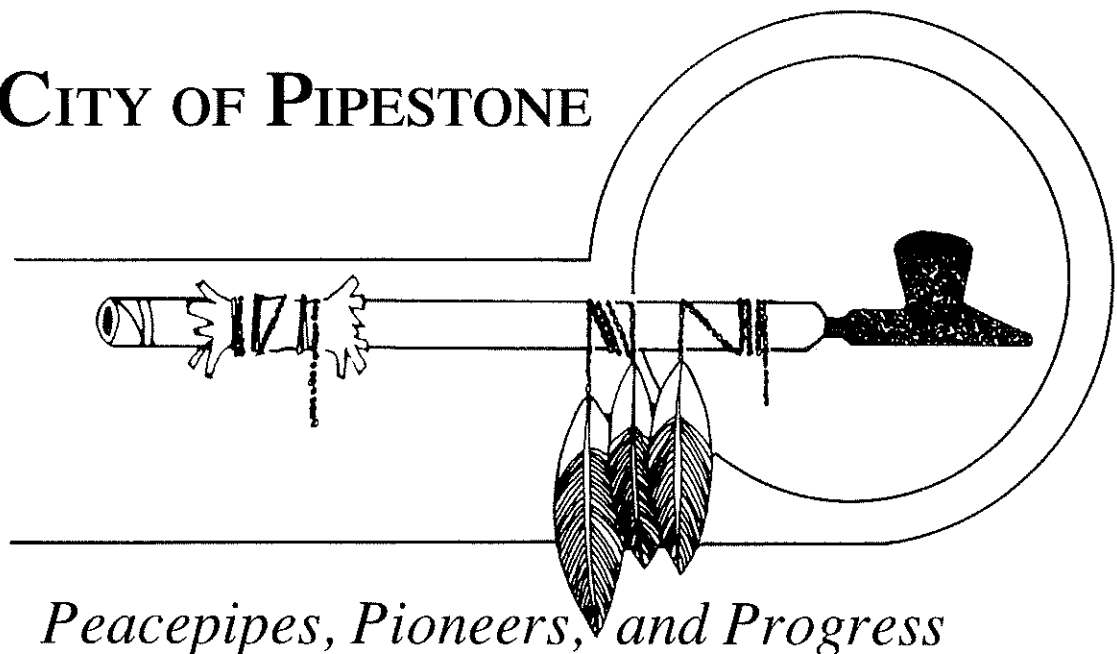


**CITY OF PIPESTONE
PIPESTONE, MINNESOTA 56164**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024**

CITY OF PIPESTONE



Peacepipes, Pioneers, and Progress

**City of Pipestone
Pipestone, Minnesota
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2024**

TABLE OF CONTENTS

	<u>Page No.</u>
INTRODUCTORY SECTION	I
Transmittal Letter	III - V
Organizational Chart	VI
List of Principal Officers	VII
FINANCIAL SECTION	IX
Independent Auditor's Report	XI - XIV
Management Discussion and Analysis	XV – XXV
Basic Financial Statements	1
Government-wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4 - 5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6 - 7
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities – Governmental Funds	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	13
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Airport Fund	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recreation Fund	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Fund	16
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Economic Development Fund	17
Statement of Net Position – Proprietary Funds	18 - 19
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	20 – 21
Statement of Cash Flows – Proprietary Funds	22 – 23
Statement of Fiduciary Net Position – Fiduciary Funds	24
Statement of Changes in Net Position – Fiduciary Funds	25
Notes to Financial Statements	27 – 62
REQUIRED SUPPLEMENTARY INFORMATION	
OTHER THAN MD & A	63
Schedule of Employer's share of Public Employees Retirement Association Net Pension Liability-General Employees Retirement Fund	64

	<u>Page No.</u>
Schedule of Employer's Public Employees Retirement Association Contributions – General Employees Retirement Fund	65
Schedule of Changes in the Fire Relief Association's net pension liability (asset) and related ratios	66
Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios	67-70
COMBINING, INDIVIDUAL FUND AND ACCOUNT FUND STATEMENTS AND SCHEDULES	71
Combining Balance Sheet – Non-Major Governmental Funds	72 – 73
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance (Deficit) – Non-Major Governmental Funds	74 – 75
General Fund:	77
Comparative Balance Sheet	79
Statement of Revenues, Expenditures and Changes in Changes in Fund Balance-Budget and Actual	81 – 86
Special Revenue Funds:	87
Combining Balance Sheet	88 – 91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	92 – 95
Cemetery Fund:	
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	96
Airport Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	97
Recreation Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	98
Street Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	99
Municipal Building Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	100
SCDP Grant Project Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	101
Capital Equipment Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	102
Storm Sewer Revolving Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	103
Economic Development Revolving Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	104
Cable Access Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	105

	<u>Page No.</u>
Farmers Market Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	106
Debt Service Funds:	107
Combining Balance Sheet	108– 109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	110 – 111
Capital Projects Funds:	113
Combining Balance Sheet	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	116
Enterprise Funds:	117
Combining Balance Sheet	118– 119
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	120 – 121
Internal Service Fund:	123
Comparative Balance Sheet	125
Statement of Revenues, Expenses and Changes in Retained Earnings	126
Combining Statement of Cash Flows	127
Investment Trust Funds:	129
Non-Expendable Trust Funds:	
Combining Balance Sheet	131
Combining Statement of Revenues, Expenses and Changes in Fund Balance	132
Combining Statement of Cash Flows	133
Capital Assets Used in the Operation of Governmental Funds	135
Comparative	137
Schedule by Function and Activity	138 – 139
Schedule of Changes by Function and Activity	140

	<u>Table No.</u>	<u>Page No.</u>
STATISTICAL SECTION (UNAUDITED)		141
Government-Wide Information:		
Government-Wide Expenses by Function	1	142
Government-Wide Revenues	2	143
Fund Information:		
General Governmental Expenditures by Function	3	144
General Governmental Revenues by Source	4	145
Property Tax Levies and Collections	5	146
Tax Capacity and Estimated Actual Value of Property	6	147
Property Tax Rates – Direct and Overlapping Governments	7	148
Principal Taxpayers	8	149
Special Assessment Billings and Collections	9	150
Computation of Legal Debt Margin	10	151
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	11	152 – 153
Ratio of Annual Debt Service Expenditures for General General Obligation Bonded Debt to Total General Governmental Expenditures	12	154
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	13	155
Revenue Bond Coverage	14	156
Demographic Statistics	15	157

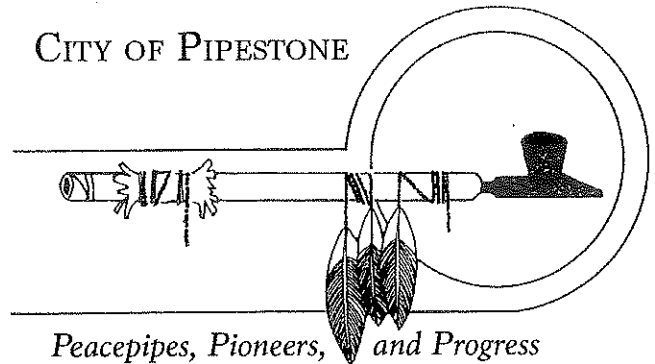
	<u>Table No.</u>	Page No.
Property Values and Construction Permits	16	158
OTHER REQUIRED REPORTS		159
Independent Auditors Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		161 – 162
Schedule of Findings and Questioned Costs		163

INTRODUCTORY SECTION

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119 2nd Ave S.W.
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(507) 825-3324
(VOICE & TDD)
Fax (507) 825-5353

CITY OF PIPESTONE



August 4, 2025

To The Honorable Mayor and City Council
City of Pipestone
Pipestone MN 56164

Dear Honorable Mayor and City Council:

Minnesota statutes require an annual audit of the City's financial records and transactions supporting the financial statements in accordance with generally accepted accounting principles (GAAP). Record audits, in accordance with generally accepted auditing standards, are also required by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the City of Pipestone for the fiscal year ended December 31, 2024. This requirement has been complied with and the auditor's opinion has been included in this report.

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

The City of Pipestone's financial statements have been audited by Meulebroeck, Taubert & Co., PLLP, a firm of independent licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pipestone, for the fiscal year ended December 31, 2024 were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Pipestone's financial

statements for the fiscal year ended December 31, 2024 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

This letter of transmittal is designed to complement the management discussion and analysis (MD & A) and should be read in conjunction with it. The City of Pipestone's MD & A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Pipestone was incorporated in 1881 and exists under the state laws of Minnesota. The City of Pipestone is located in Pipestone County in Southwest Minnesota. For 2020, the US Census Bureau reported the City of Pipestone's population as 4,138.

The City is governed under city charter which was adopted by ordinance. The Council is comprised of four Council members (serving four-year staggered terms) and a mayor (serving a two-year term). Council members are elected at large but each candidate must file by seat. The City shall hold a primary election if there should be three or more candidates filing for one designated seat.

The City provides the full range of municipal services prescribed by statute or charter. This includes public safety (police and fire), the construction and maintenance of highways, streets and other infrastructure, and sanitation services including water, sewer, composting and refuse services. In addition, recreational and cultural events, public improvements, planning and zoning, and general administrative services are provided to the community by the City of Pipestone. Enterprise activities include water, sewer, refuse and composting services as well as a municipal off-sale liquor store.

Each year the Council approves an annual budget which serves as the foundation for the City of Pipestone's financial planning and control. Requests from all departments and agencies are submitted and prepared by the City Administrator and departments for presentation to the Council. The Council, following a public hearing no later than December 31, approves the budgets. Page 13 of this 2024 CAFR provides the general fund budget to actual results.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. The City is experiencing healthy growth. The City received an increase in Local Government Aid.

Long-Term Financial Planning. On an annual basis, the City Council reviews and updates a 5-year plan which describes specific projects and proposed sources of financing. The City recently refinanced its existing bonded indebtedness taking advantage of low interest rates. The City has developed a long-term Financial Management Plan with the assistance of Ehlers & Associates, Inc.

Cash Management Policies and Practices. Cash temporarily idle during the year was invested in certificates of deposits. Maturities range from six months to one year.

Risk Management. Third-party coverage is currently maintained for individual workers' compensation claims. The City of Pipestone's general and comprehensive liability policies retain a \$500 per claim deductible.

Pension Plans. All of the City's full and permanent part-time employees are enrolled in PERA (Public Employees Retirement Association pension plan administered by the State of Minnesota). The City of Pipestone has no obligation in connection with the employee benefits offered through this plan beyond its annual contractual payment to the State Pension Board.

The Fire Relief Association covers the City's 35 volunteer fire fighters. Funding for this program is from state dedicated funds and city contributions. The City of Pipestone is obligated in connection with the employee benefit offered through this plan beyond its annual contribution to insure funding of the program. At no time has the fund been found to be in need of this contribution.

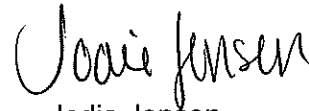
Additional information on the City of Pipestone pension arrangements can be found in Note 4 and Note 5 to the financial statements.

We would like to express our appreciation to all the City staff that assisted and contributed to the preparation of this report. Without their efficient and dedicated services, this report could not be accomplished. We would also like to thank Mayor Delaney and the City Council members for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

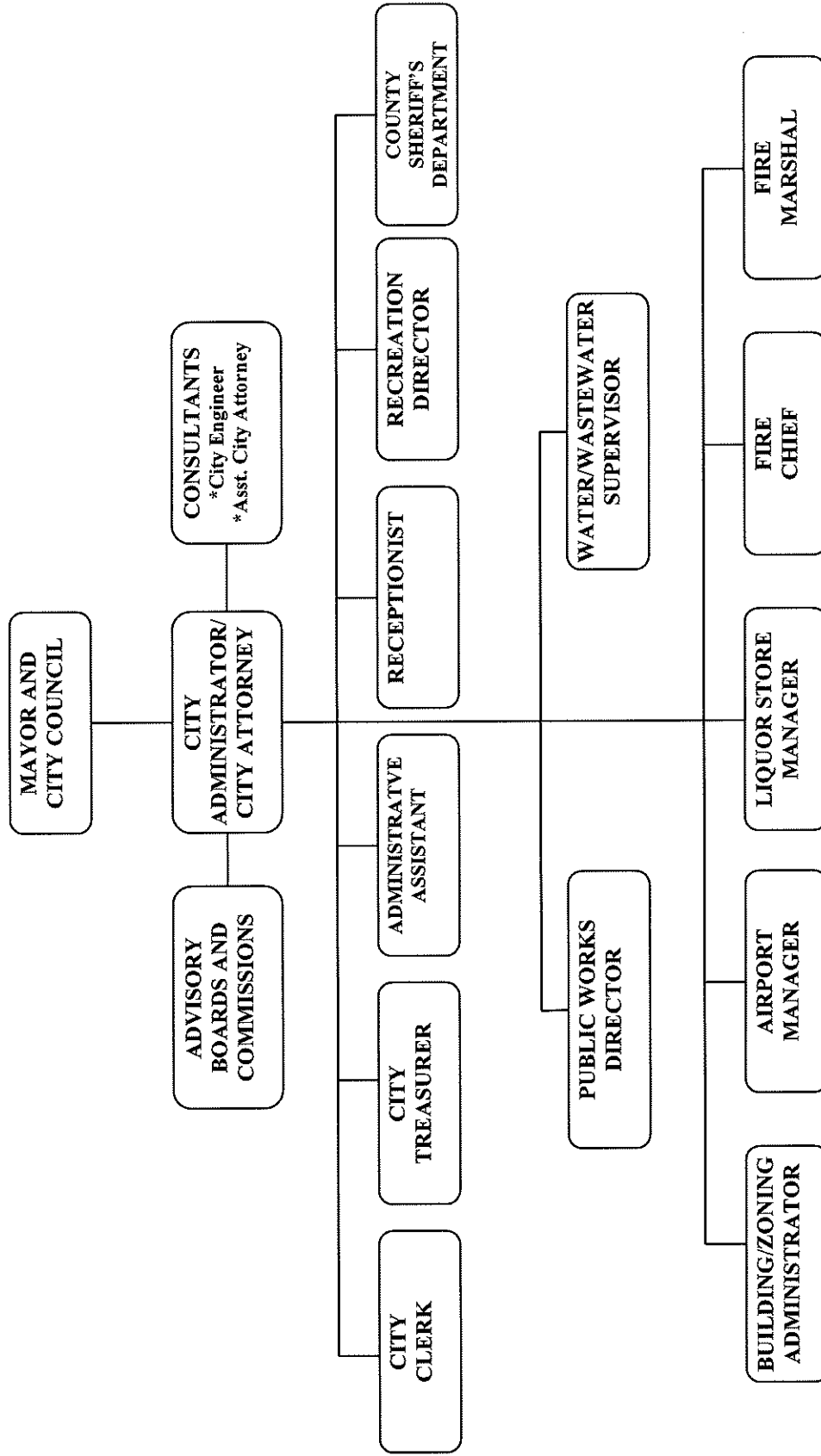
Respectfully submitted,

CITY OF PIPESTONE


Deb Nelson
City Administrator


Jodie Jensen
City Treasurer

**CITY OF PIPESTONE
ORGANIZATIONAL CHART**



**CITY OF PIPESTONE
PIPESTONE, MINNESOTA**

**LIST OF PRINCIPAL OFFICERS
DECEMBER 31, 2024**

Mayor	Dan Delaney
Councilmember	Scott Swanson
Councilmember	Verdeen Colbeck
Councilmember	Danielle Thompson
Councilmember	Roger Smidt
City Administrator	Deb Nelson
Public Works Director	Michael Bloemendaal
Recreation Director	Robert Petersen
Water/Wastewater Supervisor	Joel Adelman
Liquor Store Manager	Michael Scott Wilson
Attorney	Jason Hill and Damain Sandy
City Treasurer	Jodie Jensen
City Clerk	Stephanie LaBrune

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FINANCIAL SECTION

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MEULEBROECK, TAUBERT & CO., PLLP
CERTIFIED PUBLIC ACCOUNTANTS

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507 825-4288 Fax 507 825-4280
contactp@mtcocpa.com

Tyler, Minnesota 56178
507 247-3939
Lake Wilson, Minnesota 56151
507 879-3538
Marshall, Minnesota 56258
507 337-0501

PARTNERS

Matthew A. Taubert, CPA
David W. Friedrichsen, CPA
Daryl J. Kanthak, CPA
Blake R. Klinsing, CPA
Amy L. Mollberg, CPA

WITH THE FIRM
Kirk W. Morgan, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
Pipestone, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pipestone, Pipestone, 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 Pipestone, Pipestone, Minnesota's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pipestone, Pipestone, Minnesota, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Pipestone, Pipestone, 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 Pipestone, Pipestone, 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Pipestone, Pipestone, 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 Pipestone, Pipestone, 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 Management's Discussion and Analysis and Required Supplementary Information other than MD&A 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pipestone, Pipestone, Minnesota's basic financial statements. The accompanying combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Partial Comparative Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2025, on our consideration of the City of Pipestone, Pipestone, 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 the City of Pipestone, Pipestone, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pipestone, Pipestone, Minnesota's internal control over financial reporting and compliance.



Meulebroeck, Taubert & Co., PLLP
Certified Public Accountants
Pipestone, Minnesota

June 16, 2025

Management's Discussion and Analysis

As management of the City of Pipestone, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$44,224,261 (*net position*). Of this amount, \$3,396,945 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,716,874.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,033,064, a decrease of \$1,437,756 in comparison with the prior year. Approximately 12 percent of this total amount, \$864,693 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,322,603 or 38 percent of budgeted 2024 expenditures. This is an increase of \$98,525 from last year.
- The City's total debt increased by \$829,786 Issuance of debt totaled \$3,312,196 and long-term debt of \$2,482,410 was retired during the year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 3-5 of this report.

Fund Financial Statements

A *fund* is a grouping of related amounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 30 individual governmental funds, 16 of which are Debt Service Funds, which are reported as one major fund for financial reporting. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, airport fund, recreation fund, street fund, 16 debt service funds (considered one fund for financial reporting), and two capital projects fund (considered one fund for financial reporting) all of which are considered to be major funds. Other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 6 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, garbage, and liquor operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its management information systems. Because both of these services predominantly benefit business-type functions rather than governmental, they have been included within *business-type activities* in the government-wide financial statements.

Proprietary funds – cont'd

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, garbage, liquor operations, all of which are considered to be major funds of the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 18-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-61 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 63-70 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 75-133 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$44,224,261 at the close of the most recent fiscal year.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City consider additional nonfinancial factors such as changes in the City's property tax base and condition of the City's roads.

The largest portion of the City's net position \$34,108,444 (78 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 11,127,491	\$ 12,357,977	\$ 3,687,353	\$ 3,270,591	\$14,814,844	\$15,628,568
Capital assets	<u>23,839,465</u>	<u>22,029,888</u>	<u>42,444,771</u>	<u>40,106,948</u>	<u>66,284,236</u>	<u>62,136,836</u>
Total assets	<u>34,966,956</u>	<u>34,387,865</u>	<u>46,132,124</u>	<u>43,377,539</u>	<u>81,099,080</u>	<u>77,765,404</u>
Deferred Outflows	<u>139,463</u>	<u>272,415</u>	<u>45,385</u>	<u>95,565</u>	<u>184,848</u>	<u>367,980</u>
Other liabilities	2,558,927	2,355,182	3,514,911	4,654,125	6,073,838	7,009,307
Long-term liabilities outstanding	<u>12,582,936</u>	<u>14,034,004</u>	<u>17,714,696</u>	<u>16,072,991</u>	<u>30,297,632</u>	<u>30,106,995</u>
Total liabilities	<u>15,141,863</u>	<u>16,389,186</u>	<u>21,229,607</u>	<u>20,727,116</u>	<u>36,371,470</u>	<u>37,116,302</u>
Deferred Inflows	<u>523,584</u>	<u>389,695</u>	<u>164,613</u>	<u>120,000</u>	<u>688,197</u>	<u>509,695</u>
Net Position						
Net Investment In Capital Assets	10,688,609	7,565,002	23,721,839	23,527,832	34,410,448	31,092,834
Restricted	6,168,371	7,388,068	248,497	179,954	6,416,868	7,568,022
Unrestricted	<u>2,583,992</u>	<u>2,928,329</u>	<u>812,953</u>	<u>(1,081,798)</u>	<u>3,396,945</u>	<u>1,846,531</u>
Total net position	<u>\$19,440,972</u>	<u>\$17,881,399</u>	<u>\$24,783,289</u>	<u>\$22,625,988</u>	<u>\$44,224,261</u>	<u>\$40,507,387</u>

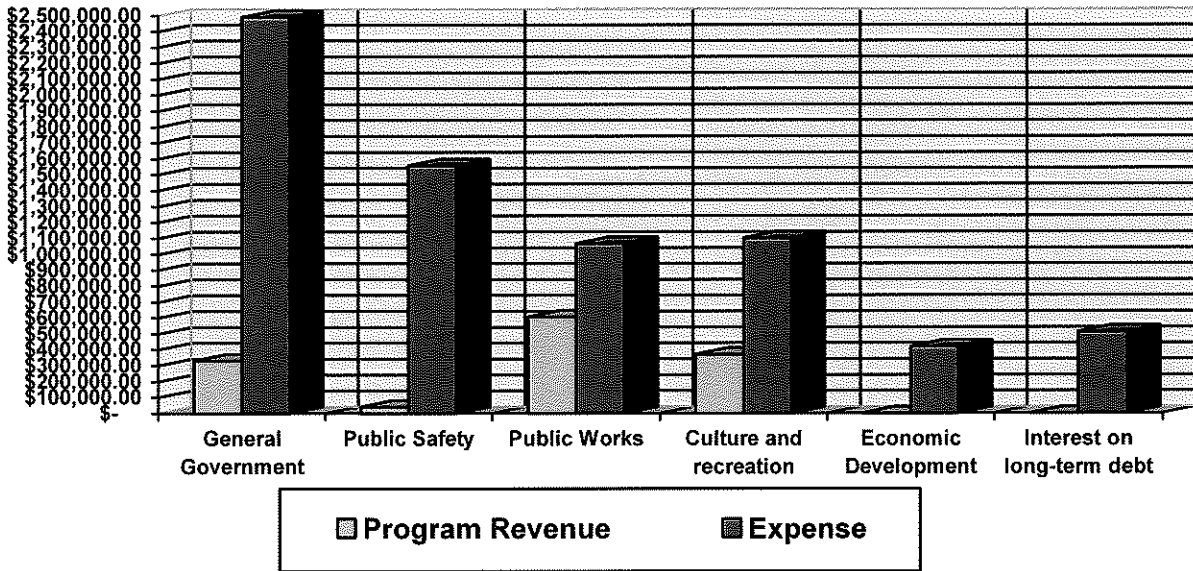
There was an increase of \$1,559,573 in net position within the governmental activities mainly due to state and federal grants. Business activities increased net position by \$2,157,301 due to a grant for infrastructure from the Minnesota Public Facilities Authority.

