

City of Chatfield, Minnesota

Continuing Disclosure Report

Year Ending:
December 31, 2015

Dated:
October 26, 2016



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

Crossover Refunding Issue

Standard and Poor's Rated "AA/Stable"

Dated Date – March 15, 2016

City of Chatfield, Minnesota

\$5,410,000

G.O. Crossover Refunding Bonds, Series 2016A

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>
2019	\$ 510,000	2.00%	103.262	161807QM7
2020	515,000	2.00	103.987	161807QN5
2021	530,000	2.00	104.505	161807QP0
2022	535,000	2.00	104.526	161807QQ8
2023	545,000	2.00	104.254	161807QR6
2024	560,000	2.00	103.255	161807QS4
2025	570,000	2.00	102.266	161807QT2
2026	575,000	2.00	101.287	161807QU9
2027	585,000	2.00	100.319	161807QV7
2028	485,000	2.00	98.952	161807QW5

Original Issue Discount

The difference between the principal amount of the 2028 maturity of the Bonds (the "OID Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) constitutes original issue discount which is excluded from gross income for federal income tax purposes. Such original issue discount accrues actuarially on a constant basis over the term of each OID Bond and the basis of each OID Bond acquired at the initial offering price by an initial purchase thereof will be increased by the amount of such accrued original issue discount.

Interest Payment

The first interest payment on the Bonds will be August 1, 2016.

Denominations

The Bonds shall be sold in denominations of \$5,000.

Tax Status

Tax-exempt Bank-qualified

Underwriter

R.W. Baird & Co., Inc. has agreed to purchase the Bonds from the City for an aggregate price of \$5,505,081.95 plus accrued interest to the date of delivery. It is expected that the Bonds will be available for delivery on or about March 15, 2016. Northland Trust Services, Inc. will act as registrar for the Issue.

THIS OFFICIAL STATEMENT SHALL CONSTITUTE A "FINAL OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BOND AS THAT TERM IS DEFINED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

BAIRD

COMPLIANCE WITH S.E.C. RULE 15C-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 "Financial 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 Financial Advisor, payable entirely by the Issuer, is contingent upon the sale of the issue.

Table of Contents

INTRODUCTORY SUMMARY OF THE PRELIMINARY OFFICIAL STATEMENT	5
OFFICIAL STATEMENT.....	7
Full Continuing Disclosure.....	7
Authority and Purpose.....	7
Sources and Uses.....	8
Payment and Security.....	8
Optional Redemption.....	8
Rating.....	8
Taxability of Interest.....	8
Other Federal Tax Considerations	9
Risk Factors	9
Details of Certain Terms.....	10
Original Issue Discount	11
Original Issue Premium	11
Bank-qualified Tax Exempt Obligations.....	11
Book Entry System.....	11
Litigation.....	13
Future Financing	13
Legality.....	13
Financial Advisor.....	13
Certification	13
COUNTY AUDITOR’S CERTIFICATE INFORMATION.....	14
CITY VALUATION INFORMATION	14
Trends in Valuations *	14
CASH/INVESTMENTS	14
Funds on Hand (<i>unaudited as of 12/31/2015</i>).....	14
CITY INDEBTEDNESS (<i>as of 1/1/2016</i>).....	15
Legal Debt Limit and Margin	15
General Obligation Debt Supported by Tax Levies	15
General Obligation Debt Supported by Special Assessments.....	15
General Obligation Debt Supported by Revenues	15
Summary of Gross Direct Debt Including This Issue	16
Overlapping Debt	16
Debt Ratios	16
Annual Debt Service Payments.....	17
GENERAL INFORMATION	18
Organization.....	18
City Services	18
Employee Pensions.....	18
Census Data	19
Employment Data.....	19
Financial Services	19
Major Employers	20
Building Permits	20
Healthcare.....	21
Transportation	21
Education	21
Utilities.....	21
Communications	21
Appendix A:	Fillmore and Olmsted County Auditor’s Certificates – Taxes Payable in 2015
Appendix B:	Proposed Form of Legal Opinion
Appendix C:	Proposed Form of (Full) Continuing Disclosure
Appendix D:	Summary of Tax Levies, Payment Provisions & Valuations
Appendix E:	Excerpts from Financial Statements
Appendix F:	Continuing Disclosure Filings via EMMA

CITY OF CHATFIELD, MINNESOTA

City Council

<u>Name</u>	<u>Position</u>
Russ Smith	Mayor
Paul Novotny	Vice Mayor
David D. Frank	Council Member
Ken Jacobson	Council Member
Robert Pederson	Council Member
Mike Urban	Council Member

Administration

Joel Young	Clerk	Appointed
Kay Coe	Finance Director	Appointed

Bond Counsel

Briggs and Morgan, Professional Association
Minneapolis, MN

Financial 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 \$5,410,000 G.O. Crossover Refunding Bonds, Series 2016A, 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

Award Date & Time: February 16, 2016.

Dated Date: March 15, 2016

Interest Payments: August 1, 2016, and each February 1 and August 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>
2019	\$ 510,000
2020	515,000
2021	530,000
2022	535,000
2023	545,000
2024	560,000
2025	570,000
2026	575,000
2027	585,000
2028	485,000

Rating: Standard & Poor’s rating of “AA/Stable”

Continuing Disclosure: Full continuing disclosure

Security: General Obligation pledge of the City and pledge of sewer revenues and tax levies.

Purpose: Proceeds will crossover refinance the 2018 - 2026 maturities of the 2010A Bonds and the 2019 - 2028 maturities of the 2011A Bonds.

Authority: Minnesota Statutes, Chapter 115, 444 and 475

Optional Redemption: Bonds are callable on February 1, 2023.

Tax Status: Tax-exempt, bank-qualified

Legal Opinion: Briggs and Morgan, P.A., Minneapolis, Minnesota

Financial Advisor: David Drown Associates, Inc., Minneapolis, Minnesota

Closing/Delivery: On or about March 15, 2016.

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 financial advisor David Drown Associates, Inc., 5029 Upton Avenue South, Minneapolis, MN 55410 (612-920-3320).

THIS PAGE LEFT BLANK INTENTIONALLY

OFFICIAL STATEMENT

CITY OF CHATFIELD, MINNESOTA

\$5,410,000 G.O. Crossover Refunding Bonds, Series 2016A

INTRODUCTION

This Preliminary Official Statement provides information relating to the issuance of, \$5,410,000 G.O. Crossover Refunding Bonds, Series 2016A (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 Clerk or Ms. Kay Coe, Finance Director, City of Chatfield, 21 East Second Street, Chatfield, MN 55923-12004 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 information and operating data 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 B. 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. Continuing Disclosure with This Issue will begin with the fiscal year ending on December 31, 2016 for the year ending December 31, 2015.

The City has complied in all material respects with any previous undertaking under the Rule with the exception of providing notice of an increase of rating in May, 2004. This notice has now been filed with EMMA. 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, Chapter 115,444 and 475 for the purpose of crossover refinance the 2018 - 2026 maturities of the 2010A Bonds and the 2019 - 2028 maturities of the 2011A Bonds.

The 2018 – 2026 maturities of the \$1,455,000 G.O. Capital Improvement Plan Refunding Bonds, Series 2010A will be called on December 1, 2017.

The 2019 – 2028 maturities of the \$7,005,000 G.O. Disposal System Refunding Bonds, Series 2011A will be called on February 1, 2018.

Sources and Uses

<u>Sources</u>		<u>Uses</u>	
Par Amount of the Bonds	\$ 5,410,000	Deposit to Crossover Escrow Fund	\$ 5,450,483
Reoffering Premium	<u>143,772</u>	Underwriter's Discount (0.90%)	48,690
		Issuance & Legal	47,340
		Rounding Amount	<u>7,259</u>
Totals	\$ 5,553,772		\$ 5,553,772

Payment and Security

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 as well as revenues from the City sewer utility.

Optional Redemption

The City may elect on February 1, 2023 and on any day thereafter, to prepay Bonds due on or after February 1, 2024. 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 had Standard & Poor's affirm the "AA/Stable" rating for the City. The rating reflects only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Standard & Poor's. There is no assurance that the rating 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, Briggs and Morgan, Professional Association, 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 all taxpayers or the Minnesota alternative minimum tax imposed on individuals, trusts and estates; but for purposes of computing the federal alternative minimum tax imposed on corporations, such interest is taken into account in determining adjusted current earnings; and
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

Federal Alternative Minimum Tax Interest on the Bonds is not subject to the federal individual alternative minimum tax because interest on the Bonds is not a preference item; the interest is, however, included in adjusted current earnings of a corporation for purposes of calculating the federal alternative minimum tax. Federal alternative minimum taxable income is calculated by adding preference items and making other adjustments to income subject to the regular income tax. After all other adjustments and additions are made, a final adjustment will increase the alternative minimum taxable income otherwise calculated. For taxable years beginning after January 31, 1989, as the final step 75 percent of the excess of a corporation's adjusted current earnings over its alternative minimum taxable income as calculated prior this final step will be added to such alternative minimum taxable income.

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.

RISK FACTORS

Following is a description of possible risks to holders of these Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes The Bonds of this offering are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments, water or sewer revenues) be insufficient.

State Actions Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Past and future actions of the State may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy property taxes.

Ratings; Interest Rates In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure A failure by the City to comply with the Undertaking for continuing disclosure (see "Continuing Disclosure") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy A combination of economic, climatic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced tax collections and/or increased demands upon local government.

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.

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 file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and 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 General Obligation debt during the next six (6) months.

Legality

The Bonds are subject to approval as to certain matters Briggs and Morgan, Professional Association of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Preliminary Official Statement and will express no opinion with respect thereto. The Legal opinion in substantially the form set out in Appendix B herein will be delivered at closing.

Financial Advisor

The City has retained David Drown Associates, Inc., Minneapolis, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. In preparing the Preliminary Official Statement, the Financial Advisor has relied upon governmental officials and other sources that have access to relevant information contained in the Preliminary Official Statement. The Financial Advisor has not been engaged, nor has it undertaken to independently verify, the accuracy of such information. The Financial 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 Financial 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.

COUNTY AUDITOR’S CERTIFICATE INFORMATION

For full valuation, top ten taxpayers, tax rate, tax levy/collections information, please see the full Fillmore and Olmsted County Auditor’s Certificates for taxes payable in 2015 found under Appendix A.

CITY VALUATION INFORMATION

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>
2014/15	\$ 172,066,338	\$ 164,782,300	\$ 144,961,500	\$ 1,476,471
2013/14	163,321,058	163,506,800	143,568,000	1,561,261
2012/13	170,298,591	165,594,100	145,376,474	1,484,350
2011/12	169,488,476	171,011,200	150,926,600	1,538,597
2010/11	-	172,612,600	171,134,500	1,734,904
2009/10	-	172,205,700	171,079,000	1,736,449
2008/09	-	172,607,800	170,123,200	1,728,226
2007/08	-	168,140,500	163,997,800	1,677,665
2006/07	-	158,710,500	155,406,000	n/a

* Taxable Market Value in 2012 is AFTER reduction for homestead residential exclusion. This new law reduces the taxable market value of lower value homes by up to 43% of appraised value.

**Economic Market Value was not calculated by the MN Dept. of Revenue prior to taxes payable in 2012.

CASH/INVESTMENTS

Funds on Hand (unaudited as of 12/31/2015)

<u>Fund</u>	<u>Cash & Investments</u>
General	\$ 1,029,129
Special Revenue	1,006,084
Econ. Dev./TIF	121,868
Debt Service	-
GO Property Taxes	144,851
GO Assessment	261,745
GO Revenue	514,679
Capital/Construction Funds	(123,664)
Enterprise Funds	1,213,599
Reserve Fund	<u>857,923</u>
Total	\$ 5,026,214

* The City of Chatfield is situated in both Fillmore and Olmsted Counties in Minnesota. Unless otherwise indicated, all valuations and calculations are based upon the combined totals.

CITY INDEBTEDNESS

(as of 1/1/2016)

Legal Debt Limit and Margin

Legal Debt Limit (3% of Estimated Market Value)	\$ 4,943,469
Less: Outstanding Debt Subject to Limit	<u>(1,935,000)</u>
 Legal Debt Margin as of 1/1/2016	 \$ 3,008,469

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>
9/1/2014	\$ 905,000	Street Reconstruction Portion 2014A	2/1/2025	\$ 905,000
<i>5/1/2010</i>	<i>1,455,000</i>	<i>CIP Refunding</i>	<i>12/1/2026</i>	<i><u>1,030,000</u></i>
 Total				 \$ 1,935,000

The Bonds listed above in italics are being considered for a crossover refinancing with the proceeds of This Issue. Overall debt levels of the City will change slightly upon closing.

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>
9/1/2014	\$ 235,000	Improvement Portion, 2014A	2/1/2025	\$ 235,000
5/1/2012	1,235,000	Improvement Crossover Refunding - 12A	2/1/2029	1,070,000
3/1/2002	490,000	Improvements Refunding	2/1/2017	<u>65,000</u>
 Total				 \$ 1,370,000

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>
9/1/2014	\$ 585,000	Revenue Portion 2014A	2/1/2025	\$ 585,000
5/1/2012	755,000	Utility Crossover Refunding - 12A	2/1/2029	655,000
<i>1/1/2011</i>	<i>7,005,000</i>	<i>Disposal System Refunding</i>	<i>2/1/2028</i>	<i><u>5,585,000</u></i>
 Total				 \$ 6,825,000

The Bonds listed above in italics are being considered for a crossover refinancing with the proceeds of This Issue. Overall debt levels of the City will change slightly upon closing.

Summary of Direct Debt

	<u>Gross Debt</u>	Less: Debt <u>Funds</u>	Net <u>Direct Debt</u>
GO Debt Supported by Tax Levies	\$ 1,935,000	\$ 144,851	\$ 1,790,149
GO Debt Supported by Assessments	1,370,000	261,745	1,108,255
GO Debt Supported by Revenues	<u>6,825,000</u>	<u>514,679</u>	<u>6,310,321</u>
Total	\$ 10,130,000	\$ 921,275	\$ 9,208,725

Overlapping Debt

<u>Taxing Unit</u>	2014/15 <u>Tax Capacity</u>	% in <u>City</u>	Total <u>G.O. Debt</u>	City <u>Share</u>
Fillmore County	\$ 32,287,237	2.79%	\$ 2,090,000	\$ 58,314
Olmsted County	152,834,882	0.38%	226,395,000	852,658
ISD #227	6,695,325	22.05%	18,660,000	<u>4,114,953</u>
Total				\$ 5,025,925

Debt Ratios

	Net <u>G.O. Debt</u>	Debt/Economic Market Value <u>\$ 172,066,338</u>	Debt per Capita <u>2,787</u>
Net Direct G.O. Debt*	\$ 2,898,404	1.68%	\$ 1,040
Net Direct and Overlapping GO Debt	7,924,329	4.61%	2,843

* Excludes general obligations debt supported by revenues

The Balance of This Page Left Blank Intentionally

Annual Debt Service Payments

Year	GO Debt Supported by Taxes			GO Debt Supported by Assessments		
	Principal	Payment	% Retired	Principal	Payment	% Retired
2016	\$ 165,000	\$ 218,873	9%	145,000	174,408	11%
2017	165,000	215,173	17%	150,000	175,515	22%
2018	170,000	216,073	26%	120,000	142,308	30%
2019	175,000	216,773	35%	120,000	139,908	39%
2020	180,000	217,168	44%	125,000	142,458	48%
2021	185,000	217,285	54%	115,000	130,026	57%
2022	185,000	211,935	63%	115,000	127,664	65%
2023	195,000	216,529	73%	120,000	130,180	74%
2024	200,000	215,641	84%	115,000	122,561	82%
2025	205,000	214,510	94%	100,000	105,045	89%
2026	110,000	114,290	100%	70,000	72,935	95%
2027	-	-		75,000	76,013	100%
	\$ 1,935,000	\$ 2,274,248		\$ 1,370,000	\$ 1,539,019	

Year	GO Debt Supported by Revenues		
	Principal	Payment	% Retired
2015	\$ -	\$ -	0%
2016	475,000	665,130	7%
2017	480,000	661,323	14%
2018	490,000	661,430	21%
2019	495,000	655,225	28%
2020	505,000	652,850	36%
2021	525,000	659,230	44%
2022	535,000	654,430	51%
2023	550,000	653,574	59%
2024	575,000	661,389	68%
2025	585,000	652,888	76%
2026	540,000	588,925	84%
2027	555,000	584,538	92%
2028	515,000	524,785	100%
	\$ 6,825,000	\$ 8,275,715	

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:

Name	Position
Russ Smith	Mayor
Paul Novotny	Vice Mayor
David D. Frank	Council Member
Ken Jacobson	Council Member
Robert Pederson	Council Member
Mike Urban	Council Member

The City Clerk, 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 16 full-time and nine (9) part-time persons in the following departments: administration, public works, library, police and ambulance services and community television. 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 an Insurance Class Rating of 6.

The City has several parks with a total of 89 acres as well as a municipal swimming pool. 12.5-percent (208 acres) of the total land use of the City is designated recreation open space. Mill Creek runs for 2.1 miles within the City as does one-half mile of the Root River corridor. The City also operates a 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 and a peak demand 377,000 gallons per day. The City maintains a 1,000,000-gallon elevated storage facility. There are 1,064 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 1,076 connections to the sewer utility.

The City has a 2.25-acre industrial park that is served by both municipal water and sewer. Approximately 33-percent of the industrial park is already developed.

Employee Pensions

The 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 Public Employers Retirement Fund (PERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic Members are not. All new members must participate in the

Coordinated Plan. All police officers, fire fighters and peace officers that qualify for membership by statute are covered by the PEPFF. The City contribution to PERA for the year ended December 31, 2014 was \$ 88,199.

Census Data

Population Trends

	<u>Population</u>
1970 U.S. Census	1,885
1980 U.S. Census	2,055
1990 U.S. Census	2,226
2000 U.S. Census	2,394
2010 U.S. Census	2,779
2014 Estimate	2,815

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>
2013 per Capita Income	\$ 24,556	\$ 24,859	\$ 33,934	\$ 30,656
2013 Median Household Income	51,223	48,717	66,667	59,156
Percent Living in Poverty	8.4%	12.9%	8.5%	11.20%
Median Value of Owner Occupied Housing	145,300	136,400	172,400	194,300

Source: U.S. Census

The City of Chatfield has approximately 1,084 single-family homes and 26 multiple family homes. Recently, the City has planned or constructed the following:

<u>Subdivision Name</u>	<u>Total Number of Lots / Units</u>	<u>Number of Lots / Units Completed</u>	<u>Remaining Lots / Units Available</u>
Lone Stone Court	59	29	30
Orchard Ridge Subdivision	24	18	6
Hilltop Estates 1 st Addition	17	8	9
Hilltop Estates 2 nd Addition	6	4	2
Fingerson Donahoe Dev 1 st Phase.	31	20	11
Fingerson Donahoe Dev 2 nd Phase	8	4	4

Source: City Records

Employment Data

	<i>Labor Force</i>		<i>Unemployment Rate</i>		
	<u>Fillmore County</u>	<u>Olmsted County</u>	<u>Fillmore County</u>	<u>Olmsted County</u>	<u>Statewide</u>
November, 2015	11,412	81,963	2.9%	2.2%	3.0%
November, 2014	11,187	82,457	3.5%	2.6%	4.6%

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 \$59,418,000 as of June 30, 2015. The F & M Community Bank, National Association (a branch of Preston) reported deposits of \$23,778,000 as of June 30, 2015.

Source: FDIC Summary of Deposits – “inside of market”

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u># of Employees</u>
Strongwell Corp.	Fiberglass & Precast Polymer	200
Chosen Valley Care Center	Skilled Nursing Care Facility	150
Tuohy Furniture Corp.	Wood Office Furniture	150
Chosen Valley Public Schools	Public Education	120
Sunshine Foods	Grocery Store	65
EZ Fabricating	Fabrication	60
Bernard Busing	Transportation	50
Ta Cades Sports Bar	Food Service/recreation	30
Dairy Queen	Food service (spring/summer)	25
City of Chatfield	City Government	23
Root River State Bank	Banking	20

Additional major employers located just outside the City include: Chatfield Trucking, Bill Funk Trucking, Hammell Equipment and Griffin Construction.

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>
2015	2	64	1	\$ 7,589,500
2014	4	54	8	2,794,934
2013	9	53	0	3,971,273
2012	10	59	0	1,772,300
2011	2	50	5	462,500
2010	10	60	2	1,723,120
2009	3	48	1	2,088,000
2008	4	60	0	18,372,500
2007	6	51	0	2,492,816
2006	7	52	0	1,711,500
2005	10	61	0	9,142,890
2004	9	72	0	8,086,000
2003	3	68	0	2,901,100
2002	4	67	0	2,772,500
2001	8	48	0	6,027,500
2000	2	38	0	1,934,885

Source: City Records *As December 31, 2015

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 Olmstead 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 runs 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 and one senior high school 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 People's Natural Gas and electrical service by Peoples Energy Cooperative and Tri-County Electric.

Communications

The City of Chatfield is provided local telephone service by Centurytel. 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 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 a copy of the Fillmore and Olmsted County's County Auditor's Certificates for taxes payable in 2015.

