Appendix B

AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES

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 Freeport
125 E. Main Street
Freeport, Minnesota 56331

Name _____

Title _____

Name _____

Title _____

Date _____

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

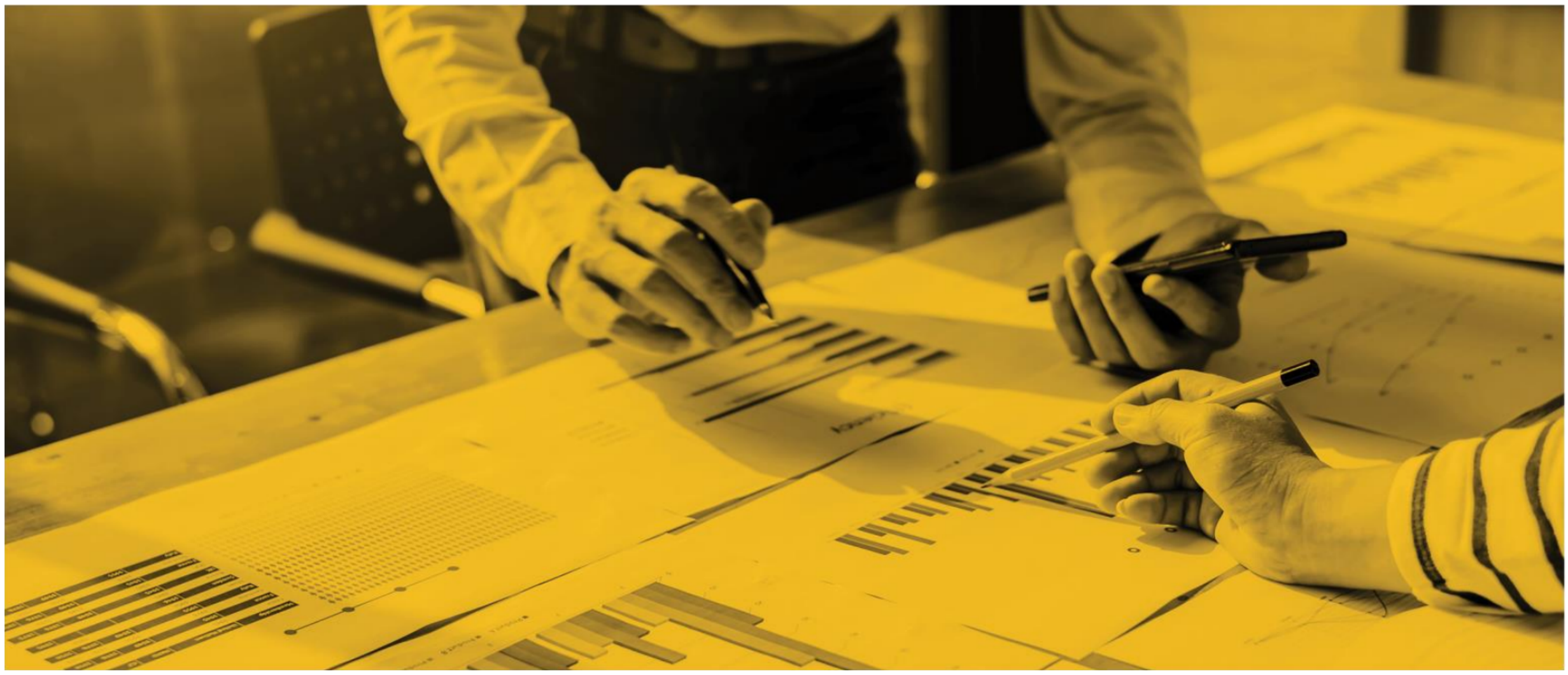
Name

Title Partner

Date April 11, 2022

Appendix C

SAMPLE QUARTERLY REPORT



4th Quarter Report

Sample

City of Sample

City, Minnesota

As of December 31, 20XX

Abdo Financial Solutions

Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090
F 952.835.3261

Date

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Sample
City, 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 December 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.

