



1st Quarter Report

City of Northfield
Northfield, Minnesota

As of March 31, 2026



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May 13, 2026

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, 2026, 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 2025 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 2025 final trial balance in comparison to the ACFR
- An evaluation of the 2026 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 13, 2026

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, 2026, 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>03/31/2026</u>	<u>12/31/2025</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 1,838,890	\$ 2,732,710	\$ (893,820)
Investments (at Market Value)	<u>61,877,126</u>	<u>66,147,438</u>	<u>(4,270,312)</u>
Total Cash and Investments	<u>\$ 63,716,016</u>	<u>\$ 68,880,149</u>	<u>\$ (5,164,132)</u>

<u>Investment Type</u>	<u>03/31/2026</u>	<u>12/31/2025</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 1,838,890	\$ 2,732,710	\$ (893,820)
Money Market - Ice Arena (Zions Bank)	12,578,642	16,775,650	(4,197,008)
Pooled Investments at Amortized Cost (4M Fund)	24,450,453	24,693,753	(243,300)
Commercial Paper	1,957,714	2,520,096	(562,383)
U.S. Treasury Notes	19,725,620	19,085,430	640,191
Municipal Securities	439,018	442,038	(3,020)
Federal Agency Securities	<u>2,725,680</u>	<u>2,630,472</u>	<u>95,208</u>
Total investments	<u>\$ 63,716,016</u>	<u>\$ 68,880,149</u>	<u>\$ (5,164,132)</u>

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

Treasury Yields									
Date	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
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
09/30/2025	4.20	4.02	3.83	3.68	3.60	3.61	3.74	3.93	4.16
12/31/2025	3.74	3.67	3.57	3.48	3.47	3.55	3.73	3.94	4.18
03/31/2026	3.74	3.72	3.72	3.68	3.79	3.81	3.92	4.11	4.30

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 March 31, 2026

Attachment A

	Annual Budget	Budget thru 03/31/2026	Actual Thru 03/31/2026	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 03/31/2026
Revenues					
Taxes	\$ 12,522,628	\$ 3,130,657	\$ 15,187	\$ (3,115,470) *	0.5 %
Intergovernmental	4,941,164	1,235,291	218,150	(1,017,141) (1)	17.7
Licenses and Permits	645,200	161,300	185,471	24,171	115.0
Charges for services	1,783,640	445,910	456,509	10,599	102.4
Fines and forfeits	58,500	14,625	29,699	15,074	203.1
Investment earnings	250,000	62,500	30,760	(31,740) (2)	49.2
Other revenues	11,500	2,875	1,607	(1,268)	55.9
Total Revenues	20,212,632	5,053,158	937,384	(4,115,775)	18.6
Expenditures					
Mayor & Council	369,892	92,473	112,894	(20,421)	122.1
Administration	794,819	198,705	147,343	51,362 (3)	74.2
City Clerk	303,163	75,791	62,728	13,063	82.8
Elections	133,267	33,317	717	32,600 (4)	2.2
Finance	932,995	233,249	168,076	65,173 (5)	72.1
Human Services	726,193	181,548	135,675	45,873 (6)	74.7
Community Development	457,345	114,336	66,521	47,815 (7)	58.2
Planning	323,741	80,935	65,969	14,966	81.5
General Government Building	166,030	41,508	30,457	11,051	73.4
Police	6,439,537	1,609,884	1,303,569	306,315	81.0
Fire	981,730	245,433	467,084	(221,652) (8)	190.3
Building Inspection	577,979	144,495	101,834	42,661 (9)	70.5
Engineering	1,018,063	254,516	209,610	44,906	82.4
Streets	2,257,689	564,422	407,973	156,449 (10)	72.3
Street Lighting	285,000	71,250	71,305	(55)	100.1
Facilities	401,689	100,422	88,031	12,391	87.7
Ice Arena	431,266	107,817	106,008	1,809	98.3
General Parks	437,783	109,446	61,729	47,717 (11)	56.4
Athletic Facilities	233,101	58,275	19,728	38,547 (11)	33.9
Outdoor Pool	229,984	57,496	5,525	51,971 (11)	9.6
Recreation Administration	302,277	75,569	31,560	44,009 (11)	41.8
Library	2,474,690	618,673	516,078	102,595	83.4
Unallocated	541,398	135,350	58,842	76,508 (12)	43.5
Total Expenditures	20,819,632	5,204,908	4,239,258	965,650	81.4
Excess Revenues (Expenditures)	(607,000)	(151,750)	(3,301,874)	(3,150,124)	2,175.9
Other Financing Sources and Uses					
Transfers in	357,000	89,250	-	(89,250) (13)	-
Total Other Financing Sources (Uses)	357,000	89,250	-	(89,250)	-
Excess (Deficiency) of Revenues and Other Financing	\$ (250,000)	\$ (62,500)	\$ (3,301,874)	\$ (3,239,374)	5,283.0 %