Changes in Net Position

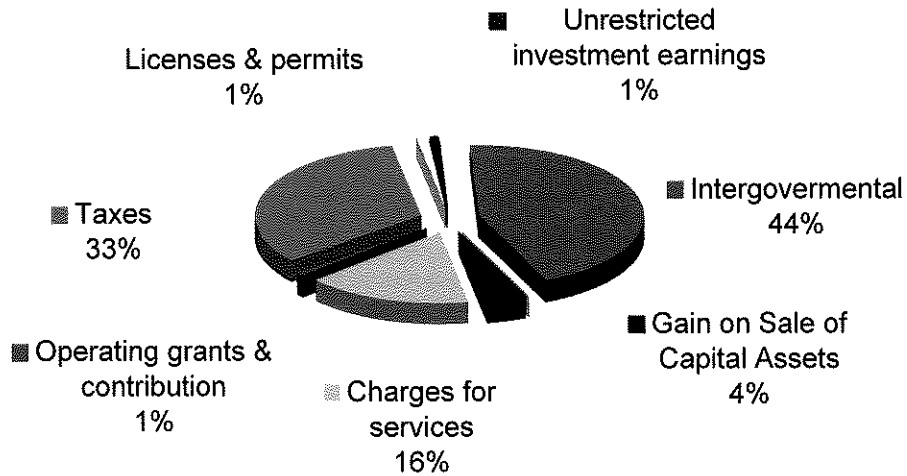
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program revenues						
Charges for services	\$ 1,329,480	\$ 1,964,917	\$ 5,893,034	\$ 5,552,493	\$ 7,222,514	\$ 7,517,410
Operating/Capital Grants	22,868	31,387	---	---	22,868	31,387
General Revenues						
Property taxes	2,692,809	2,551,733	---	---	2,692,809	2,551,733
Tax Increments	23,372	19,833	---	---	23,372	19,833
Hotel/Motel taxes	35,812	35,735	---	---	35,812	35,735
Franchise taxes	41,261	47,200	---	---	41,261	47,200
Licenses & permits	122,118	79,708	---	---	122,118	79,708
Intergovernmental	3,715,456	3,029,451	2,366,505	577,447	6,081,961	3,606,898
Unrestricted investment earnings	122,623	50,585	84,398	27,428	207,021	78,013
Gain(Loss) Sale of Capital Assets	309,312	9,188	---	---	309,312	9,188
Total revenues	8,415,111	7,819,737	8,343,937	6,157,368	16,759,048	13,977,105
Expenses						
General government	\$ 2,489,526	\$ 1,264,659	\$ ---	\$ ---	\$ 2,489,526	\$ 1,264,659
Public safety	1,556,986	1,363,201	---	---	1,556,986	1,363,201
Public works	1,067,196	1,916,543	---	---	1,067,196	1,916,543
Culture and recreation	1,102,167	1,099,270	---	---	1,102,167	1,099,270
Economic Development	418,740	593,051	---	---	418,740	593,051
Interest on long-term debt	512,164	475,267	---	---	512,164	475,267
Water utility	---	---	989,948	1,858,553	1,989,948	1,858,553
Sewer utility	---	---	1,674,215	1,593,059	1,674,215	1,593,059
Garbage utility	---	---	364,137	391,981	364,137	391,981
Liquor	---	---	1,783,650	1,807,832	1,783,650	1,807,832
Data Processing	---	---	85,205	51,953	85,025	51,953
Total expenses	7,146,779	6,711,991	5,897,155	5,703,378	13,043,754	12,415,369
Increase/(decrease) in net position before transfers						
	1,268,332	1,107,746	2,446,782	453,990	3,715,294	1,561,736
Transfers	291,241	204,390	(289,661)	(203,320)	1,580	1,070
Increase/(decrease) in net position	1,559,573	1,312,136	2,157,301	250,670	3,716,874	1,562,806
Net position 01/01	17,881,399	16,569,263	22,625,988	22,375,318	40,507,387	38,944,581
Net position – 12/31	\$19,440,972	\$17,881,399	\$ 24,783,289	\$ 22,625,988	\$44,224,261	\$40,507,387

Governmental activities. Governmental activities increased the City's net position by \$1,559,573. Key elements of the activities are shown below:

Expenses and Program Revenue - Governmental Activities



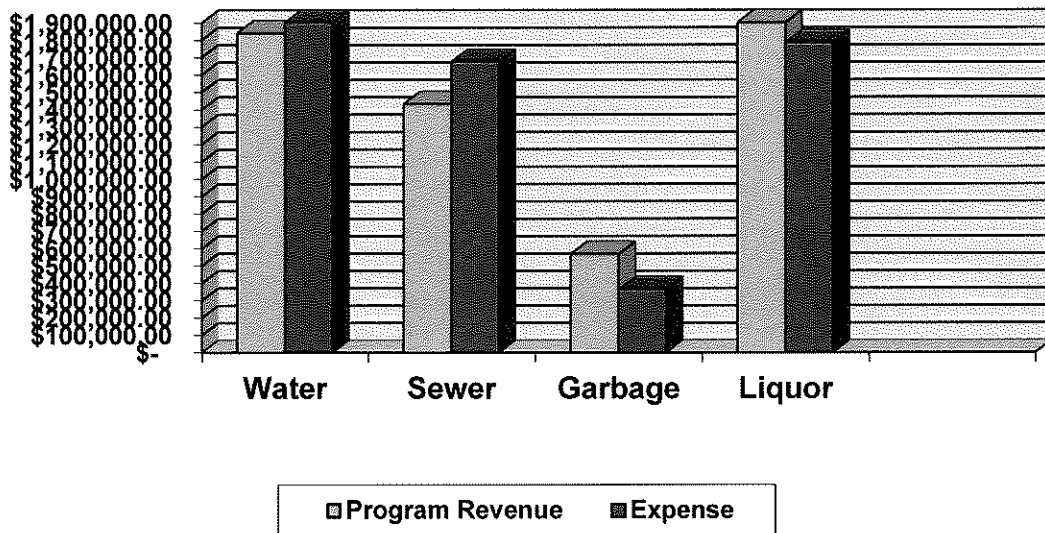
Revenue by Source - Governmental Activities



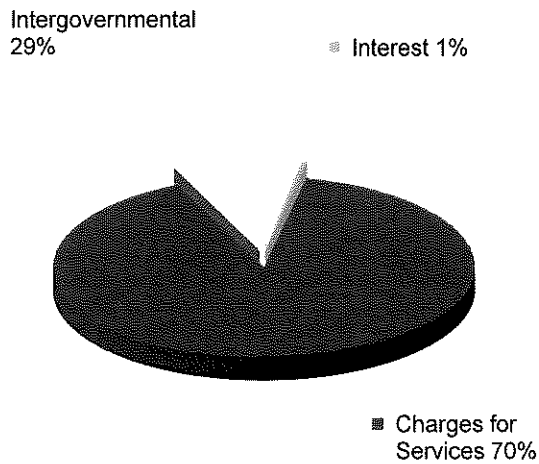
Business-type activities. Business-type activities increased the City's net position by \$2,157,301.

- Water fund operating income was \$3,262 and the cash balance shows a due to other fund of \$486,920.
- The Sewer fund showed an operating loss of \$87,443 and the cash balance shows a due to other fund of \$898,102.
- The Garbage fund showed a decrease in net position of \$11,444.
- The Liquor store had an increase in net position of \$206,125.

Expenses and Program Revenue - Business-type Activities



Revenue by Source - Business type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,033,064, a decrease of \$1,437,756 in comparison with the prior year. The *unassigned fund balance* is \$864,693. One capital project fund has a negative fund balance and an interfund loan from Tax Increment to the general fund which contributes to this *unassigned fund balance*. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to 1) non spendable form \$59,505 2) restricted for debt and capital projects \$2,056,465 and 3) for committed purposes \$4,052,401.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$1,322,603. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39 percent of total general fund expenditures.

The fund balance of the City's general fund increased by \$98,525 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$1,659,685, all of which is restricted for future debt service principal and interest. The Debt Service fund decreased by \$410,433.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds are as follows:

The Water fund showed a small operating income. The cash balance shows a due to other funds of \$486,920.

The Sewer fund showed an operating loss. The cash balance also shows a due to other funds of \$898,102.

The Garbage fund showed an operating income of \$202,575.

The Liquor Store showed an operating income of \$205,137.

General Fund Budgetary Highlights

Results of the 2024 fiscal year looked favorable against the final budget because of transfers. The fund balance increased by \$98,525. Revenues exceeded budget by \$210,862. Various factors attributed to this increase. Expenditures were also over budget by \$581,254 in large part due to engineering fees for several City projects. Once the General Fund budget has been adopted, the City might amend it for known changes in circumstances such as legislative funding. During fiscal year 2024, the City did not revise its original budget.

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$66,284,236 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, and bridges.

Major capital asset events during the current fiscal year included the following:

- The 2022 Street project in the amount of \$157,801.
- The 2023-2024 Utility project in the amount of \$3,652,133.
- The 2023-2024 Street project in the amount of \$2,180,582.

				Capital Assets (net of depreciation)		
				Governmental	Business-type	
				<u>Activities – 2024</u>	<u>Activities – 2024</u>	<u>Total – 2024</u>
Land				\$ 1,193,757	\$ 916,400	\$ 2,110,157
Buildings and Systems				2,553,256	803,402	3,356,658
Improvements	Other	Than		2,274,800	18,721,823	20,996,623
Buildings						
Machinery and Equipment				487,519	158,624	646,143
Automotive Equipment				552,748	99,639	652,387
Infrastructure				<u>16,777,385</u>	<u>21,744,883</u>	<u>38,522,268</u>
Total				<u>\$23,839,465</u>	<u>\$42,444,771</u>	<u>\$66,284,236</u>

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$31,873,788. Of this amount, \$1,106,000 is general obligation bonds. The remainder of the City's debt represents bonds secured by special assessments and specified revenue sources (i.e., revenue bonds).

Outstanding Debt
General Obligation and Revenue Bonds

	<u>2024</u>
General Obligation Bonds	\$ 1,106,000
General Obligation Revenue Bonds and Capital Notes	2,345,000
General Obligation Special Assessment Bonds	9,680,000
General Obligation Revenue Bonds	18,722,932
Capital Leases-Governmental Type	<u>19,856</u>
 Total	 <u>\$ 31,873,788</u>

The City's total bonded debt increased \$829,786 (3 percent) during the current fiscal year. The key factor was the issuance of PFA Bonds for Water and Sewer projects.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Pipestone, 119 2nd Ave SW, Pipestone MN 56164.

Sincerely,


Deb Nelson
City Administrator


Jodie Jensen
City Treasurer

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City of Pipestone, Minnesota
Statement of Net Position
2024

Primary Government

	Governmental Activities	Business-type Activities	Totals	
			2024	2023
ASSETS				
Cash	7,122,842	1,043,563	8,166,405	7,486,943
Accounts Receivable	249,212	431,696	680,908	538,843
Interest Receivable	13,559	11,447	25,006	33,561
Loan Receivable	262,423	-	262,423	420,431
Taxes Receivable	123,539	-	123,539	156,789
Special Assessments Receivable	2,592,800	386,488	2,979,288	3,049,580
Due From Other Funds	442,992	1,407,433	1,850,425	3,314,802
Inventories	55,026	385,918	440,944	455,023
Prepaid Items	-	20,808	20,808	15,237
Pension asset	265,098	-	265,098	157,359
Capital Assets Not Being Depreciated				
Land	1,193,757	916,400	2,110,157	1,995,157
Construction in Progress	-	-	-	1,620,737
Capital Assets Being Depreciated-Net				
Buildings	2,553,256	803,402	3,356,658	3,427,120
Improvements	19,052,185	21,744,883	40,797,068	34,470,650
Equipment	487,519	158,624	646,143	652,482
Vehicles	552,748	99,639	652,387	842,216
Sewer Lagoon & Pump Station	-	4,508,119	4,508,119	4,598,909
Water Treatment Plant	-	14,213,704	14,213,704	14,529,565
TOTAL ASSETS	34,966,956	46,132,124	81,099,080	77,765,404
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension resources	139,463	45,385	184,848	367,980
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 35,106,419	\$ 46,177,509	\$ 81,283,928	\$ 78,133,384
LIABILITIES				
Interest Payable	186,845	191,386	378,231	298,626
Accounts Payable	488,541	207,446	695,987	634,208
Customer Deposits	-	18,643	18,643	20,597
Unearned Revenue	200,174	386,488	586,662	468,074
Salaries Payable	148,181	59,735	207,916	172,900
Due to Other Funds	442,992	1,407,433	1,850,425	3,314,802
Noncurrent Liabilities				
Due within one year	1,092,194	1,243,780	2,335,974	2,332,190
Due in more than year	12,058,662	17,479,152	29,537,814	28,711,812
Net Pension Liability	524,274	235,544	759,818	1,163,093
TOTAL LIABILITIES	15,141,863	21,229,607	36,371,470	37,116,302
DEFERRED INFLOWS OF RESOURCES				
Deferred pension resources	523,584	164,613	688,197	509,695
NET POSITION				
Net Investment in Capital Assets	10,688,609	23,721,839	34,410,448	31,092,834
Restricted for Debt Service & Cap Projects	2,056,465	-	2,056,465	3,358,094
Restricted for Enterprise Funds	-	248,497	248,497	179,954
Restricted for Special Revenue	4,111,906	-	4,111,906	4,029,974
Unrestricted	2,583,992	812,953	3,396,945	1,846,531
TOTAL NET POSITION	19,440,972	24,783,289	44,224,261	40,507,387
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 35,106,419	\$ 46,177,509	\$ 81,283,928	\$ 78,133,384

City of Pipestone, Minnesota
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General Government	2,489,526	331,075	-	-
Public Safety	1,556,986	17,593	22,868	-
Public Works	1,067,196	606,670	-	-
Culture & Recreation	1,102,167	370,856	-	-
Economic Development	418,740	3,286	-	-
Interest on Long Term Debt	512,164	-	-	-
Total Governmental Activities	7,146,779	1,329,480	22,868	-
Business-type				
Garbage	364,137	569,056	-	-
Liquor	1,783,650	1,988,787	-	-
Sewer	1,674,215	1,432,198	-	-
Water	1,989,948	1,838,393	-	-
Total Business-type Activities	5,811,950	5,828,434	-	-
Internal Service				
Data Processing	85,025	64,600	-	-
Total Internal Service	85,025	64,600	-	-
Total Primary Government	\$13,043,754	\$ 7,222,514	\$ 22,868	-

Taxes
Tax Increments
Hotel/Motel Taxes
Franchise Taxes
Licenses & Permits
Intergovernmental
Interest
Gain(Loss) on Sale of Capital Assets
Transfers
Total General Revenues

Change in Net Position

Net Position-January 1

Net Position - December 31

See accompanying notes to the financial statements.

Net(Expense) Revenue and
Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Totals	
		2024	2023
(2,158,451)	-	(2,158,451)	(38,480)
(1,516,525)	-	(1,516,525)	(1,316,676)
(460,526)	-	(460,526)	(1,687,617)
(731,311)	-	(731,311)	(640,508)
(415,454)	-	(415,454)	(557,139)
(512,164)	-	(512,164)	(475,267)
(5,794,431)	-	(5,794,431)	(4,715,687)
-	204,919	204,919	121,104
-	205,137	205,137	232,360
-	(242,017)	(242,017)	(310,675)
-	(151,555)	(151,555)	(181,421)
-	16,484	16,484	(138,632)
-	(20,425)	(20,425)	(12,253)
-	(20,425)	(20,425)	(12,253)
(5,794,431)	(3,941)	(5,798,372)	(4,866,572)
2,692,809	-	2,692,809	2,551,733
23,372	-	23,372	19,833
35,812	-	35,812	35,735
41,261	-	41,261	47,200
122,118	-	122,118	79,708
3,715,456	2,366,505	6,081,961	3,606,898
122,623	84,398	207,021	78,013
309,312	-	309,312	9,188
291,241	(289,661)	1,580	1,070
7,354,004	2,161,242	9,515,246	6,429,378
1,559,573	2,157,301	3,716,874	1,562,806
17,881,399	22,625,988	40,507,387	38,944,581
<u>\$ 19,440,972</u>	<u>\$ 24,783,289</u>	<u>\$44,224,261</u>	<u>\$ 40,507,387</u>

City of Pipestone, Minnesota
Balance Sheet
Governmental Funds
December 31, 2024

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Recreation Fund</u>	<u>Street Fund</u>
ASSETS				
Cash	1,177,370	70,346	599,734	515,279
Accounts Receivable	745	220,441	728	7,991
Interest Receivable	4,088	-	-	-
Notes Receivable	257,944	-	-	-
Taxes Receivable	48,296	-	7,599	10,970
Special Assessments Receivable	49,525	-	16,525	156
Due from Other Fund	313,842	-	-	-
Inventory	-	27,202	-	-
TOTAL ASSETS	<u><u>1,851,810</u></u>	<u><u>317,989</u></u>	<u><u>624,586</u></u>	<u><u>534,396</u></u>
LIABILITIES				
Accounts Payable	238,528	15,600	67,362	21,745
Due to Other Funds	-	-	-	-
TOTAL LIABILITIES	<u><u>238,528</u></u>	<u><u>15,600</u></u>	<u><u>67,362</u></u>	<u><u>21,745</u></u>
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue - Grant	200,174	-	-	-
Unearned Revenue - Taxes	40,980	-	6,524	9,410
Unearned Revenue - Special Assess	49,525	-	16,525	156
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>290,679</u></u>	<u><u>-</u></u>	<u><u>23,049</u></u>	<u><u>9,566</u></u>
FUND BALANCE				
Fund Balance - Nonspendable	-	27,202	-	-
Fund Balance - Restricted	-	-	-	-
Fund Balance - Committed	-	275,187	534,175	503,085
Fund Balance - Unassigned	1,322,603	-	-	-
TOTAL FUND BALANCE	<u><u>1,322,603</u></u>	<u><u>302,389</u></u>	<u><u>534,175</u></u>	<u><u>503,085</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 1,851,810</u></u>	<u><u>\$ 317,989</u></u>	<u><u>\$ 624,586</u></u>	<u><u>\$ 534,396</u></u>

See accompanying notes to the financial statements.

Economic Development Fund	Debt Service Funds	Capital Project Funds	Other Governmental Funds	Total Governmental Funds	
				2024	2023
366,339	1,989,979	10,378	2,393,417	7,122,842	6,757,608
-	-	-	19,307	249,212	67,992
238	-	-	9,233	13,559	15,428
4,479	-	-	-	262,423	420,431
-	56,674	-	-	123,539	156,789
-	2,526,594	-	-	2,592,800	2,817,490
-	-	129,150	-	442,992	1,896,471
-	-	-	27,824	55,026	68,409
<u>371,056</u>	<u>4,573,247</u>	<u>\$ 139,528</u>	<u>2,449,781</u>	<u>10,862,393</u>	<u>12,200,618</u>
16,583	25,218	71,508	31,997	488,541	437,624
-	313,842	129,150	-	442,992	127,366
<u>16,583</u>	<u>339,060</u>	<u>200,658</u>	<u>31,997</u>	<u>931,533</u>	<u>564,990</u>
-	-	-	-	200,174	235,984
-	47,908	-	-	104,822	111,334
-	2,526,594	-	-	2,592,800	2,817,490
-	2,574,502	-	-	2,897,796	3,164,808
4,479	-	-	27,824	59,505	78,465
-	1,988,445	68,020	-	2,056,465	3,358,094
349,994	-	-	2,389,960	4,052,401	3,951,509
-	(328,760)	(129,150)	-	864,693	1,082,752
<u>354,473</u>	<u>1,659,685</u>	<u>(61,130)</u>	<u>2,417,784</u>	<u>7,033,064</u>	<u>8,470,820</u>
<u>\$ 371,056</u>	<u>\$ 4,573,247</u>	<u>\$ 139,528</u>	<u>\$ 2,449,781</u>	<u>\$ 10,862,393</u>	<u>\$ 12,200,618</u>

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City of Pipestone, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2024

	2024 Primary <u>Government</u>	2023 Primary <u>Government</u>
Total fund balances – governmental funds	\$7,033,064	\$8,470,820
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	23,839,465	22,029,888
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Severance payable	(148,181)	(119,917)
Bonds payable	(13,150,856)	(14,464,886)
Interest Payable	(186,845)	(200,881)
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.		
Delinquent property taxes receivable	104,822	111,334
Special assessments receivable	2,592,800	2,817,490
Long-term Assets from pensions are not financial Resources and not reported in the funds	265,098	157,359
Net pension liability is not due and payable in the current period from current financial resources, and therefore are not reported in the funds	(524,274)	(802,528)
Pension related deferred outflows are not due and payable in the current period from current financial resources, and therefore are not reported in the funds	38,444 101,019	212,711 59,704
Pension related deferred inflows are not due and payable in the current from current financial resources, the therefore are not reported in the funds	(157,188) <u>(366,396)</u>	(267,097) <u>(122,598)</u>
Total net position – governmental activities	<u>\$19,440,972</u>	<u>\$ 17,881,399</u>

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Governmental Funds
For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Airport Fund</u>	<u>Recreation Fund</u>	<u>Street Fund</u>
REVENUES				
Property Taxes	1,051,457	-	149,134	213,855
Tax Increments	-	-	-	-
Lodging Taxes	35,812	-	-	-
Franchise Taxes	-	-	-	-
Special Assessments	-	-	-	-
Licenses & Permits	122,118	-	-	-
Federal Aid	-	481,787	-	-
State Aid	1,814,598	148,128	540,556	598,036
County & School Appropriation	47,010	-	-	70,661
Charges for Services/Penalties	17,593	54,008	335,152	35,359
Interest	23,073	4,681	12,166	5,300
Fines & Forfeits	22,868	-	-	-
Rent	36,943	101,448	-	-
Miscellaneous/Donations	43,525	-	35,704	6,963
	<u>3,214,997</u>	<u>790,052</u>	<u>1,072,712</u>	<u>930,174</u>
EXPENDITURES				
Current:				
General Government/Misc/Active Living	1,418,978	327,940	-	-
Public Safety	1,456,277	-	-	-
Public Works	-	-	-	663,885
Culture & Recreation	-	-	957,736	-
Economic Development/Senior Center	348,053	-	-	-
Debt service:				
Principal	158,225	-	5,805	-
Interest & Fiscal Charges	3,046	-	1,720	-
Capital outlay:				
General Government	115,000	305,833	-	-
Culture & Recreation	-	-	163,492	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
	<u>3,499,579</u>	<u>633,773</u>	<u>1,128,753</u>	<u>663,885</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(284,582)</u>	<u>156,279</u>	<u>(56,041)</u>	<u>266,289</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	475,249	-	-	-
Bond Proceeds/Premium	-	-	-	-
Sale of Assets	69,227	-	-	2,153
Operating Transfers Out	<u>(161,369)</u>	<u>(109,363)</u>	<u>(177,942)</u>	<u>(90,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>383,107</u>	<u>(109,363)</u>	<u>(177,942)</u>	<u>(87,847)</u>
NET CHANGE IN FUND BALANCE	98,525	46,916	(233,983)	178,442
FUND BALANCE, JANUARY 1	<u>1,224,078</u>	<u>255,473</u>	<u>768,158</u>	<u>324,643</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 1,322,603</u></u>	<u><u>\$ 302,389</u></u>	<u><u>\$ 534,175</u></u>	<u><u>\$ 503,085</u></u>

See accompanying notes to the financial statements.

Economic Development Fund	Debt Service Funds	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds	
				2024	2023
-	1,278,363	-	-	2,692,809	2,551,733
-	23,372	-	-	23,372	19,833
-	-	-	-	35,812	35,735
-	-	-	41,261	41,261	47,200
-	309,620	-	-	309,620	333,090
-	-	-	-	122,118	79,708
-	-	-	-	481,787	272,118
-	-	-	10,000	3,111,318	2,693,354
-	-	-	4,680	122,351	63,979
-	-	-	254,678	696,790	761,337
701	17,484	-	59,218	122,623	50,585
-	-	-	-	22,868	20,923
2,057	-	-	86,482	226,930	202,762
1,229	-	-	8,719	96,140	465,889
<u>3,987</u>	<u>1,628,839</u>	<u>-</u>	<u>465,038</u>	<u>8,105,799</u>	<u>7,598,246</u>
-	-	-	140,427	1,887,345	1,460,844
-	-	-	-	1,456,277	1,215,591
-	-	566,792	53,987	1,284,664	1,450,422
-	-	-	12,043	969,779	1,012,888
70,687	-	-	-	418,740	593,051
-	1,150,000	-	-	1,314,030	1,114,700
-	507,398	-	-	512,164	475,267
-	-	-	844,822	1,265,655	377,494
-	-	-	-	163,492	150,995
-	-	-	-	-	10,000
-	-	871,462	500	871,962	1,209,239
<u>70,687</u>	<u>1,657,398</u>	<u>1,438,254</u>	<u>1,051,779</u>	<u>10,144,108</u>	<u>9,070,491</u>
<u>(66,700)</u>	<u>(28,559)</u>	<u>(1,438,254)</u>	<u>(586,741)</u>	<u>(2,038,309)</u>	<u>(1,472,245)</u>
24,000	204,055	230,474	933,984	1,867,762	736,991
-	-	-	-	-	3,022,303
237,932	-	-	-	309,312	9,188
-	(585,929)	-	(451,918)	(1,576,521)	(532,601)
<u>261,932</u>	<u>(381,874)</u>	<u>230,474</u>	<u>482,066</u>	<u>600,553</u>	<u>3,235,881</u>
195,232	(410,433)	(1,207,780)	(104,675)	(1,437,756)	1,763,636
159,241	2,070,118	1,146,650	2,522,459	8,470,820	6,707,184
<u>\$ 354,473</u>	<u>\$ 1,659,685</u>	<u>(\$ 61,130)</u>	<u>\$ 2,417,784</u>	<u>\$ 7,033,064</u>	<u>\$ 8,470,820</u>

City of Pipestone, Minnesota
 Reconciliation of the Statement of
 Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds
 to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2024

	<u>2024 Primary Government</u>	<u>2023 Primary Government</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances – governmental funds	(1,437,756)	1,763,636
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense:		
Capital outlay	3,718,235	2,357,852
Disposal of Assets	---	(44,465)
Depreciation expense	(1,908,658)	(1,805,608)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal repayments	1,314,030	1,114,700
Debt issued or incurred	---	(2,810,000)
Certain revenues are recognized as soon as it is earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.		
Special assessments	(6,512)	28,435
Taxes	(224,690)	753,944
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(28,264)	(7,287)
Interest Payable	14,036	(38,198)
Long term pension activity is not reported in governmental funds		
Pension expense – City	67,263	(47,017)
Pension expense – Fire	<u>51,889</u>	<u>46,144</u>
Change in net position – governmental activities	<u>\$ 1,559,573</u>	<u>\$ 1,312,136</u>

