



CITY COUNCIL WORK SESSION AGENDA

AFTON CITY COUNCIL CHAMBERS
3033 St. Croix Trail South

Wednesday, March 6, 2019
At 5:00 p.m.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA – March 6, 2019 Council Work Session**
- 4. CITY COUNCIL BUSINESS**
 - A. Accounting Firm Interviews
 - 5:00 p.m.: RiverBluff Accounting, Inc.
 - 6:00 p.m.: Abdo, Eick and Meyers LLP
- 5. Adjourn**

A quorum of one or more City commissions or committees may be present to receive information at this meeting

City of Afton
3033 St. Croix Trl, P.O. Box 219
Afton, MN 55001

Meeting Date March 6, 2019

Council Memo

To: Mayor Palmquist and Members of the City Council
From: Ron Moorse, City Administrator
Date: February 28, 2019
Re: Accounting Firm Interviews

Due to the upcoming retirement of the City's long-time contracted City Accountant, the City has requested proposals from accountants and accounting firms to provide professional accounting services on a contracted basis. In response to the request for proposals, the City received two proposals. One proposal is from RiverBluff Accounting, Inc., a small accounting firm located in Osceola, Wisconsin. The other proposal is from Abdo, Eick and Meyers, LLP, a larger accounting firm with offices in Edina and Mankato. The Council has previously received copies of the two proposals via email. The proposals are also included in the agenda packet posted on the City's website. The Council and City Administrator, along with Tom Niedzwiecki, the current City Accountant, will interview representatives of the two firms at the following times:

5:00 p.m.: RiverBluff Accounting, Inc. (Mary Paul)
6:00 p.m.: Abdo, Eick and Meyers LLP (Jean McGann)

Interview Questions

Attached are a set of interview questions for each firm to guide the interview process.

General Comparison

The two firms are significantly different in terms of size and cost. RiverBluff Accounting, Inc. is a two-person firm that serves non-profit organizations and private clients, and has a proposed cost structure of \$1,800 per month, with an hourly rate of \$65 for additional services and a flat rate of \$100 for attendance at a Council meeting. (The monthly cost for the current City Accountant is \$1,396, which includes \$100 for attendance at a Council meeting, a \$30 charge for QuickBooks, and a \$40 charge for office supplies).

Abdo, Eick and Meyers, LLP is a larger firm with a staff of 160 that serves a range of governmental clients including cities. Their cost structure is significantly higher at \$3,175 per month and hourly rates of \$150 for an accountant and \$205 for a manager.

Professional Accounting Services Interview Questions

Mary Paul, RiverBluff Accounting, Inc.

1. Please provide an overview of your firm and the values, philosophy, methods, processes, resources, etc. that enable you to make the accounting process a high-value service for your clients; as well as your staffing and capabilities in terms of your ability to meet Afton's accounting needs on an on-going basis.
 - a. Describe the education and experience of your Accounting Assistant
 - b. What role will you play in the provision of accounting services to Afton vs. the Accounting Assistant.
 - c. What is the back-up plan if something should happen to you?
2. Why do you think we should select your firm over one of the other firms that are involved in the accounting services proposal process? What makes your firm unique and/or better qualified than the other firms?
3. What was the reason you no longer provided accounting services to the St. Croix Valley Foundation after 2011?
4. Describe your ability to present financial information to an oversight body or to someone without an accounting background. Provide an example of how you have helped your audience understand a complex financial situation?
5. Describe your experience in completing and submitting information in compliance with relevant government laws and state regulations? (payroll taxes)
6. What resources do you use when faced with a complex accounting issue?
7. Which accounting applications are you familiar with or have a comfort level working with?
8. How do you ensure that you don't forget details and ensure accuracy when you prepare monthly journal entries, record transactions, etc.?
9. What process(es) do you use to manage cash flow in general, and particularly for a City that does not receive its main revenue source until July, and in relation to large expenditures for capital improvements and debt service?
10. Describe and explain your use of technology in providing accounting services
11. Walk us through the payroll process as it will need to occur on the City's end and as it will occur on your end.
12. Will the timing of your accounting processes match the timing of the City's periodic payroll, A/P and City Council Claims approval processes, i.e. semi-monthly payroll and A/P and monthly large claim approvals by the City Council; i.e. When would you need to receive large invoices to enable claims to be processed and reflected in a monthly report to be prepared for inclusion in the monthly Council meeting packet by the Wednesday prior to the third Tuesday of each month?
13. What assistance would you see your firm providing to Afton in relation to the development of the annual budget?
14. Describe your experience using fund accounting for an organization with annual revenues and expenditures of a magnitude similar to Afton.
15. Describe your experience preparing year-end unaudited financial statements (for an organization of a size similar to Afton)
16. How would you address a situation where you identify a weakness in the City's accounting and internal control systems and processes? Describe how you have worked with organizations to develop or improve their internal processes and procedures to facilitate the functioning of accounting processes such as payroll and accounts payable.
17. Describe an accounting process that you've developed or sought to improve.

Professional Accounting Services Interview Questions

Abdo, Eick and Meyers, LLP

1. Please provide an overview of your firm and the values, philosophy, methods, processes, resources, etc. that enable you to make the accounting process a high-value service for your clients; as well as your staffing and capabilities in terms of your ability to meet Afton's accounting needs on an on-going basis.
2. Describe the role of each member of the team and the relative amount of time each will spend providing accounting services to Afton.
3. Why do you think we should select your firm over one of the other firms that are involved in the accounting services proposal process? What makes your firm unique and/or better qualified than the other firms?
4. Describe your ability to present financial information to an oversight body or to someone without an accounting background. Provide an example of how you have helped your audience understand a complex financial situation.
5. Describe your experience in completing and submitting information in compliance with relevant government laws and state regulations?
6. What resources do you use when faced with a complex accounting issue?
7. Which accounting applications are you familiar with or have a comfort level working with?
8. How do you ensure that you don't forget details and ensure accuracy when you prepare monthly journal entries, record transactions, etc.?
9. What process(es) do you use to manage cash flow in general, and particularly in relation to the City not receiving its main revenue source until July, and in relation to large expenditures for capital improvements and debt service?
10. Describe and explain your use of technology in providing accounting services. Will all documents be transmitted electronically? How are checks delivered?
11. Walk us through the payroll process as it will need to occur on the City's end and as it will occur on your end.
12. Will the timing of your accounting processes match the timing of the City's periodic payroll, A/P and City Council Claims approval processes, i.e. semi-monthly payroll and A/P and monthly large claim approvals by the City Council; i.e. When do you need to receive large invoices to enable claims to be processed and reflected in a monthly report to be prepared for inclusion in the monthly Council meeting packet by the Wednesday prior to the third Tuesday of each month?
13. What assistance would you see your firm providing to Afton in relation to the development of the annual budget?
14. Describe your experience using fund accounting for an organization with annual revenues and expenditures of a magnitude similar to Afton.
15. Describe your experience preparing year-end unaudited financial statements (for an organization of a size similar to Afton)
16. How would you address a situation where you identify a weakness in the City's accounting and internal control systems and processes? Describe how you have worked with organizations to develop or improve their accounting and internal control systems and processes.
17. Describe an accounting process that you have developed or sought to improve.
18. Describe and explain the advantages and disadvantages of the Banyon accounting software system and the QuickBooks accounting software system

Proposal for the
Professional Accounting Services
For the City of Afton

Submitted by

Mary Paul
RiverBluff Accounting, Inc
2893 County Line Ave
Osceola, WI 54020

Phone 715-294-4053

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RiverBluff Accounting, Inc
2893 County Line Ave
Osceola, WI 54020
715-294-4053

Letter of Transmittal

February 2, 2019

To: Ron Moorse
City Administrator
City of Afton
3033 St Croix Trail
Afton, MN 55001

Dear Mr. Moorse,

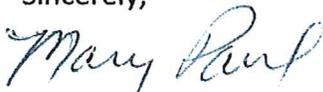
Enclosed please find our proposal for accounting services for the City of Afton. After meeting and reviewing the accounting system with Mr. Niedzwiecki , I am confident RiverBluff Accounting, Inc. will be able to maintain the current process using Quickbooks and Excel software to produce timely and accurate reports to the City of Afton. We understand the scope of the monthly duties range from paying bills, payroll, producing and presenting monthly financials, budgets, to preparing reports and schedules for the auditor.

