

CITY OF CHATFIELD CITY COUNCIL

AGENDA

City Council Chambers - 21 SE Second Street, Chatfield, MN 55923

July 13, 2026, 7:00 P.M.

Notice is hereby given that some City Council members may be participating in the meeting by interactive technology.

- I. Open Meeting
Roll Call
- II. Pledge of Allegiance
- III. Approve Agenda - Additions or Corrections
- IV. Consent Agenda
Motion to approve the consent agenda as presented.
 - a. [2026 06 22 Regular Council Meeting Minutes](#)
 - b. [Accounts Payable Claims Listings](#)
 - c. [Resolution 2026-61 Accepting Library Donations](#)
 - d. [Resolution 2026-62 - A Resolution Granting Approval of a new Off-sale Liquor License](#)
 - e. [Resolution 2026-63 - a Resolution Appointing City of Chatfield Election Judges for the August 11, 2026 Primary Election](#)
 - f. [Resolution 2026-64 Accepting Fire Department Donations](#)
 - g. [Resolution 2026-65 Accepting Ambulance Donations](#)
 - h. [2025 Financial Statement.](#)
 - [CohnReznick has confirmed the filing with the State Auditors office for compliance](#)
 - [Annual Financial Statement Review | Administrative Dashboard](#)
 - i. [Approve a pay-step increase for Beth Carlson to Grade 8, Step 6 effective on the employment anniversary](#)
 - j. [Maintenance Agreement with Olmsted Co](#)
- V. New Business
 - a. [Southern Minnesota Initiative Foundation - Aaron Johnson](#)
 - b. [MN Driftless Hiking Trail Signage Proposal](#)
Motion to approve placement of the signs as requested.
- VI. Committee Reports
 - a. [Personnel Budget Committee](#)
July 13, 2026 Meeting Packet

- b. [Public Works Committee](#)
July 13, 2026 Meeting Packet

VII. Mayor's Report

VIII. City Administrator's Report

IX. Roundtable

X. Next Meetings

Monday, July 27, 2026: Public Services Committee (4:30 p.m.), Park & Recreation Committee (5:30 p.m.), City Council (7:00 p.m.)

XI. Adjourn



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: 2026 06 22 Regular Council Meeting Minutes

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[2026.06.22 Regular Meeting.pdf](#)

**CITY OF CHATFIELD
COMMON COUNCIL
MEETING MINUTES**

Monday, June 22, 2026

The Common Council of the City of Chatfield met in regular session on Monday, June 22, 2026. Mayor John McBroom presided and called the regular meeting to order at 7:00 PM

Members Present: Paul Novotny, Mike Urban, Dave Frank, and John McBroom.

Members absent: Josh Broadwater, and Pam Bluhm.

Others Present: Karen Reisner, Gretchen Lovejoy-Mensink, Scott Keigley, Brian Burkholder, Fred Suhler Jr., Lynda Karver, Alison Bentley, Michele Peterson, and Beth Carlson.

Approve Agenda – Additions or Corrections

Dave Frank entered a motion, with a second by Paul Novotny, to approve the agenda as presented.

Ayes: Councilors: Novotny, Urban, and Frank

Nays: None

Absent: Councilors: Broadwater, and Bluhm

Motion carried.

Consent Agenda

Paul Novotny entered a motion, with a second by Dave Frank, to adopt the consent agenda which included the following items:

1. Approval of minutes from the June 6, 2026 Regular Meeting

Accounts Payable Claims Listings which included:

Batch Name	Amount
2026 06FA02	\$107,360.32
2026 06FA02U	\$23,654.79
2. 2026 0604VNDPR	\$40,287.99
2026 06ADM01	\$654.30
2026 0618PR EE Exp Reimb	\$560.60
Total	\$172,518.00

3. Resolution 2026-59 Accepting Annual Ambulance Donations June-02
4. Resolution 2026-60 - A Resolution Granting Approval of an Amendment to the VFW Club Liquor License
5. 2026 Land Lease - E&J Underground

Ayes: Councilors: Novotny, Urban, and Frank

Nays: None

Absent: Councilors: Broadwater, and Bluhm

Motion carried.

New Business

RFP for Legal Services

The City of Chatfield, is requesting proposals from qualified attorneys or law firms to provide City Attorney / municipal legal services, including civil legal services and related representation, as authorized by law.

Mike Urban entered a motion, with a second by Paul Novotny, to approve the Request for Proposal for a City Attorney as presented and authorize its publication.

Ayes: Councilors: Novotny, Urban, and Frank

Nays: None

Absent: Councilors: Broadwater, and Bluhm

Motion carried.

Committee Reports

Committee of the Whole

Topics discussed included City Park Restrooms and Flag Display.

Mayor's Report

Mayor John McBroom commented on summer safety concerns, noting increased activity with children around town and emphasizing that stop signs are meant for stopping, as people have been observed running through stop signs.

City Administrator's Report

City Administration, Michele Peterson provided an update on the fire truck that had been out of commission, reporting it returned to service on Friday with a repair bill reduced from \$34,000 to \$19,999.99 by North Central International.

Peterson also mentioned the League of Minnesota Cities annual conference occurring that week with several staff members attending.

Roundtable

Councilors expressed concerns over young people driving golf carts around town and lawns not being cut.

Remember: you need to be 16 years old, with a driver's license, and a registered golf cart to be driving a gold cart on city streets.

Adjourn

Mike Urban entered a motion, with a second by Dave Frank, to adjourn at 7:05 pm.

Ayes: Councilors: Novotny, Urban, and Frank

Nays: None

Absent: Councilors: Broadwater, and Bluhm

Motion carried.

/s/Beth M Carlson
City Clerk



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Accounts Payable Claims Listings

Subject | Summary: Consider accounts payable for approval.

Agenda Category: Consent

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount: \$444,303.46

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[Batch Listing1 - 2026 07FA01 \\$104,325.77.pdf](#)

[Batch Listing2 - 2026 07FA01U \\$37,441.88.pdf](#)

[Batch Listing3 - 2026 0618VNDRPR \\$75,921.41.pdf](#)

[Batch Listing4 - 2026 07DS \\$222,137.90.pdf](#)

[Batch Listing5 - 2026 06ADM03 \\$720.26.pdf](#)

[Batch Listing6 - 2026 0702 EE PR Exp Reimb \\$40.60.pdf](#)

[Batch Listing7 - 2026 06ADM04 \\$160.40.pdf](#)

[Batch Listing8 - 2026 07ADM01 \\$876.16.pdf](#)

[Batch Listing9 - 2026 07ADM02 \\$2,679.08.pdf](#)



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Check Nbr	Invoice	Account	Dept Descr	Object Descr	Amount	Comments
ALLEGRA						
	34758	E 100-42110-210	Police Administrati	Operating Expenses	\$107.25	VICTIM SRV CARDS
					\$107.25	
ALLEGRA						
AT&T MOBILITY						
	070320	E 100-42110-320	Police Administrati	Communications (GENER	\$38.73	507.513.5937 SQUAD 873 MODEM
	070320	E 100-42110-321	Police Administrati	Telephone	\$45.46	507.272.5382 POLICE 872
	070320	E 230-42270-321	Ambulance	Telephone	\$38.73	507-551-8498 AMB CP IBR900 2
	070320	E 100-42110-320	Police Administrati	Communications (GENER	\$48.73	507.551.8478 DELL LT SIM (2024)
	070320	E 230-42270-321	Ambulance	Telephone	\$38.73	507.551.8200 AMB IBR900
	070320	E 100-42110-321	Police Administrati	Telephone	\$50.51	507.272.5506 POLICE CHIEF
	070320	E 100-42110-321	Police Administrati	Telephone	\$45.46	507.272.5386 POLICE 873
	070320	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$41.73	507.551.8578 WWTP CLLCTR AIRCAR
	070320	E 220-42280-321	Fire Department *	Telephone	\$50.51	507.884.4423 FIRE
	070320	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$41.73	507.551.8577 WLLHS2 AIRCARD MIFI
	070320	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$41.73	507.551.8576 WLLHS3 AIRCARD MIFI
					\$482.05	
AT&T MOBILITY						
BADGER METER						
	802019	E 602-49450-403	Sewer (GENERAL)	Prev. Maint. Agreements	-\$111.47	1/2 GATEWAY BACKHAUL 3MO 50%
	802019	E 601-49400-403	Water Utilities (GE	Prev. Maint. Agreements	-\$111.48	1/2 GATEWAY BACKHAUL 3MO 50%
	802406	E 602-49450-403	Sewer (GENERAL)	Prev. Maint. Agreements	\$130.71	1/2 BCN FXD NTWRK PER UNITwMBL
	802406	E 601-49400-403	Water Utilities (GE	Prev. Maint. Agreements	\$130.70	1/2 BCN FXD NTWRK PER UNITwMBL
					\$38.46	
BADGER METER						
CHATFIELD BODY SHOP						
	20322	E 100-42110-404	Police Administrati	Repairs/Maint Equipment	\$78.12	2018 EXPLRR LOF
	20325	E 100-42110-404	Police Administrati	Repairs/Maint Equipment	\$92.01	2025 INTCPTR LOF
	20163	E 100-42110-404	Police Administrati	Repairs/Maint Equipment	\$37.45	2025 INTCPTR TIRE
					\$207.58	
CHATFIELD BODY SHOP						
CHATFIELD CENTER FOR THE ARTS						
	JUL 202	E 250-46630-310	Cmmnty Dvlpmnt	Other Professional Servic	\$2,000.00	EDA CCA AGRMNT 09/2022-08/2028
					\$2,000.00	
CHATFIELD CENTER FOR THE ARTS						
CHATFIELD TRAILS INC.						
	001051	E 803-46636-324	Community Action	Reimbursement	\$7,125.06	MMB - DNR OMB
					\$7,125.06	
CHATFIELD TRAILS INC.						
FILLMORE COUNTY ASSESSOR						
	JULY 1,	E 100-41500-310	Administration	Other Professional Servic	\$4,547.00	2026 ASSESSMENT WORK
					\$4,547.00	
FILLMORE COUNTY ASSESSOR						
FILLMORE COUNTY AUD / TREAS						
	JAN 23,	E 100-41500-301	Administration	Auditing and Acctg Servi	\$100.00	2025 AUDIT REPORTS - COHNREZNIC
					\$100.00	
FILLMORE COUNTY AUD / TREAS						
FIRE SAFETY USA, INC						
	260662	E 220-42280-404	Fire Department *	Repairs/Maint Equipment	\$1,809.50	ENG 2 ISO PUMP TEST
					\$1,809.50	
FIRE SAFETY USA, INC						
G-CUBED						
	TREES	E 242-46630-240	Cmmnty Dvlpmnt	Small Tools and Minor Eq	\$7,200.00	2023 40 TREES @ \$180 ENT DR BER
					\$7,200.00	
G-CUBED						
GP TRUCK PAINTING						
	1566	E 100-45200-404	Parks (GENERAL) -	Repairs/Maint Equipment	\$74.00	SHADY OAK SWINGSET PAINT



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Check Nbr	Invoice	Account	Dept Descr	Object Descr	Amount	Comments
GP TRUCK PAINTING					\$74.00	
GRANICUS						
233246	E 100-41500-438	Administration	Internet Expenses		\$2,051.29	PKAgndMgmnt LiveCst ClrCstr Opn
GRANICUS					\$2,051.29	
HOMETOWN BILLING						
JUN 20	E 230-42270-435	Ambulance	Licences, Permits and Fe		\$959.94	7% BILLING FEE - MMM
HOMETOWN BILLING					\$959.94	
LINDE						
576636	E 100-43100-210	Street Maintenanc	Operating Expenses		\$66.66	HIGH PRESSURE
LINDE					\$66.66	
MARCO TECHNOLOGIES LLC.						
INV154	E 230-42270-403	Ambulance	Prev. Maint. Agreements		\$231.75	2026 5% MIT - 4,500 /54,000
QUOTE	E 230-42270-403	Ambulance	Prev. Maint. Agreements		\$71.00	1-1 YR PW LAPTIOP ONSITE HW SUPP
INV154	E 220-42280-435	Fire Department *	Licences, Permits and Fe		\$21.71	1 MS BS PRM
QUOTE	E 100-41500-403	Administration	Prev. Maint. Agreements		\$213.00	3-1 YR PW LAPTOP ONSITE HW SUP
QUOTE	E 100-42110-403	Police Administrati	Prev. Maint. Agreements		\$310.00	2-1 YR PW ONSITE HW SUP
INV154	E 602-49450-435	Sewer (GENERAL)	Licences, Permits and Fe		\$43.43	1 MS PS PRM
INV154	E 240-46630-403	Cmmnty Dvlpmnt	Prev. Maint. Agreements		\$231.75	2026 5% MIT - 4,500 /54,000
INV154	E 601-49400-403	Water Utilities (GE	Prev. Maint. Agreements		\$927.00	2026 20% MIT - 4,500 /54,000
INV154	E 240-46630-435	Cmmnty Dvlpmnt	Licences, Permits and Fe		\$21.71	1 MS BS PRM
INV154	E 220-42280-403	Fire Department *	Prev. Maint. Agreements		\$231.75	2026 5% MIT - 4,500 /54,000
QUOTE	E 601-49400-403	Water Utilities (GE	Prev. Maint. Agreements		\$143.00	1-1YR PW DT ONSITE HW SUPP
INV154	E 100-43100-403	Street Maintenanc	Prev. Maint. Agreements		\$231.75	2026 5% MIT - 4,500 /54,000
INV154	E 100-42110-403	Police Administrati	Prev. Maint. Agreements		\$695.25	2026 15% MIT - 4,500 /54,000
INV154	E 100-41500-403	Administration	Prev. Maint. Agreements		\$695.25	2026 15% MIT - 4,500 /54,000
QUOTE	E 100-41500-403	Administration	Prev. Maint. Agreements		\$143.00	1-1 YR PW DT ONSITE HW SUPP
INV154	E 100-45200-435	Parks (GENERAL) -	Licences, Permits and Fe		\$21.71	1 MS BS PRM
INV154	E 601-49400-435	Water Utilities (GE	Licences, Permits and Fe		\$21.71	1 MS BS PRM
INV154	E 603-49500-403	Refuse/Garbage (	Prev. Maint. Agreements		\$463.49	2026 10% MIT - 4,500 /54,000
QUOTE	E 602-49450-403	Sewer (GENERAL)	Prev. Maint. Agreements		\$143.00	1-1 YR PW DT ONSITE HW SUPP
INV154	E 100-45124-435	Swimming Pools -	Licences, Permits and Fe		\$10.50	1 ENTRA EXCH OL P1
INV154	E 100-43100-435	Street Maintenanc	Licences, Permits and Fe		\$21.71	1 MS BS PRM
QUOTE	E 240-46630-403	Cmmnty Dvlpmnt	Prev. Maint. Agreements		\$71.00	1-1 YR PW LAPTOP ONSITE HW SUPP
INV154	E 100-42110-435	Police Administrati	Licences, Permits and Fe		\$162.47	7 MS BS PRM + 1 ENTRA EXCH OL PP1
INV154	E 100-41500-435	Administration	Licences, Permits and Fe		\$152.37	6 MS BS PRM & 2 ENTRA EXCH OL P1
INV154	E 602-49450-403	Sewer (GENERAL)	Prev. Maint. Agreements		\$927.00	2026 20% MIT - 4,500 /54,000
INV154	E 100-41100-435	Legislative	Licences, Permits and Fe		\$63.00	6 LEG ENTRA EXCH OL P1
QUOTE	E 100-43100-403	Street Maintenanc	Prev. Maint. Agreements		\$143.00	1-1YR PW DT ONSITE HW SUPP
INV154	E 230-42270-435	Ambulance	Licences, Permits and Fe		\$86.84	4 MS BS PRM RB+3PT
MARCO TECHNOLOGIES LLC.					\$6,499.15	
MED-TECH RESOURCE, LLC						
156679	E 100-42110-210	Police Administrati	Operating Expenses		\$129.50	MTRLA BTTRY
MED-TECH RESOURCE, LLC					\$129.50	
MN REVENUE						
113450	2-028-6	E 100-43100-212	Street Maintenanc	Vehicle Operating Suppli	\$10.49	7316521 PTRLM TX-JUN 2026
113448	1-022-0	E 603-49500-436	Refuse/Garbage (	Sales Tax	\$1,124.00	7316521 GARBAGE TAX
113450	2-028-6	E 602-49450-212	Sewer (GENERAL)	Vehicle Operating Suppli	\$9.72	7316521 PTRLM TX-JUN 2026
113448	1-022-0	E 601-49400-437	Water Utilities (GE	Sales Tax - Purchases	\$61.00	7316521 WTR TWR LEASE SALES
	1-022-0	E 100-45124-437	Swimming Pools -	Sales Tax - Purchases	\$2,444.00	7316521 POOL SALES & ADM



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113448	1-022-0	E 100-43100-437	Street Maintenanc	Sales Tax - Purchases	\$6.00	7316521 PRKNG
113449	1-279-3	E 601-49400-437	Water Utilities (GE	Sales Tax - Purchases	\$1,047.00	7316503 QTRLY WTR
MN REVENUE					\$4,702.21	
NCI						
	R22400	E 220-42280-404	Fire Department *	Repairs/Maint Equipment	\$19,999.99	E-ONE ENGINE 2 EGR COOLER
NCI					\$19,999.99	
NEW LINE MECHANICAL						
	26080	E 250-46630-404	Cmmnty Dvlpmnt	Repairs/Maint Equipment	\$660.38	BOILER #3 RELIEF VALVE MESS ON
NEW LINE MECHANICAL					\$660.38	
NOVOTNY LAW OFFICE, LTD.						
	4050	E 100-42110-304	Police Administrati	Legal Fees	\$210.00	PROSECUTION - MAY 2026
NOVOTNY LAW OFFICE, LTD.					\$210.00	
OTIS ELEVATOR COMPANY						
	100402	E 250-46630-403	Cmmnty Dvlpmnt	Prev. Maint. Agreements	\$83.84	H23130 2026 CCA Lrg ELVTR MAINT
	100402	E 250-46630-403	Cmmnty Dvlpmnt	Prev. Maint. Agreements	\$51.75	H23129 2026 CCA CCA WC LIFT
	100402	E 100-41940-403	Municipal Building	Prev. Maint. Agreements	\$83.84	H22109 CTYHILL ELVTR MAINT
	100402	E 250-46630-403	Cmmnty Dvlpmnt	Prev. Maint. Agreements	\$51.75	H23131 2026 CCA WC LIFT ADTRM
OTIS ELEVATOR COMPANY					\$271.18	
PEPSI						
	936907	E 100-45124-210	Swimming Pools -	Operating Expenses	\$382.00	CNCSSN BVRGS
PEPSI					\$382.00	
PHONE STATION INC						
	81365	E 100-41940-401	Municipal Building	Repairs/Maint Buildings	\$503.00	ELVTR PHN LINE
PHONE STATION INC					\$503.00	
SHORT ELLIOTT HENDRICKSON, INC.						
	511746	E 602-49450-500	Sewer (GENERAL)	Cap. Outlay-GENERAL	\$5,286.70	Prjct#186646 CHATF WWTF FACILITY
SHORT ELLIOTT HENDRICKSON, INC.					\$5,286.70	
SOUTHEAST SERVICE COOPERATIVE						
	SINV00	E 807-46636-310	Community Action	Other Professional Servic	\$8,495.00	807TMO-III
SOUTHEAST SERVICE COOPERATIVE					\$8,495.00	
TALOS DYNAMICS						
	2160	E 100-42110-153	Police Administrati	Uniform Allowance	\$312.19	DUTY UNIFORMS
TALOS DYNAMICS					\$312.19	
THREADS CUSTOM APPAREL						
	6505	E 602-49450-152	Sewer (GENERAL)	Clothing	\$530.00	10 SAFETY SHIRTS
	6505	E 100-45200-152	Parks (GENERAL) -	Clothing	\$265.00	5 SAFETY SHIRTS
	6505	E 601-49400-152	Water Utilities (GE	Clothing	\$159.00	3 SAFETY SHIRTS
	6505	E 100-43100-152	Street Maintenanc	Clothing	\$159.00	3 SAFETY SHIRTS
THREADS CUSTOM APPAREL					\$1,113.00	
US BANK ONE CARD						
	JUN 20	E 211-45500-211	Libraries (GENERA	Program Expenses	\$70.00	DQ
	JUN 20	E 211-45500-401	Libraries (GENERA	Repairs/Maint Buildings	\$41.88	HOMEDEPOT-UMBRELLA
	JUN 20	E 100-41500-435	Administration	Licences, Permits and Fe	\$50.00	MCFOA - DS
	JUN 20	E 100-45124-210	Swimming Pools -	Operating Expenses	\$321.62	SAMS - CNCSSNS
	JUN 20	E 100-41100-210	Legislative	Operating Expenses	\$40.58	HYVEE COW
	JUN 20	E 100-45124-152	Swimming Pools -	Clothing	\$36.94	SWIMOUTLET
	JUN 20	E 100-45200-404	Parks (GENERAL) -	Repairs/Maint Equipment	\$33.99	EARTH PLANTER HANGER



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	JUN 20	E 100-41500-433	Administration	Dues and Subscriptions	\$50.00	MCFOA - AE
	JUN 20	E 601-49400-322	Water Utilities (GE	Postage	\$8.05	USPS
	JUN 20	E 211-45500-433	Libraries (GENERA	Dues and Subscriptions	\$119.99	CANVA
	JUN 20	E 100-43100-212	Street Maintenanc	Vehicle Operating Suppli	\$98.02	KT NON OXY
	JUN 20	E 211-45500-211	Libraries (GENERA	Program Expenses	\$12.98	KT
	JUN 20	E 100-45200-435	Parks (GENERAL) -	Licences, Permits and Fe	\$20.43	DEPT OF AG - SPRYING LCNS
	JUN 20	E 100-45200-240	Parks (GENERAL) -	Small Tools and Minor Eq	\$212.40	GRAFE AUCTION - LONESTONE PG
	JUN 20	E 100-45200-210	Parks (GENERAL) -	Operating Expenses	\$154.50	SARGENT'S TREES SHADY OAK
	JUN 20	E 100-42110-322	Police Administrati	Postage	\$70.21	PSTG - U OF DULUTH
	JUN 20	E 100-41500-433	Administration	Dues and Subscriptions	\$50.00	MCFOA - BC
	JUN 20	E 100-42110-435	Police Administrati	Licences, Permits and Fe	\$90.00	POST BOARD LICENSE RENEWALS
	JUN 20	E 100-42110-404	Police Administrati	Repairs/Maint Equipment	\$12.00	CRAMERS
	JUN 20	E 100-42110-404	Police Administrati	Repairs/Maint Equipment	\$10.00	CRAMERS
	JUN 20	E 230-42270-205	Ambulance	Service Incentives/Rewar	\$20.96	KT - COOKIE WTR
	JUN 20	E 100-43100-404	Street Maintenanc	Repairs/Maint Equipment	\$757.60	SWANSTON - DRPTCHR HOSE
	JUN 20	E 100-45124-435	Swimming Pools -	Licences, Permits and Fe	\$349.67	ASCAP - MAY 2026-APR 2027
	JUN 20	E 100-45200-210	Parks (GENERAL) -	Operating Expenses	\$161.48	VOLLEYBALL SAND
	JUN 20	E 100-41100-210	Legislative	Operating Expenses	\$10.32	COSTCO COW
	JUN 20	E 100-42110-435	Police Administrati	Licences, Permits and Fe	\$180.00	POST BOARD LICENSE RENEWALS
	JUN 20	E 100-45124-210	Swimming Pools -	Operating Expenses	\$330.72	SAMS - CNCSSNS
	JUN 20	E 240-46630-433	Cmmnty Dvlpmnt	Dues and Subscriptions	\$50.00	MCFOA MMBRSHP - AB
	JUN 20	E 100-43100-433	Street Maintenanc	Dues and Subscriptions	\$97.50	FILL-RITE BFS SBSCPTN
	JUN 20	E 100-43100-435	Street Maintenanc	Licences, Permits and Fe	\$0.99	APPLE.COM - ICLOUD STORAGE
	JUN 20	E 100-41100-210	Legislative	Operating Expenses	\$16.63	SUNSHINE COW
	JUN 20	E 100-41100-210	Legislative	Operating Expenses	\$33.17	ALDI COW
US BANK ONE CARD					\$3,512.63	
WHV INC						
	811225	E 250-46630-403	Cmmnty Dvlpmnt	Prev. Maint. Agreements	\$4,913.00	2026 CCA PM AGRMNT
WHV INC					\$4,913.00	
WM HANSON WASTE REMOVAL						
	JUN 20	E 100-41940-384	Municipal Building	Refuse/Garbage Disposal	\$59.20	GARBAGE SERVICE - CITY HALL
	JUN 20	E 603-49500-384	Refuse/Garbage (	Refuse/Garbage Disposal	\$2,440.56	GARBAGE SERVICE - FUEL SURCHARG
	JUN 20	E 603-49500-384	Refuse/Garbage (	Refuse/Garbage Disposal	\$15,168.30	GARBAGE SERVICE - 1,165 P/U @ 13.0
	JUN 20	E 100-45200-384	Parks (GENERAL) -	Refuse/Garbage Disposal	\$224.97	GARBAGE SERVICE - CTY MNT BLDG
	JUN 20	E 603-49500-384	Refuse/Garbage (	Refuse/Garbage Disposal	\$2,154.88	GARBAGE SERVICE - OC ENVIRON FEE
	JUN 20	E 100-45200-384	Parks (GENERAL) -	Refuse/Garbage Disposal	\$85.84	GARBAGE SERVICE - FIRE HALL
	JUN 20	E 602-49450-384	Sewer (GENERAL)	Refuse/Garbage Disposal	\$102.13	GARBAGE SERVICE - WWTP
WM HANSON WASTE REMOVAL					\$20,235.88	
ZEP MANUFACTURING						
	901294	E 100-45124-210	Swimming Pools -	Operating Expenses	\$170.22	PPR TWLS
ZEP MANUFACTURING					\$170.22	
ZOLL MEDICAL CORPORATION						
	451026	E 230-42270-403	Ambulance	Prev. Maint. Agreements	\$160.95	2 DFB 1 YR SRVC PLAN SN AR15E0132
ZOLL MEDICAL CORPORATION					\$160.95	
2026 07FA01					\$104,325.77	
					\$104,325.77	

