

1st Quarter Report

City of Wayzata
Wayzata, Minnesota

As of March 31, 2021



AEM Financial Solutions™

People
+ Process®
Going
Beyond the
Numbers



April 28, 2021

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Wayzata
Wayzata, Minnesota

Management is responsible for the accompanying financial statements of the City of Wayzata, Minnesota (the City), which comprise the budget to actual statement of revenues and expenditures for the General fund and statements of revenues and expenses for the liquor enterprise funds as of March 31, 2021, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows for the enterprise funds required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC



AEM Financial Solutions™

April 28, 2021

Honorable Mayor and City Council
City of Wayzata
Wayzata, Minnesota

Dear Honorable Mayor and City Council:

We have reviewed all bank account reconciliations through March 31, 2021 and reviewed activity in all funds. A summary of our observations are listed below. All information presented is unaudited.

- Cash and investments - the City has \$18.4 million in cash. This \$1.7 million decrease from December 2020 is due to capital purchases and scheduled debt payments. Other changes within individual funds are described in more detail on Attachment B.
- General fund budget performance - Attachment A is a summary of the budget and actual through the first quarter. Overall, budget performance was favorable to budget and any significant variances are noted.
- Cash balances for all funds are summarized on Attachment B. All funds, except for the Downtown TIF District 6 and Downtown Parking Ramp (2016A), have a positive cash reserve target. These funds will be made whole when the TIF interfund loan transfers are made at the end of the year.
- Attachment C is a summary of the cash and investment balances. As indicated, about 44.3% of the City's funds have current maturities. The weighted average maturity is approximately 2 years and the weighted average rate of return of invested funds is approximately 1.23%.
- Attachment D is a summary of the operations of the Liquor fund with a presentation of key operating results in a scorecard format.

* * * * *

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, 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 Wayzata, Minnesota
Statement of Revenues and Expenditures -
Budget and Actual - General Fund (Unaudited)
For the Three Months Ended March 31, 2021

ATTACHMENT A

	Annual Budget	Budget Through 03/31/21	Actual Through 03/31/21	Variance - Favorable (Unfavorable)		Percent Received or Expended Based on Budget Through 03/31/21	* Indicator - Favorable/ Unfavorable
Revenues							
Taxes	\$ 4,676,372	\$ -	\$ -	\$ -		N/A %	N/A
Licenses and permits	610,310	152,578	222,150	69,573	(1)	145.60	↑
Intergovernmental	256,776	-	22,727	22,727		N/A	N/A
Charges for services	881,940	220,485	190,503	(29,982)	(2)	86.40	↓
Fines and forfeitures	91,000	22,750	10,525	(12,225)		46.26	↓
Interest	20,000	5,000	(8,704)	(13,704)		(174.08)	↓
Miscellaneous	5,000	1,250	1,636	386		130.88	↑
Total Revenues	6,541,398	402,063	438,837	36,775		109.15	
Expenditures							
Mayor and city council	46,336	11,584	1,293	10,291		11.16	↑
Administrative and finance	914,022	228,506	160,710	67,796	(3)	70.33	↑
Assessing	77,000	19,250	19,117	133		99.31	↑
Planning and zoning	330,518	82,630	52,828	29,802	(4)	63.93	↑
General government buildings	269,110	67,278	62,093	5,185		92.29	↑
Police protection	2,060,411	515,103	482,056	33,047		93.58	↑
Fire protection	359,533	89,883	25,870	64,013	(5)	28.78	↑
Building inspections	268,985	67,246	43,991	23,255		65.42	↑
Emergency management	5,300	1,325	1,404	(79)		105.96	↓
COVID-19	-	-	(1,466)	1,466		N/A	N/A
Health inspections	41,000	10,250	-	10,250		-	↑
Streets	619,468	154,867	112,886	41,981	(6)	72.89	↑
Street lighting	79,000	19,750	17,984	1,766		91.06	↑
Engineering	136,490	34,123	19,314	14,809		56.60	↑
Parks, recreation and forestry	727,500	181,875	108,132	73,743	(7)	59.45	↑
Unallocated	327,000	242,431	319,080	(76,649)	(8)	131.62	↓
Capital outlay	5,500	1,375	368	1,007		26.76	↑
Total Expenditures	6,267,173	1,727,474	1,425,660	301,814		82.53	
Excess (Deficiency) of Revenues Over (Under) Expenditures	274,225	(1,325,412)	(986,823)	338,589		74.45	
Other Financing Sources (Uses)							
Transfers in	548,668	548,668	-	(548,668) *		-	
Transfers out	(822,893)	(822,893)	-	822,893 *		-	
Total Other Financing Sources (Uses)	(274,225)	(274,225)	-	274,225		-	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (1,599,637)	\$ (986,823)	\$ 612,814			