RiverBluff Accounting's owner, Mary Paul, has been an independent contractor since 1989. In 2017, I, Mary Paul, incorporated and hired Debbie Campbell as an Accounting Assistant. Between the two of us we have over 40 years' of accounting experience using QuickBooks and Excel. Currently a few clients use some fund accounting, but in the past I worked for a small foundation and the Port Authority of the City of St. Paul. Both had software that was tailored to fund accounting so I am curious to learn the City's fund accounting process using Quickbooks and Excel.

The offer proposed is a firm offer for the three year period.

Thank you for your time and consideration.

Sincerely,



Mary M Paul
Owner
RiverBluff Accounting, Inc

Technical Proposal for the City of Afton

1. Independence – RiverBluff Accounting, Inc affirms that it and its owner, Mary Paul are completely independent of the City of Afton and does not have any conflicts of interest relative to the accounting services.
2. Qualifications - RiverBluff Accounting, Inc is an S-Corporation established in October of 2017. Prior to that Mary Paul, the owner, has been self-employed as an accountant since 1989. There are two employees, myself and an accounting assistant. The location of the office is my home. There are no circumstances we are aware of where any disciplinary action has been taken by the state or professional organizations. See Attached Personal Resume.
3. The current three clients I have worked for in the past three years that resemble this proposal.
 - A. United Way of Washington County-East; Non-profit. UWWCE has been a client for the past 16 years. The hours average out to be approximately 32 hours per month. The scope of duties performed for UWWCE consists of paying bills, all data entry into Quickbooks, reconciling to donor software, tracking special funds that are restricted, producing and presenting financials (some in excel) to the treasurer and formally at the audit review and budget meetings. We also prep all audit schedules for the annual audit and are on site the day of field work. Also assist with 990 prep and review.

Contact info:
Jessica Ryan, Executive Director
United Way of Washington County-East
651-439-3838 ext. 3
 - B. Northern Vineyards; For-profit. NV is a co-op of local winegrowers. We have worked for them since 2014. The approximate hours are on an average of 30 hours per month. Here we process all bills, sales and excise tax, complete processing of payroll, financials, and inventory (kept on excel worksheets). We work close with the accounting firm that oversees inventory adjustments quarterly and assist in yearend reporting.

Contact info:
Dennis Youngquist
General Manager
Northern Vineyards
651-430-1032

- C. Christenson Vision Care; For-profit. I started with Dr. Christenson in 2009. The average hours per month are 20. Here we are in charge of all monthly activity, paying bills, reconciliations, quarter end reporting to partners and preparing year end for the tax accountant.

Contact info:
Evelyn Martinez
Office Manager
715-381-1234

- D. Past Clients: For eight years prior to 2011, I worked for the St. Croix Valley Foundation as full charge accountant. At that time they grew to approximately \$14 million in assets, in a 180 funds. This client practiced fund accounting principles and I was responsible for all accounting procedures, reporting to the board treasurer and overseeing all work with the auditors. Approximately 40 hours per month.

Prior to becoming self-employed I worked full time for the Port Authority of the City of St. Paul for four years. See Personal Resume for further info.

- 4. Prior to adding an Accounting Assistant, a main concern for my clients was not having a backup person in place should something happen to me. Hiring an Accounting Assistant adds another level of service and assures our clients that there is a backup in place.

MARY M. PAUL
ACCOUNTANT
2893 County Line Avenue
Osceola, Wisconsin 54020-4134
715-294-4053

WORK EXPERIENCE

- 10/17-Present* **Owner;** Established RiverBluff Accounting, Inc.
- 1/89-10/17* **Accountant; Self-employed** - Maintain complete financial statements for non profits, sole proprietors, and corporations including audit schedules, payroll, sales and income tax, cash flows and budgets. Thirty years of QuickBooks experience.
- 11/85-1/89* **Accountant; Port Authority of the City of St. Paul**
Responsibilities include financial reporting on special projects. Supervised accounts payable, daily cash flows, bank reconciliations, construction recaps, payroll and general ledger. Performed audits on tenants. Assisted in presenting financial statements, budget and audit reports
- 7/84-11/85* **Accountant; Baillon Company, St. Paul, Minnesota**
Duties included payroll, bank reconciliations, financial statements, accounts receivable, general ledgers and journal entries for ten major inter company entities.

EDUCATION

- College of St. Thomas, St. Paul, Minnesota**
Bachelor of Arts degree in Accounting - May 1984
- Lakewood Community College, White Bear Lake, MN**
Associate degree in Accounting - May 1982

HOBBIES

Skiing, photography, boating, camping.

PERSONAL

Married

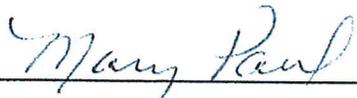
REFERENCES

Available upon request.

ATTACHMENT A

PROPOSER GUARANTEES AND WARRANTIES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in the RFP.
- II. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing coverage for the willful or negligent acts, or omissions of any officers, employees or agents.
- III. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Afton.
- IV. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name (typed): Mary M. Paul

Title: Owner/Accountant

Firm: RiverBluff Accounting, Inc

Date: February 3, 2019

ATTACHMENT B

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE PROVISION OF ACCOUNTING SERVICES**

Monthly Fee Or 2019	Hours	X	Hourly Rate for 2019	= Total 2019 Monthly Price
<u>\$ 1,800.00</u>	<u>30</u>		<u>\$60</u>	<u>\$1,800.00</u>

Monthly Fee Or 2020	Hours	X	Hourly Rate for 2020	= Total 2020 Monthly Price
<u>\$ 1,860.00</u>	<u>30</u>		<u>\$62</u>	<u>\$1,860.00</u>

Monthly Fee Or 2021	Hours	X	Hourly Rate for 2021	= Total 2021 Monthly Price
<u>\$ 1,920.00</u>	<u>30</u>		<u>\$64</u>	<u>\$1,920.00</u>

2019 Hourly Rate for Additional Services \$65.00

2020 Hourly Rate for Additional Services \$67.50

2021 Hourly Rate for Additional Services \$70.00

Rate for attending council meetings is a flat \$100.00

Accounting Services Proposal

City of Afton

February 5, 2019



AEM Financial Solutions™

5201 Eden Avenue Suite 250 Edina, MN 55436
P: (952) 835.9090 • F: (952) 835.3261

100 Warren Street Suite 600 Mankato, MN 56001
P: (507) 625.2727 • F: (507) 389.9139
www.aemcpas.com



AEM Financial Solutions™

February 5, 2019

Ron Moorse, City Administrator
City of Afton
3033 St. Croix Trail
Afton, MN 55001

Dear Ron,

Thank you for the opportunity to submit this proposal to the City of Afton, Minnesota (the City) for accounting services. Based on our past experience with cities of comparable size and complexity, we believe our structured contract with defined outcomes offered through AEM Financial Solutions, LLC (AEMFS) would provide the City with excellent accounting services.

We believe our solution will result in the City receiving high level information, continual improvement of processes and allow the City to keep overall costs stable. Our proposal is based on the needs of the City laid out in the request for proposal and the experiences we have had working with other cities. The proposal outlines the scope of services we believe will address the needs of the City.

The term of this contract shall be from April 15, 2019 through April 15, 2022.

An AEMFS representative will perform all services remotely.

Investment by the City for services is indicated in the financial page.

AEMFS would like to thank the City for the opportunity. We look forward to exceeding your expectations and developing a long-term, mutually beneficial relationship.

Sincerely,

AEM Financial Solutions, LLC
an Abdo, Eick & Meyers, LLP Company

Jean D. McGann, CPA
President, AEM Financial Solutions, LLC
Partner, Abdo, Eick & Meyers, LLP

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Government Experience

You can have confidence in our 10 years of consulting services, over 55 years of quality accounting services and partnership in the government space. Since 1963, we've served cities just like yours. With an unwavering commitment to streamlining processes, training staff, and finding technology-based solutions, we proudly offer excellence in city auditing.

Out of our 160-strong, talented staff, over 40 team members are 100% focused on government clients, including services for over 100 cities and other governmental entities. By serving cities across Minnesota, we have become experts in the nuances of how to best support your city.

Our expertise affords you a consulting experience that is painless. We do this by communicating up front, coming better prepared, and being available throughout the year to support you.

OUR PROCESS

Our methods are centered around incorporating technology to deliver unparalleled solutions for government organizations. In addition to our consulting experience, our firm expertly performs outsourcing for governments giving us a wealth of experience in a consulting role. We don't believe in a one-size-fits-all mentality so together, we'll focus on the needs that are relevant to your city and provide the right services to meet them with a customized methodology based on your needs. We're focused on developing creative, customized solutions to help your city mitigate costs and boost efficiency.

