,464	20,000	1,465,464
Advances to other funds (internal balances)			
Within one year	(83,968)	83,968	-
After one year	(586,686)	586,686	-
Inventories	714	552,805	553,519
Land held for resale	681,788	-	681,788
Prepaid items	119,508	102,641	222,149
Restricted cash and cash equivalents	-	125,478	125,478
Capital assets not being depreciated/amortized			
Land	8,007,824	1,534,320	9,542,144
Construction in progress	6,628,614	2,726,492	9,355,106
Capital assets being depreciated/amortized			
Infrastructure	45,253,387	-	45,253,387
Buildings	5,027,367	27,680,160	32,707,527
Leasehold improvements	504,926	223,833	728,759
Lease Asset	90,005	199,130	289,135
Machinery and equipment	7,855,335	2,369,206	10,224,541
Collection and distribution systems	-	50,091,724	50,091,724
Less accumulated depreciation/amortization	(36,451,142)	(45,162,200)	(81,613,342)
Total assets	<u>57,802,860</u>	<u>52,942,186</u>	<u>110,745,046</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	<u>2,174,654</u>	<u>144,602</u>	<u>2,319,256</u>
Total assets and deferred outflows of resources	<u>\$ 59,977,514</u>	<u>\$ 53,086,788</u>	<u>\$ 113,064,302</u>

City of Big Lake
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	\$ 153,656	\$ 354,495	\$ 508,151
Salaries and benefits payable	26,480	15,286	41,766
Escrow payable	822,720	125,000	947,720
Contracts payable	129,416	48,937	178,353
Due to other governments	12,502	59,798	72,300
Interest payable	135,739	67,944	203,683
Unearned revenue	45,306	-	45,306
Net G.O. Bonds Principal Payable			
Payable within one year	1,485,000	-	1,485,000
Payable after one year	10,120,137	-	10,120,137
G.O. Revenue Bonds and Notes Payable			
Payable within one year	-	1,270,000	1,270,000
Payable after one year	-	5,508,783	5,508,783
Notes payable			
Payable within one year	140,000	-	140,000
Payable after one year	586,000	-	586,000
Financed purchase payable			
Payable within one year	12,060	-	12,060
Payable after one year	24,670	-	24,670
Lease liability			
Payable within one year	17,257	3,488	20,745
Payable after one year	64,603	185,806	250,409
Compensated absences payable			
Payable within one year	316,331	182,558	498,889
Severance payable			
Payable within one year	50,741	-	50,741
Net pension liability payable after one year	1,804,936	732,552	2,537,488
Total liabilities	<u>15,947,554</u>	<u>8,554,647</u>	<u>24,502,201</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to lease receivable	184,423	544,020	728,443
Deferred inflows of resources related to pensions	2,679,032	517,045	3,196,077
Total deferred inflows of resources	<u>2,863,455</u>	<u>1,061,065</u>	<u>3,924,520</u>
Net Position			
Net investment of capital assets	24,410,923	32,645,651	57,056,574
Restricted for			
Debt service	5,110,346	-	5,110,346
Tax increment	128,161	-	128,161
Parkland dedication	867,643	-	867,643
Other purposes	925,679	-	925,679
Unrestricted	9,723,753	10,825,425	20,549,178
Total net position	<u>41,166,505</u>	<u>43,471,076</u>	<u>84,637,581</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 59,977,514</u>	<u>\$ 53,086,788</u>	<u>\$ 113,064,302</u>

See notes to basic financial statements.



**City of Big Lake
Statement of Activities
Year Ended December 31, 2024**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government	\$ 1,075,795	\$ 128,095	\$ 58,127	\$ 961,322	\$ 71,749	\$ -	\$ 71,749
Public safety	3,655,270	552,606	453,112	4,000	(2,645,552)	-	(2,645,552)
Streets and highways	1,897,287	214,491	70,184	1,246,060	(366,552)	-	(366,552)
Culture and recreation	986,374	85,952	52,665	196,521	(651,236)	-	(651,236)
Economic development	350,705	25,851	-	-	(324,854)	-	(324,854)
Interest on long-term debt	265,236	-	-	-	(265,236)	-	(265,236)
Total governmental activities	<u>8,230,667</u>	<u>1,006,995</u>	<u>634,088</u>	<u>2,407,903</u>	<u>(4,181,681)</u>	<u>-</u>	<u>(4,181,681)</u>
Business-type activities							
Water	2,166,810	2,187,965	71,772	149,394	-	242,321	242,321
Sewer	2,968,555	3,131,564	13,861	885,305	-	1,062,175	1,062,175
Liquor	4,970,337	5,417,741	4,609	-	-	452,013	452,013
Storm sewer	323,843	272,277	479	-	-	(51,087)	(51,087)
Total business-type activities	<u>10,429,545</u>	<u>11,009,547</u>	<u>90,721</u>	<u>1,034,699</u>	<u>-</u>	<u>1,705,422</u>	<u>1,705,422</u>
Total governmental and business-type activities	<u>\$ 18,660,212</u>	<u>\$ 12,016,542</u>	<u>\$ 724,809</u>	<u>\$ 3,442,602</u>	<u>(4,181,681)</u>	<u>1,705,422</u>	<u>(2,476,259)</u>
General revenues							
Property taxes					5,482,428	-	5,482,428
Franchise fees					471,667	-	471,667
Tax increments					95,600	-	95,600
Unrestricted state aids					969,003	-	969,003
Unrestricted investment and other interest income					942,851	398,073	1,340,924
Other general revenue					5,510	-	5,510
Gain on sale of assets					35,139	-	35,139
Transfers					(469,516)	469,516	-
Total general revenues and transfers					<u>7,532,682</u>	<u>867,589</u>	<u>8,400,271</u>
Change in net position					<u>3,351,001</u>	<u>2,573,011</u>	<u>5,924,012</u>
Net position - beginning					<u>37,815,504</u>	<u>40,898,065</u>	<u>78,713,569</u>
Net position - ending					<u>\$ 41,166,505</u>	<u>\$ 43,471,076</u>	<u>\$ 84,637,581</u>

City of Big Lake
Balance Sheet - Governmental Funds
December 31, 2024

	General (101)	Capital Projects		
		Equipment and Building Replacements (199)	Infrastructure Improvement Fund (198)	Street Improvement (175)
Assets				
Cash and investments	\$ 4,915,329	\$ 1,910,219	\$ 732,040	\$ 278,569
Taxes receivable - delinquent	46,230	-	750	-
Accounts receivable	147,576	-	-	-
Interest receivable	65,271	-	-	-
Due from other governments	130,985	280,338	1,012,070	-
Notes receivable	-	-	-	-
Lease receivable	110,932	-	-	-
Special assessment receivable				
Delinquent	413	-	836	-
Deferred	48,895	-	172,900	-
Inventories	714	-	-	-
Land held for resale	-	-	-	-
Prepaid items	116,519	-	-	-
Total assets	\$ 5,582,864	\$ 2,190,557	\$ 1,918,596	\$ 278,569
Liabilities				
Accounts payable	\$ 88,516	\$ 20,586	\$ 826	\$ 36,075
Salaries and benefits payable	26,404	-	-	-
Escrow payable	381,606	-	6,510	10,000
Contracts payable	-	1,886	2,574	109,156
Due to other governments	7,471	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	45,306	-	-	-
Total liabilities	549,303	22,472	9,910	155,231
Deferred Inflows of Resources				
Unavailable revenue - notes receivables	-	-	-	-
Deferred inflows of resources related to lease receivables	110,932	-	-	-
Unavailable revenue - property taxes	46,230	-	750	-
Unavailable revenue - special assessments	49,308	-	173,736	-
Unavailable revenue - state shared taxes	-	-	725,749	-
Total deferred inflows of resources	206,470	-	900,235	-
Fund Balances				
Nonspendable	117,233	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	65,640	2,168,085	1,008,451	123,338
Unassigned	4,644,218	-	-	-
Total fund balances	4,827,091	2,168,085	1,008,451	123,338
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,582,864	\$ 2,190,557	\$ 1,918,596	\$ 278,569

See notes to basic financial statements.

Debt Service

GO Improvement Bond 2021A (228)	GO Improvement Bond 2022A (229)	Other Governmental Funds	Total Governmental Funds
\$ 393,660	\$ 806,816	\$ 6,319,181	\$ 15,355,814
744	-	10,962	58,686
-	-	-	147,576
-	-	-	65,271
779	3,059	18,233	1,445,464
-	-	180,000	180,000
-	-	73,491	184,423
3,902	3,787	2,312	11,250
980,216	1,691,220	413,473	3,306,704
-	-	-	714
-	-	681,788	681,788
-	-	2,989	119,508
<u>\$ 1,379,301</u>	<u>\$ 2,504,882</u>	<u>\$ 7,702,429</u>	<u>\$ 21,557,198</u>
-	-	\$ 7,653	\$ 153,656
-	-	76	26,480
-	-	424,604	822,720
-	-	15,800	129,416
-	-	5,031	12,502
-	-	670,654	670,654
-	-	-	45,306
-	-	<u>1,123,818</u>	<u>1,860,734</u>
-	-	180,000	180,000
-	-	73,491	184,423
744	-	10,962	58,686
984,118	1,695,007	415,785	3,317,954
-	-	-	725,749
<u>984,862</u>	<u>1,695,007</u>	<u>680,238</u>	<u>4,466,812</u>
-	-	2,996	120,229
394,439	809,875	2,059,796	3,264,110
-	-	850,003	850,003
-	-	3,506,298	6,871,812
-	-	(520,720)	4,123,498
<u>394,439</u>	<u>809,875</u>	<u>5,898,373</u>	<u>15,229,652</u>
<u>\$ 1,379,301</u>	<u>\$ 2,504,882</u>	<u>\$ 7,702,429</u>	<u>\$ 21,557,198</u>



City of Big Lake
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
December 31, 2024

Total fund balances - governmental funds \$ 15,229,652

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	73,367,458
Less accumulated depreciation/amortization	(36,451,142)

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

Long-term liabilities at year-end consist of:

G.O. bonds principal payable	(10,950,000)
Unamortized bond premiums	(655,137)
Notes payable	(726,000)
Financed purchase payable	(36,730)
Lease liability	(81,860)
Compensated absences payable	(316,331)
Severance payable	(50,741)
Net pension liability	(1,804,936)

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property taxes	58,686
Special assessments	11,250

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred inflows of resources related to pensions	(2,679,032)
Deferred outflows of resources related to pensions	2,174,654

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

Special assessments	3,306,704
Notes receivable	180,000
State shared taxes	725,749

Governmental funds do not report a liability for accrued interest on long-term debt until due and payable.

(135,739)

Total net position - governmental activities \$ 41,166,505

City of Big Lake
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2024

	General (101)	Capital Projects		
		Equipment and Building Replacements (199)	Infrastructure Improvement Fund (198)	Street Improvement (175)
Revenues				
Property taxes	\$ 4,467,046	\$ -	\$ 582	\$ -
Tax increments	-	-	-	-
Franchise fees	471,667	-	-	-
Special assessments	1,656	-	11,196	-
Licenses and permits	628,109	-	-	-
Intergovernmental	690,197	872,478	285,597	-
Charges for services	286,659	-	-	-
Fines and forfeitures	44,786	-	-	-
Miscellaneous				
Investment and other interest income	606,132	75,158	32,598	8,546
Contributions and donations	11,870	4,000	-	-
Other	11,823	-	-	-
Total revenues	7,219,945	951,636	329,973	8,546
Expenditures				
Current				
General government	1,021,147	18,500	-	-
Public safety	3,304,441	-	-	-
Streets and highways	951,702	-	3,050	763
Culture and recreation	756,533	-	-	-
Economic development	181,796	-	-	-
Debt service				
Principal	21,789	11,881	-	-
Interest and other charges	1,105	729	-	-
Capital outlay				
General government	76,623	7,832	-	-
Public safety	14,082	1,381,652	-	-
Streets and highways	-	361,131	8,763	753,219
Culture and recreation	-	11,500	-	-
Economic development	-	-	-	-
Total expenditures	6,329,218	1,793,225	11,813	753,982
Excess of revenues over (under) expenditures	890,727	(841,589)	318,160	(745,436)
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	-	54,625	-	-
Leases issued	83,821	-	-	-
Insurance recoveries	48,946	-	-	-
Transfers in	450,000	527,611	-	713,342
Transfers out	(989,685)	-	(409,848)	-
Total other financing sources (uses)	(406,918)	582,236	(409,848)	713,342
Net change in fund balances	483,809	(259,353)	(91,688)	(32,094)
Fund Balances				
Beginning of year	4,343,282	2,427,438	1,100,139	155,432
End of year	\$ 4,827,091	\$ 2,168,085	\$ 1,008,451	\$ 123,338

See notes to basic financial statements.

Debt Service			
G.O. Improvement Bond 2021A (228)	G.O. Improvement Bond 2022A (229)	Other Governmental Funds	Total Governmental Funds
\$ 881	\$ -	\$ 1,005,951	\$ 5,474,460
-	-	95,600	95,600
-	-	-	471,667
180,069	310,943	128,553	632,417
-	-	6,870	634,979
-	-	1,205,367	3,053,639
-	-	183,344	470,003
-	-	2,044	46,830
9,959	26,014	184,444	942,851
-	-	66,334	82,204
-	-	1,887	13,710
<u>190,909</u>	<u>336,957</u>	<u>2,880,394</u>	<u>11,918,360</u>
-	-	12,904	1,052,551
-	-	67	3,304,508
-	-	-	955,515
-	-	68,011	824,544
-	-	105,039	286,835
285,000	425,000	1,318,000	2,061,670
63,120	160,395	161,979	387,328
-	-	20,285	104,740
-	-	18,718	1,414,452
-	-	5,060	1,128,173
-	-	249,049	260,549
-	-	22,928	22,928
<u>348,120</u>	<u>585,395</u>	<u>1,982,040</u>	<u>11,803,793</u>
(157,211)	(248,438)	898,354	114,567
-	-	-	54,625
-	-	-	83,821
-	-	-	48,946
-	-	626,962	2,317,915
-	-	(1,387,898)	(2,787,431)
-	-	(760,936)	(282,124)
(157,211)	(248,438)	137,418	(167,557)
<u>551,650</u>	<u>1,058,313</u>	<u>5,760,955</u>	<u>15,397,209</u>
<u>\$ 394,439</u>	<u>\$ 809,875</u>	<u>\$ 5,898,373</u>	<u>\$ 15,229,652</u>

City of Big Lake
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to the
Statement of Activities - Governmental Funds
Year Ended December 31, 2024

Total net change in fund balances - governmental funds \$ (167,557)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation/amortization expense.

Capital outlays	2,910,821
Depreciation/amortization expense	(1,603,375)
Disposal of Capital Assets	(19,486)

Compensated absences and severance are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (9,078)

Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net position in the Statement of Activities. 2,065,364

Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 98,290

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus, requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 23,802

Proceeds from long-term debt are recognized as another financing source in the governmental funds but have no impact on the changes in net position in the Statement of Activities. (83,821)

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

Special assessments	(287,505)
Long-term notes receivable	(40,000)
State shared taxes	311,183

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective. 144,395

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 7,968

Change in net position - governmental activities \$ 3,351,001

City of Big Lake
Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 4,415,208	\$ 4,415,208	\$ 4,467,046	\$ 51,838
Franchise fees	450,303	450,303	471,667	21,364
Special assessments	3,000	3,000	1,656	(1,344)
Licenses and permits	624,187	624,187	628,109	3,922
Intergovernmental	475,990	539,990	690,197	150,207
Charges for services	260,771	260,771	286,659	25,888
Fines and forfeitures	47,100	47,100	44,786	(2,314)
Miscellaneous revenues				
Investment income	37,000	111,000	606,132	495,132
Contributions and donations	3,300	3,300	11,870	8,570
Other	5,950	5,950	11,823	5,873
Total revenues	6,322,809	6,460,809	7,219,945	759,136
Expenditures				
Current				
General government	1,004,438	1,031,438	1,021,147	(10,291)
Public safety	3,259,820	3,323,820	3,304,441	(19,379)
Streets and highways	1,007,797	1,032,797	951,702	(81,095)
Culture and recreation	869,043	881,043	756,533	(124,510)
Economic development	172,166	182,166	181,796	(370)
Capital outlay				
General government	-	-	76,623	76,623
Public safety	10,000	10,000	14,082	4,082
Debt service				
Principal	-	-	21,789	21,789
Interest and other charges	-	-	1,105	1,105
Total expenditures	6,323,264	6,461,264	6,329,218	(132,046)
Excess of revenues over expenditures	(455)	(455)	890,727	891,182
Other Financing Sources (Uses)				
Leases issued	-	-	83,821	83,821
Insurance recoveries	2,500	2,500	48,946	46,446
Transfers in	450,000	450,000	450,000	-
Transfers out	(455,611)	(455,611)	(989,685)	(534,074)
Total other financing sources (uses)	(3,111)	(3,111)	(406,918)	(403,807)
Net change in fund balances	\$ (3,566)	\$ (3,566)	483,809	\$ 487,375
Fund Balances				
Beginning of year			4,343,282	
End of year			\$ 4,827,091	

City of Big Lake
Statement of Net Position - Proprietary Funds
December 31, 2024

	Water (301, 399)	Sewer (401, 499)	Liquor (501, 599)	Storm Sewer (601, 699)	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,840,394	\$ 6,379,440	\$ 1,767,667	\$ 699,411	\$ 10,686,912
Accounts receivable	167,284	336,457	-	26,403	530,144
Advances to other funds - within one year	-	83,968	-	-	83,968
Due from other governments	20,000	-	-	-	20,000
Lease receivable	-	544,020	-	-	544,020
Special assessment receivable					
Delinquent	2,702	1,896	-	245	4,843
Deferred	20,252	19,734	-	2,038	42,024
Inventories	-	-	552,805	-	552,805
Prepaid items	38,019	44,251	14,675	5,696	102,641
Total current assets	<u>2,088,651</u>	<u>7,409,766</u>	<u>2,335,147</u>	<u>733,793</u>	<u>12,567,357</u>
Noncurrent assets					
Restricted cash and cash equivalents	-	125,478	-	-	125,478
Advances to other funds - after one year	-	586,686	-	-	586,686
Capital assets not being depreciated					
Land	277,006	1,257,023	-	291	1,534,320
Construction in progress	2,403,262	323,230	-	-	2,726,492
Capital assets being depreciated					
Buildings	9,658,337	16,021,305	1,915,613	84,905	27,680,160
Collection and distribution systems	17,713,631	25,659,102	-	6,718,991	50,091,724
Leasehold improvements	166,068	-	57,765	-	223,833
Lease Asset	99,565	99,565	-	-	199,130
Machinery and equipment	691,968	1,068,979	306,532	301,727	2,369,206
Total capital assets	31,009,837	44,429,204	2,279,910	7,105,914	84,824,865
Less accumulated depreciation	(16,127,938)	(22,586,070)	(1,379,782)	(5,068,410)	(45,162,200)
Net capital assets	14,881,899	21,843,134	900,128	2,037,504	39,662,665
Total noncurrent assets	<u>14,881,899</u>	<u>22,555,298</u>	<u>900,128</u>	<u>2,037,504</u>	<u>40,374,829</u>
Total assets	<u>16,970,550</u>	<u>29,965,064</u>	<u>3,235,275</u>	<u>2,771,297</u>	<u>52,942,186</u>
Deferred Outflows of Resources					
Deferred outflows of resources related to city pensions	45,878	45,720	43,286	9,718	144,602
Total assets and deferred outflows of resources	<u>\$ 17,016,428</u>	<u>\$ 30,010,784</u>	<u>\$ 3,278,561</u>	<u>\$ 2,781,015</u>	<u>\$ 53,086,788</u>
Liabilities					
Current liabilities					
Accounts payable	\$ 87,250	\$ 229,176	\$ 37,295	\$ 774	\$ 354,495
Contracts payable	48,937	-	-	-	48,937
Salaries and benefits payable	4,841	4,841	4,607	997	15,286
Interest payable	4,065	63,879	-	-	67,944
Due to other governments	10,436	-	49,362	-	59,798
Current compensated absences	67,195	67,195	38,658	9,510	182,558
Current lease liability	1,744	1,744	-	-	3,488
Current G.O Revenue Bonds	97,505	302,495	-	-	400,000
Current PFA G.O. Revenue notes	-	870,000	-	-	870,000
Total current liabilities	<u>321,973</u>	<u>1,539,330</u>	<u>129,922</u>	<u>11,281</u>	<u>2,002,506</u>
Noncurrent liabilities					
Lease liability	92,903	92,903	-	-	185,806
Escrow payable	-	125,000	-	-	125,000
G.O. Revenue Bonds, net of unamortized premium	320,311	1,490,472	-	-	1,810,783
PFA G.O. Revenue notes	-	3,698,000	-	-	3,698,000
Net pension liability	232,418	231,616	219,288	49,230	732,552
Total noncurrent liabilities	<u>645,632</u>	<u>5,637,991</u>	<u>219,288</u>	<u>49,230</u>	<u>6,552,141</u>
Total liabilities	<u>967,605</u>	<u>7,177,321</u>	<u>349,210</u>	<u>60,511</u>	<u>8,554,647</u>
Deferred Inflows of Resources					
Deferred inflows of resources related to lease receivable	-	544,020	-	-	544,020
Deferred inflows of resources related to city pensions	164,044	163,478	154,776	34,747	517,045
Total deferred inflows of resources	<u>164,044</u>	<u>707,498</u>	<u>154,776</u>	<u>34,747</u>	<u>1,061,065</u>
Net Position					
Net investment in capital assets	14,320,499	15,387,520	900,128	2,037,504	32,645,651
Unrestricted	1,564,280	6,738,445	1,874,447	648,253	10,825,425
Total net position	<u>15,884,779</u>	<u>22,125,965</u>	<u>2,774,575</u>	<u>2,685,757</u>	<u>43,471,076</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 17,016,428</u>	<u>\$ 30,010,784</u>	<u>\$ 3,278,561</u>	<u>\$ 2,781,015</u>	<u>\$ 53,086,788</u>

City of Big Lake
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
Year Ended December 31, 2024

	Water (301, 399)	Sewer (401, 499)	Liquor (501, 599)	Storm Sewer (601, 699)	Totals
Sales and Cost of Sales					
Sales	\$ -	\$ -	\$ 5,416,878	\$ -	\$ 5,416,878
Cost of sales	-	-	3,911,795	-	3,911,795
Gross profit	-	-	1,505,083	-	1,505,083
Operating Revenues					
Charges for services	2,186,885	3,115,252	-	272,277	5,574,414
Operating Expenses					
Wages and salaries	560,206	558,306	521,860	116,342	1,756,714
Employee benefits	145,167	146,517	171,528	17,041	480,253
Materials and supplies	82,172	157,508	11,760	132	251,572
Repairs and maintenance	89,339	114,275	52,419	8,911	264,944
Professional services	103,059	89,824	118,923	6,363	318,169
Insurance	43,587	38,768	17,836	5,936	106,127
Utilities and refuse	126,216	225,472	45,556	-	397,244
Depreciation/amortization	906,974	1,436,817	75,157	166,038	2,584,986
Travel	7,609	7,672	166	-	15,447
Bad debt expense	2,703	3,109	-	53	5,865
Equipment	5,652	12,393	1,072	-	19,117
Advertising	1,197	1,285	8,390	1,169	12,041
Dues, memberships, and training	13,895	5,277	21,307	225	40,704
Telephone	7,814	10,573	10,823	217	29,427
Postage	20,575	6,812	447	1,416	29,250
Water meters	31,492	-	-	-	31,492
Uniforms	2,668	2,591	736	-	5,995
Rental expense and real estate taxes	1,514	-	-	-	1,514
Miscellaneous	-	-	562	-	562
Total operating expenses	2,151,839	2,817,199	1,058,542	323,843	6,351,423
Operating income (loss)	35,046	298,053	446,541	(51,566)	728,074
Nonoperating Revenues (Expenses)					
Investment and other interest income	83,522	239,483	52,715	22,353	398,073
Refunds and reimbursements	51,772	13,861	4,587	479	70,699
Interest expense	(19,797)	(167,766)	-	-	(187,563)
Amortization of premium	4,826	16,410	-	-	21,236
Rent	-	16,312	-	-	16,312
Other income	21,080	-	885	-	21,965
Total nonoperating revenues (expenses)	141,403	118,300	58,187	22,832	340,722
Income (loss) before transfers	176,449	416,353	504,728	(28,734)	1,068,796
Capital contributions - trunk and access charges	149,394	885,305	-	-	1,034,699
Transfers in	961,322	-	-	-	961,322
Transfers out	-	(31,355)	(450,210)	(10,241)	(491,806)
Change in net position	1,287,165	1,270,303	54,518	(38,975)	2,573,011
Net Position					
Beginning of year	14,597,614	20,855,662	2,720,057	2,724,732	40,898,065
End of year	\$ 15,884,779	\$ 22,125,965	\$ 2,774,575	\$ 2,685,757	\$ 43,471,076

See notes to basic financial statements.

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2024

	Water (301, 399)	Sewer (401, 499)	Liquor (501, 599)	Storm Sewer (601, 699)	Total
Cash Flows - Operating Activities					
Receipts from customers and users	\$ 2,195,086	\$ 3,118,056	\$ 5,419,081	\$ 270,245	\$ 11,002,468
Payments to suppliers	(546,936)	(507,663)	(4,259,497)	(24,122)	(5,338,218)
Payments to employees	(729,113)	(731,203)	(703,417)	(145,265)	(2,308,998)
Net cash flows - operating activities	<u>919,037</u>	<u>1,879,190</u>	<u>456,167</u>	<u>100,858</u>	<u>3,355,252</u>
Cash Flows - Noncapital					
Financing Activities					
Receipt of advances to other funds	-	77,085	-	-	77,085
Refunds and reimbursements	51,772	13,861	4,587	479	70,699
Transfer from other funds	961,322	-	-	-	961,322
Transfer to other funds	-	(31,355)	(450,210)	(10,241)	(491,806)
Net cash flows - noncapital financing activities	<u>1,013,094</u>	<u>59,591</u>	<u>(445,623)</u>	<u>(9,762)</u>	<u>617,300</u>
Cash Flows - Capital and Related					
Financing Activities					
Trunk and access charges	149,394	885,305	-	-	1,034,699
Principal paid on debt	(661,337)	(1,138,661)	-	-	(1,799,998)
Interest paid on debt	(26,541)	(178,697)	-	-	(205,238)
Payments paid on leases	(1,690)	(1,690)	-	-	(3,380)
Payments received on leases	-	16,312	-	-	16,312
Acquisition of capital assets	(2,193,019)	(283,864)	(21,670)	-	(2,498,553)
Net cash flows - capital and related financing activities	<u>(2,733,193)</u>	<u>(701,295)</u>	<u>(21,670)</u>	<u>-</u>	<u>(3,456,158)</u>
Cash Flows - Investing Activities					
Interest and dividends received	83,522	239,483	52,715	22,353	398,073
Net change in cash and cash equivalents	(717,540)	1,476,969	41,589	113,449	914,467
Cash and Cash Equivalents, January 1 (including restricted cash of \$125,557)					
	2,557,934	5,027,949	1,726,078	585,962	9,897,923
Cash and Cash Equivalents, December 31 (including restricted cash of \$125,478)					
	<u>\$ 1,840,394</u>	<u>\$ 6,504,918</u>	<u>\$ 1,767,667</u>	<u>\$ 699,411</u>	<u>\$ 10,812,390</u>
Reconciliation of Operating					
Income (Loss) to Net Cash Flows -					
Operating Activities					
Operating income (loss)	\$ 35,046	\$ 298,053	\$ 446,541	\$ (51,566)	\$ 728,074
Adjustments to reconcile operating income (loss) to net cash flows - Operating activities					
Other revenues	21,080	-	885	-	21,965
Depreciation/amortization expense	906,974	1,436,817	75,157	166,038	2,584,986
Net pension liability expense	(17,083)	(19,723)	(223)	(8,377)	(45,406)
Accounts receivable	23,290	19,453	1,318	(291)	43,770
Special assessments receivable	(16,169)	(16,774)	-	(1,741)	(34,684)
Due from other governments	(20,000)	125	-	-	(19,875)
Prepaid items	(1,647)	(15,815)	(1,049)	(474)	(18,985)
Inventory	-	-	(66,696)	-	(66,696)
Accounts payable	(4,990)	183,711	13,689	774	193,184
Due to other governmental units	(807)	-	(3,649)	-	(4,456)
Salaries payable	(18,281)	(18,281)	(15,449)	(3,666)	(55,677)
Compensated absences payable	11,624	11,624	5,643	161	29,052
Total adjustments	<u>883,991</u>	<u>1,581,137</u>	<u>9,626</u>	<u>152,424</u>	<u>2,627,178</u>
Net cash flows - operating activities	<u>\$ 919,037</u>	<u>\$ 1,879,190</u>	<u>\$ 456,167</u>	<u>\$ 100,858</u>	<u>\$ 3,355,252</u>

See notes to basic financial statements.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Big Lake is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, account groups, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

Blended Component Unit - Reported as if it is part of the City.

Related Organization - The relationship of the City with the entity is disclosed.

Joint Ventures and Jointly Governed Organization - The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

1. Blended Component Unit

The Big Lake Economic Development Authority (EDA) is a legal entity separate from the City. Although legally separate, the Big Lake EDA is reported as if it were part of the primary government because the component unit's total debt outstanding is expected to be repaid almost entirely with resources of the primary government. Separate financial statements are not prepared for the Big Lake EDA.