Item Explanations of items percentage received/expended less than 90% and greater than 110% and \$ variance greater than \$25,000.

- (1) Alcohol and rental licenses are renewed at end of previous year for existing customers.
- (2) Decrease in project inspection revenue.
- (3) Decrease in Administration and Finance wages due payroll payment date.
- (4) Decrease in Planning and Zoning department wages due to payroll payment date.
- (5) Payments to Fire Relief are budgeted, but not paid until the end of the year.
- (6) Street Superintendent position filled in March.
- (7) Summer recreation program expenses are paid in second half of the year.
- (8) Insurance annual premiums for property and work comp are paid in the beginning of the year, contingency expense recorded at end of year.

* Transfers made at year-end

City of Wayzata, Minnesota
Unaudited Cash Balances by Fund
December 31, 2020 and March 31, 2021

ATTACHMENT A

Fund		Balance 12/31/20	Balance 03/31/21	YTD Change from 12/31/20	
General					
101	General	\$ 3,770,877	\$ 2,699,269	\$ (1,071,608)	(1)
Special Revenue					
232	Cemetery	26,491	24,356	(2,135)	
235	Cable TV	31,010	32,061	1,051	
236	Drug/DWI Forfeiture	18,188	18,113	(75)	
237	Fire Relief / Pulltabs	290,038	287,882	(2,156)	
239	Comp Plan - Land Use	52,305	55,577	3,272	
Debt Service					
305	Downtown TIF District 6	(27,439)	(265,941)	(238,502)	(2)
307	Wayzata Blvd/Superior Realignment	381,025	180,930	(200,095)	(3)
310	Superior/Lake Realignment (2010A)	422,125	420,365	(1,760)	
311	Street Reconstruction (2009A)	26,039	25,931	(108)	
315	Big Woods	246,415	245,390	(1,025)	
317	Downtown Parking Ramp (2016A)	(825)	(385,349)	(384,524)	(4)
318	Panoway	63,125	62,886	(239)	
Capital Projects					
233	Lakefront Improvements	452,849	1,317,703	864,854	(5)
401	Permanent Improvement	440,473	498,137	57,664	(6)
404	Park and Trail CIP	1,932,015	2,099,168	167,153	(7)
407	Cell Tower	-	-	-	
408	General Fund CIP	1,373,733	1,327,353	(46,380)	(8)
409	Equipment Revolving	1,968,687	1,860,033	(108,654)	(9)
430	Street CIP	1,303,435	1,398,693	95,258	(10)
437	Library/Community Room CIP	349,981	357,369	7,388	
802	Escrows	1,139,798	1,138,350	(1,448)	
Enterprise					
610	Water	1,921,896	2,032,351	110,455	(11)
620	Sewer	877,207	958,118	80,911	(12)
630	Motor Vehicle	66,324	110,451	44,127	(13)
640	Liquor	1,029,505	895,707	(133,798)	(14)
650	Solid Waste	274,603	279,511	4,908	
670	Stormwater	498,977	566,718	67,741	(15)
HRA					
314	Widsten Tax Increment	124,743	135,427	10,684	
316	Baycenter	991,722	1,744	(989,978)	(16)
440	Housing	-	-	-	
Total		<u>\$ 20,045,322</u>	<u>\$ 18,378,303</u>	<u>\$ (1,667,019)</u>	