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	1,042,283	1,042,283	1,051,457	9,174
Lodging Taxes	31,000	31,000	35,812	4,812
Licenses & Permits	53,980	53,980	122,118	68,138
State Aid	1,766,241	1,766,241	1,814,598	48,357
County and School Appropriation	37,000	37,000	47,010	10,010
Charges for Services	33,750	33,750	17,593	(16,157)
Interest	600	600	23,073	22,473
Fines & Forfeits	20,000	20,000	22,868	2,868
Rent	15,500	15,500	36,943	21,443
Miscellaneous	3,781	3,781	43,525	39,744
TOTAL REVENUES	<u>3,004,135</u>	<u>3,004,135</u>	<u>3,214,997</u>	<u>210,862</u>
EXPENDITURES				
Current:				
General Government/Miscellaneous	1,078,367	1,078,367	1,418,978	(340,611)
Public Safety	1,332,457	1,332,457	1,456,277	(123,820)
Economic Development/Senior Center/Library	424,245	424,245	348,053	76,192
	<u>2,835,069</u>	<u>2,835,069</u>	<u>3,223,308</u>	<u>(388,239)</u>
Debt Service:				
Principal	77,604	77,604	158,225	(80,621)
Interest & Fiscal Charges	5,652	5,652	3,046	2,606
	<u>83,256</u>	<u>83,256</u>	<u>161,271</u>	<u>(78,015)</u>
Capital Outlay:				
General Government/Miscellaneous	-	-	115,000	(115,000)
	<u>-</u>	<u>-</u>	<u>115,000</u>	<u>(115,000)</u>
TOTAL EXPENDITURES	<u>2,918,325</u>	<u>2,918,325</u>	<u>3,499,579</u>	<u>(581,254)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	85,810	85,810	(284,582)	(370,392)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	69,227	69,227
Operating Transfer In	-	-	475,249	475,249
Operating Transfer Out	(85,810)	(85,810)	(161,369)	(75,559)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(85,810)</u>	<u>(85,810)</u>	<u>383,107</u>	<u>468,917</u>
NET CHANGES IN FUND BALANCE				
	<u>-0-</u>	<u>-0-</u>	98,525	<u>98,525</u>
FUND BALANCE, JANUARY 1			1,224,078	
FUND BALANCE, DECEMBER 31			<u>\$ 1,322,603</u>	

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Airport Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Federal Grant	-	-	481,787	481,787
State Aid	115,000	115,000	148,128	33,128
Interest	-	-	4,681	4,681
Charges for Services	50,000	50,000	54,008	4,008
Rent	<u>97,800</u>	<u>97,800</u>	<u>101,448</u>	<u>3,648</u>
TOTAL REVENUES	<u>262,800</u>	<u>262,800</u>	<u>790,052</u>	<u>527,252</u>
EXPENDITURES				
Current:				
General Government	162,704	162,704	327,940	(165,236)
	<u>162,704</u>	<u>162,704</u>	<u>327,940</u>	<u>(165,236)</u>
Capital Outlay:				
General Government	136,550	136,550	305,833	(169,283)
	<u>136,550</u>	<u>136,550</u>	<u>305,833</u>	<u>(169,283)</u>
TOTAL EXPENDITURES	<u>299,254</u>	<u>299,254</u>	<u>633,773</u>	<u>(334,519)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(36,454)	(36,454)	156,279	192,733
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	(109,363)	(109,363)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(109,363)</u>	<u>(109,363)</u>
NET CHANGES IN FUND BALANCE	<u>(36,454)</u>	<u>(36,454)</u>	46,916	<u>83,370</u>
FUND BALANCE, JANUARY 1			<u>255,473</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 302,389</u>	

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Recreation Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	146,292	146,292	149,134	2,842
State Aid	540,556	540,556	540,556	-
Local Aid	20,000	20,000	-	(20,000)
Interest	-	-	12,166	12,166
Charges for Services	243,200	243,200	335,152	91,952
Miscellaneous	6,000	6,000	35,704	29,704
TOTAL REVENUES	<u>956,048</u>	<u>956,048</u>	<u>1,072,712</u>	<u>116,664</u>
EXPENDITURES				
Current:				
Culture & Recreation	926,623	926,623	957,736	(31,113)
	<u>926,623</u>	<u>926,623</u>	<u>957,736</u>	<u>(31,113)</u>
Capital Outlay:				
Culture and Recreation	-	-	163,492	(163,492)
	<u>-</u>	<u>-</u>	<u>163,492</u>	<u>(163,492)</u>
Debt Service				
Culture and Recreation	7,525	7,525	7,525	-
	<u>7,525</u>	<u>7,525</u>	<u>7,525</u>	<u>-</u>
TOTAL EXPENDITURES	<u>934,148</u>	<u>934,148</u>	<u>1,128,753</u>	<u>(194,605)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,900	21,900	(56,041)	(77,941)
OTHER FINANCING SOURCES (USES)				
Operating Transfer Out	(71,900)	(71,900)	(177,942)	(106,042)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(71,900)</u>	<u>(71,900)</u>	<u>(177,942)</u>	<u>(106,042)</u>
NET CHANGES IN FUND BALANCE	<u>(50,000)</u>	<u>(50,000)</u>	(233,983)	<u>(183,983)</u>
FUND BALANCE, JANUARY 1			<u>768,158</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 534,175</u>	

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Street Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	210,702	210,702	213,855	3,153
State Aid	544,612	544,612	598,036	53,424
County Appropriation	22,110	22,110	70,661	48,551
Charges for Services	25,200	25,200	35,359	10,159
Interest	-	-	5,300	5,300
Miscellaneous	-	-	6,963	6,963
TOTAL REVENUES	802,624	802,624	930,174	127,550
EXPENDITURES				
Current:				
Public Works	712,624	712,624	663,885	48,739
	712,624	712,624	663,885	48,739
TOTAL EXPENDITURES	712,624	712,624	663,885	48,739
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	90,000	90,000	266,289	176,289
OTHER FINANCING SOURCES (USES)				
Sale of Property	-	-	2,153	2,153
Operating Transfer Out	(90,000)	(90,000)	(90,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(90,000)	(90,000)	(87,847)	2,153
NET CHANGES IN FUND BALANCE	-0-	-0-	178,442	178,442
FUND BALANCE, JANUARY 1			324,643	
FUND BALANCE, DECEMBER 31			\$ 503,085	

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Economic Development Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	220	220	1,229	1,009
Rent	1,540	1,540	2,057	517
Interest	400	400	701	301
TOTAL REVENUES	2,160	2,160	3,987	1,827
EXPENDITURES				
Current:				
Economic Development	26,160	26,160	70,687	(44,527)
	26,160	26,160	70,687	(44,527)
TOTAL EXPENDITURES	26,160	26,160	70,687	(44,527)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,000)	(24,000)	(66,700)	(42,700)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	237,932	237,932
Transfer In	24,000	24,000	24,000	-
TOTAL OTHER FINANCING SOURCES (USES)	24,000	24,000	261,932	237,932
NET CHANGES IN FUND BALANCE	-0-	-0-	195,232	195,232
FUND BALANCE, JANUARY 1			159,241	
FUND BALANCE, DECEMBER 31			\$ 354,473	

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024
Business Activities - Enterprise Funds

	Water Fund	Sewer Fund	Garbage Fund	Liquor Fund
ASSETS				
CURRENT ASSETS				
Cash	-	-	294,869	500,197
Restricted Cash	248,497	-	-	-
Accounts Receivable	125,993	255,646	50,057	-
Interest Receivable	-	-	815	10,632
Special Assessments Receivable	13,317	366,304	6,867	-
Due From Other Funds	-	-	509,331	898,102
Prepaid Items	8,567	4,916	3,855	2,974
Inventory	115,644	22,223	-	248,051
TOTAL CURRENT ASSETS	512,018	649,089	865,794	1,659,956
NONCURRENT ASSETS				
Land	25,000	884,900	4,000	2,500
Buildings	167,724	1,531,927	54,864	202,397
Improvements	17,117,119	13,456,613	-	68,950
Equipment	214,779	272,754	153,580	141,517
Vehicles	107,194	475,289	397,661	-
Water Treatment Plant	15,793,005	-	-	-
Sewer Lagoon & Pump Station	-	6,627,659	-	-
Less Accumulated Depreciation	(6,676,475)	(7,767,181)	(503,627)	(307,908)
TOTAL NON CURRENT ASSETS	26,748,346	15,481,961	106,478	107,456
TOTAL ASSETS	27,260,364	16,131,050	972,272	1,767,412
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Resources	11,346	13,616	11,346	9,077
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	51,760	33,076	25,471	94,674
Deposits Payable	18,643	-	-	-
Due to Other Fund	486,920	898,102	-	-
Interest Payable	70,947	120,439	-	-
Salaries Payable	17,916	30,236	187	11,396
Bonds Payable-Current Portion	545,280	698,500	-	-
TOTAL LIABILITIES	1,191,466	1,780,353	25,658	106,070
NONCURRENT LIABILITIES				
Unearned Revenue - Special Assessments	13,317	366,304	6,867	-
Pension Liability	58,886	70,663	58,886	47,109
Bonds Payable-Future Portion	9,967,191	7,511,961	-	-
TOTAL NON CURRENT LIABILITIES	10,039,394	7,948,928	65,753	47,109
TOTAL LIABILITIES	11,230,860	9,729,281	91,411	153,179
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Resources	41,153	49,384	41,153	32,923
NET POSITION				
Net Investment in Capital Assets	16,235,875	7,271,500	106,478	107,456
Restricted	248,497	-	-	-
Unrestricted	(484,675)	(905,499)	744,576	1,482,931
TOTAL NET POSITION	\$15,999,697	\$6,366,001	\$851,054	\$1,590,387

See accompanying notes to the financial statements.

Total Proprietary 2024	Total Proprietary 2023	2024 Internal Service	2023 Internal Service
795,066	540,163	-	9,218
248,497	179,954	-	-
431,696	470,851	-	-
11,447	18,133	-	-
386,488	232,090	-	-
1,407,433	1,418,331	-	-
20,312	14,764	496	473
385,918	386,614	-	-
<u>3,686,857</u>	<u>3,260,900</u>	<u>496</u>	<u>9,691</u>
916,400	916,400	-	-
1,956,912	1,956,912	-	-
30,642,682	26,990,549	-	-
782,630	782,630	104,493	104,493
980,144	980,144	-	-
15,793,005	15,793,005	-	-
6,627,659	6,627,659	-	-
(15,255,191)	(13,947,235)	(103,963)	(97,609)
<u>42,444,241</u>	<u>40,100,064</u>	<u>530</u>	<u>6,884</u>
<u>46,131,098</u>	<u>43,360,964</u>	<u>1,026</u>	<u>16,575</u>
<u>45,385</u>	<u>95,565</u>	<u>-</u>	<u>-</u>
204,981	196,584	2,465	-
18,643	20,597	-	-
1,385,022	3,187,436	22,411	-
191,386	97,745	-	-
59,735	52,983	-	-
1,243,780	1,098,780	-	-
<u>3,103,547</u>	<u>4,654,125</u>	<u>24,876</u>	<u>-</u>
386,488	232,090	-	-
235,544	360,565	-	-
<u>17,479,152</u>	<u>15,480,336</u>	<u>-</u>	<u>-</u>
18,101,184	16,072,991	-	-
<u>21,204,731</u>	<u>20,727,116</u>	<u>24,876</u>	<u>-</u>
<u>164,613</u>	<u>120,000</u>	<u>-</u>	<u>-</u>
23,721,309	23,520,948	530	6,884
248,497	179,954	-	-
837,333	(1,091,489)	(24,380)	9,691
<u>\$24,807,139</u>	<u>\$22,609,413</u>	<u>(\$23,850)</u>	<u>\$16,575</u>

City of Pipestone, Minnesota
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

Business-type Activities - Enterprise Funds

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage Fund</u>	<u>Liquor Fund</u>
OPERATING REVENUES				
Charges for Services	1,830,757	1,379,085	566,712	1,988,787
TOTAL OPERATING REVENUES	<u>1,830,757</u>	<u>1,379,085</u>	<u>566,712</u>	<u>1,988,787</u>
OPERATING EXPENSES				
Personal Services	254,954	289,685	152,384	217,087
Resale Merchandise	-	-	-	1,422,969
Supplies & Maintenance	542,811	357,745	52,630	20,304
Professional Services	73,801	36,227	14,437	28,367
Communication	10,998	9,253	3,711	3,932
Contracted Repairs & Maint	8,965	174,544	-	45,937
Transportation	2,068	1,251	149	621
Printing & Publishing	1,982	152	3,218	-
Insurance	37,264	13,072	6,028	6,063
Utility Services	112,071	90,654	11,525	19,391
Landfill Tipping Fees	-	-	86,462	-
Miscellaneous	11,960	6,576	269	2,337
Depreciation	770,621	487,369	33,324	16,642
TOTAL OPERATING EXPENSES	<u>1,827,495</u>	<u>1,466,528</u>	<u>364,137</u>	<u>1,783,650</u>
OPERATING INCOME (LOSS)	3,262	(87,443)	202,575	205,137
NONOPERATING REVENUES (EXPENSES)				
Special Assessments	7,636	53,113	2,344	-
Investment Earnings	173	-	27,237	56,988
Grant Revenue	2,209,878	156,627	-	-
Interest & Fiscal Agent Fees	(162,453)	(207,687)	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,055,234</u>	<u>2,053</u>	<u>29,581</u>	<u>56,988</u>
INCOME (LOSS) BEFORE TRANSFERS	2,058,496	(85,390)	232,156	262,125
TRANSFERS IN	163,499	13,940	-	-
TRANSFERS OUT	<u>(79,000)</u>	<u>(68,500)</u>	<u>(243,600)</u>	<u>(56,000)</u>
CHANGE IN NET POSITION	2,142,995	(139,950)	(11,444)	206,125
NET POSITION, JANUARY 1	<u>13,856,702</u>	<u>6,505,951</u>	<u>862,498</u>	<u>1,384,262</u>
NET POSITION, DECEMBER 31	<u>\$ 15,999,697</u>	<u>\$ 6,366,001</u>	<u>\$ 851,054</u>	<u>\$ 1,590,387</u>

See accompanying notes to the financial statements.

Total Proprietary 2024	Total Proprietary 2023	Internal Service 2024	Internal Service 2023
5,765,341	5,475,356	64,600	39,700
<u>5,765,341</u>	<u>5,475,356</u>	<u>64,600</u>	<u>39,700</u>
914,110	918,238	-	-
1,422,969	1,462,588	-	-
973,490	848,238	8,877	13,449
152,832	84,866	-	-
27,894	27,089	-	-
229,446	317,546	66,790	29,282
4,089	3,561	-	-
5,352	10,326	-	-
62,427	56,076	3,004	2,868
233,641	231,639	-	-
86,462	85,985	-	-
21,142	31,898	-	-
1,307,956	1,322,532	6,354	6,354
<u>5,441,810</u>	<u>5,400,582</u>	<u>85,025</u>	<u>51,953</u>
323,531	74,774	(20,425)	(12,253)
63,093	37,437	-	-
84,398	27,428	-	-
2,366,505	577,447	-	-
<u>(370,140)</u>	<u>(250,843)</u>	<u>-</u>	<u>-</u>
<u>2,143,856</u>	<u>391,469</u>	<u>-</u>	<u>-</u>
2,467,387	466,243	(20,425)	(12,253)
177,439	217,180	-	-
<u>(447,100)</u>	<u>(415,500)</u>	<u>(20,000)</u>	<u>(5,000)</u>
2,197,726	267,923	(40,425)	(17,253)
<u>22,609,413</u>	<u>22,341,490</u>	<u>16,575</u>	<u>33,828</u>
<u>\$ 24,807,139</u>	<u>\$ 22,609,413</u>	<u>(\$ 23,850)</u>	<u>\$ 16,575</u>

City of Pipestone, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Water Fund	Sewer Fund	Garbage Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Payments to suppliers	(778,180)	(620,324)	(167,894)
Cash Receipts from customers	1,821,488	1,426,315	567,906
Cash From interfund services provided	-	-	-
Other Payments	-	-	-
Other Receipts	-	-	-
Payments to employees	(257,862)	(282,763)	(152,938)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	785,446	523,228	247,074
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other Funds	(79,000)	(68,500)	(243,600)
Transfers in from other Funds	163,499	13,940	-
NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	84,499	(54,560)	(243,600)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Grants Received	2,209,878	156,627	-
Increase (Decrease) in Pension Liability	(7,557)	(9,069)	(7,557)
Interest Paid on Long-Term Debt	(162,453)	(207,687)	-
Principal Paid on Long-Term Debt	(558,215)	(610,165)	-
Proceeds from Issuance of Bonds	575,426	2,736,770	-
Sale of Fixed Assets	-	-	-
Purchase of Capital Assets	(1,934,879)	(1,717,254)	-
Special Assessments	7,636	53,113	2,344
(Increase) Decrease in Due From Other Fund	-	-	(91,000)
Increase (Decrease) in Due to Other Fund	(931,411)	(871,003)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(801,575)	(468,668)	(96,213)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Investments	173	-	27,237
NET CASH PROVIDED BY INVESTING ACTIVITIES	173	-	27,237
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	68,543	-	(65,502)
CASH AND CASH EQUIVALENTS -JANUARY 1	179,954	-	360,371
CASH AND CASH EQUIVALENTS-DECEMBER 31	\$ 248,497	-0-	\$ 294,869
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 3,262	\$ (87,443)	\$ 202,575
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	770,621	487,369	33,324
Accounts Payable-Other	13,515	78,172	-
Accounts Payable-Supplier	(3,391)	(9,797)	6,256
Compensated Absences	(2,909)	6,922	(554)
Customer Receivables	(9,268)	47,230	1,194
Inventory	16,091	2,047	-
Other operating receivables	(2,475)	(1,272)	4,279
Net Cash provided (used) by operating activities	\$ 785,446	\$ 523,228	\$ 247,074
Supplemental Information : Interest Paid	162,453	207,687	-

See accompanying notes to the financial statements.

Liquor Fund	Proprietary 2024	Proprietary 2023	Internal Service 2024	Internal Service 2023
(1,551,429)	(3,117,827)	(3,106,881)	(76,229)	(46,667)
1,988,787	5,804,496	5,946,352	-	-
-	-	-	64,600	39,700
-	-	-	-	-
-	-	-	-	-
(213,794)	(907,357)	(914,249)	-	-
<u>223,564</u>	<u>1,779,312</u>	<u>1,925,222</u>	<u>(11,629)</u>	<u>(6,967)</u>
(56,000)	(447,100)	(415,500)	(20,000)	(5,000)
-	177,439	217,180	-	-
<u>(56,000)</u>	<u>(269,661)</u>	<u>(198,320)</u>	<u>(20,000)</u>	<u>(5,000)</u>
-	2,366,505	577,447	-	-
(6,045)	(30,228)	21,135	-	-
-	(370,140)	(250,843)	-	-
-	(1,168,380)	(1,126,246)	-	-
-	3,312,196	917,257	-	-
-	-	-	-	-
-	(3,652,133)	(1,869,171)	-	-
-	63,093	37,437	-	-
101,898	10,898	102,956	22,411	-
-	(1,802,414)	203,056	-	-
<u>95,853</u>	<u>(1,270,603)</u>	<u>(1,386,972)</u>	<u>22,411</u>	<u>-</u>
56,988	84,398	27,428	-	-
<u>56,988</u>	<u>84,398</u>	<u>27,428</u>	<u>-</u>	<u>-</u>
320,405	323,446	367,358	(9,218)	(11,967)
179,792	720,117	352,759	9,218	21,185
<u>\$ 500,197</u>	<u>\$ 1,043,563</u>	<u>720,117</u>	<u>-</u>	<u>9,218</u>
\$ 205,137	\$ 323,531	\$ 74,774	\$ (20,425)	(12,253)
16,642	1,307,956	1,322,532	6,354	6,354
-	91,687	574	(23)	(23)
15,328	8,396	97,815	2,465	(1,045)
3,293	6,752	3,989	-	-
-	39,156	470,996	-	-
(17,442)	696	(27,279)	-	-
606	1,138	(18,179)	-	-
<u>\$ 223,564</u>	<u>\$ 1,779,312</u>	<u>\$ 1,925,222</u>	<u>(\$ 11,629)</u>	<u>(\$ 6,967)</u>
-	370,140	250,843	-	-

City of Pipestone
City of Pipestone, Minnesota
Statement of Net Position
Fiduciary Funds
December 31, 2024

	Investment Trust Funds	
	2024	2023
ASSETS		
Receivables		
Interest Receivable	\$ 2,032	\$ 591
Total	2,032	591
Investments, at fair value:		
Cash	173,492	172,343
Total Investments	173,492	172,343
Total assets	\$ 175,524	\$ 172,934
LIABILITIES		
Total Liabilities	-	-
NET POSITION		
Held in trust for pension benefits and other purposes	175,524	172,934
TOTAL NET POSITION AND LIABILITIES	\$ 175,524	\$ 172,934

See accompanying notes to the financial statements.

City of Pipestone, Minnesota
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	<u>Investment Trust Funds</u>	
	<u>2024</u>	<u>2023</u>
ADDITIONS		
Contributions:		
Charges for Services	\$ 1,150	\$ 1,650
Total	<u>1,150</u>	<u>1,650</u>
Investment		
Interest	<u>3,020</u>	<u>1,464</u>
Total investment	<u>3,020</u>	<u>1,464</u>
Total additions	<u>4,170</u>	<u>3,114</u>
 DEDUCTIONS		
Transfers Out	<u>(1,580)</u>	<u>(1,070)</u>
Total deductions	<u>(1,580)</u>	<u>(1,070)</u>
 Change in Net Position	2,590	2,044
 Net Position-- January 1	<u>172,934</u>	<u>170,890</u>
 Net Position -December 31	<u>\$ 175,524</u>	<u>\$ 172,934</u>

See accompanying notes to the financial statements.

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CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies**

A. **Reporting Entity**

The City of Pipestone operates under a Mayor-Council form of government. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The City has determined it has no component units to report.

Related Organization. The Pipestone Volunteer Firemen's Relief Association is organized as a nonprofit organization, legally separate from the City, to provide pension benefits to its members in accordance with Minnesota Statutes. Its board of directors includes the Mayor, Clerk, Fire Chief and six members appointed by the membership of the organization. All funding is conducted in accordance with Minnesota Statutes, whereby state aids flow to the association, tax levies are determined by the association and the association pays benefits directly to its members. The City's portion of the costs of the association's pension benefits are included in the General fund.

B. **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies - continued**

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current 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.

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unavailable revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as unavailable revenue.

The City reports the following major governmental funds:

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

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

The *Recreation Fund*, which accounts for the Ewert Recreation Center and other city recreation activities, the *Street Fund* which accounts for street maintenance and associated costs, the *Airport Fund* which accounts for airport maintenance and the *Economic Development Fund* which accounts for transactions related to financial assistance to local businesses are special revenue funds which qualify as major funds.

The *Debt Service Fund* (which is 16 funds totaled for financial reporting) accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds

The *Capital Projects Fund* (which is 4 funds totaled for financial reporting) accounts for the acquisition and construction of major capital facilities.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the government's water production and distribution system.

The *Sewer Fund* accounts for the activities of the government's sewer collection and treatment operations.

The *Garbage Fund* accounts for the activities of the government's garbage collection.

The *Liquor Fund* accounts for the activity of the government's municipal liquor store operations.

Additionally, the government reports the following fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, service, 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, and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

D. **Assets, Liabilities and Equity**

Deposits and Investments

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

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Investments are stated at fair value. Earnings on investments are allocated to the individual funds based upon the average of month-end cash and investment balances.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

State Statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are obligations guaranteed by the United States or its agencies.

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments in May and October. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and November each year.

Taxes payable on homestead property, as defined by State statutes, are partially reduced by a market value credit aid. The credit is paid to the City by the State of Minnesota in lieu of taxes levied against the homestead property. The State remits this credit in two equal installments in October and December each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by an unearned liability for delinquent taxes not received within 60 days after year end in the fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by an unearned revenue liability in the fund financial statements.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund balances" All other outstanding balances between funds are reported as "due to/from other funds."

Inventories and Prepaid Items

The inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) method. The cost of inventory is recorded as an expenditure at the time inventory is purchased in the governmental funds and as an expense when consumed in the proprietary fund types.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items or deferred charges in both government-wide and fund financial statements.

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 defined by the City as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Therefore, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the city chose to include all such items regardless of their acquisition date or amount. As the city constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported as historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at estimated market value at the date of donation.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	30
Buildings and Improvements	40
System and Improvements	20 – 50
Office Furniture and Fixtures	3 – 10
Machinery and Equipment	5 – 20
Automotive Equipment	5

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is recorded for unpaid accumulated sick leave in the proprietary funds. A liability as required by GASB 34 is recorded in governmental funds.

Postemployment Benefits Other Than Pensions

Under Minnesota Statute 471.61, subdivision 2b., public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees may obtain dependent coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The City has no liability for postemployment benefits other than pension benefits.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

Fund Balance

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

Nonspendable – consists of amounts that cannot be spent because it is not in spendable form, such as inventory or as prepaid items.

Restricted – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – Represents amounts constrained for a specific purpose determined by the City Council. It requires formal action by the City Council to remove or change the constraints placed on resources.

Assigned – Represents amounts constrained by the City's intent to be used for a specific purpose, but are not restricted or committed. The Board has delegated the authority to assign amounts to the City Treasurer and/or City Administrator. Assigned amounts or changes to assigned amounts will be presented to the Council for review.

Unassigned – Represents resources available to meet current and future years' expenditures. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.

The City Council hereby established the following order for resource use: Nonspendable fund balance, Restricted fund balance, Committed fund balance, Assigned fund balance, and Unassigned fund balance. Journal entries at the end of the fiscal year may be used to accomplish this.