2. Joint Ventures and Jointly Governed Organization

a. Big Lake Volunteer Fire Department

The Big Lake Volunteer Fire Department (the "Fire Department") was created to provide fire services to the residents of the City, the Town of Big Lake, and the Town of Orrock, Minnesota.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

2. Joint Ventures and Jointly Governed Organization (Continued)

a. Big Lake Volunteer Fire Department (Continued)

On January 1, 2018, the City entered into an agreement with the Town of Big Lake to establish a joint powers agreement for fire protections services. The Big Lake Fire Department Joint Powers Board is a legal entity separate from the City. Each party appoints two members of the governing body. Separate audited financial statements are issued for the Fire Department, and annual financial statements are submitted to the State of Minnesota.

The City and the Town shall each contribute 50% of the total operating budget to the department. For the year ended December 31, 2024, the City contributed \$219,018 to the department.

b. Central Mississippi River Regional Planning Partnership

The Central Mississippi River Regional Planning Partnership (the "Partnership") was created to develop and implement a compelling regional vision and framework that guides local decisions on thoughtful and collaborative planning, growth, and development to benefit both individual jurisdictions and the region as a whole with the City of Monticello, City of Big Lake, City of Becker, Big Lake and Becker Townships, and Sherburne and Wright Counties.

On November 13, 2019, the City entered into an agreement with the Partnership to establish a joint powers agreement for developing and implementing a compelling regional vision and framework. The Partnership Board is a legal entity separate from the City. Each party appoints one member of the governing body.

In January of each year, each partner shall contribute its share of the Partnership's annual budget based on the following formula: the two counties to evenly split 50% of the total budget and the City and Township partners to evenly split the remaining 50% of the total budget. The City contributed \$500 in 2024.

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 activities of the City. 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not included among program revenues, instead, they are properly reported as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current 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.

Description of Funds:

Major Governmental Funds:

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

Equipment and Building Replacements Capital Projects Fund - This fund accounts for all the costs associated with the replacement of equipment and buildings within the City.

Infrastructure Improvement Capital Projects Fund - This fund accounts for all the costs associated with infrastructure improvements within the City.

Street Improvement Capital Projects Fund - This fund accounts for all the costs associated with various street improvement projects within the City.

G.O. Improvement Bond 2021A Debt Service Fund - This fund accounts for all the debt service payments associated with the GO Improvement Bond 2021A.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds: (Continued)

Major Governmental Funds: (Continued)

G.O. Improvement Bond 2022A Debt Service Fund - This fund accounts for all the debt service payments associated with the G.O. Improvement Bond 2022A.

Major Proprietary Funds:

Water Fund - This fund accounts for the operations of the City's water utility.

Sewer Fund - This fund accounts for the operations of the City's sanitary sewer utility.

Liquor Fund - This fund accounts for the activities of the City's liquor store operations.

Storm Sewer Fund - This fund accounts for the operations of the City's storm sewer utility.

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

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 to customers for sales and services. 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 use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Further, the City's applies unrestricted funds in this order if various levels of unrestricted fund balances exists: committed, assigned, and unassigned.

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

1. Cash and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

1. Cash and Investments (Continued)

Minnesota Statute § 118A authorizes allowable investments including, obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

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

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days' interest on the amount withdrawn. Redemptions from the LTD Fund may only be made on the third Wednesday of each month upon at least two weeks advance notice.

2. Restricted Cash

Resources are restricted within the Sewer Fund for the solar garden decomposition escrow deposit.

3. Receivables/Property Taxes

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Sherburne County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

3. Receivables/Property Taxes (Continued)

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

4. Inventory and 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 recorded as an expenditure at the time of consumption.

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories are recorded as expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Leasehold improvements	10 - 30
Machinery and equipment	5 - 10
Utility collection and distribution system	30
Infrastructure	30
Police Vehicles and Software	3

6. Lease Receivable

The City is a lessor for numerous noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

6. Lease Receivable (Continued)

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate, (2) lease term, (3) lease receipts, and (4) amortization.

The City determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

7. Right to Use Lease Assets/Lease Liabilities

The City recorded right-to-use lease assets as a result of implementing GASB Statement No. 87, *Leases*. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, (3) lease payments, and (4) amortization.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of the leases and will remeasure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

8. 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 represents 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 that time. The City has one item that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statements of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents 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 six types of items that qualify for reporting in this category. Four of the items reported arise under the modified accrual basis of accounting and are reported in the Governmental Funds Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from four sources: notes receivable, property taxes, special assessments, and state shared taxes. Additionally, the City reports deferred inflows related to lease receivables in the Governmental Funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statements of Net Position for deferred inflows of resources related to lease receivables and to pensions for various estimate differences that will be amortized and recognized over future years.

9. Pensions

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

10. Compensated Absences

Employees who retire are compensated for their unused sick leave. After 800 hours have accrued, employees can either take vacation or get paid for half of every hour earned in excess of 800 hours on an annual basis. Upon separation from the City, employees are eligible to 20 days of sick leave to be paid out if they have 10 years of employment.

In addition, employees are granted vacation based on their years of service. Employees can accrue up to 25 days of vacation. At year-end, any hours over 200 are forfeited. All employees will receive a lump sum payment for the balance of accumulated vacation leave upon a voluntary termination.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Severance

Severance benefits are paid upon termination of employment for the City Administrator. The City Administrator receives three months of salary and benefits in a lump sum payment.

12. 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 deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Fund Balance

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- **Nonspendable Fund Balances** - These are amounts that cannot be spent because they are not in spendable form.
- **Restricted Fund Balances** - These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- **Committed Fund Balances** - These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council (highest level of decision-making authority). The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- **Assigned Fund Balances** - These are amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments may be made by the city's finance director based on the city council's delegation.

City of Big Lake
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

13. Fund Balance (Continued)

a. Classification (Continued)

- Unassigned Fund Balances - These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

b. Minimum Fund Balance

The City will strive to maintain an unrestricted fund balance of between 42% and 50% of the next year's budgeted expenditures in the General Fund.

14. Net Position

Net Position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

15. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

16. Budgetary Information

The City Council adopts an annual budget. The amounts shown in the financial statements as "budget" represent the original budgeted amounts, and all revisions made during the year. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. Budget requests are submitted by all department heads to the City Administrator and Finance Director. The Finance Director compiles the budget requests into an overall preliminary City budget.
- b. The Finance Director presents the proposed budget to the City Council. The budget resolution adopted by the City Council sets forth the budgets at the function level for the General Fund, American Rescue Plan Special Revenue Fund, EDA Special Revenue Fund, Farmer's Market Special Revenue Fund, and Music in the Park Special Revenue Fund.

**City of Big Lake
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

16. Budgetary Information (Continued)

- c. Formal budgetary integration is employed as a management control device during the year for the General Fund, American Rescue Plan Special Revenue Fund, EDA Special Revenue Fund, Farmer's Market Special Revenue Fund, and Music in the Park Special Revenue Fund. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through G.O. bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls.
- d. The budgets for the General Fund, American Rescue Plan Special Revenue Fund, EDA Special Revenue Fund, Farmer's Market Special Revenue Fund, and Music in the Park Special Revenue Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriations lapse at year-end.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The following Funds had a deficit fund balance at December 31, 2024:

Non-Major Governmental Fund	
Industrial Park Expansion Land Purchase Capital Projects Fund	\$ 520,720

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

In accordance with applicable *Minnesota Statutes* the City maintains deposits at depository banks authorized by the City Council.

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy states all deposits will be insured or collateralized in accordance with *Minnesota Statutes* § 118.A. At December 31, 2024, the City's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by pledging financial institutions trust department or agent and in the City's name.

Savings	\$ 20,084
Certificates of deposit	238,150
	258,234
Total	\$ 258,234

City of Big Lake
Notes to Basic Financial Statements

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments

At December 31, 2024, the City had the following investments:

Investment Type	Total Fair Value	Investment Maturities			
		Less Than One Year	1-2 Years	2-5 years	5+ years
Pooled Investments					
Brokered Certificates of Deposit	\$ 7,158,956	\$ 1,452,657	\$ 2,011,532	\$ 3,694,767	\$ -
Cash and Brokered Money Market Accounts	96,116	96,116	-	-	-
Municipal Bonds	2,541,498	301,508	-	1,051,239	1,188,751
4M Fund	11,018,032	11,018,032	-	-	-
4M LTD	4,327,527	4,327,527	-	-	-
4M Plus	593,447	593,447	-	-	-
Total	25,735,576	17,789,287	2,011,532	4,746,006	1,188,751
Non-Pooled Cash and Cash Equivalents					
4M Fund	171,499	171,499	-	-	-
Total Investments	\$ 25,907,075	\$ 17,960,786	\$ 2,011,532	\$ 4,746,006	\$ 1,188,751

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

- \$96,116 of investments are valued using quoted prices (Level 1 inputs)
- \$9,700,454 of investments are valued using a matrix pricing model (Level 2 inputs)

Interest Rate Risk: This is the risk that fair values of securities in a portfolio would decrease due to changes in interest rates. The City's investment policy states the City will minimize interest rate risk by reviewing cash flow requirements and making investments to meet the shorter cash flow needs, thereby avoiding the need to sell securities in the open market prior to maturity. It also includes specific limits on investment maturities as a means of managing its exposure to fair value arising from increasing interest rates. The average maturity of the overall portfolio is to be consistent with the risk profile of the City not to extend beyond seven years.

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Minnesota Statutes* §§ 118A.04 and 118A.05 limit investments that are allowed. The City's investment policy limits its investments to those specified in these Statutes and furthermore specified based on the list in their investment policy. The City's investment in a municipal bond is rated AA3 by Moody's.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments should be diversified to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The City's investment policy states that they will diversify the investment portfolio so the impact of potential losses from any one type of security or from any individual issuer will be minimized.

City of Big Lake
Notes to Basic Financial Statements

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk - Investments: This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy states that the City Finance Director shall maintain a list of financial institutions authorized to provide investment services. Financial service providers who wish to offer investments must provide the City Finance Director with a list of items before they become authorized.

Summary of cash, deposits, and investments as of December 31, 2024:

Petty cash	\$ 2,895
Deposits (Note 3.A.)	258,234
Investments (Note 3.B.)	<u>25,907,075</u>
Total deposits and investments	<u><u>\$ 26,168,204</u></u>

Cash, deposits, and investments are presented in the December 31, 2024, basic financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 26,042,726
Restricted cash and cash equivalents	<u>125,478</u>
Total	<u><u>\$ 26,168,204</u></u>

NOTE 4 - NOTES RECEIVABLE AND LEASE RECEIVABLE

Governmental funds notes receivable includes receivables from the Big Lake Township for their portion of debt payments on the Taxable G.O. Refunding Bonds, Series 2016A, for \$180,000. Principal and interest are due in semiannual installments through February 1, 2028.

The City has entered into a Tower Lease agreement with Tower Co, SBA for space leased on the tower located at the Wastewater Treatment Facility. This lease was entered in to in 2018 and will continue through the end of 2031. This lease includes variable payments based on the Consumer Price Index for all Urban Consumers for the U.S. City Average for All Items. The City received payments of \$5,753 in principal and \$1,493 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$45,666 as of December 31, 2024.

**City of Big Lake
Notes to Basic Financial Statements**

NOTE 4 - NOTES RECEIVABLE AND LEASE RECEIVABLE (CONTINUED)

The City has entered into a Tower Lease agreement with APT Minneapolis, Inc. for the water tower located on Lake Shore Drive. This lease was entered into in 2018 and will continue to 2024. The lease payment was \$24,318 for 2024 and will increase by 2% yearly. The City received payments of \$22,980 in principal and \$1,337 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$23,704 as of December 31, 2024.

The City has entered into a Communication Site Lease Agreement with Palmer Wireless, LLC for space for Equipment Shelter. This lease was entered into in 2017 and will continue to 2043. The rent owed is \$150 monthly and will increase by 5% at the beginning of each year starting in 2024. The City received payments of \$1,663 in principal and \$204 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$41,438 as of December 31, 2024.

The City has entered into a Solar Energy Facility Lease and Easement agreement with Big Lake Holdco LLC. for land. This lease was entered into in 2017 and will continue to 2050. Rental payments vary from year to year based on the lease agreement. The City received payments of \$12,185 in principal and \$9,974 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$544,020 as of December 31, 2024.

The City has entered into a Lease agreement with Ewing Farms, Inc for property to be used for agricultural purposes. This lease was entered into in 2019 and will continue to 2025. The annual rent due is \$4,175 for the length of the term. The City received payments of \$4,127 in principal and \$48 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$0 as of December 31, 2024.

The City entered into a Lease agreement with Floaters Recreational Rentals, LLC for operating rental equipment business. This lease was entered into in 2023 and will continue to 2024. The annual rent due is \$500 for the length of the term. The City received payments of \$488 in principal and \$12 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$124 as of December 31, 2024.

The City entered into a Lease agreement with Pizza Da Pie of Big Lake, Inc for use of space for business. This lease was entered into in 2023 and will continue to 2028. The monthly rent due is \$2,000 for the length of the term. The City received payments of \$21,165 in principal and \$2,835 in interest payments in 2024. The deferred inflow and receivable balance related to this lease is \$73,491 as of December 31, 2024.

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

A. Advances to/from Other Funds

The composition of advances as of December 31, 2024, was as follows:

	Advances To Sewer Fund
Advances from Other Governmental Funds	\$ 670,654

City of Big Lake
Notes to Basic Financial Statements

NOTE 5 - INTERFUND BALANCES AND TRANSFERS (CONTINUED)

A. Advances to/from Other Funds (Continued)

The amounts due to the Sewer Fund represent interfund loans to absorb temporary negative cash balances and to temporarily fund capital projects.

B. Interfund Transfers

The composition of interfund transfers as of December 31, 2024, was as follows:

	Transfers In					Total
	General Fund	Equipment and Building Replacements	Water	Street Improvement	Other Governmental Funds	
Transfers Out						
General Fund	\$ -	\$ 527,611	\$ -	\$ -	\$ 462,074	\$ 989,685
Infrastructure Improvement Fund	-	-	-	409,848	-	409,848
Other Governmental Funds	-	-	961,322	303,494	123,082	1,387,898
Liquor Fund	450,000	-	-	-	210	450,210
Sewer Fund	-	-	-	-	31,355	31,355
Storm Sewer Fund	-	-	-	-	10,241	10,241
Total	<u>\$ 450,000</u>	<u>\$ 527,611</u>	<u>\$ 961,322</u>	<u>\$ 713,342</u>	<u>\$ 626,962</u>	<u>\$ 3,279,237</u>

The above transfers were made for the following reasons: debt service payments, operating transfers to cover Tax Increment Financing (TIF) administrative expenditures, capital projects, closing funds, and other administrative items.

City of Big Lake
Notes to Basic Financial Statements

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 8,007,824	\$ -	\$ -	\$ 8,007,824
Construction in progress	8,177,775	1,871,978	3,421,139	6,628,614
Total capital assets not being depreciated	<u>16,185,599</u>	<u>1,871,978</u>	<u>3,421,139</u>	<u>14,636,438</u>
Other capital assets				
Infrastructure	41,953,591	3,299,796	-	45,253,387
Buildings	4,979,619	47,748	-	5,027,367
Leasehold improvements	419,830	85,096	-	504,926
Machinery and equipment	7,194,209	943,521	282,395	7,855,335
Machinery and equipment - lease asset	55,084	83,821	48,900	90,005
Total other capital assets	<u>54,602,333</u>	<u>4,459,982</u>	<u>331,295</u>	<u>58,731,020</u>
Less accumulated depreciation/ amortization for				
Infrastructure	27,124,417	858,927	-	27,983,344
Buildings	2,973,528	155,797	-	3,129,325
Leasehold improvements	69,973	21,493	-	91,466
Machinery and equipment	4,959,334	561,530	282,395	5,238,469
Machinery and equipment - lease asset	32,324	5,628	29,414	8,538
Total accumulated depreciation/amortization	<u>35,159,576</u>	<u>1,603,375</u>	<u>311,809</u>	<u>36,451,142</u>
Total other capital assets, net	<u>19,442,757</u>	<u>2,856,607</u>	<u>19,486</u>	<u>22,279,878</u>
Governmental activities capital assets, net	<u>\$ 35,628,356</u>	<u>\$ 4,728,585</u>	<u>\$ 3,440,625</u>	<u>\$ 36,916,316</u>

City of Big Lake
Notes to Basic Financial Statements

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated/amortized				
Land	\$ 1,534,320	\$ -	\$ -	\$ 1,534,320
Construction in progress	1,282,506	2,333,731	889,745	2,726,492
Total capital assets not being depreciated/amortized	<u>2,816,826</u>	<u>2,333,731</u>	<u>889,745</u>	<u>4,260,812</u>
Capital assets being depreciated/amortized				
Buildings	27,648,091	32,069	-	27,680,160
Collection and distribution systems	49,185,281	906,443	-	50,091,724
Lease assets	199,130	-	-	199,130
Leasehold improvements	223,833	-	-	223,833
Machinery and equipment	2,227,939	141,267	-	2,369,206
Total capital assets being depreciated/amortization	<u>79,484,274</u>	<u>1,079,779</u>	<u>-</u>	<u>80,564,053</u>
Less accumulated depreciation/ amortization for				
Buildings	11,094,058	921,707	-	12,015,765
Collection and distribution systems	29,883,521	1,485,763	-	31,369,284
Lease assets	11,378	5,690	-	17,068
Leasehold improvements	168,261	6,041	-	174,302
Machinery and equipment	1,419,996	165,785	-	1,585,781
Total accumulated depreciation/amortization	<u>42,577,214</u>	<u>2,584,986</u>	<u>-</u>	<u>45,162,200</u>
Total capital assets being depreciated/amortized, net	<u>36,907,060</u>	<u>(1,505,207)</u>	<u>-</u>	<u>35,401,853</u>
Business-type activities capital assets, net	<u>\$ 39,723,886</u>	<u>\$ 828,524</u>	<u>\$ 889,745</u>	<u>\$ 39,662,665</u>

City of Big Lake
Notes to Basic Financial Statements

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	\$ 59,052
Public safety	355,629
Streets and highways	959,576
Culture and recreation	180,344
Economic development	<u>48,774</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,603,375</u></u>
Business-type activities	
Water	\$ 906,974
Sewer	1,436,817
Liquor	75,157
Storm sewer	<u>166,038</u>
Total depreciation expense - business-type activities	<u><u>\$ 2,584,986</u></u>

NOTE 7 - LONG-TERM DEBT

A. General Obligation Bonds

The City issues General Obligation (G.O.) bonds to provide for financing the construction of street improvements, tax increment projects and to refinance (refund) previous bond issues. Debt service is covered respectively by tax increments, revenue generated from projects and special assessments against benefited properties with any shortfalls being paid from general taxes.

G.O. bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 10-year serial bonds with equal debt service payments each year.

City of Big Lake
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

B. Components of Long-Term Liabilities

	Issue Year	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-term liabilities						
Governmental activities						
G.O. Bonds, including Refunding bonds						
G.O. Refunding Bonds of 2015A	2015	2.00%-3.00%	\$ 4,330,000	2029	\$ 295,000	\$ 70,000
G.O. Capital Improvement Bonds of 2016B	2016	1.00%-2.25%	590,000	2028	210,000	50,000
G.O. Refunding Improvement Bonds of 2016C	2016	2.00%	1,875,000	2026	650,000	320,000
G.O. Improvement Bonds of 2018A	2018	3.00%-3.30%	2,350,000	2034	1,675,000	145,000
G.O. Improvement Bonds of 2021A	2021	1.05%-3.00%	3,140,000	2032	2,580,000	290,000
G.O. Improvement Bonds of 2022A	2022	2.00%-4.00%	5,065,000	2033	4,640,000	440,000
Taxable G.O. Refunding Bonds						
Taxable G.O. Refunding Bond of 2016A	2016	0.90%-3.10%	2,885,000	2030	900,000	170,000
Notes payable from direct borrowing						
Transportation Revolving Loan Fund	2010	1.726%	2,465,000	2029	726,000	140,000
Total					<u>11,676,000</u>	<u>1,625,000</u>
Premium on bonds payable					655,137	-
Lease liability					81,860	17,257
Financed purchase					36,730	12,060
Severance					50,741	50,741
Compensated absences					316,331	316,331
Total governmental activities					<u>12,816,799</u>	<u>2,021,389</u>
Business-type activities						
G.O. Revenue Bonds, including Refunding Bonds						
G.O. Refunding Bonds of 2015A	2015	2.00%-3.00%	4,955,000	2029	2,140,000	400,000
Notes from direct borrowing						
Public Facility Authority Clean Water G.O. Revenue Note of 2009	2009	2.41%	13,470,120	2029	4,568,000	870,000
Premium on bonds payable					70,783	-
Lease liability					189,294	3,488
Compensated absences					182,558	182,558
Total business-type activities					<u>7,150,635</u>	<u>1,456,046</u>
Total all long-term liabilities					<u>\$ 19,967,434</u>	<u>\$ 3,477,435</u>

City of Big Lake
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

C. Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
G.O. Improvement Bonds	\$ 11,660,000	\$ -	\$ 1,610,000	\$ 10,050,000	\$ 1,315,000
Taxable G.O. Refunding Bonds	1,180,000	-	280,000	900,000	170,000
Notes payable from direct borrowing	864,000	-	138,000	726,000	140,000
Premium on bonds	753,427	-	98,290	655,137	-
Total bonds payable	<u>14,457,427</u>	<u>-</u>	<u>2,126,290</u>	<u>12,331,137</u>	<u>1,625,000</u>
Lease liability	23,522	83,821	25,483	81,860	17,257
Financed purchase	48,611	-	11,881	36,730	12,060
Compensated absences	310,192	298,806	292,667	316,331	316,331
Severance	47,802	2,939	-	50,741	50,741
Total governmental activities	<u>14,838,943</u>	<u>385,566</u>	<u>2,456,321</u>	<u>12,816,799</u>	<u>2,021,389</u>
Business-type activities					
Bonds payable					
G.O. Revenue Bonds	2,525,000	-	385,000	2,140,000	400,000
Premium on bonds	92,017	-	21,235	70,783	-
Total bonds payable	<u>2,617,017</u>	<u>-</u>	<u>406,235</u>	<u>2,210,783</u>	<u>400,000</u>
Notes from direct borrowing					
PFA G.O. Revenue Notes	<u>5,983,000</u>	<u>-</u>	<u>1,415,000</u>	<u>4,568,000</u>	<u>870,000</u>
Lease liability	192,674	-	3,380	189,294	3,487
Compensated absences	<u>153,506</u>	<u>168,318</u>	<u>139,266</u>	<u>182,558</u>	<u>182,558</u>
Total business-type activities	<u>8,946,197</u>	<u>168,318</u>	<u>1,963,881</u>	<u>7,150,635</u>	<u>1,456,045</u>
Total long-term liabilities	<u>\$ 23,785,140</u>	<u>\$ 553,884</u>	<u>\$ 4,420,202</u>	<u>\$ 19,967,434</u>	<u>\$ 3,477,434</u>

City of Big Lake
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

D. Minimum Debt Payments

Minimum annual principal and interest payments required to retire non-compensated absence liabilities:

Year Ending December 31,	Governmental Activities					
	G.O. Bonds			Lease Liability		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,315,000	\$ 266,612	\$ 1,581,612	\$ 17,257	\$ 2,294	\$ 19,551
2026	1,365,000	226,037	1,591,037	16,624	1,763	18,387
2027	1,075,000	187,207	1,262,207	16,749	1,717	18,466
2028	1,105,000	150,413	1,255,413	17,402	728	18,130
2029	1,010,000	114,025	1,124,025	13,828	186	14,014
2030-2034	4,180,000	189,524	4,369,524	-	-	-
Total	<u>\$ 10,050,000</u>	<u>\$ 1,133,818</u>	<u>\$ 11,183,818</u>	<u>\$ 81,860</u>	<u>\$ 6,688</u>	<u>\$ 88,548</u>

Year Ending December 31,	Governmental Activities					
	Notes Payable from Direct Borrowing			Financed Purchase Payable		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 140,000	\$ 12,530	\$ 152,530	\$ 12,060	\$ 551	\$ 12,611
2026	143,000	10,114	153,114	12,241	370	12,611
2027	145,000	7,646	152,646	12,429	186	12,615
2028	148,000	5,144	153,144	-	-	-
2029	150,000	2,590	152,590	-	-	-
Total	<u>\$ 726,000</u>	<u>\$ 38,024</u>	<u>\$ 764,024</u>	<u>\$ 36,730</u>	<u>\$ 1,107</u>	<u>\$ 37,837</u>

Year Ending December 31,	Governmental Activities					
	Taxable G.O. Refunding Bond			Total Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 170,000	\$ 23,930	\$ 193,930	\$ 1,654,317	\$ 305,917	\$ 1,960,234
2026	180,000	19,200	199,200	1,716,865	257,484	1,974,349
2027	185,000	13,998	198,998	1,434,178	210,754	1,644,932
2028	190,000	8,370	198,370	1,460,402	164,655	1,625,057
2029	85,000	4,107	89,107	1,258,828	120,908	1,379,736
2030-2034	90,000	1,395	91,395	4,270,000	190,919	4,460,919
Total	<u>\$ 900,000</u>	<u>\$ 71,000</u>	<u>\$ 971,000</u>	<u>\$ 11,794,590</u>	<u>\$ 1,250,637</u>	<u>\$ 13,045,227</u>

City of Big Lake
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (CONTINUED)

D. Minimum Debt Payments (Continued)

Year Ending December 31,	Business-Type Activities					
	G.O. Revenue Bonds			Notes from Direct Borrowing		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 400,000	\$ 48,650	\$ 448,650	\$ 870,000	\$ 110,272	\$ 980,272
2026	410,000	39,281	449,281	892,000	89,270	981,270
2027	415,000	29,225	444,225	913,000	67,736	980,736
2028	450,000	18,413	468,413	935,000	45,698	980,698
2029	465,000	6,394	471,394	958,000	23,126	981,126
Total	<u>\$ 2,140,000</u>	<u>\$ 141,963</u>	<u>\$ 2,281,963</u>	<u>\$ 4,568,000</u>	<u>\$ 336,102</u>	<u>\$ 4,904,102</u>

Year Ending December 31,	Business-Type Activities					
	Lease Liability			Total Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 3,487	\$ 5,819	\$ 9,306	\$ 1,273,487	\$ 164,741	\$ 1,438,228
2026	3,597	5,709	9,306	1,305,597	134,260	1,439,857
2027	3,710	5,596	9,306	1,331,710	102,557	1,434,267
2028	3,827	5,479	9,306	1,388,827	69,590	1,458,417
2029	3,947	5,359	9,306	1,426,947	34,879	1,461,826
2030-2034	21,676	24,854	46,530	21,676	24,854	46,530
2035-2039	25,306	21,225	46,531	25,306	21,225	46,531
2040-2044	29,542	16,988	46,530	29,542	16,988	46,530
2045-2049	34,488	12,042	46,530	34,488	12,042	46,530
2050-2054	39,539	6,215	45,754	39,539	6,215	45,754
2055-2057	20,175	737	20,912	20,175	737	20,912
Total	<u>\$ 189,294</u>	<u>\$ 110,023</u>	<u>\$ 299,317</u>	<u>\$ 6,897,294</u>	<u>\$ 588,088</u>	<u>\$ 7,485,382</u>

E. Lease Liability

On March 17, 2021, the City entered into a lease agreement with Pitney Bowes. The lease agreement includes monthly principal and interest payments of \$129. The lease agreement expires in 2026.

On August 14, 2024, the City entered into a lease agreement with Marco for copiers. The lease agreement includes monthly principal and interest payments of \$1,369. The lease agreement expires in 2029.

On August 28, 2024, the City entered into a lease agreement with Minnesota Computer Systems, Inc. (MCSI) for the use of copiers. The lease agreement includes monthly principal and interest payments of \$131. The lease agreement expires in 2029.

In June 1979, the City entered into a lease agreement with Railroad Crossing for the use of railroad. The lease agreement includes monthly principal and interest payments of \$775. The lease agreement expires in 2056.

City of Big Lake
Notes to Basic Financial Statements

NOTE 8 - FUND BALANCE DETAIL

Fund balances are classified as follows on the chart below to reflect the limitations and restrictions of the respective funds.

