

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

City of Northfield

Northfield, Minnesota

As of June 30, 2017



August 8, 2017

## ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council  
City of Northfield  
Northfield, Minnesota

Management is responsible for accompanying financial statements of the City of Northfield, which comprise the budget to actual statement of revenues and expenditures for the General and enterprise funds as of June 30, 2017 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.

Management has elected to omit substantially all of 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,

AEM FINANCIAL SOLUTIONS, LLC



*AEM Financial Solutions™*

August 8, 2017

Honorable Mayor and City Council  
City of Northfield  
Northfield, Minnesota

Dear Honorable Mayor and City Council:

We have reconciled all bank accounts through June 30, 2017 and reviewed activity in 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:

|                               | 06/30/2017           | 12/31/2016           | Increase/<br>(Decrease) |
|-------------------------------|----------------------|----------------------|-------------------------|
| Checking                      | \$ 478,989           | \$ 1,088,860         | \$ (609,870)            |
| Investments (at market value) | 26,617,937           | 29,836,338           | (3,218,402)             |
| Total cash and investments    | <u>\$ 27,096,926</u> | <u>\$ 30,925,198</u> | <u>\$ (3,828,272)</u>   |

| Investment Type            | 06/30/2017           | 12/31/2016           | Increase/<br>(Decrease) |
|----------------------------|----------------------|----------------------|-------------------------|
| Checking                   | \$ 478,989           | \$ 1,088,860         | \$ (609,870)            |
| Commercial Paper           | 2,490,155            | 796,526              | 1,693,630               |
| Collateralized Mortgage    | 1,910,901            | 2,309,397            | (398,496)               |
| Fed Agency Note            | 8,724,370            | 10,557,883           | (1,833,513)             |
| Money Market               | 120,376              | 576,843              | (456,466)               |
| Municipal Bond             | 1,497,410            | 2,314,638            | (817,228)               |
| Supra-National Agency Bond | 910,651              | -                    | 910,651                 |
| U.S. Treasury Bond         | 5,062,408            | 4,049,512            | 1,012,896               |
| 4M Fund                    | 5,246,252            | 8,577,916            | (3,331,664)             |
| 4M Plus Fund               | 655,413              | 653,623              | 1,790                   |
| Total investments          | <u>\$ 27,096,926</u> | <u>\$ 30,925,198</u> | <u>\$ (3,828,272)</u>   |

The chart displays monthly average deposits for four years (2014-2017) and two benchmark lines. The y-axis represents the amount in dollars, ranging from \$3,000,000 to \$8,000,000. The x-axis shows the months from January 1 to December. The 2014 series (green line with triangles) starts at approximately \$7,000,000, dips to a low of about \$4,300,000 in May, peaks at \$7,200,000 in July, and ends at \$7,000,000 in December. The 2015 series (pink line with circles) starts at \$6,950,000, dips to \$4,150,000 in May, peaks at \$6,750,000 in July, and ends at \$6,750,000 in December. The 2016 series (blue line with crosses) starts at \$6,750,000, dips to \$3,850,000 in May, peaks at \$5,950,000 in July, and ends at \$7,450,000 in December. The 2017 series (orange line with squares) starts at \$7,450,000, dips to \$3,900,000 in May, peaks at \$4,600,000 in June, and ends at \$6,800,000 in December. The 50% reserve line (solid red) is constant at \$5,650,000. The prior year average (dashed black) is constant at \$5,150,000.

