

CITY OF STILLWATER, MINNESOTA

REPORT PREPARED BY

SHARON PROVOS, FINANCE DIRECTOR
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&
THE FINANCE DEPARTMENT



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2025

**MEMBER OF GOVERNMENT FINANCE OFFICERS ASSOCIATION
OF THE UNITED STATES AND CANADA**

CITY OF STILLWATER, MINNESOTA
Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2025
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INTRODUCTORY SECTION



June 11, 2026

Honorable Mayor
Members of the City Council
Citizens of the City of Stillwater, Minnesota

Minnesota state law requires that cities with over 2,500 population publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants and submit them to the state auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Stillwater, Minnesota for the fiscal year ended December 31, 2025.

This report consists of management's representations concerning the finances of the City of Stillwater. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Stillwater has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Stillwater's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Stillwater's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

U.S. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Stillwater's MD&A can be found immediately following the report of the independent auditors on page 13.

Profile of the Government

The City of Stillwater, founded in 1843 and incorporated in 1894, is a growing community located in central Washington County on the St. Croix River, approximately 20 miles east of the Minneapolis/St. Paul metropolitan area. Stillwater encompasses an area of approximately 5,814 acres and serves a population of 19,425.

The City of Stillwater operates under the "Home Rule Charter" form of government under the provisions of state of Minnesota law. The Mayor is president of the Council and together with the four-member City Council comprises the governing body of the City. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring a City Administrator. The City Administrator has the responsibility of carrying out the policies and ordinances of the city council, for overseeing the day-to-day operation of the City. The Mayor is elected at-large and the Council members are elected by Wards to serve four-year overlapping terms of office.

The City provides a full range of municipal services. These services include: general government, public safety (Police & Fire), Public Works (Streets & Fleet), Parks and Recreation, Public Improvements, and providing and maintaining Water, Sanitary Sewer, Storm Sewer, Lighting, and Parking infrastructure.

The annual budget is the foundation for the City of Stillwater's financial planning and control. All divisions are required to submit appropriations requests to the City Administrator for review and consolidation into a proposed budget. The City Administrator is responsible for submitting the proposed annual budget to the City Council in August of each year. The city council is required to hold a public hearing on the proposed budget and to adopt by resolution a final budget and certify it no later than December 30. The budget amounts cannot increase beyond the estimated receipts except to the extent that actual receipts exceed the estimate. Department directors may make transfers of appropriations within a department but transfers of appropriations between departments require Council approval. Budget-to-actual comparisons for the General Fund, Special Events, St. Croix Valley Recreation Center, Library, Parks, Downtown Beautification, Washington County Recycling, and Lodging Tax which are provided in this report on pages 93 and 116 through 122.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Stillwater operates.

Local economy.

In the early 1970s, the City's residents and business owners began to encourage the historic preservation of commercial and residential buildings in the community. This movement has gathered momentum, acceptance and regulatory authority since its beginning and has been at least partially responsible for recapturing the historical Rivertown character of the downtown business district. It has also encouraged the maintenance and restoration of historic homes in the City's historic residential neighborhoods. Many residences, businesses and shops are housed in buildings more than 125 years old. Approximately eight square blocks of downtown Stillwater and 13 independent structures and sites throughout the City, including seven residential structures, are listed on the National Register of Historic Places. A number of the City's older homes have been restored to their historical character. In addition, a substantial downtown infrastructure improvement project was completed in 1991 and 1992, which included the separation and replacement of the 100-year-old Storm Sewer and Sanitary Sewer systems, new streets and sidewalks, and new street lighting. This restoration and preservation movement has generated a significant tourist trade that is important to the City's economy.

The 2040 Comprehensive Plan calls for continued growth and development of the City. The 2040 Comprehensive Plan estimates the City has 480 net developable acres. While most of these lands are in the western portion of the community and along the State Highway 36 corridor, approximately 160 acres are allocated for new residential development with a projection of 1,300 new housing units in the next ten years.

The City has recently completed development/redevelopment activities in the downtown area: 1) the opening of two new hotels and a hotel addition to a third hotel in downtown Stillwater; 2) MnDOT rehabilitation of the historic Lift Bridge completing a pedestrian/bike recreation Loop Trail from downtown Stillwater into Wisconsin South to the new St. Croix Crossing bridge and trail back to downtown completed in 2020; 3) sidewalk improvement projects in downtown area; 4) riverbank improvement and elevated walkway project along the St. Croix River from downtown South to City limits was completed in 2022; and 5) Chestnut Street Pedestrian Plaza project from Main Street to the historic Lift Bridge was completed in 2023. Additionally, the City has recently seen the completion of one City block to accommodate 61 market-rate rental apartments in the downtown core.

In the southwest corner of the city, a new Lakeview Hospital project proposal has been approved. This is approximately a \$400 million investment in a six-story hospital that will bring approximately 250-300 jobs to the area. Also, the construction to connect 58th Street from Stillwater Blvd. to Manning Avenue is underway on the southerly side of Highway 36. This will help traffic flow and enable the development of a proposed grocery store, 200 – 350 market rate multifamily apartment, and the city annexed another 23 acre parcel for commercial development in this area.

Long-term financial planning.

The City completed a Long-Range Financial Plan in 2025/2026. First, the City Council and staff recently updated the 10-year Capital Improvement Plan (CIP) for General Fund related Capital Expenditures. This identifies major projects for capital equipment purchases for 2026-2035. Many of these projects have been pending for years awaiting various forms of approval and funding sources. Total projects preliminary identified in the amount of \$87,137,100. Funding has been aligned with the anticipated capital expenditures. These capital purchases will be reviewed annually during the budget process and approval considered in accordance with the City's purchasing policy. The CIP is easily upgradeable from year to year to assure that it remains dynamic and continually reflects Council's vision and goals.

In addition to planning out the General Fund related Capital Purchasing from 2026-2035, the City forecasted out future staffing needs and ongoing, predictable operational cost factors related to existing personnel. These future potential operational cost increases were calculated in conjunction with the Capital Improvement Plan to provide a long-term financial guideline for the City to follow and measure the impact on property taxes and gauge the impact and preservation of the Fund Balance.

The City has completed upgrades and analysis to Capital Planning for the Recreation Center.

Major Initiatives

The City was awarded a \$6 million grant from the State of Minnesota in 2023 through a Bonding Bill to support Riverfront Parks development, including Lumberjack Landing, Bridgeview Park, and the Lowell Park Gazebo. The City also received a \$1 million private donation in 2023 for this project. While the total estimated cost of these park improvements is \$13.2 million, grant proceeds are drawn down as project costs are incurred. As of year-end, the project remains in progress and the grant has not yet been fully recognized in the financial statements; however, substantial progress is expected in the current year. Voters have approved a local option sales tax to fund the remaining \$6.2 million needed for full project implementation. These park development projects, located directly north and south of downtown, will continue to enhance Stillwater as they move toward completion.

Major Initiatives (Continued)

The City has identified a full upgrade and replacement of the Downtown Street Lights. This project is expected to be completed in 2026. This project is estimated at \$3.8 Million. The upgrades to the street lights will include attachments for banners, flags, security cameras and flowers. The decorative portion of this project was funded by the city's creation and partnership of a Special Service District downtown.

The City conducted a facility study and identified projects to review and examine going forward. The selected projects include the Public Works roof, Recreation Center roof and Library terrace/inverted roof. These roof replacements were completed in 2024 and 2025. In addition, an additional parking lot was added on the south side of the St. Croix Valley Recreation Center in 2025.

The City secured funding for the reconstruction of Myrtle Street and Washington Avenue. Reconstruction for Myrtle Street will take place in 2027 in 2026. The City received \$1.5 million for the Myrtle Street project in 2026. Also, the city received \$4.3 million in State Bonding funds for the reconfiguration of Washington Avenue.

Importantly, the City took on a major reorganization of downtown parking by expanding the pay zones, altering time limitations and upgrading the infrastructure. This major overhaul will allow the City to keep up with financial costs in relation to parking infrastructure and also project a better user experience.

The City partnered with the Downtown building owners to create a Special Service District in 2024. The partnership will help maintain positive working relationships between downtown and the City. In addition, it will help elevate the service level downtown while offsetting some of the additional costs to the City.

The City's first PFAS treatment plant went online in 2026. This well had been turned off since the discovery of PFAS. In addition, the city will finish construction on the second PFAS treatment plant in 2027. These are granular activated carbon plants. The City received up to \$5 million in grants from the State and Federal Government for these projects. In addition, the city qualified for low interest financing through the State of Minnesota.

Awards and Acknowledgements

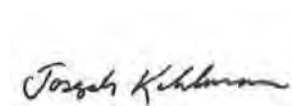
The Government Finance Officers Association of the United States and Canada (GFOA) awards the Certificate of Achievement for excellence in financial reporting to the cities that meet certain criteria. A governmental unit must public an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program requirements. The City of Stillwater's Finance Department received this award for the year ended December 31, 2024. The City of Stillwater anticipates receiving this award for 2025. This will mark the 35th consecutive year the City has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. The City is submitting the 2025 report to GFOA for consideration of the Certificate of Achievement for Excellence in Financial Reporting. We believe our current report continues to conform to the high standards of the Certificate program.

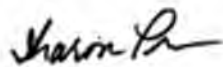
The timely preparation of this report could not have been accomplished without the dedicated services of the Finance Department, auditors, and other city staff.

We also want to express our appreciation to the Mayor and City Council for their support for maintaining the highest standard of professionalism in the management of the financial operation of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph Kohlmann".

Joseph Kohlmann
City Administrator

A handwritten signature in black ink, appearing to read "Sharon Provos".

Sharon Provos
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Stillwater
Minnesota**

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

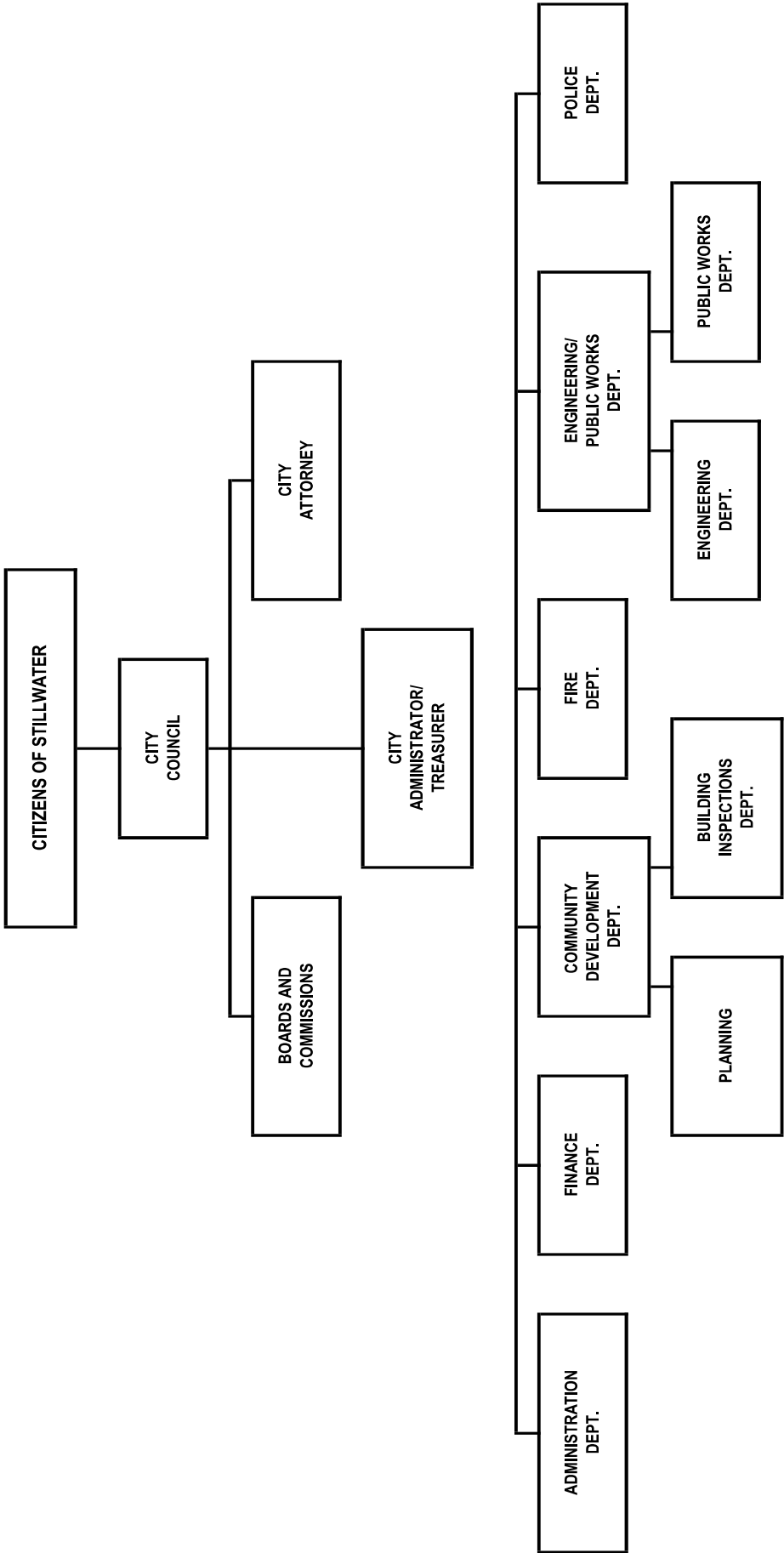
December 31, 2024

Executive Director/CEO



CITY OF STILLWATER, MINNESOTA

Organizational Chart
December 31, 2025





CITY OF STILLWATER, MINNESOTA

**LIST OF PRINCIPAL OFFICERS
December 31, 2025**

ELECTED OFFICIALS

Mayor

Ted Kozlowski

Term Expires: January 2027

Councilmembers

Ward 1

Ryan Collins

Term Expires: January 2027

Ward 2

Lindsay Belland

Term Expires: January 2029

Ward 3

Larry Odebrecht

Term Expires: January 2025

Ward 4

Mike Polehna

Term Expires: January 2027

APPOINTED OFFICIALS

Joe Kohlmann, *City Administrator/Treasurer*

Kori Land, *City Attorney*

Sharon Provos, *Finance Director*

Jason Zimmerman, *Community Development Director*

Stuart Glaser, *Fire Chief*

Shawn Sanders, *Public Works Director/City Engineer*

Brian Mueller, *Police Chief*

Mark Troendle, *Library Director*

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Stillwater, 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 Stillwater, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Stillwater's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Stillwater as of December 31, 2025, and the respective changes in financial position, and where applicable, cash flows thereof, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Stillwater and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 Stillwater's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Stillwater'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 Stillwater'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, schedules of the City's proportionate share of net pension liabilities and assets, schedules of pension contributions, the schedule of changes in the total OPEB liability and related ratios and budgetary comparison for the general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Stillwater's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

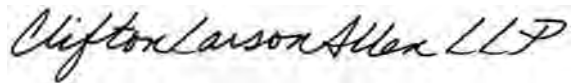
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2026, on our consideration of the City of Stillwater's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Stillwater's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Stillwater's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 11, 2026

CITY OF STILLWATER, MINNESOTA

Management’s Discussion and Analysis
December 31, 2025

As management of the City of Stillwater, Minnesota, we offer readers of the City of Stillwater’s financial statements this narrative overview and analysis of the financial activities of the City of Stillwater for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

FINANCIAL HIGHLIGHTS:

The assets and deferred outflows of resources of the City of Stillwater exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$155,342,382 (*net position*). Of this amount, the City has a deficit of \$2,741,589 in unrestricted net position. This consists of a deficit of \$3,225,848 in governmental activities and a surplus of \$5,967,437 in business-type activities.

- The City’s total net position increased by \$12,897,973. This was due primarily to an increase in property tax levy, local option sales tax and charges for services for the City’s governmental activities. It was also a result the overall net profit of the City’s business-type activities (increase in operating revenues and a decrease in related expenses).
- As of the close of the current fiscal year, the City of Stillwater’s governmental funds reported combined ending fund balance of \$43,884,285, an decrease of \$1,512,091 in comparison with the prior year. Approximately 15.8% of this total amount or \$6,919,663 is *available for use* within the City’s policies (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,927,778 or 41.7% of total general fund expenditures.
- The City of Stillwater’s total bonded debt increased by \$918,713 (3.0%) during the current fiscal period. This was the result of the City making regularly scheduled payments on outstanding debt, while also issuing bonds during 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS:

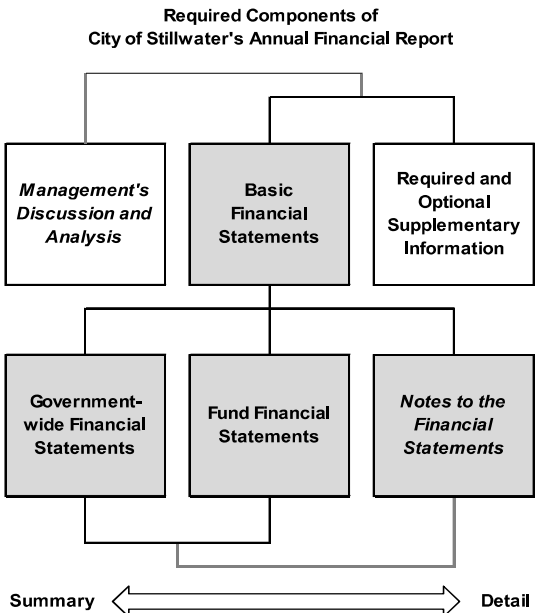
This discussion and analysis are intended to serve as an introduction to the City of Stillwater’s basic financial statements. The City of Stillwater’s basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Stillwater’s finances, in a manner similar to private-sector business.

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



CITY OF STILLWATER, MINNESOTA

Management's Discussion and Analysis December 31, 2025

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 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 unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Stillwater that are principally supported by taxes, and charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Stillwater include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City of Stillwater include a sanitary and storm sewer utility, lighting, water and parking program. The City also has an internal service fund for dental insurance.

The government-wide financial statements can be found on pages 25 through 26 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Stillwater, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Stillwater 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 financing 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 functions* and *governmental activities*.

The City of Stillwater maintains twenty-two 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, Debt Service fund, Capital Projects fund, and TIF Districts fund, all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Stillwater adopts an annual appropriated budget for its general fund and certain special revenue funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27 through 30 of this report.

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Proprietary Funds. The City of Stillwater maintains six proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Stillwater uses enterprise funds to account for its sanitary and storm sewer utilities, lighting, water, general parking and parking ramp. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for dental insurance. Because these services benefit primarily governmental functions, they have been allocated to governmental activities in the government-wide financial statements.

The proprietary fund statements 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 sanitary and storm sewer funds, the lighting fund, the water fund, general parking and the parking ramp fund, which are considered to be major funds of the City of Stillwater. There is one internal service fund which is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 31 through 35 of this report.

Custodial Fund. The City of Stillwater maintains one custodial fund. The City of Stillwater uses the custodial fund to report fiduciary activities related to police evidence that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds. The basic custodial financial statements can be found on page 36 of this report.

