



2025 Financial Statement Audit

City of Northfield



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion

unmodified
opinion under
GAAP

Minnesota Legal Compliance

No instances
of
noncompliance

AUDIT RESULTS

Fiscal Year 2025 Findings

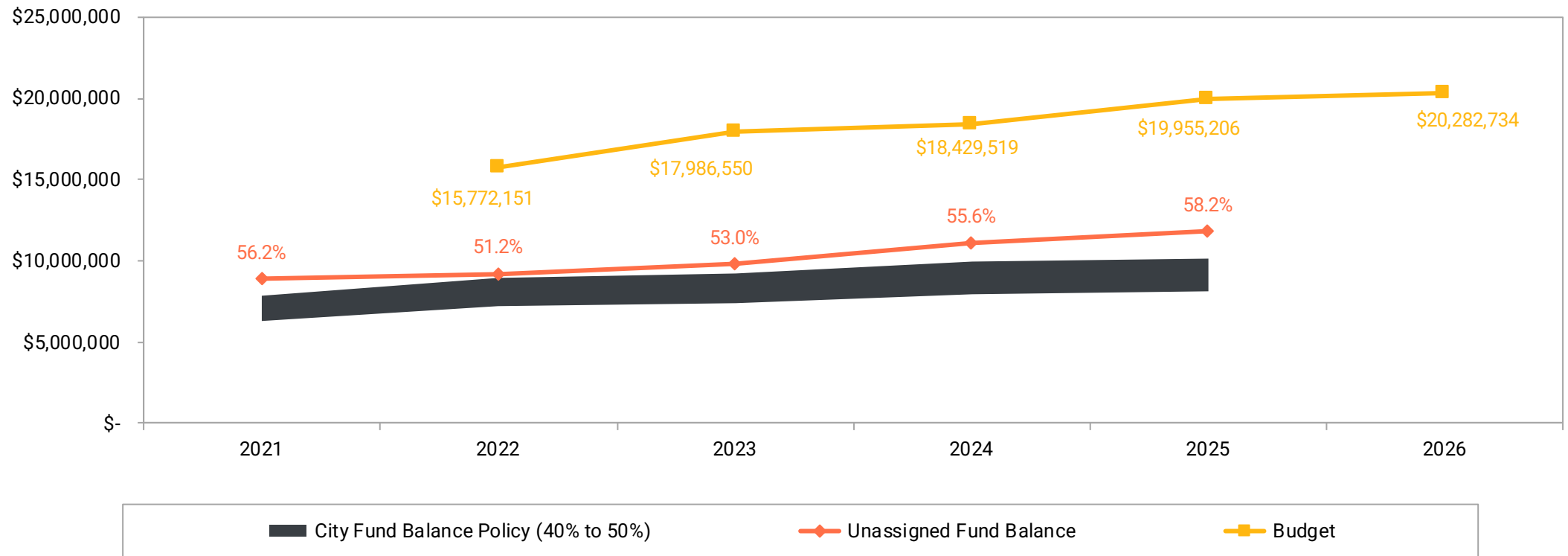
- Preparation of Financial Statements
 - *Internal Control Finding*
- Material Audit Adjustments
 - *Internal Control Finding*

PRIOR YEAR AUDIT RESULTS

Fiscal Year 2024 Findings

- Preparation of Financial Statements
 - *Internal Control Finding*

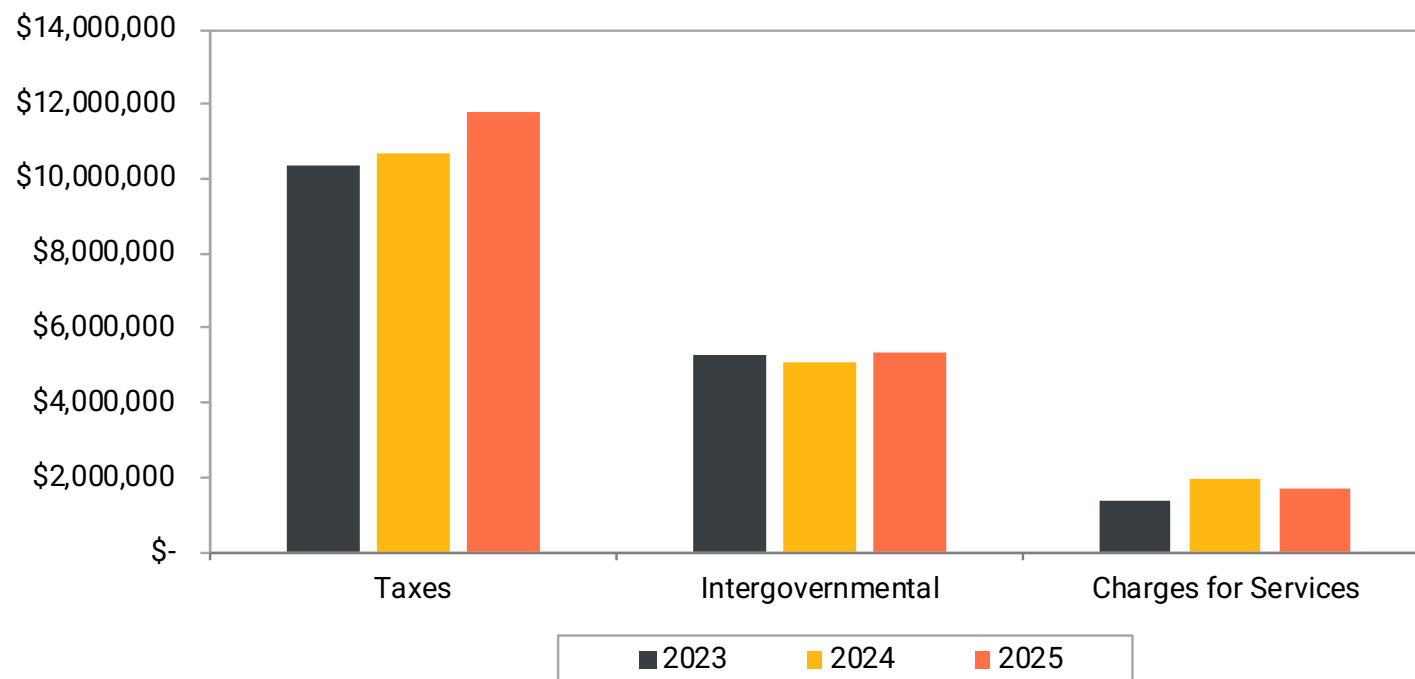
General Fund Balances



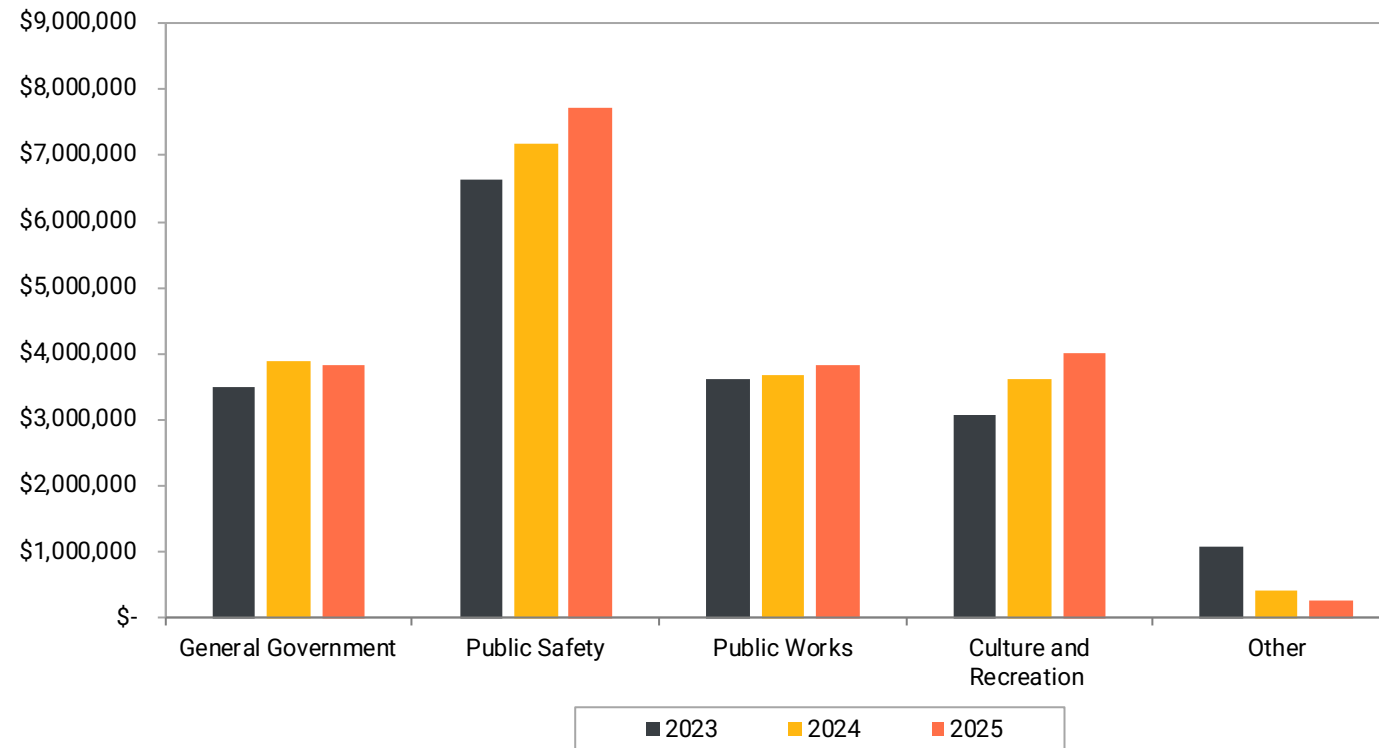
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 19,459,246	\$ 20,098,703	\$ 639,457
Expenditures	19,955,206	19,648,202	307,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	(495,960)	450,501	946,461
Other Financing Sources (Uses) Transfers in	277,000	277,000	-
Net Change in Fund Balances	(218,960)	727,501	946,461
Fund Balances, January 1	11,262,996	11,262,996	-
Fund Balances, December 31	<u>\$ 11,044,036</u>	<u>\$ 11,990,497</u>	<u>\$ 946,461</u>