**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 wholly 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 2014 for the purpose of computing the rates of taxes collectible in 2015 are as follows:

Property Type	Estimated Market Value	Taxable Market Value	Net Tax Capacity
Real Estate:			
Residential Homestead (Class 1a, 1b).....		59,552,300	595,263
Agricultural (Class 1b, 1d, 2a, 2b).....		2,148,900	19,193
Commercial & Industrial (Class 3a, 3b, 5(1)):			
Public Utility.....			
Railroad Operating Property.....			
All Other Commercial/Industrial.....		9,910,000	170,244
Residential Non-Homestead (Class 4a, 4b(1-4), 4bb, 4c(2-4, 6-9), 4d).....		14,163,000	153,101
Seasonal Recreational-Residential (Class 1c, 4c(1), 4c(5), 4c(10)).....		8,900	89
Other (Class 5(2)).....			
Total Real Estate.....	96,301,200	85,783,100	937,890
Total Personal Property.....	639,300	639,300	12,786
Total Real & Personal Property	96,940,500	86,422,400	950,676
Subtract: Tax Increment Captured Tax Capacity.....			49,818
10% of Tax Capacity of 2000KV Powerlines built after 7/1/74.....			
Fiscal Disparity Contribution Value.....			
Local Tax Rate Determination Value.....			900,858
Add: Fiscal Disparity Distribution Value.....			
Total Adjusted Taxable Value			900,858
Total Manufactured Home			

Homestead Exclusions		
Real Estate	Personal Property	Manufactured Home
10,097,500		

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
2014	95,805,600 85,217,200	945,501	47,446			898,055		10,053,100 898,055
2013	94,493,300 83,578,000	928,663	46,876			881,787		10,268,500 881,787
2012	97,465,100 86,551,700	957,118	46,976			910,142		10,043,900 910,142
2011	96,764,100 95,591,500	1,047,385	51,706			995,679		995,679
2010	96,130,700 95,332,800	1,050,045	50,109			999,936		999,936
2009	95,013,900 93,377,600	1,029,501	46,689			982,812		982,812

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)									
	2010/11		2011/12		2012/13		2013/14		2014/15	
	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val
**** COUNTY **** COUNTY	33.4710%		34.6200%		31.9460%		28.5030%		26.7840%	
**** MUNICIPALITY **** CHATFIELD CITY	66.3330%		78.1940%		82.5690%		83.2760%		89.2720%	
**** SCHOOL **** SCHOOL DISTRICT 227	27.8260%	0.09819%	31.1170%	0.15493%	29.9350%	0.15005%	25.2430%	0.12367%	25.8430%	0.13914%
**** SPECIAL **** STATE	68.1880%		71.8500%		74.8500%		74.9960%		72.5430%	

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 12/31/14	2014/15 Debt Service Tax Rate
**** COUNTY **** COUNTY	32,287,237	900,858		
**** MUNICIPALITY **** CHATFIELD CITY	1,474,292	900,858		
**** SCHOOL **** SCHOOL DISTRICT 227	3,820,898	900,858		
**** SPECIAL **** STATE		183,066		

6. TAX LEVIES AND COLLECTIONS FOR YEAR: 2015

Levy/Coll Year	2010/11	2011/12	2012/13	2013/14	2014/15
Gross Tax Levy	660,464.02	711,676.40	728,082.70	747,864.52	804,214.17
Fiscal					
Market Values Levy					
Property Credits/Aids	50,317.52-	251.32-	297.38-	356.61-	604.02-
Net Tax Levy	610,146.50	711,425.08	727,785.32	747,507.91	803,610.15
Adjustments During Coll Year	203.01-	265.86-			
Adjusted Tax Levy	609,943.49	711,159.22	727,785.32	747,507.91	803,610.15
Current Year Collections	589,739.07-	701,277.66-	719,191.22-	741,963.82-	401,293.65-
Year End Delinquency	20,204.42	9,881.56	8,594.10	5,544.09	402,316.50
Delinquent Adjustments as of 05/18/15					
Delinquent Collections as of 05/18/15	20,204.42-	9,375.65-	5,393.43-	4,993.40-	
Amount Delinquent as of 05/18/15		505.91	3,200.67	550.69	402,316.50

* * * * * KANDACE * * * * *
* * * * * KANDACE * * * * *
* * * * * KANDACE * * * * *
* * * * * KANDACE * * * * *
* * * * * KANDACE * * * * *
* * * * * KANDACE * * * * *

Payable Year..... 2015
Taxpayer Rank based on..... 2
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

Rank	Primary Taxpayer / Parcel Number	City Schl TIF Town Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Payable	Property Classification
1 STRONGWELL CORPORATION							
	R 26.0473.000	6400 0227	354,000	354,000	7,080	14,138.00	INDS LAND & BLDGS
	R 26.0473.020	6400 0227	200,000	200,000	4,000	7,988.00	INDS LAND & BLDGS
	R 26.0474.000	6400 0227	1,010,900	1,010,900	19,468	38,930.00	INDS LAND & BLDGS
	R 26.0475.020	6400 0227	118,800	118,800	2,376	4,744.00	INDS LAND & BLDGS
	R 26.0497.030	6400 0227	22,300	22,300	446	890.00	INDS LAND & BLDGS
	Total for: STRONGWELL CORPORATION		1,706,000	1,706,000	33,370	66,690.00	
2 TUOHY REAL ESTATE, LLC							
	R 26.0467.000	6400 0227	63,200	63,200	948	1,916.00	INDS LAND & BLDGS
	R 26.0477.000	6400 0227	293,400	293,400	5,118	10,272.00	INDS LAND & BLDGS
	R 26.0477.010	6400 0227	85,800	85,800	858	1,218.00	AGRICULTURAL
	R 26.0497.000	6400 0227	895,500	895,500	17,160	34,320.00	INDS LAND & BLDGS
	R 26.0497.010	6400 0227	13,700	13,700	274	548.00	INDS LAND & BLDGS
	R 26.0497.010	6400 0227	97,600	97,600	1,952	3,898.00	INDS LAND & BLDGS
	Total for: TUOHY REAL ESTATE, LLC		1,449,200	1,449,200	26,310	52,172.00	
3 INTERSTATE POWER CO							
	P 26.0000.001	6400 0227	639,300	639,300	12,786	25,534.00	PP DIET < 200KV
	R 26.0269.010	6400 0227	9,800	9,800	196	392.00	COMM LAND & BLDGS
	R 26.0270.000	6400 0227	22,900	22,900	437	874.00	COMM LAND & BLDGS
	R 26.0271.000	6400 0227	145,700	145,700	2,186	4,415.86	COMM LAND & BLDGS
	Total for: INTERSTATE POWER CO		817,700	817,700	15,605	31,215.86	
4 ROOT RIVER STATE BANK OF							
	R 26.0174.000	6400 0227	19,600	19,600	392	782.00	COMM LAND & BLDGS
	R 26.0175.000	6400 0227	36,800	36,800	736	1,470.00	COMM LAND & BLDGS
	R 26.0176.000	6400 0227	20,200	20,200	404	806.00	COMM LAND & BLDGS
	R 26.0177.000	6400 0227	655,500	655,500	12,360	24,734.00	COMM LAND & BLDGS
	R 26.0179.000	6400 0227	2,300	2,300	46	92.00	COMM LAND & BLDGS
	Total for: ROOT RIVER STATE BANK OF		734,400	734,400	13,938	27,884.00	
5 LONE STONE LLC							
	R 26.0562.000	31 6400 0227	3,600	3,600	45	68.00	RES 1-3 UNITS
	R 26.0565.000	31 6400 0227	400	400	5	8.00	RES 1-3 UNITS
	R 26.0567.000	31 6400 0227	40,900	40,900	511	782.00	RES 1-3 UNITS
	R 26.0572.000	31 6400 0227	40,500	40,500	506	774.00	RES 1-3 UNITS
	R 26.0574.000	31 6400 0227	37,900	37,900	474	726.00	RES 1-3 UNITS
	R 26.0575.000	31 6400 0227	40,700	40,700	509	778.00	RES 1-3 UNITS
	R 26.0576.000	31 6400 0227	40,100	40,100	501	766.00	RES 1-3 UNITS
	R 26.0578.000	31 6400 0227	32,800	32,800	410	628.00	RES 1-3 UNITS
	R 26.0681.000	31 6400 0227	32,200	32,200	403	616.00	RES 1-3 UNITS
	R 26.0682.000	31 6400 0227	31,000	31,000	388	594.00	RES 1-3 UNITS
	R 26.0682.010	31 6400 0227	32,700	32,700	409	626.00	RES 1-3 UNITS
	R 26.0687.000	31 6400 0227	32,600	32,600	408	624.00	RES 1-3 UNITS
	R 26.0691.000	31 6400 0227	38,500	38,500	481	736.00	RES 1-3 UNITS
	R 26.0692.000	31 6400 0227	41,700	41,700	521	798.00	RES 1-3 UNITS
	R 26.0694.000	31 6400 0227	29,600	29,600	370	566.00	RES 1-3 UNITS

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

Payable Year: 2015 Authority: 01 TOWNSHIP/CITY Entity: 6400 CHATFIELD CITY

Rank	Primary Taxpayer / Parcel Number	City Schl TIP Town Dist	City Schl	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Payable	Property Classification
5 LONE STONE LLC								
	R 26.0696.000	31 6400 0227	6400 0227	29,600	29,600	370	566.00	RES 1-3 UNITS
	R 26.0698.000	31 6400 0227	6400 0227	32,700	32,700	409	526.00	RES 1-3 UNITS
	R 26.0700.000	31 6400 0227	6400 0227	29,700	29,700	371	568.00	RES 1-3 UNITS
	R 26.0701.000	31 6400 0227	6400 0227	29,300	29,300	366	560.00	RES 1-3 UNITS
	R 26.0705.000	31 6400 0227	6400 0227	29,600	29,600	370	566.00	RES 1-3 UNITS
	R 26.0706.000	31 6400 0227	6400 0227	29,600	29,600	370	566.00	RES 1-3 UNITS
	R 26.0707.000	31 6400 0227	6400 0227	29,600	29,600	370	566.00	RES 1-3 UNITS
	R 26.0709.000	31 6400 0227	6400 0227	29,600	29,600	370	566.00	RES 1-3 UNITS
	R 26.0713.000	31 6400 0227	6400 0227	30,400	30,400	380	582.00	RES 1-3 UNITS
	R 26.0714.000	31 6400 0227	6400 0227	30,400	30,400	380	582.00	RES 1-3 UNITS
	R 26.0715.000	31 6400 0227	6400 0227	29,300	29,300	366	560.00	RES 1-3 UNITS
	R 26.0718.000	31 6400 0227	6400 0227	29,300	29,300	366	560.00	RES 1-3 UNITS
	R 26.0719.000	31 6400 0227	6400 0227	23,300	23,300	291	446.00	RES 1-3 UNITS
	Total for: LONE STONE LLC			857,600	857,600	10,720	16,404.00	
6 KAREN C TUOHY								
	R 26.0683.000	40 6400 0227	6400 0227	524,500	524,500	9,740	19,502.00	INDS LAND & BLDGS
	R 26.0684.000	40 6400 0227	6400 0227	9,000	9,000	135	272.00	INDS LAND & BLDGS
	R 26.0686.000	6400 0227	6400 0227	15,900	15,900	239	482.00	INDS LAND & BLDGS
	Total for: KAREN C TUOHY			549,400	549,400	10,114	20,256.00	
7 MONICA G GRIFFIN TRUST								
	R 26.0021.000	6400 0227	6400 0227	6,000	6,000	75	114.00	RES 1-3 UNITS
	R 26.0021.030	6400 0227	6400 0227	17,800	17,800	223	342.00	RES 1-3 UNITS
	R 26.0722.000	6400 0227	6400 0227	55,200	55,200	552	784.00	RURAL VACANT LAND
	R 26.0723.000	6400 0227	6400 0227	197,200	197,200	1,972	2,798.42	AGRICULTURAL
	R 26.0725.000	6400 0227	6400 0227	78,000	78,000	780	1,106.00	RURAL VACANT LAND
	R 26.0749.000	6400 0227	6400 0227	505,800	505,800	5,073	7,902.00	RESIDENTIAL
	R 26.0752.000	6400 0227	6400 0227	22,900	22,900	286	438.00	RES 1-3 UNITS
	R 26.0753.000	6400 0227	6400 0227	30,300	30,300	379	580.00	RES 1-3 UNITS
	R 26.0754.000	6400 0227	6400 0227	26,200	26,200	328	502.00	RES 1-3 UNITS
	R 26.0755.000	6400 0227	6400 0227	15,200	15,200	190	290.00	RES 1-3 UNITS
	Total for: MONICA G GRIFFIN TRUST			954,600	954,600	9,858	14,856.42	
8 RUE RILEY								
	R 26.0044.000	6400 0227	6400 0227	357,700	352,700	3,527	5,502.00	RESIDENTIAL
				282,500	282,500	4,900	9,838.00	COMM LAND & BLDGS
	Total for: RUE RILEY			640,200	635,200	8,427	15,340.00	
9 R & M VALLEY APARTMENTS, LLC								
	R 26.0023.000	6400 0227	6400 0227	184,400	184,400	2,305	3,528.00	RES 4 OR MORE UNITS
	R 26.0023.040	6400 0227	6400 0227	195,700	195,700	2,445	3,744.00	RES 4 OR MORE UNITS
	R 26.0214.000	6400 0227	6400 0227	328,100	328,100	2,461	3,834.00	4D 4 OR MORE UNITS
	Total for: R & M VALLEY APARTMENTS, LLC			708,200	708,200	7,212	11,106.00	

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	Primary Taxpayer / Parcel Number	Payable Year: 2015	Authority: 01 TOWNSHIP/CITY	Entity: 6400 CHATFIELD CITY	City Schl TIF Town Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Payable	Property Classification	
10	CHATFIELD HILLTOP ESTATES LLC										
	R 26.0723.010				6400 0227	22,300	22,300	223	316.00	AGRICULTURAL	
	R 26.0726.000				6400 0227	8,100	8,100	101	154.00	RES 1-3 UNITS	
	R 26.0727.000				6400 0227	19,700	19,700	197	280.00	AGRICULTURAL	
	R 26.0728.000				6400 0227	700	700	9	14.00	RES 1-3 UNITS	
	R 26.0729.000				6400 0227	41,500	35,700	446	682.00	RES 1-3 UNITS	
	R 26.0731.000				6400 0227	45,800	39,400	493	754.00	RES 1-3 UNITS	
	R 26.0737.000				6400 0227	43,600	37,500	469	718.00	RES 1-3 UNITS	
	R 26.0738.000				6400 0227	42,400	36,500	456	698.00	RES 1-3 UNITS	
	R 26.0739.000				6400 0227	41,500	35,700	446	682.00	RES 1-3 UNITS	
	R 26.0740.000				6400 0227	40,100	34,500	431	660.00	RES 1-3 UNITS	
	R 26.0741.000				6400 0227	39,300	33,800	423	648.00	RES 1-3 UNITS	
	R 26.0742.000				6400 0227	40,300	34,600	433	662.00	RES 1-3 UNITS	
	R 26.0743.000				6400 0227	40,100	34,500	431	660.00	RES 1-3 UNITS	
	R 26.0745.000				6400 0227	41,500	35,700	446	682.00	RES 1-3 UNITS	
	R 26.0747.000				6400 0227	74,200	56,700	709	1,084.00	RES 1-3 UNITS	
	R 26.0748.000				6400 0227	68,400	51,700	646	988.00	RES 1-3 UNITS	
	R 26.0750.000				6400 0227	48,000	36,100	451	690.00	RES 1-3 UNITS	
	R 26.0751.000				6400 0227	42,200	31,200	390	596.00	RES 1-3 UNITS	
Total for: CHATFIELD HILLTOP ESTATES LLC									584,400	10,968.00	
GRAND TOTAL						9,117,000	8,996,700	142,754		266,892.28	

This report shows the values/capacities/taxes as originally billed, and does not reflect special assessments, adjustments, collections or exempt values. JOB2 values/capacities/taxes are included.

Rank	Taxpayer	Payable Year: 2015	Authority: 01 TOWNSHIP/CITY	Entity: 6400	CHATFIELD CITY	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Payable	Property Classification(s)
1	STRONGWELL CORPORATION	1,706,000	1,706,000	33,370	66,690.00	INDS LAND & BLDGS				
2	TUOHY REAL ESTATE, LLC	1,449,200	1,449,200	26,310	52,172.00	INDS LAND & BLDGS AGRICULTURAL				
3	INTERSTATE POWER CO	817,700	817,700	15,605	31,215.86	PP DIST < 200KV COMM LAND & BLDGS				
4	ROOT RIVER STATE BANK OF	734,400	734,400	13,938	27,884.00	COMM LAND & BLDGS				
5	LONE STONE LLC	857,600	857,600	10,720	16,404.00	RES 1-3 UNITS				
6	KAREN C TUOHY	549,400	549,400	10,114	20,256.00	INDS LAND & BLDGS				
7	MONICA G GRIFFIN TRUST	954,600	954,600	9,858	14,856.42	RES 1-3 UNITS RURAL VACANT LAND AGRICULTURAL RESIDENTIAL				
8	RUE RILEY	640,200	635,200	8,427	15,340.00	RESIDENTIAL COMM LAND & BLDGS				
9	R & M VALLEY APARTMENTS, LLC	708,200	708,200	7,212	11,106.00	RES 4 OR MORE UNITS 4D 4 OR MORE UNITS				
10	CHATFIELD HILLTOP ESTATES LLC	699,700	584,400	7,200	10,968.00	AGRICULTURAL RES 1-3 UNITS				
GRAND TOTAL		9,117,000	8,996,700	142,754	266,892.28					

Property classifications existing on multiple valuation records only appear once per taxpayer. 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.

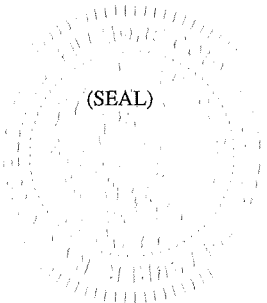
Please list below the name, title, and telephone number of a person(s) to contact regarding the completed certificate in case there are any questions.

Contact person	<i>Fandace Johnson</i>
Telephone	<i>(507) 765-2661</i>

WITNESS My hand and official seal this *6th* day of *August*, 2015.

Spice L. Boelter (R)

FILLMORE COUNTY T23 AUDITOR



**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 2014 for the purpose of computing the rates of taxes collectible in 2015 are as follows:

Property Type	Estimated Market value	Taxable Market value	Net Tax Capacity
Real Estate:			
Residential Homestead (Class 1a, 1b)	57,110,700	47,808,000	477,807
Agricultural (Class 1b, 1d, 2a, 2b, 2c)	544,700	544,700	5,171
Commerical & Industrial (Class 3a, 3b, 4c(3)i, 4c(3)ii, 5(1)):			
Public Utility			
Railroad Operating Property			
All Other Commerical-Industrial	5,904,600	5,904,600	104,338
Residential Non-Homestead (Class 4a, 4b(1-4), 4bb, 4c(2-5, 6-9), 4d)	2,011,900	2,011,900	19,006
Seasonal Recreational-Residential (Class 1c, 4c1, 4c5, 4c(10) 4c(12))	483,400	483,400	6,043
Other (Class 5(2))			
Total Real Estate	66,055,300	56,752,600	612,365
Total Personal Property	1,786,500	1,786,500	35,730
Total Real and Personal Property	67,841,800	58,539,100	648,095
Subtract: Tax Increment Captured Tax Capacity			72,482
10% Tax Capacity of 2000KV Powerlines built after 7/1/74			
Fiscal Disparity Contribution Value			
Local Tax Rate Determination Value			575,613
Add: Fiscal Disparity Distribution Value			
Local Adjusted Taxable Value			575,613
Total Manufactured Home	545,700	376,800	3,768

Homestead Exclusions

Real Estate	Personal Property	Manufactured Home
8,889,325	0	169,060

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
2014	67,701,200							8,956,492
	58,350,800	644,940	72,734			572,206		572,206
2013	71,100,800							8,896,282
	61,798,474	681,787	79,224			602,563		602,563
2012	73,546,100							8,745,200
	64,374,900	707,767	79,312			628,455		628,455
2011	75,848,500							739,225
	75,543,000	819,762	80,537			739,225		739,225
2010	76,075,000							736,513
	75,746,200	817,863	81,350			736,513		736,513
2009	77,593,900							745,414
	76,745,600	826,073	80,659			745,414		745,414

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	2010/11		2011/12		2012/13		2013/14		2014/15	
	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val	Tax Cap	Mkt Val
****COUNTY****										
COUNTY	56.6100		60.0720		60.4140		58.3190		57.5320	
MUNICIPALITY										
CHATFIELD CITY	66.3330		78.1940		82.5690		83.2760		89.2720	
****SCHOOL****										
CHATFIELD SCH DIST	27.8480	0.09819	31.1410	0.15493	29.9600	0.15005	25.2530	0.12366	25.8670	0.13914
****SPECIAL****										
STATE TAX	68.1880		71.8500		74.8500		74.9960		72.5430	

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.

