

**CITY OF WYKOFF, MINNESOTA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**



**CITY OF WYKOFF, MINNESOTA**  
**FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended December 31, 2024**

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**CITY OF WYKOFF, MINNESOTA**

**INTRODUCTORY SECTION**

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**CITY OF WYKOFF, MINNESOTA**

**CITY OFFICIALS**

**DECEMBER 31, 2024**

Ryan Breckenridge Mayor

Jeffrey Hare Council Member & Mayor Pro-Tem

Lyle Morey Council Member

Barb Fate Council Member

Kaleb Himli Council Member

Rebecca Schmidt City Administrator

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**CITY OF WYKOFF, MINNESOTA**

**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
**City of Wykoff, Minnesota**

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Wykoff, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Wykoff, Minnesota'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, and each major fund of the City of Wykoff, Minnesota, as of December 31, 2024, and the respective changes in financial position, cash flows thereof, and the respective budgetary comparisons for the General Fund, First Responders Fund, and the Rural Fire 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* (GAS), 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 Wykoff, Minnesota 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***

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 Wykoff, Minnesota'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 GAS 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 GAS, 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 Wykoff, Minnesota'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 Wykoff, Minnesota'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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wykoff, Minnesota's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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 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 report. The other information comprises the introductory section 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.

**Report on Summarized Comparative Information**

The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2023, from which such partial information was derived.

We have previously audited the City's 2023 financial statements and our report dated February 1, 2024, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025, on our consideration of the City of Wykoff, Minnesota'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 Wykoff, Minnesota's internal control over financial reporting and compliance.



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**CITY OF WYKOFF, MINNESOTA**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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**CITY OF WYKOFF, MINNESOTA  
STATEMENT OF NET POSITION**

December 31, 2024

*With Comparative Totals for December 31, 2023*

	Governmental Activities	Business-Type Activities	Totals	
			2024	2023
<b>Assets</b>				
Cash and cash equivalents	\$ 700,938	\$ 295,051	\$ 995,989	\$ 991,042
Restricted cash and cash equivalents		11,928	11,928	34,913
Receivables	82,475	27,495	109,970	125,895
Due from other governments	36,826		36,826	15,491
Net pension asset	147,548		147,548	93,887
Capital assets:				
Nondepreciable	250,573		250,573	74,014
Depreciable, net	1,662,791	2,916,328	4,579,119	4,665,854
<b>Total Assets</b>	<b>2,881,151</b>	<b>3,250,802</b>	<b>6,131,953</b>	<b>6,001,096</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows from pension activity	13,658	530	14,188	11,941
<b>Liabilities</b>				
Accounts payable	36,359	11,188	47,547	20,392
Accrued interest payable	9,585	283	9,868	6,938
Customer deposits		17,438	17,438	17,646
Accrued compensated absences	4,843	326	5,169	6,730
Noncurrent liabilities:				
Due within one year	79,104	51,000	130,104	109,000
Due in more than one year	605,466	1,054,000	1,659,466	1,703,000
Net pension liability	22,304	802	23,106	27,959
<b>Total Liabilities</b>	<b>757,661</b>	<b>1,135,037</b>	<b>1,892,698</b>	<b>1,891,665</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows from pension activity	14,217	458	14,675	10,494
<b>Net Position</b>				
Net investment in capital assets	1,228,794	1,811,328	3,040,122	2,927,868
Restricted:				
Contributions	19,645		19,645	
Debt service	141,613		141,613	144,178
Fire pension	147,548		147,548	93,887
Replacement reserves		11,928	11,928	34,913
Unrestricted	585,331	292,581	877,912	910,032
<b>Total Net Position</b>	<b>\$ 2,122,931</b>	<b>\$ 2,115,837</b>	<b>\$ 4,238,768</b>	<b>\$ 4,110,878</b>

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 164,709	\$ 12,338	\$ 3,189	\$
Public safety	106,137	2,150	57,613	55,000
Public works	134,216		13,350	9,595
Parks, museum and recreation	43,065	16,306	6,681	57,000
Economic development	13,153	2,231	255	
Interest on long-term debt	17,955			
<b>Total governmental activities</b>	<b>479,235</b>	<b>33,025</b>	<b>81,088</b>	<b>121,595</b>
Business-Type activities:				
Water	70,848	101,236		
Sewer	255,240	203,530		
Storm sewer		5,439		
<b>Total business-type activities</b>	<b>326,088</b>	<b>304,766</b>		
<b>Total</b>	<b>\$ 805,323</b>	<b>\$ 337,791</b>	<b>\$ 81,088</b>	<b>\$ 121,595</b>

General revenues:

- General property taxes
- Grants and contributions not restricted to specific programs:
  - Local government aid
  - Other
- Interest earnings
- Gain on sale of assets
- Miscellaneous
- Transfers in (out)
- Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

**See Notes to the Financial Statements**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Totals	
		2024	2023
\$ (149,182)	\$	\$ (149,182)	\$ (112,538)
8,626		8,626	(172,555)
(111,271)		(111,271)	(154,569)
36,922		36,922	(29,100)
(10,667)		(10,667)	(66,739)
(17,955)		(17,955)	(15,813)
<u>(243,527)</u>		<u>(243,527)</u>	<u>(551,314)</u>
	30,388	30,388	34,858
	(51,710)	(51,710)	(47,207)
	5,439	5,439	5,617
	<u>(15,883)</u>	<u>(15,883)</u>	<u>(6,732)</u>
<u>(243,527)</u>	<u>(15,883)</u>	<u>(259,410)</u>	<u>(558,046)</u>
216,578		216,578	213,192
148,506		148,506	137,688
3,038	856	3,894	292
5,120	13,202	18,322	3,545
(6,000)	6,000		15,000
<u>367,242</u>	<u>20,058</u>	<u>387,300</u>	<u>372,227</u>
123,715	4,175	127,890	(185,819)
<u>1,999,216</u>	<u>2,111,662</u>	<u>4,110,878</u>	<u>4,296,697</u>
<u>\$ 2,122,931</u>	<u>\$ 2,115,837</u>	<u>\$ 4,238,768</u>	<u>\$ 4,110,878</u>

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**CITY OF WYKOFF, MINNESOTA**

**FUND FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**CITY OF WYKOFF, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2024  
*With Comparative Totals for December 31, 2023*

	Special Revenue Funds				
	101 General	230 First Responders	240 Rural Fire	250 Revolving Loan	260 Historical
<b>ASSETS</b>					
Cash and cash equivalents	\$ 334,343	\$	\$ 2,610	\$ 9,912	\$
Loans receivable				34,119	
Taxes receivable, delinquent	5,951	100			
Special assessments receivable:					
Delinquent	43				
Deferred	640				
Due from other funds	22,210				
Due from other governmental units	17,089	2,910	15,614		
<b>TOTAL ASSETS</b>	<b>\$ 380,276</b>	<b>\$ 3,010</b>	<b>\$ 18,224</b>	<b>\$ 44,031</b>	<b>\$</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable	\$ 18,909	\$ 34	\$ 203	\$	\$ 140
Due to other funds		1,435			2,722
<b>Total Liabilities</b>	<b>18,909</b>	<b>1,469</b>	<b>203</b>		<b>2,862</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue:					
Property taxes	5,951	100			
Special assessments	683				
Loans receivable				34,119	
<b>Total Deferred Inflows of Resources</b>	<b>6,634</b>	<b>100</b>		<b>34,119</b>	
<b>Fund Balance</b>					
Restricted:					
Contributions (ballpark)	19,645				
Debt service					
Committed:					
By Council action		1,441	18,021	9,912	
Assigned					
Unassigned	335,088				(2,862)
<b>Total Fund Balance</b>	<b>354,733</b>	<b>1,441</b>	<b>18,021</b>	<b>9,912</b>	<b>(2,862)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 380,276</b>	<b>\$ 3,010</b>	<b>\$ 18,224</b>	<b>\$ 44,031</b>	<b>\$</b>

**See Notes to the Financial Statements**

Capital Project Funds		Debt Service Funds		Total Governmental Funds	
406 Capital Improvement	408 2025 Street Project	305 2018A Improvement Bond	307 2020A Improvement Bond	2024	2023
\$ 245,710	\$	\$ 52,305	\$ 56,058	\$ 700,938	\$ 707,664
		1,348	1,814	34,119	38,676
		41	602	9,213	9,492
		15,205	22,612	686	1,719
		384	829	38,457	48,575
				22,210	
				36,826	15,491
<u>\$ 245,710</u>	<u>\$</u>	<u>\$ 69,283</u>	<u>\$ 81,915</u>	<u>\$ 842,449</u>	<u>\$ 821,617</u>
\$ 16,431	\$ 642	\$	\$	\$ 36,359	\$ 15,351
	18,053			22,210	
<u>16,431</u>	<u>18,695</u>			<u>58,569</u>	<u>15,351</u>
		1,348	1,814	9,213	9,492
		15,246	23,214	39,143	50,294
				34,119	38,676
		<u>16,594</u>	<u>25,028</u>	<u>82,475</u>	<u>98,462</u>
		52,689	56,887	19,645	99,328
229,279				109,576	
	(18,695)			258,653	229,384
				313,531	1,626
<u>229,279</u>	<u>(18,695)</u>	<u>52,689</u>	<u>56,887</u>	<u>701,405</u>	<u>377,466</u>
<u>\$ 245,710</u>	<u>\$</u>	<u>\$ 69,283</u>	<u>\$ 81,915</u>	<u>\$ 842,449</u>	<u>\$ 821,617</u>