General Fund Revenues by Type



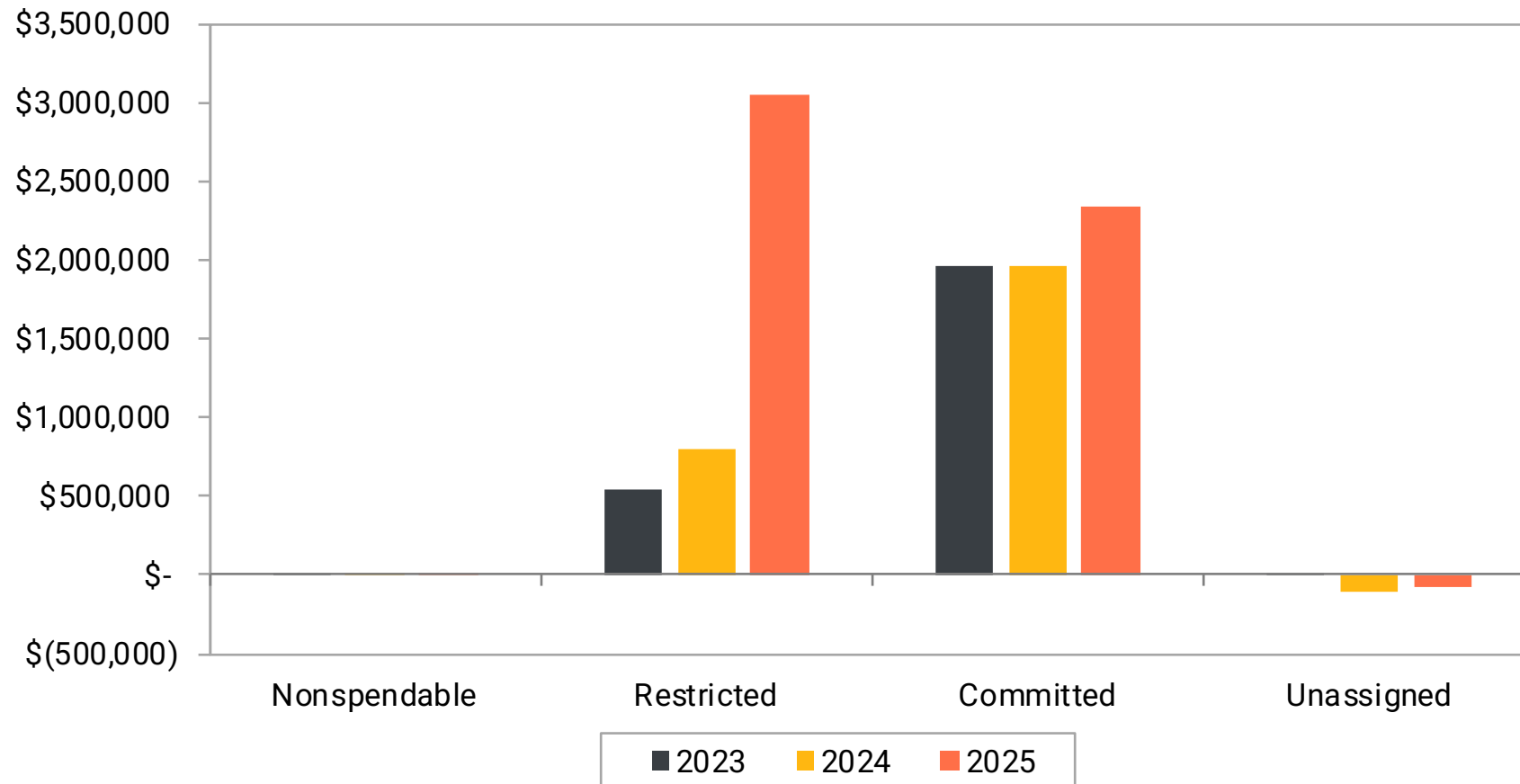
General Fund Expenditures by Type



Special Revenue Fund Balances

Fund	Fund Balances December 31		Increase (Decrease)
	2025	2024	
Community Resource Center	\$ (60,481)	\$ (105,499)	\$ 45,018
Motor Vehicle	503,832	403,538	100,294
Communication	179,397	376,775	(197,378)
Library Gift	46,155	43,265	2,890
G.W. Bunday Fund	30,065	28,724	1,341
Scriver Memorial	160,269	153,896	6,373
L.J. Gustafson	30,629	30,250	379
Myrtle Houston Trust	46,834	44,759	2,075
C.C. Cloherty Endowed Book	15,286	14,828	458
Arts and Culture	224,483	262,969	(38,486)
Community Development Block Grant	(14,085)	417	(14,502)
TZD Enforcement Fund	46,845	27,681	19,164
Jefferson Square TIF	25,240	19,641	5,599
Master Development TIF	46,862	44,680	2,182
Utility Franchise Fee	1,371,064	951,108	419,956
Carbon Reduction	291,533	243,628	47,905
Economic Development Authority	2,268,251	2,240,086	28,165
Spring Creek TIF	34,282	30,833	3,449
Aurora TIF	39,034	38,251	783
Washington TIF	25,912	17,034	8,878
Maple Brook TIF	13,663	9,659	4,004
Spring Creek II TIF	3	(1,771)	1,774
Kraewood TIF	7,164	30,357	(23,193)
Archer TIF	(350)	-	(350)
Heritage Lofts Housing	848	-	848
Total	<u>\$ 5,332,735</u>	<u>\$ 4,905,109</u>	<u>\$ 427,626</u>

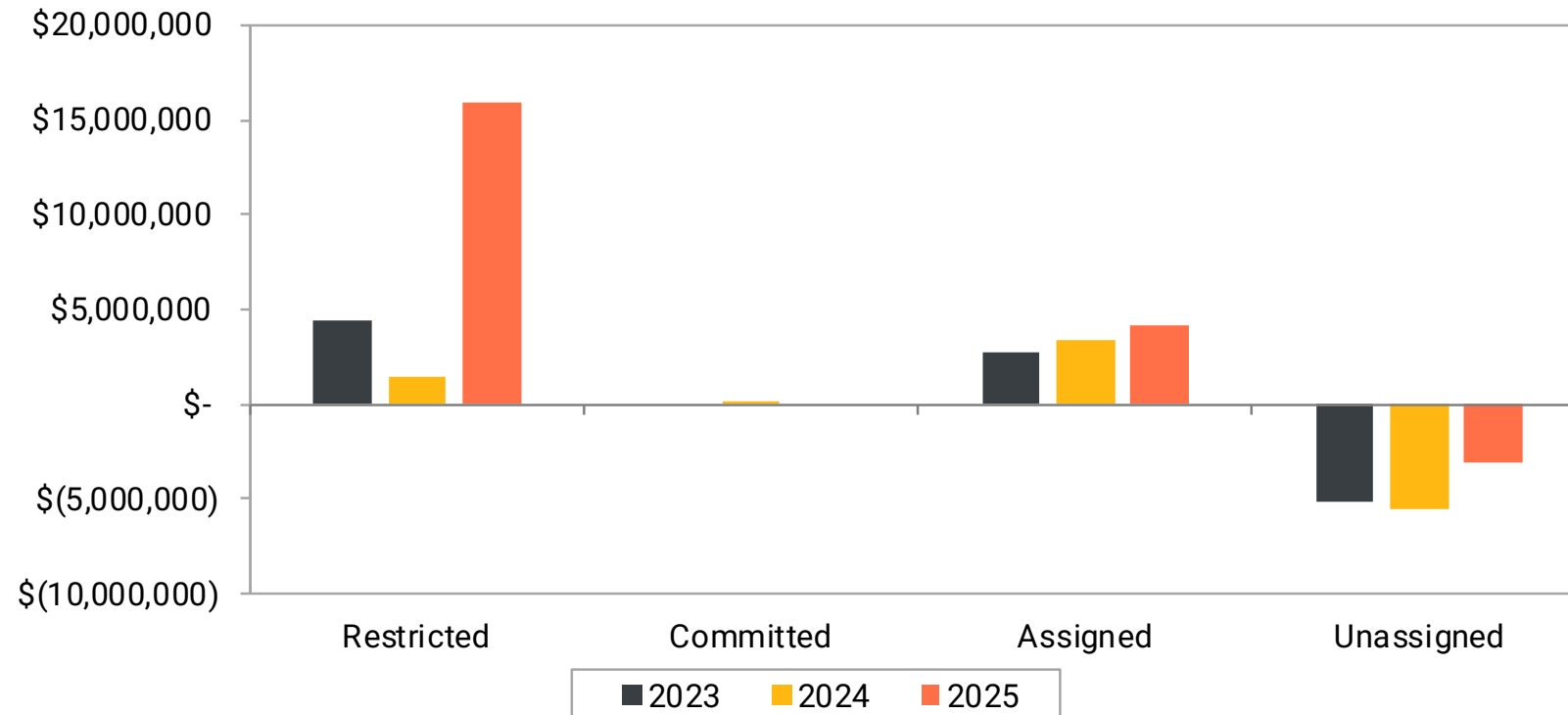
Special Revenue Fund Balances



Capital Project Fund Balances

Fund	Fund Balances December 31		Increase (Decrease)
	2025	2024	
Major			
2025 Capital Project Fund	\$ (1,094,585)	\$ (1,247,732)	\$ 153,147
Ice Arena Construction Fund	14,004,036	(215,575)	14,219,611
Nonmajor			
2019 Capital Project Fund	559,718	535,295	24,423
2022 Capital Project Fund	(165,730)	(163,527)	(2,203)
2023 Capital Project Fund	(447)	123,701	(124,148)
2024 Capital Project Fund	207,420	334,791	(127,371)
2026 Capital Project Fund	(526,457)	(153,956)	(372,501)
Park Fund	1,945,167	1,287,691	657,476
City Facilities Fund	692,701	1,180,250	(487,549)
Equipment and Vehicle Replacement Fund	1,666,809	1,454,677	212,132
Hauberg Park	14,985	13,290	1,695
Mill Town Trail	129,766	(8,517)	138,283
5th Street Redevelopment	(1,239,681)	(2,197,119)	957,438
Capital Reserve Fund	986,830	783,250	203,580
Total	<u>\$ 17,180,532</u>	<u>\$ 1,726,519</u>	<u>\$ 15,454,013</u>