Item Explanation of Changes Greater than \$50,000

- (1) See Attachment A for detail of fund activity.
- (2) Deficit will be funded with interfund loan.
- (3) Bond Interest and fees were paid in the amount of \$200,175.
- (4) Bond interest and fees were paid in the amount of \$384,523. TIF Interfund Loan transfer in will be made at year end.
- (5) Increase due to contribution received for \$900,000 for Three Rivers Agreement.
- (6) Increase due to payment received for \$59,558 Beltz Filop 2021
- (7) Increase due to boat slip rental revenue received in excess of project expenditures.
- (8) Decrease due to City security equipment upgrade.
- (9) Decrease due to purchase of snow blower and police equipment.
- (10) Increase due to tower lease revenue in excess of street project expenditures.
- (11) Increase due to water revenue in excess of personnel and water tower rehab expenditures.
- (12) Increase due to sewer revenue in excess of personnel and sewer service expenditures.
- (13) Increase in moter vehicle commissions from 2020.
- (14) Decrease due to payment of liquor liability and workers comp insurance.
- (15) Increase due to sales in excess of personnel and professional service expenditures.
- (16) Decrease due to 2nd half PAYGO payment.

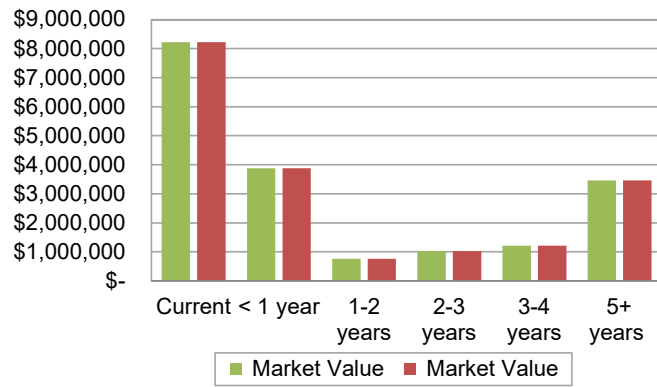
City of Wayzata, Minnesota
Schedule of Investments
For the Three Months Ending March 31, 2021

