



3rd Quarter Report

City of Northfield

Northfield, Minnesota

As of September 30, 2024



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Edina, MN 55436
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October 29, 2024

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 September 30, 2024, 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 following procedures have not been performed as part of this compilation:

- An evaluation of cash and investments to ensure completeness
- An evaluation of the 2023 final trial balance in comparison to the ACFR
- An evaluation of the 2024 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



October 29, 2024

Honorable Mayor and City Council
City of Northfield
Northfield, Minnesota

Dear Honorable Mayor and City Council:

City staff has reconciled all bank accounts through September 30, 2024, 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:

	<u>09/30/2024</u>	<u>12/31/2023</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 4,920,642	\$ 1,538,691	\$ 3,381,952
Investments (at Market Value)	<u>46,835,214</u>	<u>63,442,983</u>	<u>(16,607,770)</u>
Total Cash and Investments	<u>\$ 51,755,856</u>	<u>\$ 64,981,674</u>	<u>\$ (13,225,818)</u>
<u>Investment Type</u>	<u>09/30/2024</u>	<u>12/31/2023</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 4,920,642	\$ 1,538,691	\$ 3,381,952
Pooled Investments at Amortized Cost (4M Fund)	23,928,524	40,862,704	(16,934,180)
Commercial Paper	2,895,759	4,030,577	(1,134,818)
U.S. Treasury Notes	14,691,963	11,998,821	2,693,142
Municipal Securities	336,575	864,748	(528,173)
Federal Agency Securities	<u>4,982,393</u>	<u>5,686,133</u>	<u>(703,740)</u>
Total investments	<u>\$ 51,755,856</u>	<u>\$ 64,981,674</u>	<u>\$ (13,225,818)</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	
09/30/2019	1.91	1.88	1.83	1.75	1.63	1.56	1.55	1.62	1.68	
12/31/2019	1.48	1.55	1.60	1.59	1.58	1.62	1.69	1.83	1.92	
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	

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 2021 - 2024



General Fund

Receipts	YTD Budget	YTD Actual	Percent of YTD Budget		Disbursements	YTD Budget	YTD Actual	Percent of YTD Budget	
Taxes	\$ 7,968,238	\$ 5,666,365	71.1 %	↓	Mayor & Council	\$ 297,633	\$ 300,203	100.9 %	→
Licenses and Permits	483,900	593,816	122.7	↑	Administration	517,823	448,180	86.6	↑
Intergovernmental	3,547,298	2,448,641	69.0	↓	Elections	93,108	62,823	67.5	↑
Charges for services	1,149,531	1,067,162	92.8	→	Finance	510,386	449,318	88.0	↑
Fines and forfeits	45,000	89,297	198.4	↑	Human Services	534,251	515,236	96.4	→
Investment earnings	225,000	174,848	77.7	↓	Community Development	337,235	270,932	80.3	↑
Other revenues	111,767	27,424	24.5	↓	Planning	232,059	253,587	109.3	→
Transfers in	161,250	-	-	↓	General Government Building	117,388	95,802	81.6	↑
					Police	4,271,362	4,081,570	95.6	→
	<u>\$ 13,691,984</u>	<u>\$ 10,067,553</u>	<u>73.5 %</u>	↓	Fire	632,232	1,005,366	159.0	↓
					Building Inspection	427,757	350,627	82.0	↑
					Engineering	667,705	646,634	96.8	→
					Streets	1,573,168	1,446,999	92.0	→
					Street Lighting	232,500	185,699	79.9	↑
					Facilities	284,398	274,190	96.4	→
					Ice Arena	232,368	184,015	79.2	↑
					General Parks	346,154	234,437	67.7	↑
					Athletic Facilities	141,104	131,031	92.9	→
					Outdoor Pool	179,473	213,927	119.2	↓
					Recreation Administration	201,164	165,449	82.2	↑
					Library	1,507,592	1,451,663	96.3	→
					City Clerk	214,739	181,896	84.7	↑
					Unallocated	365,391	216,121	59.1	↑
						<u>\$ 13,916,986</u>	<u>\$ 13,165,705</u>	<u>94.6 %</u>	→

Key
 ↑ Varies more than 10% than budget positively
 ↓ Varies more than 10% than budget negatively
 → Within 10% of budget

City of Northfield, Minnesota
Statement of Revenues and Expenditures -
Budget and Actual -
General Fund (Unaudited)
For the Nine Months Ended September 30, 2024