OUR FOCUS

Through continuous training and growth opportunities, we've established an environment with a focus on serving city governments. We spend more than 100 hours training and onboarding to ensure success for our clients.

We truly hope that you allow us to be your partner. Together, we'll go beyond the numbers to best support your city.

Our financial management and consulting services include:

- Arbitrage compliance
- Budget process development
- Capital improvement planning
- Cash flow analysis
- Cost containment processes
- Debt management plans
- ERP system consulting
- Finance Director services
- Financial management plans
- Financial reporting and analysis
- Fleet: Operations and replacement rate analysis
- Interim accounting and financial services
- Internal control evaluation
- Long-term strategic planning
- Payroll processing
- Policy development
- Process flows and efficiencies
- Project management
- Quarterly and monthly reporting to management
- Reconciliations
- Software implementation
- Utility/fee analysis
- Year-end audit preparation and financial statement preparation

OUR QUALIFICATIONS

- GFOA and MnGFOA Association members
- Consulting services for over 100 cities
- We've assisted many cities in preparing for the GFOA's *Certificate of Achievement for Excellence* awards in financial reporting
- Government operations training
- MSRB Municipal Advisor Qualified Representatives (Series 50)



Outsourced Finance Director

Building relationships to become a valuable extension of your organization is what our Financial Solutions team will be ardently focused on when we work with you. When you employ our team, you gain a fresh perspective on a broad range of topics — you'll have one point of contact but a whole team of people bringing you value. With that said, we've had the opportunity to serve over 100 clients in the Midwest. Among the support we provide, Outsourced Finance Director Services are a primary focus of our team. We offer this service for a broad range of cities with populations ranging from 800-25,000 in size.

Acting as outsourced finance directors and controllers requires a broad ranges of skills and experience. We bring a unique set of skills and experience as former government auditors, finance directors and controllers.. Through this lens, we implement processes and procedures to improve your organization's daily operations. Our experience translates to insights that streamline the audit and budget process and internal controls, consequently reducing audit findings and improving efficiencies. Ultimately, this will save your community time and money.

PROCESS

When you select our team, our process is made simple — for you and for your employees. First, we meet with your city administration to understand the challenges you face. We then analyze your financial statements, review budgets, and connect with your auditors to understand your financial position from their perspective. This give us a holistic view to formulate a plan and propose how we can best support you. Once our proposal is accepted, we'll work with key stakeholders to understand cash flow, investments, and begin fulfilling proposal initiatives. Together we'll identify priorities and begin implementation.

QUALIFICATIONS

Our people make the difference- we have seven members on our team who have passed the Series 50 exam. These registered municipal advisors will manage your bond investments and strategic planning initiatives. Out of 14 members in our Financial Solutions group, 60% of their work is focused on outsourced Finance Director services.

The majority of our team members have worked in government organizations and public accounting bringing you a fresh perspective backed by relevant experience. We're confident that AEM has the right expertise, team support, and recommendations to help your city grow. We look forward to supporting you and your team.





Technology

AEM Technology

We believe technology should enhance our service offerings, making our work less intrusive, our time with you more productive and keep everyone's data more secure. Our use of technology in providing financial accounting services enables us to streamline our work.. It also helps us to automate certain functions of accounting services so we are free to spend more time analyzing our results and working directly with you.

AEM takes the security of our data and our clients data very seriously. A number of systems are in place to ensure the safety of your organization's data with us. We operate in a completely remote hosted environment. This not only us allows to work from any computer, anywhere, any time, but also provides large scale, cutting edge technology and security for your data. Your data is housed in a secure data warehouse, not on laptops or local servers.

It also means:

- All firm staff use dual authentication for every login to our remote environment
- Our data is saved on redundant servers so if one server fails, another server immediately takes over
- Our data is backed up continually
- All email and embedded links are scanned for viruses prior to landing in our inbox

Our remote host vendor works exclusively with public accounting firms. Their client base includes approximately 300 firms. They maintain a Service Organization Control 2 (SOC 2) report covering their organizational controls over security, processing integrity, etc. This report is available if you'd like to review it.





Your Team

In assembling our team to serve the City of Afton, we have assigned experienced individuals who know and understand your unique financial accounting needs. Our proposed delivery team has substantial experience working with cities similar to Afton. Our team members and their respective experience are briefly profiled below. Full biographies for the team are located on the following pages.

	MEMBER	TITLE	YEARS OF EXPERIENCE
	Jean McGann	Partner, President, CPA	20
	Victoria Holthaus	Client Services Senior Manager	14
	Hannah Lynch	Client Services Senior Accountant	4
	Yassine El Medkouri	Client Services Accountant	4



Team Bios

MEMBER

DESIGNATIONS

EXPERTISE



Jean McGann, CPA

*Partner (Abdo, Eick & Meyers LLP)
President (AEM Financial Solutions, LLC)
Registered Municipal Advisor (MA)*

jean.mcgann@aemfs.com
Direct Line (952) 715.3059

Mrs. McGann joined the Firm in 2013. She is licensed to practice as a CPA in Minnesota. Jean leads the Financial Solutions group providing financial management services, day-to-day accounting and customized solutions for local governments, businesses, nonprofit agencies and professional service firms.

Education

- Bachelor of Arts, Buena Vista University, Storm Lake, Iowa
- Continuing professional education as required by AICPA and Government Accountability Office

Professional Memberships

- American Institute of Certified Public Accountants (AICPA)
- Minnesota Society of Certified Public Accountants (MNCPA)
- Minnesota Government Finance Officers Association
- Government Finance Officers Association of the United States and Canada

Qualifications

- 20 years of experience in finance and auditing
- Over 7 years of experience in operations management
- Highly skilled in strategic planning and financial forecasting
- Experience in identifying and implementing cost containment processes, efficiencies and streamlining processes
- Policy development, internal control evaluation and project management experience
- MSRB Municipal Advisor Qualified Representative (Series 50)
- Mentor for the Business Program at the Minnesota Center for Advanced Professional Studies (MNCAPS)



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Team Bios

MEMBER

DESIGNATIONS

EXPERTISE



Victoria Holthaus, CPA

*Client Services Senior Manager
Registered Municipal Advisor (MA)*

victoria.holthaus@aemfs.com
Direct Line (952) 715.3069

Mrs. Holthaus joined the firm in 2013. Her past experience includes service to Minnesota municipalities and joint ventures where she held finance and administrative roles. Victoria is licensed to practice as a CPA in Minnesota. Ms. Holthaus works for the Financial Solutions group providing financial management services and customized solutions for local governments and nonprofit agencies.

Education

- Master of Arts in Public Administration, Hamline University
- Bachelor of Science in Accounting, National American University
- Minnesota Certified Municipal Clerk
- Continuing professional education

Professional Memberships

- Government Finance Officers Association of the United States and Canada
- Minnesota Government Finance Officers Association
- Minnesota Society of Certified Public Accountants
- American Institute of Certified Public Accountants (AICPA)

Affiliations

- Hamline School of Business, Accounting Board Member

Qualifications

- 14 years of experience working with local governments in finance and administration
- MSRB Municipal Advisor Qualified Representation (Series 50)
- Experience with budgeting, capital planning and debt management
- Process evaluation and process improvement engagement lead



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Team Bios

MEMBER

DESIGNATIONS

EXPERTISE



Hannah Lynch, CPA

*Client Services Senior Accountant
Registered Municipal Advisor (MA)*

hannah.lynch@aemfs.com
Direct Line (952) 939.3233

Hannah joined the firm in 2015 as an intern. Upon completion of her internship and Bachelor's Degree she continued to grow her career at the Firm as an auditor specializing in Minnesota municipalities. In 2017, Hannah transitioned into her current role providing financial management services to local governments.

Education

- Bachelor of Science in Accounting, University of Wisconsin – River Falls
- Graduated Summa Cum Laude
- Continuing professional education

Professional Memberships

- Minnesota Society of Certified Public Accountants (MNCPA)
- American Institute of Certified Public Accountants (AICPA)
- Government Finance Officers Association of the United States and Canada
- Minnesota Government Finance Officers Association

Qualifications

- 4 years of experience working with local governments in finance and auditing
- MSRB Municipal Advisor Qualified Representative (Series 50)
- Experience with budgeting, capital planning and debt management



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Team Bios

MEMBER

DESIGNATIONS

EXPERTISE



Yassine El Medkouri

Client Services Accountant

yassine.elmedkouri@aemfs.com

Direct Line (952) 715.3066

Yassine joined the firm in October as an Accounting Specialist after completing his B.A. in Business Management from HECGI, with an additional educational focus on accounting from the University Quebec. Yassine has experience working as a financial analyst and accountant with a strong business background. He has professional experience developing Microsoft Office and SharePoint solutions. His background also includes experience using QuickBooks to significantly improve bookkeeping, operations and collections. In 2018, Yassine was promoted from an Accounting Specialist to his current position as a Client Services Accountant.