	General	Equipment and Building Replacements	Infrastructure Improvement	Street Improvement	G.O. Improvement Bond 2021A	G.O. Improvement Bond 2022A	Nonmajor Governmental Fund	Total
Nonspendable								
Land held for resale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 7
Inventory	714	-	-	-	-	-	-	714
Prepaid items	116,519	-	-	-	-	-	2,989	119,508
Total nonspendable	<u>117,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,996</u>	<u>120,229</u>
Restricted								
Debt service	-	-	-	-	394,439	809,875	864,062	2,068,376
Park development	-	-	-	-	-	-	867,643	867,643
Small Cities Development Program	-	-	-	-	-	-	7,250	7,250
Statewide Affordable Housing TIF	-	-	-	-	-	-	65,348	65,348
Police traffic safety	-	-	-	-	-	-	22	22
DWI forfeiture	-	-	-	-	-	-	16,412	16,412
Farmers market	-	-	-	-	-	-	27,985	27,985
Narcotic forfeiture	-	-	-	-	-	-	82,913	82,913
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,439</u>	<u>809,875</u>	<u>2,059,796</u>	<u>3,264,110</u>
Committed								
Economic development	-	-	-	-	-	-	846,343	846,343
Veterans memorial	-	-	-	-	-	-	2,867	2,867
Music in the park	-	-	-	-	-	-	793	793
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,003</u>	<u>850,003</u>
Assigned								
Street improvement	-	-	-	123,338	-	-	-	123,338
Local development	-	-	-	-	-	-	143,544	143,544
Capital infrastructure replacement	-	-	1,008,451	-	-	-	-	1,008,451
Computer replacement	-	-	-	-	-	-	207,808	207,808
Lake maintenance	-	-	-	-	-	-	62,453	62,453
Police capital purchases	42,089	-	-	-	-	-	-	42,089
Street maintenance	-	-	-	-	-	-	2,414,802	2,414,802
Equipment and building replacements	-	2,168,085	-	-	-	-	-	2,168,085
Administration	6,000	-	-	-	-	-	-	6,000
Advance Resignation Program	6,000	-	-	-	-	-	-	6,000
Wellness program	1,240	-	-	-	-	-	-	1,240
Movie in the park program	10,311	-	-	-	-	-	-	10,311
Parks and Trails Maintenance	-	-	-	-	-	-	677,691	677,691
Total assigned	<u>65,640</u>	<u>2,168,085</u>	<u>1,008,451</u>	<u>123,338</u>	<u>-</u>	<u>-</u>	<u>3,506,298</u>	<u>6,871,812</u>
Unassigned	<u>4,644,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,720)</u>	<u>4,123,498</u>
Total	<u>\$ 4,827,091</u>	<u>\$ 2,168,085</u>	<u>\$ 1,008,451</u>	<u>\$ 123,338</u>	<u>\$ 394,439</u>	<u>\$ 809,875</u>	<u>\$ 5,898,373</u>	<u>\$ 15,229,652</u>

NOTE 9 - RISK MANAGEMENT

The City purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage.

City of Big Lake
Notes to Basic Financial Statements

NOTE 9 - RISK MANAGEMENT (CONTINUED)

The LMCIT is self-sustaining, through commercial companies, for excess claims. The City is covered through the pool for any claims incurred but unreported; however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2024 is estimated to be immaterial based on workers' compensation rates and salaries for the year.

At December 31, 2024, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 10 -PENSION PLANS

The City participates in various pension plans. Total pension expense for the year ended December 31, 2024, was \$405,737. The components of pension expense are noted in the following plan summaries.

The General Fund, Water, Sewer, Storm Sewer, and Liquor Funds typically liquidate the liability related to the pensions.

Public Employees' Retirement Association

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes* Chapters 353, 353D, 353E, 353G, and 356. *Minnesota Statutes* Chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified 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.

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

Public Employees Police and Fire Plan

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in *Minnesota Statutes* § 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 and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the City of Big Lake'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.

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any 5 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 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 the 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 a 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 reduced prorated increase.

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first 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 10 years. After five years, vesting increase by 10% each full year of service until members are 100% vested after 10 years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are 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.

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 reduced 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.

General Employees Fund Contributions

General Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2024, and the City was required to contribute 7.5% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024, were \$226,025. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2024, and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$278,206. The City's contributions were equal to the required contributions as set by the state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,267,182 for its proportionate share of the general employees fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$32,767.

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

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 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 0.0343% at the end of the measurement period and 0.0349% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 1,267,182
State of Minnesota's proportionate share of net pension liability associated with the City	32,767
Total	\$ 1,299,949

For the year ended December 31, 2024, the City recognized pension expense of \$139,855 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$878 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 non-employer contributing entity in the General Employees Plan pension allocation schedule 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 \$58,305 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.

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

At December 31, 2024, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 120,020	\$ -
Changes in actuarial assumptions	6,425	485,977
Net difference between projected and actual investment earnings	-	354,552
Changes in proportion	10,676	53,865
Contributions paid to PERA subsequent to the measurement date	113,013	-
Total	\$ 250,134	\$ 894,394

The \$113,013 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:

Year Ending December 31,	Pension Expense Amount
2025	\$ (409,749)
2026	(85,674)
2027	(164,729)
2028	(97,121)
Total	\$ (757,273)

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$1,270,306 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 0.0966%, at the end of the measurement period and 0.0940% 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 \$48,424.

City's proportionate share of the net pension liability	\$ 1,270,306
State of Minnesota's proportionate share of the net pension liability associated with the City	48,424
Total	\$ 1,318,730

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2024, the City recognized pension expense of \$265,882 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized \$(4,702) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$27,422 for the year ended December 31, 2024, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

Police and Fire Fund Pension Costs (Continued)

At December 31, 2024, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 489,655	\$ -
Changes in actuarial assumptions	1,396,857	1,821,279
Net difference between projected and actual investment earnings	-	435,197
Changes in proportion	43,507	45,207
Contributions paid to PERA subsequent to the measurement date	139,103	-
Total	\$ 2,069,122	\$ 2,301,683

The \$139,103 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:

Year Ending December 31,	Pension Expense Amount
2025	\$ (67,447)
2026	331,368
2027	(191,178)
2028	(481,037)
2029	36,630
Total	\$ (371,664)

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

E. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5 %	5.10 %
International equity	16.5	5.30
Fixed income	25.0	0.75
Private markets	25.0	5.90
Total	<u>100.0 %</u>	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

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

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

F. Actuarial Methods and Assumptions (Continued)

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2024, actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

General Employees Fund

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates
- Assumed rates or 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 were updated to reflect the changes in assumption.

Police and Fire Fund

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the prior valuation.

Changes in Plan Provisions

- The state contribution of \$9.0 million per year will continue until the earlier of 1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 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 upon attainment of 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048 if 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).

City of Big Lake
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (CONTINUED)

G. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0%. 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 positions 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.

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proprionate share of the General Employees Fund net pension liability	\$ 2,767,724	\$ 1,267,182	\$ 32,845
City's proprionate share of the Police and Fire Fund net pension liability	\$ 3,001,981	\$ 1,270,306	\$ 151,762

I. Pension Plan Fiduciary Net Position

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

	General Employees Plan	Police and Fire	Total
Pension expense	\$ 139,855	\$ 265,882	\$ 405,737
Net pension liability	1,267,182	1,270,306	2,537,488
Deferred outflows	250,134	2,069,122	2,319,256
Deferred inflows	894,394	2,301,683	3,196,077

City of Big Lake
Notes to Basic Financial Statements

NOTE 11 - TAX INCREMENT FINANCING

The City has entered into one (1) Tax Increment Financing agreements which meet the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The City's authority to enter into these agreements comes from *Minnesota Statute § 469*. The City entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2024, the City generated \$95,600 in tax increment revenue and made \$73,082 in payments to developers.

The City has the following TIF Districts:

- TIF District No. 5 was established in 2009 for the purpose of constructing a banking building. Under the agreement, up to \$127,025 of development costs will be reimbursed through tax increment over a 17-year period. During the year ended December 31, 2024, the City generated \$10,471 of tax increment revenue and made payments on the pay-as-you-go note of \$10,069. The note's balance at year end was \$105,953.

TIF Districts 3 and 4 are not separately disclosed as they have related G.O. bonds.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

A. Commitments

	Project Authorization	Expended Through 12/31/2024	Remaining Commitment
2020-2021 Street Projects	\$ 3,314,864	\$ 3,299,796	\$ 15,068
2022 Street Projects	4,771,990	4,727,096	44,894
2024 Street Projects	310,768	303,224	7,544
CR 43 Project	1,401,251	43,413	1,357,838
Highland Trail Project	463,020	446,871	16,149
Well 2	867,061	716,162	150,899
WWTP Expansion Phase II	1,193,448	319,901	873,547
Water Meter Replacement	1,682,426	1,650,839	31,587
Totals	<u>\$ 14,004,828</u>	<u>\$ 11,507,302</u>	<u>\$ 2,497,526</u>



**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Big Lake
Schedule of City's Proportionate Share
of Net Pension Liability - General Employees Retirement Fund
Last Ten Years*

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0270%	\$ 1,399,280	\$ -	\$ 1,399,280	\$ 1,562,440	89.56%	78.19%
2016	0.0305%	2,476,449	32,345	2,508,794	1,893,227	130.81%	68.91%
2017	0.0313%	1,998,171	25,092	2,023,263	2,013,733	99.23%	75.90%
2018	0.0332%	1,841,800	60,434	1,902,234	2,232,853	82.49%	79.53%
2019	0.0330%	1,824,496	56,664	1,881,160	2,332,333	78.23%	80.23%
2020	0.0323%	1,936,533	59,723	1,996,256	2,305,187	84.01%	79.06%
2021	0.0346%	1,477,575	45,050	1,522,625	2,490,387	59.33%	87.00%
2022	0.0356%	2,819,532	82,562	2,902,094	2,663,693	105.85%	76.67%
2023	0.0349%	1,951,569	53,855	2,005,424	2,776,733	70.28%	83.10%
2024	0.0343%	1,267,182	32,767	1,299,949	2,901,013	43.68%	183.10%

Schedule of City's Proportionate Share
of Net Pension Liability - Public Employees Police and Fire Retirement Fund
Last Ten Years*

For Fiscal Year Ended June 30,	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0870%	\$ 988,524	\$ -	\$ 988,524	\$ 773,321	127.83%	86.61%
2016	0.0880%	3,531,593	-	3,531,593	848,407	416.26%	63.88%
2017	0.0810%	1,093,596	-	1,093,596	834,926	130.98%	85.43%
2018	0.0875%	932,660	-	932,660	922,562	101.09%	88.84%
2019	0.0976%	1,025,875	-	1,025,875	1,006,383	101.94%	89.26%
2020	0.0999%	1,307,798	31,035	1,338,833	1,103,960	118.46%	87.19%
2021	0.1005%	766,708	34,903	801,611	1,188,198	64.53%	93.66%
2022	0.0948%	4,116,790	8,532	4,125,322	1,151,458	357.53%	70.53%
2023	0.0940%	1,623,258	65,328	1,688,586	1,233,802	131.57%	86.47%
2024	0.0966%	1,270,306	48,424	1,318,730	1,337,056	95.01%	186.47%

**City of Big Lake
Schedule of City Contributions -
General Employees Retirement Fund
Last Ten Years***

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 123,699	\$ 123,699	\$ -	\$ 1,649,320	7.50%
2016	146,423	146,423	-	1,952,307	7.50%
2017	158,725	158,725	-	2,116,333	7.50%
2018	169,709	169,709	-	2,262,787	7.50%
2019	175,658	175,658	-	2,342,107	7.50%
2020	180,472	180,472	-	2,406,293	7.50%
2021	191,046	191,046	-	2,547,280	7.50%
2022	203,946	203,946	-	2,719,280	7.50%
2023	212,881	212,881	-	2,838,413	7.50%
2024	226,025	226,025	-	3,013,667	7.50%

**Schedule of City Contributions -
Public Employees Police and Fire Retirement Fund
Last Ten Years***

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 133,141	\$ 133,141	\$ -	\$ 821,858	16.20%
2016	131,713	131,713	-	813,043	16.20%
2017	141,471	141,471	-	873,278	16.20%
2018	160,720	160,720	-	992,099	16.20%
2019	181,880	181,880	-	1,073,038	16.95%
2020	207,548	207,548	-	1,172,588	17.70%
2021	208,055	208,055	-	1,175,452	17.70%
2022	207,653	207,653	-	1,173,181	17.70%
2023	230,268	230,268	-	1,300,949	17.70%
2024	278,206	278,206	-	1,571,785	17.70%

City of Big Lake
Notes to Required Supplementary Information

General Employees Fund

2024 Changes

Changes in Actuarial Assumptions

- Rates of merit and seniority were adjusted, resulting in slightly higher rates
- Assumed rates or 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 were updated to reflect the changes in assumption.

2023 Changes

Changes in Actuarial Assumptions

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

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, non-compounding benefit increase of 2.5% 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 since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% 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 since the prior valuation.

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.

City of Big Lake
Notes to Required Supplementary Information

General Employees Fund (Continued)

2020 Changes (Continued)

Changes in Actuarial Assumptions

- 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 and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and 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% thereafter. 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.

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 1.0% per year through 2044 and 2.5% 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.

City of Big Lake
Notes to Required Supplementary Information

General Employees Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions (Continued)

- 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 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, 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; this 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 CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed annual 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.

Changes in Plan Provisions

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

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

City of Big Lake
Notes to Required Supplementary Information

General Employee Fund (Continued)

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% 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 increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

City of Big Lake
Notes to Required Supplementary Information

Police and Fire Fund

2024 Changes

Changes in Actuarial Assumptions

- There were no changes in actuarial assumptions since the prior valuation.

Changes in Plan Provisions

- The state contribution of \$9.0 million per year will continue until the earlier of 1) both the Public Employees Retirement Association Police and Fire Plan and the State Patrol Retirement Fund attaining 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 upon attainment of 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis or July 1, 2048 if 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 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0% 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 mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021 Changes

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The inflation assumption was changed from 2.5% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.0%.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.

City of Big Lake
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2021 Changes (Continued)

Changes in Plan Provisions

- 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 resulted 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 resulted in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted 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.
- There have been no changes 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 since the prior valuation.

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 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 \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% 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.

City of Big Lake
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2018 Changes (Continued)

Changes in Plan Provisions (Continued)

- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- 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 CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% 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 annual increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- The single discount rate changed from 7.90% to 5.60%.
- 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 since the prior valuation.

City of Big Lake
Notes to Required Supplementary Information

Police and Fire Fund (Continued)

2015 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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



COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS AND SCHEDULES

**City of Big Lake
Nonmajor Governmental Fund**

Special Revenue Funds - These are used to account for revenues derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or committed by administrative action to expenditures for specified purpose.

- *Economic Development Authority*
- *Narcotic Forfeiture*
- *DWI Forfeiture*
- *Traffic Safety Program*
- *Farmers Market*
- *Veterans and Other Memorials*
- *Music in the Park*
- *American Rescue Plan Act*
- *Statewide Affordable Housing Aid*

Debt Service Funds - These are used to account for collections of revenues and payment of principal and interest on debt.

- *G.O. Taxable Refunding Bonds 2016A*
- *G.O. Capital Improvement Bonds 2016B*
- *G.O. Refunding Bonds 2016C*
- *G.O. Refunding Bond 2015A*
- *G.O. Improvement Bonds 2018A*
- *G.O. State Aid Loan*

Capital Project Funds are used to account for resources used for the acquisition and construction of capital assets by the City, except for those financed by propriety funds.

- Neighborhood Stabilization Program
- Small Cities Development Program
- Parks and Trail Maintenance
- Park Development
- Industrial Park Expansion Land Purchase
- Local Development
- Lake Street Redevelopment TIF 1-3
- Commercial Redevelopment TIF 1-4
- Commercial Redevelopment TIF 1-5
- Computer Replacement Fund
- Street Maintenance Fund
- Lake Maintenance Fund

**City of Big Lake
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue			
	Economic Development Authority (275)	Narcotic Forfeiture (276)	DWI Forfeiture (277)	Traffic Safety Program (278)
Assets				
Cash and investments	\$ 263,820	\$ 82,913	\$ 16,412	\$ 22
Taxes receivable - delinquent	1,412	-	-	-
Due from other governments	1,836	-	-	-
Notes receivable	-	-	-	-
Lease receivable	73,491	-	-	-
Special assessment receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Land held for resale	586,621	-	-	-
Prepaid expenses	2,924	-	-	-
	<u>\$ 930,104</u>	<u>\$ 82,913</u>	<u>\$ 16,412</u>	<u>\$ 22</u>
Liabilities				
Accounts payable	\$ 5,930	\$ -	\$ -	\$ -
Salaries and benefits payable	4	-	-	-
Escrow payable	-	-	-	-
Contracts payable	-	-	-	-
Due to other governments	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>5,934</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - notes receivables	-	-	-	-
Deferred outflows of resources related to lease receivables	73,491	-	-	-
Unavailable revenue - property taxes	1,412	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>74,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	2,924	-	-	-
Restricted	-	82,913	16,412	22
Committed	846,343	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>849,267</u>	<u>82,913</u>	<u>16,412</u>	<u>22</u>
	<u>\$ 930,104</u>	<u>\$ 82,913</u>	<u>\$ 16,412</u>	<u>\$ 22</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 930,104</u>	<u>\$ 82,913</u>	<u>\$ 16,412</u>	<u>\$ 22</u>

(Continued)

Special Revenue				Debt Service
Farmers Market (280)	Veterans Memorial Fund (281)	Music in the Park (282)	Statewide Affordable Housing Aid (273)	G.O. Taxable Refunding 2016A (223)
\$ 29,585	\$ 5,345	\$ 829	\$ 67,901	\$ 243,597
-	-	-	-	2,065
20	-	-	-	2,475
-	-	-	-	180,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
65	-	-	-	-
<u>\$ 29,670</u>	<u>\$ 5,345</u>	<u>\$ 829</u>	<u>\$ 67,901</u>	<u>\$ 428,137</u>
\$ 1,584	\$ -	\$ -	\$ -	\$ -
36	-	36	-	-
-	-	-	-	-
-	-	-	-	-
-	2,478	-	2,553	-
-	-	-	-	144,852
-	-	-	-	-
<u>1,620</u>	<u>2,478</u>	<u>36</u>	<u>2,553</u>	<u>144,852</u>
-	-	-	-	180,000
-	-	-	-	-
-	-	-	-	2,065
-	-	-	-	-
-	-	-	-	<u>182,065</u>
65	-	-	-	-
27,985	-	-	65,348	101,220
-	2,867	793	-	-
-	-	-	-	-
-	-	-	-	-
<u>28,050</u>	<u>2,867</u>	<u>793</u>	<u>65,348</u>	<u>101,220</u>
<u>\$ 29,670</u>	<u>\$ 5,345</u>	<u>\$ 829</u>	<u>\$ 67,901</u>	<u>\$ 428,137</u>

**City of Big Lake
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024**

	Debt Service			
	G.O. CIP Bond 2016B (224)	G.O. Improvement Refunding 2016C (226)	G.O. Refunding Bond 2015A (222)	G.O. Improvement Bond 2018A (227)
Assets				
Cash and investments	\$ 22,046	\$ 320,529	\$ 34,924	\$ 366,302
Taxes receivable - delinquent	618	3,616	3,251	-
Due from other governments	821	4,827	4,327	-
Notes receivable	-	-	-	-
Lease receivable	-	-	-	-
Special assessment receivable				
Delinquent	-	306	42	1,964
Deferred	-	1,585	88,680	215,713
Land held for resale	-	-	-	-
Prepaid expenses	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 23,485</u>	<u>\$ 330,863</u>	<u>\$ 131,224</u>	<u>\$ 583,979</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Escrow payable	-	-	-	-
Contracts payable	-	-	-	-
Due to other governments	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - notes receivables	-	-	-	-
Deferred outflows of resources related to lease receivables	-	-	-	-
Unavailable revenue - property taxes	618	3,616	3,251	-
Unavailable revenue - special assessments	-	1,891	88,722	217,677
Total deferred inflows of resources	<u>618</u>	<u>5,507</u>	<u>91,973</u>	<u>217,677</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	22,867	325,356	39,251	366,302
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>22,867</u>	<u>325,356</u>	<u>39,251</u>	<u>366,302</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,485</u>	<u>\$ 330,863</u>	<u>\$ 131,224</u>	<u>\$ 583,979</u>

(Continued)

Debt Service	Capital Projects				
G.O. State Aid Loan (211)	Small Cities Development Program (118)	Parks and Trails Maintenance (195)	Park Development (120)	Industrial Park Expansion Land Purchase (141)	Local Development (150)
\$ 9,066	\$ 7,250	\$ 677,691	\$ 867,643	\$ 5,082	\$ 584,068
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,885
-	-	-	-	7	-
-	-	-	-	-	-
<u>\$ 9,066</u>	<u>\$ 7,250</u>	<u>\$ 677,691</u>	<u>\$ 867,643</u>	<u>\$ 5,089</u>	<u>\$ 585,953</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120
-	-	-	-	-	-
-	-	-	-	-	424,604
-	-	-	-	-	15,800
-	-	-	-	-	-
-	-	-	-	525,802	-
-	-	-	-	-	-
-	-	-	-	525,802	440,524
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,885
-	-	-	-	-	1,885
-	-	-	-	-	-
-	-	-	-	7	-
9,066	7,250	-	867,643	-	-
-	-	-	-	-	-
-	-	677,691	-	-	143,544
-	-	-	-	(520,720)	-
<u>9,066</u>	<u>7,250</u>	<u>677,691</u>	<u>867,643</u>	<u>(520,713)</u>	<u>143,544</u>
<u>\$ 9,066</u>	<u>\$ 7,250</u>	<u>\$ 677,691</u>	<u>\$ 867,643</u>	<u>\$ 5,089</u>	<u>\$ 585,953</u>

**City of Big Lake
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024**

	Capital Projects		
	Lake Street Redevelopment TIF 1-3 (165)	Commercial Redevelopment TIF 1-4 (170)	Commercial Redevelopment TIF 1-5 (171)
Assets			
Cash and investments	\$ 18,914	\$ 9,835	\$ 325
Taxes receivable - delinquent	-	-	-
Due from other governments	-	3,927	-
Notes receivable	-	-	-
Lease receivable	-	-	-
Special assessment receivable			
Delinquent	-	-	-
Deferred	-	-	-
Land held for resale	-	95,160	-
Prepaid expenses	-	-	-
Total assets	\$ 18,914	\$ 108,922	\$ 325
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Escrow payable	-	-	-
Contracts payable	-	-	-
Due to other governments	-	-	-
Advances from other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
Deferred Inflows of Resources			
Unavailable revenue - notes receivables	-	-	-
Deferred outflows of resources related to lease receivables	-	-	-
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	18,914	108,922	325
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	18,914	108,922	325
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,914	\$ 108,922	\$ 325

Capital Projects

Computer Replacement Fund (194)	Street Maintenance (196)	Lake Maintenance Fund (197)	Total Other Governmental Funds
\$ 207,827	\$ 2,414,802	\$ 62,453	\$ 6,319,181
-	-	-	10,962
-	-	-	18,233
-	-	-	180,000
-	-	-	73,491
-	-	-	2,312
-	105,610	-	413,473
-	-	-	681,788
-	-	-	2,989
<u>\$ 207,827</u>	<u>\$ 2,520,412</u>	<u>\$ 62,453</u>	<u>\$ 7,702,429</u>
\$ 19	\$ -	\$ -	7,653
-	-	-	76
-	-	-	424,604
-	-	-	15,800
-	-	-	5,031
-	-	-	670,654
-	-	-	-
<u>19</u>	<u>-</u>	<u>-</u>	<u>1,123,818</u>
-	-	-	180,000
-	-	-	73,491
-	-	-	10,962
-	105,610	-	415,785
<u>-</u>	<u>105,610</u>	<u>-</u>	<u>680,238</u>
-	-	-	2,996
-	-	-	2,059,796
-	-	-	850,003
207,808	2,414,802	62,453	3,506,298
-	-	-	(520,720)
<u>207,808</u>	<u>2,414,802</u>	<u>62,453</u>	<u>5,898,373</u>
<u>\$ 207,827</u>	<u>\$ 2,520,412</u>	<u>\$ 62,453</u>	<u>\$ 7,702,429</u>

City of Big Lake
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue			
	Economic Development Authority (275)	Narcotic Forfeiture (276)	DWI Forfeiture (277)	Traffic Safety Program (278)
Revenues				
Property taxes	\$ 129,824	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	24,000	-	-	-
Fines and forfeitures	-	-	2,044	-
Miscellaneous				
Investment and other interest income	12,399	2,847	920	1
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>166,223</u>	<u>2,847</u>	<u>2,964</u>	<u>1</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	67	-
Culture and recreation	-	-	-	-
Economic development	105,039	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	18,718	-
Streets and highways	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>105,039</u>	<u>-</u>	<u>18,785</u>	<u>-</u>
Excess of revenues over (under) expenditures	61,184	2,847	(15,821)	1
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(50,000)	-	-	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,184	2,847	(15,821)	1
Fund Balances				
Beginning balance	<u>838,083</u>	<u>80,066</u>	<u>32,233</u>	<u>21</u>
End of year	<u>\$ 849,267</u>	<u>\$ 82,913</u>	<u>\$ 16,412</u>	<u>\$ 22</u>

(Continued)

Special Revenue					Debt Service
Farmers Market (280)	Veterans Memorial Fund (281)	Music in the Park (282)	Statewide Affordable Housing Aid (273)	American Rescue Plan (274)	G.O. Taxable Refunding 2016A (223)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,021
-	-	-	-	-	-
-	-	-	-	-	-
6,870	-	-	-	-	-
796	-	-	34,074	961,322	45,510
-	-	-	-	-	-
-	-	-	-	-	-
1,133	619	491	-	-	4,102
13,069	6,265	22,000	-	-	-
40	-	-	-	-	-
<u>21,908</u>	<u>6,884</u>	<u>22,491</u>	<u>34,074</u>	<u>961,322</u>	<u>222,633</u>
-	-	-	-	-	-
-	-	-	-	-	-
19,591	11,019	34,601	2,800	-	-
-	-	-	-	-	-
-	-	-	-	-	280,000
-	-	-	-	-	36,115
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	18,663	-	-	-	-
-	-	-	-	-	-
<u>19,591</u>	<u>29,682</u>	<u>34,601</u>	<u>2,800</u>	<u>-</u>	<u>316,115</u>
2,317	(22,798)	(12,110)	31,274	961,322	(93,482)
-	-	5,000	34,074	-	73,082
-	-	-	-	(961,322)	-
<u>-</u>	<u>-</u>	<u>5,000</u>	<u>34,074</u>	<u>(961,322)</u>	<u>73,082</u>
2,317	(22,798)	(7,110)	65,348	-	(20,400)
25,733	25,665	7,903	-	-	121,620
<u>\$ 28,050</u>	<u>\$ 2,867</u>	<u>\$ 793</u>	<u>\$ 65,348</u>	<u>\$ -</u>	<u>\$ 101,220</u>

City of Big Lake
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2024

	Debt Service			
	G.O. CIP Bond 2016B (224)	G.O. Improvement Refunding 2016C (226)	G.O. Refunding Bond 2015A (222)	G.O. Improvement Bond 2018A (227)
Revenues				
Property taxes	\$ 57,776	\$ 343,603	\$ 301,727	\$ -
Tax increments	-	-	-	-
Special assessments	-	1,635	32,870	38,725
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous				
Investment and other interest income	(485)	3,449	(6,381)	12,196
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>57,291</u>	<u>348,687</u>	<u>328,216</u>	<u>50,921</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	50,000	310,000	400,000	140,000
Interest and other charges	5,595	16,595	11,351	54,495
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Streets and highways	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>55,595</u>	<u>326,595</u>	<u>411,351</u>	<u>194,495</u>
Excess of revenues over (under) expenditures	1,696	22,092	(83,135)	(143,574)
Other Financing Sources (Uses)				
Transfers in	-	-	41,596	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>41,596</u>	<u>-</u>
Net change in fund balances	1,696	22,092	(41,539)	(143,574)
Fund Balances				
Beginning balance	<u>21,171</u>	<u>303,264</u>	<u>80,790</u>	<u>509,876</u>
End of year	<u>\$ 22,867</u>	<u>\$ 325,356</u>	<u>\$ 39,251</u>	<u>\$ 366,302</u>

(Continued)

Debt Service	Capital Projects				
G.O. State Aid Loan (211)	Neighborhood Stabilization Program (116)	Small Cities Development Program (118)	Parks and Trails Maintenance (195)	Park Development (120)	Industrial Park Expansion Land Purchase (141)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151,722	-	-	-	-	-
-	-	-	-	159,344	-
-	-	-	-	-	-
520	-	-	22,733	31,795	1,294
-	-	-	-	25,000	-
-	1,847	-	-	-	-
<u>152,242</u>	<u>1,847</u>	<u>-</u>	<u>22,733</u>	<u>216,139</u>	<u>1,294</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
138,000	-	-	-	-	-
14,913	-	-	-	-	22,915
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,298	220,088	-
-	1,847	-	-	-	7,412
<u>152,913</u>	<u>1,847</u>	<u>-</u>	<u>10,298</u>	<u>220,088</u>	<u>30,327</u>
(671)	-	-	12,435	(3,949)	(29,033)
-	-	-	109,210	-	75,000
-	-	-	-	-	-
-	-	-	<u>109,210</u>	<u>-</u>	<u>75,000</u>
(671)	-	-	121,645	(3,949)	45,967
9,737	-	7,250	556,046	871,592	(566,680)
<u>\$ 9,066</u>	<u>\$ -</u>	<u>\$ 7,250</u>	<u>\$ 677,691</u>	<u>\$ 867,643</u>	<u>\$ (520,713)</u>

City of Big Lake
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2024

	Capital Projects			
	Local Development (150)	Lake Street Redevelopment TIF 1-3 (165)	Commercial Redevelopment TIF 1-4 (170)	Commercial Redevelopment TIF 1-5 (171)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	51,076	34,053	10,471
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous				
Investment and other interest income	1	554	289	25
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1</u>	<u>51,630</u>	<u>34,342</u>	<u>10,496</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
General government	-	-	-	-
Public safety	-	-	-	-
Streets and highways	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	1,200	1,200	11,269
Total expenditures	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>11,269</u>
Excess of revenues over (under) expenditures	1	50,430	33,142	(773)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(45,968)	(27,114)	-
Total other financing sources (uses)	<u>-</u>	<u>(45,968)</u>	<u>(27,114)</u>	<u>-</u>
Net change in fund balances	1	4,462	6,028	(773)
Fund Balances				
Beginning balance	<u>143,543</u>	<u>14,452</u>	<u>102,894</u>	<u>1,098</u>
End of year	<u>\$ 143,544</u>	<u>\$ 18,914</u>	<u>\$ 108,922</u>	<u>\$ 325</u>