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ABILITY BUILDING CENTER						
30745		E 100-41940-302	Municipal Building	Contracted Help	\$906.39	CLEANING-MAY 2026
ABILITY BUILDING CENTER					\$906.39	
ALLEGRA						
34827		E 601-49400-210	Water Utilities (GE	Operating Expenses	\$121.34	23.39% UTILITY PERMIT 3 ENVE ALL
34827		E 603-49500-210	Refuse/Garbage (	Operating Expenses	\$95.61	18.43% UTILITY PERMIT 3 ENV ALLO
34827		E 602-49450-210	Sewer (GENERAL)	Operating Expenses	\$301.81	58.18% UTILITY PERMIT 3 ENV ALLO
ALLEGRA					\$518.76	
AMAZON CAPITAL SERVICES, INC.						
17KH-3		E 211-45500-211	Libraries (GENERA	Program Expenses	\$71.62	PROGRAMMING
17KH-3		E 211-45500-290	Libraries (GENERA	Books Rplcd 590	\$161.82	BOOKS
19GF-4		E 230-42270-210	Ambulance	Operating Expenses	\$69.99	NTRL EXAM GLVS
19GF-4		E 230-42270-210	Ambulance	Operating Expenses	\$21.62	MEDLINE SAFETY LANCETS
19GF-4		E 230-42270-210	Ambulance	Operating Expenses	\$21.99	TIDE LAUNDRY
19GF-4		E 230-42270-210	Ambulance	Operating Expenses	\$16.88	DSH SOAP X2
1CQ1-V		E 211-45500-290	Libraries (GENERA	Books Rplcd 590	\$654.92	BOOKS
IWQ6-Q		E 211-45500-211	Libraries (GENERA	Program Expenses	-\$12.99	AMAZON RETURN CREDIT MEMO
17KH-3		E 100-41940-210	Municipal Building	Operating Expenses	\$33.99	GRB CAN LNRS ABC
IWQ6-Q		E 100-45124-240	Swimming Pools -	Small Tools and Minor Eq	-\$9.99	AMAZON RETURN CREDIT MEMO
1CQ1-V		E 211-45500-200	Libraries (GENERA	Office Supplies (GENERA	\$18.50	LIBRARY
1CQ1-V		E 211-45500-293	Libraries (GENERA	Non Print Mat Rplcd 59	\$200.14	NON PRINT MAT
19GF-4		E 230-42270-210	Ambulance	Operating Expenses	\$13.73	SPRY GLSS CLNR
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$56.97	8.5X11 COPY PAPER
17KH-3		E 100-45124-210	Swimming Pools -	Operating Expenses	\$35.18	TOSTITOS ROUNDS 28 PCKS
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$16.70	AA & AAA BATTERIES
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$8.54	POP UP STICKY NOTES
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$11.39	ADD MCHN TAPE ROLLS
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$8.54	24PAD STICKY NOTES
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$7.03	JUMBO PAPERCLIPS
17KH-3		E 211-45500-211	Libraries (GENERA	Program Expenses	-\$2.47	PROGRAMMING- PROMO DISCT
17KH-3		E 100-45124-210	Swimming Pools -	Operating Expenses	\$63.99	PLAY22 40 PACK POOL NDLS
17KH-3		E 220-42280-210	Fire Department *	Operating Expenses	\$14.94	SWFR REFILL
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$4.65	PSTR PUTTY
17KH-3		E 100-45200-240	Parks (GENERAL) -	Small Tools and Minor Eq	\$113.97	HGH BCK TDLR SWG X3
17KH-3		E 100-45124-210	Swimming Pools -	Operating Expenses	\$175.96	NCHO CHS SAUCE PKTS
17KH-3		E 100-45124-210	Swimming Pools -	Operating Expenses	\$187.90	10 WRSTL KEYCHNS
17KH-3		E 100-45124-210	Swimming Pools -	Operating Expenses	\$27.89	50 ICE PCKS
17KH-3		E 100-45124-210	Swimming Pools -	Operating Expenses	\$12.99	PCKT ORGAN
1CQ1-V		E 211-45500-211	Libraries (GENERA	Program Expenses	\$15.98	PROGRAM EXPENSE
17KH-3		E 100-41500-210	Administration	Operating Expenses	\$19.46	350PC SILVERWARE
IWQ6-Q		E 211-45500-293	Libraries (GENERA	Non Print Mat Rplcd 59	-\$12.97	AMAZON RETURN CREDIT MEMO
AMAZON CAPITAL SERVICES, INC.					\$2,028.86	
CANON FINANCIAL SERVICES, INC.						
433433		E 211-45500-404	Libraries (GENERA	Repairs/Maint Equipment	\$86.78	832780-2 COLOR COPIER
CANON FINANCIAL SERVICES, INC.					\$86.78	
CENGAGE GROUP						
999102		E 211-45500-290	Libraries (GENERA	Books Rplcd 590	\$16.50	ACCT 100237574
CENGAGE GROUP					\$16.50	
CENTER POINT LARGE PRINT						



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	225457	E 211-45500-290	Libraries (GENERA	Books Rplcd 590	\$136.35	LARGE PRINT BOOKS
CENTER POINT LARGE PRINT					\$136.35	
CENTURYLINK-TELE						
113445	070120	E 100-42110-321	Police Administrati	Telephone	\$121.42	1/5 333683295 T1 F94-179-4395
	070120	E 230-42270-321	Ambulance	Telephone	\$121.41	1/5 333683295 T1 F94-179-4395
	070120	E 100-43100-321	Street Maintenanc	Telephone	\$121.41	1/5 333683295 T1 F94-179-4395
	070120	E 100-41500-321	Administration	Telephone	\$121.41	1/5 333683295 T1 F94-179-4395
	070120	E 601-49400-321	Water Utilities (GE	Telephone	\$121.41	1/5 333683295 T1 F94-179-4395
CENTURYLINK-TELE					\$607.06	
CHATFIELD PARTS HOUSE						
	997538	E 220-42280-210	Fire Department *	Operating Expenses	\$52.95	BTTRY 3V OIL LYSOL WPS TRSH BGS
CHATFIELD PARTS HOUSE					\$52.95	
CHS						
113457	415-IC9	E 601-49400-212	Water Utilities (GE	Vehicle Operating Suppli	\$153.97	WTR GAS 10%
113456	415-IC9	E 220-42280-212	Fire Department *	Vehicle Operating Suppli	\$108.98	FD DSL 10%
	415-IC9	E 230-42270-212	Ambulance	Vehicle Operating Suppli	\$370.52	AMB DSL 34%
	415-IC9	E 100-43100-212	Street Maintenanc	Vehicle Operating Suppli	\$479.49	STRT DSL 44%
	415-IC9	E 602-49450-212	Sewer (GENERAL)	Vehicle Operating Suppli	\$32.68	WWTP 3%
113457	415-IC9	E 220-42280-212	Fire Department *	Vehicle Operating Suppli	\$30.79	FD GAS 2%
	415-IC9	E 100-45200-212	Parks (GENERAL) -	Vehicle Operating Suppli	\$307.93	PRK GAS 20%
	415-IC9	E 100-42110-212	Police Administrati	Vehicle Operating Suppli	\$769.82	PD GAS 50%
	415-IC9	E 602-49450-212	Sewer (GENERAL)	Vehicle Operating Suppli	\$107.77	WWTP GAS 7%
113456	415-IC9	E 100-45200-212	Parks (GENERAL) -	Vehicle Operating Suppli	\$98.08	PRK DSL 9%
113455	415-IC9	E 230-42270-212	Ambulance	Vehicle Operating Suppli	\$36.82	AMB DSL 34%
	415-IC9	E 220-42280-212	Fire Department *	Vehicle Operating Suppli	\$10.83	FD DSL 10%
	415-IC9	E 100-45200-212	Parks (GENERAL) -	Vehicle Operating Suppli	\$9.75	PRK DSL 9%
	415-IC9	E 100-43100-212	Street Maintenanc	Vehicle Operating Suppli	\$47.65	STRT DSL 44%
	415-IC9	E 602-49450-212	Sewer (GENERAL)	Vehicle Operating Suppli	\$3.25	WWTP 3%
113457	415-IC9	E 100-43100-212	Street Maintenanc	Vehicle Operating Suppli	\$169.36	STRT GAS 11%
CHS					\$2,737.69	
CITY OF CHATFIELD						
		E 100-41940-380	Municipal Building	Utility Services (GENERA	\$94.38	10-00000001-00-4 THURBER BLDG GA
		E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA	\$74.52	10-00000071-00-5 TOURIST CENTER
		E 220-42280-380	Fire Department *	Utility Services (GENERA	\$79.39	10-00000051-00-9 FIRE HALL
		E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$74.52	10-00000081-008 CITY SHOP
		E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$74.52	10-00000101-01-4 PWFAC2
		E 100-45124-380	Swimming Pools -	Utility Services (GENERA	\$707.54	10-00000121-00-7 POOL
		E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$74.52	10-00002410-91-8 PWFAC1
		E 211-45500-380	Libraries (GENERA	Utility Services (GENERA	\$74.52	10-00000011-00-7 PUBLIC LIBRARY
		E 602-49450-380	Sewer (GENERAL)	Utility Services (GENERA	\$1,089.21	10-00000031-00-3 WWTP
CITY OF CHATFIELD					\$2,343.12	
CIVICPLUS						
	378663	E 211-45500-438	Libraries (GENERA	Internet Expenses	\$105.00	STREAMLINE- COMPLIANCE RENEWAL
CIVICPLUS					\$105.00	
CULLIGAN WATER						
	063020	E 100-41500-210	Administration	Operating Expenses	\$36.95	WTR SRVC
CULLIGAN WATER					\$36.95	
EO JOHNSON BUSINESS TECHNOLOGIES						
	423336	E 100-42110-413	Police Administrati	Equipment Rental / Leas	\$98.82	RICOH2510 25PPM (Lease Only)



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423336	E 100-41500-413	Administration	Equipment Rental / Leas		\$450.20	RICOH4510 45PPM (162.36+243.7Srv
EO JOHNSON BUSINESS TECHNOLOGIES					\$549.02	
FINNEGAN PLAYGROUND ADVENT.						
164	E 100-45200-404	Parks (GENERAL) -	Repairs/Maint Equipment		\$410.22	PLYCRFT SYST SPRNG & SHP
FINNEGAN PLAYGROUND ADVENT.					\$410.22	
FREDERICK S. SUHLER, ATTY						
063020	E 100-41100-304	Legislative	Legal Fees		\$600.00	MONTHLY RETAINER - JUNE 2026
FREDERICK S. SUHLER, ATTY					\$600.00	
GOPHER STATE ONE CALL						
606028	E 601-49400-310	Water Utilities (GE	Other Professional Servic		\$76.95	ACCOUNT #MN00240
GOPHER STATE ONE CALL					\$76.95	
HAWKINS, INC.						
748390	E 100-45124-210	Swimming Pools -	Operating Expenses		\$1,956.74	POOL CHEMICALS
HAWKINS, INC.					\$1,956.74	
HBC						
113446	070220	E 602-49450-438	Sewer (GENERAL)	Internet Expenses	\$39.00	50% 1520399 UTLTY PL/HS 1 OF 3 CL
	070220	E 602-49450-438	Sewer (GENERAL)	Internet Expenses	\$1.50	CONV EPAY FEE (SPLIT)
	070220	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$38.99	50% 1520399 UTLTY PL/HS 1 OF 3 CL
	070220	E 602-49450-321	Sewer (GENERAL)	Telephone	\$43.62	1439299 867-4321BASIC & TOLL
	070220	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$55.49	50% 1520399 19 2ND ST SW
	070220	E 100-45200-438	Parks (GENERAL) -	Internet Expenses	\$55.49	50% 1520399 19 2ND ST SW
	070220	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$37.49	50% 1520399 WTR RSVR 1 OF 3 CLLC
	070220	E 602-49450-438	Sewer (GENERAL)	Internet Expenses	\$37.50	50% 1520399 WTR RSVR 1 OF 3 CLLC
	070220	E 601-49400-438	Water Utilities (GE	Internet Expenses	\$37.49	50% 1520399 BNCH/RVR 1 OF 3 CLLC
	070220	E 602-49450-438	Sewer (GENERAL)	Internet Expenses	\$37.50	50% 1520399 BNCH/RVR 1 OF 3 CLLC
	070220	E 602-49450-321	Sewer (GENERAL)	Telephone	\$1.50	CONV EPAY FEE (SPLIT)
	070220	E 602-49450-438	Sewer (GENERAL)	Internet Expenses	\$110.98	1439299 BUS VALUE PKG 120MBPS
HBC					\$496.55	
HIRSHFIELD'S						
570018	E 100-43100-210	Street Maintenanc	Operating Expenses		\$702.19	YLW, WHITE LL TIP
570018	E 100-43100-210	Street Maintenanc	Operating Expenses		\$265.66	YLW, QS FLTR MESH
HIRSHFIELD'S					\$967.85	
HORIZON COMMERCIAL POOL SUPPLY						
INV146	E 100-45124-404	Swimming Pools -	Repairs/Maint Equipment		\$98.48	RMT DLPHN PRO WRLS
HORIZON COMMERCIAL POOL SUPPLY					\$98.48	
LOFFLER						
536730	E 211-45500-404	Libraries (GENERA	Repairs/Maint Equipment		\$97.86	CANON DXC3725I OVERAGE CHARGE
LOFFLER					\$97.86	
LRS						
MP3030	E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA		\$481.00	5 PRK UNTS 2026
LRS					\$481.00	
MEDIACOM						
113447	062620	E 230-42270-438	Ambulance	Internet Expenses	\$83.48	1/3 CITY HALL HSD & STATIC IPS
	062620	E 100-41500-438	Administration	Internet Expenses	\$83.23	1/3 CITY HALL HSD & STATIC IPS
	062620	E 100-42110-438	Police Administrati	Internet Expenses	\$83.23	1/3 CITY HALL HSD & STATIC IPS
MEDIACOM					\$249.94	
MINNESOTA ENERGY RESOURCES						



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113451	598748	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$66.67	00014 PPLS 19 SCND ST SW
	598061	E 601-49400-380	Water Utilities (GE	Utility Services (GENERA	\$24.82	00015 547 HLLSD BSTR STTN
	598408	E 601-49400-380	Water Utilities (GE	Utility Services (GENERA	\$19.97	00016 100 OTR GNRTR
	598022	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$12.63	00002 FH 25% STREET
	598041	E 211-45500-380	Libraries (GENERA	Utility Services (GENERA	\$45.87	00005 LIBRARY
	598325	E 602-49450-380	Sewer (GENERAL)	Utility Services (GENERA	\$115.21	00003 WWTP - LIBRARY LN
	598469	E 100-41940-380	Municipal Building	Utility Services (GENERA	\$30.03	00001 MUNI 1/3
	598469	E 100-42110-380	Police Administrati	Utility Services (GENERA	\$30.02	00001 MUNI - POLICE 1/3
	598022	E 601-49400-380	Water Utilities (GE	Utility Services (GENERA	\$7.57	00002 FH 15% WATER
	598402	E 100-45124-380	Swimming Pools -	Utility Services (GENERA	\$1,315.47	000011 POOL
	598469	E 230-42270-380	Ambulance	Utility Services (GENERA	\$30.03	00001 MUNI - AMB 1/3
	598022	E 220-42280-380	Fire Department *	Utility Services (GENERA	\$30.30	00002 FH 60% FIRE
MINNESOTA ENERGY RESOURCES					\$1,728.59	
PEOPLES ENERGY COOPERATIVE						
113454	070720	E 602-49450-380	Sewer (GENERAL)	Utility Services (GENERA	\$2,743.65	2430200 126 LIBRARY LN WWTP
	070720	E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA	\$68.00	2432200 CHATFIELD SIGN
	070720	E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA	\$64.76	2432400 400 3RD ST SW
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$76.03	2436500 CR 2 HWY S
	070720	E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA	\$69.00	2438500 MILL CREEK PARK
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$67.55	2447300 UNION ST NE - XING
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$200.00	7823600 MEYERS AND TERMAR
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$2,059.00	3011800 STREET LIGHTS
	070720	E 601-49400-380	Water Utilities (GE	Utility Services (GENERA	\$186.67	3211800 250 OLD TERRITORIAL RD
	070720	E 100-45124-380	Swimming Pools -	Utility Services (GENERA	\$3,026.17	3237701 107 UNION ST NE
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$152.32	3260000 52 3RD ST SW - STL MTR
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$112.99	3260100 301 TH 52 - TRAFFIC SI
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$159.35	3265100 20 2ND ST SE - LIGHTS
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$129.14	3376900 EV CHARGER - 405 MAIN ST
	070720	E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA	\$858.44	2428000 MILL CREEK PARK
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$400.72	2400202 PPLS 19 SCND ST SW
	070720	E 601-49400-380	Water Utilities (GE	Utility Services (GENERA	\$990.31	3011701 BLUFF ST
	070720	E 602-49450-380	Sewer (GENERAL)	Utility Services (GENERA	\$148.06	2423900 MILL CREEK PK - LIFT ST
	070720	E 100-45200-380	Parks (GENERAL) -	Utility Services (GENERA	\$83.52	2410200 MAIN ST-CITY PARK
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$75.55	2410100 1/4 FIRE HALL
	070720	E 220-42280-380	Fire Department *	Utility Services (GENERA	\$226.68	2410100 3/4 FIRE HALL
	070720	E 220-42280-380	Fire Department *	Utility Services (GENERA	\$200.78	2410000 318 S MAIN ST-WHISTLE
	070720	E 100-41940-380	Municipal Building	Utility Services (GENERA	\$354.34	2407900 1/3 21 2ND ST SE
	070720	E 100-42110-380	Police Administrati	Utility Services (GENERA	\$354.33	2407900 1/3 21 2ND ST SE
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$229.75	2154400 10208 HILLSIDE DRIVE
	070720	E 100-43100-380	Street Maintenanc	Utility Services (GENERA	\$11.00	2182100 SIREN - 10210 HILLSIDE
	070720	E 230-42270-380	Ambulance	Utility Services (GENERA	\$354.33	2407900 1/3 21 2ND ST SE
	070720	E 211-45500-380	Libraries (GENERA	Utility Services (GENERA	\$410.20	2402500 LIBRARY 322 MAIN ST S
PEOPLES ENERGY COOPERATIVE					\$13,812.64	
QUILL.COM						
	493656	E 100-41500-210	Administration	Operating Expenses	\$145.99	414A CYAN - KW TONER
	493656	E 100-41500-210	Administration	Operating Expenses	\$145.99	414A YELLOW - KW TONER
QUILL.COM					\$291.98	
RDO EQUIPMENT CO.						
	P65310	E 100-43100-404	Street Maintenanc	Repairs/Maint Equipment	\$3,575.96	JRB 416 CPLR SNWBLLR
RDO EQUIPMENT CO.					\$3,575.96	



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RUSKELL OUTDOOR SERVICES INC						
22961		E 211-45500-401	Libraries (GENERA	Repairs/Maint Buildings	\$152.00	LAWN TREATMENT WEED CONTROL
RUSKELL OUTDOOR SERVICES INC					\$152.00	
SCHUMACHER ELEVATOR CO						
906845		E 211-45500-401	Libraries (GENERA	Repairs/Maint Buildings	\$181.97	LIB ELEV MAINT
SCHUMACHER ELEVATOR CO					\$181.97	
SELCO						
053966		E 211-45500-414	Libraries (GENERA	Automated Operations	\$484.70	ILS PCKG-PUBLICS
054354		E 211-45500-414	Libraries (GENERA	Automated Operations	\$479.17	ILS PCKG-PUBLICS
SELCO					\$963.87	
SOUTHEAST MECHANICAL						
39624		E 100-45124-404	Swimming Pools -	Repairs/Maint Equipment	\$341.85	T&P GAUGE REPL LBR FLM SENSOR
SOUTHEAST MECHANICAL					\$341.85	
UC LABORATORY						
128426		E 602-49450-217	Sewer (GENERAL)	Testing	\$701.53	WWTP LABS
UC LABORATORY					\$701.53	
VESTIS						
256050		E 100-41940-401	Municipal Building	Repairs/Maint Buildings	\$130.47	RUG SERVICE
VESTIS					\$130.47	
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					\$37,441.88	

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AFLAC							
	113432	193106	G 910-21724			\$209.04	PR VNDR LBLTY-EE JUL
		193106	G 910-21718			\$54.47	PR VNDR LBLTY-EE JUL
		193106	G 910-21715			\$73.49	PR VNDR LBLTY-EE JUL
		193106	G 910-21713			\$122.59	PR VNDR LBLTY-EE JUL
		193106	G 910-21712			\$191.68	PR VNDR LBLTY-EE JUL
AFLAC						\$651.27	
CHATFIELD PUBLIC LIBRARY							
	113433	2026-12	G 910-21728			\$100.00	PR VNDR LBLTY
		2026-12	R 211-45500-3620	Libraries (GENERA		-\$100.00	PR VNDR LBLTY
CHATFIELD PUBLIC LIBRARY						\$0.00	
DELTA DENTAL							
	113422	CNS000	G 910-21711			\$1,503.62	PR VNDR LBLTY-EE-JUL
DELTA DENTAL						\$1,503.62	
EFTPS							
	113423	326101	G 910-21703			\$10,230.42	PR VNDR LBLTY
		326101	G 910-21709			\$3,059.94	PR VNDR LBLTY
		326101	G 910-21701			\$7,096.50	PR VNDR LBLTY
EFTPS						\$20,386.86	
HEALTH EQUITY							
	113424	2026-06	G 910-21726			\$3,944.74	PR VNDR LBLTY
HEALTH EQUITY						\$3,944.74	
MN PEIP							
	113425	164172	G 910-21706			\$28,652.76	JUL - PR VNDR LBLTY-EE & ER
MN PEIP						\$28,652.76	
MN REVENUE							
	113426	1-352-3	G 910-21702			\$3,886.93	PR VNDR LBLTY
MN REVENUE						\$3,886.93	
NCPERS GROUP LIFE INSURANCE							
	113427	384000	E 100-41500-323	Administration	Admin Expense 323 34	\$1.28	PR VNDR LBLTY
		384000	G 910-21707			\$128.00	PR VNDR LBLTY PR DDCTN JUN PRMM
NCPERS GROUP LIFE INSURANCE						\$129.28	
PERA							
	113428	SOMPE	E 230-42270-121	Ambulance	PERA	\$1,090.00	PR VNDR LBLTY MAY
		SOMPE	G 910-21705			\$6,678.33	PR VNDR LBLTY
		SOMPE	G 910-21704			\$7,437.98	PR VNDR LBLTY
PERA						\$15,206.31	
SUN LIFE ASSURANCE COMPANY							
	113429	195029	G 910-21720			\$304.59	PR VNDR LBLTY- JUL
SUN LIFE ASSURANCE COMPANY						\$304.59	
TASC							
	113430	06/18/2	G 910-21714			\$304.32	PR VNDR LBLTY
TASC						\$304.32	
VOYA MND CP							
	113431	PAYROL	G 910-21719			\$950.73	PR VNDR LBLTY
VOYA MND CP						\$950.73	



City of Chatfield
Batch Listing - Unposted Summary
Current Period: June 2026
2026 0618VNRPR

06/18/26 1:43 PM
Page 2

Check		Invoice	Account	Dept Descr	Object Descr	Amount	Comments
Nbr							
2026 0618VNRPR						\$75,921.41	
						\$75,921.41	

([BatchID] in (23099))



City of Chatfield

Batch Listing - Unposted Summary

Current Period: July 2026

2026 07DS

06/24/26 1:12 PM

Page 1

Check Nbr	Invoice	Account	Dept Descr	Object Descr	Amount	Comments
BANK OF ZUMBROTA						
	LTR JU	E 336-47000-611	Debt Service (GEN	Bond Interest	\$678.00	2016B GO WATER LOAN 9132963
BANK OF ZUMBROTA					\$678.00	
F & M COMMUNITY BANK						
	2019A-	E 342-47000-610	Debt Service (GEN	Interest	\$555.00	2019A GO TAX ABATEMENT
	2022A-	E 343-47000-611	Debt Service (GEN	Bond Interest	\$20,432.00	2022A GO UTIL REV
	2025A-	E 325-47000-611	Debt Service (GEN	Bond Interest	\$62,280.40	2025A GO STREET M&O
F & M COMMUNITY BANK					\$83,267.40	
MIENERGY COOPERATIVE						
	2017B-	E 339-47000-601	Debt Service (GEN	Debt Srv Bond Principal	\$15,000.00	2017B AUG 2026
MIENERGY COOPERATIVE					\$15,000.00	
NORTHLAND SECURITIES						
	2018A-	E 340-47000-620	Debt Service (GEN	Bond Fees-FscIAgnt Issn	\$495.00	2018A FISCAL AGENT FEE
	2016A-	E 335-47000-611	Debt Service (GEN	Bond Interest	\$10,700.00	2016A INTEREST
	2018A-	E 340-47000-610	Debt Service (GEN	Interest	\$50,100.00	2018A INTEREST
	2023A-	E 323-47000-611	Debt Service (GEN	Bond Interest	\$37,800.00	2023A INTEREST
	2023A-	E 323-47000-620	Debt Service (GEN	Bond Fees-FscIAgnt Issn	\$495.00	2023A FISCAL AGENT FEE
	2012A-	E 332-47000-611	Debt Service (GEN	Bond Interest	\$1,822.50	2012A INTEREST
NORTHLAND SECURITIES					\$101,412.50	
OLD NATIONAL BANK						
	2022B-	E 344-47000-611	Debt Service (GEN	Bond Interest	\$21,780.00	2022B TXBL GO PWFAC 20008604917
OLD NATIONAL BANK					\$21,780.00	
2026 07DS					\$222,137.90	
					\$222,137.90	

([BatchID] in (23127))



City of Chatfield

Batch Listing - Unposted Summary

Current Period: June 2026

2026 06ADM03

06/29/26 11:40 AM

Page 1

Check Nbr	Invoice	Account	Dept Descr	Object Descr	Amount	Comments
TASC						
113434	IN3774	E 100-41500-310	Administration	Other Professional Servic	\$21.25	COBRA MO ADM FEE-AUG 2026-JUL20
TASC					\$21.25	
UNITED STATES POSTAL SERVICE						
113435	689490	E 601-49400-322	Water Utilities (GE	Postage	\$163.62	UB PSTG ALLCTN 2026 23.39%
	689490	E 602-49450-322	Sewer (GENERAL)	Postage	\$406.97	UB PSTG ALLCTN 2026 58.18%
	689490	E 603-49500-322	Refuse/Garbage (	Postage	\$128.92	UB PSTG ALLCTN 2026 19.22%
UNITED STATES POSTAL SERVICE					\$699.51	
2026 06ADM03					\$720.76	
					\$720.76	

([BatchID] in (23147))

City of Chatfield
Employee Reimbursements for Expenses

06/30/26 12:53 PM

Page 1

Amount	Check Date	Pay Method Description	Employee Name
\$40.60	07/02/26	Pool Travel Expense	Clemens, Madeline
\$40.60			



City of Chatfield

Payments

07/01/26 7:33 AM

Page 1

Current Period: June 2026

Payments Batch 2026 06ADM04 \$160.40

Refer	24008 EGAN COMPANY	Ck# 061972 7/1/2026		
Cash Payment	E 801-49950-500 Cap. Outlay-GENERAL	SHORT PAY CHCK 61945		\$54.00
Invoice	JC614421N001.2	6/9/2026		
Transaction Date	7/1/2026	10100 RRCB	10100	Total \$54.00

Refer	24005 ROOT RIVER STATE BANK	Ck# 113437E 6/30/2026		
Cash Payment	E 100-41500-310 Other Professional Servi	INT BANKING CHARGES 60 + 31.4 + 15		\$106.40
Invoice	20260630	6/30/2026		
Transaction Date	6/30/2026	10100 RRCB	10100	Total \$106.40

Fund Summary

	10100 10100 RRCB	
100 GENERAL FUND		\$106.40
801 CAPITAL GOODS FUND		\$54.00
		\$160.40

Pre-Written Checks	\$160.40
Checks to be Generated by the Computer	\$0.00
Total	\$160.40



City of Chatfield

Batch Listing - Unposted Summary

Current Period: June 2026

2026 07ADM01

07/08/26 8:05 AM

Page 1

Check Nbr	Invoice	Account	Dept Descr	Object Descr	Amount	Comments
FORTIS						
113453	JUN 20	E 100-45124-323	Swimming Pools -	Admin Expense 323 34	\$15.45	466206554886 ECHECK/ACH TRNSC
113452	JUN 20	E 100-45124-323	Swimming Pools -	Admin Expense 323 34	\$224.93	466206552880 ON SITE SWIPE CC
	JUN 20	E 100-45124-323	Swimming Pools -	Admin Expense 323 34	\$635.78	466206554886 ON LINE CC SRVC C
FORTIS					\$876.16	
2026 07ADM01					\$876.16	
					\$876.16	

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City of Chatfield

Batch Listing - Unposted Summary

Current Period: July 2026

2026 07ADM02

07/09/26 10:03 AM

Page 1

Check	Nbr	Invoice	Account	Dept Descr	Object Descr	Amount	Comments
ABILITY BUILDING CENTER							
	30264	E 100-41940-302	Municipal Building	Contracted Help		\$1,175.25	CLEANING-APRIL
ABILITY BUILDING CENTER						\$1,175.25	
CHATFIELD ALLIANCE, INC							
	OKNWL	E 240-46630-300	Cmmnty Dvlpmnt	Promotional Expense		\$347.70	95% LODGING TAX APR-JUN 2026
CHATFIELD ALLIANCE, INC						\$347.70	
REVTRAK							
113458	JUN 20	E 100-41500-323	Administration	Admin Expense 323 34		\$14.34	TM & PT LC ADMIN FEE
	JUN 20	E 240-46630-323	Cmmnty Dvlpmnt	Admin Expense 323 34		\$4.05	ZC ADMIN FEE
	JUN 20	E 603-49500-323	Refuse/Garbage (	Admin Expense 323 34		\$209.68	2026 ADMIN FEE ALLOC 18.43%
	JUN 20	E 602-49450-323	Sewer (GENERAL)	Admin Expense 323 34		\$661.94	2026 ADMIN FEE ALLOC 58.18%
	JUN 20	E 601-49400-323	Water Utilities (GE	Admin Expense 323 34		\$266.12	2026 ADMIN FEE ALLOC 23.39%
REVTRAK						\$1,156.13	
2026 07ADM02						\$2,679.08	
						\$2,679.08	

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CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Resolution 2026-61 Accepting Library Donations

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount: \$98.00

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[2026-61 Accepting Donations Library.pdf](#)

RESOLUTION 2026-61
A RESOLUTION ACCEPTING A DONATION TO THE CITY

WHEREAS, the City of Chatfield is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et seq. for the benefit of its citizens and is specifically authorized to accept gifts.