Education

- Bachelor of Science in Business Management from HECGI
- Additional educational focus on Accounting from the University of Quebec
- Continuing professional education

Qualifications

- 3 years of experience working with non-profits and private businesses in finance/accounting as a bookkeeper, billing specialist and accounting specialist
- 1 year of experience in public accounting working with cities, non-profits and private businesses as a Client Services Accountant
- QuickBooks Online Certified Pro Advisor



AEM Financial Solutions™



Value

We at AEM help organizations improve their city and achieve their financial goals.

Our fees range from \$145 to \$365 per hour based upon the experience and level of the individuals to be assigned to perform your work. Fees are also based on the assumption and limitations outlined in the scope of work that follows below. Below are the fees for our services.

<u>Services Period</u>	<u>Monthly Fee</u>	<u>Annual Fee</u>
April 15, 2019 through April 14, 2020	\$3,175	\$38,100
April 15, 2020 through April 14, 2021	\$3,270	\$39,240
April 15, 2021 through April 14, 2022	\$3,370	\$40,440
<u>Option 1: Software charges if City converts to Banyon software</u>		
Fund accounting and payroll purchase	\$196.67	\$2,360
Annual maintenance fee	\$148.75	\$1,785

Note: if contract is terminated prior to April 14, 2022 the remaining software acquisition cost will be due and payable. Software is considered owned by the City. If City decides to purchase Banyon software upfront then anticipated cost of software is \$12,480 subject to negotiations with vendor.

<u>Option 2: Software charges if City decides to remain on QuickBooks</u>	
Software fee on annual basis	\$720*

* If the City has more than 40 classes QuickBooks is planning change pricing in March and the City will need to enroll in QuickBooks Advanced. At this time, there is no pricing published.

Note: While AEM is comfortable using QuickBooks, it is preferable to use a Governmental Fund based software as this provides improved accountability and tracking for the City. We are happy to discuss this in further detail.

<u>City Council and Finance Committee meeting or workshops</u>	<u>Hourly Rate</u>
Accountant	\$ 150
Manager	\$ 205
Partner	\$ 365

Travel time is invoiced at 1/2 the hourly rate and mileage is charged based on IRS standards

Initial invoice will be sent within 10 days of the execution of this agreement. Monthly installment fees will be invoiced throughout the remainder of this contract.

We do not believe in charging for a phone call, emails, etc. at any time during the year. We encourage clients to call us for questions, advice, or just update us on what is happening in their organization throughout the year. We want to be a resource for you throughout the year without consideration of whether or not the meter is running. When our communications identify additional service needs we will provide you with an expected fee range. We also tailor our billing policies to the desires of our clients. Often times our clients requests we build into our annual fee quote our annual expected additional cost to avoid invoices throughout the year.

SCOPE OF SERVICES

AEMFS Contract Task	Client Responsibility	Frequency
Cash and Investment monitoring		
Reconcile cash and investments		Monthly
Reconcile petty cash		Monthly
Review Monthly to ensure timely and accurately balance		Monthly
Verify bank has proper amount of collateral pledged to City's account	Request monthly collateral statement from the bank	Monthly
Review cash flow to ensure proper amounts are available for operations		Monthly
Monthly/Quarterly Reporting		
Prepare financial reports	Review and accept	Monthly
Prepare escrow and permit fee reports		Monthly, Quarterly and Annual
Provide narrative to quarterly financial report	Review and provide input	Quarterly
Review monthly budget to actual reports for coding errors	Review and provide input	Monthly
Review journal entries and payroll entries to ensure accuracy	Review and provide input	Bi-weekly
Prepare payroll, payroll benefits and other monthly/quarterly reports	Review and provide input	Monthly/Quarterly
941 reconciliation	Review and provide input	Quarterly
General Accounting		
Process accounts payable	Provide invoices	Monthly
Review account coding and fund classification of invoices		
Generate checks and review for two signatures		
Prepare Claims list for Council approval		Monthly
Process payroll	Provide approved timesheets	Semi monthly and monthly
Record deposits	Provide deposit receipts and coding	Monthly

SCOPE OF SERVICES (CONTINUED)

AEMFS Contract Task	Client Responsibility	Frequency
Annual Reporting		
Complete Financial Reporting Form to the Office of the State Auditor		June 30
Property Tax Levy Report to the Minnesota Department of Revenue		December 31
PT Form 280 to the Minnesota Department of Revenue (if required)		September 30
Audit Preparation		
Prepare work papers and gather support for the audit of the financial statements	Cooperation in location supporting documentation as needed	March 31
Prepare the Management Discussion and Analysis for the audit report	City Administrator to review	May 20
Prepare financial statements for auditors		May 20
Annual Budget Preparation		
Preliminary meeting with City management on budget objectives and strategy		May 15
Prepare a City management's recommended property tax levy along with a general outline of the City Budgeted funds including any potential budget funding gaps. This will include the all funds summary and preparation of all budget documents		May - August
Assist in presenting preliminary budget to Council prior to September 30.		August
Assist in the certification of the final of the tax levy to the County and Minnesota Department of Revenue		December 31
Miscellaneous Tasks		
Provide oversight in recording/accounting for transactions		Weekly
Attend City Council and Finance Committee meetings for action items and budget discussions		As requested
Update Council, Administrator and staff of new accounting standards		On-going
Provide assistance in reporting and closing out grant programs		Monthly
Respond to surveys and information requests as they are received from outside sources such as the League of MN Cities and Government Finance Officers Association		On-going
Monitor compliance for assigned activities	14	On-going



What Our Clients Say

Client References

We have long-term relationships with many cities in Minnesota. Our clients listed below serve as a sample of references of those we serve as their Finance Director. Additional references are available upon request.

City of New Hope

Kirk McDonald 763.531.5112

Engagement partner – Jean McGann

City of Crystal

Anne Norris | 763.531.1140

Engagement partner – Jean McGann

City of Oak Grove

Loren Wickham | 763.404.7075

Engagement partner – Jean McGann

City of Independence

Mark Kaltsas | 763.479.0527

Engagement partner – Jean McGann





Why AEM?

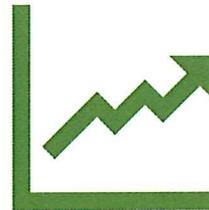
Abdo, Eick & Meyers, LLP, established in 1963, has a professional staff of more than 150 in its Edina and Mankato offices. The two offices serve clients of all sizes and industries. Our services include audits, reviews and compilations, monthly accounting, tax planning and preparation, management advisory services and HR Outsourcing, to name a few. In addition, Abdo, Eick & Meyers, LLP is recognized as one of the Top 150 firms in the United States and the 13th largest firm in Minnesota.

We're here because our clients need solutions to their challenges--not a commodity product. Through our dedication to teamwork, development and relationships, we will help our clients thrive. The investments into our People + Process make a difference for you, our valued client. We focus on the challenges and needs that are relevant to your business or government agency. This allows us to be thoughtful in our approach in providing you with the best solutions, and leave you assured in the value of our deliverable.

The Firm is a member of the American Institute of Certified Public Accountants Division of Firms and has received an unmodified opinion on its Peer Review. Our Peer Review, which included nonprofit, was completed in 2017 and resulted in a pass rating.

The Firm has not had any federal or state desk reviews or field reviews of its audits in the last three years. We have had no disciplinary action taken or pending against the Firm during the past three years with state regulatory bodies or professional organizations.

We maintain library facilities which include current professional literature and specific information for the industries we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our nonprofit clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of engagement.



WE LISTEN

You will know you're in the right hands well before delivery, but be assured that we will get you a great value for the investment of your time.



WE ENGAGE

Active engagement with DFK International and domestic industry associations allows us to provide maximum value to your organization.



WE DELIVER

Combining our internal expertise and technological resources with what we've learned about you allows us to deliver a solution that exceeds your expectations.





