

# City of Chatfield, Minnesota

## Continuing Disclosure Report

Year Ending:  
December 31, 2022

Dated:  
July 18, 2023

Base CUSIP Number:  
161807



**DDA**

David Drown Associates, Inc.  
Public Finance Advisors

Minneapolis Office:  
5029 Upton Avenue South  
Minneapolis, MN 55410  
612-920-3320 (phone); 612-605-2375 (fax)  
[www.daviddrown.com](http://www.daviddrown.com)

FINAL OFFICIAL STATEMENT DATED JUNE 27, 2023

New Issue  
Dated Date: July 12, 2023

S & P Global Ratings – AA

**\$2,200,000\***

**City of Chatfield, Minnesota**

**General Obligation Bonds, Series 2023A**

**Schedule of Maturity Dates, Principal Amounts, and Interest Rates:**

The bonds will mature February 1 as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>CUSIP</u>
2024	\$ 15,000	4.000%	100.378	161807 RV6
2025	145,000	4.000%	101.276	161807 RW4
2026	150,000	4.000%	102.438	161807 RX2
2027	160,000	4.000%	103.858	161807 RY0
2028	165,000	4.000%	105.094	161807 RZ7
2029	170,000	4.000%	106.395	161807 SA1
2030	175,000	4.000%	107.447	161807 SB9
2031	185,000	4.000%	108.471	161807 SC7
2032	190,000	4.000%	108.471	161807 SD5
2033	200,000	4.000%	107.763	161807 SE3
2034	205,000	4.000%	106.712	161807 SF0
2035	215,000	4.000%	105.672	161807 SG8
2036	225,000	4.000%	104.644	161807 SH6

\*Issue was downsized from Preliminary Official Statement.

**Optional Redemption**

Bonds maturing on or after February 1, 2032 are callable on February 1, 2031, or any date thereafter at a price of par plus accrued interest. Bonds are issued and callable in multiples of \$5,000.

**Underwriter**

Robert W. Baird & Co., Inc. has agreed to purchase the Bonds from the City for an aggregate price of \$2,310,114.90, plus accrued interest to the date of delivery. It is expected that the Bonds will be available for delivery on or about July 12, 2023. Northland Trust Services, Inc., Minneapolis, Minnesota, will act as pay agent/registrars for this issue.

*WITH RESPECT TO THE BONDS, THIS IS DEEMED THE "FINAL OFFICIAL STATEMENT" OF THE CITY AS DEFINED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.*



PRELIMINARY OFFICIAL STATEMENT June 2, 2023

New Issue

S & P Global Ratings: Rating Requested

*In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, and assuming compliance with certain covenants, if the Bonds are issued as tax-exempt bonds, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and is not an item of tax preference for federal or Minnesota alternative minimum tax purposes; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. Such interest is not included in taxable income for purposes of the Minnesota franchise tax on corporations and financial institutions. See "Taxability of Interest" herein.*

**\$2,300,000**

**City of Chatfield, Minnesota**

**General Obligation Bonds, Series 2023A**

**PURPOSE/AUTHORITY:** The \$2,300,000 General Obligation Bonds, Series 2023A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 115, 444, 469, and 475 to finance the City's 2023 Street Improvement Project (the "Project"). The Bonds will be general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City pledges water revenues from the City water utility and tax abatements from benefitted properties.

**BID & AWARD:** Monday, June 26, 2023, 11:30 a.m. Central; Award 7:00 P.M. Central.

**DATED DATE:** July 12, 2023

**MATURITY:** The Bonds will mature February 1 as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$ 15,000	2031	\$ 195,000
2025	160,000	2032	200,000
2026	165,000	2033	205,000
2027	170,000	2034	210,000
2028	175,000	2035	215,000
2029	180,000	2036	225,000
2030	185,000		

**INTEREST:** February 1, 2024, and each August 1 and February 1 thereafter.

**MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each.

**CALL DATE:** February 1, 2031

**MINIMUM BID:** \$2,277,000.00 (99.0%)

**TAX STATUS:** Tax-exempt, bank-qualified

**GOOD FAITH DEPOSIT:** \$46,000, paid by winning bid prior to 3:00 p.m. on day of sale

**CLOSING/ DELIVERY:** On or about July 12, 2023.

*The Bonds are offered, subject to prior sale, withdrawal or modification, when, as and if issued and subject to receipt of an approving legal opinion of Taft Stettinius & Hollister LLP, Bond Counsel, Minneapolis, Minnesota. This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.*

## **COMPLIANCE WITH S.E.C. RULE 15c2-12**

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

## **PRELIMINARY OFFICIAL STATEMENT**

This Preliminary Official Statement was prepared for the Issuer for dissemination to potential customers. The primary purpose of the Preliminary Official Statement is to disclose information regarding the Obligations to prospective underwriters in the interest of receiving competitive bids in accordance with the sale notice contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the "Near Final Official Statement."

## **REVIEW PERIOD**

This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the Issuer as well as to prospective bidders for an objective review of its disclosure. Comments or omissions or inaccuracies must be submitted to David Drown Associates, Inc. (the "Municipal Advisor") at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received from an underwriter. If there are changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum at least one business day prior to the sale.

## **FINAL OFFICIAL STATEMENT**

Upon award of sale of the Obligations, the legislative body will authorize the preparation of an addendum to the Preliminary Official Statement that includes the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the Syndicate Manager and Syndicate Members. This addendum, together with any previous addendum of corrections or additions to the Preliminary Official Statement shall be deemed the complete Final Official Statement. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the bid acceptance.

## **REPRESENTATIONS**

No dealer, broker, salesperson or other person has been authorized by the Issuer to give any information or to make any representations, other than those contained in the Preliminary Official Statement. This Preliminary Official Statement does not constitute any offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto was prepared relying on information of the Issuer and other sources and, while believed to be reliable, is not guaranteed as to completeness or accuracy.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Municipal Advisor, payable entirely by the Issuer, is contingent upon the sale of the issue.

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## CITY OF CHATFIELD, MINNESOTA

### City of Chatfield City Council

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John McBroom	Mayor	2024
Paul Novotny	Vice-Mayor	2026
Pam Bluhm	Council Member	2024
Josh Broadwater	Council Member	2024
Dave Frank	Council Member	2024
Mike Urban	Council Member	2026

### Administration

Joel Young	City Administrator	Appointed
Kay Wangen	Finance Director/Treasurer	Appointed

### Bond Counsel

Taft Stettinius & Hollister, LLP  
Minneapolis, MN

### Municipal Advisor

David Drown Associates, Inc.  
Minneapolis, MN

## INTRODUCTORY SUMMARY OF THE PRELIMINARY OFFICIAL STATEMENT

*The following information is furnished solely to provide limited introductory information regarding the \$2,300,000 General Obligation Bonds, Series 2023A, of City of Chatfield, Minnesota and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the detailed descriptions appearing in this Preliminary Official Statement, including the appendices hereto.*

Issuer:	City of Chatfield, Minnesota					
Sale Date & Time:	Monday, June 26, 2023, 11:30 A.M. Central					
Award Date & Time:	Monday, June 26, 2023; 7:00 P.M. Central					
Dated Date:	July 12, 2023					
Interest Payments:	February 1, 2024, and each August 1 and February 1 thereafter to registered owners of the Bonds appearing of record in the bond register on the fifteenth day (whether or not a business day) of the month prior (the “Record Date”).					
Principal Payments:	February 1 in the years and amounts as follows:					
	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
	2024	\$ 15,000	2029	\$ 180,000	2034	\$ 210,000
	2025	160,000	2030	185,000	2035	215,000
	2026	165,000	2031	195,000	2036	225,000
	2027	170,000	2032	200,000		
	2028	175,000	2033	205,000		
Rating:	The City <i>has</i> requested a S & P Global Ratings rating on This Issue.					
Maturity Adjustments:	The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each.					
Continuing Disclosure:	Full continuing disclosure					
Security:	General Obligation pledge of the City’s ad valorem taxes. In addition, the City pledges water revenues from the City water utility and tax abatements from benefitted properties					
Purpose:	Proceeds will finance the costs of the City’s 2023 Street Improvement Project.					
Authority:	Minnesota Statutes, Chapters 115, 444, 469, and 475					
Optional Redemption:	Bonds are callable on February 1, 2031.					
Tax Status:	Tax-exempt, bank-qualified					
Legal Opinion:	Taft Stettinius & Hollister, LLP, Minneapolis, Minnesota					
Municipal Advisor:	David Drown Associates, Inc., Minneapolis, Minnesota					
Closing/Delivery:	On or about July 12, 2023.					

*Questions regarding the Bonds or the Preliminary Official Statement can be directed to and additional copies of the Preliminary Official Statement and the City’s audited financial reports can be obtained from the City’s Municipal Advisor David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, MN 55410 (612-920-3320).*

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## TERMS OF OFFERING

City of Chatfield, Minnesota

\$ 2,300,000

General Obligation Bonds, Series 2023A

(BOOK ENTRY ONLY)

### TERMS OF PROPOSAL

Proposals for the Bonds will be received on Monday, June 26, 2023 at 11:30 A.M. Central Time, at the offices of David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota, after which time they will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 7:00 P.M., Central Time, on that same date.

### SUBMISSION OF PROPOSALS

Proposals may be submitted in a sealed envelope or by fax (612) 605-2375 to David Drown Associates, Inc. Signed Proposals, without final price or coupons, may be submitted to David Drown Associates, Inc. prior to the time of sale. The bidder shall be responsible for submitting to David Drown Associates, Inc. the final Proposal price and coupons, by telephone (612) 920-3320 or fax (612) 605-2375 for inclusion in the submitted Proposal. David Drown Associates, Inc. will assume no liability for the inability of the bidder to reach David Drown Associates, Inc. prior to the time of sale specified above.

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 11:30 A.M., CST, on June 26, 2023. Bids may be submitted electronically via PARITY® pursuant to this Notice until 11:30 A.M., CST, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact David Drown Associates, Inc. or PARITY® at (212) 806-8304.

Neither the City of Chatfield nor David Drown Associates, Inc. assumes any liability if there is a malfunction of PARITY. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner of the Proposal submitted.

### DETAILS OF THE BONDS

The Bonds will be dated July 12, 2023, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2024. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Bonds will mature February 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$ 15,000	2031	\$ 195,000
2025	160,000	2032	200,000
2026	165,000	2033	205,000
2027	170,000	2034	210,000
2028	175,000	2035	215,000
2029	180,000	2036	225,000
2030	185,000		

## **TERM BOND OPTION**

Bids for the bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

## **BOOK ENTRY SYSTEM**

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

## **REGISTRAR**

The City will name Northland Trust Services, Inc., Minneapolis, MN, as registrar for the Bonds. Northland Trust Services, Inc. shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

## **OPTIONAL REDEMPTION**

The City may elect on February 1, 2031 and on any day thereafter, to prepay Bonds due on or after February 1, 2032. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

## **SECURITY AND PURPOSE**

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City pledges water revenues from the City water utility and tax abatements from benefitted properties.

## **TYPE OF PROPOSALS**

Proposals shall be for not less than \$2,277,000 (99.0%) and accrued interest on the total principal amount of the Bonds. Proposals shall be accompanied by a Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of \$46,000 payable to the order of the City. If the good faith wire transfer is not in process prior to the award, the City shall retain the right to reject the bid. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 5/100 or 1/8 of 1%. Rates must be in ascending order. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

## AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a net interest cost (NIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. The City will reserve the right to waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, reject all proposals without cause, and reject any proposal, which the City determines to have failed to comply with the terms herein.

## MATURITY ADJUSTMENTS

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

## ISSUE PRICE DETERMINATION

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Purchaser has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by David Drown Associates, Inc.

The City intends that the sale of the Bonds pursuant to this Terms of Offering shall constitute a "competitive sale" as defined in the Regulation based on the following:

- i. the City shall cause this Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- ii. all bidders shall have an equal opportunity to submit a bid;
- iii. the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- iv. the City anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest net interest cost, as set forth in this Terms of Offering (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all requirements of a "competitive sale" are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the City and David Drown Associates, Inc. if a "substantial amount" (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The City will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly

described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and David Drown Associates, Inc. the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the City and David Drown Associates, Inc. notified of such prices not later than three (3) business days prior to the closing date.

### **BOND INSURANCE AT PURCHASER'S OPTION**

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the underwriter, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any other rating agency fees shall be the responsibility of the purchaser. Failure of the municipal bond insurer to issue the policy after Bonds have been awarded to the purchaser shall not constitute cause for failure or refusal by the purchaser to accept delivery on the Bonds.

### **CUSIP NUMBERS**

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The purchaser shall pay the CUSIP Service Bureau charge for the assignment of CUSIP identification numbers.

### **SETTLEMENT**

Within 40 days following the date of their award, the Bonds will be delivered without cost to the purchaser at a place mutually satisfactory to the City and the purchaser. Delivery will be subject to receipt by the purchaser of an approving legal opinion of bond counsel, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Except as compliance with the terms of payment for the Bonds shall have been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

### **FULL CONTINUING DISCLOSURE**

On the date of the actual issuance and delivery of the Bonds, the City will execute and deliver a Continuing Disclosure Undertaking where under the City will covenant to provide, or cause to be provided, annual financial information, including audited financial statements of the City, and notices of certain material events, as specified in and required by SEC Rule 15c2-12(b)(5).

### **OFFICIAL STATEMENT**

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor to the City, David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, Minnesota 55410, and telephone (612) 920-3320.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior

managing underwriter of the syndicate to which the Bonds are awarded 5 copies of the Official Statement and the addendum or addenda described above. The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated: May 22, 2023

BY ORDER OF THE CITY COUNCIL

/s/ Joel Young  
City Administrator

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# OFFICIAL STATEMENT

## CITY OF CHATFIELD, MINNESOTA

### \$2,300,000 GENERAL OBLIGATION BONDS, SERIES 2023A

#### INTRODUCTION

This Preliminary Official Statement provides information relating to the issuance of, \$2,300,000 General Obligation Bonds, Series 2023A (the "Bonds") by City of Chatfield, Minnesota (the "City".) This Preliminary Official Statement has been executed on behalf of the City and may be distributed in connection with the sale of Bonds authorized therein.

Inquiries may be made to David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, MN 55410 or by telephoning (612) 920-3320. Information can also be obtained from Mr. Joel Young, City Administrator or Ms. Kay Wangen, City Finance Director, City of Chatfield; 21 Second Street SE, City of Chatfield, MN 55923-1204 or by telephoning (507) 867-3810.

#### Full Continuing Disclosure

In order to comply with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") the City will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Bonds. Through the Undertaking, the City covenants and agrees to provide certain annual financial and operating information about the City and to provide notice of the occurrence of certain material events. This information shall be provided according to the time parameters described in the Undertaking and to the information repositories and the Municipal Securities Rulemaking Board as required by the Rule. The specific provisions of the Undertaking are set forth in the Continuing Disclosure Certificate (the "Certificate") in substantially the form attached hereto as Appendix C. The Certificate will be executed and delivered by the City at the time the Bonds are delivered. The City is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

The City has complied in all material respects with any previous undertaking under the Rule. Appendix E contains information on filings that can be found on the EMMA website.

#### Authority and Purpose

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 115,444, 469, and 475 and will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes.

The proceeds will be used to finance the City's 2023 Street Improvement Project.

#### Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Par Amount of the Bonds	\$ 2,300,000	Project Costs	\$ 2,200,239
Construction Fund Earnings	<u>6,522</u>	Underwriter's Discount (1.00%)	23,000
		Capitalized Interest	34,883
		Issuance & Legal	<u>48,400</u>
Totals	\$ 2,306,522		\$ 2,306,522

## Payment and Security

The Bonds are a general obligation of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount. In addition, the City pledges water revenues from the City water utility and tax abatements from benefitted properties.

## Optional Redemption

The City may elect on February 1, 2031 and on any day thereafter, to prepay Bonds due on or after February 1, 2032. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Redemption will be made by giving 30 days' notice by registered mail, to the registered owner of the Bond. All prepayments shall be at a price of par plus accrued interest to the date of call.

## Rating

The City *has* requested a rating on this issue from S & P Global Ratings. Such a rating, when received, will reflect only the view of the rating agency and any explanation of the significance of such rating may only be obtained from S & P Global Ratings. There is no assurance that such rating, if and when received, will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## Taxability of Interest

At closing, Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion based upon present federal and State of Minnesota laws (which excludes any pending legislation which may have a retroactive effect), regulations, ruling and decisions, to the following effect:

1. **Gross Income:** the Bonds, as of their date of issuance, bear interest which is not includable in gross income of the recipient for federal income tax purposes or in taxable net income of individuals, trust and estates for Minnesota income tax purposes, but such interest is includable in taxable income of corporations and financial institutions for purposes of Minnesota franchise tax.
2. **Alternative Minimum Tax:** interest on the Bonds is not an item of tax preference which is included in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to individuals or the Minnesota alternative minimum tax imposed on individuals, trusts and estates; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022.
3. **Compliance:** the above opinions are subject to the condition that the Issuer complies with all applicable federal tax requirements that must be satisfied subsequent to the issuance of the Bonds. FAILURE TO COMPLY WITH CERTAIN OF SUCH REQUIREMENTS MAY CAUSE THE INCLUSION OF INTEREST ON THE BONDS IN FEDERAL GROSS INCOME AND IN MINNESOTA TAXABLE NET INCOME RETROACTIVE TO THE DATE OF ISSUANCE OF THE BONDS.

No opinion will be expressed by Bond Counsel regarding other federal or state tax consequences arising with respect to the Bonds. See the form of opinion in Appendix B.

## Other Federal Tax Considerations

**Property and Casualty Insurance Companies** Property and casualty insurance companies are required by federal tax law for taxable years beginning after January 31, 1986, to reduce the amount of their loss reserve deduction by 15% of the amount of tax-exempt interest received or accrued during the taxable year on certain obligations acquired after August 7, 1986, including interest on the Bonds.



Foreign Insurance Companies Foreign companies carrying on an insurance business in the United States are subject to a federal tax on income which is effectively connected with their conduct of any trade or business in the United States. Such income includes tax-exempt interest.

Branch Profits Tax Foreign corporations are subject to a federal "branch profits tax" equal to 30% of the "dividend equivalent amount" for the taxable year. The "dividend equivalent amount" is the foreign corporation's "effectively connected earnings and profits", including tax-exempt municipal bond interest.

Passive Investment Income of S Corporations Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Internal Revenue Code of 1986, as amended, for S corporations that have Subchapter C earnings and profits at the close of the taxable year if more than 25% of the gross receipts of such S corporations is passive investment income.

Financial Institutions For federal income tax purposes, financial institutions are unable to deduct any portion of the interest expense allocable to the ownership of certain tax-exempt obligations acquired after August 7, 1986, including the Bonds but for their designation as qualified tax-exempt obligations. See "Qualified Tax-Exempt Obligations" below.

Social Security and Railroad Retirement Benefits Certain recipients of social security benefits and railroad retirement benefits are required to include a portion of such benefits within gross income by reason of receipt of interest on tax-exempt obligations, including the Bonds.

Exclusion Not Constitutionally Required The United States Supreme Court ruled in 1988 that the exclusion from gross income of interest on state and local bonds is not required by the United States constitution. The Constitution of the State of Minnesota likewise does not require the exclusion from gross income or taxable net income of interest on bonds of Minnesota issuers. Hence, future federal and/or state laws could cause the inclusion of interest on bonds, including the Bonds, in gross income or taxable net income, or could otherwise cause such interest to be taxed or to be included in the calculation of other income which is taxed.

General The above is not a comprehensive list of all federal or state tax consequences which may arise from the receipt or accrual of interest on the Bonds. The receipt or accrual of interest on the Bonds may otherwise affect the federal or state income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

## COVID-19

In late 2019 a novel strain of coronavirus emerged. COVID-19, as it is known, was declared a worldwide pandemic on March 11, 2020 by the World Health Organization. The response of the United States government, state governments and local governments has been to implement social distancing orders in order to limit the spread of COVID-19.

On March 13, 2020, the Governor of the State of Minnesota (the "Governor") signed Emergency Executive Order 20-01, declaring a peacetime emergency due to the pandemic. This Executive Order was extended on April 13, 2020 and again on May 13, 2020. The Executive Order put in place and extended the stay-at-home order to continue the closing of bars, restaurants and other public gathering places and businesses. This is the "Stay Safe Order".

On April 23, 2020, the Governor signed Executive Order 20-41 directing the Distance Learning Period for Minnesota school students to be extended through the end of the 2019/20 school year. On April 30, the Governor signed Executive Order 20-48 which extended and modified the Stay Safe Order through May 17, 2020.



Effective May 18, Executive Order 20-55 encourages Minnesotans to stay close to home but allows gatherings of friends and family of 10 people or less, if proper social distancing measures—like staying six feet apart and wearing a mask—are taken. The order also further opens retail stores and other Main Street businesses if they have a preparedness plan and operate at 50 percent occupancy.

Executive Order 20-74 was signed on June 5, 2020 and outlines the guidelines for continuing to safely reopen Minnesota's economy and ensuring safe non-work activities during the COVID-19 emergency. Effective as of June 10, 2020 the guidelines continue to lift restrictions that were identified in prior Executive Orders.

Executive Order 20-81 was signed on July 22, 2020. This Order requires people to wear a face covering in certain settings across Minnesota to prevent the spread of COVID-19. This EO is effective July 25, 2020 and rescinds paragraph 3 of Emergency EO 20-74 which recommended the wearing of face coverings and masks.

On November 10, 2020, Executive Order 20-96 was signed by the Minnesota governor. This EO outlines statewide regulations for social gatherings, celebrations and receptions, as well as entertainment/food/beverage venues.

On January 13, 2021, the Minnesota governor signed EO 21-04. This EO extends the Peacetime Emergency within the State of Minnesota through February 12, 2021.

The full impact of COVID-19 cannot be predicted by the City/County and they make no representations as to the impact on future financial positions and operations.

### **Details of Certain Terms**

So long as the Book-Entry Only System is used, payments from Cede & Co., as the Record Holder, to the Beneficial Owners shall be governed by the Book-Entry Only System. If the Book-Entry Only System is discontinued, the principal of and premium, if any, on the Bonds will be payable upon presentation and surrender at the offices of the Paying Agent and Registrar or a duly appointed successor. Interest on the Bonds will be paid by check or draft mailed by the Bond Registrar to the registered holders thereof as such appear on the registration books maintained by the Bond Registrar as of the close of business on the fifteenth day (whether or not a business day) of the month prior to the interest payment date (the "Record Date").

### **Original Issue Discount**

Original Issue Discount Bonds ("OID Bonds") may be sold at initial public offering prices which are less than the principal amounts payable at maturity. For each maturity of OID Bonds, original issue discount is the excess of the stated redemption price at maturity of such Bonds over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Bonds are sold. The appropriate portion of such original issue discount allocable to the original and each subsequent holder will be treated as interest and excluded from gross income for federal income tax purposes and will increase a holders' tax basis in such Bonds for purposes of determining gain or loss upon sale, exchange, redemption, or payment at maturity. Owners of such Bonds should consult their own tax advisors with respect to the computation and determination of the portion of original issue discount which will be treated as interest and added to a holder's tax basis during the period such Bonds are held.

### **Original Issue Premium**

Original Issue Premium Bonds ("Premium Bonds") may be sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Premium Bonds should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

### **Term Bond Option**

Bids for the bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds; provided that no serial bond may mature on or after the first mandatory sinking fund redemption date of any term

bond. All term bonds shall be subject to mandatory sinking fund redemption and must conform to the maturity schedule set forth above at a price of par plus accrued interest to the date of redemption. In order to designate term bonds, the bid must specify as provided on the Proposal Form.

### Bank-qualified Tax-Exempt Obligations

The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the federal Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes interest expense that is allocable to carrying and acquiring tax-exempt obligations. “Qualified tax-exempt obligations” are treated as acquired by the financial institution before August 8, 1986. Interest allocable to such obligations remains subject to the 20% disallowance contained in prior law.

### Book Entry System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered certificate will be issued for each maturity of the Obligations, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York State Banking Law, a “banking organization” within the meaning of the New York State Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York State Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-sale settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust and Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporations, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporations (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchanges, Inc., the American Stock Exchanges LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its Direct and Indirect Participants are on files with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Obligations, except in the event that use of the book entry system for the Obligations is discontinued or as an option upon the transfer of an entire maturity.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Obligations may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the security documents. Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices for the Obligations shall be sent to Cede & Co. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issue or Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC (nor its nominee), the Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or other such nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, Issuer, or Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered. The information in this section concerning DTC and DTC's book entry-system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

## Litigation

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

## Future Financing

The City has no plans to issue further new General Obligation debt during the next six (6) months.

## Legality

The Bonds are subject to approval as to certain matters by Taft Stettinius & Hollister LLP of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has neither been engaged nor undertaken to prepare, opine on, examine or independently verify the accuracy of any portion of this Official Statement, including the financial, statistical or operational statements or data contained in this Official Statement and risks associated with the purchase of the Bonds, except for statements under "Taxability of Interest" herein that summarize certain provisions of the Internal Revenue Code of 1986, as amended, the Bonds and any opinion rendered by Bond Counsel. Bond Counsel has prepared the form of legal opinion attached hereto as "Appendix B – PROPOSED FORM OF LEGAL OPINION," and a legal opinion in substantially the form set out in Appendix B herein will be delivered at closing.

By expressing its opinion, Bond Counsel is expressing its professional judgment and does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the applicability of any such state and local taxes.

### **Municipal Advisor**

The City has retained David Drown Associates, Inc., Minneapolis, Minnesota, as Municipal Advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. In preparing the Preliminary Official Statement, the Municipal Advisor has relied upon governmental officials and other sources that have access to relevant information contained in the Preliminary Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken to independently verify, the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Preliminary Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### **Certification**

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. As of the date of the settlement of the Bonds, the Purchaser(s) will be furnished with a certificate signed by the appropriate officers of the City. The certificate will state that as of the date of the Preliminary Official Statement, it did not and does not as of the date of the certificate contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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## VALUATIONS – COUNTY AUDITOR

For full valuation, top ten taxpayers, tax rate, tax levy/collections information, please see the full County Auditor’s Certificate from both Fillmore and Olmsted Counties in Minnesota for taxes payable in 2023 found under Appendix A.

Unless noted otherwise, all information contained in the following sections is a combined total for the entire City – both the Fillmore County and Olmsted County portions.

## TRENDS IN VALUATIONS

### Trends in Valuations

<u>Year</u>	<u>Economic Market Value</u>	<u>Estimated Market Value</u>	<u>Taxable Market Value</u>	<u>Adjusted Net Tax Capacity</u>
2022/23	Not available	\$ 286,638,200	\$ 269,689,200	\$ 2,713,641
2021/22	\$ 271,277,579	244,346,700	225,284,900	2,272,427
2020/21	241,406,698	227,353,700	207,700,000	2,106,832
2019/20	236,252,544	222,478,000	203,104,900	2,048,744
2018/19	216,341,404	196,913,700	176,624,200	1,821,781
2017/18	194,759,441	180,026,400	159,361,500	1,665,609
2016/17	181,263,419	175,083,200	155,105,000	1,626,994

## CASH AND INVESTMENTS

*(as of April 30, 2023)*

<u>Fund</u>	<u>Cash/Investments</u>
General	\$ 671,651
Special	1,407,204
Debt Service	
GO Supported by Tax Levies	390,155
GO Supported by Assessment	109,103
GO Supported by Revenue	173,419
Capital/Capital Goods	2,040,628
Enterprise	958,115
Restricted	<u>43,141</u>
Total	\$ 5,793,415

## CITY INDEBTEDNESS

(as of 05/01/2023)

### Legal Debt Limit and Margin

Legal Debt Limit (3% of Estimated Market Value)	\$ 8,599,149
Less: Outstanding Debt Subject to Limit	<u>1,355,000</u>
 Legal Debt Margin as of 05/01/2023	 \$ 7,244,146

### General Obligation Debt Supported by Tax Levies

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
07/12/2023	\$ 1,020,000	Tax Abatement Portion, This Issue	02/01/2039	\$ 1,020,000
12/29/2022	750,000	Capital Improvements	02/01/2043	750,000
05/17/2019	225,000	Tax Abatement	02/01/2027	137,000
09/10/2018	4,400,000	Swimming Pool Project	02/01/2039	3,760,000
09/11/2017	457,000	Tax Abatement	02/01/2028	247,000
03/15/2016	875,000	CIP Refunding Portion of 2016A	02/01/2027	410,000
09/01/2014	905,000	Street Reconstruction Portion of 2014A	02/01/2025	<u>195,000</u>
 Total				 \$ 6,519,000

### General Obligation Debt Supported by Special Assessments

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
09/01/2014	\$ 235,000	Improvement Portion of 2014A	02/01/2025	\$ 50,000
05/01/2012	1,235,000	Improvement Crossover Refunding Portion	02/01/2029	<u>310,000</u>
 Total				 \$ 360,000

### General Obligation Debt Supported by Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
07/12/2023	\$ 350,000	Water Revenue Portion, This Issue	02/01/2036	\$ 350,000
07/12/2023	930,000	Disposal System Portion, This Issue	02/01/2036	930,000
06/13/2022	1,469,000	Utility Revenue	02/01/2043	1,439,000
09/11/2017	300,000	Water/Sewer Revenue	08/01/2027	135,000
12/15/2016	425,000	Water Revenue	02/01/2027	184,000
03/15/2016	4,535,000	Disposal System Refunding Portion of 2016A	02/01/2027	2,365,000
09/01/2014	585,000	Revenue Portion of 2014A	02/01/2025	130,000
05/01/2012	755,000	Utility Crossover Refunding Portion 2012A	02/01/2029	<u>235,000</u>
 Total				 \$ 5,768,000

### Summary of Direct Debt Including This Issue

	<u>Gross Debt</u>	Less: Debt <u>Funds</u>	Net <u>Direct Debt</u>
GO Debt Supported by Property Taxes	\$ 6,519,000	\$ 390,155	\$ 6,128,845
GO Debt Supported by Special Assessments	360,000	109,103	250,897
GO Debt Supported by Revenues	<u>5,768,000</u>	<u>173,419</u>	<u>5,594,581</u>
<b>Total</b>	<b>\$ 12,647,000</b>	<b>\$ 672,677</b>	<b>\$ 11,974,323</b>

### Overlapping Debt

<u>Taxing Unit *</u>	2022/23 <u>Tax Capacity</u>	% in <u>City</u>	Total <u>G.O. Debt</u>	City <u>Share</u>
Fillmore County	\$ 41,019,732	3.30%	\$ 510,000	\$ 16,806
Olmsted County	276,276,288	0.40%	162,400,000	643,818
School District – Fillmore County	5,115,489	47.84%	28,050,000	13,417,744
Olmsted County HRA	269,725,824	0.41%	430,000	<u>1,746</u>
<b>Total</b>				<b>\$ 14,080,114</b>

\* Includes only those jurisdictions with General Obligation debt outstanding and debt amounts as of 12/31/22.