WHEREAS, the following persons and entities have offered to contribute the cash amounts set forth below to the city:

Donation/Grant	Amount
Stitch Witches	\$98

WHEREAS, the terms or conditions of the donations, if any, are as follows:

\$98.00 To be used for capital purchases for the Chatfield Public Library, R 212-45500-36230

WHEREAS, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATFIELD, MINNESOTA AS FOLLOWS:

1. The donations described above are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.
2. The city clerk is hereby directed to issue receipts to each donor acknowledging the city's receipt of the donor's donation.

Passed by the City Council of Chatfield, Minnesota this 13th day of July, 2026.

/s/Beth M Carlson
City Clerk
City of Chatfield



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item:

Resolution 2026-62 - A Resolution Granting Approval of a new Off-sale Liquor License

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[2026-62 New Liquor License.pdf](#)

Resolution 2026-62
A Resolution Granting Approval of a New Off-sale Liquor License

Whereas, MINN. STAT. CHAPT. 340A regulates the licensing and regulation of intoxicating liquors within the State of Minnesota; and

Whereas, the City of Chatfield is a liquor license issuing authority under MINN. STAT. CHAPT. 340A; and

Whereas, the Common Council of the City of Chatfield recommends approval of annual licenses and renewals, and

Whereas, the following applicants will have met all city requirements prior to issuance;

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Chatfield the city does hereby recommend approval for the following 2026 Off-Sale License:

1. 52 Bottle Shop (Off-Sale) – New Ownership, Raider Liquor LLC



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Resolution 2026-63 - a Resolution Appointing City of Chatfield Election Judges for the August 11, 2026 Primary Election

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[2026-63 Appointing Election Judges for the 2026 08 11 Primary Election.pdf](#)

City of Chatfield

**Resolution 2026-63
Resolution Appointing City of Chatfield Election Judges for
the August 11, 2026 Primary Election**

WHEREAS, a Primary Election will be held on August 11, 2026; and

WHEREAS, Minnesota Statute 204B.21, subd.2, requires election judges for precincts in a municipality be appointed by the governing body of the municipality; and

WHEREAS, the City of Chatfield has one voting precinct in Fillmore County and one voting precinct in Olmsted County; and

WHEREAS, the following people have agreed to serve as election judges; and

WHEREAS, the following candidates for election judge will have received training and will be eligible to serve after meeting the qualifications established by the State of Minnesota,

NOW, THEREFORE, BE IT RESOLVED, that the City of Chatfield hereby appoints the following persons to serve as election judges for the Primary Election on August 11, 2026, with the understanding that amendments may be necessary to the appointments in order to fill vacancies and meet party splits; and approves payment of an hourly wage of \$16.35 per hour during election judge training and time served on election day. Those serving as head election judges or health care election judges will also receive a \$1.00 premium per hour.

APPOINTED ELECTION JUDGES:

Jocelyn Benson	Patricia Karver	Jean Odegarden
Catherine French	Susan Kester	Margaret Reiner
James Gladis	Eileen Klema	William Sullivan
Kathy Halvorson	Marjorie Martin	Debra Wooner

Adopted by the Chatfield City Council this 13th day of July, 2026.



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Resolution 2026-64 Accepting Fire Department Donations

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount: \$100.00

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[2026-64 to Accept Fire Dept.pdf](#)

City of Chatfield

Resolution 2026-64

Resolution Accepting Annual Chatfield Fire Department Fund Drive Donations

WHEREAS, the City of Chatfield is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et seq. for the benefit of its citizens and is specifically authorized to accept gifts.

WHEREAS, contributions have been received for the annual fund drive and entities have offered to contribute the cash amounts set forth below to the city:

Contributions Received To:	Month	Contribution Total
Receiving to Capital Goods- 221-42280-36230	June - 2026	\$100.00

WHEREAS, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW THEREFORE, Be It Resolved By The City Council Of The City Of Chatfield, Minnesota As Follows:

1. The donations described above are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.
2. The city clerk is hereby directed to issue receipts to each donor acknowledging the city's receipt of the donor's donation.

Passed by the City Council of Chatfield, Minnesota this 13th day of July 2026.

/s/Beth M Carlson
City Clerk
City of Chatfield



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Resolution 2026-65 Accepting Ambulance Donations

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount: \$2515.00

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[2026-65 to Accept Ambulance Donations.pdf](#)

City of Chatfield
Resolution 2026-65
Resolution Accepting Annual
Chatfield Ambulance Department Fund Drive Donations

WHEREAS, the City of Chatfield is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et seq. for the benefit of its citizens and is specifically authorized to accept gifts.

WHEREAS, contributions have been received for the annual fund drive and entities have offered to contribute the cash amounts set forth below to the city:

Contributions Received To:	Month	Contribution Total
Ambulance Donation- R 231-42270-36230	JULY 2026-1	\$2,515.00

WHEREAS, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW THEREFORE, Be It Resolved By The City Council Of The City Of Chatfield, Minnesota As Follows:

1. The donations described above are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.
2. The city clerk is hereby directed to issue receipts to each donor acknowledging the city's receipt of the donor's donation.

Passed by the City Council of Chatfield, Minnesota this 13th day of July 2026.

/s/Beth M Carlson
City Clerk
City of Chatfield

Meeting Date: July 13, 2026

Agenda Item: 2025 Financial Statement.

- CohnReznick has confirmed the filing with the State Auditors office for compliance
- Annual Financial Statement Review | Administrative Dashboard

Subject | Summary: An unmodified clean opinion was presented and adopted Mach 9th of 2026 for the year ending December 31st, 2025. Confirmation has been received from CohnReznick that the report has been filed with the State Auditors office.

The administrative review of key measures has been completed and has been summarized in a dashboard format. This information will be reviewed in more depth during the upcoming budgeting cycle for 2027.

- The General Fund expenditure to fund balance ratio remains at an acceptable level at \$1,806,721, which is above the 50% of expenditure level and higher than last years balance. It is noted as a cautionary (yellow) thumbs down, as the S&P threshold has increased from the \$1million or 50% level to \$2 million or 50% level. Not an item worth "chasing", rather an area to address slowly over a period of years.
- The General fund Asset | Unassigned Fund Balance to Total Fund balance ratio is healthy.
- The water operations fund cash balance at \$524,449 (12.6% of expenses) is below the 20-40% of expenses guideline. The water fund also owes the waste water fund \$150,000 from a prior year inter-fund loan.
- The water reserve fund is in the process of being re-established.
- The waste water operations fund cash balance at \$273,469 is in the 20-40% of expenses range
- The waste water reserve fund is in the process of being re-established.
- The dept per capita at \$3,936 is below the rating agencies guideline of less than \$5k per capita, but above our guideline of \$3,500 per person. Also, the rating agency recently doubled the weighting factor, meaning debt now has a larger impact on the rating.

Agenda Category: Consent

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[Annual Audited Financial Statement Administrative Review Dashboard - 2025.pdf](#)

[2025 Issued Financial Statement.pdf](#)

Annual Financial Statement Review Dashboard

General Fund Exp to Unassigned Fund Balance Ratio

Rating agencies like this balance to be 50% of General Fund expenditures or \$2 million (06/2026 inc from \$1million), whichever is greater.

Year	GF Total Exp	50%	Unassgnd Blnc	Rating
2024	\$2,473,338	\$1,236,669	\$1,689,736	👍
2025	\$2,739,789	\$1,369,895	\$1,806,721	👎

General Fund Assets | Unassigned to Fund Balance Ratio

Make sure the fund balance is mostly cash or investments.

Year	GF Total Fund Balance	Unassgnd Blnc	Asset %	Rating
2024	\$1,706,905	\$1,689,736	99.0%	👍
2025	\$1,825,438	\$1,806,721	99.0%	👍

Enterprise (Proprietary) Operations Funds Cash Flow

Year End Cashflow Guideline

12 mo Avg Blnc = 20-40% of expenses

601 - Water Operations

Year	Actl Blnc 12 mo avg	Expense Bdgt	Gdln 20-40%	Rating
2024	\$77,854	\$539,133	14.4%	👎
2025	\$66,172	\$524,449	12.6%	👎

602 - Waste Water Operations

Year	Actl Blnc 12 mo avg	Expense Bdgt	Gdln 20-40%	Rating
2024	\$237,446	\$1,054,501	22.5%	👍
2025	\$273,469	\$1,104,137	24.8%	👍

Outstanding Debt Review

* Jun 2026 Update S&P debt status is now doubled the the weighting factor. Debt now has a larger impact on the rating.

Debt Per Capita - Rating Agency					Debt to Market Value - Rating Agency				
Year	Debt	Population	Debt Per Capita < 5K pp	<5k pp agency Ratin City Rating	Year	Debt	Total EMV FC + OC	Debt to MV < 10%	Agency Rating
2024	\$11,399,211	3,005	\$3,793	👍	AY 2023	\$11,399,211	\$294,778,900	4%	👍
2025	\$11,887,497	3,020	\$3,936	👍	AY2024	\$11,887,497	\$313,755,300	4%	👍

City of Chatfield, Minnesota

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2025

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City of Chatfield, Minnesota

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City of Chatfield, Minnesota

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City of Chatfield, Minnesota

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City of Chatfield, Minnesota

Introductory Section

December 31, 2025

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City of Chatfield, Minnesota
List of Elected and Appointed Officials
December 31, 2025

John McBroom	Mayor
Dave Frank	Vice-Mayor
Mike Urban	Councilor
Josh Broadwater	Councilor
Pam Bluhm	Councilor
Paul Novotny	Councilor
Michele Peterson	City Administrator
Kay Wangen	Finance Director

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City of Chatfield, Minnesota

Financial Section

December 31, 2025

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chatfield, Minnesota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the index.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chatfield, Minnesota, as of December 31, 2025, and the respective changes in financial position, cash flows thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Other Matter

The financial statements of the City of Chatfield, Minnesota for the year ended December 31, 2024 were audited by another auditor who expressed unmodified opinions on those statements on February 28, 2025.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of City Pension Contributions, the Schedule of City and Non-Employer Proportionate Share of Net Pension Liability, the Schedule of Changes in the Fire Relief Association, the Schedule of City Contributions and Non-Employer Contributing Entities for the Chatfield Fire Department Relief Association, and the Notes to the Required Supplementary Information as listed in the index be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the Schedule of City Pension Contributions, the Schedule of City and Non-Employer Proportionate Share of Net Pension Liability, the Schedule of Changes in the Fire Relief Association, the Schedule of City Contributions and Non-Employer Contributing Entities for the Chatfield Fire Department Relief Association, and the Notes to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chatfield, Minnesota's basic financial statements. The combining and individual nonmajor fund and schedules, Statements of Net Position, and Statements of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual listed in the index are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

Report on Summarized Comparative Information

The financial statements of the City of Chatfield, Minnesota for the year ended December 31, 2024, were audited by other auditors whose report dated February 28, 2025, expressed unmodified opinions on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rochester, Minnesota
June 18, 2026

**City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025**

As management of the City of Chatfield, Minnesota, (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31,385,305 (*net position*). Of this amount, \$4,661,414 (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 \$352,094.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,102,743. Of this amount, \$3,903,838 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 \$1,806,721 or 65% of next year's total general fund budgeted expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City'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 financial statements.

**City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025**

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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 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 include general government, public safety, public works, parks and recreation, library and community development. The business-type activities of the City include the water, sewer and garbage utilities. The government-wide financial statements can be found on pages 27-29 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, 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 can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

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

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

City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025

The City maintains 27 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, fire fund, ambulance fund, revolving loan federal fund, TIF District 2-5 Dollar General fund, and the 2025 M&O St. Project fund which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund (pages 40-45) and the special revenue funds (pages 46-48 and pages 120-123) to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 32-33 and pages 36-37 of this report.

Proprietary funds

The City 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 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's various functions. The City 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.

The proprietary fund financial statements can be found on pages 50-55 of this report.

The internal service fund financial statements can be found on pages 124-126 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 60-93 of this report.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 112-119 of this report.

City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025

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, assets and deferred outflows exceeded liabilities and deferred inflows by \$31,385,305 at the close of the most recent fiscal year.

The largest portion of the City's net position \$24,623,999 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 uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City'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 Net Position					
	Governmental		Business-Type			
	Activities		Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 8,166,172	\$ 8,117,419	\$ 681,313	\$ 687,499	\$ 8,847,485	\$ 8,804,918
Capital assets	26,630,470	25,448,110	9,494,860	9,840,656	36,125,330	35,288,766
Total assets	34,796,642	33,565,529	10,176,173	10,528,155	44,972,815	44,093,684
Deferred outflows of resources	594,342	835,177	27,102	26,330	621,444	861,507
Long-term liabilities						
outstanding	9,144,650	8,509,669	3,111,302	3,732,898	12,255,952	12,242,567
Other liabilities	922,381	460,071	117,046	117,556	1,039,427	577,627
Total liabilities	10,067,031	8,969,740	3,228,348	3,850,454	13,295,379	12,820,194
Deferred inflows of resources	857,094	1,036,805	56,481	64,981	913,575	1,101,786
Net position:						
Net investment in capital assets	18,150,504	17,681,853	6,473,495	6,207,702	24,623,999	23,889,555
Restricted	2,033,720	2,487,128	66,172	77,854	2,099,892	2,564,982
Unrestricted	4,282,635	4,225,180	378,779	353,494	4,661,414	4,578,674
Total net position	\$ 24,466,859	\$ 24,394,161	\$ 6,918,446	\$ 6,639,050	\$ 31,385,305	\$ 31,033,211

The balance of *unrestricted net position* of \$4,661,414 may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities

Governmental activities increased the City's net position by \$72,698.

City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025

Business-type activities

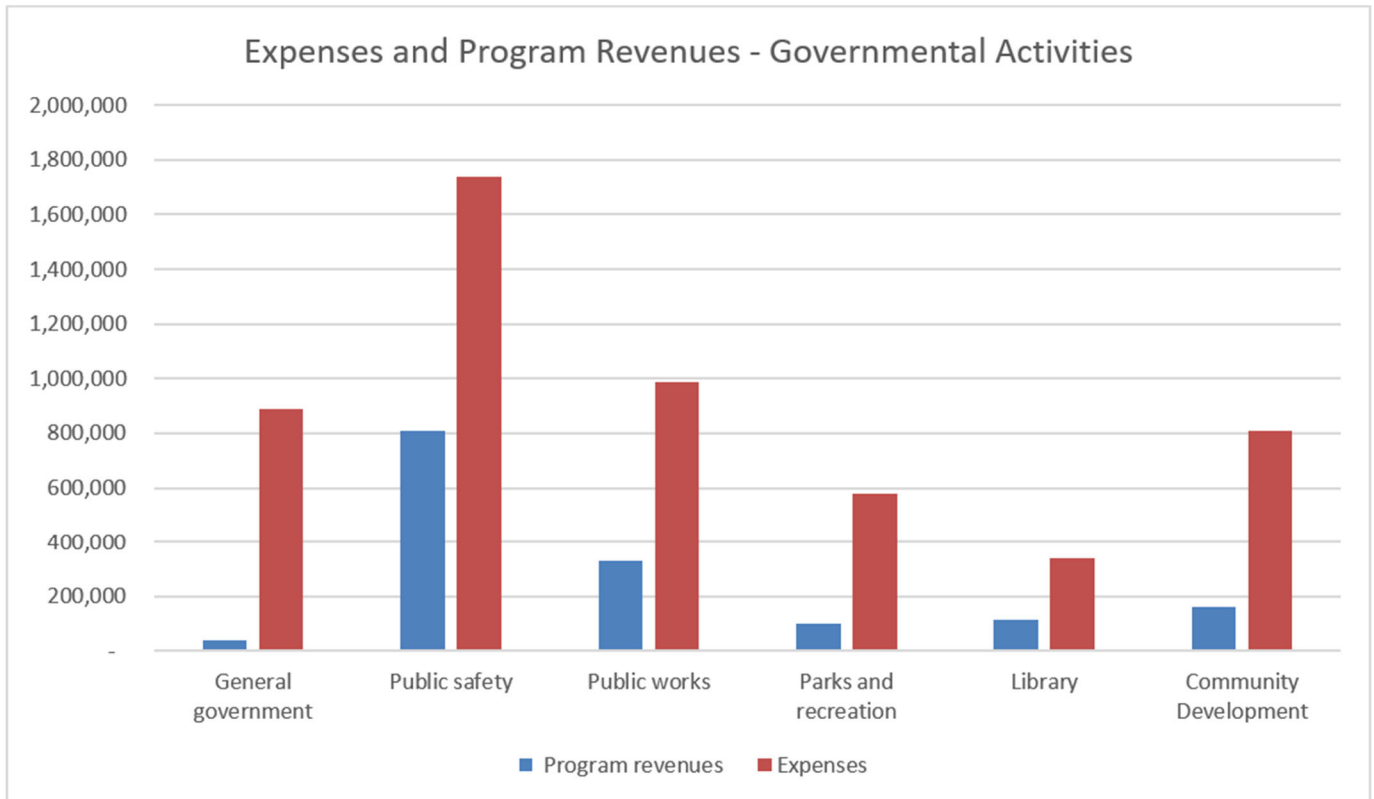
Business-type activities increased the City's net position by \$279,396.

A condensed version of the Statement of Activities follows:

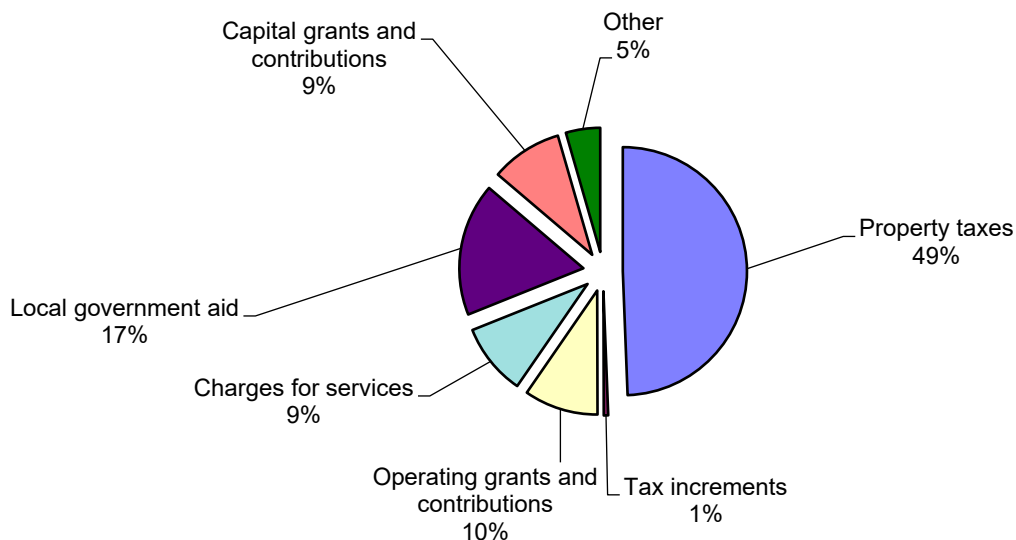
City of Chatfield Change in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenue:						
Program revenues:						
Charges for services	\$ 513,017	\$ 413,323	\$ 1,931,447	\$ 1,810,140	\$ 2,444,464	\$ 2,223,463
Operating grants and contributions	530,232	665,023	-	-	530,232	665,023
Capital grants and contributions	511,345	185,296	5,000	-	516,345	185,296
General revenues:						
Property taxes	2,715,085	2,579,262	-	-	2,715,085	2,579,262
Tax increments	31,230	29,941	-	-	31,230	29,941
Grants and contributions not restricted to specific programs						
Local government aid	950,380	949,457	-	-	950,380	949,457
Other	1,092	1,083	-	-	1,092	1,083
Miscellaneous	244,877	238,064	18,168	39,962	263,045	278,026
Total revenues	5,497,258	5,061,449	1,954,615	1,850,102	7,451,873	6,911,551
Expenses:						
General government	889,895	842,280	-	-	889,895	842,280
Public safety	1,737,412	1,391,341	-	-	1,737,412	1,391,341
Public works	985,264	709,072	-	-	985,264	709,072
Parks and recreation	579,312	552,570	-	-	579,312	552,570
Library	339,128	359,778	-	-	339,128	359,778
Community development	809,450	983,198	-	-	809,450	983,198
Interest on long-term debt	254,934	259,829	-	-	254,934	259,829
Water	-	-	460,375	459,471	460,375	459,471
Sewer	-	-	778,931	783,914	778,931	783,914
Garbage	-	-	265,078	264,834	265,078	264,834
Total expenses	5,595,395	5,098,068	1,504,384	1,508,219	7,099,779	6,606,287
Change in net position before transfers	(98,137)	(36,619)	450,231	341,883	352,094	305,264
Transfers	170,835	(505,895)	(170,835)	505,895	-	-
Change in net position	72,698	(542,514)	279,396	847,778	352,094	305,264
Net position, beginning	24,394,161	24,936,675	6,639,050	5,791,272	31,033,211	30,727,947
Net position, ending	\$ 24,466,859	\$ 24,394,161	\$ 6,918,446	\$ 6,639,050	\$ 31,385,305	\$ 31,033,211

**City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025**

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.



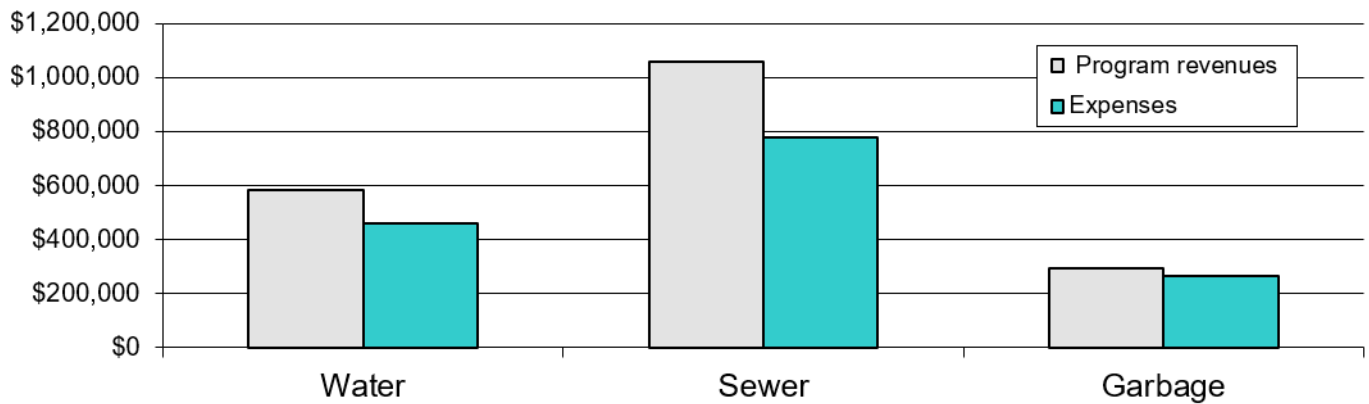
Revenues by Source - Governmental Activities



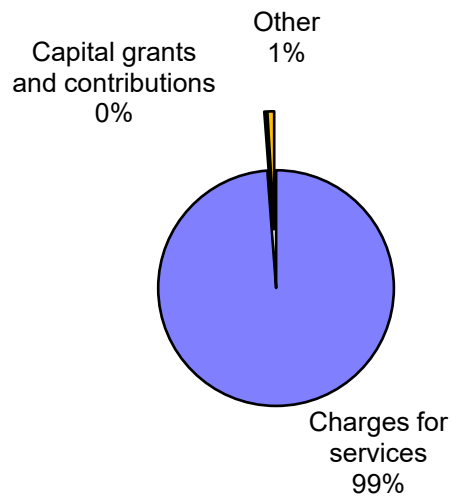
**City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025**

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
December 31, 2025**

Fund Basis Financial Analysis

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

Governmental funds

The focus of the City'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's financing requirements. In particular, *unassigned* and *assigned* fund balance may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

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

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

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

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,102,743, a decrease of \$193,283. This decrease in fund balance is due to a combination of planned capital expenditures, policy changes, and a change in the City staffing model.

Approximately 25% of this total amount, or \$1,513,970, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of this fund balance is *nonspendable, restricted, assigned, or committed* to indicate that it is not available for new spending because it has already been set aside (1) to liquidate contracts and purchase orders of the prior period, (2) to repay interfund advances or other debt, or (3) to fund specific capital projects or programs as obligated by statute or other regulation.

City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,513,970. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to next year's general fund tax and aid.

Unassigned fund balance represents 65% of next year's total general fund budgeted expenditures.

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

Proprietary funds

The City's proprietary funds statements found on pages 50-55 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 - \$57,412, Sewer - \$263,411, and Garbage - \$57,956.

The City is committed to maintaining and improving water and wastewater infrastructure with the goal of keeping costs at a minimal level yet provide the funding necessary to properly maintain the systems. A review of the rate structures is completed each year to ensure stability of the Utility services, with annual increases implemented as needed.

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

General Fund Budgetary Highlights

The City approved the 2025 general fund budget anticipating minimal change in general fund reserves.