The City will strive to maintain a minimum unassigned general fund balance of 35% of fund operating revenues or no less than five (5) months of operating expenditures.

Pensions

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

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

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

Net Position

Net position represents the difference between assets and liabilities. Net position is displayed in three components.

Net Investment in capital assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital needs.

Restricted net position – Consist of net assets restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unearned revenue, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

E. **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

F. **Certain Comparative Data and Reclassification**

Certain comparative total data for the prior year have been presented in the City-wide and fund financial statements in order to provide an understanding of the

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 1 **Summary of Significant Accounting Policies – continued**

changes in the financial position and operations. Such comparative total data does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2023 from which the summarized information was derived.

G. **Subsequent Events**

Subsequent events have been evaluated through August 4, 2025, which is the date the financial statements were available to be issued.

Note 2 **Stewardship, Compliance and Accountability**

A. **Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General and certain Special Revenue Funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

In June of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the Council for review. The Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted, or as amended by the Council. The 2024 budget was not amended.

B. **Excess of Expenditures Over Appropriations**

For the year ended December 31, 2024 expenditures exceeded appropriations in the following governmental funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
General Fund	\$2,918,325	\$3,499,579	\$ 581,254 ⁽¹⁾
Special Revenue			
Cemetery	\$ 28,731	\$ 37,840	\$ 9,109 ⁽¹⁾
Airport	\$ 299,254	\$ 633,773	\$ 334,519 ⁽²⁾
Recreation	\$ 934,148	\$1,128,753	\$ 194,605 ⁽¹⁾
Municipal Building	\$ 71,474	\$ 89,377	\$ 17,903 ⁽¹⁾
Capital Equipment	\$ 575,200	\$ 844,376	\$ 269,176 ⁽¹⁾
Economic Development	\$ 26,160	\$ 70,687	\$ 44,527 ⁽¹⁾
Cable Access	\$ 46,768	\$ 51,496	\$ 4,728 ⁽¹⁾
Farmers Market	\$ 5,200	\$ 12,043	\$ 6,843 ⁽¹⁾

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 2 **Stewardship, Compliance and Accountability - continued**

- (1) The excess of expenditures over appropriations was funded by available fund balance.
- (2) The excess of expenditures over appropriations was funded by state and federal grant revenues.

C. **Deficit Fund Equity**

The governmental funds had fund equity deficits at December 31, 2024:

<u>Fund</u>	<u>Amount</u>
Debt Service	
Tax Increment	328,760
Capital Projects	
2022 Street Improvements	129,150

The City intends to fund these deficits through future tax and assessment levies, grants, transfers from other funds and various other sources.

Note 3 **Detailed Notes on All Funds**

A. **Deposits and Investments**

Deposits

In accordance with Minnesota Statutes and as authorized by the City Council, the City maintains deposits at three (3) local depository banks, all of which are members of the Federal Reserve System.

Minnesota Statute 118A.02 and 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statute 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

The \$248,497 Restricted Cash in the Water Fund are funds set aside for PFA Grants received by the City. This is a requirement from Minnesota Public Facilities Authority.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2024, \$23,204 of the City's bank balance of \$8,479,910 was exposed to custodial credit risk.

At year end, the City's carrying amount of deposits was \$8,339,897 and the bank balance was \$8,479,910. Of the bank balance, \$8,456,736 was covered by federal depository insurance and pledged collateral.

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Airport</u>	<u>Recreation</u>	<u>Street</u>	<u>Economic Dev.</u>	<u>Debt Service</u>
Receivables:						
Accounts	\$ 745	\$ 220,441	\$ 728	\$ 7,991	\$ -	\$ -
Interest	4,088	-	-	-	238	-
Notes	257,944	-	-	-	4,479	-
Taxes	48,296	-	7,599	10,970	-	56,674
Special Assessments	<u>49,525</u>	<u>-</u>	<u>16,525</u>	<u>156</u>	<u>-</u>	<u>2,526,594</u>
 Total Receivables	 <u>\$360,598</u>	 <u>\$ 220,441</u>	 <u>\$ 24,852</u>	 <u>\$ 19,117</u>	 <u>\$ 4,717</u>	 <u>\$2,583,268</u>

	<u>Business Type Enterprise</u>	<u>Data Processing</u>	<u>Fiduciary</u>	<u>Non-Major and Other Funds</u>	<u>Total</u>
Receivables:					
Accounts	\$ 431,696	\$ -	\$ -	\$ 19,307	\$ 680,908
Interest	11,447	-	2,032	9,233	27,038
Notes	-	-	-	-	262,423
Taxes	-	-	-	-	123,539
Special Assessments	<u>386,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,979,288</u>
 Total Receivables	 <u>\$ 829,631</u>	 <u>\$ -</u>	 <u>\$ 2,032</u>	 <u>\$ 28,540</u>	 <u>\$ 4,073,196</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 **Detailed Notes on All Funds – continued**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent taxes receivable (general fund)	\$ 40,980
Delinquent taxes receivable (recreation fund)	6,524
Delinquent taxes receivable (street fund)	9,410
Delinquent taxes receivable (debt service fund)	47,908
Delinquent special assessments receivable (recreation fund)	16,525
Delinquent special assessments receivable (street fund)	156
Special assessments not due yet (debt service fund)	2,526,594
Special assessments not due yet (general fund)	49,525
Historic Grant Revenue (general fund)	<u>200,174</u>
Total unearned revenue for governmental funds	<u>\$ 2,897,796</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 **Detailed Notes on All Funds – continued**

C. **Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,078,757	\$ 115,000	\$ ---	\$ 1,193,757
Construction in Progress	<u>1,620,737</u>	<u>---</u>	<u>1,620,737</u>	<u>---</u>
Total capital assets, not being depreciated	<u>2,699,494</u>	<u>115,000</u>	<u>1,620,737</u>	<u>1,193,757</u>
Capital assets, being Depreciated:				
Buildings	6,625,942	108,628	---	6,734,570
Improvements other than Buildings	6,228,515	958,318	15,880	7,170,953
Machinery and equipment	2,471,288	124,185	---	2,595,473
Automotive equipment	2,779,219	---	10,000	2,769,219
Infrastructure	<u>25,794,552</u>	<u>4,032,841</u>	<u>---</u>	<u>29,827,393</u>
Total capital assets being Depreciated	<u>43,899,516</u>	<u>5,223,972</u>	<u>25,880</u>	<u>49,097,608</u>
Less accumulated Depreciation for:				
Buildings	4,043,593	137,721	---	4,181,314
Improvements other than Buildings	4,635,661	276,372	15,880	4,896,153
Machinery and equipment	2,030,847	77,107	---	2,107,954
Automotive equipment	2,093,438	133,033	10,000	2,216,471
Infrastructure	<u>11,765,583</u>	<u>1,284,425</u>	<u>---</u>	<u>13,050,008</u>
Total accumulated Depreciation	<u>24,569,122</u>	<u>1,908,658</u>	<u>25,880</u>	<u>26,451,900</u>
Total capital assets, being depreciated, net	<u>19,330,394</u>	<u>3,315,314</u>	<u>---</u>	<u>22,645,708</u>
Governmental activities Capital assets, net	<u>\$22,029,888</u>	<u>\$ 3,430,314</u>	<u>\$ 1,620,737</u>	<u>\$23,839,465</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 916,400	\$ ---	\$ ---	\$ 916,400
Total capital assets, not being Depreciated	<u>916,400</u>	<u>---</u>	<u>---</u>	<u>916,400</u>
Capital assets, being depreciated:				
Buildings and systems	1,956,912	---	---	1,956,912
Improvements other than buildings	22,420,664	---	---	22,420,664
Machinery and equipment	887,123	---	---	887,123
Automotive equipment	980,144	---	---	980,144
Infrastructure	<u>26,990,549</u>	<u>3,652,133</u>	<u>---</u>	<u>30,642,682</u>
Total capital assets being depreciated	<u>53,235,392</u>	<u>3,652,133</u>	<u>---</u>	<u>56,887,525</u>
Less accumulated depreciation for:				
Buildings and systems	1,112,141	41,369	---	1,153,510
Improvements other than buildings	3,292,190	406,651	---	3,698,841
Machinery and equipment	675,082	53,417	---	728,499
Automotive equipment	823,709	56,796	---	880,505
Infrastructure	<u>8,141,722</u>	<u>756,077</u>	<u>---</u>	<u>8,897,799</u>
Total accumulated depreciation	<u>14,044,844</u>	<u>1,314,310</u>	<u>---</u>	<u>15,359,154</u>
Total capital assets, being depreciated, net	<u>39,190,548</u>	<u>2,337,823</u>	<u>---</u>	<u>41,528,371</u>
Business-type activities capital assets, net	<u>\$40,106,948</u>	<u>\$ 2,337,823</u>	<u>\$ ---</u>	<u>\$42,444,771</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3

Detailed Notes on All Funds – continued

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

Governmental activities:	
General government	28,446
Public safety	152,598
Streets & highways, including depreciation of general infrastructure assets	1,317,131
Culture and recreation	156,306
Miscellaneous	<u>254,177</u>
Total depreciation expense – government activities	<u>\$1,908,658</u>
Business-type activities:	
Municipal liquor store	16,642
Water	770,621
Sewer	487,369
Refuse	33,324
Capital assets held by the government’s internal service funds are charged to the various functions based on their usage of the assets	<u>6,354</u>
Total depreciation expense – business-type activities	<u>\$1,314,310</u>

Construction Commitments

The government has no active projects as of December 31, 2024.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 **Detailed Notes on All Funds – continued**

D. **Interfund Receivables, Payables and Transfers**

Individual fund interfund receivables and payables balances at year end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>	<u>Due In One Year</u>
General	Tax Increment #13	Interfund Loan	313,842	313,842
23-24 St Proj	2022 Street Project	Cash Overdraft	129,150	129,150
Garbage	Data Processing	Cash Overdraft	22,411	22,411
Garbage	Water	Cash Overdraft	486,920	486,920
Liquor	Sewer	Cash Overdraft	<u>898,102</u>	<u>898,102</u>
Total			<u>\$1,850,425</u>	<u>\$1,850,425</u>

<u>Fund Name:</u>	<u>Transfer In</u>	<u>Purpose</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	475,249	Operations Revenue	161,369	Future Cap. Oper. Exp.
Airport	---	Operations Revenue	109,363	Future Cap. Oper. Exp.
Recreation	---	Operations Revenue	177,942	Future Cap. Expenses
Street	---	Operations Revenue	90,000	Future Cap. Expenses
EDA	24,000	Operations Revenue	---	Capital & Oper. Exp
Non-Major Governmental	933,984	Interest and Future Cap. Expenses	451,918	Capital & Operations Expenses
Debt Service	204,055	Operations Revenue	585,929	Debt Obligations
Capital Projects	230,474	Capital Expenses	---	Operations Expenses
Water	163,499	Capital Expenses	79,000	Future Cap. Expenses
Sewer	13,940	Capital Expenses	68,500	Future Cap. & Operations
Garbage	---	Capital Expenses	243,600	Future Cap. & Operations
Liquor	---	Capital Expenses	56,000	Future Cap. & Operations
Internal Service	---	Capital Expenses	20,000	Future Cap.
Fiduciary	<u>---</u>		<u>1,580</u>	Interest
Total	<u>\$ 2,045,201</u>		<u>\$ 2,045,201</u>	

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 **Detailed Notes on All Funds – continued**

E. **Inventories**

Inventories at December 31, 2024 consist of the following:

Municipal Liquor Store	
Liquor	136,058
Beer	57,603
Wine	42,554
CBD	7,808
Miscellaneous	<u>4,028</u>
Total Municipal Liquor Store	248,051
Water, meters and miscellaneous parts	115,644
Sewer, miscellaneous parts	<u>22,223</u>
Total Proprietary Funds	137,867
Airport gasoline	27,202
Storm Sewer, miscellaneous prts	<u>27,824</u>
Total Special Revenue Funds	<u>55,026</u>
Total inventories	<u><u>\$440,944</u></u>

F. **Capital Leases**

Capital leases for the year ended December 31, 2024 are as follows:

Governmental Activities	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
A's Scoreboard	33,186	6.5%	10-27-22	10-27-26	<u>19,856</u>
Total Capital Leases					<u>\$ 19,856</u>

Annual requirements to maturity for general capital lease payments are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	6,194	1,331	7,525
2026	6,609	916	7,525
2027	<u>7,053</u>	<u>472</u>	<u>7,525</u>
	<u>\$19,856</u>	<u>\$ 2,719</u>	<u>\$22,575</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

G. Long-term Debt

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds. General obligation debts are direct obligations and pledge the full faith and credit of the government. General obligation debts currently outstanding are as follows:

General Government Debt

General Obligation Bonds

These bonds were issued for various capital improvements and construction in the City. This debt is general obligation of the City and will be retired through ad valorem tax levies.

	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
GO Bonds– Improvements 2012A	1,090,000	.6-3.00%	07-08-12	02-01-28	320,000
GO Bonds – Improvements 2013A	895,000	2.0-3.05%	06-19-13	02-01-29	325,000
GO Bonds – Improvements 2016	825,000	2.00%	08-18-16	02-01-26	175,000
GO Bonds – Equipment – 2022B	311,000	4.25%	10-06-22	02-01-32	<u>286,000</u>
Total GO Bonds					<u>\$ 1,106,000</u>

Annual requirement to maturity for general obligation bonds are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	256,000	31,236	287,236
2026	267,000	24,133	291,133
2027	178,000	17,484	195,484
2028	180,000	11,657	191,657
2029	106,000	6,891	112,891
2030-2032	<u>119,000</u>	<u>7,714</u>	<u>126,714</u>
Total	<u>\$ 1,106,000</u>	<u>\$ 99,115</u>	<u>\$ 1,205,115</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

General Obligation Revenue Bonds

These bonds were issued for development projects. The revenue from these projects is used to retire the debt.

	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
GO Bonds-Improvements 2017A	345,000	3.0%	08-10-17	02-01-33	230,000
GO Bonds-Improvements 2018B	405,000	3.0–3.25%	06-07-18	02-01-34	290,000
GO Bonds-Improvement 2022A	1,280,000	4.0 – 5.0%	07-14-22	02-01-38	1,220,000
GO Bonds-Improvement 2023A	605,000	4.0 -5.0%	08-08-23	02-01-39	<u>605,000</u>
Total General Obligation Bonds					<u>\$ 2,345,000</u>

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	125,000	94,725	219,725
2026	145,000	88,925	233,925
2027	150,000	82,550	232,550
2028	160,000	75,850	235,850
2029	165,000	68,825	233,825
2030-2034	915,000	229,875	1,144,875
2035-2039	<u>685,000</u>	<u>61,900</u>	<u>746,900</u>
Total	<u>\$ 2,345,000</u>	<u>\$ 702,650</u>	<u>\$ 3,047,650</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

General Obligation Special Assessments Bonds

These bonds were issued to finance various improvements and will be repaid primarily from special assessments levied on the properties benefiting from the improvements. Some issues, however, are partly financed by ad valorem tax levies.

	<u>Authorized and Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
GO Bonds- Improvements 2015	500,000	1.1– 2.65%	06-24-15	02-01-26	105,000
GO Bonds- Refunding Improvements 2016	335,000	2.0%	06-16-16	02-01-26	80,000
GO Bonds- Improvements 2017	1,955,000	3.0%	08-10-17	02-01-33	1,295,000
GO Bonds- Improvements 2018	1,650,000	3.0–4.0%	06-07-18	02-01-34	1,195,000
GO Bonds- Improvements 2019	560,000	2.0-2.5%	08-01-19	02-01-35	430,000
GO Bonds- Improvements 2020A	2,255,000	2.0%	08-13-20	02-01-36	1,865,000
GO Bonds- Improvements 2021A	1,290,000	1.0 – 2.0%	07-15-21	02-01-37	1,135,000
GO Bonds- Improvements 2022A	1,440,000	4.0-5.0%	07-14-22	02-01-38	1,370,000
GO Bonds- Improvements 2023A	2,205,000	4.0 – 5.0%	08-08-23	02-01-39	<u>2,205,000</u>
Total GO Special Assessment Bonds					<u>\$9,680,000</u>

Annual requirement to maturity for general obligation special assessment bonds are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	705,000	298,814	1,003,814
2026	765,000	275,096	1,040,096
2027	705,000	250,986	955,986
2028	725,000	227,034	952,034
2029	755,000	203,236	958,236
2030 – 2034	3,960,000	643,099	4,603,099
2035 – 2039	<u>2,065,000</u>	<u>148,166</u>	<u>2,213,166</u>
Total	<u>\$9,680,000</u>	<u>\$2,046,431</u>	<u>\$11,726,431</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

Proprietary Fund Debt

General Obligation Revenue Bonds

These bonds were issued to finance capital improvements to the water and sewer system of the City. These bonds will be retired from net revenue of these enterprise funds.

	<u>Authorized And Issued</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at Year End</u>
GO Utility Revenue Bonds, Series 2009	955,000	2.5 – 4.2%	06-24-09	02-01-25	80,000
PFA Bond Of 2011	2,438,093	2.063%	04-04-11	08-20-30	868,765
GO Utility Revenue Bonds Series 2014A Refunding	810,000	2.0 – 3.0%	11-15-14	02-01-27	225,000
GO Utility Revenue Bonds Series 2015A	295,000	1.1-2.65%	06-24-15	02-01-26	35,000
PFA Clean Water Bond of 2016	980,835	1.035%	09-28-16	08-20-36	679,000
PFA Drinking Water Bond 2016	530,700	1.033%	09-28-16	08-20-36	366,000
GO Utility Improvement Bonds 2017B	660,000	3.0%	08-10-17	02-01-33	440,000
PFA Drinking Water 2017	2,486,327	1.135%	12-04-17	08-20-47	7,017,000
GO Utility Revenue Bonds Series 2018B	725,000	3.0 – 3.25%	06-07-18	02-01-34	515,000
GO Utility Revenue Bonds Series 2019A	1,485,000	2.0 – 2.7%	08-08-19	02-01-35	1,150,000
PFA Water Tower Painting	14,664	1%	08-21-19	08-20-39	217,000
GO Utility Revenue Bonds Series 2020A	430,000	2%	08-13-20	02-01-36	360,000
GO Utility Revenue Bonds Series 2021A	620,000	1.0 – 2.0%	07-14-21	02-01-37	550,000
PFA 2021 Well #5 & 2 nd St	458,667	1%	10-14-21	10-20-42	406,564
PFA 2021 2 nd Street Sewer	1,277,391	1%	10-14-21	08-20-42	1,132,181
PFA 2021 3 rd Street Water	142,239	2.478%	10-31-22	08-20-42	134,031
PFA 2021 3 rd Street Sewer	1,421,433	2.477%	10-31-22	08-20-42	1,355,911
PFA 2024A NE Area Water	550,999	2.739%	01-22-24	08-20-43	549,377
PFA 2024A NE Area Sewer	2,650,014	2.739%	01-22-24	08-20-43	2,642,103
 Total General Obligation Revenue Bonds					 <u>\$18,722,932</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

Proprietary Fund Debt

General Obligation Revenue Bonds

Annual requirement to maturity for general obligation revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Proprietary Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	1,243,780	330,300	1,574,080
2026	1,147,780	315,540	1,463,320
2027	1,167,780	296,281	1,464,061
2028	1,115,780	274,415	1,390,195
2029	1,135,780	257,925	1,393,705
2030– 2034	5,311,665	923,584	6,235,249
2035– 2047	<u>7,600,367</u>	<u>782,018</u>	<u>8,382,385</u>
Total	<u>\$18,722,932</u>	<u>\$ 3,180,063</u>	<u>\$ 21,902,995</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

Changes in Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation Bonds	\$1,506,000	\$ ---	\$(400,000)	\$1,106,000	\$ 256,000
General obligation Revenue Bonds	2,450,000	---	(105,000)	2,345,000	125,000
General obligation special assessment bonds	<u>10,325,000</u>	<u>---</u>	<u>(645,000)</u>	<u>9,680,000</u>	<u>705,000</u>
Total bonds payable	14,281,000	---	(1,150,000)	13,131,000	1,086,000
Capital Leases	183,886	---	(164,030)	19,856	6,194
Compensated Absences - Payable	<u>119,917</u>	<u>154,520</u>	<u>(126,256)</u>	<u>148,181</u>	<u>148,181</u>
Governmental activity long – term liabilities	<u>\$14,584,803</u>	<u>\$ 154,520</u>	<u>\$(1,440,286)</u>	<u>\$13,299,037</u>	<u>\$ 1,240,375</u>
Business-type activities					
Bonds payable:					
General obligation revenue bonds	\$16,579,116	3,312,196	\$(1,168,380)	\$18,722,932	\$ 1,243,780
Compensated Absences - Payable	<u>52,983</u>	<u>59,158</u>	<u>(52,406)</u>	<u>59,735</u>	<u>59,735</u>
Business-type activity long – term liabilities	<u>\$16,632,099</u>	<u>\$ 3,371,354</u>	<u>\$(1,220,786)</u>	<u>\$18,782,667</u>	<u>\$ 1,303,515</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

H. Tax Increment Districts

The City is the administering authority for the following Tax Increment Finance District:

	<u>TIF #13</u>
Authorizing Law	M.S. 469
Type of district	Redevelopment
Year established	2017
Duration of district	25
Original net tax Capacity	\$ 4,425
Current net tax capacity	<u>\$ 23,997</u>
Captured-Retained Total General	<u>\$ 19,572</u>
Obligation Tax Increment Bonds and Notes Issued	\$ 0
Amounts redeemed	<u>\$ 0</u>
Outstanding at Dec. 31, 2024	<u>\$ 0</u>

Interfund Loan – General Fund/Tax Increment Fund – Debt Service outstanding at December 31, 2024 \$313,842.

Amounts due to reimburse General Fund for expense paid in prior years.

I. Tax Abatements

Lost revenue as it relates to tax abatements for the year December 31, 2024.

	Amount of Taxes Abated During the Year
Tax Abatement Agreements	
Personal Residences (2)	\$ 5.367

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 3 Detailed Notes on All Funds – continued

J. Fund Balance Classification

At December 31, 2024, a summary of the governmental fund balance classifications are as follows:

<u>Nonspendable</u>	<u>Amount</u>	<u>Total</u>
Airport – Inventory	\$ 27,202	
Storm Sewer – Inventory	\$ 27,824	
Economic Development – Notes Receivable	<u>\$ 4,479</u>	
	Total Nonspendable	\$ 59,505
<u>Restricted</u>		
Debt Service – Bonds Payable	\$ 1,988,445	
Capital Projects – 2023-2024 Street	<u>\$ 68,020</u>	
	Total Restricted	\$2,056,465
<u>Committed</u>		
Cemetery	\$ 142,169	
Airport	\$ 275,187	
Recreation	\$ 534,175	
Street	\$ 503,085	
Municipal Building	\$ 36,074	
SCDP Project	\$ 18,323	
Capital Equipment	\$ 1,986,046	
Storm Sewer	\$ 186,233	
Economic Development	\$ 349,994	
Cable Access	\$ 19,340	
Farmer’s Market	<u>\$ 1,775</u>	
	Total Committed	\$4,052,401
<u>Unassigned</u>		
General Fund	\$ 1,322,603	
Debt Service – Tax Increment #13	\$ (328,760)	
Capital Projects – 2022 Street Improvement	<u>\$ (129,150)</u>	
	Total Unassigned	<u>\$ 864,693</u>
	Total	<u>\$7,033,064</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 4 **Defined Benefit Pension Plan – Statewide**

A. Plan Description

The City participates in the following cost sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). 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.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan Benefits

General Employee's Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of The Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under The Step formula, General Plan member receives 1.2 percent of the highest average salary for each of the first ten years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows the 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.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 4 Defined Benefit Pension Plan – Statewide - continued

B. Benefits Provided- continued

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

C. Contributions

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

General Employees Fund Contributions

General Plan members were required to contribute 6.50 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 \$139,012. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2024, the City reported a liability of \$759,818 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 \$19,647. 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 the 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 0.0206% at the end of the measurement period and 0.0208% for the beginning of the period.

City of Pipestone's proportionate share of the net pension liability	\$ 759,818
State of Minnesota's proportionate share of the net pension liability associated with the City of Pipestone	<u>19,647</u>
 Total	 <u>\$ 779,465</u>

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 4 Defined Benefit Pension Plan – Statewide - continued

D. Pension Costs – continued

For the year ended December 31, 2024, the City recognized pension expense of 69,736 for its proportionate share of the General Employees Plan’s pension expense. In addition, the City recognized \$527 as a 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 \$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 \$34,959 for the year ended December 31, 2024 as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota on-behalf contributions to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 71,793	\$ ---
Changes in actuarial assumptions	\$ 3,808	\$ 290,106
Net difference between projected and actual earnings on pension plan investments	\$ ---	\$ 218,649
Changes in proportion	\$ 1,068	\$ 22,254
Employer contributions subsequent to the measurement date (July 1, 2023, through June 30, 2024)	\$ 69,735	\$ ---
Total	\$ 146,404	\$ 531,009

The \$69,736 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2025	\$ (250,671)
2026	\$ (48,364)
2027	\$ (96,961)
2028	\$ (58,344)

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 4 Defined Benefit Pension Plan – Statewide - continued

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepared 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%	

F. Actuarial Methods and Assumptions

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

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

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

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

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 PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 4 Defined Benefit Pension Plan – Statewide - continued

F. Actuarial Methods and Assumptions- continued

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

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

G. 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 rate set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plan 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.