Institution	Description	Type	Rate	Market Value	Deposits -	Expenditures -	Transfers	Interest	Unadjusted	Market Value	Unrealized
				1/1/2021	Purchases	Sales			Market Value	3/31/2021	Gain / Loss
UBS	UBS Select Prime Institutional Fund	Money market	0.02%	\$ 4,355,721.66	\$ 1,028,284.78	\$ (2,421,133.79)	\$ 4,813.51	\$ 92.04	\$ 2,967,778.20	\$ 2,968,213.68	\$ 435.48
UBS	UBS Bank USA Dep Acct	Money market	0.00%	417.36	2,411,962.59	(2,440,247.37)	28,371.14	0.95	504.67	504.67	0.00
UBS	World's Foremost Bank - NE	Brokered CD	1.69%	201,196.00	-	-	(838.36)	838.36	201,196.00	200,174.00	(1,022.00)
UBS	Wells Fargo - Sioux Falls SD	Brokered CD	2.98%	252,214.59	-	-	(1,841.92)	1,841.92	252,214.59	250,367.01	(1,847.58)
UBS	Goldman Sachs Bank - NY	Brokered CD	2.33%	242,428.80	-	-	-	-	242,428.80	241,123.20	(1,305.60)
UBS	Comenity Bank - DE	Brokered CD	1.54%	201,840.00	-	-	(764.39)	764.39	201,840.00	200,962.00	(878.00)
UBS	BMW Bank of NA - UT	Brokered CD	2.10%	245,959.20	-	-	(2,558.79)	2,558.79	245,959.20	244,720.80	(1,238.40)
UBS	American Express - UT	Brokered CD	2.29%	252,313.25	-	-	-	-	252,313.25	250,985.35	(1,327.90)
UBS	CitiBank, NA - Sioux Falls SD	Brokered CD	3.02%	257,832.60	-	-	(3,906.35)	3,906.35	257,832.60	255,869.52	(1,963.08)
UBS	Northfield Bk NY	Brokered CD	2.30%	256,676.70	-	-	(2,964.16)	2,964.16	256,676.70	255,118.50	(1,558.20)
UBS	Morgan Stanley PRV NY US	Brokered CD	2.05%	259,834.12	-	-	(2,677.07)	2,677.07	259,834.12	258,253.32	(1,580.80)
UBS	Barclays Bank DE	Brokered CD	3.17%	267,826.65	-	-	-	-	267,826.65	265,303.15	(2,523.50)
UBS	Comenity Bank - UT	Brokered CD	2.55%	265,555.50	-	-	(1,661.31)	1,661.31	265,555.50	263,171.65	(2,383.85)
UBS	State Bank India NY US	Brokered CD	1.93%	261,777.60	-	-	-	-	261,777.60	259,276.15	(2,501.45)
UBS	Texas Exchange Bk TX US	Brokered CD	0.50%	245,245.00	-	-	(302.05)	302.05	245,245.00	\$ 245,053.90	(191.10)
UBS	JPMorgan Chase Bank OH US	Brokered CD	1.00%	-	245,000.00	-	-	-	245,000.00	243,811.75	(1,188.25)
UBS	Live Oak BKG CO NC US	Brokered CD	1.01%	-	245,000.00	-	-	-	245,000.00	243,730.90	(1,269.10)
UBS	New York City Transit - NY	Municipal Securities	1.69%	1,000,970.00	-	(1,000,000.00)	(8,450.00)	8,450.00	970.00	-	(970.00)
UBS	Chippewa Valley - MI	Municipal Securities	2.72%	503,940.00	-	-	-	-	503,940.00	500,910.00	(3,030.00)
UBS	Milan Area Schools - MI	Municipal Securities	2.12%	905,382.00	-	-	-	-	905,382.00	901,242.00	(4,140.00)
UBS	Reeths-Puffer - MI SCHS	Municipal Securities	2.56%	498,554.10	-	-	-	-	498,554.10	495,816.75	(2,737.35)
UBS	Florida St Brd Admin Fin Corp	Municipal Securities	2.62%	353,874.50	-	-	(4,616.50)	4,616.50	353,874.50	351,963.50	(1,911.00)
UBS	Palm Beach Co. - FL PUB	Municipal Securities	2.56%	496,958.00	-	-	-	-	496,958.00	495,223.40	(1,734.60)
UBS	Chino CA PUB FING AUT	Municipal Securities	1.06%	-	508,289.61	-	-	-	508,289.61	505,075.00	(3,214.61)
UBS	Corpus Christi Texas REGL	Municipal Securities	2.12%	451,495.70	-	-	-	-	451,495.70	445,991.70	(5,504.00)
UBS	Massachusetts St WTR RES	Municipal Securities	1.97%	267,537.50	-	-	(2,603.75)	2,603.75	267,537.50	263,277.50	(4,260.00)
UBS	Univ HI Brd Reg	Municipal Securities	2.96%	843,698.80	-	-	-	-	843,698.80	827,731.20	(15,967.60)
UBS	Western WA Univ Wash	Municipal Securities	2.00%	506,085.00	-	-	-	-	506,085.00	\$ 490,400.00	(15,685.00)
UBS	New York City Transit - NY	Municipal Securities	1.71%	-	905,324.12	-	-	-	905,324.12	880,006.40	(25,317.72)
UBS	Chino CA PUB FING AUT	Municipal Securities	2.55%	-	517,520.06	-	-	-	517,520.06	511,885.00	(5,635.06)
				13,395,334.63	5,861,381.16	(5,861,381.16)	0.00	33,277.64	13,428,612.27	13,316,162.00	(112,450.27)
4 M	4M General Account	Money market	0.02%	\$ 1,573.26	\$ -	\$ -	\$ -	\$ -	\$ 1,573.26	1,573.26	\$ -
4 M	4MP General Account	Money market	0.05%	3,430.37	-	-	-	-	3,430.37	3,430.37	-
				5,003.63	-	-	-	-	5,003.63	5,003.63	-
Anchor/Old National Bank	General	Checking	0.03%	6,233,764.01	3,939,420.77	(6,431,130.15)	-	443.25	3,742,497.88	3,742,497.88	-
Anchor/Old National Bank	Motor Vehicle	Checking	0.03%	331,100.80	10,381,972.06	(10,253,005.15)	-	34.71	460,102.42	460,102.42	-
Anchor/Old National Bank	City Hall Credit Card	Checking	0.03%	72,961.52	109,792.36	(113,643.71)	-	5.29	69,115.46	69,115.46	-
Anchor/Old National Bank	Wine and Spirits	Checking	0.03%	307,123.30	498,119.66	(491,968.18)	-	22.05	313,296.83	313,296.83	-
Anchor/Old National Bank	Bar and Grill	Checking	0.03%	43,359.28	457,485.29	(166,329.07)	-	11.05	334,526.55	334,526.55	-
Wells Fargo	Liquor Credit Card Account	Checking	0.00%	158,906.84	293,103.48	(281,919.06)	-	-	170,091.26	170,091.26	-
Anchor/Old National Bank	Sweep	Money market	0.00%	50,574.19	-	-	-	4.56	50,578.75	50,578.75	-
Old National Bank	ATM	Checking	0.03%	7,044.40	94,828.75	(20,000.00)	-	2.71	81,875.86	81,875.86	-
Petty Cash/ATM	Liquor ATM	Petty Cash/ATM	N/A	21,999.69	90,080.00	(93,820.00)	-	-	18,259.69	18,259.69	-
Petty Cash/ATM	Petty Cash	Petty Cash/ATM	N/A	7,312.99	-	(239.33)	-	-	7,073.66	7,073.66	-
Petty Cash/ATM	Change Fund	Petty Cash/ATM	N/A	50.00	-	-	-	-	50.00	50.00	-
				7,234,197.02	15,864,802.37	(17,852,054.65)	-	523.62	5,247,468.36	5,247,468.36	-
Total Cash and Investments				\$ 20,634,535.28	\$ 21,726,183.53	\$ (23,713,435.81)	\$ 0.00	\$ 33,801.26	\$ 18,681,084.26	\$ 18,568,633.99	\$ (112,450.27)
				\$ 20,634,535.28							