At the close of the year, general fund total expenditures were \$31,360 below final budget while actual revenues were above final budget by \$37,727. These variances to budget in revenues can be traced to an increase in charges for services, as well as payment of past due property taxes. The variances to budget in expenditures can be traced to planned expenditure to add a public works position, that was ultimately not considered.

City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounts to \$36,125,330 (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's reported capital assets, net of depreciation, for the current fiscal year was \$836,564.

City of Chatfield Capital Assets
(net of depreciation)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Land	\$ 1,147,431	\$ 1,090,215	\$ 60,492	\$ 60,492	\$ 1,207,923	\$ 1,150,707
Construction in process	1,741,233	109,384	38,940	-	1,780,173	109,384
Buildings and improvements	17,040,853	17,707,755	-	-	17,040,853	17,707,755
Vehicles	988,362	1,079,239	-	-	988,362	1,079,239
Machinery and equipment	1,245,686	865,337	844,810	810,520	2,090,496	1,675,857
Furniture and fixtures	77,178	69,415	-	-	77,178	69,415
Wastewater treatment facility	-	-	8,550,618	8,969,644	8,550,618	8,969,644
Infrastructure	4,389,727	4,526,765	-	-	4,389,727	4,526,765
Total	<u>\$ 26,630,470</u>	<u>\$ 25,448,110</u>	<u>\$ 9,494,860</u>	<u>\$ 9,840,656</u>	<u>\$ 36,125,330</u>	<u>\$ 35,288,766</u>

Additional information on the City's capital assets can be found in Note 3 on pages 72-73 of this report.

**City of Chatfield, Minnesota
Management's Discussion and Analysis
December 31, 2025**

Long-term debt

At the end of the current fiscal year, the City had \$11,356,000 in bonds and notes outstanding. All of this debt is backed by the full faith and credit of the City.

City of Chatfield Outstanding Debt

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
G.O. bonds and notes	\$ 8,367,940	\$ 7,639,660	\$ -	\$ -	\$ 8,367,940	\$ 7,639,660
G.O. revenue bonds and notes	-	-	2,988,060	3,592,340	2,988,060	3,592,340
Unamortized premium	112,026	126,597	33,305	40,614	145,331	167,211
Compensated absences	320,742	309,014	65,424	49,789	386,166	358,803
Total	<u>\$ 8,800,708</u>	<u>\$ 8,075,271</u>	<u>\$ 3,086,789</u>	<u>\$ 3,682,743</u>	<u>\$11,887,497</u>	<u>\$11,758,014</u>

The City's total long-term liabilities increased by \$129,483 during the current fiscal year. A more detailed breakdown of these obligations can be found in Note 3, beginning on page 76.

The City maintains an AA Stable bond rating on its general obligation bonds from Standard & Poor's.

Economic Factors and Next Year's Budgets and Rates

The City continually reviews its financial policies to ensure that current operating procedures align with industry standards. As part of this effort, the City determined it was appropriate to write off over \$291,000 in past-due ambulance receivables and subsequently amended its receivable retention policy.

The City has maintained a stable tax rate through proactive planning and responsible resource management. However, rising costs and ongoing supply chain challenges have affected both capital equipment replacement schedules and cost estimates. To address these impacts, capital equipment replacement plans will be reviewed annually, alongside monthly reviews of departmental budgets.

Staff will continue to collaborate to ensure that the goals and initiatives outlined in the City's Strategic Plan, Comprehensive Plan, and Capital Improvement Plan are implemented in accordance with City Council direction.

Requests for Information

This financial report is designed to provide a general overview of the City'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 Administrator, City Hall, 21 Second Street SE, Chatfield, MN 55923 or mpeterson@ci.chatfield.mn.us.

City of Chatfield, Minnesota

Financial Statements

December 31, 2025

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City of Chatfield, Minnesota

**Statement of Net Position
December 31, 2025
With Comparative Totals for December 31, 2024**

	Governmental Activities	Business-Type Activities	Totals	
			2025	2024
Assets				
Cash and investments	\$ 7,562,220	\$ 371,591	\$ 7,933,811	\$ 7,662,645
Restricted cash and investments	-	66,172	66,172	77,854
Receivables	316,681	243,550	560,231	835,935
Prepaid items	18,717	-	18,717	17,169
Net pension asset	268,554	-	268,554	211,315
Capital assets:				
Nondepreciable	2,888,664	99,432	2,988,096	1,260,091
Depreciable, net	23,741,806	9,395,428	33,137,234	34,028,675
Total assets	<u>34,796,642</u>	<u>10,176,173</u>	<u>44,972,815</u>	<u>44,093,684</u>
 Deferred outflows of resources				
Deferred outflows from pension activity	546,505	27,102	573,607	753,357
Deferred outflows from fire relief pension activity	47,837	-	47,837	108,150
Total deferred outflows of resources	<u>594,342</u>	<u>27,102</u>	<u>621,444</u>	<u>861,507</u>
 Total assets and deferred outflows of resources	<u>\$ 35,390,984</u>	<u>\$ 10,203,275</u>	<u>\$ 45,594,259</u>	<u>\$ 44,955,191</u>
 Liabilities				
Accounts payable	\$ 479,281	\$ 18,848	\$ 498,129	\$ 68,854
Accrued interest payable	122,358	32,774	155,132	149,970
Accrued compensated absences	320,742	65,424	386,166	358,803
Noncurrent liabilities:				
Due within one year	624,080	617,920	1,242,000	1,435,000
Due in more than one year	7,855,886	2,403,445	10,259,331	9,964,211
Net pension liability	664,684	89,937	754,621	843,356
Total liabilities	<u>10,067,031</u>	<u>3,228,348</u>	<u>13,295,379</u>	<u>12,820,194</u>
 Deferred inflows of resources				
Deferred inflows from pension activity	806,995	56,481	863,476	1,069,279
Deferred inflows from fire relief pension activity	50,099	-	50,099	32,507
Total deferred inflows of resources	<u>857,094</u>	<u>56,481</u>	<u>913,575</u>	<u>1,101,786</u>
 Net position				
Net investment in capital assets	18,150,504	6,473,495	24,623,999	23,889,555
Restricted for:				
Fire pension	268,554	-	268,554	211,315
Revolving loans	223,764	-	223,764	438,520
Debt service	1,541,402	66,172	1,607,574	1,915,147
Unrestricted	4,282,635	378,779	4,661,414	4,578,674
Total net position	<u>24,466,859</u>	<u>6,918,446</u>	<u>31,385,305</u>	<u>31,033,211</u>
 Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,390,984</u>	<u>\$ 10,203,275</u>	<u>\$ 45,594,259</u>	<u>\$ 44,955,191</u>

See Notes to the Financial Statements

City of Chatfield, Minnesota

**Statement of Activities
Year Ended December 31, 2025
With Comparative Totals for Year Ended December 31, 2024**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 889,895	\$ 27,605	\$ 12,085	\$ -
Public safety	1,737,412	361,791	216,249	229,662
Public works	985,264	-	49,073	281,683
Parks and recreation	579,312	98,983	-	-
Library	339,128	8,288	105,799	-
Community development	809,450	16,350	147,026	-
Interest on long-term debt	254,934	-	-	-
Total governmental activities	<u>5,595,395</u>	<u>513,017</u>	<u>530,232</u>	<u>511,345</u>
Business-type activities:				
Water	460,375	582,570	-	5,000
Sewer	778,931	1,056,464	-	-
Garbage	265,078	292,413	-	-
Total business-type activities	<u>1,504,384</u>	<u>1,931,447</u>	<u>-</u>	<u>5,000</u>
Total	<u>\$ 7,099,779</u>	<u>\$ 2,444,464</u>	<u>\$ 530,232</u>	<u>\$ 516,345</u>

General revenues:

 General property taxes

 Tax increments

 Grants and contributions not restricted to specific programs:

 Local government aid

 Other

 Investment income

 Insurance recovery

 Miscellaneous

Transfers

 Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

See Notes to the Financial Statements

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Totals	
		2025	2024
\$ (850,205)	\$ -	\$ (850,205)	\$ (768,431)
(929,710)	-	(929,710)	(644,461)
(654,508)	-	(654,508)	(617,130)
(480,329)	-	(480,329)	(458,674)
(225,041)	-	(225,041)	(256,902)
(646,074)	-	(646,074)	(828,999)
(254,934)	-	(254,934)	(259,829)
<u>(4,040,801)</u>	<u>-</u>	<u>(4,040,801)</u>	<u>(3,834,426)</u>
-	127,195	127,195	39,781
-	277,533	277,533	234,084
-	27,335	27,335	28,056
<u>-</u>	<u>432,063</u>	<u>432,063</u>	<u>301,921</u>
<u>(4,040,801)</u>	<u>432,063</u>	<u>(3,608,738)</u>	<u>(3,532,505)</u>
2,715,085	-	2,715,085	2,579,262
31,230	-	31,230	29,941
950,380	-	950,380	949,457
1,092	-	1,092	1,083
162,448	18,168	180,616	187,430
42,031	-	42,031	-
40,398	-	40,398	90,596
170,835	(170,835)	-	-
<u>4,113,499</u>	<u>(152,667)</u>	<u>3,960,832</u>	<u>3,837,769</u>
72,698	279,396	352,094	305,264
<u>24,394,161</u>	<u>6,639,050</u>	<u>31,033,211</u>	<u>30,727,947</u>
<u>\$ 24,466,859</u>	<u>\$ 6,918,446</u>	<u>\$ 31,385,305</u>	<u>\$ 31,033,211</u>

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City of Chatfield
Fund Financial Statements
December 31, 2025

City of Chatfield, Minnesota

**Balance Sheet
Governmental Funds
December 31, 2025
With Comparative Totals for December 31, 2024**

	Special Revenue Funds			
	100 General	220/221 Fire	230/231 Ambulance	360 Revolving Loan Federal
Assets				
Cash and investments	\$ 1,818,303	\$ 1,115,252	\$ 308,894	\$ 127,779
Accounts receivable, net of allowance	-	-	49,765	-
Notes receivable	-	-	-	228,619
Due from other governmental units	4,570	186	380	-
Taxes receivable delinquent	17,608	308	629	-
Due from other funds	461	-	-	-
Advances to other funds	-	-	-	-
Prepaid items	18,717	-	-	-
Total assets	\$ 1,859,659	\$ 1,115,746	\$ 359,668	\$ 356,398
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	\$ 16,613	\$ 1,725	\$ 4,169	\$ -
Due to other governmental units	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	16,613	1,725	4,169	-
Deferred inflows of resources:				
Unavailable revenue:				
Property taxes	17,608	308	629	-
Notes receivable	-	-	-	228,619
Total deferred inflows of resources	17,608	308	629	228,619
Fund balances:				
Nonspendable:				
Prepaid items	18,717	-	-	-
Advances to other funds	-	-	-	-
Restricted:				
Creditors (debt covenants)	-	-	-	-
Regulations	-	-	-	127,779
Committed:				
By Council action	-	-	-	-
Assigned:				
Fund assignments	-	1,113,713	354,870	-
Unassigned	1,806,721	-	-	-
Total fund balances	1,825,438	1,113,713	354,870	127,779
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,859,659	\$ 1,115,746	\$ 359,668	\$ 356,398

See Notes to the Financial Statements

Capital Project Funds		Other Governmental Funds	Totals	
358 TIF Dist. 2-5 Dollar General	425 2025 M&O St. Project		2025	2024
\$ -	\$ 527,600	\$ 2,602,899	\$ 6,500,727	\$ 6,002,337
-	-	-	49,765	263,310
-	-	-	228,619	195,097
-	-	7,679	12,815	52,426
-	-	6,892	25,437	62,627
-	-	-	461	1,513
-	-	292,290	292,290	297,838
-	-	-	18,717	17,169
<u>\$ -</u>	<u>\$ 527,600</u>	<u>\$ 2,909,760</u>	<u>\$ 7,128,831</u>	<u>\$ 6,892,317</u>
\$ -	\$ 455,931	\$ 843	\$ 479,281	\$ 16,007
-	-	-	-	23,209
-	-	461	461	1,513
292,290	-	-	292,290	297,838
<u>292,290</u>	<u>455,931</u>	<u>1,304</u>	<u>772,032</u>	<u>338,567</u>
-	-	6,892	25,437	62,627
-	-	-	228,619	195,097
<u>-</u>	<u>-</u>	<u>6,892</u>	<u>254,056</u>	<u>257,724</u>
-	-	-	18,717	17,169
-	-	292,290	292,290	297,838
-	-	1,658,629	1,658,629	1,929,494
-	-	101,490	229,269	248,599
-	-	412,414	412,414	405,110
-	71,669	437,202	1,977,454	2,007,431
(292,290)	-	(461)	1,513,970	1,390,385
<u>(292,290)</u>	<u>71,669</u>	<u>2,901,564</u>	<u>6,102,743</u>	<u>6,296,026</u>
<u>\$ -</u>	<u>\$ 527,600</u>	<u>\$ 2,909,760</u>	<u>\$ 7,128,831</u>	<u>\$ 6,892,317</u>

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City of Chatfield, Minnesota

**Reconciliation of Net Position in the
Government-Wide Financial Statements and Fund Balances
in the Fund Basis Financial Statements
December 31, 2025**

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

Total governmental fund balances (pages 32-33)	\$ 6,102,743
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental funds - capital assets	\$ 38,371,454	
Less: Accumulated depreciation	<u>(15,040,251)</u>	23,331,203

Some receivables are not available soon enough to pay for current period expenditures and, therefore, are unavailable in the funds.

Delinquent property taxes	\$ 25,437	
Notes receivable	<u>228,619</u>	254,056

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.

4,360,805

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	\$ (8,367,940)	
Net pension liability	(925,174)	
Net pension asset	266,292	
Compensated absences	(320,742)	
Bond premiums net of amortization	(112,026)	
Accrued interest payable	<u>(122,358)</u>	<u>(9,581,948)</u>

Net position of governmental activities (page 27)	<u>\$ 24,466,859</u>
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City of Chatfield, Minnesota

**Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Fund**

For the Year Ended December 31, 2025

With Comparative Totals for the Year Ended December 31, 2024

	Special Revenue Funds			
	100	220/221	230/231	360
	General	Fire	Ambulance	Revolving Loan Federal
Revenues				
Property taxes	\$ 1,533,714	\$ 69,179	\$ 141,367	\$ -
Special assessments	350	-	-	-
Tax increments	-	-	-	-
Licenses and permits	14,859	-	-	-
Fines and forfeits	6,483	-	-	-
Intergovernmental	1,052,572	73,030	70,326	-
Franchise fees	4,166	-	-	-
Charges for services	108,337	10,968	344,458	-
Training revenue	-	-	5,100	-
Investment income (loss)	19,541	39,346	9,082	10,125
Contributions	-	206,070	23,592	-
Miscellaneous	2,507	40	165	26,478
Total revenues	<u>2,742,529</u>	<u>398,633</u>	<u>594,090</u>	<u>36,603</u>
Expenditures				
Current				
General government	785,081	-	-	-
Public safety	818,736	92,620	707,889	-
Public works	660,637	-	-	-
Parks and recreation	475,335	-	-	-
Library	-	-	-	-
Community development	-	-	-	60,000
Capital outlay	-	109,398	-	-
Debt service	-	-	-	-
Total expenditures	<u>2,739,789</u>	<u>202,018</u>	<u>707,889</u>	<u>60,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,740</u>	<u>196,615</u>	<u>(113,799)</u>	<u>(23,397)</u>
Other financing sources (uses)				
Issuance of long-term debt	-	-	-	-
Insurance recovery	42,031	-	-	-
Sale of assets	-	-	3,200	-
Transfers in	152,912	-	-	-
Transfers out	(79,150)	(2,670)	(2,670)	-
Total other financing sources (uses)	<u>115,793</u>	<u>(2,670)</u>	<u>530</u>	<u>-</u>
Net change in fund balances	<u>118,533</u>	<u>193,945</u>	<u>(113,269)</u>	<u>(23,397)</u>
Fund balances, beginning, as previously reported	1,706,905	-	468,139	-
Change within financial reporting entity - nonmajor to major fund (Note 10)	-	919,768	-	151,176
Fund balances, beginning, as restated	<u>1,706,905</u>	<u>919,768</u>	<u>468,139</u>	<u>151,176</u>
Fund balances, ending	<u>\$ 1,825,438</u>	<u>\$ 1,113,713</u>	<u>\$ 354,870</u>	<u>\$ 127,779</u>

See Notes to the Financial Statements

Capital Project Funds		Other Governmental Funds	Totals	
358	425		2025	2024
TIF Dist. 2-5 Dollar General	2025 M&O St. Project			
\$ -	\$ -	\$ 972,681	\$ 2,716,941	\$ 2,552,194
-	-	-	350	2,561
17,380	-	13,850	31,230	29,941
-	-	-	14,859	13,280
-	-	495	6,978	4,938
-	-	596,402	1,792,330	1,586,734
-	-	8,901	13,067	20,901
-	-	13,020	476,783	379,066
-	-	-	5,100	3,600
(11,832)	14,051	82,135	162,448	176,223
-	-	7,836	237,498	204,312
-	3,147	25,962	58,299	393,368
<u>5,548</u>	<u>17,198</u>	<u>1,721,282</u>	<u>5,515,883</u>	<u>5,367,118</u>
-	-	67,590	852,671	789,477
-	-	-	1,619,245	1,212,546
-	-	-	660,637	530,652
-	-	-	475,335	400,583
-	-	304,643	304,643	284,629
-	-	745,785	805,785	679,173
-	1,656,529	36,510	1,802,437	570,629
-	-	1,242,388	1,242,388	995,237
-	1,656,529	2,396,916	7,763,141	5,462,926
<u>5,548</u>	<u>(1,639,331)</u>	<u>(675,634)</u>	<u>(2,247,258)</u>	<u>(95,808)</u>
-	1,711,000	-	1,711,000	-
-	-	-	42,031	-
-	-	-	3,200	26,552
-	-	625,972	778,884	839,742
-	-	(396,650)	(481,140)	(868,760)
-	1,711,000	229,322	2,053,975	(2,466)
<u>5,548</u>	<u>71,669</u>	<u>(446,312)</u>	<u>(193,283)</u>	<u>(98,274)</u>
(297,838)	-	4,418,820	6,296,026	6,394,300
-	-	(1,070,944)	-	-
<u>(297,838)</u>	<u>-</u>	<u>3,347,876</u>	<u>6,296,026</u>	<u>6,394,300</u>
<u>\$ (292,290)</u>	<u>\$ 71,669</u>	<u>\$ 2,901,564</u>	<u>\$ 6,102,743</u>	<u>\$ 6,296,026</u>

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City of Chatfield, Minnesota

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2025

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

Net change in fund balances - total governmental funds (pages 36-37)	\$	(193,283)
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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	\$	1,758,573	
Depreciation expense		<u>(925,500)</u>	
			833,073

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

(48,737)

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

Unavailable revenue, December 31, 2025	\$	254,056	
Unavailable revenue, December 31, 2024		<u>(257,724)</u>	
			(3,668)

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

146,424

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligations bonds and related items is as follows.

Principal retirement on long-term debt	\$	982,720	
Issuance of long-term debt		(1,711,000)	
Amortization of bond premium		14,571	
Change in accrued interest payable		<u>(10,517)</u>	
			(724,226)

In the statement of activities, certain operating expenses - compensated absences, net pension liability, and net pension asset - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Change in compensated absences	\$	(11,728)	
Change in net pension liability activity		95,509	
Change in net pension asset		<u>(20,666)</u>	
			63,115

Change in net position of governmental activities (pages 28-29)	\$	<u>72,698</u>
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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, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	Original	Final			
Revenues					
Property tax levy collected	\$ 1,544,092	\$ 1,544,092	\$ 1,533,714	\$ (10,378)	\$ 1,667,673
Special assessments	-	-	350	350	-
Licenses and permits	10,000	10,000	14,859	4,859	13,280
Intergovernmental revenues					
Local government aid	950,380	950,380	950,380	-	949,457
Market value credit	-	-	1,092	1,092	1,083
State police aid	55,000	55,000	69,293	14,293	45,192
Highway	2,500	2,500	10,191	7,691	2,600
Training and reimbursement	17,000	17,000	18,432	1,432	17,043
Other state aid	-	-	3,184	3,184	50,198
Total intergovernmental revenues	1,024,880	1,024,880	1,052,572	27,692	1,065,573
Franchise fees	-	-	4,166	4,166	-
Charges for services					
Pool fees	94,900	94,900	104,385	9,485	100,249
Street department fees	3,000	3,000	1,800	(1,200)	1,403
Other	550	550	2,152	1,602	2,296
Total charges for services	98,450	98,450	108,337	9,887	103,948
Fines and forfeits					
Parking fines	1,700	1,700	2,750	1,050	725
Court fines and other	3,000	3,000	3,733	733	3,845
Total fines and forfeits	4,700	4,700	6,483	1,783	4,570
Investment income	17,000	17,000	19,541	2,541	95,031
Miscellaneous revenues					
Refunds and reimbursements	5,608	5,608	1,374	(4,234)	19,781
Other	1,272	72	1,133	1,061	13,699
Total miscellaneous revenues	6,880	5,680	2,507	(3,173)	33,480
Total revenues	\$ 2,706,002	\$ 2,704,802	\$ 2,742,529	\$ 37,727	\$ 2,983,555

See Notes to the Financial Statements

City of Chatfield, Minnesota

**General Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	<u>Budgeted Amounts</u>		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	<u>Original</u>	<u>Final</u>			
Expenditures					
General government					
Mayor and council					
Salaries and wages	\$ 24,750	\$ 24,750	\$ 24,060	\$ 690	\$ 24,320
Employee benefits and retirement	3,110	3,110	1,641	1,469	1,684
Workers' compensation	120	120	68	52	88
Office supplies	150	150	32	118	-
Printing and publication	2,000	2,000	-	2,000	1,480
Travel and conference	2,750	2,750	1,848	902	849
Professional fees	5,000	5,000	-	5,000	1,150
Legal fees	10,000	10,000	11,410	(1,410)	9,435
Dues and subscription	13,000	13,000	12,974	26	10,289
Insurance	1,600	1,600	1,273	327	1,384
Departmental capital charge	-	-	-	-	900
Other	5,100	5,100	2,521	2,579	4,951
Total mayor and council	<u>67,580</u>	<u>67,580</u>	<u>55,827</u>	<u>11,753</u>	<u>56,530</u>
Elections	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>	<u>10,563</u>
Administration					
Salaries and wages	403,868	403,868	408,578	(4,710)	346,928
Employee benefits and retirement	59,300	59,300	60,459	(1,159)	51,787
Workers' compensation	3,243	3,243	594	2,649	2,691
Health insurance	53,100	53,100	66,555	(13,455)	45,021
Office supplies	6,150	6,150	8,066	(1,916)	5,711
Postage	750	750	1,921	(1,171)	1,639
Audit fees	15,000	15,000	16,500	(1,500)	13,750
Professional fees	18,000	18,000	25,120	(7,120)	17,556
Licenses and dues	11,000	11,000	9,691	1,309	5,049
Insurance	6,700	6,700	4,106	2,594	5,197
Internet and telephone	30,000	30,000	28,916	1,084	27,909
Maintenance and repair	1,700	1,700	701	999	1,443
Travel and conference	5,300	5,300	3,851	1,449	4,506
Departmental capital charge	3,000	3,000	3,000	-	3,200
Other	11,575	11,575	15,586	(4,011)	11,638
Total administration	<u>628,686</u>	<u>628,686</u>	<u>653,644</u>	<u>(24,958)</u>	<u>544,025</u>
Planning and zoning					
Printing and publication	-	-	-	-	148
Professional fees	65,000	-	-	-	46,656
Insurance	5,600	-	-	-	4,275
Other	-	-	-	-	160
Total planning and zoning	<u>\$ 70,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,239</u>

See Notes to the Financial Statements

City of Chatfield, Minnesota

**General Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		2025	Variance with	2024
	Original	Final	Actual	Final Budget - Favorable (Unfavorable)	Actual
Expenditures (continued)					
General government (continued)					
Municipal building					
Operating supplies	\$ 2,500	\$ 2,500	\$ 1,433	\$ 1,067	\$ 2,136
Maintenance and repair	15,000	15,000	10,057	4,943	9,119
Contracted services	17,500	17,500	16,792	708	18,186
Insurance	10,400	10,400	8,633	1,767	9,287
Utilities	12,700	12,700	8,444	4,256	8,461
Departmental capital charge	30,220	30,220	30,220	-	29,500
Other	651	501	31	470	1,007
Total municipal building	<u>88,971</u>	<u>88,821</u>	<u>75,610</u>	<u>13,211</u>	<u>77,696</u>
Total general government	<u>857,637</u>	<u>786,887</u>	<u>785,081</u>	<u>1,806</u>	<u>740,053</u>
Public safety					
Animal control					
Operating supplies	-	-	-	-	120
Other	-	-	-	-	14
Total animal control	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134</u>
Civil defense					
Contracted services	1,000	1,000	653	347	659
Departmental capital charge	-	-	-	-	2,000
Total civil defense	<u>1,000</u>	<u>1,000</u>	<u>653</u>	<u>347</u>	<u>2,659</u>
Building code					
Consultant fee	-	-	-	-	15,093
Plan review	-	-	-	-	55
Administrative fees	-	-	-	-	481
Total building code	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,629</u>

See Notes to the Financial Statements

City of Chatfield, Minnesota

**General Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>2025 Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2024 Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
Expenditures (continued)					
Public safety (continued)					
Police department					
Salaries and wages	\$ 440,832	\$ 440,832	\$ 479,263	\$ (38,431)	\$ 428,205
Employee benefits and retirement	82,102	82,102	91,002	(8,900)	80,811
Workers compensation	54,054	54,054	24,574	29,480	40,666
Health insurance	71,125	71,125	76,914	(5,789)	70,393
Operating supplies	2,000	2,000	3,455	(1,455)	889
Vehicle operating supplies	9,000	9,000	11,017	(2,017)	9,185
Small tools and minor equipment	1,500	1,500	2,648	(1,148)	1,633
Internet and telephone	7,300	7,300	6,871	429	6,926
Legal fees	4,000	4,000	7,388	(3,388)	8,142
Uniform allowance	4,250	4,250	3,499	751	1,866
Maintenance and repair	5,500	5,500	20,814	(15,314)	12,472
Licenses and dues	3,700	3,700	3,535	165	3,389
Clothing	5,000	5,000	2,505	2,495	507
Training	4,000	4,000	1,819	2,181	1,886
Contracted services	15,600	15,600	14,945	655	16,471
Insurance	23,000	23,000	16,434	6,566	18,015
Utilities	8,000	8,000	5,870	2,130	6,484
Departmental capital charge	40,914	40,914	40,914	-	38,225
Other	5,820	5,820	4,616	1,204	3,811
Total police department	<u>787,697</u>	<u>787,697</u>	<u>818,083</u>	<u>(30,386)</u>	<u>749,976</u>
Total public safety	<u>788,697</u>	<u>788,697</u>	<u>818,736</u>	<u>(30,039)</u>	<u>768,398</u>
Public works					
Street department					
Salaries and wages	162,636	162,636	118,439	44,197	133,797
Employee benefits and retirement	23,839	23,839	17,737	6,102	20,023
Health insurance	21,070	21,070	11,913	9,157	17,103
Workers compensation	9,610	9,610	13,649	(4,039)	9,572
Operating supplies	21,250	21,250	8,219	13,031	15,001
Vehicle operating supplies	15,000	15,000	10,492	4,508	9,605
Maintenance and repair	157,786	157,786	129,549	28,237	32,751
Clothing	1,600	1,600	782	818	738
Snow removal	3,500	3,500	-	3,500	368
Insurance	14,550	14,550	11,146	3,404	11,945
Internet and telephone	3,100	3,100	2,146	954	2,793
Other professional services	11,000	11,000	2,384	8,616	4,839
Small tools and minor equipment	7,100	7,100	4,614	2,486	2,745
Utilities	54,500	54,500	58,055	(3,555)	52,607
Departmental capital charge	243,420	243,420	243,420	-	212,880
Other	4,850	4,850	28,092	(23,242)	3,885
Total public works	<u>\$ 754,811</u>	<u>\$ 754,811</u>	<u>\$ 660,637</u>	<u>\$ 94,174</u>	<u>\$ 530,652</u>