* 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, 2026

Attachment A

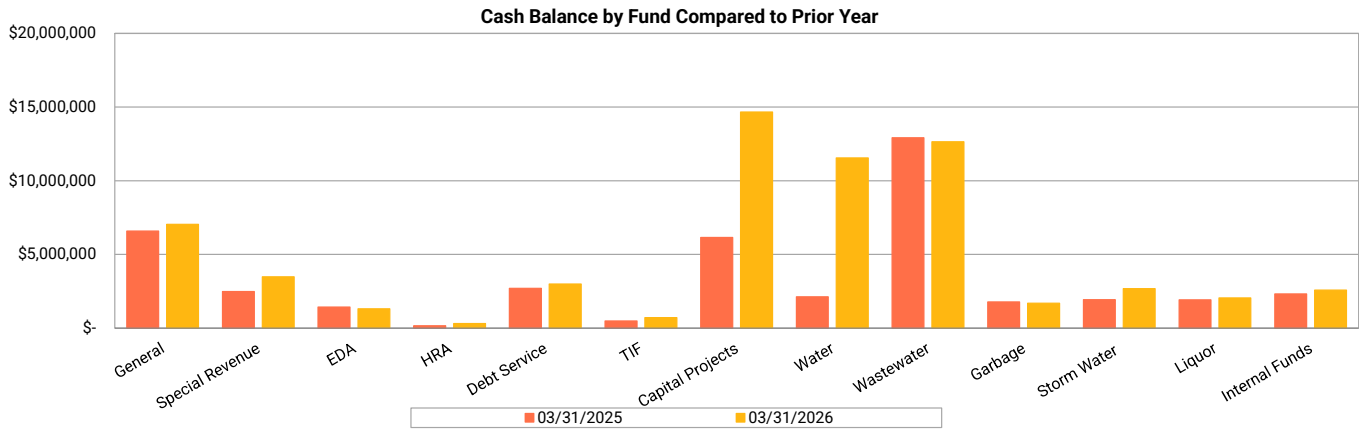
<u>Item</u>	<u>Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$25,000.</u>
(1)	The majority of intergovernmental funds will be received in the second and fourth quarters of 2026.
(2)	Investment earnings appears unfavorable through Q1 due to the reversal of Q4 accruals; however, earnings remain on track with the annual budget.
(3)	Variance is due to lower than expected legal fees to date.
(4)	Favorable variance is expected to dissipate in the 2nd half of 2026 with the Primary and General Elections.
(5)	Auditing and Accounting Services are expected to see expenditures for audit costs beginning in Q2.
(6)	Favorable variance is related to the rollout of MN Paid Leave program. Total projected cost was budgeted in HR, but is being expensed to individual departments.
(7)	Variance is due to lower than expected professional services fees to date.
(8)	Variance is due to the timing of semiannual payments to NAFRS.
(9)	Costs related to building inspection are expected to increase in Q2 when development accelerates.
(10)	The majority of expenses for street maintenance are typically incurred during the summer months.
(11)	These costs will start increasing in Q2 as seasonal amenities become available.
(12)	Expenses for the convention and visitors bureau are anticipated to increase in Q2 and Q3.
(13)	Operating transfers are typically made in Q4.

City of Northfield, Minnesota
 Unaudited Cash Balances by Fund
 March 31, 2025, December 31, 2025 and March 31, 2026