Internal Service Fund. The City of Stillwater maintains one internal service fund. The City of Stillwater uses the internal service fund to account for dental insurance provided to other activities of the government on a cost reimbursement basis.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 through 88 of this report.

Supplementary Information. The combining nonmajor governmental fund statements referred to earlier can be found on pages 107 through 110 of this report. Other informational schedules and statements can be found on pages 111 through 136.

GOVERNMENT-WIDE FINANCIAL ANALYSIS:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Stillwater, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$155,342,382 at the close of the most recent fiscal year.

By far the largest portion of the City of Stillwater's net position, \$117,436,163, or 75.6%, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Stillwater uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Stillwater'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 STILLWATER, MINNESOTA

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED):

Approximately 22.6% or \$35,164,630 of net position represents net position subject to constraints imposed by external creditors, primarily bond covenants, and external donors.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	\$ 58,440,422	\$ 56,363,889	\$ 8,610,875	\$ 8,195,466	\$ 67,051,297	\$ 64,559,355
Capital Assets	127,926,904	116,293,394	24,120,314	23,265,797	152,047,218	139,559,191
Total Assets	186,367,326	172,657,283	32,731,189	31,461,263	219,098,515	204,118,546
Deferred Outflows of Resources	8,707,198	9,164,253	476,503	304,223	9,183,701	9,468,476
Liabilities						
Noncurrent Liabilities Outstanding	51,952,360	49,406,016	2,585,972	2,488,375	54,538,332	51,894,391
Other Liabilities	6,807,195	3,798,670	344,817	353,424	7,152,012	4,152,094
Total Liabilities	58,759,555	53,204,686	2,930,789	2,841,799	61,690,344	56,046,485
Deferred Inflows of Resources	10,600,735	14,121,220	633,673	974,912	11,234,408	15,096,132
Net Position:						
Net Investment in Capital Assets	93,760,370	90,151,573	23,675,793	22,720,098	117,436,163	112,871,671
Restricted	35,164,630	34,171,510	-	-	35,164,630	34,171,510
Unrestricted	(3,210,766)	(9,827,453)	5,967,437	5,228,677	2,756,671	(4,598,776)
Total Net Position	<u>\$ 125,714,234</u>	<u>\$ 114,495,630</u>	<u>\$ 29,643,230</u>	<u>\$ 27,948,775</u>	<u>\$ 155,357,464</u>	<u>\$ 142,444,405</u>

At the end of the current fiscal year, the City of Stillwater is able to report positive balances in two of the three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities with unrestricted net position in the governmental activities and in total being the exception.

Governmental Activities. Governmental activities increased the City of Stillwater's net position by \$11,203,518. This was due primarily to an increase in property tax levy, local option sales tax and charges for services for the City's governmental activities.

Business-Type Activities. Business-type activities increased the City of Stillwater's net position by \$1,694,455. The most significant change in net position is a result the sanitary sewer being able to have revenues exceed expenses during 2025 by \$557,058.

CITY OF STILLWATER, MINNESOTA

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED):

The following chart summarizes the changes in net position for the current fiscal year:

	Governmental activities		Business-Type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	\$ 5,431,249	\$ 4,486,024	\$ 9,539,531	\$ 8,365,286	\$ 14,970,780	\$ 12,851,310
Operating Grants and Contributions	2,696,848	4,100,467	-	-	2,696,848	4,100,467
Capital grants and Contributions	4,724,343	5,036,198	-	-	4,724,343	5,036,198
General Revenues:						
Property Taxes	20,980,183	18,892,723	43,657	44,165	21,023,840	18,936,888
Tax Increment	1,872,572	2,700,949	-	-	1,872,572	2,700,949
Lodging Tax	479,065	462,940	-	-	479,065	462,940
Local Sales Tax	1,568,018	-	-	-	1,568,018	-
Franchise Taxes	502,002	497,831	-	-	502,002	497,831
Grants and Contribution Not Restricted for a Specific Purpose	1,282,390	1,277,758	-	-	1,282,390	1,277,758
Unrestricted Investment Earnings (Loss)	1,729,433	1,704,317	318,698	298,239	2,048,131	2,002,556
Gain on Disposal of Capital Assets	-	3,920	-	-	-	3,920
Total Revenues	41,266,103	39,163,127	9,901,886	8,707,690	51,167,989	47,870,817
Expenses						
General Government	8,324,080	6,810,560	-	-	8,324,080	6,810,560
Public Safety	9,830,734	9,363,226	-	-	9,830,734	9,363,226
Public Works	3,344,714	3,144,331	-	-	3,344,714	3,144,331
Culture and Recreation	7,230,645	6,741,886	-	-	7,230,645	6,741,886
Economic Development	550,706	519,613	-	-	550,706	519,613
Interest on Long-Term Debt	1,162,927	774,142	-	-	1,162,927	774,142
Sanitary Sewer	-	-	4,382,399	3,907,871	4,382,399	3,907,871
Storm Sewer	-	-	913,894	798,945	913,894	798,945
Lighting	-	-	317,040	324,410	317,040	324,410
Water	-	-	1,723,308	1,615,301	1,723,308	1,615,301
Parking Lot	-	-	296,081	392,771	296,081	392,771
Parking Ramp	-	-	179,906	187,964	179,906	187,964
Total Expenses	30,443,806	27,353,758	7,812,628	7,227,262	38,256,434	34,581,020
Change in Net Position Before Transfers	10,822,297	11,809,369	2,089,258	1,480,428	12,911,555	13,289,797
Transfers	394,803	163,424	(394,803)	(163,424)	-	-
Change in Net Position	11,217,100	11,972,793	1,694,455	1,317,004	12,911,555	13,289,797
Net Position - Beginning of Year	114,497,134	102,522,841	27,948,775	26,631,771	142,444,409	129,154,612
Net Position - End of Year	<u>\$ 125,714,234</u>	<u>\$ 114,495,634</u>	<u>\$ 29,643,230</u>	<u>\$ 27,948,775</u>	<u>\$ 155,355,964</u>	<u>\$ 142,444,409</u>

Governmental activities total revenues increased \$2,089,394 from 2024 to \$41,252,521. The primary reasons for this consists of an increase in charges for services of \$945,225, an increase in local option sales tax of \$1,568,018 and an increase in property taxes of \$2,072,378.

Governmental activities expenses increased \$3,090,044 from 2024 to \$30,443,806. The primary reason for the increase in expenses were related to increase personnel costs (increase in proportionate share of pension liabilities) and increase in OPEB expenses, as well other operating costs for 2025. The increase in expenses were split among all five major functions, with the most significant decrease in general government of \$1,513,516 and culture and recreation of \$488,759. There was also a transfer in to governmental activities of \$394,803.

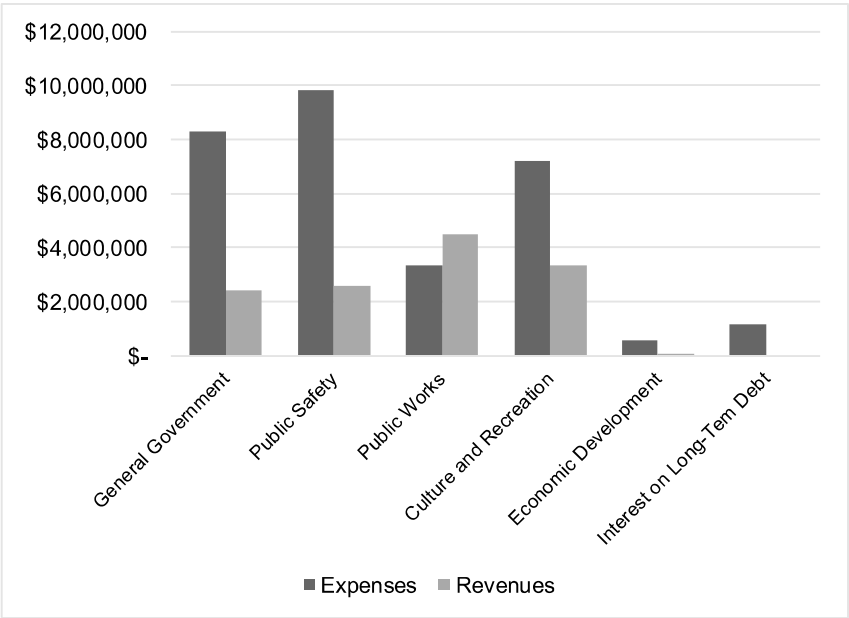
CITY OF STILLWATER, MINNESOTA

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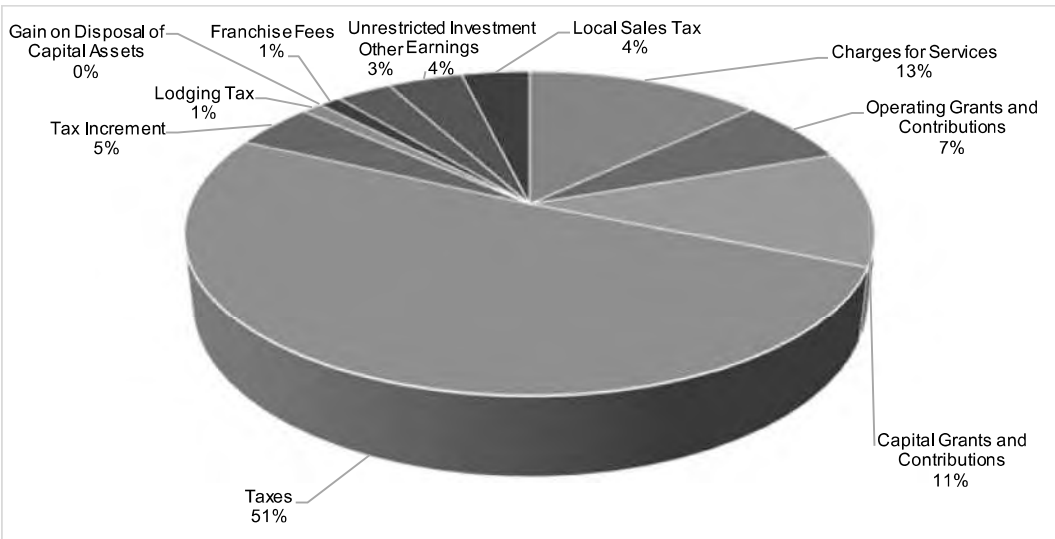
Total business-type revenues increased \$1,194,196, which was a combination of an increase in operating revenues, interest earnings and in other income. Total expenses increased \$585,366, which was primarily all reflected as an increase in the sanitary sewer function of \$474,528 due to an increase in other services and charges. There was also a transfer out to governmental activities of \$394,803.

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

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

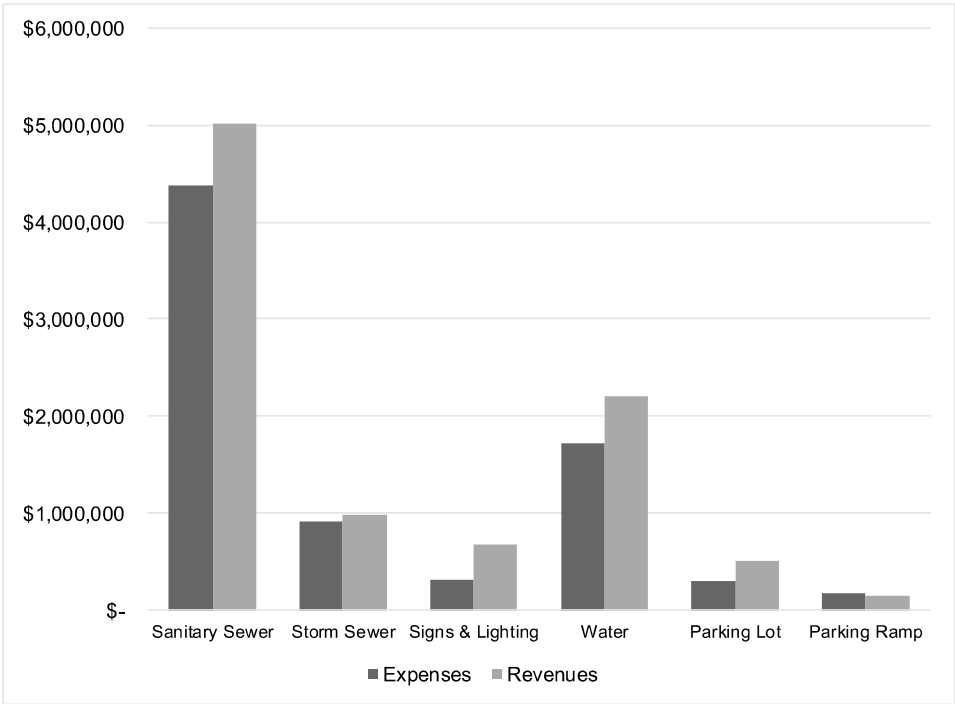


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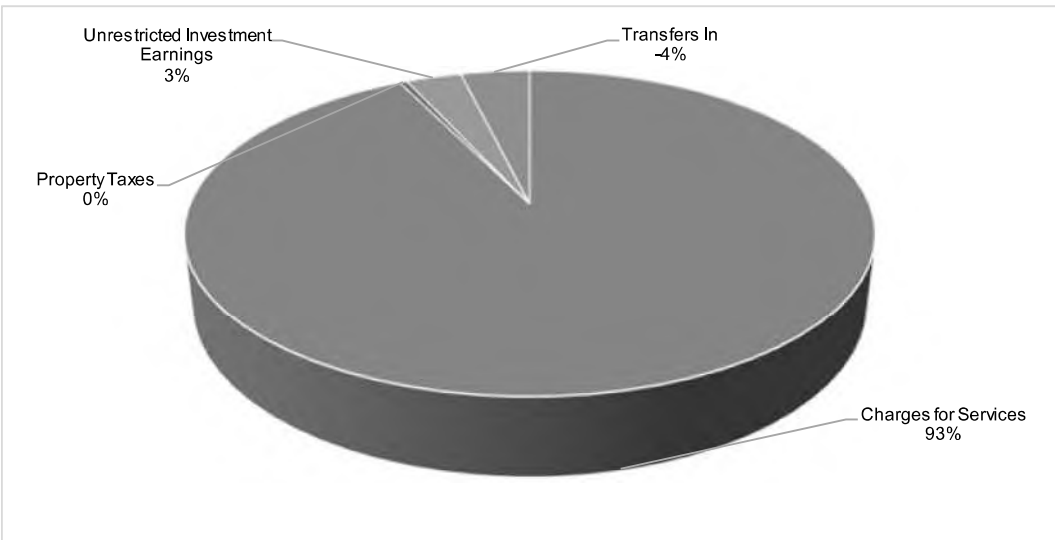
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Below are specific graphs that provide comparisons of the business-type activities direct program revenues with their expenses. Excess revenues are retained within each fund until such time that capital replacement is needed.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



CITY OF STILLWATER, MINNESOTA

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS:

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

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

As of the end of the current fiscal year, the City of Stillwater's governmental funds reported combined ending fund balances of \$43,884,285, a decrease of \$1,512,091. Of this total, \$27,396,214 is restricted due to external limitations on its use, such as debt covenants, legal restrictions, or intention of grantors, donors, or trustees. A total of \$407,343 is considered nonspendable because it has been used for prepaid items. A total of \$2,634,225 is committed meaning that the City Council established, by resolution, that the fund balance of certain funds will be used for a specific purpose. In addition, a total of \$6,526,840 has been assigned meaning that management has delegated this portion to compensated absences and capital construction. Finally, the remaining \$6,919,663 is unassigned and can be used for any lawful purpose.

The general fund is the primary operating fund of the City of Stillwater. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,927,778, while the total fund balance was \$9,265,394. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41.7% of total general fund expenditures, while total fund balance represents 55.7% of that same amount.

The fund balance of the City of Stillwater's general fund did increase during the current fiscal year by \$617,500 due primarily to increases in property taxes and ending the year with more revenues than budgeted.

The general fund's revenues were more than its budget by \$250,729. The largest variance was investment income, which was over budget by \$228,224, this is due to the City budgeting conservatively related to investment income.

In 2025 the General Fund total revenues increased from 2024 by \$1,972,556. While the property tax revenue increased by \$2,054,214 due to an increase in the property tax levy, there was also an increase in licenses and permits of \$32,855 and an increase in investment returns of \$55,414. The General Fund total expenditures increased from 2024 by \$1,858,314. This is mainly due to an increase in the public safety and general government from 2024.

The Debt Service fund has a total fund balance of \$10,833,568, all of which is restricted for the retirement of related debt. The net increase of \$2,141,501 is due primarily to a transfer in of \$5,051,386 from other funds which offsets the deficiency of expenditures over revenues.

CITY OF STILLWATER, MINNESOTA

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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED):

The Capital Projects fund has a total fund balance of \$7,786,875 all of which is restricted or assigned for current and future capital projects. The net decrease of \$3,635,271 is primarily due to the large increase in capital outlay in 2025.

The TIF District fund has a total fund balance of \$7,277,634, all of which is restricted for TIF (Tax Increment Financing) related expenditures. The fund balance decreased by \$2,822,344 due to the decrease of tax increments and other revenues in 2025.

Proprietary Funds. The City of Stillwater's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sanitary Sewer fund has total net position of \$8,620,324. This includes unrestricted net position in the amount of \$2,098,674. Net position increased by \$557,058 due primarily to operating revenues related to fee increases and nonoperating revenues exceeding operating expenses during 2025. Any resources available in this fund will be used for future sewer related capital projects.

The Storm Sewer fund has total net position of \$371,372, of which there is a deficit in unrestricted net position of \$42,270. Net position increased by \$136,788 due primarily to current revenues exceeding expenses in 2025.

The Water fund has total net position of \$12,689,437, of which \$2,126,743 is unrestricted. The net position increased by \$491,977 in 2025 due primarily to having more operating revenues due to fee increases and nonoperating revenues than operating expenses during 2024.

The Parking Ramp fund has total net position of \$5,309,432, of which there is a deficit in unrestricted net position of \$91,117. Net position decreased by \$36,567 in 2025 due to operating revenues not covering operating expenses during the year. Any resources available in this fund will be used for future parking related capital projects.

CITY OF STILLWATER, MINNESOTA

Management's Discussion and Analysis December 31, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS:

Budget Amendments: During the year there were no changes in appropriations between the original budget and the final budget.

Budget to Actual:

Revenues: In 2025, the General Fund exceeded the original budgeted revenue expectations by \$250,729. Some of the variances from the original budget to actual are as follows:

Property Taxes: The City's largest revenue source had a negative budget to actual variance of \$174,508; \$12,619,035 or 98.62% of the budgeted amount was collected.

Intergovernmental Revenue: The City's second largest revenue source had a positive budget to actual variance of \$74,938 which primarily was due to higher than expected state aid.

Charges for Services: The City's third largest funding source has a negative budget to actual variance of \$95,842.

Licenses and permits: In 2025, this funding source has a positive budget to actual variance of \$202,665 due to a few large building permits issued this year, as this funding source can fluctuate from year to year.