Appendix A



Agreement for Financial Services

THIS AGREEMENT, is made and entered into on February 5, 2019 by and between the City of Afton, Minnesota (hereinafter referred to as the "City"), and AEM Financial Solutions LLC (hereinafter referred to as the "Contractor").

Articles of Agreement & Recitals

WHEREAS, the City is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the Contractor understands and agrees that:

1. The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees arising out of the Contractor's activities;
2. The Contractor shall have no authority to bind the City for the performance of any services or to obligate the City. The Contractor is not an agent, servant, or employee of the City and shall not make any such representations or hold himself/herself out as such;
3. The Contractor shall be the exclusive outsourced accounting service provider for the City during the term of this Agreement;
4. The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the City at all times.
5. The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

ARTICLE I

INCORPORATION OF RECITALS

The recitals and agreement set forth above are hereby incorporated into this Agreement.

ARTICLE II

LIABILITY INSURANCE

Section 1 Liability Insurance: The Contractor shall obtain professional liability insurance, at their expense with liability insurance coverage minimums in the amount of \$2,000,000, which Contractor must secure and maintain during the term of this Agreement. Contractor will provide City with proof of liability insurance coverage under this Agreement in writing upon request by the City.



AGREEMENT FOR FINANCIAL SERVICES - CONTINUED

ARTICLE III

DURATION OF THE AGREEMENT

Section 1 Duration: This Agreement shall commence upon date of execution by all parties and will remain in effect until April 14, 2022. unless earlier terminated as provided in Sections 2 and 3.

Section 2 City's Termination Rights: City may terminate this Agreement upon sixty (60) days written notice in the event the City determines in its sole discretion that it is not in the City's best interest to continue using Contractor's services. The City may terminate on ten (10) days written notice of the Contractor fails to perform its obligations under this Agreement.

Section 3 Contractor's Termination Rights: Contractor may terminate this Agreement upon thirty (30) days written notice to City in the event City does not pay Contractor compensation as required under Article 5, Section 9 within fifteen (15) days after invoice is received by City. In the event of non-payment within thirty (30) days, Contractor shall give City an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days after the City's receipt of the notice to remit such payment, prior to giving a notice of termination. Contractor can also terminate the Agreement with one hundred twenty (120) days written notice if the Contractor believes it is in its best interests to terminate the Agreement.

ARTICLE IV

RENEWAL OF THE AGREEMENT

Section 1 Renewal Period: Not less than ninety (90) days prior to the expiration of this Agreement, the City may provide written notice of intent to renew this Agreement for an additional term of up to three years upon terms and conditions agreed upon by both parties to the Agreement. If no such renewal agreement is executed by the parties, the Agreement terminates without further action of either party on April 14, 2022.

ARTICLE V

GENERAL

Section 1 Authorized City Agent: The City's authorized agent for the purpose of administration of this Agreement is the City Administrator. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

Section 2 Amendments: No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

Section 3 Assignability: The Contractor's rights and obligations under this Agreement are not assignable or transferable.

Section 4 Data: Any data or materials, including, but not limited to, reports, studies, photographs, negatives, or any and all other documents prepared by the Contractor or its outside consultants in the performance of the Contractor's obligations under this Agreement shall be the exclusive property of the City, and any such data and materials shall be remitted to the City by the Contractor upon completion, expiration, or termination of this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor and its outside consultants in accordance with applicable federal, state and local. Further, Contractor will have access to data collected or maintained by the City to the extent necessary to perform Contractor's obligations under this Agreement. Contractor agrees to maintain all data obtained from the City in the same manner as the City is required under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 or other applicable law (hereinafter referred to as the "Act"). Contractor will not release or disclose the contents of data classified as not public to any person except at the written direction of the City. Upon receipt of a request to obtain and/or review data as defined in the Act, Contractor will immediately notify the City. The City shall provide written direction to Contractor regarding the request within a reasonable time, not to exceed fifteen (15) days. The City agrees to indemnify, hold harmless and defend Contractor for any liability, expense, cost, damages, claim, and action, including attorneys' fees, arising out of or related to Contractor's complying with the City's direction. Subject to the aforementioned, Contractor agrees to defend and indemnify the City from any claim, liability, damage or loss asserted against the City as a result of Contractor's failure to comply with the requirements of the Act. Upon termination and/or completion of this Agreement, Contractor agrees to return all data to the City, as requested by the City.

AGREEMENT FOR FINANCIAL SERVICES - CONTINUED

ARTICLE V - CONTINUED

GENERAL – CONTINUED

Section 5 Entire Agreement: This Agreement is the entire agreement between the City and the Contractor and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

Section 6 Severability: All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein and such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7 Contractor Fiscal Decision Waiver: Contractor is responsible for providing the City with timely and accurate financial recommendations and information that allows City Council the ability to make final financial decisions. Contractor will provide final financial recommendations, but is not responsible for the final decisions made regarding financial matters.

Section 8 City Employment of Contractors Employees; Should the City desire to employ the Contractors employee that is assigned to the City during the term of this Agreement, it must have the written consent of the Contractor to enter into a City employee contract with the Contractors employee. Should the Contractor agree to such arrangement, the agreement will include a payment equal to 50% of the annual contracted cost, in addition to the annual contracted cost already paid to the Contractor. This restriction on employment applies only during the term of this agreement.

Section 9 Compensation: The parties agree that the Contractor shall be paid compensation for the services provided hereunder, payable for work performed in accordance with this Agreement, based on the fees indicated in Table 1 and under the attached scope of services. Additional fees will not be incurred without prior approval of the City.

Table 1

<u>Services Period</u>	<u>Monthly Fee</u>	<u>Annual Fee</u>
April 15, 2019 through April 14, 2020	\$3,175	\$38,100
April 15, 2020 through April 14, 2021	\$3,270	\$39,240
April 15, 2021 through April 14, 2022	\$3,370	\$40,440
<u>Option 1: Software charges if City converts to Banyon software</u>		
Fund accounting and payroll purchase	\$196.67	\$2,360
Annual maintenance fee	\$148.75	\$1,785

Note: if contract is terminated prior to April 14, 2022 the remaining software acquisition cost will be due and payable. Software is considered owned by the City. If City decides to purchase Banyon software upfront then anticipated cost of software is \$12,480 subject to negotiations with vendor.

Option 2: Software charges if City decides to remain on QuickBooks

Software fee on annual basis \$720*

* If the City has more than 40 classes QuickBooks is planning change pricing in March and the City will need to enroll in QuickBooks Advanced. At this time, there is no pricing published.

Note: While AEM is comfortable using QuickBooks, it is preferable to use a Governmental Fund based software as this provides improved accountability and tracking for the City. We are happy to discuss this in further detail.

<u>City Council and Finance Committee meeting or workshops</u>	<u>Hourly Rate</u>
Accountant	\$ 150
Manager	\$ 205
Partner	\$ 365

Travel time is invoiced at 1/2 the hourly rate and mileage is charged based on IRS standards. Initial invoice will be sent within 10 days of the execution of this agreement. Monthly installment fees will be invoiced throughout the remainder of this contract.

AGREEMENT FOR FINANCIAL SERVICES - CONTINUED

ARTICLE V - CONTINUED

GENERAL – CONTINUED

Section 10 Additional Services: Should the City request additional services in addition to the Contracted Services, the Contractor will provide the City with proposed fees for the services to be provided. The City shall provide a written or electronic confirmation prior to the proposed services implementation.

Section 11 Outside Contractors: It shall be the responsibility of Contractor to compensate any other outside consultants retained or hired by Contractor to fulfill their obligations under this Agreement and shall be responsible for their work and Contractor, by using outside contractors, shall not be relieved of its obligations under this Agreement.



