



1st Quarter Report

City of Northfield

Northfield, Minnesota

As of March 31, 2025



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Edina, MN 55436
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May 2, 2025

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Northfield
Northfield, Minnesota

Management is responsible for the accompanying financial statement of the City of Northfield, which comprises the budget to actual statement of revenues and expenditures for the General Fund as of March 31, 2025, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The 2024 audit has not been completed as of this report date. Therefore, the balances in this report are to be considered preliminary and are subject to change upon completion of the audit.

The following procedures have not been performed as part of this compilation:

- An evaluation of cash and investments to ensure completeness
- An evaluation of the 2024 final trial balance in comparison to the ACFR
- An evaluation of the 2025 reversing entries
- Analytical procedures for the balance sheet
- Analytical procedures for revenue and expenditures

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,



Abdo Financial Solutions, LLC



May 2, 2025

Honorable Mayor and City Council
City of Northfield
Northfield, Minnesota

Dear Honorable Mayor and City Council:

City staff has reconciled all bank accounts through March 31, 2025, and performed analytical procedures on all funds. The following is a summary of our observations. All information presented is unaudited.

Cash and Investments

The City's cash and investment balances are as follows:

	03/31/2025	12/31/2024	Increase/ (Decrease)
Checking	\$ 2,192,185	\$ 2,525,630	\$ (333,444)
Investments (at Market Value)	40,779,600	50,261,482	(9,481,883)
Total Cash and Investments	<u>\$ 42,971,785</u>	<u>\$ 52,787,112</u>	<u>\$ (9,815,327)</u>

Investment Type	03/31/2025	12/31/2024	Increase/ (Decrease)
Checking	\$ 2,192,185	\$ 2,525,630	\$ (333,444)
Pooled Investments at Amortized Cost (4M Fund)	17,464,381	26,819,366	(9,354,985)
Commercial Paper	2,601,531	2,086,278	515,252
U.S. Treasury Notes	16,031,377	16,097,635	(66,258)
Municipal Securities	121,586	271,401	(149,815)
Federal Agency Securities	4,560,725	4,986,802	(426,077)
Total investments	<u>\$ 42,971,785</u>	<u>\$ 52,787,112</u>	<u>\$ (9,815,327)</u>

Current short-term rates being offered by financial institutions have decreased as evidenced by the table of U.S. Treasury rates below. The U.S. Treasury rates provide a benchmark perspective for rate of return.

Date	Treasury Yields								
	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
03/31/2020	0.05	0.11	0.15	0.17	0.23	0.29	0.37	0.55	0.70
06/30/2020	0.13	0.16	0.18	0.16	0.16	0.18	0.29	0.49	0.66
09/30/2020	0.08	0.10	0.11	0.12	0.13	0.16	0.28	0.47	0.69
12/31/2020	0.08	0.08	0.09	0.09	0.10	0.13	0.17	0.36	0.65
03/31/2021	0.01	0.01	0.03	0.05	0.07	0.16	0.35	0.92	1.40
06/30/2021	0.05	0.05	0.06	0.07	0.25	0.46	0.87	1.21	1.45
09/30/2021	0.07	0.04	0.05	0.09	0.28	0.53	0.98	1.32	1.52
12/31/2021	0.06	0.06	0.19	0.39	0.73	0.97	1.26	1.44	1.52
03/31/2022	0.17	0.52	1.06	1.63	2.28	2.45	2.42	2.40	2.32
06/30/2022	1.28	1.72	2.51	2.80	2.92	2.99	3.01	3.04	2.98
09/30/2022	2.79	3.33	3.92	4.05	4.22	4.25	4.06	3.97	3.83
12/30/2022	4.12	4.42	4.76	4.73	4.41	4.22	3.99	3.96	3.88
03/31/2023	4.74	4.85	4.94	4.64	4.06	3.81	3.60	3.55	3.48
06/30/2023	5.24	5.43	5.47	5.40	4.87	4.49	4.13	3.97	3.81
09/30/2023	5.55	5.55	5.53	5.46	5.03	4.80	4.60	4.61	4.59
12/31/2023	5.60	5.40	5.26	4.79	4.23	4.01	3.84	3.88	3.88
03/31/2024	5.49	5.46	5.39	5.03	4.59	4.40	4.21	4.20	4.20
06/30/2024	5.47	5.48	5.33	5.09	4.71	4.52	4.33	4.33	4.36
09/30/2024	4.93	4.73	4.38	3.98	3.66	3.58	3.58	3.67	3.81
12/31/2024	4.40	4.37	4.24	4.16	4.25	4.27	4.38	4.48	4.58
03/31/2025	4.38	4.32	4.23	4.03	3.89	3.89	3.96	4.09	4.23

Budget Summary

A more detailed analysis of the general fund compared with the budget is included as Attachment A.