Attachment A

	Annual Budget	Budget thru 09/30/2024	Actual Thru 09/30/2024	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 09/30/2024
Revenues					
Taxes	\$ 10,624,317	\$ 7,968,238	\$ 5,666,365	\$ (2,301,873) *	71.1 %
Intergovernmental	4,729,730	3,547,298	2,448,641	(1,098,657) (1)	69.0
Licenses and Permits	645,200	483,900	593,816	109,916 (2)	122.7
Charges for services	1,532,708	1,149,531	1,067,162	(82,369)	92.8
Fines and forfeits	60,000	45,000	89,297	44,297 (3)	198.4
Investment earnings	300,000	225,000	174,848	(50,152) (4)	77.7
Other revenues	149,023	111,767	27,424	(84,343) (5)	24.5
Total Revenues	18,040,978	13,530,734	10,067,553	(3,463,181)	74.4
Expenditures					
Mayor & Council	396,844	297,633	300,203	(2,570)	100.9
Administration	690,430	517,823	448,180	69,643	86.6
City Clerk	286,318	214,739	181,896	32,843	84.7
Elections	124,144	93,108	62,823	30,285 (6)	67.5
Finance	680,515	510,386	449,318	61,068	88.0
Human Services	712,334	534,251	515,236	19,015	96.4
Community Development	449,646	337,235	270,932	66,303	80.3
Planning	309,412	232,059	253,587	(21,528)	109.3
General Government Building	156,517	117,388	95,802	21,586	81.6
Police	5,695,149	4,271,362	4,081,570	189,792	95.6
Fire	842,976	632,232	1,005,366	(373,134) (7)	159.0
Building Inspection	570,343	427,757	350,627	77,130	82.0
Engineering	890,273	667,705	646,634	21,071	96.8
Streets	2,097,557	1,573,168	1,446,999	126,169	92.0
Street Lighting	310,000	232,500	185,699	46,801 (8)	79.9
Facilities	379,197	284,398	274,190	10,208	96.4
Ice Arena	309,824	232,368	184,015	48,353 (9)	79.2
General Parks	461,538	346,154	234,437	111,717 (10)	67.7
Athletic Facilities	188,139	141,104	131,031	10,073	92.9
Outdoor Pool	239,297	179,473	213,927	(34,454)	119.2
Recreation Administration	268,218	201,164	165,449	35,715	82.2
Library	2,010,122	1,507,592	1,451,663	55,929	96.3
Unallocated	487,188	365,391	216,121	149,270 (11)	59.1
Total Expenditures	18,555,981	13,916,986	13,165,705	751,281	94.6
Excess Revenues (Expenditures)	(515,000)	(386,252)	(3,098,152)	(2,711,900)	802.1
Other Financing Sources and Uses					
Transfers in	215,000	161,250	-	(161,250) (12)	-
Total Other Financing Sources (Uses)	215,000	161,250	-	(161,250)	-
Excess (Deficiency) of Revenues and Other Financing	\$ (300,000)	\$ (225,002)	\$ (3,098,152)	\$ (2,873,150)	1,376.9 %

* 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 Nine Months Ended September 30, 2024

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 fourth quarter of 2024.
(2)	Variance is due to higher than expected building permit and plan review fees due to increased development.
(3)	Variance is due to an increase of restitution and court fines collected.
(4)	Variance due to decreased investment balance.
(5)	Additional contributions and donations are expected later in the year.
(6)	A majority of election expenses will be incurred in Q4 due to the presidential election.
(7)	The payment to NAFRS nearly doubled in 2024 due to the purchase of a new fire truck.
(8)	Invoices from Xcel Energy have been lower in 2024 due to lower rates, and a large refund was received in Q1.
(9)	Expenses for utilities and maintenance have been less than expected.
(10)	A majority of trail maintenance and park maintenance expenses will occur in the second half of 2024.
(11)	Expenses for the convention and visitors bureau are anticipated to increase in Q4.
(12)	Operating transfers are typically made in Q4.

