

**City of
Northfield
2020
Financial
Statement
Audit**

Introduction



Audit Opinion and Responsibility

General Fund Results

Other Governmental Funds

Enterprise Funds

Ratios

Audit Results



Auditor's Opinion



Minnesota Legal Compliance



Audit Results

2020 Audit Findings



Preparation of Financial Statements

- Internal Control Finding

Material Audit Adjustment

- Internal Control Finding

**ABDO
EICK &
MEYERS_{LLP}**
Certified Public Accountants & Consultants

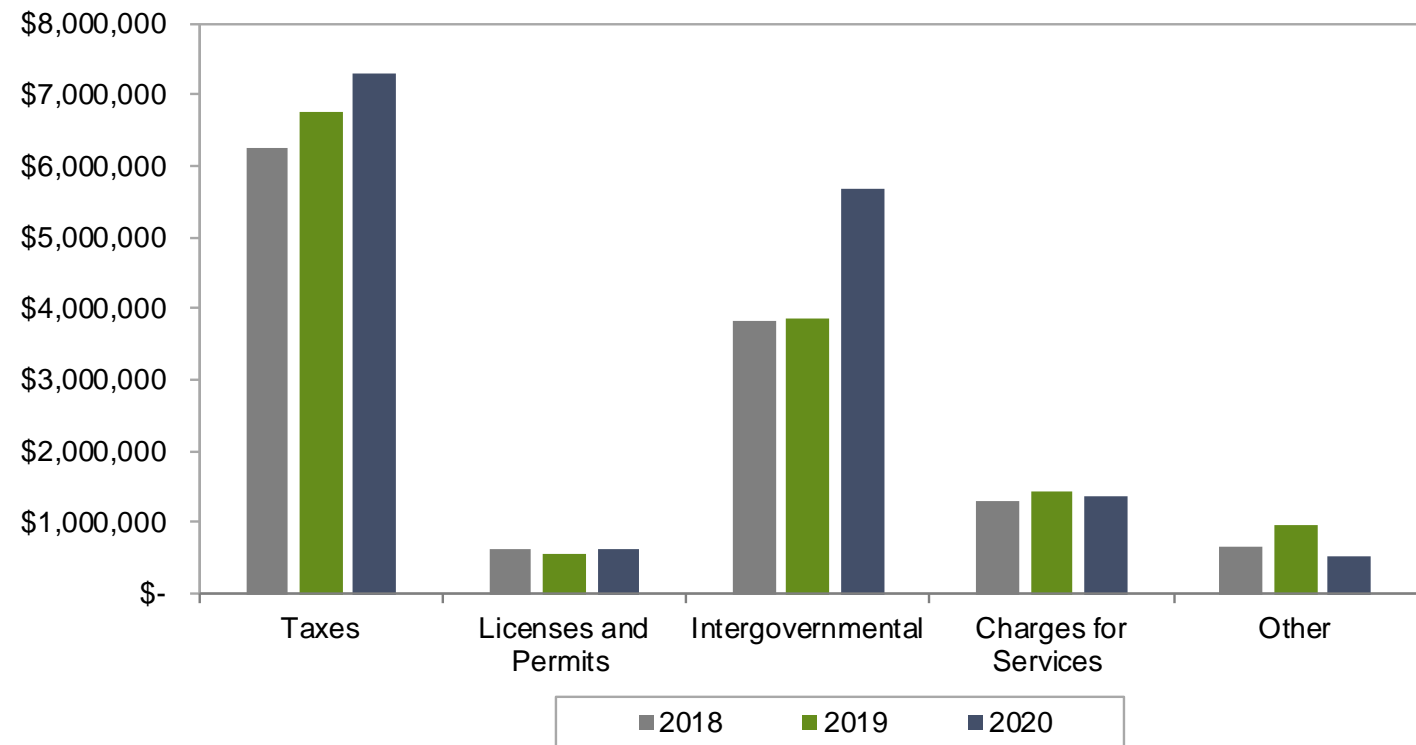


General Fund Budget to Actual



	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 15,375,070	\$ 15,432,557	\$ 57,487
Expenditures	15,302,496	14,570,628	731,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,574	861,929	789,355
Other Financing Sources (Uses)			
Transfers in	141,267	77,600	(63,667)
Sale of capital assets	-	4,236	4,236
Transfers out	(145,900)	(26,140)	119,760
Total Other Financing Sources (Uses)	(4,633)	55,696	60,329
Net Change in Fund Balances	67,941	917,625	849,684
Fund Balances, January 1	8,116,550	8,116,550	-
Fund Balances, December 31	<u>\$ 8,184,491</u>	<u>\$ 9,034,175</u>	<u>\$ 849,684</u>

General Fund Revenues by Type



**ABDO
EICK &
MEYERS_{LLP}**
Certified Public Accountants & Consultants

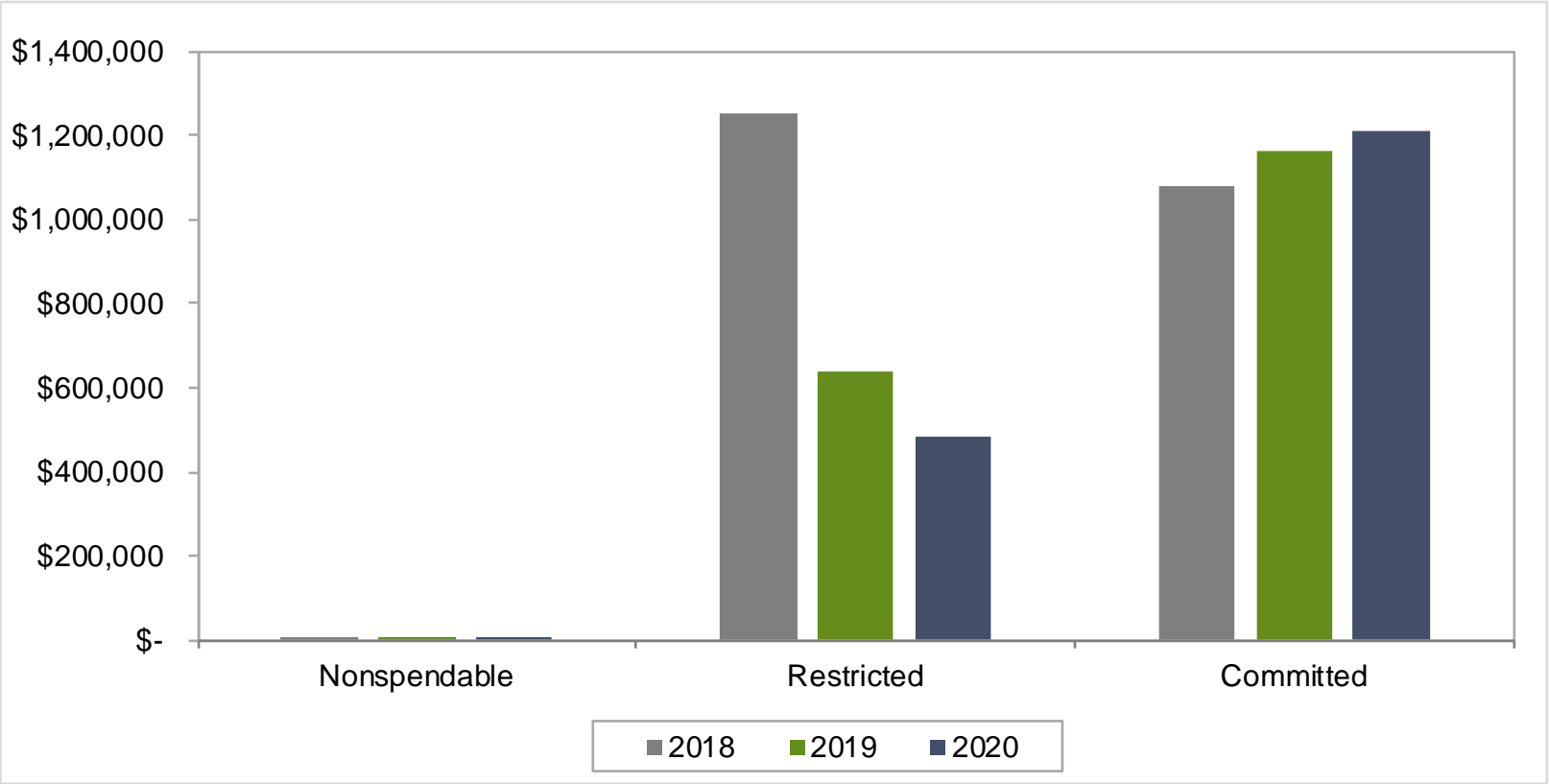


Special Revenue Fund Balances



Fund	Fund Balances December 31		Increase (Decrease)
	2020	2019	
Community Resource Center	\$ 219,360	\$ 210,141	\$ 9,219
Motor Vehicle	279,902	280,791	(889)
Communication	712,321	675,438	36,883
Library Gift	70,330	70,241	89
G.W. Bunday Fund	25,016	24,563	453
Scriver Memorial	146,933	144,805	2,128
L.J. Gustafson	29,839	30,086	(247)
Myrtle Houston Trust	43,131	42,348	783
C.C. Cloherty Endowed Book	12,780	12,714	66
Arts and Culture	62,234	30,393	31,841
Community Development Block Grant	354	354	-
Jefferson Square TIF	13,839	16,510	(2,671)
Master Development TIF	64,386	235,568	(171,182)
Rescue Squad Trust	-	21	(21)
Spring Creek TIF	17,575	28,584	(11,009)
Aurora TIF	348	-	348
Washington TIF	(206)	-	(206)
Total	<u>\$ 1,698,142</u>	<u>\$ 1,802,557</u>	<u>\$ (104,415)</u>