Cash Balance Summary

A comparison of cash balances by fund is included as Attachment B.

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This information is unaudited and is intended solely for the information and use of management and City Council and is not intended and should not be used by anyone other than these specified parties.

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,



Abdo Financial Solutions, LLC

General Fund Cash Balances 2022 - 2025



General Fund

Receipts	YTD Budget	YTD Actual	Percent of YTD Budget		Disbursements	YTD Budget	YTD Actual	Percent of YTD Budget	
Taxes	\$ 2,970,654	\$ 7,217	0.2 %	↓	Mayor & Council	\$ 117,828	\$ 100,708	85.5 %	↑
Licenses and Permits	161,300	131,968	81.8	↓	Administration	187,253	138,247	73.8	↑
Intergovernmental	1,202,564	574,759	47.8	↓	Elections	5,196	696	13.4	↑
Charges for services	399,164	317,035	79.4	↓	Finance	213,318	128,461	60.2	↑
Fines and forfeits	14,625	36,840	251.9	↑	Human Services	178,147	158,179	88.8	↑
Investment earnings	62,500	1,487	2.4	↓	Community Development	122,169	60,678	49.7	↑
Other revenues	37,256	4,072	10.9	↓	Planning	74,611	64,796	86.8	↑
Transfers in	86,000	-	-	↓	General Government Building	42,305	35,465	83.8	↑
	\$ 4,934,062	\$ 1,073,379	21.8 %	↓	Police	1,539,301	1,188,234	77.2	↑
Key					Fire	245,433	550,929	224.5	↓
↑	Varies more than 10% than budget positively				Building Inspection	139,991	99,586	71.1	↑
↓	Varies more than 10% than budget negatively				Engineering	224,573	192,196	85.6	↑
→	Within 10% of budget				Streets	553,453	361,741	65.4	↑
					Street Lighting	71,250	91,429	128.3	↓
					Facilities	92,145	80,534	87.4	↑
					Ice Arena	109,468	112,442	102.7	→
					General Parks	127,086	44,423	35.0	↑
					Athletic Facilities	51,638	19,022	36.8	↑
					Outdoor Pool	67,954	6,495	9.6	↑
					Recreation Administration	70,906	29,612	41.8	↑
					Library	562,027	487,678	86.8	↑
					City Clerk	73,013	58,749	80.5	↑
					Unallocated	119,738	54,145	45.2	↑
	\$ 4,988,802	\$ 4,064,447	81.5 %	↑					

City of Northfield, Minnesota
Statement of Revenues and Expenditures -
Budget and Actual -
General Fund (Unaudited)
For the Three Months Ended March 31, 2025

Attachment A

	Annual Budget	Budget thru 03/31/2025	Actual Thru 03/31/2025	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 03/31/2025
Revenues					
Taxes	\$ 11,882,614	\$ 2,970,654	\$ 7,217	\$ (2,963,437) *	0.2 %
Intergovernmental	4,810,254	1,202,564	574,759	(627,805) (1)	47.8
Licenses and Permits	645,200	161,300	131,968	(29,332)	81.8
Charges for services	1,596,655	399,164	317,035	(82,129) (2)	79.4
Fines and forfeits	58,500	14,625	36,840	22,215	251.9
Investment earnings	250,000	62,500	1,487	(61,013) (3)	2.4
Other revenues	149,023	37,256	4,072	(33,184) (4)	10.9
Total Revenues	19,392,246	4,848,062	1,073,379	(3,774,683)	22.1
Expenditures					
Mayor & Council	471,313	117,828	100,708	17,120	85.5
Administration	749,012	187,253	138,247	49,006 (5)	73.8
City Clerk	292,051	73,013	58,749	14,264	80.5
Elections	20,785	5,196	696	4,500	13.4
Finance	853,270	213,318	128,461	84,857 (6)	60.2
Human Services	712,588	178,147	158,179	19,968	88.8
Community Development	488,677	122,169	60,678	61,491 (7)	49.7
Planning	298,444	74,611	64,796	9,815	86.8
General Government Building	169,221	42,305	35,465	6,840	83.8
Police	6,157,204	1,539,301	1,188,234	351,067 (8)	77.2
Fire	981,730	245,433	550,929	(305,497) (9)	224.5
Building Inspection	559,964	139,991	99,586	40,405 (10)	71.1
Engineering	898,293	224,573	192,196	32,377	85.6
Streets	2,213,812	553,453	361,741	191,712 (11)	65.4
Street Lighting	285,000	71,250	91,429	(20,179)	128.3
Facilities	368,580	92,145	80,534	11,611	87.4
Ice Arena	437,871	109,468	112,442	(2,974)	102.7
General Parks	508,343	127,086	44,423	82,663 (12)	35.0
Athletic Facilities	206,551	51,638	19,022	32,616 (12)	36.8
Outdoor Pool	271,816	67,954	6,495	61,459 (12)	9.6
Recreation Administration	283,625	70,906	29,612	41,294 (12)	41.8
Library	2,248,106	562,027	487,678	74,349	86.8
Unallocated	478,950	119,738	54,145	65,593 (13)	45.2
Total Expenditures	19,955,206	4,988,802	4,064,447	924,357	81.5
Excess Revenues (Expenditures)	(562,960)	(140,740)	(2,991,068)	(2,850,328)	2,125.2
Other Financing Sources and Uses					
Transfers in	344,000	86,000	-	(86,000) (14)	-
Total Other Financing Sources (Uses)	344,000	86,000	-	(86,000)	-
Excess (Deficiency) of Revenues and Other Financing	\$ (218,960)	\$ (54,740)	\$ (2,991,068)	\$ (2,936,328)	5,464.1 %