Sample

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,

Abdo Financial Solutions

Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090
F 952.835.3261

Date

Honorable Mayor and City Council
City of Sample
City, Minnesota

Dear Honorable Mayor and City Council:

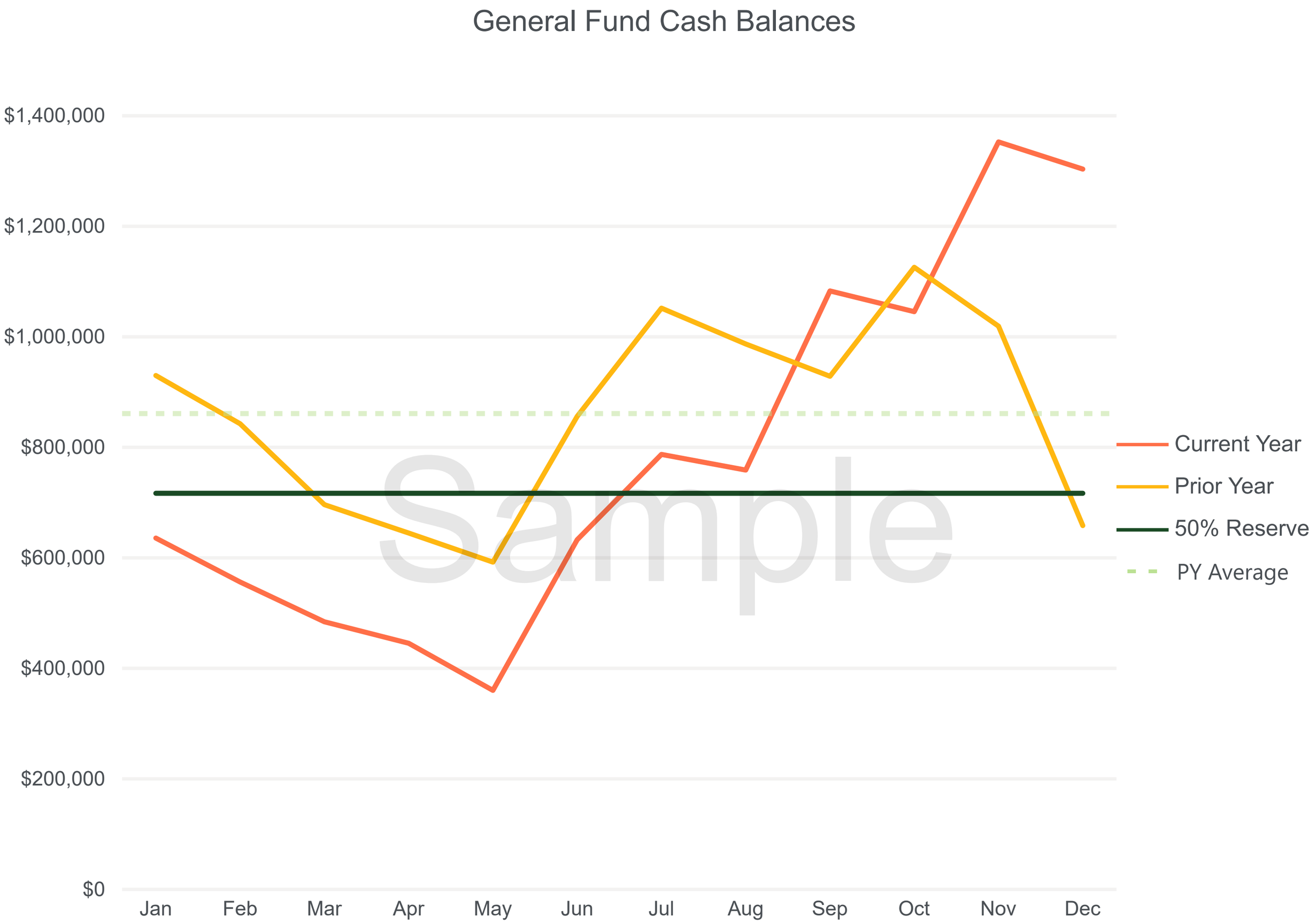
We have reconciled all bank accounts through December 31, 20XX and reviewed activity in all funds. The following is a summary of our observations. All information presented is unaudited.