Special Revenue Fund Balances

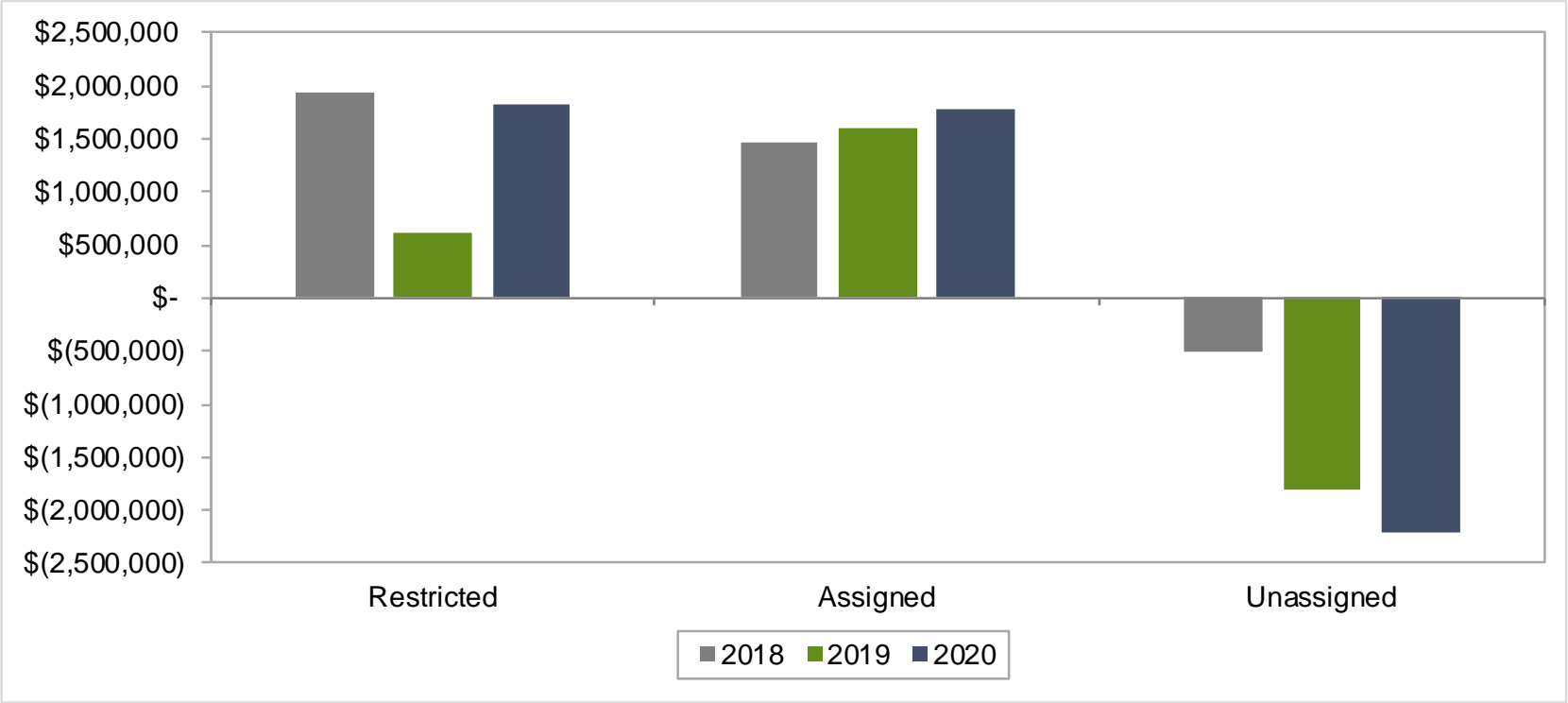


Capital Project Fund Balances



Fund	Fund Balances December 31		Increase (Decrease)
	2020	2019	
Major funds			
2019 Capital Project Fund	\$ (2,115,833)	\$ 20,777	\$ (2,136,610)
2020 Capital Project Fund	1,407,749	(408,791)	1,816,540
Nonmajor funds			
2018 Capital Project Fund	60,877	(1,292,859)	1,353,736
2021 Capital Project Fund	(102,865)	-	(102,865)
Park Fund	276,986	158,415	118,571
Fire Replacement Fund	80,662	79,198	1,464
City Facilities Fund	(45,496)	(110,956)	65,460
Equipment and Vehicle Replacement Fund	545,267	589,941	(44,674)
Hauberg Park	7,512	6,254	1,258
Public Safety Center Project Fund	412,810	405,324	7,486
NAFRS Building Fund	-	177,272	(177,272)
Capital Reserve Fund	870,450	769,490	100,960
Total	<u>\$ 1,398,119</u>	<u>\$ 394,065</u>	<u>\$ 1,004,054</u>