Capital Project Fund Balances



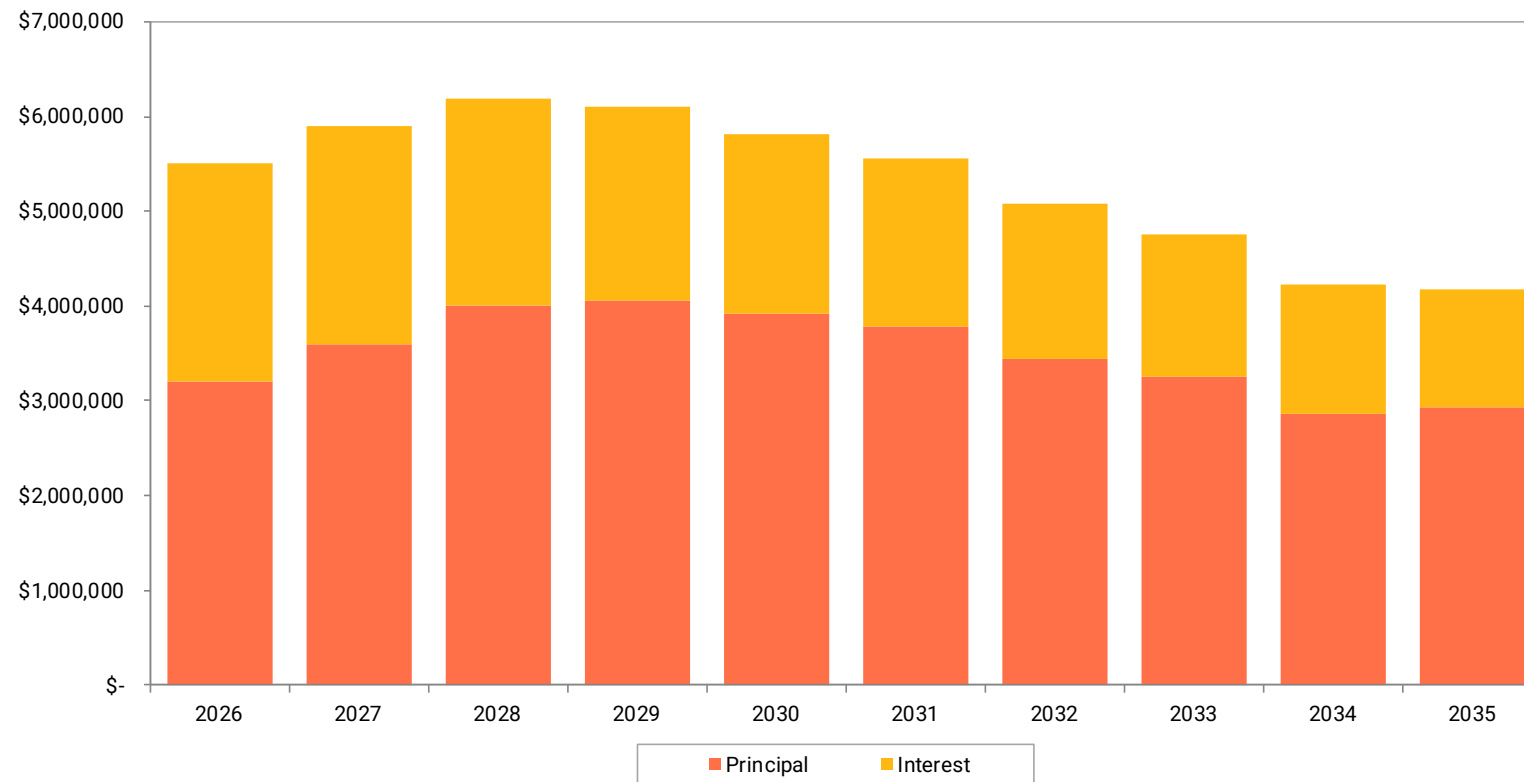
Housing Redevelopment Authority Fund Balance

Fund	Fund Balances December 31		Increase (Decrease)
	2025	2024	
Housing Redevelopment Authority Fund	\$ 1,651,725	\$ 1,565,460	\$ 86,265

Debt Service

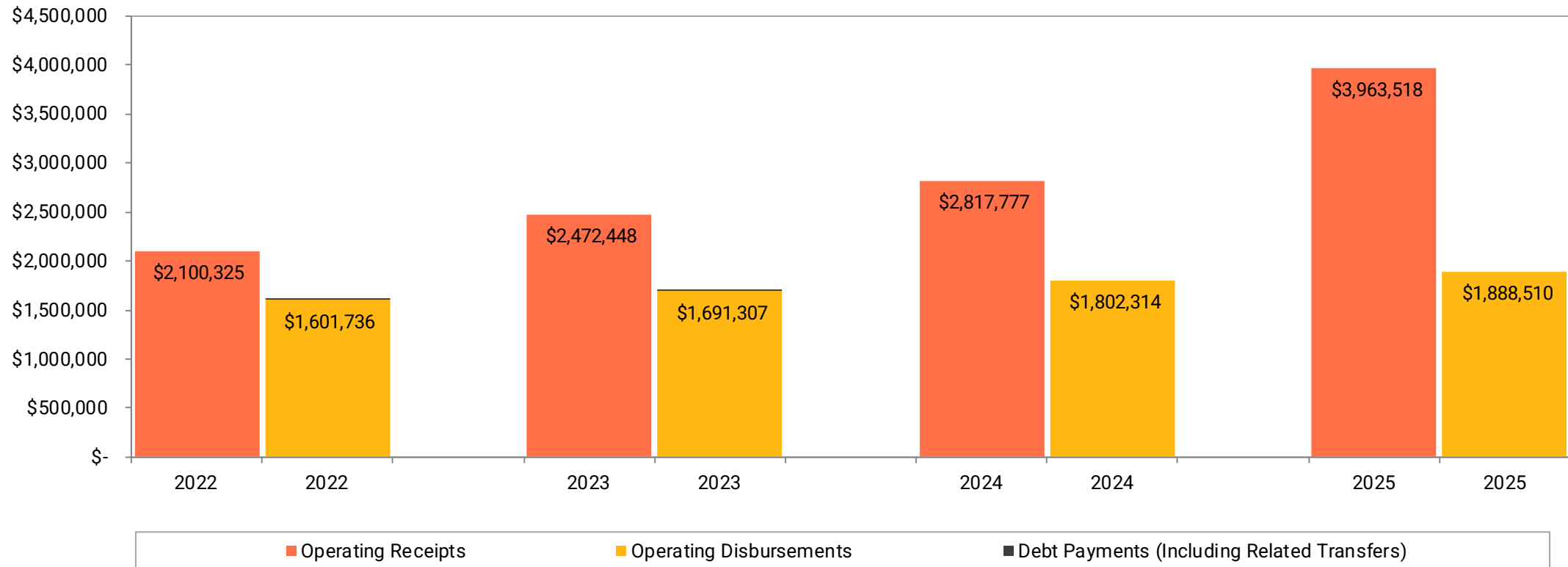
Description		Total Cash and Investments	Total Assets	Bonds Outstanding	Year of Maturity
315	2014A Bonds	\$ 37,032	\$ 37,478	\$ -	Matured
316	2015A Bonds	199,797	202,192	170,000	2026
317	2016C Bonds	224,540	232,572	170,000	2027
318	2017A Bonds	180,346	219,747	285,000	2028
319	2018B Bonds	334,943	374,395	740,000	2029
320	2019A Bonds	333,997	491,627	4,070,000	2030
321	2020A Bonds	1,608,823	1,764,993	2,375,000	2031
322	2021A Bonds	1,112,069	1,657,861	2,920,000	2033
323	2022A Bonds	429,557	430,500	3,585,000	2035
324	2023B Bonds	608,049	609,079	6,885,000	2039
325	2024A Bonds	300,906	301,193	6,935,000	2044
326/426	2025A Bonds	-	-	3,740,000	2041
352	2014A (2006A) Public Project Revenue Refunding Bonds	9,109	9,150	-	Matured
354	2012 COPS Debt	399,145	399,874	-	Matured
359	2022 Equipment Certificates	69,538	69,685	380,000	2031
357	2018A NAFRS Debt Service	438,251	439,494	3,190,000	2039
360	2023B Equipment Certificates	73,112	73,393	290,000	2039
361	2024A Equipment Certificates	105,479	105,605	1,080,000	2035
355/455	2025A Equipment Certificates	1,866,089	1,869,372	375,000	2041
358	2021 Equipment Certificates	87,439	87,666	220,000	2029
379	2017B Refunding TIF Bonds	396,628	399,175	-	Matured
382	Riverfront TIF Bonds	397,607	398,588	303,575	2033
459	2025B Bonds	16,207,812	16,207,812	21,700,000	2036
Total		<u>\$ 25,420,268</u>	<u>\$ 26,381,451</u>	<u>\$ 59,413,575</u>	
		Total Remaining Interest Payments <u>\$ 24,019,649</u>			