**CITY OF WYKOFF, MINNESOTA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

	Special Revenue Funds				
	101 General	230 First Responders	240 Rural Fire	250 Revolving Loan	260 Historical
<b>REVENUES</b>					
Property taxes	\$ 153,945	\$ 148	\$	\$	\$
Special assessments	689				
Licenses and permits	3,612				
Intergovernmental revenues	179,598	5,600	29,793		
Charges for services	8,726		2,000		16,306
Fines and forfeits	150				
Interest income	1,051		7	996	
Miscellaneous revenues	52,510	125	1,883	4,812	31,681
<b>Total Revenues</b>	<b>400,281</b>	<b>5,873</b>	<b>33,683</b>	<b>5,808</b>	<b>47,987</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	143,638				
Public safety	72,211	20,288	17,101		
Public works	29,974				
Parks, museum and recreation	30,820				11,803
Economic development	9,934			2,117	
Capital outlay	202,711		6,848		41,672
Debt service	25,000				
<b>Total Expenditures</b>	<b>514,288</b>	<b>20,288</b>	<b>23,949</b>	<b>2,117</b>	<b>53,475</b>
Excess (deficiency) of revenues over (under) expenditures	(114,007)	(14,415)	9,734	3,691	(5,488)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of assets					
Issuance of long-term debt	111,570				
Transfers in					1,000
Transfers out	(20,296)				
<b>Total Other Financing Sources (Uses)</b>	<b>91,274</b>				<b>1,000</b>
Net change in fund balance	(22,733)	(14,415)	9,734	3,691	(4,488)
<b>FUND BALANCES, BEGINNING</b>	<b>377,466</b>	<b>15,856</b>	<b>8,287</b>	<b>6,221</b>	<b>1,626</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 354,733</b>	<b>\$ 1,441</b>	<b>\$ 18,021</b>	<b>\$ 9,912</b>	<b>\$ (2,862)</b>

**See Notes to the Financial Statements**



Capita Project Funds		Debt Service Funds		Total Governmental Funds	
406 Capital Improvement	408 2025 Street Project	305 2018A Improvement Bond	307 2020A Improvement Bond	2024	2023
\$	\$	\$ 26,676	\$ 37,121	\$ 217,890	\$ 213,192
		10,452	8,572	19,713	11,739
				3,612	2,157
				214,991	203,784
				27,032	24,832
				150	563
673		150	161	3,038	2,761
47,500				138,511	60,277
48,173		37,278	45,854	624,937	519,305
				143,638	111,045
				109,600	112,456
				29,974	44,262
				42,623	40,731
				12,051	92,235
31,210	18,695			301,136	143,180
		30,792	42,092	97,884	71,437
31,210	18,695	30,792	42,092	736,906	615,346
16,963	(18,695)	6,486	3,762	(111,969)	(96,041)
					50,000
13,296				111,570	997
				14,296	(30,997)
				(20,296)	
13,296				105,570	20,000
30,259	(18,695)	6,486	3,762	(6,399)	(76,041)
199,020		46,203	53,125	707,804	783,845
\$ 229,279	\$ (18,695)	\$ 52,689	\$ 56,887	\$ 701,405	\$ 707,804

**CITY OF WYKOFF, MINNESOTA  
RECONCILIATION OF NET POSITION IN THE  
GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND BALANCES  
IN THE FUND BASIS FINANCIAL STATEMENTS  
December 31, 2024**

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

Total governmental fund balances (page 7 and 8)		\$ 701,405
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	\$ 5,316,043	
Less: Accumulated depreciation	(3,402,679)	1,913,364
Some receivables are not available soon enough to pay for current period expenditures and therefore are unavailable in the funds.		
Delinquent property taxes	\$ 9,213	
Special assessments	39,143	
Loans receivable	34,119	82,475
Long-term liabilities, including bonds payable, net pension liability, net pension asset, accrued compensated absences, and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (684,570)	
Net pension liability	(22,863)	
Net pension asset	147,548	
Accrued compensated absences	(4,843)	
Accrued interest	(9,585)	(574,313)
Net position of governmental activities (page 4)		\$ 2,122,931

**CITY OF WYKOFF, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

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

Net change in fund balances - total governmental funds (page 9 and 10)	\$		(6,399)
<p>Governmental funds reported capital outlays as expenditures.  However, in the statement of activities the cost of those assets  is allocated over their estimated useful lives and reported as  depreciation expense.</p>			
Capital outlay	\$	287,665	
Depreciation expense		<u>(167,394)</u>	120,271
<p>Certain revenues in the statement of activities do not provide current  financial resources and are not reported as revenues in the funds.</p>			
Property taxes	\$	(279)	
Special assessments		(11,151)	
Loans receivable		<u>(4,557)</u>	(15,987)
<p>The governmental funds report bond proceeds as financing sources, while  repayment of bond principal is reported as an expenditure. In the statement of  net position, however, issuing debt increases long term liabilities and does  not affect the statement of activities and repayment of principal reduces the  liability. Also, governmental funds report the effect of premiums and discounts  when debt is first issued, whereas these amounts are deferred and amortized  in the statement of activities. Interest is recognized as an expenditure in the  governmental funds when it is due. In the statement of activities, however,  interest expense is recognized as it accrues, regardless of when it is due.  The net effect of these differences in the treatment of general obligations  bonds and related items is as follows.</p>			
Change in accrued interest	\$	(3,071)	
Issuance of long-term debt		(111,570)	
Principal retirement on long-term debt		<u>83,000</u>	(31,641)
<p>In the statement of activities, certain operating expenses - compensated  absences, net pension liability, and net pension asset - are measured by the  amounts earned during the year. In the governmental funds, however,  expenditures for these items are measured by the amount of financial  resources used (essentially, the amounts actually paid).</p>			
Change in accrued compensated absences	\$	1,109	
Change in net pension liability		2,701	
Change in net pension asset		<u>53,661</u>	57,471
Change in net position of governmental activities (pages 5 and 6)	\$		<u><u>123,715</u></u>

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

<b>REVENUES</b>	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget - Positive (Negative)	2023 Actual Amounts
	Original	Final			
<b>Local Taxes</b>					
General tax levy	\$ 157,432	\$ 157,432	\$ 153,945	\$ (3,487)	\$ 151,128
<b>Special Assessments</b>			689	689	716
<b>Licenses and Permits</b>					
Business	1,325	1,325	1,300	(25)	1,300
Nonbusiness	600	600	2,312	1,712	857
Total Licenses and Permits	1,925	1,925	3,612	1,687	2,157
<b>Intergovernmental Revenues</b>					
Local government aid	148,506	148,506	148,506		137,688
Fire relief aid			14,912	14,912	15,388
Other state aid	38,052	38,052	16,180	(21,872)	19,284
Total Intergovernmental Revenues	186,558	186,558	179,598	(6,960)	172,360
<b>Charges for Services</b>					
Community center rent	6,000	6,000	8,726	2,726	7,054
<b>Fines and Forfeits</b>					
Court fines	250	250	150	(100)	563
<b>Interest Income</b>	1,400	1,400	1,051	(349)	919
<b>Miscellaneous Revenues</b>					
Contributions	7,050	7,050	43,357	36,307	19,660
Refunds and reimbursements	1,900	1,900	3,816	1,916	1,321
Other	1,075	1,075	5,337	4,262	2,646
Total Miscellaneous Revenues	10,025	10,025	52,510	42,485	23,627
<b>TOTAL REVENUES</b>	\$ 363,590	\$ 363,590	\$ 400,281	\$ 36,691	\$ 358,524