Capital Project Fund Balances

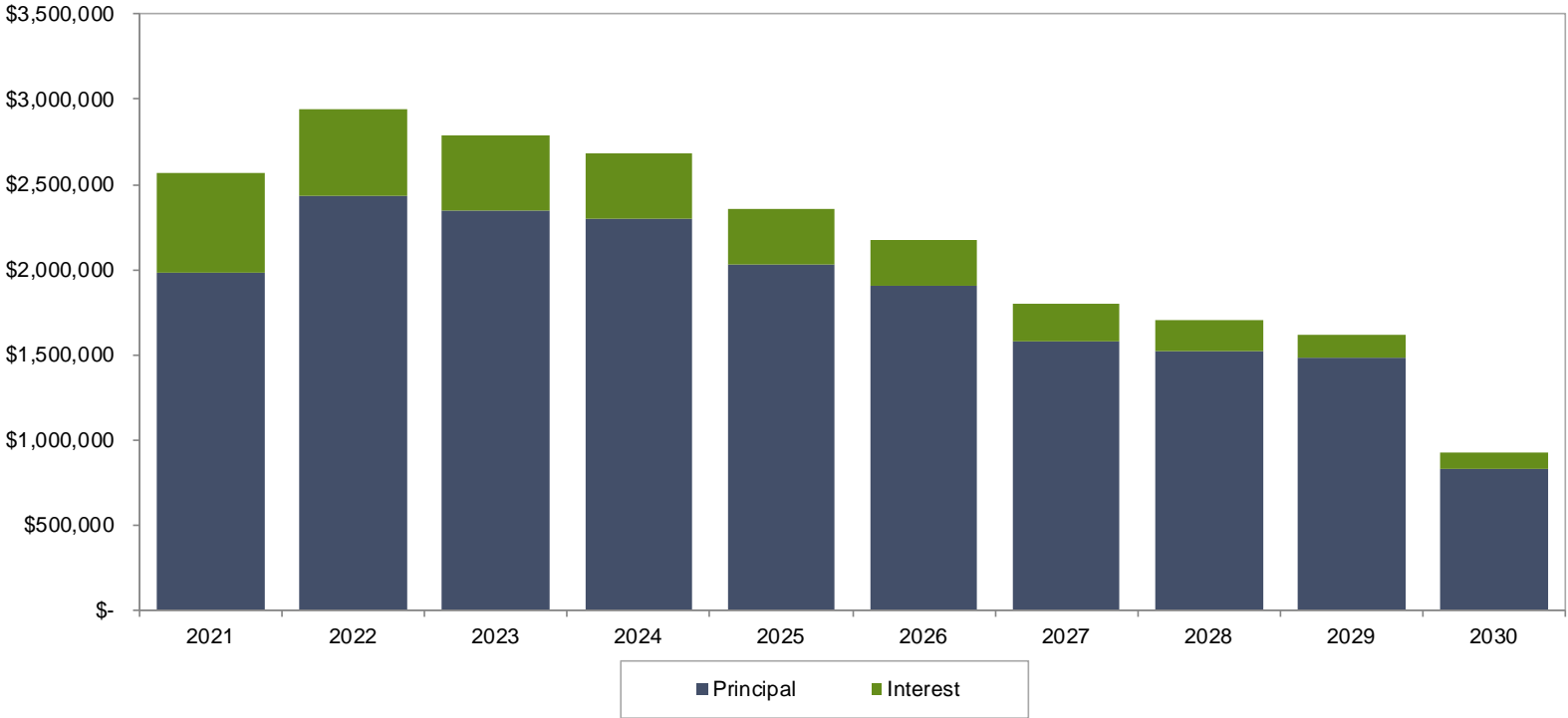


Debt Service Funds

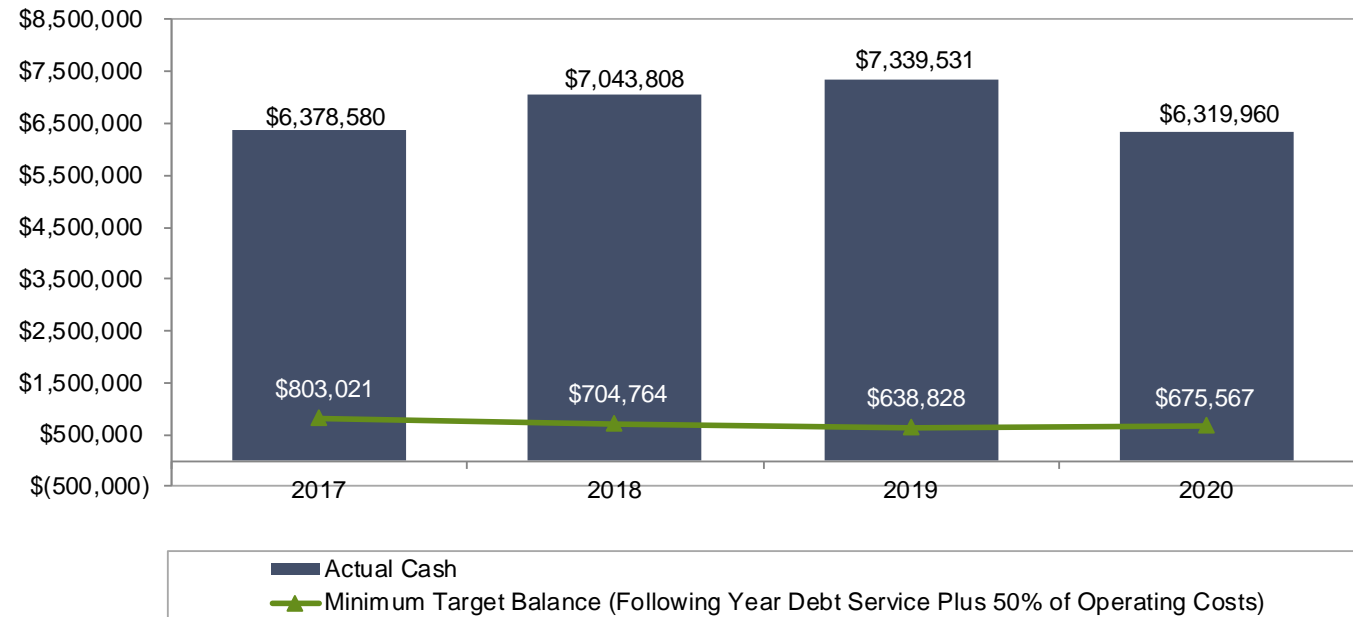
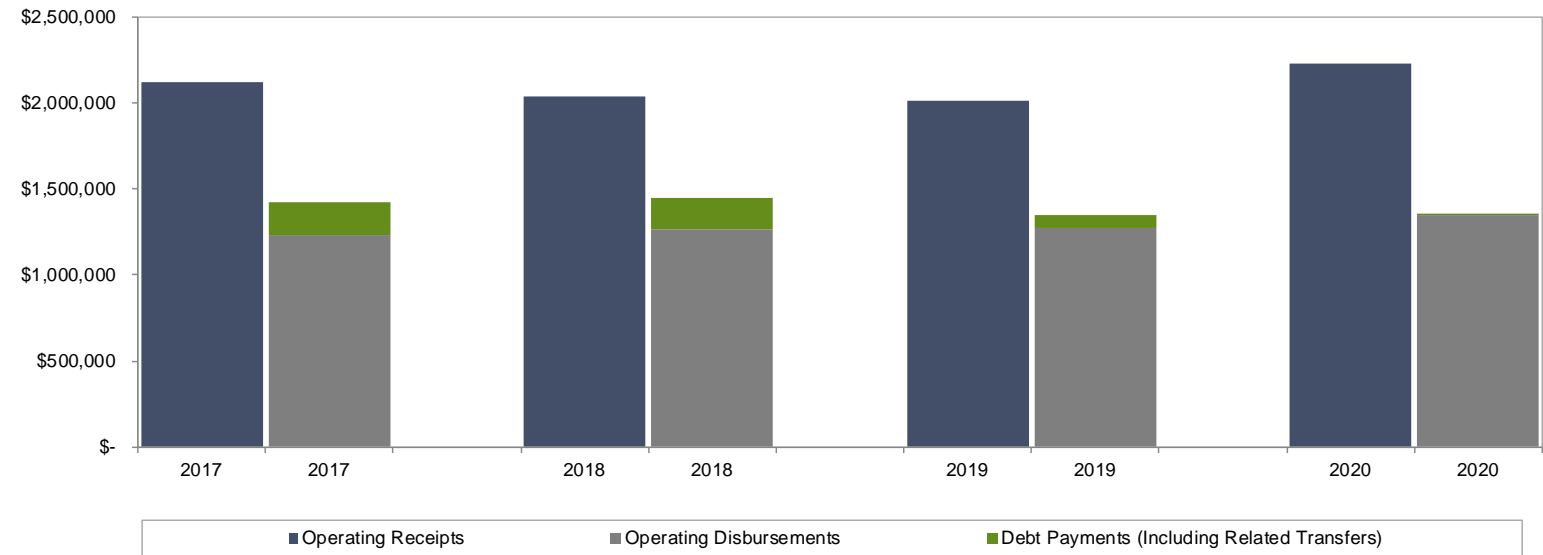


Description		Total Cash and Investments	Total Assets	Bonds Outstanding	Year of Maturity
311	2010A Bonds	\$ 209,719	\$ 247,790	\$ 160,084	2021
312	2011A Bonds	214,001	239,442	255,000	2022
313	2012A Bonds	158,062	220,695	285,000	2023
314	2013A Bonds	230,892	269,491	340,000	2024
315	2014A Bonds	333,333	496,259	615,000	2025
316	2015A Bonds	434,942	581,965	980,000	2026
317	2016C Bonds	488,574	549,399	575,000	2027
318	2017A Bonds	290,490	453,778	760,000	2028
319	2018B Bonds	247,505	381,733	1,570,000	2029
320	2019A Bonds	250,716	686,993	6,335,000	2030
321	2020A Bonds	-	361,078	4,360,000	2031
352	2014A (2006A) Public Project Revenue Refunding Bonds	239,989	240,190	870,000	2024
354	2012 COPS Debt	197,047	197,298	-	Matured
356	2016 Equipment Certificates	146,721	146,856	260,000	2022
357	2018A NAFRS Debt Service	620,769	621,634	4,040,000	2039
379	2017B Refunding TIF Bonds	57,662	59,318	290,000	2025
381	Hiley Neff TIF Bonds	-	-	47,500	2027
382	Riverfront TIF Bonds	245,148	249,784	932,448	2033
Total		<u>\$ 4,365,570</u>	<u>\$ 6,003,703</u>	<u>\$ 22,675,032</u>	
Total Remaining Interest Payments				<u>\$ 3,598,070</u>	