### Debt Ratios

	Net <u>G.O. Debt</u>	Debt/Economic Market Value <u>\$ 271,277,579</u>	Debt per Capita <u>2,997</u>
Net Direct G.O. Debt*	\$ 6,379,742	2.35%	\$ 2,129
Net Direct and Overlapping GO Debt	20,459,856	7.54%	6,827

\* Excludes G.O. Debt supported by revenues, Revenue Debt

### Annual Debt Service Payments

<u>Year</u>	<b>GO Debt Supported by Assessments</b>		
	<u>Principal</u>	<u>Payment</u>	<u>% Retired</u>
2023	\$ -	\$ 4,439	0%
2024	115,000	122,561	32%
2025	100,000	105,045	60%
2026	70,000	72,935	79%
2027	<u>75,000</u>	<u>76,013</u>	100%
<b>Totals</b>	<b>\$ 360,000</b>	<b>\$ 380,993</b>	

Year	GO Debt Supported by Taxes			GO Debt Supported by Revenues		
	Principal	Payment	% Retired	Principal	Payment	% Retired
2023	\$ -	\$ 97,019	0%	\$ 15,000	\$ 68,689	0%
2024	459,000	673,790	7%	726,000	869,283	13%
2025	546,000	745,714	15%	804,000	928,357	27%
2026	478,000	663,323	23%	758,000	864,832	40%
2027	494,000	664,980	30%	771,000	860,613	53%
2028	364,000	521,801	36%	640,000	713,594	64%
2029	324,000	470,560	41%	161,000	224,737	67%
2030	336,000	471,636	46%	163,000	221,603	70%
2031	342,000	466,373	51%	175,000	228,220	73%
2032	359,000	471,693	57%	177,000	224,588	76%
2033	366,000	466,543	62%	185,000	226,739	79%
2034	384,000	471,578	68%	187,000	222,672	83%
2035	396,000	469,731	74%	194,000	223,428	86%
2036	414,000	473,278	81%	202,000	224,877	89%
2037	326,000	371,940	86%	79,000	97,256	91%
2038	339,000	372,828	91%	82,000	97,680	92%
2039	352,000	373,023	96%	84,000	97,024	94%
2040	55,000	67,750	97%	87,000	97,288	95%
2041	58,000	67,360	98%	90,000	97,456	97%
2042	62,000	67,760	99%	93,000	97,528	98%
2043	<u>65,000</u>	<u>66,950</u>	100%	<u>95,000</u>	<u>96,520</u>	100%
Total	\$ 6,519,000	\$ 8,515,626		\$ 5,768,000	\$ 6,782,984	

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## GENERAL INFORMATION

The City of Chatfield is located in Fillmore and Olmsted Counties approximately 100 miles southeast of the City of Minneapolis and 20 miles south of the City of Rochester.

### Organization

The City was organized in 1857 as a Home Rule Charter City and currently operates under the Mayor-Council form of government. The City Council is composed of a mayor and five (5) Council members. The Mayor is elected at large and serves a two-year term. Five (5) Council members are elected to serve overlapping four-year terms. The present Council is comprised of the following members:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
John McBroom	Mayor	2024
Paul Novotny	Vice-Mayor	2026
Pam Bluhm	Council Member	2024
Josh Broadwater	Council Member	2024
Dave Frank	Council Member	2024
Mike Urban	Council Member	2026

The City Administrator, Joel Young, is appointed by the City Council. Mr. Young is responsible for administering the various City departments, implementing Council policies and coordinating the preparation of the annual City budget.

The City currently employs 17 full-time and 89 part-time persons in the following departments: administration, public works, street, library, park and recreation, police, fire, and ambulance services. The City's police department includes five (5) full-time and four (4) part-time officers. The volunteer fire department has 26 firefighters.

The City has 64 acres of parkland dedicated in nine community, neighborhood, or mini parks. Most are equipped with playground equipment, and one has skate park equipment. There are also ball diamonds, soccer fields, and a skating/hockey rink. 25 percent (409 acres) of the total land use of the City is designated as open space, recreational, or semi-public recreational space. Mill Creek runs for 2.1 miles within the City as does 0.6 miles of the Root River corridor. The City also operates a municipal swimming pool and summer recreation program.

### City Services

The City operates a municipal water and sewer utility. The water utility is supplied from two (2) City wells with an average demand of 193,000 gallons per day. The peak demand is 377,000 gallons per day. The City maintains a 1,000,000-gallon elevated storage facility. There are 1,117 connections to the municipal water system.

The sewer utility features a mechanical treatment plant treating an average of 263,000 gallons per day. The utility is designed to treat an average of 487,000 gallons per day (wet weather design flow) and an average of 357,000 gallons per day (dry weather design flow), a peak demand of 1,036,000 gallons per day (the peak handled by the plant on 8/19/2007). In 2005 the City completed a major upgrade to the wastewater treatment facility within the City. There are 1,128 connections to the sewer utility.

The City has a 2.25-acre industrial park that is served by both municipal water and sewer. Approximately 40% of the industrial park is already developed.

### Employee Pensions

All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA.) PERA administers the General Employees Retirement Plan (GERP) and the Public Employees Police and Fire Plan (PEPFP) which are cost-sharing multiple-employer retirement plans. GERP members belong to the Coordinated Plan and are covered by Social Security.

All police officers, fire fighters and peace officers that qualify for membership by statute are covered by the PEPFP. The Police and Fire Plan covers all police officers and firefighters since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA. For the year ended December 31, 2022, the City contribution to the GERP was \$66,657, and the City contribution to the PEPFP was \$67,555.

## Census Data

### Population Trends

	<u>Population</u>
2000 U.S. Census	2,394
2010 U.S. Census	2,779
2020 U.S. Census	2,997

Source: U.S. Census Bureau

### Income and Housing Statistics

	<u>City of Chatfield</u>	<u>Fillmore County</u>	<u>Olmsted County</u>	<u>State of Minnesota</u>
2020 per Capita Income	\$ 35,318	\$ 32,137	\$ 48,734	\$ 41,753
2020 Median Household Income	79,896	37,195	83,070	77,720
Percent Living in Poverty	3.3%	9.1%	7.6%	9.3%
Median Value of Owner-Occupied Housing	\$ 180,800	\$ 167,000	\$ 285,500	\$ 285,400

Source: U.S. Census Bureau

The City of Chatfield has approximately 1,038 single-family homes and 28 multiple family homes. During the past 12 months, the City has had 2 new single-family homes constructed.

Source: City Records

## Employment Data

	<u>Labor Force</u>		<u>Unemployment Rate</u>		
	<u>Fillmore County</u>	<u>Olmsted County</u>	<u>Fillmore County</u>	<u>Olmsted County</u>	<u>Statewide</u>
April, 2023	11,426	91,904	2.9%	2.1%	2.9%
April, 2022	11,149	90,066	2.1%	1.7%	2.2%

Source: Minnesota Department of Employment and Economic Development, year-end averages, not seasonally adjusted.

## Financial Services

The Root River State Bank in Chatfield reported total deposits of \$83,256,000 as of June 30, 2022. The F & M Community Bank, National Association (a branch of Preston) reported deposits of \$42,553,000 as of June 30, 2022.

Source: FDIC Summary of Deposits

## Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u># of Employees</u>
Strongwell Corp.	Fiberglass & Precast Polymer	150
Chosen Valley Care Center	Skilled Nursing Care Facility	150
Tuohy Furniture Corp.	Wood Office Furniture	150
Chosen Valley Public Schools	Public Education	120
EZ Fabricating	Fabrication	110
Sunshine Foods	Grocery Store	65
Bernard Busing	Transportation	50
Community/Economic Development Assoc.	Economic Development	40
Jac's	Food Service/Recreation	30
Dairy Queen	Food Service (Spring/Summer)	25
City of Chatfield	City Government	23
Root River State Bank	Banking	15
F & M Bank	Banking	15

Source: City Records

## Building Permits

<u>Year</u>	<u># of Commercial Industrial Permits</u>	<u># of Residential Permits</u>	<u># of Other Permits</u>	<u>Total Value of Permits</u>
2023	0	15	2	\$ 648,381
2022	10	44	13	806,819
2021	9	36	10	9,782,725
2020	8	20	29	2,517,070
2019	10	37	46	12,258,583

Source: City Records as of May 16, 2023

## Commercial/Industrial Development

During the past three (3) years, the City has seen the following construction projects (including new construction and expansions/renovations):

<u>Name of Business</u>	<u>Product / Service</u>	<u>Description of Construction</u>	<u>(estimated) Cost of Project</u>
<u>2022</u>			
Strongwell	Poltrusion	Roof	\$ 40,000
Bluff Country Real Estate	Real Estate	Bakery	80,000
Oak Terrace Condominium	Housing	Re-roof	24,000
Chosen Valley Golf Club	Golf Club	Pole Shed	31,500
SE Mechanical	Plumbing	Storage Shed	20,000
City of Chatfield	Local Government	Well House	8,000
OMC	Medical	Furnace	18,400
<u>2021</u>			
52 Fitness	Construction	Business	\$ 33,000
Joy Ridge Event Center	Hospitality	Event Center	220,000
Chatfield Public School	Education	Shed	50,000
Chatfield EDA	Culture	Center for the Arts	7,000,000
Bernard Oil	Retail	Storage	8,000

2020

ISD 227	Education	Storage	\$ 80,000
Joshua Broadwater LLC	Construction	Storage	300,000
Elmira Township	Township / Govt	Town Hall	125,000
St. Paul Lutheran Church	Religion	Church	387,170
Chosen Valley Care Center	Medical	Clinic	40,000
City of Chatfield	Local Government	Dug Outs	20,000

Source: City Records

**Healthcare**

There is one medical clinic and one 86-bed nursing home located within the City of Chatfield. Hospital services are available at the Mayo Medical Center located in Rochester, 20 miles north of the City.

**Transportation**

The City of Chatfield is located in Fillmore and Olmsted Counties approximately 100 miles southeast of the City of Minneapolis and 20 miles south of the City of Rochester. Interstate 90 runs with nine (9) miles of the City. U.S. Highway 14 run within 13 miles of the City and MN Highway 74 runs with five (5) miles of the City. Minnesota Highway 30 runs through the City.

The Rochester Express provides inter-city bus services to the City and Care Van and R&S Services provide transportation for the disabled.

The Fillmore County Airport, located in Preston, Minnesota 15 miles to the south, provides air transportation with a 4,000 paved runway. 20 miles to the north is the Rochester International Airport, providing charter and commercial flights.

Source: MN Department of Employment and Economic Development

**Education**

There is one elementary school (Pre-K- grade 6) and one senior high school (grades 7-12) located within the City. The Rochester Technical College and Rochester Community College provide technical and specialty post-secondary education and are located within 20 miles of the City. The nearest public university is the University of Minnesota ~ Rochester campus and the nearest private college is St. Mary's University located in Winona.

Source: MN Department of Employment and Economic Development & MN Department of Education

**Utilities**

The City of Chatfield is supplied natural gas by Minnesota Energy Resources and electrical service by Peoples Energy Cooperative and Mi Energy Cooperative.

**Communications**

The City of Chatfield is provided local telephone service by CenturyLink. The City also has cable television and local internet access available. The Chatfield News and the Fillmore County Journal provide weekly newspaper coverage and the Rochester Post Bulletin provides daily service. The Chatfield News serves as the City's official newspaper and is published each Wednesday.

The City has an on-line presence at [www.ci.chatfield.mn.us](http://www.ci.chatfield.mn.us) The City of Chatfield has been an active user of their website to keep in touch with their citizens. This includes the use of streaming video to air and archive live footage of City Council meetings and other City/School events throughout the City.

## **APPENDIX A**

### **COUNTY AUDITOR'S CERTIFICATE**

The following pages contain copies of the Olmsted County and Fillmore County Auditor's Certificates for taxes payable in 2023.

**CERTIFICATE AS TO TAXES AND TAXABLE  
PROPERTY IN CHATFIELD CITY  
(Herein called the "TAXING DISTRICT")**

I hereby certify that the TAXING DISTRICT is situated partly in this County and that:

**1. CURRENT VALUATION** - The taxable market values and net tax capacities of all taxable property in the TAXING DISTRICT in this county as assessed in 2022 for the purpose of computing the rates of taxes collectible in 2023 are as follows:

Property Type	Estimated Market value	Taxable Market value	Net Tax Capacity
<b>Real Estate:</b>			
Residential Homestead (Class 1a, 1b) . . . . .	83,994,300	76,523,600	766,819
AGRICULTURAL (CLASS 1B, 1D, 2A, 2B, 2C, 2D, 2E) . . . . .	158,900	158,900	1,148
Commerical & Industrial (Class 3a, 3b, 4c(3)i, 4c(3)ii, 5(1)): . . . . .			
Public Utility . . . . .			
Railroad Operating Property . . . . .			
All Other Commerical-Industrial . . . . .	9,953,300	9,953,300	182,951
All Other Commerical-Industrial . . . . .			
Residential Non-Homestead (Class 4a,4b(1-4),4bb,4c(2-5,6-9),4d) . . . . .	11,587,400	11,587,400	104,696
SEASONAL RECREATIONAL-RESIDENTIAL (CLASS 1C, 4C1, 4C(10) 4C) . . . . .	902,900	902,900	11,286
Other (Class 5(2)) . . . . .			
<b>Total Real Estate . . . . .</b>	<b>106,596,800</b>	<b>99,126,100</b>	<b>1,066,900</b>
<b>Total Personal Property . . . . .</b>	<b>2,233,600</b>	<b>2,233,600</b>	<b>44,672</b>
<b>Total Real and Personal Property . . . . .</b>	<b>108,830,400</b>	<b>101,359,700</b>	<b>1,111,572</b>

Subtract: Tax Increment Captured Tax Capacity . . . . . 16,304  
 10% Tax Capacity of 200KV Powerlines built after 7/1/74 . . . . .  
 Fiscal Disparity Contribution Value . . . . .

Local Tax Rate Determination Value . . . . . 1,095,268  
 Add: Fiscal Disparity Distribution Value . . . . .

Local Adjusted Taxable Value . . . . . 1,095,268

**Total Manufactured Home . . . . .** 496,500 385,800 3,858

**Homestead Exclusions**

Real Estate	Personal Property	Manufactured Home
6,285,033	0	110,780

**2. VALUATION HISTORY** (Real & Personal Property)

Pay Year	EMV/ Taxable Market Value	Total Tax Capacity	Tax Increment Captured	10% Power Lines	Fiscal Disparity Contribution	Local Taxable Value	Fiscal Disparity Distribution	Homestead Exclusions/ Adjusted TCAP
2022	93,540,800							7,151,817
	85,139,500	933,028	12,332			920,696		920,696
2021	91,447,400							7,376,610
	82,888,800	912,045	12,021			900,024		900,024
2020	88,788,200							7,492,128
	80,289,600	874,460	13,163			861,297		861,297
2019	82,541,900							7,897,740
	73,653,300	807,561	13,043			794,518		794,518
2018	76,424,900							8,214,678
	67,168,900	741,311	13,278			728,033		728,033
2017	73,882,200							8,443,160
	64,755,800	714,327	11,027			703,300		703,300

**3. TEN LARGEST TAXPAYING PARCELS** - A list of the largest taxpaying parcels in the TAXING DISTRICT in this county is enclosed if requested.

**4. TAXING AUTHORITY AND RATE HISTORY** - The TAXING DISTRICT has the power to tax property situated in the following County or Counties: OLMSTED COUNTY, MN

The following governmental units within this county also have the power to levy taxes in the TAXING DISTRICT:

**Tax Rate History (Levy Year/Collection Year)**

Government Unit	2018/19		2019/20		2020/21		2021/22		2022/23	
	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val
<b>****COUNTY****</b> COUNTY	53.56200									
<b>****COUNTY****</b> OLMSTED COUNTY			52.01700		46.96100		49.00800		44.67100	
<b>**MUNICIPALITY**</b> CHATFIELD CITY	112.07000		105.64900		104.84700		101.69200		90.08500	
<b>****SCHOOL ****</b> CHATFIELD SCH DIST	28.67300	0.23317	27.17800	0.21450	27.31500	0.22800	25.95900	0.20721	23.18900	0.19473
<b>****SPECIAL ****</b> OLMSTED COUNTY HRA	1.28600		1.69200		1.68700		1.68800		1.69300	
ST PAUL PORT AUTHORITY										
STATE TAX	62.37800		56.84300		53.28400		52.59500		45.32400	
SM STATE TAX										
TIF COST STATE			0.00000		0.00000		0.00000		0.00000	

**5. BONDED INDEBTEDNESS** - The TAXING DISTRICT and all governmental units listed in section 4 having bonded debt, have such debt as shown below. Values shown are adjusted net tax capacities which have been adjusted for Fiscal Disparity Contribution and Distribution, Tax Increment Captured Tax Capacity, and Powerlines.

<b>Government Unit</b>	<b>Taxable Net Tax Capacity of Entire Govt. Unit in County</b>	<b>Taxable Net Tax Capacity of Portion in TAXING DIST. in County</b>	<b>Bonded Debt as of 12/31/2022</b>	<b>2022/23 Debt Service Tax Rate</b>
<b>****COUNTY****</b>				
OLMSTED COUNTY	276,276,288	1,095,268	162,400,000	1.15100
<b>**MUNICIPALITY**</b>				
CHATFIELD CITY	1,095,268	1,095,268		
<b>****SCHOOL****</b>				
CHATFIELD SCH DIST	4,520,983	1,095,268	28,050,000	18.81600
<b>****SPECIAL****</b>				
OLMSTED COUNTY HRA	269,725,824	1,095,268	430,000	
ST PAUL PORT AUTHORITY	276,276,288	1,095,268		
STATE TAX		179,266		
SM STATE TAX		179,266		
TIF COST STATE		179,266		



**6. TAX LEVIES AND COLLECTION FOR YEAR: 2023**

<b>Levy/Coll Year</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Gross Levy	890,738.70	907,176.28	950,850.88	936,277.44	0.00
Cross County Levy					
Net Gross Levy	890,738.70	907,176.28	950,850.88	936,277.44	0.00
Market Levy	0.00	0.00	0.00	0.00	0.00
Property Credits/Aids	-90.12	-91.06	-90.12	0.00	0.00
Net Tax Levy	890,648.58	907,085.22	950,760.76	936,277.44	0.00
Adjustments During Coll Year	-319.40	2,778.62	-7,199.82	0.00	0.00
Adjusted Tax Levy	890,329.18	909,863.84	943,560.94	936,277.44	0.00
Current Year Collections	-891,182.39	-909,680.49	-935,569.77	-928,681.52	0.00
Year End Delinquency	-853.21	183.35	7,991.17	7,595.92	0.00
Delinquent Adjustments as of 12/31/22	0.00	-29.12	-10.58	-1.05	-99.68
Delinquent Collections as of 12/31/22	-6,877.16	-7,104.83	-6,210.62	-2,133.74	-2,582.28
Amount of Delinquent as of 12/31/22	-7,730.37	-6,950.60	1,769.97	5,461.13	-2,681.96

If there are any questions regarding the completed certificate, please contact

Contact Person(s):

Lisa Hawkins  
Sr. Property Tax Specialist

Telephone:

507 328 7666

WITNESS My hand and official seal this 18<sup>th</sup> day of May, 2023.

Mary Blair Hoyle  
OLMSTED COUNTY AUDITOR



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 ASMT Year 2022

OLMSTED COUNTY, MN  
 Top 10 Taxpayers List - Rank by Original Charges  
 DETAIL/SUMMARY REPORT  
 For CHATFIELD CITY

PAGE: 1  
 TX126MN

Rank	TaxPayer/ Parcel Number	City TIF Town	Schl Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Property Payable Classification
1	MINNESOTA ENERGY RESOURCES P 992601900002	6400	0227	2,229,200	2,229,200	44,584	89,362.00 3a U/P GAS DISTRIBUTION UTILITIES
<b>Total for MINNESOTA ENERGY RESOURCES</b>				2,229,200	2,229,200	44,584	89,362.00
2	CONVENIENCE STORE INVESTMENTS R 513134065370 R 513134065371	6400	0227	313,800 1,115,700	313,800 1,115,700	5,526 21,564	10,406.00 3a COMMERCIAL PREFERENTIAL 42,552.00 3a COMMERCIAL PREFERENTIAL
<b>Total for CONVENIENCE STORE INVESTMENTS</b>				1,429,500	1,429,500	27,090	52,958.00
3	FIVE FAMILY HOLDINGS LLC R 513133066129	6400	0227	1,170,300	1,170,300	22,656	44,740.00 3a COMMERCIAL PREFERENTIAL
<b>Total for FIVE FAMILY HOLDINGS LLC</b>				1,170,300	1,170,300	22,656	44,740.00
4	BERNARD BUS SERVICE INC R 513133066130 R 513133081373	6400	0227	937,900 2,000	937,900 2,000	18,008 25	35,424.00 3a INDUSTRIAL PREFERENTIAL 44.00 4b(4) UNIMPROVED RESIDENTIAL LAND
<b>Total for BERNARD BUS SERVICE INC</b>				939,900	939,900	18,033	35,468.00
5	TANGEN HOLDINGS LLC R 513132087513	6400	0227	934,200	934,200	17,934	35,276.00 3a COMMERCIAL PREFERENTIAL
<b>Total for TANGEN HOLDINGS LLC</b>				934,200	934,200	17,934	35,276.00
6	CHATFIELD PROPERTIES LLC R 513134072649	6400	0227	637,900	637,900	12,008	23,398.00 3a COMMERCIAL PREFERENTIAL
<b>Total for CHATFIELD PROPERTIES LLC</b>				637,900	637,900	12,008	23,398.00
7	COATS DEVELOPMENT LLC R 513134084969	Y 6400	0227	604,500	604,500	11,340	22,060.00 3a COMMERCIAL PREFERENTIAL
<b>Total for COATS DEVELOPMENT LLC</b>				604,500	604,500	11,340	22,060.00
8	PREMIER CHATFIELD MN LLC R 513132056688 R 513132056688 R 523641057028	6400	0227	1,162,300 1,367,700 1,400	1,162,300 1,367,700 1,400	8,717 3,419 18	15,444.60 4d QUALIFY LI RENTAL HOUSING <= L: 6,057.40 4d QUALIFY LI RENTAL HOUSING > LII 32.00 4b(4) UNIMPROVED RESIDENTIAL LAND
<b>Total for PREMIER CHATFIELD MN LLC</b>				2,531,400	2,531,400	12,154	21,534.00

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 ASMT Year 2022

OLMSTED COUNTY, MN  
 Top 10 Taxpayers List - Rank by Original Charges  
 DETAIL/SUMMARY REPORT  
 For CHATFIELD CITY

Rank	TaxPayer/ Parcel Number	City TIF Town	Schl Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Property Payable Classification
9	REED PROPERTIES MANAGEMENT & INVESTMENT R 513133075941	6400	0227	546,300	546,300	10,176	19,726.00 3a COMMERCIAL PREFERENTIAL
<b>Total for REED PROPERTIES MANAGEMENT &amp; INVE:</b>				546,300	546,300	10,176	19,726.00
10	CHATFIELD MOBILE VILLAGE LLC R 513121085123	6400	0227	902,900	902,900	11,286	19,556.00 4c(5)i MANUFACTURED HOME PARK
<b>Total for CHATFIELD MOBILE VILLAGE LLC</b>				902,900	902,900	11,286	19,556.00
<b>Total:</b>				11,926,100	11,926,100	187,261	364,078.00

**CERTIFICATE AS TO TAXES AND TAXABLE  
PROPERTY IN CHATFIELD CITY  
(Herein called the "TAXING DISTRICT")**

**FILLMORE COUNTY T23**

I hereby certify that the TAXING DISTRICT is situated partly in this County and that:

- 1. CURRENT VALUATION** - The taxable market values and net tax capacities of all taxable property in the TAXING DISTRICT in this county as assessed in 2022 for the purpose of computing the rates of taxes collectible in 2023 are as follows:

Property Type	Estimated Market Value	Taxable Market Value	Net Tax Capacity
Real Estate:			
Residential Homestead (Class 1a, 1b).....		139,542,800	1,399,282
Agricultural (Class 1b, 1d, 2a, 2b).....		2,325,300	20,313
Commercial & Industrial (Class 3a, 3b, 5(1)):			
Public Utility.....			
Railroad Operating Property.....			
All Other Commercial/Industrial.....		11,443,000	200,864
Residential Non-Homestead (Class 4a, 4b(1-4), 4bb, 4c(2-4, 6-9), 4d).....		14,179,800	150,099
Seasonal Recreational-Residential (Class 1c, 4c(1), 4c(5), 4c(10)).....		46,000	460
Other (Class 5(2)).....			
<b>Total Real Estate.....</b>	<b>177,015,200</b>	<b>167,536,900</b>	<b>1,771,018</b>
<b>Total Personal Property.....</b>	<b>792,600</b>	<b>792,600</b>	<b>15,102</b>
<b>Total Real &amp; Personal Property.....</b>	<b>177,807,800</b>	<b>168,329,500</b>	<b>1,786,120</b>
Subtract: Tax Increment Captured Tax Capacity.....			167,747
10% of Tax Capacity of 2000KV Powerlines built after 7/1/74.....			
Fiscal Disparity Contribution Value.....			
<b>Local Tax Rate Determination Value.....</b>			<b>1,618,373</b>
Add: Fiscal Disparity Distribution Value.....			
<b>Total Adjusted Taxable Value.....</b>			<b>1,618,373</b>

**Total Manufactured Home .....**

**Homestead Exclusions**

Real Estate	Personal Property	Manufactured Home
6,959,400		

- 2. VALUATION HISTORY** (Real & Personal Property)

Pay Year	EMV/ Taxable Market Value	Total Tax Capacity	Tax Increment Captured	10% Power- Lines	Fiscal Disparity Contribution	Local Taxable Value	Fiscal Disparity Distribution	Hmstd Excl./ Adjusted TC
2022	150,805,900							8,764,300
	140,145,400	1,499,846	148,115			1,351,731		1,351,731
2021	135,906,300							9,529,000
	124,811,200	1,339,609	132,801			1,206,808		1,206,808
2020	133,689,800							9,473,000
	122,815,300	1,317,893	130,446			1,187,447		1,187,447
2019	114,371,800							10,382,400
	102,970,900	1,117,562	90,299			1,027,263		1,027,263
2018	103,242,100							10,601,800
	91,828,800	1,008,229	77,280			930,949		930,949
2017	100,948,700							10,386,300
	90,096,900	991,355	72,707			918,648		918,648

- 3. TEN LARGEST TAXPAYING PARCELS** - A list of the largest taxpaying parcels in the TAXING DISTRICT in the County is enclosed if requested.