* Typically property taxes are received in July and December (with 70% advance in June).

City of Northfield, Minnesota
Statement of Revenues and Expenditures -
Budget and Actual -
General Fund (Unaudited) (Continued)
For the Three Months Ended March 31, 2025

Attachment A

<u>Item</u>	<u>Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$25,000.</u>
(1)	The majority of intergovernmental funds will be received in the second half of 2025.
(2)	Charges for services will increase in Q2 with the availability of seasonal amenities.
(3)	The markets have seen an increase in volatility in recent months and investments have not performed as anticipated.
(4)	Contributions and donations are expected to be received later in the year.
(5)	Variance is due to lower than expected legal fees to date.
(6)	Auditing and Accounting Services are expected to see expenses beginning in Q2.
(7)	Variance is due to lower than expected professional services fees to date.
(8)	Positive variance is due to less overtime hours than anticipated.
(9)	Variance is due to the timing of semiannual payments to NAFRS.
(10)	Costs related to building inspection are expected to increase in Q2 when development increases.
(11)	The majority of expenses for street maintenance are typically incurred in the summer months.
(12)	These costs will start increasing in Q2 as seasonal amenities become available.
(13)	Expenses for the convention and visitors bureau are anticipated to increase in Q2 and Q3.
(14)	Operating transfers are typically made in Q4.

City of Northfield, Minnesota
Unaudited Cash Balances by Fund
March 31, 2024, December 31, 2024 and March 31, 2025