Appendix B



Agreement for the Provision of Professional Services

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

City of Afton
3033 St. Croix Trail
P.O. Box 219
Afton, MN, MN 55001

Name _____

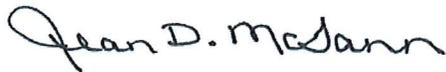
Title _____

Name _____

Title _____

Date _____

AEM Financial Solutions, LLC
5201 Eden Ave. Suite 250
Edina, Minnesota 55436



Name _____

Title _____ President _____

Date _____ February 5, 2019 _____





Appendix C

XX Quarter Report

City of Sample

City, Minnesota

As of March 31, 20XX



AEM Financial Solutions™

People
+ Process.
Going
Beyond the
Numbers



AEM Financial Solutions™

DATE

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Sample
Sample, Minnesota

We have compiled the accompanying statement of revenues and expenditures for the General Fund and statements of revenues and expenses for the enterprise funds of the City of Sample as of March 31, 20XX, for the quarter then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the 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 Company'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™

DATE

Honorable Mayor and City Council
 City of Sample
 Sample, Minnesota

Dear Honorable Mayor and City Council:

We have reconciled all bank accounts through March 31, 20XX 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:

	<u>3/31/20XX</u>	<u>3/31/20XX</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 2,245,295	\$ 1,295,511	\$ 949,784
Investments (at market value)	974,393	963,006	11,387
 Total cash and investments	 <u>\$ 3,219,688</u>	 <u>\$ 2,258,517</u>	 <u>\$ 961,171</u>
<u>Investment Type</u>	<u>3/31/20XX</u>	<u>3/31/20XX</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 2,245,295	\$ 1,295,511	\$ 949,784
Money market	70,131	4,649	65,482
Negotiable CDs	904,262	958,357	(54,095)
Municipal bond	-	-	-
Government agency securities	-	-	-
 Total investments	 <u>\$ 3,219,688</u>	 <u>\$ 2,258,517</u>	 <u>\$ 961,171</u>

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
12/31/20XX	0.07	0.12	0.19	0.29	0.61	1.02	2.01	2.71	3.30
12/30/20XX	0.01	0.02	0.06	0.12	0.25	0.36	0.83	1.35	1.89
12/31/20XX	0.02	0.05	0.11	0.16	0.25	0.36	0.72	1.18	1.78
3/31/20XX	0.04	0.07	0.11	0.14	0.25	0.36	0.77	1.24	1.87
6/30/20XX	0.02	0.04	0.10	0.15	0.36	0.66	1.41	1.96	2.52
9/30/20XX	0.03	0.02	0.04	0.10	0.33	0.63	1.39	2.02	2.64
12/31/20XX	0.01	0.07	0.10	0.13	0.38	0.78	1.75	2.45	3.04
3/31/20XX	0.03	0.05	0.07	0.13	0.44	0.90	1.73	2.30	2.73
6/30/20XX	0.02	0.04	0.07	0.11	0.47	0.88	1.62	2.13	2.53
9/30/20XX	0.02	0.02	0.03	0.13	0.58	1.07	1.78	2.22	2.52
12/31/20XX	0.03	0.03	0.12	0.23	0.69	1.11	1.68	2.00	2.20
03/31/20XX	0.05	0.03	0.14	0.26	0.56	0.89	1.37	1.71	1.94

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.

Investment Summary

A detailed summary of current investments is included as Attachment C.

Enterprise Fund Summary

A detailed summary of enterprise fund financial results is included as Attachment D.

Revenue and Expenditures

A detail of revenues and expenditures is included.

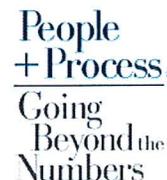
* * * * *

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 SAMPLE, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL -
GENERAL FUND (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 20XX

Attachment A

	Annual Budget	Budget thru 3/31/20XX	Actual Thru 3/31/20XX	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 3/31/20XX
REVENUES					
Taxes*	\$ 313,918 *	\$ 78,480	\$ -	\$ (78,480)	N/A %
Local government aid*	228,078 *	57,020	-	(57,020)	N/A
Tax abatements	14,244 *	3,561	-	(3,561)	N/A
Intergovernmental	18,347	4,587	2,000	(2,587)	43.6
Licenses and permits	3,300	825	480	(345)	58.2
Charges for services					
Fire	18,500	4,625	1,418	(3,207)	30.7
Police	2,120	530	587	57	110.8
Other	2,280	570	170	(400)	29.8
Special assessments	5,500	1,375	-	(1,375)	-
Interest earnings	8,000	2,000	1,247	(753)	62.4
Miscellaneous revenue	12,400	3,100	4,365	1,265	140.8
Contributions and donations	3,000	750	975	225	130.0
TOTAL REVENUES	629,687	157,422	11,242	(146,180)	7.1
EXPENDITURES					
General government	50,391	12,598	15,006	(2,408)	119.1
City Council	11,800	2,950	584	2,366	19.8
Executive	7,480	1,870	401	1,469	21.4
City Clerk	20,840	5,210	4,899	311	94.0
Financial administration	76,280	19,070	19,000	70	99.6
Law/legal services	10,000	2,500	2,053	447	82.1
Community center	11,700	2,925	3,267	(342)	111.7
General government buildings	4,700	1,175	298	877	25.4
Police	172,222	43,056	33,669	9,387	78.2
Fire	60,150	15,038	6,507	8,531	43.3
Highways, streets and roads	134,831	33,708	12,765	20,943 (1)	37.9
Lions	2,800	700	471	229	67.3
Parks	20,962	5,241	123	5,118	2.3
TOTAL EXPENDITURES	584,156	146,039	99,043	46,996	67.8
EXCESS REVENUES (EXPENDITURES)	45,531	11,383	(87,801)	(99,184)	113.0
OTHER FINANCING USES					
Operating transfers out	(80,500)	(20,125)	-	20,125 (2)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (34,969)	\$ (8,742)	\$ (87,801)	\$ (79,059)	N/A %

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

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$15,000.

- (1) Capital outlay budgeted has not been expended or transferred to capital funds to procure capital equipment.
- (2) Operating transfers will be posted in 4th quarter.