Debt Service



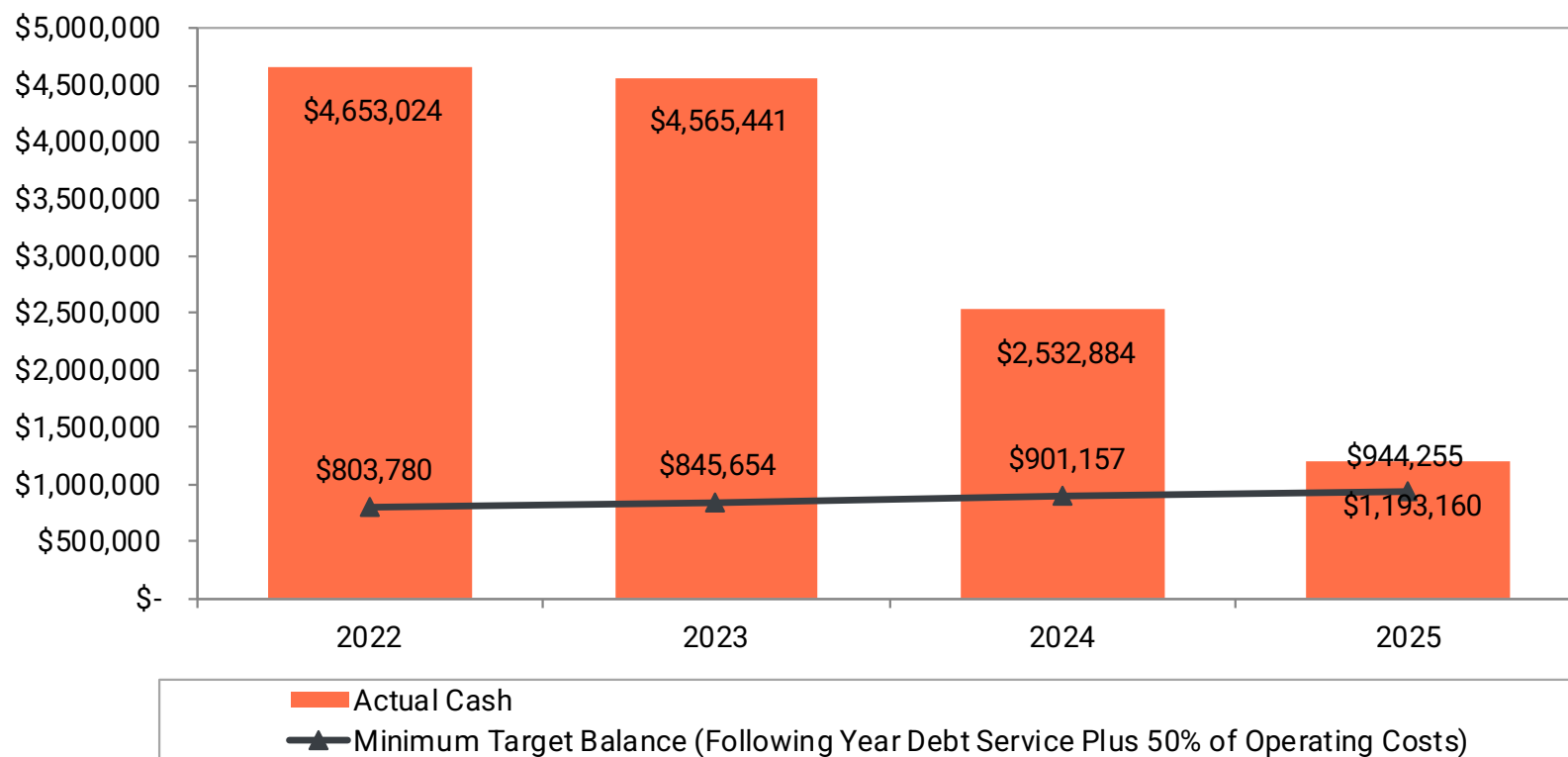
Water Fund

Cash Flows from Operations



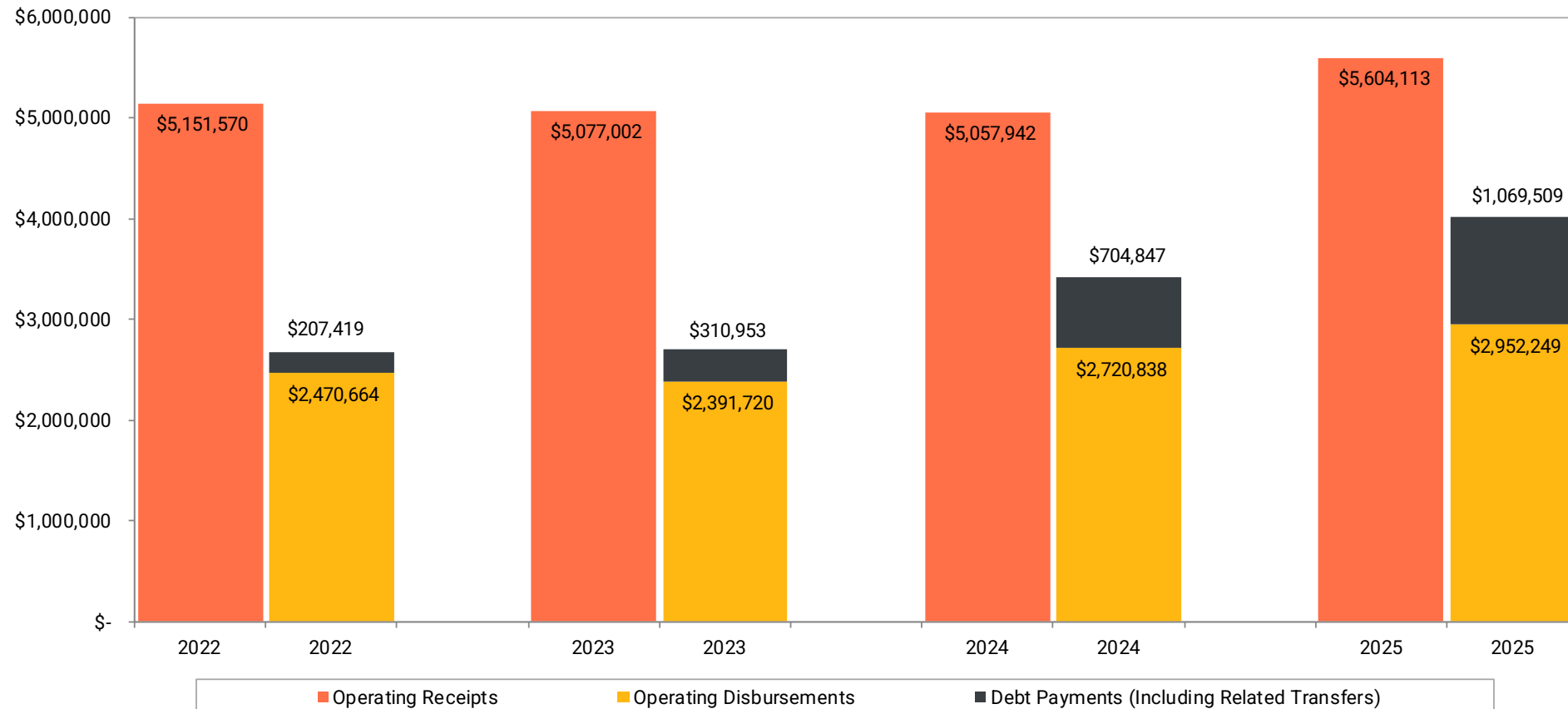
Water Fund

Cash Balance



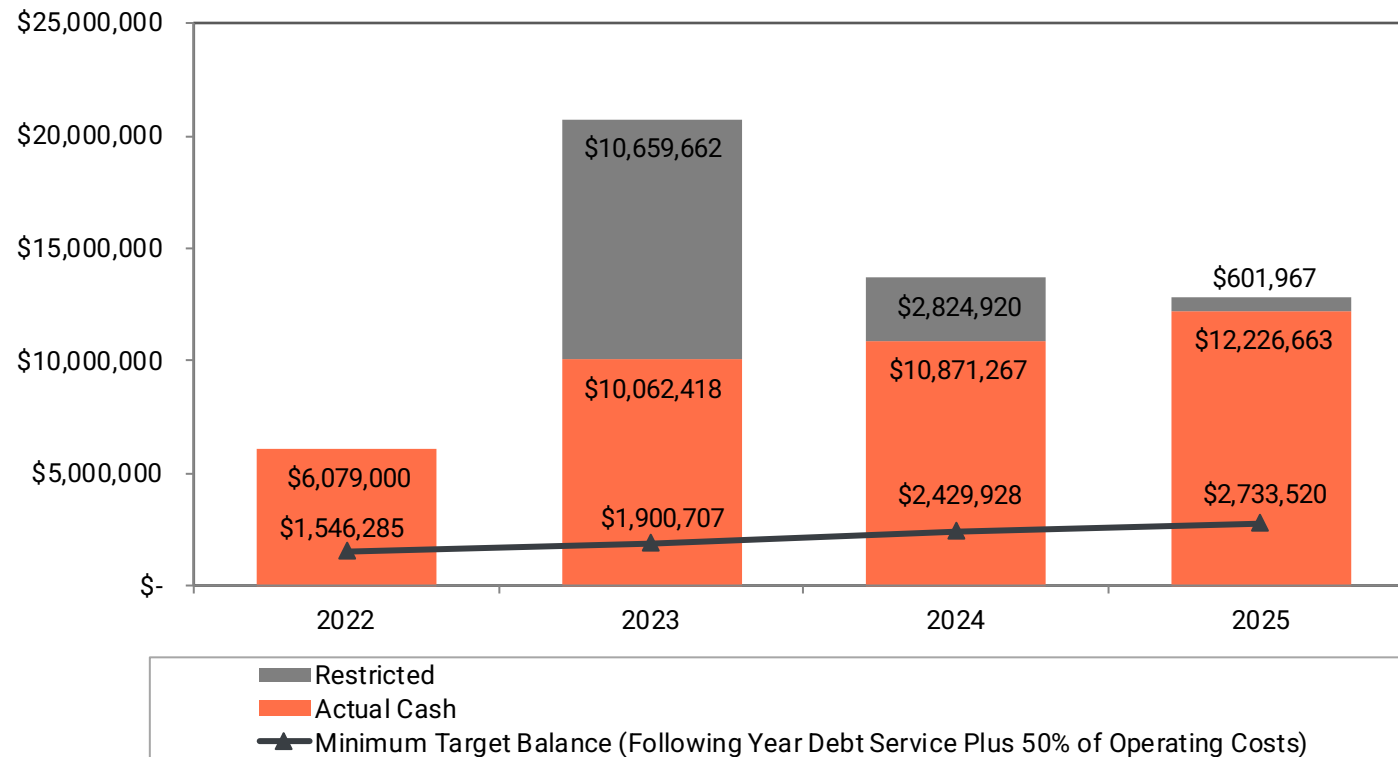
Wastewater Fund

Cash Flows from Operations



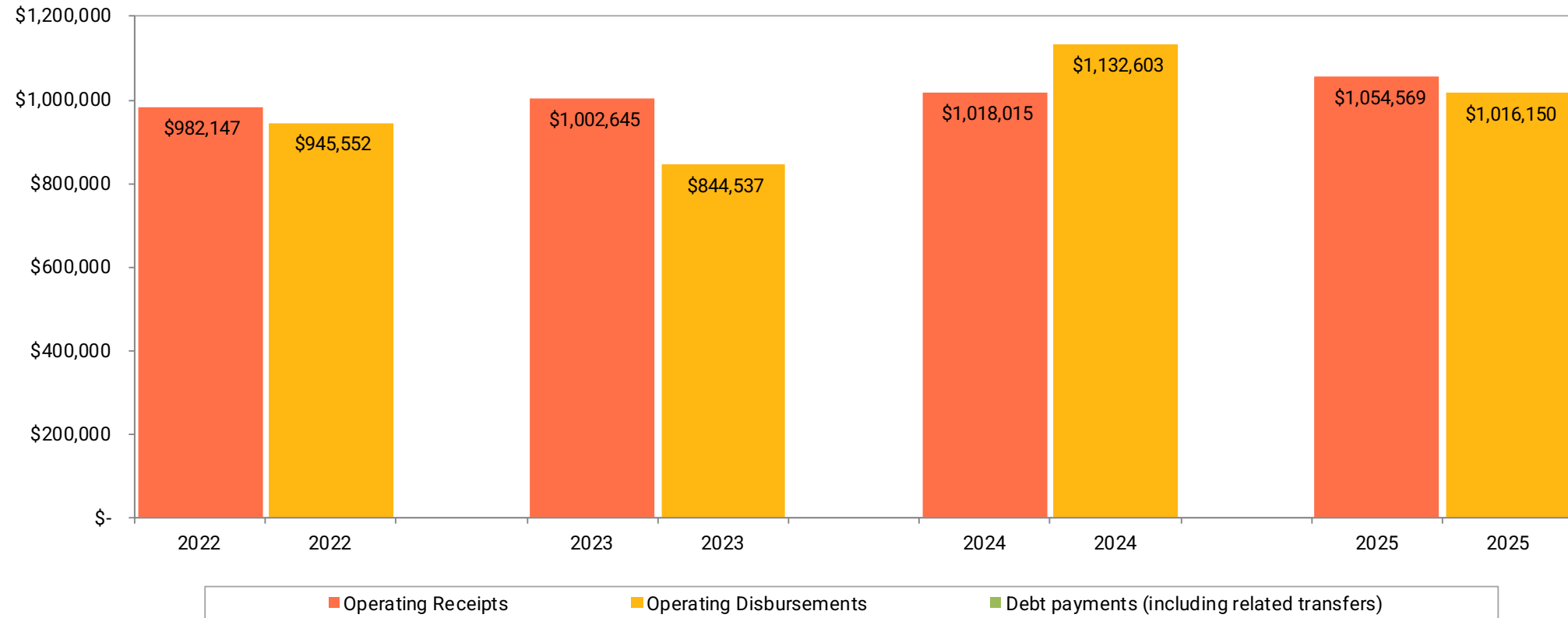
Wastewater Fund

Cash Balance



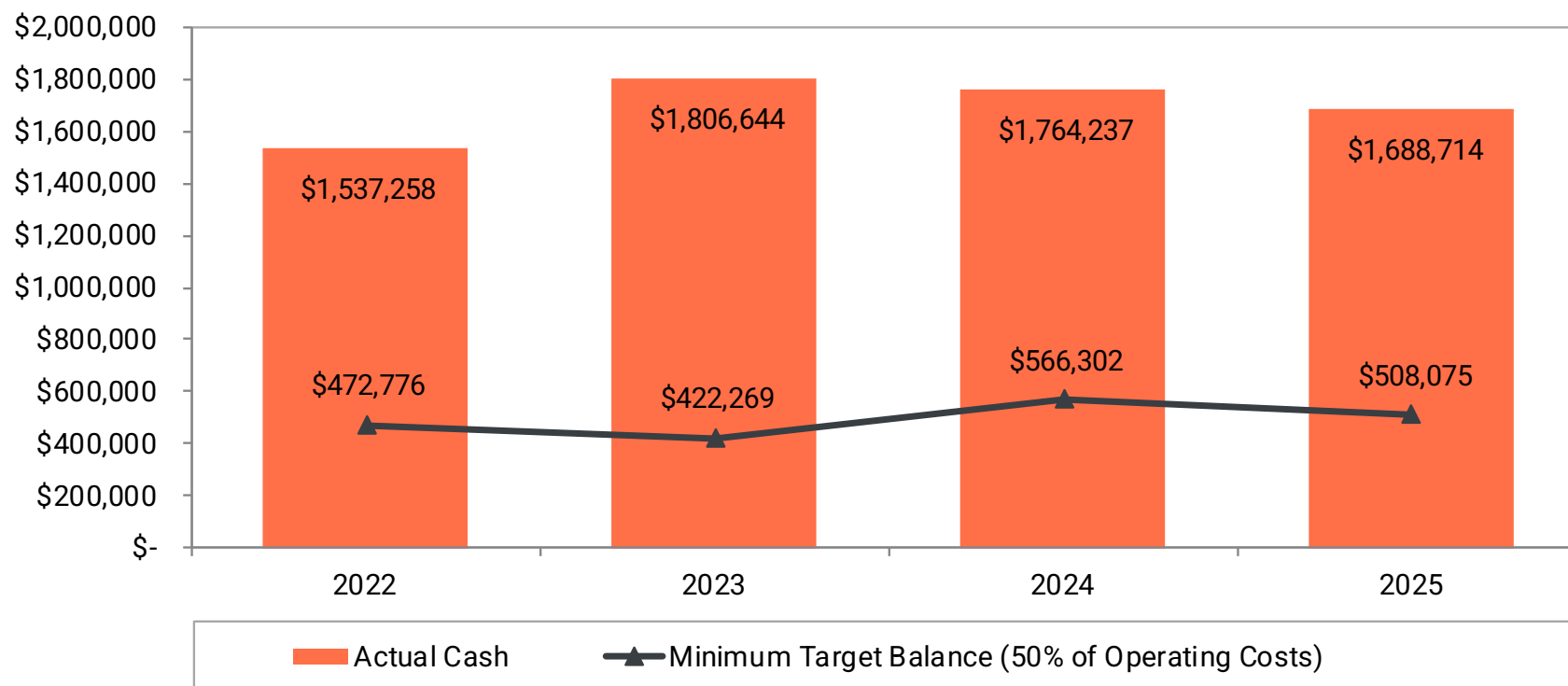
Sanitary Collection Fund

Cash Flows from Operations



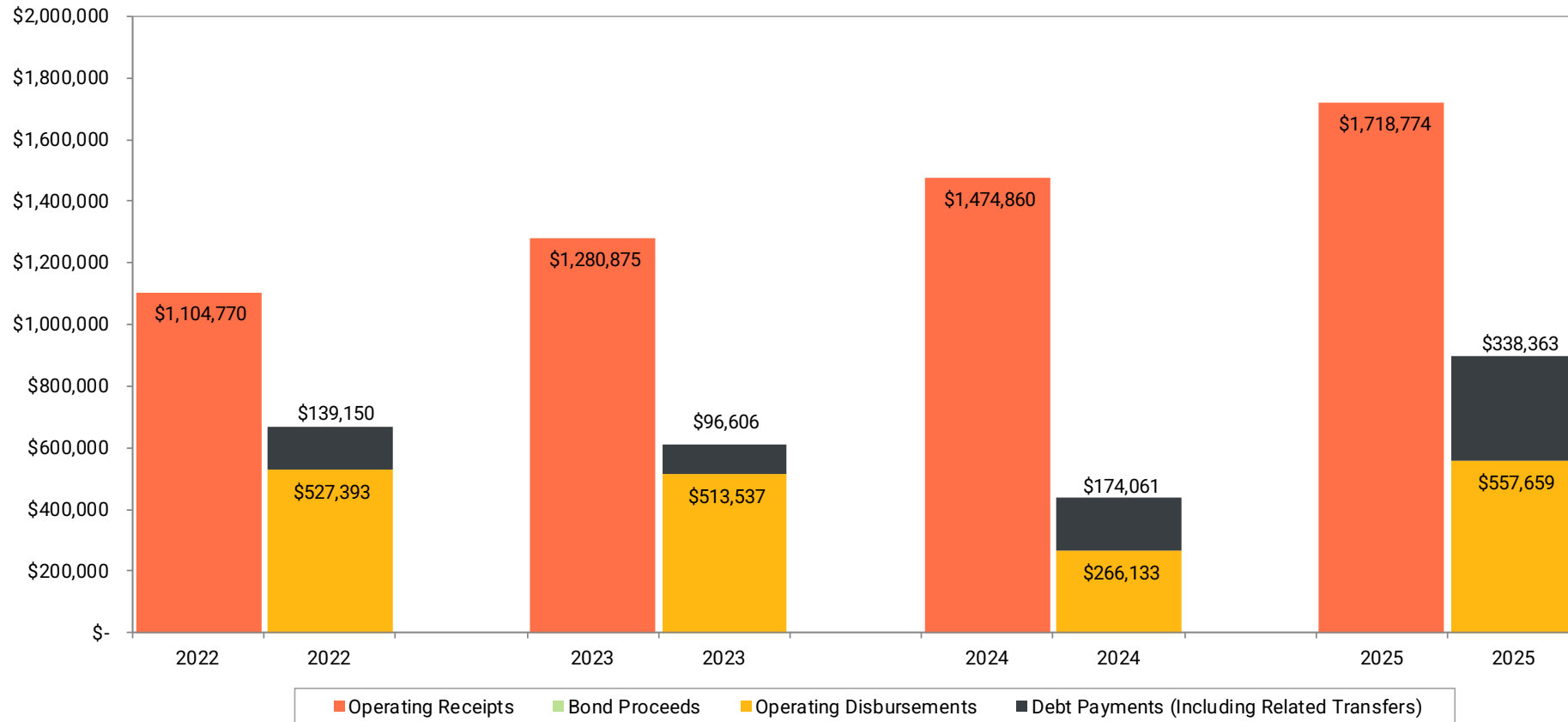
Sanitary Collection Fund

Cash Balances



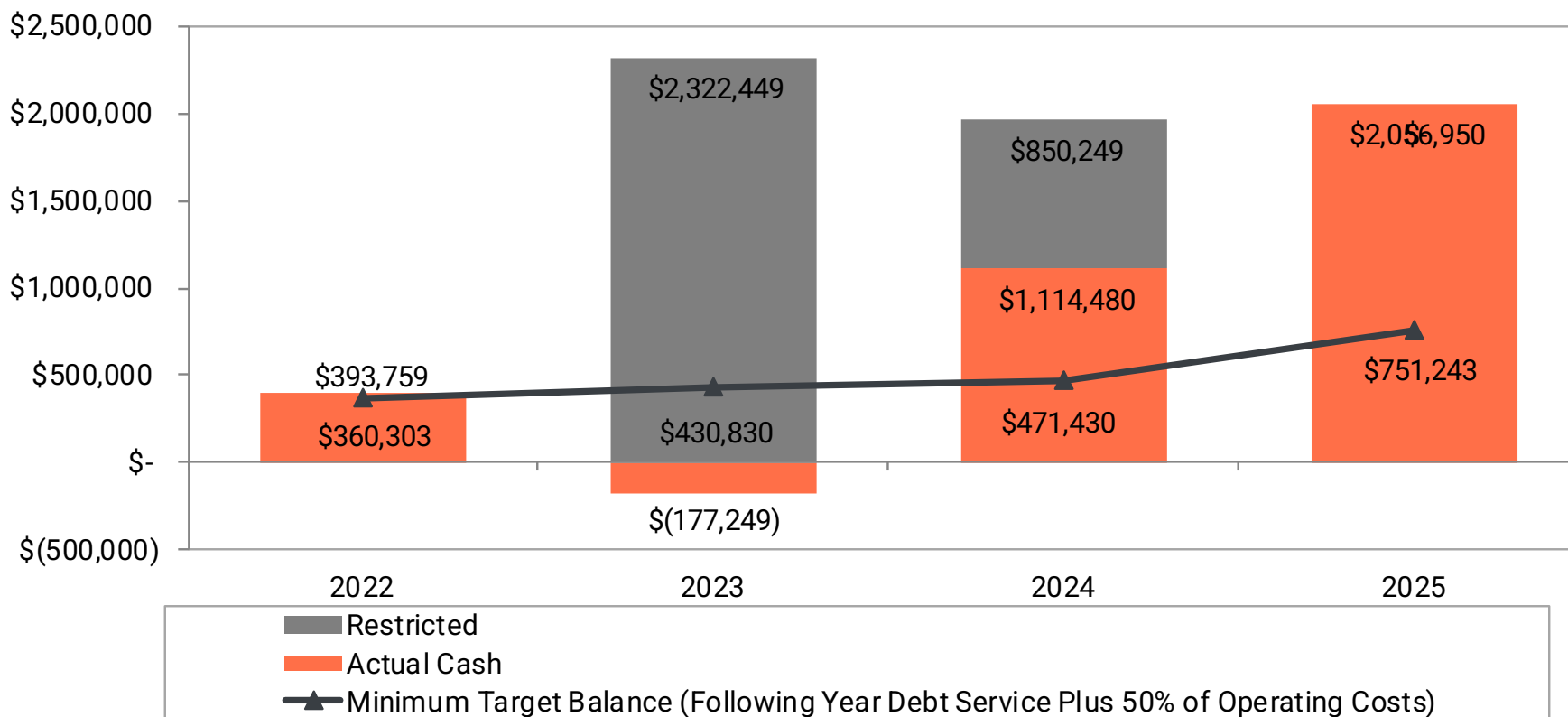
Storm Water Fund

Cash Flows from Operations