Government Unit	Taxable Net Tax Capacity of Entire Govt. Unit in County	Taxable Net Tax Capacity of Portion in TAXING DIST. in County	Bonded Debt as of 12/31/2014	2014/15 Debt Service Tax Rate
****COUNTY****				
COUNTY	152,834,882	575,613	226,395,000	2.8680
MUNICIPALITY				
CHATFIELD CITY	575,613	575,613		
****SCHOOL****				
CHATFIELD SCH DIST	2,874,427	575,613	20,885,000	20.5540
****SPECIAL****				
STATE TAX		139,980		

6. TAX LEVIES AND COLLECTION FOR YEAR: 2015

Levy/Coll Year	2010/11	2011/12	2012/13	2013/14	2014/15
Gross Tax Levy	490,349.68	492,213.16	497,744.34	477,731.40	513,863.92
Fiscal					
Market Values Levy	0.00	0.00	0.00	0.00	0.00
Property Credits/Aids	-37,862.11	-54.72	-66.70	-73.18	-82.44
Net Tax Levy	452,487.57	492,158.44	497,677.64	477,658.22	513,781.48
Adjustments During Coll Year	-348.90	0.00	-210.54	-1,218.32	0.00
Adjusted Tax Levy	452,138.67	492,158.44	497,467.10	476,439.90	513,781.48
Current Year Collections	-442,219.57	-476,809.71	-491,409.97	-471,912.74	-288,662.21
Year End Delinquency	9,919.10	15,348.73	6,057.13	4,527.16	225,119.27
Delinquent Adjustments as of 05/19/15	-803.59	-798.35	0.00	0.00	0.00
Delinquent Collections as of 05/19/15	-8,119.81	-11,503.31	-2,630.94	-957.09	0.00
Amount of Delinquent as of 05/19/15	995.70	3,047.07	3,426.19	3,570.07	225,119.27

08/12/2015
 10:51 AM
 61489
 ASMT Year 2014

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

PAGE: 1
 TX126MNOLM

Rank	TaxPayer/ Parcel Number	City TIF Town	Schl Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Property Payable Classification
1	SUNSHINE REAL ESTATE LLC R 513133066129	6400	0227	1,210,900	1,210,900	23,468	53,602.00 COMMERCIAL LAND & BLDGS
Total for SUNSHINE REAL ESTATE LLC				1,210,900	1,210,900	23,468	53,602.00
2	MINNESOTA ENERGY RESOURCES P 992601900002	6400	0227	1,080,900	1,080,900	21,618	49,328.00 PP GAS UTILITIES
Total for MINNESOTA ENERGY RESOURCES				1,080,900	1,080,900	21,618	49,328.00
3	ALLIANT-INTERSTATE POWER P 992601900001	6400	0227	603,800	603,800	12,076	27,556.00
Total for ALLIANT-INTERSTATE POWER				603,800	603,800	12,076	27,556.00
4	CHATFIELD PROPERTIES LLC R 513134072649	6400	0227	567,600	567,600	10,602	24,244.00 COMMERCIAL LAND & BLDGS
Total for CHATFIELD PROPERTIES LLC				567,600	567,600	10,602	24,244.00
5	BERNARD BUS SERVICE INC R 513133066130	6400	0227	545,700	545,700	10,164	23,244.00 COMMERCIAL LAND & BLDGS
Total for BERNARD BUS SERVICE INC				545,700	545,700	10,164	23,244.00
6	POPE & YOUNG CLUB INC R 513132058933	6400	0227	490,800	490,800	9,066	20,738.12 COMMERCIAL LAND & BLDGS
Total for POPE & YOUNG CLUB INC				490,800	490,800	9,066	20,738.12
7	BERNARD-WRIGHT PARTNERSHIP LLP R 513133075941	6400	0227	458,200	458,200	8,414	19,252.00 COMMERCIAL LAND & BLDGS
Total for BERNARD-WRIGHT PARTNERSHIP LLP				458,200	458,200	8,414	19,252.00
8	MILL POND TOWNHOMES OF CHATFIELD R 513132056688 R 513132056688	6400	0227	51,300 1,232,900	51,300 1,232,900	641 9,247	1,163.58 RESIDENTIAL 4 OR MORE UNITS 17,042.42 4D APT < 100K
Total for MILL POND TOWNHOMES OF CHATFIE				1,284,200	1,284,200	9,888	18,206.00
9	HOLLERMANN, DANIEL HOLLERMANN, SUSAN R 513131078199 R 513131078201	6400	0227	335,200 3,900	335,200 3,900	5,954 59	13,638.00 COMMERCIAL LAND & BLDGS 136.00 COMMERCIAL LAND & BLDGS

08/12/2015
 10:51 AM
 61489
 ASMT Year 2014

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

PAGE: 2
 TX126MNOLM

Rank	TaxPayer/ Parcel Number	City TIF Town	Schl Dist	Estimated Market Value	Taxable Market Value	Net Tax Capacity	Net Tax Property Payable Classification
Total for HOLLERMANN,DANIEL HOLLERMANN,S				339,100	339,100	6,013	13,774.00
	10 VETERANS OF FOREIGN WARS POST 6913						
	R 513134000339	6400	0227	310,600	310,600	5,462	12,516.00 COMMERCIAL LAND & BLDGS
Total for VETERANS OF FOREIGN WARS POST				310,600	310,600	5,462	12,516.00
Total:				6,891,800	6,891,800	116,771	262,460.12

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

Contact Person(s): Tom Slney

Telephone: 507-328-7666

WITNESS My hand and official seal this 12th day of Aug, 2015.

Heather Blum
OLMSTED COUNTY AUDITOR

(SEAL)



W2200 First National Bank Building
332 Minnesota Street
St. Paul MN 55101-1396
tel 651.808.6600
fax 651.808.6450

APPENDIX B

PROPOSED FORM OF LEGAL OPINION

\$5,410,000
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS, SERIES 2016A
CITY OF CHATFIELD
FILLMORE AND OLMSTED COUNTIES
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Chatfield, Fillmore and Olmsted Counties, Minnesota (the "Issuer"), of its \$5,410,000 General Obligation Crossover Refunding Bonds, Series 2016A, bearing a date of original issue of March 15, 2016 (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 any 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 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 and corporations or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; it should be noted, however, that for the purpose of computing the federal alternative minimum tax imposed on corporations, such interest is taken into account in determining adjusted current earnings. 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.

BRIGGS AND MORGAN
Professional Association

[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 \$5,410,000 General Obligation Crossover Refunding Bonds, Series 2016A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on February 22, 2016 (the "Resolution"). Pursuant to the Resolution and this 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.

"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 February 17, 2016, 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, 2015, the Issuer shall, or shall cause the Dissemination Agent to, as soon as available, but in any event not later than December 31, 2016, and by December 31 of each year thereafter, provide to the MSRB by filing at 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.

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.

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, 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 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: _____, 2016.

CITY OF CHATFIELD, MINNESOTA

By _____
Its Mayor

By _____
Its Clerk

Appendix D ~ Summary of Tax Levies, Payment Provisions & Valuations

Following is a summary of certain statutory provisions effective through levy year 2014/payable year 2015 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 fairly worth, and which is referred to as the "Estimated Market Value." "Estimated Market Value" was established as the value used to calculate a municipality's legal net debt limit by the 2013 legislature.

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

Economic Market Value. The Economic Market Value is calculated by the MN Department of Revenue and is the Assessor's Estimated Market Value divided by the sales ratio plus the Estimated Market Value of personal property, utilities, railroad and minerals properties. The Economic Market Value is intended to reflect the "true" market value of real estate in each jurisdiction.

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 (a) multiplying the Net Tax Capacity by the tax capacity rate, and (b) 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 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 Taxable Market Value, even though the Assessor's Estimated Market Value on the same property 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. In the case nonhomestead property, the first installment of real property taxes due May 15, the penalty increases to 4% or 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, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 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.

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 2015)

Property Type	Taxes Payable Year				
	2011	2012	2013	2014	2015
Residential Homestead (1a)					
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%
Residential Non-homestead					
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%
Market Rate Apartments					
Regular (4a)	1.25%	1.25%	1.25%	1.25%	1.25%
Low-Income (4d)	0.75%	0.75%	0.75%	1.75%	
Up to \$100,000					0.75%
Over \$100,000					0.25%
Commercial/Industrial/Public Utility (3a)					
Up to \$150,000	1.50% ¹	1.50% ¹	1.50% ¹	1.50% ¹	1.50% ¹
Over \$150,000	2.00% ¹	2.00% ¹	2.00% ¹	2.00% ¹	2.00% ¹
Electric Generation Machinery	2.00%	2.00%	2.00%	2.00%	2.00%
Commercial Seasonal Residential					
Homestead Resorts (1c)					
Up to \$600,000	0.50%	0.50%	0.50%	0.55%	0.55%
\$600,000 - \$2,300,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$2,300,000	1.25% ¹	1.25% ¹	1.25% ¹	1.25% ¹	1.25% ¹
Seasonal Resorts (4c)					
Up to \$500,000	1.00% ¹	1.00% ¹	1.00% ¹	1.00% ¹	1.00% ¹
Over \$500,000	1.25% ¹	1.25% ¹	1.25% ¹	1.25% ¹	1.25% ¹
Non-Commercial (4c12)					
Up to \$500,000	1.00% ^{1 2}	1.00% ^{1 2}	1.00% ^{1 2}	1.00% ^{1 2}	1.00% ^{1 2}
Over \$500,000	1.25% ^{1 2}	1.25% ^{1 2}	1.25% ^{1 2}	1.25% ^{1 2}	1.25% ^{1 2}
Disabled Homestead (1b)					
Up to \$50,000	0.45%	0.45%	0.45%	0.45%	0.45%
\$50,000 to \$500,000	1.00%	1.00%	1.00%		
Over \$500,000	1.25%	1.25%	1.25%		
Agricultural Land & Buildings					
Homestead (2a)					
Up to \$500,000	1.00%	1.00%	1.00%		
Over \$500,000	1.25%	1.25%	1.25%		
Remainder of Farm					
Up to \$1,290,000 ³	0.50% ²	0.50% ²	0.50% ²		
Over \$1,290,000 ³	1.00% ²	1.00% ²	1.00% ²		
Up to \$1,900,000				0.50% ²	0.50% ²
Over \$1,900,000				1.00% ²	1.00% ²
Non-homestead (2b)	1.00% ²	1.00% ²	1.00% ²	1.00% ²	1.00% ²

¹ Subject to the State General Property Tax.

² Exempt from referendum market value tax.

³ 2012 legislative increases.

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 D

FINANCIAL STATEMENT

The City's financial statements are audited annually. The following pages contain a copy of the 2014 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, 2014

CITY OF CHATFIELD, MINNESOTA

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
List of Elected and Appointed Officials	i
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	20
Reconciliation of Net Position in the Government-wide Financial Statements and Fund Balances in the Fund Basis Financial Statements	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - EDA Fund	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Fire Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Ambulance Fund	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Revolving Loan Fund	34
Statement of Net Position - Proprietary Funds	35
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	39
Notes to the Financial Statements	41
Combining and Individual Nonmajor Fund Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	66
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Chatfield Center for the Arts	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Library Fund	71
Statement of Net Position - Internal Service Funds	72
Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Internal Service Funds	73
Statement of Cash Flows - Internal Service Funds	74

CITY OF CHATFIELD, MINNESOTA

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
FINANCIAL SECTION (CONTINUED)	
Supplementary Information	
Water Fund:	
Statement of Net Position	75
Statement of Revenues, Expenses, and Changes in Fund	
Net Position - Budget and Actual	76
Sewer Fund:	
Statement of Net Position	77
Statement of Revenues, Expenses, and Changes in Fund	
Net Position - Budget and Actual	78
Water Infrastructure Fund:	
Statement of Net Position	79
Statement of Revenues, Expenses, and Changes in Fund	
Net Position - Budget and Actual	80
Sewer Infrastructure Fund:	
Statement of Net Position	81
Statement of Revenues, Expenses, and Changes in Fund	
Net Position - Budget and Actual	82
Garbage Fund:	
Statement of Net Position	83
Statement of Revenues, Expenses, and Changes in Fund	84
Net Position - Budget and Actual	
Auditor's Report on Legal Compliance	85

CITY OF CHATFIELD, MINNESOTA

INTRODUCTORY SECTION

DECEMBER 31, 2014

(This Page Left Blank Intentionally)

CITY OF CHATFIELD, MINNESOTA
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2014

Russ Smith	Mayor
Paul Novotny	Vice-Mayor
Robert Pederson	Councilor
Mike Urban	Councilor
Ken Jacobson	Councilor
Dave Frank	Councilor
Joel Young	City Clerk
Kay Coe	Finance Director

(This Page is Left Blank Intentionally)

CITY OF CHATFIELD, MINNESOTA

FINANCIAL SECTION

DECEMBER 31, 2014

(This Page is Left Blank Intentionally)

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2014, which collectively comprise the City of Chatfield, Minnesota's basic financial statements as listed in the table of contents and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above 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, 2014, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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, 2013, from which such partial information was derived.

We have previously audited the City's 2013 financial statements and our report dated March 4, 2013, 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, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, 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 in Relation to the Financial Statements as a Whole

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chatfield, Minnesota's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Smith, Schafu and Associates, Ltd.

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the City of Chatfield, Minnesota exceeded its liabilities at the close of the most recent fiscal year by \$15,911,883 (*net position*). Of this amount, \$4,295,530 (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 \$502,557.
- As of the close of the current fiscal year, the City of Chatfield, Minnesota's governmental funds reported combined ending fund balances of \$3,287,013. Approximately \$2,114,636 of this total amount, or 64% 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 \$892,541 or 52 percent of next year's total general fund property tax levy and local government aid.
- The City of Chatfield, Minnesota increased total outstanding debt obligations by \$1,000,676 during the current fiscal year as a result of a bond issuance to fund the 2014 street improvement project.

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.

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.

CITY OF CHATFIELD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

The *statement of net position* presents information on all of the City of Chatfield, Minnesota's assets and liabilities, with the difference between the two 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*.

The City of Chatfield, Minnesota maintains twenty-four 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, the revolving loan federal fund, the fire fund, the EDA fund, the ambulance fund, the revolving loan state fund, and the 2014 public improvements fund, which are considered to be major funds. Data from the other seventeen 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.

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

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 26-30) and the special revenue funds (pages 31-34 and 70-71) to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 20-24 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.

The proprietary fund financial statements can be found on pages 35-40 of this report.

The internal service fund financial statements can be found on pages 72-74 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 41-61 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 62-69 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 exceeded liabilities by \$15,911,883 at the close of the most recent fiscal year.

The largest portion of the City of Chatfield, Minnesota's net position (\$10,092,798) 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			
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 5,061,643	\$ 6,413,678	\$ 1,525,162	\$ 1,798,203	\$ 6,586,805	\$ 8,211,881
Capital assets	10,598,315	10,587,982	9,850,311	9,709,507	20,448,626	20,297,489
Total assets	<u>15,659,958</u>	<u>17,001,660</u>	<u>11,375,473</u>	<u>11,507,710</u>	<u>27,035,431</u>	<u>28,509,370</u>
Long-term liabilities						
outstanding	4,903,903	5,733,010	5,914,393	6,599,372	10,818,296	9,776,856
Other liabilities	195,322	260,689	109,930	175,486	305,252	436,175
Total liabilities	<u>5,099,225</u>	<u>5,993,699</u>	<u>6,024,323</u>	<u>6,774,858</u>	<u>11,123,548</u>	<u>10,213,031</u>
Net position:						
Net investment in						
capital assets	5,694,412	6,815,680	4,398,386	3,677,250	10,092,798	10,481,641
Restricted	1,523,555	1,172,685			1,523,555	1,172,685
Unrestricted	3,342,766	2,984,312	952,764	1,031,059	4,295,530	4,015,371
Total net position	<u>\$ 10,560,733</u>	<u>\$ 10,972,677</u>	<u>\$ 5,351,150</u>	<u>\$ 4,708,309</u>	<u>\$ 15,911,883</u>	<u>\$ 15,669,697</u>

The balance of *unrestricted net position* (\$4,295,530) 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 decreased the City of Chatfield, Minnesota's net position by \$374,931.

**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 \$877,488.

A condensed version of the Statement of Activities follows:

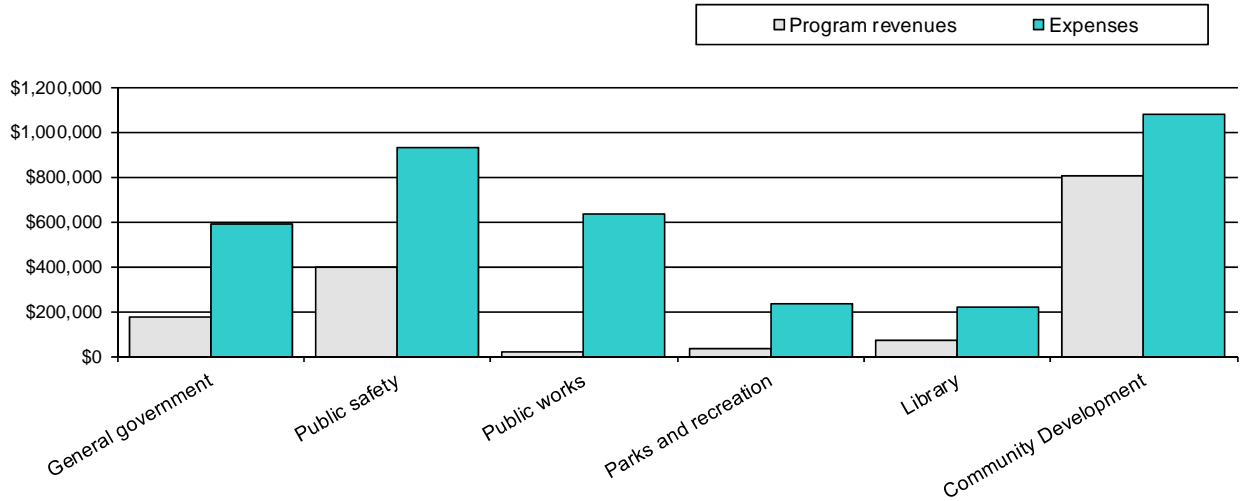
City of Chatfield, Minnesota Change in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenue:						
Program revenues:						
Charges for services	\$ 584,607	\$ 557,147	\$ 1,260,364	\$ 1,037,772	\$ 1,844,971	\$ 1,594,919
Operating grants and contributions	747,956	182,593			747,956	182,593
Capital grants and contributions	168,184	23,653			168,184	23,653
General revenues:						
Property taxes	1,252,384	1,211,304			1,252,384	1,211,304
Tax increments	173,096	176,353			173,096	176,353
Grants and contributions not restricted to specific programs	1,196,103	668,122			1,196,103	668,122
Other	110,094	127,979	54,407	117,997	164,501	245,976
Total revenues	<u>4,232,424</u>	<u>2,947,151</u>	<u>1,314,771</u>	<u>1,155,769</u>	<u>5,547,195</u>	<u>4,102,920</u>
Expenses:						
General government	591,458	621,823			591,458	621,823
Public safety	929,963	847,500			929,963	847,500
Public works	632,920	504,129			632,920	504,129
Parks and recreation	232,058	177,713			232,058	177,713
Library	215,943	195,424			215,943	195,424
Community development	1,077,479	525,732			1,077,479	525,732
Interest on long-term debt	158,347	153,274			158,347	153,274
Water			232,750	209,714	232,750	209,714
Sewer			792,671	839,549	792,671	839,549
Garbage			181,049	168,946	181,049	168,946
Total expenses	<u>3,838,168</u>	<u>3,025,595</u>	<u>1,206,470</u>	<u>1,218,209</u>	<u>5,044,638</u>	<u>4,243,804</u>
Change in net position before transfers	394,256	(78,444)	108,301	(62,440)	502,557	(140,884)
Transfers	(769,187)	182,289	769,187	(182,289)		
Change in net position	(374,931)	103,845	877,488	(244,729)	502,557	(140,884)
Net position as restated, beginning	10,935,664	10,868,832	4,473,662	4,953,038	15,409,326	15,821,870
Net position, end of year	<u>\$ 10,560,733</u>	<u>\$ 10,972,677</u>	<u>\$ 5,351,150</u>	<u>\$ 4,708,309</u>	<u>\$ 15,911,883</u>	<u>\$ 15,680,986</u>

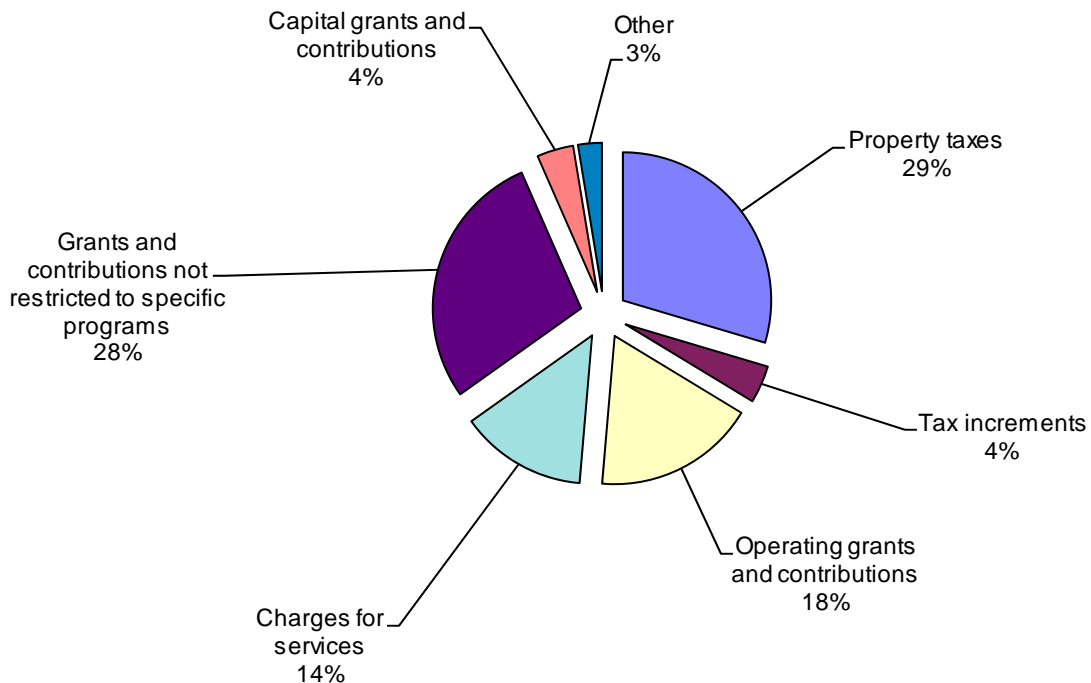
CITY OF CHATFIELD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

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



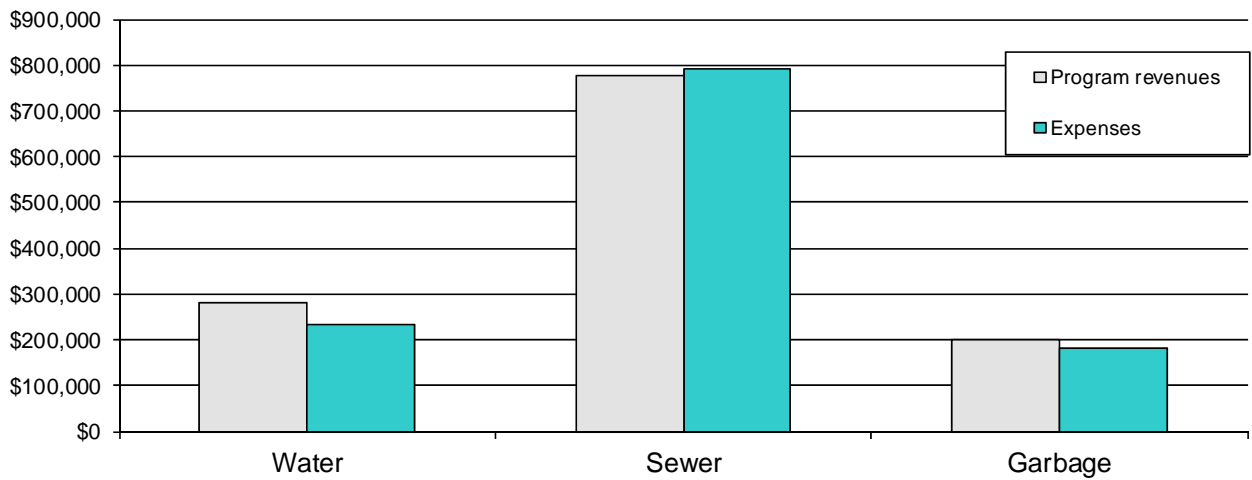
Revenues by Source - Governmental Activities



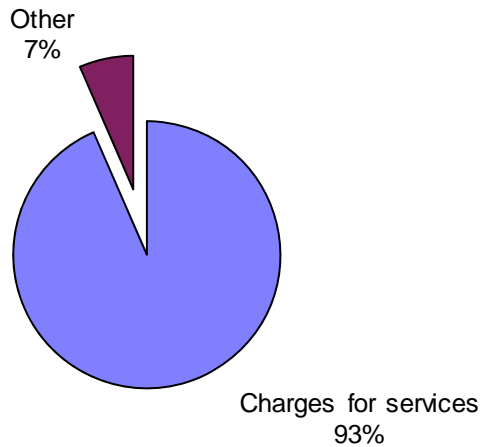
**CITY OF CHATFIELD, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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.

GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, has redefined the fund balance classifications. Fund balance is now 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 Administrator 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.

Detailed information regarding the fund balance classifications are found in Note 5 in the Notes to Financial Statements.

At the end of the current fiscal year, the City of Chatfield, Minnesota's governmental funds reported combined ending fund balances of \$3,287,013, an increase of \$358,102. This increase is the result of a variety of factors. There was a \$125,000 increase in the 2012A Refunding Bond Fund, primarily due to pre-paid assessments on property related to that bond issue. There was a \$114,000 increase in the Sales Tax Development Fund, which is a relatively new revenue for cities within the growth area of the city of Rochester, MN. There was an \$83,000 and \$20,000 increase in the Fire Department and Ambulance Department Capital Funds, respectively, to prepare for future equipment purchases. There was a \$60,000 increase in the 2014A Bond Debt Service Fund, which was a result of the bond issue for the 2014 street/public utility improvements, a \$38,000 increase in a Flood Damage Fund that is the result of a FEMA payment, and an \$18,000 increase in the Library Fund. Approximately 64% of this total amount, or \$2,114,636, constitutes *unrestricted fund balance*, which is available for spending at the government's discretion. The remainder of this fund balance is *restricted* 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 \$892,541 . As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to next year's general fund tax and aid.

Unassigned fund balance represents 52 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. Over the course of 2014, the fund balances of other governmental funds increased in the amount of \$254,486, in comparison to the overall fund balances of \$3,287,013.

Proprietary funds. The City of Chatfield, Minnesota's proprietary funds statements found on pages 33-38 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 - \$706,583, Sewer - \$196,168 , and Garbage - \$50,013.

The City's Water Fund had been building cash for a number of years, in anticipation of substantial improvements. In 2008 – 2009, the City constructed a water tower, a booster station and new water main. Since those improvements were made in conjunction with a tax abatement project with Fillmore County, debt was issued and the cash balance in the Water Fund will be used to help service that debt.

Water user rates were increased by 4.5% at the beginning of 2015. This was primarily due to the water improvements that were made in the Bench-Twiford Street area of the community in 2014.

Sanitary sewer rates have been increasing on a pre-planned schedule that was implemented several years ago. Accordingly, sewer user rates were increased by 3.0% in 2015. In order to stabilize the sewer user rates, the City Council has refunded the debt associated with the wastewater treatment plant and has pledged general fund support for the next several years. To that end, in 2015, \$115,000 was transferred from the General Fund to the wastewater treatment plant debt service fund and the City plans additional transfers in years 2015 – 2022. In addition to stabilizing sewer rates, this support will also avoid the consequence of having user rates in place at the time of debt retirement that would be higher than necessary. Transfers from the General Fund will require annual approval of the City Council and will be largely dependent on the continuance of Local Government Aid at a level similar to that which was received in 2014. The current wastewater treatment plant is capable of accommodating significant growth in the community.

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

Proprietary funds (continued).

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 twenty 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 billing, collecting and general administration. 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 increased in 2010, which was the first rate increase in a number of years. The rate change recognized the increasing costs of providing the Household Hazardous Waste Collection and the annual city-wide clean-up service. It is not likely that rates will increase anytime in the near future.

General Fund Budgetary Highlights

The City approved the 2014 general fund budget anticipating an increase in general fund reserves of \$6,710. The actual change in the general fund balance was an decrease of \$99,432 which equates to \$106,142 less than anticipated in the budget.

The primary cause of the decrease in the general fund balance was unexpected increases in personnel and maintenance and repair costs. Specifically, expenses in the Police Department exceeded budget by \$76,000, expenses in the Street Department exceeded budget by \$53,000, and expenses in the Parks Department exceeded budget by \$23,000.

Turnover of personnel in the police department resulted in an additional \$60,000 of expense to fund the payout of earned and unused vacation and sick time, additional training costs, and additional health insurance costs. This department also incurred maintenance and repair costs that were approximately \$10,000 in excess of the budget. Furthermore, because the Insurance Trust in which the City participates made a change in how they assign risk, the police department incurred \$14,512 of insurance costs that were not expected.

The Street Department incurred maintenance and repair costs in excess of budget of \$31,000. Personnel related costs exceeded budget by approximately \$17,000 and engineering costs exceeded budget by \$9,500.

The next significant cause for the increase in expenditures is in the Parks Department, where expenses exceeded the budget by \$23,000. Of that excess, \$13,000 was the additional cost of health insurance for a new employee who was hired to replace an employee who retired in 2013 while the other \$10,000 was due to maintenance, repair and other expenses.

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, 2014, amounts to \$20,448,626 (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 \$151,137.

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

Capital Asset and Debt Administration (Continued)

City of Chatfield, Minnesota Capital Assets

(net of depreciation)

	Governmental		Business-Type		Totals	
	Activities		Activities		2014	2013
	2014	2013	2014	2013		
Land	\$ 1,158,679	\$ 1,002,069	\$ 60,492	\$ 60,492	\$ 1,219,171	\$ 1,062,561
Construction in process	54,024				54,024	
Buildings and improvements	3,660,240	4,245,131			3,660,240	4,245,131
Vehicles	814,700	933,947			814,700	933,947
Machinery and equipment	546,134	578,596	90,093	70,663	636,227	649,259
Furniture and fixtures	182,262	154,493			182,262	154,493
Wastewater treatment facility			9,699,726	9,578,352	9,699,726	9,578,352
Infrastructure	4,182,276	3,673,746			4,182,276	3,673,746
Total	\$ 10,598,315	\$ 10,587,982	\$ 9,850,311	\$ 9,709,507	\$ 20,448,626	\$ 20,297,489

Additional information on the City of Chatfield, Minnesota's capital assets can be found in Note 3D on pages 50-51 of this report.

Long-term debt. At the end of the current fiscal year, the City of Chatfield, Minnesota had \$10,805,886 in bonds and notes outstanding. All of this debt is backed by the full faith and credit of the City with the exception of the tax increment bonds.

City of Chatfield, Minnesota Outstanding Debt

General Obligation and Revenue Bonds

	Governmental		Business-Type		Totals	
	Activities		Activities		2014	2013
General obligation bonds	\$ 4,805,000	\$ 5,540,000	\$	\$	\$ 4,805,000	\$ 3,370,000
Tax increment bonds	50,886	217,460			50,886	125,210
General obligation revenue bonds			5,950,000	6,665,000	5,950,000	6,310,000
Total	\$ 4,855,886	\$ 5,757,460	\$ 5,950,000	\$ 6,665,000	\$ 10,805,886	\$ 9,805,210

The City of Chatfield, Minnesota's total bonds and notes payable increased by \$1,000,676 during the current fiscal year. A more detailed breakdown of these obligations can be found in Note 3, beginning on page 54.

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 two of the larger employers in Fillmore County, one of them being a manufacturer in the wood products industry and the other being a manufacturer in the composites industry. These companies participate in markets that are completely different from each other and have been successful for forty to fifty years. Solidifying the local job base is a metal fabrication company that has grown from two to almost fifty employees in the past ten years, a company that just transitioned from a rental situation to a more permanent, owner-occupied, situation as they constructed a new headquarters in Chatfield's industrial area. The rest of the Chatfield economy is balanced between the health care, agriculture, tourism, retail, education and the services industries.

A recent announcement made by the largest private employer in Minnesota, Mayo Clinic, is setting the stage for long term growth for all of southeast Minnesota, including Chatfield. Located just twenty minutes away, Mayo announced plans to invest \$6.5 billion dollars in physical improvements and to create 30,000 new employee positions within the next fifteen to twenty years. To leverage these opportunities, a regional "Journey To Growth" plan has been developed, in which Chatfield will participate.

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. According to building permit records, the City issued permits for a total of \$4.5 million dollars in construction activity, \$3.5 million of which was residential and \$1.0 million of commercial construction. This is an increase from \$2.9 million in total construction in 2013, \$1.8 million in 2012 and just less than \$500,000 of activity in 2011.

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

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

As for 2015 construction, the City has already issued building permits for six single family homes and two apartments and it is expected that a franchised coffeehouse/bakery will be constructed as well as an 8,000 square foot national-chain variety store.

Tax rates, garbage fees, and water rates should remain stable for the foreseeable future. Sanitary sewer rates are more likely to increase if new housing starts remain slow but those increases should be incremental.

In addition to the well diversified economy of the region, Chatfield has public infrastructure that is capable of serving a larger residential base. The wastewater treatment facility is relatively new and is capable of handling a much larger population than exists today. Similarly, the City's wells, and the aquifer itself, are capable of servicing a larger population and the City's water storage facilities hold three to four days- worth of water, more capability than standard. The recently constructed elementary school, along with remodeled high school, provides a solid educational element to the community and solidifies Chatfield's competitive place in the educational realm.

At the same time, the private sector is 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. In addition, the Chatfield resident enjoys retail, professional and personal services of all kinds without needing to leave the city limits. Whether the resident is looking for grocery, liquor, dining, banking, medical, pharmaceutical, 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 twenty minute drive.

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. On a more personal level, four commuter buses take local residents to their workplace in Rochester each day, making Chatfield a convenient place to live.

The vibrant nature of the city is reflected in the results of the Inflow-Outflow Analysis of workers. This reports that, while approximately 1,100 residents leave Chatfield for work on a routine basis, almost 1,000 other people travel to Chatfield for work on a daily basis. 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.

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

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.

CITY OF CHATFIELD, MINNESOTA

FINANCIAL STATEMENTS

DECEMBER 31, 2014

(This Page is Left Blank Intentionally)

CITY OF CHATFIELD, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2014
With Comparative Totals for December 31, 2013

	Governmental Activities	Business-Type Activities	Totals	
			2014	2013
ASSETS				
Cash and investments	\$ 3,845,465	\$ 928,996	\$ 4,774,461	\$ 4,317,214
Restricted cash		462,468	462,468	449,656
Receivables	1,216,178	133,698	1,349,876	997,831
Capital assets:				
Nondepreciable	1,212,703	60,492	1,273,195	1,219,171
Depreciable, net	9,385,612	9,789,819	19,175,431	18,589,670
Total Assets	<u>15,659,958</u>	<u>11,375,473</u>	<u>27,035,431</u>	<u>25,573,542</u>
LIABILITIES				
Accounts payable	32,791	23,649	56,440	83,168
Accrued interest payable	31,943	78,222	110,165	105,844
Accrued liabilities	21		21	42,906
Compensated absences	130,567	8,059	138,626	155,442
Noncurrent liabilities:				
Due within one year	355,886	365,000	720,886	736,931
Due in more than one year	4,548,017	5,549,393	10,097,410	9,039,925
Total Liabilities	<u>5,099,225</u>	<u>6,024,323</u>	<u>11,123,548</u>	<u>10,164,216</u>
NET POSITION				
Net investment in capital assets	5,694,412	4,398,386	10,092,798	10,481,641
Restricted for:				
Revolving loans	687,285		687,285	650,419
Debt service	836,270		836,270	532,565
Unrestricted	<u>3,342,766</u>	<u>952,764</u>	<u>4,295,530</u>	<u>3,744,701</u>
Total Net Position	<u>\$ 10,560,733</u>	<u>\$ 5,351,150</u>	<u>\$ 15,911,883</u>	<u>\$ 15,409,326</u>

See Notes to the Financial Statements

CITY OF CHATFIELD, MINNESOTA
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

With Comparative Totals for the Fiscal Year Ending December 31, 2013

Functions/Programs	<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	\$ 591,458	\$ 143,551	\$ 28,825	\$ 4,084
Public safety	929,963	268,563	129,679	
Public works	632,920		2,890	15,328
Parks and recreation	232,058	33,789		
Library	215,943	17,678	55,904	
Community development	1,077,479	121,026	530,658	148,772
Interest on long-term debt	158,347			
Total governmental activities	<u>3,838,168</u>	<u>584,607</u>	<u>747,956</u>	<u>168,184</u>
Business-Type activities:				
Water	232,750	281,876		
Sewer	792,671	777,745		
Garbage	181,049	200,743		
Total business-type activities	<u>1,206,470</u>	<u>1,260,364</u>		
Total	<u>\$ 5,044,638</u>	<u>\$ 1,844,971</u>	<u>\$ 747,956</u>	<u>\$ 168,184</u>

General revenues:

General property taxes

Tax increments

Grants and contributions not restricted to specific programs

Interest earnings

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	
		2014	2013
\$ (414,998)		\$ (414,998)	\$ (430,748)
(531,721)		(531,721)	(494,648)
(614,702)		(614,702)	(523,569)
(198,269)		(198,269)	(170,319)
(142,361)		(142,361)	(129,318)
(277,023)		(277,023)	(239,467)
(158,347)		(158,347)	(196,333)
<u>(2,337,421)</u>		<u>(2,337,421)</u>	<u>(2,184,402)</u>
	\$ 49,126	49,126	31,922
	(14,926)	(14,926)	(98,862)
	19,694	19,694	15,897
	<u>53,894</u>	<u>53,894</u>	<u>(51,043)</u>
<u>(2,337,421)</u>	<u>53,894</u>	<u>(2,283,527)</u>	<u>(2,235,445)</u>
1,252,384		1,252,384	1,254,780
173,096		173,096	207,237
1,196,103		1,196,103	667,324
110,094	43,972	154,066	(19,858)
	10,435	10,435	6,437
<u>(769,187)</u>	<u>769,187</u>		
<u>1,962,490</u>	<u>823,594</u>	<u>2,786,084</u>	<u>2,115,920</u>
(374,931)	877,488	502,557	(119,525)
<u>10,935,664</u>	<u>4,473,662</u>	<u>15,409,326</u>	<u>15,528,851</u>
<u>\$ 10,560,733</u>	<u>\$ 5,351,150</u>	<u>\$ 15,911,883</u>	<u>\$ 15,409,326</u>

(This Page is Left Blank Intentionally)

CITY OF CHATFIELD, MINNESOTA

FUND FINANCIAL STATEMENTS

DECEMBER 31, 2014

CITY OF CHATFIELD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014
With Comparative Totals for December 31, 2013

	100 General	360 Revolving Loan Federal	220/221 Fire	240 EDA
ASSETS				
Cash and investments	\$ 828,528	\$ 127,140	\$ 177,427	\$ 76,565
Accounts receivable	836		1,520	500
Notes receivable		560,145		
Due from other governmental units	11,047			
Taxes receivable delinquent	7,694			
Special assessments receivable				
Due from other funds	68,110			
TOTAL ASSETS	\$ 916,215	\$ 687,285	\$ 178,947	\$ 77,065
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 15,980	\$	\$ 42	\$ 33
Due to other funds				
Total Liabilities	15,980		42	33
Deferred Inflows of Resources:				
Unavailable revenue:				
Property taxes	7,694			
Special assessments				
Notes receivable		560,145		
Total Deferred Inflows of Resources	7,694	560,145		
Fund Balance:				
Restricted:				
Creditors (debt covenants)				
Regulations		127,140		
Committed:				
By Council action				
Assigned:				
Fund assignments			178,905	77,032
Unassigned:	892,541			
Total Fund Balance	892,541	127,140	178,905	77,032
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 916,215	\$ 687,285	\$ 178,947	\$ 77,065

See Notes to the Financial Statements

230/231 Ambulance	361 Revolving Loan State	450 2014 Public Improvements	Other Governmental Funds	Totals	
				2014	2013
\$ 257,780	\$ 3,685	\$ 146,535	\$ 1,516,843	\$ 3,134,503	\$ 2,790,595
160,999			5,993	169,848	159,435
	397,081			957,226	432,044
			4,341	15,388	34,691
			1,556	9,250	11,182
			64,466	64,466	213,473
				68,110	
<u>\$ 418,779</u>	<u>\$ 400,766</u>	<u>\$ 146,535</u>	<u>\$ 1,593,199</u>	<u>\$ 4,418,791</u>	<u>\$ 3,641,420</u>
\$ 4,265	\$	\$ 4,286	\$ 8,120	\$ 32,726	\$ 55,810
			68,110	68,110	
<u>4,265</u>		<u>4,286</u>	<u>76,230</u>	<u>100,836</u>	<u>55,810</u>
			1,556	9,250	11,182
			64,466	64,466	213,473
	397,081			957,226	432,044
	<u>397,081</u>		<u>66,022</u>	<u>1,030,942</u>	<u>656,699</u>
		142,249	694,021	836,270	532,565
	3,685		205,282	336,107	271,687
			489,423	489,423	471,934
414,514			130,331	800,782	675,434
			(68,110)	824,431	977,291
<u>414,514</u>	<u>3,685</u>	<u>142,249</u>	<u>1,450,947</u>	<u>3,287,013</u>	<u>2,928,911</u>
<u>\$ 418,779</u>	<u>\$ 400,766</u>	<u>\$ 146,535</u>	<u>\$ 1,593,199</u>	<u>\$ 4,418,791</u>	<u>\$ 3,641,420</u>

(This Page is Left Blank Intentionally)

**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, 2014**

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

Total governmental fund balances (pages 20-21)		\$ 3,287,013
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	\$ 18,816,667	
Less: Accumulated depreciation	(8,218,352)	10,598,315
Some receivables are not available soon enough to pay for current period expenditures and, therefore, are unavailable in the funds.		
Delinquent property taxes	\$ 9,250	
Special assessments	64,466	
Notes receivable	957,226	1,030,942
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.		
		710,876
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	\$ (4,855,886)	
Compensated absences	(130,567)	
Bond premiums net of amortization	(48,017)	
Accrued interest	(31,943)	(5,066,413)
Net position of governmental activities (page 17)		\$ 10,560,733

See Notes to the Financial Statements

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

For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	100 General	360 Revolving Loan Federal	220/221 Fire	240 EDA
REVENUES				
Property taxes	\$ 923,275	\$	\$	\$
Special assessments	4,084			
Tax increments				
Licenses and permits	20,424			
Fines and forfeits	9,453			
Intergovernmental revenues	794,100		93,780	
Franchise fees				
Charges for services	36,241		8,429	
Investment income	24,103	9,969	5,254	1,563
Contributions			61,183	1,000
Miscellaneous revenues	41,423	84,599	565	13,255
TOTAL REVENUES	1,853,103	94,568	169,211	15,818
EXPENDITURES				
Current				
General government	496,299			
Public safety	543,076		90,014	
Public works	486,804			
Parks and recreation	209,278			
Library				
Community development	21,646	185,803		43,835
Capital Outlay			48,931	
Debt Service				
TOTAL EXPENDITURES	1,757,103	185,803	138,945	43,835
Excess (deficiency) of revenues over (under) expenditures	96,000	(91,235)	30,266	(28,017)
OTHER FINANCING SOURCES (USES)				
Bond proceeds				
Transfers in	112,469		95,888	60,190
Transfers out	(307,901)		(42,730)	
TOTAL OTHER FINANCING SOURCES (USES)	(195,432)		53,158	60,190
Net change in fund balances	(99,432)	(91,235)	83,424	32,173
FUND BALANCES, beginning	991,973	218,375	95,481	44,859
FUND BALANCES, ending	\$ 892,541	\$ 127,140	\$ 178,905	\$ 77,032

See Notes to the Financial Statements

230/231 Ambulance	361 Revolving Loan State	450 2014 Public Improvements	Other Governmental Funds	Totals	
				2014	2013
\$	\$	\$	\$ 331,041	\$ 1,254,316	\$ 1,263,807
			131,260	135,344	25,556
			173,096	173,096	207,237
				20,424	18,545
			3,640	13,093	14,020
54,653	408,000		235,572	1,586,105	1,026,518
			24,456	24,456	24,680
192,564			24,870	262,104	299,215
9,313	1,465	5,460	52,968	110,095	18,501
425			8,559	71,167	74,952
293	9,402		23,870	173,407	153,656
<u>257,248</u>	<u>418,867</u>	<u>5,460</u>	<u>1,009,332</u>	<u>3,823,607</u>	<u>3,126,687</u>
			48,257	544,556	506,765
245,226				878,316	829,400
				486,804	456,809
				209,278	187,583
			194,915	194,915	183,575
	415,182		226,789	893,255	237,975
		1,514,220	45,189	1,608,340	200,918
		31,037	473,077	504,114	2,480,293
<u>245,226</u>	<u>415,182</u>	<u>1,545,257</u>	<u>988,227</u>	<u>5,319,578</u>	<u>5,083,318</u>
12,022	3,685	(1,539,797)	21,105	(1,495,971)	(1,956,631)
			1,751,786	1,751,786	
49,551		1,696,728	181,134	2,195,960	640,304
(43,503)			(1,699,539)	(2,093,673)	(540,018)
<u>6,048</u>		<u>1,696,728</u>	<u>233,381</u>	<u>1,854,073</u>	<u>100,286</u>
18,070	3,685	156,931	254,486	358,102	(1,856,345)
396,444		(14,682)	1,196,461	2,928,911	4,785,256
<u>\$ 414,514</u>	<u>\$ 3,685</u>	<u>\$ 142,249</u>	<u>\$ 1,450,947</u>	<u>\$ 3,287,013</u>	<u>\$ 2,928,911</u>

**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, 2014**

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

Net change in fund balances - total governmental funds (pages 23-24)	\$	358,102
--	----	---------

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.

Capital outlay	\$	133,473	
Depreciation expense		<u>(551,826)</u>	(418,353)

Certain revenues in the statement of activities do not provide current financial resources are not reported as revenues in the funds.