| Month     | 2014      | 2015      | 2016      | 2017      | 50% reserve | Prior year average |
|-----------|-----------|-----------|-----------|-----------|-------------|--------------------|
| January 1 | 7,000,000 | 6,950,000 | 6,750,000 | 7,450,000 | 5,650,000   | 5,150,000          |
| January   | 6,500,000 | 6,250,000 | 5,900,000 | 6,650,000 | 5,650,000   | 5,150,000          |
| February  | 5,800,000 | 5,700,000 | 5,500,000 | 6,200,000 | 5,650,000   | 5,150,000          |
| March     | 5,200,000 | 5,200,000 | 4,800,000 | 5,350,000 | 5,650,000   | 5,150,000          |
| April     | 4,850,000 | 4,650,000 | 4,250,000 | 4,500,000 | 5,650,000   | 5,150,000          |
| May       | 4,300,000 | 4,150,000 | 3,850,000 | 3,900,000 | 5,650,000   | 5,150,000          |
| June      | 5,250,000 | 5,000,000 | 4,350,000 | 4,600,000 | 5,650,000   | 5,150,000          |
| July      | 7,200,000 | 6,750,000 | 5,950,000 | -         | 5,650,000   | 5,150,000          |
| August    | 6,050,000 | 5,600,000 | 5,400,000 | -         | 5,650,000   | 5,150,000          |
| September | 5,450,000 | 4,850,000 | 4,750,000 | -         | 5,650,000   | 5,150,000          |
| October   | 5,300,000 | 4,150,000 | 4,300,000 | -         | 5,650,000   | 5,150,000          |
| November  | 4,600,000 | 3,600,000 | 3,700,000 | -         | 5,650,000   | 5,150,000          |
| December  | 7,000,000 | 6,750,000 | 7,450,000 | 6,800,000 | 5,650,000   | 5,150,000          |

| Receipts                                      |    | YTD Budget | YTD Actual | Percent of YTD Budget |        | Disbursements |                             | YTD Budget | YTD Actual | Percent of YTD Budget |           |        |   |
|-----------------------------------------------|----|------------|------------|-----------------------|--------|---------------|-----------------------------|------------|------------|-----------------------|-----------|--------|---|
| Taxes                                         | \$ | 2,798,685  | \$         | 1,629,474             | 58.2 % | ↓             | Mayor & Council             | \$         | 123,391    | \$                    | 95,561    | 77.4 % | ↑ |
| Licenses and permits                          |    | 206,315    |            | 270,046               | 130.9  | ↑             | Administration              |            | 195,934    |                       | 169,849   | 86.7   | ↑ |
| Intergovernmental                             |    | 1,808,651  |            | 203,517               | 11.3   | ↓             | Elections                   |            | 17,550     |                       | 6,869     | 39.1   | ↑ |
| Charges for services                          |    | 772,154    |            | 559,935               | 72.5   | ↓             | City Clerk                  |            | 90,911     |                       | 82,471    | 90.7   | → |
| Fines and forfeits                            |    | 73,500     |            | 58,630                | 79.8   | ↓             | Human Resources             |            | 181,620    |                       | 162,199   | 89.3   | ↑ |
| Other revenues                                |    | 175,500    |            | 109,433               | 62.4   | ↓             | Community Development       |            | 55,476     |                       | 65,391    | 117.9  | ↓ |
|                                               | \$ | 5,834,805  | \$         | 2,831,035             | 48.5 % | ↓             | Planning                    |            | 80,114     |                       | 71,173    | 88.8   | ↑ |
| Key                                           |    |            |            |                       |        |               | General Government Building |            | 54,331     |                       | 47,179    | 86.8   | ↑ |
| ↑ Varies more than 10% than budget positively |    |            |            |                       |        |               | Police                      |            | 1,646,039  |                       | 1,509,175 | 91.7   | → |
| ↓ Varies more than 10% than budget negatively |    |            |            |                       |        |               | Fire                        |            | 265,500    |                       | 380,095   | 143.2  | ↓ |
| → Within 10% of budget                        |    |            |            |                       |        |               | Building Inspection         |            | 135,485    |                       | 130,703   | 96.5   | → |
|                                               |    |            |            |                       |        |               | Engineering                 |            | 239,436    |                       | 243,276   | 101.6  | → |
|                                               |    |            |            |                       |        |               | Streets                     |            | 695,164    |                       | 639,088   | 91.9   | → |
|                                               |    |            |            |                       |        |               | Street Lighting             |            | 150,000    |                       | 130,629   | 87.1   | ↑ |
|                                               |    |            |            |                       |        |               | Facilities                  |            | 120,358    |                       | 109,475   | 91.0   | → |
|                                               |    |            |            |                       |        |               | Ice Arena                   |            | 151,027    |                       | 157,510   | 104.3  | ↓ |
|                                               |    |            |            |                       |        |               | General Parks               |            | 133,715    |                       | 53,383    | 39.9   | ↑ |
|                                               |    |            |            |                       |        |               | Athletic Facilities         |            | 64,546     |                       | 37,313    | 57.8   | ↑ |
|                                               |    |            |            |                       |        |               | Outdoor Pool                |            | 115,726    |                       | 45,601    | 39.4   | ↑ |
|                                               |    |            |            |                       |        |               | Recreation Administration   |            | 108,438    |                       | 101,729   | 93.8   | → |
|                                               |    |            |            |                       |        |               | Library                     |            | 547,416    |                       | 602,496   | 110.1  | ↓ |
|                                               |    |            |            |                       |        |               | Information Technology      |            | 213,170    |                       | 194,720   | 91.3   | → |
|                                               |    |            |            |                       |        |               | Unallocated                 |            | 238,077    |                       | 126,770   | 53.2   | ↑ |
|                                               |    |            |            |                       |        |               |                             | \$         | 5,623,418  | \$                    | 5,162,655 | 91.8 % | → |