Cash and Investments

The City's cash and investment balances are as follows:

Sample

	12/31/20XX	12/31/20XX	Increase/ (Decrease)
Checking and Savings	1,838,810	1,501,860	336,950
Investments (Money Market)	424,787	424,640	147
Total Cash and Investments	**2,263,597**	**1,926,500**	**337,097**


General Fund Cash Balances
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Current Year
Prior Year
50% Reserve
PY Average
Sample

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.

	Treasury Yields								
Date	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
3/31/2017	0.74	0.76	0.91	1.03	1.27	1.50	1.93	2.22	2.40
6/30/2017	0.84	1.03	1.14	1.24	1.38	1.55	1.89	2.14	2.31
9/29/2017	0.96	1.06	1.20	1.31	1.47	1.62	1.92	2.16	2.33
12/31/2017	1.28	1.39	1.53	1.76	1.89	1.98	2.20	2.33	2.40
3/31/2018	1.63	1.73	1.93	2.09	2.27	2.39	2.56	2.68	2.74
6/29/2018	1.77	1.93	2.11	2.33	2.52	2.63	2.73	2.81	2.85
9/28/2018	2.12	2.19	2.36	2.59	2.81	2.88	2.94	3.01	3.05
12/31/2018	2.44	2.45	2.56	2.63	2.48	2.46	2.51	2.59	2.69
3/29/2019	2.44	2.43	2.44	2.39	2.31	2.28	2.31	2.41	2.52
6/28/2019	2.18	2.12	2.09	1.92	1.75	1.71	1.76	1.87	2.00
9/30/2019	1.91	1.88	1.83	1.75	1.63	1.56	1.55	1.62	1.68
12/31/2019	1.48	1.55	1.60	1.59	1.58	1.62	1.69	1.83	1.92
3/31/2020	0.05	0.11	0.15	0.17	0.23	0.29	0.37	0.55	0.70
6/30/2020	0.13	0.16	0.18	0.16	0.16	0.18	0.29	0.49	0.66
9/30/2020	0.08	0.10	0.11	0.12	0.13	0.16	0.28	0.47	0.69
12/31/2020	0.08	0.08	0.09	0.09	0.10	0.13	0.17	0.36	0.65
3/31/2021	0.01	0.01	0.03	0.05	0.07	0.16	0.35	0.92	1.40
6/30/2021	0.05	0.05	0.06	0.07	0.25	0.46	0.87	1.21	1.45
9/30/2021	0.07	0.04	0.05	0.09	0.28	0.53	0.98	1.32	1.52
12/31/2021	0.06	0.06	0.19	0.39	0.73	0.97	1.26	1.44	1.52

Sample

* * * * *

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,

Abdo Financial Solutions

City of Sample, Minnesota
Statement of Revenues and Expenditures -Budget and Actual -
General Fund (Unaudited)
For the Twelve Months Ended December 31, 20XX

	YTD Budget	YTD Actual	Variance	Percent of YTD Budget Received or Expended		
Revenues						
Taxes	832,179	846,183	14,004	101.7%	→	
Licenses and permits	9,150	10,047	897	109.8%	→	
Intergovernmental	448,207	475,128	26,921	106.0%	→	
Charges and services	123,200	111,670	-11,530	90.6%	→	
Fines and forfeitures	3,300	19,797	16,497	599.9%	↑	①
Special assessments	1,000	4,738	3,738	473.8%	↑	
Interest	1,500	141	-1,359	9.4%	↓	
Miscellaneous	12,100	39,568	27,468	327.0%	↑	②
Total	**1,430,636**	**1,507,272**	**76,636**	**105.4%**	→	
Expenditures						
Mayor and city council	-58,123	-31,911	26,212	54.9%	↑	③
City office	-169,540	-186,403	-16,863	109.9%	→	
Elections	0	-228	-228	0.0%		
City Hall/theatre	-5,400	-3,882	1,518	71.9%	↑	
Police administration	-336,581	-263,573	73,008	78.3%	↑	④
Ambulance service	-103,261	-82,591	20,670	80.0%	↑	
Fire department	-91,246	-66,119	25,127	72.5%	↑	⑤
Highways/streets/roads	-151,557	-151,457	100	99.9%	→	
Swimming pool	-73,165	-29,765	43,401	40.7%	↑	⑥
Parks	-43,712	-56,209	-12,497	128.6%	↓	
Library	-48,635	-42,100	6,535	86.6%	↑	
Economic development	-9,945	-14,404	-4,459	144.8%	↓	
Cemetery	-31,001	-24,674	6,327	79.6%	↑	
COVID 19	0	-6,375	-6,375	0.0%		
Unallocated expenses	-55,700	-52,921	2,779	95.0%	→	
Total	**-1,177,866**	**-1,012,611**	**165,255**	**86.0%**	↑	
Other Financing Sources (Uses)						
Transfers Out	-252,770	-252,770	0	100.0%	→	
Total	**-252,770**	**-252,770**	**0**	**100.0%**	→	
Total	**0**	**241,891**	**241,891**			