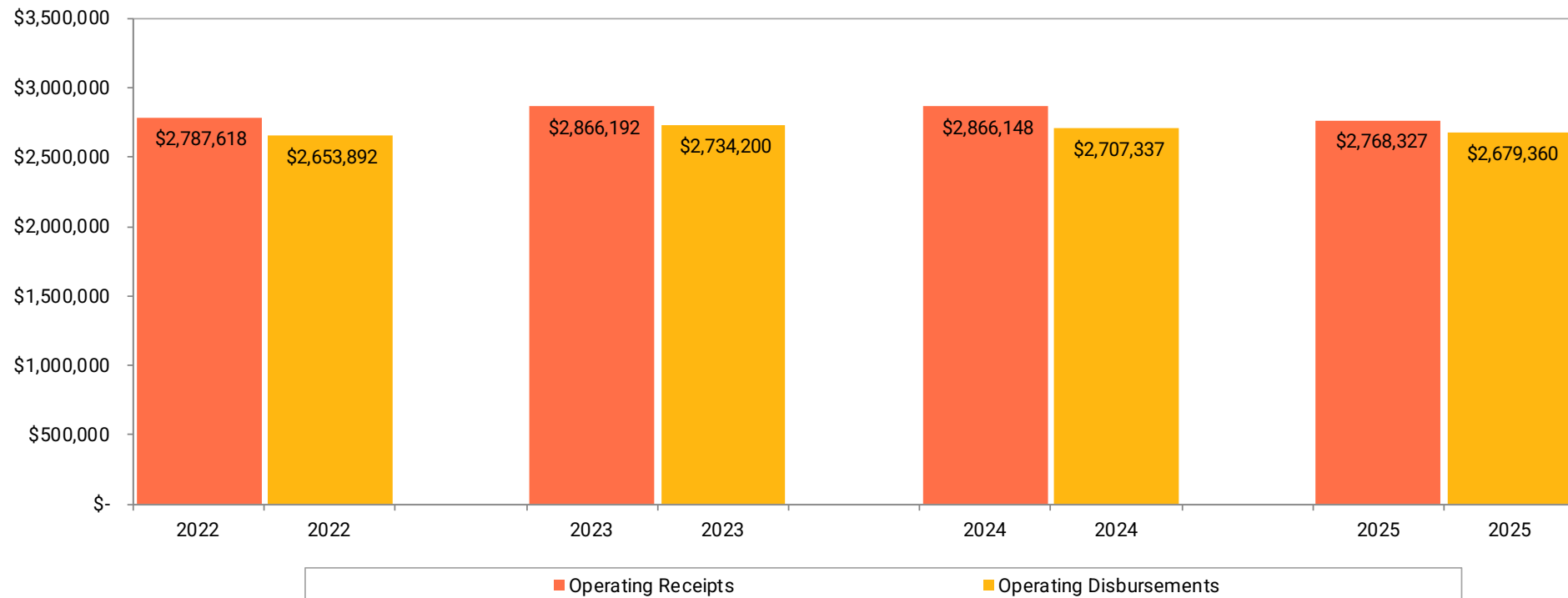
Storm Water Fund

Cash Balances



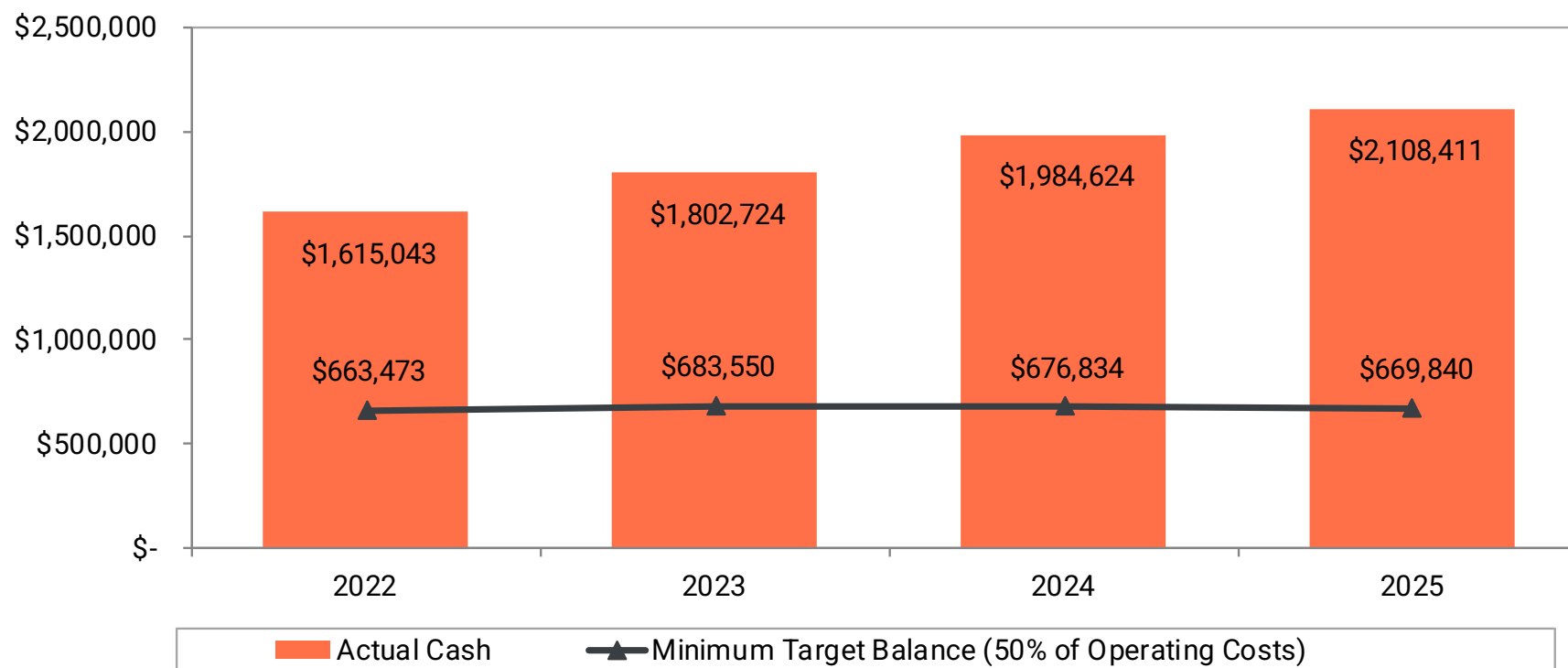
Liquor Store Fund

Cash Flows from Operations



Liquor Store Fund

Cash Balances



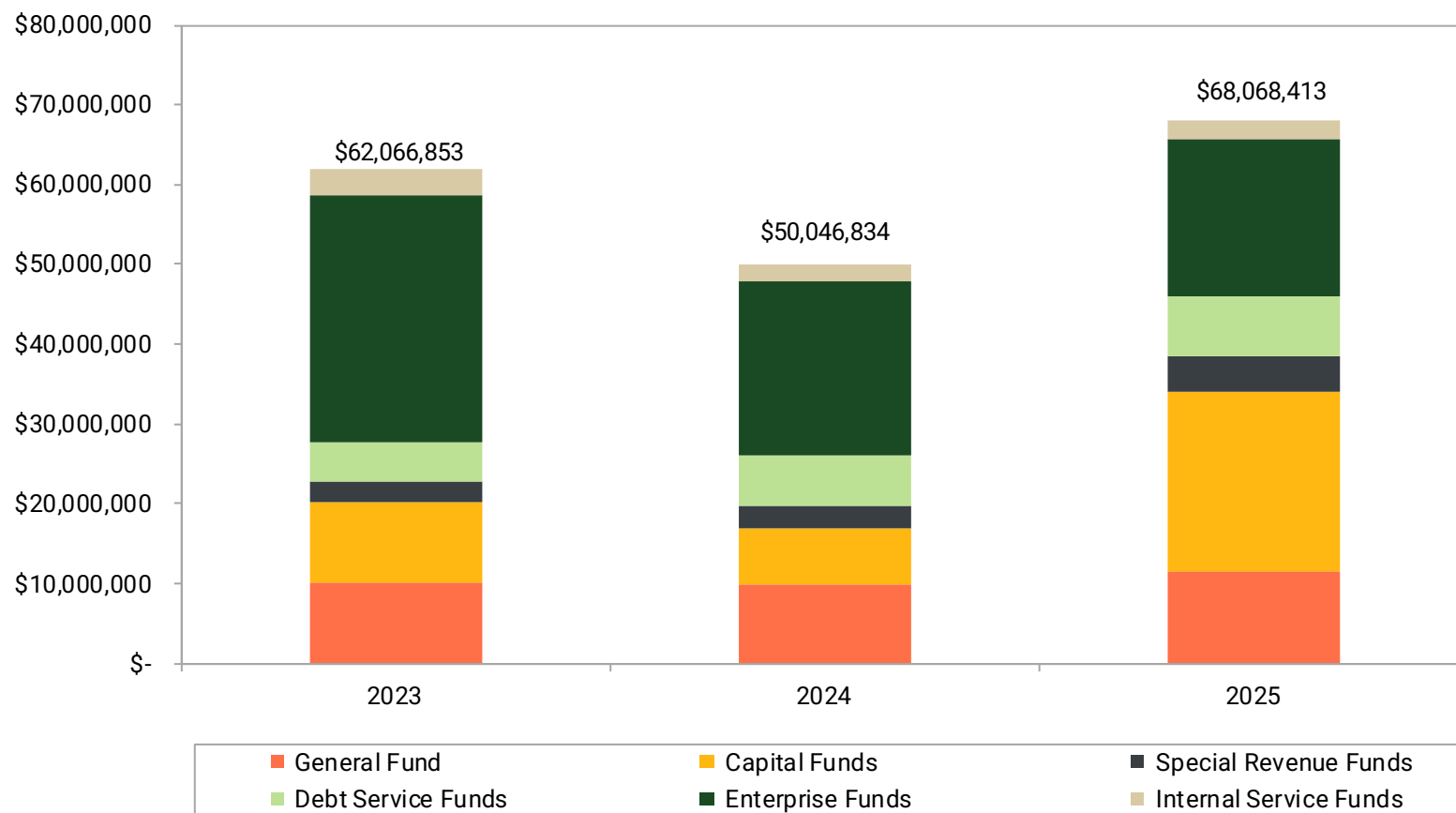
Liquor Store – Statewide Averages vs. Northfield Liquor Store

	Off-Sale Only	
	2022 Percent of Sales	2023 Percent of Sales
Sales	100.0 %	100.0 %
Cost of Sales	73.2	72.8
Gross profit	26.8	27.2
Operating Expenses	19.5	20.3
Operating income	7.3	6.9
Nonoperating Revenues (Expenses)	(0.6)	0.7
Income before transfers	<u>6.7 %</u>	<u>7.6 %</u>

	2023		2024		2025	