Attachment B

Fund	Balance 03/31/2025	Balance 12/31/2025	Balance 03/31/2026	YTD Change From 12/31/2025	
101 General fund	\$ 6,585,943	\$ 11,200,101	\$ 7,045,325	\$ (4,154,776)	(1)
260 ARPA fund	-	-	-	-	
211 Community resource center	\$ (144,296)	\$ (38,743)	\$ (75,546)	\$ (36,803)	
215 Motor vehicle fund	469,034	540,119	571,481	31,362	
229 Communication fund	\$ 288,638	\$ 143,600	\$ 137,998	\$ (5,602)	
240 Library gift fund	45,239	51,275	77,078	25,803	
241 G.W. Bunday fund	\$ 28,662	\$ 29,933	\$ 32,567	\$ 2,634	
242 Scriver memorial fund	153,406	159,563	158,058	(1,505)	
243 L.J. Gustafson fund	\$ 29,317	\$ 30,493	\$ 30,074	\$ (419)	
244 M. Houston trust fund	44,652	46,628	46,502	(126)	
245 C.C. Cloherty endowed book	\$ 14,755	\$ 15,229	\$ 18,234	\$ 3,005	
246 Arts and culture	260,563	225,733	212,853	(12,880)	
250 CDBG fund	\$ 4,543	\$ 30,230	\$ 30,230	\$ -	
252 TZD Grants	34,864	46,670	81,138	34,468	
255 Utility Franchise Fee fund	\$ 950,099	\$ 1,618,168	\$ 1,852,335	\$ 234,167	(2)
257 Carbon Reduction fund	241,616	290,695	237,051	(53,644)	
270 Municipal TIF district #4	\$ 45,543	\$ 46,654	\$ 46,704	\$ 50	
271 Jefferson square townhome TIF	19,527	25,141	26,643	1,502	
290 EDA - general operating	\$ 94,304	\$ 115,908	\$ 70,852	\$ (45,056)	
292 EDA - investment fund	1,116,450	1,192,998	1,213,516	20,518	
293 EDA - MIF investment fund	\$ 216,159	\$ 20,764	\$ 28,351	\$ 7,587	
295 Housing and redevelopment fund	113,937	364,494	236,886	(127,608)	(3)
296 Local housing trust fund	\$ 46,773	\$ 69,421	\$ 69,488	\$ 67	
311 2010A GO improvement bond fund	(550)	-	(3,000)	(3,000)	
312 2011A GO improvement bond fund	-	-	-	-	
313 2012A GO improvement bond fund	-	-	-	-	
314 2013 bonds fund	\$ 7	\$ 7	\$ 62	\$ 55	
315 2014 bonds fund	34,447	37,032	36,944	(88)	
316 2015 bonds fund	\$ 86,216	\$ 199,797	\$ 22,765	\$ (177,032)	(4)
317 2016 bonds fund	209,844	224,540	137,375	(87,165)	
318 2017 bonds fund	\$ 101,702	\$ 180,346	\$ 82,927	\$ (97,419)	
319 2018 bonds fund	144,429	334,943	141,737	(193,206)	(4)
320 2019 bonds fund	\$ 70,765	\$ 333,997	\$ 139,801	\$ (194,196)	(4)
321 2020 bonds fund	1,165,447	1,608,823	1,143,276	(465,547)	(4)
322 2021 bonds fund	\$ 458,303	\$ 1,112,069	\$ 696,399	\$ (415,670)	(4)
323 2022 bonds fund	76,734	429,557	102,023	(327,534)	(4)
324 2023 bonds fund	\$ 41,537	\$ 608,049	\$ 79,934	\$ (528,115)	(4)
325 2024 bonds fund	-	300,906	28,039	(272,867)	(4)
352 2006A Lease revenue bond - aquatic	\$ 8,724	\$ 9,109	\$ 9,693	\$ 584	
354 2012 COP debt service fund	16,219	399,145	40,404	(358,741)	(4)
356 2016C Equipment certificate	-	-	-	-	
357 2018A NAFRS debt service	211,276	438,251	238,044	(200,207)	(4)
358 2021A Equipment Certificate	\$ 27,041	\$ 87,439	\$ 29,447	\$ (57,992)	
359 2022A Equipment Certificate	9,674	69,538	13,456	(56,082)	
360 2023B Equipment Certificate	\$ 37,215	\$ 73,105	\$ 40,141	\$ (32,964)	
361 2024A Equipment Certificate	-	105,479	14,434	(91,045)	
379 Presidential commons TIF	\$ 195,706	\$ 396,628	\$ 397,488	\$ 860	
381 Hiley Neff TIF fund	7,308	-	-	-	
382 Riverfront TIF district	\$ 156,443	\$ 397,607	\$ 186,677	\$ (210,930)	(5)
385 Spring creek TIF district	30,785	45,456	34,402	(11,054)	
386 Aurora TIF	\$ 38,208	\$ 39,139	\$ 38,962	\$ (177)	
387 5th & Washington TIF	17,154	113,188	24,785	(88,403)	
388 Maple Brook TIF	\$ 9,655	\$ 53,701	\$ 13,061	\$ (40,640)	
389 Spring Creek II TIF	(1,790)	8,846	(95)	(8,941)	
390 Kraewood TIF	\$ 30,034	\$ 72,032	\$ 6,279	\$ (65,753)	
391 Kraewood TIF	(200)	(200)	(350)	(150)	
392 Heritage Lofts Housing	-	848	10,956	10,108	
419 2018 Capital projects fund	-	-	-	-	
420 2019 Capital projects fund	\$ 533,622	\$ 557,258	\$ 557,404	\$ 146	
421 2020 Capital projects fund	1,955	-	-	-	
422 2021 Capital projects fund	\$ 1,214	\$ 1,214	\$ 1,214	\$ -	
423 2022 Capital projects fund	(41,037)	(8,582)	(8,582)	-	
424 2023 Capital projects fund	\$ 14,982	\$ (666)	\$ (666)	\$ -	
425 2024 Capital projects fund	802,520	276,290	308,522	32,232	
426 2025 Capital projects fund	\$ (120,058)	\$ (1,629,642)	\$ (1,790,051)	\$ (160,409)	(6)
427 2026 Capital projects fund	(52,721)	(359,567)	(513,003)	(153,436)	(7)
451 Park fund	\$ 1,279,622	\$ 1,950,804	\$ 1,919,586	\$ (31,218)	
453 Fire replacement fund	(342)	-	-	-	
454 City facilities fund	\$ 1,073,587	\$ 804,418	\$ 792,995	\$ (11,423)	
455 Vehicle & equipment replacement fund	1,116,962	1,864,875	1,523,633	(341,242)	(8)
456 Hauberg park fund	\$ 12,982	\$ 14,921	\$ 33,537	\$ 18,616	
458 Mill Town Trail Woodley to Waterford	143,471	128,613	(252,671)	(381,284)	(9)
459 Ice Arena Construction	\$ (376,446)	\$ 16,207,812	\$ 11,117,295	\$ (5,090,517)	(10)
460 Public safety center construction	3,873	-	-	-	
465 Water & 5th St Redevelopment	\$ 955,272	\$ (1,455)	\$ (1,001)	\$ 454	
475 Capital reserve fund	804,853	997,297	983,261	(14,036)	
601 Water fund	\$ 2,120,737	\$ 1,813,745	\$ 11,550,795	\$ 9,737,050	(11)
602 Wastewater fund	12,917,023	13,237,452	12,647,409	(590,043)	(4)
603 Garbage fund	\$ 1,776,494	\$ 1,688,714	\$ 1,688,770	\$ 56	
604 Storm water drainage fund	1,923,813	2,678,954	2,677,450	(1,504)	
609 Liquor store fund	\$ 1,922,541	\$ 2,108,411	\$ 2,046,133	\$ (62,278)	
701 Information technology fund	756,897	901,968	847,832	(54,136)	
705 Insurance fund	\$ 1,192,825	\$ 1,365,043	\$ 1,357,739	\$ (7,304)	
851 Whittier trust fund	365,085	377,822	374,531	(3,291)	
900 Investment fund	\$ (1)	-	-	-	
Total	\$ 42,971,786	\$ 68,880,149	\$ 63,716,016	\$ (5,164,134)	