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget - Positive (Negative)	2023 Actual Amounts
	Original	Final			
<b>EXPENDITURES</b>					
<b>General Government</b>					
<b>Mayor and Council</b>					
Salaries and benefits	\$ 5,550	\$ 5,550	\$ 5,175	\$ 375	\$ 5,541
Dues			952	(952)	753
Miscellaneous	900	900	1,029	(129)	1,742
Total Mayor and Council	6,450	6,450	7,156	(706)	8,036
<b>Elections and Voter Registration</b>					
Salaries and benefits			5,331	(5,331)	
General supplies	100	100	645	(545)	
Printing and publishing	250	250	114	136	
Miscellaneous	1,000	1,000	139	861	
Total Elections and Voter Registration	1,350	1,350	6,229	(4,879)	
<b>City Clerk</b>					
Salaries and benefits	25,850	25,850	29,571	(3,721)	20,612
General supplies	2,000	2,000	1,422	578	2,717
Repair and maintenance	1,200	1,200	211	989	361
Utilities	2,700	2,700	2,244	456	2,182
Travel and education			30	(30)	778
Printing, publishing, and dues	1,250	1,250	157	1,093	752
Insurance	750	750	4,143	(3,393)	5,158
Capital outlay			1,205	(1,205)	
Miscellaneous	1,975	1,975	3,918	(1,943)	1,816
Total City Clerk	35,725	35,725	42,901	(7,176)	34,376
<b>Professional Services</b>					
Legal and audit	25,500	25,500	16,540	8,960	14,920
Assessor	1,600	1,600	1,700	(100)	1,591
Other contracted services			2,282	(2,282)	2,408
Total Professional Services	27,100	27,100	20,522	6,578	18,919
<b>Municipal Buildings/City Shed</b>					
Salaries and benefits	4,070	4,070	7,160	(3,090)	6,163
General supplies	200	200	185	15	291
Repair and maintenance	700	700	5,340	(4,640)	2,806
Utilities	4,000	4,000	4,052	(52)	5,521
Insurance	8,700	8,700	1,864	6,836	3,932
Miscellaneous	400	400	7,091	(6,691)	3,867
Capital outlay	5,000	5,000	2,453	2,547	7,562
Total Municipal Buildings/City Shed	\$ 23,070	\$ 23,070	\$ 28,145	\$ (5,075)	\$ 30,142

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget - Positive (Negative)	2023 Actual Amounts
	Original	Final			
<b>EXPENDITURES</b>					
<b>General Government (Continued)</b>					
<b>Community Center</b>					
Salaries and benefits	\$ 3,640	\$ 3,640	\$ 6,815	\$ (3,175)	\$ 3,360
General supplies	450	450	413	37	574
Repair and maintenance	1,500	1,500	15,370	(13,870)	4,327
Utilities	1,200	1,200	5,098	(3,898)	5,802
Insurance			5,851	(5,851)	3,756
Miscellaneous	4,540	4,540	965	3,575	3,637
Capital outlay	12,000	12,000	7,250	4,750	74,538
Total Community Center	<u>23,330</u>	<u>23,330</u>	<u>41,762</u>	<u>(18,432)</u>	<u>95,994</u>
<b>City Promotion</b>					
Miscellaneous	4,000	4,000	7,831	(3,831)	5,678
Capital outlay					12,197
Total City Promotion	<u>4,000</u>	<u>4,000</u>	<u>7,831</u>	<u>(3,831)</u>	<u>17,875</u>
Total General Government	<u>121,025</u>	<u>121,025</u>	<u>154,546</u>	<u>(33,521)</u>	<u>205,342</u>
<b>Public Safety</b>					
<b>Law Enforcement</b>					
Contractual services	<u>48,000</u>	<u>48,000</u>	<u>22,265</u>	<u>25,735</u>	<u>24,000</u>
<b>Fire Protection</b>					
Salaries and benefits	6,500	6,500	11,506	(5,006)	10,843
City fire relief contribution	2,700	2,700	1,400	1,300	1,350
Fire relief aid			14,912	(14,912)	15,388
Motor fuel	900	900	752	148	334
Repair and maintenance	10,300	10,300	4,217	6,083	9,918
Professional services	1,100	1,100	1,594	(494)	3,314
Utilities	3,650	3,650	3,068	582	3,263
Insurance	4,000	4,000	2,095	1,905	3,836
Travel and education	2,000	2,000	2,864	(864)	1,808
Capital outlay	750	750	11,712	(10,962)	
Miscellaneous	650	650	6,521	(5,871)	1,053
Total Fire Protection	<u>32,550</u>	<u>32,550</u>	<u>60,641</u>	<u>(28,091)</u>	<u>51,107</u>
<b>Civil Defense</b>					
Professional services			228	(228)	
Utilities	150	150		150	85
Insurance	350	350	276	74	
Capital outlay			15,312	(15,312)	
Miscellaneous			513	(513)	406
Total Civil Defense	<u>500</u>	<u>500</u>	<u>16,329</u>	<u>(15,829)</u>	<u>491</u>
Total Public Safety	<u>\$ 81,050</u>	<u>\$ 81,050</u>	<u>\$ 99,235</u>	<u>\$ (18,185)</u>	<u>\$ 75,598</u>

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

EXPENDITURES	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget - Positive (Negative)	2023 Actual Amounts
	Original	Final			
<b>Public Works</b>					
<b>Streets and Highways</b>					
Salaries and benefits	\$ 19,940	\$ 19,940	\$ 11,913	\$ 8,027	\$ 12,220
Motor fuels	1,750	1,750	824	926	1,067
Repair and maintenance	2,025	2,025	7,887	(5,862)	22,818
Utilities	9,000	9,000	7,968	1,032	7,992
Insurance			1,103	(1,103)	
Miscellaneous	3,000	3,000	279	2,721	165
Capital outlay	20,000	20,000	26,894	(6,894)	3,203
Total Public Works	<u>55,715</u>	<u>55,715</u>	<u>56,868</u>	<u>(1,153)</u>	<u>47,465</u>
<b>Park and Recreation</b>					
<b>Recreation</b>					
	1,000	1,000	3,100	(2,100)	3,508
<b>Park</b>					
Salaries and benefits	11,900	11,900	16,042	(4,142)	10,428
Motor fuel	1,500	1,500	1,110	390	900
Repair and maintenance	1,500	1,500	4,121	(2,621)	3,052
Insurance	500	500	487	13	355
Utilities	500	500	134	366	950
Tree removal	10,000	10,000	4,724	5,276	5,957
Capital outlay	45,000	45,000	26,315	18,685	7,100
Miscellaneous			1,102	(1,102)	56
Total Park	<u>70,900</u>	<u>70,900</u>	<u>54,035</u>	<u>16,865</u>	<u>28,798</u>
Total Park and Recreation	<u>71,900</u>	<u>71,900</u>	<u>57,135</u>	<u>14,765</u>	<u>32,306</u>
<b>Economic Development</b>					
Debt service	25,000	25,000	25,000		
Capital outlay			111,570	(111,570)	
Professional services	1,900	1,900	9,934	(8,034)	1,900
Total Economic Development	<u>26,900</u>	<u>26,900</u>	<u>146,504</u>	<u>(119,604)</u>	<u>1,900</u>
<b>TOTAL EXPENDITURES</b>	<u>356,590</u>	<u>356,590</u>	<u>514,288</u>	<u>(157,698)</u>	<u>362,611</u>
<b>EXCESS (DEFICIENCY) REVENUE OVER (UNDER) EXPENDITURES</b>	<u>7,000</u>	<u>7,000</u>	<u>(114,007)</u>	<u>(121,007)</u>	<u>(4,087)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of long-term debt			111,570	111,570	
Transfers out	(7,000)	(7,000)	(20,296)	(13,296)	(30,997)
<b>Total Other Financing Sources (Uses)</b>	<u>(7,000)</u>	<u>(7,000)</u>	<u>91,274</u>	<u>98,274</u>	<u>(30,997)</u>
<b>Net change in fund balance</b>			(22,733)	(22,733)	(35,084)
<b>FUND BALANCE - Beginning</b>	<u>377,466</u>	<u>377,466</u>	<u>377,466</u>		<u>412,550</u>
<b>FUND BALANCE - Ending</b>	<u>\$ 377,466</u>	<u>\$ 377,466</u>	<u>\$ 354,733</u>	<u>\$ (22,733)</u>	<u>\$ 377,466</u>

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**FIRST RESPONDERS FUND**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