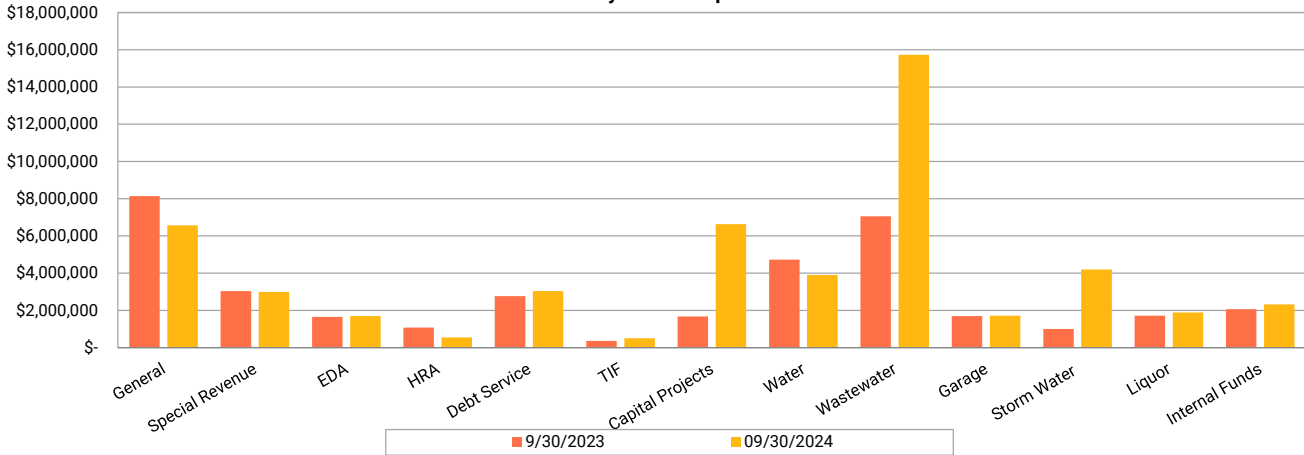
City of Northfield, Minnesota
 Unaudited Cash Balances by Fund
 September 30, 2023, December 31, 2023 and September 30, 2024

Attachment B

Fund		Balance 09/30/2023	Balance 12/31/2023	Balance 09/30/2024	YTD Change From 12/31/2023
101	General fund	\$ 8,140,766	\$ 10,214,834	\$ 6,568,816	\$ (3,646,018) (1)
260	ARPA fund	(7,630)	1	-	(1)
211	Community resource center	91,305	66,527	7,411	(59,116)
215	Motor vehicle fund	348,041	341,554	433,501	91,947
229	Communication fund	615,544	561,537	382,882	(178,655) (2)
240	Library gift fund	41,712	48,822	35,905	(12,917)
241	G.W. Bunday fund	25,449	25,801	26,520	719
242	Scriver memorial fund	147,490	149,401	152,661	3,260
243	L.J. Gustafson fund	29,113	29,505	30,513	1,008
244	M. Houston trust fund	43,177	43,775	44,919	1,144
245	C.C. Cloherty endowed book	12,634	12,734	13,112	378
246	Arts and culture	56,490	145,338	141,707	(3,631)
250	CDBG fund	(42,501)	-	8,500	8,500
252	TZD Grants	-	-	9,183	9,183
255	Utility Franchise Fee fund	1,488,470	669,335	1,481,945	812,610 (3)
257	Carbon Reduction fund	142,382	180,113	204,535	24,422
270	Municipal TIF district #4	18,175	-	476	476
271	Jefferson square townhome TIF	23,631	32,112	18,206	(13,906)
290	EDA - general operating	179,207	237,441	135,892	(101,549) (4)
292	EDA - investment fund	1,264,874	1,284,870	1,350,565	65,695
293	EDA - MIF investment fund	203,150	207,047	212,621	5,574
295	Housing and redevelopment fund	1,076,115	832,778	545,978	(286,800) (5)
311	2010A GO improvement bond fund	(550)	-	(550)	(550)
312	2011A GO improvement bond fund	16,198	16,421	-	(16,421)
313	2012A GO improvement bond fund	17,379	18,303	-	(18,303)
314	2013 bonds fund	91,378	108,931	24,238	(84,693)
315	2014 bonds fund	171,851	207,686	124,628	(83,058)
316	2015 bonds fund	240,847	296,031	194,765	(101,266) (6)
317	2016 bonds fund	333,635	349,688	281,889	(67,799)
318	2017 bonds fund	174,745	217,481	160,029	(57,452)
319	2018 bonds fund	182,713	256,263	238,212	(18,051)
320	2019 bonds fund	197,641	301,350	193,912	(107,438) (6)
321	2020 bonds fund	739,024	921,143	677,513	(243,630) (6)
322	2021 bonds fund	(21,580)	365,387	250,929	(114,458) (6)
323	2022 bonds fund	(109,065)	140,935	212,719	71,784
324	2023 bonds fund	-	-	74,822	74,822
352	2006A Lease revenue bond - aquatic	149,430	241,480	9,843	(231,637) (6)
354	2012 COP debt service fund	179,379	343,817	177,145	(166,672) (6)
356	2016C Equipment certificate	10,190	10,332	118	(10,214)
357	2018A NAFRS debt service	371,848	449,363	312,357	(137,006) (6)
358	2021A Equipment Certificate	37,746	71,512	49,745	(21,767)
359	2022A Equipment Certificate	(14,478)	52,222	34,535	(17,687)
360	2023B Equipment Certificate	-	-	20,789	20,789
379	Presidential commons TIF	176,735	230,698	273,481	42,783
381	Hiley Neff TIF fund	13,847	-	13,556	13,556
382	Riverfront TIF district	105,280	249,555	139,663	(109,892) (7)
385	Spring creek TIF district	24,213	41,642	28,014	(13,628)
386	Aurora TIF	40,771	74,289	18,633	(55,656)
387	5th & Washington TIF	3,145	84,653	11,963	(72,690)
388	Maple Brook TIF	3,759	40,665	7,320	(33,345)
389	Spring Creek II TIF	(831)	-	(1,233)	(1,233)
390	Kraewood TIF	(831)	-	15,002	15,002
419	2018 Capital projects fund	66,632	67,554	-	(67,554)
420	2019 Capital projects fund	506,133	513,126	526,904	13,778
421	2020 Capital projects fund	1,129,549	1,145,129	1,175,813	30,684
422	2021 Capital projects fund	905,671	801,475	726,735	(74,740)
423	2022 Capital projects fund	(985,559)	148,511	(877,186)	(1,025,697) (8)
424	2023 Capital projects fund	(1,860,949)	3,818,264	675,552	(3,142,712) (9)
425	2024 Capital projects fund	(289,276)	-	2,109,245	2,109,245 (10)
426	2025 Capital projects fund	-	-	(93,119)	(93,119)
451	Park fund	533,111	794,624	976,180	181,556 (11)
453	Fire replacement fund	83,718	84,874	87,149	2,275
454	City facilities fund	230,883	294,206	312,313	18,107
455	Vehicle & equipment replacement fund	387,890	1,051,176	230,370	(820,806) (12)
456	Hauberg park fund	11,336	11,495	13,040	1,545
458	Mill Town Trail Woodley to Waterford	-	-	(121,351)	(121,351) (13)
459	Ice Arena Construction	-	-	(372,735)	(372,735) (14)
460	Public safety center construction	419,905	425,709	437,142	11,433
465	Water & 5th St Redevelopment	(21,142)	-	(27,614)	(27,614)
475	Capital reserve fund	555,661	849,081	858,970	9,889
601	Water fund	4,722,956	4,565,441	3,900,714	(664,727) (15)
602	Wastewater fund	7,052,868	20,722,080	15,732,576	(4,989,504) (16)
603	Garbage fund	1,691,585	1,806,644	1,719,814	(86,830)
604	Storm water drainage fund	997,270	2,145,200	4,197,883	2,052,683 (10)
609	Liquor store fund	1,721,116	1,802,724	1,895,551	92,827
701	Information technology fund	800,479	942,221	831,340	(110,881) (17)
705	Insurance fund	910,942	2,466,084	1,128,529	(1,337,555) (18)
851	Whittier trust fund	351,339	352,685	362,157	9,472
900	Investment fund	(1)	(1)	(1)	-
Total		\$ 36,954,130	\$ 64,981,674	\$ 51,755,856	\$ (13,225,818)