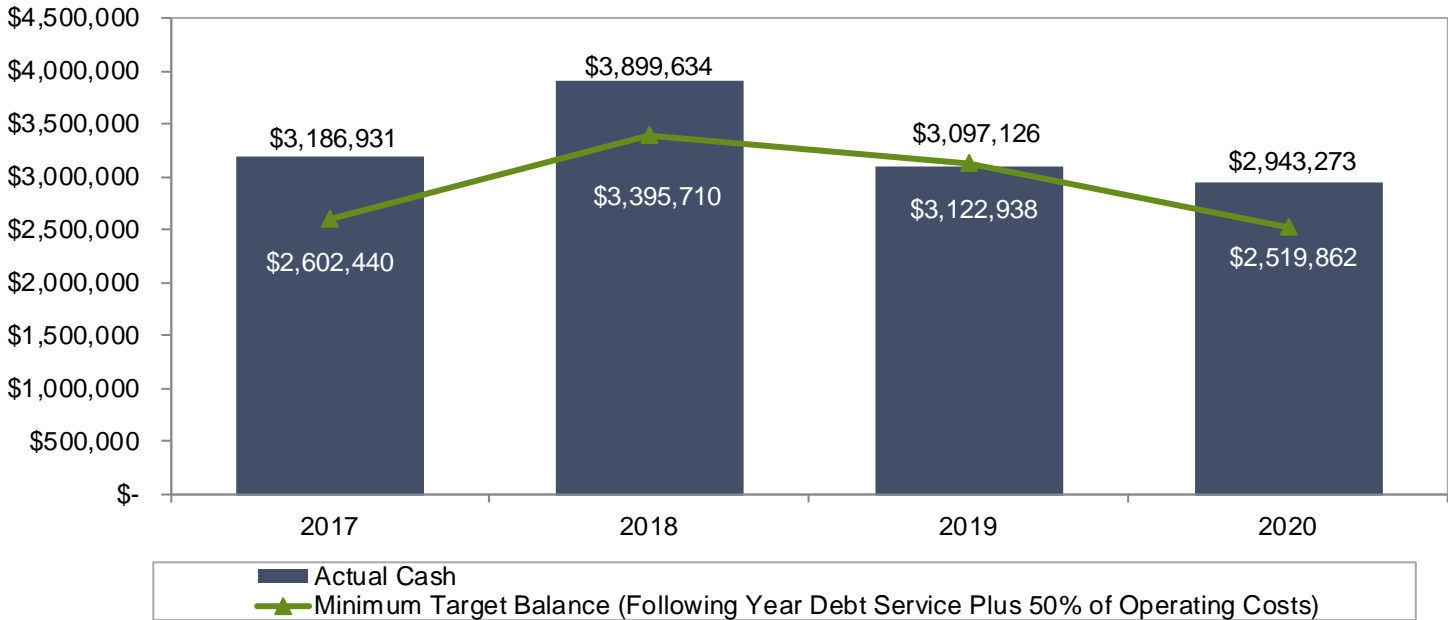
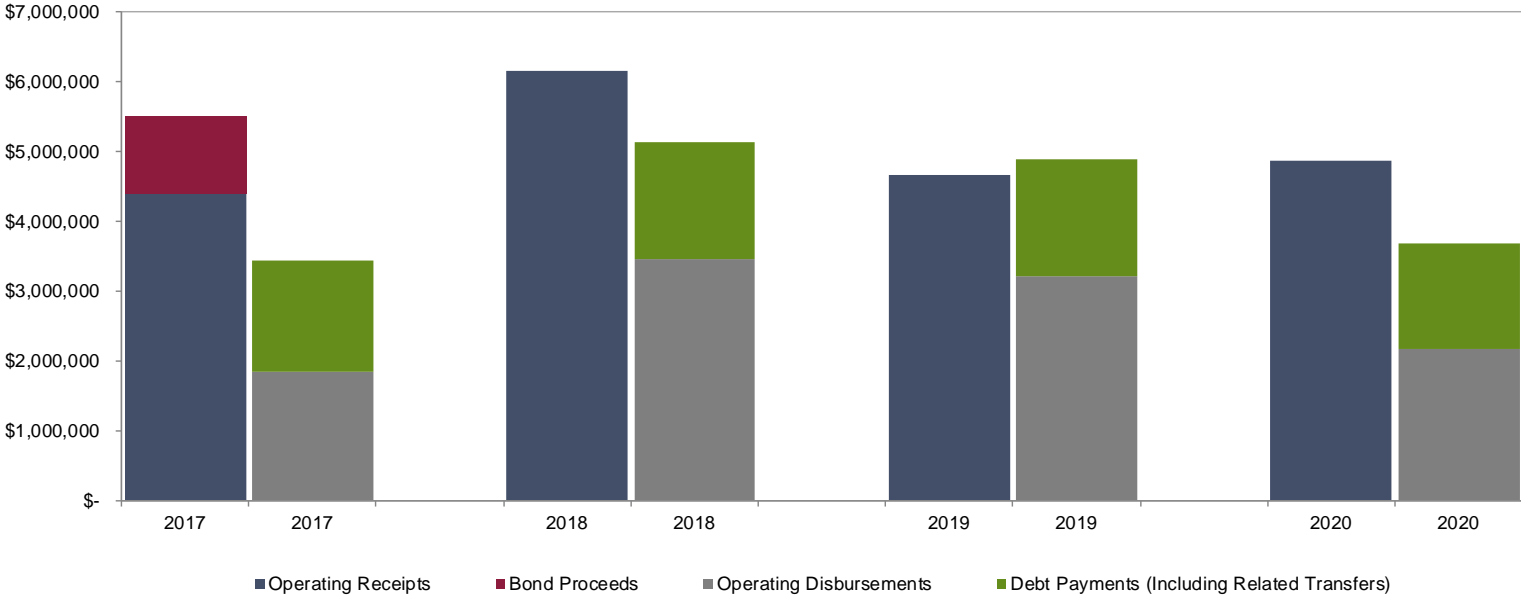
Debt Service Funds



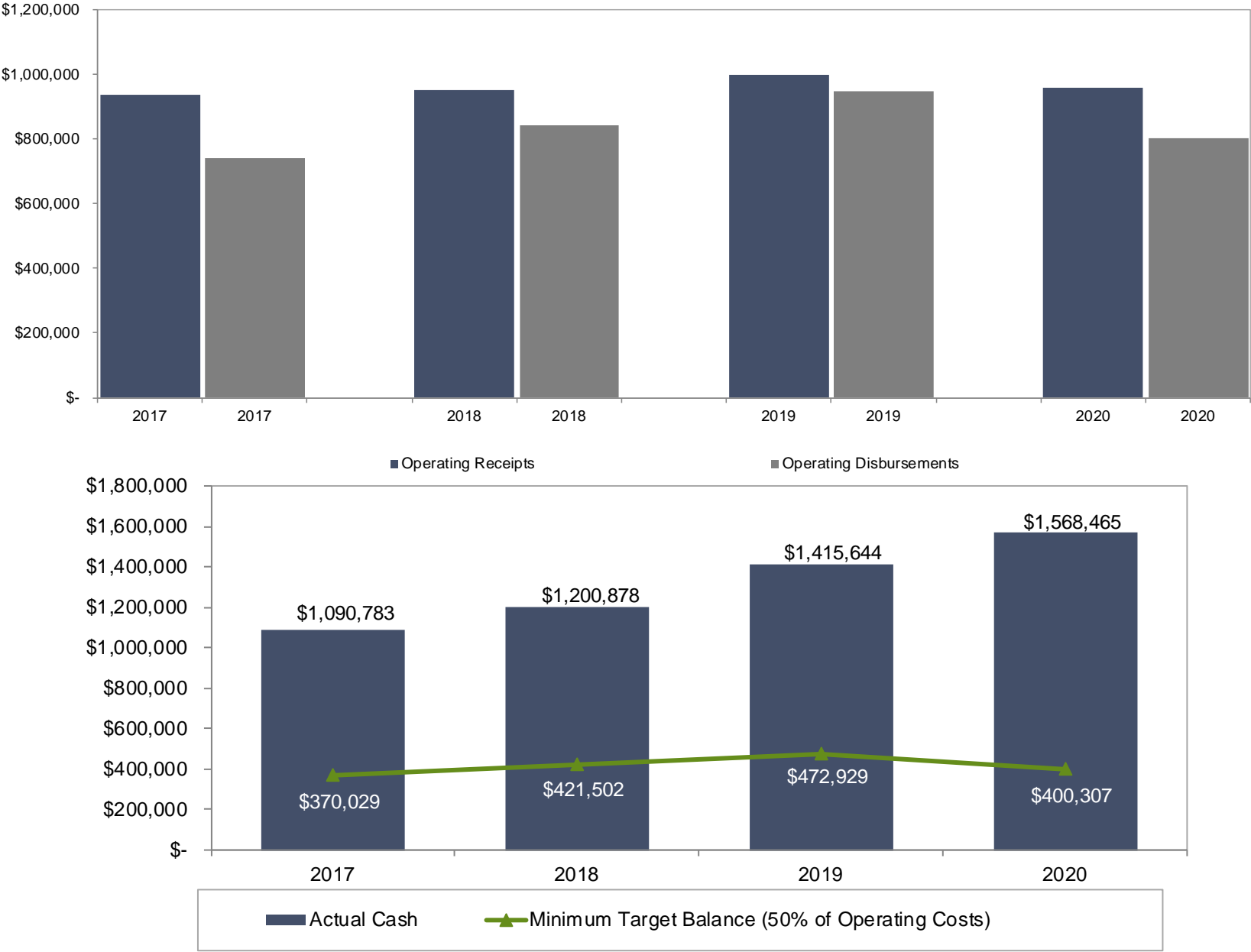
Water Fund – Cash Flows from Operations and Cash Balances