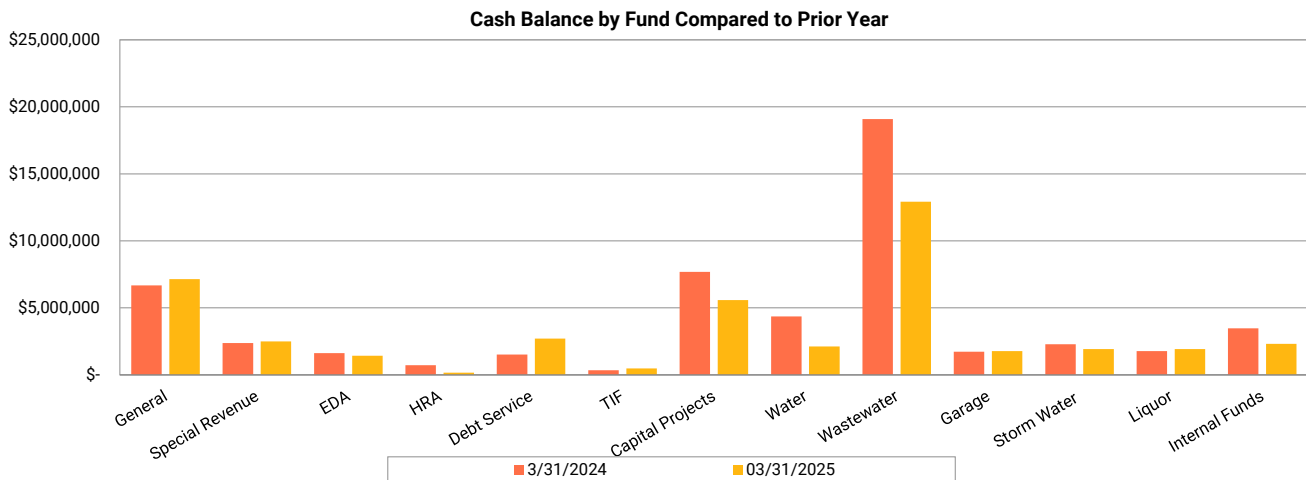
Attachment B

Fund		Balance 03/31/2024	Balance 12/31/2024	Balance 03/31/2025	YTD Change From 12/31/2024	
101	General fund	\$ 6,678,745	\$ 10,523,043	\$ 7,149,671	\$ (3,373,372)	(1)
260	ARPA fund	1	-	-	-	
211	Community resource center	(12,341)	39,633	(144,296)	(183,929)	(2)
215	Motor vehicle fund	379,437	472,260	469,034	(3,226)	
229	Communication fund	511,526	342,285	288,638	(53,647)	
240	Library gift fund	43,242	43,374	45,239	1,865	
241	G.W. Bunday fund	26,028	28,622	28,662	40	
242	Scriver memorial fund	150,707	153,349	153,406	57	
243	L.J. Gustafson fund	29,766	30,210	29,317	(893)	
244	M. Houston trust fund	44,162	44,589	44,652	63	
245	C.C. Cloherty endowed book	12,829	14,834	14,755	(79)	
246	Arts and culture	141,582	262,438	260,563	(1,875)	
250	CDBG fund	17,945	5,825	10,368	4,543	
252	TZD Grants	4,419	27,645	34,864	7,219	
255	Utility Franchise Fee fund	862,215	702,353	950,099	247,746	(3)
257	Carbon Reduction fund	151,051	243,111	241,616	(1,495)	
270	Municipal TIF district #4	996	44,678	45,543	865	
271	Jefferson square townhome TIF	17,798	28,451	19,527	(8,924)	
290	EDA - general operating	107,975	174,588	94,304	(80,284)	
292	EDA - investment fund	1,302,439	1,328,261	1,116,450	(211,811)	(4)
293	EDA - MIF investment fund	208,929	215,919	216,159	240	
295	Housing and redevelopment fund	724,576	501,053	113,937	(387,116)	(5)
296	Local housing trust fund	-	156,116	46,773	(109,343)	(6)
311	2010A GO improvement bond fund	(550)	-	(550)	(550)	
312	2011A GO improvement bond fund	21,510	-	-	-	
313	2012A GO improvement bond fund	18,463	-	-	-	
314	2013 bonds fund	22,159	-	7	7	
315	2014 bonds fund	81,543	161,273	34,447	(126,826)	(7)
316	2015 bonds fund	129,210	253,924	86,216	(167,708)	(7)
317	2016 bonds fund	268,480	296,529	209,844	(86,685)	
318	2017 bonds fund	120,089	200,282	101,702	(98,580)	
319	2018 bonds fund	73,133	331,756	144,429	(187,327)	(7)
320	2019 bonds fund	57,338	323,363	70,765	(252,598)	(7)
321	2020 bonds fund	464,400	1,627,496	1,165,448	(462,048)	(7)
322	2021 bonds fund	(43,396)	815,465	458,303	(357,162)	(7)
323	2022 bonds fund	11,795	399,354	76,734	(322,620)	(7)
324	2023 bonds fund	-	371,484	41,537	(329,947)	(7)
352	2006A Lease revenue bond - aquatic	9,372	8,930	8,724	(206)	
354	2012 COP debt service fund	(7,301)	367,905	16,219	(351,686)	(7)
356	2016C Equipment certificate	10,423	118	118	-	
357	2018A NAFRS debt service	261,505	443,348	211,276	(232,072)	(7)
358	2021A Equipment Certificate	18,633	79,569	27,041	(52,528)	
359	2022A Equipment Certificate	5,101	66,212	9,674	(56,538)	
360	2023B Equipment Certificate	-	64,977	37,097	(27,880)	
379	Presidential commons TIF	169,974	256,137	195,706	(60,431)	
381	Hiley Neff TIF fund	141	-	7,308	7,308	
382	Riverfront TIF district	120,285	303,831	156,443	(147,388)	(8)
385	Spring creek TIF district	26,589	46,280	30,785	(15,495)	
386	Aurora TIF	15,518	53,027	38,208	(14,819)	
387	5th & Washington TIF	7,851	95,393	17,154	(78,239)	
388	Maple Brook TIF	5,875	46,077	9,655	(36,422)	
389	Spring Creek II TIF	-	1,563	(959)	(2,522)	
390	Kraewood TIF	-	31,152	30,865	(287)	
391	Kraewood TIF	-	-	(200)	(200)	
419	2018 Capital projects fund	68,152	-	-	-	
420	2019 Capital projects fund	517,665	533,308	533,622	314	
421	2020 Capital projects fund	1,155,238	-	1,955	1,955	
422	2021 Capital projects fund	713,269	-	1,214	1,214	
423	2022 Capital projects fund	(241,908)	398,158	357,120	(41,038)	
424	2023 Capital projects fund	2,637,687	410,385	14,982	(395,403)	(9)
425	2024 Capital projects fund	-	1,563,310	1,423,857	(139,453)	(10)
426	2025 Capital projects fund	-	(1,288,982)	(1,409,039)	(120,057)	(11)
427	2026 Capital projects fund	-	(107,873)	(160,594)	(52,721)	
451	Park fund	797,882	1,287,640	1,279,622	(8,018)	
453	Fire replacement fund	85,624	-	(342)	(342)	
454	City facilities fund	252,975	1,215,658	1,077,087	(138,571)	(12)
455	Vehicle & equipment replacement fund	551,635	1,626,604	1,116,962	(509,642)	(13)
456	Hauberg park fund	11,597	13,242	12,982	(260)	
458	Mill Town Trail Woodley to Waterford	(122,612)	(158,343)	(14,873)	143,470	(14)
459	Ice Arena Construction	-	132,150	(376,446)	(508,596)	(15)
460	Public safety center construction	429,474	-	373	373	
465	Water & 5th St Redevelopment	(5,052)	(35,512)	919,760	955,272	(16)
475	Capital reserve fund	833,680	803,872	804,853	981	
601	Water fund	4,362,611	2,532,884	2,120,736	(412,148)	(17)
602	Wastewater fund	19,088,699	13,696,187	12,917,023	(779,164)	(18)
603	Garbage fund	1,731,992	1,764,237	1,776,494	12,257	
604	Storm water drainage fund	2,289,004	1,964,729	1,923,813	(40,916)	
609	Liquor store fund	1,767,539	1,984,624	1,922,541	(62,083)	
701	Information technology fund	756,248	782,489	756,897	(25,592)	
705	Insurance fund	2,362,238	1,275,922	1,192,825	(83,097)	
851	Whittier trust fund	355,804	364,341	365,085	744	
900	Investment fund	(1)	-	(1)	(1)	
Total		\$ 53,671,607	\$ 52,787,112	\$ 42,971,785	\$ (9,815,327)	