Capital Projects

Computer Replacement Fund (194)	Street Maintenance (196)	Lake Maintenance Fund (197)	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ 1,005,951
-	-	-	95,600
-	55,323	-	128,553
-	-	-	6,870
7,500	4,443	-	1,205,367
-	-	-	183,344
-	-	-	2,044
7,401	86,396	2,145	184,444
-	-	-	66,334
-	-	-	1,887
<u>14,901</u>	<u>146,162</u>	<u>2,145</u>	<u>2,880,394</u>
12,904	-	-	12,904
-	-	-	67
-	-	-	68,011
-	-	-	105,039
-	-	-	1,318,000
-	-	-	161,979
20,285	-	-	20,285
-	-	-	18,718
-	5,060	-	5,060
-	-	-	249,049
-	-	-	22,928
<u>33,189</u>	<u>5,060</u>	<u>-</u>	<u>1,982,040</u>
(18,288)	141,102	2,145	898,354
19,000	270,000	-	626,962
-	(303,494)	-	(1,387,898)
<u>19,000</u>	<u>(33,494)</u>	<u>-</u>	<u>(760,936)</u>
712	107,608	2,145	137,418
<u>207,096</u>	<u>2,307,194</u>	<u>60,308</u>	<u>5,760,955</u>
<u>\$ 207,808</u>	<u>\$ 2,414,802</u>	<u>\$ 62,453</u>	<u>\$ 5,898,373</u>

City of Big Lake
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 4,415,208	\$ 4,415,208	\$ 4,467,046	\$ 51,838
Franchise fees	450,303	450,303	471,667	21,364
Special assessments	3,000	3,000	1,656	(1,344)
Licenses and permits	624,187	624,187	628,109	3,922
Intergovernmental revenue				
Local government aid	-	-	-	-
Fire aid	113,000	177,000	176,584	(416)
Police aid	144,000	144,000	237,296	93,296
Federal grants	19,655	19,655	6,572	(13,083)
Other grants and aids	199,335	199,335	269,745	70,410
Total intergovernmental revenue	475,990	539,990	690,197	150,207
Charges for services				
General government	36,586	36,586	38,781	2,195
Public safety	40,375	40,375	39,721	(654)
Public works	181,000	181,000	205,660	24,660
Culture and recreation	2,810	2,810	2,497	(313)
Total charges for services	260,771	260,771	286,659	25,888
Fines and forfeitures	47,100	47,100	44,786	(2,314)
Miscellaneous revenues				
Investment income	37,000	111,000	606,132	495,132
Contributions and donations	3,300	3,300	11,870	8,570
Other	5,950	5,950	11,823	5,873
Total miscellaneous revenues	46,250	120,250	629,825	509,575
Total revenues	6,322,809	6,460,809	7,219,945	759,136
Expenditures				
General government				
Mayor and council	33,337	34,337	34,340	3
Administrative and finance	557,981	583,981	595,422	11,441
Other general government	411,647	411,647	391,385	(20,262)
Total general government	1,002,965	1,029,965	1,097,770	67,805
Public safety				
Police				
Current	2,677,838	2,677,838	2,689,126	11,288
Capital outlay	10,000	10,000	14,082	4,082
Total police	2,687,838	2,687,838	2,703,208	15,370

City of Big Lake
Detailed Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Expenditures (Continued)				
Public safety (continued)				
Fire				
Current	\$ 337,478	\$ 401,478	\$ 401,149	\$ (329)
Other				
Current	239,921	239,921	214,166	(25,755)
Total public safety	<u>3,269,820</u>	<u>3,333,820</u>	<u>3,318,523</u>	<u>(15,297)</u>
Public works				
Streets and highways				
Street maintenance and storm sewers	770,243	795,243	749,418	(45,825)
Street engineering	110,854	110,854	102,946	(7,908)
Street lighting	123,200	123,200	95,454	(27,746)
Total streets and highways	<u>1,004,297</u>	<u>1,029,297</u>	<u>947,818</u>	<u>(81,479)</u>
Sanitation				
Garbage and other refuse				
Collection and disposal	3,500	3,500	3,884	384
Total public works	<u>1,007,797</u>	<u>1,032,797</u>	<u>951,702</u>	<u>(81,095)</u>
Culture and recreation				
Libraries				
Current	72,966	84,966	83,117	(1,849)
Parks and recreation				
Current	796,077	796,077	673,416	(122,661)
Total culture and recreation	<u>869,043</u>	<u>881,043</u>	<u>756,533</u>	<u>(124,510)</u>
Economic Development				
Economic development				
Current	172,166	182,166	181,796	(370)
Total economic development	<u>172,166</u>	<u>182,166</u>	<u>181,796</u>	<u>(370)</u>
Debt Service				
Principal	-	-	21,789	21,789
Interest and other charges	-	-	1,105	1,105
Total debt service	<u>-</u>	<u>-</u>	<u>22,894</u>	<u>22,894</u>
Total expenditures	<u>6,323,264</u>	<u>6,461,264</u>	<u>6,329,218</u>	<u>(132,046)</u>
Excess of revenues over expenditures	<u>(455)</u>	<u>(455)</u>	<u>890,727</u>	<u>891,182</u>
Other Financing Sources (Uses)				
Leases issued	-	-	83,821	83,821
Insurance recoveries	2,500	2,500	48,946	46,446
Transfers in	450,000	450,000	450,000	-
Transfers out	(455,611)	(455,611)	(989,685)	(534,074)
Total other financing sources (uses)	<u>(3,111)</u>	<u>(3,111)</u>	<u>(406,918)</u>	<u>(403,807)</u>
Net change in fund balances	<u>\$ (3,566)</u>	<u>\$ (3,566)</u>	<u>483,809</u>	<u>\$ 487,375</u>
Fund Balances				
Beginning of year			<u>4,343,282</u>	
End of year			<u>\$ 4,827,091</u>	

City of Big Lake
Schedule of Revenues, Expenditures and
Changes in Fund Balance -
Budget and Actual - Economic Development Authority
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Over/(Under)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Property taxes	\$ 129,100	\$ 129,100	\$ 129,824	\$ 724
Charges for services	23,801	23,801	24,000	199
Miscellaneous				
Investment income	2,500	2,500	12,399	9,899
Total revenues	<u>155,401</u>	<u>155,401</u>	<u>166,223</u>	<u>10,822</u>
Expenditures				
Current				
Economic development	<u>133,929</u>	<u>133,929</u>	<u>105,039</u>	<u>(28,890)</u>
Excess of revenues over (under) expenditures	21,472	21,472	61,184	39,712
Other Financing (Uses)				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (28,528)</u>	<u>\$ (28,528)</u>	11,184	<u>\$ 39,712</u>
Fund Balances				
Beginning of year			<u>838,083</u>	
End of year			<u>\$ 849,267</u>	

City of Big Lake
Schedule of Revenues, Expenditures and
Changes in Fund Balance -
Budget and Actual - Farmers Market
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 2,200	\$ 2,200	\$ 6,870	\$ 4,670
Intergovernmental	1,000	1,000	796	(204)
Miscellaneous				
Investment income	100	100	1,133	1,033
Contributions and donations	10,700	10,700	13,069	2,369
Other	10	10	40	30
Total revenues	<u>14,010</u>	<u>14,010</u>	<u>21,908</u>	<u>7,898</u>
Expenditures				
Current				
Culture and recreation	<u>15,289</u>	<u>15,289</u>	<u>19,591</u>	<u>4,302</u>
Net change in fund balances	<u>\$ (1,279)</u>	<u>\$ (1,279)</u>	2,317	<u>\$ 3,596</u>
Fund Balances				
Beginning of year			<u>25,733</u>	
End of year			<u>\$ 28,050</u>	

City of Big Lake
Schedule of Revenues, Expenditures and
Changes in Fund Balance -
Budget and Actual - Music in the Park
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous				
Investment income	\$ 100	\$ 100	\$ 491	\$ 391
Contributions and donations	26,500	26,500	22,000	(4,500)
Total revenues	<u>26,600</u>	<u>26,600</u>	<u>22,491</u>	<u>(4,109)</u>
Expenditures				
Current				
Culture and recreation	<u>36,859</u>	<u>36,859</u>	<u>34,601</u>	<u>(2,258)</u>
Excess of revenues over (under) expenditures	(10,259)	(10,259)	(12,110)	(1,851)
Other Financing Sources				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	<u>\$ (5,259)</u>	<u>\$ (5,259)</u>	<u>\$ (7,110)</u>	<u>\$ (1,851)</u>
Fund Balances				
Beginning of year			<u>7,903</u>	
End of year			<u>\$ 793</u>	

City of Big Lake
Schedule of Revenues, Expenditures, and
Changes in Fund Balances -
Budget and Actual - American Rescue Plan Special Revenue Fund
Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue				
Federal grants	\$ -	\$ -	\$ 961,322	\$ 961,322
Other Financing Sources (Uses)				
Transfers out	-	-	(961,322)	(961,322)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances				
Beginning of year			-	
End of year			<u>\$ -</u>	





**STATISTICAL SECTION
(UNAUDITED)**



**City of Big Lake
Statistical Section
Unaudited**

This part of the City of Big Lake's annual comprehensive financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of out-standing debt and the government'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 government's financial activities take place.

Operating Information

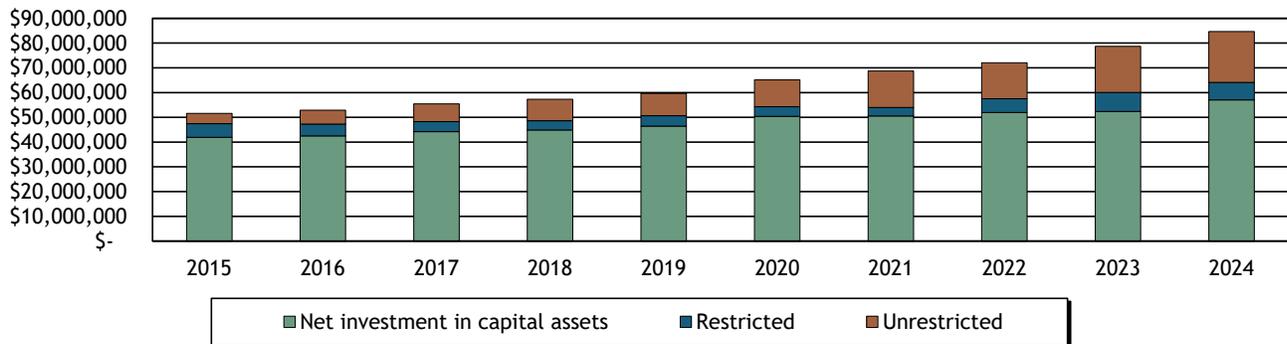
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and activities it performs.

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

City of Big Lake
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Government activities				
Net investment in capital assets	\$ 13,875,975	\$ 14,330,114	\$ 16,330,619	\$ 17,363,753
Restricted	5,514,210	4,779,977	4,038,095	3,718,831
Unrestricted	943,819	2,004,674	1,684,117	2,813,306
Total governmental activities	\$ 20,334,004	\$ 21,114,765	\$ 22,052,831	\$ 23,895,890
Business-type activities				
Net investment in capital assets	\$ 28,039,804	\$ 28,191,999	\$ 27,887,831	\$ 27,549,550
Restricted	-	-	-	-
Unrestricted	3,223,518	3,561,189	5,509,007	5,861,383
Total business-type activities	\$ 31,263,322	\$ 31,753,188	\$ 33,396,838	\$ 33,410,933
Total primary government				
Net investment in capital assets	\$ 41,915,779	\$ 42,522,113	\$ 44,218,450	\$ 44,913,303
Restricted	5,514,210	4,779,977	4,038,095	3,718,831
Unrestricted	4,167,337	5,565,863	7,193,124	8,674,689
Total primary government	\$ 51,597,326	\$ 52,867,953	\$ 55,449,669	\$ 57,306,823

Primary Government Net Position



Note: The City implemented GASB Statement No 68 and GASB Statement No. 71 in 2015. Years prior to 2015 have not been restated.

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 18,897,428	\$ 20,600,086	\$ 21,142,224	\$ 21,405,841	\$ 21,456,642	\$ 24,410,923
4,208,477	3,911,278	3,434,352	5,520,302	7,694,753	7,031,829
2,915,587	4,632,309	6,409,314	5,989,154	8,664,179	9,723,753
<u>\$ 26,021,492</u>	<u>\$ 29,143,673</u>	<u>\$ 30,985,890</u>	<u>\$ 32,915,297</u>	<u>\$ 37,815,574</u>	<u>\$ 41,166,505</u>
\$ 27,572,611	\$ 29,791,418	\$ 29,417,906	\$ 30,567,887	\$ 30,907,470	\$ 32,645,651
-	-	-	-	-	-
6,040,361	6,222,350	8,338,282	8,563,869	9,990,595	10,825,425
<u>\$ 33,612,972</u>	<u>\$ 36,013,768</u>	<u>\$ 37,756,188</u>	<u>\$ 39,131,756</u>	<u>\$ 40,898,065</u>	<u>\$ 43,471,076</u>
\$ 46,470,039	\$ 50,391,504	\$ 50,560,130	\$ 51,973,728	\$ 52,364,112	\$ 57,056,574
4,208,477	3,911,278	3,434,352	5,520,302	7,694,753	7,031,829
8,955,948	10,854,659	14,747,596	14,553,023	18,654,774	20,549,178
<u>\$ 59,634,464</u>	<u>\$ 65,157,441</u>	<u>\$ 68,742,078</u>	<u>\$ 72,047,053</u>	<u>\$ 78,713,639</u>	<u>\$ 84,637,581</u>

City of Big Lake
Statistical Section (Unaudited)
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Government activities				
General government	\$ 698,985	\$ 817,758	\$ 889,464	\$ 879,778
Public safety	2,027,751	2,824,362	2,589,377	2,653,278
Streets and highways	1,583,429	1,715,070	1,459,952	1,691,819
Culture and recreation	565,038	715,728	774,937	794,457
Economic development	1,169,261	764,277	1,057,332	543,968
Interest on long-term debt	777,588	634,810	454,194	515,287
Total governmental activities expenses	<u>6,822,052</u>	<u>7,472,005</u>	<u>7,225,256</u>	<u>7,078,587</u>
Business-type activities				
Water Utility	\$ 1,901,628	\$ 1,827,785	\$ 1,911,736	\$ 1,914,037
Sewer Utility	2,611,429	2,470,971	2,589,521	2,591,003
Municipal Liquor	3,457,356	3,504,046	3,640,702	3,764,839
Storm Sewer Utilitiy	431,790	443,110	432,199	387,726
Total business-type activities expenses	<u>8,402,203</u>	<u>8,245,912</u>	<u>8,574,158</u>	<u>8,657,605</u>
Total primary government expenses	<u>\$ 15,224,255</u>	<u>\$ 15,717,917</u>	<u>\$ 15,799,414</u>	<u>\$ 15,736,192</u>
Program Revenues				
Government activities				
Charges for services				
General government	\$ 112,415	\$ 89,039	\$ 137,212	\$ 128,512
Public safety	297,269	502,092	640,909	513,549
Streets and highways	165,496	160,501	171,492	168,186
Culture and recreation	101,521	66,971	59,333	72,254
Economic development	2,663	5,334	7,176	5,843
Operating grants and contributions	429,703	574,835	383,139	384,615
Capital grants and contributions	857,436	1,211,405	978,503	1,437,368
Total governmental activities program revenues	<u>1,966,503</u>	<u>2,610,177</u>	<u>2,377,764</u>	<u>2,710,327</u>
Business-type activities				
Charges for services				
Water Utility	\$ 1,837,340	\$ 1,891,744	\$ 2,194,760	\$ 2,005,600
Sewer Utility	2,660,659	2,790,169	4,072,068	2,516,346
Municipal Liquor	3,918,017	3,942,618	4,161,963	4,240,363
Storm Sewer Utilitiy	243,040	248,011	254,733	267,566
Operating grants and contributions	10,130	45,700	27,693	15,496
Capital grants and contributions	359,021	192,242	-	-
Total business-type activities program revenues	<u>9,028,207</u>	<u>9,110,484</u>	<u>10,711,217</u>	<u>9,045,371</u>
Total program revenues	<u>\$ 10,994,710</u>	<u>\$ 11,720,661</u>	<u>\$ 13,088,981</u>	<u>\$ 11,755,698</u>
Net Revenues (Expenses)				
Governmental activities	\$ (4,855,549)	\$ (4,861,828)	\$ (4,847,492)	\$ (4,368,260)
Business-type activities	<u>626,004</u>	<u>864,572</u>	<u>2,137,059</u>	<u>387,766</u>
Total primary government revenues (expenses)	<u>\$ (4,229,545)</u>	<u>\$ (3,997,256)</u>	<u>\$ (2,710,433)</u>	<u>\$ (3,980,494)</u>

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 936,323	\$ 1,004,068	\$ 1,005,419	\$ 1,189,587	\$ 1,120,773	\$ 1,075,795
2,627,794	3,169,311	2,718,236	3,291,228	3,541,163	3,655,270
1,710,146	2,038,384	1,971,568	2,152,571	2,317,949	1,897,287
834,271	938,626	882,228	910,885	1,036,531	986,374
522,633	1,075,887	567,085	832,922	737,615	350,705
336,680	278,924	338,486	419,548	319,346	265,236
<u>6,967,847</u>	<u>8,505,200</u>	<u>7,483,022</u>	<u>8,796,741</u>	<u>9,073,377</u>	<u>8,230,667</u>
\$ 1,923,044	\$ 2,025,958	\$ 2,138,327	\$ 2,142,217	\$ 2,163,027	\$ 2,166,810
2,600,311	2,685,199	2,743,746	2,933,413	2,966,902	2,968,555
3,992,566	4,937,241	4,855,038	5,007,633	4,888,158	4,970,337
402,679	409,116	349,165	421,859	387,920	323,843
<u>8,918,600</u>	<u>10,057,514</u>	<u>10,086,276</u>	<u>10,505,122</u>	<u>10,406,007</u>	<u>10,429,545</u>
<u>\$ 15,886,447</u>	<u>\$ 18,562,714</u>	<u>\$ 17,569,298</u>	<u>\$ 19,301,863</u>	<u>\$ 19,479,384</u>	<u>\$ 18,660,212</u>
\$ 131,205	\$ 156,413	\$ 141,434	\$ 152,077	\$ 164,223	\$ 128,095
570,965	608,112	704,310	737,396	678,289	552,606
177,743	179,554	214,673	189,954	190,373	214,491
82,033	106,385	100,060	84,937	96,887	85,952
3,551	8,451	67,297	9,097	18,847	25,851
393,643	1,052,421	426,716	550,242	520,496	634,088
1,070,391	2,569,604	807,256	2,220,263	3,736,904	2,407,903
<u>2,429,531</u>	<u>4,680,940</u>	<u>2,461,746</u>	<u>3,943,966</u>	<u>5,406,019</u>	<u>4,048,986</u>
\$ 1,669,854	\$ 2,110,066	\$ 2,434,017	\$ 2,265,513	\$ 2,481,378	\$ 2,187,965
2,366,293	2,622,429	2,911,360	2,924,476	3,141,635	3,131,564
4,447,195	5,751,346	5,635,219	5,625,135	5,445,462	5,417,741
255,686	256,260	262,900	263,663	267,656	272,277
29,676	34,228	40,964	19,793	36,921	90,721
909,981	2,200,515	1,079,254	1,162,644	747,605	1,034,699
<u>9,678,685</u>	<u>12,974,844</u>	<u>12,363,714</u>	<u>12,261,224</u>	<u>12,120,657</u>	<u>12,134,967</u>
<u>\$ 12,108,216</u>	<u>\$ 17,655,784</u>	<u>\$ 14,825,460</u>	<u>\$ 16,205,190</u>	<u>\$ 17,526,676</u>	<u>\$ 16,183,953</u>
\$ (4,538,316)	\$ (3,824,260)	\$ (5,021,276)	\$ (4,852,775)	\$ (3,667,358)	\$ (4,181,681)
760,085	2,917,330	2,277,438	1,756,102	1,714,650	1,705,422
<u>\$ (3,778,231)</u>	<u>\$ (906,930)</u>	<u>\$ (2,743,838)</u>	<u>\$ (3,096,673)</u>	<u>\$ (1,952,708)</u>	<u>\$ (2,476,259)</u>

City of Big Lake
Statistical Section (Unaudited)
Change in Net Position - Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Net Revenues (Expenses)				
Governmental activities	\$ (4,855,549)	\$ (4,861,828)	\$ (4,847,492)	\$ (4,368,260)
Business-type activities	626,004	864,572	2,137,059	387,766
	<u>\$ (4,229,545)</u>	<u>\$ (3,997,256)</u>	<u>\$ (2,710,433)</u>	<u>\$ (3,980,494)</u>
General Revenues and Other Changes in Net Position				
General Revenues				
Governmental activities				
Taxes				
Property taxes levied	\$ 3,810,665	\$ 3,770,426	\$ 3,997,275	\$ 4,103,036
Franchise fees	432,771	442,833	434,945	497,577
Tax increments	154,361	126,650	142,631	188,976
State aids	529,010	542,339	546,863	621,827
Insurance recoveries	-	-	-	-
Unrestricted investments and other interest income	44,919	71,836	77,174	77,963
Gain on sale of assets	1,625	195,923	10,113	34,998
Other general revenue	24,894	12,345	15,277	11,239
Transfers	424,267	480,237	577,964	513,063
Special item - decrease in land held for resale	-	-	-	-
Total governmental activities general revenue	<u>5,422,512</u>	<u>5,642,589</u>	<u>5,802,242</u>	<u>6,048,679</u>
Business-type activities				
Unrestricted investments and other interest income	\$ 99,661	\$ 77,531	\$ 83,558	\$ 139,390
Gain on sale of assets	-	28,000	1,000	-
Transfers	(424,267)	(480,237)	(577,964)	(513,063)
Total business-type activities general revenue	<u>(324,606)</u>	<u>(374,706)</u>	<u>(493,406)</u>	<u>(373,673)</u>
Total primary government	<u>\$ 5,097,906</u>	<u>\$ 5,267,883</u>	<u>\$ 5,308,836</u>	<u>\$ 5,675,006</u>
Change in Net Position				
Governmental activities	\$ 566,963	\$ 780,761	\$ 954,750	\$ 1,680,419
Business-type activities	301,398	489,866	1,643,653	14,093
Total primary government	<u>\$ 868,361</u>	<u>\$ 1,270,627</u>	<u>\$ 2,598,403</u>	<u>\$ 1,694,512</u>

Note: The City implemented GASB Statement No 68 and GASB Statement No. 71 in 2015. Years prior to 2015 have not been restated.

Table 2 (Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (4,538,316)	\$ (3,824,260)	\$ (5,021,276)	\$ (4,852,775)	\$ (3,667,358)	\$ (4,181,681)
760,085	2,917,330	2,277,438	1,756,102	1,714,650	1,705,422
<u>\$ (3,778,231)</u>	<u>\$ (906,930)</u>	<u>\$ (2,743,838)</u>	<u>\$ (3,096,673)</u>	<u>\$ (1,952,708)</u>	<u>\$ (2,476,259)</u>
\$ 4,288,230	\$ 4,558,089	\$ 4,809,143	\$ 5,074,927	\$ 5,327,902	\$ 5,482,428
500,122	480,269	489,736	486,360	489,172	471,667
229,972	245,329	214,119	225,970	215,722	95,600
625,901	741,969	653,319	820,985	1,363,346	969,003
-	-	-	-	-	-
353,274	220,407	(93,355)	(425,427)	810,271	942,851
89,497	60,116	40,774	48,015	41,950	35,139
9,815	8,659	128,067	7,289	6,440	5,510
713,063	631,610	624,683	544,063	312,762	(469,516)
-	-	-	-	-	-
<u>6,809,874</u>	<u>6,946,448</u>	<u>6,866,486</u>	<u>6,782,182</u>	<u>8,567,565</u>	<u>7,532,682</u>
\$ 155,016	\$ 113,950	\$ 89,791	\$ 163,529	\$ 354,446	\$ 398,073
-	1,000	-	-	9,975	-
(713,063)	(631,610)	(624,683)	(713,063)	(312,762)	469,516
<u>(558,047)</u>	<u>(516,660)</u>	<u>(534,892)</u>	<u>(549,534)</u>	<u>51,659</u>	<u>867,589</u>
<u>\$ 6,251,827</u>	<u>\$ 6,429,788</u>	<u>\$ 6,331,594</u>	<u>\$ 6,232,648</u>	<u>\$ 8,619,224</u>	<u>\$ 8,400,271</u>
\$ 2,271,558	\$ 3,122,188	\$ 1,845,210	\$ 1,929,407	\$ 4,900,207	\$ 3,351,001
202,038	2,400,670	1,742,546	1,206,568	1,766,309	2,573,011
<u>\$ 2,473,596</u>	<u>\$ 5,522,858</u>	<u>\$ 3,587,756</u>	<u>\$ 3,135,975</u>	<u>\$ 6,666,516</u>	<u>\$ 5,924,012</u>

City of Big Lake
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 101,344	\$ 82,185	\$ 88,501	\$ 103,486
Restricted	-	-	-	-
Assigned	73,220	145,579	150,013	147,167
Unassigned	2,529,125	2,796,408	2,990,373	2,965,325
Total general fund	<u>\$ 2,703,689</u>	<u>\$ 3,024,172</u>	<u>\$ 3,228,887</u>	<u>\$ 3,215,978</u>
All other governmental funds				
Nonspendable	\$ 104,100	\$ 102,100	\$ 784,507	\$ 795,545
Restricted	7,251,637	4,947,928	4,672,360	4,956,579
Committed	-	-	-	-
Assigned	1,807,319	2,617,113	2,229,758	2,872,857
Unassigned reported in				
Debt Service Funds	(410,520)	(19,163)	(3,849)	-
Special Revenue Funds	(190,805)	(140,423)	(72,216)	(22,489)
Capital Project Funds	(13,558)	(11,242)	(799,268)	(742,223)
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 8,548,173</u>	<u>\$ 7,496,313</u>	<u>\$ 6,811,292</u>	<u>\$ 7,860,269</u>

Table 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 93,477	\$ 93,872	\$ 99,339	\$ 101,247	\$ 114,660	\$ 117,233
-	-	-	-	-	-
92,114	75,325	84,331	65,748	96,668	65,640
3,327,859	3,746,172	3,908,801	3,596,606	4,131,954	4,644,218
<u>\$ 3,513,450</u>	<u>\$ 3,915,369</u>	<u>\$ 4,092,471</u>	<u>\$ 3,763,601</u>	<u>\$ 4,343,282</u>	<u>\$ 4,827,091</u>
\$ 682,130	\$ 682,130	\$ 633,330	\$ 8	\$ 428	2,996
2,706,469	2,422,038	2,239,171	3,529,118	3,791,691	3,264,110
120,314	126,094	213,700	860,891	871,300	850,003
2,728,967	3,744,384	5,895,117	6,395,578	6,957,196	6,806,172
-	-	-	-	-	-
-	-	-	-	-	-
(713,223)	(711,278)	(798,028)	(572,337)	(566,668)	(520,720)
-	-	-	-	-	-
<u>\$ 5,524,657</u>	<u>\$ 6,263,368</u>	<u>\$ 8,183,290</u>	<u>\$ 10,213,258</u>	<u>\$ 11,053,947</u>	<u>\$ 10,402,561</u>

City of Big Lake
Statistical Section (Unaudited)
Change in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 3,852,981	\$ 3,793,686	\$ 4,026,987	\$ 4,158,096
Tax increment	154,361	126,650	142,631	188,976
Miscellaneous tax	-	-	-	-
Franchise fees	432,771	442,833	434,945	497,577
Special assessments	628,814	610,671	536,451	640,316
Licenses and permits	321,082	500,653	620,877	538,945
Intergovernmental	1,602,813	1,976,972	1,778,825	1,686,894
Charges for services	348,467	365,497	385,684	295,638
Fines and forfeitures	41,781	54,656	61,601	72,672
Interest on investments	44,919	71,836	77,174	77,963
Miscellaneous	145,558	201,951	123,289	118,007
Total revenues	<u>7,573,547</u>	<u>8,145,405</u>	<u>8,188,464</u>	<u>8,275,084</u>
Expenditures				
General government	631,186	674,191	819,949	836,229
Public safety	1,918,859	2,029,525	2,152,186	2,262,176
Street and highways	509,650	549,659	512,742	624,780
Culture and recreation	422,969	488,426	610,022	633,299
Economic development	408,137	311,163	791,484	294,542
Capital outlay	1,036,874	1,101,577	1,824,342	3,028,733
Debt service				
Principal	2,231,924	9,128,603	2,044,215	1,983,568
Interest and other charges	724,164	799,239	529,834	526,137
Total expenditures	<u>7,883,763</u>	<u>15,082,383</u>	<u>9,284,774</u>	<u>10,189,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(310,216)</u>	<u>(6,936,978)</u>	<u>(1,096,310)</u>	<u>(1,914,380)</u>
Other Financing Sources (Uses)				
Transfers in	2,915,709	9,418,595	2,377,655	1,852,953
Proceeds from sale of capital assets	1,625	195,923	10,113	60,584
Issuance of debt	4,330,000	5,350,000	-	2,350,000
Bonds premium	280,893	62,589	-	23,384
Issuance of lease	-	65,959	-	-
Insurance recovery proceeds	-	50,893	27,927	3,417
Transfers out	(2,491,442)	(8,938,358)	(1,799,691)	(1,339,890)
Total other financing sources (uses)	<u>5,036,785</u>	<u>6,205,601</u>	<u>616,004</u>	<u>2,950,448</u>
Net change in fund balance	<u>\$ 4,726,569</u>	<u>\$ (731,377)</u>	<u>\$ (480,306)</u>	<u>\$ 1,036,068</u>
Debt service as a percentage of noncapital expenditures	39%	69%	33%	34%