<b>REVENUES</b>	Budgeted Amounts		2024 Actual Amounts	Variance with	2023 Actual Amounts
	Original	Final		Final Budget Positive (Negative)	
<b>Property taxes</b>	\$	\$	\$ 148	\$ 148	\$ 6,533
<b>Interest Income</b>					42
<b>Intergovernmental Revenue</b>					
First responders contracts	5,598	5,598	5,600	2	5,582
<b>Miscellaneous Revenues</b>					
Contributions			125	125	4,950
<b>TOTAL REVENUES</b>	5,598	5,598	5,873	275	17,107
<b>EXPENDITURES</b>					
<b>Public Safety</b>					
Salaries and benefits	2,500	2,500	3,451	(951)	2,358
Insurance	900	900	328	572	886
General supplies	500	500	289	211	536
Repair and maintenance	598	598	1,124	(526)	5,389
Fuels and lubricants			76	(76)	94
Travel, schools, conferences	1,000	1,000	240	760	1,000
Communication			5,995	(5,995)	
Professional services	100	100	8,746	(8,646)	7,813
Miscellaneous			39	(39)	
<b>TOTAL EXPENDITURES</b>	5,598	5,598	20,288	(14,690)	18,076
<b>NET CHANGE IN FUND BALANCE</b>			(14,415)	(14,415)	(969)
<b>FUND BALANCES, BEGINNING</b>	15,856	15,856	15,856		16,825
<b>FUND BALANCES, ENDING</b>	\$ 15,856	\$ 15,856	\$ 1,441	\$ (14,415)	\$ 15,856

**See Notes to the Financial Statements**



**CITY OF WYKOFF, MINNESOTA**  
**RURAL FIRE FUND**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

<b>REVENUES</b>	Budgeted Amounts		2024 Actual Amounts	Variance with Final Budget	2023 Actual Amounts
	Original	Final		Positive (Negative)	
<b>Charges for Services</b>					
Fire calls	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,444
<b>Intergovernmental Revenue</b>					
Fire contracts	27,393	27,393	27,393		25,842
Other state aid			2,400	2,400	
Total Intergovernmental Revenue	27,393	27,393	29,793	2,400	25,842
<b>Interest Income</b>			7	7	24
<b>Miscellaneous Revenues</b>					
Contributions			1,883	1,883	600
<b>TOTAL REVENUES</b>	28,393	28,393	33,683	5,290	27,910
<b>EXPENDITURES</b>					
<b>Public Safety</b>					
Salaries and benefits	6,100	6,100	1,910	4,190	167
City fire relief aid			1,400	(1,400)	1,350
Insurance	4,000	4,000	3,750	250	3,836
Communication	750	750	2,703	(1,953)	
Repair and maintenance	9,000	9,000	1,332	7,668	5,891
Utilities	650	650	1,433	(783)	2,047
Fuels and lubricants	900	900	529	371	258
Travel, schools, conferences	3,000	3,000	1,450	1,550	1,188
Professional services	900	900	2,404	(1,504)	3,914
Miscellaneous	593	593	190	403	131
Capital outlay	2,500	2,500	6,848	(4,348)	17,290
<b>TOTAL EXPENDITURES</b>	28,393	28,393	23,949	4,444	36,072
<b>NET CHANGE IN FUND BALANCE</b>			9,734	9,734	(8,162)
<b>FUND BALANCES, BEGINNING</b>	8,287	8,287	8,287		16,449
<b>FUND BALANCES, ENDING</b>	\$ 8,287	\$ 8,287	\$ 18,021	\$ 9,734	\$ 8,287

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

	Enterprise Funds				
	Water	Sewer	Storm Sewer	Totals	
	Fund	Fund	Fund	2024 2023	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 143,659	\$ 136,177	\$ 15,215	\$ 295,051	\$ 283,378
Restricted cash and cash equivalents		11,928		11,928	34,913
Accounts receivable	8,747	18,284	464	27,495	27,433
Total Current Assets	<u>152,406</u>	<u>166,389</u>	<u>15,679</u>	<u>334,474</u>	<u>345,724</u>
<b>Capital Assets</b>					
Building	17,876	2,876,387		2,894,263	2,894,263
Improvements	1,369,757	170,178		1,539,935	1,539,935
Machinery and equipment	60,088	95,167		155,255	95,300
Total	<u>1,447,721</u>	<u>3,141,732</u>		<u>4,589,453</u>	<u>4,529,498</u>
Less: Accumulated depreciation	798,576	874,549		1,673,125	1,582,723
Capital Assets, Net	<u>649,145</u>	<u>2,267,183</u>		<u>2,916,328</u>	<u>2,946,775</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows from pension activity	451	79		530	546
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 802,002</u>	<u>\$ 2,433,651</u>	<u>\$ 15,679</u>	<u>\$ 3,251,332</u>	<u>\$ 3,293,045</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 2,120	\$ 9,068	\$	\$ 11,188	\$ 5,041
Accrued interest payable	283			283	424
Accrued compensated absences	163	163		326	778
Customer deposits	17,438			17,438	17,646
Bonds payable - current	28,000	23,000		51,000	51,000
Total Current Liabilities	<u>48,004</u>	<u>32,231</u>		<u>80,235</u>	<u>74,889</u>
<b>Long-Term Liabilities</b>					
Net pension liability	691	111		802	1,179
Bonds payable - noncurrent	28,000	1,026,000		1,054,000	1,105,000
Total Noncurrent Liabilities	<u>28,691</u>	<u>1,026,111</u>		<u>1,054,802</u>	<u>1,106,179</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows from pension activity	352	106		458	315
<b>Net Position</b>					
Net investment in capital assets	593,145	1,218,183		1,811,328	1,790,775
Restricted		11,928		11,928	34,913
Unrestricted	131,810	145,092	15,679	292,581	285,974
Total Net Position	<u>724,955</u>	<u>1,375,203</u>	<u>15,679</u>	<u>2,115,837</u>	<u>2,111,662</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 802,002</u>	<u>\$ 2,433,651</u>	<u>\$ 15,679</u>	<u>\$ 3,251,332</u>	<u>\$ 3,293,045</u>

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
For the Year Ended December 31, 2024  
*With Comparative Totals for December 31, 2023*

	Enterprise Funds			Totals	
	Water	Sewer	Storm Sewer	2024	2023
	Fund	Fund	Fund		
<b>Operating Revenues</b>					
Charges for services	\$ 101,186	\$ 203,530	\$ 5,439	\$ 310,155	\$ 319,813
<b>Operating Expenses</b>					
Salaries and benefits	9,839	9,305		19,144	20,032
Contractual services	14,958	64,270		79,228	74,283
Chemicals	668	29,205		29,873	29,688
General supplies	1,565	1,947		3,512	3,544
Repairs and maintenance	6,138	5,977		12,115	16,041
Utilities	7,251	25,290		32,541	38,658
Insurance	1,507	6,506		8,013	7,650
Depreciation	27,218	81,420		108,638	105,028
Miscellaneous	645	525		1,170	1,266
Total Operating Expenses	69,789	224,445		294,234	296,190
<b>OPERATING INCOME (LOSS)</b>	31,397	(20,915)	5,439	15,921	23,623
<b>Nonoperating Revenues (Expenses)</b>					
Interest income	424	432		856	784
Bond interest and charges	(1,035)	(28,140)		(29,175)	(30,405)
Connection fees	50			50	50
Loss on disposal of assets	(24)	(2,655)		(2,679)	
Miscellaneous	987	12,215		13,202	1,221
Total Nonoperating Revenues (Expenses)	402	(18,148)		(17,746)	(28,350)
<b>Income (Loss) Before Transfers</b>	31,799	(39,063)	5,439	(1,825)	(4,727)
Transfers out	(10,000)			(10,000)	(17,000)
Transfers in		16,000		16,000	47,000
<b>CHANGE IN NET POSITION</b>	21,799	(23,063)	5,439	4,175	25,273
<b>NET POSITION, BEGINNING</b>	703,156	1,398,266	10,240	2,111,662	2,086,389
<b>NET POSITION, ENDING</b>	\$ 724,955	\$ 1,375,203	\$ 15,679	\$ 2,115,837	\$ 2,111,662

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2024  
With Comparative Totals for December 31, 2023

	Enterprise Funds			Totals	
	Water Fund	Sewer Fund	Storm Sewer Fund	2024	2023
<b>Cash Flows From Operating Activities</b>					
Cash received from customers	\$ 101,035	\$ 203,619	\$ 5,439	\$ 310,093	\$ 316,492
Cash paid to suppliers	(32,006)	(130,102)		(162,108)	(170,657)
Cash paid to employees	(9,317)	(8,902)		(18,219)	(18,211)
Net Cash Provided By Operating Activities	<u>59,712</u>	<u>64,615</u>	<u>5,439</u>	<u>129,766</u>	<u>127,624</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>					
Cash received from other sources	987	12,215		13,202	1,221
Transfers in (out) from other funds	(10,000)	16,000		6,000	30,000
Connection fees	50			50	50
Net Cash Provided By (Used In) Noncapital and Related Financing Activities	<u>(8,963)</u>	<u>28,215</u>		<u>19,252</u>	<u>31,271</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Principal paid on bonds	(28,000)	(23,000)		(51,000)	(67,000)
Interest paid on bonds	(1,176)	(28,140)		(29,316)	(30,693)
Additions to capital assets	(42,885)	(37,985)		(80,870)	(12,880)
Net Cash Used In Capital and Related Financing Activities	<u>(72,061)</u>	<u>(89,125)</u>		<u>(161,186)</u>	<u>(110,573)</u>
<b>Cash Flows From Investing Activities</b>					
Interest earnings	424	432		856	784
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(20,888)</u>	<u>4,137</u>	<u>5,439</u>	<u>(11,312)</u>	<u>49,106</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>164,547</u>	<u>143,968</u>	<u>9,776</u>	<u>318,291</u>	<u>269,185</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 143,659</u>	<u>\$ 148,105</u>	<u>\$ 15,215</u>	<u>\$ 306,979</u>	<u>\$ 318,291</u>
Classified as:					
Cash and cash equivalents	\$ 143,659	\$ 136,177	\$ 15,215	\$ 295,051	\$ 283,378
Restricted cash and cash equivalents		11,928		11,928	34,913
Total Cash and Cash Equivalents, End of Year	<u>\$ 143,659</u>	<u>\$ 148,105</u>	<u>\$ 15,215</u>	<u>\$ 306,979</u>	<u>\$ 318,291</u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided By Operations**