Franchise Taxes: This funding source in 2025 has a positive budget to actual variance of \$12,002 due to the timing of receipts.

Net Investment Income: Interest income when combined with unrealized gains and losses for the general fund resulted in a positive budget to actual variance of \$ 228,224 in 2025.

Expenditures: In 2025, the General Fund's actual expenditures were less than expected by \$341,492. The largest variances were in the Police department, which was over budget by \$249,738, unallotted expenditures which was under budget by \$311,690 and Administration, which was under budget \$192,963.

CITY OF STILLWATER, MINNESOTA

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CAPITAL ASSET AND DEBT ADMINISTRATION:

Capital Assets. The City of Stillwater's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounts to \$152,047,218 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, office equipment and furniture, vehicles, machinery and equipment, other capital assets, and infrastructure. The total increase in the City of Stillwater's investment in capital assets (net of accumulated depreciation and amortization) was 8.9%.

CITY OF STILLWATER'S CAPITAL ASSETS (Net of depreciation and amortization)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 13,993,770	\$ 13,993,770	\$ 492,620	\$ 492,620	\$ 14,486,390	\$ 14,486,390
Buildings and Improvements	25,803,144	27,772,127	4,919,448	4,995,549	30,722,592	32,767,676
Improvements Other Than Buildings	7,356,996	4,367,344	2,770,281	2,907,956	10,127,277	7,275,300
Machinery and Equipment	4,777,168	4,417,020	1,082,301	1,150,441	5,859,469	5,567,461
Vehicles	2,514,632	1,913,029	249,654	297,355	2,764,286	2,210,384
Infrastructure	51,221,336	53,452,979	13,026,097	12,853,947	64,247,433	66,306,926
Construction in Process	21,544,558	9,860,845	1,579,149	567,929	23,123,707	10,428,774
Right-to-Use Assets	715,300	516,280	764	-	716,064	516,280
Total	<u>\$ 127,926,904</u>	<u>\$ 116,293,394</u>	<u>\$ 24,120,314</u>	<u>\$ 23,265,797</u>	<u>\$ 152,047,218</u>	<u>\$ 139,559,191</u>

Additional information regarding the City's capital assets can be found on pages 56 through 57 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Stillwater had total bonded debt outstanding of \$32,215,000. Of this amount \$31,775,000 comprises tax-supported debt and \$440,000 is revenue-supported debt. Of the total debt, \$31,775,000 is a direct obligation of the City and backed with a pledge of the full faith, credit, and taxing power of the City. The City also has an outstanding note payable in the amount of \$168,862, leases payable of \$639,344, and subscriptions payable of \$87,319.

CITY OF STILLWATER'S OUTSTANDING DEBT General Obligation Bonds

	Total Outstanding Debt	
	2025	2024
General Obligation Bonds:		
General Government	\$ 31,775,000	\$ 26,255,000
Tax Increment	-	1,430,000
Revenue Bonds:		
Tax Increment	-	3,285,000
Water	440,000	540,000
Notes Payable:		
Notes Payable	168,862	175,522
Leases Payable:		
Leases Payable	639,344	280,637
Subscriptions Payable:		
Subscriptions Payable	87,319	225,653
Total	<u>\$ 33,110,525</u>	<u>\$ 32,191,812</u>

CITY OF STILLWATER, MINNESOTA

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The City of Stillwater's total debt increased by \$918,713 (2.9%) during the current fiscal year. Additional information regarding the City's long-term debt can be found beginning on pages 59 through 63 of this report.

Minnesota state statutes limit the amount of general obligation debt to 3% of the total estimated taxable market value. The current legal debt margin for the City of Stillwater is \$81,996,581. Only \$31,775,000 of the City's outstanding debt is subject to the statutory limit. The calculation for the City's legal debt margin can be found on pages 154 and 155 of this report.

The City of Stillwater's bond rating was Aa2 rated by Moody's on May 20, 2025 for the City's general obligation debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES:

- The City's residential taxable market value increased 1.4% in 2025.
- The state revenue forecasts appear to be able to allow the distribution of the City's promised aid payments in 2025, therefore, the City included this aid disbursement in its 2025 budget.
- Health care premiums increased 12% in 2025.

The City's appointed officials considered many factors when developing the 2025 budget and establishing the 2024 tax levy collectible in 2025 and the appropriate fees that will be charged by business-type activities. With the focus on sustainability and its adopted strategic plan, the 2025 budget was prepared with emphasis on ensuring current operational needs will be met as well as meeting long-term capital requirements. Through constant adherence to its fiscal policies the City is expected to address long-term financial demands without causing significant fluctuation in the City's tax burden. All of these factors were considered when preparing the City of Stillwater's 2025 fiscal year budget.

REQUESTS FOR INFORMATION:

This financial report is designed to provide a general overview of the City of Stillwater's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Stillwater, 216 4th Street North, Stillwater, Minnesota, 55082.

BASIC FINANCIAL STATEMENTS

CITY OF STILLWATER, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Pooled Investments	\$ 48,027,264	\$ 5,901,638	\$ 53,928,902
Accrued Interest Receivable	79,437	14,816	94,253
Receivables (Net of Allowance for Uncollectibles)	6,933,734	2,306,220	9,239,954
Lease Receivable	157,525	-	157,525
Internal Balances	(110,600)	110,600	-
Due from Other Governments	1,067,544	2,168	1,069,712
Prepaid Items	407,343	227,586	634,929
Pledges Receivable	160,000	-	160,000
Inventories	-	47,847	47,847
Noncurrent Assets:			
Net Pension Asset	1,718,175	-	1,718,175
Capital Assets:			
Capital Assets, Nondepreciable	35,538,328	2,071,769	37,610,097
Capital Assets (Net of Accumulated Depreciation)	91,673,276	22,047,781	113,721,057
Leases (Net of Accumulated Amortization)	617,040	764	617,804
Subscription-Based Information Technology Arrangements (Net of Accumulated Amortization)	98,260	-	98,260
Total Assets	186,367,326	32,731,189	219,098,515
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding of Bonds	18,108	-	18,108
Deferred Outflows - Pensions	6,087,053	124,144	6,211,197
Deferred Outflows - OPEB	2,602,037	352,359	2,954,396
Total Deferred Outflows of Resources	8,707,198	476,503	9,183,701
LIABILITIES			
Current Liabilities:			
Accounts Payable	4,604,263	225,849	4,830,112
Contracts Payable	343,606	1,275	344,881
Salaries Payable	925,048	86,352	1,011,400
Due to Other Governments	-	14,643	14,643
Unearned Revenue	20,000	-	20,000
Deposits Payable	278,272	10,500	288,772
Accrued Interest Payable	636,006	6,198	642,204
Current Liabilities Due Within One Year:			
Long-Term Debt	3,672,426	161,290	3,833,716
Leases Payable	187,748	789	188,537
Subscription Payable	87,319	-	87,319
Other Postemployment Benefits	541,707	73,358	615,065
Noncurrent Liabilities:			
Noncurrent Liabilities Due in More Than One Year:			
Long-Term Debt	31,990,243	595,862	32,586,105
Leases Payable	450,807	-	450,807
Other Postemployment Benefits	9,234,883	1,250,556	10,485,439
Net Pension Liability	5,787,227	504,117	6,291,344
Total Liabilities	58,759,555	2,930,789	61,690,344
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	140,503	-	140,503
Deferred Inflows - Pensions	8,213,279	329,399	8,542,678
Deferred Inflows - OPEB	2,246,953	304,274	2,551,227
Total Deferred Inflows of Resources	10,600,735	633,673	11,234,408
NET POSITION			
Net Investment in Capital Assets	93,760,370	23,675,793	117,436,163
Restricted for:			
Debt Service	10,466,058	-	10,466,058
Capital Projects	8,777,003	-	8,777,003
TIF Projects	7,324,288	-	7,324,288
Lodging Tax	150,986	-	150,986
Grants	135,886	-	135,886
Culture and Recreation Activities	4,756,471	-	4,756,471
Public Works Activities	324,617	-	324,617
Public Safety Activities	545,631	-	545,631
Fire Relief Pension Benefits	1,718,175	-	1,718,175
Municipal Construction Aid - Transportation	965,515	-	965,515
Unrestricted	(3,210,766)	5,967,437	2,756,671
Total Net Position	\$ 125,714,234	\$ 29,643,230	\$ 155,357,464

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

STATEMENT OF ACTIVITIES Year Ended December 31, 2025

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 8,324,080	\$ 802,751	\$ 1,598,646	\$ -	\$ (5,922,683)	\$ -	\$ (5,922,683)
Public Safety	9,830,734	1,755,635	838,639	-	(7,236,460)	-	(7,236,460)
Public Works	3,344,714	314,517	-	4,183,878	1,153,681	-	1,153,681
Culture and Recreation	7,230,645	2,558,346	259,563	532,369	(3,880,367)	-	(3,880,367)
Economic Development	550,706	-	-	8,096	(542,610)	-	(542,610)
Debt Service	1,162,927	-	-	-	(1,162,927)	-	(1,162,927)
Total Governmental Activities	30,443,806	5,431,249	2,696,848	4,724,343	(17,591,366)	-	(17,591,366)
Business-Type Activities:							
Sanitary Sewer	4,382,399	5,016,019	-	-	-	633,620	633,620
Storm Sewer	913,894	986,673	-	-	-	72,779	72,779
Lighting	317,040	677,676	-	-	-	360,636	360,636
Water	1,723,308	2,206,713	-	-	-	483,405	483,405
Parking Lot	296,081	510,564	-	-	-	214,483	214,483
Parking Ramp	179,906	141,886	-	-	-	(38,020)	(38,020)
Total Business-Type Activities	7,812,628	9,539,531	-	-	-	1,726,903	1,726,903
Total Primary Government	\$ 38,256,434	\$ 14,970,780	\$ 2,696,848	\$ 4,724,343	(17,591,366)	1,726,903	(15,864,463)
General Revenues:							
Property Taxes					20,980,183	43,657	21,023,840
Tax Increment					1,872,572	-	1,872,572
Lodging Tax					479,065	-	479,065
Local Sales Tax					1,568,018	-	1,568,018
Franchise Taxes					502,002	-	502,002
Grants and Contributions Not Restricted for a Specific Purpose					1,282,390	-	1,282,390
Unrestricted Investment Earnings					1,729,433	318,698	2,048,131
Transfers					394,803	(394,803)	-
Total General Revenues and Transfers					28,808,466	(32,448)	28,776,018
CHANGES IN NET POSITION							
NET POSITION - Beginning of Year					11,217,100	1,694,455	12,911,555
NET POSITION - END OF YEAR					114,497,134	27,948,775	142,445,909
					\$ 125,714,234	\$ 29,643,230	\$ 155,357,464

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

ASSETS		General	Debt Service	Capital Projects	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Pooled Investments		\$ 10,005,936	\$ 10,452,039	\$ 10,579,429	\$ 7,598,173	\$ 9,307,318	\$ 47,942,895
Accrued Interest Receivable		11,567	12,512	19,023	16,768	19,567	79,437
Accounts Receivable		147,844	598,739	127,929	-	974,923	1,849,435
Taxes Receivable:							
Delinquent		169,155	43,852	-	31,900	-	244,907
Due from County		30,070	8,072	-	-	-	38,142
Special Assessments Receivable:							
Delinquent		6,126	-	7,694	-	582	14,402
Noncurrent		81,183	-	4,694,168	14,754	-	4,790,105
Due from County		1,135	-	3,711	-	566	5,412
Due from Other Governments		-	-	1,067,544	-	-	1,067,544
Interfund Receivable		3,915	-	-	62,400	399,000	465,315
Pledge Receivable		-	-	160,000	-	-	160,000
Prepaid Items		328,200	-	24,542	-	54,601	407,343
Lease Receivable		157,525	-	-	-	-	157,525
Total Assets		<u>\$ 10,942,656</u>	<u>\$ 11,115,214</u>	<u>\$ 16,684,040</u>	<u>\$ 7,723,995</u>	<u>\$ 10,756,557</u>	<u>\$ 57,222,462</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable		\$ 412,738	\$ 13,150	\$ 219,843	\$ 399,707	\$ 1,275,840	\$ 2,321,278
Contracts Payable		-	-	2,579,112	-	56,148	2,635,260
Salaries Payable		742,425	-	-	-	98,254	840,679
Unearned Revenue		-	-	20,000	-	-	20,000
Interfund Payable		-	-	-	-	575,915	575,915
Deposits Payable		125,132	-	139,136	-	14,004	278,272
Total Liabilities		<u>1,280,295</u>	<u>13,150</u>	<u>2,958,091</u>	<u>399,707</u>	<u>2,020,161</u>	<u>6,671,404</u>
DEFERRED INFLOWS OF RESOURCES							
Leases		140,503	-	-	-	-	140,503
Unavailable Revenue		256,464	268,496	5,939,074	46,654	15,582	6,526,270
Total Deferred Inflows of Resources		<u>396,967</u>	<u>268,496</u>	<u>5,939,074</u>	<u>46,654</u>	<u>15,582</u>	<u>6,666,773</u>
FUND BALANCES							
Nonspendable		328,200	-	24,542	-	54,601	407,343
Restricted		-	10,833,568	3,371,417	7,277,634	5,913,595	27,396,214
Committed		-	-	-	-	2,634,225	2,634,225
Assigned		2,009,416	-	4,390,916	-	126,508	6,526,840
Unassigned		6,927,778	-	-	-	(8,115)	6,919,663
Total Fund Balances		<u>9,265,394</u>	<u>10,833,568</u>	<u>7,786,875</u>	<u>7,277,634</u>	<u>8,720,814</u>	<u>43,884,285</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances		<u>\$ 10,942,656</u>	<u>\$ 11,115,214</u>	<u>\$ 16,684,040</u>	<u>\$ 7,723,995</u>	<u>\$ 10,756,557</u>	<u>\$ 57,222,462</u>

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION December 31, 2025

Total Fund Balance - Governmental Funds (Page 27)	\$	43,884,285
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Amounts reported for governmental activities in the statement of net position (page 25) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental Capital Assets	\$	214,466,401	
Accumulated Depreciation		<u>(87,254,797)</u>	127,211,604

Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental Right-of-Use Assets and Subscriptions		1,386,862	
Accumulated Amortization		<u>(671,562)</u>	715,300

Other long-term assets that are not available to pay for current period expenditures and, therefore, are unavailable resources in the governmental funds:

Delinquent Property Taxes and Special Assessments		259,309	
Noncurrent Special Assessments		4,790,105	
Accounts Receivable		1,476,356	
Notes Receivable		<u>500</u>	6,526,270

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Bonds Payable		(31,775,000)	
Note Payable		(168,862)	
Leases Payable		(638,555)	
Subscriptions Payable		(87,319)	
Compensated Absences		(2,009,416)	
Accrued Interest Payable		(636,006)	
Unamortized Premium		(1,709,391)	
Unamortized Deferred Charge on Refunding		<u>18,108</u>	(37,006,441)

The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Total OPEB Liability (Including Deferred in/Outflows)		(9,421,506)	
Net Pension Liability (Including Deferred in/Outflows)		(7,642,112)	
Net Pension Asset (Including Deferred in/Outflows)		<u>1,446,834</u>	(15,616,784)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Page 25)

\$	<u>125,714,234</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES Year Ended December 31, 2025

	General	St Croix Valley Recreation Center	Library	Debt Service	Capital Projects	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Property Taxes	\$ 12,444,527	\$ -	\$ -	\$ 4,276,636	\$ 512,570	\$ -	\$ 3,266,095	\$ 20,499,828
Tax Increment	-	-	-	-	-	2,086,229	-	2,086,229
Lodging Tax	-	-	-	-	-	-	479,065	479,065
Local Sales Tax	-	-	-	1,568,018	-	-	-	1,568,018
Franchise Taxes	502,002	-	-	-	-	-	-	502,002
Licenses and Permits	965,290	-	-	-	-	-	7,800	973,090
Special Assessments	15,700	-	-	-	1,629,685	8,096	50,918	1,704,399
Intergovernmental	1,467,162	-	-	-	2,491,187	-	1,953,117	5,911,466
Charges for Services	1,344,379	-	-	-	799,992	-	2,678,975	4,823,346
Fines and Forfeits	67,638	-	-	-	-	-	2,272	69,910
Investment Income	253,224	-	-	277,385	393,861	381,627	423,336	1,729,433
Donations	-	-	-	-	20,000	-	364,965	384,965
Miscellaneous	48,162	-	-	-	21,018	-	325,188	394,368
Total Revenues	17,108,084	-	-	6,122,039	5,868,313	2,475,952	9,551,731	41,126,119
EXPENDITURES								
Current:								
General Government	4,861,906	-	-	-	812	-	1,626,621	6,489,339
Public Safety	9,804,265	-	-	-	-	-	119,703	9,923,968
Public Works	1,952,305	-	-	-	4,940,534	-	27,450	6,920,289
Culture and Recreation	-	-	-	-	-	-	6,256,823	6,256,823
Economic Development	-	-	-	33,330	-	743,422	25,153	801,905
Capital Outlay	-	-	-	-	8,753,878	-	4,492,485	13,246,363
Debt Service:								
Principal	1,745	-	-	7,495,000	248,103	-	56,300	7,801,148
Interest	363	-	-	1,162,973	46,589	12,750	-	1,222,675
Bond Issuance Fees	-	-	-	-	60,686	-	-	60,686
Professional Services	-	-	-	30,199	82,621	-	106,058	218,878
Total Expenditures	16,620,584	-	-	8,721,502	14,133,223	756,172	12,710,593	52,942,074
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	487,500	-	-	(2,599,463)	(8,264,910)	1,719,780	(3,158,862)	(11,815,955)
OTHER FINANCING SOURCES (USES)								
Transfers In	\$ 130,000	\$ -	\$ -	\$ 5,051,386	\$ 462,978	\$ -	\$ -	\$ 5,644,364
Transfers Out	-	-	-	(344,287)	-	(4,542,124)	(363,150)	(5,249,561)
Issuance of Debt	-	-	-	-	3,030,995	-	5,269,005	8,300,000
Lease and SBITA's	-	-	-	-	539,762	-	-	539,762
Sale of Property	-	-	-	-	6,800	-	-	6,800
Insurance Settlement	-	-	-	-	327,925	-	-	327,925
Premium on Issued Debt	-	-	-	-	259,679	-	439,530	699,209
Bonds Refunded by Escrow	-	-	-	33,865	-	-	-	33,865
Total Other Financing Sources (Uses)	130,000	-	-	4,740,964	4,628,139	(4,542,124)	5,345,385	10,302,364
NET CHANGE IN FUND BALANCES	617,500	-	-	2,141,501	(3,636,771)	(2,822,344)	2,186,523	(1,513,591)
Fund Balances - Beginning of Year, as Originally Reported	8,647,894	2,074,095	206,894	8,692,067	11,423,646	10,099,978	4,253,302	45,397,876
Change in Fund Presentation from Major to Nonmajor (See Note 13)	-	(2,074,095)	(206,894)	-	-	-	2,280,989	-
Fund Balance - Beginning of Year, as Adjusted	8,647,894	-	-	8,692,067	11,423,646	10,099,978	6,534,291	45,397,876
FUND BALANCES - END OF YEAR	\$ 9,265,394	\$ -	\$ -	\$ 10,833,568	\$ 7,786,875	\$ 7,277,634	\$ 8,720,814	\$ 43,884,285