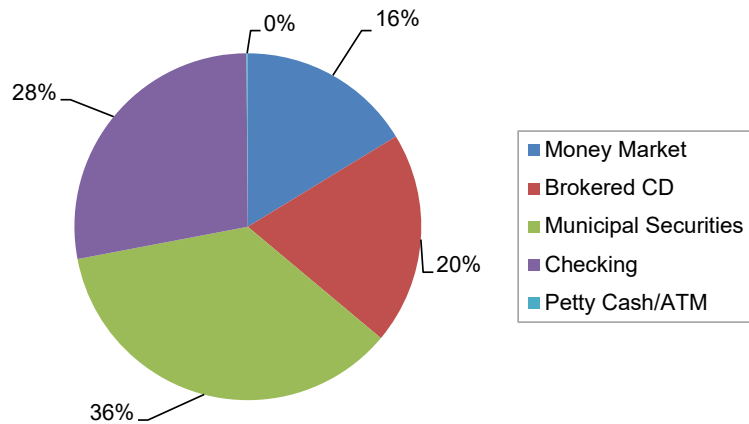
O/S Deposits 398,582.82
O/S Checks (588,913.14)
Cash Balance \$ 18,378,303.67

City of Wayzata, Minnesota
Investments
For the Month Ending December 31, 2020

Maturities



Maturity	Unadjusted Market Value 3/31/2021	Market Value 3/31/2021	Variance 3/31/2021
Current	\$ 8,221,724.86	\$ 8,221,190.34	\$ (534.52)
< 1 year	3,902,347.19	3,882,502.66	(19,844.53)
1-2 years	766,822.55	761,973.37	(4,849.18)
2-3 years	1,035,950.38	1,028,631.47	(7,318.91)
3-4 years	1,224,073.80	1,213,493.40	(10,580.40)
5+ years	3,530,165.48	3,460,842.75	(69,322.73)
	<u>\$ 18,681,084.26</u>	<u>\$ 18,568,633.99</u>	<u>\$ (112,450.27)</u>
Weighted Average Rate of Return	1.23%	3/31/2021	
Average Maturity (years)	2.42	3/31/2021	