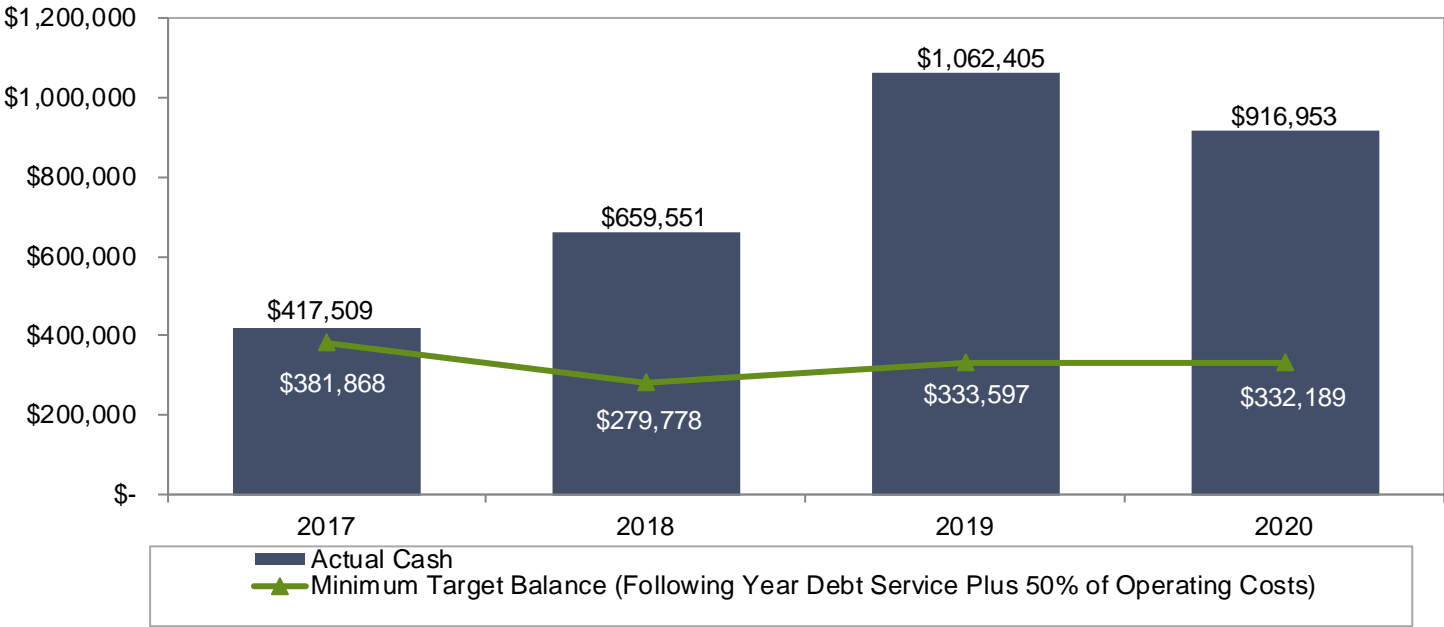
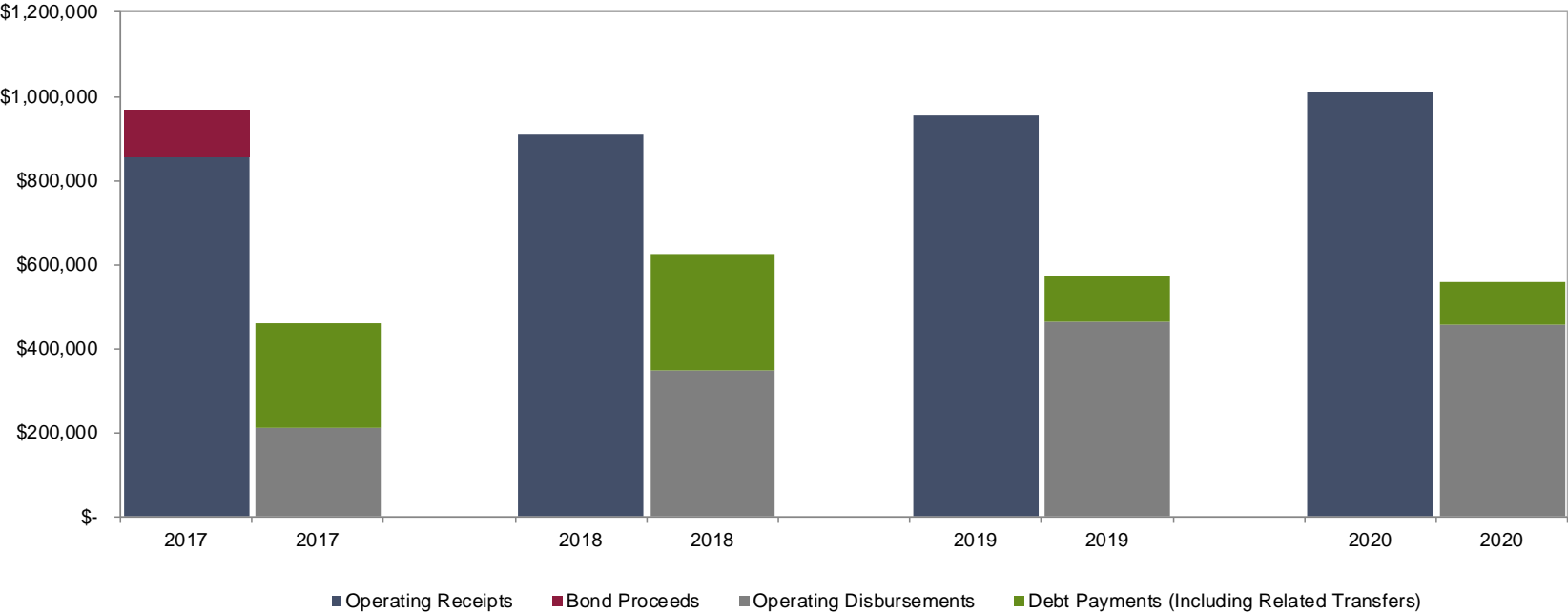
Sewer Fund - Cash Flows from Operations and Cash Balances



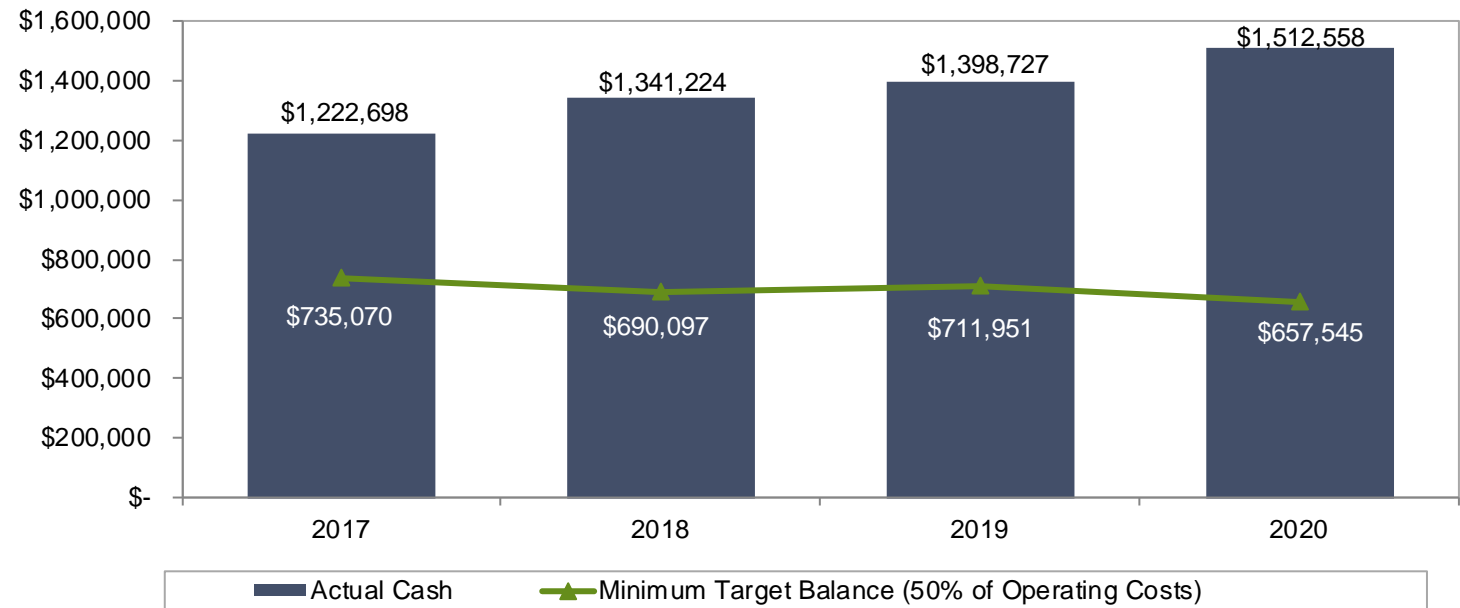
Sanitary Collection Fund - Cash Flows from Operations and Cash Balances