Current short-term rates being offered by financial institutions are very low 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 |
| 12/31/2010 | 0.07            | 0.12 | 0.19 | 0.29 | 0.61 | 1.02 | 2.01 | 2.71 | 3.30  |
| 12/30/2011 | 0.01            | 0.02 | 0.06 | 0.12 | 0.25 | 0.36 | 0.83 | 1.35 | 1.89  |
| 12/31/2012 | 0.02            | 0.05 | 0.11 | 0.16 | 0.25 | 0.36 | 0.72 | 1.18 | 1.78  |
| 12/31/2013 | 0.01            | 0.07 | 0.10 | 0.13 | 0.38 | 0.78 | 1.75 | 2.45 | 3.04  |
| 03/31/2014 | 0.03            | 0.05 | 0.07 | 0.13 | 0.44 | 0.90 | 1.73 | 2.30 | 2.73  |
| 06/30/2014 | 0.02            | 0.04 | 0.07 | 0.11 | 0.47 | 0.88 | 1.62 | 2.13 | 2.53  |
| 09/30/2014 | 0.02            | 0.02 | 0.03 | 0.13 | 0.58 | 1.07 | 1.78 | 2.22 | 2.52  |
| 12/31/2014 | 0.03            | 0.03 | 0.12 | 0.23 | 0.69 | 1.11 | 1.68 | 2.00 | 2.20  |
| 03/31/2015 | 0.05            | 0.03 | 0.14 | 0.26 | 0.56 | 0.89 | 1.37 | 1.71 | 1.94  |
| 06/30/2015 | 0.02            | 0.01 | 0.11 | 0.28 | 0.64 | 1.01 | 1.63 | 2.07 | 2.35  |
| 09/30/2015 | -               | -    | 0.08 | 0.33 | 0.64 | 0.92 | 1.37 | 1.75 | 2.06  |
| 12/31/2015 | 0.14            | 0.16 | 0.49 | 0.65 | 1.06 | 1.31 | 1.76 | 2.09 | 2.27  |
| 03/31/2016 | 0.18            | 0.21 | 0.39 | 0.59 | 0.73 | 0.87 | 1.21 | 1.54 | 1.78  |
| 06/30/2016 | 0.20            | 0.26 | 0.60 | 0.45 | 0.58 | 0.71 | 1.01 | 1.29 | 1.49  |
| 09/30/2016 | 0.20            | 0.29 | 0.45 | 0.59 | 0.77 | 0.88 | 1.14 | 1.42 | 1.60  |
| 12/31/2016 | 0.44            | 0.51 | 0.62 | 0.85 | 1.20 | 1.47 | 1.93 | 2.25 | 2.45  |
| 03/31/2017 | 0.74            | 0.76 | 0.91 | 1.03 | 1.27 | 1.50 | 1.93 | 2.22 | 2.40  |
| 06/30/2017 | 0.84            | 1.03 | 1.14 | 1.24 | 1.38 | 1.55 | 1.89 | 2.14 | 2.31  |

#### Budget Summary

A more detailed analysis of funds is included as Attachment A.