	Total	Percent	Total	Percent	Total	Percent
Sales	\$ 2,860,923	100.0 %	\$ 2,839,777	100.0 %	\$ 2,767,162	100.0 %
Cost of Sales	(2,058,855)	(72.0)	(2,037,436)	(71.7)	(1,974,156)	(71.3)
Gross profit	802,068	28.0	802,341	28.3	793,006	28.7
Operating Expenses	(734,686)	(25.7)	(650,264)	(22.9)	(683,468)	(24.7)
Operating income (loss)	67,382	2.3	152,077	5.4	109,538	4.0
Nonoperating Income	108,683	3.8	74,548	2.6	86,710	3.1
Income before transfers	176,065	6.1	226,625	8.0	196,248	7.1
Transfers Out	(50,000)	(1.7)	(50,000)	(1.8)	(50,000)	(1.8)
Change in net position	<u>\$ 126,065</u>	<u>4.4</u>	<u>\$ 176,625</u>	<u>6.2</u>	<u>\$ 146,248</u>	<u>5.3</u>
Cash and Temporary Investments	<u>\$ 1,615,043</u>		<u>\$ 1,802,724</u>		<u>\$ 2,108,411</u>	

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2023. Published by the Minnesota Office of the State Auditor.

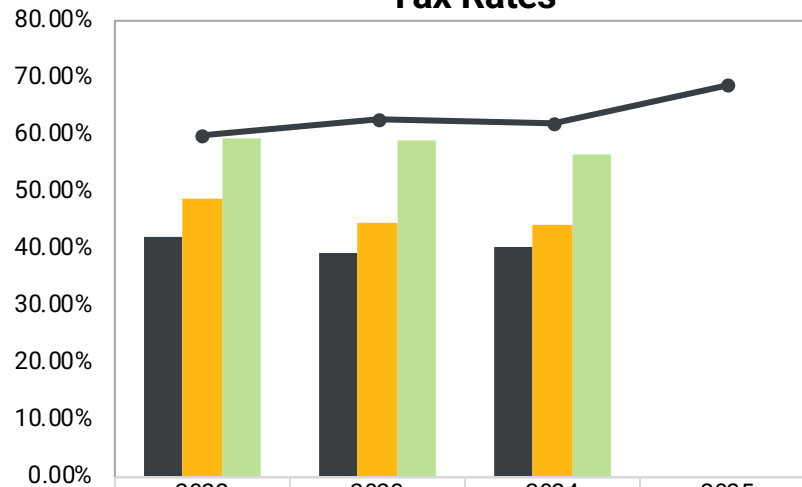
Cash and Investments Balances by Fund Type



KEY PERFORMANCE INDICATORS

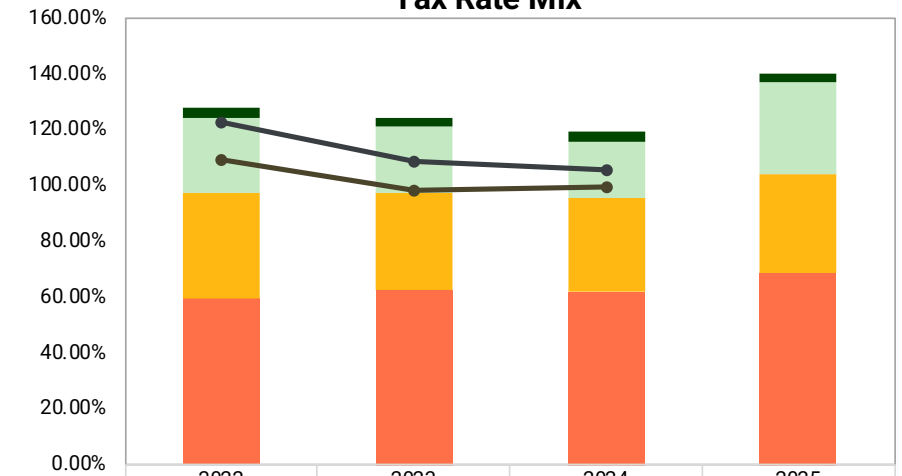
Taxes

Tax Rates



	2022	2023	2024	2025
Class 2 Cities	41.99%	39.16%	40.26%	N/A
Class 3 Cities	48.79%	44.60%	44.02%	N/A
Cities in Rice County	59.37%	59.03%	56.40%	N/A
City of Northfield	59.80%	62.58%	62.16%	68.67%