Sample

Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and $ Variance Greater than $15,000

Number	Comment
①	Variance due to an increase in trial court fines received.
②	Variance due to several generous donations received by the Fire Department.
③	Variance due to changing how legal fees were allocated to departments in 2021.
④	Variance due to lower number of officers than anticipated in 2021.
⑤	Variance due to slightly lower expenses across all categories for the fire department in 2021.
⑥	The swimming pool was not open in 2021 due to renovation plans. No seasonal employment costs were incurred due to the renovations.

Sample

City of Sample, Minnesota
Unaudited Cash Balances by Fund
December 31, 20XX and December 31, 20XX

	PY Ending Balance	Quarter Ending Balance	YTD Change	YTD % Change	
General	656,866	1,302,004	645,138	49.5%	①
ARPA	0	57,375	57,375	100.0%	②
Police Forefeiture	0	3,690	3,690	100.0%	
EDA/General	0	-189,370	-189,370	100.0%	③
EDA Loan	407,754	419,066	11,312	2.7%	
Community Center	1,106	3,016	1,909	63.3%	
Airport	0	-128,813	-128,813	100.0%	④
G.O Bond Series 2020A	0	28,809	28,809	100.0%	
2004 Debt Scv 2nd St E	0	0	0		
Fire Department	3	3	0	10.9%	
Hummingbird Court	0	13,038	13,038	100.0%	
General Capital Projects	301,832	503,787	201,955	40.1%	⑤
Wastewater Construction	0	-593	-593	100.0%	
WWTP Improvements (project #16671)	0	0	0		
2020 Street Project	5,965	2,926	-3,040	-103.9%	
2020 Fire Hall Project	0	-10,596	-10,596	100.0%	
2014 Infrastructure Project (project #15081)	0	5	5	91.4%	
Water	264,492	103,948	-160,544	-154.4%	⑥
Sewer	288,482	136,830	-151,652	-110.8%	⑦
Refuse (Garbage) Fund	0	14	14	100.0%	
Swimming Pool Renovations	0	18,460	18,460	100.0%	
Investments	0	0	0		
Total	**1,926,500**	**2,263,597**	**337,097**		

Sample

Explanation of Changes Greater than $50,000 and 20%

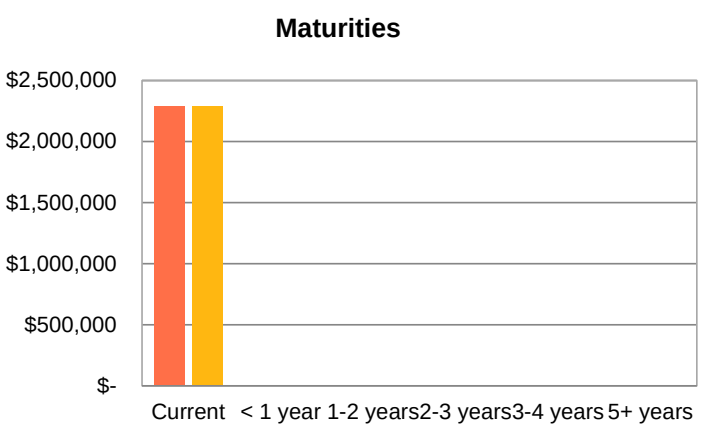
Number	Comment
①	Increased cash balance due to repayment of interfund loans issued at year-end 2020.
②	Favorable variance due to American Rescue Plan Act (ARPA) funds, which did not exist in 2020.
③	Decrease in cash balance due to repayment of interfund loans in current year.
④	Decrease in cash balance due to repayment of interfund loans in current year.
⑤	Increased cash balance due to repayment of interfund loans issued at year-end 2020.
⑥	Decrease in cash balance due to scheduled bond payments made in 2021. As part of audit prep, an adjustment was made to record cash held with the fiscal agent.
⑦	Decrease in cash balance due to scheduled bond payments made in 2021. As part of audit prep, an adjustment was made to record cash held with the fiscal agent.