**4. TAXING AUTHORITY AND RATE HISTORY**

County or Counties:

FILLMORE COUNTY

- The TAXING DISTRICT has the power to tax property situated in the following  
T23

The following governmental units within this county also have the power to levy taxes in the TAXING DISTRICT:

Governmental Unit	Tax Rate History (Levy Year/Collection Year)									
	2018/19		2019/20		2020/21		2021/22		2022/23	
	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val
**** COUNTY **** COUNTY	32.1170%		31.2990%		32.7170%		32.0510%		29.5840%	
**** MUNICIPALITY **** CHATFIELD CITY	112.0700%		105.6490%		104.8470%		101.6920%		90.0850%	
**** SCHOOL **** SCHOOL DISTRICT 227	28.6520%	0.23317%	27.1600%	0.21450%	27.2970%	0.22800%	25.9430%	0.20721%	23.1760%	0.19473%
**** SPECIAL **** STATE	62.3780%		56.8430%		53.2840%		52.5950%		45.3240%	

**5. BONDED INDEBTEDNESS** - The TAXING DISTRICT and all the governmental units listed in section 4 having bonded debt, have such debt as shown below. Values shown are Adjusted Taxable net tax capacities which have been adjusted for Fiscal Disparity Contribution and Distribution, Tax Increment Captured Tax Capacity, and Powerlines.

Governmental Unit	Taxable Net Tax Capacity of ENTIRE Govt Unit in County	Taxable Net Tax Cap. of Portion in TAXING DIST. in County	Bonded Debt as of 12/31/22	2022/23 Debt Service Tax Rate
<b>**** COUNTY ****</b> COUNTY	41,019,732	1,618,373	510,000.00	.6400%
<b>**** MUNICIPALITY ****</b> CHATFIELD CITY	2,713,846	1,618,373	11,560,000-	20.414%
<b>**** SCHOOL ****</b> SCHOOL DISTRICT 227	5,115,489	1,618,373	28,050,000-	18.816%
<b>**** SPECIAL ****</b> STATE		130,460		

**6. TAX LEVIES AND COLLECTIONS FOR YEAR: 2023**

<b>Levy/Coll Year</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Gross Tax Levy	1,152,499.30	1,392,340.84	1,265,301.93	1,374,602.03	1,457,910.96
Fiscal					
Market Values Levy					
Property Credits/Aids	598.34-	504.88-	450.07-	477.43-	525.10-
Net Tax Levy	1,151,900.96	1,391,835.96	1,264,851.86	1,374,124.60	1,457,385.86
Adjustments During Coll Year		137,684.19-	31.60-	3,603.99-	
Adjusted Tax Levy	1,151,900.96	1,254,151.77	1,264,820.26	1,370,520.61	1,457,385.86
Current Year Collections	1,146,773.75-	1,251,818.50-	1,261,582.23-	1,366,578.48-	3,697.32-
Year End Delinquency	5,127.21	2,333.27	3,238.03	3,942.13	1,453,688.54
Delinquent Adjustments as of 03/23/23					
Delinquent Collections as of 03/23/23	5,127.21-	6,817.53-	3,237.15-	3,942.13-	
Amount Delinquent as of 03/23/23		4,484.26-	.88		1,453,688.54



Please list below the name, title, and telephone number of a person(s) to contact regarding the completed certificate in case there are any questions.

Contact person	Shannon Smidt
Telephone	(507) 715-2665

WITNESS My hand and official seal this 1<sup>st</sup> day of June, 2023

Heather Broadwater (SLS)  
FILLMORE COUNTY T23 FILLMORE CO AUDITOR-TREASURER  
Shannon Smidt - Deputy

(SEAL)

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Payable Year..... 2023  
Taxpayer Rank based on..... 1  
    1. Estimated Market Value  
    2. Net Tax Capacity  
    3. Total Net Tax Payable  
Authority (blank for all)..... 1 TOWNSHIP/CITY  
Entity..... 6400 CHATFIELD CITY  
Number of Taxpayers to print..... 10  
Detail/Summary/Both (D/S/B)..... B

Payable Year: 2023 Authority: 01 TOWNSHIP/CITY Entity: 6400 CHATFIELD CITY

Rank	Primary Taxpayer / Parcel Number	City Schl TIF Town Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Payable	Property Classification
<b>1 STRONGWELL CORPORATION</b>							
	R 26.0473.000	6400 0227	349,800	349,800	6,996	12,984.00	INDS LAND & BLDGS
	R 26.0473.020	6400 0227	189,900	189,900	3,798	7,048.00	INDS LAND & BLDGS
	R 26.0474.000	6400 0227	1,108,100	1,108,100	21,412	39,068.00	INDS LAND & BLDGS
	R 26.0475.020	6400 0227	112,500	112,500	2,250	4,176.00	INDS LAND & BLDGS
	<b>Total for: STRONGWELL CORPORATION</b>		<b>1,760,300</b>	<b>1,760,300</b>	<b>34,456</b>	<b>63,276.00</b>	
<b>2 MONICA G GRIFFIN TRUST</b>							
	R 26.0021.000	6400 0227	13,100	13,100	164	260.00	RES 1-3 UNIMPR LAND
	R 26.0021.030	6400 0227	39,000	39,000	488	774.00	RES 1-3 UNIMPR LAND
	R 26.0722.000	6400 0227	53,100	53,100	531	688.00	RURAL VACANT LAND
	R 26.0723.000	6400 0227	183,300	183,300	1,833	2,378.00	AGRICULTURAL
	R 26.0725.000	6400 0227	78,100	78,100	781	1,012.00	RURAL VACANT LAND
	R 26.0749.000	6400 0227	826,100	826,100	9,076	14,574.00	RESIDENTIAL
	R 26.0753.000	6400 0227	12,000	12,000	150	238.00	RES 1-3 UNIMPR LAND
	R 26.0754.000	6400 0227	12,000	12,000	150	238.00	RES 1-3 UNIMPR LAND
	R 26.0773.000	6400 0227	40,000	40,000	90	142.00	RES 1-3 UNIMPR LAND
	R 26.0774.000	6400 0227	40,000	40,000	90	142.00	RES 1-3 UNIMPR LAND
	R 26.0775.000	6400 0227	40,000	40,000	90	142.00	RES 1-3 UNIMPR LAND
	R 26.0777.000	6400 0227	40,000	40,000	90	142.00	RES 1-3 UNIMPR LAND
	R 26.0778.000	6400 0227	40,000	40,000	90	142.00	RES 1-3 UNIMPR LAND
	R 26.0782.000	6400 0227	40,000	40,000	95	150.00	RES 1-3 UNIMPR LAND
	R 26.0783.000	6400 0227	40,000	40,000	95	150.00	RES 1-3 UNIMPR LAND
	R 26.0784.000	6400 0227	40,000	40,000	95	150.00	RES 1-3 UNIMPR LAND
	<b>Total For: MONICA G GRIFFIN TRUST</b>		<b>1,536,700</b>	<b>1,275,500</b>	<b>13,908</b>	<b>21,322.00</b>	
<b>3 TUOHY REAL ESTATE, LLC</b>							
	R 26.0467.000	6400 0227	88,900	88,900	1,334	2,078.00	INDS LAND & BLDGS
	R 26.0476.000	6400 0227	270,100	270,100	4,652	7,964.00	INDS LAND & BLDGS
	R 26.0477.000	6400 0227	79,400	79,400	794	1,030.00	AGRICULTURAL
	R 26.0477.010	6400 0227	1,006,200	1,006,200	20,124	37,348.00	INDS LAND & BLDGS
	R 26.0497.010	6400 0227	78,300	78,300	1,566	2,906.00	INDS LAND & BLDGS
	<b>Total for: TUOHY REAL ESTATE, LLC</b>		<b>1,522,900</b>	<b>1,522,900</b>	<b>28,470</b>	<b>51,326.00</b>	
<b>4 FIRST HOMES PROPERTIES</b>							
	R 26.0582.000	31 6400 0227	277,800	265,600	2,656	4,334.00	RESIDENTIAL
	R 26.0583.000	31 6400 0227	243,100	227,700	2,277	3,726.00	RESIDENTIAL
	R 26.0584.000	31 6400 0227	208,700	190,200	1,902	3,124.00	RESIDENTIAL
	R 26.0695.000	31 6400 0227	239,700	224,000	2,240	3,667.34	RESIDENTIAL
	R 26.0703.000	31 6400 0227	243,400	228,100	2,281	3,732.00	RESIDENTIAL
	R 26.0716.000	31 6400 0227	275,400	262,900	2,629	4,292.00	RESIDENTIAL
	<b>Total for: FIRST HOMES PROPERTIES</b>		<b>1,488,100</b>	<b>1,398,500</b>	<b>13,985</b>	<b>22,875.34</b>	
<b>5 MAIN STREET PROPERTIES LLP</b>							
	R 26.0023.000	6400 0227	221,000	221,000	2,763	4,378.00	RES 4 OR MORE UNITS
	R 26.0023.040	6400 0227	44,200	44,200	553	876.00	RES 4 OR MORE UNITS
	R 26.0084.020	6400 0227	30,400	30,400	456	710.00	COMM LAND & BLDGS
	R 26.0154.010	6400 0227	52,800	52,800	964	1,706.00	COMM LAND & BLDGS

This report shows the values/capacities/taxes as originally billed, and does not reflect special assessments, adjustments, collections or exempt values. JOBZ values/capacities/taxes are included.

Rank by Estimated Market Value

Payable Year: 2023

Authority: 01 TOWNSHIP/CITY

Entity: 6400 CHATFIELD CITY

Rank	Primary Taxpayer / Parcel Number	City Schl TIF Town Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Payable	Property Classification
5	MAIN STREET PROPERTIES LLP						
	R 26.0155.000	6400 0227	131,500	131,500	1,973	3,074.00	COMM LAND & BLDGS
			155,500	155,500	1,944	3,080.00	RES 4 OR MORE UNITS
	R 26.0214.000	6400 0227	376,500	376,500	4,706	7,456.00	RES 4 OR MORE UNITS
	R 26.0289.000	6400 0227	34,700	34,700	521	812.00	COMM LAND & BLDGS
	Total for: MAIN STREET PROPERTIES LLP		1,046,600	1,046,600	13,880	22,092.00	
6	RUS RILEY						
	R 26.0044.000	6400 0227	570,400	570,400	5,880	9,510.00	RESIDENTIAL
			328,200	328,200	5,814	10,120.00	COMM LAND & BLDGS
	Total for: RUS RILEY		898,600	898,600	11,694	19,630.00	
7	PAUL F NOVOTNY &						
	R 26.0586.000	6400 0227	762,100	762,100	8,276	13,306.00	RESIDENTIAL
			21,900	21,900	274	434.00	RESIDENTIAL
	Total for: PAUL F NOVOTNY &		784,000	784,000	8,550	13,740.00	
8	EZ FABRICATING, INC						
	R 26.0756.000	40 6400 0227	772,400	772,400	14,698	26,608.00	INDS LAND & BLDGS
	Total for: EZ FABRICATING, INC		772,400	772,400	14,698	26,608.00	
9	ROOT RIVER STATE BANK OF						
	R 26.0174.000	6400 0227	19,600	19,600	392	728.00	COMM LAND & BLDGS
	R 26.0175.000	6400 0227	38,600	38,600	772	1,432.00	COMM LAND & BLDGS
	R 26.0176.000	6400 0227	21,300	21,300	426	790.00	COMM LAND & BLDGS
	R 26.0177.000	6400 0227	652,600	652,600	12,302	22,162.00	COMM LAND & BLDGS
	R 26.0179.000	6400 0227	2,300	2,300	46	86.00	COMM LAND & BLDGS
	Total for: ROOT RIVER STATE BANK OF		734,400	734,400	13,938	25,198.00	
10	RONALD J ALLEN &						
	R 26.0735.000	6400 0227	697,800	697,800	7,473	12,034.00	RESIDENTIAL
	Total for: RONALD J ALLEN &		697,800	697,800	7,473	12,034.00	
	GRAND TOTAL		11,241,800	10,891,000	161,052	278,101.34	

This report shows the values/capacities/taxes as originally billed, and does not reflect special assessments, adjustments, collections or exempt values. JOB# values/capacities/taxes are included.

Appendix B to Official Statement

PROPOSED FORM OF LEGAL OPINION

\$2,300,000  
GENERAL OBLIGATION BONDS, SERIES 2023A  
CITY OF CHATFIELD  
COUNTIES OF FILLMORE AND OLMSTED  
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Chatfield, Counties of Fillmore and Olmsted, Minnesota (the "Issuer"), of its \$2,300,000 General Obligation Bonds, Series 2023A, bearing a date of original issue of July 12, 2023 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution, Charter of the Issuer and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer, and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning after December 31, 2022. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur and be retroactive.

TAFT STETTINIUS & HOLLISTER LLP

[Appendix C to Official Statement]

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of Chatfield, Minnesota (the "Issuer"), in connection with the issuance of its \$2,300,000 General Obligation Bonds, Series 2023A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on June 26, 2023 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated \_\_\_\_\_, 2023, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

**SECTION 3. Provision of Annual Reports.**

A. Beginning in connection with the Fiscal Year ending on December 31, 2022, the Issuer shall, or shall cause the Dissemination Agent to provide to the MSRB by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2023, and by December 31 of each year thereafter.

B. If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection A, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

**SECTION 4. Content and Format of Annual Reports.** The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the captions: Valuations – County Auditor; Trends in Valuations; and City Indebtedness.

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.



SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and,
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at [www.emma.msrb.org](http://www.emma.msrb.org), together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: July 12, 2023.

CITY OF CHATFIELD, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

## **Appendix D**

### **Summary of Tax Levies, Payment Provisions & Valuations**

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

#### **Property Valuations (Chapter 273, Minnesota Statutes)**

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate and multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a and causes a decrease in the Issuer's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

#### **Property Tax Payments and Delinquencies**

(Chapters 275, 276, 277, 279 – 282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on non-homestead property is assessed at a rate of 4% until May 31 and increased

to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on non-homestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for non-homestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

### **Property Tax Credits** **(Chapter 273, Minnesota Statutes)**

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

### **Debt Limitations**

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements that are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems, and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.

6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provisions of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.
11. Obligations issued to pay judgments against the municipality.
12. All other obligations which Minnesota Statutes specifically indicate are not to be included in the computation of the net debt of the municipality.

### **Levies for General Obligation Debt**

***(Sections 475.61 and 475.74, Minnesota Statutes)***

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

### **Metropolitan Revenue Distribution**

***(Chapter 473F, Minnesota Statutes)*** (*"Fiscal Disparities Law"*)

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

## Minnesota Property Class Rate Schedule

(current through taxes payable 2022)

<b>Property Type</b>	<b>Taxes Payable Year</b>				
	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
<b>Residential Homestead (1a)</b>					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Residential Non-homestead</b>					
Single Unit (4bb1)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Market Rate Apartments</b>					
Regular (4a)					
Low-Income (4d)	1.25%	1.25%	1.25%	1.25%	1.25%
Up to \$115,000 <sup>4</sup>	0.75%	0.75%	0.75%	0.75%	0.75%
Over \$115,000 <sup>4</sup>	0.25%	0.25%	0.25%	0.25%	0.25%
<b>Commercial/Industrial/Public Utility (3a)</b>					
Up to \$150,000	1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.50% <sup>1</sup>
Over \$150,000	2.00% <sup>1</sup>	2.00% <sup>1</sup>	2.00% <sup>1</sup>	2.00% <sup>1</sup>	2.00% <sup>1</sup>
Electric Generation Machinery	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Commercial Seasonal Residential</b>					
Homestead Resorts (1c)					
Up to \$600,000	0.50%	0.50%	0.50%	0.50%	0.50%
\$600,000 - \$2,300,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$2,300,000	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>
Seasonal Resorts (4c)					
Up to \$500,000	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.00% <sup>1</sup>	1.00% <sup>1</sup>
Over \$500,000	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>	1.25% <sup>1</sup>
<b>Non-Commercial (4c12)</b>					
Up to \$500,000	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>	1.00% <sup>1 2</sup>
Over \$500,000	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>	1.25% <sup>1 2</sup>
<b>Disabled Homestead (1b)</b>					
Up to \$50,000	0.45%	0.45%	0.45%	0.45%	0.45%
<b>Agricultural Land &amp; Buildings</b>					
Homestead (2a)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Remainder of Farm					
Up to \$2,050,000 <sup>4</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>
Over \$2,050,000 <sup>4</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>
Non-homestead (2b)					
	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>	1.00% <sup>2</sup>

<sup>1</sup> Subject to the State General Property Tax.

<sup>2</sup> Exempt from referendum market value tax.

For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in St. Paul are exempt under this provision).

**APPENDIX E**  
**FINANCIAL STATEMENT**

The City's financial statements are audited annually. The following pages contain a copy of the 2022 Audited Financial Statement. Copies of audits are available upon request from David Drown Associates, Inc.

Smith Schafer & Associates, Ltd., the City's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Smith Schafer & Associates, Ltd., also has not performed any procedures relating to this offering document.



**CITY OF CHATFIELD, MINNESOTA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**



**CITY OF CHATFIELD, MINNESOTA**

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**CITY OF CHATFIELD, MINNESOTA**

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**CITY OF CHATFIELD, MINNESOTA**

**INTRODUCTORY SECTION**

**DECEMBER 31, 2022**

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**CITY OF CHATFIELD, MINNESOTA**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**DECEMBER 31, 2022**

Russ Smith	Mayor
Paul Novotny	Vice-Mayor
Mike Urban	Councilor
Josh Broadwater	Councilor
Pam Bluhm	Councilor
Dave Frank	Councilor
Joel Young	City Clerk
Kay Wangen	Finance Director

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**CITY OF CHATFIELD, MINNESOTA**

**FINANCIAL SECTION**

**DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
**City of Chatfield, Minnesota**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chatfield, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chatfield, Minnesota, as of December 31, 2022, and the respective changes in financial position, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Chatfield, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The City of Chatfield, Minnesota's 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Chatfield, Minnesota's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Chatfield, Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Chatfield, Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chatfield, Minnesota's basic financial statements. The combining and individual nonmajor fund statements and schedules and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the report. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Report on Summarized Comparative Information**

The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2021, from which such partial information was derived.

We have previously audited the City's 2021 financial statements and our report dated March 8, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Smith, Schafn and Associates, Ltd.*

Rochester, Minnesota  
March 14, 2023

**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Chatfield, Minnesota, we offer readers of the City of Chatfield, Minnesota's financial statements this narrative overview and analysis of the financial activities of the City of Chatfield, Minnesota for the fiscal year ended December 31, 2022.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Chatfield, Minnesota exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29,755,541 (*net position*). Of this amount, \$3,717,706 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's designations and fiscal policies.
- The City's total net position increased by \$7,423,495.
- As of the close of the current fiscal year, the City of Chatfield, Minnesota's governmental funds reported combined ending fund balances of \$5,185,095. Of this amount, \$2,754,607 or 53 percent, is available for use within the City's designations and policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,578,202 or 62 percent of next year's total general fund property tax levy and local government aid.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City of Chatfield, Minnesota's basic financial statements. The City of Chatfield, Minnesota's basic financial statements comprise three components:

1. Government-wide financial statements, providing information for the City as a whole.
2. Fund financial statements, providing detailed information for the City's significant funds.
3. Notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements.

## CITY OF CHATFIELD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

This report also contains other supplementary information in addition to the basic financial statements themselves. Additional explanation of these sections of the financial statements follows.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Chatfield, Minnesota's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Chatfield, Minnesota's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Chatfield, Minnesota is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but not used, compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Chatfield, Minnesota that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Chatfield, Minnesota include general government, public safety, public works, parks and recreation, library and community development. The business-type activities of the City of Chatfield, Minnesota include the water, sewer and garbage utilities. The government-wide financial statements can be found on pages 17-19 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Chatfield, Minnesota, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Chatfield, Minnesota can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

## CITY OF CHATFIELD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Chatfield, Minnesota maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the CCA construction phase II fund which are considered to be major funds. Data from the other twenty-seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Chatfield, Minnesota adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund (pages 24-29) and the special revenue funds (pages 87-93) to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 20 and 22 of this report.

**Proprietary funds.** The City of Chatfield, Minnesota maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Chatfield, Minnesota uses enterprise funds to account for its water, sewer and garbage funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Chatfield, Minnesota's various functions. The City of Chatfield, Minnesota uses internal service funds to account for certain capital acquisition activities. Because all of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and garbage utilities, all of which are considered to be major funds of the City of Chatfield, Minnesota.

**Fiduciary funds.** The City of Chatfield, Minnesota maintains one fiduciary fund. *Fiduciary* funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. This fund accounts for SE MN Transportation Management Organization (TMO) activities and net position was \$27,521 at the end of 2022.

The proprietary fund financial statements can be found on pages 30-35 of this report.

The internal service fund financial statements can be found on pages 94-96 of this report.

The fiduciary fund financial statements can be found on page 36 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-74 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 79-86 of this report.



**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Chatfield, Minnesota, assets and deferred outflows exceeded liabilities and deferred inflows by \$29,755,541 at the close of the most recent fiscal year.

The largest portion of the City of Chatfield, Minnesota's net position (\$23,530,284) reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Chatfield, Minnesota uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Chatfield, Minnesota's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Chatfield, Minnesota Net Position**

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 7,342,614	\$ 7,179,954	\$ 1,769,208	\$ 1,134,634	\$ 9,111,822	\$ 8,314,588
Capital assets	25,623,772	18,184,206	8,595,870	8,468,505	34,219,642	26,652,711
Total assets	32,966,386	25,364,160	10,365,078	9,603,139	43,331,464	34,967,299
Deferred outflows of resources	1,275,020	326,789	53,559	12,550	1,328,579	339,339
Long-term liabilities						
outstanding	9,340,779	7,525,490	4,613,379	3,851,266	13,954,158	11,376,756
Other liabilities	763,880	902,578	101,006	90,732	864,886	993,310
Total liabilities	10,104,659	8,428,068	4,714,385	3,941,998	14,819,044	12,370,066
Deferred inflows of resources	80,823	1,024,807	4,635	98,062	85,458	1,122,869
Net position:						
Net investment in capital assets	18,568,475	11,315,270	4,961,809	4,723,283	23,530,284	16,038,553
Restricted	2,507,551	2,463,373			2,507,551	2,463,373
Unrestricted	2,979,898	2,913,369	737,808	916,751	3,717,706	3,830,120
Total net position	\$ 24,055,924	\$ 16,692,012	\$ 5,699,617	\$ 5,640,034	\$ 29,755,541	\$ 22,332,046

The balance of *unrestricted net position* (\$3,717,706) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Chatfield, Minnesota is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its business-type activities.

**Governmental activities.** Governmental activities increased the City of Chatfield, Minnesota's net position by \$7,363,912.

**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Business-type activities.** Business-type activities increased the City of Chatfield, Minnesota's net position by \$59,583.

A condensed version of the Statement of Activities follows:

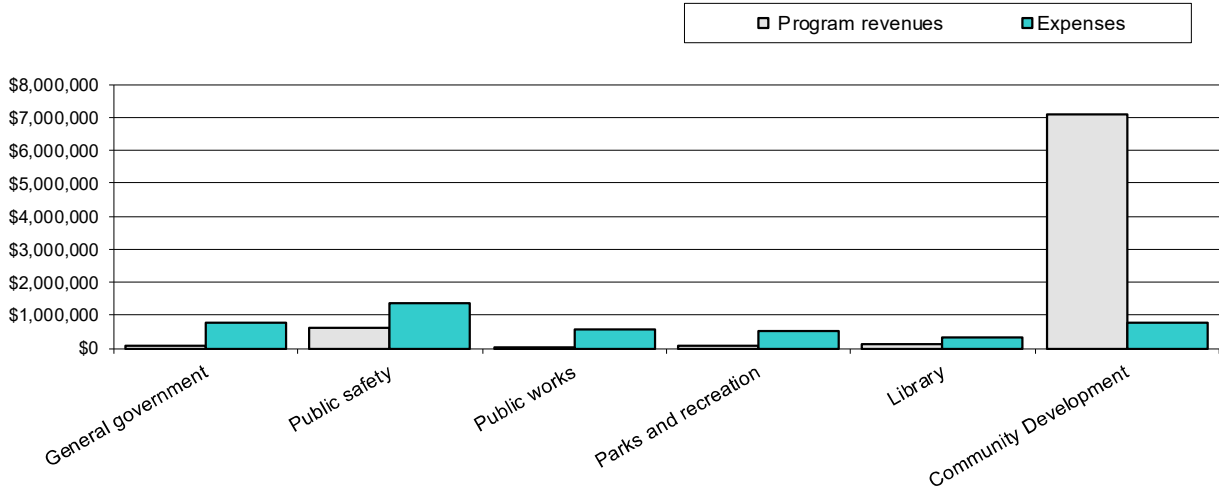
**City of Chatfield, Minnesota Change in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenue:						
Program revenues:						
Charges for services	\$ 410,813	\$ 473,811	\$ 1,637,124	\$ 1,676,247	\$ 2,047,937	\$ 2,150,058
Operating grants and contributions	350,857	279,357		3,700	350,857	283,057
Capital grants and contributions	7,261,027	1,313,270	45,378	51,647	7,306,405	1,364,917
General revenues:						
Property taxes	2,346,712	2,274,245			2,346,712	2,274,245
Tax increments	239,356	219,165			239,356	219,165
Grants and contributions not restricted to specific programs						
Local government aid	848,155	840,269			848,155	840,269
Other	159,085	155,152			159,085	155,152
Miscellaneous	5,243	49,562	25,745	18,958	30,988	68,520
Total revenues	<u>11,621,248</u>	<u>5,604,831</u>	<u>1,708,247</u>	<u>1,750,552</u>	<u>13,329,495</u>	<u>7,355,383</u>
Expenses:						
General government	779,765	701,409			779,765	701,409
Public safety	1,338,663	1,052,095			1,338,663	1,052,095
Public works	556,523	477,213			556,523	477,213
Parks and recreation	520,766	513,745			520,766	513,745
Library	318,415	294,761			318,415	294,761
Community development	773,721	1,033,654			773,721	1,033,654
Interest on long-term debt	245,465	190,160			245,465	190,160
Water			377,165	367,579	377,165	367,579
Sewer			734,420	679,690	734,420	679,690
Garbage			261,097	237,036	261,097	237,036
Total expenses	<u>4,533,318</u>	<u>4,263,037</u>	<u>1,372,682</u>	<u>1,284,305</u>	<u>5,906,000</u>	<u>5,547,342</u>
Change in net position before transfers	7,087,930	1,341,794	335,565	466,247	7,423,495	1,808,041
Transfers	275,982	262,194	(275,982)	(262,194)		
Change in net position	7,363,912	1,603,988	59,583	204,053	7,423,495	1,808,041
Net position, beginning	16,692,012	15,088,024	5,640,034	5,435,981	22,332,046	20,524,005
Net position, end of year	<u>\$ 24,055,924</u>	<u>\$ 16,692,012</u>	<u>\$ 5,699,617</u>	<u>\$ 5,640,034</u>	<u>\$ 29,755,541</u>	<u>\$ 22,332,046</u>

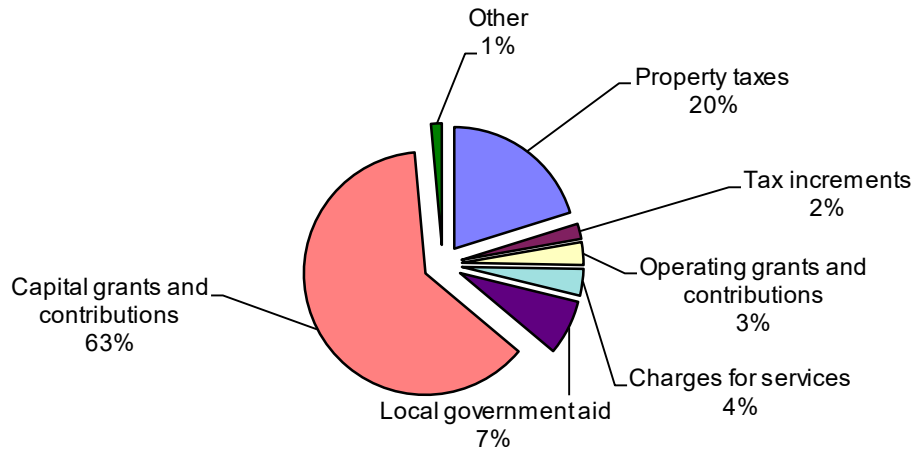
## CITY OF CHATFIELD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

Below are specific graphs that provide comparisons of the governmental activities direct program revenues with their expenses. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

**Expenses and Program Revenues - Governmental Activities**



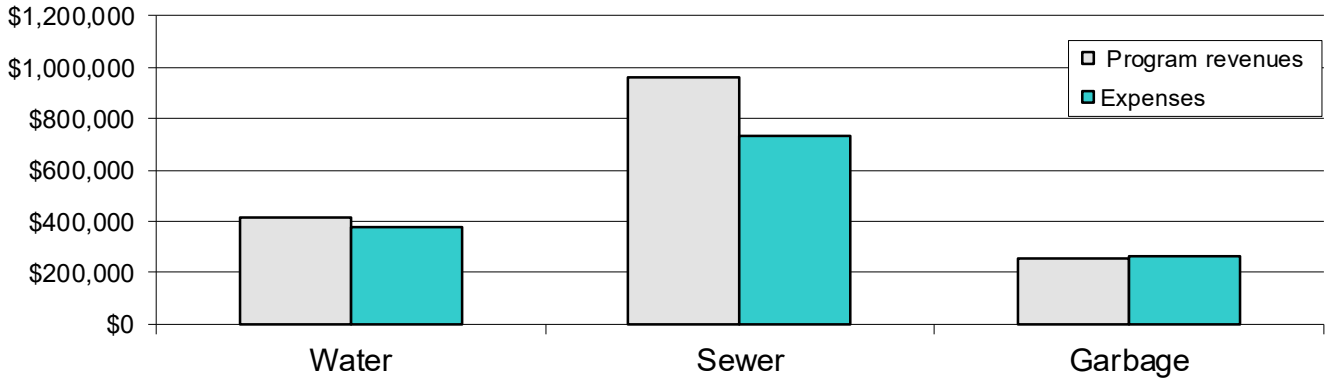
**Revenues by Source - Governmental Activities**



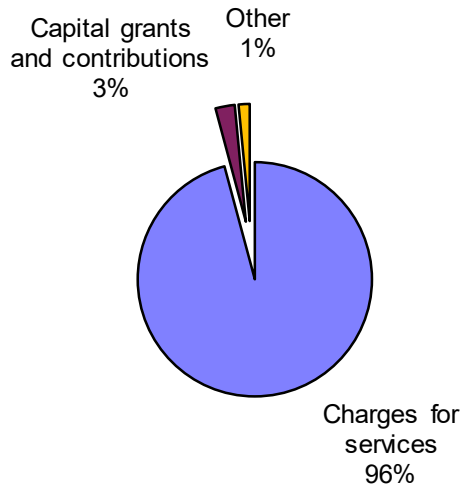
**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following graphs relate the various business-type activities' program revenues with their expenses. Since all of these activities require significant physical assets to operate, any excess revenues are held for planned capital expenses to keep pace with growing demand for services.