	Enterprise Funds			Totals	
	Water Fund	Sewer Fund	Storm Sewer Fund	2024	2023
<b>Operating Income (Loss)</b>	\$ 31,397	\$ (20,915)	\$ 5,439	\$ 15,921	\$ 23,623
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	27,218	81,420		108,638	105,028
Change in net pension liability	(139)	(79)		(218)	(477)
(Increase) Decrease In:					
Accounts receivable	(151)	89		(62)	(3,321)
Increase (Decrease) In:					
Accounts payable	1,821	4,326		6,147	1,108
Accrued compensated absences	(226)	(226)		(452)	778
Customer deposits	(208)			(208)	885
<b>Net Cash Provided By Operating Activities</b>	<u>\$ 59,712</u>	<u>\$ 64,615</u>	<u>\$ 5,439</u>	<u>\$ 129,766</u>	<u>\$ 127,624</u>

**See Notes to the Financial Statements**

**CITY OF WYKOFF, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

# CITY OF WYKOFF, MINNESOTA

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Summary of Significant Accounting Policies

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The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

#### Reporting Entity

In accordance with GASB Statement No. 14 of the City's financial statements include the primary government and the component units of the City of Wykoff, defined as follows:

*Primary Government* - Includes all funds, account groups, organizations, institutions, agencies, departments, or offices which are not legally separate from the City of Wykoff.

*Component Units* - Component units are legally separate organizations for which the elected officials of the City of Wykoff are financially accountable or for which the nature or significance of their relationship with the City of Wykoff would cause the financial statements to be misleading or incomplete. Based on these criteria, there are no component units of the City of Wykoff.

#### 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 not properly included among program revenues are reported instead as *general revenues*.

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.

#### 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.

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# CITY OF WYKOFF, MINNESOTA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 1. Summary of Significant Accounting Policies (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers 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, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transaction, in which the City receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met are recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

The City reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *First Responders fund* accounts for activities of the first responder service.

The *Rural Fire fund* accounts for the activities of the volunteer fire department.

The *Revolving Loan fund* accounts for the disbursement and collection of revolving loans.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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

The *Historical fund* accounts for the activities of the jailhouse and museum.

The *Capital Improvement fund* accounts for all major capital improvements of the City.

The *2025 Street Project fund* accounts for the construction related to the City's street project.

The *2018A Improvement Bond fund* accounts for the accumulation of resources for payment of the improvement bonds.

The *2020A Improvement Bond fund* accounts for the accumulation of resources for payment of the improvement bonds.

The City reports the following major proprietary funds:

The *Water fund* accounts for the operation of the City owned water utility system.

The *Sewer fund* accounts for the operation of the City owned sewer utility system.

The *Storm Sewer fund* accounts for the operation of the City owned storm sewer system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds 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.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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.



# CITY OF WYKOFF, MINNESOTA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 1. Summary of Significant Accounting Policies (Continued)

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

##### Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund and all special revenue funds with the exception of the Revolving Loan Fund and Historical fund, which adopt project length budgets. Annual operating budgets are adopted each fiscal year by council action and may be amended by formal council action. Budgets are adopted on a basis consistent with generally accepted accounting principles. All budget appropriations lapse at the end of the fiscal year.

#### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

##### Cash and Cash Equivalents

Except where otherwise required, the City maintains all deposits in accounts in the name of the City. The deposits are invested on a short-term basis with interest income allocated to each fund based upon their relative account balance. The balances shown in each fund represents an equity interest in the commingled pool of cash and cash equivalents which is under the management of the City.

##### Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance restricted account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

##### Property Taxes

Property tax levies are set by the City Council in October of each year and are certified to the County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1, following, and are recorded as receivables by the City at that date. Revenues for property taxes are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts normally during the months of July and December.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. The amount of delinquent taxes receivable are fully offset by deferred inflow of resources in the governmental fund types because they are not known to be available to finance current expenditures.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)*

Special Assessments

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Assessment collections are deferred over periods ranging from ten to fifteen years with interest charges ranging from 3.25% to 5%. Revenue from these assessments is recognized as the annual installments become collectible. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The amount of delinquent assessments receivable are fully offset by deferred inflow of resources in the Governmental Fund Types because they are not known to be available to finance current expenditures.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant, and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life in Years
Buildings	10 - 40
Improvements	5 - 40
Machinery and Equipment	2 - 20

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective January 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), etc. These financial statements do not include the historical cost or related depreciation of infrastructure constructed prior to 2004.

Concentration of Credit Risk

Financial instruments which expose the City to a concentration of credit risk consist primarily of cash investments and accounts and loans receivable. The City's accounts and loans receivable are concentrated geographically, as for the most part, amounts are due from individuals residing in and businesses located in the City of Wykoff, Minnesota.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. Summary of Significant Accounting Policies (Continued)**

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*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)*

Net Position / Fund Balance

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments.

Unrestricted Net Position – This amount includes all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

In accordance with Governmental Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Restricted – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City Council through formal action and remain binding unless removed by the City Council by subsequent formal action.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council, by majority vote, may assigned fund balances to be used for specific purposes when appropriate. The council also delegates the power to assign fund balances to the following: clerk-treasurer.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

When expenditures are made, the City uses restricted/committed amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Compensated Absences

Vacation is accrued when earned in the government-wide financial statements. Qualified employees accrue vacation at varying rates, which portions may be carried over to future years. The City compensates employees upon termination for a maximum of 120 hours of unused vacation time. The change in compensated absences is a net increase or decrease each year.

# CITY OF WYKOFF, MINNESOTA

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 1. Summary of Significant Accounting Policies (Continued)

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#### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

##### 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. 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.

##### Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one type of deferred outflow which is pension related and reported on the statement of net position.

##### Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City recognized two types of deferred inflows. The first type occurs because governmental fund revenues are not recognized until available under the modified accrual basis of accounting. The second type is pension related and reported on the statement of net position.

##### Reclassifications

Certain amounts in the 2023 financial statement have been reclassified to conform to the 2024 presentation.

##### Implementation of New Accounting Principles

During the year, the City implemented GASB Statement No. 101, *Compensated Absences*. This Statement provides guidance on accounting and financial reporting for reporting a liability for certain types of leave (compensated absences). Under this Statement, government organizations are required to recognize a liability for employee's compensated absences if the leave is attributable to employee's services already rendered, if the leave accumulates, or if it is more likely than not to be used for time off or paid in cash upon separation. The liability is measured using an employee's rate of pay at the date of the financial statements. The liability and associated expense are reported in the financial statements. The Statement has been implemented and there was no impact on the City in 2024.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**2. Cash and Cash Equivalents**

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*Summary of Cash and Cash Equivalents*

As of December 31, 2024, the City’s cash and cash equivalents consisted of the following items, all of which are held in an internal investment pool:

Cash on hand	\$	100
Deposits		<u>1,007,817</u>
Total Cash and Cash Equivalents	\$	<u>1,007,917</u>
Cash and Cash Equivalents - Statement of Net Position	\$	995,989
Restricted Cash and Cash Equivalents - Statement of Net Position		<u>11,928</u>
Total Cash and Cash Equivalents	\$	<u>1,007,917</u>

*Investments Authorized by Minnesota Statutes*

The City is authorized by Minnesota Statutes to invest idle funds as follows:

- (a) Direct obligations or obligations guaranteed by the United States or its agencies.
- (b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- (c) General obligations of the State of Minnesota or its municipalities.
- (d) Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System.
- (e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- (f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a reporting dealer to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- (g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**2. Cash and Cash Equivalents (Continued)**

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*Collateralization of Cash Deposits*

The City's deposits are entirely covered by federal depository insurance or by collateral held by the City's custodial banks in the City's name.