H. Pension Liability Sensitivity

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

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's Proportionate Share of the General Employees Fund Net Pension Liability:	\$1,659,562	\$759,818	\$19,694

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 4 Defined Benefit Pension Plan – Statewide - continued

I. Pension Plan Fiduciary Net Position

Detailed information about each defined benefit 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.

Note 5 Defined Benefit Pension Plans – Pipestone Volunteer Firemen's Relief Association

A. Plan Description

All volunteer firefighters of the City are members of the Pipestone Volunteer Firemen's Relief Association (the Association), a single-employer defined benefit pension plan for the City's firefighters. The City contribution is provided through an annual levy for contributions in accordance with Minnesota Statutes. This contribution does not relate to the City's payroll.

B. Benefits Provided

Volunteer firefighters of the City are members of the Association. Benefit provisions and all other requirements are consistent with enabling statutes. Provisions of the plan are as follows:

- (a) The later of age 50 or after completion of 20 years of service. The lump sum pension is based on completed years of service. The current lump sum pension is based on \$3,500 per year of service plus a Supplemental Benefit of 10% of the regular lump sum distribution, but not more than \$1,000.
- (b) Termination prior to age 50 with at least 10 years of service. The deferred lump sum pension payable at age 50 is based on the lump sum pension formula and service at date of termination reduced for less than 20 years of service.

C. Contributions

Minnesota statutes, chapter 424 and 424A authorize pension benefits for volunteer fire relief association. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$56,756 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2024, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the plan for the year ended December 31, 2024 were \$0. The City's contributions were equal to the required contributions as set by the state statute. The City made no voluntary contributions to the plan. 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 Minnesota statutes. Furthermore, the firefighter has no obligation to contribute to the plan. The Association is comprised of volunteers and therefore there are no payroll expenditures (i.e., there are no covered payroll percentage calculations).

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 5 Defined Benefit Pension Plans – Pipestone Volunteer Firemen’s Relief Association – continued

D. Pension Costs

At December 31, 2024, the City reported a net pension liability (asset) of \$(265,098) for the plan. The net pension liability (asset) was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by VanIwarden Associates applying an actuarial formula to specific census data certified by the Department as of December 31, 2024. For the year ended December 31, 2024, the City recognized pension expense of \$4,867.

At December 31, 2024, the City reported deferred outflows of resources and its contributions subsequent to the measurement date related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ 12,882	\$ 76,363
Change of assumptions	25,562	29,557
Net difference between projected and actual investment earnings	-	51,268
Total	\$ 38,444	\$ 157,188

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

Year Ended:	Future Recognition
2025	(16,363)
2026	3,991
2027	(47,243)
2028	(25,125)
2029	(8,073)
Thereafter	(25,931)
	\$ (118,744)

E. Actuarial Assumptions

The total pension liability at December 31, 2024 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 20 years of service	
Salary increases	\$3,500
Cost of living increases	2.50%
Investment rate of return	6.75%

The 6.75 percent long-term expected rate of return on pension plan investments was determined using a single discount rate. Inflation expectations were not applied to this valuation.

The target allocation and best estimates of arithmetic real rates of returns for each major asset class are summarized in the following table:

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 5 Defined Benefit Pension Plans – Pipestone Volunteer Firemen’s Relief Association – continued

E. Actuarial Assumptions - continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equities	66.00%	4.91%
Cash and Equivalents	6.00%	.77%
Fixed income	24.00%	2.30%
Real Estate and alternatives	0.00%	3.79%
International Equity	4.00%	5.32%
Total	<u>100.00%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The single discount rate method used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City’s net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	<u>1 Percent Decrease (5.75%)</u>	<u>Current (6.75%)</u>	<u>1 Percent Increase (7.75%)</u>
Defined benefit plan	\$ (232,425)	\$ (265,098)	\$ (296,372)

H. Pension Plan Fiduciary Net Position

The Association issues a publicly available financial report. The report may be obtained by writing to the Pipestone Volunteer Firemen’s Relief Association, 119 2nd Ave SW, Pipestone MN 56164.

CITY OF PIPESTONE, MINNESOTA
Notes to the Financial Statements
December 31, 2024

Note 6 Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

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CITY OF PIPESTONE, MINNESOTA
Schedule of City's Proportionate Share of Net Pension Liability(*)
Public Employees General Employees Retirement Fund
Required Supplementary Information (Last Ten Years)**
December 31, 2024

Fiscal Year Ending ***	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with the City of Pipestone (b)	Employer's Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated the City of Pipestone (a+b)	Employer's 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
June 30, 2015	.0210%	\$1,088,329	---	\$1,088,329	\$1,212,645	89.7%	85.1%
June 30, 2016	.0202%	\$1,640,140	\$21,354	\$1,661,494	\$1,250,945	132.8%	75.9%
June 30, 2017	.0198%	\$1,264,019	\$15,930	\$1,279,949	\$1,266,040	101.1%	68.9%
June 30, 2018	.0194%	\$1,076,232	\$35,238	\$1,111,470	\$1,332,606	83.4%	78.2%
June 30, 2019	.0198%	\$1,094,696	\$33,999	\$1,128,695	\$1,416,133	77.4%	80.2%
June 30, 2020	.0199%	\$1,193,096	\$36,766	\$1,229,862	\$1,419,619	86.6%	84.0%
June 30, 2021	.0210%	\$896,794	\$27,334	\$924,128	\$1,481,459	62.4%	60.5%
June 30, 2022	.0211%	\$1,671,127	\$48,951	\$1,720,078	\$1,577,280	109.1%	76.7%
June 30, 2023	.0208%	\$1,163,113	\$32,103	\$1,195,216	\$1,600,899	74.6%	83.1%
June 30, 2024	.0206%	\$759,817	\$19,647	\$779,464	\$1,853,414	42.1%	89.1%

* This schedule is for Employers in General employees Plan to report their proportionate share of the State of Minnesota's contributions to the General Employees Fund on their behalf.

**This schedule is provided prospectively beginning with fiscal year ended December 31, 2015.

**The year reported for this schedule coincides with the measurement date used for the NPL.

CITY OF PIPESTONE, MINNESOTA
Schedule of City's Contributions
Public Employees General Employees Retirement Fund
Required Supplementary Information – continued

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (d)	Contributions as of a Percentage of Covered- Employee Payroll (b/d)
December 31, 2015	\$ 91,938	\$ 91,938	-	\$1,225,845	7.5%
December 31, 2016	\$ 96,295	\$ 96,295	-	\$1,283,925	7.5%
December 31, 2017	\$ 95,428	\$ 95,428	-	\$1,272,373	7.5%
December 31, 2018	\$ 99,945	\$ 99,945	-	\$1,332,606	7.5%
December 31, 2019	\$106,210	\$106,210	-	\$1,416,133	7.5%
December 31, 2020	\$106,471	\$106,471	-	\$1,419,619	7.5%
December 31, 2021	\$111,109	\$111,109	-	\$1,481,459	7.5%
December 31, 2022	\$121,394	\$121,394	-	\$1,618,587	7.5%
December 31, 2023	\$120,067	\$120,067	-	\$1,600,899	7.5%
December 31, 2024	\$139,006	\$139,006	-	\$1,853,414	7.5%

CITY OF PIPESTONE, MINNESOTA
Required Supplementary Information – continued
December 31, 2024

Schedule of changes in the Fire Relief Association’s net pension liability (asset) and related ratios.		<u>2024</u>
Total pension liability		
Service cost		\$ 42,589
Interest		55,112
Benefit payments		<u>(82,444)</u>
Net change in total pension liability		15,257
Total pension liability – January 1, 2024		<u>\$ 815,105</u>
Total pension liability – December 31, 2024 (a)		<u>\$ 830,362</u>
Plan fiduciary net position		
Contributions – State		56,756
Net Investment Income		149,569
Other		(885)
Benefit payments, including refunds of employee contributions		<u>(82,444)</u>
Net change in plan fiduciary net position		122,996
Plan fiduciary net position – January 1, 2024		<u>972,464</u>
Plan fiduciary net position – December 31, 2024(b)		<u>\$ 1,095,460</u>
Fire Relief’s net pension liability (asset) – December 31, 2024 (a-b)		<u>\$ (265,098)</u>
Plan fiduciary net position as a percentage of the total pension liability (b/a)		131.93%
Covered-employee payroll		N/A
Fire Relief’s net pension liability (asset) as a percentage of covered-employee payroll		N/A

Notes to Schedule:

Benefit changes. 2024 – None

Changes of assumptions.

	<u>2024</u>	<u>2023</u>
Discount rate	6.75%	6.75%
Expected long term rate of return on assets	6.75%	6.75%
Index rate for 20-year, tax exempt municipal bonds	3.86%	3.86%
Inflation Rate	2.50%	2.50%
Lump sum benefit increase rate	N/A	N/A

Schedule of employer’s Fire Relief Association contributions

Required Supplementary Information

Year <u>Ending</u>	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/24	\$ 47,303	\$ 56,756	\$ (9,453)
12/31/23	42,665	47,139	(4,474)
12/31/22	42,665	46,665	(4,000)
12/31/21	61,577	65,584	(4,007)
12/31/20	65,426	63,249	2,177
12/31/19	49,454	67,426	(17,972)
12/31/18	49,454	55,989	(6,535)
12/31/17	49,454	61,946	(12,492)
12/31/16	58,587	61,946	(3,359)

CITY OF PIPESTONE, MINNESOTA
Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios
December 31, 2024

General Employees Fund:

2024 Changes

Changes in Actuarial Assumptions:

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

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

2023 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

CITY OF PIPESTONE, MINNESOTA
Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios - continued
December 31, 2024

General Employees Fund – continued

2021 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for the years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 to December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

CITY OF PIPESTONE, MINNESOTA
Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios - continued
December 31, 2024

General Employees Fund – continued

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

CITY OF PIPESTONE, MINNESOTA
Notes to Schedule of Changes in Net Pension Liabilities and Related Ratios - continued
December 31, 2024

General Employees Fund – continued

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

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

2016 Changes

Changes in Actuarial Assumptions

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Funds was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

City of Pipestone, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2024

	Cemetery Fund	Municipal Building Fund	SCDP Grant Project Fund	Capital Equipment Fund	Storm Sewer Revolving
ASSETS					
Cash	150,668	38,017	18,323	1,997,524	167,631
Accounts Receivable	-	700	-	-	18,607
Due from Other Fund	-	-	-	-	-
Interest Receivable	-	-	-	9,233	-
Inventory	-	-	-	-	27,824
TOTAL ASSETS	<u>150,668</u>	<u>38,717</u>	<u>18,323</u>	<u>2,006,757</u>	<u>214,062</u>
LIABILITIES					
Accounts Payable	8,499	2,643	-	20,711	5
TOTAL LIABILITIES	<u>8,499</u>	<u>2,643</u>	<u>-</u>	<u>20,711</u>	<u>5</u>
FUND BALANCE					
Fund Balance - Nonspendable	-	-	-	-	27,824
Fund Balance - Committed	142,169	36,074	18,323	1,986,046	186,233
Fund Balance - Unassigned	-	-	-	-	-
TOTAL FUND BALANCE	<u>142,169</u>	<u>36,074</u>	<u>18,323</u>	<u>1,986,046</u>	<u>214,057</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 150,668</u>	<u>\$ 38,717</u>	<u>\$ 18,323</u>	<u>\$ 2,006,757</u>	<u>\$ 214,062</u>

<u>Cable Access Fund</u>	<u>Farmers Market Fund</u>	<u>Total Non-Major 2024</u>	<u>Total Non-Major 2023</u>
19,479	1,775	2,393,417	725,083
-	-	19,307	12,654
-	-	-	1,769,105
-	-	9,233	10,466
-	-	27,824	30,219
<u>19,479</u>	<u>1,775</u>	<u>2,449,781</u>	<u>2,547,527</u>
139	-	31,997	25,068
<u>139</u>	<u>-</u>	<u>31,997</u>	<u>25,068</u>
-	-	27,824	30,219
19,340	1,775	2,389,960	2,492,240
-	-	-	-
<u>19,340</u>	<u>1,775</u>	<u>2,417,784</u>	<u>2,522,459</u>
<u>\$ 19,479</u>	<u>\$ 1,775</u>	<u>\$ 2,449,781</u>	<u>\$ 2,547,527</u>

City of Pipestone, Minnesota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2024

	Cemetery Fund	Municipal Building Fund	SCDP Grant Project Fund	Capital Equipment Fund	Storm Sewer Revolving
REVENUES					
Franchise Taxes	-	-	-	-	-
State Grant	-	-	-	10,000	-
County Appropriation	-	-	-	4,680	-
Charges for Services/Penalties	27,375	-	-	800	226,503
Interest	3,987	482	19	48,827	4,837
Rent	-	86,482	-	-	-
Miscellaneous/Donations	50	5,228	-	-	-
TOTAL REVENUES	31,412	92,192	19	64,307	231,340
EXPENDITURES					
Current:					
General Government	-	89,377	-	-	-
Public Works	37,340	-	-	-	16,647
Culture & Recreation	-	-	-	-	-
Capital outlay:					
General Government	-	-	-	844,376	-
Public Works	500	-	-	-	-
TOTAL EXPENDITURES	37,840	89,377	-	844,376	16,647
EXCESS (DEFICIENCY) REVENUES OVER (UNDER) EXPENDITURES					
	(6,428)	2,815	19	(780,069)	214,693
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	1,580	-	-	922,404	-
Operating Transfers Out	(24,000)	(10,000)	-	(178,863)	(224,055)
TOTAL OTHER FINANCING SOURCES (USES)	(22,420)	(10,000)	-	743,541	(224,055)
NET CHANGE IN FUND BALANCE	(28,848)	(7,185)	19	(36,528)	(9,362)
FUND BALANCE, JANUARY 1	171,017	43,259	18,304	2,022,574	223,419
FUND BALANCE, DECEMBER 31	\$ 142,169	\$ 36,074	\$ 18,323	\$ 1,986,046	\$ 214,057

<u>Cable Access Fund</u>	<u>Farmers Market</u>	<u>Total Non-Major 2024</u>	<u>Total Non-Major 2023</u>
41,261	-	41,261	47,200
-	-	10,000	190,426
-	-	4,680	4,680
-	-	254,678	191,361
1,066	-	59,218	21,332
-	-	86,482	87,472
-	3,441	8,719	401,524
<u>42,327</u>	<u>3,441</u>	<u>465,038</u>	<u>943,995</u>
51,050	-	140,427	110,193
-	-	53,987	53,916
-	12,043	12,043	7,415
446	-	844,822	269,380
-	-	500	52,119
<u>51,496</u>	<u>12,043</u>	<u>1,051,779</u>	<u>493,023</u>
<u>(9,169)</u>	<u>(8,602)</u>	<u>(586,741)</u>	<u>450,972</u>
-	10,000	933,984	484,570
<u>(15,000)</u>	<u>-</u>	<u>(451,918)</u>	<u>(161,973)</u>
<u>(15,000)</u>	<u>10,000</u>	<u>482,066</u>	<u>322,597</u>
(24,169)	1,398	(104,675)	773,569
<u>43,509</u>	<u>377</u>	<u>2,522,459</u>	<u>1,748,890</u>
<u>\$ 19,340</u>	<u>\$ 1,775</u>	<u>\$ 2,417,784</u>	<u>\$ 2,522,459</u>

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General Fund

This fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted in another fund.

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City of Pipestone, Minnesota
 General Fund
 Comparative Balance Sheet
 December 31, 2024

	2024	2023
Assets:		
Cash	1,177,370	924,431
Receivables:		
Accounts	745	46,197
Interest	4,088	4,962
Loans	257,944	410,375
Taxes:		
Current	7,316	17,542
Delinquent	40,980	43,033
Special Assessments:		
Current	298	49,215
Delinquent	49,215	-
Deferred	12	12
Due From Other Fund	313,842	127,366
Total Assets	1,851,810	1,623,133
 Liabilities:		
Accounts Payable	238,528	70,811
Total Liabilities	238,528	70,811
 Deferred Inflows of Resources:		
Unavailable Revenue - Loan/Grant	200,174	235,984
Unavailable Revenue - Taxes	40,980	43,033
Unavailable Revenue - Special Assessments	49,525	49,227
Total Deferred Inflows of Resources	290,679	328,244
 Fund Balances:		
Unassigned	1,322,603	1,224,078
Total Fund Balance	1,322,603	1,224,078
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	1,851,810	1,623,133

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City of Pipestone, Minnesota
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Taxes				
Property	1,042,283	1,051,457	9,174	983,787
Lodging	31,000	35,812	4,812	35,735
Total Taxes and Special Assessments	<u>1,073,283</u>	<u>1,087,269</u>	<u>13,986</u>	<u>1,019,522</u>
Licenses And Permits	53,980	122,118	68,138	79,708
Intergovernmental				
Federal Aid	-	-	-	219,639
State				
Local Governmental Aid	1,662,893	1,662,893	-	1,463,643
Misc State Aids	-	9,277	9,277	14,483
Police Aid	65,348	87,672	22,324	-
Fire Aid	38,000	54,756	16,756	49,872
County and School Appropriation	37,000	47,010	10,010	37,998
Total Intergovernmental	<u>1,803,241</u>	<u>1,861,608</u>	<u>58,367</u>	<u>1,785,635</u>
Charges For Services				
Rural Fire Contract	33,500	16,748	(16,752)	21,637
Other Charges For Services	250	845	595	3,965
Total Charges For Services	<u>33,750</u>	<u>17,593</u>	<u>(16,157)</u>	<u>25,602</u>
Fines And Forfeits	20,000	22,868	2,868	20,923
Miscellaneous				
Interest On Investments	600	23,073	22,473	9,798
Refunds & Reimbursements/Donation	3,781	43,525	39,744	19,579
Farm Rent	15,500	36,943	21,443	15,507
Total Miscellaneous	<u>19,881</u>	<u>103,541</u>	<u>83,660</u>	<u>44,884</u>
Total Revenues	<u>3,004,135</u>	<u>3,214,997</u>	<u>210,862</u>	<u>2,976,274</u>

City of Pipestone, Minnesota
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Expenditures:				
Current:				
General Government				
Mayor And Council				
Personal Services	32,515	32,626	(111)	32,259
Other Services & Charges				
Transportation	1,100	606	494	1,078
Total Mayor And Council	33,615	33,232	383	33,337
Minutes, Ordinances & Notices				
Other Services & Charges				
Publishing/Printing	18,000	15,952	2,048	24,595
Total Minutes, Ordinances & Notices	18,000	15,952	2,048	24,595
Elections				
Personal Services	9,323	8,385	938	-
Supplies	6,800	2,403	4,397	709
Total Elections	16,123	10,788	5,335	709
City Office				
Personal Services	525,700	596,253	(70,553)	361,958
Supplies	9,000	9,971	(971)	9,118
Other Services & Charges				
Communication	8,800	12,145	(3,345)	9,255
Insurance	1,250	1,370	(120)	1,370
Contracted Repairs & Maintenance	4,600	4,954	(354)	4,541
Total City Office	549,350	624,693	(75,343)	386,242

City of Pipestone, Minnesota
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024			2023
	Original- Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Expenditures:				
Current:				
General Government				
Attorney				
Other Services & Charges				
Professional Services	72,000	36,600	35,400	50,511
Total Attorney	<u>72,000</u>	<u>36,600</u>	<u>35,400</u>	<u>50,511</u>
Planning , Zoning And Assessing				
Personal Services	105,839	108,242	(2,403)	85,799
Supplies	400	688	(288)	1,694
Other Services & Charges				
Professional Services	15,000	3,568	11,432	21,857
Transportation	2,120	4,491	(2,371)	1,250
Publishing/Printing	1,100	2,186	(1,086)	414
Miscellaneous	2,400	2,624	(224)	1,388
Total Planning, Zoning, And Assessing	<u>126,859</u>	<u>121,799</u>	<u>5,060</u>	<u>112,402</u>
Total General Government	<u>815,947</u>	<u>843,064</u>	<u>(27,117)</u>	<u>607,796</u>
Public Safety				
Police				
Service Contract	1,022,043	1,107,213	(85,170)	964,986
Other Services & Charges				
Miscellaneous	17,100	20,986	(3,886)	17,754
Total Police	<u>1,039,143</u>	<u>1,128,199</u>	<u>(89,056)</u>	<u>982,740</u>

City of Pipestone, Minnesota
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Expenditures:				
Current:				
Public Safety				
Fire				
Personal Services	128,454	149,932	(21,478)	71,848
Supplies	36,800	34,401	2,399	20,982
Other Services & Charges				
Professional Services	6,200	13,094	(6,894)	5,400
Communication	3,900	3,027	873	2,160
Transportation	7,000	8,767	(1,767)	16,039
Insurance	9,600	8,519	1,081	8,882
Utility Services	12,000	9,162	2,838	9,697
Miscellaneous	1,610	1,442	168	2,246
Capital Outlay	-	-	-	10,000
Debt Service				
Principal	77,604	158,225	(80,621)	74,700
Interest	5,652	3,046	2,606	19,087
Total Fire	288,820	389,615	(100,795)	241,041
Street Lighting & Traffic Signals				
Other Services & Charges				
Utility Services	82,000	84,689	(2,689)	93,270
Contracted Services	5,750	15,045	(9,295)	2,327
Total Street Lighting & Traffic Signals	87,750	99,734	(11,984)	95,597
Total Public Safety	1,415,713	1,617,548	(201,835)	1,319,378

City of Pipestone, Minnesota
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024			2023
	Original- Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Expenditures:				
Current:				
Senior Center				
Supplies	10,000	-	10,000	10,006
Other Services & Charges				
Professional Services	12,000	12,000	-	12,000
Insurance	2,500	2,847	(347)	2,571
Utility Services	3,000	316	2,684	2,289
Contracted Repairs & Maintenance	2,555	254	2,301	54
Total Senior Center	30,055	15,417	14,638	26,920
Library				
Personal Services	172,255	167,446	4,809	153,209
Supplies	28,200	29,234	(1,034)	18,469
Other Services & Charges				
Professional Services	13,500	14,671	(1,171)	16,471
Communication	1,300	1,265	35	2,869
Transportation	1,000	70	930	420
Insurance	2,200	3,817	(1,617)	1,964
Utility Services	7,500	4,834	2,666	5,616
Rent	-	-	-	3,000
Total Library	225,955	221,337	4,618	202,018
Miscellaneous				
Supplies	3,000	1,405	1,595	1,323
Other Services & Charges				
Professional Services	167,150	488,437	(321,287)	198,817
Rent	40,500	40,500	-	27,025
Transportation	7,520	3,314	4,206	65
Insurance	7,750	8,146	(396)	9,246
Miscellaneous	36,500	34,112	2,388	288,058
Capital Outlay	-	115,000	(115,000)	-
Total Miscellaneous	262,420	690,914	(428,494)	524,534

City of Pipestone, Minnesota
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024			2023
	Original- Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Economic Development				
Professional Services	47,500	48,448	(948)	66,500
Lodging Tax	29,000	32,851	(3,851)	37,868
Redevelopment	85,000	30,000	55,000	108,681
Donation	6,735	-	6,735	1,385
Total Economic Development	<u>168,235</u>	<u>111,299</u>	<u>56,936</u>	<u>214,434</u>
Total Expenditures	<u>2,918,325</u>	<u>3,499,579</u>	<u>(581,254)</u>	<u>2,895,080</u>
Excess of Revenues Over (Under) Expenditures	85,810	(284,582)	(370,392)	81,194
Other Financing Sources (Uses)				
Sale of Assets	-	69,227	69,227	9,188
Operating Transfers In	-	475,249	475,249	80,000
Operating Transfers Out	(85,810)	(161,369)	(75,559)	(201,031)
Total Other Financing Sources (Uses)	<u>(85,810)</u>	<u>383,107</u>	<u>468,917</u>	<u>(111,843)</u>
Excess of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>-0-</u>	98,525	<u>98,525</u>	(30,649)
Fund Balances, January 1		<u>1,224,078</u>		<u>1,254,727</u>
Fund Balances, December 31		<u><u>1,322,603</u></u>		<u><u>1,224,078</u></u>

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Special revenue funds used by the city consist of:

Cemetery Fund – This fund accounts for cemetery maintenance.

Airport Fund – This fund accounts for airport maintenance.

Recreation – This fund accounts for Ewert Recreation Center and other city recreation activities.

Street – This fund accounts for street maintenance and associated costs.

Municipal Building – This fund accounts for activities related to the city owned Municipal Building.

SCDP Grant Project – This fund accounts for activities related to the revolving funds of the SCDP Grant.

Capital Equipment – This fund accounts for general equipment purchases subsequent to 1994.

Storm Sewer Revolving – This fund accounts for activities related to storm sewer maintenance.

Economic Development Revolving – This fund accounts for transactions related to financial assistance to local businesses.

Cable Access – This fund is used to account for the costs associated with public broadcasting of council meetings and the public access channel on cable television.

Farmers Market – This fund accounts for activities to promote the Community Garden and Farmers Market and other active living functions.