**Expenses and Program Revenues - Business-Type Activities**



**Revenues by Source - Business-Type Activities**



**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FUND BASIS FINANCIAL ANALYSIS**

As noted earlier, the City of Chatfield, Minnesota uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Chatfield, Minnesota's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Chatfield, Minnesota's financing requirements. In particular, *unassigned* and *assigned* fund balance may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

Fund balance is classified as non-spendable, restricted, committed, assigned, or unassigned according to the following definitions:

Nonspendable – representing that portion of fund balance that is not in a spendable form. Included in this category are advances to other funds, prepaid items and inventory.

Restricted – reports resources that have external constraints placed upon their use.

Committed – reports those resources for a specific purpose by Council action. The constraints cannot be changed or removed without Council action.

Assigned – represents the portion of fund balance that reflects the amounts the City intends to use for a specific purpose. The Council has authorized the City Clerk to assign fund balance.

Unassigned – comparable to the old unreserved, undesignated classification of fund balance, this represents the amount available for any purpose. However, only the General Fund may report a positive fund balance. Fund balance in other governmental funds will fall into one or more of the categories listed above unless a fund has a negative fund balance.

At the end of the current fiscal year, the City of Chatfield, Minnesota's governmental funds reported combined ending fund balances of \$5,185,095, an increase of \$422,375. This increase is primarily due to increases in fund balances of the Fire and Ambulance Funds to prepare for future capital acquisitions, an increase in the Library Fund, and increased balances of various Debt Service Funds.

Approximately 19 percent of this total amount, or \$969,382, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of this fund balance is *restricted, assigned, or committed* to indicate that it is not available for new spending because it has already been set aside 1) to liquidate contracts and purchase orders of the prior period, 2) to repay interfund advances or other debt, or 3) to fund specific capital projects or programs as obligated by statute or other regulation.

**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental funds (Continued).**

The general fund is the chief operating fund of the City of Chatfield, Minnesota. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,578,202. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to next year's general fund tax and aid.

Unassigned fund balance represents 62 percent of next year's total general fund property tax levy and local government aid.

The City of Chatfield, Minnesota has planned and implemented procedures to ensure that its general fund balance is at a level that meets its cash flow needs on a regular basis. That has been accomplished and a management tool is in place to ensure this into the future. In terms of the other governmental funds, similar management practices are in place and are designed to recognize the special nuances that might apply to funds that are more specific in nature than is the General Fund.

**Proprietary funds.** The City of Chatfield, Minnesota's proprietary funds statements found on pages 30-35 provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position in the respective proprietary funds are Water - \$168,453, Sewer - \$517,716, and Garbage - \$51,639.

The City invested heavily in its water and wastewater infrastructure from 2005 – 2009 by constructing a completely new wastewater treatment plant, a water tower, a pumping station, and associated water and sanitary sewer mains. After the implementing a multi-year schedule of user fee increases, the sanitary sewer rates are sustainable and, as such, there have been no sewer rate increases since 2019. The water user fee rates increased by 5.0% in 2022 and should remain relatively stable.

The City's Garbage Fund is very different from the other Enterprise Funds in that the City does not physically deliver the services associated with that fund. The City has administered an "organized collection" system for approximately thirty years and, as part of that administration, performs the billing, collecting, and other administration of the service. In return for those services, the City receives payments that are meant to cover the cost of the services it provides. Additionally, the City uses those funds to pay for the spring clean-up that it annually sponsors and the household hazardous waste collection that it sponsors each September. Rates for garbage collection increased slightly in 2022, for the first time in many years.

**General Fund Budgetary Highlights**

The increase of \$119,333 in the general fund balance was primarily due to an infusion of American Recovery Plan Act (ARPA) funding from the federal government.

**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Asset and Debt Administration**

**Capital assets.** The City of Chatfield, Minnesota's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$34,219,642 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, furniture and fixtures, wastewater treatment facility, park facilities, roads, and bridges. The total increase in the City of Chatfield, Minnesota's reported capital assets, net of depreciation, for the current fiscal year was \$7,566,931.

**City of Chatfield, Minnesota Capital Assets**

(net of depreciation)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 921,914	\$ 929,406	\$ 60,492	\$ 60,492	\$ 982,406	\$ 989,898
Construction in process	9,316,363	1,128,186	406,727		9,723,090	1,128,186
Buildings and improvements	9,408,271	10,011,411			9,408,271	10,011,411
Vehicles	963,631	997,988			963,631	997,988
Machinery and equipment	1,080,708	971,122	697,039	663,361	1,777,747	1,634,483
Furniture and fixtures	104,503	128,975			104,503	128,975
Wastewater treatment facility			7,431,612	7,744,652	7,431,612	7,744,652
Infrastructure	3,828,382	4,017,118			3,828,382	4,017,118
Total	<u>\$ 25,623,772</u>	<u>\$ 18,184,206</u>	<u>\$ 8,595,870</u>	<u>\$ 8,468,505</u>	<u>\$ 34,219,642</u>	<u>\$ 26,652,711</u>

Additional information on the City of Chatfield, Minnesota's capital assets can be found in Note 3E on pages 51-52 of this report.

**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Asset and Debt Administration (Continued)**

**Long-term debt.** At the end of the current fiscal year, the City of Chatfield, Minnesota had \$11,566,000 in bonds and notes outstanding. All of this debt is backed by the full faith and credit of the City.

**City of Chatfield, Minnesota Outstanding Debt**

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
G.O. bonds and notes	\$ 7,169,420	\$ 6,818,000	\$	\$	\$ 7,169,420	\$ 6,818,000
G.O. revenue bonds and notes			4,396,580	3,704,000	4,396,580	3,704,000
Unamortized premium	43,936	50,936	35,334	41,222	79,270	92,158
Compensated absences	211,977	202,061	23,209	25,359	235,186	227,420
Total	<u>\$ 7,425,333</u>	<u>\$ 7,070,997</u>	<u>\$ 4,455,123</u>	<u>\$ 3,770,581</u>	<u>\$11,880,456</u>	<u>\$10,841,578</u>

The City of Chatfield, Minnesota's total long-term liabilities increased by \$1,038,878 during the current fiscal year. A more detailed breakdown of these obligations can be found in Note 3G, beginning on page 56.

The City of Chatfield, Minnesota maintains an AA Stable bond rating on its general obligation bonds from Standard & Poors.



**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Economic Factors and Next Year's Budgets and Rates**

The City of Chatfield enjoys a diverse economy and is situated in one of the healthiest economic regions of Minnesota. Within the City of Chatfield are some of the larger employers in Fillmore County, with manufacturers in the wood products industry, the composites industry and the steel fabrication industry. These companies, along with the strong employment base at the Chosen Valley Care Center, the Chatfield Public Schools, and the many other employers in Chatfield provide a strong financial base for the community. The rest of the Chatfield economy is balanced between the health care, agriculture, tourism, retail, education, and the services industries, all of which are strong in their own right.

Mayo Clinic, the largest private employer in Minnesota, continues to set the stage for long term growth throughout southeast Minnesota, including Chatfield. Located just twenty minutes away, Mayo is in the process of investing \$6.5 billion dollars in physical improvements and to create 30,000 new employee positions within the next fifteen to twenty years.

In addition to the robust health care industry, the high-technology industry is well established in the area while the bio-technology industry and the education field both represent emerging industries that are attracting new employees and residents to the area.

Chatfield is well positioned to participate in the economic recovery that has taken root. Construction of new homes continues at a gradual but steady rate and developers continue to plat new housing subdivisions.

The City's local property tax rate has declined each year since 2018 and that trend should continue for a few more years. Utility fees should remain stable for the foreseeable future, although they will increase incrementally due to inflationary pressures.

In addition to the well diversified economy of the region, Chatfield has public infrastructure that is capable of serving a larger residential base. All capital equipment has been scheduled for replacement on a routine basis and a capital improvement plan is in place to guide the City as it makes improvements in the future. To focus its work plan, the City is implementing its Strategic Plan, adopted in November of 2021.

The Chatfield Public School District has made recent comprehensive improvements to the elementary school property and to the high school property, providing a solid educational element to the community and solidifying Chatfield's competitive place in the educational realm. The local Care Center's recent investment of \$14,000,000 continues to provide residential opportunities for local residents to age in place.

The private sector is also well positioned to positively affect the growth of the community. From a very fundamental perspective, the community has residential lots available for new housing, lots which are offered in a variety of locations at a variety of price points. The Chatfield resident enjoys retail, professional, and personal services of all kinds without needing to leave the city boundaries. Whether the resident is looking for grocery, liquor, dining, banking, medical, legal, or many other personal and professional services, those needs can be filled within the community and for those who are looking for a broader selection, it is within a short twenty-minute drive. These services are supported by the recent opening of the Joy Ridge Event Center, a newly opened bakery, and the re-opening of the regional Chatfield Center for the Arts. The Chatfield business community is well equipped to meet the demands of the residents.

**CITY OF CHATFIELD, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Economic Factors and Next Year's Budgets and Rates (Continued)**

In addition to the jobs and economic factors that are enjoyed locally, residents have easy access to transportation services. U.S. Highway 52 and Minnesota Highways 30/74 provide the primary service to residents while the Interstate Highway system is just ten miles away. Passenger and freight rail is within a forty-minute drive and an international airport is within twenty-five minutes. These transportation assets help make Chatfield a convenient place to live whether they work in Chatfield or at the many employers in Rochester or elsewhere in the region.

The vibrant nature of the City is reflected in the results of the Inflow-Outflow Analysis of workers, which states that an almost equal number of people travel to Chatfield for work each day as the number of people who leave town for work each day. Of the nineteen cities closest to Rochester, including Rochester, Chatfield ranks fifth among them in terms of jobs per capita. The City's proclivity to long term planning, together with the economic health of the area, the beauty and all that is offered by the natural environment, and the full-service nature of public and private sector services that are available, has this community well positioned to continue to thrive in the future.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Chatfield, Minnesota's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Clerk, City Hall, 21 Second Street SE, Chatfield, MN 55923 or [jyoung@ci.chatfield.mn.us](mailto:jyoung@ci.chatfield.mn.us).

**CITY OF CHATFIELD, MINNESOTA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**CITY OF CHATFIELD, MINNESOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2022  
With Comparative Totals for December 31, 2021

	Governmental Activities	Business-Type Activities	Totals	
			2022	2021
<b>ASSETS</b>				
Cash and investments	\$ 6,015,622	\$ 1,540,444	\$ 7,556,066	\$ 5,778,001
Receivables	1,098,433	228,764	1,327,197	2,244,759
Prepaid items	17,244		17,244	18,177
Net pension asset	211,315		211,315	273,651
Capital assets:				
Nondepreciable	10,238,277	467,219	10,705,496	2,118,084
Depreciable, net	15,385,495	8,128,651	23,514,146	24,534,627
Total Assets	<u>32,966,386</u>	<u>10,365,078</u>	<u>43,331,464</u>	<u>34,967,299</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pension activity	<u>1,275,020</u>	<u>53,559</u>	<u>1,328,579</u>	<u>857,682</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>\$ 34,241,406</u>	<u>\$ 10,418,637</u>	<u>\$ 44,660,043</u>	<u>\$ 35,824,981</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 214,634	\$ 30,622	\$ 245,256	\$ 680,152
Retainage payable	259,300		259,300	
Accrued interest payable	77,969	47,175	125,144	85,738
Accrued compensated absences	211,977	23,209	235,186	227,420
Noncurrent liabilities:				
Due within one year	686,400	547,600	1,234,000	1,175,000
Due in more than one year	6,526,956	3,884,314	10,411,270	9,439,158
Net pension liability	2,127,423	181,465	2,308,888	762,598
Total Liabilities	<u>10,104,659</u>	<u>4,714,385</u>	<u>14,819,044</u>	<u>12,370,066</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pension activity	<u>80,823</u>	<u>4,635</u>	<u>85,458</u>	<u>1,122,869</u>
<b>NET POSITION</b>				
Net investment in capital assets	18,568,475	4,961,809	23,530,284	16,038,553
Restricted for:				
Revolving loans	673,677		673,677	691,084
Debt service	1,833,874		1,833,874	1,772,289
Unrestricted	2,979,898	737,808	3,717,706	3,830,120
Total Net Position	<u>24,055,924</u>	<u>5,699,617</u>	<u>29,755,541</u>	<u>22,332,046</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
	<u>\$ 34,241,406</u>	<u>\$ 10,418,637</u>	<u>\$ 44,660,043</u>	<u>\$ 35,824,981</u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA**  
**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

With Comparative Totals for the Fiscal Year Ending December 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 779,765	\$ 51,109	\$ 41,509	\$ 136
Public safety	1,338,663	251,443	207,327	170,421
Public works	556,523		2,071	2,601
Parks and recreation	520,766	92,264	50	
Library	318,415	9,731	96,787	
Community development	773,721	6,266	3,113	7,087,869
Interest on long-term debt	245,465			
Total governmental activities	<u>4,533,318</u>	<u>410,813</u>	<u>350,857</u>	<u>7,261,027</u>
Business-Type activities:				
Water	377,165	417,869		11,696
Sewer	734,420	961,540		27,837
Garbage	261,097	257,715		5,845
Total business-type activities	<u>1,372,682</u>	<u>1,637,124</u>		<u>45,378</u>
Total	<u>\$ 5,906,000</u>	<u>\$ 2,047,937</u>	<u>\$ 350,857</u>	<u>\$ 7,306,405</u>

General revenues:

    General property taxes

    Tax increments

    Grants and contributions not restricted to specific programs:

        Local government aid

        Other

    Investment earnings (loss)

    Insurance recovery

    Miscellaneous

Transfers

    Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

**See Notes to the Financial Statements**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Totals	
		2022	2021
\$ (687,011)	\$	\$ (687,011)	\$ (593,135)
(709,472)		(709,472)	(414,362)
(551,851)		(551,851)	(475,142)
(428,452)		(428,452)	(430,311)
(211,897)		(211,897)	(195,397)
6,323,527		6,323,527	101,908
(245,465)		(245,465)	(190,160)
<u>3,489,379</u>		<u>3,489,379</u>	<u>(2,196,599)</u>
	52,400	52,400	96,215
	254,957	254,957	345,884
	<u>2,463</u>	<u>2,463</u>	<u>5,190</u>
	<u>309,820</u>	<u>309,820</u>	<u>447,289</u>
<u>3,489,379</u>	<u>309,820</u>	<u>3,799,199</u>	<u>(1,749,310)</u>
2,346,712		2,346,712	2,274,245
239,356		239,356	219,165
848,155		848,155	840,269
159,085		159,085	155,152
(37,855)	20,063	(17,792)	17,564
8,108		8,108	
34,990	5,682	40,672	50,956
275,982	(275,982)		
<u>3,874,533</u>	<u>(250,237)</u>	<u>3,624,296</u>	<u>3,557,351</u>
7,363,912	59,583	7,423,495	1,808,041
<u>16,692,012</u>	<u>5,640,034</u>	<u>22,332,046</u>	<u>20,524,005</u>
<u>\$ 24,055,924</u>	<u>\$ 5,699,617</u>	<u>\$ 29,755,541</u>	<u>\$ 22,332,046</u>

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**CITY OF CHATFIELD, MINNESOTA**

**FUND FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**CITY OF CHATFIELD, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2022  
With Comparative Totals for December 31, 2021

	100 General	Capital Project Fund	Other Governmental Funds	Totals	
		454 CCA Construction Phase II		2022	2021
<b>ASSETS</b>					
Cash and investments	\$ 1,355,282	\$	\$ 3,733,765	\$ 5,089,047	\$ 3,932,098
Accounts receivable	313		274,240	274,553	300,575
Notes receivable			503,949	503,949	527,252
Due from other governmental units	9,145	265,835	3,205	278,185	1,146,308
Taxes receivable delinquent	21,261		15,218	36,479	36,471
Special assessments receivable			5,267	5,267	8,496
Due from other funds	241,622			241,622	542,379
Advances to other funds			314,299	314,299	323,227
Prepaid items	17,244			17,244	15,278
<b>TOTAL ASSETS</b>	<b>\$ 1,644,867</b>	<b>\$ 265,835</b>	<b>\$ 4,849,943</b>	<b>\$ 6,760,645</b>	<b>\$ 6,832,084</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 28,160	\$ 54,137	\$ 132,337	\$ 214,634	\$ 631,539
Retainage payable		259,300		259,300	
Due to other funds		226,590	15,032	241,622	542,379
Advances from other funds			314,299	314,299	323,227
Total Liabilities	28,160	540,027	461,668	1,029,855	1,497,145
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue:					
Property taxes	21,261		15,218	36,479	36,471
Special assessments			5,267	5,267	8,496
Notes receivable			503,949	503,949	527,252
Total Deferred Inflows of Resources	21,261		524,434	545,695	572,219
<b>Fund Balance:</b>					
Nonspendable:					
Prepaid items	17,244			17,244	15,278
Advances to other funds			314,299	314,299	323,227
Restricted:					
Creditors (debt covenants)			1,900,441	1,900,441	1,807,931
Regulations			198,504	198,504	175,693
Committed:					
By Council action			362,174	362,174	334,595
Assigned:					
Fund assignments			1,423,051	1,423,051	968,003
Unassigned	1,578,202	(274,192)	(334,628)	969,382	1,137,993
Total Fund Balance	1,595,446	(274,192)	3,863,841	5,185,095	4,762,720
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,644,867</b>	<b>\$ 265,835</b>	<b>\$ 4,849,943</b>	<b>\$ 6,760,645</b>	<b>\$ 6,832,084</b>

**See Notes to the Financial Statements**

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**CITY OF CHATFIELD, MINNESOTA  
RECONCILIATION OF NET POSITION IN THE  
GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND BALANCES  
IN THE FUND BASIS FINANCIAL STATEMENTS  
December 31, 2022**

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances (page 20)	\$	5,185,095
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	\$	35,494,142
Less: Accumulated depreciation		<u>(12,750,356)</u>
		22,743,786
Some receivables are not available soon enough to pay for current period expenditures and, therefore, are unavailable in the funds.		
Delinquent property taxes	\$	36,479
Special assessments		5,267
Notes receivable		<u>503,949</u>
		545,695
Internal service funds are used by management to charge the costs of capital acquisitions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		3,806,561
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and notes payable	\$	(7,169,420)
Net pension liability		(933,226)
Net pension asset		211,315
Compensated absences		(211,977)
Bond premiums net of amortization		(43,936)
Accrued interest		<u>(77,969)</u>
		<u>(8,225,213)</u>
Net position of governmental activities (page 17)		<u><u>\$ 24,055,924</u></u>

**See Notes to the Financial Statements**

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**CITY OF CHATFIELD, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	100 General	Capital Project Fund	Other Governmental Funds	Totals	
		454 CCA Construction Phase II		2022	2021
<b>REVENUES</b>					
Property taxes	\$ 1,537,292	\$	\$ 809,412	\$ 2,346,704	\$ 2,263,688
Special assessments	3,365		2,601	5,966	7,294
Tax increments			203,993	203,993	185,408
Tax abatement			35,363	35,363	33,757
Licenses and permits	20,451			20,451	27,660
Fines and forfeits	4,456		379	4,835	7,119
Intergovernmental	1,063,675	7,057,369	223,935	8,344,979	2,416,578
Franchise fees			25,503	25,503	26,652
Charges for services	104,094		256,060	360,154	349,137
Training revenue			14,325	14,325	16,260
Investment income (loss)	(73,337)		35,482	(37,855)	4,429
Contributions		30,500	198,309	228,809	200,238
Miscellaneous	29,644		92,944	122,588	126,230
<b>TOTAL REVENUES</b>	<b>2,689,640</b>	<b>7,087,869</b>	<b>1,898,306</b>	<b>11,675,815</b>	<b>5,664,450</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	684,473		46,478	730,951	700,635
Public safety	723,536		418,766	1,142,302	1,054,772
Public works	519,646			519,646	477,381
Parks and recreation	376,939			376,939	378,786
Library			252,321	252,321	242,970
Community development	28,630		401,698	430,328	380,772
<b>Capital Outlay</b>		7,358,902	891,580	8,250,482	1,413,698
<b>Debt Service</b>			894,286	894,286	859,828
<b>TOTAL EXPENDITURES</b>	<b>2,333,224</b>	<b>7,358,902</b>	<b>2,905,129</b>	<b>12,597,255</b>	<b>5,508,842</b>
Excess (deficiency) of revenues over (under) expenditures	356,416	(271,033)	(1,006,823)	(921,440)	155,608
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of bonds			1,014,420	1,014,420	
Insurance recovery	8,108			8,108	
Transfers in	128,792		599,199	727,991	720,084
Transfers out	(373,983)		(32,721)	(406,704)	(385,450)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(237,083)</b>		<b>1,580,898</b>	<b>1,343,815</b>	<b>334,634</b>
Net change in fund balances	119,333	(271,033)	574,075	422,375	490,242
<b>FUND BALANCES, beginning</b>	<b>1,476,113</b>	<b>(3,159)</b>	<b>3,289,766</b>	<b>4,762,720</b>	<b>4,272,478</b>
<b>FUND BALANCES, ending</b>	<b>\$ 1,595,446</b>	<b>\$ (274,192)</b>	<b>\$ 3,863,841</b>	<b>\$ 5,185,095</b>	<b>\$ 4,762,720</b>

**See Notes to the Financial Statements**

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**CITY OF CHATFIELD, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 22)	\$	422,375
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay	\$ 8,246,132	
Depreciation expense	<u>(927,385)</u>	
		7,318,747
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(7,492)
<p>Certain revenues in the statement of activities do not provide current financial resources are not reported as revenues in the funds.</p>		
Unavailable revenue, December 31, 2022	\$ 545,695	
Unavailable revenue, December 31, 2021	<u>(572,219)</u>	
		(26,524)
<p>Internal service funds are used by management to charge the costs of equipment to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities</p>		
		128,575
<p>The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligations bonds and related items is as follows.</p>		
Principal retirement on long-term debt	\$ 663,000	
Proceeds from issuance of bonds	(1,014,420)	
Amortization of bond premium	7,000	
Change in accrued interest	<u>(22,505)</u>	
		(366,925)
<p>In the statement of activities, certain operating expenses - compensated absences, net pension liability, and net pension asset - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).</p>		
Change in compensated absences	\$ (9,916)	
Change in net pension liability activity	(108,675)	
Change in net pension asset	<u>13,747</u>	
		(104,844)
Change in net position of governmental activities (pages 18-19)	\$	<u><u>7,363,912</u></u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA  
GENERAL FUND  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
<b>Property Tax Levy Collected</b>	\$ 1,511,013	\$ 1,511,013	\$ 1,537,292	\$ 26,279	\$ 1,439,918
<b>Special Assessments Collected</b>	3,100	3,100	3,365	265	4,373
<b>Licenses and Permits</b>	21,700	21,700	20,451	(1,249)	27,660
<b>Intergovernmental Revenues</b>					
Local government aid	848,155	848,155	848,155		840,269
Market value credit			477	477	572
State police aid	45,000	45,000	50,082	5,082	46,314
Highway	2,100	2,100	2,071	(29)	2,071
Training and reimbursement	6,500	6,500	7,457	957	12,153
ARPA funding			154,580	154,580	154,580
Federal grants			853	853	
Other state aid	2,677	2,677		(2,677)	9,140
Total Intergovernmental Revenues	904,432	904,432	1,063,675	159,243	1,065,099
<b>Charges for Services</b>					
Planning and zoning fees	5,750	5,750	2,627	(3,123)	12,374
Pool fees	79,200	79,200	96,796	17,596	84,178
Camping fees	1,000	1,000	1,095	95	4,560
Street department fees	5,000	5,000	2,886	(2,114)	2,852
Other	525	525	690	165	1,486
Total Charges for Services	91,475	91,475	104,094	12,619	105,450
<b>Fines and Forfeits</b>					
Parking fines	2,100	2,100	2,140	40	2,250
Court fines and other	5,000	5,000	2,316	(2,684)	4,221
Total Fines and Forfeits	7,100	7,100	4,456	(2,644)	6,471
<b>Investment Income (Loss)</b>	12,000	12,000	(73,337)	(85,337)	(25,555)
<b>Miscellaneous Revenues</b>					
Donations			356	356	900
Refunds and reimbursements	7,550	7,550	14,473	6,923	20,796
Other	7,475	7,475	14,815	7,340	7,602
Total Miscellaneous Revenues	15,025	15,025	29,644	14,619	29,298
<b>TOTAL REVENUES</b>	\$ 2,565,845	\$ 2,565,845	\$ 2,689,640	\$ 123,795	\$ 2,652,714