See Notes to the Financial Statements

City of Chatfield, Minnesota

**General Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		2025	Variance with	2024
	Original	Final	Actual	Final Budget - Positive (Negative)	Actual
Expenditures (continued)					
Parks and recreation					
Parks					
Salaries and wages	\$ 91,283	\$ 91,283	\$ 107,480	\$ (16,197)	\$ 87,228
Employee benefits and retirement	12,508	12,508	13,968	(1,460)	11,585
Workers compensation	8,908	8,908	3,178	5,730	8,343
Health insurance	10,530	10,530	11,913	(1,383)	10,732
Small tools and minor equipment	2,000	2,000	429	1,571	1,159
Vehicle operating supplies	8,500	8,500	6,040	2,460	5,348
Maintenance and repair	8,000	8,000	3,081	4,919	6,900
Other professional services	100	100	1,956	(1,856)	-
Utilities	23,500	23,500	21,736	1,764	21,934
Insurance	7,600	7,600	6,241	1,359	6,736
Departmental capital charge	49,131	49,131	49,131	-	46,350
Other	8,325	8,325	53,551	(45,226)	7,025
Total parks	<u>230,385</u>	<u>230,385</u>	<u>278,704</u>	<u>(48,319)</u>	<u>213,340</u>
Pool					
Salaries and wages	91,400	91,400	93,868	(2,468)	94,717
Employee benefits and retirement	7,020	7,020	7,648	(628)	7,245
Workers compensation	7,808	7,808	3,160	4,648	6,965
Operating supplies	17,000	17,000	16,437	563	16,407
Maintenance and repair	8,500	8,500	9,000	(500)	3,873
Utilities	29,000	29,000	19,957	9,043	21,613
Insurance	15,600	15,600	12,968	2,632	13,982
Departmental capital charge	12,500	12,500	12,500	-	2,500
Other	21,541	21,541	21,093	448	18,341
Total pool	<u>210,369</u>	<u>210,369</u>	<u>196,631</u>	<u>13,738</u>	<u>185,643</u>
Band					
School band concerts	-	-	-	-	480
Brass band concerts	-	-	-	-	1,120
Total band	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600</u>
Total parks and recreation	<u>\$ 440,754</u>	<u>\$ 440,754</u>	<u>\$ 475,335</u>	<u>\$ (34,581)</u>	<u>\$ 400,583</u>

See Notes to the Financial Statements

City of Chatfield, Minnesota

**General Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		2025	Variance with	2024
	Original	Final	Actual	Final Budget - Positive (Negative)	Actual
			Amounts		Amounts
Expenditures (continued)					
Community development					
Promotional expense	\$ -	\$ -	\$ -	\$ -	\$ 3,437
Heritage preservation	-	-	-	-	10,000
Other	-	-	-	-	20,215
Total community development	-	-	-	-	33,652
Total expenditures	2,841,899	2,771,149	2,739,789	31,360	2,473,338
Excess (deficit) of revenues over (under) expenditures	(135,897)	(66,347)	2,740	69,087	510,217
Other financing sources (uses)					
Insurance recovery	-	-	42,031	42,031	-
Transfers in	143,050	143,050	152,912	9,862	134,048
Transfers out	(10,000)	(79,150)	(79,150)	-	(795,869)
Total other financing sources (uses)	133,050	63,900	115,793	51,893	(661,821)
Net change in fund balance	(2,847)	(2,447)	118,533	120,980	(151,604)
Fund balance, beginning	1,706,905	1,706,905	1,706,905	-	1,858,509
Fund balance, ending	\$ 1,704,058	\$ 1,704,458	\$ 1,825,438	\$ 120,980	\$ 1,706,905

See Notes to the Financial Statements

City of Chatfield, Minnesota

**Fire Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		220	221	2025	Variance with	2024
	Original	Final	Fire	Fire Capital	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
Revenues							
Property taxes	\$ 70,000	\$ 70,000	\$ 69,179	\$ -	\$ 69,179	\$ (821)	\$ -
Intergovernmental:							
Township contributions	72,100	72,100	71,530	-	71,530	(570)	70,325
Training and reimbursement	1,000	1,000	1,500	-	1,500	500	-
Charges for services	8,000	8,000	10,968	-	10,968	2,968	13,576
Investment income	7,000	7,000	2,460	36,886	39,346	32,346	17,561
Donations	110,000	110,000	-	206,070	206,070	96,070	160,326
Miscellaneous	401	401	40	-	40	(361)	795
Total revenues	268,501	268,501	155,677	242,956	398,633	130,132	262,583
Expenditures							
Public safety							
Salaries and wages	32,000	32,000	34,879	-	34,879	(2,879)	34,812
Employee benefits and retirement	2,470	2,470	2,668	-	2,668	(198)	9,696
Workers compensation	18,018	18,018	5,927	-	5,927	12,091	10,392
Operating supplies	3,000	3,000	1,180	-	1,180	1,820	1,712
Small tools and minor equipment	5,000	5,000	3,087	32	3,119	1,881	946
Vehicle operating supplies	2,800	2,800	2,187	-	2,187	613	2,595
Insurance	6,000	6,000	5,645	-	5,645	355	5,818
Utilities	11,500	11,500	8,857	-	8,857	2,643	7,907
Maintenance and repairs	17,200	17,200	13,321	-	13,321	3,879	11,823
Training	2,000	2,000	286	-	286	1,714	2,068
Capital outlay	26,523	26,523	-	109,398	109,398	(82,875)	50,512
Other	18,970	18,970	11,707	2,844	14,551	4,419	8,645
Total expenditures	145,481	145,481	89,744	112,274	202,018	(56,537)	146,926
Excess (deficiency) of revenues over (under) expenditures	123,020	123,020	65,933	130,682	196,615	73,595	115,657
Other financing sources (uses)							
Sale of assets	-	-	-	-	-	-	4,301
Transfers in	49,200	49,200	-	49,200	49,200	-	225,983
Transfers out	(53,650)	(53,650)	(51,870)	-	(51,870)	1,780	(126,741)
Total other financing sources (uses)	(4,450)	(4,450)	(51,870)	49,200	(2,670)	1,780	103,543
Net change in fund balance	118,570	118,570	14,063	179,882	193,945	75,375	219,200
Fund balance, beginning	919,768	919,768	44,456	875,312	919,768	-	700,568
Fund balance, ending	\$ 1,038,338	\$ 1,038,338	\$ 58,519	\$ 1,055,194	\$ 1,113,713	\$ 75,375	\$ 919,768

See Notes to the Financial Statements

City of Chatfield, Minnesota

**Ambulance Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		230	231	2025	Variance with	2024
	Original	Final	Ambulance	Ambulance Capital Reserve	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
Revenues							
Property taxes	\$ 143,043	\$ 143,043	\$ 141,367	\$ -	\$ 141,367	\$ (1,676)	\$ -
Intergovernmental revenues:							
County contract	6,000	6,000	6,000	-	6,000	-	6,000
Township contributions	60,737	60,737	60,201	-	60,201	(536)	58,968
Training reimbursement	3,000	3,000	4,125	-	4,125	1,125	4,875
Other	500	500	-	-	-	(500)	94,678
Charges for services	228,000	228,000	344,458	-	344,458	116,458	259,215
Training revenue	10,000	10,000	5,100	-	5,100	(4,900)	3,600
Investment income	2,500	2,500	6,739	2,343	9,082	6,582	5,271
Contributions	15,000	15,000	-	23,592	23,592	8,592	24,792
Miscellaneous	351	351	165	-	165	(186)	964
Total revenues	469,131	469,131	568,155	25,935	594,090	124,959	458,363
Expenditures							
Public safety							
Salaries and wages	218,900	218,900	264,121	-	264,121	(45,221)	189,666
Employee benefits and retirement	33,164	33,164	37,228	-	37,228	(4,064)	30,019
Workers compensation	12,012	12,012	10,858	-	10,858	1,154	10,944
Health insurance	50,080	50,080	30,199	-	30,199	19,881	30,240
Training	8,500	8,500	7,068	-	7,068	1,432	5,525
Small tools and minor equipment	4,000	4,000	-	2,477	2,477	1,523	11,819
Office supplies	-	-	1,549	-	1,549	(1,549)	-
Operating supplies	12,000	12,000	8,860	-	8,860	3,140	11,345
Vehicle operating supplies	6,300	6,300	5,634	-	5,634	666	3,759
Internet and telephone	6,300	6,300	4,950	-	4,950	1,350	5,459
Printing and publications	2,000	2,000	660	1,627	2,287	(287)	1,819
Insurance	2,100	2,100	1,349	-	1,349	751	978
Utilities	8,500	8,500	5,871	-	5,871	2,629	6,486
Maintenance and repairs	7,500	7,500	7,257	-	7,257	243	16,101
Medical services	6,000	6,000	3,060	-	3,060	2,940	2,153
Clothing	2,750	2,750	770	-	770	1,980	1,916
License, permits, dues and subscription	17,000	17,000	18,532	-	18,532	(1,532)	14,290
Capital outlay	9,071	9,071	-	-	-	9,071	282,378
Refunds	1,000	1,000	-	-	-	1,000	558
Departmental capital charge	1,000	1,000	1,000	-	1,000	-	1,185
Uncollectibles and write offs	-	-	291,055	-	291,055	(291,055)	-
Other	4,800	4,800	3,138	626	3,764	1,036	3,472
Total expenditures	412,977	412,977	703,159	4,730	707,889	(294,912)	630,112
Excess (deficiency) of revenues over (under) expenditures	56,154	56,154	(135,004)	21,205	(113,799)	(169,953)	(171,749)
Other financing sources (uses)							
Sale of assets	-	-	-	3,200	3,200	3,200	-
Transfers in	49,875	49,875	-	49,875	49,875	-	166,800
Transfers out	(54,325)	(52,545)	(52,545)	-	(52,545)	-	(51,500)
Total other financing sources (uses)	(4,450)	(2,670)	(52,545)	53,075	530	3,200	115,300
Net change in fund balance	51,704	53,484	(187,549)	74,280	(113,269)	(166,753)	(56,449)
Fund balance, beginning	468,139	468,139	443,541	24,598	468,139	-	524,588
Fund balance, ending	\$ 519,843	\$ 521,623	\$ 255,992	\$ 98,878	\$ 354,870	\$ (166,753)	\$ 468,139

See Notes to the Financial Statements

City of Chatfield, Minnesota

**Revolving Loan Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		Fund 360 2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	<u>Original</u>	<u>Final</u>			
Revenues					
Investment income	\$ 3,683	\$ 3,683	\$ 10,125	\$ 6,442	\$ 7,488
Miscellaneous	<u>32,773</u>	<u>32,773</u>	<u>26,478</u>	<u>(6,295)</u>	<u>78,138</u>
Total revenues	<u>36,456</u>	<u>36,456</u>	<u>36,603</u>	<u>147</u>	<u>85,626</u>
Expenditures					
Loan advances	-	-	60,000	(60,000)	107,600
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>(60,000)</u>	<u>107,646</u>
Net change in fund balance	36,456	36,456	(23,397)	(59,853)	(22,020)
Fund balance, beginning	<u>151,176</u>	<u>151,176</u>	<u>151,176</u>	<u>-</u>	<u>173,196</u>
Fund balance, ending	<u>\$ 187,632</u>	<u>\$ 187,632</u>	<u>\$ 127,779</u>	<u>\$ (59,853)</u>	<u>\$ 151,176</u>

See Notes to the Financial Statements

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City of Chatfield, Minnesota

**Proprietary Funds
Statement of Net Position
December 31, 2025
With Comparative Totals for December 31, 2024**

	601/339/336 303/623	602/622/341 337/333	603	Totals	
	Water	Sewer	Garbage	2025	2024
Assets and deferred outflows of resources					
Current assets					
Cash and investments	\$ 75,789	\$ 273,469	\$ 22,333	\$ 371,591	\$ 347,170
Accounts receivable, net	62,408	123,186	30,302	215,896	207,282
Due from other governmental units	-	-	-	-	-
Special assessments receivable	4,903	14,719	4,675	24,297	53,262
Special assessments delinquent	761	1,950	646	3,357	1,931
Total current assets	143,861	413,324	57,956	615,141	609,645
Noncurrent assets					
Capital assets:					
Nondepreciable	37,446	61,986	-	99,432	60,492
Depreciable	5,887,331	11,618,500	-	17,505,831	19,882,096
Less: accumulated depreciation	2,277,123	5,833,280	-	8,110,403	10,101,932
Net capital assets	3,647,654	5,847,206	-	9,494,860	9,840,656
Other assets					
Restricted cash and investments	66,172	-	-	66,172	77,854
Deferred outflows of resources					
Deferred outflows from pension activity	9,293	17,809	-	27,102	26,330
Total assets and deferred outflows of resources	\$ 3,866,980	\$ 6,278,339	\$ 57,956	\$ 10,203,275	\$ 10,554,485
Liabilities, deferred inflows of resources, and net position					
Current liabilities					
Accounts payable	\$ 3,592	\$ 15,256	\$ -	\$ 18,848	\$ 29,638
Accrued compensated absences	21,719	43,705	-	65,424	49,789
Current maturities of bonds payable	104,420	513,500	-	617,920	604,280
Accrued interest payable	20,222	12,552	-	32,774	38,129
Total current liabilities	149,953	585,013	-	734,966	721,836
Noncurrent liabilities					
Net pension liability	30,841	59,096	-	89,937	99,944
Bonds payable, net of current maturities and unamortized premium	1,381,778	1,021,667	-	2,403,445	3,028,674
Total liabilities	1,562,572	1,665,776	-	3,228,348	3,850,454
Deferred inflows of resources					
Deferred inflows from pension activity	19,368	37,113	-	56,481	64,981
Net position					
Net investment in capital assets	2,161,456	4,312,039	-	6,473,495	6,207,702
Restricted	66,172	-	-	66,172	77,854
Unrestricted	57,412	263,411	57,956	378,779	353,494
Total net position	2,285,040	4,575,450	57,956	6,918,446	6,639,050
Total liabilities, deferred inflows of resources, and net position	\$ 3,866,980	\$ 6,278,339	\$ 57,956	\$ 10,203,275	\$ 10,554,485

See Notes to the Financial Statements

Governmental Activities-Internal
Service Funds
801

Capital Goods	
2025	2024

\$ 1,061,493	\$ 1,313,138
-	-
45	-
-	-
-	-
<u>1,061,538</u>	<u>1,313,138</u>

357,377	285,177
5,713,996	5,418,144
<u>2,772,106</u>	<u>2,802,078</u>
<u>3,299,267</u>	<u>2,901,243</u>

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<u>\$ 4,360,805</u>	<u>\$ 4,214,381</u>
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\$ -	\$ -
-	-
-	-
-	-
<u>-</u>	<u>-</u>

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3,299,267	2,901,243
-	-
<u>1,061,538</u>	<u>1,313,138</u>
<u>4,360,805</u>	<u>4,214,381</u>

<u>\$ 4,360,805</u>	<u>\$ 4,214,381</u>
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City of Chatfield, Minnesota

**Proprietary Funds
Statement of Revenues, Expenses,
and Changes in Net Position
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	601/339/336 303/623	602/622/341 337/333	603	Totals	
	Water	Sewer	Garbage	2025	2024
Operating revenues					
Service fees and charges	\$ 582,570	\$ 1,056,464	\$ 292,413	\$ 1,931,447	\$ 1,811,861
Departmental capital charge	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total operating revenues	<u>582,570</u>	<u>1,056,464</u>	<u>292,413</u>	<u>1,931,447</u>	<u>1,811,861</u>
Operating expenses					
Salaries and wages	94,204	196,445	-	290,649	278,069
Employee benefits and retirement	6,414	15,460	-	21,874	41,003
Health insurance	11,913	26,842	-	38,755	34,829
Workers compensation	1,808	3,350	-	5,158	10,577
Garbage removal	-	-	222,808	222,808	222,556
City clean up	-	-	17,005	17,005	14,870
Supplies and minor equipment	10,148	5,632	340	16,120	14,240
Utilities	28,713	56,421	-	85,134	75,622
Maintenance and repairs	9,719	58,517	6,095	74,331	76,756
Travel and training	50	1,709	-	1,759	1,900
Professional fees	38,591	27,151	2,794	68,536	67,261
Office expense	2,766	4,875	1,616	9,257	8,031
Insurance	9,479	19,340	-	28,819	31,598
Depreciation	177,521	320,669	-	498,190	489,525
Departmental capital charge	4,000	4,000	2,000	10,000	21,068
Other	17,667	13,437	12,420	43,524	35,042
Total operating expenses	<u>412,993</u>	<u>753,848</u>	<u>265,078</u>	<u>1,431,919</u>	<u>1,422,947</u>
Operating income (loss)	<u>169,577</u>	<u>302,616</u>	<u>27,335</u>	<u>499,528</u>	<u>388,914</u>
Nonoperating revenues (expenses)					
Investment income	4,820	11,997	1,351	18,168	11,207
Miscellaneous	-	-	-	-	-
Gain on sale of assets	-	-	-	-	27,034
Interest and fiscal charges	(47,382)	(25,083)	-	(72,465)	(85,272)
Total nonoperating revenues (expenses)	<u>(42,562)</u>	<u>(13,086)</u>	<u>1,351</u>	<u>(54,297)</u>	<u>(47,031)</u>
Income before transfers and contributed capital and capital grants	127,015	289,530	28,686	445,231	341,883
Contributed capital	-	-	-	-	798,278
Capital grants	5,000	-	-	5,000	-
Transfers in	4,886	7,725	-	12,611	157,700
Transfers out	(103,263)	(50,883)	(29,300)	(183,446)	(450,083)
Change in net position	33,638	246,372	(614)	279,396	847,778
Net position - beginning	<u>2,251,402</u>	<u>4,329,078</u>	<u>58,570</u>	<u>6,639,050</u>	<u>5,791,272</u>
Net position - ending	<u>\$ 2,285,040</u>	<u>\$ 4,575,450</u>	<u>\$ 57,956</u>	<u>\$ 6,918,446</u>	<u>\$ 6,639,050</u>

See Notes to the Financial Statements

Governmental Activities-Internal
Service Funds
801

Capital Goods	
2025	2024
\$ -	\$ -
392,185	362,477
29,637	-
<u>421,822</u>	<u>362,477</u>
-	-
-	-
-	-
-	-
-	-
9,405	18,634
-	-
139,499	61,055
-	-
17,204	27,651
-	-
-	-
316,043	285,636
-	-
3,134	28,649
<u>485,285</u>	<u>421,625</u>
<u>(63,463)</u>	<u>(59,148)</u>
44,633	27,364
24,641	25,305
180,322	20,011
-	-
<u>249,596</u>	<u>72,680</u>
186,133	13,532
87,200	-
-	-
60,466	410,809
<u>(187,375)</u>	<u>(89,408)</u>
146,424	334,933
<u>4,214,381</u>	<u>3,879,448</u>
<u>\$ 4,360,805</u>	<u>\$ 4,214,381</u>

City of Chatfield, Minnesota

**Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities					
Cash received from customers	\$ 580,842	\$ 1,071,749	\$ 297,781	\$ 1,950,372	\$ 1,794,100
Cash paid to employees	(102,426)	(215,255)	-	(317,681)	(329,649)
Cash paid to suppliers	(140,696)	(205,377)	(284,409)	(630,482)	(577,972)
Net cash provided by operating activities	<u>337,720</u>	<u>651,117</u>	<u>13,372</u>	<u>1,002,209</u>	<u>886,479</u>
Cash flows from noncapital financing activities					
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	2,570
Transfer in/out, net	(98,377)	(43,158)	(29,300)	(170,835)	(292,383)
Net cash provided by (used in) noncapital financing activities	<u>(98,377)</u>	<u>(43,158)</u>	<u>(29,300)</u>	<u>(170,835)</u>	<u>(289,813)</u>
Cash flows from capital and related financing activities					
Capital asset acquisitions	(111,558)	(46,324)	-	(157,882)	(605,727)
Capital grants	5,000	-	-	5,000	-
Proceeds from sale of assets	5,488	-	-	5,488	50,970
Principal payments on bonds	(101,780)	(502,500)	-	(604,280)	(591,640)
Interest payments on bonds	(50,020)	(35,109)	-	(85,129)	(98,206)
Net cash used in capital and related financing activities	<u>(252,870)</u>	<u>(583,933)</u>	<u>-</u>	<u>(836,803)</u>	<u>(1,244,603)</u>
Cash flows from investing activities					
Investment income	<u>4,820</u>	<u>11,997</u>	<u>1,351</u>	<u>18,168</u>	<u>11,207</u>
Net increase (decrease) in cash and investments	(8,707)	36,023	(14,577)	12,739	(636,730)
Cash and investments, beginning of year	<u>150,668</u>	<u>237,446</u>	<u>36,910</u>	<u>425,024</u>	<u>1,061,754</u>
Cash and investments, end of year	<u>\$ 141,961</u>	<u>\$ 273,469</u>	<u>\$ 22,333</u>	<u>\$ 437,763</u>	<u>\$ 425,024</u>

See Notes to the Financial Statements

Governmental Activities- Internal Service Funds 801 Capital Goods	
2025	2024
\$ 421,822	\$ 362,477
-	-
(256,442)	(139,317)
165,380	223,160
(45)	44,950
24,641	25,305
(126,909)	321,401
(102,313)	391,656
(722,887)	(371,439)
-	-
363,542	28,701
-	-
-	-
(359,345)	(342,738)
44,633	27,364
(251,645)	299,442
1,313,138	1,013,696
\$ 1,061,493	\$ 1,313,138

City of Chatfield, Minnesota

**Statement of Cash Flows
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Totals</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>	<u>2025</u>	<u>2024</u>
Operating income (loss)	\$ 169,577	\$ 302,616	\$ 27,335	\$ 499,528	\$ 387,039
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	177,521	320,669	-	498,190	489,525
Change in net pension liability	(7,691)	(11,588)	-	(19,279)	3,273
(Increase) decrease in:					
Accounts receivable	(7,196)	(1,524)	106	(8,614)	(11,921)
Special assessments receivable	5,845	17,547	5,573	28,965	(3,965)
Special assessments delinquent	(377)	(738)	(311)	(1,426)	
Increase (decrease) in:					
Accounts payable	146	8,395	(19,331)	(10,790)	(3,276)
Accrued liabilities	(105)	15,740	-	15,635	25,804
Net cash provided by operating activities	<u>\$ 337,720</u>	<u>\$ 651,117</u>	<u>\$ 13,372</u>	<u>\$ 1,002,209</u>	<u>\$ 886,479</u>
Noncash capital and related financing activities					
Receipt of capital contributions	\$ -	\$ -	\$ -	\$ -	\$ 798,278

See Notes to the Financial Statements

Governmental Activities- Internal Service Funds 801 Capital Goods	
2025	2024
\$ (63,463)	\$ (59,148)
316,043	285,636
-	-
-	-
-	-
-	(3,328)
-	-
<u>\$ 252,580</u>	<u>\$ 223,160</u>
\$ 87,200	\$ -

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City of Chatfield, Minnesota
Notes to the Financial Statements

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 1 - Summary of significant accounting policies

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

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, defined as follows:

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

Component Units - Component units are legally separate organizations for which the elected officials of the City are financially accountable or for which the nature or significance of their relationship with the City 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.

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 is 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 association pays benefits directly to their members.

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 services.

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*.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

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

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

Non-exchange transactions, 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.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

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 *Fire fund* accounts for the financial resources to be used for the services of the fire department.

The *Ambulance fund* accounts for the financial resources to be used for the services of the ambulance.

The *Revolving Loan fund* accounts for the financial resources to be used for the development of property within the City.

The *TIF District 2-5 Dollar General fund* accounts for the financial resources to be used for the development of property within the tax increment district.

The 2025 M&O St. Project fund accounts for the 2025 mill and overlay street construction project.

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

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

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.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position

Cash and investments

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

Interfund transactions

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

Property taxes

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

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

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

Special assessments

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

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Prepaid items

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

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 \$5,000, are City-owned, and have an economic useful life greater than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

	Estimated Useful <u>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

The City recognizes a liability for employees' compensated absences if the leave is attributable to services already rendered, if the leave accumulates, and if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. 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 employees' resignations and retirements. Regular part-time employees who work an average of twenty (20) hours per week will accrue PTO at one-half the rate of regular full-time employees and can carry no more than 200 hours of PTO leave. Regular part-time employees who work an average of thirty (30) hours per week will accumulate PTO leave at three-fourths the rate of full-time employees, up to a maximum of 500 hours. "Earned Sick and Safe Leave" for Fire and Ambulance volunteers, seasonal and temporary employees is paid time off earned at one hour of Earned Sick and Safe for every 30 hours worked, up to a maximum of 48 hours of sick and safe leave per year. The hourly rate of Earned Sick and Safe Leave is the same hourly rate an employee earns from employment with the City. This specific leave applies to all Fire and Ambulance volunteers, and temporary and seasonal employees performing work for at least 80 hours in a fiscal year (January - December) for the City.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Long-term obligations

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

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

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

Concentration of credit risk

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

Net position / fund balance

In the government-wide and proprietary fund financial statements, net positions 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 positions 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:

Nonspendable - includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual restraints.

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

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

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

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 assign 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.

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

The City has a formal minimum fund balance policy for the general fund unassigned fund balance to be in a range equal to 40-60% of the following year's budgeted expenses or \$1 million, whichever is greater.

Pensions

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

Deferred outflows of resources

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

Deferred inflows of resources

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

Comparative data

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

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 2 - Stewardship, compliance, and accountability

Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted by Council resolution for the General Fund and Special Revenue Funds. The City does not use encumbrance accounting.