Unavailable revenue, December 31, 2014	\$	1,030,942	
Unavailable revenue, December 31, 2013		<u>(656,699)</u>	374,243

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	18,861
--------------------------------	--------

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

698,236

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal retirement on long-term debt	\$	364,324	
Proceeds from issuance of debt		(1,763,867)	
Amortization of bond issuance costs		842	
Change in accrued interest		<u>(7,319)</u>	<u>(1,406,020)</u>

Change in net position of governmental activities (pages 18-19)	\$	<u><u>(374,931)</u></u>
---	----	-------------------------

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

For the Year Ended December 31, 2014

With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Property Tax Levy Collected	\$ 897,740	\$ 897,740	\$ 923,275	\$ 25,535	\$ 939,112
Special Assessments Collected	4,000	4,000	4,084	84	4,204
Licenses and permits	19,460	19,460	20,424	964	18,545
Intergovernmental Revenues					
Local government aid	751,023	751,023	751,023		666,960
Market value credit			430	430	364
State police aid	37,000	37,000	38,080	1,080	36,192
PERA aid	1,677	1,677	1,677		1,677
Highway	4,000	4,000	2,890	(1,110)	4,816
Other					500
Total Intergovernmental Revenues	793,700	793,700	794,100	400	710,509
Charges For Services					
Plan check fee	3,700	3,700	4,402	702	4,203
Pool fees	31,300	31,300	30,856	(444)	32,210
Franchise fees	200	200	983	783	324
Total Charges For Services	35,200	35,200	36,241	1,041	36,737
Fines and Forfeits					
Parking fines	2,100	2,100	1,375	(725)	1,640
Court fines and other	11,000	11,000	7,968	(3,032)	8,713
Animal fines	100	100	110	10	145
Total Fines and Forfeits	13,200	13,200	9,453	(3,747)	10,498
Investment Income	2,000	2,000	24,103	22,103	(15,884)
Miscellaneous Revenues					
Sale of assets	75	75	943	868	342
Donations			2,692	2,692	2,192
Refunds/reimbursements	17,965	17,965	37,788	19,823	28,600
Total Miscellaneous Revenues	18,040	18,040	41,423	23,383	31,134
TOTAL REVENUES	\$ 1,783,340	\$ 1,783,340	\$ 1,853,103	\$ 69,763	\$ 1,734,855

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, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
EXPENDITURES					
General Government					
Mayor and Council					
Salaries	\$ 9,200	\$ 9,200	\$ 9,200	\$	\$ 9,150
Employee benefits and retirement	715	715	704	11	700
Workers compensation	65	65	56	9	72
Office supplies	400	400	356	44	172
Printing and publication	1,400	1,400	1,217	183	1,506
Insurance	6,000	6,000		6,000	5,167
Travel	600	600	12	588	409
Legal fees	9,000	9,000	9,140	(140)	8,749
Dues and subscription	7,000	7,000	8,418	(1,418)	7,222
Departmental capital charge	1,650	1,650	750	900	1,650
Other	4,000	4,000	597	3,403	2,966
Total Mayor and Council	<u>40,030</u>	<u>40,030</u>	<u>30,450</u>	<u>9,580</u>	<u>37,763</u>
Elections	<u>3,925</u>	<u>3,925</u>	<u>3,023</u>	<u>902</u>	<u>4</u>
Clerk's Office					
Salaries	213,000	213,000	221,465	(8,465)	206,560
Employee benefits and retirement	31,700	31,700	31,746	(46)	29,650
Workers compensation	3,700	3,700	1,406	2,294	2,560
Health insurance	46,000	46,000	48,001	(2,001)	42,515
Office supplies	2,900	2,900	1,563	1,337	2,307
Postage	900	900	930	(30)	1,011
Audit fees	8,700	8,700	8,850	(150)	8,575
Consulting fees	4,300	4,300	4,510	(210)	4,411
Licenses and dues	1,500	1,500	1,606	(106)	1,346
Insurance	3,800	3,800	5,054	(1,254)	4,146
Telephone	3,450	3,450	3,805	(355)	3,414
Printing and publication	900	900		900	165
Maintenance and repair	4,000	4,000	6,763	(2,763)	5,436
Conference expense	5,700	5,700	3,599	2,101	4,661
Departmental capital charge	6,100	6,100	6,100		5,900
Other	17,575	17,575	17,492	83	17,403
Total Clerk's Office	<u>354,225</u>	<u>354,225</u>	<u>362,890</u>	<u>(8,665)</u>	<u>340,060</u>
Planning and Zoning					
Printing	450	450	257	193	626
Consulting fees	53,732	53,732	50,719	3,013	46,537
Other	1,060	1,060	11,100	(10,040)	4,772
Total Planning and Zoning	<u>\$ 55,242</u>	<u>\$ 55,242</u>	<u>\$ 62,076</u>	<u>\$ (6,834)</u>	<u>\$ 51,935</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, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)	2013 Actual Amounts
	Original	Final			
EXPENDITURES (continued)					
General Government (Continued)					
Municipal Building					
Operating supplies	\$ 4,000	\$ 4,000	\$ 4,347	\$ (347)	\$ 2,975
Small tools and minor equipment	500	500	17	483	57
Maintenance and repair	6,000	6,000	17,052	(11,052)	11,357
Insurance	7,850	7,850	4,033	3,817	3,958
Utilities	6,700	6,700	6,419	281	6,702
Departmental capital charge	5,200	5,200	5,200		5,000
Other	650	650	792	(142)	1,354
Total Municipal Building	<u>30,900</u>	<u>30,900</u>	<u>37,860</u>	<u>(6,960)</u>	<u>31,403</u>
Total General Government	<u>484,322</u>	<u>484,322</u>	<u>496,299</u>	<u>(11,977)</u>	<u>461,165</u>
Public Safety					
Animal Control					
Operating supplies	300	300	253	47	110
Printing and publication	50	50		50	
Other	450	450		450	2
Total Animal Control	<u>800</u>	<u>800</u>	<u>253</u>	<u>547</u>	<u>112</u>
Civil Defense					
Contracted services	20,200	20,200	16,245	3,955	19,017
Departmental capital charge	4,000	4,000	4,000		4,000
Total Civil Defense	<u>24,200</u>	<u>24,200</u>	<u>20,245</u>	<u>3,955</u>	<u>23,017</u>
Building Code					
Consultant fee	10,000	10,000	14,580	(4,580)	13,492
Surcharge fee/sales tax	4,000	4,000	3,177	823	3,134
Total Building Code	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 17,757</u>	<u>\$ (3,757)</u>	<u>\$ 16,626</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, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
EXPENDITURES (continued)					
Public Safety (Continued)					
Police Department					
Salaries	\$ 264,000	\$ 264,000	\$ 296,174	\$ (32,174)	\$ 276,844
Employee benefits and retirement	36,750	36,750	49,362	(12,612)	43,759
Workers compensation/unemployment	10,000	10,000	12,032	(2,032)	11,707
Health insurance	27,500	27,500	40,880	(13,380)	31,444
Operating supplies	2,000	2,000	1,461	539	2,991
Vehicle operating supplies	13,500	13,500	10,548	2,952	11,962
Small tools and minor equipment	3,000	3,000	895	2,105	2,043
Telephone	4,200	4,200	4,192	8	3,971
Legal fees	12,000	12,000	10,904	1,096	14,203
Towing and wrecker fees	2,000	2,000	1,425	575	2,043
Uniform allowance	3,375	3,375	3,150	225	3,718
Maintenance and repair	6,450	6,450	17,265	(10,815)	13,372
Clothing	2,000	2,000	1,243	757	1,240
Printing and publication	300	300	327	(27)	116
Postage	850	850	340	510	241
Training	4,500	4,500	2,995	1,505	3,769
Contracted services	750	750	300	450	300
Insurance			14,512	(14,512)	9,718
Utilities	5,800	5,800	6,419	(619)	6,702
Departmental capital charge	22,800	22,800	22,800		22,800
Other	6,735	6,735	7,597	(862)	6,286
Total Police Department	<u>428,510</u>	<u>428,510</u>	<u>504,821</u>	<u>(76,311)</u>	<u>469,229</u>
Total Public Safety	<u>467,510</u>	<u>467,510</u>	<u>543,076</u>	<u>(75,566)</u>	<u>508,984</u>
Public Works					
Street Department					
Salaries	66,000	66,000	80,244	(14,244)	71,422
Employee benefits and retirement	9,900	9,900	11,334	(1,434)	10,387
Health insurance	14,200	14,200	16,667	(2,467)	15,923
Workers compensation	6,800	6,800	5,226	1,574	6,715
Operating supplies	8,400	8,400	9,043	(643)	10,507
Vehicle operating supplies	10,500	10,500	16,160	(5,660)	17,303
Maintenance and repair	38,000	38,000	69,266	(31,266)	54,033
Clothing	700	700	2,369	(1,669)	764
Snow removal	7,000	7,000	4,681	2,319	3,626
Insurance	7,000	7,000	6,720	280	6,713
Engineering fees	10,000	10,000	19,542	(9,542)	14,541
Small tools and minor equipment	3,000	3,000	4,058	(1,058)	4,638
Utilities	33,000	33,000	31,328	1,672	31,630
Departmental capital charge	204,350	204,350	204,350		203,070
Other	14,735	14,735	5,816	8,919	5,537
Total Public Works	<u>\$ 433,585</u>	<u>\$ 433,585</u>	<u>\$ 486,804</u>	<u>\$ (53,219)</u>	<u>\$ 456,809</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, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
EXPENDITURES (continued)					
Parks and Recreation					
Parks					
Salaries	\$ 44,500	\$ 44,500	\$ 48,473	\$ (3,973)	\$ 44,932
Employee benefits and retirement	5,550	5,550	6,146	(596)	5,824
Workers compensation	2,400	2,400	1,824	576	2,762
Health insurance			12,956	(12,956)	2,723
Small tools and minor equipment	1,300	1,300	164	1,136	607
Vehicle operating supplies	3,200	3,200	4,170	(970)	2,351
Maintenance and repair	5,500	5,500	10,576	(5,076)	8,407
Utilities	16,500	16,500	12,387	4,113	12,258
Insurance	6,600	6,600	6,713	(113)	6,582
Departmental capital charge	6,500	6,500	6,500		6,500
Other	5,350	5,350	10,442	(5,092)	4,781
Total Parks	97,400	97,400	120,351	(22,951)	97,727
Pool					
Salaries	40,500	40,500	39,896	604	39,434
Employee benefits and retirement	2,500	2,500	3,053	(553)	3,017
Workers compensation	2,400	2,400	2,049	351	2,599
Small tools and minor equipment	12,125	12,125	9,764	2,361	10,650
Maintenance and repair	4,500	4,500	4,748	(248)	3,822
Utilities	7,000	7,000	8,807	(1,807)	10,268
Insurance	10,500	10,500	10,530	(30)	10,336
Departmental capital charge	2,000	2,000	2,000		1,000
Other	3,900	3,900	2,575	1,325	2,575
Total Pool	85,425	85,425	83,422	2,003	83,701
Recreation	6,000	6,000	3,905	2,095	4,555
Band					
School band concerts	480	480	480		480
Brass band concerts	1,120	1,120	1,120		1,120
Total Band	1,600	1,600	1,600		1,600
Total Parks and Recreation	190,425	190,425	209,278	(18,853)	187,583
Community Development					
Promotional expense	3,000	3,000	1,907	1,093	3,916
Heritage preservation	9,030	9,030	7,632	1,398	7,918
Other	1,400	1,400	12,107	(10,707)	910
Total Community Development	13,430	13,430	21,646	(8,216)	12,744
TOTAL EXPENDITURES	1,589,272	1,589,272	1,757,103	(167,831)	1,627,285
Excess (deficiency) of revenues over (under) expenditures	194,068	194,068	96,000	(98,068)	107,570
OTHER FINANCING SOURCES (USES)					
Transfers in	122,543	122,543	112,469	(10,074)	113,265
Transfers out	(309,901)	(309,901)	(307,901)	2,000	(247,860)
Total Other Financing Sources (Uses)	(187,358)	(187,358)	(195,432)	(8,074)	(134,595)
Net change in fund balances	6,710	6,710	(99,432)	(106,142)	(27,025)
FUND BALANCES, beginning	991,973	991,973	991,973		1,018,998
FUND BALANCES, ending	\$ 998,683	\$ 998,683	\$ 892,541	\$ (106,142)	\$ 991,973

See Notes to the Financial Statements

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

For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>2014 Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2013 Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Investment Income	\$ 1,000	\$ 1,000	\$ 1,563	\$ 563	\$ (68)
Contributions			1,000	1,000	600
Miscellaneous	4,500	4,500	13,255	8,755	15,259
TOTAL REVENUES	<u>5,500</u>	<u>5,500</u>	<u>15,818</u>	<u>10,318</u>	<u>15,791</u>
EXPENDITURES					
Community development	45,690	45,690	43,835	1,855	50,718
Capital outlay	20,000	20,000		20,000	56,770
TOTAL EXPENDITURES	<u>65,690</u>	<u>65,690</u>	<u>43,835</u>	<u>21,855</u>	<u>107,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,190)</u>	<u>(60,190)</u>	<u>(28,017)</u>	<u>32,173</u>	<u>(91,697)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	60,190	60,190	60,190		59,800
Net change in fund balances			32,173	32,173	(31,897)
FUND BALANCES, beginning	<u>44,859</u>	<u>44,859</u>	<u>44,859</u>		<u>76,756</u>
FUND BALANCES, ending	<u>\$ 44,859</u>	<u>\$ 44,859</u>	<u>\$ 77,032</u>	<u>\$ 32,173</u>	<u>\$ 44,859</u>

See Notes to the Financial Statements

CITY OF CHATFIELD, MINNESOTA
FIRE FUND
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		220 Fire	221 Fire Capital	2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final					
REVENUES							
Intergovernmental Revenues							
State Grants and Aids	\$ 20,000	\$ 20,000	\$ 37,521	\$	\$ 37,521	\$ 17,521	\$ 31,911
Township contributions	55,888	55,888	56,259		56,259	371	51,005
Charges for services			8,429		8,429	8,429	10,871
Investment income			2,405	2,849	5,254	5,254	(1,296)
Donations	62,000	62,000		61,183	61,183	(817)	50,881
Miscellaneous			565		565	565	1,659
TOTAL REVENUES	137,888	137,888	105,179	64,032	169,211	31,323	145,031
EXPENDITURES							
Public Safety							
Salaries	12,000	12,000	10,195		10,195	1,805	10,725
Employee benefits and retirement	550	550	364		364	186	364
Workers compensation	7,800	7,800	6,941		6,941	859	8,774
Operating supplies	3,000	3,000	1,643		1,643	1,357	3,056
Small tools and minor equipment	5,000	5,000	4,588		4,588	412	3,655
Vehicle operating supplies	1,000	1,000	2,246		2,246	(1,246)	1,713
Insurance	4,600	4,600	3,911		3,911	689	4,440
Utilities	7,475	7,475	7,794		7,794	(319)	6,885
Maintenance and repairs	8,000	8,000	6,307		6,307	1,693	8,083
Training	2,000	2,000	1,138		1,138	862	877
Fire pension contribution	28,000	28,000	39,897		39,897	(11,897)	37,911
Capital Outlay	17,500	17,500		48,931	48,931	(31,431)	15,412
Other	11,180	11,180	3,095	1,895	4,990	6,190	9,768
TOTAL EXPENDITURES	108,105	108,105	88,119	50,826	138,945	(30,840)	111,663
Excess (deficiency) of revenues over (under) expenditures	29,783	29,783	17,060	13,206	30,266	483	33,368
OTHER FINANCING SOURCES (USES)							
Transfers in	95,888	95,888	55,888	40,000	95,888		83,335
Transfers out	(40,000)	(40,000)	(42,730)		(42,730)	(2,730)	(34,730)
Net change in fund balances	85,671	85,671	30,218	53,206	83,424	(2,247)	81,973
FUND BALANCES, beginning	95,481	95,481	39,070	56,411	95,481		13,508
FUND BALANCES, ending	\$ 181,152	\$ 181,152	\$ 69,288	\$ 109,617	\$ 178,905	\$ (2,247)	\$ 95,481

See Notes to the Financial Statements

CITY OF CHATFIELD, MINNESOTA
AMBULANCE FUND
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		230 Ambulance	231 Ambulance Capital Reserve	2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final					
REVENUES							
Intergovernmental Revenues							
County contract	\$ 4,500	\$ 4,500	\$ 4,500	\$	\$ 4,500	\$	\$ 4,500
Township contributions	16,500	16,500	16,905		16,905	405	16,814
Training reimbursement	22,000	22,000	31,058		31,058	9,058	13,678
Other State Aids	4,000	4,000	2,190		2,190	(1,810)	
Charges for services	200,000	200,000	192,564		192,564	(7,436)	215,434
Investment income	7,000	7,000	3,379	5,934	9,313	2,313	(7,111)
Donations	2,000	2,000	425		425	(1,575)	1,125
Miscellaneous	2,800	2,800	293		293	(2,507)	2,595
TOTAL REVENUES	258,800	258,800	251,314	5,934	257,248	(1,552)	247,035
EXPENDITURES							
Public Safety							
Salaries	116,000	116,000	120,444		120,444	(4,444)	108,736
Employee benefits and retirement	17,900	17,900	19,514		19,514	(1,614)	17,835
Workers compensation	2,500	2,500	2,011		2,011	489	2,545
Health insurance	16,200	16,200	17,987		17,987	(1,787)	14,734
Innoculations	300	300	75		75	225	111
Training	15,000	15,000	12,463		12,463	2,537	14,936
Small tools and minor equipment	2,000	2,000	1,419		1,419	581	1,519
Office supplies	1,500	1,500	1,566		1,566	(66)	3,562
Operating supplies	13,000	13,000	12,504		12,504	496	13,409
Vehicle operating supplies	6,000	6,000	5,182		5,182	818	5,619
Telephone	1,500	1,500	1,501		1,501	(1)	1,428
Travel	1,000	1,000	436		436	564	1,039
Printing and publications	800	800	1,186		1,186	(386)	875
Insurance	1,500	1,500	1,203		1,203	297	1,273
Utilities	6,500	6,500	6,419		6,419	81	6,702
Maintenance and repairs	12,000	12,000	7,903		7,903	4,097	11,054
Medical services	5,500	5,500	8,580		8,580	(3,080)	7,119
Laundry services	500	500	631		631	(131)	552
Clothing	1,000	1,000	618		618	382	1,184
License, permits, dues and subscription	1,600	1,600	1,154		1,154	446	830
Capital outlay	10,000	10,000		11,801	11,801	(1,801)	2,326
Refunds	1,200	1,200	4,484		4,484	(3,284)	556
Departmental capital charge	1,000	1,000	1,000		1,000		1,100
Other	6,637	6,637	5,145		5,145	1,492	5,121
TOTAL EXPENDITURES	241,137	241,137	233,425	11,801	245,226	(4,089)	224,165
Excess (deficiency) of revenues over (under) expenditures	17,663	17,663	17,889	(5,867)	12,022	(5,641)	22,870
OTHER FINANCING SOURCES (USES)							
Transfers in	49,551	49,551	19,551	30,000	49,551		49,453
Transfers out	(43,503)	(43,503)	(43,503)		(43,503)		(43,110)
TOTAL OTHER FINANCING SOURCES (USES)	6,048	6,048	(23,952)	30,000	6,048		6,343
Net change in fund balances	23,711	23,711	(6,063)	24,133	18,070	(5,641)	29,213
FUND BALANCES, beginning	396,444	396,444	240,615	155,829	396,444		367,231
FUND BALANCES, ending	\$ 420,155	\$ 420,155	\$ 234,552	\$ 179,962	\$ 414,514	\$ (5,641)	\$ 396,444

See Notes to the Financial Statements

CITY OF CHATFIELD, MINNESOTA
REVOLVING LOAN
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Investment income	\$ 18,346	\$ 18,346	\$ 9,969	\$ (8,377)	\$ (602)
Miscellaneous	18,346	18,346	84,599	66,253	77,102
TOTAL REVENUES	<u>36,692</u>	<u>36,692</u>	<u>94,568</u>	<u>57,876</u>	<u>76,500</u>
EXPENDITURES					
Loan advances			185,803	(185,803)	
Net change in fund balances	36,692	36,692	(91,235)	(127,927)	76,500
FUND BALANCES, beginning	<u>218,375</u>	<u>218,375</u>	<u>218,375</u>		<u>141,875</u>
FUND BALANCES, ending	<u>\$ 255,067</u>	<u>\$ 255,067</u>	<u>\$ 127,140</u>	<u>\$ (127,927)</u>	<u>\$ 218,375</u>

See Notes to the Financial Statements

CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
Statement of Net Position
December 31, 2014
With Comparative Totals for December 31, 2013

	Business-Type Activities - Enterprise Funds				
	601	611		602	612/328/428/331
	Water	Water Infrastructure	Total Water	Sewer	Sewer Infrastructure
ASSETS					
Current Assets					
Cash and investments	\$ 573,753	\$ 111,179	\$ 684,932	\$ 174,988	\$ 5,607
Restricted cash					462,468
Accounts receivable, net	19,776		19,776	54,517	
Special assessments receivable	7,347		7,347	24,488	
Special assessments delinquent	987		987	3,289	
Total Current Assets	<u>601,863</u>	<u>111,179</u>	<u>713,042</u>	<u>257,282</u>	<u>468,075</u>
Noncurrent Assets					
Capital assets:					
Nondepreciable		30,246	30,246		30,246
Depreciable		3,525,994	3,525,994		12,273,001
Less: Accumulated depreciation		1,007,212	1,007,212		5,001,964
Net capital assets		<u>2,549,028</u>	<u>2,549,028</u>		<u>7,301,283</u>
Total Assets	<u>\$ 601,863</u>	<u>\$ 2,660,207</u>	<u>\$ 3,262,070</u>	<u>\$ 257,282</u>	<u>\$ 7,769,358</u>
LIABILITIES					
Current Liabilities					
Current maturities of bonds payable	\$	\$	\$	\$	\$ 365,000
Accounts payable	2,437		2,437	7,201	
Accrued interest payable					78,222
Accrued liabilities	4,022		4,022	4,037	
Total Current Liabilities	<u>6,459</u>		<u>6,459</u>	<u>11,238</u>	<u>443,222</u>
Noncurrent Liabilities					
Bonds payable, net of current maturities					<u>5,549,393</u>
Total Liabilities	<u>6,459</u>		<u>6,459</u>	<u>11,238</u>	<u>5,992,615</u>
NET POSITION					
Net investment in capital assets		2,549,028	2,549,028		1,849,358
Unrestricted	595,404	111,179	706,583	246,044	(72,615)
Total Net Position	<u>\$ 595,404</u>	<u>\$ 2,660,207</u>	<u>\$ 3,255,611</u>	<u>\$ 246,044</u>	<u>\$ 1,776,743</u>

