

**CITY OF WINDOM - ECONOMIC DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE  
CITY OF WINDOM, MINNESOTA)**

**FINANCIAL STATEMENT**

**DECEMBER 31, 2020**

**CITY OF WINDOM - ECONOMIC DEVELOPMENT AUTHORITY  
TABLE OF CONTENTS  
DECEMBER 31, 2020**

<b>ACCOUNTANTS' COMPILATION REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENT</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>2</b>
<b>NOTES TO FINANCIAL STATEMENT</b>	<b>3</b>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
City of Windom - Economic Development Authority  
Windom, Minnesota

Management is responsible for the accompanying financial statement of the City of Windom - Economic Development Authority (EDA ) (a component unit of the City of Windom, Minnesota), as of December 31, 2020, and related notes to the financial statements, 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 statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

Accounting principles generally accepted in the United States of America require that land and buildings be stated at cost. Management has informed us that the EDA has stated its property held for resale (land and buildings) at appraised value and that if accounting principles generally accepted in the United States of America had been followed, the fund balance would have been decreased by \$1,263,937.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures 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.

This report is intended solely for the information and use of the Mayor, City Council, management, others within the organization of the City of Windom, Minnesota, and other financing organizations, and is not intended to be, and should not be, used by anyone other than the specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Rochester, Minnesota  
June 23, 2021

**CITY OF WINDOM - ECONOMIC DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE CITY OF WINDOM, MINNESOTA)  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020  
(SEE ACCOUNTANTS' COMPILATION REPORT)**

**ASSETS**

Cash and Cash Equivalents	\$ 690,260
Accounts Receivable	20,756
Loans Receivable	118,944
Property Held for Resale	<u>2,756,165</u>
Total Assets	<u><u>\$ 3,586,125</u></u>

**LIABILITIES AND FUND BALANCE**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 5,557
Current Portion of Long-Term Debt	203,708
Unearned Revenue	21,602
Customer Deposits	<u>8,403</u>
Total Current Liabilities	239,270

**LONG-TERM LIABILITIES**

Notes Payable	1,696,985
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**FUND BALANCE**

Total Fund Balance	<u>1,649,870</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,586,125</u></u>

See accompanying Notes to Financial Statements.

**CITY OF WINDOM - ECONOMIC DEVELOPMENT AUTHORITY  
(A COMPONENT UNIT OF THE CITY OF WINDOM, MINNESOTA)  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2020  
(SEE ACCOUNTANTS' COMPILATION REPORT)**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Economic Development Authority (EDA) is a component unit of the City of Windom, Minnesota and encompasses the following funds: Economic Development Fund, North Industrial Park Fund, River Bluff Estates Fund, River Bluff Estates Revolving Loan Fund, EDA Revolving Loan Fund, PM Revolving Loan Fund, SCDP Revolving Loan Fund, and the River Bluff Estates Townhomes Fund. These funds are special revenue funds with the exception of the River Bluff Townhomes Fund, which is an enterprise fund.

**Financial Statement Presentation**

The financial statement has been prepared by management at current-value to present relevant financial information that is not provided at historical cost in the financial statement and is not intended to be a presentation in conformity with the accounting principles generally accepted in the United States of America. In addition, the supplemental current-value information in Note 2 does not support the net realizable, liquidation or market value of the EDA as a whole. Furthermore, the amount ultimately realized by the EDA from the disposal of the properties may vary significantly from the current values presented.

**Subsequent Events**

In preparing the financial statement, the EDA has evaluated events and transactions for potential recognition or disclosure through June 23, 2021, the date the financial statement was issued.

**NOTE 2 APPRAISED VALUE OF LAND AND BUILDINGS**

The current values of the land and buildings are based on appraisals, market values of real estate, tax settlements, and in consultation with city officials and real estate agents. The estimated current value of land and buildings is as follows:

Windom Industrial Park		
Tract C of Lot 5, Block 2	\$	23,200
Lot 6, Block 2 - EDA Spec. Bldg.		679,400
North Windom Industrial Park		
Phase I - Available: 19.05 Acres - Subdivided Into 4 Lots		110,081
Phase II - Available: 35.78 Acres		457,984
River Bluff Townhomes		1,288,000
River Bend Center		
South Parcel - Parcel 3		195,000
Block 18, Original Town Site, Lots 18 and 19		2,500
Total	<u>\$</u>	<u>2,756,165</u>

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**NOTE 3 LONG-TERM DEBT**

The EDA has the following notes payable as of December 31, 2020:

<u>Property or Fund</u>	<u>Payable to</u>	<u>Amount</u>
Economic Development - Spec Building II	Fulda Area Credit Union	\$ 201,103
River Bluff Townhomes	Bank of the West	245,143
River Bluff Townhomes	GMHF	146,142
River Bluff Townhomes	MHFA	353,305
GO Equipment Bonds, Series 2013B	Bond Trust Services Corporation	70,000
GO Improvement Bonds, Series 2018A	Bond Trust Services Corporation	885,000
Total		<u>\$ 1,900,693</u>

Payment terms and maturities differ by individual note based on the type of property secured.