The City follows these legal compliance procedures in establishing the budgetary data reflected in the financial statements:

1. The Finance Director submits a proposed operating budget to the City Council prior to the end of each year for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a budget resolution.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
5. The City's department heads may make transfer of appropriation with approval of the City Council.
6. Changes to the budget at the departmental level must be by formal action of the City Council. Generally all budget amendments result in the utilization of contingency appropriations and do not alter the total expenditure budget of the City. Monitoring of budgets is maintained by the Finance Director and reviewed by the City Administrator. However, expenditures in excess of the departmental budget require council approval. All budgeted appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the departmental level.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 3 - Detailed notes on all funds

Summary of cash and investments

As of December 31, 2025, the City's cash and investments consisted of the following items, all of which are held in an internal investment pool:

Cash on hand	\$ 400
Deposits	1,983,672
Non-negotiable certificates of deposit	518,140
Negotiable certificates of deposit	697,078
U.S. government bonds	199,874
4M pooled investment	506
4MP pooled investment	3,281,791
Money market funds	<u>1,318,522</u>
Total cash and investments	<u>\$ 7,999,983</u>
 Cash and investments	 \$ 7,933,811
Restricted cash and investments	<u>66,172</u>
Total cash and investments per statement of net position	<u>\$ 7,999,983</u>

Investments held by City

Investment type	Maturity
Non-negotiable certificates of deposit	December 2026

Investments authorized by Minnesota statutes

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

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

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Custodial credit risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk follows Minnesota Statutes for deposits. The City's deposits are entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

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

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

Uninsured deposits	\$ 1,977,691
Collateral held by pledging bank in the City's name	<u>5,988,436</u>
Pledged collateral over uninsured deposits	<u>\$4,010,745</u>

As of December 31, 2025, the City had adequate collateral for its uninsured deposits held at the City's banking institutions. The City's pledged collateral for uninsured deposits greater than the \$250,000 FDIC limit were held by a bank other than the City's banking institutions where its deposits are held. The City utilizes F&M Community Bank and Root River State Bank to manage its collateral for the City's uninsured deposits.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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. Investments in any one issuer that represent 5% or more of total investments are as follows:

Investments	Total
Negotiable certificates of deposit	\$ 697,078
U.S. government bonds	199,874
4M pooled investment	506
4MP pooled investment	3,281,791

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

Fair value measurements

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

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets
 - Quoted prices for identical assets or liabilities in inactive markets
 - Inputs other than quoted prices that are observable for the asset or liability
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The City investments within the fair value hierarchy at December 31, 2025 were as follows:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years				
	Rating	Agency		No Maturity Date	Less Than 1	1 to 5	6 to 10	Total
U.S. government bonds	N/A	N/A	Level 2	\$ -	\$ 199,874	\$ -	\$ -	\$ 199,874
Negotiable certificates of deposit	Not Rated	N/A	Level 2	-	518,140	178,938	-	697,078
4M pooled investment	N/A	N/A	N/A	506	-	-	-	506
4MP pooled investment	N/A	N/A	N/A	3,281,791	-	-	-	3,281,791
Total investments				<u>\$ 3,282,297</u>	<u>\$ 718,014</u>	<u>\$ 178,938</u>	<u>\$ -</u>	<u>\$ 4,179,249</u>

N/A - not applicable

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

The 4M Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC) that follows guidance under GASB Statement No. 79. The City's investment in the 4M Fund is measured at the net asset value per share provided by the pool, which is based on the amortized cost method that approximates fair value. There are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required.

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.

Due from other governmental units

Amounts due from other governmental units as of December 31, 2025 are as follows:

Fund Type	Fillmore County	Olmsted County	Total
General	\$ 3,240	\$ 1,330	\$ 4,570
Debt Service	1,120	377	1,497
Capital Project	-	5,117	5,117
Special Revenue	1,210	421	1,631
Internal Service	45	-	45
Totals	<u>\$ 5,615</u>	<u>\$ 7,245</u>	<u>\$ 12,860</u>

Notes receivable

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.

The City has the following notes receivable outstanding as of December 31, 2025:

	Date of loan	Initial loan amount	Interest rate	Term	Balance 12/31/25
Corner Cuts Salon	9/20/2017	\$ 25,354	4%	10 years	\$ 5,914
Big Girl Stickers & Stems	9/20/2018	40,000	4%	10 years	13,367
Broadwater, LLC	7/31/2019	55,500	4%	8 years	26,807
Joy Ridge	3/20/2022	40,000	4%	10 years	26,852
Topel Ice Cream	8/7/2024	7,600	7.6%	10 years	6,740
Chatfield Dental	5/15/2024	100,000	0%	10 years	90,602
Peddle Tea & Coffee	8/11/2025	60,000	4%	10 years	58,337
		<u>\$ 328,454</u>			<u>\$ 228,619</u>

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Capital assets

Capital asset activity, including internal service fund capital assets, for the year ended December 31, 2025 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,090,215	\$ 72,200	\$ 14,984	\$ 1,147,431
Construction in process	109,384	1,631,849	-	1,741,233
Total capital assets, not being depreciated	1,199,599	1,704,049	14,984	2,888,664
Capital assets, being depreciated:				
Buildings	26,525,825	-	15,000	26,510,825
Infrastructure	9,530,570	137,438	66,330	9,601,678
Vehicles	2,573,156	72,403	263,882	2,381,677
Furniture and fixtures	443,219	19,242	1,592	460,869
Machinery and equipment	2,304,102	722,727	427,715	2,599,114
Total capital assets, being depreciated	41,376,872	951,810	774,519	41,554,163
Less accumulated depreciation for:				
Buildings	8,818,070	652,652	750	9,469,972
Infrastructure	5,003,805	274,476	66,330	5,211,951
Vehicles	1,493,917	133,803	234,405	1,393,315
Furniture and fixtures	373,804	11,479	1,592	383,691
Machinery and equipment	1,438,765	169,133	254,470	1,353,428
Total accumulated depreciation	17,128,361	1,241,543	557,547	17,812,357
Total capital assets, being depreciated, net	24,248,511	(289,733)	216,972	23,741,806
Governmental activities capital assets, net	\$ 25,448,110	\$ 1,414,316	\$ 231,956	\$ 26,630,470

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 60,492	\$ -	\$ -	\$ 60,492
Construction in process	-	38,940	-	38,940
Total capital assets, not being depreciated	60,492	38,940	-	99,432
Capital assets, being depreciated:				
Wastewater Treatment Facility and Distribution	18,533,792	-	2,460,494	16,073,298
Machinery and equipment	1,348,304	118,942	34,713	1,432,533
Total capital assets, being depreciated	19,882,096	118,942	2,495,207	17,505,831
Less accumulated depreciation for:				
Wastewater Treatment Facility and Distribution	9,564,148	413,538	2,455,006	7,522,680
Machinery and equipment	537,784	84,652	34,713	587,723
Total accumulated depreciation	10,101,932	498,190	2,489,719	8,110,403
Total capital assets, being depreciated, net	9,780,164	(379,248)	5,488	9,395,428
Business-type activities capital assets, net	<u>\$ 9,840,656</u>	<u>\$ (340,308)</u>	<u>\$ 5,488</u>	<u>\$ 9,494,860</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$ 47,500
Public safety	127,011
Public works	161,523
Parks and recreation	152,971
Library	31,522
Community development	404,973
Subtotal	<u>925,500</u>
Internal service fund	<u>316,043</u>
Total depreciation expense - governmental activities	<u>\$ 1,241,543</u>

Business-Type Activities:

Water	\$ 177,521
Sewer	<u>320,669</u>
Total depreciation expense - business-type activities	<u>\$ 498,190</u>

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Interfund balances and transfers

Transfers during the year ended December 31, 2025 were as follows:

Funds	Transfers In	Transfers Out
General Fund - Other	\$ 152,912	\$ 79,150
Special Revenue:		
Library	-	2,670
Ambulance	-	2,670
Community Development	234,947	2,670
Fire	-	2,670
Cable Access	-	51,801
Transportation Management Organization	-	7,500
Debt Service:		
2012A Refunding Bond	86,000	-
2014A Bond	-	20,358
2016A GO Refunding 2010A Bond	-	3,450
2017A Bond	29,078	-
2022A GO Bond	53,821	-
2023A GO Bond	222,126	32,675
Capital Project:		
2022A Construction	-	53,400
2023 Prospect & Grand St. project	-	222,126
Subtotal Governmental Funds	<u>778,884</u>	<u>481,140</u>
Enterprise:		
Water	4,886	103,263
Sewer	7,725	50,883
Garbage	-	29,300
Subtotal Enterprise Funds	<u>12,611</u>	<u>183,446</u>
Internal Service Fund	<u>60,466</u>	<u>187,375</u>
Total Transfers	<u>\$ 851,961</u>	<u>\$ 851,961</u>

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

The amounts due to and from other funds at December 31, 2025, at the individual fund level are summarized below:

Funds	Due From Other Funds	Due To Other Funds
General Fund	\$ 461	\$ -
Gjere Addition Tax Increment	-	461
	<u>\$ 461</u>	<u>\$ 461</u>

The amounts advanced to and from other funds at December 31, 2025, at the individual fund level are summarized below:

Funds	Advances To Other Funds	Advances From Other Funds
Community Development	\$ 292,290	\$ -
TIF Dist. 2-5 Dollar General	-	292,290
	<u>\$ 292,290</u>	<u>\$ 292,290</u>

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

At December 31, 2025, the following funds have deficit balances:

TIF Dist. 2-5 Dollar General	\$ 292,290
Gjere Addition Tax Increment	461

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

Excess of expenditures over budgeted appropriations at the individual fund level during 2025 are as follows:

Library	\$ 13,097
Ambulance	294,912
Chatfield Center for the Arts	25,374
Fire	56,537
Revolving Loan Federal	60,000

All excess expenditures were the result of planned processes.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Long-term debt

Following is a summary of debt outstanding at December 31, 2025:

	Original Amount of Debt	Range of Interest Rates	Final Maturity	Balance December 31, 2025
Governmental Activities				
General Obligation Bonds and Notes:				
2012A GO Crossover Refunding Bonds	\$ 1,990,000	2.30%	2027	\$ 265,000
2016A GO Crossover Refunding Bonds	875,000	2.0%	2028	205,000
2018A GO Swimming Pool Bonds	4,400,000	3.0-3.375%	2039	3,385,000
2019A GO Tax Abatement Bonds	225,000	3.0%	2027	72,000
2022A GO Bond	264,420	3.2%	2043	239,940
2022B Taxable GO Capital Imp. Plan Bonds	750,000	6.0%	2043	750,000
2023A GO Street Improvement Bond	1,865,000	4.0%	2036	1,740,000
2025A GO Street Reconstruction Note	1,711,000	3.9%	2037	1,711,000
Compensated Absences				320,742
Unamortized Bond Premium				<u>112,026</u>
Total Governmental Activities				<u>8,800,708</u>
Business-Type Activities				
General Obligation Bonds and Notes:				
2016A GO Crossover Refunding Bonds	4,535,000	2.00%	2028	1,440,000
2016B GO Water Revenue Note	425,000	2.825%	2027	95,000
2017B GO Utility Revenue Note	300,000	0.00%	2027	60,000
2022A GO Utility Revenue Note	1,204,580	3.2%	2043	1,093,060
2023A GO Utility Improvement Bond	335,000	4.0%	2036	300,000
Compensated Absences				65,424
Unamortized Bond Premium				<u>33,305</u>
Total Business-Type Activities				<u>3,086,789</u>
Total Debt Outstanding				<u><u>\$ 11,887,497</u></u>

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

The following is a summary of changes in long-term debt obligations during the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Bonds and notes payable:					
General Obligation Bonds and Notes:					
2012A GO Crossover Refunding Bonds	\$ 395,000	\$ -	\$ 130,000	\$ 265,000	\$ 130,000
2014A GO Bonds	190,000	-	190,000	-	-
2016A GO Crossover Refunding Bonds (Gov't - 16%)	310,000	-	105,000	205,000	100,000
2017A GO Tax Abatement Note	200,000	-	200,000	-	-
2018A GO Swimming Pool Bonds	3,575,000	-	190,000	3,385,000	195,000
2019A GO Tax Abatement Bonds	105,000	-	33,000	72,000	35,000
2022A GO Revenue Note (Gov't - 18%)	249,660	-	9,720	239,940	10,080
2022B Taxable GO Capital Imp. Plan Bonds	750,000	-	-	750,000	24,000
2023A GO Street Improvement Bond (Gov't - 85%)	1,865,000	-	125,000	1,740,000	130,000
2025A GO Street Reconstruction Note	-	1,711,000	-	1,711,000	-
Plus: unamortized premium	126,597	-	14,571	112,026	-
Total bonds and notes payable	7,766,257	1,711,000	997,291	8,479,966	624,080
Other liabilities:					
Compensated absences	309,014	11,728	-	320,742	320,742
Governmental activities long-term liabilities	8,075,271	1,722,728	997,291	8,800,708	944,822
Business-type activities					
Bonds and notes payable:					
General Obligation Revenue Bonds and Notes:					
2016A GO Crossover Refunding Bonds (Sewer - 84%)	1,905,000	-	465,000	1,440,000	475,000
2016B GO Water/Sewer Revenue Note (50/50 Split)	140,000	-	45,000	95,000	47,000
2017B GO Water/Sewer Revenue Note (50/50 Split)	90,000	-	30,000	60,000	30,000
2022A GO Water Revenue Note (Water - 82%)	1,137,340	-	44,280	1,093,060	45,920
2023A GO Improvement Bond (Water -15%)	320,000	-	20,000	300,000	20,000
Plus: unamortized premium	40,614	-	7,309	33,305	-
Total bonds and notes payable	3,632,954	-	611,589	3,021,365	617,920
Other liabilities:					
Compensated absences	49,789	15,635	-	65,424	65,424
Business-type activities long-term liabilities	3,682,743	15,635	611,589	3,086,789	683,344
Total	\$ 11,758,014	\$ 1,738,363	\$ 1,608,880	\$ 11,887,497	\$ 1,628,166

Compensated absences are presented as the net change of increases and decreases to arrive at the presentation of the ending balance.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

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

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

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

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

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

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

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

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

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

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

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

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

The 2023A GO Improvement Bonds were issued to fund the Prospect and Grand Street project.

The 2025A GO Street Reconstruction Notes were issued to fund the overlay and mill street project.

City of Chatfield, Minnesota

**Notes to the Financial Statements
December 31, 2025**

The annual requirements to amortize all long-term debt outstanding as of December 31, 2025, excluding compensated absences over the life of the debt, are summarized below:

General Obligation Bonds				General Obligation Revenue Bonds		Total
Years	Principal	Interest	Principal	Interest		
<u>Governmental Activities</u>						
2026	\$ 624,080	\$ 235,437			\$ 859,517	
2027	648,440	309,990			958,430	
2028	440,800	262,649			703,449	
2029	556,980	245,622			802,602	
2030	575,340	224,952			800,292	
2031-2035	3,219,640	785,039			4,004,679	
2036-2040	2,067,620	213,590			2,281,210	
2041-2043	235,040	19,501			254,541	
Totals	\$ 8,367,940	\$ 2,296,780			\$ 10,664,720	
<u>Business-Type Activities</u>						
2026			\$ 617,920	\$ 72,103	\$ 690,023	
2027			630,560	58,786	689,346	
2028			559,200	45,934	605,134	
2029			75,020	38,492	113,512	
2030			76,660	35,830	112,490	
2031-2035			430,360	135,692	566,052	
2036-2040			370,380	64,636	435,016	
2041-2043			227,960	11,073	239,033	
Totals			\$ 2,988,060	\$ 462,546	\$ 3,450,606	

Conduit debt obligations

To provide for previous bond refunding and construction of improvements and the acquisition and installation of equipment by Chosen Valley Care Center, Inc. (a non-profit corporation), the City issued \$3,640,806 of Healthcare and Housing Facilities Revenue Loan Participation Notes dated August 1, 2005. These notes were refunded by Healthcare and Housing Facilities Revenue Refunding Bonds Series 2019 issued for \$13,350,000 to finance the construction and equipping for renovations and improvements to the existing skilled nursing facility. This bond is a special limited obligation of the City, payable solely from income sources of the non-profit corporation. The notes do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements. At December 31, 2025, remaining notes outstanding totaled \$12,270,000.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 4 - Public employees defined contribution plan (defined contribution plan)

The volunteer ambulance members and elected officials of the City are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapters 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (0.25%) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2025 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$ 837	\$ 7,507	5%	5%	5%

Note 5 - Defined benefit pension plans - statewide

Plan description

The City participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the PERA. These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General employees retirement plan (general plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Public employees police and fire retirement plan (police and fire plan)

Membership in the Police and Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police and Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Benefits provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General employees plan benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step of Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2025 annual increase was 1.25%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

Police and fire plan benefits

Benefits for Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50% vested after five years of service and 100% vested after ten years. After five years, vesting increase by 10% each full year of service until members are 100% vested after ten years. Police and Fire Plan members receive 3% of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417% each month members are younger than age 55.

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

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Contributions

Minnesota Statutes Chapter 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General employees fund contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2025, were \$86,834. The City's contributions were equal to the required contributions as set by state statute.

Police and fire fund contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were \$75,886. The City's contributions were equal to the required contributions as set by state statute.

Pension costs

General employees fund pension costs

At December 31, 2025, the City reported a liability of \$423,633 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$10,219.

City's proportionate share of the net pension liability	\$ 423,633
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>10,219</u>
Total	<u>\$ 433,852</u>

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0128% at the end of the measurement period and 0.0128% for the beginning of the period.

For the year ended December 31, 2025, the City recognized pension expense of (\$96,922) for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$2,045 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 40,363	\$ -
Changes in actuarial assumptions	10,207	97,476
Net difference between projected and actual earnings on pension plan investments	-	168,568
Changes in proportion	28,514	-
Employer contributions subsequent to the measurement date	48,577	-
Total	\$ 127,661	\$ 266,044

The \$48,577 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense Amount
2026	\$ (33,263)
2027	(65,970)
2028	(57,615)
2029	(30,112)

Police and fire fund pension costs

At December 31, 2025, the City reported a liability of \$330,988 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0282% at the end of the measurement period and 0.0283% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2025. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2024. The direct state aid payment will increase by \$17.7 million which was paid on October 1, 2025. Thereafter, by October 1 of each year, the state will pay \$26.7 million to the Police and Fire Fund until the fund is 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

The \$9 million in supplemental state aid will continue until the fund and the State Patrol Plan (administered by the Minnesota State Retirement System) are 100% funded for three consecutive years (on an actuarial value of assets basis). The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$11,474.

City's proportionate share of the net pension liability	\$ 330,988
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>11,474</u>
Total	<u><u>\$ 342,462</u></u>

For the year ended December 31, 2025, the City recognized pension expense of (\$17,866) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$2,542 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$7,543 for the year ended December 31, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 152,927	\$ -
Changes in actuarial assumptions	250,995	414,714
Net difference between projected and actual earnings on pension plan investments	-	147,724
Changes in proportion	437	34,994
Employer contributions subsequent to the measurement date	<u>41,587</u>	<u>-</u>
Total	<u><u>\$ 445,946</u></u>	<u><u>\$ 597,432</u></u>

The \$41,587 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026.

City of Chatfield, Minnesota

**Notes to the Financial Statements
December 31, 2025**

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

<u>Year ending December 31:</u>	<u>Pension Expense Amount</u>
2026	\$ 65,472
2027	(82,052)
2028	(170,713)
2029	(14,376)
2030	8,596

Aggregate pension expense

The total pension expense for all plans recognized by the City for the year ended December 31, 2025 is as follows:

General Employees Fund	(\$94,877)
Police and Fire Fund	(15,324)
Fire Relief	<u>20,666</u>
Total	<u>(\$89,535)</u>

Long-term expected return on investment

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

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

Actuarial methods and assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

- Inflation is assumed to be 2.25% for the General Employees Plan and the Police and Fire Plan.
- Benefit increases after retirement are assumed to be 1.50% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3.0% after 23 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police and Fire Plan and Correctional Plan were reviewed in 2024. The assumption changes were adopted by the board and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

General Employees Fund

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75% , beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Police and Fire Fund

Changes in Actuarial Assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in Plan Provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).
- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2028 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

Discount rate

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension liability sensitivity

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

Sensitivity Analysis					
<i>Net Pension Liability (Asset) at Different Discount Rates</i>					
	General Employees Fund			Police and Fire Fund	
1% Lower	6.00%	\$	1,028,938	6.00%	\$ 867,258
Current Discount Rate	7.00%		423,633	7.00%	330,988
1% Higher	8.00%		(67,406)	8.00%	(109,375)

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

Pension plan fiduciary net position

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

Note 6 - Defined benefit pension plan - volunteer fire relief association

Plan description

The Chatfield Fire Department Relief Association (Association) participates in the Statewide Volunteer Firefighter Retirement Plan (accounted for in the Volunteer Firefighter Fund), an agent multiple-employer lump-sum defined benefit pension plan administered by the PERA of Minnesota. The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2025 the plan covered 26 active firefighters and 4 vested deferred fire fighters whose pension benefits are deferred. The plan is established and administered in accordance with *Minnesota Statutes*, Chapter 353G.

Benefits provided

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

Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in *Minnesota Statutes*, and voluntary City contributions. The State of Minnesota contributed \$54,173 in fire state aid to the fund for the year ended December 31, 2025. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan.

Pension costs

At December 31, 2025, the City reported a net pension asset of \$268,554 for the Volunteer Firefighter Fund. The net pension asset was measured as of December 31, 2024. The total pension asset used to calculate the net pension asset in accordance with GASB 68 was determined by PERA applying an actuarial formula to specific census data certified by the fire department. The following table presents the changes in net pension asset during the year.

City of Chatfield, Minnesota

**Notes to the Financial Statements
December 31, 2025**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance 12/31/24	\$ 320,194	\$ 641,940	\$ (321,746)
Changes for the year			
Service cost	31,227	-	31,227
Interest on pension liability	21,086	-	21,086
Actuarial experience (gain)/loss	(1,145)	-	(1,145)
Changes in benefit levels	145,383	-	145,383
Projected investment earnings	-	40,812	(40,812)
Contributions (employer)	-	25,033	(25,033)
Contributions (state)	-	54,173	(54,173)
Asset (gain)/loss	-	26,041	(26,041)
Administrative costs	-	(2,700)	2,700
Net changes	196,551	143,359	53,192
Ending balance 12/31/25	\$ 516,745	\$ 785,299	\$ (268,554)

There were no benefit provision changes during the measurement period.

For the year ended December 31, 2025, the City recognized pension expense of \$20,666.

At December 31, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual experience (gains)/losses	\$ 43,294	\$ 31,719
Asset (gain)/loss	4,543	18,380
Total	\$ 47,837	\$ 50,099

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

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

<u>Year ending December 31:</u>	<u>Pension Expense Amount</u>
2026	\$ 5,959
2027	9,675
2028	(9,619)
2029	(8,277)

Actuarial assumptions

The total pension liability at December 31, 2025, was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

- Retirement eligibility at the later of age 50 or when fully vested
- Investment rate of return of 6.0%

No actuarial changes were made during the measurement period.

Discount rate

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that contributions to the Volunteer Firefighter Fund will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension liability sensitivity

The following presents the City's net pension asset for the Volunteer Firefighter Fund, calculated using the assumed discount rate as well as what the City's net pension asset would be if it were calculated using a discount rate 1% lower or 1% higher than the current discount rate:

<u></u>	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
	5.00%	6.00%	7.00%
Net pension asset	\$ 241,536	\$ 268,554	\$ 294,751

City of Chatfield, Minnesota

Notes to the Financial Statements December 31, 2025

Plan investments

Investment Policy:

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

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

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

Asset allocation:

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic stocks	35%	5.10%
International stocks	15%	5.30%
Bonds	45%	0.75%
Unallocated cash	5%	0.00%
	<u>100%</u>	

The 6% long-term expected rate of return on pension plan investments was determined using a building-block method. Best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using both long-term historical returns and long-term capital market expectations from a number of investment management and consulting organizations. The asset class estimates and the target allocations were then combined to produce a geometric, long-term expected real rate of return for the portfolio. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

Description of significant investment policy changes during the year:

The SBI made no significant changes to their investment policy during fiscal year 2025 for the Volunteer Firefighter Fund.

Pension plan fiduciary net position

Detailed information about the Volunteer Firefighter Fund's fiduciary net position as of December 31, 2025, is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 7 - 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 2025.

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 2025. 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.

Note 8 - Fund balance

Committed fund balances as of December 31, 2025 are as follows:

Committed fund balance:	
Library Fund	\$ 412,414

Note 9 - Tax abatement - pay-as-you-go tax increment

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

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

The City started 2023 with six pay-as-you-go tax increment financing districts. Two districts were decertified during 2023, ending the year with four districts, two of which are active. For the year ended December 31, 2025, the City paid tax increments totaling \$6,872 related to these agreements.

City of Chatfield, Minnesota
Notes to the Financial Statements
December 31, 2025

Note 10 - Restatement

During the fiscal year 2025, the Fire Fund and Revolving Loan Federal Fund, which was previously reported as a nonmajor governmental fund, is now a major fund due to the fund now meeting the quantitative threshold to be classified as a major fund. Adjustments to the financial statements were as follows:

	<u>Beginning fund balance as previously reported</u>	<u>Change within financial reporting entity</u>	<u>Beginning fund balance as restated</u>
Governmental funds			
Nonmajor funds			
Fire Fund	\$ 919,768	\$ (919,768)	\$ -
Revolving Loan Federal	151,176	(151,176)	-

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City of Chatfield
Required Supplementary Information
December 31, 2025

City of Chatfield, Minnesota

**Schedule of City Pension Contributions
PERA General Employees Retirement Fund
Last Ten Years (presented prospectively)**

Year Ended December 31	Contributions in Relation to		Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)			
2016	\$ 54,923	\$ 54,923	\$ -	\$ 732,307	7.50%
2017	54,824	54,824	-	730,987	7.50%
2018	58,595	58,595	-	781,267	7.50%
2019	62,040	62,040	-	827,200	7.50%
2020	63,191	63,191	-	842,547	7.50%
2021	65,916	65,916	-	878,880	7.50%
2022	66,657	66,657	-	888,760	7.50%
2023	70,977	70,977	-	946,360	7.50%
2024	80,936	80,936	-	1,079,147	7.50%
2025	86,834	86,834	-	1,157,787	7.50%

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

Year Ended December 31	Contributions in Relation to		Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)			
2016	\$ 46,950	\$ 46,950	\$ -	\$ 289,815	16.20%
2017	46,269	46,269	-	285,611	16.20%
2018	52,960	52,960	-	326,914	16.20%
2019	60,365	60,365	-	356,136	16.95%
2020	63,717	63,717	-	359,983	17.70%
2021	65,508	65,508	-	370,102	17.70%
2022	67,555	67,555	-	381,667	17.70%
2023	69,865	69,865	-	394,718	17.70%
2024	69,300	69,300	-	391,525	17.70%
2025	75,886	75,886	-	428,734	17.70%

City of Chatfield, Minnesota

**Schedule of City and Non-Employer Proportionate Share of Net Pension Liability
PERA General Employees Retirement Fund
Last Ten Years (presented prospectively)**

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll a/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0118%	\$ 958,101	\$ 12,561	\$ 970,662	\$ 812,880	118%	68.90%
2017	0.0113%	721,385	9,108	730,493	731,647	99%	75.90%
2018	0.0116%	643,520	21,143	664,663	756,127	85%	79.53%
2019	0.0117%	646,867	20,166	667,033	804,233	80%	80.23%
2020	0.0118%	707,464	21,880	729,344	834,873	85%	79.06%
2021	0.0122%	520,995	15,945	536,940	860,713	61%	87.00%
2022	0.0119%	942,484	27,521	970,005	883,820	107%	76.67%
2023	0.0119%	665,435	18,302	683,737	917,560	73%	83.10%
2024	0.0128%	471,379	14,108	485,487	983,953	48%	89.08%
2025	0.0128%	423,633	10,219	433,852	473,180	90%	90.78%

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

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll a/b	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0300%	\$ 1,203,952	\$ 315,093	382%	63.90%
2017	0.0300%	405,036	287,713	141%	85.40%
2018	0.0310%	330,428	306,262	108%	88.84%
2019	0.0345%	367,287	341,525	108%	89.26%
2020	0.0326%	429,703	358,059	120%	87.19%
2021	0.0313%	241,603	365,042	66%	93.66%
2022	0.0314%	1,366,404	375,884	364%	70.53%
2023	0.0301%	519,788	388,192	134%	86.47%
2024	0.0283%	371,977	405,201	92%	90.17%
2025	0.0282%	330,988	197,359	168%	91.78%

City of Chatfield, Minnesota

**Schedule of Changes in the Fire Relief Association
Net Pension Asset and Related Ratios
December 31, 2025**

	2025	2024	2023*	2022	2021	2020
Total pension liability						
Service cost	\$ 31,227	\$ 30,252	\$ 30,252	\$ 30,252	\$ 29,617	\$ 28,754
Interest on the pension liability	21,086	18,516	16,696	16,696	14,091	13,923
Actuarial experience (gain)/loss	(1,145)	(2,071)	(11,767)	(11,767)	(915)	53,902
Transition to SVF retirement plan	-	-	-	-	-	(81,665)
Changes in benefit level	145,383	-	-	-	-	-
Benefit payouts	-	(9,702)	-	-	-	(189,318)
Net change in total pension liability	196,551	36,995	35,181	35,181	42,793	(174,404)
Total pension liability - beginning of year	320,194	283,199	248,018	248,018	205,225	379,629
Total pension liability - end of year	\$ 516,745	\$ 320,194	\$ 283,199	\$ 283,199	\$ 248,018	\$ 205,225
Plan fiduciary net position						
Projected investment earnings	\$ 40,812	\$ 31,746	\$ 31,300	\$ 31,300	\$ 24,679	\$ 29,663
Contributions (employer)	25,033	32,906	9,241	9,241	6,808	6,597
Contributions (fire relief)	-	-	-	-	19,000	-
Contributions (state)	54,173	45,963	41,414	41,414	43,063	39,192
Adj. to initial asset transfer	-	-	-	-	-	1,781
Asset (gain)/loss	26,041	46,513	(108,237)	(108,237)	17,669	29,856
Benefit payout	-	(9,702)	-	-	-	(189,318)
Administrative costs	(2,700)	-	(873)	(873)	(865)	(838)
Net change in plan fiduciary net position	143,359	147,426	(27,155)	(27,155)	110,354	(83,067)
Plan fiduciary net position - beginning of year	641,940	494,514	521,669	521,669	411,315	494,382
Plan fiduciary net position - end of year	\$ 785,299	\$ 641,940	\$ 494,514	\$ 494,514	\$ 521,669	\$ 411,315
Net pension liability (asset) - end of year	\$ (268,554)	\$ (321,746)	\$ (211,315)	\$ (211,315)	\$ (273,651)	\$ (206,090)
Plan fiduciary net position as a percentage of the total pension liability	151.97%	200.48%	174.62%	174.62%	210.34%	200.42%

* No actuarial study performed in 2023. Per guidance received from PERA, the 2022 numbers were re-reported in 2023.