City of Sample, Minnesota
Schedule of Cash and Investments
For the Month Ending December 31, 20XX

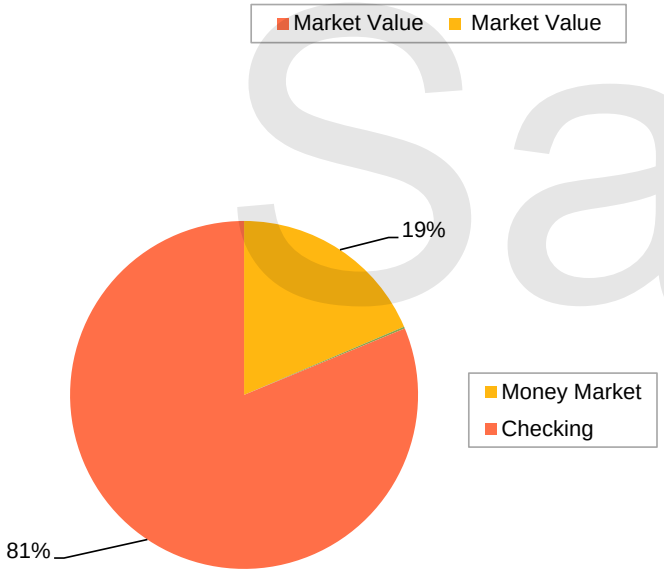
FUND	Identification (CUSIP or Acct #)	Institution	Description	Type	Date	Market Value 1/1/20XX	Deposits - Purchases	Expenditures - Sales	Transfers	Interest	Unadjusted Market Value 12/31/20XX	Market Value 12/31/20XX
101	35248-103	**4M**		Money Market	Current	$ 424,321.81	$ -	$ -	$ -	$ 147.43	$ 424,469.24	$ 424,469.24
320	35248-102	**4M**		Money Market	Current	298.44	-	-	-	-	298.44	298.44
101	35248-101	**4M**		Money Market	Current	19.25	-	-	-	-	19.25	19.25
						424,639.50	-	-	-	147.43	424,786.93	424,786.93
										-		
101	50088	**FRANDSEN**	PUBLIC FUND INT CHECKING	Checking	Current	1,319,011.44	2,959,872.49	(2,651,657.78)	-	135.62	1,627,361.77	1,627,361.77
202	50492	**FRANDSEN**	BUSINESS CHECKING	Checking	Current	197,759.04	41,149.68	(35,371.91)	-	20.37	203,557.18	203,557.18
202-10102	1110168258	**FRANDSEN**	City EDA	Checking	Current	9,212.40	-	-	-	-	9,212.40	9,212.40
202-10102			Petty Cash	Checking	Current	98.38	-	-	-	-	98.38	98.38
101-10300	XXX0867	**FRANDSEN**	City EDA	Savings	Current	1,888.25	-	-	-	0.15	1,888.40	1,888.40
101-10155	3003784	**FRANDSEN**	LIBRARY CHECKING	Checking	Current	15,042.32	-	-	-	1.51	15,043.83	15,043.83
101/401	1110168486	**FRANDSEN**	AUCTION CHECKING	Checking	Current	1,349.01	-	-	-	-	1,349.01	1,349.01
101-10310	10059663	**FRANDSEN**	PRARIEVIEW SEC. DEPOSITS	Savings	Current	2,061.99	-	-	-	0.15	2,062.14	2,062.14
101-10300	Petty Cash		Cash on Hand	Checking	Current	50.00	-	-	-	-	50.00	50.00
						1,546,472.83	3,001,022.17	(2,687,029.69)	-	157.80	1,860,623.11	1,860,623.11
			Total Cash and Investments			$ 1,971,112.33	$ 3,001,022.17	$ (2,687,029.69)	-	$ 305.23	$ 2,285,410.04	$ 2,285,410.04
											Deposits in Transit	$ 2,861.94
											O/S Checks	(24,674.71)
											Reconciled Balance	$ 2,263,597.27