Tax Rate Mix

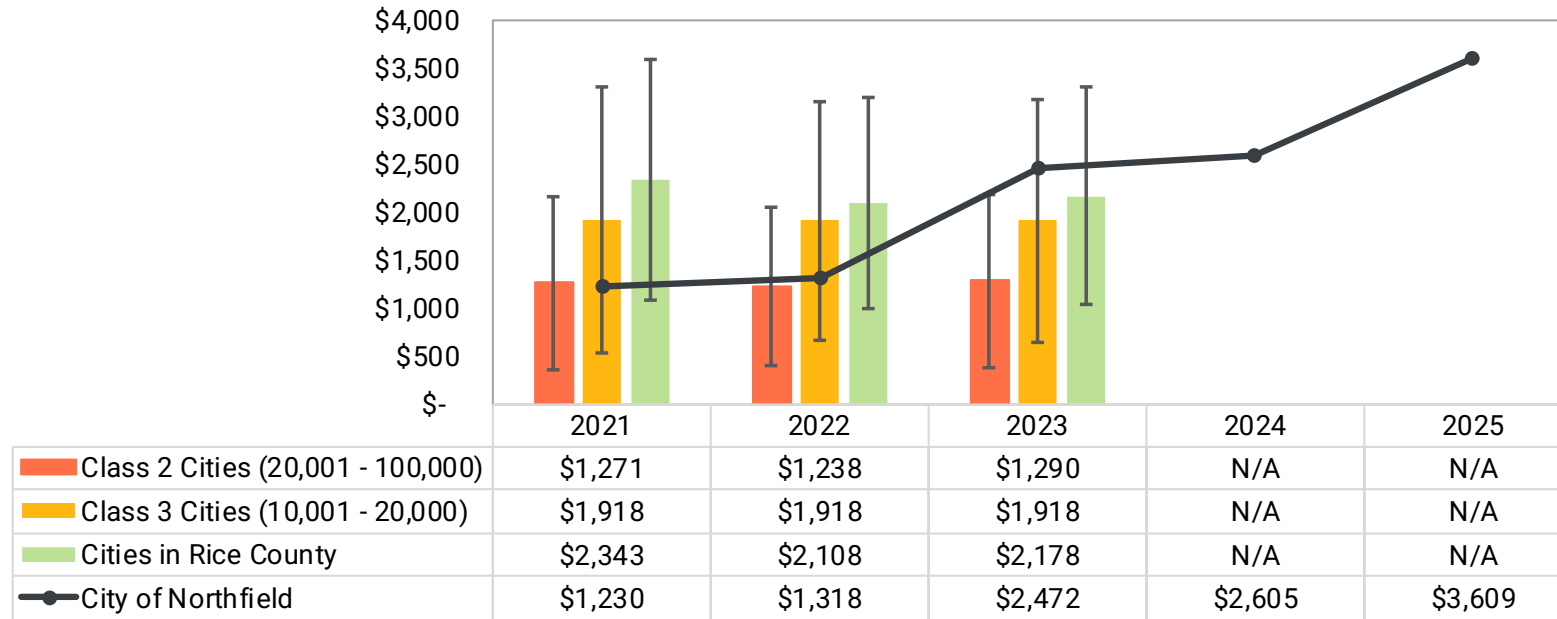


	2022	2023	2024	2025
Special Tax Rate	3.60%	3.35%	3.46%	3.57%
School Tax Rate	26.92%	23.74%	20.30%	32.67%
County Tax Rate	37.40%	34.83%	33.39%	35.52%
City Tax Rate	59.80%	62.58%	62.16%	68.67%
Class 2 Cities City Tax Rate	109.33%	98.55%	99.53%	
Class 3 Cities City Tax Rate	122.60%	108.87%	105.35%	

KEY PERFORMANCE INDICATORS

Debt

Long Term Debt - Per Capita

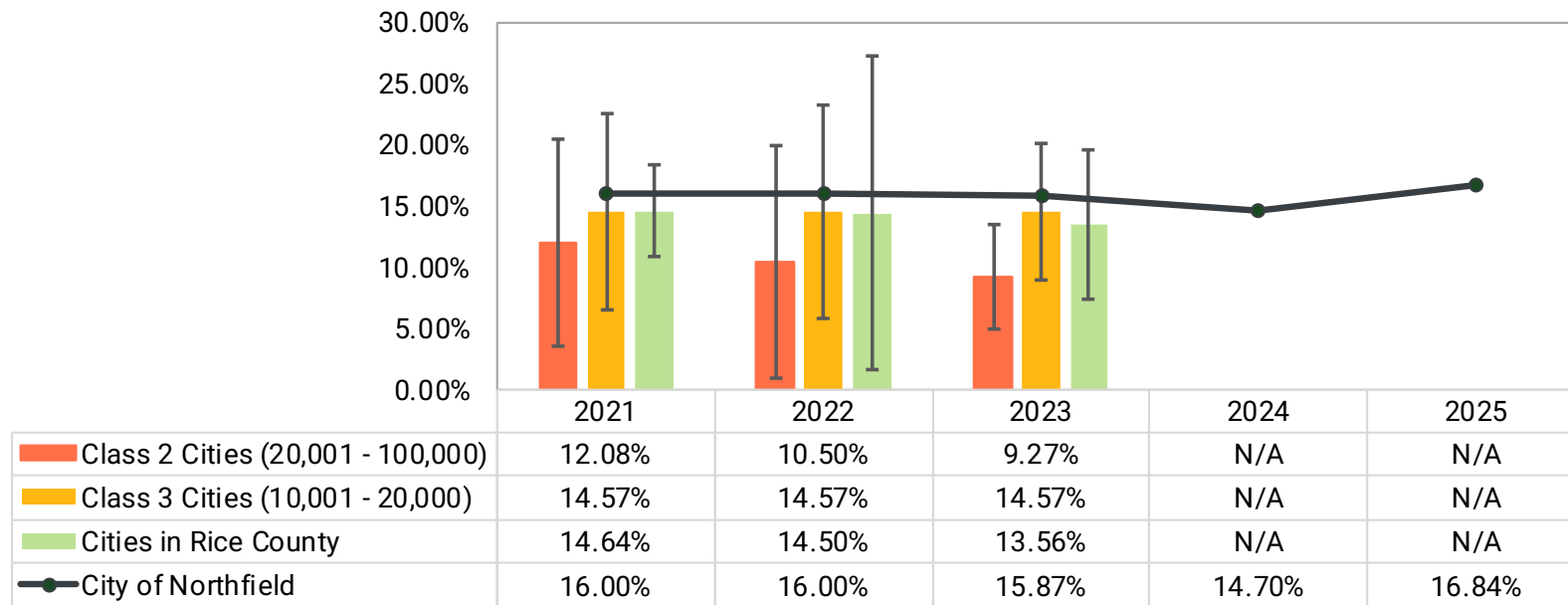


The City has a debt limit of \$69,849,069 (3% of the City's taxable market value) as of December 31, 2025, the City had net debt applicable to the limit of \$49,260,000.

KEY PERFORMANCE INDICATORS

Debt

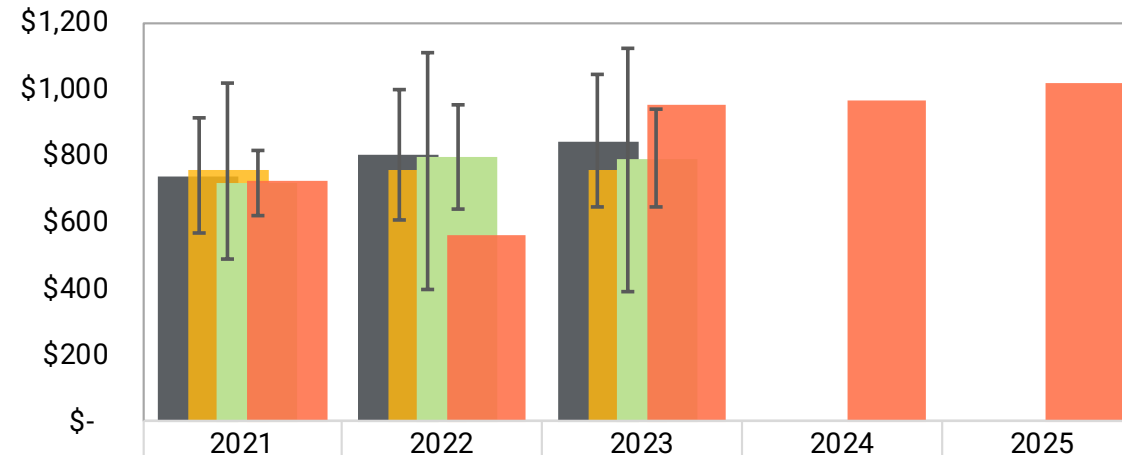
Debt Service Expenditures as a Percent of Current Expenditures



KEY PERFORMANCE INDICATORS

Expenditures

Current Expenditures - Per Capita

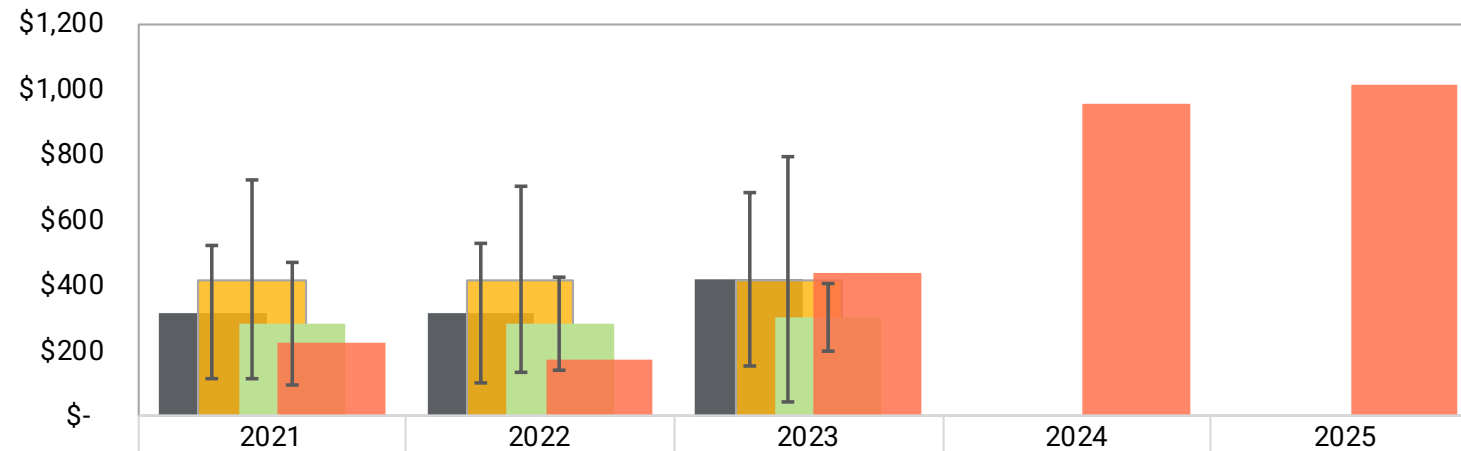


■ Class 2 Cities (20,001 - 100,000)	2021	2022	2023	2024	2025
■ Class 3 Cities (10,001 - 20,000)	\$739	\$803	\$842	N/A	N/A
■ Cities in Rice County	\$753	\$753	\$753	N/A	N/A
■ City of Northfield	\$717	\$794	\$790	N/A	N/A
	\$721	\$561	\$955	\$964	\$1,021

KEY PERFORMANCE INDICATORS

Expenditures

Capital Expenditures - Per Capita



	2021	2022	2023	2024	2025
■ Class 2 Cities (20,001 - 100,000)	\$315	\$315	\$419	N/A	N/A
■ Class 3 Cities (10,001 - 20,000)	\$418	\$418	\$418	N/A	N/A
■ Cities in Rice County	\$282	\$282	\$301	N/A	N/A
■ City of Northfield	\$224	\$175	\$437	\$957	\$1,012

Your Abdo Team



Tom
OLINGER
CPA - Partner



Kelsey
LARSON
CPA - Manager



Kelsey
GROSKREUTZ
Senior Associate



Ellie
FREDRICKSON
Senior Associate



Hope
WINTERS
Associate