Minnesota Statutes require that all City deposits be insured, secured by surety bonds, or be collateralized. Except for notes secured by first mortgages of future maturity, the market value of collateral pledged by the custodial bank must equal 110% of the deposits not covered by insurance or surety bonds.

Authorized collateral includes certain state of local government obligations and legal investments. Minnesota Statutes also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

*Interest Rate Risk*

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk*

The City has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk*

The City places no limit on the amount the City may invest in any one issuer.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**2. Cash and Cash Equivalents (Continued)**

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Fair Value Measurement

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other meansIf the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There were no assets which were required to be measured at fair value by the City at December 31, 2024 or 2023.

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**3. Due From Other Governmental Units**

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Amounts due from other governmental units at December 31, 2024 are as follows:

<u>Fund</u>	<u>Fillmore County</u>
General	\$ 17,089
First Responders	2,910
Rural Fire	15,614
Debt Service	1,213
	<u>\$ 36,826</u>

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Capital Assets**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 74,014	\$ 111,570	\$	\$ 185,584
Construction in progress		64,989		64,989
Total capital assets, not being depreciated	<u>74,014</u>	<u>176,559</u>		<u>250,573</u>
Capital assets, being depreciated:				
Buildings	469,859			469,859
Improvements	3,335,526	53,279	19,861	3,368,944
Machinery and equipment	1,185,755	57,827	16,915	1,226,667
Total capital assets, being depreciated	<u>4,991,140</u>	<u>111,106</u>	<u>36,776</u>	<u>5,065,470</u>
Less accumulated depreciation for:				
Buildings	345,272	12,624		357,896
Improvements	2,189,126	89,081	16,915	2,261,292
Machinery and equipment	737,663	65,689	19,861	783,491
Total accumulated depreciation	<u>3,272,061</u>	<u>167,394</u>	<u>36,776</u>	<u>3,402,679</u>
Total capital assets, being depreciated, net	<u>1,719,079</u>	<u>(56,288)</u>		<u>1,662,791</u>
Governmental activities capital assets, net	<u>\$ 1,793,093</u>	<u>\$ 120,271</u>	<u>\$</u>	<u>\$ 1,913,364</u>
<b>Governmental Activities:</b>				
General government			\$ 18,211	
Public safety			44,435	
Public works			100,685	
Parks, museum and recreation			<u>4,063</u>	
Total depreciation expense - governmental activities			<u>\$ 167,394</u>	



**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Business Type Activities</b>				
Capital assets, being depreciated:				
Buildings	\$ 2,894,263	\$	\$	\$ 2,894,263
Improvements	1,539,935			1,539,935
Machinery and equipment	95,300	80,870	20,915	155,255
Total capital assets, being depreciated	<u>4,529,498</u>	<u>80,870</u>	<u>20,915</u>	<u>4,589,453</u>
Less accumulated depreciation for:				
Buildings	639,067	71,371		710,438
Improvements	909,827	25,007		934,834
Machinery and equipment	33,829	12,260	18,236	27,853
Total accumulated depreciation	<u>1,582,723</u>	<u>108,638</u>	<u>18,236</u>	<u>1,673,125</u>
Total capital assets, being depreciated, net	<u>2,946,775</u>	<u>(27,768)</u>	<u>2,679</u>	<u>2,916,328</u>
Business type activities capital assets, net	<u>\$ 2,946,775</u>	<u>\$ (27,768)</u>	<u>\$ 2,679</u>	<u>\$ 2,916,328</u>

**Business Type Activities:**

Water	\$ 27,218
Sewer	<u>81,420</u>
Total depreciation expense - business type activities	<u>\$ 108,638</u>

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Long-Term Debt**

The Long-Term debt obligations outstanding and related maturities and interest rates are summarized in the schedule of bonds payable.

**General Obligation Improvement Bonds:**

The bonds are payable primarily from special assessments levied on the properties benefiting from the improvements and/or ad valorem tax levies. They are backed by the full faith and credit of the City.

**General Obligation Revenue Bonds:**

The Drinking Water Revenue Bonds are payable primarily from the revenues generated through charges to customers for water service. They are recorded as liabilities in the Water Enterprise Fund and are backed by the full faith and credit of the City. The Sewer Revenue Bonds are payable primarily from the revenues generated through charges to customers for sewer service. They are recorded as liabilities in the Sewer Enterprise Fund and are backed by the full faith and credit of the City.

**Contract for Deed:**

The contract for deed is related to purchase of land for \$111,570 with 4.5% interest rate over 4 years.

A summary of interest rates, maturities and December 31, 2024 balances are as follows:

	Range of Interest Rates	Final Maturity	Balance December 31, 2024
<b>Governmental Activities</b>			
General Obligation Improvement Bond:			
2018A Improvement Note	3.90%	2/1/2029	\$ 136,000
2020A Improvement Note	1.90%	2/1/2036	462,000
2024 Contract for Deed	4.50%	1/15/2028	86,570
Compensated Absences			4,843
<b>Business-Type Activities</b>			
General Obligation Revenue Bonds:			
2015A Sewer Revenue Bond	2.625%	1/1/2055	470,000
2015B Sewer Revenue Bond	2.625%	1/1/2055	579,000
Notes Payable:			
2007 Drinking Water PFA Loan	1.40%	8/20/2026	56,000
Compensated Absences			326
Total Long Term Debt			<u>\$ 1,794,739</u>

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Long-Term Debt (Continued)**

The following is a summary of the changes in long-term debt obligations for the year ended December 31, 2024.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General Obligation Improvement Bonds:					
2018A Improvement Note	\$ 161,000	\$	\$ 25,000	\$ 136,000	\$ 25,000
2020A Improvement Note	495,000		33,000	462,000	33,000
Contract for Deed		111,570	25,000	86,570	21,104
Compensated Absences	5,952		1,109	4,843	4,843
Governmental Activities					
Long-term Liabilities	661,952	111,570	84,109	689,413	83,947
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General Obligation Revenue Bonds:					
2015A Sewer Revenue Bond	480,000		10,000	470,000	10,000
2015B Sewer Revenue Bond	592,000		13,000	579,000	13,000
Notes Payable:					
2007 Drinking Water PFA Loan	84,000		28,000	56,000	28,000
Compensated Absences	778		452	326	326
Business-type Activities					
Long-term Liabilities	1,156,778		51,452	1,105,326	51,326
Total	\$ 1,818,730	\$ 111,570	\$ 135,561	\$ 1,794,739	\$ 135,273

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Long-Term Debt (Continued)**

The annual requirements to amortize long-term debt obligations outstanding as of December 31, 2024, excluding accrued compensated absences over the life of the debt, are summarized below:

Years	General Obligation Improvement Bonds		General Obligation Utility Revenue Bonds		Contract for Deed		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
<b>Governmental Activities</b>							
2025	\$ 58,000	\$ 13,281	\$	\$	\$ 21,104	\$ 3,896	\$ 96,281
2026	61,000	11,631			22,054	2,946	97,631
2027	62,000	9,923			23,046	1,954	96,923
2028	64,000	8,175			20,366	916	93,457
2029	66,000	6,370					72,370
2030-2034	200,000	17,955					217,955
2035-2036	87,000	1,663					88,663
	<u>\$ 598,000</u>	<u>\$ 68,996</u>	<u>\$</u>	<u>\$</u>	<u>\$ 86,570</u>	<u>\$ 9,712</u>	<u>\$ 763,278</u>
<b>Business-Type Activities</b>							
2025	\$	\$	\$ 51,000	\$ 28,320	\$	\$	\$ 79,320
2026			52,000	27,325			79,325
2027			25,000	26,302			51,302
2028			25,000	25,717			50,717
2029			26,000	24,990			50,990
2030-2034			140,000	114,407			254,407
2035-2039			161,000	94,974			255,974
2040-2044			182,000	72,818			254,818
2045-2049			207,000	47,509			254,509
2050-2054			236,000	18,884			254,884
	<u>\$</u>	<u>\$</u>	<u>\$ 1,105,000</u>	<u>\$ 481,246</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,586,246</u>

**6. Individual Fund Disclosures**

The amounts due to and due from other funds as of December 31, 2024 are as follows:

Funds	Due To Other Funds	Due From Other Funds
General	\$	\$ 22,210
First Responders	1,435	
Historical	2,722	
2025 Street Project	18,053	
	<u>\$ 22,210</u>	<u>\$ 22,210</u>

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**6. Individual Fund Disclosures**

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Operating transfers, at the individual fund level, were as follows:

Funds	Transfers In	Transfers Out
General	\$	\$ 20,296
Historical	1,000	
Capital Improvement	13,296	
Water		10,000
Sewer	16,000	
	\$ 30,296	\$ 30,296

The City generally utilizes interfund transfers and balances due to and due from for cash flow purposes.