City of Pipestone, Minnesota
Special Revenue Funds
Combining Balance Sheet
December 31, 2024
(With Comparative Totals for December 31, 2023)

	<u>Cemetery</u>	<u>Airport</u>	<u>Recreation</u>
Assets:			
Cash and Investments	150,668	70,346	599,734
Receivables:			
Accounts	-	220,441	728
Interest	-	-	-
Taxes	-	-	7,599
Special Assessments	-	-	16,525
Due from Other Fund	-	-	-
Inventory	-	27,202	-
Notes	-	-	-
Total Assets	<u><u>150,668</u></u>	<u><u>317,989</u></u>	<u><u>624,586</u></u>
Liabilities:			
Accounts Payable	<u>8,499</u>	<u>15,600</u>	<u>67,362</u>
Total Liabilities	<u><u>8,499</u></u>	<u><u>15,600</u></u>	<u><u>67,362</u></u>
Unearned Inflows of Resources			
Unavailable Revenue - Taxes	-	-	6,524
Unavailable Revenue - Special Assessments	-	-	16,525
Total Deferred Inflows of Resources	<u><u>-0-</u></u>	<u><u>-0-</u></u>	<u><u>23,049</u></u>
Fund Balances:			
Fund Balance - Nonspendable	-	27,202	-
Fund Balance - Committed	<u>142,169</u>	<u>275,187</u>	<u>534,175</u>
Total Fund Balance	<u><u>142,169</u></u>	<u><u>302,389</u></u>	<u><u>534,175</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance			
	<u><u>150,668</u></u>	<u><u>317,989</u></u>	<u><u>624,586</u></u>

<u>Street</u>	<u>Municipal Building</u>	<u>SCDP Grant Project</u>	<u>Capital Equipment</u>
515,279	38,017	18,323	1,997,524
7,991	700	-	-
-	-	-	9,233
10,970	-	-	-
156	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>534,396</u>	<u>38,717</u>	<u>18,323</u>	<u>2,006,757</u>
21,745	2,643	-	20,711
<u>21,745</u>	<u>2,643</u>	<u>-0-</u>	<u>20,711</u>
9,410	-	-	-
156	-	-	-
<u>9,566</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-	-	-	-
<u>503,085</u>	<u>36,074</u>	<u>18,323</u>	<u>1,986,046</u>
<u>503,085</u>	<u>36,074</u>	<u>18,323</u>	<u>1,986,046</u>
<u>534,396</u>	<u>38,717</u>	<u>18,323</u>	<u>2,006,757</u>

City of Pipestone, Minnesota
Special Revenue Funds
Combining Balance Sheet
December 31, 2024
(With Comparative Totals for December 31, 2023)

	<u>Storm Sewer Revolving</u>	<u>Economic Development Revolving</u>	<u>Cable Access</u>
Assets:			
Cash And Investments	167,631	366,339	19,479
Receivables:			
Accounts	18,607	-	-
Interest	-	238	-
Taxes	-	-	-
Special Assessments	-	-	-
Due from Other Fund	-	-	-
Inventory	27,824	-	-
Notes	-	4,479	-
Total Assets	<u>214,062</u>	<u>371,056</u>	<u>19,479</u>
Liabilities:			
Accounts Payable	<u>5</u>	<u>16,583</u>	<u>139</u>
Total Liabilities	<u>5</u>	<u>16,583</u>	<u>139</u>
Deferred Inflows of Resources:			
Unavailable Revenue - Taxes	-	-	-
Unavailable Revenue - Special Assessments	-	-	-
Total Deferred Inflows of Resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balances:			
Fund Balance - Nonspendable	27,824	4,479	-
Fund Balance - Committed	<u>186,233</u>	<u>349,994</u>	<u>19,340</u>
Total Fund Balance	<u>214,057</u>	<u>354,473</u>	<u>19,340</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>214,062</u>	<u>371,056</u>	<u>19,479</u>

Farmers Market	Totals	
	2024	2023
1,775	3,945,115	2,313,251
-	248,467	21,795
-	9,471	10,466
-	18,569	27,188
-	16,681	9,662
-	-	1,769,105
-	55,026	68,409
-	4,479	10,056
<u>1,775</u>	<u>4,297,808</u>	<u>4,229,932</u>
-	153,287	170,990
<u>-0-</u>	<u>153,287</u>	<u>170,990</u>
-	15,934	19,306
-	16,681	9,662
<u>-0-</u>	<u>32,615</u>	<u>28,968</u>
-	59,505	78,465
<u>1,775</u>	<u>4,052,401</u>	<u>3,951,509</u>
<u>1,775</u>	<u>4,111,906</u>	<u>4,029,974</u>
<u>1,775</u>	<u>4,297,808</u>	<u>4,229,932</u>

City of Pipestone, Minnesota
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	<u>Cemetery</u>	<u>Airport</u>	<u>Recreation</u>
Revenues:			
Property Taxes	-	-	149,134
Franchise Taxes	-	-	-
Special Assessments			
Intergovernmental			
Federal Grants	-	481,787	-
State			
Local Government Aid	-	-	540,556
State Aid Maintenance	-	23,383	-
State Grants	-	124,745	-
County & School Appropriation	-	-	-
Charges For Services	27,375	54,008	335,152
Penalties	-	-	-
Interest	3,987	4,681	12,166
Rent	-	101,448	-
Miscellaneous/Donations	50	-	35,704
Total Revenues	<u>31,412</u>	<u>790,052</u>	<u>1,072,712</u>
Expenditures:			
Current			
Public Works	37,340	-	-
Culture And Recreation	-	-	957,736
Economic Development	-	-	-
General Government	-	327,940	-
Capital Outlay	500	305,833	163,492
Debt Service			
Bond Principal	-	-	5,805
Bond Interest	-	-	1,720
Total Expenditures	<u>37,840</u>	<u>633,773</u>	<u>1,128,753</u>
Excess Of Revenues Over (Under) Expenditures	(6,428)	156,279	(56,041)
Other Financing Sources (Uses)			
Operating Transfers In	1,580	-	-
Sale of Assets	-	-	-
Operating Transfers Out	(24,000)	(109,363)	(177,942)
Total Other Financing Sources (Uses)	<u>(22,420)</u>	<u>(109,363)</u>	<u>(177,942)</u>
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(28,848)	46,916	(233,983)
Fund Balance January 1	171,017	255,473	768,158
Fund Balance December 31	<u><u>142,169</u></u>	<u><u>302,389</u></u>	<u><u>534,175</u></u>

<u>Street</u>	<u>Municipal Building</u>	<u>SCDP Grant Project</u>	<u>Capital Equipment</u>	<u>Storm Sewer Revolving</u>
213,855	-	-	-	-
-	-	-	-	-
-	-	-	-	-
544,612	-	-	-	-
-	-	-	-	-
53,424	-	-	10,000	-
70,661	-	-	4,680	-
35,359	-	-	800	224,381
-	-	-	-	2,122
5,300	482	19	48,827	4,837
-	86,482	-	-	-
6,963	5,228	-	-	-
<u>930,174</u>	<u>92,192</u>	<u>19</u>	<u>64,307</u>	<u>231,340</u>
663,885	-	-	-	16,647
-	-	-	-	-
-	-	-	-	-
-	89,377	-	-	-
-	-	-	844,376	-
-	-	-	-	-
-	-	-	-	-
<u>663,885</u>	<u>89,377</u>	<u>-0-</u>	<u>844,376</u>	<u>16,647</u>
266,289	2,815	19	(780,069)	214,693
-	-	-	922,404	-
2,153	-	-	-	-
(90,000)	(10,000)	-	(178,863)	(224,055)
<u>(87,847)</u>	<u>(10,000)</u>	<u>-0-</u>	<u>743,541</u>	<u>(224,055)</u>
178,442	(7,185)	19	(36,528)	(9,362)
324,643	43,259	18,304	2,022,574	223,419
<u>503,085</u>	<u>36,074</u>	<u>18,323</u>	<u>1,986,046</u>	<u>214,057</u>

City of Pipestone, Minnesota
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	Economic Development Revolving	Cable Access	Farmers Market
Revenues:			
Property Taxes	-	-	-
Franchise Taxes	-	41,261	-
Special Assessments	-	-	-
Intergovernmental			
Federal Grants	-	-	-
State			
Local Government Aid	-	-	-
State Aid Maintenance	-	-	-
State Grants	-	-	-
County & School Appropriation	-	-	-
Charges For Services	-	-	-
Penalties	-	-	-
Interest	701	1,066	-
Rent	2,057	-	-
Miscellaneous/Donations	1,229	-	3,441
Total Revenues	<u>3,987</u>	<u>42,327</u>	<u>3,441</u>
Expenditures:			
Current			
Public Works	-	-	-
Culture And Recreation	-	-	12,043
Economic Development	70,687	-	-
General Government	-	51,050	-
Capital Outlay	-	446	-
Debt Service	-	-	-
Bond Principal	-	-	-
Bond Interest	-	-	-
Total Expenditures	<u>70,687</u>	<u>51,496</u>	<u>12,043</u>
Excess Of Revenues Over (Under) Expenditures	(66,700)	(9,169)	(8,602)
Other Financing Sources (Uses)			
Operating Transfers In	24,000	-	10,000
Sale of Assets	237,932	-	-
Operating Transfers Out	-	(15,000)	-
Total Other Financing Sources (Uses)	<u>261,932</u>	<u>(15,000)</u>	<u>10,000</u>
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	195,232	(24,169)	1,398
Fund Balance January 1	159,241	43,509	377
Fund Balance December 31	<u>354,473</u>	<u>19,340</u>	<u>1,775</u>

Totals	
<u>2024</u>	<u>2023</u>
362,989	440,881
41,261	47,200
-	89
481,787	52,479
1,085,168	955,140
23,383	16,890
188,169	193,326
75,341	25,981
677,075	734,295
2,122	1,440
82,066	29,276
189,987	187,255
52,615	446,310
<u>3,261,963</u>	<u>3,130,562</u>
717,872	694,903
969,779	1,012,888
70,687	149,679
468,367	328,514
1,314,647	580,608
5,805	-
1,720	-
<u>3,548,877</u>	<u>2,766,592</u>
(286,914)	363,970
957,984	558,570
240,085	-
(829,223)	(295,973)
<u>368,846</u>	<u>262,597</u>
81,932	626,567
4,029,974	3,403,407
<u>4,111,906</u>	<u>4,029,974</u>

City of Pipestone, Minnesota
Cemetery Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Charges For Services				
Grave Openings	28,000	21,325	(6,675)	22,450
Lot Sales	5,000	6,050	1,050	5,250
Interest	100	3,987	3,887	1,274
Donations	-	50	50	50
Total Revenues	<u>33,100</u>	<u>31,412</u>	<u>(1,688)</u>	<u>29,024</u>
Expenditures:				
Current				
Public Works				
Cemetery				
Personal Services	13,396	17,862	(4,466)	12,620
Supplies	13,100	18,782	(5,682)	13,517
Other Services And Charges				
Communication	35	28	7	5
Publishing/Printing	1,000	213	787	189
Insurance	700	455	245	443
Capital Outlay	500	500	-	625
Total Expenditures	<u>28,731</u>	<u>37,840</u>	<u>(9,109)</u>	<u>27,399</u>
Excess Of Revenues Over (Under) Expenditures	4,369	(6,428)	(10,797)	4,625
Other Financing Sources (Uses)				
Operating Transfers In	700	1,580	880	1,070
Operating Transfers Out	(24,000)	(24,000)	-	(29,000)
Total Other Financing Sources (Uses)	<u>(23,300)</u>	<u>(22,420)</u>	<u>880</u>	<u>(27,930)</u>
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>(18,931)</u>	(28,848)	<u>(9,917)</u>	(23,305)
Fund Balance January 1		171,017		194,322
Fund Balance December 31		<u>142,169</u>		<u>171,017</u>

City of Pipestone, Minnesota
 Airport Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Intergovernmental				
Federal Grant	-	481,787	481,787	52,479
State Aid Maintenance	32,000	23,383	(8,617)	16,890
State Grant	83,000	124,745	41,745	-
Interest	-	4,681	4,681	2,260
Charges for Services	50,000	54,008	4,008	50,941
Rent				
Hangers	28,500	31,000	2,500	27,795
Farm	69,300	70,448	1,148	70,448
Total Revenues	262,800	790,052	527,252	220,813
Expenditures:				
Current				
General Government				
Airport				
Personnel Services	2,894	5,235	(2,341)	3,146
Supplies	62,300	67,946	(5,646)	63,889
Other Services And Charges				
Professional Services	31,720	188,498	(156,778)	90,230
Communication	4,040	3,793	247	4,024
Insurance	12,650	11,087	1,563	9,271
Utility Services	12,000	10,401	1,599	11,002
Miscellaneous	37,100	40,980	(3,880)	36,759
Capital Outlay	136,550	305,833	(169,283)	108,114
Total Expenditures	299,254	633,773	(334,519)	326,435
Other Financing Sources (Uses)				
Operating Transfers out	-	(109,363)	(109,363)	-
Total Other Financing Sources (Uses)	-0-	(109,363)	(109,363)	-0-
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(36,454)	46,916	83,370	(105,622)
Fund Balance January 1		255,473		361,095
Fund Balance December 31		302,389		255,473

City of Pipestone, Minnesota
Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Property Taxes	146,292	149,134	2,842	198,849
Intergovernmental				
State Aid	540,556	540,556	-	475,785
State Grant	-	-	-	2,900
School Appropriation	20,000	-	(20,000)	21,212
Interest	-	12,166	12,166	5,190
Charges For Services	243,200	335,152	91,952	451,858
Miscellaneous/Donations	6,000	35,704	29,704	6,904
Total Revenues	<u>956,048</u>	<u>1,072,712</u>	<u>116,664</u>	<u>1,162,698</u>
Expenditures:				
Current				
Culture And Recreation				
Parks And Recreation				
Personal Services	640,353	647,331	(6,978)	651,880
Supplies	145,650	157,056	(11,406)	190,013
Other Services And Charges				
Professional Services	18,320	27,436	(9,116)	37,808
Communication	8,875	11,405	(2,530)	8,832
Transportation	1,920	535	1,385	555
Publishing/Printing	7,500	7,942	(442)	12,815
Insurance	35,300	32,868	2,432	31,116
Utility Services	65,000	71,139	(6,139)	68,701
Miscellaneous	3,705	2,024	1,681	3,753
Capital Outlay	-	163,492	(163,492)	150,995
Debt Service				
Bond Principal	7,525	5,805	1,720	-
Bond Interest	-	1,720	(1,720)	-
Total Expenditures	<u>934,148</u>	<u>1,128,753</u>	<u>(194,605)</u>	<u>1,156,468</u>
Excess Of Revenues Over (Under) Expenditures	21,900	(56,041)	(77,941)	6,230
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	50,000
Operating Transfers Out	(71,900)	(177,942)	(106,042)	(64,000)
Total Other Financing Sources (Uses)	<u>(71,900)</u>	<u>(177,942)</u>	<u>(106,042)</u>	<u>(14,000)</u>
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>(50,000)</u>	(233,983)	<u>(183,983)</u>	(7,770)
Fund Balance January 1		768,158		775,928
Fund Balance December 31		<u>534,175</u>		<u>768,158</u>

City of Pipestone, Minnesota
Street Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Property Taxes	210,702	213,855	3,153	242,032
Special Assessments	-	-	-	89
Intergovernmental				
State Aid	544,612	544,612	-	479,355
State Aid From County	22,110	70,661	48,551	89
State Grant	-	53,424	53,424	-
Charges For Services	25,200	35,359	10,159	41,575
Interest	-	5,300	5,300	-
Miscellaneous	-	6,963	6,963	3,510
Total Revenues	<u>802,624</u>	<u>930,174</u>	<u>127,550</u>	<u>766,650</u>
Expenditures:				
Current				
Public Works				
Street				
Personal Services	449,364	474,993	(25,629)	421,688
Supplies	229,000	160,449	68,551	172,676
Other Services And Charges				
Professional Services	7,500	4,837	2,663	24,488
Communication	3,500	2,619	881	2,421
Transportation	1,000	625	375	130
Publishing/Printing	2,200	2,744	(544)	2,394
Insurance	14,000	14,087	(87)	14,182
Contracted Repairs & Maintenance	5,000	2,080	2,920	1,725
Miscellaneous	1,060	1,451	(391)	1,283
Total Expenditures	<u>712,624</u>	<u>663,885</u>	<u>48,739</u>	<u>640,987</u>
Excess Of Revenues Over (Under) Expenditures	90,000	266,289	176,289	125,663
Other Financing Sources (Uses)				
Sale of Property	-	2,153	2,153	-
Operating Transfers Out	(90,000)	(90,000)	-	(70,000)
Total Other Financing Sources (Uses)	<u>(90,000)</u>	<u>(87,847)</u>	<u>2,153</u>	<u>(70,000)</u>
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>-0-</u>	178,442	<u>178,442</u>	55,663
Fund Balance January 1		324,643		268,980
Fund Balance December 31		<u>503,085</u>		<u>324,643</u>

City of Pipestone, Minnesota
Municipal Building Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Interest	-	482	482	235
Rent	81,474	86,482	5,008	87,472
Miscellaneous	-	5,228	5,228	-
Total Revenues	81,474	92,192	10,718	87,707
Expenditures:				
Current				
General Government				
Municipal Building				
Personal Services	13,664	11,919	1,745	11,340
Supplies	1,000	1,115	(115)	1,324
Other Services And Charges				
Insurance	12,700	13,707	(1,007)	12,615
Utility Services	29,000	29,127	(127)	34,392
Contracted Repairs & Maintenance	15,000	33,445	(18,445)	5,042
Miscellaneous	110	64	46	304
Total Expenditures	71,474	89,377	(17,903)	65,017
Excess Of Revenues Over (Under) Expenditures	10,000	2,815	(7,185)	22,690
Other Financing Sources (Uses)				
Operating Transfers Out	(10,000)	(10,000)	-	(10,000)
Total Other Financing Sources Uses	(10,000)	(10,000)	-0-	(10,000)
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	-0-	(7,185)	(7,185)	12,690
Fund Balance January 1		43,259		30,569
Fund Balance December 31		36,074		43,259

City of Pipestone, Minnesota
 SCDP Grant Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2024
 (With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024			2023
	Original- Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Interest	-	19	19	18
Total Revenues	<u>-0-</u>	<u>19</u>	<u>19</u>	<u>18</u>
Expenditures:				
Current				
Total Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess Of Revenues Over (Under) Expenditures	<u>-0-</u>	19	<u>19</u>	18
Fund Balance January 1		<u>18,304</u>		<u>18,286</u>
Fund Balance December 31		<u><u>18,323</u></u>		<u><u>18,304</u></u>

City of Pipestone, Minnesota
Capital Equipment Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Intergovernmental				
State Grant	-	10,000	10,000	190,426
County Appropriation	3,900	4,680	780	4,680
Charges for Services	-	800	800	7,570
Miscellaneous				
Interest	3,000	48,827	45,827	17,734
Donations	-	-	-	394,367
Total Revenues	<u>6,900</u>	<u>64,307</u>	<u>57,407</u>	<u>614,777</u>
Expenditures:				
Current				
General Government				
Professional Services	-	11,306	(11,306)	32,669
Capital Outlay	575,200	833,070	(257,870)	234,911
Total Expenditures	<u>575,200</u>	<u>844,376</u>	<u>(269,176)</u>	<u>267,580</u>
Excess Of Revenues Over (Under) Expenditures	(568,300)	(780,069)	(211,769)	347,197
Other Financing Sources (Uses)				
Operating Transfers In	628,000	922,404	294,404	483,500
Operating Transfers Out	-	(178,863)	(178,863)	(40,149)
Total Other Financing Sources (Uses)	<u>628,000</u>	<u>743,541</u>	<u>115,541</u>	<u>443,351</u>
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	<u>59,700</u>	(36,528)	<u>(96,228)</u>	790,548
Fund Balance January 1		<u>2,022,574</u>		<u>1,232,026</u>
Fund Balance December 31		<u>1,986,046</u>		<u>2,022,574</u>

City of Pipestone, Minnesota
Storm Sewer Revolving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance-	2023
	Original- Final Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Charges For Services				
Storm Sewer Fees	294,000	224,381	(69,619)	151,651
Penalties	-	2,122	2,122	1,440
Interest	-	4,837	4,837	1,499
Total Revenues	294,000	231,340	(62,660)	154,590
Expenditures:				
Current				
Public Works				
Professional Services	5,000	2,692	2,308	945
Supplies and Maintenance	50,000	13,955	36,045	26,197
Capital Outlay	5,000	-	5,000	51,494
Total Expenditures	60,000	16,647	43,353	78,636
Excess Of Revenues Over (Under) Expenditures	234,000	214,693	(19,307)	75,954
Other Financing Sources (Uses)				
Operating Transfers Out	(192,775)	(224,055)	(31,280)	(72,824)
Total Other Financing Sources Uses	(192,775)	(224,055)	(31,280)	(72,824)
Excess Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	41,225	(9,362)	(50,587)	3,130
Fund Balance January 1		223,419		220,289
Fund Balance December 31		214,057		223,419

City of Pipestone, Minnesota
Economic Development Revolving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024			2023
	Original- Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Interest	400	701	301	494
Miscellaneous	220	1,229	1,009	34,372
Rent	1,540	2,057	517	1,540
Total Revenues	2,160	3,987	1,827	36,406
Expenditures:				
Current				
Economic Development				
Other Services & Charges				
Insurance	2,000	547	1,453	1,047
Professional Services	18,875	20,213	(1,338)	19,480
Transportation	285	516	(231)	26
Miscellaneous	3,000	46,895	(43,895)	126,740
Other	2,000	2,516	(516)	2,386
Total Expenditures	26,160	70,687	(44,527)	149,679
Excess Of Revenues Over (Under) Expenditures	(24,000)	(66,700)	(42,700)	(113,273)
Other Financing Sources (Uses)				
Sale of Assets	-	237,932	237,932	-
Operating Transfers In	24,000	24,000	-	24,000
Total Other Financing Sources (Uses)	24,000	261,932	237,932	24,000
Excess Of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	-0-	195,232	195,232	(89,273)
Fund Balance January 1		159,241		248,514
Fund Balance December 31		354,473		159,241

City of Pipestone, Minnesota
Cable Access Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Franchise Taxes	55,500	41,261	(14,239)	47,200
Interest	-	1,066	1,066	572
Total Revenues	55,500	42,327	(13,173)	47,772
Expenditures:				
Current				
General Government				
Cable Access				
Personal Services	39,368	43,304	(3,936)	37,028
Supplies	2,500	2,672	(172)	1,015
Other Services And Charges				
Professional Services	4,400	4,566	(166)	4,578
Capital Outlay	-	446	(446)	1,800
Miscellaneous	500	508	(8)	2,555
Total Expenditures	46,768	51,496	(4,728)	46,976
Excess of Revenues Over (Under) Expenditures	8,732	(9,169)	(17,901)	796
Other Financing Sources (Uses)				
Operating Transfer Out	(15,000)	(15,000)	-	(10,000)
Total Other Financing Sources (Uses)	(15,000)	(15,000)	-	(10,000)
Excess of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	(6,268)	(24,169)	(17,901)	(9,204)
Fund Balance January 1		43,509		52,713
Fund Balance December 31		19,340		43,509

City of Pipestone, Minnesota
Farmers Market
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024
(With Comparative Actual Amounts for Year Ended December 31, 2023)

	2024		Variance- Favorable (Unfavorable)	2023
	Original- Final Budget	Actual		Actual
Revenues:				
Miscellaneous				
Other	-	1,496	1,496	777
Miscellaneous/Donation	1,000	1,945	945	6,330
Total Revenues	1,000	3,441	2,441	7,107
Expenditures:				
Current				
Culture and Recreation				
Active Living				
Supplies	5,000	11,315	(6,315)	7,311
Other Services And Charges				
Miscellaneous	200	728	(528)	104
Total Expenditures	5,200	12,043	(6,843)	7,415
Excess of Revenues Over (Under) Expenditures	(4,200)	(8,602)	(4,402)	(308)
Other Financing Sources (Uses)				
Operating Transfer In	-	10,000	-	-
Total Other Financing Sources (Uses)	-	10,000	0	0
Excess of Revenues Over (Under) Expenditures After Other Other Financing Sources (Uses)	(4,200)	1,398	(4,402)	(308)
Fund Balance January 1		377		685
Fund Balance December 31		1,775		377

Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment. These debt service funds are considered one fund for financial reporting.

Tax Increment – This fund accounts for the tax increment districts.

2007 Street Improvement – This fund accounts for the 2007 Street Project.

2008 Fire Hall Addition – This fund accounts for the addition to the Fire Hall started in 2008.

2010 Street Improvements – This fund accounts for the 2010 Street Project.

2012 Street Improvements – This fund accounts for the 2012 Street Project.

2013 Street Improvements – This fund accounts for the 2013 Street Project.

2015 Street Improvements – This fund accounts for the 2015 Street Project.

2016 Street Improvements – This fund accounts for the 2016 Street Project.

2017 Street Improvements – This fund accounts for the 2017 Street Project.

2018 Street Improvements – This fund accounts for the 2018 Street Project.

2019 Street Improvements – This fund accounts for the 2019 Street Project.

2020 Street Improvements – This fund accounts for the 2020 Street Project.

2021 Street Improvements – This fund accounts for the 2021 Street Project.

2022 Street Improvements – This fund accounts for the 2022 Street Project.

2022 ERV-This fund accounts for the purchase of the 2022 Heavy Rescue Truck.

2023-2024 Street Improvements – This fund accounts for the 2023-2024 Street Project.