#### Cash Balance Summary

A detailed view of department totals compared with budget 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 wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC

CITY OF NORTHFIELD, MINNESOTA  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL -  
GENERAL FUND (UNAUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2017

Attachment A

|                                                                                                                     | Annual<br>Budget   | Budget thru<br>06/30/2017 | Actual<br>Thru<br>06/30/2017 | Variance -<br>Favorable<br>(Unfavorable) | Percent<br>Received or<br>Expended<br>Based on<br>Budget thru<br>06/30/2017 |
|---------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|------------------------------|------------------------------------------|-----------------------------------------------------------------------------|
| <b>REVENUES</b>                                                                                                     |                    |                           |                              |                                          |                                                                             |
| Taxes *                                                                                                             | \$ 5,597,370       | \$ 2,798,685              | \$ 1,629,474                 | \$ (1,169,211) (1)                       | 58.2 %                                                                      |
| Licenses and permits                                                                                                | 412,630            | 206,315                   | 270,046                      | 63,731                                   | 130.9                                                                       |
| Intergovernmental *                                                                                                 | 3,617,301          | 1,808,651                 | 203,517                      | (1,605,134) (2)                          | 11.3                                                                        |
| Charges for services                                                                                                | 1,544,308          | 772,154                   | 559,935                      | (212,219) (3)                            | 72.5                                                                        |
| Fines and forfeits                                                                                                  | 147,000            | 73,500                    | 58,630                       | (14,870)                                 | 79.8                                                                        |
| Other revenues                                                                                                      | 351,000            | 175,500                   | 109,433                      | (66,067) (4)                             | 62.4                                                                        |
| <b>TOTAL REVENUES</b>                                                                                               | <b>11,669,609</b>  | <b>5,834,805</b>          | <b>2,831,035</b>             | <b>(3,003,770)</b>                       | <b>48.5</b>                                                                 |
| <b>EXPENDITURES</b>                                                                                                 |                    |                           |                              |                                          |                                                                             |
| Mayor & Council                                                                                                     | 246,782            | 123,391                   | 95,561                       | 27,830 (5)                               | 77.4                                                                        |
| Administration                                                                                                      | 391,867            | 195,934                   | 169,849                      | 26,085                                   | 86.7                                                                        |
| Elections                                                                                                           | 35,100             | 17,550                    | 6,869                        | 10,681                                   | 39.1                                                                        |
| City Clerk                                                                                                          | 181,822            | 90,911                    | 82,471                       | 8,440                                    | 90.7                                                                        |
| Human Resources                                                                                                     | 363,239            | 181,620                   | 162,199                      | 19,421                                   | 89.3                                                                        |
| Community Development                                                                                               | 110,952            | 55,476                    | 65,391                       | (9,915)                                  | 117.9                                                                       |
| Planning                                                                                                            | 160,227            | 80,114                    | 71,173                       | 8,941                                    | 88.8                                                                        |
| General Government Building                                                                                         | 108,661            | 54,331                    | 47,179                       | 7,152                                    | 86.8                                                                        |
| Police                                                                                                              | 3,292,077          | 1,646,039                 | 1,509,175                    | 136,864                                  | 91.7                                                                        |
| Fire                                                                                                                | 531,000            | 265,500                   | 380,095                      | (114,595) (6)                            | 143.2                                                                       |
| Building Inspection                                                                                                 | 270,970            | 135,485                   | 130,703                      | 4,782                                    | 96.5                                                                        |
| Engineering                                                                                                         | 478,872            | 239,436                   | 243,276                      | (3,840)                                  | 101.6                                                                       |
| Streets                                                                                                             | 1,390,327          | 695,164                   | 639,088                      | 56,076                                   | 91.9                                                                        |
| Street Lighting                                                                                                     | 300,000            | 150,000                   | 130,629                      | 19,371                                   | 87.1                                                                        |
| Facilities                                                                                                          | 240,716            | 120,358                   | 109,475                      | 10,883                                   | 91.0                                                                        |
| Ice Arena                                                                                                           | 302,053            | 151,027                   | 157,510                      | (6,484)                                  | 104.3                                                                       |
| General Parks                                                                                                       | 267,430            | 133,715                   | 53,383                       | 80,332 (7)                               | 39.9                                                                        |
| Athletic Facilities                                                                                                 | 129,092            | 64,546                    | 37,313                       | 27,233 (8)                               | 57.8                                                                        |
| Outdoor Pool                                                                                                        | 231,451            | 115,726                   | 45,601                       | 70,125 (9)                               | 39.4                                                                        |
| Recreation Administration                                                                                           | 216,875            | 108,438                   | 101,729                      | 6,709                                    | 93.8                                                                        |
| Library                                                                                                             | 1,094,831          | 547,416                   | 602,496                      | (55,081)                                 | 110.1                                                                       |
| Information Technology                                                                                              | 426,339            | 213,170                   | 194,720                      | 18,450                                   | 91.3                                                                        |
| Unallocated                                                                                                         | 476,153            | 238,077                   | 126,770                      | 111,307 (10)                             | 53.2                                                                        |
| <b>TOTAL EXPENDITURES</b>                                                                                           | <b>11,246,836</b>  | <b>5,623,418</b>          | <b>5,162,655</b>             | <b>460,763</b>                           | <b>91.8</b>                                                                 |
| <b>EXCESS REVENUES<br/>(EXPENDITURES)</b>                                                                           | <b>422,773</b>     | <b>211,387</b>            | <b>(2,331,620)</b>           | <b>(2,543,007)</b>                       |                                                                             |
| <b>OTHER FINANCING USES</b>                                                                                         |                    |                           |                              |                                          |                                                                             |
| Transfers in                                                                                                        | 156,000            | 78,000                    | -                            | (78,000) (11)                            | -                                                                           |
| Operating transfers out                                                                                             | 668,772            | 334,386                   | -                            | (334,386)                                | - %                                                                         |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                                                                         | <b>(512,772)</b>   | <b>(256,386)</b>          | <b>-</b>                     | <b>256,386</b>                           |                                                                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br/>FINANCING SOURCES OVER (UNDER) EXPENDITURES<br/>AND OTHER USES</b> | <b>\$ (89,999)</b> | <b>\$ (45,000)</b>        | <b>\$ (2,331,620)</b>        | <b>\$ (2,286,621)</b>                    |                                                                             |