City of Chatfield, Minnesota

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

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Non-Employer Contributions	
				State 2% Fire Aid	Other
2020	\$ -	\$ -	\$ -	\$ 31,286	\$ 7,906
2021	-	-	-	32,281	10,782
2022	-	-	-	34,460	6,955
2023	-	-	-	34,460	6,955
2024	-	-	-	38,891	7,072
2025	-	-	-	46,031	7,260
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

Note 1 - Notes to schedule of changes in net position liabilities and related ratios

General employees fund

2025 changes

Changes in actuarial assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in plan provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 changes

Changes in actuarial assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females. Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

Changes in plan provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

2023 changes

Changes in actuarial assumptions:

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in plan provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 changes

Changes in actuarial assumptions:

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

Changes in plan provisions:

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

2021 changes

Changes in actuarial assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in plan provisions:

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

2020 changes

Changes in actuarial assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in plan provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020, through December 31, 2023, and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 changes

Changes in actuarial assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in plan provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 changes

Changes in actuarial assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in plan provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost-of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 changes

Changes in actuarial assumptions:

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for non-vested deferred member liability.
- The assumed annual increase rate was changed for 1.0% per year for all years to 1.0% per year through 2044 and 2.50% per year thereafter.

Changes in plan provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018 and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

2016 changes

Changes in actuarial assumptions:

- The assumed annual increase rate was changed from 1% per year through 2035 and 2.50% per year thereafter to 1.0% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

Police and fire plan 2025 changes

Changes in actuarial assumptions:

- Assumed rates of salary increases were reduced slightly.
- Assumed rates of retirement were adjusted, resulting in an overall increase in unreduced (full) retirements and an overall increase in reduced (early) retirements.
- Assumed rates of withdrawal were modified; the new rates will increase predicted terminations, especially in the first few years of employment.
- Assumed rates of disabled retirement were significantly increased, especially for ages over age 30.
- Continued use of Pub-2010 Public Safety Mortality Table with rates adjusted to better fit observed experience.
- Percent married assumption for female retirees lowered from 70% to 65%.
- Minor changes were made to form of payment assumptions for retirees.
- Minor changes were made to assumptions made with respect to missing participant data.
- The combined service annuity load changed from 33% to 13% for vested, terminated members and from 2% to 38% for non-vested, terminated members.

Changes in plan provisions:

- The period of time needed for benefit recipients to receive their first benefit increase was reduced by one year (from 36 months to 24 months for a full increase).

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

- The January 1, 2026 benefit increase changed from 1% to 3%; subsequent January 1 increases will be 1%.
- The threshold to end the \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 90% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police and Fire and MSRS State Patrol for three consecutive years (on an actuarial value of assets basis).
- The threshold to end the additional \$9 million annual state aid contribution changed from the earlier of July 1, 2048 or 100% funded for a minimum of three consecutive years to 110% funded for a minimum of three consecutive years (on an actuarial value of assets basis).
- An additional \$17.7 million in direct state aid will be paid annually each October 1 beginning October 1, 2025 through June 30, 2048.
- Joint and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

2024 changes

Changes in actuarial assumptions:

- There were no changes in actuarial assumptions since the prior valuation.

Changes in plan provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of (1) both the Police and Fire Plan and the State Patrol Retirement Fund attain 90% funded status for three consecutive years (on an actuarial value of assets basis) or (2) July 1, 2048. The contribution was previously due to expire after attaining a 90% funded status for one year.
- The additional \$9.0 million contribution will continue until the Police and Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

2023 changes

Changes in actuarial assumptions:

- The investment return assumption was changed from 6.5% to 7.0%.
- The single discount rate changed from 5.4% to 7.0%.

Changes in plan provisions:

- Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20- year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years
- A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 changes

Changes in actuarial assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

Changes in Plan Provisions:

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

2021 changes

Changes in actuarial assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality table for healthy annuitants and employees was changed from the RP- 2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

- Assumed rates of withdrawal were changed from select and ultimate rates to service based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

Changes in plan provisions:

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

2020 changes

Changes in actuarial assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2019 changes

Changes in actuarial assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2018 changes

Changes in actuarial assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in plan provisions:

- Annual increases were changed to 1.00% for all years, with no trigger.
- An end date of July 1, 2048, was added to the existing \$9 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- Member contributions were changed from 10.8% to 11.3% of pay, effective January 1, 2019, and 11.8% of pay, effective January 1, 2020.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

- Employer contributions were changed from 16.2% to 16.95% of pay, effective January 1, 2019, and 17.7% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4% to 3%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 changes

Changes in actuarial assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30% for vested and non-vested, deferred members. The CSA has been changed to 33% for vested members and 2.0% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1.00% for all years to 1.00 per year through 2064 and 2.5% thereafter.
- The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in plan provisions:

- There have been no changes since the prior valuation.

City of Chatfield, Minnesota

Notes to the Required Supplementary Information December 31, 2025

2016 changes

Changes in actuarial assumptions:

- The assumed annual benefit increase rate was changed from 1.0% per year through 2037 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%.
- The single discount rate changed from 7.9% to 5.6%.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.5% for inflation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

Fire Relief Association 2025 Changes

Changes in actuarial assumptions:

- There have been no changes since the prior valuation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2024 Changes

Changes in actuarial assumptions:

- There have been no changes since the prior valuation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2023 Changes

Changes in actuarial assumptions:

- There have been no changes since the prior valuation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

City of Chatfield, Minnesota

**Notes to the Required Supplementary Information
December 31, 2025**

2022 Changes

Changes in actuarial assumptions:

- There have been no changes since the prior valuation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2021 Changes

Changes in actuarial assumptions:

- There have been no changes since the prior valuation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

2020 Changes

Changes in actuarial assumptions:

- There have been no changes since the prior valuation.

Changes in plan provisions:

- There have been no changes since the prior valuation.

City of Chatfield, Minnesota
Combining and Individual Nonmajor Funds
Statements And Schedules
December 31, 2025

City of Chatfield, Minnesota

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025**

	Special Revenue Funds Total	Debt Service					
		323	332	334	335	338	340
		2023A GO Bond	2012A Refunding Bond	2014A Bond	2016A GO Refunding 2010A Bond	2017A GO Bond	2018A GO Pool Bond
Assets							
Cash and investments	\$ 945,379	\$ 246,157	\$ 163,508	\$ -	\$ 615,758	\$ -	\$ 361,759
Due from other governmental units	1,065	122	-	-	252	-	798
Taxes receivable - delinquent	1,761	712	74	-	1,033	-	2,625
Advances to other funds	292,290	-	-	-	-	-	-
Total assets	\$ 1,240,495	\$ 246,991	\$ 163,582	\$ -	\$ 617,043	\$ -	\$ 365,182
Liabilities, deferred inflows of resources, and fund balances							
Liabilities							
Accounts payable	\$ 843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	843	-	-	-	-	-	-
Deferred inflows of resources							
Unavailable revenue:							
Property taxes	1,761	712	74	-	1,033	-	2,625
Total deferred inflows of resources	1,761	712	74	-	1,033	-	2,625
Fund balances							
Nonspendable:							
Advances to other funds	292,290	-	-	-	-	-	-
Restricted:							
Creditors (debt covenants)	-	246,279	163,508	-	616,010	-	362,557
Regulations	95,985	-	-	-	-	-	-
Committed:							
By Council resolution	412,414	-	-	-	-	-	-
Assigned:							
Fund assignments	437,202	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-	-
Total fund balances	1,237,891	246,279	163,508	-	616,010	-	362,557
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,240,495	\$ 246,991	\$ 163,582	\$ -	\$ 617,043	\$ -	\$ 365,182

Debt Service			Capital Project						Total Nonmajor Governmental Funds
342 2019A GO Tax Abatement Bond	343 2022A GO Bond	344 2022B GO Bond	355 Gjere Addition Tax Increment	356 Grand St. Appts. Tax Increment	359 Cabin Coffee Tax Increment (Peddle Tea & Coffee)	423 2023 Prospect Grand St. Project	443 2022A Construction	456 WHDP Grand St. Apts Development	
\$ 66,749	\$ 148,361	\$ 54,840	\$ -	\$ 135	\$ 253	\$ -	\$ -	\$ -	\$ 2,602,899
94	48	183	-	-	5,117	-	-	-	7,679
305	79	303	-	-	-	-	-	-	6,892
-	-	-	-	-	-	-	-	-	292,290
<u>\$ 67,148</u>	<u>\$ 148,488</u>	<u>\$ 55,326</u>	<u>\$ -</u>	<u>\$ 135</u>	<u>\$ 5,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,909,760</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 843
-	-	-	461	-	-	-	-	-	461
-	-	-	461	-	-	-	-	-	1,304
305	79	303	-	-	-	-	-	-	6,892
305	79	303	-	-	-	-	-	-	6,892
-	-	-	-	-	-	-	-	-	292,290
66,843	148,409	55,023	-	-	-	-	-	-	1,658,629
-	-	-	-	135	5,370	-	-	-	101,490
-	-	-	-	-	-	-	-	-	412,414
-	-	-	-	-	-	-	-	-	437,202
-	-	-	(461)	-	-	-	-	-	(461)
<u>66,843</u>	<u>148,409</u>	<u>55,023</u>	<u>(461)</u>	<u>135</u>	<u>5,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,901,564</u>
<u>\$ 67,148</u>	<u>\$ 148,488</u>	<u>\$ 55,326</u>	<u>\$ -</u>	<u>\$ 135</u>	<u>\$ 5,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,909,760</u>

City of Chatfield, Minnesota

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended December 31, 2025**

	Special Revenue Funds Total	Debt Service					340
		323	332	334	335	338	
		2023A GO Bond	2012A Refunding Bond	2014A Bond	2016A GO Refunding 2010A Bond	2017A GO Bond	2018A GO Pool Bond
Revenues							
Property taxes	\$ 412,814	\$ 46,399	\$ 1	\$ -	\$ 94,351	\$ -	\$ 298,222
Tax increments	-	-	-	-	-	-	-
Fines and forfeits	495	-	-	-	-	-	-
Intergovernmental	240,853	-	38,882	-	-	-	-
Franchise fees	8,901	-	-	-	-	-	-
Charges for services	13,020	-	-	-	-	-	-
Investment income (loss)	43,554	8,718	4,188	-	11,612	-	7,646
Contributions	7,836	-	-	-	-	-	-
Miscellaneous	18,962	-	-	-	-	-	-
Total revenues	746,435	55,117	43,071	-	105,963	-	305,868
Expenditures							
Current:							
General government	67,590	-	-	-	-	-	-
Library	304,643	-	-	-	-	-	-
Community development	414,683	-	-	-	-	-	-
Capital outlay	36,510	-	-	-	-	-	-
Debt service:							
Principal retirement	-	125,000	130,000	190,000	105,000	200,000	190,000
Interest and fiscal charges	-	73,000	9,793	2,136	6,326	2,850	110,075
Total expenditures	823,426	198,000	139,793	192,136	111,326	202,850	300,075
Excess (deficiency) of revenues over (under) expenditures	(76,991)	(142,883)	(96,722)	(192,136)	(5,363)	(202,850)	5,793
Other financing sources (uses)							
Transfers in	234,947	222,126	86,000	-	-	29,078	-
Transfers out	(64,641)	(32,675)	-	(20,358)	(3,450)	-	-
Total other financing sources (uses)	170,306	189,451	86,000	(20,358)	(3,450)	29,078	-
Net change in fund balances	93,315	46,568	(10,722)	(212,494)	(8,813)	(173,772)	5,793
Fund balances, beginning, as previously reported	2,215,520	199,711	174,230	212,494	624,823	173,772	356,764
Change within financial reporting entity - nonmajor to major fund (Note 10)	(1,070,944)	-	-	-	-	-	-
Fund balances, beginning, as restated	1,144,576	199,711	174,230	212,494	624,823	173,772	356,764
Fund balances, ending	\$ 1,237,891	\$ 246,279	\$ 163,508	\$ -	\$ 616,010	\$ -	\$ 362,557

Debt Service			Capital Project						Total Nonmajor Governmental Funds
342 2019A GO Tax Abatement Bond	343 2022A GO Bond	344 2022B GO Bond	355 Gjere Addition Tax Increment	356 Grand St. Appts. Tax Increment	359 Cabin Coffee Tax Increment (Peddle Tea & Coffee)	423 2023 Prospect Grand St. Project	443 2022A Construction	456 WHDP Grand St. Apts Development	
\$ 35,061	\$ 17,812	\$ 68,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 972,681
-	-	-	1,098	-	12,752	-	-	-	13,850
-	-	-	-	-	-	-	-	-	495
-	-	-	-	-	-	-	-	316,667	596,402
-	-	-	-	-	-	-	-	-	8,901
-	-	-	-	-	-	-	-	-	13,020
1,738	3,465	865	(46)	5	7	-	383	-	82,135
-	-	-	-	-	-	-	-	-	7,836
-	-	-	-	-	-	-	-	7,000	25,962
36,799	21,277	68,886	1,052	5	12,759	-	383	323,667	1,721,282
-	-	-	-	-	-	-	-	-	67,590
-	-	-	-	-	-	-	-	-	304,643
-	-	-	-	-	7,435	-	-	323,667	745,785
-	-	-	-	-	-	-	-	-	36,510
33,000	9,720	-	-	-	-	-	-	-	982,720
2,654	7,834	45,000	-	-	-	-	-	-	259,668
35,654	17,554	45,000	-	-	7,435	-	-	323,667	2,396,916
1,145	3,723	23,886	1,052	5	5,324	-	383	-	(675,634)
-	53,821	-	-	-	-	-	-	-	625,972
-	-	-	-	-	-	(222,126)	(53,400)	-	(396,650)
-	53,821	-	-	-	-	(222,126)	(53,400)	-	229,322
1,145	57,544	23,886	1,052	5	5,324	(222,126)	(53,017)	-	(446,312)
65,698	90,865	31,137	(1,513)	130	46	222,126	53,017	-	4,418,820
-	-	-	-	-	-	-	-	-	(1,070,944)
65,698	90,865	31,137	(1,513)	130	46	222,126	53,017	-	3,347,876
\$ 66,843	\$ 148,409	\$ 55,023	\$ (461)	\$ 135	\$ 5,370	\$ -	\$ -	\$ -	\$ 2,901,564

City of Chatfield, Minnesota
Combining Balance Sheet
Special Revenue Funds
For the Year Ended December 31, 2025

	211/212	220/221	240/242	360	361	614/615
	Library	Fire	Community Development	Revolving Loan Federal	Revolving Loan State	Cable Access
Assets						
Cash and investments	\$ 412,660	\$ -	\$ 318,534	\$ -	\$ 95,985	\$ -
Due from other governmental units	597	-	267	-	-	-
Taxes receivable - delinquent	987	-	441	-	-	-
Advances to other funds	-	-	292,290	-	-	-
Total assets	\$ 414,244	\$ -	\$ 611,532	\$ -	\$ 95,985	\$ -
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	\$ 843	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	843	-	-	-	-	-
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	987	-	441	-	-	-
Total deferred inflows of resources	987	-	441	-	-	-
Fund balances						
Nonspendable:						
Advances to other funds	-	-	292,290	-	-	-
Restricted:						
Regulations	-	-	-	-	95,985	-
Committed:						
By Council resolution	412,414	-	-	-	-	-
Assigned:						
Fund assignments	-	-	318,801	-	-	-
Total fund balances	412,414	-	611,091	-	95,985	-
Total liabilities and fund balances	\$ 414,244	\$ -	\$ 611,532	\$ -	\$ 95,985	\$ -

250/251 Chatfield Center for the Arts	806 Transportation Management Organization	Total Special Revenue Funds
\$ 118,200	\$ -	\$ 945,379
201	-	1,065
333	-	1,761
-	-	292,290
<u>\$ 118,734</u>	<u>\$ -</u>	<u>\$ 1,240,495</u>

\$ -	\$ -	\$ 843
-	-	843

333	-	1,761
<u>333</u>	<u>-</u>	<u>1,761</u>

-	-	292,290
-	-	95,985
-	-	412,414
118,401	-	437,202
<u>118,401</u>	<u>-</u>	<u>1,237,891</u>
<u>\$ 118,734</u>	<u>\$ -</u>	<u>\$ 1,240,495</u>

City of Chatfield, Minnesota

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Special Revenue Funds
For the Year Ended December 31, 2025**

	211/212	220/221	240/242	360	361	614/615
	Library	Fire	Community Development	Revolving Loan Federal	Revolving Loan State	Cable Access
Revenues						
Property taxes	\$ 221,965	\$ -	\$ 99,204	\$ -	\$ -	\$ 16,801
Fines and forfeits	495	-	-	-	-	-
Intergovernmental	93,827	-	-	-	-	-
Franchise fees	-	-	-	-	-	8,901
Charges for services	1,947	-	11,073	-	-	-
Investment income	14,880	-	19,692	-	3,738	1,606
Contributions	7,836	-	-	-	-	-
Miscellaneous	10,177	-	8,260	-	-	525
Total revenues	351,127	-	138,229	-	3,738	27,833
Expenditures						
Current:						
General government	-	-	-	-	-	67,590
Library	304,643	-	-	-	-	-
Community development	-	-	176,783	-	-	-
Capital outlay	36,510	-	-	-	-	-
Total expenditures	341,153	-	176,783	-	-	67,590
Excess (deficiency) of revenues over (under) expenditures	9,974	-	(38,554)	-	3,738	(39,757)
Other financing sources (uses)						
Transfers in	-	-	234,947	-	-	-
Transfers out	(2,670)	-	(2,670)	-	-	(51,801)
Total other financing sources (uses)	(2,670)	-	232,277	-	-	(51,801)
Net change in fund balances	7,304	-	193,723	-	3,738	(91,558)
Fund balances, beginning, as previously reported	405,110	919,768	417,368	151,176	92,247	91,558
Change within financial reporting entity - nonmajor to major fund (Note 10)	-	(919,768)	-	(151,176)	-	-
Fund balances, beginning, as restated	405,110	-	417,368	-	92,247	91,558
Fund balances, ending	\$ 412,414	\$ -	\$ 611,091	\$ -	\$ 95,985	\$ -

250/251 Chatfield Center for the Arts	806 Transportation Management Organization	Total Special Revenue Funds
\$ 74,844	\$ -	\$ 412,814
-	-	495
-	147,026	240,853
-	-	8,901
-	-	13,020
3,638	-	43,554
-	-	7,836
-	-	18,962
<u>78,482</u>	<u>147,026</u>	<u>746,435</u>
-	-	67,590
-	-	304,643
93,374	144,526	414,683
-	-	36,510
<u>93,374</u>	<u>144,526</u>	<u>823,426</u>
<u>(14,892)</u>	<u>2,500</u>	<u>(76,991)</u>
-	-	234,947
-	(7,500)	(64,641)
-	(7,500)	170,306
<u>(14,892)</u>	<u>(5,000)</u>	<u>93,315</u>
133,293	5,000	2,215,520
-	-	(1,070,944)
<u>133,293</u>	<u>5,000</u>	<u>1,144,576</u>
<u>\$ 118,401</u>	<u>\$ -</u>	<u>\$ 1,237,891</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, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		250 Chatfield Center for the Arts	251 CCA Capital	2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	Original	Final					
Revenues							
Property taxes	\$ 75,700	\$ 75,700	\$ 74,844	\$ -	\$ 74,844	\$ (856)	\$ -
Investment income	300	300	42	3,596	3,638	3,338	2,261
Miscellaneous	2,000	2,000	-	-	-	(2,000)	1,899
Total revenues	78,000	78,000	74,886	3,596	78,482	482	4,160
Expenditures							
Community development							
Repairs and maintenance	12,000	12,000	30,809	11,804	42,613	(30,613)	16,460
Professional services	24,000	24,000	24,000	-	24,000	-	24,000
Insurance	32,000	32,000	26,761	-	26,761	5,239	28,740
Total expenditures	68,000	68,000	81,570	11,804	93,374	(25,374)	69,200
Excess (deficiency) of revenues over (under) expenditures	10,000	10,000	(6,684)	(8,208)	(14,892)	(24,892)	(65,040)
Other financing sources (uses)							
Transfers in	10,100	10,100	-	10,000	10,000	(100)	160,000
Transfers out	(10,000)	(10,000)	(10,000)	-	(10,000)	-	(70,000)
Total other financing sources (uses)	100	100	(10,000)	10,000	-	(100)	90,000
Net change in fund balance	10,100	10,100	(16,684)	1,792	(14,892)	(24,992)	24,960
Fund balance, beginning	133,293	133,293	38,844	94,449	133,293	-	108,333
Fund balance, ending	\$ 143,393	\$ 143,393	\$ 22,160	\$ 96,241	\$ 118,401	\$ (24,992)	\$ 133,293

City of Chatfield, Minnesota

**Library Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		211	212	2025	Variance with	2024
	Original	Final	Library	Library Capital	Actual Amounts	Final Budget - Positive (Negative)	Actual Amounts
Revenues							
Property tax levy	\$ 224,597	\$ 224,597	\$ 221,965	\$ -	\$ 221,965	\$ (2,632)	\$ 204,880
Intergovernmental revenues:							
County contracts	93,827	93,827	93,827	-	93,827	-	90,835
Library fines	200	200	495	-	495	295	368
Charges for services	1,390	1,390	1,947	-	1,947	557	827
Investment income	2,200	2,200	3,175	11,705	14,880	12,680	4,237
Contributions	7,100	7,100	4,819	3,017	7,836	736	4,194
Sale of merchandise	5,800	5,800	6,040	-	6,040	240	4,965
Miscellaneous	942	942	4,137	-	4,137	3,195	2,177
Total revenues	336,056	336,056	336,405	14,722	351,127	15,071	312,483
Expenditures							
Library							
Salaries and wages	180,888	180,888	184,903	-	184,903	(4,015)	169,892
Employee benefits and retirement	27,329	27,329	27,058	-	27,058	271	24,824
Workers compensation	1,411	1,411	591	-	591	820	1,677
Health insurance	37,080	37,080	34,328	-	34,328	2,752	30,947
Travel	300	300	-	-	-	300	-
Office supplies and postage	2,000	2,000	869	-	869	1,131	1,992
Operating supplies/small tools	1,000	1,000	714	-	714	286	2,020
Scrip purchases/program	5,000	5,000	4,683	-	4,683	317	8,825
Insurance	12,500	12,500	10,354	-	10,354	2,146	11,187
Utilities	8,600	8,600	8,745	-	8,745	(145)	7,792
Maintenance and repair	11,128	11,128	11,750	-	11,750	(622)	12,244
Telephone	3,500	3,500	3,551	-	3,551	(51)	3,388
Cleaning services	1,600	1,600	1,357	-	1,357	243	1,135
Capital outlay	20,600	20,600	17,267	19,243	36,510	(15,910)	27,006
Other	15,120	15,120	15,740	-	15,740	(620)	8,706
Total expenditures	328,056	328,056	321,910	19,243	341,153	(13,097)	311,635
Excess (deficiency) of revenues over (under) expenditures	8,000	8,000	14,495	(4,521)	9,974	1,974	848
Other financing sources (uses)							
Transfers in	3,000	3,000	-	3,000	3,000	-	113,000
Transfers out	(3,000)	(5,670)	(5,670)	-	(5,670)	-	(113,000)
Total other financing sources (uses)	-	(2,670)	(5,670)	3,000	(2,670)	-	-
Net change in fund balance	8,000	5,330	8,825	(1,521)	7,304	1,974	848
Fund balance, beginning	405,110	405,110	103,167	301,943	405,110	-	404,262
Fund balance, ending	\$ 413,110	\$ 410,440	\$ 111,992	\$ 300,422	\$ 412,414	\$ 1,974	\$ 405,110