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA  
GENERAL FUND  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022	Variance with	2021
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
<b>EXPENDITURES</b>					
<b>General Government</b>					
<b>Mayor and Council</b>					
Salaries	\$ 22,500	\$ 22,500	\$ 22,478	\$ 22	\$ 22,590
Employee benefits and retirement	1,676	1,676	1,637	39	1,649
Workers compensation	150	150	79	71	88
Office supplies	500	500	53	447	18
Printing and publication			1,678	(1,678)	1,649
Travel and conference	2,750	2,750	2,153	597	99
Legal fees	17,000	17,000	9,826	7,174	14,779
Dues and subscription	12,500	12,500	12,209	291	12,213
Insurance			1,844	(1,844)	
Departmental capital charge	900	900	900		3,900
Other	5,120	5,120	2,552	2,568	2,581
Total Mayor and Council	<u>63,096</u>	<u>63,096</u>	<u>55,409</u>	<u>7,687</u>	<u>59,566</u>
<b>Elections</b>	<u>5,300</u>	<u>5,300</u>	<u>8,377</u>	<u>(3,077)</u>	
<b>Clerk's Office</b>					
Salaries	317,000	317,000	309,466	7,534	295,809
Employee benefits and retirement	48,026	48,026	45,886	2,140	43,864
Workers compensation	4,500	4,500	1,719	2,781	2,074
Health insurance	47,100	47,100	46,589	511	43,136
Office supplies	7,500	7,500	5,321	2,179	5,234
Postage	1,900	1,900	565	1,335	671
Audit fees	13,000	13,000	13,000		10,300
Professional fees	19,265	19,265	19,071	194	17,939
Licenses and dues	5,380	5,380	5,966	(586)	6,231
Insurance	5,500	5,500	5,187	313	5,062
Internet and telephone	24,500	24,500	23,722	778	23,004
Maintenance and repair	2,720	2,720	2,118	602	1,710
Travel and conference	7,200	7,200	4,187	3,013	4,298
Departmental capital charge	7,520	7,520	7,520		8,100
Other	11,600	11,600	8,020	3,580	8,529
Total Clerk's Office	<u>522,711</u>	<u>522,711</u>	<u>498,337</u>	<u>24,374</u>	<u>475,961</u>
<b>Planning and Zoning</b>					
Printing and publication	500	500	506	(6)	253
Professional fees	60,000	60,000	41,373	18,627	48,495
Insurance	3,900	3,900	3,795	105	3,677
Other	1,000	1,000	634	366	720
Total Planning and Zoning	<u>\$ 65,400</u>	<u>\$ 65,400</u>	<u>\$ 46,308</u>	<u>\$ 19,092</u>	<u>\$ 53,145</u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)	2021 Actual Amounts
	Original	Final			
<b>EXPENDITURES (Continued)</b>					
<b>General Government (Continued)</b>					
<b>Municipal Building</b>					
Operating supplies	\$ 2,500	\$ 2,500	\$ 2,363	\$ 137	\$ 1,788
Maintenance and repair	15,000	15,000	9,548	5,452	8,447
Contracted services	29,100	29,100	16,958	12,142	17,871
Insurance	4,100	4,100	7,496	(3,396)	4,143
Utilities	8,700	8,700	11,878	(3,178)	9,810
Departmental capital charge	27,656	27,656	27,656		32,850
Other	870	870	143	727	478
Total Municipal Building	<u>87,926</u>	<u>87,926</u>	<u>76,042</u>	<u>11,884</u>	<u>75,387</u>
Total General Government	<u>744,433</u>	<u>744,433</u>	<u>684,473</u>	<u>59,960</u>	<u>664,059</u>
<b>Public Safety</b>					
<b>Animal Control</b>					
Operating supplies	150	150	105	45	101
Printing and publication	200	200		200	
Other	400	400	8	392	6
Total Animal Control	<u>750</u>	<u>750</u>	<u>113</u>	<u>637</u>	<u>107</u>
<b>Civil Defense</b>					
Contracted services	450	450		450	
Departmental capital charge	2,000	2,000	2,000		2,000
Total Civil Defense	<u>2,450</u>	<u>2,450</u>	<u>2,000</u>	<u>450</u>	<u>2,000</u>
<b>Building Code</b>					
Consultant fee	20,000	20,000	12,636	7,364	15,183
Plan review	2,500	2,500	1,426	1,074	2,280
Administrative fees	2,500	2,500	53	2,447	214
Total Building Code	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 14,115</u>	<u>\$ 10,885</u>	<u>\$ 17,677</u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>EXPENDITURES (Continued)</b>					
<b>Public Safety (Continued)</b>					
<b>Police Department</b>					
Salaries	\$ 393,000	\$ 393,000	\$ 401,989	\$ (8,989)	\$ 382,721
Employee benefits and retirement	75,560	75,560	74,324	1,236	72,207
Workers compensation	32,000	32,000	34,658	(2,658)	24,850
Health insurance	58,120	58,120	71,324	(13,204)	62,969
Operating supplies	3,000	3,000	1,071	1,929	1,411
Vehicle operating supplies	8,000	8,000	8,665	(665)	6,959
Small tools and minor equipment	3,000	3,000	783	2,217	474
Internet and telephone	7,700	7,700	6,823	877	7,159
Legal fees	8,500	8,500	3,830	4,670	5,903
Uniform allowance	4,250	4,250	2,496	1,754	4,801
Maintenance and repair	10,000	10,000	17,291	(7,291)	11,890
Clothing	2,000	2,000	2,351	(351)	
Training	4,500	4,500	3,524	976	1,724
Contracted services	9,515	9,515	9,718	(203)	8,502
Insurance	18,500	18,500	16,260	2,240	15,747
Utilities	6,000	6,000	7,969	(1,969)	4,959
Departmental capital charge	36,069	36,069	36,069		30,165
Other	10,225	10,225	8,163	2,062	6,128
Total Police Department	<u>689,939</u>	<u>689,939</u>	<u>707,308</u>	<u>(17,369)</u>	<u>648,569</u>
Total Public Safety	<u>718,139</u>	<u>718,139</u>	<u>723,536</u>	<u>(5,397)</u>	<u>668,353</u>
<b>Public Works</b>					
<b>Street Department</b>					
Salaries	97,000	97,000	100,783	(3,783)	88,196
Employee benefits and retirement	13,796	13,796	14,275	(479)	12,893
Health insurance	9,830	9,830	9,819	11	9,378
Workers compensation	3,500	3,500	8,130	(4,630)	9,620
Operating supplies	21,200	21,200	18,168	3,032	16,753
Vehicle operating supplies	16,000	16,000	14,221	1,779	10,651
Maintenance and repair	47,500	47,500	79,658	(32,158)	70,863
Clothing	900	900	620	280	872
Snow removal	5,000	5,000	2,815	2,185	1,360
Insurance	10,500	10,500	10,175	325	9,841
Internet and telephone	1,800	1,800	2,468	(668)	2,489
Other professional services	20,500	20,500	12,883	7,617	6,481
Small tools and minor equipment	5,000	5,000	7,370	(2,370)	5,514
Utilities	35,075	35,075	48,547	(13,472)	43,172
Departmental capital charge	187,061	187,061	187,061		187,354
Other	3,840	3,840	2,653	1,187	1,944
Total Public Works	<u>\$ 478,502</u>	<u>\$ 478,502</u>	<u>\$ 519,646</u>	<u>\$ (41,144)</u>	<u>\$ 477,381</u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>EXPENDITURES (Continued)</b>					
<b>Parks and Recreation</b>					
<b>Parks</b>					
Salaries	\$ 75,000	\$ 75,000	\$ 72,743	\$ 2,257	\$ 76,315
Employee benefits and retirement	10,238	10,238	9,899	339	9,909
Workers compensation	6,000	6,000	7,010	(1,010)	4,332
Health insurance	18,030	18,030	12,600	5,430	17,700
Small tools and minor equipment	1,000	1,000	330	670	4,031
Vehicle operating supplies	4,700	4,700	9,410	(4,710)	7,077
Maintenance and repair	7,500	7,500	3,914	3,586	12,737
Other professional services	6,000	6,000	3,444	2,556	5,213
Utilities	16,100	16,100	20,476	(4,376)	19,379
Insurance	8,000	8,000	5,007	2,993	9,022
Departmental capital charge	43,700	43,700	43,700		42,400
Other	6,740	6,740	7,874	(1,134)	10,757
Total Parks	<u>203,008</u>	<u>203,008</u>	<u>196,407</u>	<u>6,601</u>	<u>218,872</u>
<b>Pool</b>					
Salaries	75,000	75,000	81,311	(6,311)	70,112
Employee benefits and retirement	5,738	5,738	6,220	(482)	5,364
Workers compensation	4,000	4,000	5,550	(1,550)	3,317
Operating supplies	15,000	15,000	15,905	(905)	13,306
Maintenance and repair	2,000	2,000	9,706	(7,706)	3,770
Other professional services	285	285		285	
Utilities	21,000	21,000	27,266	(6,266)	16,528
Insurance	19,000	19,000	11,980	7,020	18,267
Departmental capital charge	2,500	2,500	2,500		2,500
Other	19,615	19,615	18,494	1,121	21,150
Total Pool	<u>164,138</u>	<u>164,138</u>	<u>178,932</u>	<u>(14,794)</u>	<u>154,314</u>
<b>Recreation</b>	<u>4,200</u>	<u>4,200</u>		<u>4,200</u>	<u>4,000</u>
<b>Band</b>					
School band concerts	480	480	480		480
Brass band concerts	1,120	1,120	1,120		1,120
Total Band	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>		<u>1,600</u>
Total Parks and Recreation	<u>\$ 372,946</u>	<u>\$ 372,946</u>	<u>\$ 376,939</u>	<u>\$ (3,993)</u>	<u>\$ 378,786</u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA**  
**GENERAL FUND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>EXPENDITURES (Continued)</b>					
<b>Community Development</b>					
Promotional expense	\$	\$	\$ 2,622	\$ (2,622)	\$ 3,596
Heritage preservation	14,330	14,330	14,044	286	22,443
Other	17,000	17,000	11,964	5,036	14,714
Total Community Development	<u>31,330</u>	<u>31,330</u>	<u>28,630</u>	<u>2,700</u>	<u>40,753</u>
<b>TOTAL EXPENDITURES</b>	<u>2,345,350</u>	<u>2,345,350</u>	<u>2,333,224</u>	<u>12,126</u>	<u>2,229,332</u>
Excess of revenues over expenditures	<u>220,495</u>	<u>220,495</u>	<u>356,416</u>	<u>135,921</u>	<u>423,382</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance recovery			8,108	8,108	
Transfers in	128,792	128,792	128,792		127,516
Transfers out	<u>(343,983)</u>	<u>(343,983)</u>	<u>(373,983)</u>	<u>(30,000)</u>	<u>(364,390)</u>
Total Other Financing Sources (Uses)	<u>(215,191)</u>	<u>(215,191)</u>	<u>(237,083)</u>	<u>(21,892)</u>	<u>(236,874)</u>
Net change in fund balances	5,304	5,304	119,333	114,029	186,508
<b>FUND BALANCES, beginning</b>	<u>1,476,113</u>	<u>1,476,113</u>	<u>1,476,113</u>		<u>1,289,605</u>
<b>FUND BALANCES, ending</b>	<u>\$ 1,481,417</u>	<u>\$ 1,481,417</u>	<u>\$ 1,595,446</u>	<u>\$ 114,029</u>	<u>\$ 1,476,113</u>

**See Notes to the Financial Statements**

**CITY OF CHATFIELD, MINNESOTA**  
**PROPRIETARY FUNDS**  
**Statement of Net Position**  
December 31, 2022  
With Comparative Totals for December 31, 2021

	601/339/336 303/403	602/622/341 337/333	603	Totals	
	Water	Sewer	Garbage	2022	2021
<b>ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>					
<b>Current Assets</b>					
Cash and investments	\$ 991,940	\$ 512,250	\$ 36,254	\$ 1,540,444	\$ 906,078
Accounts receivable, net	48,322	116,224	28,952	193,498	190,205
Special assessments receivable	6,471	20,405	5,642	32,518	34,216
Special assessments delinquent	547	1,724	477	2,748	1,236
Prepaid items					2,899
Total Current Assets	<u>1,047,280</u>	<u>650,603</u>	<u>71,325</u>	<u>1,769,208</u>	<u>1,134,634</u>
<b>Noncurrent Assets</b>					
Capital assets:					
Nondepreciable	436,973	30,246		467,219	60,492
Depreciable	4,220,230	13,115,829		17,336,059	17,206,230
Less: Accumulated depreciation	<u>1,800,513</u>	<u>7,406,895</u>		<u>9,207,408</u>	<u>8,798,217</u>
Net capital assets	<u>2,856,690</u>	<u>5,739,180</u>		<u>8,595,870</u>	<u>8,468,505</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows from pension activity	<u>18,993</u>	<u>34,566</u>		<u>53,559</u>	<u>76,955</u>
<b>TOTAL ASSETS AND DEFERRED</b>					
<b>OUTFLOWS OF RESOURCES</b>	<u>\$ 3,922,963</u>	<u>\$ 6,424,349</u>	<u>\$ 71,325</u>	<u>\$ 10,418,637</u>	<u>\$ 9,680,094</u>
<b>LIABILITIES, DEFERRED INFLOWS</b>					
<b>OF RESOURCES, AND NET POSITION</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 3,088	\$ 7,848	\$ 19,686	\$ 30,622	\$ 35,099
Accrued compensated absences	8,110	15,099		23,209	25,359
Current maturities of bonds payable	61,100	486,500		547,600	512,000
Accrued interest payable	<u>22,395</u>	<u>24,780</u>		<u>47,175</u>	<u>30,274</u>
Total Current Liabilities	<u>94,693</u>	<u>534,227</u>	<u>19,686</u>	<u>648,606</u>	<u>602,732</u>
<b>Noncurrent Liabilities</b>					
Net pension liability	64,710	116,755		181,465	106,044
Bonds payable, net of current maturities and unamortized premium	<u>1,331,980</u>	<u>2,552,334</u>		<u>3,884,314</u>	<u>3,233,222</u>
Total Liabilities	<u>1,491,383</u>	<u>3,203,316</u>	<u>19,686</u>	<u>4,714,385</u>	<u>3,941,998</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows from pension activity	<u>1,664</u>	<u>2,971</u>		<u>4,635</u>	<u>98,062</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,261,463	2,700,346		4,961,809	4,723,283
Unrestricted	<u>168,453</u>	<u>517,716</u>	<u>51,639</u>	<u>737,808</u>	<u>916,751</u>
Total Net Position	<u>2,429,916</u>	<u>3,218,062</u>	<u>51,639</u>	<u>5,699,617</u>	<u>5,640,034</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS</b>					
<b>OF RESOURCES AND NET POSITION</b>	<u>\$ 3,922,963</u>	<u>\$ 6,424,349</u>	<u>\$ 71,325</u>	<u>\$ 10,418,637</u>	<u>\$ 9,680,094</u>

**See Notes to the Financial Statements**



Governmental Activities-Internal  
 Service Funds  
 801

Capital Goods

2022	2021
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\$ 926,575	\$ 939,825
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<u>926,575</u>	<u>939,825</u>
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5,813

5,536,806	5,334,446
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2,662,633	2,582,771
-----------	-----------

<u>2,879,986</u>	<u>2,751,675</u>
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<u>\$ 3,806,561</u>	<u>\$ 3,691,500</u>
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\$	\$ 13,514
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	<u>13,514</u>
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	<u>13,514</u>
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2,879,986	2,751,675
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926,575	926,311
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<u>3,806,561</u>	<u>3,677,986</u>
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<u>\$ 3,806,561</u>	<u>\$ 3,691,500</u>
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**CITY OF CHATFIELD, MINNESOTA**

**PROPRIETARY FUNDS**

**Statement of Revenues, Expenses  
and Changes in Fund Net Position**

For the Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	601/339/336	602/622/341	603	Totals	
	303/403	337/333		2022	2021
	Water	Sewer	Garbage		
<b>Operating Revenues</b>					
Service fees and charges	\$ 413,069	\$ 953,740	\$ 257,715	\$ 1,624,524	\$ 1,612,673
Departmental capital charge					
	<u>413,069</u>	<u>953,740</u>	<u>257,715</u>	<u>1,624,524</u>	<u>1,612,673</u>
<b>Operating Expenses</b>					
Salaries	73,287	135,668		208,955	198,911
Employee benefits and retirement	12,796	24,364		37,160	32,051
Health insurance	9,819	21,938		31,757	32,305
Workers compensation	2,470	5,633		8,103	7,786
Garbage removal			216,113	216,113	194,057
City clean up			14,473	14,473	21,931
Supplies	7,843	6,617	386	14,846	13,295
Utilities	22,936	56,945		79,881	75,134
Maintenance and repairs	14,353	50,437	5,040	69,830	80,473
Travel and training	71	130		201	1,234
Professional fees	39,825	30,470		70,295	66,875
Office expense	1,574	4,250	1,111	6,935	6,257
Insurance	8,513	18,380		26,893	15,736
Depreciation	133,936	298,630		432,566	418,785
Departmental capital charge	14,570	9,170	5,000	28,740	19,172
Other	10,856	17,385	18,974	47,215	32,668
Total Operating Expenses	<u>352,849</u>	<u>680,017</u>	<u>261,097</u>	<u>1,293,963</u>	<u>1,216,670</u>
Operating Income (Loss)	<u>60,220</u>	<u>273,723</u>	<u>(3,382)</u>	<u>330,561</u>	<u>396,003</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	10,323	9,240	500	20,063	13,135
Refunds and reimbursements	2,197	3,485		5,682	5,823
Special assessments	11,696	27,837	5,845	45,378	51,647
State aid					3,700
Connection and access fees	4,800	7,800		12,600	63,574
Miscellaneous					
Gain on sale of assets					
Interest and fiscal charges	(24,316)	(54,403)		(78,719)	(67,635)
Total Nonoperating Revenues (Expenses)	<u>4,700</u>	<u>(6,041)</u>	<u>6,345</u>	<u>5,004</u>	<u>70,244</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>64,920</u>	<u>267,682</u>	<u>2,963</u>	<u>335,565</u>	<u>466,247</u>
Transfers in	8,054	5,700		13,754	14,450
Transfers out	(183,645)	(89,021)	(17,070)	(289,736)	(276,644)
<b>CHANGE IN NET POSITION</b>	<u>(110,671)</u>	<u>184,361</u>	<u>(14,107)</u>	<u>59,583</u>	<u>204,053</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>2,540,587</u>	<u>3,033,701</u>	<u>65,746</u>	<u>5,640,034</u>	<u>5,435,981</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,429,916</u>	<u>\$ 3,218,062</u>	<u>\$ 51,639</u>	<u>\$ 5,699,617</u>	<u>\$ 5,640,034</u>

**See Notes to the Financial Statements**

Governmental Activities-Internal  
Service Funds  
801

Capital Goods	
2022	2021
\$	\$
338,869	332,031
<u>338,869</u>	<u>332,031</u>
88,215	15,718
	4,999
260,559	265,777
872	6,004
<u>349,646</u>	<u>292,498</u>
<u>(10,777)</u>	<u>39,533</u>
10,821	10,696
	53,300
21,508	31,306
152,328	93,440
<u>184,657</u>	<u>188,742</u>
173,880	228,275
2,100	2,100
<u>(47,405)</u>	<u>(74,540)</u>
128,575	155,835
<u>3,677,986</u>	<u>3,522,151</u>
<u>\$ 3,806,561</u>	<u>\$ 3,677,986</u>

**CITY OF CHATFIELD, MINNESOTA**

**PROPRIETARY FUNDS**

**Statement of Cash Flows**

For the Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Totals	
	Water	Sewer	Garbage	2022	2021
<b>Cash Flows From Operating Activities</b>					
Cash received from customers	\$ 415,166	\$ 958,366	\$ 253,567	\$ 1,627,099	\$ 1,606,752
Cash paid to employees	(87,932)	(163,387)		(251,319)	(239,123)
Cash paid to suppliers	(140,465)	(210,147)	(257,804)	(608,416)	(542,435)
Net Cash Provided By (Used In) Operating Activities	186,769	584,832	(4,237)	767,364	825,194
<b>Cash Flows From Noncapital Financing Activities</b>					
Intergovernmental					3,700
Connection and access fees	4,800	7,800		12,600	63,574
Miscellaneous					
Transfer in/out	(175,591)	(83,321)	(17,070)	(275,982)	(262,194)
Net Cash Used In Noncapital Financing Activities	(170,791)	(75,521)	(17,070)	(263,382)	(194,920)
<b>Cash Flows From Capital and Related Financing Activities</b>					
Capital asset acquisitions	(463,437)	(96,494)		(559,931)	(32,839)
Proceeds from sale of assets					
Intergovernmental	11,696	27,837	5,845	45,378	51,647
Proceeds from issuance of bonds	1,204,580			1,204,580	
Principal payments on bonds	(36,000)	(476,000)		(512,000)	(506,000)
Interest payments on bonds	(3,503)	(64,203)		(67,706)	(77,629)
Net Cash Provided By (Used In) Capital and Related Financing Activities	713,336	(608,860)	5,845	110,321	(564,821)
<b>Cash Flows From Investing Activities</b>					
Investment income	10,323	9,240	500	20,063	13,135
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	739,637	(90,309)	(14,962)	634,366	78,588
<b>CASH AND INVESTMENTS, BEGINNING OF YEAR</b>	252,303	602,559	51,216	906,078	827,490
<b>CASH AND INVESTMENTS, END OF YEAR</b>	\$ 991,940	\$ 512,250	\$ 36,254	\$ 1,540,444	\$ 906,078

**RECONCILIATION OF OPERATING INCOME (LOSS)  
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

<b>Operating Income (Loss)</b>	\$ 60,220	\$ 273,723	\$ (3,382)	\$ 330,561	\$ 396,003
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	133,936	298,630		432,566	418,785
Change in net pension liability	1,454	3,936		5,390	3,125
Miscellaneous nonoperating income	2,197	3,485		5,682	5,823
(Increase) Decrease In:					
Accounts receivable	450	1,987	(5,730)	(3,293)	(7,610)
Special assessments receivable	(312)	124	1,886	1,698	(7,293)
Special assessments delinquent	(238)	(970)	(304)	(1,512)	3,159
Prepaid expenses	621	2,278		2,899	(375)
Increase (Decrease) In:					
Accounts payable	(9,565)	1,795	3,293	(4,477)	7,681
Accrued liabilities	(1,994)	(156)		(2,150)	5,896
Net Cash Provided By (Used In) Operating Activities	\$ 186,769	\$ 584,832	\$ (4,237)	\$ 767,364	\$ 825,194
<b>Noncash Capital and Related Financing Activities</b>					
Capital asset trade-ins	\$	\$	\$	\$	\$

**See Notes to the Financial Statements**

Governmental Activities-  
Internal Service Funds  
801 Capital Goods

2022	2021
\$ 338,869	\$ 332,031
(102,601)	(13,882)
<u>236,268</u>	<u>318,149</u>

21,508	31,306
(45,305)	(72,440)
<u>(23,797)</u>	<u>(41,134)</u>

(285,581)	(294,021)
49,039	53,300

<u>(236,542)</u>	<u>(240,721)</u>
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<u>10,821</u>	<u>10,696</u>
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(13,250)	46,990
939,825	892,835
<u>\$ 926,575</u>	<u>\$ 939,825</u>

\$ (10,777)	\$ 39,533
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260,559	265,777
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(13,514)	12,839
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<u>\$ 236,268</u>	<u>\$ 318,149</u>
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\$ 255,477	\$ 93,440
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**CITY OF CHATFIELD, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
December 31, 2022**

	Custodial
	805
	SE MN
	TMO
<b>ASSETS</b>	
Cash and investments	\$ 27,521
<b>NET POSITION</b>	\$ 27,521

**CITY OF CHATFIELD, MINNESOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended December 31, 2022**

	Custodial
	805
	SE MN
	TMO
<b>Additions</b>	
Contributions and donations	\$ 27,500
Interest income	21
Total Additions	27,521
<b>NET POSITION - BEGINNING</b>	
<b>NET POSITION - ENDING</b>	\$ 27,521

**CITY OF CHATFIELD, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**

## CITY OF CHATFIELD, MINNESOTA

### NOTES TO THE FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies

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The City of Chatfield, Minnesota was incorporated in 1857 and operates under a Mayor-Council form of government. The governing body is the City Council which consists of five elected Council Members and a Mayor.

The accounting policies of the City of Chatfield, Minnesota, conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant accounting policies:

##### A. Reporting Entity

In accordance with Statement No. 14 of the Governmental Accounting Standards Board, The Financial Reporting Entity, the City's financial statements include the primary government and the component units of the City of Chatfield, Minnesota, defined as follows:

*Primary Government* - Includes all funds, organizations, institutions, agencies, departments, or offices which are not legally separate from the City of Chatfield, Minnesota.

*Component Units* - Component units are legally separate organizations for which the elected officials of the City of Chatfield, Minnesota are financially accountable or for which the nature or significance of their relationship with the City of Chatfield, Minnesota would cause the general purpose financial statements to be misleading or incomplete. Because its sole purpose is to encourage future development within the City, the City of Chatfield Economic Development Authority (EDA), has been reported as a blended component unit in the financial statements of the City of Chatfield, Minnesota.

*Excluded* – Fire Relief Association – This association is organized as a nonprofit organization by their members to provide pension and other benefits to such members in accordance with Minnesota statutes. Their board of directors are appointed by the membership of the organization. All funding is conducted in accordance with Minnesota statutes, whereby state aids flow to the association, tax levies are determined by the association and are only reviewed by the City, and the associations pay benefits directly to their members.

##### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.



CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Non-exchange transaction, in which the City receives value without directly giving equal value in return, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met are recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *CCA construction phase II fund* accounts for the financial resources to be used for the construction of the CCA phase II project.

The major proprietary funds are the water, sewer, and garbage funds.

The *Capital Goods fund* is an internal service fund that accounts for capital asset purchases provided to other departments on a cost reimbursement basis.

Additionally, the City reports the following fund types:

*Fiduciary* funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The custodial fund is used to account for assets that the government holds for others in an agency capacity. This fund accounts for SE MN Transportation Management Organization (TMO) activities.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Investments

Except where otherwise required, the City maintains all deposits in accounts in the name of the City. The deposits are invested on a short-term basis with interest income allocated to each fund based upon their relative account balance. The balances shown in each fund represents an equity interest in the commingled pool of cash and investments which is under the management of the City. Temporary cash investments are stated at cost, which approximates market.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Property Taxes

Property tax levies are set by the City Council in December each year and are certified to Fillmore and Olmsted Counties for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Revenues are recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments, on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The counties provide tax settlements to cities and other taxing districts four times a year in January, June, November, and December.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by deferred inflow of resources in the fund financial statements because they are not known to be available to finance current expenditures. These offsetting balances are not reflected in the financial statements because of their non-effect on current year operations.

Special Assessments

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Assessment collections are deferred over periods ranging from five to ten years with interest charges ranging from 2.93% to 5.0%. Revenue from these assessments is recognized as the annual installments become collectible. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The amount of delinquent assessments receivable are fully offset by deferred inflow of resources in the Governmental Fund Types because they are not known to be available to finance current expenditures.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life in Years
Buildings	10 - 30
Infrastructure	20 - 40
Wastewater Treatment Facility	20 - 40
Vehicles	5 - 10
Furniture and Fixtures	5 - 12
Machinery and Equipment	10 - 25

Compensated Absences

Vacation and sick pay are accrued when earned in the government-wide financial statements and the proprietary fund types. In the Governmental Funds of the fund financial statements, vacation and sick pay are recorded as expenditures and accrued as a current liability only if they have matured, for example, as a result of employee's resignations and retirements.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Concentration of Credit Risk

Financial instruments which expose the City to a concentration of credit risk consist primarily of cash investments and accounts and notes receivable. The City's accounts and notes receivable are concentrated geographically, as for the most part, amounts are due from individuals residing in and businesses located in the City of Chatfield, Minnesota.

Net position / Fund Balance

In the government-wide and proprietary financial statements, net position are classified in the following categories:

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net position – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments.

Unrestricted Net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

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D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Net position / Fund Balance (Continued)

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Restricted – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City Council through formal action and remain binding unless removed by the City Council by subsequent formal action.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council, by majority vote, may assigned fund balances to be used for specific purposes when appropriate. The council also delegates the power to assign fund balances to the city clerk.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy for the general fund unassigned fund balance to be in a range equal to 40-60 percent of the following year's budgeted tax revenue (tax levy, local government aid, and market value).

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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1. Summary of Significant Accounting Policies (Continued)

---

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one type of deferred outflow which is pension related and reported on the statement of net position.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City recognized two types of deferred inflows. The first type occurs because governmental fund revenues are not recognized until available under the modified accrual basis of accounting. The second type is pension related and reported on the statement of net position.

Comparative Data

Comparative data for the prior year has been presented in certain of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data has not been presented since their inclusion would not provide meaningful comparisons. Certain amounts in the prior year totals column have been reclassified to conform with the current year presentation.

Implementation of New Accounting Principles

During the year, the City implemented GASB Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.



CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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2. Stewardship, Compliance, and Accountability

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A. Budgetary Information

Each fall, the City Council adopts an annual budget for the following year. The budgets are, in all material respects, prepared on the same basis of accounting used to prepare the financial statements. Budgeted amounts for the General and Major Special Revenue Funds have been presented in the financial statements.

Spending control for City monies is at the fund level, but management control is exercised at budgetary line item level within each fund. The City Council may amend the budget after it is approved using the same procedures necessary to approve the original budget. The budgetary data presented represents the approved budget as amended. All annual appropriations lapse at year-end.

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3. Detailed Notes on All Funds

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A. Summary of Cash and Investments

As of December 31, 2022, the City's cash and investments consisted of the following items, all of which are held in an internal investment pool:

<u>Cash and Investments</u>	<u>Maturities</u>	<u>Ratings</u>	<u>Fair Value</u>
Cash on hand	None	N/A	\$ 150
Deposits	None	N/A	4,297,661
Non-negotiable certificates of deposit	May 2023 - March 2026	N/A	1,358,163
Negotiable certificates of deposit	January 2023 - July 2027	N/A	1,371,386
U.S. governmental bonds	July 2029 - October 2029	Aaa	437,047
Municipal bonds	February 2024	Aa1	97,365
Money market funds	None	N/A	<u>21,815</u>
Total Cash and Investments			\$ 7,583,587
Less: Fiduciary Funds Cash and Investments			<u>(27,521)</u>
Total Cash and Investments per Statement of Net Position			<u>\$ 7,556,066</u>

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**3. Detailed Notes on All Funds (Continued)**

---

A. Summary of Cash and Investments (Continued)

Investments Authorized by Minnesota Statutes

The City is authorized by Minnesota Statutes to invest idle funds as follows:

- a) Direct obligations or obligations guaranteed by the United States or its agencies.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- c) General obligations of the State of Minnesota or its municipalities.
- d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a reporting dealer into the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.

Collateralization of Cash Deposits

The City's deposits are entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

Minnesota Statutes require that all City deposits be insured, secured by surety bonds, or be collateralized. Except for notes secured by first mortgages of future maturity, the market value of collateral pledged by the custodial bank must equal 110% of the deposits not covered by insurance or surety bonds.