CITY OF SAMPLE, MINNESOTA
 UNAUDITED CASH BALANCES BY FUND
 MARCH 31, 20XX, DECEMBER 31, 20XX AND MARCH 31, 20XX

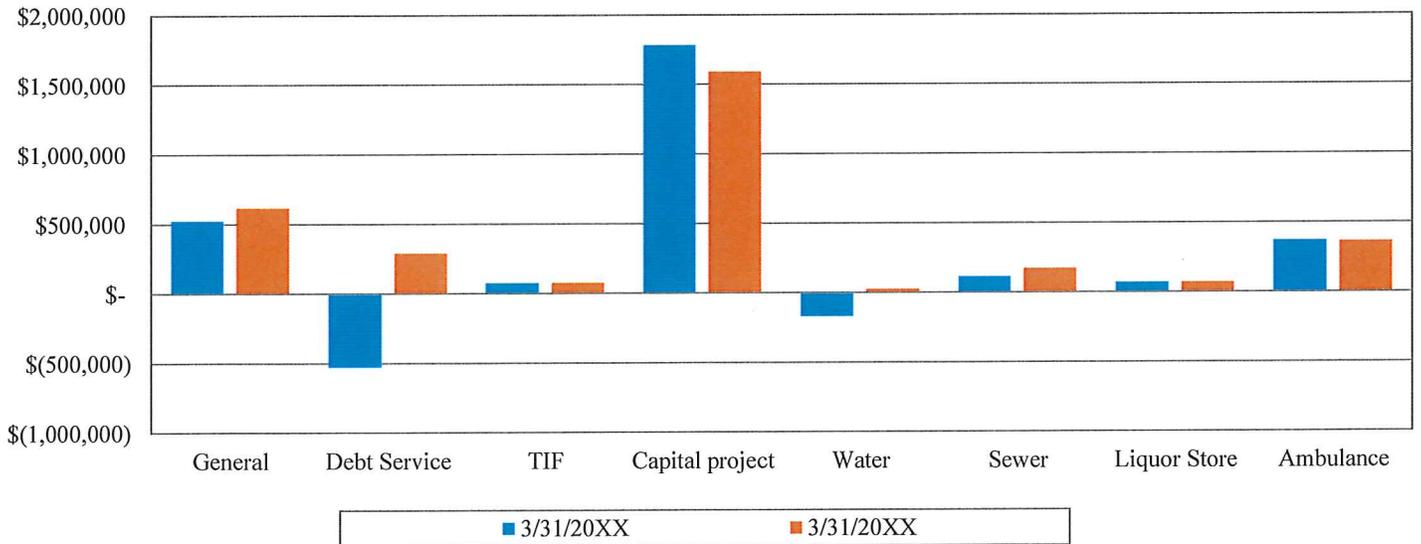
Attachment B

Fund	Balance 3/31/20XX	Balance 12/31/20XX	Balance 3/31/20XX	YTD Change From 12/31/20XX	Change From 3/31/20XX
101 General	\$ 526,826	\$ 702,975	\$ 619,063	\$ (83,912) (1)	\$ 92,237
301 G.O. Improvement Bonds 20XX	(628,348)	-	1,826	1,826	630,174
302 G.O. Improvement Bonds 20XX	100,886	135,411	96,744	(38,667)	(4,142)
303 G.O. Improvement Bonds 20XX	-	244,658	191,763	(52,895) (2)	191,763
376 TIF MN Energy	122,856	123,460	123,976	516	1,120
377 TIF MN Beef Industries, Inc	(46,124)	(46,124)	(46,124)	-	-
401 Fire Equipment Donations	20,262	37,722	42,622	4,900	22,360
402 Public Works Reserve	607,063	265,945	267,057	1,112	(340,006)
403 Police Reserve	76,009	41,191	41,363	172	(34,646)
404 Fire Reserve	1,346	14,365	14,425	60	13,079
405 Ambulance Reserve	43,700	62,933	63,196	263	19,496
406 General Government Reserve	65,000	70,319	70,613	294	5,613
407 Infrastructure Reserve	925,000	347,691	349,145	1,454	(575,855)
408 Culture and Recreation Reserve	47,500	42,275	42,452	177	(5,048)
409 2014 Street Improvements	-	715,927	702,334	(13,593)	702,334
601 Water	(166,695)	-	27,123	27,123	193,818
602 Sewer	116,001	166,065	173,272	7,207	57,271
609 Liquor Store	73,315	71,037	72,488	1,451	(827)
615 Ambulance	373,920	346,194	366,350	20,156	(7,570)
Total	\$ 2,258,517	\$ 3,342,044	\$ 3,219,688	\$ (122,356)	\$ 961,171

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

- (1) See General Fund Budget and Actual Statement for additional detail. Property tax and intergovernmental revenue are not received until Ju December. General fund reserves must be used to finance general operations until these revenue sources become available.
- (2) Debt service obligations were due and paid. Property tax and special assessment will not be received until July and December.

Cash Balance by Fund Compared to Prior Year



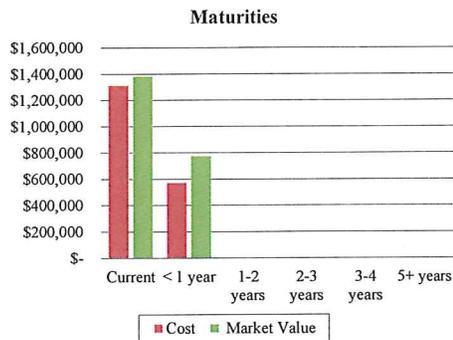
Fund	
↑	General
↑	Debt Service
→	TIF
↓	Capital project
↑	Water
↑	Sewer
↓	Liquor Store
↓	Ambulance

Key	
↑	Varies more than 10% than budget positively
↓	Balance decreased more than 10% over prior year
→	Balance within 10% of prior year

CITY OF SAMPLE, MINNESOTA
Schedule of Investments
For the Month Ending March 31, 20XX

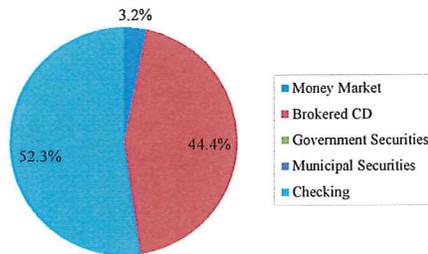
Attachment C

Description	Market Value 1/1/20XX	Deposits	Expenditures	Transfers	Interest	Cost 3/31/20XX	Market Value 3/31/20XX	Unrealized Gain / Loss
General Fund	\$ 516,267.21	\$ 906,734.90	\$ (1,062,797.52)	\$ -	\$ 133.12	\$ 360,337.71	\$ 360,337.71	\$ -
Ambulance Donations	53,588.01	4,300.00	(535.44)	-	20.26	57,372.83	57,372.83	-
Ambulance Debit Card Acct	1,882.33	-	(250.93)	-	0.68	1,632.08	1,632.08	-
General Fund	923,197.66	-	(250,000.00)	-	2,270.84	675,468.50	675,468.50	-
Fire Dept Debit Card Acct	574.97	-	-	-	0.22	575.19	575.19	-
Twp/Donations Acct	4,741.30	12,055.00	-	-	2.88	16,799.18	16,799.18	-
Fire Truck Utility Acct	10,188.16	-	-	-	3.79	10,191.95	10,191.95	-
Police Dept	4,675.43	5.00	-	-	1.74	4,682.17	4,682.17	-
Liquor store Petty Cash	12.94	335.00	(335.00)	-	-	12.94	12.94	-
Ambulance CD	32,065.17	-	-	-	96.00	32,161.17	32,161.17	-
Ambulance CD	24,402.16	-	-	-	90.84	24,493.00	24,493.00	-
Ambulance CD	132,709.95	-	-	-	496.77	133,206.72	133,206.72	-
Money Market	3,852.48	273,000.00	(287,000.00)	10,486.07	2.85	341.40	70,000.00	69,658.60
BMW Bank	64,094.72	-	64,000.00	(548.47)	548.47	127,546.25	127,000.00	(546.25)
GE Cap Retail Draper Utah	62,155.62	-	(62,000.00)	340.07	340.07	495.69	62,269.70	61,774.01
CIT Bank	73,503.70	-	(73,000.00)	618.80	618.80	1,122.50	73,960.68	72,838.18
Goldman Sachs	74,780.70	-	(74,000.00)	649.27	649.27	1,429.97	75,084.10	73,654.13
GE Cap Bank Inc Retail	73,405.88	-	-	404.81	1,382.21	73,810.69	73,648.24	(162.45)
Goldman Sachs	62,981.73	-	-	693.00	693.00	63,674.73	63,151.20	(523.53)
Goldman Sachs USA NY	77,801.10	-	-	638.99	1,464.73	78,440.09	77,963.34	(476.75)
Safra Natl Bank NY	88,669.81	-	-	360.87	711.99	89,030.68	88,936.81	(93.87)
Sallie Mae SLC Bank	74,950.50	-	-	556.04	1,859.24	77,365.78	75,314.25	(2,051.53)
GE Cap Bk INC Retail	49,446.50	-	-	403.29	403.29	50,253.08	49,733.00	(520.08)
Sallie Mae BK Murray, UT	-	-	-	-	-	-	-	-
	\$ 2,409,948.03	\$ 1,196,429.90	\$ (1,745,918.89)	\$ 16,921.14	\$ 11,791.06	\$ 1,882,762.70	\$ 2,153,994.76	\$ 271,232.06



Maturity	Cost 3/31/20XX	Market Value 3/31/20XX	Variance 3/31/20XX
Current	\$ 1,311,614.37	\$ 1,380,726.72	\$ 69,112.35
< 1 year	571,148.33	773,268.04	202,119.71
1-2 years	-	-	-
2-3 years	-	-	-
3-4 years	-	-	-
5+ years	-	-	-
	\$ 1,882,762.70	\$ 2,153,994.76	\$ 271,232.06

Weighted average Rate of return 0.47% 3/31/20XX
Average Maturity (years) 0.97 3/31/20XX



Investment Type	Market Value 3/31/20XX
Money Market	\$ 70,000.00
Brokered CD	956,922.21
Government Securities	-
Municipal Securities	-
Checking	1,127,072.55
	\$ 2,153,994.76

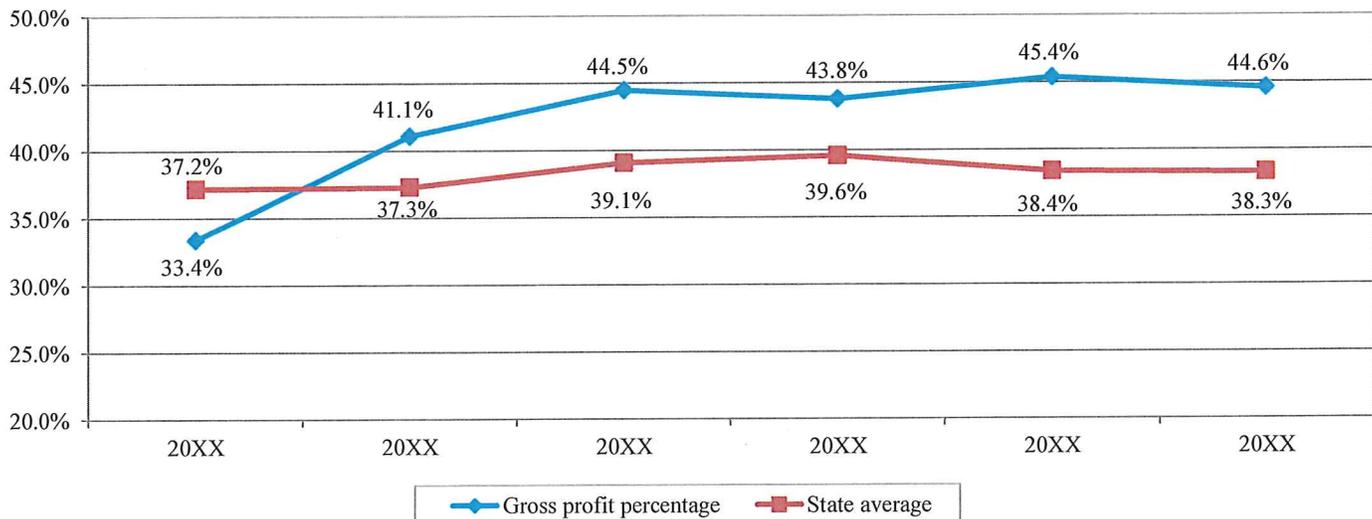
CITY OF SAMPLE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL -
LIQUOR STORE FUND (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 20XX