City of Pipestone, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2024
(With Comparative Totals for December 31, 2023)

	Tax Increment	2010 Street	2012 Street	2013 Street	2015 Street	2016 Street	2017 Street
Assets:							
Cash	-	70,130	82,476	92,527	39,208	173,826	366,169
Receivables:							
Taxes:							
Current	-	238	756	528	325	676	985
Delinquent	-	1,379	5,023	3,078	1,859	3,885	5,580
Special Assessments:							
Current	-	-	-	-	7,956	13,277	26,414
Delinquent	-	624	-	-	-	410	1,091
Deferred	-	-	-	-	-	27,303	249,035
Total Assets	-0-	72,371	88,255	96,133	49,348	219,377	649,274
Liabilities:							
Accounts Payable	14,918	-	-	-	-	-	-
Due To Other Funds	313,842	-	-	-	-	-	-
Total Liabilities	328,760	-0-	-0-	-0-	-0-	-0-	-0-
Deferred Inflows of Resources:							
Unavailable Revenue-Taxes	-	1,379	5,023	3,078	1,859	3,885	5,580
Unavailable Revenue-Special Assessments	-	624	-	-	7,956	40,990	276,540
Total Deferred Inflows of Resources	-	2,003	5,023	3,078	9,815	44,875	282,120
Fund Balance:							
Fund Balance -Restricted	-	70,368	83,232	93,055	39,533	174,502	367,154
Fund Balance -Unassigned	(328,760)	-	-	-	-	-	-
Total Fund Balance	(328,760)	70,368	83,232	93,055	39,533	174,502	367,154
Total Liabilities, Deferred Inflows of Resources and Fund Balances	-0-	72,371	88,255	96,133	49,348	219,377	649,274

2018 Street	2019 Street	2020 Street	2021 Street	2022 Street	2022 ERV	2023-2024 Street	Totals	
							2024	2023
241,331	84,139	353,686	126,843	193,788	50,270	115,586	1,989,979	2,050,087
834	235	1,003	521	656	751	1,258	8,766	20,031
4,624	1,259	5,390	2,714	3,219	5,287	4,611	47,908	48,995
24,151	15,968	26,452	41,470	45,049	-	-	200,737	218,402
13,713	1,460	167	1,652	2,098	-	-	21,215	7,944
220,684	87,207	325,060	528,390	866,963	-	-	2,304,642	2,532,255
<u>505,337</u>	<u>190,268</u>	<u>711,758</u>	<u>701,590</u>	<u>1,111,773</u>	<u>56,308</u>	<u>121,455</u>	<u>4,573,247</u>	<u>4,877,714</u>
-	10,300	-	-	-	-	-	25,218	-
-	-	-	-	-	-	-	313,842	-
<u>-0-</u>	<u>10,300</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>339,060</u>	<u>-0-</u>
4,624	1,259	5,390	2,714	3,219	5,287	4,611	47,908	48,995
<u>258,548</u>	<u>104,635</u>	<u>351,679</u>	<u>571,512</u>	<u>914,110</u>	<u>-</u>	<u>-</u>	<u>2,526,594</u>	<u>2,758,601</u>
<u>263,172</u>	<u>105,894</u>	<u>357,069</u>	<u>574,226</u>	<u>917,329</u>	<u>5,287</u>	<u>4,611</u>	<u>2,574,502</u>	<u>2,807,596</u>
242,165	74,074	354,689	127,364	194,444	51,021	116,844	1,988,445	2,070,118
-	-	-	-	-	-	-	(328,760)	-
<u>242,165</u>	<u>74,074</u>	<u>354,689</u>	<u>127,364</u>	<u>194,444</u>	<u>51,021</u>	<u>116,844</u>	<u>1,659,685</u>	<u>2,070,118</u>
<u>505,337</u>	<u>190,268</u>	<u>711,758</u>	<u>701,590</u>	<u>1,111,773</u>	<u>56,308</u>	<u>121,455</u>	<u>4,573,247</u>	<u>4,877,714</u>

City of Pipestone, Minnesota
Debt Service Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Balance
For the Year Ended December 31, 2024
(With Comparative Totals for Year Ended December 31, 2023)

	Tax Increment	2007 Street	2008 Fire Hall	2010 Street	2012 Street	2013 Street	2015 Street	2016 Street
Revenues:								
Property Taxes	-	-	6,237	33,425	96,146	74,166	46,517	95,739
Interest	793	-	-	769	148	858	89	1,864
Tax Increments	23,372	-	-	-	-	-	-	-
Special Assessments	-	16,047	-	10,403	-	-	8,198	14,009
Total Revenues	24,165	16,047	6,237	44,597	96,294	75,024	54,804	111,612
Expenditures:								
Bond Principal	-	-	155,000	40,000	75,000	60,000	55,000	85,000
Interest And Fiscal Charges	34,862	-	1,550	2,000	10,511	11,300	3,904	4,825
Total Expenditures	34,862	-	156,550	42,000	85,511	71,300	58,904	89,825
Excess of Revenues Over (Under) Expenditures	(10,697)	16,047	(150,313)	2,597	10,783	3,724	(4,100)	21,787
Other Financing Sources (Uses)								
Operating Transfers In	-	-	-	-	-	-	-	-
Operating Transfers Out	(355,456)	(130,108)	(100,365)	-	-	-	-	-
Total Other Financing Sources (Uses)	(355,456)	(130,108)	(100,365)	-0-	-0-	-0-	-0-	-0-
Excess Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Uses	(366,153)	(114,061)	(250,678)	2,597	10,783	3,724	(4,100)	21,787
Fund Balances, January 1	37,393	114,061	250,678	67,771	72,449	89,331	43,633	152,715
Fund Balances, December 31	(328,760)	-0-	-0-	70,368	83,232	93,055	39,533	174,502

2017 Street	2018 Street	2019 Street	2020 Street	2021 Street	2022 Street	2022 ERV	2023-2024 Street	Totals	
								2024	2023
139,192	117,742	33,477	147,355	79,971	106,683	88,574	213,139	1,278,363	1,127,065
4,121	2,274	1,000	4,349	1,219	-	-	-	17,484	7,974
-	-	-	-	-	-	-	-	23,372	19,833
52,574	31,756	19,459	37,052	28,622	91,143	133	224	309,620	333,001
195,887	151,772	53,936	188,756	109,812	197,826	88,707	213,363	1,628,839	1,487,873
145,000	125,000	35,000	140,000	80,000	130,000	25,000	-	1,150,000	1,040,000
50,125	53,713	20,830	39,175	19,043	120,075	12,686	122,799	507,398	369,078
195,125	178,713	55,830	179,175	99,043	250,075	37,686	122,799	1,657,398	1,409,078
762	(26,941)	(1,894)	9,581	10,769	(52,249)	51,021	90,564	(28,559)	78,795
27,200	34,275	-	-	-	116,300	-	26,280	204,055	98,421
-	-	-	-	-	-	-	-	(585,929)	-
27,200	34,275	-0-	-0-	-0-	116,300	-0-	26,280	(381,874)	98,421
27,962	7,334	(1,894)	9,581	10,769	64,051	51,021	116,844	(410,433)	177,216
339,192	234,831	75,968	345,108	116,595	130,393	-0-	-0-	2,070,118	1,892,902
367,154	242,165	74,074	354,689	127,364	194,444	51,021	116,844	1,659,685	2,070,118

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Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. These funds are considered one fund for financial reporting.

The city currently has the following capital projects fund:

2023-2024 Street Improvement – This fund is used to account for costs associated with the street project started in 2023 and projected to end in 2024.

2022 Street Improvement – This fund is used to account for costs associated with the street project started in 2022.

2021 Street Improvement – This fund is used to account for costs associated with the street project started in 2021.

2020 Street Improvement – This fund is used to account for costs associated with the street project started in 2020.

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City of Pipestone
Capital Projects Funds
Combining Balance Sheet
December 31, 2024
(With Comparative Totals for December 31, 2023)

	2023-2024	2022	Totals	
	Street Improvement	Street Improvement	2024	2023
Assets				
Cash	10,378	-	10,378	1,469,839
Due From Other Fund	129,150	-	129,150	-
Total Assets	<u>139,528</u>	<u>-0-</u>	<u>139,528</u>	<u>1,469,839</u>
Liabilities				
Accounts Payable	71,508	-	71,508	195,823
Due to Other Funds	-	129,150	129,150	127,366
Total Liabilities	<u>71,508</u>	<u>129,150</u>	<u>200,658</u>	<u>323,189</u>
Fund Balance:				
Fund Balance-Restricted	68,020	-	68,020	1,287,976
Fund Balance-Unassigned	-	(129,150)	(129,150)	(141,326)
Total Fund Balance	<u>68,020</u>	<u>(129,150)</u>	<u>(61,130)</u>	<u>1,146,650</u>
Total Liabilities and Fund Balance	<u>139,528</u>	<u>-0-</u>	<u>139,528</u>	<u>1,469,839</u>

City of Pipestone
Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	2023-2024	2022	2021	2020	Totals	
	Street Improvement	Street Improvement	Street Improvement	Street Improvement	2024	2023
Revenues:						
Interest	-	-	-	-	-	3,537
Total Revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,537</u>
Expenditures:						
Public Works						
Professional Services	515,028	49,551	2,213	-	566,792	755,519
Capital Outlay	704,928	92,813	-	73,721	871,462	1,157,120
Debt Service						
Bond Interest	-	-	-	-	-	87,102
Total Expenditures	<u>1,219,956</u>	<u>142,364</u>	<u>2,213</u>	<u>73,721</u>	<u>1,438,254</u>	<u>1,999,741</u>
Excess (deficiency) of revenues over (under) expenditures	(1,219,956)	(142,364)	(2,213)	(73,721)	(1,438,254)	(1,996,204)
Other financing sources (uses):						
Transfers In	-	25,768	39,030	165,676	230,474	-
Bond Proceeds/Premium	-	-	-	-	-	3,022,303
Transfers Out	-	-	-	-	-	(35,597)
	<u>-0-</u>	<u>25,768</u>	<u>39,030</u>	<u>165,676</u>	<u>230,474</u>	<u>2,986,706</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,219,956)	(116,596)	36,817	91,955	(1,207,780)	990,502
Fund balance, January 1	1,287,976	(12,554)	(36,817)	(91,955)	1,146,650	156,148
Fund balance, December 31	<u>68,020</u>	<u>(129,150)</u>	<u>-0-</u>	<u>-0-</u>	<u>(61,130)</u>	<u>1,146,650</u>

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

The city currently has four enterprise funds in operation:

Water – This fund is used to account for the activities of the government's water service.

Sewer – This fund is used to account for municipal sewer service provided to the city's residents.

Refuse – This fund is used to account for municipal garbage service provided to the city's residents.

Liquor – This fund is used to account for the activities of the government's municipal liquor store.

City of Pipestone, Minnesota
Enterprise Funds
Combining Balance Sheet
December 31, 2024
(With Comparative Totals for December 31, 2023)

	Water	Sewer	Refuse
Assets			
Current Assets:			
Cash	-	-	294,869
Restricted Cash	248,497	-	-
Accounts Receivable	125,993	255,646	50,057
Interest Receivable	-	-	815
Special Assessments Receivable	13,317	366,304	6,867
Due From Other Funds	-	-	509,331
Prepaid Items	8,567	4,916	3,855
Inventory	115,644	22,223	-
Total Current Assets	512,018	649,089	865,794
Fixed Assets:			
Land	25,000	884,900	4,000
Buildings	167,724	1,531,927	54,864
Accumulated Depreciation - Buildings	(139,673)	(759,804)	(51,636)
Improvements	17,117,119	13,456,613	-
Accumulated Depreciation - Improvements	(4,704,939)	(4,182,518)	-
Equipment	214,779	272,754	153,580
Accumulated Depreciation - Equipment	(154,035)	(250,782)	(124,550)
Vehicles	107,194	475,289	397,661
Accumulated Depreciation - Vehicles	(98,527)	(454,537)	(327,441)
Water Treatment Plant	15,793,005	-	-
Accumulated Depreciation-Water Plant	(1,579,301)	-	-
Sewer Lagoon And Pump Station	-	6,627,659	-
Accumulated Depreciation - Lagoon/Pump Station	-	(2,119,540)	-
Fixed Assets (Net of Accumulated Depreciation)	26,748,346	15,481,961	106,478
Total Assets	27,260,364	16,131,050	972,272
Deferred Outflows of Resources			
Deferred Pension Resources	11,346	13,616	11,346
Liabilities			
Current Liabilities:			
Accounts Payable	51,760	33,076	25,471
Customer Deposits	18,643	-	-
Due to Other Funds	486,920	898,102	-
Interest Payable	70,947	120,439	-
Salaries Payable	17,916	30,236	187
Bonds Payable	545,280	698,500	-
Total Current Liabilities	1,191,466	1,780,353	25,658
Noncurrent Liabilities:			
Bonds Payable - Less Current Portion Above Unearned Revenue	9,967,191	7,511,961	-
Special Assessments	13,317	366,304	6,867
Pension liability	58,886	70,663	58,886
Total Noncurrent Liabilities	10,039,394	7,948,928	65,753
Total Liabilities	11,230,860	9,729,281	91,411
Deferred Inflows of Resources			
Deferred Pension Resources	41,153	49,384	41,153
Net Position			
Retained Earnings			
Unreserved	15,999,697	6,366,001	851,054
Total Net Position	15,999,697	6,366,001	851,054

Liquor	Totals	
	2024	2023
500,197	795,066	540,163
-	248,497	179,954
-	431,696	470,851
10,632	11,447	18,133
-	386,488	232,090
898,102	1,407,433	1,418,331
2,974	20,312	14,765
248,051	385,918	386,613
<u>1,659,956</u>	<u>3,686,857</u>	<u>3,260,900</u>
2,500	916,400	916,400
202,397	1,956,912	1,956,912
(202,397)	(1,153,510)	(1,112,141)
68,950	30,642,682	26,990,549
(10,342)	(8,897,799)	(8,141,722)
141,517	782,630	782,630
(95,169)	(624,536)	(577,473)
-	980,144	980,144
-	(880,505)	(823,709)
-	15,793,005	15,793,005
-	(1,579,301)	(1,263,440)
-	6,627,659	6,627,659
-	(2,119,540)	(2,028,750)
<u>107,456</u>	<u>42,444,241</u>	<u>40,100,064</u>
<u>1,767,412</u>	<u>46,131,098</u>	<u>43,360,964</u>
<u>9,077</u>	<u>45,385</u>	<u>95,565</u>
94,674	204,981	196,584
-	18,643	20,597
-	1,385,022	3,187,436
-	191,386	97,745
11,396	59,735	52,983
-	1,243,780	1,098,780
<u>106,070</u>	<u>3,103,547</u>	<u>4,654,125</u>
-	17,479,152	15,480,336
-	386,488	232,090
47,109	235,544	360,565
<u>47,109</u>	<u>18,101,184</u>	<u>16,072,991</u>
<u>153,179</u>	<u>21,204,731</u>	<u>20,727,116</u>
<u>32,923</u>	<u>164,613</u>	<u>120,000</u>
<u>1,590,387</u>	<u>24,807,139</u>	<u>22,609,413</u>
<u>1,590,387</u>	<u>24,807,139</u>	<u>22,609,413</u>

City of Pipestone, Minnesota
Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended December 31, 2024
(With Comparative Totals for Year Ended December 31, 2023)

	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>
Operating Revenues:			
Charges For Sales And Services	1,830,757	1,379,085	566,712
Total Operating Revenues	<u>1,830,757</u>	<u>1,379,085</u>	<u>566,712</u>
Operating Expenses:			
Personal Services	254,954	289,685	152,384
Resale Merchandise	-	-	-
Supplies And Maintenance	542,811	357,745	52,630
Professional Services	73,801	36,227	14,437
Communication	10,998	9,253	3,711
Contracted Repairs and Maintenance	8,965	174,544	-
Transportation	2,068	1,251	149
Printing/Publishing	1,982	152	3,218
Insurance	37,264	13,072	6,028
Utility Services	112,071	90,654	11,525
Landfill Tipping Fees	-	-	86,462
Miscellaneous	11,960	6,576	269
Depreciation	770,621	487,369	33,324
Total Operating Expenses	<u>1,827,495</u>	<u>1,466,528</u>	<u>364,137</u>
Operating Income	3,262	(87,443)	202,575
Nonoperating Revenues (Expenses)			
Special Assessments	7,636	53,113	2,344
Interest	173	-	27,237
Grant Revenue	2,209,878	156,627	-
Operating Transfer In	163,499	13,940	-
Interest And Fiscal Agent Fees	(162,453)	(207,687)	-
Operating Transfer Out	(79,000)	(68,500)	(243,600)
Total Nonoperating Revenues (Expenses)	<u>2,139,733</u>	<u>(52,507)</u>	<u>(214,019)</u>
Net Income (Loss)	2,142,995	(139,950)	(11,444)
Retained Earnings, January 1	13,856,702	6,505,951	862,498
Retained Earnings, December 31	<u><u>15,999,697</u></u>	<u><u>6,366,001</u></u>	<u><u>851,054</u></u>

Liquor	Totals	
	2024	2023
1,988,787	5,765,341	5,475,356
<u>1,988,787</u>	<u>5,765,341</u>	<u>5,475,356</u>
217,087	914,110	918,238
1,422,969	1,422,969	1,462,588
20,304	973,490	848,238
28,367	152,832	84,866
3,932	27,894	27,089
45,937	229,446	317,546
621	4,089	3,561
-	5,352	10,326
6,063	62,427	56,076
19,391	233,641	231,639
-	86,462	85,985
2,337	21,142	31,898
16,642	1,307,956	1,322,532
<u>1,783,650</u>	<u>5,441,810</u>	<u>5,400,582</u>
205,137	323,531	74,774
-	63,093	37,437
56,988	84,398	27,428
-	2,366,505	577,447
-	177,439	217,180
-	(370,140)	(250,843)
(56,000)	(447,100)	(415,500)
<u>988</u>	<u>1,874,195</u>	<u>193,149</u>
206,125	2,197,726	267,923
1,384,262	22,609,413	22,341,490
<u>1,590,387</u>	<u>24,807,139</u>	<u>22,609,413</u>

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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis.

Data Processing Fund – This fund is used to account for the accumulation and allocation of costs associated with electronic data processing.

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City of Pipestone, Minnesota
Data Processing Internal Service Fund
Comparative Balance Sheet
December 31, 2024
(With Comparative Totals December 31, 2023)

	2024	2023
Assets		
Current Assets:		
Cash	-	9,218
Prepaid Insurance	496	473
Total Current Assets	496	9,691
Fixed Assets:		
Equipment	104,493	104,493
Accumulated Depreciation	(103,963)	(97,609)
Fixed Assets (Net of Accumulated Depreciation)	530	6,884
Total Assets	1,026	16,575
Liabilities:		
Accounts Payable	2,465	-
Due to Other Fund	22,411	-
Total Liabilities	24,876	-
Equity:		
Retained Earnings - Reserved	(23,850)	16,575
Total Liabilities And Equity	1,026	16,575

City of Pipestone, Minnesota
Data Processing Internal Service Fund
Statement of Revenues, Expenses and
Changes in Retained Earnings
Year Ended December 31, 2024
(With Comparative Totals for Year Ended December 31, 2023)

	2024	2023
Revenues:		
Charges For Services	64,600	39,700
Total Revenue	64,600	39,700
Operating Expenses:		
Supplies	8,877	13,449
Contracted Services	66,790	29,282
Insurance	3,004	2,868
Depreciation	6,354	6,354
Total Operating Expenses	85,025	51,953
Operating Income (Loss)	(20,425)	(12,253)
Nonoperating Revenues (Expenses)		
Operating Transfer Out	(20,000)	(5,000)
Total Nonoperating Revenues (Expenses)	(20,000)	(5,000)
Net Income (Loss)	(40,425)	(17,253)
Retained Earnings, January 1	16,575	33,828
Retained Earnings, December 31	(23,850)	16,575

City of Pipestone, Minnesota
Data Processing Internal Service Fund
Comparative Statement of Cash Flows
Year Ended December 31, 2024
(With Comparative Totals for Year Ended December 31, 2023)

	2024	2023
Cash Flows From Operating Activities:		
Operating Income (Loss)	(20,425)	(12,253)
Adjustments To Reconcile Operating Income		
To Net Cash Provided By Operating Activities:		
Depreciation	6,354	6,354
(Increase) Decrease In Prepaid Expenses	(23)	(23)
Increase (Decrease) In Accounts Payable	2,465	(1,045)
Net Cash Provided (Used) By Operating Activities	(11,629)	(6,967)
 Cash Flows From Capital and Related		
Financing Activities:		
Operating Transfer Out	(20,000)	(5,000)
Net Cash Used By Capital And		
Related Financing Activities	(20,000)	(5,000)
 Net Increase (Decrease) In Cash And Cash Equivalents	(31,629)	(11,967)
Cash And Cash Equivalents, January 1	9,218	21,185
Cash And Cash Equivalents, December 31	(22,411)	9,218

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Investment Trust Funds

Trust funds are used to account for assets held by the government in a trustee capacity. These funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Perpetual Care Fund – This fund is used to account for cemetery maintenance.

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City of Pipestone, Minnesota
 Non-expendable Trust Funds
 Comparative Balance Sheet
 December 31, 2024
 (With Comparative Totals for December 31, 2023)

	2024	2023
Assets:		
Cash	173,492	172,343
Receivables:		
Interest	2,032	591
Total Assets	175,524	172,934
Liabilities:		
Total Liabilities	-	-
Fund Balance		
Reserved For Perpetual Care	175,524	172,934
Total Fund Balance	175,524	172,934
Total Liabilities And Fund Balance	175,524	172,934

City of Pipestone, Minnesota
 Non-expendable Trust Funds
 Comparative Statement of Revenues, Expenses and
 Changes in Fund Balance
 Year Ended December 31, 2024
 (With Comparative Totals for Year Ended December 31, 2023)

	2024	2023
Operating Revenues:		
Charges For Services	1,150	1,650
Operating Income (Loss)	1,150	1,650
Nonoperating Revenues (Expenses)		
Interest Revenue	3,020	1,464
Operating Transfer Out	(1,580)	(1,070)
Total Other Financing Sources (Uses)	1,440	394
Net Income	2,590	2,044
Fund Balance, January 1	172,934	170,890
Fund Balance, December 31	175,524	172,934

City of Pipestone, Minnesota
 Non-expendable Trust Funds
 Comparative Statement of Cash Flows
 Year Ended December 31, 2024
 (With Comparative Totals for Year Ended December 31, 2023)

	2024	2023
Cash Flows From Operating Activities:		
Operating Income	1,150	1,650
Adjustments To Reconcile Operating Income		
To Net Cash Provided By Operating Activities:		
(Increase) Decrease In Interest Receivable	(1,441)	(393)
Net Cash Provided (Used)		
By Operating Activities	(291)	1,257
 Cash Flows From Capital and Related		
Financing Activities:		
Operating Transfer Out	(1,580)	(1,070)
Net Cash Used By Capital And		
Related Financing Activities	(1,580)	(1,070)
 Cash Flows From Investing Activities:		
Interest Received On Investments	3,020	1,464
Net Cash Provided By Investing Activities	3,020	1,464
 Net Increase (Decrease) In Cash		
And Cash Equivalents	1,149	1,651
Cash And Cash Equivalents, January 1	172,343	170,692
Cash And Cash Equivalents, December 31	173,492	172,343

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Capital Assets Used in the Operation of Governmental Funds

These schedules present only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded.

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City of Pipestone, Minnesota
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules
 December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
GOVERNMENTAL FUND CAPITAL ASSETS		
Land	\$ 1,193,757	\$ 1,078,757
Buildings and structures	6,734,570	6,625,942
Improvements other than buildings	7,170,953	6,228,515
Machinery and equipment	2,595,473	2,471,288
Automotive equipment	2,769,219	2,779,219
Infrastructure	<u>29,827,393</u>	<u>27,415,289</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 50,291,365</u>	<u>\$ 46,599,010</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts.