Sample

City of Sample, Minnesota
Investments
For the Month Ending December 31, 20XX



Maturity	Unadjusted Market Value 12/31/20XX	Market Value 12/31/20XX	Variance 12/31/20XX
Current	$ 2,285,410.04	$ 2,285,410.04	$ -
< 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-		-
3-4 years	-	-	-
5+ years	-	-	-
	$ 2,285,410.04	$ 2,285,410.04	$ -



Investment Type	9/30/20XX
Money Market	$ 424,786.93
Brokered CD	-
Savings	3,950.54
Government Securities	-
Municipal Securities	-
Checking	1,856,672.57
	$ 2,285,410.04
	$ 2,861.94
	(24,674.71)
	$ 2,263,597.27

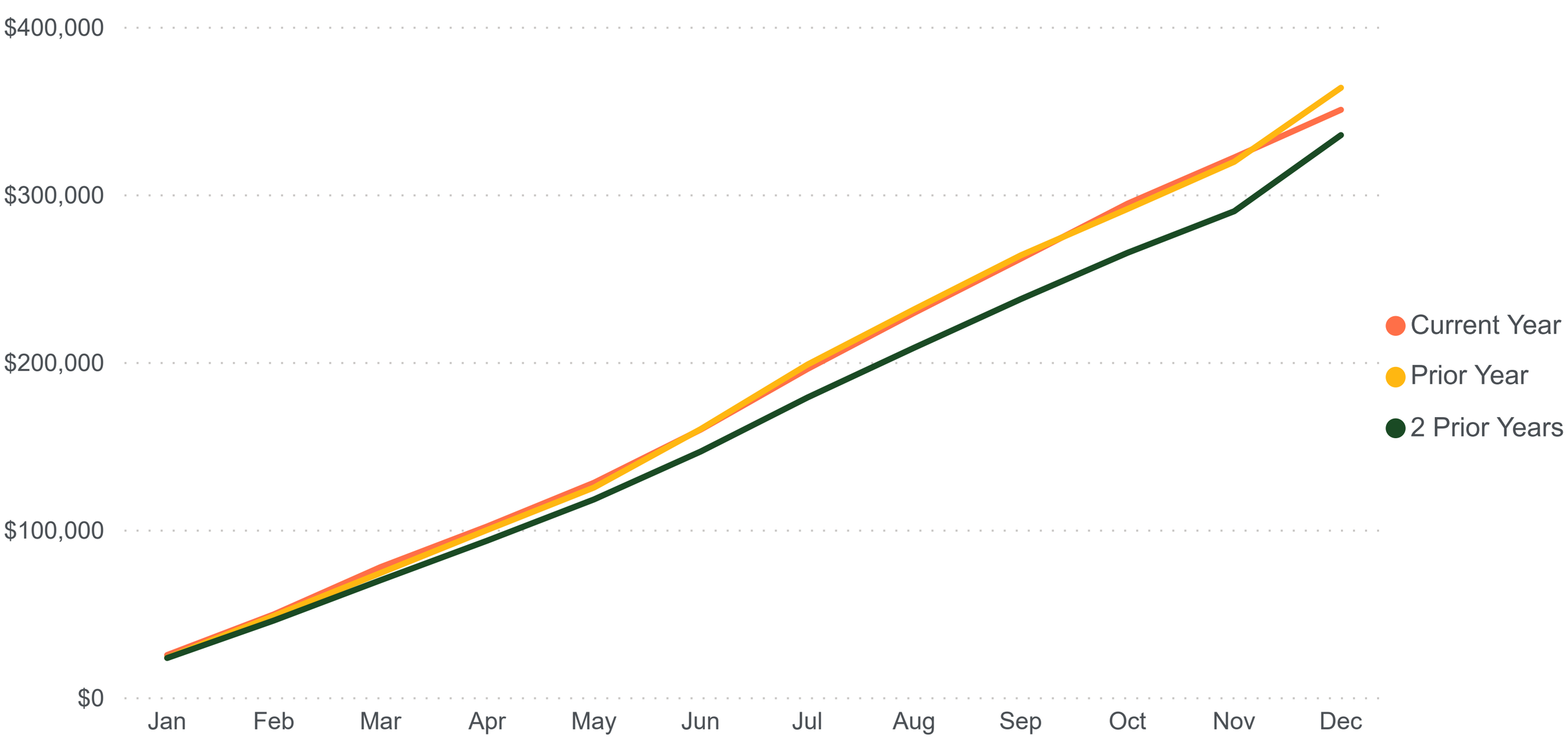
Sample

City of Sample, Minnesota
Statement of Revenues and Expenditures -
Budget and Actual -
Water Fund (Unaudited)
For the Twelve Months Ended December 31,
20XX

	PY Quarter Ending Balance	Quarter Ending Balance	YOY Variance	CY as a Percent of PY	
Revenues					
Charges for Services	363,605	350,472	-13,133	96.4%	
Miscellaneous	27,216	36,741	9,525	135.0%	
Operating Transfers	31,590	31,590	0	100.0%	
Total	**422,411**	**418,803**	**-3,608**	**99.1%**	
Expenditures					
Salaries and Benefits	-52,534	-47,857	4,677	91.1%	
Supplies	-18,060	-12,471	5,589	69.1%	
Professional Services	-42,785	-55,607	-12,822	130.0%	
Insurance	-3,468	-7,154	-3,686	206.3%	
Repair and Maintenance	-38,089	-86,015	-47,925	225.8%	①
Utilities	-13,116	-10,965	2,151	83.6%	
Depreciation	-319,307	-320,000	-693	100.2%	
Debt Service	-77,190	-77,577	-386	100.5%	
Capital Outlay	-5,105	-24,172	-19,067	473.5%	②
Total	**-569,655**	**-641,817**	**-72,162**	**112.7%**	
Total	**-147,244**	**-223,014**	**-75,770**		

Sample

Water Revenue by Year



Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and $ Variance Greater than $15,000