CITY OF STILLWATER, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended December 31, 2025

Net Change in Fund Balances - Governmental Funds (Page 29)	\$	(1,513,591)
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Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Governmental funds report 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 and amortization expense:

Capital Outlays	\$ 18,473,207	
Depreciation Expense	(6,351,989)	
Amortization Expense	(320,541)	
Proceeds from the Sale of Capital Assets	(6,800)	
Loss on Disposal of Capital Assets	<u>(160,367)</u>	11,633,510

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Unavailable Property Taxes	115,606	
Unavailable Special Assessments	(358,792)	
Unavailable Intergovernmental Revenues	1,013,364	
Unavailable Pledges	<u>500</u>	770,678

Long-term debt (e.g., bonds, leases) proceeds provide current financial resources to governmental funds, while issuing debt increases long-term liabilities in the statement of net position. Repayment of principal of long-term debt is an expenditure in the governmental funds, while the repayment reduces long-term liabilities in the statement of net position. Interest is recognized as an expenditure in the governmental funds when it is due, however, in the statement of activities interest expense is recognized as it accrues regardless of when it is due. In addition, governmental funds report the effect of premiums, discounts, and similar items when the debt is initially issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Issued	(8,300,000)	
Bond Premium	(699,209)	
Leases and SBITAs Issued	(539,762)	
Principal Retirement on Bonds and Notes	7,501,660	
Principal Retirement on Leases and SBITAs	320,178	
Change in Accrued Interest Expense	(197,984)	
Amortization of Premium and Deferred Charges on Refunding	<u>368,786</u>	(1,546,331)

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

Compensated Absences	(260,210)	
OPEB Expense	1,731,868	
Pension Expense	<u>401,176</u>	1,872,834

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Page 26)	\$	<u>11,217,100</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sanitary Sewer	Storm Sewer	Water	Parking Ramp	Nonmajor Enterprise Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,331,993	\$ 519,867	\$ 2,308,934	\$ 890	\$ 1,739,954	\$ 5,901,638
Accrued Interest Receivable	3,273	1,055	7,435	63	2,990	14,816
Accounts Receivable	1,402,385	253,942	451,529	6,524	191,840	2,306,220
Interfund Receivable	-	-	173,000	-	79,000	252,000
Due from Other Governments	2,168	-	-	-	-	2,168
Inventory	-	-	47,847	-	-	47,847
Prepaid Items	199,406	7,559	10,981	775	8,865	227,586
Total Current Assets	2,939,225	782,423	2,999,726	8,252	2,022,649	8,752,275
CAPITAL ASSETS						
Land	-	-	90,000	279,701	122,919	492,620
Construction in Progress	81,411	-	1,497,738	-	-	1,579,149
Building and Other Improvements	-	-	-	6,024,789	39,576	6,064,365
Improvements Other Than Building	2,769,264	-	54,696	-	1,679,011	4,502,971
Machinery and Equipment	768,546	535,403	566,820	66,855	171,211	2,108,835
Vehicles	563,475	146,907	159,816	-	83,576	953,774
Infrastructure	10,948,028	-	20,085,233	200,468	-	31,233,729
Right-to-Use Assets	-	-	-	-	5,350	5,350
Less: Accumulated Depreciation and Amortization	(8,609,074)	(353,208)	(11,447,877)	(1,171,264)	(1,239,056)	(22,820,479)
Net Capital Assets	6,521,650	329,102	11,006,426	5,400,549	862,587	24,120,314
Total Assets	9,460,875	1,111,525	14,006,152	5,408,801	2,885,236	32,872,589
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pensions	36,960	36,478	41,462	-	9,244	124,144
Deferred Outflows - OPEB	104,904	103,535	117,681	-	26,239	352,359
Total Deferred Outflows of Resources	141,864	140,013	159,143	-	35,483	476,503
Total Assets and Deferred Outflows of Resources	\$ 9,602,739	\$ 1,251,538	\$ 14,165,295	\$ 5,408,801	\$ 2,920,719	\$ 33,349,092
						\$ 84,369

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

STATEMENT OF NET POSITION (CONTINUED)
December 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sanitary Sewer	Storm Sewer	Water	Parking Ramp	Nonmajor Enterprise Funds	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts Payable	\$ 72,883	\$ 26,756	\$ 78,696	\$ 20,369	\$ 27,145	\$ 225,849
Contracts Payable	-	-	-	-	1,275	1,275
Salaries Payable	23,467	24,279	27,982	-	10,624	86,352
Deposits Payable	-	-	10,500	-	-	10,500
Interest Payable	-	-	6,198	-	-	6,198
Interfund Payable	62,400	-	-	79,000	-	141,400
Due to Other Governments	-	-	14,643	-	-	14,643
Compensated Absences Payable	10,776	18,819	22,623	-	4,072	56,290
Current Maturities of Long-Term Debt	-	-	105,000	-	-	105,000
Current Maturities of Leases Payable	-	-	-	-	789	789
Other Postemployment Benefits Liability	21,840	21,555	24,500	-	5,463	73,358
Total Current Liabilities	191,366	91,409	290,142	99,369	49,368	721,654
NONCURRENT LIABILITIES						
Compensated Absences	79,994	86,982	49,323	-	40,831	257,130
Bonds Payable (Net of Current Maturities and Unamortized Premium)	-	-	338,732	-	-	338,732
Other Postemployment Benefits Liability	372,314	367,455	417,661	-	93,126	1,250,556
Net Pension Liability	150,065	148,126	168,365	-	37,541	504,117
Total Noncurrent Liabilities	602,393	602,563	974,081	-	171,498	2,350,535
Total Liabilities	793,759	693,972	1,264,223	99,369	220,866	3,072,189
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pensions	98,068	96,788	110,013	-	24,530	329,399
Deferred Inflows - OPEB	90,588	89,406	101,622	-	22,658	304,274
Total Deferred Inflows of Resources	188,656	186,194	211,635	-	47,188	633,673
NET POSITION						
Net Investment in Capital Assets	6,521,650	329,102	10,562,694	5,400,549	861,798	23,675,793
Unrestricted	2,098,674	42,270	2,126,743	(91,117)	1,790,867	5,967,437
Total Net Position	8,620,324	371,372	12,689,437	5,309,432	2,652,665	29,643,230
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,602,739	\$ 1,251,538	\$ 14,165,295	\$ 5,408,801	\$ 2,920,719	\$ 33,349,092
						\$ 84,369

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2025**

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Sanitary Sewer	Storm Sewer	Lighting	Water	General Parking	Parking Ramp	Nonmajor Enterprise Funds	Internal Service Fund
OPERATING REVENUES								
Charges for Services	\$ 4,343,162	\$ 971,985	\$ -	\$ 2,157,317	\$ -	\$ 141,886	\$ 1,174,397	\$ 8,788,747
OPERATING EXPENSES								
Personnel Services	506,837	494,846	-	557,886	-	-	96,594	1,656,163
Supplies	54,887	65,751	-	85,296	-	-	46,446	252,380
Other Services and Charges	3,427,942	309,384	-	579,478	-	80,271	326,013	4,723,088
Miscellaneous	11,848	3,526	-	11,024	-	11,061	47,224	84,683
Depreciation and Amortization	378,341	40,387	-	475,312	-	88,574	96,654	1,079,268
Total Operating Expenses	4,379,855	913,894	-	1,708,996	-	179,906	612,931	7,795,582
INCOME (LOSS) FROM OPERATIONS	(36,693)	58,091	-	448,321	-	(38,020)	561,466	993,165
NONOPERATING REVENUES (EXPENSES)								
Investment Income	72,184	22,590	-	157,588	-	1,453	64,883	318,698
Interest Expense	(2,472)	-	-	(13,158)	-	-	(190)	(15,820)
Property Taxes	1,254	41,419	-	-	-	-	-	42,673
Special Assessments	-	-	-	984	-	-	-	984
Gain (Loss) on Sale of Capital Assets	(72)	-	-	(1,154)	-	-	-	(1,226)
Other Income	672,857	14,688	-	49,396	-	-	13,843	750,784
Total Nonoperating Revenues (Expenses)	743,751	78,697	-	193,656	-	1,453	78,536	1,096,093
INCOME (LOSS) BEFORE TRANSFERS	707,058	136,788	-	641,977	-	(36,567)	640,002	2,089,258
TRANSFERS								
Transfers Out	(150,000)	-	-	(150,000)	-	-	(94,803)	(394,803)
CHANGE IN NET POSITION	557,058	136,788	-	491,977	-	(36,567)	545,199	1,694,455
Net Position - Beginning of Year, as Originally Reported	8,063,266	234,584	638,033	12,197,460	1,469,433	5,345,999	-	27,948,775
Change in Fund Presentation from Major to Nonmajor (See Note 13)	-	-	(638,033)	-	(1,469,433)	-	2,107,466	-
Net Position - Beginning of Year, as Adjusted	8,063,266	234,584	-	12,197,460	-	5,345,999	2,107,466	27,948,775
NET POSITION - END OF YEAR	\$ 8,620,324	\$ 371,372	\$ -	\$ 12,689,437	\$ -	\$ 5,309,432	\$ 2,652,665	\$ 29,643,230
								\$ 84,369

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sanitary Sewer	Storm Sewer	Water	Parking Ramp	Nonmajor Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 4,285,946	\$ 948,394	\$ 2,230,831	\$ 73,362	\$ 1,150,067	\$ 158,416
Payments to Suppliers	(3,599,455)	(373,877)	(846,076)	(74,589)	(353,491)	-
Payments to Employees	(585,206)	(554,563)	(684,642)	-	(142,076)	(74,047)
Net Cash Provided (Used) by Operating Activities	101,285	19,954	700,113	(1,227)	654,500	84,369
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(399,143)	-	(1,508,859)	-	(26,219)	-
Transfer to Other Funds	(150,000)	-	(150,000)	-	(94,803)	-
Interest Paid	(2,472)	-	(16,375)	-	(190)	-
Principal Payments on Revenue Bonds	-	-	(100,000)	-	-	-
Proceeds from Taxes, Assessments, Connections and Related Financing Activities	674,111	56,106	50,380	-	13,843	-
Net Cash Provided (Used) by Capital and Related Financing Activities	122,496	56,106	(1,724,854)	-	(107,369)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Earnings	71,857	22,205	156,568	1,470	64,154	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents - Beginning of Year	295,638	98,265	(868,173)	243	611,285	84,369
	1,036,355	421,602	3,177,107	647	1,128,669	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,331,993</u>	<u>\$ 519,867</u>	<u>\$ 2,308,934</u>	<u>\$ 890</u>	<u>\$ 1,739,954</u>	<u>\$ 84,369</u>

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sanitary Sewer	Storm Sewer	Water	Parking Ramp	Nonmajor Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (36,693)	\$ 58,091	\$ 448,321	\$ (38,020)	\$ 561,466	\$ 993,165
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization Expense	378,341	40,387	475,312	88,574	96,654	1,079,268
(Increase) Decrease in Assets and Deferred Outflows:	(57,216)	(23,591)	63,514	(6,524)	(19,304)	(43,121)
Accounts Receivable	-	-	-	-	62,000	62,000
Due from Other Funds	1,064	-	-	-	-	1,064
Due from Other Governments	794	(361)	1,177	620	(1,704)	526
Prepaid Items	(4,458)	(4,773)	(4,393)	-	(527)	(14,151)
Deferred Outflows - Pensions	(47,511)	(47,549)	(52,223)	-	(10,846)	(158,129)
Deferred Outflows - OPEB						
Increase (Decrease) in Liabilities and Deferred Inflows:						
Accounts and Contracts Payable	(45,460)	5,145	1,809	16,123	5,896	(16,487)
Customers Deposits	-	-	10,000	-	-	10,000
Salaries Payable	1,256	1,051	1,992	-	121	4,420
Due to Other Governments	-	-	(264)	-	-	(264)
Due to Other Funds	(61,176)	-	(173,000)	(62,000)	-	(296,176)
Unearned Revenue	-	-	-	-	(5,026)	(5,026)
Compensated Absences Payable	17,994	27,691	(6,330)	-	(8,745)	30,610
Total OPEB Liability	60,503	63,535	61,618	-	9,106	194,762
Deferred Inflows - OPEB	(87,197)	(84,022)	(101,149)	-	(25,024)	(297,392)
Net Pension Liability	(6,734)	(4,851)	(10,494)	-	(4,518)	(26,597)
Deferred Inflows - Pensions	(12,222)	(10,799)	(15,777)	-	(5,049)	(43,847)
Total Adjustments	137,978	(38,137)	251,792	36,793	93,034	481,460
Net Cash Provided by Operating Activities	\$ 101,285	\$ 19,954	\$ 700,113	\$ (1,227)	\$ 654,500	\$ 1,474,625
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND FINANCING, AND INVESTING ACTIVITIES						
Change in Fair Value of Investments	\$ 5,558	\$ 1,792	\$ 12,191	\$ 108	\$ 5,077	\$ 24,726

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

**STATEMENT OF FIDUCIARY NET POSITION AND STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION**

Year Ended December 31, 2025

	<u>Custodial Fund</u> <u>Police</u> <u>Evidence</u>
ASSETS	
Cash and Investments	<u>\$ 11,975</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 11,975</u></u>
	<u>Custodial Fund</u> <u>Police</u> <u>Evidence</u>
ADDITIONS	
Miscellaneous	\$ -
DEDUCTIONS	
Payments to Individuals	<u>-</u>
NET CHANGE IN FIDUCIARY NET POSITION	-
Fiduciary Net Position - Beginning of Year	<u>11,975</u>

The notes to the financial statements are an integral part of this statement.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Stillwater operates under the “Home Rule Charter” form of government under the provisions of the state of Minnesota law. The Mayor is the president of the Council and together with the City Council comprises the governing body of the City, which is responsible for directing the activities of the City. The City provides the following services: police and fire protection, highways and streets, parks, storm sewer, sanitary sewer, planning, zoning, and general administration.

The basic financial statements of the City of Stillwater have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

A. FINANCIAL REPORTING ENTITY

Component Unit

As required by U.S. GAAP, the financial statements of the reporting entity include those of the City of Stillwater and its component units. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component include whether or not the primary government appoints the voting majority of the potential component unit’s board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit. The City has one entity that qualifies as a blended component unit, the Economic Development Authority (EDA) as the EDA is governed by the City Council. The EDA has not had any activity since it was established and therefore is not reported within these financial statements.

Other Organization

The Stillwater Fire Relief Association is organized as a nonprofit organization, legally separate from the City, by the members to provide pension and other benefits to such members, in accordance with Minnesota statutes and the Association’s by-laws. Its board of directors is appointed by the membership of the Association and not by the City Council. The Association issues its own set of financial statements. All funding is conducted in accordance with applicable Minnesota statutes; whereby state aids flow to the Association. The Association pays benefits directly to its members. Because the Association is fiscally independent of the City, the financial statements of the Association have not been included as a component of the City’s reporting entity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. As a general rule, the effect of Interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City enterprise funds and various other functions of government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 to external parties for support.

In the government-wide statement of net position, both the governmental and business-type activities columns: (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: (a) net investment in capital assets; (b) restricted net position; and (c) unrestricted net position. 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 to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and different business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (a) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources that are restricted for the payment of, long-term debt principal, interest, and related costs.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

TIF Districts Fund

This special revenue fund is used to account for restricted financial resources to be collected by and used in the City's tax increment financing districts.

CITY OF STILLWATER, MINNESOTA

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

Sanitary Sewer Fund

The sanitary sewer fund accounts for the provision of sanitary sewer service to the residents and commercial and industrial establishments of the City.

Storm Sewer Fund

The storm sewer fund accounts for the provision of storm sewer service to the residents and commercial and industrial establishments of the City.

Water Fund

The water fund accounts for the provision of water service to the residents and commercial and industrial establishments of the City.

Parking Ramp Fund

The parking fund accounts for the operation of parking ramp located in Stillwater.

Additionally, the City reports the following fund type:

Internal Service Fund

The Internal Service Fund accounts for dental insurance provided to other activities of the government on a cost reimbursement basis.

The City reports the following fiduciary fund:

Police Evidence Custodial Fund

The Custodial Fund is used to report fiduciary activities related to police evidence that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide, fiduciary activities, and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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. The City considers all revenues to be available if they are collected within 60 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and financing through leases are reported as other financing sources.

The City reports unavailable revenue on its governmental fund balance sheets. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue arises when resources are received prior to the incurrence of the qualifying expenditure. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the amounts are removed from the balance sheet and revenue is recognized.

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 connections with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General fund. The City also adopts a budget for the nonmajor governmental St. Croix Valley Recreation, Library Fund, Parks fund, Special Events fund, Community Beautification fund, Lodging tax fund and Washington County Recycling Grant fund which are presented in the combining and individual fund section of the Annual Comprehensive Financial Report.

E. LEGAL COMPLIANCE - BUDGETS

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

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally approved by passage of a resolution.
4. The City Council may authorize transfer of budgeted amounts between funds and may approve additional expenditures for departments in excess of the amount budgeted.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and other budgeted funds. Formal budgetary integration is not employed for the debt service and the capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions and project contracts.

F. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash balances from all funds are pooled and invested to the extent available in investments authorized by Minnesota statutes. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated for the statement of net position presentation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools that meet the criteria of GASB Statement No. 79 are valued at amortized cost. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, as amended.

For purposes of the statement of cash flows of the proprietary funds, the cash equivalents are considered to be all highly liquid investments with a maturity of three months or less when purchased. All of the cash and investments allocated to the proprietary funds have original maturities of 90 days or less. Therefore, the entire balances in such funds are considered cash equivalents.

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are expensed during the periods benefited.

H. INVENTORIES

The inventories of the water fund are valued at cost (first-in, first-out method) and are recorded as an expense when consumed.

I. ACCOUNTS RECEIVABLE

All trade and other receivables are shown net of allowances for uncollectible amounts. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors ability to pay. In addition to those receivables specifically identified as uncollectible, a general allowance is established for receivables older than one year.

J. PROPERTY TAX LEVY AND REVENUE RECOGNITION

On or before July 1 each year, all departments of the City submit budget requests to the City Administrator so that a budget may be prepared and a tax levy adopted for the following fiscal year. The budget is prepared by fund, function, and department and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. PROPERTY TAX LEVY AND REVENUE RECOGNITION (CONTINUED)

Revenue estimates are prepared by the Finance Department, including the estimated tax levy needed to support City expenditures.

The proposed budget and tax levy is presented to the City Council for review by August 31. The City Council reviews and makes changes to the proposed budget and tax levy. By September 30, a "proposed tax levy" is certified to the state of Minnesota and Washington County.