\* Property taxes, assessments, and local government aids are only paid twice a year

CITY OF NORTHFIELD, MINNESOTA  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL -  
GENERAL FUND (UNAUDITED)  
FOR THE THREE MONTHS ENDED JUNE 30, 2017

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)         | Coding for taxes differs from 1st half to 2nd half for the City, prior year amount very similar to this amount as of this date.                                              |
| (2)         | Major intergovernmental revenues are only received twice a year, typically in July and again in December of each fiscal year.                                                |
| (3)         | Revenues from engineering fees were budgeted for approx. \$71,000 per quarter, thus far only \$15,000 approx. have been collected. Expected to increase as summer continues. |
| (4)         | Donations and contributions are down from budgeted for the quarter by approx. \$70,000.                                                                                      |
| (5)         | Mileage/Meals/Lodging is under budget by \$10,000 along with subscriptions and dues being \$10,000 under budget as well.                                                     |
| (6)         | 1st half installment of Fire Relief payment was made in January 2017 for fiscal year 2017, this is entire cause of variance from budget.                                     |
| (7)         | Parks expenses do not majorly occur until the summer months between May and September. 1st Quarter is not within that time frame.                                            |
| (8)         | Athletic Facilities expenses do not majorly occur until the summer months between May and September. Only two months of this operation.                                      |
| (9)         | Outdoor Pool expenses do not majorly occur until the summer months between May and September. Only two months of this operation.                                             |
| (10)        | Contingency/Budget reserve dollars are kept in this unallocated item. No use of those dollars has occurred this far in 2017.                                                 |
| (11)        | Transfers in occurred at year-end during preparation for audit.                                                                                                              |