- | <u>Item</u> | <u>Explanation of changes greater than \$100,000.</u> |
|-------------|---|
| (1) | See Attachment A for detail of fund activity. |
| (2) | Decrease due to payments to Granicus & Neuger Communications Group. |
| (3) | Increase due to receipt of utility franchise fees. |
| (4) | Decrease due to expenditures for property assessments, tourism grants, and façade reimbursements. |
| (5) | Decrease due to payments for 2024 wallflower project, property taxes, land surveys, and emergency housing/repairs grants. |
| (6) | Decrease due to bond payments made in Q1. |
| (7) | Decrease due to TIF reimbursement payments. |
| (8) | Decrease due to payments to Heselton Construction for storm structure repairs and Bolton & Menk for road improvements. |
| (9) | Decrease due to payments to Parkos Construction for the Babcock Park warming house and IMS Contracting for road repairs. |
| (10) | Increase due to the receipt of bond proceeds. |
| (11) | Increase due to the receipt of property taxes. |
| (12) | Decrease due to the purchase of new trailer, 4 new vehicles, PD command van, compact loader, bucket truck, and chassis cab. |
| (13) | Decrease due to payments to I&S Group for Mill Towns State Trail design services. |
| (14) | This is a new fund in 2024. |
| (15) | Decrease due to payments to Bolton & Menk for drinking water system study. |
| (16) | Decrease due to payments to Magney Construction for WWTP improvements. |
| (17) | Decrease due to payments to BS&A for cloud and SaaS fees, and to OPG-3 for Laserfiche site licenses. |
| (18) | Decrease due to payments to Heyn Brothers for hail damage. |

Cash Balance by Fund Compared to Prior Year



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