See Notes to the Financial Statements

			Governmental Activities-Internal Service Funds			
			801		Capital Goods	
622		603	Totals		2014	2013
Sewer - No Fault Back	Total Sewer	Garbage	2014	2013		
\$ 22,739	\$ 203,334	\$ 40,730	\$ 928,996	\$ 979,902	\$ 710,941	\$ 546,834
	462,468		462,468	449,656		
	54,517	13,109	87,402	91,602		8,200
	24,488	8,979	40,814	40,722		
	3,289	1,206	5,482	6,482		
<u>22,739</u>	<u>748,096</u>	<u>64,024</u>	<u>1,525,162</u>	<u>1,568,364</u>	<u>710,941</u>	<u>555,034</u>
	30,246		60,492	60,492		
	12,273,001		15,798,995	14,844,182	3,993,889	3,256,556
	5,001,964		6,009,176	5,575,317	1,904,643	1,704,494
	<u>7,301,283</u>		<u>9,850,311</u>	<u>9,329,357</u>	<u>2,089,246</u>	<u>1,552,062</u>
<u>\$ 22,739</u>	<u>\$ 8,049,379</u>	<u>\$ 64,024</u>	<u>\$ 11,375,473</u>	<u>\$ 10,897,721</u>	<u>\$ 2,800,187</u>	<u>\$ 2,107,096</u>
\$	\$ 365,000	\$	\$ 365,000	\$ 360,000	\$	\$
	7,201	14,011	23,649	22,265	65	5,210
	78,222		78,222	81,220		
	4,037		8,059	48,920		
	<u>454,460</u>	<u>14,011</u>	<u>474,930</u>	<u>512,405</u>	<u>65</u>	<u>5,210</u>
	5,549,393		5,549,393	5,911,654		
	6,003,853	14,011	6,024,323	6,424,059	65	5,210
	1,849,358		4,398,386	3,507,359	2,089,246	1,552,062
22,739	196,168	50,013	952,764	966,303	710,876	549,824
<u>\$ 22,739</u>	<u>\$ 2,045,526</u>	<u>\$ 50,013</u>	<u>\$ 5,351,150</u>	<u>\$ 4,473,662</u>	<u>\$ 2,800,122</u>	<u>\$ 2,101,886</u>

**CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
Statement of Revenues, Expenses
and Changes in Fund Net Position**

For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds				
	601	611	Total	602	612/328/428/331
	Water	Water Infrastructure		Water	Sewer
Operating Revenues					
Service fees and charges	\$ 230,272	\$ 40,940	\$ 271,212	\$ 697,914	\$ 43,940
Departmental capital charge					
	<u>230,272</u>	<u>40,940</u>	<u>271,212</u>	<u>697,914</u>	<u>43,940</u>
Operating Expenses					
Salaries	44,428		44,428	71,005	
Employee benefits and retirement	8,239		8,239	12,337	
Health insurance				20,863	
Workers compensation	1,907		1,907	3,660	
Garbage removal					
City clean up					
Supplies	7,687		7,687	11,584	
Utilities	18,619		18,619	34,965	
Maintenance and repairs	28,897		28,897	47,880	200
Travel and training	899		899	1,847	
Professional fees	12,451		12,451	16,883	
Office expense	1,213		1,213	3,235	
Insurance	3,314		3,314	12,130	
Depreciation		91,945	91,945		341,914
Departmental capital charge	400	7,900	8,300	550	7,100
Other	4,851		4,851	14,923	
Total Operating Expenses	<u>132,905</u>	<u>99,845</u>	<u>232,750</u>	<u>251,862</u>	<u>349,214</u>
Operating Income (Loss)	<u>97,367</u>	<u>(58,905)</u>	<u>38,462</u>	<u>446,052</u>	<u>(305,274)</u>
Nonoperating Revenues (Expenses)					
Investment income	21,191	4,617	25,808	11,567	4,323
Refunds and reimbursements	5,542		5,542	1,480	
Penalties and discounts	778		778	2,635	
Special assessments	10,664		10,664	35,891	
Intergovernmental					
Miscellaneous					
Interest and fiscal charges					(191,176)
Total Nonoperating Revenues (Expenses)	<u>38,175</u>	<u>4,617</u>	<u>42,792</u>	<u>51,573</u>	<u>(186,853)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>135,542</u>	<u>(54,288)</u>	<u>81,254</u>	<u>497,625</u>	<u>(492,127)</u>
Capital contributions		458,671	458,671		412,803
Transfers in		70,000	70,000		610,000
Transfers out	(109,387)	(108,862)	(218,249)	(535,388)	(15,000)
CHANGE IN NET POSITION	<u>26,155</u>	<u>365,521</u>	<u>391,676</u>	<u>(37,763)</u>	<u>515,676</u>
NET POSITION - BEGINNING OF YEAR	<u>569,249</u>	<u>2,294,686</u>	<u>2,863,935</u>	<u>283,807</u>	<u>1,261,067</u>
NET POSITION - END OF YEAR	<u>\$ 595,404</u>	<u>\$ 2,660,207</u>	<u>\$ 3,255,611</u>	<u>\$ 246,044</u>	<u>\$ 1,776,743</u>

See Notes to the Financial Statements

622		603		Totals		Governmental Activities-Internal Service Funds	
Sewer - No Fault Back	Total Sewer	Garbage	2014	2013	801 Capital Goods		
			2014	2013	2014	2013	
\$	\$ 741,854	\$ 187,280	\$ 1,200,346	\$ 1,084,541	\$	\$	
	<u>741,854</u>	<u>187,280</u>	<u>1,200,346</u>	<u>1,084,541</u>	<u>270,235</u>	<u>268,505</u>	
					<u>270,235</u>	<u>268,505</u>	
	71,005		115,433	158,597			
	12,337		20,576	22,549			
	20,863		20,863	14,674			
	3,660		5,567	8,052			
		151,145	151,145	153,557			
		14,090	14,090	11,667			
	11,584	414	19,685	15,793			
	34,965		53,584	51,007			
	48,080	1,771	78,748	48,976	26,994	13,413	
	1,847		2,746	2,316			
	16,883		29,334	26,807		2,360	
	3,235	1,277	5,725	6,481			
	12,130		15,444	14,053			
	341,914		433,859	403,756	229,563	207,873	
	7,650	200	16,150	16,000			
419	15,342	12,152	32,345	35,570	5,545	7,625	
<u>419</u>	<u>601,495</u>	<u>181,049</u>	<u>1,015,294</u>	<u>989,855</u>	<u>262,102</u>	<u>231,271</u>	
(419)	140,359	6,231	185,052	94,686	8,133	37,234	
813	16,703	1,461	43,972	(37,947)	21,950	(10,885)	
	1,480		7,022	2,980			
	2,635		3,413	3,457			
	35,891	13,463	60,018	52,638			
						41,512	
					10,725	18,282	
	<u>(191,176)</u>		<u>(191,176)</u>	<u>(198,367)</u>			
813	<u>(134,467)</u>	<u>14,924</u>	<u>(76,751)</u>	<u>(177,239)</u>	<u>32,675</u>	<u>48,909</u>	
394	5,892	21,155	108,301	(82,553)	40,808	86,143	
	412,803		871,474		657,428		
1,000	611,000		681,000	631,027			
	<u>(550,388)</u>	<u>(14,650)</u>	<u>(783,287)</u>	<u>(727,313)</u>		<u>(4,000)</u>	
1,394	479,307	6,505	877,488	(178,839)	698,236	82,143	
<u>21,345</u>	<u>1,566,219</u>	<u>43,508</u>	<u>4,473,662</u>	<u>4,652,501</u>	<u>2,101,886</u>	<u>2,019,743</u>	
\$	\$ 22,739	\$ 50,013	\$ 5,351,150	\$ 4,473,662	\$ 2,800,122	\$ 2,101,886	

**CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS**

Statement of Cash Flows

For the Year Ended December 31, 2014

With Comparative Totals for the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Funds				
	Water	Water Infrastructure	Total Water	Sewer	Sewer Infrastructure
Cash Flows From Operating Activities					
Cash received from customers	\$ 247,239	\$ 42,540	\$ 289,779	\$ 737,865	\$ 22,950
Cash paid to employees	(54,574)		(54,574)	(107,865)	
Cash paid to suppliers	(90,786)	(7,900)	(98,686)	(165,122)	(8,076)
Net Cash Provided By (Used In) Operating Activities	101,879	34,640	136,519	464,878	14,874
Cash Flows From Noncapital Financing Activities					
Intergovernmental	180		180	600	
Miscellaneous					
Transfer in/out	(109,387)	(38,862)	(148,249)	(535,388)	595,000
Net Cash Provided By (Used In) Noncapital Financing Activities	(109,207)	(38,862)	(148,069)	(534,788)	595,000
Cash Flows From Capital and Related Financing Activities					
Capital asset acquisitions		(14,140)	(14,140)		(69,200)
Principal payments on bonds					(360,000)
Interest payments on bonds					(191,434)
Net Cash (Used In) Capital and Related Financing Activities		(14,140)	(14,140)		(620,634)
Cash Flows From Investing Activities					
Investment income received	21,191	4,617	25,808	11,567	4,323
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,863	(13,745)	118	(58,343)	(6,437)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR (Note 6)	559,890	124,924	684,814	233,331	450,922
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 573,753</u>	<u>\$ 111,179</u>	<u>\$ 684,932</u>	<u>\$ 174,988</u>	<u>\$ 444,485</u>
Classified as:					
Cash and cash equivalents	\$ 573,753	\$ 111,179	\$ 684,932	\$ 174,988	\$ 5,607
Restricted cash					462,468
Total Cash and Cash Equivalents, End of Year	<u>\$ 573,753</u>	<u>\$ 111,179</u>	<u>\$ 684,932</u>	<u>\$ 174,988</u>	<u>\$ 468,075</u>

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

Operating Income (Loss)	\$ 97,367	\$ (58,905)	\$ 38,462	\$ 446,052	\$ (305,274)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation		91,945	91,945		341,914
Miscellaneous nonoperating income	16,984		16,984	40,006	
(Increase) Decrease In:					
Accounts receivable	163	1,600	1,763	545	2,600
Special assessments delinquent	(180)		(180)	(600)	
Increase (Decrease) In:					
Accounts payable	(426)		(426)	2,342	(776)
Accrued liabilities	(12,029)		(12,029)	(23,467)	
Net Cash Provided By (Used In) Operating Activities	<u>\$ 101,879</u>	<u>\$ 34,640</u>	<u>\$ 136,519</u>	<u>\$ 464,878</u>	<u>\$ 38,464</u>

See Notes to the Financial Statements

Sewer - No Fault Back	Total Sewer	Garbage	Totals		Governmental Activities- Internal Service Funds	
			2014	2013	2014	2012
\$	\$ 760,815	\$ 200,723	\$ 1,251,317	\$ 1,147,870	\$ 278,435	\$ 274,865
	(107,865)		(162,439)	(203,872)		
(419)	(173,617)	(186,170)	(458,473)	(382,051)	(37,684)	(26,961)
(419)	479,333	14,553	630,405	561,947	240,751	247,904
	600	220	1,000			41,512
					10,725	18,281
1,000	60,612	(14,650)	(102,287)	(96,286)		(4,000)
1,000	61,212	(14,430)	(101,287)	(96,286)	10,725	55,793
	(69,200)		(83,340)	(23,606)	(109,319)	(443,313)
	(360,000)		(360,000)	(355,000)		
	(191,434)		(191,434)	(198,585)		
	(620,634)		(634,774)	(577,191)	(109,319)	(443,313)
813	16,703	1,461	43,972	(37,947)	21,950	(10,885)
1,394	(63,386)	1,584	(61,684)	(149,477)	164,107	(150,501)
21,345	705,598	39,146	1,429,558	1,579,035	546,834	697,335
\$ 22,739	\$ 642,212	\$ 40,730	\$ 1,367,874	\$ 1,429,558	\$ 710,941	\$ 546,834
\$ 22,739	\$ 203,334	\$ 40,730	\$ 928,996	\$ 979,902	\$ 710,941	\$ 546,834
	462,468		462,468	449,656		
\$ 22,739	\$ 665,802	\$ 40,730	\$ 1,391,464	\$ 1,429,558	\$ 710,941	\$ 546,834
\$ (419)	\$ 140,359	\$ 6,231	\$ 185,052	\$ 94,686	\$ 8,133	\$ 37,234
	341,914		433,859	403,756	229,563	207,873
	40,006	13,463	70,453	59,075		
	3,145	200	5,108	24,554	8,200	6,360
	(600)	(220)	(1,000)			
	1,566	244	1,384	176	(5,145)	(3,563)
	(23,467)	(5,365)	(40,861)	(20,300)		
\$ (419)	\$ 502,923	\$ 14,553	\$ 653,995	\$ 561,947	\$ 240,751	\$ 247,904

(This Page is Left Blank Intentionally)

CITY OF CHATFIELD, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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)

1. Summary of Significant Accounting Policies (Continued)

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 and proprietary funds. Major individual governmental funds and all 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 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.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

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

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.

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 *EDA fund* accounts for the City's economic development activities.

The *revolving loan fund federal* account for the disbursements and collection of federal funds under the City's revolving loan program.

The *revolving loan fund state* account for the disbursements and collection of state funds under the City's revolving loan program.

The *fire fund* accounts for the City's fire operations and capital asset purchases of fire equipment.

The *ambulance fund* accounts for the City's ambulance operations and capital asset purchases of ambulance equipment.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

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

The *2014 Public Improvements fund* accounts for the accumulation of resources for payment of the 2014 street project.

The major proprietary funds are the water, sewer, water infrastructure, sewer infrastructure, 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.

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, 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

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Net position (continued)

Cash and Investments (continued)

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).

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 outstanding at December 31, 2014 are recognized as revenue only when received. The receivable balances in the fund financial statements are offset entirely by deferred inflow of resources until collected by the county. These offsetting balances are also not reflected in the financial statements.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, 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 estimated fair market 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.

	<u>Useful Life in Years</u>
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)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Net position (continued)

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from enterprise fund operations are accounted for in those funds.

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.”

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

Non-spendable – 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.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Net position (continued)

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 administrator.

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.

2. Stewardship, Compliance, and Accountability

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.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds

A. Summary of Cash and Investments

As of December 31, 2014, the City's cash and investments consisted of the following items, all of which are held in an internal investment pool:

Cash on hand	\$ 150
Deposits	1,888,321
Certificates of deposit	1,174,839
U.S. Government Bonds	1,409,828
Municipal Bonds	635,528
Money Market Funds	<u>128,263</u>
Total Cash and Investments	<u>\$ 5,236,929</u>

Total Cash and Investments as presented in the statement of net position:

Cash and Investments	\$ 4,774,461
Restricted Cash	<u>462,468</u>
	<u>\$ 5,236,929</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 in to 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 of 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.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

A. Summary of Cash and Investments (Continued)

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.

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.

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. 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 June 30, 2008, for which \$511,088 in Flood Recovery Funds were received and loaned to an enterprise within the City. During 2008, the City loaned Bernard Bus \$511,088 at 2% interest to help with flood recovery costs. The amount forgiven will be \$339,223 if the company continues to maintain operations in the City of Chatfield until June 30, 2018.

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.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

C. Notes Receivable (continued)

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, 2014:

	Date of Loan	Initial Loan Amount	Interest Rate	Term	Balance 12/31/14
S&K Custom Furniture	5/30/2006	\$ 40,245	5%	10 years	\$ 27,758
Bernard Bus	6/30/2008	511,088	2%	10 years	339,223
Country Craft & Gifts, LLC	7/12/2010	12,840	6%	5 years	2,744
Adourn	9/18/2012	8,490	6%	5 years	5,993
EZ Fab	7/1/2014	533,000	1%	15 years	520,099
MT Properties	10/1/2014	62,700	4%	10 years	61,409
		<u>\$ 1,168,363</u>			<u>\$ 957,226</u>

D. Capital Assets

Capital asset activity, including internal service fund capital assets, for the year ended December 31, 2014 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,158,679	\$	\$	\$ 1,158,679
Construction in process		54,024		54,024
Total capital assets, not being depreciated	<u>1,158,679</u>	<u>54,024</u>		<u>1,212,703</u>
Capital assets, being depreciated:				
Buildings	7,225,308			7,225,308
Infrastructure	6,037,930	681,953		6,719,883
Vehicles	1,531,274	31,148	29,414	1,533,008
Furniture and fixtures	315,337	35,025		350,362
Machinery and equipment	1,677,333	98,070		1,775,403
Total capital assets, being depreciated	<u>16,787,182</u>	<u>846,196</u>	<u>29,414</u>	<u>17,603,964</u>
Less accumulated depreciation for:				
Buildings	3,245,986	319,082		3,565,068
Infrastructure	2,315,329	222,278		2,537,607
Vehicles	636,789	110,933	29,414	718,308
Furniture and fixtures	151,134	16,966		168,100
Machinery and equipment	1,117,139	112,130		1,229,269
Total accumulated depreciation	<u>7,466,377</u>	<u>781,389</u>	<u>29,414</u>	<u>8,218,352</u>
Total capital assets, being depreciated, net	<u>9,320,805</u>	<u>64,807</u>		<u>9,385,612</u>
Governmental activities capital assets, net	<u>\$ 10,479,484</u>	<u>\$ 118,831</u>	<u>\$</u>	<u>\$ 10,598,315</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

D. Capital Assets (continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 60,492	\$	\$	\$ 60,492
Total capital assets, not being depreciated	60,492			60,492
Capital assets, being depreciated:				
Wastewater Treatment Facility and Distribution Machinery and equipment	14,554,024	912,781		15,466,805
Machinery and equipment	290,158	42,032		332,190
Total capital assets, being depreciated	14,844,182	954,813		15,798,995
Less accumulated depreciation for:				
Wastewater Treatment Facility and Distribution Machinery and equipment	5,351,088	415,991		5,767,079
Machinery and equipment	224,229	17,868		242,097
Total accumulated depreciation	5,575,317	433,859		6,009,176
Total capital assets, being depreciated, net	9,268,865	520,954		9,789,819
Business-type activities capital assets, net	\$ 9,329,357	\$ 520,954	\$	\$ 9,850,311

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$ 49,188
Public safety	85,881
Public works	145,476
Parks and recreation	23,817
Library	36,642
Community development	210,822
Subtotal	551,826
Internal service fund	229,563

Total depreciation expense - governmental activities \$ 781,389

Business-Type Activities:

Water Infrastructure	\$ 91,945
Sewer Infrastructure	341,914
Total depreciation expense - business-type activities	<u>\$ 433,859</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

E. *Interfund Balances and Transfers*

Transfers during the year ended December 31, 2014 were as follows:

<u>Funds</u>	Transfers In	Transfers Out
General Fund - Other	\$ 112,469	\$ 307,901
Special Revenue:		
Ambulance	49,551	43,503
EDA	60,190	
Fire capital	95,888	42,730
Cable Access		2,811
Chatfield Center for the Arts	57,272	
Debt Service:		
2004A GO Sewer Revenue and PIR Refunding Bond	18,900	
2012A Refunding Bond	104,962	
2014 GO Bond		1,696,728
Capital Project:		
2014 Public Improvements	1,696,728	
Subtotal Governmental Funds	<u>2,195,960</u>	<u>2,093,673</u>
Enterprise:		
Water		109,387
Sewer		535,388
Garbage		14,650
Water Infrastructure	70,000	108,862
Sewer Infrastructure	610,000	15,000
Sewer - No Fault Back	1,000	
Subtotal Enterprise Funds	<u>681,000</u>	<u>783,287</u>
Total Transfers	<u>\$ 2,876,960</u>	<u>\$ 2,876,960</u>

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

Governmental Funds:	
Transfers in	\$ 2,195,960
Transfers out	(2,093,673)
Capital assets transferred from Governmental Activities to Business-type activities	<u>(871,474)</u>
Government-wide Statement of Activities Transfers in/out	<u>\$ (769,187)</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

E. *Interfund Balances and Transfers (continued)*

The amounts due to and from other funds at December 31, 2014, at the individual fund level are summarized below:

Funds	Due To Other Funds	Due From Other Funds
General Fund	\$	\$ 68,110
Family Dollar TIF	13,014	
CCA Capital Projects Fund	55,096	
	\$ 68,110	\$ 68,110

At December 31, 2014, the following funds have deficit balances:

Family Dollar TIF Fund	\$	13,014
CCA Capital Projects Fund		55,096

Excess of expenditures over budgeted appropriations at the individual fund level during 2014 are as follows:

General Fund	\$	167,831
Special Revenue Funds		
Fire		30,840
Ambulance		4,089
Revolving Loan Fund		185,803

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)

F. Long-term debt

The following is a summary of changes in long-term debt obligations during the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General Obligation Bonds:					
2002A Refunding (3.0-4.9%)	\$ 40,000	\$ 4,900	\$ 10,000	\$ 30,000	\$ 10,000
2004A Sewer & Perm Improv Refunding (3.75%)	155,000		90,000	65,000	65,000
2010A Capital Improvement Refunding (2.0-3.9%)	1,185,000		75,000	1,110,000	80,000
2012 GO Crossover Refunding Bonds (2.0-2.7%)	1,990,000		115,000	1,875,000	150,000
2014A GO Bonds (2.0-2.25%)		1,725,000		1,725,000	
Plus: Unamortized premium	9,992	38,867	842	48,017	
Tax Increment Bonds:					
1999 Tax Increment (5.75%)	125,210		74,324	50,886	50,886
Total Bonds and Notes Payable	3,505,202	1,763,867	365,166	4,903,903	355,886
Other Liabilities:					
Compensated Absences	149,428		18,861	130,567	
Governmental Activities Long-term Liabilities	3,654,630	1,763,867	384,027	5,034,470	355,886
BUSINESS-TYPE ACTIVITIES					
Bonds:					
General Obligation Revenue Bonds:					
2011A Refunding Bonds (3.42%)	6,310,000		360,000	5,950,000	365,000
Less: Bond discount	(38,346)		(2,739)	(35,607)	
Other Liabilities:					
Compensated Absences	6,014	2,045		8,059	
Business-type Activities Long-term Liabilities	6,277,668	2,045	357,261	5,922,452	365,000
Total	\$ 9,932,298	\$ 1,765,912	\$ 741,288	\$ 10,956,922	\$ 720,886

The 2002A Refunding Bonds were issued to refund the 2000 General Obligation Temporary Improvement Bond and to fund improvements along Mill Creek Road. The 2004A Sewer and Permanent Improvement Refunding Bonds were issued to refund the 1998B and 1999A bonds and provide funding for a current sewer project. The 2010A Capital Improvement Refunding Bonds were issued to refund the 2001 EDA Public Project Revenue Bonds. The 2012 GO Crossover Refunding Bonds were issued to refund the 2008A General Obligation Improvement Bonds.