CITY OF NORTHFIELD, MINNESOTA  
UNAUDITED CASH BALANCES BY FUND  
DECEMBER 31, 2015, DECEMBER 31, 2016 AND JUNE 30, 2017

Attachment B

| Fund  |                                      | Balance<br>12/31/2015 | Balance<br>12/31/2016 | Balance<br>06/30/2017 | YTD Change<br>From<br>12/31/2016 |      |
|-------|--------------------------------------|-----------------------|-----------------------|-----------------------|----------------------------------|------|
| 101   | General fund                         | \$ 6,751,847          | \$ 7,381,116          | \$ 4,590,335          | \$ (2,790,781)                   | (1)  |
| 211   | Community resource center            | 182,514               | 215,702               | 170,577               | (45,125)                         |      |
| 215   | Motor vehicle fund                   | 172,198               | 194,280               | 204,682               | 10,402                           |      |
| 229   | Communication fund                   | 336,846               | 447,370               | 467,463               | 20,093                           |      |
| 240   | Library gift fund                    | 78,653                | 79,092                | 78,757                | (335)                            |      |
| 241   | G.W. Bunday fund                     | 25,406                | 25,563                | 24,906                | (657)                            |      |
| 242   | Scriver memorial fund                | 140,654               | 140,149               | 140,466               | 317                              |      |
| 243   | L.J. Gustafson fund                  | 35,767                | 33,581                | 33,711                | 130                              |      |
| 244   | M. Houston trust fund                | 44,363                | 42,039                | 42,219                | 180                              |      |
| 245   | C.C. Cloherty endowed book           | 12,018                | 12,355                | 12,608                | 253                              |      |
| 246   | Arts and culture                     | 9,159                 | 14,329                | 9,343                 | (4,986)                          |      |
| 250   | CDBG fund                            | -                     | 45                    | (22,053)              | (22,098)                         |      |
| 251   | Transit grants fund                  | 3,084                 | 3,115                 | 23                    | (3,092)                          |      |
| 252   | TZD grant fund                       | -                     | 13,524                | 15,541                | 2,017                            |      |
| 270   | Municipal TIF district #4            | 1,049,880             | 235,499               | 342,261               | 106,762                          |      |
| 271   | Jefferson square townhome TIF        | 11,358                | 11,862                | 14,076                | 2,214                            |      |
| 290   | EDA - general operating              | 1,395,355             | 1,483,893             | 133,220               | (1,350,673)                      | (2)  |
| 292   | EDA - investment fund                | -                     | -                     | 1,212,755             | 1,212,755                        | (2)  |
| 293   | EDA - MIF investment fund            | -                     | -                     | 142,231               | 142,231                          | (2)  |
| 295   | Housing and redevelopment fund       | 963,701               | 1,031,149             | 1,078,007             | 46,858                           |      |
| 306   | 2002A bond fund                      | 9,727                 | 9,803                 | 9,803                 | -                                |      |
| 307   | 2004A bond fund                      | 20,568                | -                     | -                     | -                                |      |
| 308   | 2007A GO improvement debt fund       | 636,164               | 477,459               | 258,033               | (219,426)                        | (3)  |
| 309   | 2008B GO improvement bond fund       | 27,716                | 115,983               | 86,988                | (28,995)                         |      |
| 310   | 2009A GO improvement bond fund       | 296,625               | 265,232               | 187,853               | (77,379)                         | (3)  |
| 311   | 2010A GO improvement bond fund       | 135,988               | 142,222               | 88,302                | (53,920)                         | (3)  |
| 312   | 2011A GO improvement bond fund       | 376,470               | 364,247               | 292,283               | (71,964)                         | (3)  |
| 313   | 2012A GO improvement bond fund       | 183,546               | 174,307               | 128,755               | (45,552)                         |      |
| 314   | 2013 bonds fund                      | 103,189               | 235,870               | 189,735               | (46,135)                         |      |
| 315   | 2014 bonds fund                      | 307,782               | 351,334               | 269,212               | (82,122)                         | (3)  |
| 316   | 2015 bonds fund                      | 123,237               | 348,384               | 286,341               | (62,043)                         | (3)  |
| 317   | 2016 bonds fund                      | -                     | (270)                 | 207,452               | 207,722                          | (4)  |
| 351   | Community resource center            | 367,930               | 342,057               | 146,971               | (195,086)                        | (3)  |
| 352   | 2006A Lease revenue bond - aquatic   | 179,350               | 187,483               | 118,840               | (68,643)                         | (3)  |
| 354   | 2012 COP debt service fund           | 397,963               | 397,916               | 181,797               | (216,119)                        | (3)  |
| 355   | 2012 Equipment certificate           | 107,778               | 112,186               | 41,706                | (70,480)                         | (3)  |
| 376   | 1992 TIF debt                        | 621                   | 625                   | 627                   | 2                                |      |
| 379   | Presidential commons TIF             | 26,774                | 12,909                | (42,977)              | (55,886)                         | (3)  |
| 381   | Hiley Neff TIF fund                  | 3,399                 | 6,903                 | 3,577                 | (3,326)                          |      |
| 382   | Riverfront TIF district              | 195,697               | 208,461               | 213,348               | 4,887                            |      |
| 385   | Spring creek TIF district            | -                     | 35,353                | 15,568                | (19,785)                         |      |
| 414   | 2013 Capital projects fund           | 84,777                | -                     | -                     | -                                |      |
| 415   | 2014 Capital projects fund           | -                     | (5,804)               | -                     | 5,804                            |      |
| 416   | 2015 Capital projects fund           | 416,027               | 161,644               | 164,421               | 2,777                            |      |
| 417   | 2016 Capital projects fund           | -                     | 580,228               | (1,981)               | (582,209)                        | (5)  |
| 418   | 2017 Capital projects fund           | -                     | (7,755)               | (26,848)              | (19,093)                         |      |
| 451   | Park fund                            | 604,513               | 250,350               | 268,107               | 17,757                           |      |
| 453   | Fire replacement fund                | 74,710                | 75,224                | 75,547                | 323                              |      |
| 454   | City facilities fund                 | 17,055                | 57,163                | 70,093                | 12,930                           |      |
| 455   | Vehicle & equipment replacement fund | 720,207               | 460,922               | 199,450               | (261,472)                        | (6)  |
| 456   | Hauberg park fund                    | 3,600                 | 2,554                 | -                     | (2,554)                          |      |
| 460   | Public safety center construction    | 388,741               | 392,125               | 393,806               | 1,681                            |      |
| 461   | Tiger grant capital projects fund    | 415,128               | -                     | 1,223                 | 1,223                            |      |
| 462   | Library capital project              | 1,926,033             | (197,382)             | (8,723)               | 188,659                          | (7)  |
| 475   | Capital reserve fund                 | 394,126               | 560,309               | 799,403               | 239,094                          | (8)  |
| 601   | Water fund                           | 5,770,756             | 5,603,020             | 6,110,957             | 507,937                          | (9)  |
| 602   | Wastewater fund                      | 2,904,251             | 3,552,909             | 3,300,273             | (252,636)                        | (10) |
| 603   | Garage fund                          | 670,504               | 884,571               | 992,244               | 107,673                          | (11) |
| 604   | Storm water drainage fund            | 31,364                | 291,328               | 206,845               | (84,483)                         | (12) |
| 609   | Liquor store fund                    | 1,148,964             | 1,216,603             | 1,208,060             | (8,543)                          |      |
| 701   | Information technology fund          | 512,008               | 602,687               | 691,354               | 88,667                           | (13) |
| 705   | Insurance fund                       | 849,037               | 936,471               | 937,425               | 954                              |      |
| 851   | Whittier trust fund                  | 344,815               | 344,401               | 339,907               | (4,494)                          |      |
| 853   | Rescue squad trust fund              | 10,412                | 10,503                | 21                    | (10,482)                         |      |
| 900   | Investment fund                      | -                     | -                     | -                     | -                                |      |
| Total |                                      | \$ 32,000,355         | \$ 30,925,198         | \$ 27,096,926         | \$ (3,828,272)                   |      |