Excess of expenditures over appropriations, all the result of a planned process, were as follows:

General	\$ 157,698
First Responders	14,690

The following funds had a deficit fund balance at year end:

Historical Fund	\$ 2,862
2025 Street Project	18,695

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Fund Balance**

The City uses restricted/committed amounts to be spent first when both restricted and unassigned fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The following is a summary of committed fund balances as of December 31, 2024 with comparative totals for December 31, 2023:

	<u>First Responders</u>	<u>Rural Fire</u>	<u>Revolving Loan</u>	<u>Capital Improvement</u>	<u>2024 Total</u>	<u>2023 Total</u>
Equipment	\$	\$ 18,021	\$	\$	\$ 18,021	\$ 8,287
First responders activities	1,441				1,441	15,856
Economic development			9,912		9,912	6,221
Fire				229,279	229,279	198,211
Emergency disaster						809
<b>Total</b>	<u>\$ 1,441</u>	<u>\$ 18,021</u>	<u>\$ 9,912</u>	<u>\$ 229,279</u>	<u>\$ 258,653</u>	<u>\$ 229,384</u>

**8. Commitments and Contingencies**

The City participates in various federal and state agency assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City does not anticipate any audit adjustments or disallowed program expenditures that would-be material in relation to the general-purpose financial statements taken as a whole.

**9. Defined Benefit Pension Plan - Statewide**

Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to 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 (General 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 WYKOFF, MINNESOTA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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#### 9. Defined Benefit Pension Plan - Statewide (Continued)

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##### 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 requires three years of service to vest. Benefits are based on a member’s highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step of 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 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent 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 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

##### Contributions

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

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for General Plan members. The City’s contributions to the General Employees Fund for the year ended December 31, 2024, were \$3,967. The City’s contributions were equal to the required contributions as set by state statute.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**9. Defined Benefit Pension Plan - Statewide (Continued)**

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Pension Costs

At December 31, 2024, the City reported a liability of \$23,106 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 \$597.

City's proportionate share of the net pension liability	\$	23,106
State of Minnesota's proportionate share of the net pension liability associated with the City		<u>597</u>
Total	\$	<u>23,703</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0006 percent at the end of the measurement period and 0.0005 percent for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of (\$2,919) for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional (\$11) 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 schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$1,021 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 WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. Defined Benefit Pension Plan - Statewide (Continued)**

*Pension Costs (Continued)*

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ 2,007	\$
Changes in actuarial assumptions	72	7,466
Net difference between projected and actual earnings on pension plan investments		7,209
Changes in proportion	9,201	
Employer contributions subsequent to the measurement date	2,908	
Total	<u>\$ 14,188</u>	<u>\$ 14,675</u>

The \$2,908 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31:</u>	<u>Pension Expense Amount</u>
2025	\$ (2,285)
2026	1,589
2027	(929)
2028	(1,770)

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**9. Defined Benefit Pension Plan - Statewide (Continued)**

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*Long-Term Expected Return on Investment*

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

*Actuarial Methods and Assumptions*

The total pension liability for each cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine of the total liability is 7.0 percent. The 7% 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 considered reasonable by the actuary. An investment return of 7.0 percent is within that range.

- Inflation is assumed to be 2.25 percent for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**9. Defined Benefit Pension Plan - Statewide (Continued)**

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Actuarial Methods and Assumptions (Continued)

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

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

<b>Sensitivity Analysis</b>			
<i>Net Pension Liability at Different Discount Rates</i>			
	General Employees Fund		
1% Lower	6.00%	\$	50,466
Current Discount Rate	7.00%	\$	23,106
1% Higher	8.00%	\$	599

**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**9. Defined Benefit Pension Plan - Statewide (Continued)**

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Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

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**10. Defined Benefit Pension Plan - Volunteer Fire Relief Association**

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The Wykoff Volunteer Fire Department Relief Association has not had an actuarial study performed. The Association believes the funding status determined using the calculation required by the Minnesota State Auditor is sufficient to determine the reportable amounts under GASB No. 68, *Accounting and Financial Reporting for Pensions*.

Plan Description

The City contributes to the City of Wykoff Volunteer Fire Relief Association ("Association"), a single employer public employee retirement system that acts as a common investment and administrator for the City's firefighters.

Volunteer firefighters of the City are members of the Wykoff Volunteer Fire Department Relief Association. Association members are eligible to receive a lump sum pension benefit of \$1,600 per person per year of service after reaching a minimum retirement age of 50 and at least 20 years of service with 20 years of membership in the association. Association members are eligible to receive partial pension benefits for service of 10 to 20 years with 10 years of membership in the association. Partial vesting begins at 60% in the tenth year and increases 4% per year of additional service until fully vested. These benefit provisions are consistent with enabling State statutes. Volunteers of the department are not required to contribute to the relief association. The City levies property taxes at the direction of and for the benefit of the fire relief association and passes through state aids allocated to the plan, all in accordance with enabling state statutes. During 2024, at the Association direction, the City did not levy any property taxes to be paid to the Association.

Related Party Investments

During 2024 and as of December 31, 2024, the Association held no securities issued by the City.

Funding Status and Progress

At December 31, 2023 the Association funding status is as follows:

Net position available for benefits	\$	385,834
Total accrued pension liability		(238,286)
Net position in excess of accrued pension liability	\$	<u>147,548</u>

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**CITY OF WYKOFF, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**10. Defined Benefit Pension Plan - Volunteer Fire Relief Association**

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Contributions Required and Contributions Made

Financial requirements of the Association are determined on a computation based on member years of service. The City's minimum obligation is the financial requirement for the year less Association investment earnings and State aids. The funding strategy should provide sufficient resources to pay relief association benefits on a timely basis. The City was not obligated to make a contribution in 2024, but did make a voluntary contribution of \$1,400.

The computation of the pension contribution requirements for 2024 was based on the same assumptions, benefit provision, lump sum funding method, and other significant factors used to determine pension contributions requirements in previous years.

Ten-Year Historical Trend Information

Ten-year historical trend information related to the pension plan is unavailable.

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**11. Risk Management**

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The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance for liability, property, employee health and automotive insurance through the League of Minnesota Cities Insurance Trust (LMCIT).

Settled claims resulting from these risks have not exceeded the insurance coverage in any of the past three years. There were no reductions in insurance coverage in 2024. Coverage amounts on these insurance policies are as follows:

Employee Theft:

Clerk/Treasurer	\$ 75,000
All Others	25,000

The City participates in a group workers' compensation plan of the LMCIT, which is a public entity risk pool currently operating as a common risk management and insurance program for member Minnesota Cities. All cities participating in the plan are jointly and severally liable for all claims and expenses of the plan. The LMCIT workers' compensation plan is self-sustaining based on the premiums charged, so that total contributions plus compounded earnings on those contributions will be sufficient to satisfy claims liabilities and other expenses of the plan. The LMCIT plan participates in the Workers' Compensation Reinsurance Association with coverage of \$100,000 per claim for plan year 2024. The amount of any liability in excess of plan assets may be assessed to participating Cities in method and amount determined by the LMCIT.

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**CITY OF WYKOFF, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2024**

**CITY OF WYKOFF, MINNESOTA**  
**Schedule of City Pension Contributions**  
**PERA General Employees Retirement Fund**  
**Last Ten Years (presented prospectively)**

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2015	\$ 6,694	\$ 6,694	\$	\$ 89,253	7.50%
2016	6,874	6,874		91,653	7.50%
2017	4,682	4,682		62,427	7.50%
2018	2,788	2,788		37,173	7.50%
2019	2,319	2,319		30,920	7.50%
2020	2,804	2,804		37,387	7.50%
2021	2,424	2,424		32,320	7.50%
2022	2,357	2,357		31,427	7.50%
2023	2,857	2,857		38,093	7.50%
2024	3,967	3,967		52,893	7.50%



**CITY OF WYKOFF, MINNESOTA**  
**Schedule of City and Non-Employer Proportionate Share of Net Pension Liability**  
**PERA General Employees Retirement Fund**  
**Last Ten Years (presented prospectively)**

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0015%	\$ 77,738	\$	\$ 77,738	\$ 73,351	106.0%	78.20%
2016	0.0015%	121,793	1,570	123,363	90,453	136.4%	68.90%
2017	0.0010%	63,839	778	64,617	77,040	83.9%	75.90%
2018	0.0006%	33,286	1,057	34,343	49,800	69.0%	79.53%
2019	0.0004%	22,115	833	22,948	34,047	67.4%	80.23%
2020	0.0005%	29,977	897	30,874	34,153	90.4%	79.06%
2021	0.0004%	17,082	633	17,715	34,853	50.8%	87.00%
2022	0.0004%	31,680	902	32,582	31,873	102.2%	76.67%
2023	0.0005%	27,959	750	28,709	34,760	82.6%	83.10%
2024	0.0006%	23,106	597	23,703	45,493	52.1%	89.08%