The 1999 Tax Increment Bonds were issued to fund public development costs within the city.

The 2011A Refunding Bonds were issued to refund the City the 2005 General Obligation Disposal System Bonds.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

F. Long-term debt (continued)

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

2012 GO Crossover Refunding Bond

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 counties have agreed to abate \$1,100,000 and the school district will abate \$454,000 of future property tax revenues generated by the project.

The annual requirements to amortize all long-term debt outstanding as of December 31, 2014, over the life of the debt, are summarized below:

Years	General Obligation Bonds		Tax Increment Bonds		General Obligation Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
<u>Governmental Activities</u>						
2015	\$ 305,000	\$ 112,581	\$ 50,886	\$ 1,447		
2016	395,000	107,345				
2017	395,000	98,688				
2018	400,000	89,946				
2019	400,000	81,206				
2020-2024	2,110,000	258,907				
2025-2028	800,000	30,590				
Totals	<u>\$ 4,805,000</u>	<u>\$ 779,261</u>	<u>\$ 50,886</u>	<u>\$ 1,447</u>		
<u>Business-Type Activities</u>						
2015					\$ 365,000	\$ 184,185
2016					370,000	176,835
2017					375,000	169,010
2018					380,000	160,135
2019					390,000	150,023
2020-2024					2,115,000	558,670
2025-2028					1,955,000	156,970
Totals					<u>\$ 5,950,000</u>	<u>\$ 1,555,828</u>

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Detailed Notes on All Funds (Continued)

F. Long-term debt (continued)

Conduit Debt Obligations (continued)

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. These notes are special limited obligations 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, 2014, remaining notes outstanding totaled \$2,818,527.

To provide financing for phase II improvements to Olmsted Medical Center, (a non-profit corporation), the City of Chatfield, Minnesota issued \$2,600,000 of Health Care Facilities Revenue Note dated April 1, 2006. These notes are special limited obligations 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, 2014, remaining notes outstanding totaled \$1,373,534.

4. Other Information

A. Defined Benefit Pension Plans - Statewide

Plan Description

All full-time and certain part-time employees of the City of Chatfield, Minnesota are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

A. Defined Benefit Pension Plans – Statewide (continued)

Plan Description (continued)

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement 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 PERF's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and for PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Other Information (Continued)

A. Defined Benefit Pension Plans – Statewide (continued)

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members are required to contribute 10.2% of their annual covered salary in 2014. The City of Chatfield, Minnesota is required to contribute the following percentages of annual covered payroll: 11.78% Basic Plan PERF, 7.25% for Coordinated Plan PERF members, 14.4% for PEPFF members. The City's contributions to Public Employees Retirement Fund for the years ending December 31, 2014, 2013, and 2012 were \$43,207, \$40,065, and \$40,635, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ended December 31, 2014, 2013, and 2012, were \$44,992, \$39,865, and \$36,813, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

B. Risk Management

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 2014.

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 2014. 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.

CITY OF CHATFIELD, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Fund Equity

Committed fund balances as of December 31, 2014 are as follows:

Committed fund balance:	
Library Fund	\$ 489,423

6. Accounting Standards Issued But Not Yet Adopted

GASB 68, *Accounting and Financial Reporting for Pensions* will be effective for the City beginning with its year ending December 31, 2015. This Statement requires the reporting of unfunded pension liabilities in the government-wide and proprietary financial statements. Management has not determined the impact adoption of this new standard will have on the City's financial position.

CITY OF CHATFIELD, MINNESOTA
COMBINING AND INDIVIDUAL NONMAJOR FUNDS
STATEMENTS AND SCHEDULES
DECEMBER 31, 2014

**CITY OF CHATFIELD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014**

Special Revenue

	211/212 Library	614 Cable Access	241 Sales tax Development	250 Chatfield Center for the Arts	251 CCA - Schmidt Foundation
ASSETS					
Cash and investments	\$ 491,557	\$ 55,935	\$ 167,266	\$ 69,370	\$ 2,706
Accounts receivable		5,993			
Due from other governmental units					
Taxes receivable - delinquent					
Special assessments receivable					
TOTAL ASSETS	\$ 491,557	\$ 61,928	\$ 167,266	\$ 69,370	\$ 2,706
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 2,134	\$ 14	\$	\$ 5,972	\$
Due to other funds					
Total Liabilities	2,134	14		5,972	
Deferred Inflows of Resources:					
Unavailable revenue:					
Property taxes					
Special assessments					
Total Deferred Inflows of Resources					
Fund Balance					
Restricted:					
Creditors (debt covenants)					
Regulations			167,266		
Committed:					
By Council resolution	489,423				
Assigned:					
Fund assignments		61,914		63,398	2,706
Unassigned:					
Total Fund Balance	489,423	61,914	167,266	63,398	2,706
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 491,557	\$ 61,928	\$ 167,266	\$ 69,370	\$ 2,706

<u>353 Pope & Young Tax Increment</u>	<u>358 Family Dollar Tax Increment</u>	<u>340 Mill Pond Townhomes Tax Increment</u>	<u>354 Lone Stone Tax Increment</u>
\$ 136	\$	\$ 477	\$ 1,700
<u>\$ 136</u>	<u>\$</u>	<u>\$ 477</u>	<u>\$ 1,700</u>
\$	\$ 13,014	\$	\$
	<u>13,014</u>		
136	(13,014)	477	1,700
<u>136</u>	<u>(13,014)</u>	<u>477</u>	<u>1,700</u>
<u>\$ 136</u>	<u>\$</u>	<u>\$ 477</u>	<u>\$ 1,700</u>

**CITY OF CHATFIELD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014**

	Debt Service			
	377	323	334	326
	1999 Tax Increment Bond	2002A Refunding Bond	2014A Bond	2004A GO Sewer and Perm Improv Refunding Bond
ASSETS				
Cash and investments	\$ 1,640	\$ 27,075	\$ 59,412	\$ 78,254
Accounts receivable				
Due from other governmental units	2,296	26		399
Taxes receivable - delinquent		20		309
Special assessment receivable		14,466		
TOTAL ASSETS	\$ 3,936	\$ 41,587	\$ 59,412	\$ 78,962
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities				
Accounts payable	\$	\$	\$	\$
Due to other funds				
Total Liabilities				
Deferred Inflows of Resources:				
Unavailable revenue:				
Property taxes		20		309
Special assessments		14,466		
Total Deferred Inflows of Resources		14,486		309
Fund Balance				
Restricted:				
Creditors (debt covenants)	3,936	27,101	59,412	78,653
Regulations				
Committed:				
By Council resolution				
Assigned:				
Fund assignments				
Unassigned:				
Total Fund Balance	3,936	27,101	59,412	78,653
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,936	\$ 41,587	\$ 59,412	\$ 78,962

Capital Projects

330	332	451	452	Total Nonmajor Governmental Funds 2014
2010A Refunding Bond	2012A Refunding Bond	2013 Flood Damage	CCA Capital Projects	
\$ 117,343	\$ 405,956	\$ 38,016	\$	\$ 1,516,843
				5,993
1,136	484			4,341
861	366			1,556
	50,000			64,466
<u>\$ 119,340</u>	<u>\$ 456,806</u>	<u>\$ 38,016</u>	<u>\$</u>	<u>\$ 1,593,199</u>
\$	\$	\$	\$	\$ 8,120
			55,096	68,110
			55,096	76,230
861	366			1,556
	50,000			64,466
<u>861</u>	<u>50,366</u>			<u>66,022</u>
118,479	406,440			694,021
		38,016		205,282
				489,423
				130,331
			(55,096)	(68,110)
<u>118,479</u>	<u>406,440</u>	<u>38,016</u>	<u>(55,096)</u>	<u>1,450,947</u>
<u>\$ 119,340</u>	<u>\$ 456,806</u>	<u>\$ 38,016</u>	<u>\$</u>	<u>\$ 1,593,199</u>

CITY OF CHATFIELD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue				
	211/212	614	241	250	251
	Library	Cable Access	Sales Tax Development	Chatfield Center for the Arts	CCA - Schmidt Foundation
REVENUES					
Property tax levy					
Property tax collected	\$ 122,824	\$	\$	\$	\$
Special assessments					
Tax increments					
Fines and forfeits	3,640				
Intergovernmental	50,150		148,772		
Franchise fees		24,456			
Charges for services		12,600		12,270	
Investment income	15,998	2,177	3,683	1,772	308
Contributions	5,754			2,805	
Miscellaneous	14,038	8,161		1,671	
TOTAL REVENUES	<u>212,404</u>	<u>47,394</u>	<u>152,455</u>	<u>18,518</u>	<u>308</u>
EXPENDITURES					
Current:					
General government		48,257			
Library	194,915				
Community development				74,529	
Debt service					
Principal retirement					
Interest and fiscal charges					
Capital outlay			38,501	586	6,102
TOTAL EXPENDITURES	<u>194,915</u>	<u>48,257</u>	<u>38,501</u>	<u>75,115</u>	<u>6,102</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,489</u>	<u>(863)</u>	<u>113,954</u>	<u>(56,597)</u>	<u>(5,794)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds					
Transfer in				57,272	
Transfer out		(2,811)			
TOTAL OTHER FINANCING SOURCES (USES)		<u>(2,811)</u>		<u>57,272</u>	
Net change in fund balances	17,489	(3,674)	113,954	675	(5,794)
FUND BALANCES, beginning	<u>471,934</u>	<u>65,588</u>	<u>53,312</u>	<u>62,723</u>	<u>8,500</u>
FUND BALANCES, ending	<u>\$ 489,423</u>	<u>\$ 61,914</u>	<u>\$ 167,266</u>	<u>\$ 63,398</u>	<u>\$ 2,706</u>

<u>353 Pope & Young Tax Increment</u>	<u>358 Family Dollar Tax Increment</u>	<u>340 Mill Pond Townhomes Tax Increment</u>	<u>354 Lone Stone Tax Increment</u>
\$	\$	\$	\$
13,810		13,889	58,053
1	(262)	13	192
<u>13,811</u>	<u>(262)</u>	<u>13,902</u>	<u>58,245</u>
13,743	12,752	13,689	58,052
<u>13,743</u>	<u>12,752</u>	<u>13,689</u>	<u>58,052</u>
<u>68</u>	<u>(13,014)</u>	<u>213</u>	<u>193</u>
68	(13,014)	213	193
<u>68</u>		<u>264</u>	<u>1,507</u>
<u>\$ 136</u>	<u>\$ (13,014)</u>	<u>\$ 477</u>	<u>\$ 1,700</u>

CITY OF CHATFIELD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Debt Service			
	377	323	334	326
	1999 Tax Increment Bond	2002A Refunding Bond	2014A Bond	2004A GO Sewer and Perm Improv Refunding Bond
REVENUES				
Property tax levy				
Property tax collected	\$	\$ 2,645	\$	\$ 40,644
Special assessments		10,803	2,508	
Tax increments	87,344			
Fines and forfeits				
Intergovernmental				
Franchise fees				
Charges for services				
Investment income	56	651	1,846	1,424
Contributions				
Miscellaneous				
TOTAL REVENUES	87,400	14,099	4,354	42,068
EXPENDITURES				
Current:				
General government				
Library				
Community development				
Debt service				
Principal retirement	74,324	10,000		90,000
Interest and fiscal charges	10,645	2,151		4,125
Capital outlay				
TOTAL EXPENDITURES	84,969	12,151		94,125
Excess (deficiency) of revenues over (under) expenditures	2,431	1,948	4,354	(52,057)
OTHER FINANCING SOURCES (USES)				
Bond proceeds			1,751,786	
Transfer in				18,900
Transfer out			(1,696,728)	
TOTAL OTHER FINANCING SOURCES (USES)			55,058	18,900
Net change in fund balances	2,431	1,948	59,412	(33,157)
FUND BALANCES, beginning	1,505	25,153		111,810
FUND BALANCES, ending	\$ 3,936	\$ 27,101	\$ 59,412	\$ 78,653

Capital Projects

330	332	451	452	Total Nonmajor Governmental Funds 2014
2010A Refunding Bond	2012A Refunding Bond	2013 Flood Damage	CCA Capital Projects	
\$ 115,592	\$ 49,336 117,949	\$	\$	\$ 331,041
				131,260
				173,096
		36,650		3,640
				235,572
				24,456
				24,870
4,563	20,252	1,366	(1,072)	52,968
				8,559
				23,870
<u>120,155</u>	<u>187,537</u>	<u>38,016</u>	<u>(1,072)</u>	<u>1,009,332</u>
				48,257
				194,915
			54,024	226,789
75,000	115,000			364,324
39,148	52,684			108,753
				45,189
<u>114,148</u>	<u>167,684</u>		<u>54,024</u>	<u>988,227</u>
<u>6,007</u>	<u>19,853</u>	<u>38,016</u>	<u>(55,096)</u>	<u>21,105</u>
				1,751,786
	104,962			181,134
				(1,699,539)
	<u>104,962</u>			<u>233,381</u>
6,007	124,815	38,016	(55,096)	254,486
<u>112,472</u>	<u>281,625</u>			<u>1,196,461</u>
<u>\$ 118,479</u>	<u>\$ 406,440</u>	<u>\$ 38,016</u>	<u>\$ (55,096)</u>	<u>\$ 1,450,947</u>

**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, 2014

With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Charges for services	\$ 19,000	\$ 19,000	\$ 12,270	\$ (6,730)	\$ 21,212
Investment income	200	200	1,772	1,572	2,051
Donations			2,805	2,805	7,680
Miscellaneous	1,900	1,900	1,671	(229)	2,723
TOTAL REVENUES	21,100	21,100	18,518	(2,582)	33,666
EXPENDITURES					
Repairs and maintenance	7,200	7,200	4,405	2,795	3,106
Professional Services	12,200	12,200	11,350	850	13,100
Utilities	33,022	33,022	41,490	(8,468)	33,003
Miscellaneous	26,538	26,538	17,284	9,254	17,224
Capital outlay			586	(586)	4,337
TOTAL EXPENDITURES	78,960	78,960	75,115	3,845	70,770
Excess (deficiency of revenues over (under) expenditures	(57,860)	(57,860)	(56,597)	1,263	(37,104)
OTHER FINANCING SOURCES					
Transfers in	57,272	57,272	57,272		22,272
Net change in fund balances	(588)	(588)	675	1,263	(14,832)
FUND BALANCES, beginning	62,723	62,723	62,723		77,555
FUND BALANCES, ending	\$ 62,135	\$ 62,135	\$ 63,398	\$ 1,263	\$ 62,723

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

For the Year Ended December 31, 2014

With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		211	212	2014	Variance with	2013
	Original	Final	Library	Library Endowment	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
REVENUES							
Property tax levy	\$ 122,824	\$ 122,824	\$ 122,824	\$	\$ 122,824	\$	\$ 116,050
Intergovernmental revenues	49,718	49,718	50,150		50,150	432	49,329
Library fines	3,670	3,670	3,640		3,640	(30)	3,522
Investment income	9,400	9,400	2,664	13,334	15,998	6,598	21,003
Contributions			4,259	1,495	5,754	5,754	6,166
Miscellaneous	3,180	3,180	14,038		14,038	10,858	15,062
TOTAL REVENUES	188,792	188,792	197,575	14,829	212,404	23,612	211,132
EXPENDITURES							
Library							
Salaries	94,959	94,959	96,303		96,303	(1,344)	88,932
Employee benefits and retirement	13,959	13,959	13,336		13,336	623	12,493
Workers compensation	680	680	564		564	116	762
Health insurance	17,040	17,040	17,571		17,571	(531)	15,273
Travel	645	645	340		340	305	212
Office supplies and postage	1,800	1,800	1,964		1,964	(164)	1,698
Operating supplies/small tools	2,300	2,300	15,450		15,450	(13,150)	11,007
Insurance	4,000	4,000	3,881		3,881	119	3,821
Utilities	5,400	5,400	5,703		5,703	(303)	5,332
Maintenance and repair	8,673	8,673	8,689		8,689	(16)	12,077
Telephone	1,500	1,500	1,626		1,626	(126)	1,450
Cleaning services	950	950	587		587	363	794
Capital outlay	18,500	18,500	15,866		15,866	2,634	18,327
Other	12,986	12,986	13,035		13,035	(49)	11,397
TOTAL EXPENDITURES	183,392	183,392	194,915		194,915	(11,523)	183,575
Excess (deficiency) of revenues over (under) expenditures	5,400	5,400	2,660	14,829	17,489	12,089	27,557
OTHER FINANCING SOURCES (USES)							
Transfers in							4,300
Transfers out							(4,300)
Net change in fund balances	5,400	5,400	2,660	14,829	17,489	12,089	27,557
FUND BALANCES, beginning	471,934	471,934	97,318	374,616	471,934		444,377
FUND BALANCES, ending	\$ 477,334	\$ 477,334	\$ 99,978	\$ 389,445	\$ 489,423	\$ 12,089	\$ 471,934

CITY OF CHATFIELD, MINNESOTA
INTERNAL SERVICE FUND
Statements of Net Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 710,941	\$ 546,834
Accounts receivable		8,200
Total Current Assets	710,941	555,034
Noncurrent Assets		
Capital assets:		
Depreciable	3,993,889	3,256,556
Less: Accumulated depreciation	1,904,643	1,704,494
Net capital assets	2,089,246	1,552,062
Total Assets	2,800,187	2,107,096
LIABILITIES		
Current Liabilities		
Accounts payable	65	5,210
NET POSITION		
Invested in capital assets	2,089,246	1,552,062
Unrestricted	710,876	549,824
Total Net Postion	\$ 2,800,122	\$ 2,101,886

CITY OF CHATFIELD, MINNESOTA
INTERNAL SERVICE FUND
Statements of Revenues, Expenses
and Changes in Fund Net Position
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Departmental capital charge	<u>\$ 270,235</u>	<u>\$ 268,505</u>
Operating Expenses		
Depreciation	229,563	207,873
Repairs	26,994	13,413
Minor equipment	5,545	7,625
Engineering fees		2,360
Total Operating Expenses	<u>262,102</u>	<u>231,271</u>
Operating Income	<u>8,133</u>	<u>37,234</u>
Nonoperating Revenues (Expenses)		
Interest income	21,950	(10,885)
Intergovernmental		41,512
Miscellaneous	<u>10,725</u>	<u>18,282</u>
Total Nonoperating Revenues (Expenses)	<u>32,675</u>	<u>48,909</u>
INCOME BEFORE TRANSFERS	40,808	86,143
Capital contributions	657,428	
Transfers out		<u>(4,000)</u>
CHANGE IN NET POSITION	698,236	82,143
NET POSITION - BEGINNING OF YEAR	<u>2,101,886</u>	<u>2,019,743</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,800,122</u></u>	<u><u>\$ 2,101,886</u></u>

CITY OF CHATFIELD, MINNESOTA
INTERNAL SERVICE FUND
Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities		
Cash received from other departments	\$ 278,435	\$ 274,865
Cash paid to suppliers	(37,684)	(26,961)
Net Cash Provided by Operating Activities	240,751	247,904
Cash Flows From Noncapital Financing Activities		
Intergovernmental		41,512
Miscellaneous	10,725	18,281
Transfer in/out		(4,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	10,725	55,793
Capital and Related Financing Activities		
Capital asset acquisitions	(109,319)	(443,313)
Net Cash (Used In) Capital and Related Financing Activities	(109,319)	(443,313)
Cash Flows From Investing Activities		
Investment income received	21,950	(10,885)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	164,107	(150,501)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	546,834	697,335
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 710,941	\$ 546,834

**RECONCILIATION OF OPERATING INCOME
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 8,133	\$ 37,234
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	229,563	207,873
(Increase) Decrease in:		
Accounts receivable	8,200	6,360
Increase (Decrease) in:		
Accounts payable	(5,145)	(3,563)
Net Cash Provided By Operating Activities	\$ 240,751	\$ 247,904

CITY OF CHATFIELD, MINNESOTA
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
WATER FUND
Statements of Net Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 573,753	\$ 559,890
Accounts receivable, net	19,776	19,776
Special assessments receivable	7,347	7,330
Special assessments delinquent	987	1,167
Total Current Assets	601,863	588,163
 LIABILITIES		
Current Liabilities		
Accounts payable	2,437	2,863
Accrued liabilities	4,022	16,051
Total Current Liabilities	6,459	18,914
 NET POSITION		
Unrestricted	\$ 595,404	\$ 569,249