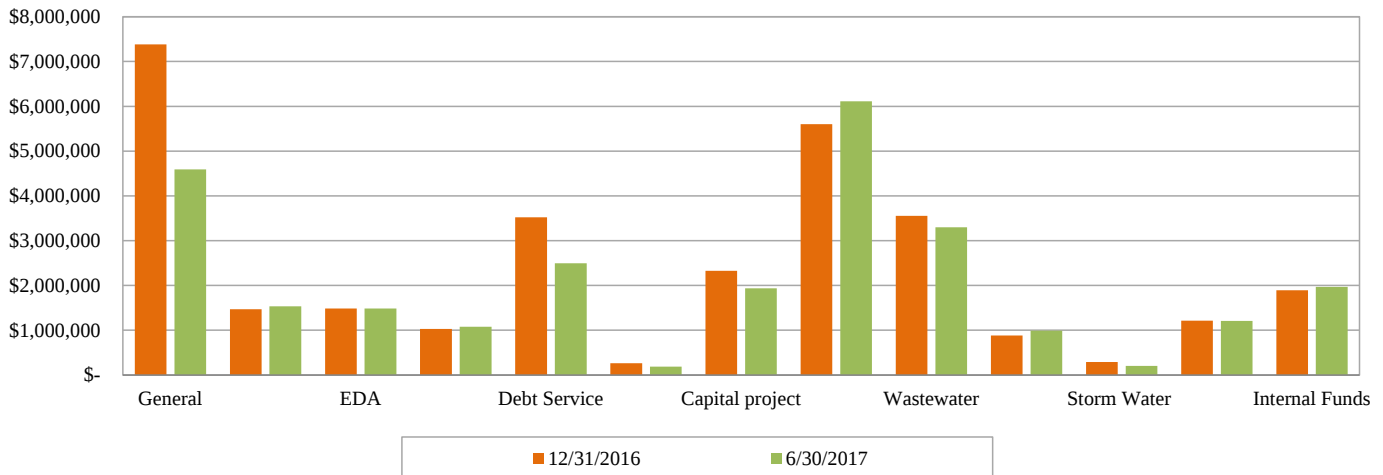
CITY OF NORTHFIELD, MINNESOTA  
UNAUDITED CASH BALANCES BY FUND  
DECEMBER 31, 2015, DECEMBER 31, 2016 AND JUNE 30, 2017