Authorized collateral includes certain state or local government obligations and legal investments. Minnesota Statutes also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

Interest Rate Risk

The City has a formal investment policy that limits investment maturities to ten years unless the investments can be matched with anticipated cash flow requirements.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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3. Detailed Notes on All Funds (Continued)

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A. Summary of Cash and Investments (Continued)

Credit Risk

The City has a formal investment policy that aims to minimize credit risk by limiting its investment choices to specific types of investments, pre-qualifying financial institutions, and diversifying the investment portfolio.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. Investments in any one issuer that represent 5% or more of total investments are as follows:

<u>Investments</u>	<u>Fair Value</u>
Negotiable certificates of deposit	\$ 1,371,386
U.S. governmental bonds	437,047
Municipal bonds	97,365

Fair Value Measurements

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other meansIf the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

A. Summary of Cash and Investments (Continued)

Fair Value Measurements (Continued)

The City's investments within the fair value hierarchy at December 31, 2022 and 2021 were as follows:

	At December 31, 2022			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Negotiable certificates of deposit	\$ 1,371,386	\$	\$ 1,371,386	\$
U.S. governmental bonds	437,047		437,047	
Municipal bonds	97,365		97,365	
Total	<u>\$ 1,905,798</u>	<u>\$</u>	<u>\$ 1,905,798</u>	<u>\$</u>

	At December 31, 2021			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Negotiable certificates of deposit	\$ 2,006,585	\$	\$ 2,006,585	\$
Municipal bonds	100,748		100,748	
Total	<u>\$ 2,107,333</u>	<u>\$</u>	<u>\$ 2,107,333</u>	<u>\$</u>

B. Deferred Special Assessments Receivable

Deferred assessments receivable represent levies made on the property of owners benefited by public improvement projects. Assessments are payable over various periods.

C. Due From Other Governmental Units

Amounts due from other governmental units as of December 31, 2022 are as follows:

Fund Type	Fillmore County	Olmsted County	State of Minnesota	Total
General	\$ 4,252	\$ 4,893	\$	\$ 9,145
Debt Service	1,441	1,764		3,205
Capital Project			265,835	265,835
	<u>\$ 5,693</u>	<u>\$ 6,657</u>	<u>\$ 265,835</u>	<u>\$ 278,185</u>

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

*D. Notes Receivable*

The City of Chatfield, Minnesota entered into a Grant Agreement with the Minnesota Department of Trade and Economic Development dated October 7, 1996, for which \$115,000 in Economic Recovery Funds (ERF Funds) were received in 1997 and loaned to an enterprise within the City to help finance a recovery/expansion project.

The City of Chatfield, Minnesota entered into a Grant Agreement with the Minnesota Department of Employment and Economic Development dated December 20, 2013, for which \$408,000 in Minnesota Investment Fund (MIF) funds were received in 2014 and loaned to an enterprise within the City to help finance an expansion project. The loan is repayable at 1% interest over a period of 15 years and is subject to job creation and wage requirements as documented by the loan agreement.

The City of Chatfield, Minnesota entered into a Grant Agreement with the Minnesota Department of Employment and Economic Development dated June 26, 2019, for which \$375,000 in Minnesota Investment Fund (MIF) funds were received and loaned to an enterprise within the City. The repayable portion of the loan is \$120,000 and is repayable at 1% interest over a period of 15 years. The forgivable portion of the loan was \$255,000 and was forgiven on May 1, 2021.

Repayment of the notes, together with interest is to be used to establish and maintain a Revolving Loan Fund to further future economic development in the City of Chatfield, Minnesota.

The City of Chatfield, Minnesota has the following notes receivable outstanding as of December 31, 2022:

	Date of Loan	Initial Loan Amount	Interest Rate	Term	Balance 12/31/22
EZ Fab II - State	7/1/2014	\$ 408,000	1%	15 years	\$ 192,884
EZ Fab I - Federal	7/1/2014	125,000	1%	15 years	60,621
MT Properties	10/1/2014	62,700	4%	10 years	14,584
Corner Cuts Salon	9/20/2017	25,354	4%	10 years	13,938
Big Girl Stickers & Stems	9/20/2018	40,000	4%	10 years	25,570
EZ Fab III - State	6/26/2019	25,000	1%	10 years	17,545
EZ Fab IV - State/DEED	6/26/2019	375,000	1%	15 years	96,726
Broadwater, LLC	7/31/2019	55,500	4%	8 years	44,553
Joy Ridge	3/20/2022	40,000	4%	10 years	37,528
		<u>\$ 1,156,554</u>			<u>\$ 503,949</u>

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**E. Capital Assets**

Capital asset activity, including internal service fund capital assets, for the year ended December 31, 2022 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 929,406	\$	\$ 7,492	\$ 921,914
Construction in process	1,128,186	8,188,177		9,316,363
Total capital assets, not being depreciated	<u>2,057,592</u>	<u>8,188,177</u>	<u>7,492</u>	<u>10,238,277</u>
Capital assets, being depreciated:				
Buildings	16,985,039	12,172		16,997,211
Infrastructure	8,253,522	62,817		8,316,339
Vehicles	2,213,420	89,833	95,548	2,207,705
Furniture and fixtures	438,020			438,020
Machinery and equipment	2,642,355	434,191	237,337	2,839,209
Total capital assets, being depreciated	<u>30,532,356</u>	<u>599,013</u>	<u>332,885</u>	<u>30,798,484</u>
Less accumulated depreciation for:				
Buildings	6,973,628	615,312		7,588,940
Infrastructure	4,236,404	251,553		4,487,957
Vehicles	1,215,432	119,310	90,668	1,244,074
Furniture and fixtures	309,045	24,472		333,517
Machinery and equipment	1,671,233	177,297	90,029	1,758,501
Total accumulated depreciation	<u>14,405,742</u>	<u>1,187,944</u>	<u>180,697</u>	<u>15,412,989</u>
Total capital assets, being depreciated, net	<u>16,126,614</u>	<u>(588,931)</u>	<u>152,188</u>	<u>15,385,495</u>
Governmental activities capital assets, net	<u>\$ 18,184,206</u>	<u>\$ 7,599,246</u>	<u>\$ 159,680</u>	<u>\$ 25,623,772</u>

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**E. Capital Assets (Continued)**

<b>Business-Type Activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 60,492	\$	\$	\$ 60,492
Construction in process		406,727		406,727
Total capital assets, not being depreciated	60,492	406,727		467,219
Capital assets, being depreciated:				
Wastewater Treatment Facility and Distribution	16,176,338	44,174		16,220,512
Machinery and equipment	1,029,892	109,030	23,375	1,115,547
Total capital assets, being depreciated	17,206,230	153,204	23,375	17,336,059
Less accumulated depreciation for:				
Wastewater Treatment Facility and Distribution	8,431,686	357,214		8,788,900
Machinery and equipment	366,531	75,352	23,375	418,508
Total accumulated depreciation	8,798,217	432,566	23,375	9,207,408
Total capital assets, being depreciated, net	8,408,013	(279,362)		8,128,651
Business-type activities capital assets, net	\$ 8,468,505	\$ 127,365	\$	\$ 8,595,870

Depreciation expense was charged to functions/programs as follows:

**Governmental Activities:**

General government	\$ 47,753
Public safety	135,110
Public works	131,809
Parks and recreation	166,104
Library	55,321
Community development	391,288
Subtotal	927,385
Internal service fund	260,559
Total depreciation expense - governmental activities	<u>\$ 1,187,944</u>

**Business-Type Activities:**

Water	\$ 133,936
Sewer	298,630
Total depreciation expense - business-type activities	<u>\$ 432,566</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

F. *Interfund Balances and Transfers*

Transfers during the year ended December 31, 2022 were as follows:

<u>Funds</u>	Transfers In	Transfers Out
General Fund - Other	\$ 128,792	\$ 373,983
Special Revenue:		
Ambulance	79,500	15,150
EDA	74,000	
Fire	70,390	2,980
Cable Access	16,500	3,140
Chatfield Center for the Arts	80,000	
Debt Service:		
2012A Refunding Bond	100,847	
2014A Bond	68,313	
2016A GO Refunding 2010A Bond	5,000	5,700
2017A GO Bond	57,405	
2018A GO Pool Bond	5,751	
2022A GO Bond	11,493	
2022B GO Bond	30,000	
Capital Project:		
2018A Pool Construction		5,751
Subtotal Governmental Funds	<u>727,991</u>	<u>406,704</u>
Enterprise:		
Water	8,054	183,645
Sewer	5,700	89,021
Garbage		17,070
Subtotal Enterprise Funds	<u>13,754</u>	<u>289,736</u>
Internal Service Fund	<u>2,100</u>	<u>47,405</u>
Total Transfers	<u>\$ 743,845</u>	<u>\$ 743,845</u>



CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

F. *Interfund Balances and Transfers (Continued)*

In the government-wide statement of net position, transfers in/out are comprised of:

Governmental and Internal Service Funds:	
Transfers in	\$ 730,091
Transfers out	<u>(454,109)</u>
Government-wide Statement of Activities	
Transfers in/out	<u>\$ 275,982</u>

The amounts due to and from other funds at December 31, 2022, at the individual fund level are summarized below:

Funds	Due From Other Funds	Due To Other Funds
General Fund	\$ 241,622	\$
CCA Construction Phase II		226,590
TIF 3-5 Fifty-Two Fitness		10,226
Gjere Addition Tax Increment		1,065
2023 Prospect & Grand St. Project		<u>3,741</u>
	<u>\$ 241,622</u>	<u>\$ 241,622</u>

The amounts advanced to and from other funds at December 31, 2022, at the individual fund level are summarized below:

Funds	Advances To Other Funds	Advances From Other Funds
Development	\$ 314,299	\$
TIF Dist. 2-5 Dollar General		<u>314,299</u>
	<u>\$ 314,299</u>	<u>\$ 314,299</u>

The City generally utilizes interfund balances and interfund transfers for cash flow purposes.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**3. Detailed Notes on All Funds (Continued)**

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F. Interfund Balances and Transfers (Continued)

At December 31, 2022, the following funds have deficit balances:

TIF Dist. 2-5 Dollar General	\$	314,299
2023 Prospect & Grand St. Project		9,038
TIF 3-5 Fifty-Two Fitness		10,226
Gjere Addition Tax Increment		1,065
CCA Construction Phase II		274,192

The City intends to fund accumulated deficits through additional revenue sources.

Excess of expenditures over budgeted appropriations at the individual fund level during 2022 are as follows:

Fire	\$	26,159
EDA		4,800
Revolving Loan Federal		40,000

All excess expenditures were the result of planned processes.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

G. Long-term debt

Following is a summary of debt outstanding at December 31, 2022:

	Original Amount of Debt	Range of Interest Rates	Final Maturity	Balance December 31, 2022
<b>Governmental Activities</b>				
General Obligation Bonds and Notes:				
2012A GO Crossover Refunding Bonds	\$ 1,990,000	2.0-2.7%	2027	\$ 695,000
2014A GO Bonds	1,725,000	2.25%	2025	555,000
2016A GO Crossover Refunding Bonds	875,000	2.0%	2028	505,000
2017A GO Tax Abatement Note	457,000	2.85%	2028	292,000
2018A GO Swimming Pool Bonds	4,400,000	3.0-3.375%	2039	3,940,000
2019A GO Tax Abatement Bonds	225,000	3.0%	2027	168,000
2022A GO Utility Revenue Note	1,204,580	3.2%	2043	264,420
2022B Taxable GO Capital Imp. Plan Bonds	750,000	6.0%	2043	750,000
Compensated Absences				211,977
Unamortized Bond Premium				43,936
				7,425,333
<b>Business-Type Activities</b>				
General Obligation Bonds and Notes:				
2016A GO Crossover Refunding Bonds	4,535,000	2.00%	2028	2,815,000
2016B GO Water Revenue Note	425,000	2.825%	2027	227,000
2017B GO Utility Revenue Note	300,000	0.00%	2027	150,000
2022A GO Utility Revenue Note	264,420	3.2%	2043	1,204,580
Compensated Absences				23,209
Unamortized Bond Premium				35,334
				4,455,123
				\$ 11,880,456

For governmental activities, compensated absences have been generally liquidated by the general, library, and ambulance funds.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Detailed Notes on All Funds (Continued)**

**G. Long-term debt (Continued)**

The following is a summary of changes in long-term debt obligations during the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General Obligation Bonds and Notes:					
2012A GO Crossover Refunding Bonds	\$ 840,000	\$	\$ 145,000	\$ 695,000	\$ 150,000
2014A GO Bonds	730,000		175,000	555,000	180,000
2016A GO Crossover Refunding Bonds	600,000		95,000	505,000	95,000
2017A GO Tax Abatement Note	336,000		44,000	292,000	45,000
2018A GO Swimming Pool Bonds	4,115,000		175,000	3,940,000	180,000
2019A GO Tax Abatement Bonds	197,000		29,000	168,000	31,000
2022A GO Utility Revenue Note		264,420		264,420	5,400
2022B Taxable GO Capital Imp. Plan Bonds		750,000		750,000	
Plus: Unamortized Premium	50,936		7,000	43,936	
Total Bonds and Notes Payable	6,868,936	1,014,420	670,000	7,213,356	686,400
Other Liabilities:					
Compensated Absences	202,061	100,661	90,745	211,977	211,977
Governmental Activities					
Long-term Liabilities	7,070,997	1,115,081	760,745	7,425,333	898,377
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General Obligation Revenue Bonds and Notes:					
2016A GO Crossover Refunding Bonds	3,255,000		440,000	2,815,000	450,000
2016B GO Water Revenue Note	269,000		42,000	227,000	43,000
2017B GO Utility Revenue Note	180,000		30,000	150,000	30,000
2022A GO Utility Revenue Note		1,204,580		1,204,580	24,600
Plus: Unamortized Premium	41,222		5,888	35,334	
Total Bonds and Notes Payable	3,745,222	1,204,580	517,888	4,431,914	547,600
Other Liabilities:					
Compensated Absences	25,359	20,576	22,726	23,209	23,209
Business-type Activities					
Long-term Liabilities	3,770,581	1,225,156	540,614	4,455,123	570,809
Total	\$ 10,841,578	\$ 2,340,237	\$ 1,301,359	\$ 11,880,456	\$ 1,469,186

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**3. Detailed Notes on All Funds (Continued)**

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G. Long-term debt (Continued)

The Governmental General Obligations Bonds and Notes are payable primarily from the revenues generated through property tax levies. They are backed by the full faith and credit of the City.

The Enterprise General Obligations Revenue Bonds and Notes are payable primarily from the revenues generated through charges to customers for water and sewer service. They are recorded as liabilities in the Water and Sewer Enterprise Funds and are backed by the full faith and credit of the City.

The 2012A GO Crossover Refunding Bonds were issued to refund the 2008A General Obligation Improvement Bonds. Fillmore County and Independent School District #227 have agreed to a tax abatement plan that provides funding to assist in the repayment of the 2012 GO Crossover Refunding Bond. The county has agreed to abate \$1,100,000 and the school district will abate \$454,000 of future property tax revenues generated by the project.

The 2014A GO Bonds were issued to fund the 2014 street improvement project.

The 2016A GO Crossover Refunding Bonds were issued to refund the City the 2010A and 2011A GO Bonds.

The 2016B GO Water Revenue Notes were issued to fund the 2016 water meter project.

The 2017A GO Tax Abatement Notes were issued to fund the Industrial Drive project.

The 2017B GO Utility Revenue Notes were issued to fund improvements to the water and sewer system as part of the industrial drive project.

The 2018A GO Swimming Pool Bonds were issued to fund the pool construction project.

The 2019A GO Tax Abatement Bonds were issued to fund street lighting costs.

The 2022A GO Utility Revenue Notes were issued to fund various water system and sewer system improvements.

The 2022B Taxable GO Capital Improvement Plan Bonds were issued to finance the City's acquisition, construction, and/or betterment of a public works facility.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

G. Long-term debt (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2022, excluding compensated absences over the life of the debt, are summarized below:

Years	General Obligation Bonds		General Obligation Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
<u>Governmental Activities</u>					
2023	\$ 686,400	\$ 203,145			\$ 889,545
2024	708,360	203,156			911,516
2025	705,720	185,311			891,031
2026	543,080	168,627			711,707
2027	564,440	152,805			717,245
2028-2032	1,361,880	610,071			1,971,951
2033-2037	1,572,960	361,807			1,934,767
2038-2042	944,480	91,895			1,036,375
2043	82,100	2,224			84,324
Totals	<u>\$ 7,169,420</u>	<u>\$ 1,979,041</u>			<u>\$ 9,148,461</u>
<u>Business-Type Activities</u>					
2023			\$ 547,600	\$ 100,898	\$ 648,498
2024			576,640	84,354	660,994
2025			584,280	72,455	656,735
2026			597,920	60,313	658,233
2027			605,560	47,926	653,486
2028-2032			744,120	144,526	888,646
2033-2037			305,040	94,674	399,714
2038-2042			357,520	41,801	399,321
2043			77,900	1,246	79,146
Totals			<u>\$ 4,396,580</u>	<u>\$ 648,193</u>	<u>\$ 5,044,773</u>

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**3. Detailed Notes on All Funds (Continued)**

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G. Long-term debt (Continued)

Conduit Debt Obligations

To provide for previous bond refunding and construction of improvements and the acquisition and installation of equipment by Chosen Valley Care Center, Inc. (a non-profit corporation), the City of Chatfield, Minnesota issued \$3,640,806 of Healthcare and Housing Facilities Revenue Loan Participation Notes dated August 1, 2005. This note was refunded by Healthcare and Housing Facilities Revenue Refunding Bonds Series 2019 issued for \$13,350,000 to finance the construction and equipping for renovations and improvements to the existing skilled nursing facility. This bond is a special limited obligation of the City, payable solely from income sources of the non-profit corporation. The notes do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements. At December 31, 2022, remaining notes outstanding totaled \$12,920,000.

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**4. Defined Benefit Pension Plans - Statewide**

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Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

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CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**4. Defined Benefit Pension Plans – Statewide (Continued)**

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Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.



**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**4. Defined Benefit Pension Plans – Statewide (Continued)**

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Benefits Provided (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Contributions

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2022 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2022, were \$66,657. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2022 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2022, were \$67,555. The City's contributions were equal to the required contributions as set by state statute.

Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2022, the City reported a liability of \$942,484 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$27,521.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Defined Benefit Pension Plans – Statewide (Continued)**

*Pension Costs (Continued)*

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0119 percent at the end of the measurement period and 0.0122 percent for the beginning of the period.

City's proportionate share of net pension liability	\$ 942,484
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>27,521</u>
Total	<u>\$ 970,005</u>

For the year ended December 31, 2022, the City recognized pension expense of \$56,895 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$4,112 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2022, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 7,872	\$ 10,292
Changes in actuarial assumptions	218,517	3,801
Net collective difference between projected and actual investment earnings	6,959	
Changes in proportion	13,370	9,607
Contributions paid to PERA subsequent to the measurement date	<u>41,116</u>	
Total	<u>\$ 287,834</u>	<u>\$ 23,700</u>

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**4. Defined Benefit Pension Plans – Statewide (Continued)**

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The \$41,116 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31:</u>	<u>Pension Expense Amount</u>
2023	\$ 85,890
2024	88,161
2025	(36,263)
2026	85,230

**2. Police and Fire Fund Pension Costs**

At December 31, 2022, the City reported a liability of \$1,366,404 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0314 percent at the end of the measurement period and 0.0313 percent for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2021. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2022, the City recognized pension expense of \$57,170 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$11,589 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Defined Benefit Pension Plans – Statewide (Continued)**

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$59,744 for the year ended December 31, 2022 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

At December 31, 2022, the City reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 81,364	\$
Changes in actuarial assumptions	781,114	8,302
Net collective difference between projected and actual investment earnings	20,997	
Changes in proportion	14,902	20,949
Contributions paid to PERA subsequent to the measurement date	<u>34,218</u>	
Total	<u>\$ 932,595</u>	<u>\$ 29,251</u>

The \$34,218 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31:</u>	<u>Pension Expense Amount</u>
2023	\$ 171,355
2024	169,020
2025	144,670
2026	273,428
2027	110,653

**Total Pension Expense**

The total pension expense for all plans recognized by the City for the year ended December 31, 2022 is as follows:

General Employees Fund	\$61,007
Police and Fire Fund	68,759
Fire Relief	<u>(13,747)</u>
Total	<u>\$116,019</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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4. Defined Benefit Pension Plans – Statewide (Continued)

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Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**4. Defined Benefit Pension Plans – Statewide (Continued)**

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*Actuarial Methods and Assumptions (Continued)*

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate was changed from 6.50 percent to 5.40 percent.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

*Discount Rate*

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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4. Defined Benefit Pension Plans – Statewide (Continued)

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Discount Rate (Continued)

In the Police and Fire Fund and Correctional Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060 and June 30, 2061 respectively. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund and June 30, 2062 for the Correctional Fund, projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund and 5.42 percent for the Correctional Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

**Sensitivity Analysis**  
*Net Pension Liability (Asset) at Different Discount Rates*

	General Employees Fund		Police and Fire Fund	
1% Lower	5.50%	\$ 1,488,703	4.40%	\$ 2,067,877
Current Discount Rate	6.50%	942,484	5.40%	1,366,404
1% Higher	7.50%	494,500	6.40%	799,305

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**5. Defined Benefit Pension Plan – Volunteer Fire Relief Association**

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Plan Description

The of Chatfield Fire Department Relief Association (Association) participates in the Statewide Volunteer Firefighter Retirement Plan (accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2022 the plan covered 26 active firefighters and 4 vested deferred fire fighters whose pension benefits are deferred. The plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353 G.

Benefits Provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a lump-sum retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent.

Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota Statutes*, and voluntary City contributions. The State of Minnesota contributed \$41,415 in fire state aid to the fund for the year ended December 31, 2022. Required employer contributions are calculated annually based on statutory provisions. The City made voluntary contributions of \$9,241 to the plan.

Pension Costs

At December 31, 2022, the City reported a net pension asset of \$211,315 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2022. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department.



**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Defined Benefit Pension Plan – Volunteer Fire Relief Association (Continued)**

The following table presents the changes in net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance 12/31/21	\$ 248,018	\$ 521,669	\$ (273,651)
Changes for the Year			
Service Cost	30,252		30,252
Interest on Pension Liability	16,696		16,696
Actuarial Experience (Gains)/Losses	(11,767)		(11,767)
Projected Investment Earnings		31,300	(31,300)
Contributions (Employer)		9,241	(9,241)
Contributions (State)		41,414	(41,414)
Asset (Gain)/Loss		(108,237)	108,237
Administrative Costs		(873)	873
Net Changes	35,181	(27,155)	62,336
Ending Balance 12/31/22	\$ 283,199	\$ 494,514	\$ (211,315)

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2022, the City recognized pension expense of (\$13,747).

At December 31, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual experience (gains)/losses	\$ 86,590	\$ 22,544
Asset (gain)/loss	21,560	9,963
Total	\$ 108,150	\$ 32,507

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**5. Defined Benefit Pension Plan – Volunteer Fire Relief Association (Continued)**

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Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31:</u>	<u>Pension Expense Amount</u>
2023	\$ 20,387
2024	20,384
2025	15,578
2026	19,294

Actuarial Assumptions

The total pension liability at December 31, 2022, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or 20 years of service
- Investment rate of return of 6.0 percent
- Inflation rate of 3.0 percent

No actuarial changes were made during the measurement period.

Discount Rate

The discount rate used to measure the total pension liability was six percent. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Defined Benefit Pension Plan – Volunteer Fire Relief Association (Continued)**

Pension Liability Sensitivity

The following presents the City’s net pension asset for the Volunteer Firefighter Fund, calculated using the assumed discount rate as well as what the City’s net pension asset would be if it were calculated using a discount rate one percent lower or one percent higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	5.00%	6.00%	7.00%
Net pension asset	\$ 194,111	\$ 211,315	\$ 227,944

Plan Investments

*Investment Policy:*

The Minnesota State Board of Investment (SBI) is established by Article XI of the Minnesota Constitution to invest all state funds. Its membership as specified in the Constitution is comprised of the governor (who is designated as chair of the board), state auditor, secretary of state and state attorney general.

All investments undertaken by the SBI are governed by the prudent person rule and other standards codified in *Minnesota Statutes*, Chapter 11A and Chapter 353G.

Within the requirements defined by state law, the SBI, with assistance of the SBI staff and the Investment Advisory Council, establishes investment policy for all funds under its control. These investments policies are tailored to the particular needs of each fund and specify investment objectives, risk tolerance, asset allocation, investment management structure and specific performance standards. Studies guide the on-going management of the funds and are updated periodically.

*Asset Allocation:*

To match the long-term nature of the pension obligations, the SBI maintains a strategic asset allocation for the Volunteer Firefighter Plan that includes allocations to domestic equity, international equity, bonds, and cash equivalents. The long-term target asset allocation and long-term expected real rate of return is the following:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Stocks	35%	5.10%
International Stocks	15%	5.30%
Bonds	45%	0.75%
Unallocated Cash	5%	0.00%
	100%	

**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**5. Defined Benefit Pension Plan – Volunteer Fire Relief Association (Continued)**

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The six percent long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

*Description of significant investment policy changes during the year:*

The SBI made no significant changes to their investment policy during fiscal year 2022 for the Volunteer Firefighter Fund.

*Pension Plan Fiduciary Net Position*

Detailed information about the Volunteer Firefighter Fund's fiduciary net position as of June 30, 2022, is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at [www.mnpera.org](http://www.mnpera.org).

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**6. Risk Management**

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The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance for liability, property, and automotive insurance through the League of Minnesota Cities Insurance Trust (LMCIT). The City provides employee health insurance through a private insurance carrier.

Settled claims resulting from these risks have not exceeded the insurance coverage in any of the past three years. There were no reductions in insurance coverage in 2022.

The City participates in a group workers' compensation plan of the LMCIT, which is a public entity risk pool currently operating as a common risk management and insurance program for member Minnesota Cities. All cities participating in the plan are jointly and severally liable for all claims and expenses of the plan. The LMCIT workers' compensation plan is self-sustaining based on the premiums charged, so that total contributions plus compounded earnings on those contributions will be sufficient to satisfy claims, liabilities, and other expenses of the plan. The LMCIT plan participates in the Workers' Compensation Reinsurance Association with coverage of \$1,000,000 per claim for plan year 2022. The amount of any liability in excess of plan assets may be assessed to participating Cities in a method and amount determined by the LMCIT.

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**CITY OF CHATFIELD, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**7. Fund Equity**

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Committed fund balances as of December 31, 2022 are as follows:

Committed fund balance:	
Library Fund	\$ 362,174

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**8. Tax Abatement – Pay-As-You-Go Tax Increment**

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The City may enter into tax abatement agreements as authorized by Minnesota Abatement Laws under State Statutes Sections 469.174 to 469.1794 through a pay-as-you-go tax increment financing program. Any parcel of property in the City could qualify for tax abatement under this program. The City negotiates tax increment financing agreements on an individual basis generally with the purpose of promoting economic development within the City.

The City has made no commitments, other than tax abatement, under the agreements. Under the program, the City agrees to abate real estate taxes based on the increased property value from improvements on the subject property. Generally, the agreements require 90% or 95% of the property tax increments collected to be returned to the property owner as reimbursement of certain improvement costs. The remaining 5% or 10% is retained by the City for administrative costs.

The City has 6 pay-as-you-go tax increment financing districts 4 of which are active. For the year ended December 31, 2022, the City paid tax increments totaling \$172,028 related to these agreements.