Minnesota statutes require the counties to send out preliminary tax notices to all property owners showing the prior year's tax levy and proposed tax levy, including dollars and percentage increase or decrease between years for all taxing jurisdiction.

After November 25, and before December 25, Minnesota statutes require the City to hold a public meeting and present the budget and proposed tax levy to the citizens. The City Council must adopt the final budget and "final tax levy" after closing the public meeting. The final tax levy must be less than or equal to the proposed tax levy.

The final tax levy must be certified to Washington County by December 31 or the previous year's tax levy will be used by default.

The County is responsible for billing and collecting all property taxes for itself, the City, the local School District, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

Within the governmental fund financial statements, the City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and state credits received by the City in July, December, and the following January are recognized as revenue for the current year. Taxes and credits not received at the year-end are classified as delinquent and due from county taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by a deferred inflow for unavailable revenue because it is not available to finance current expenditures. Property tax levies in governmental activities is susceptible to full accrual on the government-wide statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Within the fund financial statements, the revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments are collected by the County and remitted by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent and noncurrent assessments receivable in governmental funding are completely offset by unavailable revenues. Special assessment levies in governmental activities is susceptible to full accrual on the government-wide statements.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural, or seasonal recreational land in which event the property is subject to such sale after five years.

L. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Any resulting short-term loan balances are classified as interfund receivables and payables. The noncurrent portion of interfund loans, if any, is reported as "advances to/from other funds." Advances between funds are classified as nonspendable fund balance in the general fund to indicate they are not available for appropriation and are not expendable from available financial resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, streetlights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized retroactively to 1980.

Capital assets exceeding the City's capitalization threshold of \$5,000 are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Capital assets are depreciated using the straight-line method over their estimated useful lives. Because surplus assets are sold for an immaterial amount when declared as no longer needed for City purposes, no salvage value is taken into consideration for depreciation. Useful lives vary from 3 to 30 years for buildings, office furniture and equipment, vehicles, machine shop and equipment, and other assets, and 25 to 80 years for infrastructure. Capital assets not being depreciated include land and construction in progress.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

N. COMPENSATED ABSENCES

Sick leave and vacation benefits accrue to employees based upon their term of employment and in accordance with the individual labor agreements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. COMPENSATED ABSENCES (CONTINUED)

Vested or accumulated vacation or sick leave is accrued as incurred in the government-wide and proprietary fund financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. The current portion is calculated based on historical trends. Governmental funds report the use of accrued vacation and sick as a period cost.

O. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method. Bond issue costs are considered a current year cost of issuing debt and fully expensed in the year incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issue costs are recognized during the current period. The face amount of the debt issue is reported as another financing source. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issue costs are reported as debt service expenditures.

P. FUND BALANCE

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained by external parties (statute, grantors, bond agreements, etc.).

Committed – fund constraints are established and modified by a resolution approved by the City Council.

Assigned – consists of internally imposed constraints. These constraints are established by the City Council and/or management. The City Council by adoption of a formal fund balance policy delegates the authority to assign fund balance to the City Administrator and Finance Director.

Unassigned – Is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. FUND BALANCE (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the City's policy to use committed first, then assigned, and finally unassigned amounts.

The City formally adopted a fund balance policy for the General Fund. The policy establishes an unassigned fund balance range of 35% – 50% of the total operating expenditures.

Q. INTERFUND TRANSACTIONS

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

All interfund transactions are eliminated except for activity between governmental activities and business-type activities for presentation in the entity-wide statement of net position and statement of activities.

R. NET POSITION

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position - Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

Unrestricted Net Position - Is the amount of net position that does not meet the definition of the two preceding categories.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. NET POSITION (CONTINUED)

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.

S. DEFERRED OUTFLOWS OF RESOURCES

The City reports deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position or balance sheet, that represents a consumption of net assets that applies to future periods. The City has three types of deferred outflows of resources for the government wide financial statements: (1) deferred charges on refunding of bonds; (2) OPEB related items; and (3) pension related items. The deferred charges will be amortized over the remaining life of the applicable bonds. In addition, the City reports deferred outflows of resources related to pensions and OPEB, see Notes 6 and 7 for additional detail related to deferred outflows of resources related to pensions and OPEB.

T. DEFERRED INFLOWS OF RESOURCES

The City's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future. The City will not recognize the related revenue until a future event occurs. The City has one type of item which occurs relating to revenue recognition: The deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the City's year) under the modified accrual basis of accounting. In addition, the City reports deferred inflows of resources related to pensions and OPEB, see Notes 6 and 7 for additional detail related to deferred inflows of resources related to pensions and OPEB.

In addition, the City reports deferred inflows of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

U. UNEARNED REVENUE

Unearned revenues are reported in connection with resources that have been received but not yet earned.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. PENSIONS

For purposes of measuring the net pension (asset)/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 except that PERA's fiscal year-end is June 30. 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.

For purposes of measuring the (asset)/liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the City's requirement to contribute to the Stillwater Fire Department Relief Association Plan, information about the Plan's fiduciary net position and additions to/deductions from the Stillwater Fire Department Relief Association Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

W. POSTEMPLOYMENT BENEFITS

The City of Stillwater provides a single-employer defined benefit healthcare plan to eligible retirees and their spouses. The plan offers medical insurance benefit, the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense were measured actuarially in accordance with GASB Statement No. 75.

NOTE 2 DEPOSITS AND INVESTMENTS

DEPOSITS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and the balance sheet as "Cash and pooled investments." In accordance with Minnesota Statutes, the City maintains deposits at financial institutions which are authorized by the City Council.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

DEPOSITS (CONTINUED)

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial risk instead follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledges must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of U.S. government agency; general obligations of state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned by the depository.

The City's deposits at December 31, 2025 in the amount of \$447,321 were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

INVESTMENTS

Minnesota Statutes authorize the City to invest in the following:

- 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 received the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- c) General obligations rated "A" or better; revenue obligations rated "AA" or better.
- d) General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- e) Bankers' acceptance of United States banks eligible for purchase by the Federal Reserve System.
- f) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies and maturing in 270 days or less.
- g) Guaranteed investment contracts guaranteed by the United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is the top two rating categories.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

- h) Repurchase or reverse repurchase agreements and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- i) Any security which is an obligation of a school district with an original maturity not exceeding 13 months and rated in the highest category by a national bond rating services or enrolled in the credit enhancement program pursuant to section 126C.55.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. As a means of limiting the City’s exposure to interest rate risk, the City’s investment policy limits 25% of the City’s total investment portfolio to maturities not to extend beyond five years and under no circumstance should any investment maturity extend beyond 10 years without prior City Council approval. As of December 31, 2025, the City had the following investments and maturities:

Type	Value	Less Than 1 Year	1 to 5 Years	5 to 10 Years
Money Market Funds	\$ 32,347,632	\$ 32,347,632	\$ -	\$ -
Municipal Bonds	5,270,353	925,045	3,952,018	393,290
Money Market Funds - With Trustee	337,057	337,057	-	-
Negotiable CDs	9,893,558	5,409,298	4,238,176	246,084
U.S. Agencies:				
Federal Home Loan Banks	3,910,200	499,660	3,410,540	-
Federal Home Loan Mortgage Corporation	491,080	-	491,080	-
Total	<u>\$ 52,249,880</u>	<u>\$ 39,518,692</u>	<u>\$ 12,091,814</u>	<u>\$ 639,374</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not further address credit risk beyond what is prescribed in Minnesota Statute §118A. As of December 31, 2025, the investments, as rated by Standard & Poor's, had the following ratings:

Type	Credit Quality Rating	Amount
Money Market Funds	AAA	\$ 34,243,027
Municipal Bonds	AA+	6,139,452
Negotiable CDs	Not Rated	5,492,608
U.S. Agencies:		
Federal Farm Credit Banks	AA+	2,391,411
Federal Home Loan Banks	AA+	4,461,096
Federal Home Loan Mortgage Corporation	AA+	765,958
Total		<u>\$ 53,493,552</u>

Concentration of Risk

The City places no limit on the amount that the City may invest in any one issuer but limits individual investment instrument amounts to \$500,000 or less. As of December 31, 2025, the City had investments of 5% or more in the Federal Home Loan Bank (8.34%).

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside part. The City has no investments subject to custodial credit risk.

Fair Value Measurements

The City uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The City follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

In accordance with this standard, the City has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Assets measured a fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ -	\$ 6,139,452	\$ -	\$ 6,139,452
Negotiable Certificates of Deposit	-	5,492,608	-	5,492,608
U.S. Agencies:				
Federal Farm Credit Banks	-	2,391,411	-	2,391,411
Federal Home Loan Banks	-	4,461,096	-	4,461,096
Federal Home Loan Mortgage Corporation	-	765,958	-	765,958
Total	<u>\$ -</u>	<u>\$ 19,250,525</u>	<u>\$ -</u>	<u>19,250,525</u>
Investments measured at amortized cost				34,243,027
Total Investments				<u>\$ 53,493,552</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Investments measured at amortized cost as of December 31, 2025 include money market investments and participating interest-earning investments that have a remaining maturity at the time of purchase of one year or less.

Components of Cash and Investments

Total Investments	\$ 53,493,552
Deposits	444,579
Petty Cash	2,746
Total	<u>\$ 53,940,877</u>
Governmental Activities	\$ 48,027,264
Business-Type Activities	5,901,638
Custodial Fund	11,975
Total	<u>\$ 53,940,877</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 13,993,770	\$ -	\$ -	\$ 13,993,770
Construction in Process	9,860,845	14,445,427	(2,761,714)	21,544,558
Total Capital Assets, Not Being Depreciated	23,854,615	14,445,427	(2,761,714)	35,538,328
Capital Assets, Being Depreciated:				
Buildings and Other Improvements	55,978,934	10,810	(1,129,714)	54,860,030
Improvements Other Than Buildings	10,108,173	3,449,845	(240,786)	13,317,232
Machinery and Equipment	13,774,622	1,004,449	(3,445,643)	11,333,428
Vehicles	4,876,336	896,261	(282,346)	5,490,251
Infrastructure	93,038,765	888,367	-	93,927,132
Total Capital Assets, Being Depreciated	177,776,830	6,249,732	(5,098,489)	178,928,073
Less: Accumulated Depreciation for:				
Buildings and Other Improvements	(28,206,807)	(1,960,844)	1,110,765	(29,056,886)
Improvements Other Than Buildings	(5,740,829)	(430,237)	210,830	(5,960,236)
Machinery and Equipment	(9,357,602)	(546,240)	3,347,582	(6,556,260)
Vehicles	(2,963,307)	(294,658)	282,346	(2,975,619)
Infrastructure	(39,585,786)	(3,120,010)	-	(42,705,796)
Total Accumulated Depreciation	(85,854,331)	(6,351,989)	4,951,523	(87,254,797)
Total Capital Assets, Being Depreciated, Net	91,922,499	(102,257)	(146,966)	91,673,276
Right-to-Use Lease Assets:				
Machinery and Equipment	436,418	539,762	(68,245)	907,935
Less: Accumulated Amortization	(166,199)	(172,740)	48,044	(290,895)
Total Right-to-Use Lease Assets, Net	270,219	367,022	(20,201)	617,040
Subscription-Based Information Technology Arrangements	553,086	-	(74,159)	478,927
Less: Accumulated Amortization	(307,025)	(147,801)	74,159	(380,667)
Total Subscription-Based Information Arrangements, Net	246,061	(147,801)	-	98,260
Governmental Activities Capital Assets, Net	\$ 116,293,394	\$ 14,562,391	\$ (2,928,881)	\$ 127,926,904

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 3 CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2025 was as follows (Continued):

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 492,620	\$ -	\$ -	\$ 492,620
Construction in Process	567,929	1,490,285	(479,065)	1,579,149
Total Capital Assets, Not Being Depreciated	1,060,549	1,490,285	(479,065)	2,071,769
Capital Assets, Being Depreciated:				
Buildings and Other Improvements	6,064,365	-	-	6,064,365
Improvements Other Than Buildings	4,528,343	81,540	(106,912)	4,502,971
Machinery and Equipment	2,610,291	28,981	(530,437)	2,108,835
Vehicles	1,322,219	-	(368,445)	953,774
Infrastructure	30,711,694	808,038	(286,003)	31,233,729
Total Capital Assets, Being Depreciated	45,236,912	918,559	(1,291,797)	44,863,674
Accumulated Depreciation for:				
Buildings and Other Improvements	(1,068,816)	(76,101)	-	(1,144,917)
Improvements Other Than Buildings	(1,620,387)	(219,215)	106,912	(1,732,690)
Machinery and Equipment	(1,459,850)	(97,049)	530,365	(1,026,534)
Vehicles	(1,024,864)	(47,701)	368,445	(704,120)
Infrastructure	(17,857,747)	(634,616)	284,731	(18,207,632)
Total Accumulated Depreciation	(23,031,664)	(1,074,682)	1,290,453	(22,815,893)
Total Capital Assets, Being Depreciated, Net	22,205,248	(156,123)	(1,344)	22,047,781
Right-to-Use Assets, Being Amortized:				
Buildings and Other Improvements	-	5,350	-	5,350
Less: Accumulated Amortization	-	(4,586)	-	(4,586)
Total Right-to-Use Lease Assets, Net	-	764	-	764
Business-Type Capital Assets, Net	\$ 23,265,797	\$ 1,334,926	\$ (480,409)	\$ 24,120,314

Depreciation and amortization expense was charged to governmental functions as follows:

General Government	\$ 1,110,983
Public Safety	673,539
Public Works	3,488,083
Culture and Recreation	1,399,925
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 6,672,530</u>

Depreciation and amortization expense was charged to business-type functions as follows:

Sanitary Sewer	\$ 378,341
Storm Sewer	40,387
Lighting	5,555
Water	475,312
Parking Lot	91,099
Parking Ramp	88,574
Total Depreciation and Amortization Expense - Business-Type Activities	<u>\$ 1,079,268</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 4 LEASES

LEASES RECEIVABLE

The City, acting as lessor, leases space for cellular services under a long-term, non-cancelable lease agreement. The lease expires in 2042. During the year ended December 31, 2025, the City recognized \$8,447 and \$8,585 in lease revenue and interest revenue, respectively, pursuant to this contract. The Lease has a discount rate of 5.42%

The lease provides for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 3,605	\$ 8,395
2027	4,439	8,186
2028	5,597	7,903
2029	5,908	7,592
2030	6,236	7,264
2031-2035	42,421	30,204
2036-2040	64,223	15,902
2041-2042	25,096	1,031
Total	<u>\$ 157,525</u>	<u>\$ 86,477</u>

LEASE LIABILITY

The City acting as lessee, leases a building, vehicles, and equipment under long-term, non-cancelable lease agreements. The leases expire at various times through 2030 and have discount rates between 3.75% and 7.59%.

The right-to-use assets and related accumulated amortization are detailed in Note 3.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 187,748	\$ 35,110
2027	188,846	23,009
2028	128,452	12,114
2029	97,122	5,374
2030	36,387	581
Total	<u>\$ 638,555</u>	<u>\$ 76,188</u>

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>	
	<u>Leases Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 789	\$ 2

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 5 LONG-TERM DEBT

GENERAL OBLIGATION BONDS

The City issues general obligation bonds for general government, improvement, revenue, and tax increment activities. General obligation bonds are direct obligations of the City and pledge the full faith, credit, and taxing power of the City. The general government bonds outstanding are to be repaid from primarily with general tax. The revenue bonds are expected to be paid from revenues generated from the project. The tax increment bonds outstanding are to be paid from the pledged tax increment revenues.

General obligation bonds currently outstanding are as follows:

	Issue Date	Maturity Date	Interest Rate	Original Issue	Payable 12/31/25
Primary Government:					
General Obligation Capital Outlay Bonds:					
\$9,215,000 Bonds of 2014A	04/08/14	02/01/40	3.24%	\$ 9,215,000	\$ 5,205,000
\$6,505,000 Bonds of 2016A	04/14/16	02/01/31	1.27%	6,505,000	860,000
\$3,405,000 Bonds of 2017A	06/29/17	02/01/32	1.40% - 3.00%	3,405,000	710,000
\$5,935,000 Bonds of 2018A	08/28/18	02/01/39	3.00% - 4.00%	5,935,000	2,705,000
\$2,770,000 Bonds of 2019A	09/19/19	02/01/29	5.00%	2,770,000	865,000
\$2,455,000 Bonds of 2021A	09/27/21	02/01/32	5.00%	2,455,000	1,770,000
\$3,965,000 Bonds of 2022A	05/24/22	02/01/33	4.00%	3,965,000	3,140,000
\$4,955,000 Bonds of 2023A	08/03/23	02/01/34	4.00% - 5.00%	4,955,000	4,540,000
\$3,680,000 Bonds of 2024A	10/30/24	02/01/35	5.00%	3,680,000	3,680,000
\$8,300,000 Bonds of 2025A	06/09/25	02/01/36	4.00% - 5.00%	8,300,000	8,300,000
Total G.O. Capital Outlay Bonds				<u>\$ 51,185,000</u>	<u>\$ 31,775,000</u>
General Obligation Tax Increment Bonds:					
\$2,450,000 Refunding Bonds of 2016B	04/14/16	02/01/30	1.79%	\$ 2,450,000	\$ -
Tax Increment Revenue Bonds:					
\$6,585,000 Bonds of 2016C	07/28/16	02/01/30	3.21%	6,585,000	-
Total Bonds - Governmental Activities				<u>60,220,000</u>	<u>31,775,000</u>
Water Fund:					
2013A General Obligation Revenue Bonds	07/01/13	02/01/29	2.00% - 3.50%	1,425,000	440,000
Total Reporting Entity General Obligation Bonds				<u>\$ 61,645,000</u>	<u>\$ 32,215,000</u>

CITY OF STILLWATER, MINNESOTA

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

NOTE 5 LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

Annual debt service requirements to maturity for general obligation debt are as follows:

Year Ending December 31,	Governmental Activities			
	General Obligation Capital Outlay Bonds		Notes Payable - Direct Borrowing	
	Principal	Interest	Principal	Interest
2026	\$ 3,050,000	\$ 1,378,703	\$ 6,841	\$ 3,305
2027	3,505,000	1,178,048	7,321	3,168
2028	3,235,000	1,029,276	7,824	3,029
2029	3,315,000	885,176	8,348	2,863
2030	3,395,000	736,283	8,895	2,696
2031 -2035	11,815,000	1,759,040	53,541	10,569
2036 - 2040	3,460,000	253,146	71,185	4,520
2041 - 2044	-	-	4,907	48
Total	<u>\$ 31,775,000</u>	<u>\$ 7,219,672</u>	<u>\$ 168,862</u>	<u>\$ 30,198</u>

Year Ending December 31,	Business-Type Activities	
	General Obligation Revenue Bonds	
	Principal	Interest
2026	\$ 105,000	\$ 13,300
2027	110,000	9,800
2028	110,000	5,950
2029	115,000	2,013
Total	<u>\$ 440,000</u>	<u>\$ 31,063</u>

G.O. Capital Outlay Bonds

Series 2014A, \$9,215,000 Capital Outlay bonds issued April 8, 2014 with a final maturity date of February 2, 2040 at 3.24% interest were used to finance various capital equipment purchases and construct a new fire station.