**CITY OF CHATFIELD, MINNESOTA
 PROPRIETARY FUNDS
 WATER FUND**

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

For the Year Ended December 31, 2014

With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Operating Revenue					
Service fees	\$ 219,700	\$ 219,700	\$ 230,272	\$ 10,572	\$ 227,637
Operating Expenses					
Salaries	47,200	47,200	44,428	2,772	46,659
Employee benefits and retirement	6,960	6,960	8,239	(1,279)	6,953
Workers compensation	2,000	2,000	1,907	93	2,255
Supplies	11,300	11,300	7,687	3,613	8,626
Utilities	15,000	15,000	18,619	(3,619)	17,648
Maintenance and repairs			28,897	(28,897)	13,838
Travel and training	350	350	899	(549)	410
Professional fees	12,900	12,900	12,451	449	12,010
Office expense	1,500	1,500	1,213	287	1,393
Insurance	3,500	3,500	3,314	186	3,487
Departmental capital charge	200	200	400	(200)	400
Other	4,305	4,305	4,851	(546)	5,706
Total Operating Expenses	105,215	105,215	132,905	(27,690)	119,385
Operating Income	114,485	114,485	97,367	(17,118)	108,252
Nonoperating Revenues (Expenses)					
Investment income	10,000	10,000	21,191	11,191	(17,843)
Refunds and reimbursements			5,542	5,542	765
Penalties and discounts			778	778	792
Special assessments	7,000	7,000	10,664	3,664	9,309
Total Nonoperating Revenues (Expenses)	17,000	17,000	38,175	21,175	(6,977)
INCOME BEFORE TRANSFERS	131,485	131,485	135,542	4,057	101,275
Transfers out	(109,387)	(109,387)	(109,387)		(108,240)
CHANGE IN NET POSITION	22,098	22,098	26,155	4,057	(6,965)
NET POSITION - BEGINNING OF YEAR	569,249	569,249	569,249		576,214
NET POSITION - END OF YEAR	\$ 591,347	\$ 591,347	\$ 595,404	\$ 4,057	\$ 569,249

CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
SEWER FUND
Statements of Net Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 174,988	\$ 233,331
Accounts receivable, net	54,517	54,517
Special assessments receivable	24,488	24,433
Special assessments delinquent	3,289	3,889
Total Current Assets	257,282	316,170
 LIABILITIES		
Current Liabilities		
Accounts payable	7,201	4,859
Accrued liabilities	4,037	27,504
Total Current Liabilities	11,238	32,363
 NET POSITION		
Unrestricted	\$ 246,044	\$ 283,807

**CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
SEWER FUND**

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

For the Year Ended December 31, 2014

With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Operating Revenue					
Service fees	\$ 658,000	\$ 658,000	\$ 697,914	\$ 39,914	\$ 659,225
Operating Expenses					
Salaries	80,000	80,000	71,005	8,995	111,938
Employee benefits and retirement	13,305	13,305	12,337	968	15,596
Health insurance	15,255	15,255	20,863	(5,608)	14,674
Workers compensation	5,300	5,300	3,660	1,640	5,797
Supplies	8,980	8,980	11,584	(2,604)	6,713
Utilities	38,778	38,778	34,965	3,813	33,359
Maintenance and repairs	45,500	45,500	47,880	(2,380)	33,009
Travel and training	3,500	3,500	1,847	1,653	1,906
Professional fees	22,865	22,865	16,883	5,982	14,797
Office expense	2,884	2,884	3,235	(351)	3,819
Insurance	13,500	13,500	12,130	1,370	10,566
Departmental capital charge	550	550	550		400
Other	15,380	15,380	14,923	457	16,571
Total Operating Expenses	<u>265,797</u>	<u>265,797</u>	<u>251,862</u>	<u>13,935</u>	<u>269,145</u>
Operating Income	<u>392,203</u>	<u>392,203</u>	<u>446,052</u>	<u>53,849</u>	<u>390,080</u>
Nonoperating Revenues (Expenses)					
Investment income	5,000	5,000	11,567	6,567	(10,116)
Refunds and reimbursements			1,480	1,480	2,215
Penalties and discounts	1,000	1,000	2,635	1,635	2,665
Special assessments	<u>25,000</u>	<u>25,000</u>	<u>35,891</u>	<u>10,891</u>	<u>31,605</u>
Total Nonoperating Revenues (Expenses)	<u>31,000</u>	<u>31,000</u>	<u>51,573</u>	<u>20,573</u>	<u>26,369</u>
INCOME BEFORE TRANSFERS	<u>423,203</u>	<u>423,203</u>	<u>497,625</u>	<u>74,422</u>	<u>416,449</u>
Transfers out	<u>(485,388)</u>	<u>(485,388)</u>	<u>(535,388)</u>	<u>(50,000)</u>	<u>(439,240)</u>
CHANGE IN NET POSITION	<u>(62,185)</u>	<u>(62,185)</u>	<u>(37,763)</u>	<u>24,422</u>	<u>(22,791)</u>
NET POSITION - BEGINNING OF YEAR	<u>283,807</u>	<u>283,807</u>	<u>283,807</u>		<u>306,598</u>
NET POSITION - END OF YEAR	<u>\$ 221,622</u>	<u>\$ 221,622</u>	<u>\$ 246,044</u>	<u>\$ 24,422</u>	<u>\$ 283,807</u>

**CITY OF CHATFIELD, MINNESOTA
 PROPRIETARY FUNDS
 WATER INFRASTRUCTURE FUND
 Statements of Net Position
 December 31, 2014 and 2013**

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 111,179	\$ 124,924
Accounts receivable		1,600
Total Current Assets	111,179	126,524
Property and Equipment		
Nondepreciable	30,246	30,246
Depreciable	3,525,994	3,053,183
Less: Accumulated depreciation	1,007,212	915,267
Property, Plant and Equipment, Net	2,549,028	2,168,162
Total Assets	2,660,207	2,294,686
NET POSITION		
Invested in capital assets	2,549,028	2,168,162
Unrestricted	111,179	126,524
Total Net Postion	\$ 2,660,207	\$ 2,294,686

CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
WATER INFRASTRUCTURE FUND
Statement of Revenues, Expenses
and Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Operating Revenue					
Connection charges	\$ 3,200	\$ 3,200	\$ 40,940	\$ 37,740	\$ 5,032
Operating Expenses					
Depreciation			91,945	(91,945)	82,771
Departmental capital charge	7,900	7,900	7,900		7,900
Total Operating Expenses	7,900	7,900	99,845	(91,945)	90,671
Operating Income	(4,700)	(4,700)	(58,905)	54,205	(85,639)
Nonoperating Revenues (Expenses)					
Investment income	5,000	5,000	4,617	(383)	(4,631)
INCOME (LOSS) BEFORE CONTRIBUTED CAPITAL AND TRANSFERS	300	300	(54,288)	(54,588)	(90,270)
Contributed capital			458,671	458,671	
Transfer in	70,000	70,000	70,000		118,770
Transfers out	(108,862)	(108,862)	(108,862)		(107,777)
Total Other Financing Sources (Uses)	(38,862)	(38,862)	419,809	458,671	10,993
CHANGE IN NET POSITION	(38,562)	(38,562)	365,521	404,083	(79,277)
NET POSITION - BEGINNING OF YEAR	2,294,686	2,294,686	2,294,686		2,373,963
NET POSITION - END OF YEAR	\$ 2,256,124	\$ 2,256,124	\$ 2,660,207	\$ 404,083	\$ 2,294,686

**CITY OF CHATFIELD, MINNESOTA
 PROPRIETARY FUNDS
 SEWER INFRASTRUCTURE FUND
 Statement of Net Position
 December 31, 2014 and 2013**

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 5,607	\$ 1,266
Restricted cash	462,468	449,656
Accounts receivable		2,600
Total Current Assets	468,075	453,522
Property and Equipment		
Nondepreciable	30,246	30,246
Depreciable	12,273,001	11,790,999
Less: Accumulated depreciation	5,001,964	4,660,050
Property, Plant and Equipment, Net	7,301,283	7,161,195
Total Assets	7,769,358	7,614,717
LIABILITIES		
Current Liabilities		
Current maturities of bonds payable	365,000	360,000
Accounts payable		776
Accrued interest payable	78,222	81,220
Total Current Liabilities	443,222	441,996
Noncurrent Liabilities		
Bonds payable, net of current maturities	5,549,393	5,911,654
Total Liabilities	5,992,615	6,353,650
NET POSITION		
Net investment in capital assets	1,849,358	1,339,197
Unrestricted	(72,615)	(78,130)
Total Net Position	\$ 1,776,743	\$ 1,261,067

CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
SEWER INFRASTRUCTURE FUND
Statement of Revenues, Expenses
and Changes in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Operating Revenue					
Connection fees	\$ 5,200	\$ 5,200	\$ 20,350	\$ 15,150	\$ 7,375
Access fees			23,590	23,590	
Total Operating Revenues	5,200	5,200	43,940	38,740	7,375
Operating Expenses					
Maintenance and repairs			200	(200)	834
Departmental capital charge			7,100	(7,100)	7,100
Depreciation			341,914	(341,914)	320,985
Total Operating Expenses			349,214	(349,214)	328,919
Operating Income (Loss)	5,200	5,200	(305,274)	(310,474)	(321,544)
Nonoperating Revenues (Expenses)					
Investment income			4,323	4,323	(3,696)
Interest expense	(191,436)	(191,436)	(191,176)	260	(198,367)
Total Nonoperating Revenue (Expense)	(191,436)	(191,436)	(186,853)	4,583	(202,063)
INCOME (LOSS) BEFORE CONTRIBUTED CAPITAL AND TRANSFERS	(186,236)	(186,236)	(492,127)	(305,891)	(523,607)
Contributed capital			412,803	412,803	
Transfer in	550,035	550,035	610,000	59,965	506,257
Transfers out	(15,000)	(15,000)	(15,000)		(57,841)
Total Other Financing Sources (Uses)	535,035	535,035	1,007,803	472,768	448,416
CHANGE IN NET POSITION	348,799	348,799	515,676	166,877	(75,191)
NET POSITION - BEGINNING OF YEAR	1,261,067	1,261,067	1,261,067		1,336,258
NET POSITION - END OF YEAR	\$ 1,609,866	\$ 1,609,866	\$ 1,776,743	\$ 166,877	\$ 1,261,067

CITY OF CHATFIELD, MINNESOTA
PROPRIETARY FUNDS
GARBAGE FUND
Statement of Net Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 40,730	\$ 39,146
Accounts receivable, net	13,109	13,109
Special assessments receivable	8,979	8,959
Special assessments delinquent	1,206	1,426
Total Current Assets	64,024	62,640
 LIABILITIES		
Current Liabilities		
Accounts payable	14,011	13,767
Accrued liabilities		5,365
Total Current Liabilities	14,011	19,132
 NET POSITION		
Unrestricted	\$ 50,013	\$ 43,508

CITY OF CHATFIELD, MINNESOTA
GARBAGE FUND
Schedule of Revenues, Expenditures
and Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget - Positive (Negative)	2013 Actual Amounts
	Original	Final			
Operating Revenue					
Charges for Services	\$ 178,000	\$ 178,000	\$ 187,280	\$ 9,280	\$ 185,272
Operating Expenses					
Waste Removal					
Garbage removal	145,000	145,000	151,145	(6,145)	153,557
City cleanup	12,000	12,000	14,090	(2,090)	11,667
Supplies	650	650	414	236	454
Maintenance and repairs	1,600	1,600	1,771	(171)	1,295
Office expense	1,300	1,300	1,277	23	1,269
Departmental capital charge	200	200	200		200
Other	12,275	12,275	12,152	123	12,657
Total Operating Expenses	173,025	173,025	181,049	(8,024)	181,099
Operating Income	4,975	4,975	6,231	1,256	4,173
Nonoperating Revenue					
Investment income			1,461	1,461	(1,101)
Special assessments	10,000	10,000	13,463	3,463	11,724
Total Nonoperating Revenue	10,000	10,000	14,924	4,924	10,623
Income (loss) before transfers	14,975	14,975	21,155	6,180	14,796
Transfers out	(14,650)	(14,650)	(14,650)		(14,215)
CHANGE IN NET POSITION	325	325	6,505	6,180	581
NET POSITION - BEGINNING OF YEAR	43,508	43,508	43,508		42,927
NET POSITION - END OF YEAR	\$ 43,833	\$ 43,833	\$ 50,013	\$ 6,180	\$ 43,508

(This Page Left Blank Intentionally)

AUDITOR'S REPORT ON LEGAL COMPLIANCE

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, 2014 and have issued our report thereon dated March 26, 2015.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

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 *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. However, our audit was not directed primarily toward procedures, other matters may have come to our attention regarding the City of Chatfield, Minnesota, Minnesota's noncompliance with the above referenced provisions.

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 is not intended to be, and should not be, used by anyone other than those specified parties.

Smith, Schaffer and Associates, Ltd.

Rochester, Minnesota
March 26, 2015

**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.

Quick Search

Enter CUSIP or Name



ADVANCED SEARCH

BROWSE ISSUERS

FIND 529 PLANS

MARKET ACTIVITY ▾

EMMA HELP

Home > Muni Search > Search Results > Issuer Details > Issue Details

Issue Details

CHATFIELD, MINNESOTA GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN REFUNDING BONDS SERIES 2010 A (MN)

CHATFIELD MINN REF-CAP IMPT-SER A (MN)*

Dated Date: 05/01/2010

Underwriting Spread Amount: Disclosed in Official Statement

Closing Date: 05/27/2010

Maturities and issue-related documents

View all maturities of an issue and download the official statement and other documents available from EMMA for this issue. Click on a CUSIP number for security-specific data, including trade price data.

➔ View issuer homepage ^{Pilot}: CHATFIELD MINN | ➔ See other issues by this issuer | ➔ Return to search results

Securities | Official Statement | Continuing Disclosure | Trade Activity

View continuing disclosure or advance refunding document, which provides important information about the security after initial issuance.

FINANCIAL INFORMATION & DOCUMENTS

Collapse ▲

Most Recent		
	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

Links to former NRMSIRs

For continuing disclosure documents produced prior to July 1, 2009, contact one of the following organizations:

- Bloomberg L.P.
- DPC Data
- Interactive Data Pricing and Reference Data
- Standard & Poor's

Annual Financial Information and Operating Data

CD Report - Yr End 2014 - Chatfield MN for the year ended 12/31/2014 Document2 posted 09/14/2015 (752 KB)	details
CD Report - Yr End 2014 - Chatfield MN for the year ended 12/31/2014 Document1 posted 09/14/2015 (383 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
Official Statement - City of Chatfield - 2012A for the year ended 12/31/2011 Document2 posted 12/21/2012 (8.5 MB)	details
Official Statement - City of Chatfield - 2012A for the year ended 12/31/2011 Document1 posted 12/21/2012 (379 KB)	details
OS - Chatfield MN - 2011A FINAL for the year ended 12/31/2010 Document2 posted 12/29/2011 (769 KB)	details
OS - Chatfield MN - 2011A FINAL for the year ended 12/31/2010 Document1 posted 12/29/2011 (9.1 MB)	details

Audited Financial Statements or CAFR

2014 Audit - Chatfield MN for the year ended 12/31/2014 posted 09/14/2015 (752 KB)	details
2014 Audit - Chatfield MN for the year ended 12/31/2014 posted 09/14/2015 (383 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
2012 Audited Financial Statement for the year ended 12/31/2012 posted 12/02/2013 (369 KB)	details
2011 Audited Financial Statement for the year ended 12/31/2011 posted 12/21/2012 (8.5 MB)	details

[2011 Audited Financial Statement for the year ended 12/31/2011 posted 12/21/2012 \(379 KB\)](#)

[details](#)

[2010 Audit for the year ended 12/31/2010 posted 12/29/2011 \(769 KB\)](#)

[details](#)

[2010 Audit for the year ended 12/31/2010 posted 12/29/2011 \(9.1 MB\)](#)

[details](#)

EVENT NOTICES

[Collapse](#)▲

The MSRB began collecting continuing disclosures on July 1, 2009. No event notices have been received for this security.

[View Document Archive](#)

NOTICE: * CUSIP numbers and certain related descriptive information are copyrighted by the [American Bankers Association \(ABA\)](#) and are used with permission from the [CUSIP Service Bureau](#) managed on behalf of the ABA by Standard & Poor's. © 2016 ABA See [EMMA's Terms and Conditions of Use](#) for a description of proprietary rights in and restrictions on use of such data. "CUSIP" is a registered trademark of ABA.



[About EMMA](#) | [Sitemap](#) | [Privacy Policy](#) | [Terms of Use](#) | [MSRB.org](#) | [MSRB Systems Status](#)

© 2016 Municipal Securities Rulemaking Board (MSRB)

EMMA is a service of the Municipal Securities Rulemaking Board, which protects investors, state and local governments, and the public interest. Portions of EMMA data provided by [Standard & Poor's Securities Evaluations, Inc.](#), [CUSIP Service Bureau](#) & [American Bankers Association](#).

Ratings data are provided by the following and are reprinted with permission, and copyright notices for the respective owners are as follows: Copyright © 2016, Fitch, Inc. All rights reserved. Copyright © 2016, Kroll Bond Rating Agency, Inc., and/or its licensors and affiliates (together, "KBRA"). All rights reserved. Copyright © 2016, Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. Copyright © 2016, [Standard and Poor's Financial Services LLC](#). All rights reserved.

1.0.1243-241-P



Submission ID:ER779409
10/26/2016 11:23:00

CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: Final OS for CD Report - 2016A Bonds - Chatfield MN, for the year ended 12/31/2015

Documents

Financial Operating Filing

Final OS for CD Report - 2016A Bonds - Chatfield MN.pdf posted 10/26/2016

The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
161807	MN	CHATFIELD MINN

The following 61 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
161807NJ7	12/01/2010
161807NK4	12/01/2011
161807NL2	12/01/2012
161807NM0	12/01/2013
161807NN8	12/01/2014
161807NP3	12/01/2016
161807NQ1	12/01/2018
161807NR9	12/01/2020
161807NS7	12/01/2022
161807NT5	12/01/2024
161807NU2	12/01/2026
161807NV0	02/01/2012

161807NW8	02/01/2013
161807NX6	02/01/2014
161807NY4	02/01/2015
161807NZ1	02/01/2016
161807PA4	02/01/2017
161807PB2	02/01/2018
161807PC0	02/01/2019
161807PD8	02/01/2020
161807PE6	02/01/2021
161807PF3	02/01/2022
161807PG1	02/01/2023
161807PH9	02/01/2024
161807PJ5	02/01/2025
161807PK2	02/01/2026
161807PL0	02/01/2028
161807PM8	02/01/2014
161807PN6	02/01/2015
161807PP1	02/01/2016
161807PQ9	02/01/2017
161807PR7	02/01/2018
161807PS5	02/01/2019
161807PT3	02/01/2020
161807PU0	02/01/2021
161807PV8	02/01/2022
161807PW6	02/01/2023
161807PX4	02/01/2024
161807PY2	02/01/2025
161807PZ9	02/01/2026
161807QA3	02/01/2027
161807QB1	02/01/2016
161807QC9	02/01/2017
161807QD7	02/01/2018
161807QE5	02/01/2019
161807QF2	02/01/2020
161807QG0	02/01/2021
161807QH8	02/01/2022
161807QJ4	02/01/2023
161807QK1	02/01/2024
161807QL9	02/01/2025
161807QM7	02/01/2019
161807QN5	02/01/2020
161807QP0	02/01/2021

161807QQ8	02/01/2022
161807QR6	02/01/2023
161807QS4	02/01/2024
161807QT2	02/01/2025
161807QU9	02/01/2026
161807QV7	02/01/2027
161807QW5	02/01/2028

Issuer's Contact Information

Company: City of Chatfield and Chatfield EDA

Name: Kay Coe

Address: 21 Second St. SE

City, State Zip: Chatfield, MN 55923-1204

Phone Number: 507-867-3810

Email: kcoe@ci.chatfield.mn.us

Obligor's Contact Information

Company: City of Chatfield and Chatfield EDA

Name: Kay Coe

Address: 21 Second St. SE

City, State Zip: Chatfield, MN 55923-1204

Phone Number: 507-867-3810

Email: kcoe@ci.chatfield.mn.us

© 2016 Municipal Securities Rulemaking Board (MSRB)



Submission ID:ER779404
10/26/2016 11:20:50

CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)
FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Audited Financial Statements or CAFR: 2015 Audit - Chatfield MN, for the year ended 12/31/2015

Documents

Financial Operating Filing

2015 Audit - Chatfield MN.pdf posted 10/26/2016

The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
161807	MN	CHATFIELD MINN

The following 61 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
161807NJ7	12/01/2010
161807NK4	12/01/2011
161807NL2	12/01/2012
161807NM0	12/01/2013
161807NN8	12/01/2014
161807NP3	12/01/2016
161807NQ1	12/01/2018
161807NR9	12/01/2020
161807NS7	12/01/2022
161807NT5	12/01/2024
161807NU2	12/01/2026
161807NV0	02/01/2012
161807NW8	02/01/2013

161807NX6	02/01/2014
161807NY4	02/01/2015
161807NZ1	02/01/2016
161807PA4	02/01/2017
161807PB2	02/01/2018
161807PC0	02/01/2019
161807PD8	02/01/2020
161807PE6	02/01/2021
161807PF3	02/01/2022
161807PG1	02/01/2023
161807PH9	02/01/2024
161807PJ5	02/01/2025
161807PK2	02/01/2026
161807PL0	02/01/2028
161807PM8	02/01/2014
161807PN6	02/01/2015
161807PP1	02/01/2016
161807PQ9	02/01/2017
161807PR7	02/01/2018
161807PS5	02/01/2019
161807PT3	02/01/2020
161807PU0	02/01/2021
161807PV8	02/01/2022
161807PW6	02/01/2023
161807PX4	02/01/2024
161807PY2	02/01/2025
161807PZ9	02/01/2026
161807QA3	02/01/2027
161807QB1	02/01/2016
161807QC9	02/01/2017
161807QD7	02/01/2018
161807QE5	02/01/2019
161807QF2	02/01/2020
161807QG0	02/01/2021
161807QH8	02/01/2022
161807QJ4	02/01/2023
161807QK1	02/01/2024
161807QL9	02/01/2025
161807QM7	02/01/2019
161807QN5	02/01/2020
161807QP0	02/01/2021
161807QQ8	02/01/2022

161807QR6	02/01/2023
161807QS4	02/01/2024
161807QT2	02/01/2025
161807QU9	02/01/2026
161807QV7	02/01/2027
161807QW5	02/01/2028

Issuer's Contact Information

Company: City of Chatfield and Chatfield EDA

Name: Kay Coe

Address: 21 Second St. SE

City, State Zip: Chatfield, MN 55923-1204

Phone Number: 507-867-3810

Email: kcoe@ci.chatfield.mn.us

Obligor's Contact Information

Company: City of Chatfield and Chatfield EDA

Name: Kay Coe

Address: 21 Second St. SE

City, State Zip: Chatfield, MN 55923-1204

Phone Number: 507-867-3810

Email: kcoe@ci.chatfield.mn.us

© 2016 Municipal Securities Rulemaking Board (MSRB)