Attachment B

**Item Explanation of changes greater than \$50,000.**

- (1) General fund operating has a decrease in dollars from operations, see Gen Exp/Rev sheet for additional information.
- (2) Creation of two Revolving Loan Funds from the EDA fund was completed at year-end 2016. 2 new funds are to comply with Minnesota State Laws and Regs.
- (3) Payments on bonds in January 2017 is cause for decreases in cash balances from year-end.
- (4) Increase is due to tax dollars being received in June and no payment on this bond yet due to it being new in 2017.
- (5) Payments made to vendor for 2016 capital project work completed.
- (6) Purchase of new Elgin Sweeper and toro mower for a total cost of \$210,000 during February and March 2017.
- (7) Capital Project Fund completed in 2016. This fund was reimbursed to offset costs in previous years.
- (8) Payment to MNDOT for TH3 Greenvale to Fremont for \$16,500. Additional decrease is related to booking back payables related to year-end accounting.
- (9) Transfers out to the General Fund for administrative and other charges was \$110,000 for Q2. The decrease is offset with customer payments on accounts.
- (10) Transfers out to the General Fund for administrative and other charges was \$140,000 for Q2. Additional decrease is related to bond payments in the Sewer fund of approx. \$360,000. The decrease is offset with customer payments on accounts.
- (11) Transfers out to the General Fund for administrative and other charges was \$44,000 for Q2. Offsetting this decrease is normal operations of the Garage Fund that increased by approx. \$100,000 per month in 2017.
- (12) Transfers out to the General Fund for administrative and other charges was \$30,000 for Q2. Additional decrease is related to bond payments in the Storm water fund of approx. \$225,000. The decrease is offset with customer payments on accounts.
- (13) Increase due to Transfer into IT Fund occurring during the first half of the year, not major IT expenses have occurred yet.

**Cash Balance by Fund Compared to Prior Period**



**Fund**

- General
- Special Revenue
- EDA
- HRA
- Debt Service
- TIF
- Capital project

- Water
- Wastewater
- Garage
- Storm Water
- Liquor
- Internal Funds

**Key**

- Varies more than 10% of prior period positively
- Varies more than 10% of prior period negatively
- Balance within 10% of prior period