Series 2016A, \$6,505,000 Capital Outlay bonds issued April 14, 2016 with a final maturity date of February 1, 2031 at 1.27% interest were used to refinance the outstanding portions of the GO Capital Outlay Bonds Series 2005B on February 1, 2017 and park improvements.

Series 2017A, \$3,405,000 Capital Outlay bonds issued June 29, 2017 with a final maturity date of February 1, 2032 with interest rates varying between 1.40% and 3.00% were used provide funding for the renovation and remodeling of the police station, street improvements and public works security improvements.

Series 2018A, \$5,935,000 Capital Outlay bonds issued August 28, 2018 with a final maturity date of February 1, 2039 at varying interest rates between 3.00% and 4.00% were used to provide funding for various street improvement projects and the addition to the St. Croix Valley Recreational Center.

Series 2019A, \$2,770,000 Capital Outlay bonds issued September 19, 2019 with a final maturity date of February 1, 2029 at an interest rate of 5.00% were used to provide funding for 2019 capital outlay needs of various City departments and various street improvement projects.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 5 LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

G.O. Capital Outlay Bonds (Continued)

Series 2021A, \$2,455,000 Capital Outlay bonds issued September 27, 2021 with a final maturity date of February 1, 2032 at 5% interest were used to provide funding for the acquisition of capital equipment for the City and provide for various capital outlay and street improvement projects.

Series 2022A, \$3,965,000 Capital Outlay bonds issued May 24, 2022 with a final maturity date of February 1, 2033 at an interest rate of 4.00% were used to provide funding for various capital improvements and street projects during the year.

Series 2023A, \$4,955,000 Capital Outlay bonds issued November 2, 2023 with a final maturity date of February 1, 2034 at an interest rates between 4.00% and 5.00% were used to provide funding for various capital improvements and street projects during the year.

Series 2024A, \$3,680,000 Capital Outlay Bonds issued October 1, 2024 with a final maturity date of February 1, 2033 at an interest rate of 5.00% were used to provide funding for various capital improvements and street projects during the year.

Series 2025A, \$8,300,000 Sales Tax Revenue and Capital Outlay bonds issued June 9, 2025 with a final maturity date of February 1, 2036 at interest rates between 4.00% and 5.00% were used to provide funding for various capital improvements and park improvements.

G.O. Tax Increment Bonds

Series 2016B, \$2,450,000 GO Tax Increment Refunding Bonds issued April 14, 2016 with a final maturity date of February 1, 2030 at an interest rate of 1.79% were used to refinance the outstanding portion of the GO Tax Increment Bonds, Series 2008B on February 1, 2019. This bond was fully redeemed in 2025.

Tax Increment Revenue Bonds

Series 2016C, \$6,585,000 Tax Increment Revenue Bonds issued July 28, 2016 with a final maturity date of February 1, 2030 at 3.21% interest were used to refinance the outstanding portions of the Tax Increment Revenue Bonds Series 2006 and Taxable Tax Increment Revenue Note on February 1, 2017. This bond was fully redeemed in 2025.

Water Fund Bonds

Series 2013A, \$1,425,000 GO Revenue bonds issued July 1, 2013 with a final maturity date of February 1, 2029 at varying interest rates of 2.00% and 3.50% were issued to provide funding for water system improvements and to provide funding for the AMR upgrades.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 5 LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

Notes Payable – Direct Borrowing

The City has a direct borrowing with a local bank which had an original amount of \$219,480 at a fixed interest rate of 1.95% with final maturity of April 1, 2041. In the event of a default the lender has the right to make any remaining unpaid principal due in full and payable immediately.

CHANGE IN LONG-TERM LIABILITIES

The following is a schedule of changes in the City's long-term liabilities for the year ended December 31, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Capital Outlay Bonds	\$ 26,255,000	\$ 8,300,000	\$ (2,780,000)	\$ 31,775,000	\$ 3,050,000
General Obligation Tax Increment Bonds	1,430,000	-	(1,430,000)	-	-
Tax Increment Revenue Bonds	3,285,000	-	(3,285,000)	-	-
Unamortized Premium	1,402,410	699,209	(392,228)	1,709,391	-
Total Bonds Payable	32,372,410	8,999,209	(7,887,228)	33,484,391	3,050,000
Note Payable - Direct Borrowing	175,522	-	(6,660)	168,862	6,841
Leases Payable	280,637	539,762	(181,844)	638,555	187,748
Subscription Liability	225,653	-	(138,334)	87,319	87,319
Compensated Absences	1,749,206	260,210	-	2,009,416	615,585
Total Governmental Activities Long-Term Liabilities	34,803,428	9,799,181	(8,214,066)	36,388,543	3,947,493
Business-Type Activities:					
Bonds Payable	540,000	-	(100,000)	440,000	105,000
Unamortized Premium	5,699	-	(1,967)	3,732	-
Leases Payable	-	5,350	(4,561)	789	789
Compensated Absences	282,810	30,610	-	313,420	56,290
Total Business-Type Activities Long-Term Liabilities	828,509	35,960	(106,528)	757,941	162,079
Total Long-Term Liabilities	\$ 35,631,937	\$ 9,835,141	\$ (8,320,594)	\$ 37,146,484	\$ 4,109,572

The change in compensated absences is presented as a net change.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 5 LONG-TERM DEBT (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

SBITA's

The City acting as lessee, leases an IT software under long-term, non-cancelable subscription agreement. The leases expire at various times through 2026 and have a discount rate of 7.59%.

The right-to-use assets and related accumulated amortization are detailed in Note 3.

Principal and interest requirements to maturity under subscription agreements are as follows:

<u>Year Ending December 31,</u> 2026	<u>Governmental Activities</u>	
	<u>Subscriptions Payable</u>	
	<u>Principal</u>	<u>Interest</u>
	<u>\$ 87,319</u>	<u>\$ 745</u>

NOTE 6 PENSION PLANS

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE

Plan Description

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

1. General Employees Retirement Plan

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.

2. Public Employees Police and Fire Fund

Membership in the Police & 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 & 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.

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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.

1. 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 or 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 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 .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .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 prorated increase.

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

2. 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.

Contributions

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

1. 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 \$524,018. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City of Stillwater was required to contribute 17.70% for Police and Fire Plan members. The City of Stillwater's contributions to the Police and Fire fund for the year ended December 31, 2025, were \$941,094. The City of Stillwater's contributions were equal to the required contributions as set by state statute.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Pension Costs

1. General Employees Fund Pension Costs

At December 31, 2025, the City reported a liability of \$2,458,724 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 \$59,312.

	City
Proportionate Share of the Net Pension Liability	\$ 2,458,724
State of Minnesota's Proportionate Share of the	
Net Pension Liability Associated with the Entity	59,312
Total	<u>\$ 2,518,036</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 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 0.0742% at the end of the measurement period and 0.0735% for the beginning of the period.

For the year ended December 31, 2025, the City of Stillwater recognized pension expense of (\$82,369) for its proportionate share of the General Employees Plan's pension expense. In addition, the City of Stillwater recognized an additional (\$9,098) 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 STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

At December 31, 2025, the reported proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 234,263	\$ 978,349
Changes in Actuarial Assumptions	59,241	565,744
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	44,360	62,479
City Contributions Subsequent to the Measurement Date	267,623	-
Total	<u>\$ 605,487</u>	<u>\$ 1,606,572</u>

The \$267,623 reported as deferred outflows of resources related to pensions resulting from City of Stillwater contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 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>	Pension Expense Amount
2026	\$ (282,240)
2027	(484,389)
2028	(327,310)
2029	(174,769)

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Pension Costs (Continued)

2. Police and Fire Pension Costs

At December 31, 2025, the City reported a liability of \$3,832,620 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 0.3271% at the end of the measurement period and 0.3207% 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 \$9.0 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9.0 million direct state 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). 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 \$132,858.

	City
Proportionate Share of the Net Pension Liability	\$ 3,832,620
State of Minnesota's Proportionate Share of the	
Net Pension Liability Associated with the Entity	132,858
Total	<u>\$ 3,965,478</u>

For the year ended December 31, 2025, the City recognized pension expense of \$1,015,784 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$64,283 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.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

.NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Pension Costs (Continued)

2 Police and Fire Pension Costs (Continued)

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$87,338 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 its proportionate share of the Police and Fire Fund's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 1,770,792	\$ 54,514
Changes in Actuarial Assumptions	2,906,355	4,802,113
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	1,710,551
Changes in Proportion and Differences Between		
City Contributions and Proportionate		
Share of Contributions	336,053	-
City Contributions Subsequent to the		
Measurement Date	504,920	-
Total	<u>\$ 5,518,120</u>	<u>\$ 6,567,178</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Pension Costs (Continued)

The \$504,920 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026.

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	\$ 991,250
2027	(744,058)
2028	(1,823,050)
2029	(96,781)
2030	118,661

3. Aggregate Pension Costs

For the year ended December 31, 2025, the City had the following recorded in relation to all of the plans in which it participates including the City of Stillwater FRA on page 75:

	<u>GERF</u>	<u>PEPFF</u>	<u>FRA</u>	<u>Total</u>
Net Pension Liability (Asset)	\$ 2,458,724	\$ 3,832,620	\$ (1,718,175)	\$ 4,573,169
Deferred Inflows of Resources	1,606,572	6,567,178	368,928	8,542,678
Deferred Outflows of Resources	605,487	5,518,120	87,587	6,211,194
Pension Expense (Revenue)	(103,338)	1,022,169	126,402	1,045,233

NOTE 6 PENSION PLANS (CONTINUED)**A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)**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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	33.5 %	5.10 %
International Stocks	16.5	5.30
Private Markets	25.0	5.90
Fixed Income	25.0	0.75
Total	100.0 %	

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.

Inflation is assumed to be 2.25% for the General Employees Plan, and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.5% 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% after 27 years of service. In the Police & Fire Plan, salary growth assumptions range in annual increments from 10.75% after one year of service to 3% 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 & Fire Plan and the Correctional Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Actuarial Methods and Assumptions (Continued)

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 & Fire Plan was reviewed in 2024. The assumption changes were adopted by the board and became effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions 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.
- Continued used 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.

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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 & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & 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, 20248 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.
- Join 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 rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees, Police and Fire, and Correctional Plans 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:

Primary Government

Description	1% Decrease 6.00%	Current Discount Rate 7.00%
City's Proportionate Share of the GERF Net Pension Liability	\$ 5,971,855	\$ 2,458,724
City's Proportionate Share of the PEPFF Net Pension Liability	\$ 9,971,549	\$ 3,832,620

NOTE 6 PENSION PLANS (CONTINUED)

A. DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

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.

B. DEFINED CONTRIBUTION PLAN

Five council members of the City of Stillwater are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code (IRC) 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, Chapter 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 five percent 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 two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

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

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 1,194	\$ 1,194	5.0%	5.0%	5.0%

NOTE 6 PENSION PLANS (CONTINUED)

C. STILLWATER FIRE RELIEF ASSOCIATION

Plan Description

Firefighters of the City of Stillwater are members of the Stillwater Fire Department Relief Association. The Association is the administrator of the single-employer defined benefit pension plan available to firefighters. The plan is administered pursuant to Minnesota Statutes Chapter 69, Chapter 424A, and the Association's by-laws. As of December 31, 2025, membership includes 33 active participants and 2 terminated employees entitled to benefit but not yet receiving them. The plan issues a stand-alone financial statement.

Benefits Provided

Authority for payment of pension benefits is established in *Minnesota Statutes* §69.77 and may be amended only by the Minnesota state legislature. Each member who is at least 50 years of age, has retired from the Fire Department, has served at least 20 years of active service with such department before retirement shall be entitled to a lump sum service pension in the amount of \$9,800 for each year of active Fire Department service but not exceeding the maximum amount per year of service allowed by law for the minimum average amount of available financing per firefighter as prescribed by law.

Pursuant to Minnesota Statutes §424A.02, Subds. 2 and 4, members who retire with 10 years of service and have reached the age of 50 years are eligible for a retirement benefit. Members who retire before full retirement age and years of service requirements are eligible for a reduced benefit, based on the vesting schedule as set forth in Minnesota Statutes §424A.02, Subd. 2(c). During the time a member is on early vested pension, they are not eligible for disability benefits.

Disability and death benefits provisions of the Association's plan are that the member or member's beneficiaries shall be paid an amount equivalent to the accrued retirement liability at the time of disability or death.

Minnesota Statutes Section 424A.10 provides for the payment of a supplemental benefit equal to 10% of a regular lump sum distribution up to a maximum of \$1,000. The supplemental benefit is in lieu of state income tax exclusion for lump sum distributions and will no longer be available if state tax law is modified to exclude lump sum distributions from state income tax. The Association qualifies for these benefits.

Contributions

Minnesota Statutes Chapter 69.772 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from state aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10-year period. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The association is comprised of volunteers; therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations).

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 6 PENSION PLANS (CONTINUED)

C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)

Contributions (Continued)

The minimum contribution from the City of Stillwater and state aid is determined as follows:

	Normal Cost
+	Amortization Payment on Unfunded Accrued Liability Prior to Any Change
+	Amortization Contribution on Unfunded Accrued Liability Attributed to Any Change
+	Administrative Expenses
-	Anticipated State Aid
-	Projected Investment Earnings
=	Total Contribution Required

The Plan is funded in part by fire state aid and, if necessary, City contributions. The state of Minnesota distributed to the City \$0 in fire state aid paid by the City to the Relief Association for the year ended December 31, 2025. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contribution to the plan for the year ended December 31, 2025 was \$0.

Pension Costs

At December 31, 2025, the City reported an asset of \$1,718,175 for the Association's net pension asset. The net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

As a result of its requirement to contribute to the Relief Association, the City recognized pension revenue of (\$126,401) for the year ended December 31, 2025. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 303,443
Changes in Actuarial Assumptions	87,590	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	65,485
Total	\$ 87,590	\$ 368,928

NOTE 6 PENSION PLANS (CONTINUED)

C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)

Pension Costs (Continued)

The City was not statutorily required to make contributions to the Association subsequent to the measurement date, so no related deferred outflows of resources were reported. Other amounts reported as deferred outflows and inflows of resources related to the Association’s pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2026	\$ (19,745)
2027	22,068
2028	(137,312)
2029	(65,601)
2030	(48,298)
Thereafter	(32,450)

Actuarial Assumptions

The actuarial total pension liability was determined as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January, 1, 2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar - Closed Basis
Actuarial Assumptions:	
Discount Rate	5.75%
Investment Rate of Return	5.75%
20-Year Municipal Bond Yield	N/A (No Unfunded Liabilities)
Salary Increases	2.5%
Age of Service Retirement	50% at Age 50, 20% at Ages 51-56, 100% Thereafter

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation.

NOTE 6 PENSION PLANS (CONTINUED)

C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)

Actuarial Assumptions (Continued)

The best estimate of expected future real rates of return were developed by aggregating data from several published capital market assumption surveys and deriving a single best estimate based on the average survey values. These capital market assumptions reflect both historical market experience as well as diverse views regarding anticipated future returns. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the plans valuation date of January 1, 2024 are summarized as follows:

Asset Class	Allocation at December 31, 2024	Expected Portfolio Weight	Long-Term Expected Nominal Rate of Return
Cash	18.00 %	18.00 %	3.30 %
Equities	43.00	43.00	8.00
Fixed Income	39.00	39.00	4.70
Total Portfolio	100.00 %		5.75

Discount Rate

The discount rate used to measure the total pension liability was 5.75%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments were discounted by year using expected assets return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate of return. The equivalent single rate is the discount rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Pension Liability (Asset) Sensitivity

The following presents the net pension asset of the Association, calculated using the discount rate of 5.75%, as well as what the Association's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	1% Decrease	Selected Discount Rate	1% Increase
Net Pension Liability (Asset)	\$ (1,649,278)	\$ (1,717,175)	\$ (1,784,377)
Discount Rate	4.75%	5.75%	6.75%

CITY OF STILLWATER, MINNESOTA

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

NOTE 6 PENSION PLANS (CONTINUED)

C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)

The following changes in plan provisions occurred during 2025:

- The benefit level increased from \$9,800 to \$11,000 per year of service.

Plan's Fiduciary Net Position

ASSETS

Money Market	\$	16
Investments Held by PERA		4,944,140
Total Assets	\$	<u>4,944,156</u>

NET POSITION

Restricted for Pension Benefits	\$	<u>4,944,156</u>
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ADDITIONS

State Contributions Fire Aid	\$	262,034
State Contributions Supplemental Benefit		4,000
Dividends and Interest		71,799
Net Increase (Decrease) in Fair Value of Investments		313,616
Investment Expense		<u>(17,483)</u>
Total Additions		633,966

DEDUCTIONS

Pension Distributions		880,700
Trustee Fees		1,400
Professional Services		<u>19,496</u>
Total Deductions		<u>901,596</u>

CHANGE IN NET POSITION

(267,630)

Net Position - Beginning of Year

5,211,786

NET POSITION - END OF YEAR

\$ 4,944,156

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 6 PENSION PLANS (CONTINUED)

C. STILLWATER FIRE RELIEF ASSOCIATION (CONTINUED)

Plan's Fiduciary Net Position (Continued)

Information about the changes in the Plan's net pension liability (asset) is as follows:

Total Pension Liability:	
Service Cost	\$ 149,976
Interest	185,097
Gain or Loss	(81,143)
Plan Changes	343,292
Benefit Payments, Including Member Contribution Refunds	<u>(880,700)</u>
Net Change in Total Pension Liability	(283,478)
 Total Pension Liability - Beginning	 <u>3,509,459</u>
 Total Pension Liability - Ending (a)	 3,225,981
 Plan Fiduciary Net Position:	
Municipal Contributions	
State Contributions	266,034
Net Investment Income	281,405
Benefit Payments	(880,700)
Administrative Expenses	(20,896)
Other Changes	<u>86,527</u>
Net Change in Fiduciary Net Position	(267,630)
 Fiduciary Net Position - Beginning	 <u>5,211,786</u>
 Fiduciary Net Position - Ending (b)	 <u>4,944,156</u>
 Net Pension Liability/(Asset) - Ending (a) - (b)	 <u><u>\$ (1,718,175)</u></u>

NOTE 7 POSTEMPLOYMENT HEALTH CARE BENEFITS

A. PLAN DESCRIPTION

The City provides benefits for retirees as required by Minnesota Statute §471.61 subdivision 2b through single-employer plans. Active employees, who started before January 1, 1989 and retire from the City when eligible for PERA benefits, are eligible for free medical coverage for themselves and their families for life. Active employees, who started after January 1, 1989 and retire the City when eligible for PERA benefits, may continue coverage with respect to both them and their eligible dependent(s) under the City's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay the total premium cost. For the governmental activities, postemployment health care benefit liabilities are generally liquidated by the General Fund.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 7 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

A. PLAN DESCRIPTION (CONTINUED)

Employees covered by benefit terms at December 31, 2024:

	City
Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	55
Inactive Plan Members Entitled to But Not Yet Receiving Benefit Payments	-
Active Plan Members	103
Total	158

B. CONTRIBUTIONS AND FUNDING POLICY

The City funds their OPEB obligations on a pay as you go basis. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. For fiscal year 2025, the City paid employer benefits of \$631,156 related to the plan.