City of Pipestone, Minnesota
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2024

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Structures</u>	<u>Improvements Other Than Buildings</u>
General Government:			
General	\$ 516,157	\$ 23,294	\$ 736,864
Total Gen. Gov't	<u>516,157</u>	<u>23,294</u>	<u>736,864</u>
Public Safety:			
Fire	123,100	1,730,087	---
Civil Defense	---	---	---
Total Public Safety	<u>123,100</u>	<u>1,730,087</u>	<u>---</u>
Streets and Highways:			
Streets	14,200	82,467	---
Infrastructure	---	---	---
Total Streets and Highways	<u>14,200</u>	<u>82,467</u>	<u>---</u>
Culture and Recreation:			
Parks	224,700	527,210	961,054
Aquatic Center	---	268,700	2,201,557
Rec Center	<u>24,900</u>	<u>1,358,683</u>	<u>---</u>
Total Culture and Recreation	<u>249,600</u>	<u>2,154,593</u>	<u>3,162,611</u>
Miscellaneous:			
Municipal Building	33,400	624,990	29,160
Airport	252,700	1,945,322	3,242,318
Senior Citizens Center	4,600	161,111	---
Library	---	12,706	---
Cable Access	---	---	---
Total Miscellaneous	<u>290,700</u>	<u>2,744,129</u>	<u>3,271,478</u>
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u>\$ 1,193,757</u>	<u>\$6,734,570</u>	<u>\$7,170,953</u>

<u>Machinery and Equipment</u>	<u>Automotive Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 37,042	\$ 94,703	\$ ---	\$ 1,408,060
<u>37,042</u>	<u>94,703</u>	<u>---</u>	<u>1,408,060</u>
432,037	2,211,928	---	4,497,152
79,641	---	---	79,641
<u>511,678</u>	<u>2,211,928</u>	<u>---</u>	<u>4,576,793</u>
781,721	402,937	---	1,281,325
<u>---</u>	<u>---</u>	<u>29,827,393</u>	<u>29,827,393</u>
<u>781,721</u>	<u>402,937</u>	<u>29,827,393</u>	<u>31,108,718</u>
376,922	59,651	---	2,149,537
9,882	---	---	2,480,139
<u>127,827</u>	<u>---</u>	<u>---</u>	<u>1,511,410</u>
<u>514,631</u>	<u>59,651</u>	<u>---</u>	<u>6,141,086</u>
---	---	---	687,550
698,298	---	---	6,138,638
---	---	---	165,711
---	---	---	12,706
52,103	---	---	52,103
<u>750,401</u>	<u>---</u>	<u>---</u>	<u>7,056,708</u>
<u>\$2,595,473</u>	<u>\$2,769,219</u>	<u>\$29,827,393</u>	<u>\$50,291,365</u>

City of Pipestone, Minnesota
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Functions and Activity
Year Ended December 31, 2024

Function and Activity	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
General Government:				
General	\$ 768,540	\$ 639,520	\$ ---	\$ 1,408,060
Total Gen. Gov't	<u>768,540</u>	<u>639,520</u>	<u>---</u>	<u>1,408,060</u>
Public Safety:				
Fire	4,497,152	---	---	4,497,152
Civil Defense	79,641	---	---	79,641
Total Public Safety	<u>4,576,793</u>	<u>---</u>	<u>---</u>	<u>4,576,793</u>
Streets and Highways:				
Streets	1,281,325	---	---	1,281,325
Infrastructure	<u>27,415,289</u>	<u>2,412,104</u>	<u>---</u>	<u>29,827,393</u>
Total Streets and Highways	<u>28,696,614</u>	<u>2,412,104</u>	<u>---</u>	<u>31,108,718</u>
Culture and Recreation:				
Parks	2,029,382	120,155	---	2,149,537
Aquatic Center	2,480,139	---	---	2,480,139
Rec Center	<u>1,441,389</u>	<u>70,021</u>	<u>---</u>	<u>1,511,410</u>
Total Culture and Recreation	<u>5,950,910</u>	<u>190,176</u>	<u>---</u>	<u>6,141,086</u>
Miscellaneous:				
Municipal Building	687,550	---	---	687,550
Airport	5,702,905	461,613	25,880	6,138,638
Senior Citizens Center	165,711	---	---	165,711
Library	12,706	---	---	12,706
Cable Access	<u>37,281</u>	<u>14,822</u>	<u>---</u>	<u>52,103</u>
Total Miscellaneous	<u>6,606,153</u>	<u>476,435</u>	<u>25,880</u>	<u>7,056,708</u>
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u>\$46,599,010</u>	<u>\$3,718,235</u>	<u>\$ 25,880</u>	<u>\$50,291,365</u>

STATISTICAL SECTION

Table 1

City of Pipestone, Minnesota
Government-Wide Expenses By Function
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities										Interest on		Loss on	
	General Government	Public Safety	Public Works	Culture and Recreation	Economic Development	Long-Term Debt	Disposal of Assets	Total	Primary	Government	Business Type	Data Processing	Total	
2015	1,625,775	1,035,513	1,228,091	775,263	276,023	460,945	-	5,401,610						
2016	1,513,982	990,259	1,369,363	753,491	272,664	232,063	-	5,131,822						
2017	974,391	1,215,583	1,930,427	945,206	525,468	279,776	-	5,870,851						
2018	1,578,712	1,100,568	702,455	853,604	378,528	309,046	-	4,922,913						
2019	1,518,724	1,072,851	1,628,914	941,329	472,054	368,571	-	6,002,443						
2020	1,588,779	1,077,292	1,488,238	872,142	467,798	367,377	-	5,861,626						
2021	1,614,060	1,126,486	1,604,864	775,349	521,996	362,807	-	6,005,562						
2022	1,580,156	1,283,208	1,533,811	986,672	466,744	358,092	-	6,208,683						
2023	1,264,659	1,363,201	1,916,543	1,099,270	593,051	475,267	-	6,711,991						
2024	2,489,526	1,556,986	1,067,196	1,102,167	418,740	512,164	-	7,146,779						
Business-Type Activities														
Fiscal Year	Water	Sewer	Garbage	Liquor	Prairie Winds	Business Type	Data Processing	Total	Business Type	Data Processing	Total	Business Type	Primary Government	
2015	638,789	967,621	243,201	1,361,436	141,323	3,352,370	28,896	8,782,876						
2016	640,144	854,487	264,589	1,386,563	145,499	3,291,282	32,652	8,455,756						
2017	624,202	882,164	307,731	1,398,416	136,144	3,348,657	26,399	9,245,907						
2018	723,283	1,032,950	332,817	1,451,394	132,783	3,673,227	35,869	8,632,009						
2019	1,003,687	991,553	379,700	1,432,404	124,671	3,932,015	41,782	9,976,240						
2020	1,509,363	1,102,404	377,952	1,732,271	151,813	4,873,803	40,808	10,776,237						
2021	1,630,935	1,144,619	369,264	1,664,946	155,204	4,964,968	37,821	11,008,351						
2022	1,824,304	1,264,149	429,402	1,737,823	-	5,255,678	40,213	11,504,574						
2023	1,858,553	1,593,059	391,981	1,807,832	-	5,651,425	51,953	12,415,369						
2024	1,989,948	1,674,215	364,137	1,783,650	-	5,811,950	85,025	13,043,754						

City of Pipestone, Minnesota
Government-Wide Revenues
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Program Revenues				General Revenues							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Licenses	Not Restricted to Specific Programs	Unrestricted Investment Earnings	Other Revenues	Gain on Sale of Property			
2015	4,624,507	78,811	14,100	2,136,399	104,980	2,330,636	11,007	84,858	36,792	9,422,090		
2016	4,710,296	79,435	8,159	1,901,249	88,265	3,589,977	6,049	58,256	90,822	10,532,508		
2017	4,825,320	106,580	56,250	2,070,719	92,300	2,173,490	5,820	193,170	64,511	9,588,160		
2018	2,274,845	98,820	106,190	2,197,801	59,548	2,470,886	12,208	79,310	85,827	7,385,435		
2019	1,261,603	91,784	31,185	2,368,301	47,033	2,168,289	18,055	111,950	80,165	6,178,365		
2020	933,947	91,957	623,952	2,436,890	48,481	2,449,317	14,745	210,313	5,001	6,814,603		
2021	1,575,658	98,514	107,300	2,490,677	39,878	3,056,627	6,597	63,333	40,807	7,479,391		
2022	1,374,919	28,651	173,980	2,491,865	59,358	2,648,416	3,978	-	128,010	6,909,177		
2023	1,964,917	31,387	-	2,654,501	79,708	3,029,451	50,585	-	9,188	7,819,737		
2024	1,329,480	22,868	-	2,793,254	122,118	3,715,456	122,623	-	309,312	8,415,111		

City of Pipestone, Minnesota
 General Governmental Expenditures By Function (1)
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	General Government	Public		Culture and Recreation	Other	Capital		Debt		Total
		Safety	Works			Outlay	Service			
2015	1,067,694	992,416	949,006	754,290	273,331	1,027,669	1,692,604	6,757,010		
2016	1,383,944	991,796	1,170,765	828,193	274,501	1,901,924	1,386,123	7,937,246		
2017	1,038,262	1,050,396	1,425,451	751,202	525,468	2,355,661	6,059,484	13,205,924		
2018	967,354	1,117,390	1,258,148	740,064	378,529	1,926,241	1,114,013	7,501,739		
2019	1,003,631	1,109,097	1,074,669	766,209	472,055	609,071	1,256,203	6,290,935		
2020	1,325,191	1,140,818	1,012,646	689,630	467,520	2,227,813	1,408,702	8,272,320		
2021	1,205,014	1,152,041	1,296,039	781,296	521,744	1,229,662	1,297,022	7,482,818		
2022	1,208,199	1,208,909	1,145,370	915,824	466,744	3,801,236	1,436,808	10,183,090		
2023	1,460,844	1,215,591	1,450,422	1,012,888	593,051	1,747,728	1,589,967	9,070,491		
2024	1,887,345	1,456,277	1,284,664	969,779	418,740	2,301,109	1,826,194	10,144,108		

(1) Includes general, transportation and parks maintenance, special revenue and debt service and capital project funds.

City of Pipestone, Minnesota
 General Governmental Revenues By Source (1)
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Taxes	Special Assessments	Licenses and Permits	Inter-Governmental	Charges for Services	Fines and Forfeitures	Other	Total
2014	1,910,742	74,892	81,445	2,070,929	789,188	18,833	229,749	5,175,778
2015	2,136,399	95,725	104,980	2,409,018	825,236	20,742	110,037	5,702,137
2016	1,901,249	64,412	88,265	3,669,412	800,249	23,011	85,153	6,631,751
2017	2,070,719	67,934	92,300	2,177,200	846,118	31,428	284,313	5,570,012
2018	2,197,801	207,639	59,548	2,476,114	873,408	23,150	1,000,036	6,837,696
2019	2,368,301	138,193	47,033	2,249,710	816,320	19,871	141,703	5,781,131
2020	2,436,890	189,977	48,481	2,861,955	667,942	16,934	573,699	6,795,878
2021	2,490,677	369,724	39,878	3,139,110	831,003	21,432	215,164	7,106,988
2022	2,491,865	205,298	59,358	2,648,416	1,082,331	21,403	70,840	6,579,511
2023	2,654,501	333,090	132,187	2,976,972	964,099	20,923	516,474	7,598,246
2024	2,793,254	309,620	122,118	3,715,456	923,720	22,868	218,763	8,105,799

(1) Includes general, special revenue, debt service and capital project funds.

Table 5

City of Pipestone, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Collection Year	Total Tax Levy	Total (2) Tax Collections	Ratio of		Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
				Total Tax Collections To Total Tax Levy	Total Tax Levy		
2014	2015	1,766,820	1,984,962	112.35%	67,361	3.81%	
2015	2016	1,823,186	1,754,334	96.22%	135,184	7.41%	
2016	2017	1,898,255	1,909,849	100.61%	59,735	3.15%	
2017	2018	2,021,178	2,035,207	100.69%	57,077	2.82%	
2018	2019	2,211,203	2,212,224	100.05%	88,407	4.00%	
2019	2020	2,265,609	2,278,365	100.56%	73,521	3.25%	
2020	2021	2,319,686	2,324,038	100.19%	78,789	3.40%	
2021	2022	2,381,007	2,382,351	100.06%	106,448	4.47%	
2022	2023	2,591,293	2,551,733	98.47%	156,789	6.05%	
2023	2024	2,666,027	2,692,809	101.00%	123,539	4.63%	

City of Pipestone
 Tax Capacity and Estimated Actual Value of Property (1)
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Tax Capacity To Total Estimated Actual Value
	Tax Capacity	Estimated Actual Value	Tax Capacity	Estimated Actual Value	Tax Capacity	Estimated Actual Value	
2015	1,986,776	183,798,600	116,541	7,854,300	2,103,317	191,652,900	1.10%
2016	1,914,611	180,173,300	215,328	12,737,400	2,129,939	192,910,700	1.10%
2017	1,885,245	178,732,700	215,348	12,738,400	2,100,593	191,471,100	1.10%
2018	2,062,317	194,109,900	241,708	13,598,100	2,304,025	207,708,000	1.11%
2019	2,172,663	203,037,900	233,903	13,225,300	2,406,566	216,263,200	1.11%
2020	2,264,241	210,302,000	233,694	13,168,300	2,497,935	223,470,300	1.12%
2021	2,315,836	214,423,300	186,857	10,871,300	2,502,693	225,294,600	1.11%
2022	2,627,054	243,363,500	195,865	11,686,700	2,822,919	255,050,200	1.11%
2023	3,172,882	288,517,200	224,124	13,613,900	3,397,006	302,131,100	1.12%
2024	3,386,189	316,311,700	230,558	14,067,200	3,616,747	330,378,900	1.09%

(1) Source: Pipestone County Assessor

City of Pipestone, Minnesota
 Property Tax Rates
 Direct and Overlapping Governments (1)
 Last Ten Fiscal Years
 (Unaudited)

Payable Year	City	Pipestone County	School District	Special Districts	Total
2015	91.9730	22.1890	8.1570	0.1080	122.4270
2016	89.3380	24.8580	9.0450	0.1270	123.3680
2017	92.6340	30.1780	9.8980	0.1490	132.8590
2018	96.0810	31.0090	10.2250	0.1400	137.4550
2019	97.8530	34.7910	11.7160	0.1560	144.5160
2020	96.5410	34.3490	12.9400	0.1440	143.9740
2021	95.3580	34.3930	13.1390	0.1540	143.0440
2022	95.7580	37.4720	12.0140	0.1530	145.3970
2023	92.8270	36.9240	12.1850	0.1790	142.1150
2024	78.9170	30.0680	10.5080	0.1557	119.6487

(1) Source: Pipestone County Auditor

Table 8

City of Pipestone
Principal Taxpayers (1)
December 31, 2024
(Unaudited)

Name	Type	Tax Capacity	Percent of Total Tax Capacity
Pipestone Medical Group	All Other LL	136,986	3.79%
Pipestone Vet Clinic LLC	Commercial Land & Blds	107,069	2.96%
Northern States Power	Transmission Lines	88,282	2.44%
Store Master Funding XXV LLC	Industrial	89,338	2.47%
Pipestone City of	Residential Vacant Land	52,358	1.45%
Coborn's Incorporated	Commercial Land & Blds	51,224	1.42%
Pipestone Crossings LLC	Commercial Land & Blds	43,600	1.21%
Next Generation Prop of NE LLC	Commercial Land & Blds	37,128	1.03%
Chandler Feed Company	Industrial Land & Bldgs	26,660	0.74%
Burlington Northern INC	RR Land & Bldgs	32,126	0.89%

(1) Source: Pipestone County Auditor

City of Pipestone, Minnesota
 Special Assessment Billings and Collections
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Billings	Collections	Charged Off	Total Outstanding
2015	215,172	109,138		441,747
2016	28,588	77,650		392,685
2017	168,374	79,351		481,708
2018	639,788	217,533		903,963
2019	446,741	145,743		1,204,961
2020	248,814	198,734		1,255,041
2021	697,824	389,664		1,563,201
2022	832,744	217,521		2,178,424
2023	1,241,683	370,527		3,049,580
2024	302,421	372,713		2,979,288

City of Pipestone, Minnesota
 Computation of Legal Debt Margin (1)
 December 31, 2024
 (Unaudited)

Debt Limit-3% Estimated Market Value (2) (330,378,900 @ 3%)		<u>\$9,911,367</u>
Amount of Debt applicable to debt limits:		
Total Bonded Debt		31,873,788
Less:		
General Obligation Revenue and Capital Notes	\$3,451,000	
General Obligation Special Assessment	9,680,000	
General Obligation Revenue	<u>18,722,932</u>	
Total		<u>31,853,932</u>
Net Debt Applicable to Limit		19,856
Legal Debt Margin		<u><u>\$9,911,367</u></u>
Percent of Legal Debt Incurred		<u><u>0.2%</u></u>

(1) Minnesota Statutes 475.53 LIMIT ON NET DEBT Subdivision 1 General.
 Except as otherwise provided in section 475.51, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of 3% of the estimated market value.

(2) Source: Pipestone County Assessor

City of Pipestone
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1) Population	(2) Tax Capacity	Gross Bonded Debt	Less Applicable Debt Service Funds	Enterprise Debt
2015	4,156	2,103,317	14,513,866	1,510,242	10,750,707
2016	4,141	2,129,939	17,447,991	2,884,371	9,176,025
2017	4,149	2,100,593	19,474,383	1,414,895	10,210,492
2018	4,102	2,304,025	24,320,801	1,537,445	14,778,512
2019	4,093	2,406,566	26,380,635	1,492,305	17,165,978
2020	4,162	2,497,935	27,220,708	1,419,439	16,792,376
2021	4,138	2,502,693	27,688,023	1,666,844	16,903,906
2022	4,160	2,822,919	29,557,691	1,892,902	16,788,105
2023	4,106	3,397,006	31,044,002	2,070,118	16,579,116
2024	4,103	3,616,747	31,873,788	1,659,685	18,722,932

(1) Source: Minnesota Demographers Office

(2) Source: Pipestone County Assessor

Table 11

Tax Increment Spec Assessment Revenue Debt	Net Debt	Ratio of Net Bonded Debt to Tax Capacity	Gross Debt Per Capita	Net Debt Per Capita
2,125,000	127,917	6.08%	3,492.27	30.78
2,230,000	3,157,595	148.25%	4,213.47	762.52
3,605,000	4,243,996	202.04%	4,693.75	1,022.90
4,980,000	3,024,844	131.29%	5,929.01	737.41
5,195,000	2,527,352	105.02%	6,445.31	617.48
6,980,000	2,028,893	81.22%	6,540.30	487.48
7,805,000	1,312,273	52.43%	6,691.16	317.13
8,740,000	2,136,684	75.69%	7,105.21	513.63
10,325,000	2,069,768	60.93%	7,560.64	504.08
9,680,000	1,811,171	50.08%	7,768.41	441.43

City of Pipestone
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Principal	Interest and Fees	Total Debt Service	Total General Expenditures	Ratio of Debt Service To Total General Expenditures
2015	1,231,659	460,945	1,692,604	6,757,010	25.05%
2016	1,154,060	232,063	1,386,123	7,937,246	17.46%
2017	5,779,708	279,776	6,059,484	13,205,924	45.88%
2018	804,968	309,045	1,114,013	7,501,739	14.85%
2019	917,476	338,727	1,256,203	6,300,935	19.94%
2020	1,041,325	367,377	1,408,702	8,272,320	17.03%
2021	934,215	362,807	1,297,022	7,482,818	17.33%
2022	1,078,716	358,092	1,436,808	10,183,090	14.11%
2023	1,114,700	475,267	1,589,967	9,070,491	17.53%
2024	1,314,030	512,164	1,826,194	10,144,108	18.00%

City of Pipestone, Minnesota
 Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 December 31, 2024
 (Unaudited)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>(1) Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
Direct Debt:			
City of Pipestone	\$31,873,788	100.00%	\$31,873,788
Overlapping Debt:			
Pipestone Area School	25,010,000	12.32%	3,081,482
Pipestone County	<u>5,416,859</u>	33.00%	<u>1,787,726</u>
Total Direct and Overlapping Debt	<u><u>\$62,300,647</u></u>		<u><u>\$36,742,996</u></u>

(1) Source: Pipestone County Auditor

Table 14

City of Pipestone, Minnesota
Revenue Bond Coverage
Utility Bonds
Last Ten Fiscal Years
(Unaudited)

Utility	Fiscal Year	(1) Revenue	Operating Expenses	Net Revenues Available For Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
Water	2015	662,594	586,205	76,389	1,354,907	56,638	1,411,545	0.1
	2016	717,393	599,299	118,094	215,293	39,130	254,423	0.5
	2017	769,655	583,435	186,220	217,193	40,767	257,960	0.7
	2018	1,061,495	624,491	437,004	373,050	98,791	471,841	0.9
	2019	1,460,785	895,629	565,156	480,200	108,058	588,258	1.0
	2020	1,507,226	1,323,196	184,030	526,670	186,167	712,837	0.3
	2021	1,585,603	1,477,247	108,356	507,000	153,688	660,688	0.2
	2022	1,597,014	1,666,704	(69,690)	521,901	157,600	679,501	-0.1
	2023	1,672,083	1,713,830	(41,747)	531,055	144,723	675,778	-0.1
	2024	1,830,757	1,827,495	3,262	555,715	162,453	718,168	0.0
Sewer	2015	1,006,464	841,734	164,730	1,536,350	125,887	1,662,237	0.1
	2016	1,022,482	762,087	260,395	1,031,041	104,628	1,135,669	0.2
	2017	1,124,555	777,321	347,234	1,028,641	104,843	1,133,484	0.3
	2018	1,138,580	932,537	206,043	544,900	100,413	645,313	0.3
	2019	1,144,553	844,756	299,797	538,300	96,797	635,097	0.5
	2020	1,152,279	1,003,531	148,748	564,900	98,873	663,773	0.2
	2021	1,181,196	1,056,832	124,364	523,000	87,787	610,787	0.2
	2022	1,204,492	1,173,558	30,934	533,042	90,591	623,633	0.0
	2023	1,252,750	1,486,939	(234,189)	595,191	106,120	701,311	-0.3
	2024	1,379,085	1,466,528	(87,443)	612,665	207,287	819,952	-0.1
Prairie	2014	107,404	108,732	(1,328)	16,095	37,236	53,331	0.0
Winds	2015	111,986	104,813	7,173	16,890	36,510	53,400	0.1
	2016	119,341	110,118	9,223	18,562	34,738	53,300	0.2
	2017	121,147	102,827	18,320	19,090	39,356	58,446	0.3
	2018	103,640	100,399	3,241	19,987	32,383	52,370	0.1
	2019	116,540	93,211	23,329	20,922	31,460	52,382	0.4
	2020	124,792	121,241	3,551	21,825	30,572	52,397	0.1
	2021	110,989	131,234	(20,245)	N/A	Fund closed in 2021		

(1) Includes interest income and other revenues.

City of Pipestone, Minnesota
 Demographic Statistics
 Last Ten Fiscal Years
 (Unaudited)

Table 15

Fiscal Year	(2) Population	(4) County Per Capita Income	(3) Public School Enrollment	(1) County Unemployment Rate
2015	4,156	N/A	1,200	3.5%
2016	4,141	25,102	1,180	3.8%
2017	4,149	27,489	1,135	3.6%
2018	4,102	32,629	1,148	3.6%
2019	4,093	29,716	1,138	3.4%
2020	4,162	30,540	1,095	4.0%
2021	4,162	30,084	1,094	1.8%
2022	4,160	31,876	1,012	1.8%
2023	4,106	34,973	1,100	2.4%
2024	4,103	36,551	1,135	2.1%

(1) Source: Minnesota Department of Economic Security

(2) Source: Minnesota Demographers Office

(3) Source: Pipestone Area School

(4) Source: U.S. Census Bureau

City of Pipestone, Minnesota
Property Values and Construction Permits
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Total Permits</u>	<u>Total Value Building Permits</u>
2015	206	13,830,048
2016	207	6,517,000
2017	147	10,231,622
2018	174	1,604,000
2019	151	2,466,233
2020	144	1,452,052
2021	145	2,834,517
2022	141	3,273,584
2023	194	4,630,659
2024	226	8,486,641

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WITH THE FIRM
Kirk W. Morgan, CPA

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
Pipestone, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pipestone, Pipestone, 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 Pipestone, Pipestone, Minnesota's basic financial statements, and have issued our report thereon dated June 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pipestone, Pipestone, Minnesota's internal control over financial reporting (internal control) to determine the 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 Pipestone, Pipestone, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pipestone, Pipestone, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pipestone, Pipestone, Minnesota's financial statements are free of 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 determination of financial statement amounts. 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*.

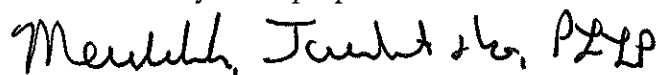
Minnesota Legal Compliance

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Pipestone, Pipestone, Minnesota failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*, except as noted in the Schedule of Findings and Questioned Costs as 2024-I. 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 of Pipestone, Pipestone, Minnesota's noncompliance with the above referenced provisions.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Meulebroeck, Taubert & Co., PLLP
Certified Public Accountants
Pipestone, Minnesota

June 16, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2024-I Lack of sufficient collateral

Condition: The City has deposits that are not sufficiently collateralized under FDIC, a collateral security or a corporate surety bond executed by a company authorized to do business in the state.

Criteria: According to Minnesota Statute 118A.03, deposits in excess of FDIC coverage must be protected by bond or collateral which, when computed at its market value, shall be at least ten percent more than the amount of excess deposit.

Effect: During review of the City's deposit balances at December 31, 2024, it was found that the financial institution balance exceeded the amount of insurance and collateral pledged.

Recommendation: The City should ensure that all funds are fully collateralized as required by Minnesota Statutes.

Response: The City Treasurer has contacted the financial institution to verify the appropriate collateral is obtained. The financial institution will continue to monitor collateral on a monthly basis and obtain additional collateral as necessary. The City Treasurer will notify the financial institution when the account balance is going to increase substantially.