City of Chatfield, Minnesota

**Community Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		240	242	2025	Variance with	2024
	Original	Final	Community	Development	Actual	Final Budget -	Actual
			Development	Reserve	Amounts	Positive	Amounts
						(Negative)	
Revenues							
Property taxes	\$ 100,380	\$ 100,380	\$ 99,204	\$ -	\$ 99,204	\$ (1,176)	\$ -
Charges for services	11,500	11,500	2,073	9,000	11,073	(427)	-
Investment income	4,150	4,150	295	19,397	19,692	15,542	8,245
Miscellaneous	-	1,950	8,257	3	8,260	6,310	1,188
Total revenues	116,030	117,980	109,829	28,400	138,229	20,249	9,433
Expenditures							
Community development							
Salaries and wages	-	76,000	75,959	-	75,959	41	-
Employee benefits and retirement	-	33,000	32,837	-	32,837	163	-
Insurance	-	5,600	3,808	-	3,808	1,792	-
Repairs and maintenance	-	-	-	2,239	2,239	(2,239)	97
Professional services	15,500	27,750	8,480	-	8,480	19,270	53,932
Other	35,030	36,030	39,978	13,482	53,460	(17,430)	27,416
Total expenditures	50,530	178,380	161,062	15,721	176,783	1,597	81,445
Excess (deficiency) of revenues over (under) expenditures	65,500	(60,400)	(51,233)	12,679	(38,554)	21,846	(72,012)
Other financing sources (uses)							
Sale of assets	-	-	-	-	-	-	22,251
Transfers in	-	111,161	69,150	165,797	234,947	123,786	78,517
Transfers out	-	(2,670)	(2,670)	-	(2,670)	-	-
Total other financing sources (uses)	-	108,491	66,480	165,797	232,277	123,786	100,768
Net change in fund balance	65,500	48,091	15,247	178,476	193,723	145,632	28,756
Fund balance, beginning	417,368	417,368	35,362	382,006	417,368	-	388,612
Fund balance, ending	\$ 482,868	\$ 465,459	\$ 50,609	\$ 560,482	\$ 611,091	\$ 145,632	\$ 417,368

City of Chatfield, Minnesota

**Revolving Loan State Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		Fund 361 2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	Original	Final			
Revenues					
Investment income	\$ 2,132	\$ 2,132	\$ 3,738	\$ 1,606	\$ 3,516
Miscellaneous	38,702	38,702	-	(38,702)	269,222
Total revenues	40,834	40,834	3,738	(37,096)	272,738
Expenditures					
DEED repayments to state	32,289	32,289	-	32,289	225,696
Net change in fund balance	8,545	8,545	3,738	(4,807)	47,042
Fund balance, beginning	92,247	92,247	92,247	-	45,205
Fund balance, ending	<u>\$ 100,792</u>	<u>\$ 100,792</u>	<u>\$ 95,985</u>	<u>\$ (4,807)</u>	<u>\$ 92,247</u>

City of Chatfield, Minnesota

**Internal Service Fund
Statement of Net Position
December 31, 2025**

With Comparative Totals for December 31, 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and investments	\$ 1,061,493	\$ 1,313,138
Due from other governmental units	45	-
Total current assets	<u>1,061,538</u>	<u>1,313,138</u>
Noncurrent assets		
Capital assets:		
Nondepreciable	357,377	285,177
Depreciable	5,713,996	5,418,144
Less: accumulated depreciation	<u>2,772,106</u>	<u>2,802,078</u>
Net capital assets	<u>3,299,267</u>	<u>2,901,243</u>
Total assets	<u>4,360,805</u>	<u>4,214,381</u>
Net position		
Invested in capital assets	3,299,267	2,901,243
Unrestricted	<u>1,061,538</u>	<u>1,313,138</u>
Total net position	<u>\$ 4,360,805</u>	<u>\$ 4,214,381</u>

City of Chatfield, Minnesota

**Internal Service Fund
Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	<u>2025</u>	<u>2024</u>
Operating revenues		
Departmental capital charge	\$ 392,185	\$ 362,477
Intergovernmental	29,637	-
Total operating revenues	<u>421,822</u>	<u>362,477</u>
Operating expenses		
Depreciation	316,043	285,636
Repairs	139,499	61,055
Professional services	17,204	27,651
Supplies and minor equipment	9,405	18,634
Other	3,134	28,649
Total operating expenses	<u>485,285</u>	<u>421,625</u>
Operating loss	<u>(63,463)</u>	<u>(59,148)</u>
Nonoperating revenues		
Investment income	44,633	27,364
Miscellaneous	24,641	25,305
Gain on sale of assets	180,322	20,011
Total nonoperating revenues	<u>249,596</u>	<u>72,680</u>
Income before transfers and contributed capital	186,133	13,532
Contributed capital	87,200	-
Transfers in	60,466	410,809
Transfers out	<u>(187,375)</u>	<u>(89,408)</u>
Change in net position	146,424	334,933
Net position, beginning	<u>4,214,381</u>	<u>3,879,448</u>
Net position, ending	<u><u>\$ 4,360,805</u></u>	<u><u>\$ 4,214,381</u></u>

City of Chatfield, Minnesota

**Internal Service Fund
Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	2025	2024
Cash flows from operating activities		
Cash received from other departments	\$ 421,822	\$ 362,477
Cash paid to suppliers	(256,442)	(139,317)
Net cash provided by operating activities	<u>165,380</u>	<u>223,160</u>
Cash flows from noncapital financing activities		
Miscellaneous	24,641	25,305
Intergovernmental	(45)	44,950
Transfers in/out, net	(126,909)	321,401
Net cash provided by (used in) noncapital financing activities	<u>(102,313)</u>	<u>391,656</u>
Capital and related financing activities		
Capital asset acquisitions	(722,887)	(371,439)
Proceeds from sale of assets	363,542	28,701
Net cash used in capital and related financing activities	<u>(359,345)</u>	<u>(342,738)</u>
Cash flows from investing activities		
Investment income received	<u>44,633</u>	<u>27,364</u>
Net increase (decrease) in cash and investments	(251,645)	299,442
Cash and investments, beginning of year	<u>1,313,138</u>	<u>1,013,696</u>
Cash and investments, end of year	<u><u>\$ 1,061,493</u></u>	<u><u>\$ 1,313,138</u></u>

Reconciliation of operating loss
to net cash provided by operating activities

Operating loss	\$ (63,463)	\$ (59,148)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	316,043	285,636
Increase (decrease) in:		
Accounts payable	(87,200)	(3,328)
Net cash provided by operating activities	<u><u>\$ 165,380</u></u>	<u><u>\$ 223,160</u></u>
Noncash capital and related financing activities		
Receipt of capital contributions	\$ 87,200	-

City of Chatfield, Minnesota

Supplementary Information

December 31, 2025

City of Chatfield, Minnesota

Proprietary Funds

Water Fund

(601/339/336/303/623)

Statement of Net Position

December 31, 2025

With Comparative Totals for December 31, 2024

	2025	2024
Assets		
Current assets		
Cash and investments	\$ 75,789	\$ 72,814
Accounts receivable	62,408	55,212
Special assessments receivable	4,903	10,748
Special assessments delinquent	761	384
Total current assets	<u>143,861</u>	<u>139,158</u>
Capital assets		
Nondepreciable	37,446	30,246
Depreciable	5,887,331	5,795,168
Less: accumulated depreciation	<u>2,277,123</u>	<u>2,106,309</u>
Net capital assets	<u>3,647,654</u>	<u>3,719,105</u>
Other assets		
Restricted cash and investments	<u>66,172</u>	<u>77,854</u>
Deferred outflows of resources		
Deferred outflows from pension activity	<u>9,293</u>	<u>9,183</u>
Total assets and deferred outflows of resources	<u><u>\$ 3,866,980</u></u>	<u><u>\$ 3,945,300</u></u>
Liabilities		
Current liabilities		
Accounts payable	\$ 3,592	\$ 3,446
Accrued compensated absences	21,719	21,824
Current maturities of bonds payable	104,420	101,780
Accrued interest payable	<u>20,222</u>	<u>21,440</u>
Total current liabilities	<u>149,953</u>	<u>148,490</u>
Noncurrent liabilities		
Net pension liability	30,841	34,695
Bonds payable, net of current maturities and unamortized premium	<u>1,381,778</u>	<u>1,487,618</u>
Total noncurrent liabilities	<u>1,412,619</u>	<u>1,522,313</u>
Total liabilities	<u>1,562,572</u>	<u>1,670,803</u>
Deferred inflows of resources		
Deferred inflows from pension activity	<u>19,368</u>	<u>23,095</u>
Net position		
Net investment in capital assets	2,161,456	2,129,707
Restricted	66,172	77,854
Unrestricted	<u>57,412</u>	<u>43,841</u>
Total net position	<u>2,285,040</u>	<u>2,251,402</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 3,866,980</u></u>	<u><u>\$ 3,945,300</u></u>

City of Chatfield, Minnesota

Proprietary Funds

Water Fund

(601/339/336/303/623)

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

For the Year Ended December 31, 2025

With Comparative Totals for the Year Ended December 31, 2024

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	Original	Final			
Operating revenue					
Service fees and charges	\$ 521,625	\$ 521,625	\$ 582,570	\$ 60,945	\$ 499,800
Operating expenses					
Salaries and wages	82,750	82,750	94,204	(11,454)	100,887
Employee benefits and retirement	12,537	12,537	6,414	6,123	12,287
Health insurance	10,236	10,236	11,913	(1,677)	10,732
Workers compensation	3,604	3,604	1,808	1,796	3,283
Supplies and minor equipment	10,500	10,500	10,148	352	9,078
Utilities	25,000	25,000	28,713	(3,713)	24,518
Maintenance and repairs	62,952	62,952	9,719	53,233	11,246
Travel and training	800	800	50	750	628
Professional fees	39,700	39,700	38,591	1,109	32,455
Office expense	2,000	2,000	2,766	(766)	1,887
Insurance	11,850	11,850	9,479	2,371	10,165
Depreciation	-	-	177,521	(177,521)	174,082
Departmental capital charge	4,000	4,000	4,000	-	5,356
Other	16,775	16,775	17,667	(892)	12,603
Total operating expenses	282,704	282,704	412,993	(130,289)	409,207
Operating income	238,921	238,921	169,577	69,344	90,593
Nonoperating revenues (expenses)					
Investment income	1,000	1,000	4,820	3,820	307
Interest expense and fiscal charges	(39,159)	(39,159)	(47,382)	(8,223)	(50,264)
Total nonoperating revenue (expense)	(38,159)	(38,159)	(42,562)	(4,403)	(49,957)
Income before transfers and capital grants	200,762	200,762	127,015	(73,747)	40,636
Capital grants	-	-	5,000	5,000	-
Transfers in	-	-	4,886	4,886	150,000
Transfers out	(168,120)	(136,200)	(103,263)	32,937	(214,327)
Change in net position	32,642	64,562	33,638	(30,924)	(23,691)
Net position, beginning	2,251,402	2,251,402	2,251,402	-	2,275,093
Net position, ending	\$ 2,284,044	\$ 2,315,964	\$ 2,285,040	\$ (30,924)	\$ 2,251,402

City of Chatfield, Minnesota

**Proprietary Funds
Sewer Fund
(602/622/341/337/333)
Statement of Net Position
December 31, 2025
With Comparative Totals for December 31, 2024**

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and investments	\$ 273,469	\$ 237,446
Accounts receivable	123,186	121,662
Special assessments receivable	14,719	32,266
Special assessments delinquent	1,950	1,212
Total current assets	<u>413,324</u>	<u>392,586</u>
Capital assets		
Nondepreciable	61,986	30,246
Depreciable	11,618,500	14,086,928
Less: accumulated depreciation	<u>5,833,280</u>	<u>7,995,623</u>
Net capital assets	<u>5,847,206</u>	<u>6,121,551</u>
Deferred outflows of resources		
Deferred outflows from pension activity	<u>17,809</u>	<u>17,147</u>
Total assets and deferred outflows of resources	<u>\$ 6,278,339</u>	<u>\$ 6,531,284</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 15,256	\$ 6,861
Accrued compensated absences	43,705	27,965
Current maturities of bonds payable	513,500	502,500
Accrued interest payable	12,552	16,689
Total current liabilities	<u>585,013</u>	<u>554,015</u>
Noncurrent liabilities		
Net pension liability	59,096	65,249
Bonds payable, net of current maturities and unamortized premium	<u>1,021,667</u>	<u>1,541,056</u>
Total noncurrent liabilities	<u>1,080,763</u>	<u>1,606,305</u>
Total liabilities	<u>1,665,776</u>	<u>2,160,320</u>
Deferred inflows of resources		
Deferred inflows from pension activity	<u>37,113</u>	<u>41,886</u>
Net position		
Net investment in capital assets	4,312,039	4,077,995
Unrestricted	263,411	251,083
Total net position	<u>4,575,450</u>	<u>4,329,078</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,278,339</u>	<u>\$ 6,531,284</u>

City of Chatfield, Minnesota

Proprietary Funds

Sewer Fund

(602/622/341/337/333)

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

For the Year Ended December 31, 2025

With Comparative Totals for the Year Ended December 31, 2024

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	Original	Final			
Operating revenue					
Service fees and charges	\$ 1,010,013	\$ 1,010,013	\$ 1,056,464	\$ 46,451	\$ 1,019,171
Operating expenses					
Salaries and wages	160,800	160,800	196,445	(35,645)	177,182
Employee benefits and retirement	24,362	24,362	15,460	8,902	28,716
Health insurance	23,080	23,080	26,842	(3,762)	24,097
Workers compensation	7,808	7,808	3,350	4,458	7,294
Supplies and minor equipment	6,100	6,100	5,632	468	4,636
Utilities	62,000	62,000	56,421	5,579	51,104
Maintenance and repairs	85,409	85,409	58,517	26,892	60,067
Travel and training	2,050	2,050	1,709	341	1,272
Professional fees	46,000	46,000	27,151	18,849	31,700
Office expense	4,500	4,500	4,875	(375)	4,607
Insurance	24,700	24,700	19,340	5,360	21,433
Depreciation	-	-	320,669	(320,669)	315,443
Departmental capital charge	4,000	4,000	4,000	-	10,356
Other	18,650	18,650	13,437	5,213	10,999
Total operating expenses	469,459	469,459	753,848	(284,389)	748,906
Operating income	540,554	540,554	302,616	(237,938)	270,265
Nonoperating revenues (expenses)					
Investment income	10,000	10,000	11,997	1,997	10,172
Gain on sale of assets	-	-	-	-	27,034
Interest expense	(24,160)	(24,160)	(25,083)	(923)	(35,008)
Total nonoperating revenue (expense)	(14,160)	(14,160)	(13,086)	1,074	2,198
Income before transfers and contributed capital	526,394	526,394	289,530	(236,864)	272,463
Contributed capital	-	-	-	-	798,278
Transfers in	-	-	7,725	7,725	7,700
Transfers out	(50,883)	(50,883)	(50,883)	-	(209,416)
Change in net position	475,511	475,511	246,372	(229,139)	869,025
Net position, beginning	4,329,078	4,329,078	4,329,078	-	3,460,053
Net position, ending	\$ 4,804,589	\$ 4,804,589	\$ 4,575,450	\$ (229,139)	\$ 4,329,078

City of Chatfield, Minnesota

Proprietary Funds
Garbage Fund (603)
Statement of Net Position
December 31, 2025
With Comparative Totals for December 31, 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and investments	\$ 22,333	\$ 36,910
Accounts receivable	30,302	30,408
Special assessments receivable	4,675	10,248
Special assessments delinquent	<u>646</u>	<u>335</u>
Total current assets	<u>\$ 57,956</u>	<u>\$ 77,901</u>
Liabilities		
Current liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 19,331</u>
Net position		
Unrestricted	<u>57,956</u>	<u>58,570</u>
Total liabilities and net position	<u>\$ 57,956</u>	<u>\$ 77,901</u>

City of Chatfield, Minnesota

**Proprietary Funds
Garbage Fund (603)
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Budget and Actual
For the Year Ended December 31, 2025
With Comparative Totals for the Year Ended December 31, 2024**

	Budgeted Amounts		Fund 603 2025 Actual Amounts	Variance with Final Budget - Positive (Negative)	2024 Actual Amounts
	Original	Final			
Operating revenue					
Charges for services	\$ 281,000	\$ 281,000	\$ 292,413	\$ 11,413	\$ 292,890
Operating expenses					
Garbage removal	235,000	235,000	222,808	12,192	222,556
City cleanup	17,000	17,000	17,005	(5)	14,870
Supplies and minor equipment	500	500	340	160	526
Maintenance and repairs	8,900	6,650	6,095	555	5,443
Professional fees	3,500	3,500	2,794	706	3,106
Office expense	1,500	1,500	1,616	(116)	1,537
Departmental capital charge	3,000	3,000	2,000	1,000	5,356
Other	14,800	14,800	12,420	2,380	11,440
Total operating expenses	284,200	281,950	265,078	16,872	264,834
Operating income (loss)	(3,200)	(950)	27,335	28,285	28,056
Nonoperating revenue					
Investment income	600	600	1,351	751	728
Income (loss) before transfers	(2,600)	(350)	28,686	29,036	28,784
Transfers out	(29,300)	(29,300)	(29,300)	-	(26,340)
Change in net position	(31,900)	(29,650)	(614)	29,036	2,444
Net position, beginning	58,570	58,570	58,570	-	56,126
Net position, ending	\$ 26,670	\$ 28,920	\$ 57,956	\$ 29,036	\$ 58,570

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Minnesota Legal Compliance Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Chatfield, Minnesota, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 18, 2026.

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

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



Rochester, Minnesota
June 18, 2026



Independent Member of Nexia

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CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Approve a pay-step increase for Beth Carlson to Grade 8, Step 6 effective on the employment anniversary

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Maintenance Agreement with Olmsted Co

Subject | Summary: This agreement is for the maintenance blading of City streets, and the plowing of snow from City streets only when requested. It is rarely, if ever used, but opens options for those "just in case" moments.

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[_2026-2027_Maintenance_Agreement_with_Olmste.pdf](#)

THIS AGREEMENT, made this day 7/01/2026, by and between the County of Olmsted, in the State of Minnesota, acting by and through its Board of County Commissioners, hereinafter referred to as the County, and the City of **CHATFIELD** in said County and State, hereinafter referred to as the City.

WITNESSETH:

WHEREAS, pursuant to the Laws of Minnesota, the City Council of any City may contract with the County Board of the County in which the City is situated for the use of County equipment and operators for snow removal from and the blading of any or all City streets within the City. The contract price therefore to be paid by the City to the County, shall be not less than the actual cost to the County of the use of such equipment, operators and materials. County employees performing such work on City streets shall be deemed County employees for all purposes while so engaged.

WHEREAS, the County may exercise an option to request the addition of a fuel surcharge on a per hour basis negotiated at the time the option is exercised. The fuel surcharge may only be imposed when and if fuel prices increase 20% or more over the retail fuel prices being charged on the date this agreement is executed and remain at escalated prices for more than a month. Also if fuel prices decrease by 20% or more a credit shall be due the City on the same basis.

NOW THEN, IT IS AGREED:

That the County will furnish equipment and operators during the period from July 1, 2026 to June 30, 2027 for the maintenance blading of City streets, and the plowing of snow from City streets where the maintenance blading is done under this agreement, when requested by the Mayor or an authorized representative of the City Council, provided, however, that said equipment and operators are available therefore, and are not needed by the County to address a more urgent maintenance need on the County Highway system.

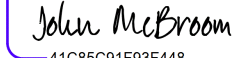
The City of **CHATFIELD** agrees to reimburse the County of Olmsted Infrastructure Fund for the cost of furnishing equipment and operators hereunder in accordance with the schedule hereinafter set forth as follows, to-wit:

<u>SCHEDULE OF EQUIPMENT</u>	<u>RATE PER HOUR (Including Operator)</u>
MOTOR GRADER, BLADING (SUMMER)	190.00
MOTOR GRADER, PLOWING SNOW (WINTER)	200.00
TRUCK, SINGLE AXLE	80.00
TRUCK, TANDEM AXLE	175.00
TRACTORS, MOWER	135.00
LOADERS	196.00
UTILITY EQUIPMENT	112.00
EXCAVATOR	179.00
SWEEPER	290.00
DOZER	225.00
SIGN TRUCK	129.00
CRACKFILL/SEALCOATING EQUIPMENT	120.00
JETTER-VAC (PLUS REQUIRES 2 OPERATORS)	425.00

IT IS AGREED that payments to be made at the rates set forth in the foregoing schedule shall be at the rates therein set forth for the equipment and operators for the number of hours that said equipment and operators are engaged in performing the work provided for hereunder, which time shall include the time of both equipment and operators in going from the place where stationed to the site of the work and their return to their station.

IT IS FURTHER AGREED that the County shall keep a record of the time of equipment and operators furnished hereunder and shall prepare and make an itemized statement thereof showing the amount due hereunder, and submit the same to the City on or about the fifth day of the month following the month in which the work was done. The City agrees to pay to the Olmsted County Public Works Infrastructure Fund, all monies due hereunder and as shown by said invoice or statement within sixty (60) days of the receipt of the invoice.

It is further agreed to by and between the parties that in the event any person, partnership, firm, corporation or anybody brings legal action for the recovery of damages as a result of the use of said County equipment and operators, the City named in this agreement shall hold the County of Olmsted harmless from all claims whatsoever.

CITY OF CHATFIELD
BY  DATE 7/1/2026 | 11:18 AM CDT
41C85C91E93E448
City Mayor

ATTEST: _____ DATE _____
City Clerk

COUNTY OF OLMSTED, STATE OF MINNESOTA

BY _____ DATE _____
Olmsted County Public Works Director



Public Works
1188 50th Street SE
Rochester, MN 55904
Phone: 507-328-7070
E-mail: pwservice@olmstedcounty.gov

Date: June 1, 2026
To: City and Township Clerks
Subject: Maintenance Agreements

Enclosed is an agreement for Olmsted County Public Works to provide maintenance for City or Township roads. If you are interested in retaining the County for maintenance, please have the enclosed agreement signed and returned to us.

Agreements are sent via Docusign and require a signature from your Chair or Mayor and clerk or administrator. Upon completion of your signatures, Docusign will automatically send the agreement to our Director of Public Works/County Engineer, Ben Johnson, for his signature. Once he has signed, you will receive a complete agreement with all signatures. There is no need to have the signatures notarized.

The effective dates of the contracts are July 1, 2026, to June 30, 2027.

If you have any questions, we can be reached at 507-328-7070.



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Southern Minnesota Initiative Foundation - Aaron Johnson

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion:

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: MN Driftless Hiking Trail Signage Proposal

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion: Motion to approve placement of the signs as requested.

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:

[Chatfield Signage Proposal MDHT 2026.pdf](#)

[Signage Index.pdf](#)

Chatfield Signage Proposal

For the Minnesota Driftless Hiking Trail
July 7, 2026



Approved Route

In December 2025, Chatfield's City Council approved the Minnesota Driftless Hiking Trail's proposed route, which stretches from Groen Park to the water tower via 3rd St, Winona St, and Hillside Drive. The route is included below.

Blue Route: Route Option. **Red Route:** Alternate Route

MDHT proposes the new Chatfield Trail segment/route begin at the eastern starting point of the Lost Creek Hiking Trail, at the parking lot for Groen Park.



The trail would follow 3rd St SW, crossing Main St and heading towards Winona St. SE at Hendricks Park. MDHT has reached out to the local Girl Scouts to discuss integrating the trail into Hendricks Park, including a possible shade structure or potable water. From there, the trail would head south on Winona St SE towards Enterprise Dr.

The trail would follow Enterprise Dr. (on either side of the road as deemed appropriate by the City) until reaching Hillside Drive, turning uphill. The route may be updated as the City of Chatfield adopts new development plans. **Alt. Route 2 Option:** The trail could head north to cross around the retention ponds (red line) before reconnecting with Hillside Drive.

The trail follows Hillside Drive to the water tower in Hillside Park, where we will install signage for the eastern trail head similar to in Groen Park. As of November 2025, the Water Tower Park would be the eastern trailhead for the Chatfield section of the Minnesota Driftless Hiking Trail. MDHT is working on several options to extend the trail further east towards Eagle Bluff Environmental Learning Center, which could result in an extension or reroute, which could easily be accommodated from this location.



In addition to the specific route planned here, MDHT has been in conversation with the City of Chatfield and other regional trail partners about ways the MDHT project could align with future trail extensions, other existing trail systems, and future outdoor recreation amenities. These features will be added to our plan if needed as they become more certain.

The proposed route generally follows [Chatfield's Major Pedestrian Routes](#).

Signage Proposal

A table is included below detailing where signage is proposed, the type of signs, and the pole material. It is also noted which signs are in need of City approval versus County approval.

Photos have been included in an attachment to help identify specific locations. Additionally, photos of each sign type have been included below.

Location	Type of Sign	Pole Material	Approval By	Photo ID
Groen Park - Stop sign to 3rd St	Directional arrows Up/Down	Metal	County	1.1, 1.19
Across from Groen Park on 3rd St on pedestrian sign	Directional arrows Left/Right	Metal	County	1.2, 1.18
Heading east on 3rd St, the pole next to the Mill House Ln sign	Directional arrows Up/Down	Wood	City	1.3, 1.17
Continue east on 3rd St towards Hwy 52 intersection. Sign on pole at Bench/3rd St intersection	Directional arrows Up/Down	Wood	City	1.4, 1.5, 1.16
Light pole at intersection of	Directional arrows Up/Down	Metal	County	1.6, 1.15

Twilford and 3rd St across from City Park on east side (not Olmstead Medical Center side)				
Hwy 52/30 intersection on pedestrian crossing poles on BOTH sides	Directional arrows Up/Down	Metal	County	1.7, 1.14, 1.8, 1.13
Telephone pole with one way sign in alley across from Root River State Bank	Directional arrows Up/Down	Wood	City	1.9, 1.12
Winona St. on north side of intersection	Directional arrows Left/Right	Metal	County	1.10
Winona St, on south side of intersection	Directional arrows Left/Right	Metal	County	1.11
Hendricks Park	Trailhead Kiosk	In ground installation	City	1.20
5th Street/Winona St intersection on either side	Directional arrows Up/Down	Wood	City	1.21
7th Street/Winona St. intersection on either side	Directional arrows Up/Down	Metal	County	1.22
Prospect/Winona Street intersection	Directional arrows Up/Down	Metal	County	1.23
Valley/Winona Street on north side of the crossing	Directional arrows Up/Down	Wood	City	1.24

Liberty/Winona Street intersection	Directional arrows Up/Down	Wood	City	1.25
Enterprise Dr/Winona Street intersection	Directional arrows Left/Right	Wood	City	1.26
Along Enterprise Drive - attached to two poles leading south towards Hillside Dr. before open field on the left.	Directional arrows Up/Down	Metal	County	No pictures
Along Enterprise Drive between Windwall St. and Hillside Drive	Confidence markers	In ground installation	City	No pictures
Enterprise Drive/Hillside Drive intersection	Directional arrows Left/Right	Metal	County	1.29
Up Hillside Drive along telephone poles, alternating starting at the first pole heading up the hill	Directional arrows Up/Down	Wood	City	No pictures
Stop sign at the school before main entrance heading down Hillside Drive	Directional arrows Up/Down	Metal	County	1.30
Pedestrian sign at school entrance	Directional arrows Up/Down	Metal	County	1.31
Along 3 light poles heading towards the water tower along Hillside	Directional arrows Up/Down (first two), Left/Right (last one, nearest to	Metal	County	No pictures

Drive from the school entrance	water tower)			
Water tower	Trailhead kiosk	In ground installation	City	No pictures

Signage Types

Directional Arrows:



Trail Kiosks:



Confidence Markers:



1.1



1.19









1.17











1.15









1.13





1.12





1.11



1.20



1.21





1.23





1.25



1.26



1.29



1.30







CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Personnel Budget Committee

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion: July 13, 2026 Meeting Packet

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments:



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: July 13, 2026

Agenda Item: Public Works Committee

Subject | Summary:

Agenda Category:

Submitted By: Michele Peterson

Recommended Motion: July 13, 2026 Meeting Packet

Community Engagement and Outreach:

FISCAL IMPACT:

Amount:

Ongoing Cost :

One-Time Cost :

Included in Current Budget?:

FISCAL DETAILS:

Fund Name(s) (Operations | Capital):

Account Code:

Background:

Attachments: