



# 2<sup>nd</sup> Quarter Report

## City of Northfield

Northfield, Minnesota

As of June 30, 2025



### *Edina Office*

5201 Eden Avenue, Ste 250  
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100 Warren Street, Ste 600  
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August 4, 2025

## ACCOUNTANT'S COMPILATION REPORT

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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 June 30, 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 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**

August 4, 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 June 30, 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:

	06/30/2025	12/31/2024	Increase/ (Decrease)
Checking	\$ 1,883,709	\$ 2,525,630	\$ (641,921)
Investments (at Market Value)	43,806,433	50,261,482	(6,455,049)
<b>Total Cash and Investments</b>	<b>\$ 45,690,142</b>	<b>\$ 52,787,112</b>	<b>\$ (7,096,970)</b>

  

Investment Type	06/30/2025	12/31/2024	Increase/ (Decrease)
Checking	\$ 1,883,709	\$ 2,525,630	\$ (641,921)
Pooled Investments at Amortized Cost (4M Fund)	20,033,995	26,819,366	(6,785,370)
Commercial Paper	3,116,738	2,086,278	1,030,459
U.S. Treasury Notes	16,270,040	16,097,635	172,404
Municipal Securities	441,070	271,401	169,669
Federal Agency Securities	3,944,591	4,986,802	(1,042,211)
<b>Total investments</b>	<b>\$ 45,690,142</b>	<b>\$ 52,787,112</b>	<b>\$ (7,096,970)</b>

General Fund Cash Balances 2022 - 2025



General Fund

Receipts				Disbursements			
	YTD Budget	YTD Actual	Percent of YTD Budget		YTD Budget	YTD Actual	Percent of YTD Budget
Taxes	\$ 5,941,307	\$ 3,878,371	65.3 %	Mayor & Council	\$ 235,657	\$ 156,751	66.5 %
Licenses and Permits	322,600	308,987	95.8	Administration	374,506	328,516	87.7
Intergovernmental	2,405,127	857,683	35.7	Elections	10,393	4,823	46.4
Charges for services	798,328	689,234	86.3	Finance	426,635	325,330	76.3
Fines and forfeits	29,250	68,326	233.6	Human Services	356,294	355,915	99.9
Investment earnings	125,000	83,155	66.5	Community Development	244,339	157,189	64.3
Other revenues	74,512	9,016	12.1	Planning	149,222	145,791	97.7
Transfers in	172,000	-	-	General Government Building	84,611	83,163	98.3
	\$ 9,868,123	\$ 5,894,773	59.7 %	Police	3,078,602	2,659,963	86.4
<b>Key</b>				Fire	490,865	550,929	112.2
↑	Varies more than 10% than budget positively			Building Inspection	279,982	221,637	79.2
↓	Varies more than 10% than budget negatively			Engineering	449,147	420,418	93.6
→	Within 10% of budget			Streets	1,106,906	815,636	73.7
				Street Lighting	142,500	142,320	99.9
				Facilities	184,290	182,238	98.9
				Ice Arena	218,936	190,856	87.2
				General Parks	254,172	106,000	41.7
				Athletic Facilities	103,276	75,994	73.6
				Outdoor Pool	135,908	28,674	21.1
				Recreation Administration	141,813	65,883	46.5
				Library	1,124,053	1,084,058	96.4
				City Clerk	146,026	127,512	87.3
				Unallocated	239,475	124,141	51.8
	\$ 9,977,603	\$ 8,353,739	83.7 %				

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
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
06/30/2025	4.28	4.41	4.29	3.96	3.72	3.68	3.79	3.98	4.24

#### 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**

City of Northfield, Minnesota  
Statement of Revenues and Expenditures -  
Budget and Actual -  
General Fund (Unaudited)  
For the Three Months Ended June 30, 2025

Attachment A

	Annual Budget	Budget thru 06/30/2025	Actual Thru 06/30/2025	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 06/30/2025
<b>Revenues</b>					
Taxes	\$ 11,882,614	\$ 5,941,307	\$ 3,878,371	\$ (2,062,936) *	65.3 %
Intergovernmental	4,810,254	2,405,127	857,683	(1,547,444) (1)	35.7
Licenses and Permits	645,200	322,600	308,987	(13,613)	95.8
Charges for services	1,596,655	798,328	689,234	(109,094)	86.3
Fines and forfeits	58,500	29,250	68,326	39,076 (2)	233.6
Investment earnings	250,000	125,000	83,155	(41,845) (3)	66.5
Other revenues	149,023	74,512	9,016	(65,496) (4)	12.1
<b>Total Revenues</b>	<b>19,392,246</b>	<b>9,696,123</b>	<b>5,894,773</b>	<b>(3,801,351)</b>	<b>60.8</b>
<b>Expenditures</b>					
Mayor & Council	471,313	235,657	156,751	78,906 (5)	66.5
Administration	749,012	374,506	328,516	45,990	87.7
City Clerk	292,051	146,026	127,512	18,514	87.3
Elections	20,785	10,393	4,823	5,570	46.4
Finance	853,270	426,635	325,330	101,305 (6)	76.3
Human Services	712,588	356,294	355,915	379	99.9
Community Development	488,677	244,339	157,189	87,150 (7)	64.3
Planning	298,444	149,222	145,791	3,431	97.7
General Government Building	169,221	84,611	83,163	1,448	98.3
Police	6,157,204	3,078,602	2,659,963	418,639	86.4
Fire	981,730	490,865	550,929	(60,064)	112.2
Building Inspection	559,964	279,982	221,637	58,345 (8)	79.2
Engineering	898,293	449,147	420,418	28,729	93.6
Streets	2,213,812	1,106,906	815,636	291,270 (9)	73.7
Street Lighting	285,000	142,500	142,320	180	99.9
Facilities	368,580	184,290	182,238	2,052	98.9
Ice Arena	437,871	218,936	190,856	28,080	87.2
General Parks	508,343	254,172	106,000	148,172 (10)	41.7
Athletic Facilities	206,551	103,276	75,994	27,282 (10)	73.6
Outdoor Pool	271,816	135,908	28,674	107,234 (11)	21.1
Recreation Administration	283,625	141,813	65,883	75,930 (11)	46.5
Library	2,248,106	1,124,053	1,084,058	39,995	96.4
Unallocated	478,950	239,475	124,141	115,334 (12)	51.8
<b>Total Expenditures</b>	<b>19,955,206</b>	<b>9,977,603</b>	<b>8,353,739</b>	<b>1,623,866</b>	<b>83.7</b>
<b>Excess Revenues (Expenditures)</b>	<b>(562,960)</b>	<b>(281,480)</b>	<b>(2,458,966)</b>	<b>(2,177,486)</b>	<b>873.6</b>
<b>Other Financing Sources and Uses</b>					
Transfers in	344,000	172,000	-	(172,000) (13)	-
<b>Total Other Financing Sources (Uses)</b>	<b>344,000</b>	<b>172,000</b>	<b>-</b>	<b>(172,000)</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing</b>	<b>\$ (218,960)</b>	<b>\$ (109,480)</b>	<b>\$ (2,458,966)</b>	<b>\$ (2,349,486)</b>	<b>2,246.0 %</b>

\* 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 June 30, 2025

Attachment A

Item      Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$25,000.

- (1)      The majority of intergovernmental funds will be received in the second half of 2025.
- (2)      Favorable variance due to an increase in court fines and administrative fines.
- (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)      Programs and Public Services are expected to incur additional Q3 expenses, consistent with prior-year program disbursements.
- (6)      Professional Services and Contracted Services are expected to see expenses later in the year.
- (7)      Expenditures are expected to increase in the second half of 2025 with the zoning code redesign project.
- (8)      Costs related to building inspection are expected to increase in Q3 when development increases.
- (9)      The majority of expenses for street maintenance are typically incurred in the second half of the year.
- (10)     These costs will increase significantly in Q3 as seasonal amenities are utilized more.
- (11)     The pool opening was delayed due to a significant pipe leak. Revenues and expenditures were both substantially impacted.
- (12)     Expenses for the convention and visitors bureau are anticipated to increase in the second half of the year.
- (13)     Operating transfers are typically made in Q4.

City of Northfield, Minnesota  
Unaudited Cash Balances by Fund  
June 30, 2024, December 31, 2024 and June 30, 2025

Attachment B

Fund		Balance 06/30/2024	Balance 12/31/2024	Balance 06/30/2025	YTD Change From 12/31/2024	
101	General fund	\$ 6,317,670	\$ 9,959,315	\$ 7,195,801	\$ (2,763,514)	(1)
260	ARPA fund	1	-	-	-	
211	Community resource center	\$ 8,453	\$ 39,633	\$ (46,797)	\$ (86,430)	
215	Motor vehicle fund	411,203	472,260	504,642	32,382	
229	Communication fund	\$ 476,173	\$ 342,285	\$ 230,853	\$ (111,432)	(2)
240	Library gift fund	50,500	43,374	45,665	2,291	
241	G.W. Bunday fund	\$ 26,350	\$ 28,622	\$ 29,112	\$ 490	
242	Scriver memorial fund	152,532	153,349	155,623	2,274	
243	L.J. Gustafson fund	\$ 30,143	\$ 30,210	\$ 29,732	\$ (478)	
244	M. Houston trust fund	44,714	44,589	45,031	442	
245	C.C. Cloherty endowed book	\$ 12,988	\$ 14,834	\$ 14,987	\$ 153	
246	Arts and culture	143,367	262,438	264,642	2,204	
250	CDBG fund	\$ 17,945	\$ -	\$ 8,331	\$ 8,331	
252	TZD Grants	5,433	27,645	36,418	8,773	
255	Utility Franchise Fee fund	\$ 1,195,927	\$ 702,353	\$ 1,278,086	\$ 575,733	(3)
257	Carbon Reduction fund	151,697	243,111	244,798	1,687	
270	Municipal TIF district #4	\$ 1,156	\$ 44,678	\$ 46,257	\$ 1,579	
271	Jefferson square townhome TIF	24,984	28,451	22,956	(5,495)	
290	EDA - general operating	\$ 149,012	\$ 174,588	\$ 136,415	\$ (38,173)	
292	EDA - investment fund	1,324,299	1,328,261	1,139,256	(189,005)	(4)
293	EDA - MIF investment fund	\$ 211,561	\$ 215,919	\$ 16,791	\$ (199,128)	(4)
295	Housing and redevelopment fund	843,572	501,053	167,859	(333,194)	(5)
296	Local housing trust fund	\$ -	\$ 156,116	\$ 47,492	\$ (108,624)	(6)
311	2010A GO improvement bond fund	(550)	-	-	-	
312	2011A GO improvement bond fund	\$ 22,596	\$ -	\$ -	\$ -	
313	2012A GO improvement bond fund	18,699	-	-	-	
314	2013 bonds fund	\$ 22,686	\$ -	\$ 7	\$ 7	
315	2014 bonds fund	115,732	161,273	35,430	(125,843)	(7)
316	2015 bonds fund	\$ 178,916	\$ 253,924	\$ 128,841	\$ (125,083)	(7)
317	2016 bonds fund	279,406	296,529	216,730	(79,799)	
318	2017 bonds fund	\$ 152,448	\$ 200,282	\$ 131,394	\$ (68,888)	
319	2018 bonds fund	146,522	331,756	217,529	(114,227)	(7)
320	2019 bonds fund	\$ 149,372	\$ 323,363	\$ 157,370	\$ (165,993)	(7)
321	2020 bonds fund	632,891	1,627,496	1,331,355	(296,141)	(7)
322	2021 bonds fund	\$ 137,191	\$ 815,465	\$ 626,429	\$ (189,036)	(7)
323	2022 bonds fund	146,675	399,354	210,736	(188,618)	(7)
324	2023 bonds fund	\$ 217,649	\$ 371,484	\$ 286,837	\$ (84,647)	
325	2024 bonds fund	-	-	197,849	197,849	(8)
352	2006A Lease revenue bond - aquatic	\$ 9,499	\$ 8,930	\$ 8,862	\$ (68)	
354	2012 COP debt service fund	133,528	367,905	153,986	(213,919)	(7)
356	2016C Equipment certificate	\$ 10,553	\$ -	\$ -	\$ -	
357	2018A NAFRS debt service	327,511	443,348	276,632	(166,716)	(7)
358	2021A Equipment Certificate	\$ 40,526	\$ 79,569	\$ 47,756	\$ (31,813)	
359	2022A Equipment Certificate	28,157	66,212	31,457	(34,755)	
360	2023B Equipment Certificate	\$ 14,095	\$ 65,095	\$ 51,550	\$ (13,545)	
361	2024A Equipment Certificate	-	-	51,013	51,013	
379	Presidential commons TIF	\$ 243,447	\$ 256,137	\$ 275,330	\$ 19,193	
381	Hiley Neff TIF fund	10,155	-	7,308	7,308	
382	Riverfront TIF district	\$ 261,409	\$ 303,831	\$ 259,738	\$ (44,093)	
385	Spring creek TIF district	39,115	46,280	39,881	(6,399)	
386	Aurora TIF	\$ 40,059	\$ 53,027	\$ 38,802	\$ (14,225)	
387	5th & Washington TIF	66,105	95,393	81,381	(14,012)	
388	Maple Brook TIF	\$ 32,949	\$ 46,077	\$ 39,095	\$ (6,982)	
389	Spring Creek II TIF	1,964	732	4,959	4,227	
390	Kraewood TIF	\$ 11,135	\$ 30,321	\$ 77,717	\$ 47,396	
391	Kraewood TIF	-	-	(200)	(200)	
392	Heritage Lofts Housing	\$ -	\$ -	\$ 290	\$ 290	
419	2018 Capital projects fund	69,014	-	-	-	
420	2019 Capital projects fund	\$ 524,195	\$ 533,308	\$ 541,976	\$ 8,668	
421	2020 Capital projects fund	1,169,782	-	1,955	1,955	
422	2021 Capital projects fund	\$ 723,020	\$ -	\$ 1,214	\$ 1,214	
423	2022 Capital projects fund	(434,490)	-	(1,089,809)	(1,089,809)	(9)
424	2023 Capital projects fund	\$ 1,296,748	\$ 410,385	\$ 15,214	\$ (395,171)	(10)
425	2024 Capital projects fund	(1,813,277)	941,973	664,098	(277,875)	(11)
426	2025 Capital projects fund	\$ (36,975)	\$ -	\$ (376,994)	\$ (376,994)	(12)
427	2026 Capital projects fund	-	-	(148,530)	(148,530)	(13)
451	Park fund	\$ 912,736	\$ 1,287,640	\$ 1,427,526	\$ 139,886	(14)
453	Fire replacement fund	86,701	-	(342)	(342)	
454	City facilities fund	\$ 240,353	\$ 1,212,158	\$ 926,298	\$ (285,860)	(15)
455	Vehicle & equipment replacement fund	521,987	1,626,604	1,102,295	(524,309)	(16)
456	Hauberg park fund	\$ 12,974	\$ 13,242	\$ 14,509	\$ 1,267	
458	Mill Town Trail Woodley to Waterford	(159,186)	1	110,477	110,476	(17)
459	Ice Arena Construction	\$ -	\$ 132,150	\$ 688,036	\$ 555,886	(18)
460	Public safety center construction	434,896	3,500	3,873	373	
465	Water & 5th St Redevelopment	\$ (24,908)	\$ -	\$ (495)	\$ (495)	
475	Capital reserve fund	871,197	803,872	878,039	74,167	
601	Water fund	\$ 4,142,312	\$ 2,532,884	\$ 3,647,363	\$ 1,114,479	(19)
602	Wastewater fund	17,385,043	13,696,187	12,410,796	(1,285,391)	(20)
603	Garbage fund	\$ 1,705,751	\$ 1,764,237	\$ 1,653,089	\$ (111,148)	(21)
604	Storm water drainage fund	2,548,962	1,964,729	2,122,874	158,145	(22)
609	Liquor store fund	\$ 1,857,927	\$ 1,984,624	\$ 2,025,536	\$ 40,912	
701	Information technology fund	815,648	782,489	847,908	65,419	
705	Insurance fund	\$ 1,926,642	\$ 1,275,922	\$ 1,252,424	\$ (23,498)	
851	Whittier trust fund	360,293	364,341	370,799	6,458	
900	Investment fund	\$ (1)	\$ (1)	\$ (1)	\$ -	
Total		\$ 50,227,464	\$ 52,787,112	\$ 45,690,142	\$ (7,096,970)	