Investment Type	Market Value 3/31/2021
Money Market	\$ 3,024,300.73
Brokered CD	3,677,921.20
Savings	-
Government Securities	-
Municipal Securities	6,669,522.45
Checking	5,171,506.26
Petty Cash/ATM	25,383.35
	<u>\$ 18,568,633.99</u>
Operating Account	
O/S Deposits	\$ 398,582.82
O/S Checks	(588,913.14)
	<u>Reconciled Balance</u>
	<u>\$ 18,378,303.67</u>

CITY OF WAYZATA, MINNESOTA
SUMMARY OF OPERATIONS - WWS SCORECARD

2021

Measurable	Year	Budget Goal	January	February	March	April	May	June	July	August	September	October	November	December	Total thru 3/31/21
Sales	2021	\$ 3,339,150	\$ 224,780	\$ 216,087	\$ 231,225										\$ 672,092
Sales	2020	\$ 3,416,194	\$ 174,733	\$ 193,839	\$ 265,418										\$ 633,990
Gross profit	2021	\$ 1,088,071	\$ 62,581	\$ 55,060	\$ 62,240										\$ 179,880
Gross profit	2020	\$ 905,514	\$ 35,261	\$ 65,568	\$ 71,394										\$ 172,224
Gross profit %	2021	32.6%	27.8%	25.5%	26.9%										26.8%
Gross profit %	2020	26.5%	20.2%	33.8%	26.9%										27.2%
Personnel costs	2021	\$ 443,612	\$ 31,495	\$ 33,885	\$ 34,349										\$ 99,729
Personnel costs	2020	\$ 377,447	\$ 30,228	\$ 30,324	\$ 31,959										\$ 92,511
Personnel as % of sales	2021	13.3%	14.01%	15.7%	14.9%										14.8%
Personnel as % of sales	2020	11.0%	17.3%	15.6%	12.0%										14.6%
Operating exp as % of sale	2021	6.6%	14.1%	13.0%	15.7%										26.7%
Operating exp as % of sale	2020	10.3%	17.5%	13.7%	10.3%										35.8%
Liquor turnover	2021		3.76	3.78	3.84										3.80
Wine turnover	2021		3.68	3.61	3.51										3.60
Beer turnover	2021		11.46	11.59	11.44										11.50
Misc	2021		5.68	5.80	6.11										5.86
Total Inventory Turn	2021	5.2	4.5	4.4	4.4										4.4
Total Inventory Turn	2020	4.7	4.5	4.4	4.5										4.5
Net income before transfers	2021		\$ 13,146	\$ 6,720	\$ 5,258	\$ (578,044)	\$ (2,958)	\$ (2,958)	\$ (2,958)	\$ (2,958)	\$ (2,958)	\$ (2,958)	\$ (2,958)	\$ (2,958)	\$ 25,123
Net income before transfers	2020		\$ (14,618)	\$ 19,570	\$ 23,075	\$ 13,169	\$ 34,065	\$ 40,732	\$ 35,372	\$ 46,638	\$ 21,640	\$ 27,425	\$ 15,093	\$ 46,724	\$ 28,027
Net income after transfers	2021	\$ 412,054	\$ (1,603)	\$ (8,029)	\$ (9,491)	\$ (592,793)	\$ (17,707)	\$ (17,707)	\$ (17,707)	\$ (17,707)	\$ (17,707)	\$ (17,707)	\$ (17,707)	\$ (17,707)	\$ (19,124)
Net income after transfers	2020	\$ 308,886	\$ (26,563)	\$ 7,625	\$ 11,130	\$ 1,224	\$ 22,120	\$ 28,787	\$ 23,427	\$ 34,693	\$ 9,695	\$ 15,480	\$ 3,148	\$ 34,779	\$ (7,808)
Net income %	2021	12.34%	-0.71%	-3.72%	-4.10%										-2.85%
Net income %	2020	9.04%	-15.20%	3.93%	4.19%										-1.23%
Average ticket amount	2021		\$ 38.05	\$ 39.16	\$ 37.50										\$ 38.24
Average ticket amount	2020		\$ 30.43	\$ 30.93	\$ 32.70										\$ 31.35
Customer counts	2021		5,997	5,633	6,315										17,945
Customer counts	2020		5,620	5,823	6,745										18,188