Attachment D

	Actual Thru 3/31/20XX	Actual Thru 3/31/20XX	Variance - Favorable (Unfavorable)	Budget Thru 3/31/20XX	Percent Received or Expended Based on Budget Thru 3/31/20XX
REVENUES					
On sale	\$ 36,928	\$ 48,194	\$ 11,266 (1)	\$ 35,650	135.2 %
Off sale	39,802	42,505	2,703	44,750	95.0
Other merchandise	18,676	21,316	2,640	11,750	181.4
Cigarettes, other	1,744	1,886	142	2,000	94.3
Pulltab	2,047	2,593	546	2,500	103.7
Miscellaneous	3,176	10,056	6,880	1,800	558.7
TOTAL REVENUES	102,373	126,550	24,177	98,450	128.5
EXPENSES					
Salaries and benefits	29,593	32,523	2,930	28,892	112.6
Supplies	8,266	6,955	(1,311)	4,475	155.4
Cost of goods sold	69,372	75,207	5,835	51,300	146.6
Other	13,757	10,107	(3,650)	14,338	70.5
Depreciation	-	2,225	2,225	2,225	N/A
TOTAL EXPENSES	120,988	127,017	6,029	101,230	125.5
EXCESS REVENUES OVER EXPENSES	\$ (18,615)	\$ (467)	\$ 2,313	\$ (2,780)	- %

Sales	\$ 113,901
Cost of sales	75,207
Gross profit	<u>\$ 38,694</u>
Gross profit percentage March 31, 20XX	34.0%

Gross Profit Percentage vs. State Average



* 20XX municipal liquor state report is not available at this time. An estimated average has been used for comparison.

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

(1) Liquor sales are up 25% (\$5,241) from 1st Quarter of 20XX and beer sales are up 39% (6,101) from 1st quarter of 20XX.

CITY OF SAMPLE, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 WATER FUND (UNAUDITED)
 FOR THE THREE MONTHS ENDED MARCH 31, 20XX

Attachment D

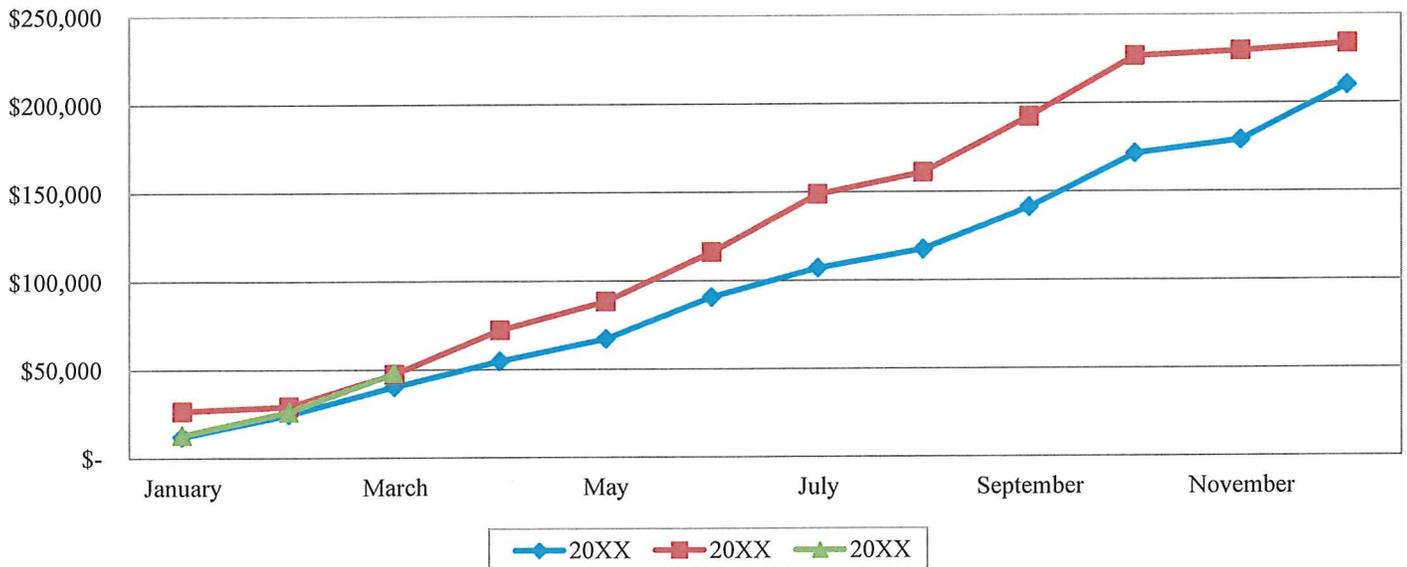
WATER FUND

	Actual Thru 3/31/20XX	Actual Thru 3/31/20XX	Variance - Favorable (Unfavorable)	Budget Thru 3/31/20XX	Percent Received or Expended Based on Budget Thru 3/31/20XX
REVENUES					
Charges for services	\$ 47,335	\$ 47,973	\$ 638	\$ 51,112	93.9 %
Miscellaneous	25	51	26	-	100.0
TOTAL REVENUES	47,360	48,024	664	51,112	94.0
EXPENSES					
Salaries and benefits	8,595	8,369	(226)	8,689	96.3
Supplies	2,387	4,608	2,221	6,125	75.2
Other services and charges	1,802	5,468	3,666	2,831	193.1
Repair and maintenance	460	-	(460)	5,125	-
Utilities	5,761	3,686	(2,075)	5,000	73.7
Interest	-	-	-	2,819	-
Depreciation	-	26,250	26,250	26,250	100.0
TOTAL EXPENSES	19,005	48,381	29,376	56,839	85.1
EXCESS REVENUES OVER EXPENSES	\$ 28,355	\$ (357)	\$ 5,370	\$ (5,727)	6.2 %

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

(1) NONE

Water Sales Comparison 20XX - 20XX



CITY OF SAMPLE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL -
SEWER FUND (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 20XX

Attachment D

SEWER FUND

	Actual Thru 3/31/20XX	Actual Thru 3/31/20XX	Variance - Favorable (Unfavorable)	Budget Thru 3/31/20XX	Percent Received or Expended Based on Budget Thru 3/31/20XX
REVENUES					
Charges for services	\$ 14,243	\$ 15,935	\$ 1,693	\$ 18,860	84.5 %
Miscellaneous	-	347	347	250	138.8
TOTAL REVENUES	<u>14,243</u>	<u>16,282</u>	<u>2,040</u>	<u>19,110</u>	<u>85.2</u>
EXPENSES					
Salaries and benefits	5,855	5,324	(531)	6,475	82.2
Supplies	3,139	112	(3,027)	1,000	11.2
Other services and charges	1,755	1,716	(39)	2,334	73.5
Repair and maintenance	1,379	374	(1,005)	129,125	0.3
Utilities	480	1,549	1,069	2,500	62.0
Interest	-	-	-	1,320	-
Depreciation	-	19,950	19,950	19,950	100.0
TOTAL EXPENSES	<u>12,608</u>	<u>29,025</u>	<u>16,417</u>	<u>162,704</u>	<u>17.8</u>
EXCESS REVENUES OVER EXPENSES	<u>\$ 1,635</u>	<u>\$ (12,743)</u>	<u>\$ 130,850</u>	<u>\$ (143,593)</u>	<u>8.9 %</u>

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

(1) NONE

Sewer Sales Comparison 20XX - 20XX