Storm Water Fund - Cash Flows from Operations and Cash Balances



**ABDO
EICK &
MEYERS_{LLP}**
Certified Public Accountants & Consultants



Liquor Store – Statewide Averages vs. Northfield Liquor Store

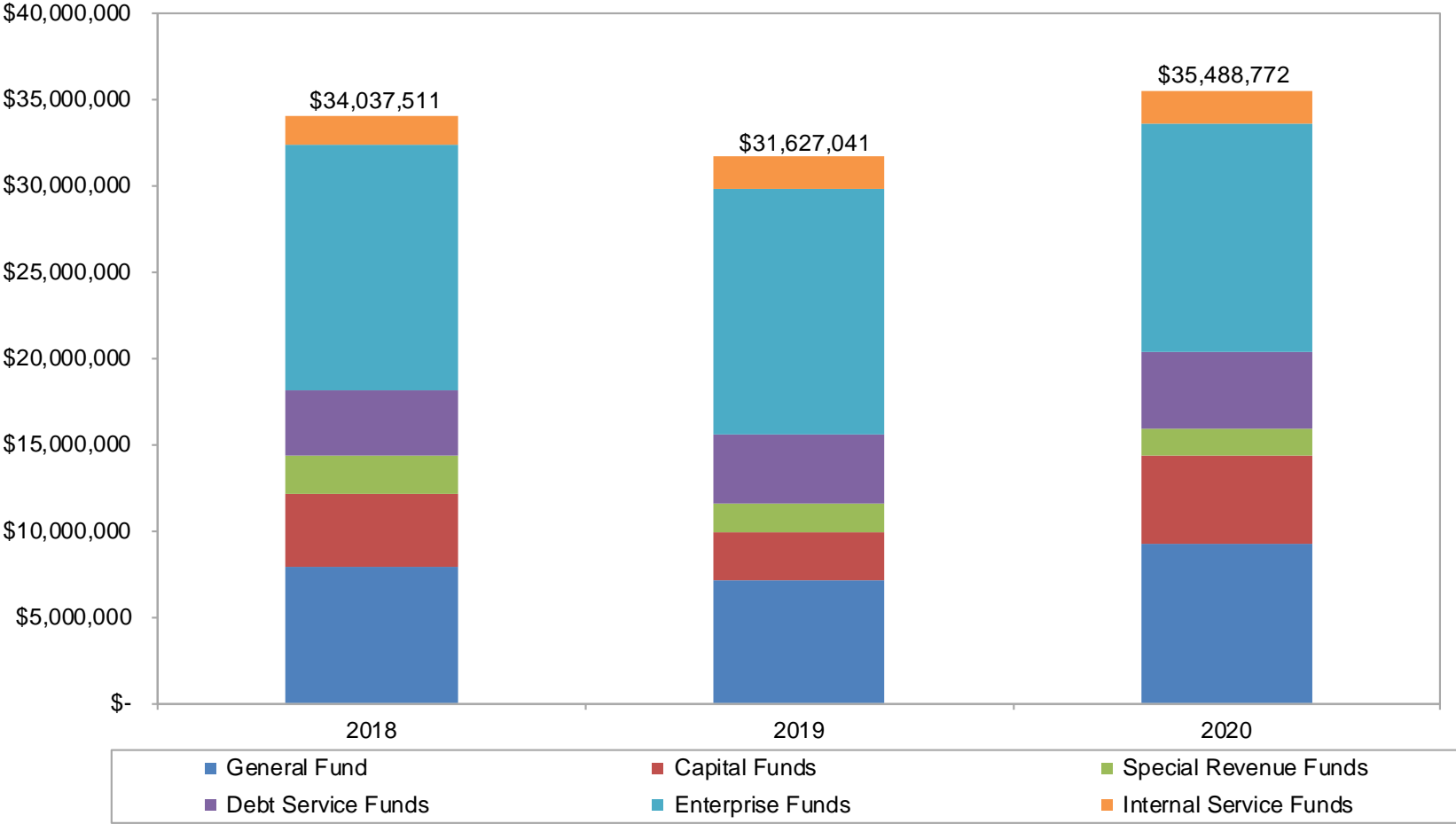


	Off-Sale Only		
	2017	2018	2019
	Percent of Sales	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %	100.0 %
Cost of Sales	<u>73.9</u>	<u>73.6</u>	<u>73.6</u>
Gross profit	26.1	26.4	26.4
Operating Expenses	<u>18.7</u>	<u>18.5</u>	<u>18.7</u>
Operating income	7.4	7.9	7.7
Nonoperating Revenues (Expenses)	<u>-</u>	<u>0.9</u>	<u>0.4</u>
Income before transfers	<u>7.4 %</u>	<u>8.8 %</u>	<u>8.1 %</u>

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2019.
Published by the Minnesota Office of the State Auditor.

	2018		2019		2020	
	Total	Percent	Total	Percent	Total	Percent
Sales	\$ 2,902,846	100.0 %	\$ 2,911,168	100.0 %	\$ 2,803,834	100.0 %
Cost of Sales	<u>(2,156,167)</u>	<u>(74.3)</u>	<u>(2,161,857)</u>	<u>(74.3)</u>	<u>(2,051,782)</u>	<u>(73.2)</u>
Gross profit	746,679	25.7	749,311	25.7	752,052	26.8
Operating Expenses	<u>(608,136)</u>	<u>(20.9)</u>	<u>(642,436)</u>	<u>(22.1)</u>	<u>(502,358)</u>	<u>(17.9)</u>
Operating income (loss)	138,543	4.8	106,875	3.6	249,694	8.9
Nonoperating Income	<u>24,165</u>	<u>0.8</u>	<u>36,721</u>	<u>1.3</u>	<u>26,934</u>	<u>1.0</u>
Income before transfers	162,708	5.6	143,596	4.9	276,628	9.9
Transfers Out	<u>(45,000)</u>	<u>(1.6)</u>	<u>(50,000)</u>	<u>(1.7)</u>	<u>(50,000)</u>	<u>(1.8)</u>
Change in net position	<u>\$ 117,708</u>	<u>4.0</u>	<u>\$ 93,596</u>	<u>3.2</u>	<u>\$ 226,628</u>	<u>8.1</u>
Cash and Temporary Investments	<u>\$ 1,341,224</u>		<u>\$ 1,398,727</u>		<u>\$ 1,512,558</u>	

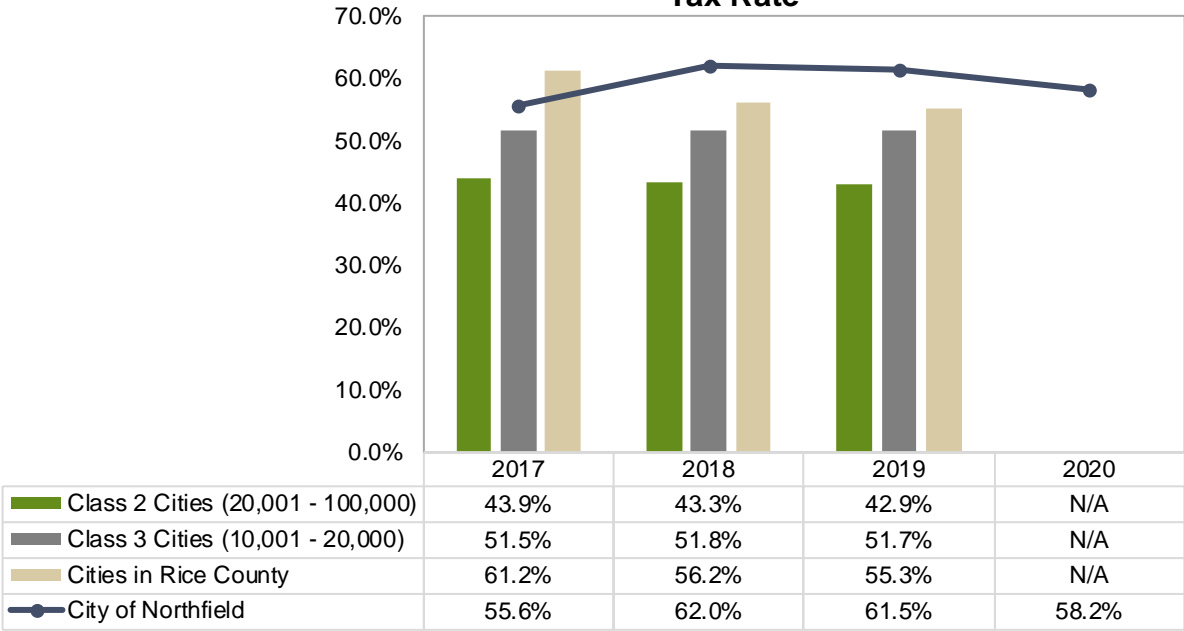
Cash and Investments Balances by Fund Type