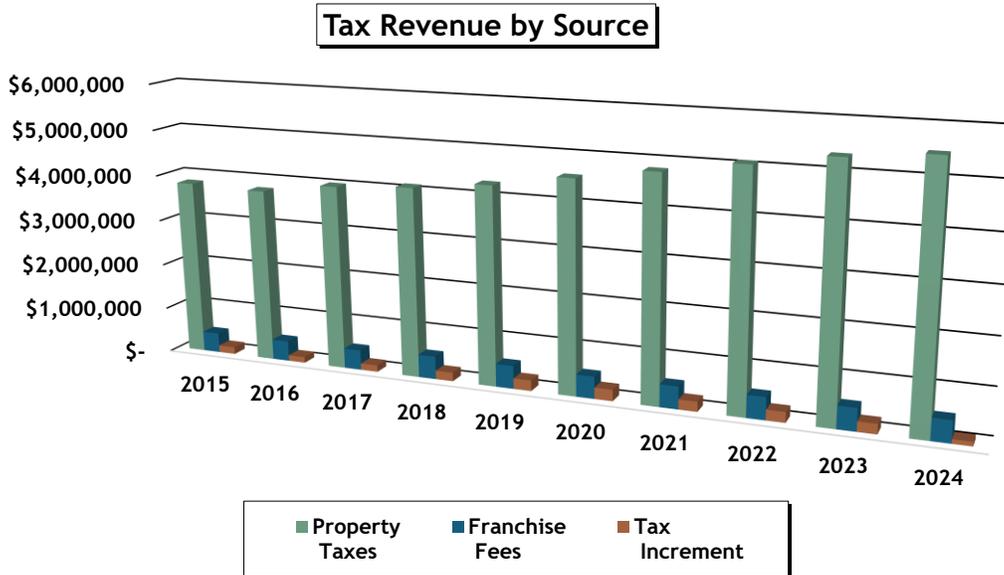
Table 4

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	4,300,200	\$	4,581,152	\$	4,865,161	\$	5,074,264	\$	5,339,110	\$	5,474,460
	229,972		245,329		214,119		225,970		215,722		95,600
	-		-		-		-		-		-
	500,122		480,269		486,736		486,360		489,172		471,667
	370,218		323,729		284,521		495,324		944,025		632,417
	584,058		674,636		701,777		781,447		709,693		634,979
	1,833,549		3,642,872		1,815,002		1,723,921		2,465,620		3,053,639
	380,054		618,551		344,418		500,489		501,893		470,003
	79,000		72,207		103,524		70,434		97,827		46,830
	353,274		220,407		(93,355)		(425,427)		810,271		942,851
	79,774		71,414		221,663		115,859		159,492		95,914
	<u>8,710,221</u>		<u>10,930,566</u>		<u>8,943,566</u>		<u>9,048,641</u>		<u>11,732,825</u>		<u>11,918,360</u>
	849,967		943,398		891,648		1,074,995		1,009,664		1,052,551
	2,384,415		2,836,250		2,626,427		2,838,695		2,940,056		3,304,508
	662,058		684,296		739,478		858,818		958,538		955,515
	670,438		787,164		728,788		797,877		864,617		824,544
	321,103		843,383		311,391		713,891		555,932		286,835
	1,735,475		1,970,592		3,411,257		5,166,173		2,174,171		2,930,842
	4,501,878		2,197,032		1,829,475		1,778,718		1,782,715		2,061,670
	441,875		335,364		362,572		422,421		519,000		387,328
	<u>11,567,209</u>		<u>10,597,479</u>		<u>10,901,036</u>		<u>13,651,588</u>		<u>10,804,693</u>		<u>11,803,793</u>
	<u>(2,856,988)</u>		<u>333,087</u>		<u>(1,957,470)</u>		<u>(4,602,947)</u>		<u>928,132</u>		<u>114,567</u>
	6,105,643		2,014,316		1,913,626		2,613,075		1,832,892		2,317,915
	101,172		127,220		40,774		93,271		41,950		54,625
	-		-		3,140,000		5,065,000		-		-
	-		-		226,645		564,804		-		-
	-		-		-		-		60,317		83,821
	4,613		48,713		22,392		36,907		77,189		48,946
	(5,392,580)		(1,382,706)		(1,288,943)		(2,069,012)		(1,520,130)		(2,787,431)
	<u>818,848</u>		<u>807,543</u>		<u>4,054,494</u>		<u>6,304,045</u>		<u>492,218</u>		<u>(282,124)</u>
\$	<u>(2,038,140)</u>	\$	<u>1,140,630</u>	\$	<u>2,097,024</u>	\$	<u>1,701,098</u>	\$	<u>1,420,350</u>	\$	<u>(167,557)</u>
	48%		27%		28%		26%		26%		28%

**City of Big Lake
Statistical Section (Unaudited)
General Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(accrual basis of accounting)**

Table 5

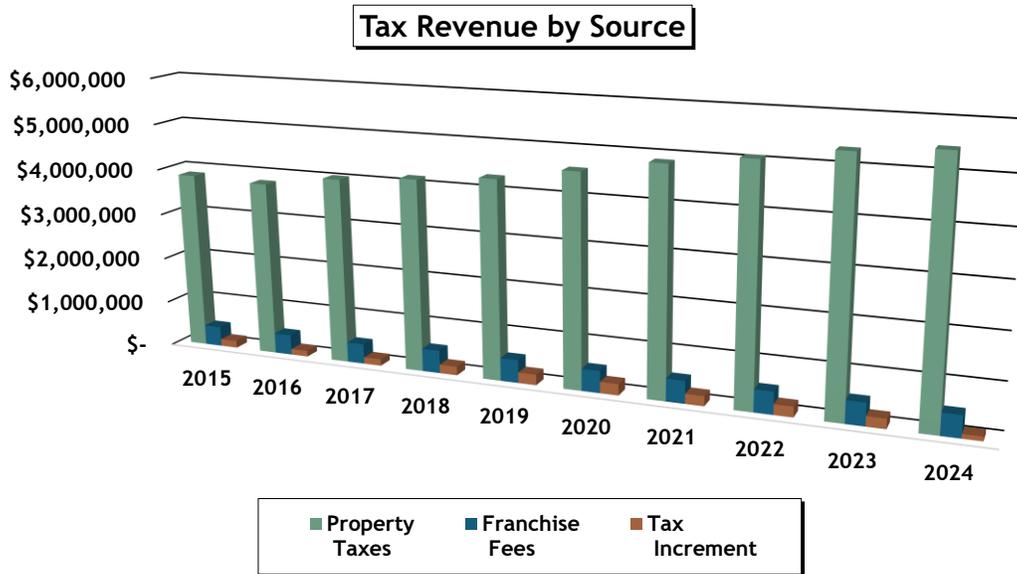
Fiscal Year	Property Taxes	Franchise Fees	Tax Increment	Total
2015	\$ 3,810,665	\$ 432,771	\$ 154,361	\$ 4,397,797
2016	3,770,426	442,833	126,650	4,339,909
2017	3,997,275	434,945	142,631	4,574,851
2018	4,103,036	497,577	188,976	4,789,589
2019	4,288,230	500,122	229,972	5,018,324
2020	4,558,089	480,269	245,329	5,283,687
2021	4,809,143	486,736	214,319	5,510,198
2022	5,074,927	486,360	225,970	5,787,257
2023	5,327,902	489,172	215,722	6,032,796
2024	5,482,428	471,667	95,600	6,049,695



City of Big Lake
Statistical Section (Unaudited)
General Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5.1

Fiscal Year	Property Taxes	Franchise Fees	Tax Increment	Total
2015	\$ 3,852,981	\$ 432,771	\$ 154,361	\$ 4,440,113
2016	3,793,686	442,833	126,650	4,363,169
2017	4,026,987	434,945	142,631	4,604,563
2018	4,158,096	497,577	188,976	4,844,649
2019	4,300,200	500,122	229,972	5,030,294
2020	4,581,152	480,269	245,329	5,306,750
2021	4,865,161	486,736	214,319	5,566,216
2022	5,074,264	486,360	225,970	5,786,594
2023	5,339,110	489,172	215,722	6,044,004
2024	5,474,460	471,667	95,600	6,041,727



City of Big Lake
Statistical Section (Unaudited)
Tax Capacity, Market Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Shown by Year of Tax Collection)

	Fiscal Year			
	2015	2016	2017	2018
Taxable Market Value				
Personal property	\$ 4,930,300	\$ 5,116,600	\$ 5,247,800	\$ 5,680,700
Real property	572,192,500	660,997,200	609,692,802	740,257,900
Total taxable market value	<u>\$ 577,122,800</u>	<u>\$ 666,113,800</u>	<u>\$ 614,940,602</u>	<u>\$ 745,938,600</u>
Estimated actual value of taxable property	<u>\$ 627,614,325</u>	<u>\$ 645,974,750</u>	<u>\$ 665,646,975</u>	<u>\$ 721,536,180</u>
Taxable market value as a percentage of estimated actual value	<u>92%</u>	<u>103%</u>	<u>92%</u>	<u>103%</u>
Tax Capacity				
Personal property	\$ 97,309	\$ 101,036	\$ 103,252	\$ 111,678
Real property	6,572,113	6,718,203	6,881,559	7,442,619
Total tax capacity	6,669,422	6,819,239	6,984,811	7,554,297
Less 10% KV	-	-	-	-
Less TIF	(111,280)	(87,877)	(98,363)	(132,630)
Net tax capacity	<u>6,558,142</u>	<u>6,731,362</u>	<u>6,886,448</u>	<u>7,421,667</u>
Tax Levies				
General	2,282,465	2,378,779	2,731,262	2,899,510
Abatement property tax levy	-	-	-	-
Debt Services	1,486,393	1,462,159	1,348,656	1,226,348
Total tax levies	<u>\$ 3,768,858</u>	<u>\$ 3,840,938</u>	<u>\$ 4,079,918</u>	<u>\$ 4,125,858</u>
Total tax capacity rate	<u>57.518%</u>	<u>57.112%</u>	<u>57.936%</u>	<u>55.643%</u>

Table 6

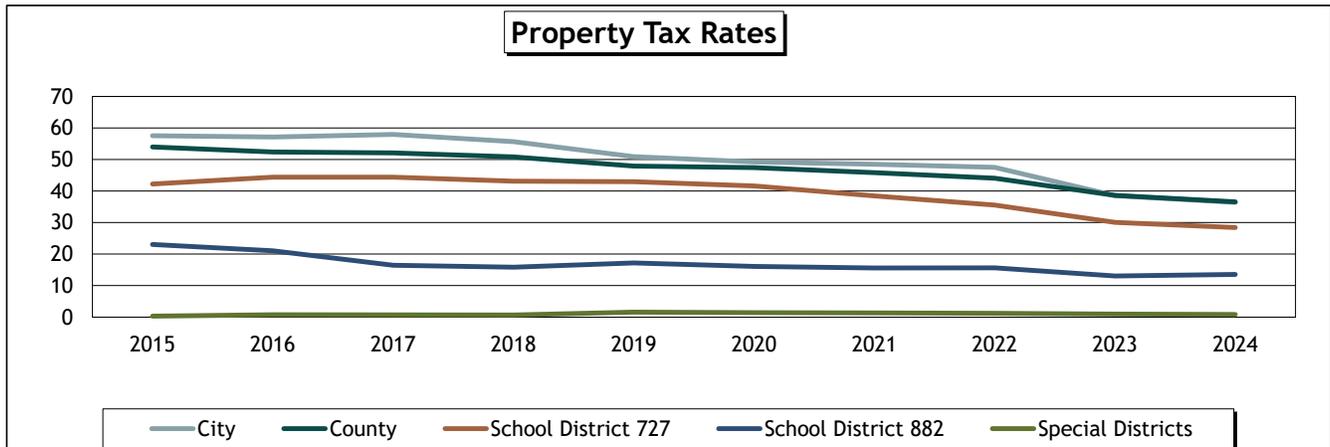
Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 5,809,800	\$ 5,862,600	\$ 6,127,300	\$ 5,012,400	\$ 5,432,300	\$ 5,551,200
752,353,995	826,227,244	890,268,843	975,989,578	1,264,429,892	1,380,529,675
<u>\$ 758,163,795</u>	<u>\$ 832,089,844</u>	<u>\$ 896,396,143</u>	<u>\$ 981,001,978</u>	<u>\$ 1,269,862,192</u>	<u>\$ 1,386,080,875</u>
<u>\$ 801,075,390</u>	<u>\$ 870,207,211</u>	<u>\$ 932,002,794</u>	<u>\$ 1,011,982,196</u>	<u>\$ 1,283,005,993</u>	<u>\$ 1,392,596,500</u>
<u>95%</u>	<u>96%</u>	<u>96%</u>	<u>97%</u>	<u>99%</u>	<u>100%</u>
\$ 114,241	\$ 115,297	\$ 120,590	\$ 98,292	\$ 106,125	\$ 108,420
8,304,877	9,082,445	9,761,811	10,619,814	13,638,931	15,053,071
8,419,118	9,197,742	9,882,401	10,718,106	13,745,056	15,161,491
-	-	-	(154)	(153)	(248)
(161,445)	(177,943)	(189,357)	(174,568)	(200,488)	(93,839)
<u>8,257,673</u>	<u>9,019,799</u>	<u>9,693,044</u>	<u>10,543,384</u>	<u>13,544,415</u>	<u>15,067,404</u>
2,878,446	3,291,711	3,512,929	3,638,582	4,118,078	4,542,990
-	-	-	7,050	12,050	57,050
<u>1,320,964</u>	<u>114,424</u>	<u>1,181,670</u>	<u>1,359,097</u>	<u>1,086,357</u>	<u>877,276</u>
<u>\$ 4,199,410</u>	<u>\$ 3,406,135</u>	<u>\$ 4,694,599</u>	<u>\$ 5,004,729</u>	<u>\$ 5,216,485</u>	<u>\$ 5,477,316</u>
<u>50.898%</u>	<u>49.223%</u>	<u>48.471%</u>	<u>47.505%</u>	<u>38.545%</u>	<u>36.384%</u>



City of Big Lake
Statistical Section (Unaudited)
Property Tax Capacity Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Per \$1,000 of Tax Capacity)
(modified accrual basis of accountign)

Table 7

Year Taxes Payable	City of Big Lake	Overlapping Taxing Districts				Total (2) Direct and Overlapping With 727	Total (2) Direct and Overlapping With 882
		Sherburne County	Big Lake School District No 727	Monticello School District No 882	Special Districts (1)		
2015	57.518	53.968	42.077	22.882	0.305	153.868	111.791
2016	57.112	52.352	44.190	20.857	0.743	154.397	110.207
2017	57.936	52.077	44.163	16.242	0.726	154.902	110.739
2018	55.643	50.825	42.943	15.621	0.674	150.085	107.142
2019	50.898	47.899	42.767	16.972	1.574	143.138	100.371
2020	49.223	47.399	41.409	15.865	1.410	139.441	98.032
2021	48.471	45.810	38.240	15.390	1.341	133.862	95.622
2022	47.505	44.057	35.365	15.459	1.233	128.160	92.795
2023	38.545	38.612	29.868	12.865	0.960	107.985	90.982
2024	36.384	36.581	28.417	13.525	0.863	102.245	87.353



Note 1: Special Districts include Economic Development Authority (this began in 2014, Hospital District ended in 2013).

Note 2: Information reflects total tax rates levied by each entity. Tax rates are expressed in terms of "net tax capacity". A property's tax capacity is determined by multiplying its taxable market value by a state determined class rate. Class rates vary by property type and change periodically based on state legislation. School districts have an additional tax rate that is based on the market value not the net tax capacity, this rate is not included in the total.

**City of Big Lake
Statistical Section (Unaudited)
Principal Property Taxpayers
Current and Nine Years Ago**

Tax Payer	2024			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage Total Net Tax Capacity
Alacrity Investments IV LLC	2,612,400	51,498	11	0.34%
Allen Industrial Properties LLC				
Arrow Components Corporation	2,082,800	40,906	15	0.27%
Big Lake 2018, LLC	5,611,000	110,720	5	0.73%
Big Lake Business Center, LLC	1,817,900	35,608	18	0.24%
BNSF Railroad Company				
Cargill Kitchens	4,142,300	82,096	7	0.54%
Carlson Development Group, LLC	12,815,600	247,070	1	1.64%
CAZ Properties, LLC	1,781,500	34,880	19	0.23%
CB Marketplace Crossing LP	3,187,800	39,848	16	0.26%
Centracare Health System	2,982,000	58,890	9	0.39%
Cherrywood of Big Lake LLC				
DirectTV, Inc				
ENL, INC				
FCB Properties LLC				
Great River Energy	2,312,400	46,248	13	0.31%
Kelco Building LLC				
Keller Lake ACQ LLC	7,294,000	91,175	6	0.61%
Lakedale Telephone Company	1,923,300	36,966	17	0.25%
LGL Real Estate Investments LLC				
LISI Medical Remmele INC	4,136,500	81,980	7	0.54%
MDI Limited Partnership #69	4,537,000	34,028	19	0.23%
Minnegasco Property Accounting	2,816,800	56,336	10	0.37%
Northern Star Apartments LLC	10,032,000	125,400	3	0.83%
Northern States Power Company - MN	2,307,200	46,144	13	0.31%
Nystrom RTC LLC	3,270,600	64,662	8	0.43%
Paragon Plaza LLC				
Paragon Real Estate LLC	2,582,900	50,908	11	0.34%
Remmele Engineering, INC	5,667,800	112,606	4	0.75%
Riverwood Bank				
RKE Properties MN LLC				
Sherburne Park Estates LLP	4,120,800	51,510	11	0.34%
Shiota, Fred I & Jane E	3,977,200	49,694	12	0.33%
Station St Apts of Big Lake LLLP	14,584,600	182,308	2	1.21%
The Crossing II of Big Lake LTD PTN	5,654,600	42,410	14	0.28%
Town Square Residential Suites LLC	3,309,000	41,363	15	0.27%
Vetsch, Russell & Lynn Trustees				
Vision Enterprises LLC				
WAF Sherburne Holdings LLC				
Wengen Holdings LLC				
Total		1,815,254		
Net Tax Capacity		15,067,404		

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Large Taxpayers have been furnished by Sherburne County

Table 8

2015			
Market Value	Taxable Net Tax Capacity Value	Rank	Percentage Total Net Tax Capacity
			0.00%
1,072,200	20,694	27	0.32%
			0.00%
			0.00%
1,477,600	28,802	17	0.44%
1,142,000	22,090	22	0.34%
2,788,100	55,012	5	0.84%
			0.00%
1,563,700	30,524	14	0.47%
			0.00%
3,520,700	69,664	3	1.06%
1,640,000	20,500	28	0.31%
1,680,600	32,862	13	0.50%
1,291,500	25,080	21	0.38%
1,084,600	20,942	25	0.32%
3,147,100	62,942	4	0.96%
1,079,200	20,834	26	0.32%
4,207,500	52,594	6	0.80%
2,301,500	44,530	7	0.68%
1,529,600	29,170	15	0.44%
			0.00%
			0.00%
2,303,900	46,078	7	0.70%
			0.00%
1,769,500	35,390	11	0.54%
			0.00%
1,320,800	25,666	19	0.39%
1,817,900	35,608	10	0.54%
6,171,500	121,930	2	1.86%
7,176,600	137,532	1	2.10%
1,784,800	34,946	12	0.53%
2,316,000	28,950	16	0.44%
1,806,800	21,543	24	0.33%
			0.00%
2,646,600	19,850	29	0.30%
			0.00%
1,135,000	21,950	23	0.33%
1,371,700	26,684	18	0.41%
2,150,500	42,260	9	0.64%
2,044,800	25,632	20	0.39%
	<u>1,160,259</u>		<u>17.69%</u>

6,558,142

**City of Big Lake
Statistical Section (Unaudited)
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Net Tax Levy Fiscal Year	Collected within the Year of the Net Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Net Levy		Amount	Percent of Net Levy
2015	\$ 3,768,515	\$ 3,709,112	98.42%	\$ 48,137	\$ 3,757,249	99.70%
2016	3,840,775	3,796,975	98.86%	17,284	3,814,259	99.31%
2017	3,986,742	3,927,821	98.52%	43,652	3,971,473	99.62%
2018	4,125,858	4,092,790	99.20%	23,954	4,116,744	99.78%
2019	4,199,410	4,142,404	98.64%	49,711	4,192,115	99.83%
2020	4,435,801	4,389,360	98.95%	40,163	4,429,523	99.86%
2021	4,694,376	4,667,020	99.42%	20,889	4,687,909	99.86%
2022	5,004,729	4,966,440	99.23%	29,679	4,996,119	99.83%
2023	5,216,485	5,181,098	99.32%	17,170	5,198,268	99.65%
2024	5,477,374	5,439,063	99.30%	-	5,439,063	99.30%

Table 9

Abatements and Adjustments	Total Uncollected	
	Amount	Percent of Net Levy
\$ (4,430)	\$ 6,836	0.18%
(23,369)	3,147	0.08%
(13,940)	1,329	0.03%
(7,237)	1,877	0.05%
(5,156)	2,139	0.05%
(5,106)	1,172	0.03%
(4,357)	2,110	0.04%
(5,192)	3,418	0.07%
(3,464)	14,753	0.28%
(5,715)	32,596	0.60%

City of Big Lake
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Governmental Activities				
General Obligation Bonds				
Special Assessments/Improvement Bonds	\$ 15,525,000	\$ 11,610,000	\$ 10,255,000	\$ 11,210,000
General Obligation Bonds	1,590,000	1,945,000	1,655,000	1,460,000
Refunding Bonds	-	2,885,000	2,665,000	2,460,000
Tax Increment Bonds	1,735,000	710,000	695,000	675,000
Notes payable	1,885,000	1,765,000	1,643,000	1,519,000
Net premium (discount)	331,667	353,420	319,945	309,115
Total general obligation debt	<u>21,066,667</u>	<u>19,268,420</u>	<u>17,232,945</u>	<u>17,633,115</u>
Non-General Obligation Bonds				
Revenue Bonds/Tax Abatement	2,216,530	269,200	241,870	213,173
Capital financing activities	-	54,686	39,801	23,930
Lease liabilities	-	-	-	-
Total governmental activities	<u><u>\$ 23,283,197</u></u>	<u><u>\$ 19,592,306</u></u>	<u><u>\$ 17,514,616</u></u>	<u><u>\$ 17,870,218</u></u>
Business-Type Activities				
General Obligation Bonds				
Revenue Bonds	\$ 13,793,470	\$ 8,460,800	\$ 7,573,130	\$ 6,766,826
Net premium (discount)	281,985	254,490	234,995	211,500
Non-General Obligation				
PFA notes	16,149,000	14,984,000	13,790,000	12,566,000
Lease liabilities	-	-	-	-
Total business-type activities	<u><u>\$ 30,224,455</u></u>	<u><u>\$ 23,699,290</u></u>	<u><u>\$ 21,598,125</u></u>	<u><u>\$ 19,544,326</u></u>
Total primary government	\$ 53,507,652	\$ 43,291,596	\$ 39,112,741	\$ 37,414,544
Percent of personal income (1)	68.81%	60.68%	49.99%	45.73%
Per capita debt (1)	\$ 5,014	\$ 3,965	\$ 3,500	\$ 3,266

(1) See Schedule of Demographic and Economic Statistics

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements

Table 10

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	7,955,000	\$	6,330,000	\$	8,240,000	\$	12,260,000	\$	11,035,000	\$	9,545,000
	1,260,000		1,105,000		945,000		740,000		625,000		505,000
	2,250,000		2,000,000		1,730,000		1,460,000		1,180,000		900,000
	-		-		-		-		-		-
	1,392,000		1,263,000		1,132,000		999,000		864,000		726,000
	269,974		235,636		415,152		869,079		753,426		655,137
	<u>13,126,974</u>		<u>10,933,636</u>		<u>12,462,152</u>		<u>16,328,079</u>		<u>14,457,426</u>		<u>12,331,137</u>
	185,844		155,781		125,718		-		-		-
	16,381		8,412		-		-		48,611		36,730
	-		-		-		39,531		23,522		81,860
\$	<u>13,329,199</u>	\$	<u>11,097,829</u>	\$	<u>12,587,870</u>	\$	<u>16,367,610</u>	\$	<u>14,529,559</u>	\$	<u>12,449,727</u>
\$	5,954,157	\$	5,099,221	\$	4,499,282	\$	2,905,000	\$	2,525,000	\$	2,140,000
	188,005		164,510		141,015		113,253		92,018		70,783
	11,313,000		10,028,000		8,712,000		7,364,000		5,983,000		4,568,000
	-		-		-		195,952		192,674		189,294
\$	<u>17,455,162</u>	\$	<u>15,291,731</u>	\$	<u>13,352,297</u>	\$	<u>10,578,205</u>	\$	<u>8,792,692</u>	\$	<u>6,968,077</u>
\$	30,784,361	\$	26,389,560	\$	25,940,167	\$	26,945,815	\$	23,322,251	\$	19,417,804
	32.55%		27.53%		24.90%		22.59%		18.39%		15.31%
\$	2,665	\$	2,236	\$	2,198	\$	2,215	\$	1,867	\$	1,550

**City of Big Lake
Statistical Section (Unaudited)
Ratios of Net General Bonded Debt
Last Ten Fiscal Years**

Table 11

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Restricted to Debt Service	Net General Obligation Debt	Percentage of Estimated Market Value of Property	Per Capita
2015	\$ 1,590,000	\$ 67,217	\$ 1,522,783	0.24%	\$ 143
2016	1,945,000	367,234	1,577,766	0.24%	145
2017	1,655,000	309,249	1,345,751	0.20%	120
2018	1,460,000	210,637	1,249,363	0.17%	109
2019	1,260,000	178,980	1,081,020	0.13%	94
2020	1,105,000	149,757	955,243	0.11%	82
2021	945,000	118,938	826,062	0.09%	70
2022	740,000	183,012	556,988	0.06%	46
2023	625,000	101,960	523,040	0.04%	42
2024	505,000	62,119	442,881	0.03%	35

(1) Only include debt supported by tax levy

Note: See the Demographic and Economic Statistics table for personal income and population data
See more detail for Estimated Property Value on table 6 of the statistical section

**City of Big Lake
Statistical Section (Unaudited)
Computation of Direct and Overlapping
Governmental Activities**

Table 12

Governmental Unit	Debt Outstanding	Estimated Percentage of Debt Applicable to City	Estimate Share of Overlapping Debt
Overlapping Debt			
Sherburne County	\$ 35,785,000	9.14%	\$ 3,270,749
Independent School District 727, Big Lake	62,280,000	50.85%	31,669,380
Independent School District 882, Monticello	<u>38,515,000</u>	0.56%	<u>215,684</u>
Total overlapping debt	<u><u>\$ 136,580,000</u></u>		35,155,813
City of Big Lake direct debt			<u>12,449,727</u>
Total direct and overlapping debt			<u><u>\$ 47,605,540</u></u>

Note: More detailed information on the City's Outstanding debt can be viewed in table 10 of the statistical section

Note: Only those taxing jurisdictions with general obligation debt outstanding are included. Debt figures do not include non-general obligation debt, short-term general obligation debt, revenue supported general obligation debt, lease debt or general obligation tax/aid anticipation certificates of indebtedness. Debt listed is as of December 2, 2024.

Note: Estimate Percentage of Debt Applicable to City was calculated by taking the tax capacity value in the City divided by the total tax capacity value. Tax Capacity Value is after tax increment deduction adjustments

**City of Big Lake
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year			
	2015	2016	2017	2018
Legal debt limit	\$ 19,438,842	\$ 19,983,414	\$ 20,570,646	\$ 22,378,158
Total net debt applicable to debt limit	<u>1,590,000</u>	<u>1,945,000</u>	<u>1,655,000</u>	<u>1,460,000</u>
Legal debt margin	<u>\$ 17,848,842</u>	<u>\$ 18,038,414</u>	<u>\$ 18,915,646</u>	<u>\$ 20,918,158</u>
Total net debt applicable to debt limit as a percentage of debt limit	<u>8.18%</u>	<u>9.73%</u>	<u>8.05%</u>	<u>6.52%</u>

Note: Minnesota Statutes Section 457.53 states that a city or county may not incur or be subject to a net debt in excess of three percent (3%) of its estimated market value. Net debt is, with limited exceptions, debt paid solely from ad valorem taxes.

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Market value data provided by Sherburne County Auditor.