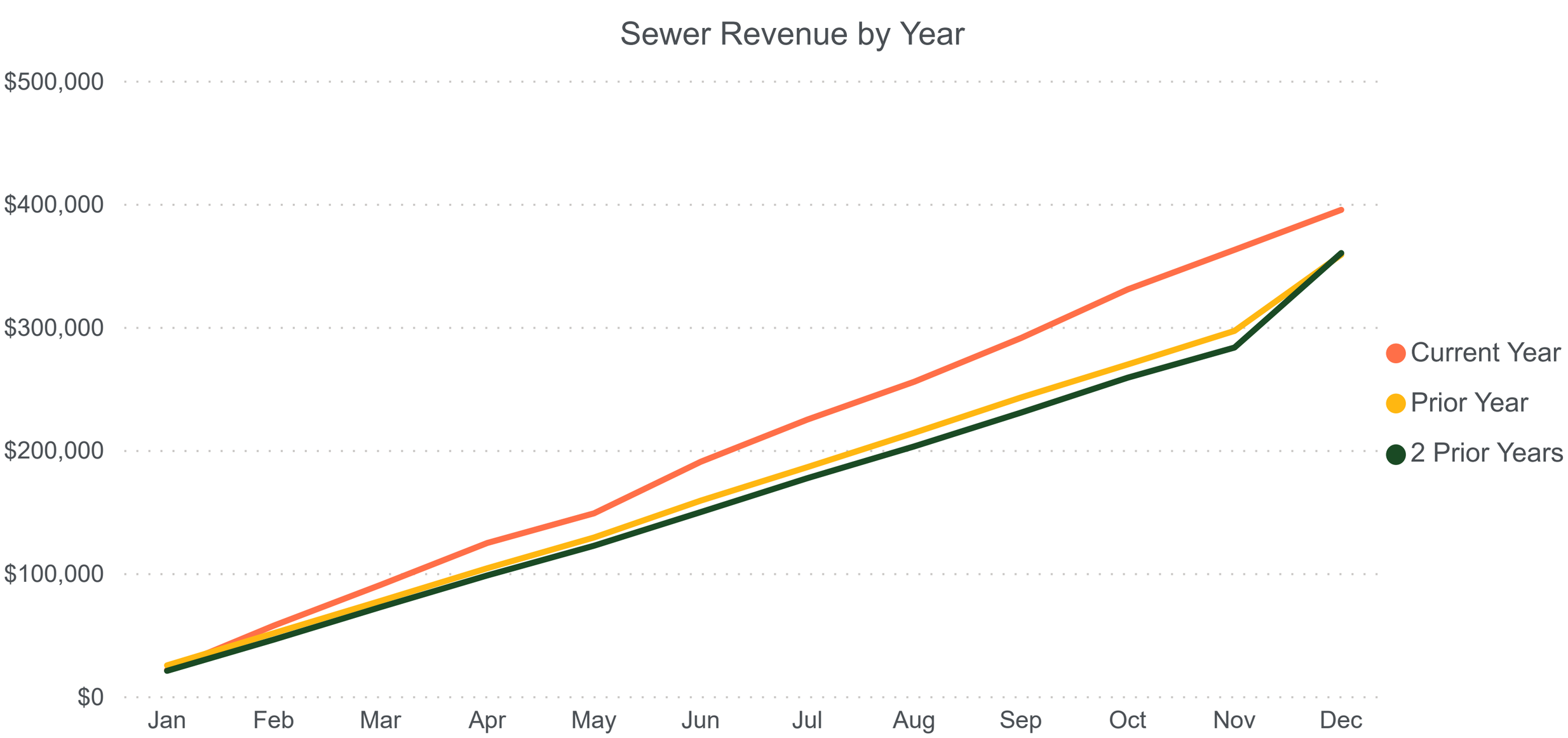
Number	Comment
①	Multiple Payments made for water repair on water main breaks and leaks (paid to Hjerpe Contracting Inc).
②	Variance due to the purchase of the water generator shed (paid to County Wide Lumber).

Sample

City of Sample, Minnesota
Statement of Revenues and Expenditures -
Budget and Actual -
Sewer Fund (Unaudited)
For the Twelve Months Ended December 31, 20XX

	PY Quarter Ending Balance	Quarter Ending Balance	YOY Variance	CY as a Percent of PY	
Revenues					
Charges for Services	358,661	395,089	36,428	110.2%	
Special assessments	10,773	10,420	-353	96.7%	
Miscellaneous	28,700	33,860	5,160	118.0%	
Operating Transfers	28,410	28,410	0	100.0%	
Total	**426,544**	**467,779**	**41,235**	**109.7%**	
Expenses					
Salaries and Benefits	-56,001	-47,857	8,145	85.5%	
Supplies	-15,368	-18,594	-3,226	121.0%	
Other services and charges	-52,384	-68,838	-16,454	131.4%	①
Insurance	-7,206	-9,854	-2,648	136.7%	
Repair and Maintenance	-23,106	-105,779	-82,673	457.8%	②
Utilities	-54,008	-42,064	11,944	77.9%	
Depreciation	-339,794	-340,000	-206	100.1%	
Debt Service	-69,399	-69,780	-380	100.5%	
Capital	0	-725	-725		
Total	**-617,266**	**-703,489**	**-86,223**	**114.0%**	
Total	**-190,722**	**-235,710**	**-44,988**		

Sample



Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and $ Variance Greater than $15,000

Number	Comment
②	Purchase of new sewer mixer pump in August 2021. Other purchases to note are new air compressors, valve kits, pump parts, generators, transducers, etc.
①	Variance due to higher than anticipated lab costs and tank pumping.

Sample