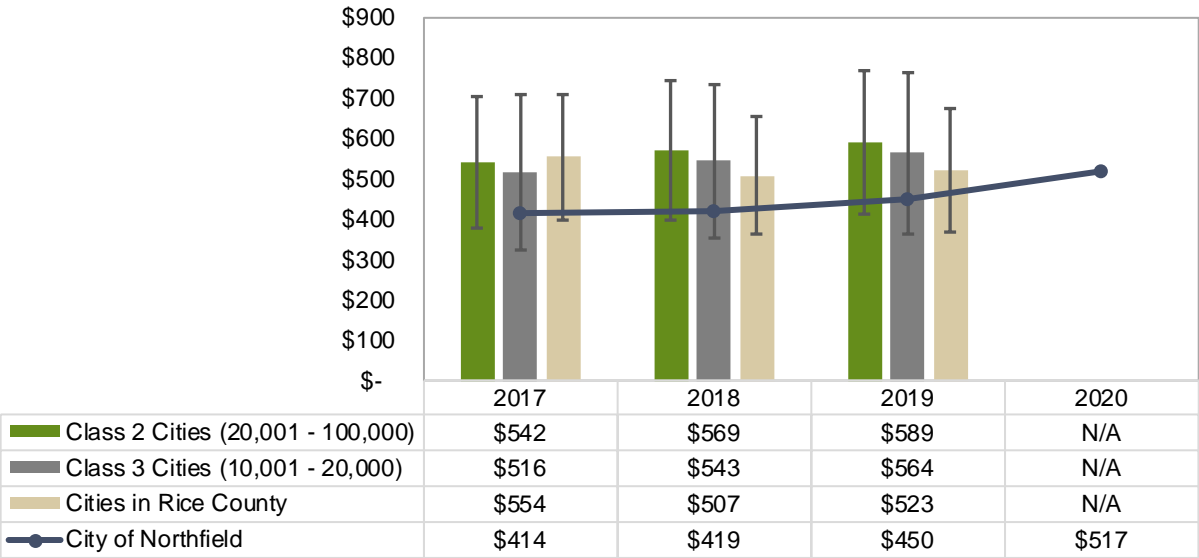
Key Ratios



Tax Rate

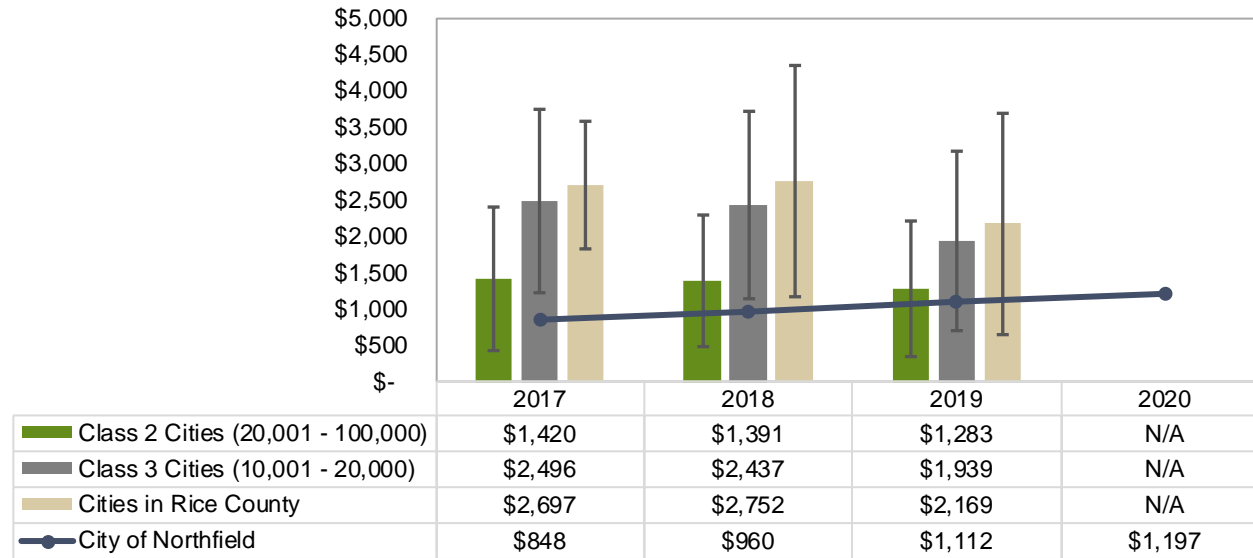


Taxes - Per Capita

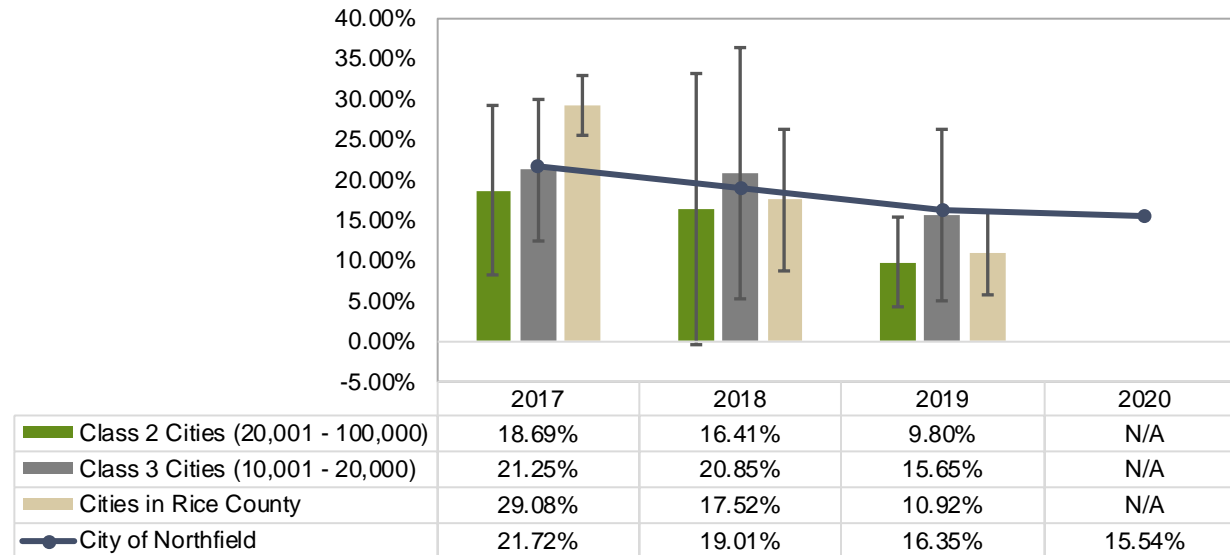


Key Ratios

Long Term Debt - Per Capita



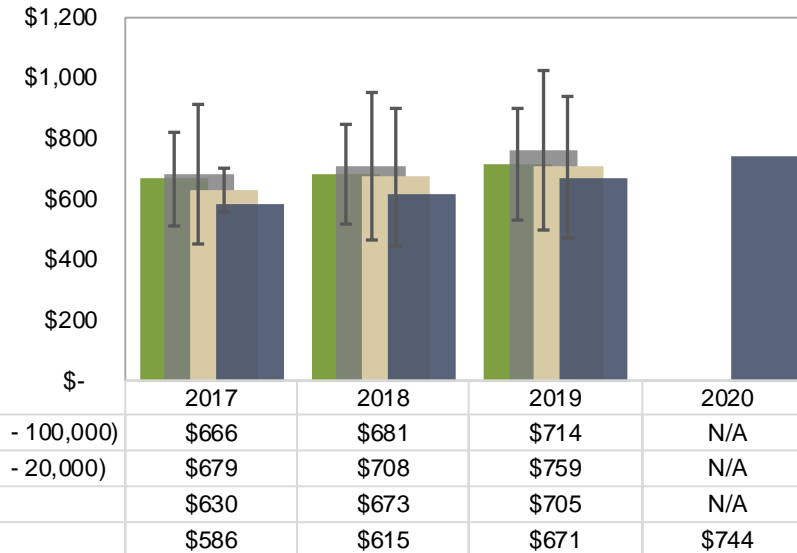
Debt Service Expenditures as a Percent of Current Expenditures