Table 13

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 24,794,706	\$ 26,993,295	\$ 28,878,909	\$ 31,434,150	\$ 39,687,165	\$ 43,127,736
1,260,000	1,105,000	945,000	740,000	625,000	505,000
<u>\$ 23,534,706</u>	<u>\$ 25,888,295</u>	<u>\$ 27,933,909</u>	<u>\$ 30,694,150</u>	<u>\$ 39,062,165</u>	<u>\$ 42,622,736</u>
<u>5.08%</u>	<u>4.09%</u>	<u>3.27%</u>	<u>2.35%</u>	<u>1.57%</u>	<u>1.17%</u>

Legal Debt Margin Calculation

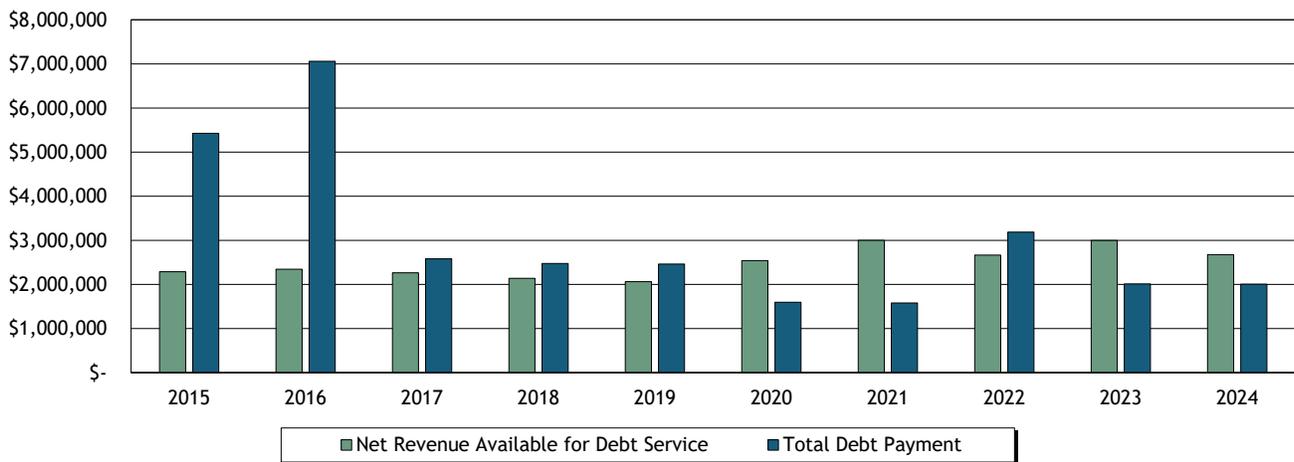
Market value for fiscal year 2023 (payable 2024)	<u>\$ 1,437,591,200</u>
Debt limit (3% of market value)	3% \$ 43,127,736
Debt applicable to limit	
general obligation bonds	11,712,730
Less amounts for general obligation bonds not subject to debt limit	<u>(11,207,730)</u>
Total net debt applicable to limit	<u>505,000</u>
Legal debt margin	<u>\$ 42,622,736</u>

**City of Big Lake
Statistical Section (Unaudited)
Pledged-Revenue Coverage - Utility Revenue Bonds
Last Ten Fiscal Years**

Table 14

Fiscal Year	Water and Sewer Utility Charges	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (1)			Coverage
				Principal	Interest	Total Debt Payment	
2015	\$ 3,853,767	\$ 1,564,161	\$ 2,289,606	\$ 4,534,012	\$ 891,992	\$ 5,426,004	42.20%
2016	3,959,079	1,614,087	2,344,992	6,448,495	612,332	7,060,827	33.21%
2017	4,088,841	1,825,198	2,263,643	2,032,495	548,134	2,580,629	87.72%
2018	4,017,277	1,878,862	2,138,415	1,977,495	497,424	2,474,919	86.40%
2019	4,009,207	1,945,916	2,063,291	2,016,494	445,906	2,462,400	83.79%
2020	4,706,386	2,165,210	2,541,176	1,205,063	392,822	1,597,885	159.03%
2021	5,293,869	2,294,183	2,999,686	1,236,063	343,141	1,579,204	189.95%
2022	5,171,949	2,507,551	2,664,398	2,893,285	292,632	3,185,917	83.63%
2023	5,602,684	2,606,875	2,995,809	1,764,278	248,649	2,012,927	148.83%
2024	5,302,137	2,625,245	2,676,892	1,803,378	202,085	2,005,463	133.48%

Pledge Revenue Coverage - Utility Bonds



(1) The revenues of the utility are pledged to payment of debt service, but bonds are backed by the full faith and credit of the City

(2): Does not include depreciation

* Excludes debt associated with Liquor Store Fund (Business Type Activities)

**City of Big Lake
Statistical Section (Unaudited)
Demographic and Economic Statistics
Last Ten Fiscal Years**

Table 15

Fiscal Year	Populations (1)	Unemployment Rate (2)	No. 727 School Enrollment (3)	Personal Income (4)	Number of Jobs (4)	Per Capita Personal Income (5)
2015	\$ 10,671	4.08%	3,259	\$ 77,760,241	2,402	\$ 32,373
2016	10,918	4.06%	3,167	71,349,324	2,481	28,758
2017	11,174	3.75%	3,097	78,237,811	2,355	33,222
2018	11,456	3.23%	3,079	81,814,712	2,377	34,419
2019	11,551	3.54%	3,026	94,565,267	2,417	39,125
2020	11,685	6.16%	3,090	95,847,018	2,238	42,827
2021	11,802	3.79%	3,006	104,175,756	2,358	44,180
2022	12,165	2.74%	3,152	119,276,358	2,512	47,483
2023	12,492	3.18%	3,204	126,852,796	2,680	47,333
2024	12,524	2.60%	3,140	126,852,796	2,680	47,333

Notes/Sources:

- (1) Minnesota State Demographic Center Population estimates
- (2) Annual average unemployment rate for Sherburne County provided by Minnesota Department of Employment and Economic Development
- (3) Minnesota Department of Education
- (4) Minnesota Employment and Economic Development
- (5) Per capita personal income data was calculated by dividing the personal income by the number of jobs

**City of Big Lake
Statistical Section (Unaudited)
Top Employers
Current and Nine Years Ago**

Table 16

Employer	2024			2015		
	Employees	Rank	Percentage Total City Employment	Employees	Rank	Percentage Total City Employment
Arconic	150	6	8.82%			0.00%
Cargill Inc	155	5	9.11%	76	6	4.72%
Cherrywood Advanced Living	92	8	5.41%	85	5	5.28%
City of Big Lake	68	9	4.00%	59	9	3.66%
Coborns	160	4	9.41%	145	3	9.01%
ISD No. 727 (Big Lake)	431	1	25.34%	672	1	41.74%
LISI Medical Remmele	200	3	11.76%	305	2	18.94%
Options, Inc	116	7	6.82%	64	8	3.98%
Paragon Store Fixtures	52	11	3.06%	70	7	4.35%
Premier Marine	212	2	12.46%			0.00%
Visions of Big Lake	65	10	3.82%	44	10	2.73%
We Care Dental				90	4	5.59%
Total	1,701			1,610		

**CITY OF BIG LAKE
SHERBURNE COUNTY, MINNESOTA
STATISTICAL SECTION (UNAUDITED)
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS**

Table 17

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Mayor and Council										
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Council members	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	<u>5.00</u>									
Administrative/Finance										
City Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Deputy City Clerk	-	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
	<u>6.00</u>									
Community Development										
Building	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Code enforcement	-	-	-	0.25	0.25	0.25	-	-	-	-
Economic development	2.00	2.00	2.00	2.00	1.50	1.50	1.50	0.50	0.75	1.00
Planning	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.25</u>	<u>4.75</u>	<u>4.75</u>	<u>4.50</u>	<u>4.50</u>	<u>4.75</u>	<u>5.00</u>
Public Safety										
Police	13.00	12.00	12.00	12.00	12.00	13.00	13.00	13.00	13.00	15.00
Police canine	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police administration support	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community service officers	-	-	-	0.50	0.50	0.50	-	-	-	-
Fire - new position	-	-	-	-	-	1.00	1.00	(1.00)	-	-
Volunteer on-call fire department (36)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	<u>19.00</u>	<u>18.00</u>	<u>19.00</u>	<u>19.50</u>	<u>19.50</u>	<u>21.50</u>	<u>21.00</u>	<u>19.00</u>	<u>20.00</u>	<u>22.00</u>
Parks										
Parks Services - Seasonal May - Sept (7)	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Parks Maintenance	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Recreation Coordinator	-	-	-	0.50	0.50	1.00	1.00	0.90	0.90	0.90
	<u>5.50</u>	<u>5.50</u>	<u>5.50</u>	<u>6.00</u>	<u>6.00</u>	<u>6.50</u>	<u>5.50</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>
Public Works										
Engineering	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering intern	-	-	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Streets maintenance	5.00	5.00	5.00	5.00	5.00	5.50	5.50	5.50	5.50	4.50
Fleet maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
	<u>6.00</u>	<u>6.00</u>	<u>7.00</u>	<u>7.25</u>	<u>7.25</u>	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>
Total general fund	<u>46.50</u>	<u>45.50</u>	<u>47.50</u>	<u>49.00</u>	<u>48.50</u>	<u>51.50</u>	<u>49.75</u>	<u>47.65</u>	<u>48.90</u>	<u>51.15</u>
Special Revenue Fund										
Economic Development Authority (EDA)	-	-	-	-	0.50	0.50	0.50	0.50	0.25	0.25
Farmers Market / Music in the Park	-	0.25	0.25	0.25	0.25	0.25	0.25	0.10	0.10	0.10
Total special revenue fund	<u>-</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.75</u>	<u>0.75</u>	<u>0.75</u>	<u>0.60</u>	<u>0.35</u>	<u>0.35</u>
Enterprise Funds										
Water and Sewer Funds	4.75	4.75	4.75	4.75	4.75	4.75	5.75	5.75	5.75	5.75
Storm Water Funds	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Liquor Store Funds	7.00	7.00	7.00	7.00	8.00	8.00	8.00	9.00	10.00	11.00
Total enterprise funds	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>13.00</u>	<u>13.00</u>	<u>14.00</u>	<u>15.00</u>	<u>16.00</u>	<u>17.00</u>
Total all fund types	<u>58.50</u>	<u>57.75</u>	<u>59.75</u>	<u>61.25</u>	<u>62.25</u>	<u>65.25</u>	<u>64.50</u>	<u>63.25</u>	<u>65.25</u>	<u>68.50</u>

**City of Big Lake
Statistical Section (Unaudited)
Operating Indicators by Functions
Last Ten Fiscal Years**

Function	Fiscal Year			
	2015	2016	2017	2018
Police				
Total arrests	277	337	364	313
Total calls for services	8934	10664	10808	10750
Building Permits - Total				
Residential - New	34	60	98	52
Commerical/Industrial - New	9	9	4	36
Total of all permits issued	579	646	766	746
Culture and Recreation				
Acres of park maintained	215	215	215	215
Water				
Connections	3427	3496	3598	3686
Miles of watermains	65	65	65	65
Average daily consumption	1,120,515	1,076,395	1,087,907	1,034,060
Sanitary sewer				
Connections	3429	3498	3600	3688
Miles of sanitary sewer	65	65	65	65

Note: Indicators are not available for the general government functions

Table 18

Fiscal Year						
2019	2020	2021	2022	2023	2024	
296	228	258	135	153	118	
13712	15429	10708	10023	11686	11012	
79	47	90	28	28	27	
22	32	29	47	2	-	
666	937	824	1735	1488	1520	
215	215	215	215	215	215	
3787	3866	3985	4212	4203	4228	
65	65	65	65	65	65	
1,143,123	1,448,573	1,574,126	1,327,978	1,455,948	1,035,564	
3789	3868	3987	4214	4205	4230	
65	65	65	65	65	65	



**City of Big Lake
Statistical Section (Unaudited)
Capital Assets Statistics by Function
Last Ten Fiscal Years**

Table 19

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police										
Station	1	1	1	1	1	1	1	1	1	1
Partol Units										
Marked squads	7	7	7	7	7	8	8	8	8	9
Other Vehicles	4	4	4	4	4	5	5	6	6	7
Public Works										
Street (miles)	55	55	55	55	55	55	55	55	55	55
Mobile equipment	15	15	15	15	15	15	15	15	15	15
Plow Trucks	6	6	6	6	6	6	6	6	6	6
Trailers	16	16	16	16	16	16	16	16	16	16
Other Vehicles	10	10	10	10	10	10	10	10	10	10
Culture and Recreation										
Parks acreage	215	215	215	215	215	215	215	215	215	215
Trails (miles)	20	20	20	20	20	20	20	20	20	20
Greenway acreage	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Playgrounds	14	14	14	14	14	14	14	14	14	14
Ground maintenance equipment	9	9	9	9	9	9	9	9	9	9
Other vehicles	2	2	2	2	2	2	2	2	2	2
Water										
Wells	7	7	7	7	7	7	7	7	7	7
Water towers	3	3	3	3	3	3	3	3	3	3
Miles of watermain	65	65	65	65	65	65	65	65	65	65
Vehicles	4	4	4	4	4	4	4	4	4	4
Sanitary Sewer										
Miles of sanitary sewer	65	65	65	65	65	65	65	65	65	65
Lift stations	13	13	13	13	13	13	13	13	13	13
Vehicles	4	4	4	4	4	4	4	4	4	4
Storm Water										
Storm water catch basin/sumps	150	150	150	150	150	150	150	150	150	150
Storm water pip inlets/outlets	112	112	112	112	112	112	112	112	112	112
Vehicles	1	1	1	1	1	1	1	1	1	1

Note: Indicators are not available for the general government funcitons





**City of Big Lake
Sherburne County, Minnesota**

**Schedule of Expenditures of Federal Awards and
Reports on Compliance with
Government Auditing Standards, Uniform Guidance,
and Minnesota Legal Compliance**

December 31, 2024

**City of Big Lake
Table of Contents**

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	5
Schedule of Findings and Questioned Costs	8
Minnesota Legal Compliance	10
Schedule of Findings and Responses on Legal Compliance	11

City of Big Lake
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Grant Program Title	Federal Assistance Listing Number	Expenditures
Department of Transportation		
Passed through Minnesota Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	285,597
Passed through the City of Elk River Highway Safety Cluster		
State and Community Highway Safety and Total Highway Safety Cluster	20.600	<u>6,572</u>
Total U.S. Department of Transportation		292,169
Department of Treasury		
Passed through Minnesota Management and Budget COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>961,322</u>
Total federal expenditures		<u><u>\$ 1,253,491</u></u>

City of Big Lake
Note(s) to Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City under programs of the federal government for the year-ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 4 - INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Big Lake
Big Lake, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Lake, Minnesota as of and for the year ended December 31, 2024, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 16, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses on Legal Compliance and Internal Control that we consider to be a significant deficiency, audit finding 2024-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses on Legal Compliance and Internal Control. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota
May 16, 2025



**Report on Compliance for each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Big Lake
Big Lake, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Lake, Minnesota as of and for the year ended December 31, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 16, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BerganKDV, Ltd.

St. Cloud, Minnesota
May 16, 2025

**City of Big Lake
Schedule of Findings and Questioned Costs**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:
• Material weakness(es) identified? No
• Significant deficiency(ies) identified? Yes, Audit Finding 2024-001

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:
• Material weakness(es) identified? No
• Significant deficiency(ies) identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of Major Programs

Assistance Listing No.: 21.027
Name of Federal Program or Cluster: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? No

**City of Big Lake
Schedule of Findings and Questioned Costs**

SECTION II - FINANCIAL STATEMENT FINDINGS

Audit Finding 2024-001

Criteria:

Internal control that supports the City's ability to initiate record, process and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

During the year ended December 31, 2024, the City had a lack of segregation of accounting duties. In order to have appropriate segregation of duties the performance of the following duties would need to be completed by a different employee: initiation and authorization of transactions, recording and processing of transactions, reconciliation and reporting of transactions and financial information, and custody of assets. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Context:

The finding impacts the internal control for all significant accounting functions.

Effect or Potential Effect:

The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Cause:

There are a limited number of office employees.

Recommendation:

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

Views of Responsible Officials and Planned Corrective Action:

The City will continue to monitor various accounting activities and look for areas where functions can be allocated to different staff to minimize potential control risks.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None



Minnesota Legal Compliance

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Big Lake
Big Lake, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Lake, Minnesota as of and for the year ended December 31, 2024, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 16, 2025

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting - bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the legal compliance finding identified in our audit and described in the accompanying Schedule of Findings and Responses on the Legal Compliance and Internal Control. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota
May 16, 2025

**City of Big Lake
Schedule of Findings and Responses on
Legal Compliance**

PRIOR YEAR LEGAL COMPLIANCE FINDING:

Audit Finding 2023-002 - Ensure Supporting Documentation is Obtained for All Credit Card Purchases

During 2023, the City did not have supporting documentation for all purchases made via City credit cards in accordance with City policy.

Corrective Action Taken:

During 2024, all credit card purchases tested included appropriate documentation in accordance with City policy.



**City of Big Lake
Sherburne County, Minnesota**

Communications Letter

December 31, 2024

**City of Big Lake
Table of Contents**

Report on Matters Identified as a Result of the Audit of the Basic Financial Statements	1
Significant Deficiency	3
Required Communication	4
Financial Analysis	8
Emerging Issues	26



Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor and Members of the
City Council and Management
City of Big Lake
Big Lake, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Lake, Minnesota, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. The significant deficiency identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated May 16, 2025, on such statements.

This communication, which is an integral part of our audit, is intended solely for the information and use of management, Members of the City Council, others within the City, federal, and state oversight awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

BerganKDV, Ltd.

St. Cloud, Minnesota
May 16, 2025

**City of Big Lake
Significant Deficiency**

Lack of Segregation of Accounting Duties

During the year ended December 31, 2024, the City had a lack of segregation of accounting duties. In order to have appropriate segregation of duties the performance of the following duties would need to be completed by a different employee: initiation and authorization of transactions, recording, and processing of transactions, reconciliation and reporting of transactions and financial information, and custody of assets. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

City of Big Lake Required Communication

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2024. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

City of Big Lake Required Communication

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks of material misstatement:

- **Improper Revenue Recognition**
 - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- **Lack of Segregation of Accounting Duties/Misappropriation of Assets**
 - If duties cannot be appropriately segregated within the accounting and finance department, there is a risk of unauthorized disbursements, employee payroll, being made from the City. In addition, generally this results in less review taking place as transactions are recorded in the financial statements.
- **Management Override of Internal Control over Journal Entries**
 - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- **Significant Estimates - Depreciation, Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions, Lease Receivable and Deferred Inflows of Resources Related to Leases, Lease Liability, and Land Held for Resale**
 - Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during the year ended December 31, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**City of Big Lake
Required Communication**

Qualitative Aspects of the City's Significant Accounting Practices (Continued)

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation - The City is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method

Land Held for Resale - Land held for resale is recorded using either the lower of historical cost or estimated resale value.

Net Pension Liability, Deferred Outflows of Resources Relating to Pensions, and Deferred Inflows of Resources Relating to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

Lease Receivable and Related Deferred Inflows of Resources - These balances are based on estimates and judgments determined by the City related to the discount rate, lease term, and lease payments.

Lease Liability and Right-to-Use Lease Assets - These balances are based on estimates and judgements determined by the City related to the discount rate, lease term, and lease payments.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

**City of Big Lake
Required Communication**

Uncorrected and Corrected Misstatements (Continued)

Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the basic financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans, and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

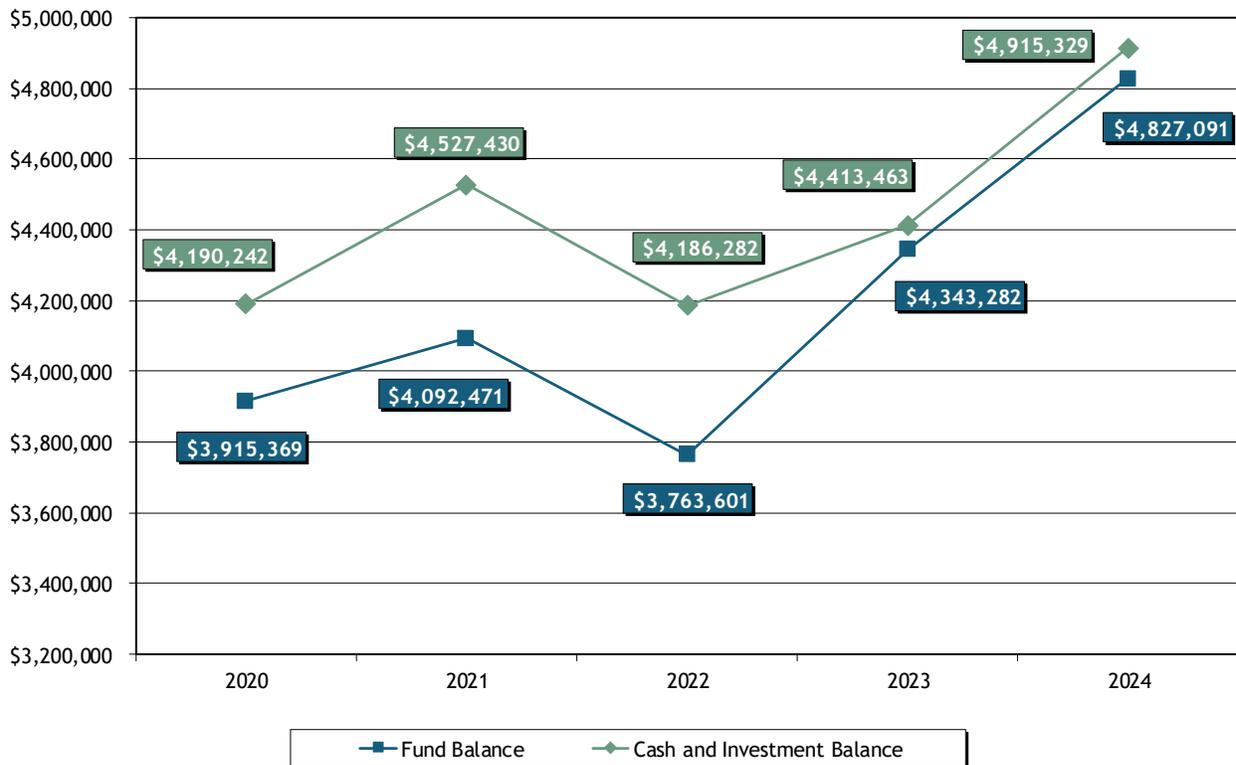
City of Big Lake Financial Analysis

The following pages provide graphic representations of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

General Fund - Fund Balance

The following graph illustrates the relationship between cash and investments and fund balance over the past five years. As shown below, the cash balance has increased \$911,722 from 2020 to 2024. The fund balance increased \$483,809 from 2023 to 2024. At December 31, 2024, the General Fund balance consisted of \$117,233 nonspendable, \$65,640 assigned and \$4,644,218 unassigned balances. The total unassigned fund balance represented about nine months of expenditures at current levels. The Office of the State Auditor has issued a statement of position recommending cities maintain an unrestricted fund balance of approximately 35% to 50% of fund operating revenues, or no less than five months of operating expenditures. The City's Fund Balance Policy states that the City will maintain an unrestricted fund balance amount of 42% to 50% of the next year's budgeted expenditures in the General Fund. Based on the 2025 budgeted expenditures of \$7,366,689, the City's unassigned General Fund balance was at 63.0% at December 31, 2024.

Cash and Investments and Fund Balance



On the following pages, we will discuss the revenues and expenditures of the General Fund and the variations in the fund balance.

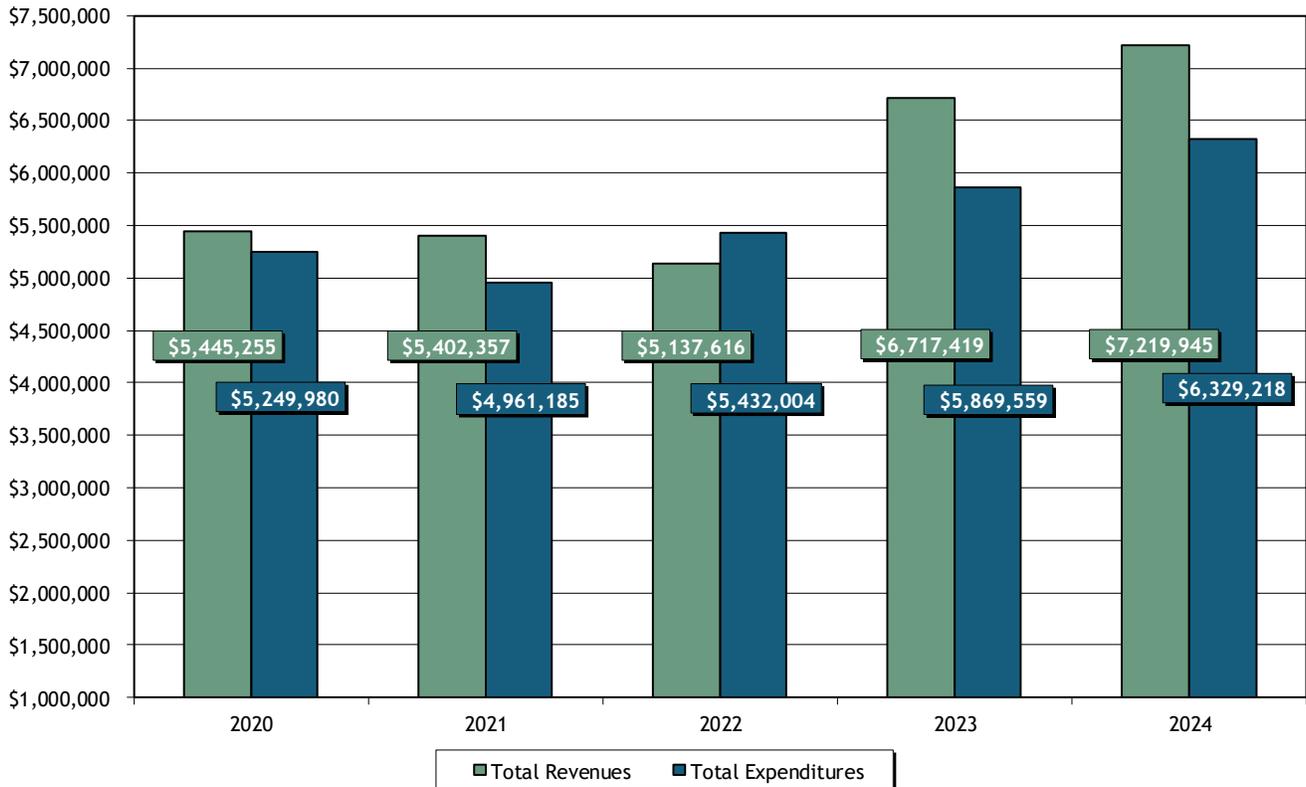
City of Big Lake Financial Analysis

General Fund - Revenues and Expenditures

The following table and graph show the overall operations of the General Fund. Revenues have fluctuated over the five years shown from a high in 2024 of \$7,219,945 to a low in 2022 of \$5,137,616. Overall, from 2020 to 2024, revenues have increased \$1,774,690. Similarly, expenditures have fluctuated over the five years presented. Since 2020, expenditures have increased \$1,079,238. Revenues have exceeded expenditures in each of the five years presented, except 2022. Transfers out for 2020 through 2024 were made for capital related items.

	2020	2021	2022	2023	2024
Revenues	\$ 5,445,255	\$ 5,402,357	\$ 5,137,616	\$ 6,717,419	\$ 7,219,945
Expenditures	5,249,980	4,961,185	5,432,004	5,869,559	6,329,218
Proceeds from the sale of capital assets	20,610	3,224	15,000	699	-
Leases issued	-	-	-	-	83,821
Insurance recoveries	10,055	14,644	36,907	77,189	48,946
Net transfers	175,979	(281,938)	(86,389)	(346,067)	(539,685)
Net change in fund balance	\$ 401,919	\$ 177,102	\$ (328,870)	\$ 579,681	\$ 483,809

Revenues and Expenditures



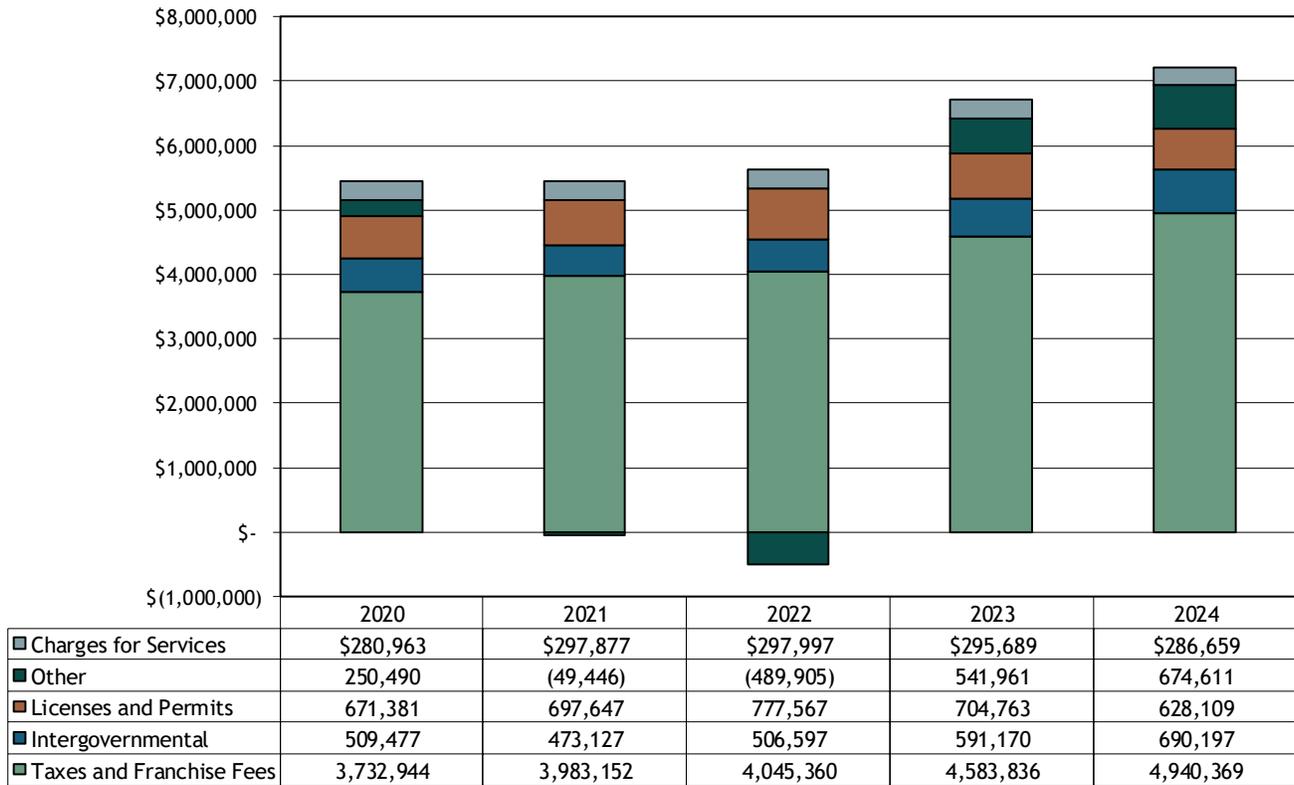
City of Big Lake Financial Analysis

General Fund - Revenues

The following graph presents comparisons of revenues by type, illustrating the majority of revenue for the City is from taxes and franchise fees, intergovernmental sources, and other sources. These three sources represent 68.4%, 9.6%, and 8.7% of total General Fund revenues, respectively. Other revenues include items such as fines and forfeitures, charges for services, investment income and other miscellaneous items.