City of Northfield, Minnesota  
Unaudited Cash Balances by Fund (Continued)  
June 30, 2024, December 31, 2024 and June 30, 2025

Attachment B

<u>Item</u>	<u>Explanation of changes greater than \$100,000.</u>
(1)	See Attachment A for detail of fund activity.
(2)	Decrease is due to personnel costs & payments to Civic Plus and Neuger Communications Group.
(3)	Increase due to receipt of utility franchise fees.
(4)	Decrease due to revolving loan payments 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)	This is a new fund in 2025.
(9)	Decrease due to payments to Bolton & Menk, and McNamara Contracting.
(10)	Decrease due to payment to IMS Contracting for reclamation & overlay project.
(11)	Decrease due to payment to McNamara Contracting.
(12)	Decrease due to payments to Short Elliot Hendrickson and Crane Creek Asphalt.
(13)	Decrease due to repayment of a short-term interfund loan to resolve the negative cash balance at year-end.
(14)	Increase due to receipt of property tax settlement funds.
(15)	Decrease due to the payments to Ebert Inc for the transit hub.
(16)	Decrease due to the purchase of several new vehicles and upfitting the new snow plow.
(17)	Increase due to the receipt of MTT grant funds.
(18)	Increase due to receipt of \$1.25 million donation for the new ice arena.
(19)	Increase due to interfund loan to Fund 465 being repaid in Q2.
(20)	Decrease due to payments to Magney Construction for WWTP improvements.
(21)	Decrease due to invoice from MacQueen Equipment for \$99k.
(22)	Variance is expected to dissipate in Q3 once bond payments are made.