- Item** Explanation of changes greater than \$100,000.
- (1) See Attachment A for detail of fund activity. Variance is primarily due to the timing of tax settlements and intergovernmental receipts.
 - (2) Increase due to receipt of utility franchise fees.
 - (3) Decrease due to payments made for down payment assistance, rent assistance, and housing supports.
 - (4) Decrease due to bond payments made in Q1.
 - (5) Decrease due to TIF reimbursement payments.
 - (6) Decrease due to payments to McNamara Contracting and Crane Creek Asphalt for 2025 road improvements.
 - (7) Decrease primarily due to payments to Bolton & Menk for the Spring Creek Road project.
 - (8) Decrease due to payment of 2025 invoices, the purchase of a 2025 Chevrolet Blazer, and the purchase of (2) 2026 Dodge Durangos.
 - (9) Decrease due to payments to Icon LLC for the Mill Towns State Trail project.
 - (10) Decrease due to payments to RJM Construction for the new ice arena.
 - (11) Increase due to receipt of 2026A Bond proceeds.



- Fund**
- ➔ General
 - ⬆ Special Revenue
 - ➔ EDA
 - ⬆ HRA
 - ⬆ Debt Service
 - ⬆ TIF
 - ⬆ Capital Projects

- Key**
- ⬆ Water
 - ➔ Wastewater
 - ➔ Garbage
 - ⬆ Storm Water
 - ➔ Liquor
 - ⬆ Internal Funds
 - ⬆ Varies more than 10% of prior period positively
 - ⬆ Varies more than 10% of prior period negatively
 - ➔ Balance within 10% of prior period