Revenues of the General Fund increased from 2023 to 2024 by \$502,524. Taxes and franchise fee revenue increased \$356,533 due to an increase in the levy. Intergovernmental revenue increased \$99,027 due to increased state aid. Other revenues increased \$132,650 due to the market conditions causing a positive market adjustment at year end and increase in rates. These increases were offset by a \$76,654 decrease in licenses and permits.

General Fund Revenues



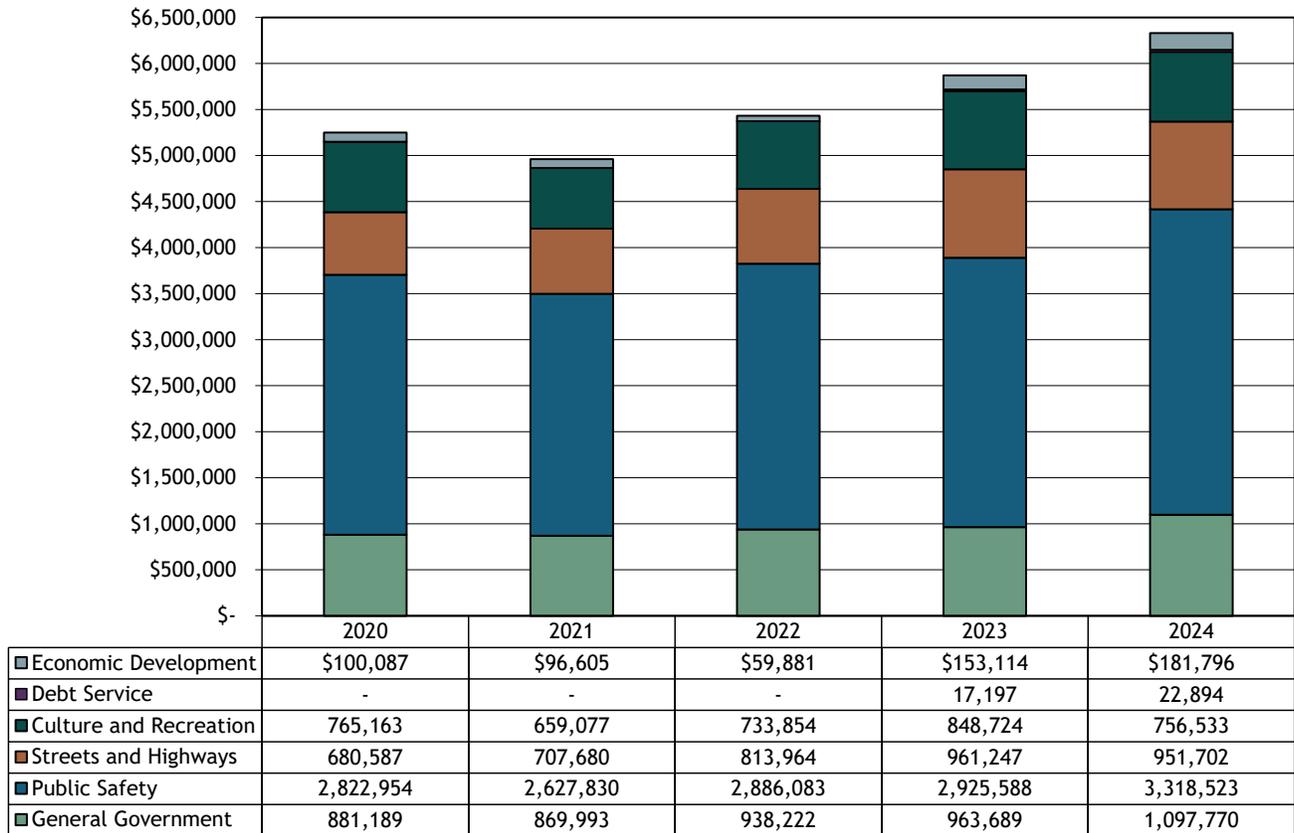
City of Big Lake Financial Analysis

General Fund - Expenditures

The graph below represents the breakdown of expenditures by department. Public Safety continues to comprise the largest portion of General Fund expenditures, representing 52.4%. Overall, General Fund expenditures increased \$459,659 from 2023.

Public Safety increased \$392,935 due to an increase in wages, additional staff, an increase in pay plan, and an increase in overtime to train new officers. General Government increased \$134,081 due to leases issued. Culture and Recreation decreased \$92,191 due to decrease in water usage in the parks and roof replacement due to hail damage in prior year. Other functions were relatively consistent with the prior year.

General Fund Expenditures



**City of Big Lake
Financial Analysis**

General Fund - Budgetary Comparison

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues				
Taxes	4,868,511	4,868,511	\$ 4,940,369	\$ 71,858
Intergovernmental	475,990	539,990	690,197	150,207
Licenses and permits	624,187	624,187	628,109	3,922
Charges for services	260,771	260,771	286,659	25,888
Fines	47,100	47,100	44,786	(2,314)
Miscellaneous	46,250	120,250	629,825	509,575
Total revenues	6,322,809	6,460,809	7,219,945	759,136
Expenditures				
General government	1,002,965	1,029,965	1,097,770	67,805
Public safety	3,263,691	3,327,691	3,318,523	(9,168)
Streets and highways	1,006,647	1,031,647	951,702	(79,945)
Culture and recreation	867,852	879,852	756,533	(123,319)
Economic development	171,770	181,770	\$181,796	26
Debt service	-	-	22,894	22,894
Total expenditures	6,312,925	6,450,925	6,329,218	(121,707)
Excess of revenues over expenditures	9,884	9,884	890,727	880,843
Other Financing Sources (Uses)				
Insurance recoveries	2,500	2,500	48,946	46,446
Leases issued	-	-	83,821	83,821
Net transfers	(5,611)	(5,611)	(539,685)	(534,074)
Total other financing sources	(3,111)	(3,111)	(406,918)	(403,807)
Net change in fund balances	\$ 6,773	\$ 6,773	\$ 483,809	\$ 477,036

Overall, actual revenue was \$759,134, or 11.7%, over budget. Miscellaneous revenues were over budget due to the significant increase in market value of investments. Taxes and intergovernmental revenue were over budget due to budgeting conservatively. All other revenue categories were relatively consistent with the budget.

Overall, actual expenditures were less than budgeted amounts by \$121,707 or 1.9%. Streets and highways was under budget \$79,945 due to conservative budgeting for project costs. Culture and recreation was under budget \$123,319 due to conservative budgeting for personnel costs. All other functions were relatively consistent with the budget.

City of Big Lake Financial Analysis

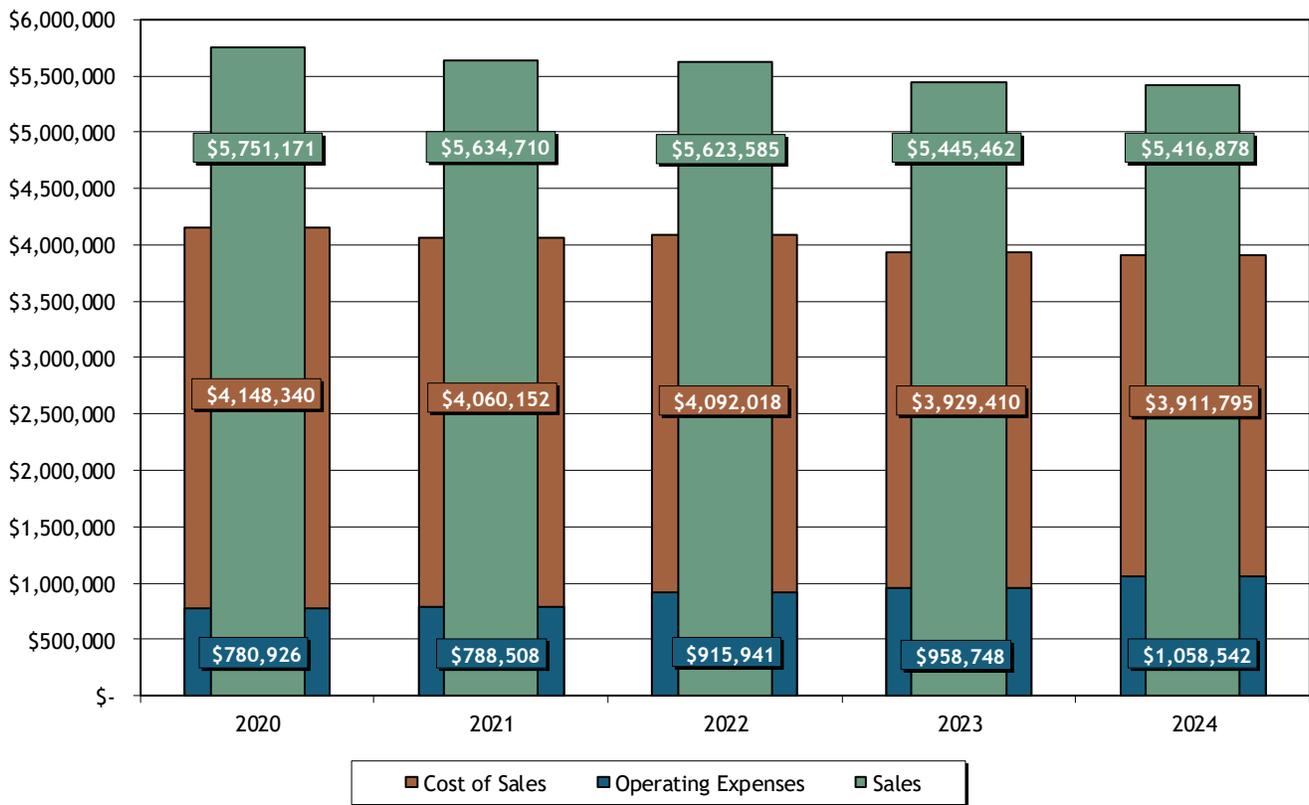
Liquor Fund

Since the liquor store is an important contributing factor to the City's budget, we recommend the Liquor Store Manager and City Council closely monitor expenses. In addition, pricing must also be continually reviewed to ensure charges keep pace with increases in costs of sales.

Selected data relating to the City's Liquor Fund operating results for the past five years is displayed in the graphs below and on the following page.

The liquor store sales decreased in 2024. Total sales for 2024 reflected a 0.5% decrease from 2023. During this same time period, cost of sales decreased 0.4%. The result was a slight decrease in the gross profit percentage from 27.84% in 2023 to 27.79% in 2024.

Liquor Fund

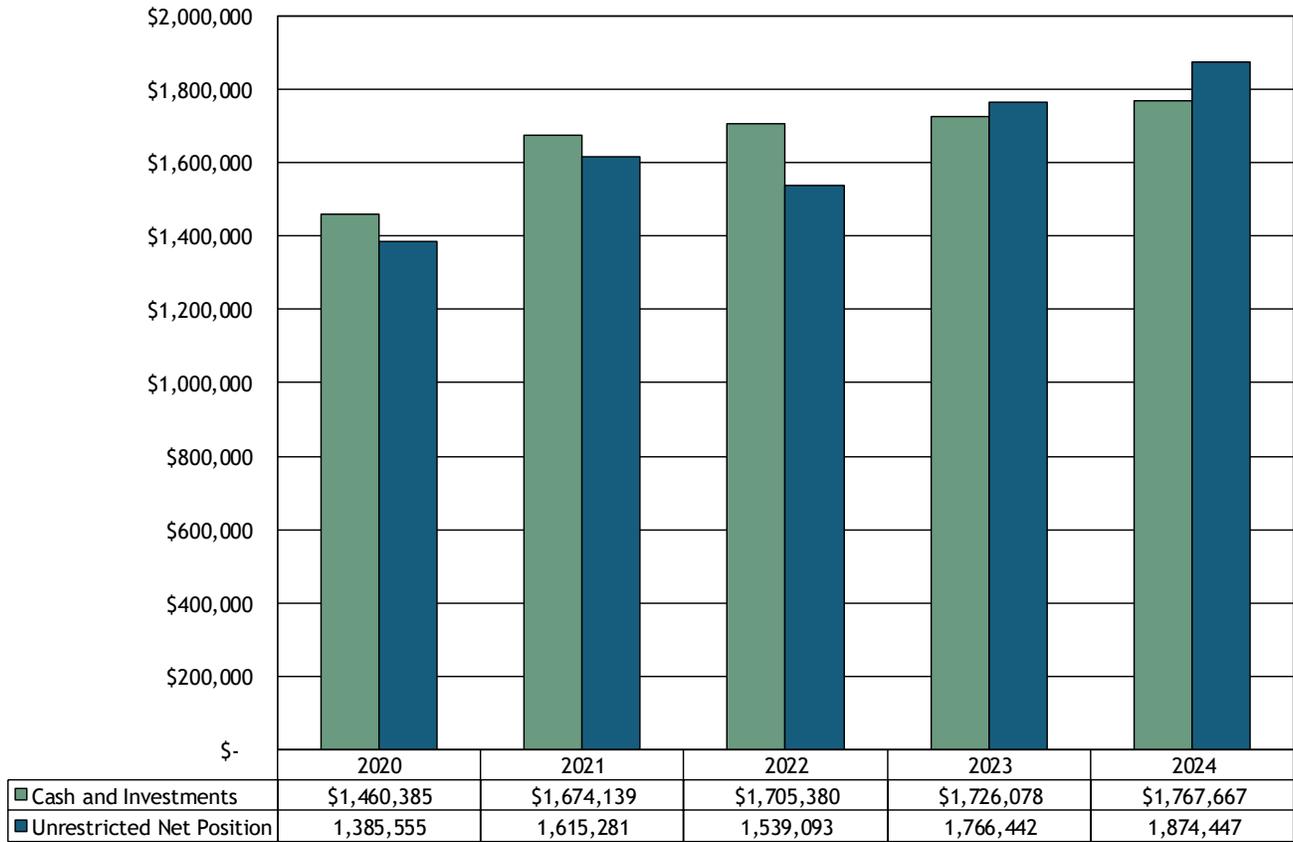


**City of Big Lake
Financial Analysis**

Liquor Fund (Continued)

As of December 31, 2024, the Liquor Fund had an ending cash and investment balance of \$1,767,667. Unrestricted net position at year-end was \$1,874,447, an increase of \$108,005 compared to 2023. There was no debt outstanding at December 31, 2024, in the Liquor Fund.

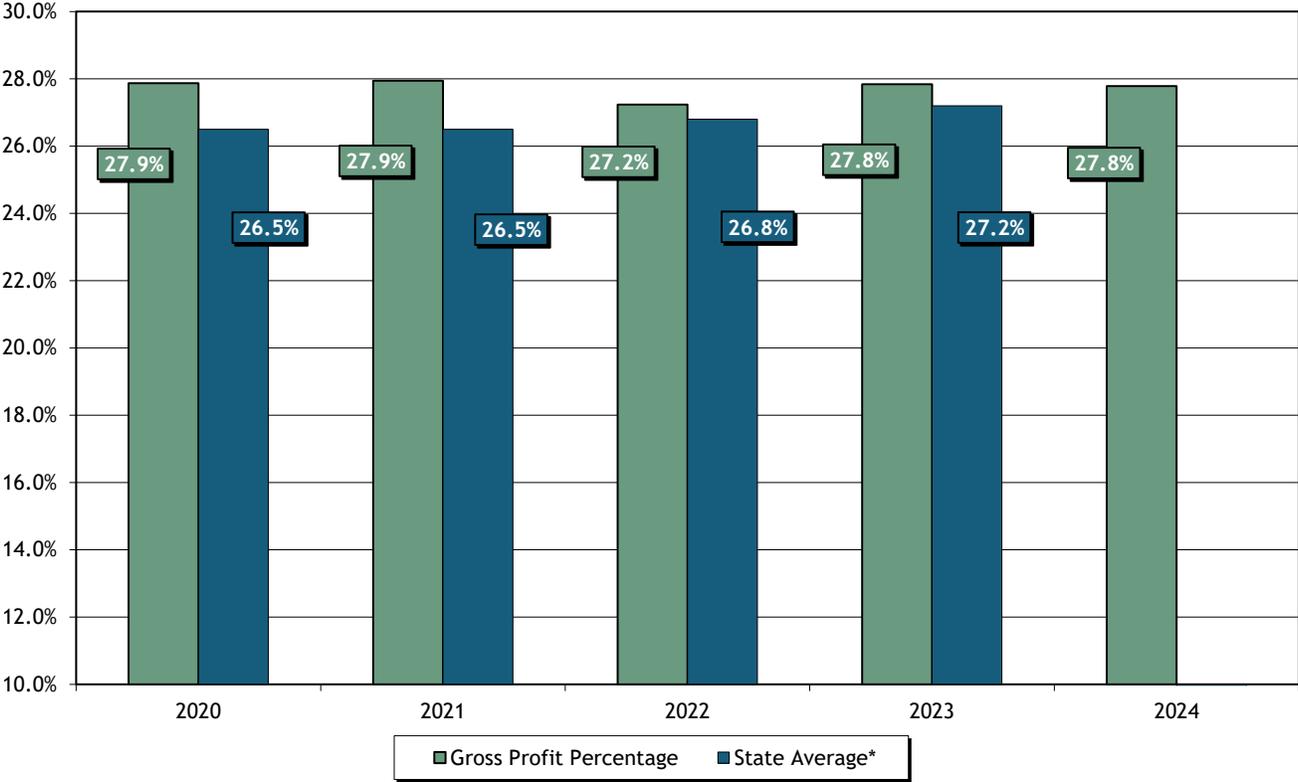
Liquor Fund



City of Big Lake
Financial Analysis

Liquor Fund (Continued)

Gross Profit Percentage



* State averages were taken from the 2020-2023 State of Minnesota "Analysis of Municipal Liquor Store Operations" for off-sale stores. Data for 2024 is not yet available.

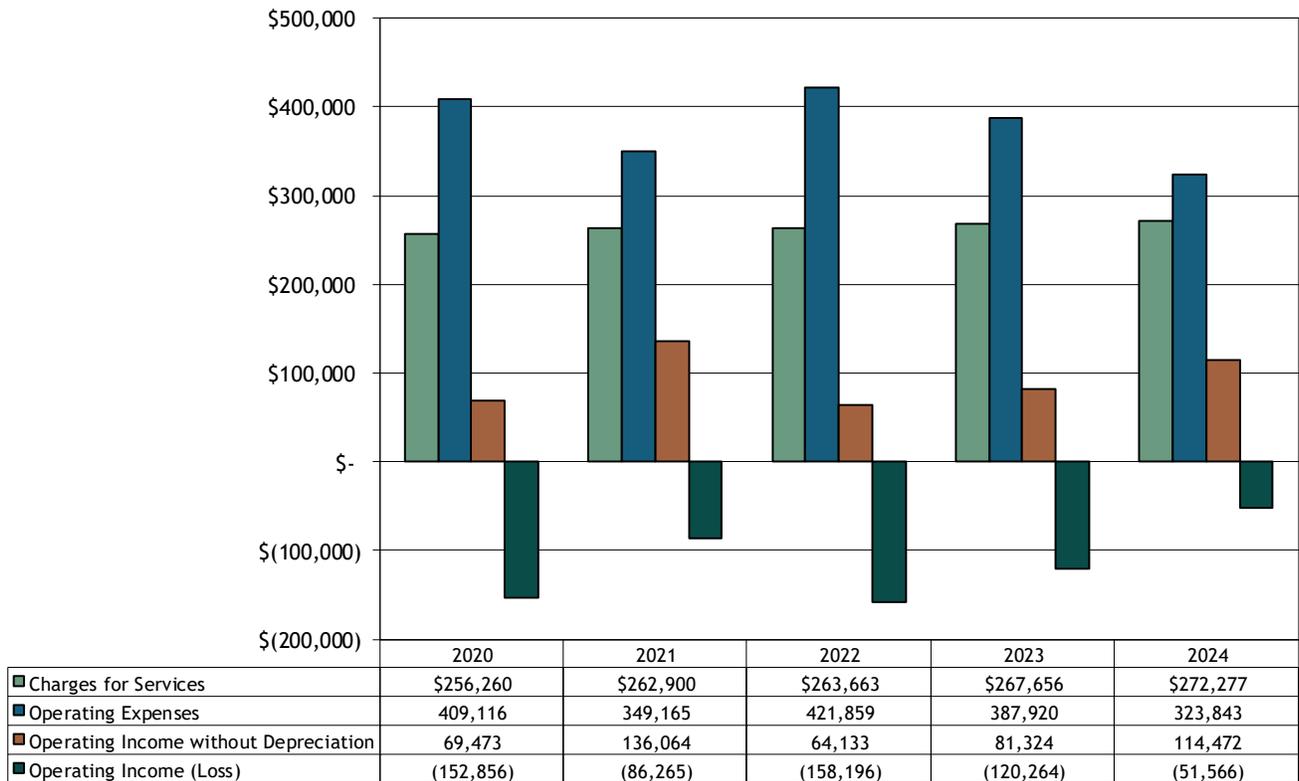
City of Big Lake Financial Analysis

Storm Sewer Fund

The following graph illustrates the current operations of the Storm Sewer Fund for the past five years. For each of the five years shown, the City's Storm Sewer Fund has generated an operating loss. Charges for services increased \$4,621 or 1.7% while operating expenses decreased \$64,077 or 16.5%, compared to 2023. The net effect of the changes in revenues and expenses is a net loss of \$51,566. When depreciation is removed from the operating expenses, the Fund experienced operating income of \$114,473.

We recommend the City continue to evaluate storm water rates and monitor related expenses to generate sufficient operating income in the future.

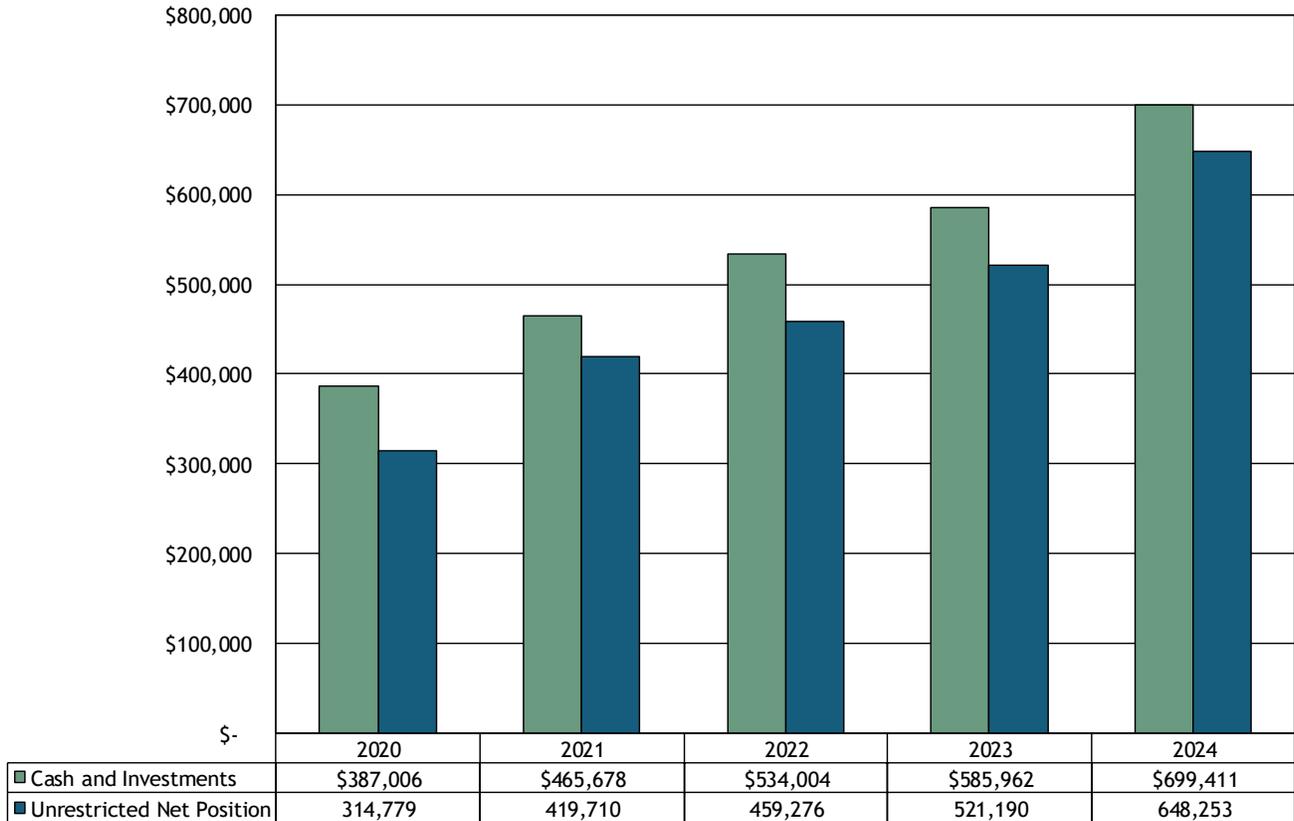
Storm Sewer Operations



**City of Big Lake
Financial Analysis**

Storm Sewer Fund (Continued)

Storm Sewer Fund



As of December 31, 2024, the Storm Water Fund had an ending net cash and investment balance of \$699,411. This is an increase of \$113,449 from 2023 levels. Total net position at year-end was \$2,685,757, while unrestricted net position at year-end was \$648,253. Unrestricted net position has increased \$333,474 since 2020.

City of Big Lake Financial Analysis

Water and Sewer Funds

Water Fund

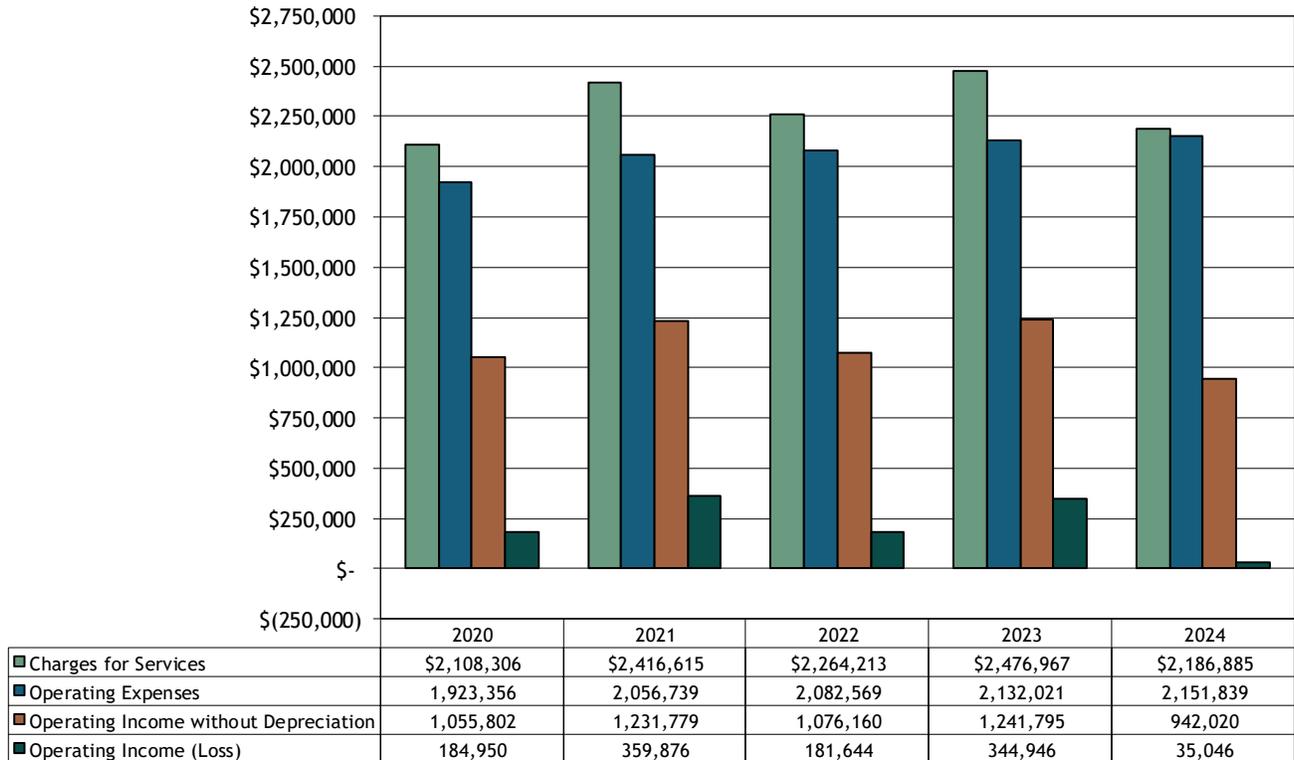
The following graph illustrates the current operations of the Water Fund for the past five years. Charges for services illustrated do not include water connection fees. These fees are not included because the revenue is set aside for future asset replacement costs. Similarly, operating income is shown with and without depreciation as the above connection fees will be covering some of the replacement cost. Therefore, charges for services will not be required to cover all of these costs.