City of Northfield, Minnesota
Unaudited Cash Balances by Fund (Continued)
March 31, 2024, December 31, 2024 and March 31, 2025

Attachment B

Item	Explanation of changes greater than \$100,000.
(1)	See Attachment A for detail of fund activity.
(2)	Decrease due to payments to Olympic Fire Protection for NCRC labor and materials.
(3)	Increase due to receipt of utility franchise fees.
(4)	Decrease due to revolving loan payment to Loon Liquors.
(5)	Decrease due to the purchase of property at 706 and 716 2nd St W.
(6)	Decrease due to payments made for down payment assistance, rent assistance, and housing supports.
(7)	Decrease due to bond payments made in Q1.
(8)	Decrease due to TIF reimbursement payments.
(9)	Decrease due to payment to IMS Contracting for reclamation & overlay project.
(10)	Decrease due to payment of 2024 accounts payable invoices.
(11)	Decrease due to payments to Short Elliot Hendrickson for professional services related to street projects.
(12)	Decrease due to the payments to Ebert Inc for the transit hub.
(13)	Decrease due to the purchase of a 2024 Jeep Grand Cherokee, 2025 Silverado, and upfitting the new snow plow.
(14)	Increase due to the receipt of MTT grant funds.
(15)	Decrease due to payments to JLG Architects for professional services.
(16)	Increase due to the proceeds from the sale of 115 5th St.
(17)	Decrease due to payments to Bolton & Menk for drinking water system study.
(18)	Decrease due to payments to Magney Construction for WWTP improvements.



Fund	Key
→ General	↑ Varies more than 10% of prior period positively
→ Special Revenue	↓ Varies more than 10% of prior period negatively
↓ EDA	→ Balance within 10% of prior period
↓ HRA	
↑ Debt Service	
↑ TIF	
↓ Capital Projects	
↓ Water	
↓ Wastewater	
→ Garage	
↓ Storm Water	
→ Liquor	
↓ Internal Funds	