C. TOTAL OPEB LIABILITY

The City's total OPEB liability was measured as of January 1, 2025 and was determined by an actuarial valuation as of January 1, 2025.

Actuarial Assumptions

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2025
Measurement Date	January 1, 2025
Methods and Assumptions Used:	
Actuarial Cost Method	Entry Age, Level Percentage of Pay
Actuarial Assets	None
Amortization of Deferred Resource Flows	Average of expected remaining services on a closed basis for differences between expected and actual experience and assumption changes.
Discount Rate	4.20%
20-Year Municipal Bond Yield	4.20%
Inflation Rate	2.50%
Salary Increases	Service Graded Table
Medical Trend Rate	6.50% in 2025, grading to 5.00% over 6 years and then to 4.00% over the next 48 years.
Mortality	Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2021 Generational Improvement Scale

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 7 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

D. DISCOUNT RATE

The City's plan is not funded by a trust and therefore, the City use the 20-year municipal bond index rate to develop its long-term rate of return and discount rate. This rate was 4.20% in the current actuarial valuation, which was updated from the 3.70% used in the prior actuarial valuation.

E. CHANGES IN THE TOTAL OPEB LIABILITY

The details of the changes in the total OPEB liability were as follows for 2025:

	Increase (Decrease) in Total OPEB Liability
Balance at December 31, 2024	\$ 9,325,134
Changes for the Year:	
Service cost	25,982
Interest	334,654
Assumption Changes	(83,490)
Difference Between Expected and Actual	
Experience	2,116,649
Benefit Payments	(618,425)
Net Changes	<u>1,775,370</u>
Balance at December 31, 2025	<u>\$ 11,100,504</u>

The following changes in assumptions occurred between the current and prior actuarial valuation:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The retirement, withdrawal, and salary increase rates for non-police were updated to reflect the latest experience study.
- The discount rate was changed from 3.70% to 4.20%.
- These changes decreased the liability \$83,490.

The following changes in plan experience occurred between the current and prior actuarial valuation:

- There was a liability loss of \$1,127,764 due to updated census data.
- There was a liability loss of \$988,885 due to claims and premiums higher than expected.

There were no plan changes that occurred between the current and prior actuarial valuation.

There were no actuarial method changes that occurred between the current and prior actuarial valuation.

NOTE 7 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.70%) or 1-percentage-point higher (4.70%) than the current discount rate:

	1% Decrease (3.20)%	Discount Rate (4.20)%	1% Increase (5.20)%
Total OPEB Liability (Asset)	\$ 12,314,658	\$ 11,100,504	\$ 10,071,582

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (6.25% decreasing to 5.00%) or 1-percentage-point higher (7.25% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 4.00%)	Healthcare Cost Trend Rates (6.50% Decreasing to 5.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB Liability (Asset)	\$ 10,111,261	\$ 11,100,504	\$ 12,243,529

G. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of \$1,344,489. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 2,062,881	\$ 2,101,241
Changes in Actuarial Assumptions	260,359	449,986
Employer benefits paid after the Measurement Date and Before the Reporting Date	631,156	-
Total	<u>\$ 2,954,396</u>	<u>\$ 2,551,227</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 7 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

G. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

A total of \$631,156 for the City was reported as a deferred outflow of resources related to OPEB resulting from employer benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows and inflows of resources related to the City's OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>OPEB Expense Amount</u>
2025	\$ (2,111,757)
2026	(2,111,757)
2027	257,243

NOTE 8 STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

DEFICIT NET POSITION AND FUND BALANCE

On December 31, 2025, the following funds had a deficit net position or fund balance:

	<u>Amount</u>
Special Events Fund	\$ (8,115)

EXPENDITURES IN EXCESS OF ADOPTED BUDGET

On December 31, 2025, the following funds had expenditures in excess of its adopted budget and were funded by greater than anticipated revenues and use of fund balance:

	<u>Amount</u>
Expenditures in Excess of Adopted Budget:	
St Croix Valley Recreation Center Fund	\$ 234,925
Community Beautification Fund	116,946
Washington County Recycling Grant Fund	592
Special Events Fund	4,753

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 9 FUND BALANCE

At December 31, 2025, the City had various fund balances through legal restriction and City Council authorization. Major fund balance appropriations at December 31, 2025 are shown on the various balance sheets as segregations of the fund balance. The fund balances are as follows:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund:						
Prepaid Items	\$ 328,200	\$ 328,200	\$ -	\$ -	\$ -	\$ -
Compensated Absences	2,009,416	-	-	-	2,009,416	-
Ongoing Operations	6,927,778	-	-	-	-	6,927,778
Total General Fund	9,265,394	328,200	-	-	2,009,416	6,927,778
Debt Service Fund:						
Debt Service	10,833,568	-	10,833,568	-	-	-
Capital Projects Fund:						
Capital Asset Acquisitions	7,786,875	24,542	3,371,417	-	4,390,916	-
TIF Districts Fund:						
Eligible TIF Related Projects	7,277,634	-	7,277,634	-	-	-
Other Governmental Funds:						
Prepaid Items	54,601	54,601	-	-	-	-
General Government:						
Tourism Promotion	150,986	-	150,986	-	-	-
Culture and Recreation:						
Affordable Housing	7,052	-	7,052	-	-	-
Special Events	(8,115)	-	-	-	-	(8,115)
Recreation Center	2,388,848	-	-	2,388,848	-	-
Special Revenue Services	21,218	-	21,218	-	-	-
Library Activities	425,336	-	205,859	219,477	-	-
Lumberjack Landing	2,084,541	-	2,084,541	-	-	-
Parks	744,481	-	744,481	-	-	-
Wick Estate	8,728	-	8,728	-	-	-
Miscellaneous Park Activities	1,841,700	-	1,841,700	-	-	-
Public Works:						
Community Beautification	25,900	-	-	25,900	-	-
Recycling Activities	303,399	-	303,399	-	-	-
Emergency Management	126,508	-	-	-	126,508	-
Public Safety	545,631	-	545,631	-	-	-
Total Other Governmental Funds	8,720,814	54,601	5,913,595	2,634,225	126,508	(8,115)
Total Fund Balances	<u>\$ 43,884,285</u>	<u>\$ 407,343</u>	<u>\$ 27,396,214</u>	<u>\$ 2,634,225</u>	<u>\$ 6,526,840</u>	<u>\$ 6,919,663</u>

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 10 INTERFUND RECEIVABLES AND PAYABLES

Individual fund receivable and payable balances at December 31, 2025 are as follows:

Interfund Receivable	Interfund Payable	Amount
General Fund	Special Events Fund	\$ 3,915
TIF Districts	Sanitary Sewer	62,400
Water Fund	Miscellaneous Grants	173,000
Library	Library Donations	10,000
Parks Fund	Miscellaneous Grants	389,000
Parking Fund	Parking Ramp	79,000
Total		<u>\$ 717,315</u>

The internal balance (as shown on the statement of net position), between the TIF Districts fund and Sanitary Sewer fund was for lift station repairs, the internal balance between the Parks fund and Water fund was for PFAS funds, and the internal balance between the General Parking and Parking Ramp fund was for negative cash.

NOTE 11 INTERFUND TRANSFERS

Funds are transferred from one fund to support expenditures of other funds in accordance with authority established for the individual fund. Transfers were initiated to fund capital projects, debt service, and fund operations. Transfers between individual major funds, and nonmajor governmental funds in the aggregate fund types during the year ended December 31, 2025 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor	\$ 130,000
Capital Projects	Nonmajor	68,175
Capital Projects	Sanitary Sewer	150,000
Capital Projects	Water	150,000
Capital Projects	Parking Fund	94,803
Debt Service	Capital Projects	344,287
Debt Service	Nonmajor	164,975
Debt Service	TIF Districts	4,542,124
Total		<u>\$ 5,644,364</u>

The transfer from Nonmajor to the General Fund was for public safety use. The transfer from Nonmajor to Capital Projects was for capital asset funding, and the transfers from Sanitary Sewer, Water and Parking to Capital Projects are related to infrastructure funding. The transfers from Nonmajor, Capital Projects and TIF Districts to Debt Service are related to debt service funding.

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to: torts; theft of damage to and destruction of City assets; errors and omissions; injuries to employees; and natural disasters.

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements
December 31, 2025

NOTE 12 RISK MANAGEMENT (CONTINUED)

The City has entered into a joint powers agreement with the League of Minnesota Cities Insurance Trust (LMCIT) to protect the City in the event of loss. The LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for Minnesota cities. The agreement for formation of the LMCIT provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. The pool can make additional assessments to make the pool self-sustaining.

The City has determined that it is not possible to estimate the amount of such additional assessments, if any; however, they are not expected to be material to these financial statements. There have been no significant reductions in insurance coverage during 2025 and settlements have not exceeded insurance coverage during the current year and prior three years.

The state of Minnesota mandates and regulated workers' compensation insurance and the City of Stillwater also purchased this required coverage from the LMCIT.

NOTE 5 RISK RESTATEMENT OF BEGINNING FUND BALANCE

Change in Fund Presentation from Nonmajor to Major

The St. Croix Valley Recreation Center fund, Library fund, & Pandemic Relief fund previously met the criteria to be reported as a nonmajor governmental fund, and the Lighting fund and General Parking fund previously met the criteria to be reported as a nonmajor governmental fund. However, effective January 1, 2025, the fund no longer met the criteria to be reported as a nonmajor fund and is reported as a major governmental fund for the fiscal year ended December 31, 2025. The effect of that change to or within the financial reporting entity is shown in the table below.

	Funds						
	St. Croix Valley Center	Library	Pandemic Relief	Nonmajor Governmental Funds	Lighting	General Parking	Nonmajor Enterprise Funds
December 31, 2024, as Originally Reported	\$ 2,074,095	\$ 206,894	\$ -	\$ 4,253,302	\$ 638,033	\$ 1,469,433	\$ -
Change in Fund Presentation from Major to Nonmajor	(2,074,095)	(206,894)	-	2,280,989	(638,033)	(1,469,433)	2,107,466

CITY OF STILLWATER, MINNESOTA

Notes to the Financial Statements December 31, 2025

NOTE 14 TAX INCREMENT FINANCING AUTHORITY

The City is the administering authority for the following tax increment financing districts:

DISTRICT NAME	200 Chestnut Street	Curve Crest Villa	Scattered Sites	Scattered Sites	North End Hotel	Water Street Inn
Development District Number	1	1	1	1	1	1
City Tax Increment District Number	14	9	10	11	12	13
County Tax Increment District Number	105	70	71	85	93	94
District Type	Redevelopment	Housing	Redevelopment	Redevelopment	Redevelopment	Redevelopment
Statute Authorization	Chapter 469	Chapter 469	Chapter 469	Chapter 469	Chapter 469	Chapter 469
Year Established	2022	2002	2004	2014	2018	2018
District Duration	25 years*	25 years*	25 years*	25 years*	25 years*	25 years*
Tax Capacity:						
Current Tax Capacity	\$ 233,248	\$ 67,047	\$ 2,412,469	\$ 175,250	\$ 241,378	\$ 166,404
Original Tax Capacity	(20,095)	(1,029)	(154,429)	(3,902)	(13,291)	(48,436)
Captured Tax Capacity	213,153	66,018	2,258,040	171,348	228,087	117,968
Fiscal Disparity Deduction	-	-	-	-	-	-
Retained by Authority	<u>\$ 213,153</u>	<u>\$ 66,018</u>	<u>\$ 2,258,040</u>	<u>\$ 171,348</u>	<u>\$ 228,087</u>	<u>\$ 117,968</u>
Retained as a Percentage of Current Net Tax Capacity	91.3850%	98.4650%	93.6610%	97.7730%	94.4940%	70.8930%
Taxes:						
Total Captured Tax Increment Tax	\$ 214,429	\$ 69,015	\$ 2,285,204	\$ 173,189	\$ 230,537	\$ 119,234
Less: Tax Increment Due to Increase in Tax Rate	-	-	-	-	-	-
Tax Increment District Gross Tax	214,429	69,015	2,285,204	173,189	230,537	119,234
Projected State Auditor .36% Admin Fee	(772)	(248)	(8,226)	(624)	(830)	(429)
Projected Net to District	<u>\$ 213,657</u>	<u>\$ 68,767</u>	<u>\$ 2,276,978</u>	<u>\$ 172,565</u>	<u>\$ 229,707</u>	<u>\$ 118,805</u>
PAYGO to Developer	<u>\$ 3,052,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,517</u>	<u>\$ 251,055</u>	<u>\$ 1,172,388</u>
Outstanding Debt:						
Total Bonds Issued and Outstanding at 12/31/24	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Estimated Market Value*						
Total (Aggregate Basis)	<u>\$ 18,659,800</u>	<u>\$ 13,824,000</u>	<u>\$ 238,166,800</u>	<u>\$ 8,800,000</u>	<u>\$ 12,106,400</u>	<u>\$ 8,357,700</u>
* Per parcel basis, copy this link to Washington County: https://www.co.washington.mn.us/DocumentCenter/View/7859						
COLLECTIONS						
Amount of Tax Increment Collected in:						
2025	\$ 213,657	\$ 68,767	\$ 2,276,978	\$ 172,565	\$ 229,707	\$ 118,805
2024	72,707	94,686	2,114,242	174,662	209,173	108,185
2023	-	91,488	1,790,309	134,279	161,980	79,906
2022	-	100,100	1,706,431	148,239	178,820	87,832
2021	-	96,787	1,601,332	145,304	174,699	73,506
2020	-	86,884	1,538,383	146,132	175,695	2,257
2019 and Prior	-	1,187,644	15,299,918	73,654	614	2,057
Total Amount Collected	<u>\$ 286,364</u>	<u>\$ 1,726,356</u>	<u>\$ 26,327,593</u>	<u>\$ 994,835</u>	<u>\$ 1,130,688</u>	<u>\$ 472,548</u>
First Tax Increment Receipt	2024	2004	2004	2015	2018	2018
Date of Required Decertification	12/31/2049	12/31/2029	12/31/2029	12/31/2041	12/31/2043	12/31/2043

*After the Receipt of the First Tax Increment

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STILLWATER, MINNESOTA

PERA SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY December 31, 2025

GERF

	Measurement Date									
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's Portion of the Net Pension Liability	0.07420%	0.07350%	0.07550%	0.07450%	0.07330%	0.06370%	0.06290%	0.06140%	0.05980%	0.06020%
City's Proportionate Share of the Net Pension Liability	\$ 2,458,724	\$ 2,717,800	\$ 4,221,875	\$ 5,900,425	\$ 3,130,238	\$ 3,819,106	\$ 3,477,600	\$ 3,406,220	\$ 3,817,593	\$ 4,887,941
State of Minnesota's Proportionate Share of the Net Pension Liability	59,312	70,277	116,411	173,019	95,542	117,832	108,162	111,705	48,015	63,853
Total Proportionate Share of the Net Pension Liability	\$ 2,518,036	\$ 2,788,077	\$ 4,338,286	\$ 6,073,444	\$ 3,225,780	\$ 3,936,938	\$ 3,585,762	\$ 3,517,925	\$ 3,865,608	\$ 4,951,794
City's Covered Payroll	\$ 6,724,160	\$ 6,236,773	\$ 5,846,576	\$ 5,553,889	\$ 5,276,865	\$ 4,731,854	\$ 4,426,728	\$ 4,122,786	\$ 3,853,463	\$ 3,741,046
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	36.57%	43.58%	72.21%	106.24%	59.32%	80.71%	78.56%	82.62%	99.07%	130.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.78%	89.08%	83.10%	76.67%	87.00%	79.10%	80.23%	79.50%	75.90%	68.91%

PEPFF

	Measurement Date									
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's Portion of the Net Pension Liability	0.32710%	0.32070%	0.32410%	0.30610%	0.28230%	0.28730%	0.29460%	0.26220%	0.25500%	0.27600%
City's Proportionate Share of the Net Pension Liability	\$ 3,832,620	\$ 4,219,520	\$ 5,596,786	\$ 13,320,263	\$ 2,179,057	\$ 3,786,921	\$ 3,136,315	\$ 2,794,782	\$ 3,442,803	\$ 11,076,360
State of Minnesota's Proportionate Share of the Net Pension Liability	132,858	160,846	225,473	581,954	97,967	-	-	-	-	-
Total Proportionate Share of the Net Pension Liability	\$ 3,965,478	\$ 4,380,366	\$ 5,822,259	\$ 13,902,217	\$ 2,277,024	\$ 3,786,921	\$ 3,136,315	\$ 2,794,782	\$ 3,442,803	\$ 11,076,360
City's Covered Payroll	\$ 4,964,453	\$ 4,451,325	\$ 4,024,375	\$ 3,718,434	\$ 3,439,680	\$ 3,278,626	\$ 3,107,310	\$ 2,771,643	\$ 2,617,129	\$ 2,657,140
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	77.20%	94.79%	139.07%	358.22%	63.35%	115.50%	100.93%	100.83%	131.55%	416.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.78%	90.17%	86.47%	70.53%	93.66%	87.20%	89.26%	88.80%	85.43%	63.88%

CITY OF STILLWATER, MINNESOTA

PERA SCHEDULE OF CITY CONTRIBUTIONS December 31, 2025

GERF Schedules of City Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 524,018	\$ 487,132	\$ 394,957	\$ 429,638	\$ 407,366	\$ 354,560	\$ 348,806	\$ 309,564	\$ 292,176	\$ 287,143
Contributions in Relation to the Statutorily Required Contribution	524,018	487,132	394,957	429,638	407,366	354,560	348,806	309,564	292,176	287,143
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 6,986,907	\$ 6,495,093	\$ 5,266,093	\$ 5,728,507	\$ 5,431,547	\$ 4,727,467	\$ 4,650,747	\$ 4,127,520	\$ 3,895,680	\$ 3,828,573
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

PEPFF Schedule of City Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Required Contribution	\$ 941,094	\$ 818,783	\$ 753,046	\$ 697,687	\$ 620,444	\$ 580,317	\$ 569,293	\$ 447,588	\$ 429,138	\$ 433,918
Contributions in Relation to the Statutorily Required Contribution	941,094	818,783	753,046	697,687	620,444	580,317	569,293	447,588	429,138	433,918
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 5,316,915	\$ 4,625,893	\$ 4,254,497	\$ 3,941,734	\$ 3,505,333	\$ 3,278,627	\$ 3,358,661	\$ 2,762,889	\$ 2,649,000	\$ 2,678,506
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.70%	17.70%	17.70%	16.95%	16.20%	16.20%	16.20%

The amounts presented for each fiscal year were determined as of December 31.