For the five years shown, the Fund generated an operating income. Charges for services decreased \$290,082 or 11.7% from 2023 due to a decrease in usage. Operating expenses increased by \$19,818, or 0.9%. The net effect of the decreased revenues and increased expenses is operating income of \$35,046. When depreciation is removed from the operating expenses, the Fund experienced operating income of \$1,244,865.

Enterprise funds may be used to account for any activity in which a fee is charged. It is not required to have the fee support the entire activity; however, the basic premise in establishing an enterprise fund is that the activity will be operated similar to a business. Therefore, it is expected the enterprise fund would at least be able to meet its obligations currently and into the future.

We recommend the City continue to evaluate water rates and monitor related expenditures to generate sufficient operating income in the future.

Water Operations

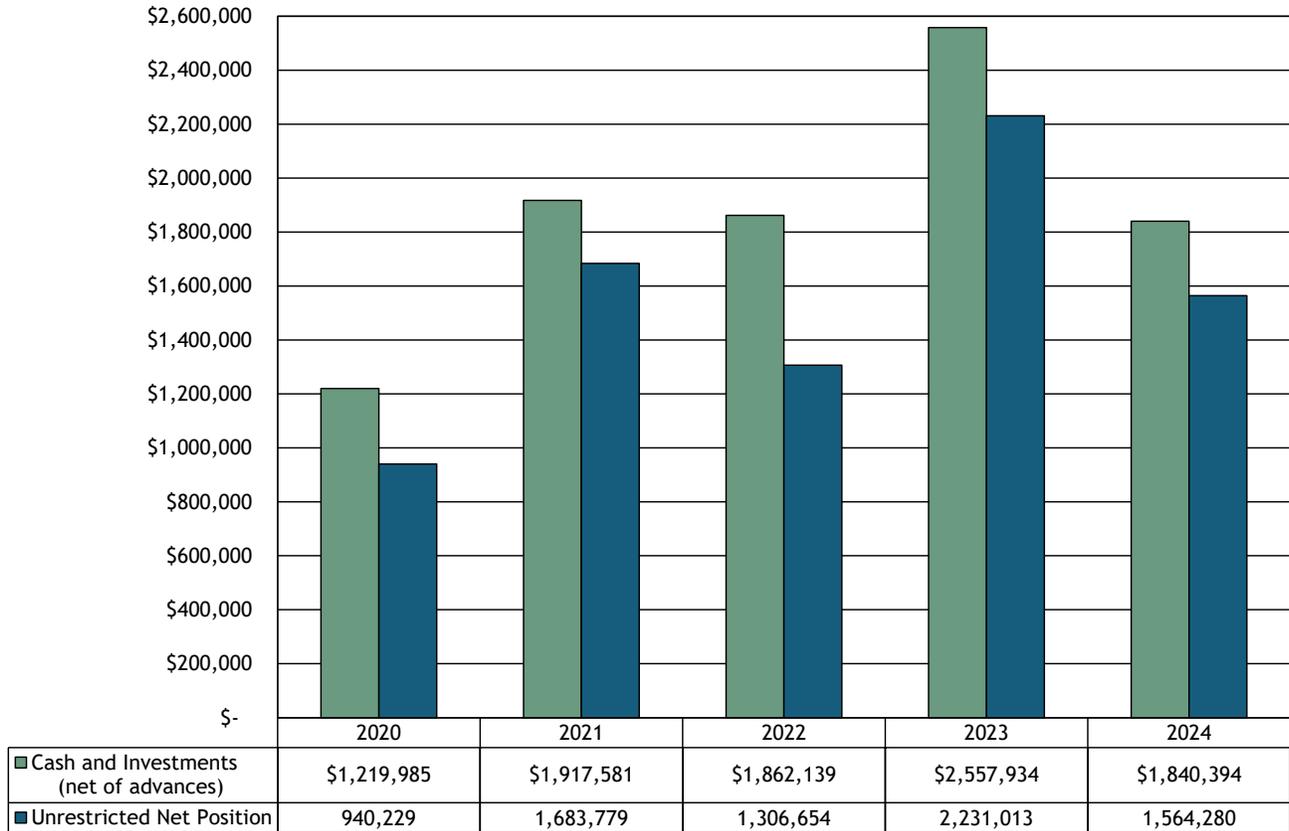


**City of Big Lake
Financial Analysis**

Water and Sewer Funds (Continued)

Water Fund (Continued)

Water Fund



The above graph shows the cash and investments (net of advances) and unrestricted net position balances as of December 31 for the last five years. The Water Fund cash and investment balance has increased \$620,409 since 2020. In 2020 and 2021, a portion of the cash and investments in the Water Fund was being advanced from the Sewer Fund. That amount has been removed from the presentation above for those years. This balance was paid off in 2022. Current year interest and principal payments in the Water Fund were \$689,568. The total amount of debt outstanding in the Water Fund at December 31, 2024, was \$512,463 including bonds, notes, and leases. Principal and interest due in 2025 totals \$110,839.

City of Big Lake Financial Analysis

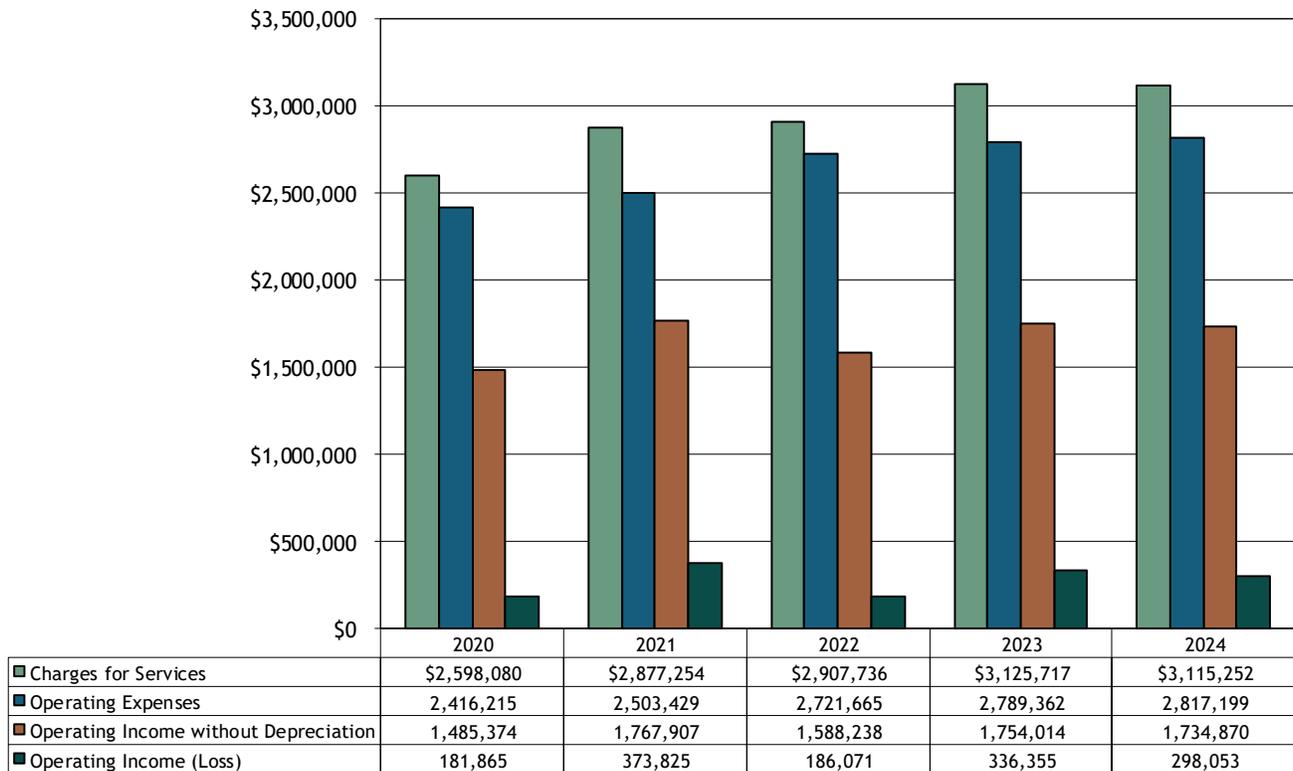
Water and Sewer Funds (Continued)

Sewer Fund

In all of the past five years, the Sewer Fund has shown an operating income. In 2024, the Fund showed operating income of \$298,053. This is a decrease in operating income of \$38,302 from 2023. The Fund experienced a decrease in charges for services of \$10,465, while expenses increased \$27,837.

We recommend the City continue to evaluate water and sewer rates to generate sufficient operating income in the future. The significant debt principal and interest obligations of the City are considered non-operating expenses and are not presented with this particular graph. However, the City should consider these obligations when evaluating the sewer rates to ensure the Fund is able to make all future debt payments.

Sewer Operations

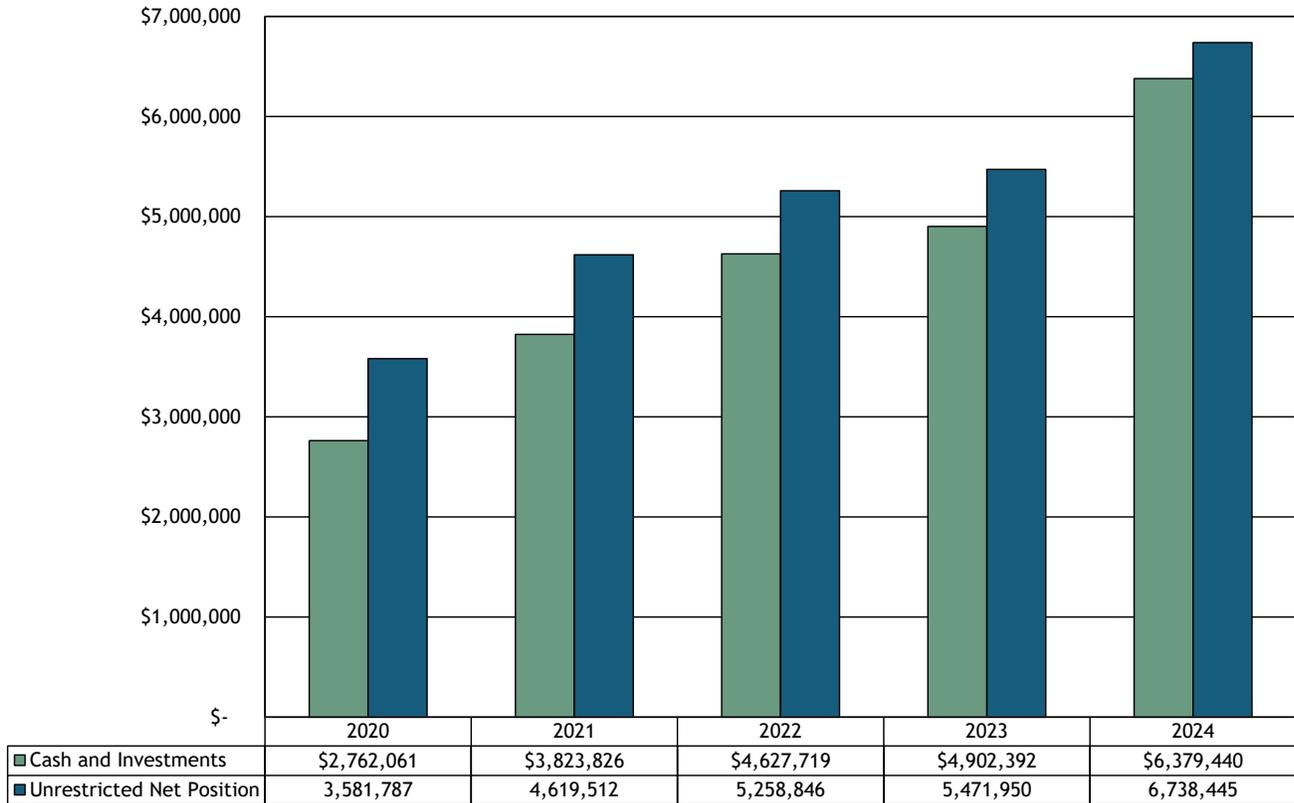


**City of Big Lake
Financial Analysis**

Water and Sewer Funds (Continued)

Sewer Fund (Continued)

Sewer Fund



The graph above shows the cash and investment (excluding restricted cash and investments) and unrestricted net position balances as of December 31 for the last five years. The Sewer Fund cash and investment balance increased \$1,477,048 in 2024 and increased \$3,617,379 since 2020. Starting in 2007, the Sewer Fund was used to finance the cash deficits of the other City's funds. In 2007, the amount of cash used to cover the deficits was \$1.3 million. In 2022, the Fund used approximately \$779,000 to cover cash deficits in other funds. In 2023, the Fund used approximately \$748,000 to cover cash deficits in other funds. That amount was reduced to \$670,654 at December 31, 2024.

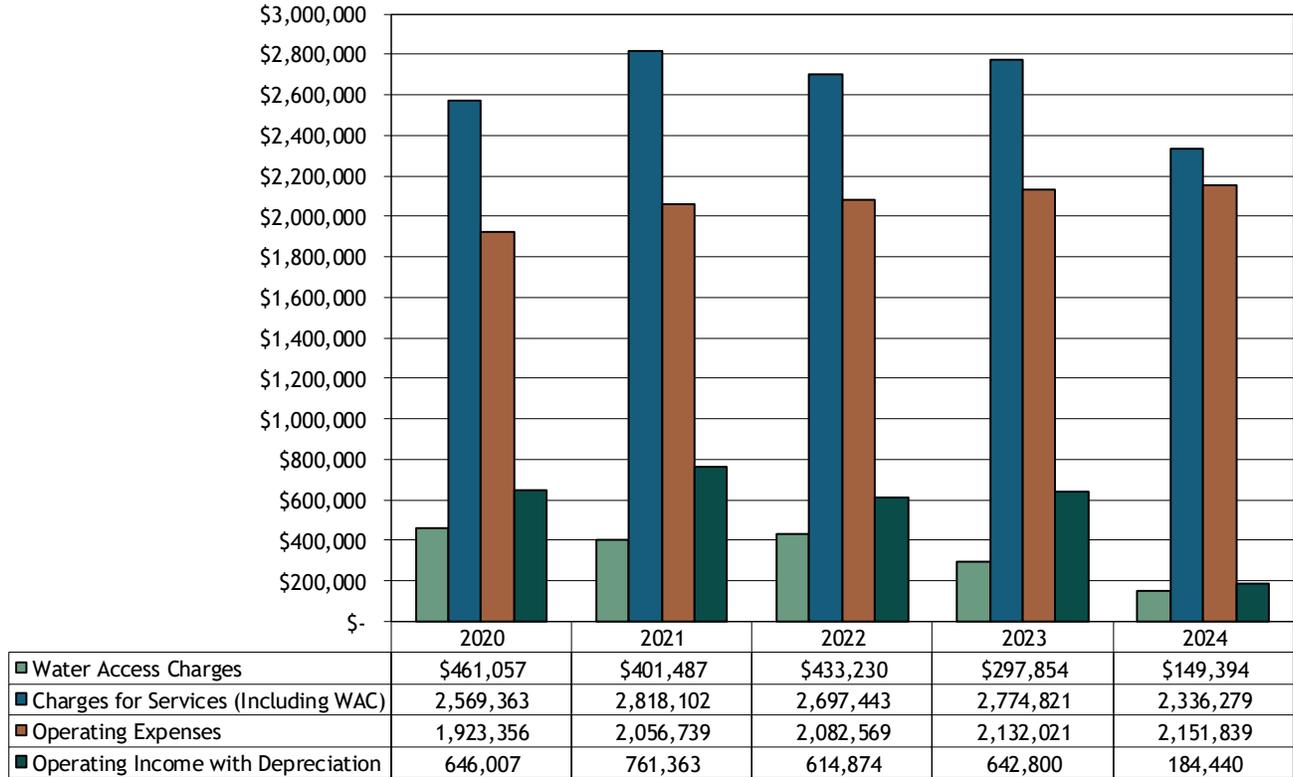
The current year interest and principal payments on the Sewer Fund debt were \$1,319,048. The total amount of debt outstanding at December 31, 2024, was \$6,455,614, including principal and interest. Principal and interest due in 2025 totals \$1,322,751 for the Sewer Fund.

On the following pages, the Water and Sewer Fund operations are shown to include revenue collected for access charges and trunk fees.

**City of Big Lake
Financial Analysis**

Water and Sewer Funds (Continued)

Water Operations



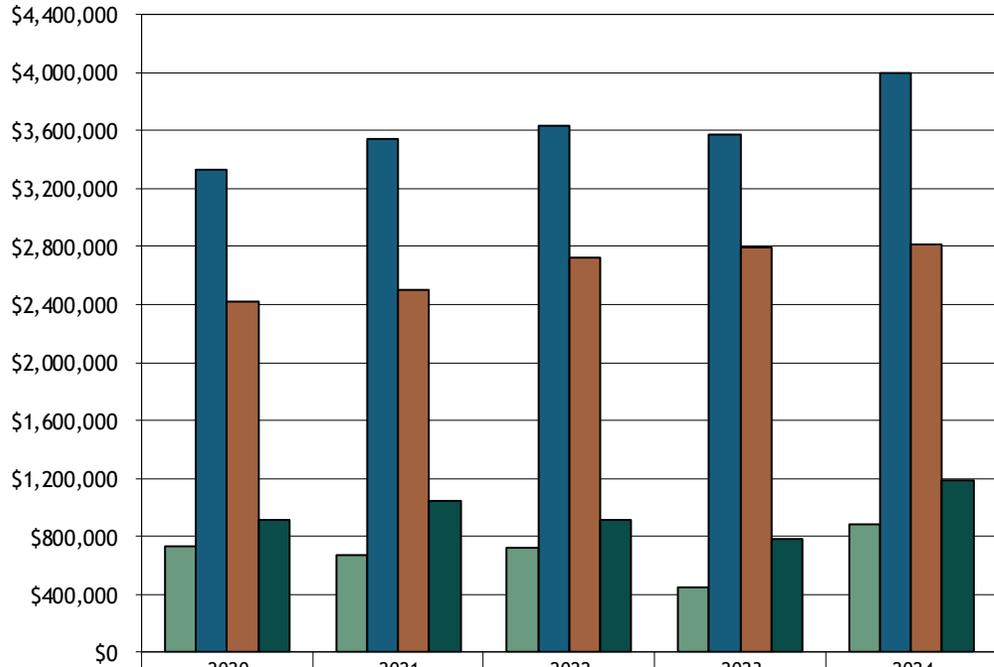
As presented, the Water Fund had been collecting access charges and trunk fees, along with charges for services, sufficient to finance the construction of new lines and to cover the costs of the existing lines through depreciation in each year presented.

City of Big Lake Financial Analysis

Water and Sewer Funds (Continued)

In all five years shown, the Sewer Fund did collect sufficient access charges and trunk fees, in addition to charges for services, to finance construction and depreciation. Sewer access charges increased in 2024 compared to 2023 due to increased development.

Sewer Operations



	2020	2021	2022	2023	2024
■ Sewer Access and Trunk Charges	\$730,958	\$668,767	\$723,014	\$449,751	\$885,305
■ Charges for Services (Including SAC and Trunk)	3,329,038	3,546,021	3,630,750	3,575,468	4,000,557
■ Operating Expenses	2,416,215	2,503,429	2,721,665	2,789,362	2,817,199
■ Operating Income (Loss) with Depreciation	912,823	1,042,592	909,085	786,106	1,183,358

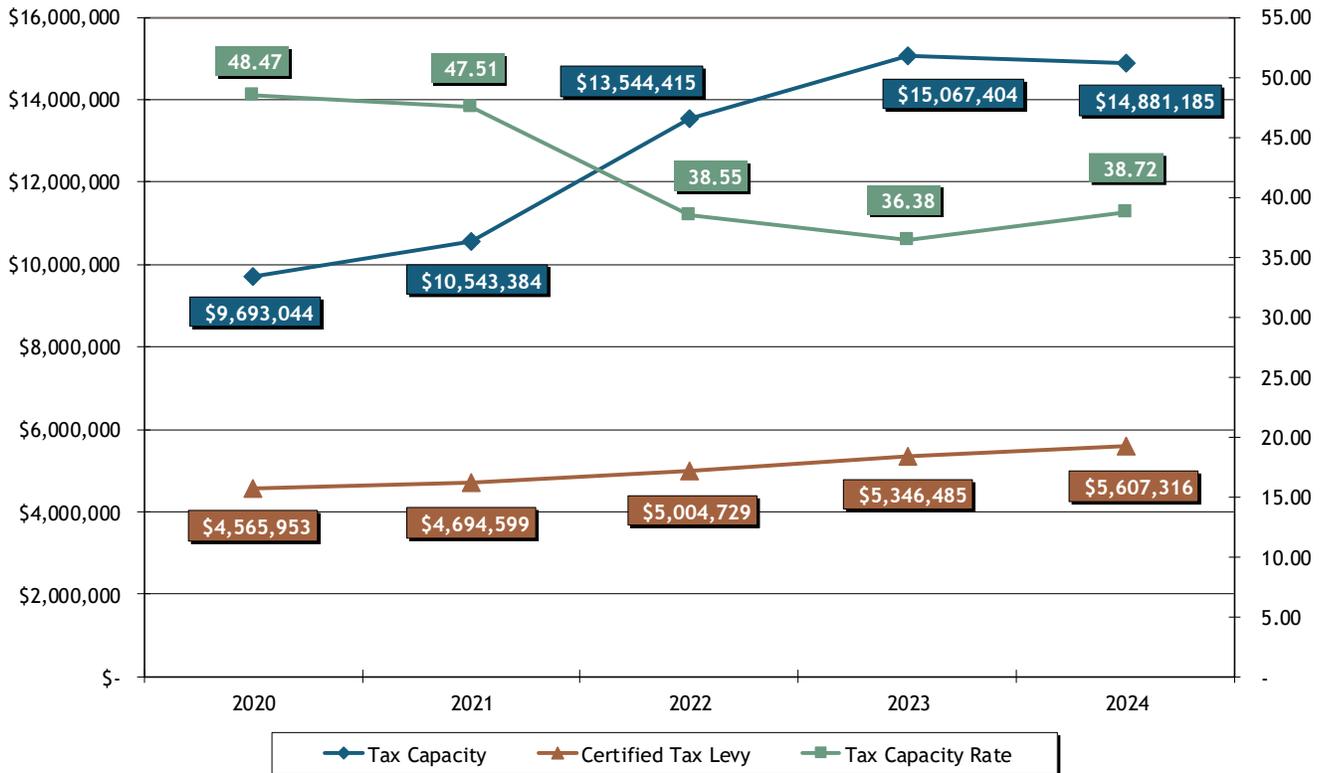
City of Big Lake Financial Analysis

Tax Capacity, Levy, and Rates

The chart above graphs the tax capacity (not including Tax Increment Financing (TIF) Districts), certified tax levy and tax capacity rate for 2020 through 2024. The tax capacity is based on total tax capacity, prior to adjustments for captured TIF and fiscal 2021. The certified tax levy amount is also prior to fiscal disparity adjustments.

Comparing 2020 through 2024, the City's tax capacity has increased from \$9,693,044 to \$14,881,185 for a change of \$5,188,141. This is a 53.5% increase in tax capacity. The City's certified levy over this same time frame has increased \$1,041,363, or 22.8%. As a result of the City's certified tax levy increase and the increase in the tax capacity for 2020 through 2024, the City's tax capacity rate decreased from 48.47% in 2020 to 38.72% in 2024.

Tax Capacity, Levy, and Rates

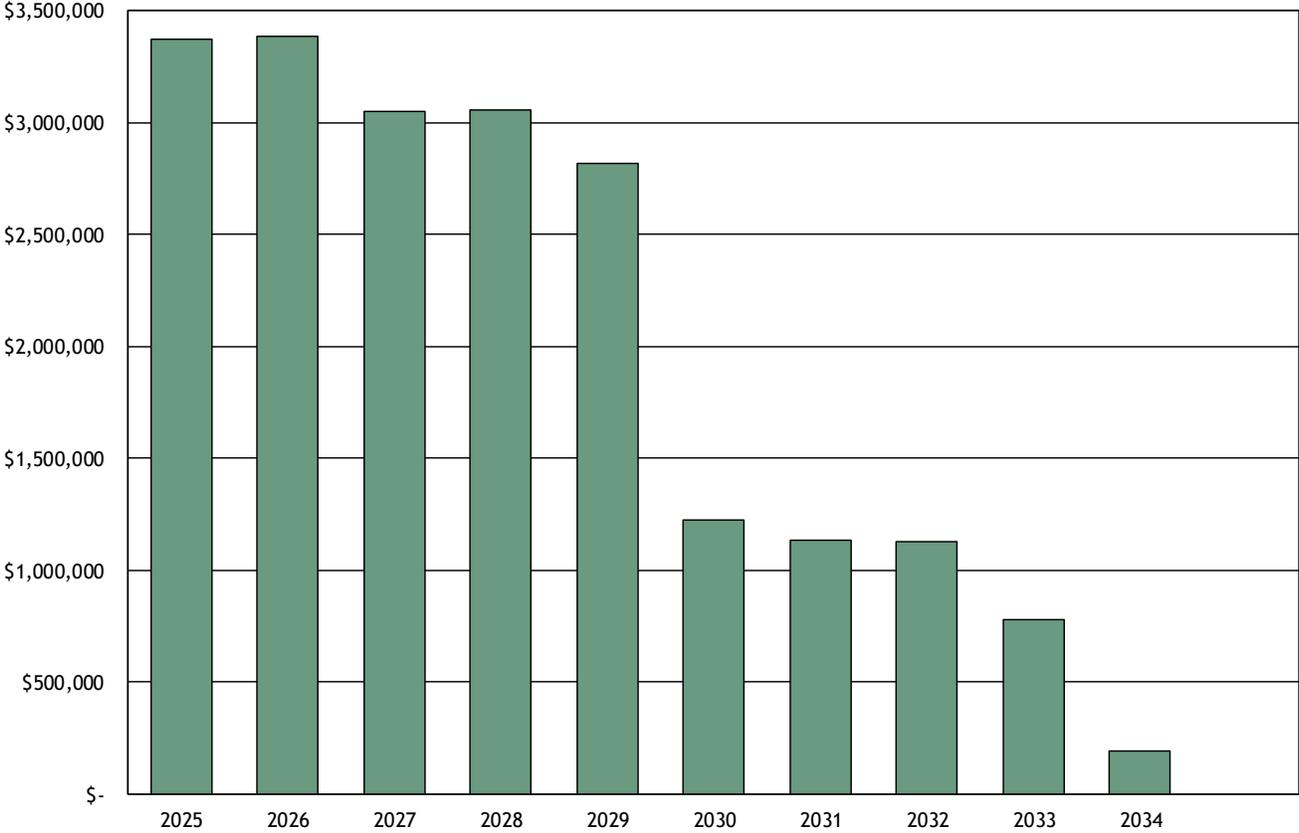


City of Big Lake
Financial Analysis

Debt Service

The bar graph below shows the City's annual debt service obligations for all outstanding bonds. The total debt payments outstanding at December 31, 2024, are \$20,142,744, including interest totaling \$1,722,014.

Annual Debt Service Principal and Interest Payments



City of Big Lake Emerging Issues

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures***
GASB has issued GASB Statement No. 102 relating to risk disclosures. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.
- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***
GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.
- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***
GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

City of Big Lake Emerging Issues

Accounting Standard Update - GASB Statement No. 102 - *Certain Risk Disclosures*

The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

This Statement provides definitions for concentration and constraint. A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority.

This Statement requires a government to assess whether a concentration or constraint could present a risk of financial difficulty. The City will need to make a disclosure in the notes to the financial statements if all three of the following criteria are true:

- The City knows about the concentration or constraint prior to financial statement issuance.
- The concentration or constraint makes the City vulnerable to risk of a substantial impact.
- An event or events associated with the concentration or constraint that could cause a substantial impact have either (1) happened; (2) started to happen; or (3) are more likely than not to start happening within 12 months of the financial statements being issued.

If a government determines the above criteria for disclosure have been met, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Disclosures are required for the government as a whole as well as any opinion unit in the financial statements that includes outstanding revenue debt. Disclosures can be combined to avoid unnecessary duplication (e.g., a subsequent event footnote).

GASB Statement No. 102 is effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

City of Big Lake Emerging Issues

Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**City of Big Lake
Emerging Issues**

Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets*

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.