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**CITY OF CHATFIELD, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2022**

**CITY OF CHATFIELD, MINNESOTA**  
**Schedules of City Pension Contributions**

**PERA General Employees Retirement Fund**  
**Last Ten Years (presented prospectively)**

Year Ended December 31	Contributions in Relation to			Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)		
2014	\$ 43,241	\$ 43,241	\$	\$ 596,428	7.25%
2015	67,009	67,009		893,453	7.50%
2016	54,923	54,923		732,307	7.50%
2017	54,824	54,824		730,987	7.50%
2018	58,595	58,595		781,267	7.50%
2019	62,040	62,040		827,200	7.50%
2020	63,191	63,191		842,547	7.50%
2021	65,916	65,916		878,880	7.50%
2022	66,657	66,657		888,760	7.50%
2023					

**PERA Public Employees Police and Fire Fund Pension Plan**  
**Last Ten Years (presented prospectively)**

Year Ended December 31	Contributions in Relation to			Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)		
2014	\$ 37,020	\$ 37,020	\$	\$ 241,961	15.30%
2015	55,140	55,140		340,370	16.20%
2016	46,950	46,950		289,815	16.20%
2017	46,269	46,269		285,611	16.20%
2018	52,960	52,960		326,914	16.20%
2019	60,365	60,365		356,136	16.95%
2020	63,717	63,717		359,983	17.70%
2021	65,508	65,508		370,102	17.70%
2022	67,555	67,555		381,667	17.70%
2023					



**CITY OF CHATFIELD, MINNESOTA**  
**Schedules of City and Non-Employer Proportionate Share of Net Pension Liability**

**PERA General Employees Retirement Fund**  
**Last Ten Years (presented prospectively)**

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0124%	\$ 582,490	\$	\$ 582,490	\$ 728,259	80%	78.70%
2015	0.0114%	590,807		590,807	744,940	79%	78.20%
2016	0.0118%	958,101	12,561	970,662	812,880	119%	68.90%
2017	0.0113%	721,385	9,108	730,493	731,647	100%	75.90%
2018	0.0116%	643,520	21,143	664,663	756,127	88%	79.53%
2019	0.0117%	646,867	20,166	667,033	804,233	83%	80.23%
2020	0.0118%	707,464	21,880	729,344	834,873	87%	79.06%
2021	0.0122%	520,995	15,945	536,940	860,713	62%	87.00%
2022	0.0119%	942,484	27,521	970,005	883,820	110%	76.67%
2023							

**PERA Public Employees Police and Fire Fund Pension Plan**  
**Last Ten Years (presented prospectively)**

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll a/b	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0320%	\$ 345,613	\$ 296,393	117%	87.10%
2015	0.0300%	340,870	291,166	117%	86.60%
2016	0.0300%	1,203,952	315,093	382%	63.90%
2017	0.0300%	405,036	287,713	141%	85.40%
2018	0.0310%	330,428	306,262	108%	88.84%
2019	0.0345%	367,287	341,525	108%	89.26%
2020	0.0326%	429,703	358,059	120%	87.19%
2021	0.0313%	241,603	365,042	66%	93.66%
2022	0.0314%	1,366,404	375,884	364%	70.53%
2023					

**CITY OF CHATFIELD, MINNESOTA**  
**Schedule of Changes in the Fire Relief Association Net Pension Asset and Related Ratios**  
**December 31, 2022**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Total Pension Liability</b>			
Service cost	\$ 30,252	\$ 29,617	\$ 28,754
Interest on the pension liability	16,696	14,091	13,923
Actuarial experience (gains)/losses	(11,767)	(915)	53,902
Transition to SVF Retirement Plan			(81,665)
Benefit payouts			(189,318)
Net change in total pension liability	35,181	42,793	(174,404)
Total Pension Liability - beginning of year	248,018	205,225	379,629
Total Pension Liability - end of year	<u>\$ 283,199</u>	<u>\$ 248,018</u>	<u>\$ 205,225</u>
<b>Plan Fiduciary Net Position</b>			
Projected Investment Earnings	\$ 31,300	\$ 24,679	\$ 29,663
Contributions (Employer)	9,241	6,808	6,597
Contributions (Fire Relief)		19,000	
Contributions (State)	41,414	43,063	39,192
Adj. to Initial Asset Transfer			1,781
Asset (Gain)/Loss	(108,237)	17,669	29,856
Benefit Payout			(189,318)
Administrative Costs	(873)	(865)	(838)
Net change in plan fiduciary net position	(27,155)	110,354	(83,067)
Plan Fiduciary Net Position - beginning of year	521,669	411,315	494,382
Plan Fiduciary Net Position - end of year	<u>\$ 494,514</u>	<u>\$ 521,669</u>	<u>\$ 411,315</u>
<b>Net Pension Liability (Asset) - End of Year</b>	<b>\$ (211,315)</b>	<b>\$ (273,651)</b>	<b>\$ (206,090)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>174.62%</b>	<b>210.34%</b>	<b>200.42%</b>

**Schedule of City Contributions and Non-Employer Contributing Entities  
 Chatfield Fire Department Relief Association  
 Last Ten Years (presented prospectively)**

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Non-Employer Contributions	
				State 2% Fire Aid	Other
2020	\$	\$	\$	\$ 31,286	\$ 7,906
2021				32,281	10,782
2022				34,460	6,955
2023					
2024					
2025					
2026					
2027					
2028					
2029					

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**CITY OF CHATFIELD, MINNESOTA**  
**COMBINING AND INDIVIDUAL NONMAJOR FUNDS**  
**STATEMENTS AND SCHEDULES**  
**DECEMBER 31, 2022**

**CITY OF CHATFIELD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2022**

	Special Revenue Funds Total	Debt Service				
		332 2012A Refunding Bond	334 2014A Bond	335 2016A GO Refunding 2010A Bond	338 2017A GO Bond	340 2018A GO Pool Bond
<b>ASSETS</b>						
Cash and investments	\$ 1,562,520	\$ 245,730	\$ 407,443	\$ 648,449	\$ 193,982	\$ 319,390
Accounts receivable	274,240					
Notes receivable	503,949					
Due from other governmental units		10	590	592	185	1,633
Taxes receivable - delinquent	9,083	356	1,325	1,616	314	2,524
Special assessment receivable			5,267			
Advances to other funds	314,299					
<b>TOTAL ASSETS</b>	<b>\$ 2,664,091</b>	<b>\$ 246,096</b>	<b>\$ 414,625</b>	<b>\$ 650,657</b>	<b>\$ 194,481</b>	<b>\$ 323,547</b>
<b>LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts payable	\$ 11,090	\$	\$	\$	\$	\$
Due to other funds	11,291					
Advances from other funds	314,299					
Total Liabilities	336,680					
<b>Deferred Inflows of Resources</b>						
Unavailable revenue:						
Property taxes	9,083	356	1,325	1,616	314	2,524
Special assessments			5,267			
Notes receivable	503,949					
Total Deferred Inflows of Resources	513,032	356	6,592	1,616	314	2,524
<b>Fund Balance</b>						
Nonspendable:						
Advances to other funds	314,299					
Restricted:						
Creditors (debt covenants)		245,740	408,033	649,041	194,167	321,023
Regulations	198,504					
Committed:						
By Council resolution	362,174					
Assigned:						
Fund assignments	1,264,992					
Unassigned:	(325,590)					
Total Fund Balance	1,814,379	245,740	408,033	649,041	194,167	321,023
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 2,664,091</b>	<b>\$ 246,096</b>	<b>\$ 414,625</b>	<b>\$ 650,657</b>	<b>\$ 194,481</b>	<b>\$ 323,547</b>

Debt Service			Capital Project				Total Nonmajor Governmental Funds
342 2019A GO Tax Abatement Bond	343 2022A GO Bond	344 2022B GO Bond	440 2018A Pool Construction	443 2022A Construction	444 2022B Construction	423 2023 Prospect & Grand St. Project	
\$ 40,538	\$ 11,704	\$ 30,000	\$	\$ 247,294	\$ 26,715	\$	\$ 3,733,765
195							274,240
							503,949
							3,205
							15,218
							5,267
							314,299
<u>\$ 40,733</u>	<u>\$ 11,704</u>	<u>\$ 30,000</u>	<u>\$</u>	<u>\$ 247,294</u>	<u>\$ 26,715</u>	<u>\$</u>	<u>\$ 4,849,943</u>
\$	\$	\$	\$	\$ 115,950	\$	\$ 5,297	\$ 132,337
						3,741	15,032
							314,299
				115,950		9,038	461,668
							15,218
							5,267
							503,949
							524,434
							314,299
40,733	11,704	30,000					1,900,441
							198,504
							362,174
				131,344	26,715		1,423,051
						(9,038)	(334,628)
<u>40,733</u>	<u>11,704</u>	<u>30,000</u>		<u>131,344</u>	<u>26,715</u>	<u>(9,038)</u>	<u>3,863,841</u>
<u>\$ 40,733</u>	<u>\$ 11,704</u>	<u>\$ 30,000</u>	<u>\$</u>	<u>\$ 247,294</u>	<u>\$ 26,715</u>	<u>\$</u>	<u>\$ 4,849,943</u>

**CITY OF CHATFIELD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2022

	Special Revenue Funds Total	Debt Service				
		332 2012A Refunding Bond	334 2014A Bond	335 2016A GO Refunding 2010A Bond	338 2017A GO Bond	340 2018A GO Pool Bond
<b>REVENUES</b>						
Property taxes	\$ 187,509	\$ 67	\$ 111,723	\$ 112,077	\$ 36,576	\$ 322,885
Special assessments			2,601			
Tax increments	203,993					
Tax abatement		35,363				
Fines and forfeits	379					
Intergovernmental	223,935					
Franchise fees	25,503					
Charges for services	256,060					
Training revenue	14,325					
Investment income	22,935	1,887	3,394	1,570	1,840	1,655
Contributions	198,309					
Miscellaneous	92,944					
<b>TOTAL REVENUES</b>	<b>1,225,892</b>	<b>37,317</b>	<b>117,718</b>	<b>113,647</b>	<b>38,416</b>	<b>324,540</b>
<b>EXPENDITURES</b>						
<b>Current:</b>						
General government	46,478					
Public safety	418,766					
Library	252,321					
Community development	401,698					
Capital outlay	67,454					
Debt service:						
Principal retirement		145,000	175,000	95,000	44,000	175,000
Interest and fiscal charges		19,493	15,613	12,208	8,948	126,483
<b>TOTAL EXPENDITURES</b>	<b>1,186,717</b>	<b>164,493</b>	<b>190,613</b>	<b>107,208</b>	<b>52,948</b>	<b>301,483</b>
Excess (deficiency) of revenues over (under) expenditures	39,175	(127,176)	(72,895)	6,439	(14,532)	23,057
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from issuance of bonds						
Transfer in	320,390	100,847	68,313	5,000	57,405	5,751
Transfer out	(21,270)			(5,700)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>299,120</b>	<b>100,847</b>	<b>68,313</b>	<b>(700)</b>	<b>57,405</b>	<b>5,751</b>
Net change in fund balances	338,295	(26,329)	(4,582)	5,739	42,873	28,808
<b>FUND BALANCES, beginning</b>	<b>1,476,084</b>	<b>272,069</b>	<b>412,615</b>	<b>643,302</b>	<b>151,294</b>	<b>292,215</b>
<b>FUND BALANCES, ending</b>	<b>\$ 1,814,379</b>	<b>\$ 245,740</b>	<b>\$ 408,033</b>	<b>\$ 649,041</b>	<b>\$ 194,167</b>	<b>\$ 321,023</b>



Debt Service			Capital Project				Total Nonmajor Governmental Funds
342 2019A GO Tax Abatement Bond	343 2022A GO Bond	344 2022B GO Bond	440 2018A Pool Construction	443 2022A Construction	444 2022B Construction	423 2023 Prospect & Grand St. Project	
\$ 38,575	\$	\$	\$	\$	\$	\$	\$ 809,412
							2,601
							203,993
							35,363
							379
							223,935
							25,503
							256,060
198	211			1,792			14,325
							35,482
							198,309
							92,944
38,773	211			1,792			1,898,306
							46,478
							418,766
							252,321
							401,698
				113,393	701,695	9,038	891,580
29,000							663,000
5,476				21,475	21,590		231,286
34,476				134,868	723,285	9,038	2,905,129
4,297	211			(133,076)	(723,285)	(9,038)	(1,006,823)
							1,014,420
	11,493	30,000		264,420	750,000		599,199
			(5,751)				(32,721)
	11,493	30,000	(5,751)	264,420	750,000		1,580,898
4,297	11,704	30,000	(5,751)	131,344	26,715	(9,038)	574,075
36,436			5,751				3,289,766
\$ 40,733	\$ 11,704	\$ 30,000	\$	\$ 131,344	\$ 26,715	\$ (9,038)	\$ 3,863,841

**CITY OF CHATFIELD, MINNESOTA  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
December 31, 2022**

	211/212	220/221	240	230/231	360	361	614/615
	Library	Fire	EDA	Ambulance	Revolving Loan Federal	Revolving Loan State	Cable Access
<b>ASSETS</b>							
Cash and investments	\$ 362,689	\$ 523,868	\$ 43,085	\$ 231,790	\$ 133,772	\$ 35,956	\$ 93,633
Accounts receivable	1,000	400		267,250			5,590
Notes receivable					196,794	307,155	
Taxes receivable - delinquent							
Advances to other funds							
<b>TOTAL ASSETS</b>	<u>\$ 363,689</u>	<u>\$ 524,268</u>	<u>\$ 43,085</u>	<u>\$ 499,040</u>	<u>\$ 330,566</u>	<u>\$ 343,111</u>	<u>\$ 99,223</u>
<b>LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,515	\$ 2,369	\$ 32	\$ 3,855	\$	\$	\$ 3,319
Due to other funds							
Advances from other funds							
<b>Total Liabilities</b>	<u>1,515</u>	<u>2,369</u>	<u>32</u>	<u>3,855</u>			<u>3,319</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue:							
Property taxes							
Notes receivable					196,794	307,155	
<b>Total Deferred Inflows of Resources</b>					<u>196,794</u>	<u>307,155</u>	
<b>Fund Balance</b>							
Nonspendable:							
Advances to other funds							
Restricted:							
Regulations					133,772	35,956	
Committed:							
By Council resolution	362,174						
Assigned:							
Fund assignments		521,899	43,053	495,185			95,904
Unassigned:							
<b>Total Fund Balance</b>	<u>362,174</u>	<u>521,899</u>	<u>43,053</u>	<u>495,185</u>	<u>133,772</u>	<u>35,956</u>	<u>95,904</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 363,689</u>	<u>\$ 524,268</u>	<u>\$ 43,085</u>	<u>\$ 499,040</u>	<u>\$ 330,566</u>	<u>\$ 343,111</u>	<u>\$ 99,223</u>

242 Development	250/251 Chatfield Center for the Arts	358 TIF Dist. 2-5 Dollar General	350 TIF 3-5 Fifty-Two Fitness	354 Lone Stone Tax Increment	355 Gjere Addition Tax Increment	357 EZ Fab Tax Increment	359 Cabin Coffee Tax Increment	Total Special Revenue Funds
\$ 31,589	\$ 77,362	\$	\$	\$ 28,650	\$	\$ 114	\$ 12	\$ 1,562,520
				9,083				274,240
314,299								503,949
\$ 345,888	\$ 77,362	\$	\$	\$ 37,733	\$	\$ 114	\$ 12	\$ 2,664,091
\$	\$	\$	\$	\$	\$	\$	\$	\$ 11,090
			10,226		1,065			11,291
		314,299						314,299
		314,299	10,226		1,065			336,680
				9,083				9,083
								503,949
				9,083				513,032
314,299								314,299
				28,650		114	12	198,504
								362,174
31,589	77,362	(314,299)	(10,226)		(1,065)			1,264,992
345,888	77,362	(314,299)	(10,226)	28,650	(1,065)	114	12	(325,590)
\$ 345,888	\$ 77,362	\$	\$	\$ 37,733	\$	\$ 114	\$ 12	\$ 2,664,091

**CITY OF CHATFIELD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2022

	211/212	220/221	240	230/231	360	361	614/615
	Library	Fire	EDA	Ambulance	Revolving Loan Federal	Revolving Loan State	Cable Access
<b>REVENUES</b>							
Property taxes	\$ 187,509	\$	\$	\$	\$	\$	\$
Tax increments							
Fines and forfeits	379						
Intergovernmental	84,599	74,412		64,924			
Franchise fees							25,503
Charges for services	1,338	15,792		231,195			7,735
Training revenue				14,325			
Investment income (loss)	2,221	5,136	182	2,180	7,582	3,644	1,010
Contributions	12,188	144,730		25,691			15,700
Miscellaneous	10,320	658	2,612	7,008	29,396	37,562	512
<b>TOTAL REVENUES</b>	<u>298,554</u>	<u>240,728</u>	<u>2,794</u>	<u>345,323</u>	<u>36,978</u>	<u>41,206</u>	<u>50,460</u>
<b>EXPENDITURES</b>							
<b>Current:</b>							
General government							46,478
Public safety		111,953		306,813			
Library	252,321						
Community development			81,356		40,000	32,288	
Capital outlay	20,931	46,523					
<b>TOTAL EXPENDITURES</b>	<u>273,252</u>	<u>158,476</u>	<u>81,356</u>	<u>306,813</u>	<u>40,000</u>	<u>32,288</u>	<u>46,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,302</u>	<u>82,252</u>	<u>(78,562)</u>	<u>38,510</u>	<u>(3,022)</u>	<u>8,918</u>	<u>3,982</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in		70,390	74,000	79,500			16,500
Transfer out		(2,980)		(15,150)			(3,140)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>67,410</u>	<u>74,000</u>	<u>64,350</u>			<u>13,360</u>
Net change in fund balances	25,302	149,662	(4,562)	102,860	(3,022)	8,918	17,342
<b>FUND BALANCES, beginning</b>	<u>336,872</u>	<u>372,237</u>	<u>47,615</u>	<u>392,325</u>	<u>136,794</u>	<u>27,038</u>	<u>78,562</u>
<b>FUND BALANCES, ending</b>	<u>\$ 362,174</u>	<u>\$ 521,899</u>	<u>\$ 43,053</u>	<u>\$ 495,185</u>	<u>\$ 133,772</u>	<u>\$ 35,956</u>	<u>\$ 95,904</u>

242 Development	250/251 Chatfield Center for the Arts	358 TIF Dist. 2-5 Dollar General	350 TIF 3-5 Fifty-Two Fitness	354 Lone Stone Tax Increment	355 Gjere Addition Tax Increment	357 EZ Fab Tax Increment	359 Cabin Coffee Tax Increment	Total Special Revenue Funds
\$	\$	\$	\$	\$	\$	\$	\$	\$ 187,509
		12,850		167,037		16,302	7,804	203,993
								379
								223,935
								25,503
								256,060
								14,325
4,016	485	(3,722)		205	(10)	1	5	22,935
	4,876							198,309
								92,944
4,016	5,361	9,128		167,242	(10)	16,303	7,809	1,225,892
								46,478
								418,766
								252,321
	62,989	200	10,226	150,333	200	16,302	7,804	401,698
								67,454
	62,989	200	10,226	150,333	200	16,302	7,804	1,186,717
4,016	(57,628)	8,928	(10,226)	16,909	(210)	1	5	39,175
	80,000							320,390
								(21,270)
	80,000							299,120
4,016	22,372	8,928	(10,226)	16,909	(210)	1	5	338,295
341,872	54,990	(323,227)		11,741	(855)	113	7	1,476,084
\$ 345,888	\$ 77,362	\$ (314,299)	\$ (10,226)	\$ 28,650	\$ (1,065)	\$ 114	\$ 12	\$ 1,814,379

**CITY OF CHATFIELD, MINNESOTA  
CHATFIELD CENTER FOR THE ARTS  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2022**

*With Comparative Totals for the Year Ended December 31, 2021*

	Budgeted Amounts		250	251	2022	Variance with	2021
	Original	Final	Chatfield Center for the Arts	CCA Capital	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
<b>REVENUES</b>							
Investment income	\$ 300	\$ 300	\$ 435	\$ 50	\$ 485	\$ 185	\$ 364
Miscellaneous			4,876		4,876	4,876	6,460
<b>TOTAL REVENUES</b>	<u>300</u>	<u>300</u>	<u>5,311</u>	<u>50</u>	<u>5,361</u>	<u>5,061</u>	<u>6,824</u>
<b>EXPENDITURES</b>							
<b>Community Development</b>							
Repairs and maintenance	10,000	10,000	4,665		4,665	5,335	1,846
Professional services	40,000	40,000	34,667		34,667	5,333	46,667
Insurance	20,000	20,000	23,188		23,188	(3,188)	18,887
Other			469		469	(469)	
<b>TOTAL EXPENDITURES</b>	<u>70,000</u>	<u>70,000</u>	<u>62,989</u>		<u>62,989</u>	<u>7,011</u>	<u>67,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(69,700)</u>	<u>(69,700)</u>	<u>(57,678)</u>	<u>50</u>	<u>(57,628)</u>	<u>12,072</u>	<u>(60,576)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	90,000	90,000	80,000	10,000	90,000		74,333
Transfers out	(10,000)	(10,000)	(10,000)		(10,000)		(3,333)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>80,000</u>	<u>80,000</u>	<u>70,000</u>	<u>10,000</u>	<u>80,000</u>		<u>71,000</u>
Net change in fund balances	10,300	10,300	12,322	10,050	22,372	12,072	10,424
<b>FUND BALANCES, beginning</b>	<u>54,990</u>	<u>54,990</u>	<u>51,617</u>	<u>3,373</u>	<u>54,990</u>		<u>44,566</u>
<b>FUND BALANCES, ending</b>	<u>\$65,290</u>	<u>\$65,290</u>	<u>\$ 63,939</u>	<u>\$13,423</u>	<u>\$ 77,362</u>	<u>\$ 12,072</u>	<u>\$ 54,990</u>

**CITY OF CHATFIELD, MINNESOTA**  
**LIBRARY FUND**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		211	212	2022	Variance with	2021
	Original	Final	Library	Library Endowment	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
<b>REVENUES</b>							
Property tax levy	\$ 187,509	\$ 187,509	\$ 187,509	\$	\$ 187,509	\$	\$ 176,604
Intergovernmental revenues:							
County contracts	84,692	84,692	84,599		84,599	(93)	84,693
Library fines	500	500	379		379	(121)	648
Charges for services	700	700	1,338		1,338	638	1,122
Investment income	1,300	1,300	1,654	567	2,221	921	6,036
Contributions	700	700	4,171	8,017	12,188	11,488	3,427
Sale of merchandise	350	350	8,449		8,449	8,099	10,316
Miscellaneous	940	940	1,871		1,871	931	1,357
<b>TOTAL REVENUES</b>	<b>276,691</b>	<b>276,691</b>	<b>289,970</b>	<b>8,584</b>	<b>298,554</b>	<b>21,863</b>	<b>284,203</b>
<b>EXPENDITURES</b>							
<b>Library</b>							
Salaries	152,714	152,714	145,394		145,394	7,320	137,976
Employee benefits and retirement	23,136	23,136	21,169		21,169	1,967	20,238
Workers compensation	1,350	1,350	1,018		1,018	332	1,000
Health insurance	28,134	28,134	28,330		28,330	(196)	27,077
Travel	645	645	625		625	20	
Office supplies and postage	1,800	1,800	1,148		1,148	652	1,043
Operating supplies/small tools	500	500	119		119	381	924
Scrip purchases/program	3,000	3,000	8,188		8,188	(5,188)	14,056
Insurance	4,500	4,500	9,040		9,040	(4,540)	3,925
Utilities	6,700	6,700	8,056		8,056	(1,356)	6,850
Maintenance and repair	13,230	13,230	10,915		10,915	2,315	12,952
Telephone	3,000	3,000	3,259		3,259	(259)	3,143
Cleaning services	1,000	1,000	957		957	43	984
Capital outlay	22,000	22,000	20,931		20,931	1,069	19,521
Other	15,130	15,130	14,103		14,103	1,027	12,802
<b>TOTAL EXPENDITURES</b>	<b>276,839</b>	<b>276,839</b>	<b>273,252</b>		<b>273,252</b>	<b>3,587</b>	<b>262,491</b>
Net change in fund balances	(148)	(148)	16,718	8,584	25,302	25,450	21,712
<b>FUND BALANCES, beginning</b>	<b>336,872</b>	<b>336,872</b>	<b>165,275</b>	<b>171,597</b>	<b>336,872</b>		<b>315,160</b>
<b>FUND BALANCES, ending</b>	<b>\$ 336,724</b>	<b>\$ 336,724</b>	<b>\$ 181,993</b>	<b>\$ 180,181</b>	<b>\$ 362,174</b>	<b>\$ 25,450</b>	<b>\$ 336,872</b>

**CITY OF CHATFIELD, MINNESOTA  
FIRE FUND  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021**

	Budgeted Amounts		220 Fire	221 Fire Capital	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final					
<b>REVENUES</b>							
Intergovernmental revenues:							
Township contributions	\$ 70,390	\$ 70,390	\$ 66,407	\$	\$ 66,407	\$ (3,983)	\$ 68,075
Federal grants				3,175	3,175	3,175	
Training and reimbursement			4,830		4,830	4,830	3,200
Charges for services	8,000	8,000	15,792		15,792	7,792	8,750
Investment income			1,253	3,883	5,136	5,136	3,756
Donations	85,000	85,000		144,730	144,730	59,730	154,112
Miscellaneous			658		658	658	518
<b>TOTAL REVENUES</b>	<b>163,390</b>	<b>163,390</b>	<b>88,940</b>	<b>151,788</b>	<b>240,728</b>	<b>77,338</b>	<b>238,411</b>
<b>EXPENDITURES</b>							
<b>Public Safety</b>							
Salaries	25,000	25,000	35,736		35,736	(10,736)	29,638
Employee benefits and retirement	1,913	8,952	9,375		9,375	(423)	9,076
Workers compensation	18,000	18,000	10,066		10,066	7,934	9,213
Operating supplies	2,000	2,000	2,844		2,844	(844)	1,438
Small tools and minor equipment	6,000	6,000	5,256	650	5,906	94	3,739
Vehicle operating supplies	1,500	1,500	3,011		3,011	(1,511)	1,696
Insurance	2,400	2,400	4,894		4,894	(2,494)	2,722
Utilities	8,000	8,000	10,708		10,708	(2,708)	8,753
Maintenance and repairs	8,000	8,000	18,497		18,497	(10,497)	9,511
Training	3,000	3,000	1,510		1,510	1,490	4,192
Capital outlay	41,000	41,000		46,523	46,523	(5,523)	179,312
Other	8,465	8,465	5,325	4,081	9,406	(941)	6,603
<b>TOTAL EXPENDITURES</b>	<b>125,278</b>	<b>132,317</b>	<b>107,222</b>	<b>51,254</b>	<b>158,476</b>	<b>(26,159)</b>	<b>265,893</b>
Excess (deficiency) of revenues over (under) expenditures	38,112	31,073	(18,282)	100,534	82,252	51,179	(27,482)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	116,740	116,740	70,390	46,350	116,740		114,690
Transfers out	(49,330)	(49,330)	(49,330)		(49,330)		(49,300)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>67,410</b>	<b>67,410</b>	<b>21,060</b>	<b>46,350</b>	<b>67,410</b>		<b>65,390</b>
Net change in fund balances	105,522	98,483	2,778	146,884	149,662	51,179	37,908
<b>FUND BALANCES, beginning</b>	<b>372,237</b>	<b>372,237</b>	<b>92,003</b>	<b>280,234</b>	<b>372,237</b>		<b>334,329</b>
<b>FUND BALANCES, ending</b>	<b>\$ 477,759</b>	<b>\$ 470,720</b>	<b>\$ 94,781</b>	<b>\$ 427,118</b>	<b>\$ 521,899</b>	<b>\$ 51,179</b>	<b>\$ 372,237</b>



**CITY OF CHATFIELD, MINNESOTA**  
**EDA FUND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		Fund 240 2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Investment Income	\$ 500	\$ 500	\$ 182	\$ (318)	\$ 416
Contributions	500	500		(500)	1,000
Miscellaneous	2,600	2,600	2,612	12	1,997
<b>TOTAL REVENUES</b>	<b>3,600</b>	<b>3,600</b>	<b>2,794</b>	<b>(806)</b>	<b>3,413</b>
<b>EXPENDITURES</b>					
<b>Community Development</b>					
Repairs and maintenance	500	500	380	120	309
Professional services	52,150	52,150	57,052	(4,902)	47,151
Other	23,906	23,906	23,924	(18)	8,174
<b>TOTAL EXPENDITURES</b>	<b>76,556</b>	<b>76,556</b>	<b>81,356</b>	<b>(4,800)</b>	<b>55,634</b>
Deficiency of revenues under expenditures	(72,956)	(72,956)	(78,562)	(5,606)	(52,221)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	74,000	74,000	74,000		50,000
Net change in fund balances	1,044	1,044	(4,562)	(5,606)	(2,221)
<b>FUND BALANCES, beginning</b>	<b>47,615</b>	<b>47,615</b>	<b>47,615</b>		<b>49,836</b>
<b>FUND BALANCES, ending</b>	<b>\$ 48,659</b>	<b>\$ 48,659</b>	<b>\$ 43,053</b>	<b>\$ (5,606)</b>	<b>\$ 47,615</b>

**CITY OF CHATFIELD, MINNESOTA**  
**AMBULANCE FUND**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		230 Ambulance	231 Ambulance Capital Reserve	2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final					
<b>REVENUES</b>							
Intergovernmental revenues:							
County contract	\$ 4,500	\$ 4,500	\$ 4,500	\$	\$ 4,500	\$	\$ 4,500
Township contributions	61,840	61,840	57,174		57,174	(4,666)	58,000
Training reimbursement	4,500	4,500	2,750		2,750	(1,750)	4,825
Other			500		500	500	
Charges for services	185,000	185,000	231,195		231,195	46,195	234,537
Training revenue	18,000	18,000	14,325		14,325	(3,675)	16,260
Investment income			1,051	1,129	2,180	2,180	1,467
Contributions	14,000	14,000		25,691	25,691	11,691	26,599
Miscellaneous	250	250	7,008		7,008	6,758	332
<b>TOTAL REVENUES</b>	<b>288,090</b>	<b>288,090</b>	<b>318,503</b>	<b>26,820</b>	<b>345,323</b>	<b>57,233</b>	<b>346,520</b>
<b>EXPENDITURES</b>							
<b>Public Safety</b>							
Salaries	157,000	157,000	152,578		152,578	4,422	145,565
Employee benefits and retirement	26,011	26,011	25,282		25,282	729	23,239
Workers compensation	10,000	10,000	11,385		11,385	(1,385)	11,732
Health insurance	26,795	26,795	27,602		27,602	(807)	23,722
Training	11,000	11,000	5,985		5,985	5,015	10,632
Small tools and minor equipment	1,750	1,750	1,919		1,919	(169)	544
Office supplies	1,000	1,000				1,000	72
Operating supplies	11,000	11,000	12,046		12,046	(1,046)	12,341
Vehicle operating supplies	3,500	3,500	7,023		7,023	(3,523)	4,631
Internet and telephone	4,300	4,300	5,041		5,041	(741)	5,259
Printing and publications	1,900	1,900	618	1,384	2,002	(102)	1,541
Insurance	1,150	1,150	776		776	374	1,776
Utilities	5,000	5,000	7,969		7,969	(2,969)	4,959
Maintenance and repairs	15,200	15,200	17,213		17,213	(2,013)	20,364
Medical services	4,500	4,500	8,835		8,835	(4,335)	8,017
Clothing	2,750	2,750	2,541		2,541	209	2,979
License, permits, dues and subscription	13,550	13,550	14,655		14,655	(1,105)	14,825
Capital outlay	12,000	12,000				12,000	76,479
Refunds	1,500	1,500				1,500	2,054
Departmental capital charge	1,150	1,150	1,150		1,150		1,915
Other	3,920	3,920	2,342	469	2,811	1,109	3,671
<b>TOTAL EXPENDITURES</b>	<b>314,976</b>	<b>314,976</b>	<b>304,960</b>	<b>1,853</b>	<b>306,813</b>	<b>8,163</b>	<b>376,317</b>
Excess (deficiency) of revenues over (under) expenditures	(26,886)	(26,886)	13,543	24,967	38,510	65,396	(29,797)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	124,000	124,000	79,500	44,500	124,000		114,710
Transfers out	(59,650)	(59,650)	(59,650)		(59,650)		(58,260)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>64,350</b>	<b>64,350</b>	<b>19,850</b>	<b>44,500</b>	<b>64,350</b>		<b>56,450</b>
Net change in fund balances	37,464	37,464	33,393	69,467	102,860	65,396	26,653
<b>FUND BALANCES, beginning</b>	<b>392,325</b>	<b>392,325</b>	<b>324,643</b>	<b>67,682</b>	<b>392,325</b>		<b>365,672</b>
<b>FUND BALANCES, ending</b>	<b>\$ 429,789</b>	<b>\$ 429,789</b>	<b>\$ 358,036</b>	<b>\$ 137,149</b>	<b>\$ 495,185</b>	<b>\$ 65,396</b>	<b>\$ 392,325</b>

**CITY OF CHATFIELD, MINNESOTA**  
**REVOLVING LOAN FEDERAL**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		Fund 360 2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Investment income	\$ 5,000	\$ 5,000	\$ 7,582	\$ 2,582	\$ 7,417
Miscellaneous	26,900	26,900	29,396	2,496	32,028
<b>TOTAL REVENUES</b>	31,900	31,900	36,978	5,078	39,445
<b>EXPENDITURES</b>					
Loan advances			40,000	(40,000)	
Net change in fund balances	31,900	31,900	(3,022)	(34,922)	39,445
<b>FUND BALANCES, beginning</b>	136,794	136,794	136,794		97,349
<b>FUND BALANCES, ending</b>	<u>\$ 168,694</u>	<u>\$ 168,694</u>	<u>\$ 133,772</u>	<u>\$ (34,922)</u>	<u>\$ 136,794</u>

**CITY OF CHATFIELD, MINNESOTA  
 REVOLVING LOAN STATE  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual**

For the Year Ended December 31, 2022  
 With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		Fund 361 2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Investment income	\$ 3,276	\$ 3,276	\$ 3,644	\$ 368	\$ 3,880
Miscellaneous	37,622	37,622	37,562	(60)	37,189
<b>TOTAL REVENUES</b>	40,898	40,898	41,206	308	41,069
<b>EXPENDITURES</b>					
DEED repayments to state	32,718	32,718	32,288	430	32,289
Net change in fund balances	8,180	8,180	8,918	738	8,780
<b>FUND BALANCES, beginning</b>	27,038	27,038	27,038		18,258
<b>FUND BALANCES, ending</b>	<u>\$ 35,218</u>	<u>\$ 35,218</u>	<u>\$ 35,956</u>	<u>\$ 738</u>	<u>\$ 27,038</u>

**CITY OF CHATFIELD, MINNESOTA**  
**INTERNAL SERVICE FUND**  
**Statements of Net Position**  
December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 926,575	\$ 939,825
<b>Noncurrent Assets</b>		
Capital assets:		
Nondepreciable	5,813	
Depreciable	5,536,806	5,334,446
Less: Accumulated depreciation	2,662,633	2,582,771
Net capital assets	2,879,986	2,751,675
Total Assets	3,806,561	3,691,500
<b>LIABILITIES</b>		
Accounts payable		13,514
<b>NET POSITION</b>		
Invested in capital assets	2,879,986	2,751,675
Unrestricted	926,575	926,311
Total Net Position	\$ 3,806,561	\$ 3,677,986

**CITY OF CHATFIELD, MINNESOTA**  
**INTERNAL SERVICE FUND**  
**Statements of Revenues, Expenses**  
**and Changes in Fund Net Position**  
For the Years Ended December 31, 2022 and 2021

	2022	2021
<b>Operating Revenues</b>		
Departmental capital charge	\$ 338,869	\$ 332,031
<b>Operating Expenses</b>		
Depreciation	260,559	265,777
Repairs	88,215	15,718
Professional fees		4,999
Other	872	6,004
Total Operating Expenses	349,646	292,498
Operating Income (Loss)	(10,777)	39,533
<b>Nonoperating Revenues</b>		
Investment income	10,821	10,696
Intergovernmental - small cities aid		53,300
Miscellaneous	21,508	31,306
Gain on sale of assets	152,328	93,440
Total Nonoperating Revenues	184,657	188,742
<b>INCOME BEFORE TRANSFERS</b>	173,880	228,275
Transfers in	2,100	2,100
Transfers out	(47,405)	(74,540)
<b>CHANGE IN NET POSITION</b>	128,575	155,835
<b>NET POSITION - BEGINNING OF YEAR</b>	3,677,986	3,522,151
<b>NET POSITION - END OF YEAR</b>	\$ 3,806,561	\$ 3,677,986

**CITY OF CHATFIELD, MINNESOTA**  
**INTERNAL SERVICE FUND**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2022 and 2021

	2022	2021
<b>Cash Flows From Operating Activities</b>		
Cash received from other departments	\$ 338,869	\$ 332,031
Cash paid to suppliers	(102,601)	(13,882)
Net Cash Provided by Operating Activities	236,268	318,149
<b>Cash Flows From Noncapital Financing Activities</b>		
Miscellaneous	21,508	31,306
Transfer in/out	(45,305)	(72,440)
Net Cash Used In Noncapital Financing Activities	(23,797)	(41,134)
<b>Capital and Related Financing Activities</b>		
Capital asset acquisitions	(285,581)	(294,021)
Proceeds from sale of assets	49,039	
Intergovernmental		53,300
Net Cash Used In Capital and Related Financing Activities	(236,542)	(240,721)
<b>Cash Flows From Investing Activities</b>		
Investment income received	10,821	10,696
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	(13,250)	46,990
<b>CASH AND INVESTMENTS, BEGINNING OF YEAR</b>	939,825	892,835
<b>CASH AND INVESTMENTS, END OF YEAR</b>	\$ 926,575	\$ 939,825

**RECONCILIATION OF OPERATING INCOME (LOSS)  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (10,777)	\$ 39,533
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation	260,559	265,777
Increase (Decrease) in:		
Accounts payable	(13,514)	12,839
Net Cash Provided By Operating Activities	\$ 236,268	\$ 318,149
<b>Noncash Capital and Related Financing Activities</b>		
Capital asset trade-ins	\$ 255,477	\$ 93,440

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**CITY OF CHATFIELD, MINNESOTA**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2022**

**CITY OF CHATFIELD, MINNESOTA**  
**PROPRIETARY FUNDS**  
**WATER FUND**  
**(601/339/336/303/403)**  
**Statements of Net Position**  
December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 991,940	\$ 252,303
Accounts receivable	48,322	48,772
Special assessments receivable	6,471	6,159
Special assessments delinquent	547	309
Prepaid items		621
Total Current Assets	1,047,280	308,164
<b>Property and Equipment</b>		
Nondepreciable	436,973	30,246
Depreciable	4,220,230	4,163,520
Less: Accumulated depreciation	1,800,513	1,666,577
Property, Plant and Equipment, Net	2,856,690	2,527,189
<b>Deferred Outflows of Resources</b>		
Deferred outflows from pension activity	18,993	27,772
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 3,922,963</b>	<b>\$ 2,863,125</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 3,088	\$ 12,653
Accrued compensated absences	8,110	10,104
Current maturities of bonds payable	61,100	36,000
Accrued interest payable	22,395	1,582
Total Current Liabilities	94,693	60,339
<b>Noncurrent Liabilities</b>		
Net pension liability	64,710	38,261
Bonds payable, net of current maturities	1,331,980	188,500
Total Noncurrent Liabilities	1,396,690	226,761
Total Liabilities	1,491,383	287,100
<b>Deferred Inflows of Resources</b>		
Deferred inflows from pension activity	1,664	35,438
<b>NET POSITION</b>		
Net investment in capital assets	2,261,463	2,302,689
Unrestricted	168,453	237,898
Total Net Position	2,429,916	2,540,587
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 3,922,963</b>	<b>\$ 2,863,125</b>

**CITY OF CHATFIELD, MINNESOTA  
 PROPRIETARY FUNDS  
 WATER FUND  
 (601/339/336/303/403)**

**Statement of Revenues, Expenses  
 and Changes in Fund Net Position - Budget and Actual**

For the Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>Operating Revenue</b>					
Service fees and charges	\$ 368,100	\$ 368,100	\$ 413,069	\$ 44,969	\$ 418,847
<b>Operating Expenses</b>					
Salaries	70,000	70,000	73,287	(3,287)	70,771
Employee benefits and retirement	10,605	10,605	12,796	(2,191)	11,674
Health insurance	9,800	9,800	9,819	(19)	9,378
Workers compensation	4,300	4,300	2,470	1,830	2,409
Supplies	9,550	9,550	7,843	1,707	6,931
Utilities	22,000	22,000	22,936	(936)	22,770
Maintenance and repairs	16,200	16,200	14,353	1,847	43,468
Travel and training	800	800	71	729	633
Professional fees	32,000	32,000	39,825	(7,825)	43,513
Office expense	1,500	1,500	1,574	(74)	1,368
Insurance	4,500	4,500	8,513	(4,013)	3,647
Depreciation			133,936	(133,936)	128,574
Departmental capital charge	14,570	14,570	14,570		9,853
Other	7,250	7,250	10,856	(3,606)	8,741
Total Operating Expenses	203,075	203,075	352,849	(149,774)	363,730
Operating Income	165,025	165,025	60,220	104,805	55,117
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	5,000	5,000	10,323	5,323	3,039
Refunds and reimbursements			2,197	2,197	1,886
Special assessments	7,000	7,000	11,696	4,696	11,953
State aid	9,000	9,000		(9,000)	3,700
Connection and access fees	11,200	11,200	4,800	(6,400)	29,294
Interest expense	(3,503)	(3,503)	(24,316)	(20,813)	(3,849)
Total Nonoperating Revenues (Expenses)	28,697	28,697	4,700	(23,997)	46,023
<b>INCOME BEFORE TRANSFERS</b>	193,722	193,722	64,920	(128,802)	101,140
Transfers in			8,054	8,054	
Transfers out	(143,938)	(143,938)	(183,645)	(39,707)	(183,935)
<b>CHANGE IN NET POSITION</b>	49,784	49,784	(110,671)	(160,455)	(82,795)
<b>NET POSITION - BEGINNING OF YEAR</b>	2,540,587	2,540,587	2,540,587		2,623,382
<b>NET POSITION - END OF YEAR</b>	\$ 2,590,371	\$ 2,590,371	\$ 2,429,916	\$ (160,455)	\$ 2,540,587

**CITY OF CHATFIELD, MINNESOTA**  
**PROPRIETARY FUNDS**  
**SEWER FUND**  
**(602/622/341/337/333)**  
**Statement of Net Position**  
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 512,250	\$ 602,559
Accounts receivable	116,224	118,211
Special assessments receivable	20,405	20,529
Special assessments delinquent	1,724	754
Prepaid items		<u>2,278</u>
Total Current Assets	<u>650,603</u>	<u>744,331</u>
 <b>Property and Equipment</b>		
Nondepreciable	30,246	30,246
Depreciable	13,115,829	13,042,710
Less: Accumulated depreciation	<u>7,406,895</u>	<u>7,131,640</u>
Property, Plant and Equipment, Net	<u>5,739,180</u>	<u>5,941,316</u>
 <b>Deferred Outflows of Resources</b>		
Deferred outflows from pension activity	<u>34,566</u>	<u>49,183</u>
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>\$ 6,424,349</u>	 <u>\$ 6,734,830</u>
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,848	\$ 6,053
Accrued compensated absences	15,099	15,255
Current maturities of bonds payable	486,500	476,000
Accrued interest payable	24,780	28,692
Total Current Liabilities	<u>534,227</u>	<u>526,000</u>
 <b>Noncurrent Liabilities</b>		
Net pension liability	116,755	67,783
Bonds payable, net of current maturities and unamortized premium	<u>2,552,334</u>	<u>3,044,722</u>
Total Noncurrent Liabilities	<u>2,669,089</u>	<u>3,112,505</u>
 Total Liabilities	 <u>3,203,316</u>	 <u>3,638,505</u>
 <b>Deferred Inflows of Resources</b>		
Deferred inflows from pension activity	<u>2,971</u>	<u>62,624</u>
 <b>NET POSITION</b>		
Net investment in capital assets	2,700,346	2,420,594
Unrestricted	<u>517,716</u>	<u>613,107</u>
Total Net Position	<u>3,218,062</u>	<u>3,033,701</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	 <u>\$ 6,424,349</u>	 <u>\$ 6,734,830</u>

**CITY OF CHATFIELD, MINNESOTA  
 PROPRIETARY FUNDS  
 SEWER FUND  
 (602/622/341/337/333)**

**Statement of Revenues, Expenses  
 and Changes in Fund Net Position - Budget and Actual**

For the Year Ended December 31, 2022

With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		2022 Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual Amounts
	Original	Final			
<b>Operating Revenue</b>					
Service fees and charges	\$ 955,000	\$ 955,000	\$ 953,740	\$ (1,260)	\$ 960,431
<b>Operating Expenses</b>					
Salaries	128,000	128,000	135,668	(7,668)	128,140
Employee benefits and retirement	19,392	19,392	24,364	(4,972)	20,377
Health insurance	24,000	24,000	21,938	2,062	22,927
Workers compensation	8,500	8,500	5,633	2,867	5,377
Supplies	6,750	6,750	6,617	133	6,181
Utilities	61,500	61,500	56,945	4,555	52,364
Maintenance and repairs	91,176	91,176	50,437	40,739	32,188
Travel and training	2,050	2,050	130	1,920	601
Professional fees	31,900	31,900	30,470	1,430	23,362
Office expense	4,000	4,000	4,250	(250)	3,873
Insurance	12,000	12,000	18,380	(6,380)	12,089
Depreciation			298,630	(298,630)	290,211
Departmental capital charge	9,170	9,170	9,170		9,009
Other	12,400	12,400	17,385	(4,985)	9,205
Total Operating Expenses	410,838	410,838	680,017	(269,179)	615,904
Operating Income	544,162	544,162	273,723	(270,439)	344,527
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	10,000	10,000	9,240	(760)	9,432
Refunds and reimbursements			3,485	3,485	3,937
Special assessments	30,000	30,000	27,837	(2,163)	30,863
Connection and access fees	18,200	18,200	7,800	(10,400)	34,280
Interest expense	(3,503)	(3,503)	(54,403)	(50,900)	(63,786)
Total Nonoperating Revenue (Expense)	54,697	54,697	(6,041)	(60,738)	14,726
<b>INCOME BEFORE TRANSFERS</b>	598,859	598,859	267,682	(331,177)	359,253
Transfers in			5,700	5,700	14,450
Transfers out	(81,171)	(81,171)	(89,021)	(7,850)	(75,809)
<b>CHANGE IN NET POSITION</b>	517,688	517,688	184,361	(333,327)	297,894
<b>NET POSITION - BEGINNING OF YEAR</b>	3,033,701	3,033,701	3,033,701		2,735,807
<b>NET POSITION - END OF YEAR</b>	\$ 3,551,389	\$ 3,551,389	\$ 3,218,062	\$ (333,327)	\$ 3,033,701

**CITY OF CHATFIELD, MINNESOTA**  
**PROPRIETARY FUNDS**  
**GARBAGE FUND (603)**  
**Statement of Net Position**  
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and investments	\$ 36,254	\$ 51,216
Accounts receivable	28,952	23,222
Special assessments receivable	5,642	7,528
Special assessments delinquent	477	173
Total Current Assets	<u>\$ 71,325</u>	<u>\$ 82,139</u>
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	<u>\$ 19,686</u>	<u>\$ 16,393</u>
 <b>NET POSITION</b>		
Unrestricted	<u>51,639</u>	<u>65,746</u>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 71,325</u>	<u>\$ 82,139</u>

**CITY OF CHATFIELD, MINNESOTA**  
**GARBAGE FUND (603)**  
**Schedule of Revenues, Expenditures**  
**and Changes in Net Position - Budget and Actual**  
For the Year Ended December 31, 2022  
With Comparative Totals for the Year Ended December 31, 2021

	Budgeted Amounts		Fund 603	Variance with	2021
	Original	Final	2022 Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
<b>Operating Revenue</b>					
Charges for services	\$ 232,700	\$ 232,700	\$ 257,715	\$ 25,015	\$ 233,395
<b>Operating Expenses</b>					
Garbage removal	192,000	192,000	216,113	(24,113)	194,057
City cleanup	17,000	17,000	14,473	2,527	21,931
Supplies	650	650	386	264	183
Maintenance and repairs	5,500	5,500	5,040	460	4,817
Office expense	1,500	1,500	1,111	389	1,016
Departmental capital charge	5,000	5,000	5,000		310
Other	15,575	15,575	18,974	(3,399)	14,722
Total Operating Expenses	237,225	237,225	261,097	(23,872)	237,036
Operating Loss	(4,525)	(4,525)	(3,382)	1,143	(3,641)
<b>Nonoperating Revenue</b>					
Investment income	800	800	500	(300)	664
Special assessments	10,000	10,000	5,845	(4,155)	8,831
Total Nonoperating Revenue	10,800	10,800	6,345	(4,455)	9,495
<b>INCOME BEFORE TRANSFERS</b>	6,275	6,275	2,963	(3,312)	5,854
Transfers out	(17,070)	(17,070)	(17,070)		(16,900)
<b>CHANGE IN NET POSITION</b>	(10,795)	(10,795)	(14,107)	(3,312)	(11,046)
<b>NET POSITION - BEGINNING OF YEAR</b>	65,746	65,746	65,746		76,792
<b>NET POSITION - END OF YEAR</b>	\$ 54,951	\$ 54,951	\$ 51,639	\$ (3,312)	\$ 65,746

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## MINNESOTA LEGAL COMPLIANCE

### Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
**City of Chatfield, Minnesota**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Chatfield, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 14, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Chatfield, Minnesota failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of the City of Chatfield, Minnesota and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

*Smith, Schaffer and Associates, Ltd.*

Rochester, Minnesota  
March 14, 2023

**APPENDIX F:  
CONTINUING DISCLOSURE FILINGS**

The following pages have been printed directly from the EMMA website information for the Continuing Disclosure filings in recent years.

Home > Issuers By State > Minnesota > Issuer Homepage > Issue Details

## Issue Details



**CITY OF CHATFIELD, MINNESOTA GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A (MN)**  
CHATFIELD MINN GO REF BDS 2012A (MN)\*

**Dated Date:** 05/01/2012  
**Underwriting Spread Amount:** \$27,362.50  
**Closing Date:** 05/22/2012

[Final Scale](#)   [Official Statement](#)   [Continuing Disclosure](#)   [Trade Activity](#)

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### FINANCIAL INFORMATION & DOCUMENTS

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**Most Recent** [CD Report - Year end 2021 - Chatfield MN for the year ended 12/31/2021 posted 08/29/2022 \(1.3 MB\)](#) [details](#)

#### Annual Financial Information and Operating Data

[CD Report - Year end 2021 - Chatfield MN for the year ended 12/31/2021 posted 08/29/2022 \(1.3 MB\)](#) [details](#)

[CD Report - Year end 2020 - Chatfield MN for the year ended 12/31/2020 posted 09/22/2021 \(539 KB\)](#) [details](#)

[CD Report - Year end 2019 - Chatfield MN for the year ended 12/31/2019 posted 09/01/2020 \(542 KB\)](#) [details](#)

[CD Report - Year End 2018 - Chatfield MN for the year ended 12/31/2018 posted 08/09/2019 \(553 KB\)](#) [details](#)

[CD Report - Year End 2017 - Chatfield MN for the year ended 12/31/2017 posted 09/11/2018 \(3.3 MB\)](#) [details](#)

[CD Report - Chatfield MN - Year Ending Dec. 31 2016 for the year ended 12/31/2016 Document2 posted 11/14/2017 \(361 KB\)](#) [details](#)

[CD Report - Chatfield MN - Year Ending Dec. 31 2016 for the year ended 12/31/2016 Document1 posted 11/14/2017 \(525 KB\)](#) [details](#)

[Final OS for CD Report - 2016A Bonds - Chatfield MN for the year ended 12/31/2015 posted 10/26/2016 \(2 MB\)](#) [details](#)

[CD Report - Yr End 2014 - Chatfield MN for the year ended 12/31/2014 Document1 posted 09/14/2015 \(383 KB\)](#) [details](#)

[CD Report - Yr End 2014 - Chatfield MN for the year ended 12/31/2014 Document2 posted 09/14/2015 \(752 KB\)](#) [details](#)

[Continuing Disclosure Report for the year ended 12/31/2013 Document2 posted 10/14/2014 \(383 KB\)](#) [details](#)

[Continuing Disclosure Report for the year ended 12/31/2013 Document1 posted 10/14/2014 \(290 KB\)](#) [details](#)

[CD Report - Year End 2012 - Chatfield, MN for the year ended 12/31/2012 Document2 posted 12/02/2013 \(43 KB\)](#) [details](#)

[CD Report - Year End 2012 - Chatfield, MN for the year ended 12/31/2012 Document1 posted 12/02/2013 \(369 KB\)](#) [details](#)

#### Audited Financial Statements or ACFR

[2021 Audit - Chatfield MN for the year ended 12/31/2021 posted 07/27/2022 \(627 KB\)](#) [details](#)

[2020 Audit - Chatfield MN for the year ended 12/31/2020 posted 06/16/2021 \(664 KB\)](#) [details](#)

[2019 Audit - Chatfield MN for the year ended 12/31/2019 posted 05/26/2020 \(631 KB\)](#) [details](#)

[2018 Audit - Chatfield MN for the year ended 12/31/2018 posted 08/09/2019 \(759 KB\)](#) [details](#)

[2017 Audit - Chatfield MN for the year ended 12/31/2017 posted 09/11/2018 \(597 KB\)](#) [details](#)

[2016 Audit - Chatfield MN for the year ended 12/31/2016 posted 11/14/2017 \(361 KB\)](#) [details](#)

[2016 Audit - Chatfield MN for the year ended 12/31/2016 posted 11/14/2017 \(525 KB\)](#) [details](#)

[2015 Audit - Chatfield MN for the year ended 12/31/2015 posted 10/26/2016 \(417 KB\)](#) [details](#)

[2014 Audit - Chatfield MN for the year ended 12/31/2014 posted 09/14/2015 \(383 KB\)](#) [details](#)

[2014 Audit - Chatfield MN for the year ended 12/31/2014 posted 09/14/2015 \(752 KB\)](#) [details](#)

[2013 Audit for the year ended 12/31/2013 posted 10/14/2014 \(383 KB\)](#) [details](#)

[2013 Audit for the year ended 12/31/2013 posted 10/14/2014 \(290 KB\)](#) [details](#)

[2012 Audited Financial Statement for the year ended 12/31/2012 posted 12/02/2013 \(43 KB\)](#) [details](#)

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Until 2009, the organizations listed below served as Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and may have primary market and continuing disclosure documents produced before July 1, 2009, when the EMMA website became the official repository for municipal market disclosures.

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[ICE Data Services](#) (formerly Interactive Data Pricing and Reference Data)

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 Submission Date: 7/18/2023 1:12 PM  
 Status: PUBLISHED

Disclosure Categories
Rule 15c2-12 Disclosure Annual Financial Information and Operating Data: CD Report - Year end 2022 - Chatfield MN, for the year ended 12/31/2022

Document				
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File	Period Date			
<a href="#">CD Report - Year end 2022 - Chatfield MN.pdf</a>	07/18/2023			

**Associated Securities**

The following are associated with this continuing disclosure submission.

CUSIP-6	Issuer Name
161807	CITY OF CHATFIELD, MINNESOTA

Total CUSIPs associated with this submission: 62

The disclosure will be published for the following securities.

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
161807RV6	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2024	4
161807RW4	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2025	4
161807RX2	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2026	4
161807RY0	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2027	4
161807RZ7	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2028	4
161807SA1	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2029	4
161807SB9	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2030	4
161807SC7	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2031	4
161807SD5	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2032	4
161807SE3	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2033	4
161807SF0	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2034	4
161807SG8	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2035	4
161807SH6	GENERAL OBLIGATION BONDS, SERIES 2023A	07/12/2023	02/01/2036	4
161807QZ8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2020	3
161807RA2	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2021	3

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
161807RB0	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2022	3
161807RC8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2023	3
161807RD6	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2024	3
161807RE4	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2025	3
161807RF1	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2026	3
161807RG9	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2027	3
161807RH7	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2028	3
161807RJ3	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2029	3
161807RL8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2031	3
161807RN4	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2033	3
161807RQ7	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2035	3.25
161807RT1	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2038	3.25
161807RU8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2039	3.375
161807QM7	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2019	2
161807QN5	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2020	2
161807QP0	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2021	2
161807QQ8	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2022	2
161807QR6	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2023	2
161807QS4	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2024	2
161807QT2	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2025	2
161807QU9	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2026	2
161807QV7	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2027	2
161807QW5	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2028	2
161807QB1	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2016	2
161807QC9	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2017	2
161807QD7	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2018	2
161807QE5	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2019	2
161807QF2	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2020	2
161807QG0	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2021	2.25
161807QH8	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2022	2.25
161807QJ4	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2023	2.25
161807QK1	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2024	2.25
161807QL9	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2025	2.25
161807PM8	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2014	2

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
161807PN6	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2015	2
161807PP1	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2016	2
161807PQ9	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2017	2
161807PR7	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2018	2
161807PS5	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2019	2
161807PT3	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2020	2
161807PU0	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2021	2
161807PV8	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2022	2
161807PW6	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2023	2.15
161807PX4	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2024	2.3
161807PY2	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2025	2.45
161807PZ9	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2026	2.6
161807QA3	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2027	2.7

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Status: PUBLISHED

Disclosure Categories

Rule 15c2-12 Disclosure

Audited Financial Statements or ACFR: 2022 Audit - Chatfield MN, for the year ended 12/31/2022

Document

File

Period Date

[2022 Audit - Chatfield.pdf](#)

06/20/2023

Associated Securities

The following are associated with this continuing disclosure submission.

CUSIP-6	Issuer Name
161807	CITY OF CHATFIELD, MINNESOTA

Total CUSIPs associated with this submission: 49

The disclosure will be published for the following securities.

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
161807QZ8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2020	3
161807RA2	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2021	3
161807RB0	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2022	3
161807RC8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2023	3
161807RD6	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2024	3
161807RE4	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2025	3
161807RF1	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2026	3
161807RG9	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2027	3
161807RH7	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2028	3
161807RJ3	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2029	3
161807RL8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2031	3
161807RN4	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2033	3
161807RQ7	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2035	3.25
161807RT1	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2038	3.25
161807RU8	GENERAL OBLIGATION SWIMMING POOL BONDS, SERIES 2018A	09/10/2018	02/01/2039	3.375



CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
161807QM7	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2019	2
161807QN5	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2020	2
161807QP0	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2021	2
161807QQ8	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2022	2
161807QR6	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2023	2
161807QS4	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2024	2
161807QT2	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2025	2
161807QU9	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2026	2
161807QV7	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2027	2
161807QW5	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A	03/15/2016	02/01/2028	2
161807QB1	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2016	2
161807QC9	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2017	2
161807QD7	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2018	2
161807QE5	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2019	2
161807QF2	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2020	2
161807QG0	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2021	2.25
161807QH8	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2022	2.25
161807QJ4	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2023	2.25
161807QK1	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2024	2.25
161807QL9	GENERAL OBLIGATION BONDS, SERIES 2014A	09/01/2014	02/01/2025	2.25
161807PM8	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2014	2
161807PN6	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2015	2
161807PP1	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2016	2
161807PQ9	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2017	2
161807PR7	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2018	2
161807PS5	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2019	2
161807PT3	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2020	2
161807PU0	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2021	2
161807PV8	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2022	2
161807PW6	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2023	2.15
161807PX4	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2024	2.3
161807PY2	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2025	2.45
161807PZ9	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2026	2.6
161807QA3	GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2012A	05/01/2012	02/01/2027	2.7

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