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**CITY OF WYKOFF, MINNESOTA**  
**SUPPLEMENTARY INFORMATION**  
**December 31, 2024**

**CITY OF WYKOFF, MINNESOTA**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**As of December 31, 2024**

***2007 Drinking Water PFA Loan***

Payment Year	Principal	Interest	Rate	Total
2025	\$ 28,000	\$ 784	1.40%	\$ 28,784
2026	28,000	392	1.40%	28,392
	<u>\$ 56,000</u>	<u>\$ 1,176</u>		<u>\$ 57,176</u>

***General Obligation Sewer Revenue***  
***Bonds of 2015A***

Payment Year	Principal	Interest	Rate	Total
2025	\$ 10,000	\$ 12,337	2.625%	\$ 22,337
2026	11,000	12,075	2.625%	23,075
2027	11,000	11,786	2.625%	22,786
2028	11,000	11,529	2.625%	22,529
2029	12,000	11,209	2.625%	23,209
2030-2034	63,000	51,268	2.625%	114,268
2035-2039	72,000	42,523	2.625%	114,523
2040-2044	81,000	32,664	2.625%	113,664
2045-2049	93,000	21,325	2.625%	114,325
2050-2054	106,000	8,484	2.625%	114,484
	<u>\$ 470,000</u>	<u>\$ 215,200</u>		<u>\$ 685,200</u>

**CITY OF WYKOFF, MINNESOTA**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**As of December 31, 2024**

***General Obligation Sewer Revenue***  
***Bonds of 2015B***

Payment Year	Principal	Interest	Rate	Total
2025	\$ 13,000	\$ 15,199	2.625%	\$ 28,199
2026	13,000	14,858	2.625%	27,858
2027	14,000	14,516	2.625%	28,516
2028	14,000	14,188	2.625%	28,188
2029	14,000	13,781	2.625%	27,781
2030-2034	77,000	63,139	2.625%	140,139
2035-2039	89,000	52,451	2.625%	141,451
2040-2044	101,000	40,154	2.625%	141,154
2045-2049	114,000	26,184	2.625%	140,184
2050-2054	130,000	10,400	2.625%	140,400
	<u>\$ 579,000</u>	<u>\$ 264,870</u>		<u>\$ 843,870</u>

***General Obligation Improvement Note***  
***Bonds of 2018A***

Payment Year	Principal	Interest	Rate	Total
2025	\$ 25,000	\$ 4,817	3.900%	\$ 29,817
2026	27,000	3,803	3.900%	30,803
2027	27,000	2,750	3.900%	29,750
2028	28,000	1,677	3.900%	29,677
2029	29,000	566	3.900%	29,566
	<u>\$ 136,000</u>	<u>\$ 13,611</u>		<u>\$ 149,611</u>

**CITY OF WYKOFF, MINNESOTA**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**As of December 31, 2024**

***General Obligation Improvement Note***  
***Bonds of 2020A***

Payment Year	Principal	Interest	Rate	Total
2025	\$ 33,000	\$ 8,464	1.900%	\$ 41,464
2026	34,000	7,828	1.900%	41,828
2027	35,000	7,173	1.900%	42,173
2028	36,000	6,498	1.900%	42,498
2029	37,000	5,804	1.900%	42,804
2030-2034	200,000	17,955	1.900%	217,955
2035-2036	87,000	1,663	1.900%	88,663
	<u>\$ 462,000</u>	<u>\$ 55,385</u>		<u>\$ 517,385</u>

***2024 Contract for Deed***

Payment Year	Principal	Interest	Rate	Total
2025	\$ 21,104	\$ 3,896	4.50%	\$ 25,000
2026	22,054	2,946	4.50%	25,000
2027	23,046	1,954	4.50%	25,000
2028	20,366	916	4.50%	21,282
	<u>\$ 86,570</u>	<u>\$ 9,712</u>		<u>\$ 96,282</u>

**CITY OF WYKOFF, MINNESOTA**  
**COMPLIANCE AND INTERNAL CONTROL REPORTS**  
**DECEMBER 31, 2024**

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**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and Members  
of the City Council  
City of Wykoff, Minnesota

We have audited, in accordance with the 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, and each major fund of the City of Wykoff, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Wykoff, Minnesota's basic financial statements, and have issued our report thereon dated February 6, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Wykoff, Minnesota'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 of Wykoff, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wykoff, Minnesota'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 of Wykoff, Minnesota'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 identified a certain deficiency in internal control, described in the accompanying schedule of prior year findings and responses as finding 2008-001 that we consider to be a significant deficiency.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Wykoff, Minnesota'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*.

Honorable Mayor and Members  
of the City Council  
City of Wykoff, Minnesota

**Minnesota Legal Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that the City of Wykoff, Minnesota 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, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, 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.

**City of Wykoff, Minnesota’s Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Wykoff, Minnesota’s response to the finding identified in our audit and described in the accompanying schedule of prior year findings and responses. The City of Wykoff, Minnesota’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 results of that testing, and not to provide an opinion on the effectiveness of the City of Wykoff, Minnesota’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 of Wykoff, Minnesota’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rochester, Minnesota  
February 6, 2025

**CITY OF WYKOFF, MINNESOTA**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2024**

**FINDING – 2008-001 ANNUAL FINANCIAL REPORTING UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP) AND SEGREGATION OF DUTIES**

**Condition:** A City of this size has an inherent limitation in its ability to effectively segregate its accounting duties and to prepare annual full disclosure financial statements in accordance with generally accepted accounting principles. It would not be practical for City to devote the resources required to overcome this limitation. The potential exists that a material disclosure could be omitted from the financial statements and not be prevented or detected by the City's internal controls.

**Criteria:** The City should have controls in place to prevent or detect the omission of a material disclosure in the annual financial statements. An important element of internal controls is an adequate segregation of duties that minimizes the opportunities for any one individual to be in a position to both perpetuate and conceal errors or irregularities in the normal course of business.

**Context:** Because of the limited size of the City's administrative staff, there is not an adequate segregation of duties. The City has informed us they will continue to rely upon the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the financial statements.

**Effect:** No effect on the financial statements.

**Cause:** There is a limited number of administrative staff. The City does not have the expertise to draft the notes to the financial statements; however, they have reviewed and approved the annual financial statements as prepared by the audit firm.

**Recommendation:** We recommend the City continue to segregate duties as best it can within the limits of what the City considers to be cost beneficial and to evaluate their internal staff and expertise to determine if further controls over the annual financial reporting are beneficial.

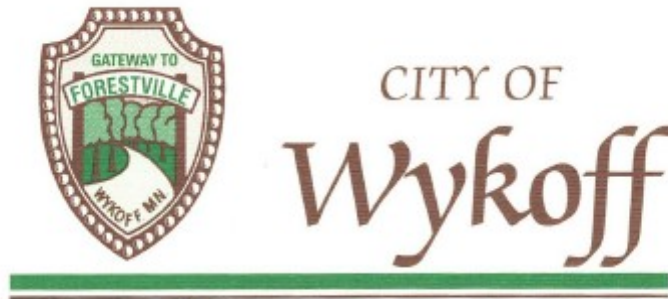
Views of Responsible  
Officials and Planned

**Corrective Action:** Management agrees with the recommendation. See corresponding Corrective Action Plan.

**CURRENT STATUS:**

The finding recurred in 2024.

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217 NORTH GOLD STREET ■ P.O. BOX 218 ■ WYKOFF, MN 55990-0218 ■ 507-352-4011

### **CORRECTIVE ACTION PLAN (CAP):**

The City respectfully submits the following corrective action plan for the year ended December 31, 2024.

The finding from the schedule of prior year findings and responses is discussed below. The finding is numbered consistently with the number assigned in the schedule.

RESPONSE: FINDING 2008-001

#### **Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

#### **Actions Planned in Response to Finding:**

The management and accounting personnel review the drafted financial statements and notes. The City does not have the expertise to ensure all disclosures required by GAAP are included in the financial statements. Accordingly, the City will rely upon the auditors for completeness of the disclosures. However, the management and accounting personnel will review the notes for accuracy prior to issuance of the statements. The City will continue to evaluate assignment of duties and implement segregation whenever it is practical.

#### **Official Responsible for Ensuring CAP:**

Rebecca Schmidt, Clerk-Treasurer, is the official responsible for ensuring the planned responses.

#### **Planned Completion Date for CAP:**

Not applicable as the City is willing to accept this risk at this time and will continue to evaluate the recommendation.

#### **Plan to Monitor Completion of CAP:**

Ryan Breckenridge, Mayor, will ensure the review by the Clerk-Treasurer has been completed. He will do this through discussion with the Clerk-Treasurer and reviewing the draft of the financial statements.