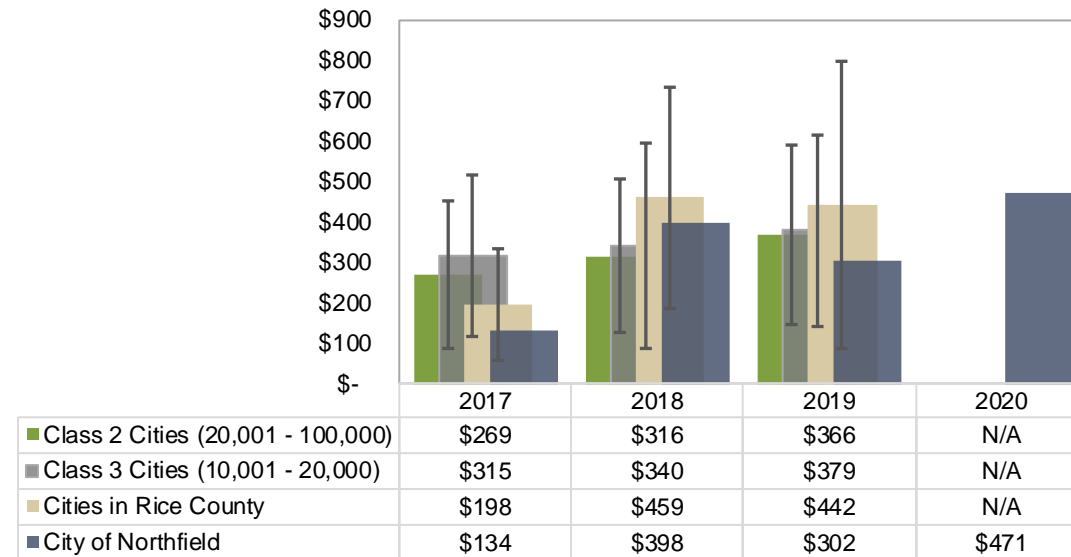
Key Ratios



Current Expenditures - Per Capita



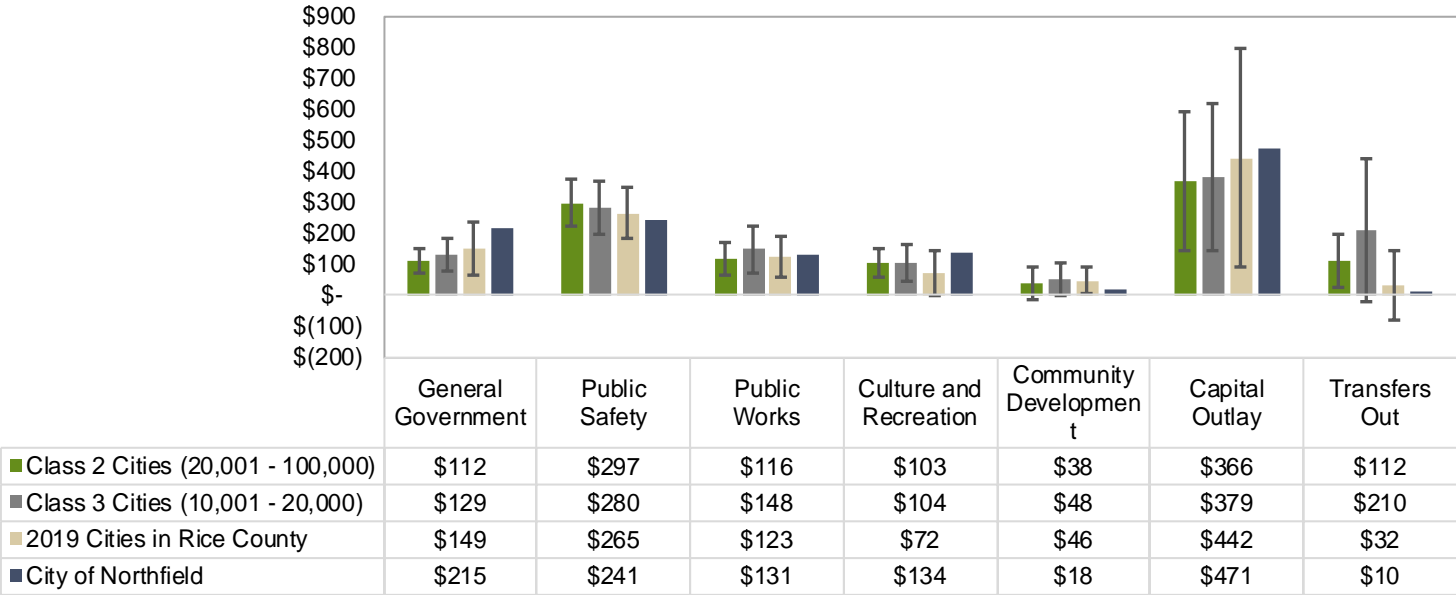
Capital Expenditures - Per Capita



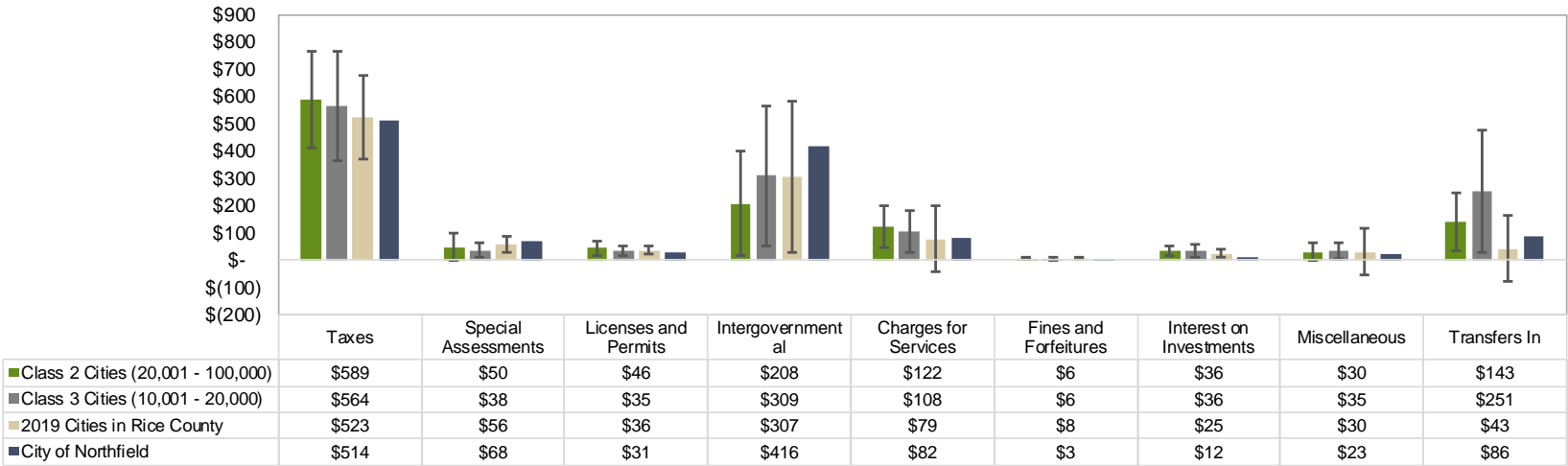
Key Ratios



Expenditures by Program - Per Capita



Revenues by Source - Per Capita



Audit Team Contacts



Tom Olinger, CPA

Government Partner

Thomas.olingier@aemcpas.com



Layne Kockelman, CPA

Audit Manager

Layne.kockelman@aemcpas.com



Sheila Jungwirth

Senior Associate

Sheila.jungwirth@aemcpas.com



Abby Schmidt, CPA

Senior Associate

Abby.schmidt@aemcpas.com



Kelsey Larson

Associate

Kelsey.larson@aemcpas.com



Natasha Haugen

Intern

Natasha.haugen@aemcpas.com