CITY OF STILLWATER, MINNESOTA

SCHEDULE OF CHANGES IN THE STILLWATER FIRE RELIEF ASSOCIATION'S NET PENSION LIABILITY (ASSET) Last Ten Measurement Periods

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 149,976	\$ 146,318	\$ 154,879	\$ 134,312	\$ 131,014	\$ 115,836	\$ 110,172	\$ 96,366	\$ 80,881	\$ 83,445
Interest	185,097	197,021	169,280	149,793	168,448	147,597	162,777	145,369	142,145	130,624
Differences Between Expected and Actual										
Experience	(81,143)	-	(155,102)	-	(169,937)	-	(218,323)	-	(130,192)	-
Changes of Assumptions	-	-	155,596	412,831	-	292,433	(209,180)	-	15,158	-
Changes of Benefit Terms	343,292	-	-	-	-	-	-	327,188	399,663	-
Benefit Payments, Including Member Contribution Refunds	(880,700)	(228,033)	-	(692,667)	(283,613)	(64,180)	(216,259)	(286,103)	(166,458)	(22,730)
Net Change in Total Pension Liability	(283,478)	115,306	324,653	4,269	(154,088)	491,686	(370,813)	282,820	341,197	191,339
Total Pension Liability - Beginning	3,509,459	3,394,153	3,069,500	3,065,231	3,219,319	2,727,633	3,098,446	2,815,626	2,474,429	2,283,090
Total Pension Liability - Ending (a)	3,225,981	3,509,459	3,394,153	3,069,500	3,065,231	3,219,319	2,727,633	3,098,446	2,815,626	2,474,429
Plan Fiduciary Net Position:										
Employer Contributions - State Aid	266,034	236,217	206,141	195,069	193,187	174,895	170,795	165,974	164,455	162,031
Net Investment Income	281,405	622,829	(757,918)	469,231	547,608	697,998	(164,615)	478,512	221,612	(18,271)
Benefit Payments	(880,700)	(228,033)	-	(692,667)	(283,613)	(64,180)	(216,259)	(286,103)	(166,458)	(22,730)
Administrative Expenses	(20,896)	(22,430)	(16,250)	(9,210)	(8,045)	(8,070)	(7,820)	(8,145)	(7,745)	(7,590)
Other Changes	86,527	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	(267,630)	608,583	(568,027)	(37,577)	449,137	800,643	(217,899)	350,238	211,864	113,440
Fiduciary Net Position - Beginning	5,211,786	4,603,203	5,171,230	5,208,807	4,759,670	3,959,027	4,176,926	3,826,688	3,614,824	3,501,384
Fiduciary Net Position - Ending (b)	4,944,156	5,211,786	4,603,203	5,171,230	5,208,807	4,759,670	3,959,027	4,176,926	3,826,688	3,614,824
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (1,718,175)	\$ (1,702,327)	\$ (1,209,050)	\$ (2,101,730)	\$ (2,143,576)	\$ (1,540,351)	\$ (1,231,394)	\$ (1,078,480)	\$ (1,011,062)	\$ (1,140,395)
Fiduciary Net Position as a Percentage of the Total Pension Liability	153.26%	148.51%	135.62%	168.47%	169.93%	147.85%	145.15%	134.81%	135.91%	146.09%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF STILLWATER, MINNESOTA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS LAST TEN MEASUREMENT PERIODS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	\$ 25,982	\$ 17,937	\$ 16,973	\$ 23,392	\$ 22,711	\$ 35,354	\$ 27,609	\$ 58,658
Interest	334,654	331,467	207,062	215,762	656,042	767,321	767,904	771,549
Difference Between Expected and Actual Experience	2,116,649	739,118	(146,918)	-	(12,387,054)	-	(1,598,415)	-
Changes of Assumptions	(83,490)	289,857	(1,532,785)	-	692,602	2,571,475	(1,334,560)	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Benefit Payments	(618,425)	(637,722)	(589,047)	(745,644)	(889,711)	(971,655)	(924,783)	(894,727)
Net Changes in Total OPEB Liability	1,775,370	740,657	(2,044,715)	(506,490)	(11,905,410)	2,402,495	(3,062,245)	(64,520)
Total OPEB Liability - Beginning	9,325,134	8,584,477	10,629,192	11,135,682	23,041,092	20,638,597	23,700,842	23,765,362
Total OPEB Liability - Ending	\$ 11,100,504	\$ 9,325,134	\$ 8,584,477	\$ 10,629,192	\$ 11,135,682	\$ 23,041,092	\$ 20,638,597	\$ 23,700,842
Covered Employee Payroll	\$ 9,402,026	\$ 8,293,307	\$ 8,170,302	\$ 7,413,903	\$ 7,197,964	\$ 6,103,698	\$ 5,925,920	\$ 6,410,754
Total OPEB Liability as a Percentage of the Covered Employee Payroll	118.1%	112.4%	105.1%	143.4%	154.7%	377.5%	348.3%	369.7%

Note to Schedule:

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*This schedule is intended to go out 10 years and more information will be added as it becomes available.

CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 12,619,035	\$ 12,444,527	\$ (174,508)
Franchise Taxes	490,000	502,002	12,002
Licenses and Permits	762,625	965,290	202,665
Special Assessments	6,000	15,700	9,700
Intergovernmental	1,392,224	1,467,162	74,938
Charges for Services	1,440,221	1,344,379	(95,842)
Fines and Forfeits	54,900	67,638	12,738
Investment Income	25,000	253,224	228,224
Miscellaneous	67,350	48,162	(19,188)
Total Revenues	16,857,355	17,108,084	250,729
EXPENDITURES			
General Government:			
Mayor and Council	214,520	184,397	30,123
Elections	7,000	7,756	(756)
MIS Support Services	769,374	748,825	20,549
Finance	626,440	615,449	10,991
Human Resources	355,698	339,498	16,200
Administration	1,010,220	817,257	192,963
Legal/City Attorney	201,330	198,888	2,442
Plant/City Hall	525,989	591,058	(65,069)
Community Development	625,010	692,668	(67,658)
Unallocated	977,800	666,110	311,690
Public Safety:			
Police	5,897,504	6,147,242	(249,738)
Fire	2,960,330	2,949,207	11,123
Inspections	653,590	691,079	(37,489)
Civil Defense	22,385	16,737	5,648
Public Works:			
Engineering	520,065	508,827	11,238
Streets	1,594,821	1,443,478	151,343
Debt Service:			
Principal	-	1,745	(1,745)
Interest	-	363	(363)
Total Expenditures	16,962,076	16,620,584	341,492
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPEDITURES	(104,721)	487,500	592,221
OTHER FINANCING USES			
Transfers in	221	130,000	129,779
NET CHANGE IN FUND BALANCE	<u>\$ (104,500)</u>	<u>617,500</u>	<u>\$ 722,000</u>
Fund Balance - Beginning of Year		8,647,894	
FUND BALANCE - END OF YEAR		<u>\$ 9,265,394</u>	

See accompanying notes to the Required Supplementary Information.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

General Employees Fund – Pension Plan

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 STILLWATER, 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 have been no changes since the prior 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.
- 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.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

2020 Changes (Continued)

Changes in Actuarial Assumptions (Continued):

- 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 morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% 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.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

2018 Changes (Continued)

Changes in Plan Provisions (Continued):

- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.0% 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 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.00% per year for all years to 1.00% 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.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated 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.
- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

2016 Changes (Continued)

Changes in Plan Provisions (Continued):

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, is due September 2015.

Police and Fire Fund – Pension 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).
- 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 & Fire and MSRS State Patrol for three consecutive years to 100% funded for both PERA Police & 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.
- Join and survivor actuarial equivalent factors were updated to reflect changes in assumptions.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

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 & 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 & 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 7.00%.
- 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.
- 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 6.50% to 5.40%.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

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 a slightly more unreduced retirements and fewer assumed early retirements.
- 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 have been no changes since the prior 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 morality projection scale was changed from MP-2017 to MP-2018.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.0% for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 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.
- Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019 and 17.70% of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.0% to 3.0%, 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 nonvested deferred members. The CSA has been changed to 33% for vested members and 2% 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%.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued):

- 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 postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.
- The Single Discount Rate was changed from 5.60% per annum to 7.50% per annum.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2037 and 2.50% thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 5.60%.
- 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.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2037 and 2.50% per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.50%, to a fixed rate of 2.50%.

City OPEB Plan

2024 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.00% to 3.70%..

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

2023 Changes

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2021 Generational Improvement Scale.
- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The Medicare Supplement trend rate increased from 4.00% to 4.50%.
- The retirement and withdrawal rates for non-public-safety employees were updated to reflect the latest experience study.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans General Headcount-weighted Mortality Tables with MP-2020 Generational Improvement Scale.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 2.90% to 2.00%.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service.
- The retirement and withdrawal rates for non-public-safety employees were updated to reflect the latest experience study.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2025

2020 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.80% to 2.90%.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2019 Changes

Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 Headcount Weighted Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2016 Generational Improvement Scale to the RP-2014 Headcount Weighted Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2018 Generational Improvement Scale.
- The retirement and withdrawal tables for public safety employees were updated.
- The discount rate was changed from 3.30% to 3.80%.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

- The discount rate used was the 20-year municipal bond index as the plan is not funding. This assumed rate decreased from 3.50% to 3.30%.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

FIRE RELIEF ASSOCIATION PENSION PLAN

2025 Changes

Plan Provisions – Benefit increase from \$9,800 to \$11,000.

2022 Changes

Plan Provisions – Benefit increase from \$9,000 to \$9,800.

2020 Changes

Plan Provisions – Benefit increase from \$8,500 to \$9,000.

No changes in actuarial assumptions were made in any of the years presented.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2025

BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General fund. The City also adopts a budget for the nonmajor governmental St. Croix Valley Recreation, Library Fund, Parks fund, Special Events fund, Community Beautification fund and Washington County Recycling Grant fund which are presented in the combining and individual fund section of the Annual Comprehensive Financial Report.

LEGAL COMPLIANCE - BUDGETS

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

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally approved by passage of a resolution.
4. The City Council may authorize transfer of budgeted amounts between funds and may approve additional expenditures for departments in excess of the amount budgeted.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and other budgeted funds. Formal budgetary integration is not employed for the debt service and the capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions and project contracts.

CITY OF STILLWATER, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1 BUDGETARY INFORMATION

- A. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. The budget is legally approved by passage of a resolution.
- D. The City Council may authorize transfer of budgeted amounts between funds and may approve additional expenditures for departments in excess of the amount budgeted.
- E. Formal budgetary integration is employed as a management control device during the year for the general fund and other budgeted funds. Formal budgetary integration is not employed for the debt service and the capital projects funds because effective budgetary control is achieved through general obligation bond indenture provisions and project contracts.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of budget at the fund level for the year ended December 31, 2025:

	<u>Amount</u>
St. Croix Valley Recreation Center Fund	\$ 234,925
Community Beautification Fund	116,946
Washington County Recycling Grant Fund	592
Special Events Fund	4,753

The additional expenditures were offset by the use of existing fund balance and greater than expected revenues.

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditures for a particular purpose.

Special Events Fund – to account for special events held within the City and sponsored by City civic organizations. Financing is primarily from the General fund and service charges

St. Croix Valley Rec Center- to account for the operations of the sports facility in Stillwater. Revenue sources for this fund are provided by the fees generated by the facility and are committed for operations.

Library Special Revenue Fund- to account for the operations of the City's Library. This fund is primarily funded with committed general property taxes.

Library Donations Fund – to account for funds received specifically used for library functions that are not part of the library operating budget.

Pandemic Relief Special Revenue Fund – to account for the federal money received to respond to the COVID-19 pandemic and the related expenditures.

Wick Estate Fund – to account for funds received specifically for uses described in the agreement between the City and the Wick Estate.

Parks Special Revenue Fund – The parks fund is used to account for the operations of the City's parks. This fund is primarily funded with committed general property taxes.

Lumberjack Landing Fund – to account for funds received specifically for uses surrounding a park improvement within the City titled Lumberjack Landing.

Park/Trail Dedication Fund – to account for fees paid by developers and legally restricted to capital outlay for City parks.

Park Maintenance Fund – to account for fees paid by developers for the maintenance of parks within the development area.

Community Beautification Fund – to account for funds associated with community-wide beautification.

Washington County Recycling Grant Fund – to account for funds received from Washington County to fund the recycling fund within the City.

Public Safety Programs Fund – to account for funds received for the City's public safety programs.

Lodging Tax – to account for funds received for lodging tax and disbursed to the *Greater Stillwater Area Convention and Visitor's Bureau* for the purpose of attracting tourism and convention business to the City.

Miscellaneous Grants Fund – to account for grant funds received and used to fund various projects/services within the City.

Capital Projects Funds

Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Emergency Management Fund – to account for grant funds received and used for emergency management activities, including flood mitigation.

Nonmajor Enterprise Funds

Lighting Fund – to account for the operation and maintenance of the City's lighting system.

General Parking Fund – to account for the operation of parking facilities located in downtown Stillwater.

CITY OF STILLWATER, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

Special Revenue											
200		202	230	220-229, 232-235	236	240	242	244	245	247	
Special Events	St Croix Valley Recreation Center	Library	Library Donations	Wick Estate	Parks	Affordable Housing	Lumberjack Landing	Park/Trail Dedication	Park Maintenance		
\$	-	\$ 2,734,732	\$ 284,932	\$ 206,238	\$ 8,706	\$ 451,937	\$ 365,859	\$ 2,295,265	\$ 1,550,663	\$ 152,213	
		5,075	636	463	22	1,686	349	5,557	2,632	306	
		14,695	1,688	46,079	-	7,737	-	12,393	-	-	
Special Assessments Receivable:											
		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
		-	10,000	-	-	389,000	-	-	-	-	
		-	31,370	3,060	1,405	17,249	-	-	-	-	
		1,356									

CITY OF STILLWATER, MINNESOTA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue							Capital Projects	
	251	252	255	260-270	281	285	290	110	Total Nonmajor Governmental Funds
	Community Beautification	Special Revenue Services District	Washington County Recycling Grant	Public Safety Programs	Pandemic Relief	Lodging Tax	Miscellaneous Grants	Emergency Management	
Cash and Pooled Investments	\$ 32,905	\$ 35,133	\$ 302,807	\$ 544,202	\$ 64,395	\$ 151,044	\$ 33	\$ 126,254	\$ 9,307,318
Accrued Interest Receivable	155	51	592	1,429	-	360	-	254	19,567
Accounts Receivable	-	-	-	-	-	-	892,331	-	974,923
Special Assessments Receivable:									
Delinquent	-	582	-	-	-	-	-	-	582
Due From County	-	566	-	-	-	-	-	-	566
Interfund Receivable	-	-	-	-	-	-	-	-	399,000
Prepaid Items	-	-	-	-	-	161	-	-	54,601
Total Assets	\$ 33,060	\$ 36,332	\$ 303,399	\$ 545,631	\$ 64,395	\$ 151,565	\$ 892,364	\$ 126,508	\$ 10,756,557
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 7,160	\$ 32	\$ -	\$ -	\$ 8,247	\$ -	\$ 194,478	\$ -	\$ 1,275,840
Contracts payable	-	-	-	-	56,148	-	-	-	56,148
Salaries Payable	-	-	-	-	-	418	-	-	98,254
Interfund Payable	-	-	-	-	-	-	562,000	-	575,915
Deposits Payable	-	-	-	-	-	-	-	-	14,004
Total Liabilities	7,160	32	-	-	64,395	418	756,478	-	2,020,161
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	15,082	-	-	-	-	-	-	15,582
FUND BALANCES									
Nonspendable	-	-	-	-	-	161	-	-	54,601
Restricted	-	21,218	303,399	545,631	-	150,986	135,886	-	5,913,595
Committed	25,900	-	-	-	-	-	-	-	2,634,225
Assigned	-	-	-	-	-	-	-	126,508	126,508
Unassigned	-	-	-	-	-	-	-	-	(8,115)
Total Fund Balances	25,900	21,218	303,399	545,631	-	151,147	135,886	126,508	8,720,814
Total Liabilities and Fund Balances	\$ 33,060	\$ 36,332	\$ 303,399	\$ 545,631	\$ 64,395	\$ 151,565	\$ 892,364	\$ 126,508	\$ 10,756,557

CITY OF STILLWATER, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue									
	200	202	230	220-229, 232-235	236	240	242	244	245	247
REVENUES	Special Events	St Croix Valley Recreation Center	Library	Library Donations	Wick Estate	Parks	Affordable Housing	Lumberjack Landing	Park/Trail Dedication	Park Maintenance
\$ 48,000	\$ -	\$ 1,658,084	\$ -	\$ -	\$ -	\$ 1,490,790	\$ -	\$ -	\$ -	\$ -
Property Taxes	-	-	-	-	-	-	-	-	-	-
Lodging Tax	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	7,800	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	263,645	-	-	-
Charges for Services	-	2,086,215	4,069	-	-	59,770	-	-	529,369	-
Fines and Forfeits	-	-	-	-	-	-	-	-	-	-
Investment Income	77	111,688	14,055	10,202	496	37,455	7,052	114,482	56,821	6,788
Donations	5,000	-	21,526	259,563	-	22,025	-	3,000	-	-
Miscellaneous	-	311,624	5,934	-	-	1,030	-	-	-	-
Total Revenues	53,077	2,509,527	1,703,668	269,765	496	1,618,870	270,697	117,482	586,190	6,788
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	64,753	1,976,874	1,653,449	255,578	1,349	1,578,657	359,156	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	4,492,485	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	106,058	-	-
Total Expenditures	64,753	1,976,874	1,653,449	255,578	1,349	1,578,657	359,156	4,598,543	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,676)	532,653	50,219	14,187	(853)	40,213	(88,459)	(4,481,061)	586,190	6,788
OTHER FINANCING SOURCES (USES)										
Transfers Out	-	(216,544)	(6,266)	(10,340)	-	-	-	-	-	-
Debt Issuance	-	-	-	-	-	-	-	5,269,005	-	-
Premiums on Debt Issued	-	-	-	-	-	-	-	439,530	-	-
Total Other Financing Sources (Uses)	-	(216,544)	(6,266)	(10,340)	-	-	-	5,708,535	-	-
NET CHANGE IN FUND BALANCES	(11,676)	316,109	43,953	3,847	(853)	40,213	(88,459)	1,227,474	586,190	6,788
Fund Balances - Beginning of Year, as Originally Reported	3,561	-	-	205,072	10,986	721,517	95,511	857,067	967,105	145,731
Change in Fund Presentation from Major to Nonmajor (See Note 13)	-	2,074,095	206,894	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, as Adjusted	3,561	2,074,095	206,894	205,072	10,986	721,517	95,511	857,067	967,105	145,731
FUND BALANCES - END OF YEAR	\$ (8,115)	\$ 2,390,204	\$ 250,847	\$ 208,919	\$ 10,133	\$ 761,730	\$ 7,052	\$ 2,084,541	\$ 1,553,295	\$ 152,519

CITY OF STILLWATER, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue							Capital Projects	
	251	252	255	260-270	281	285	290	110	Total
	Community Beautification	Special Revenue Services District	Washington County Recycling Grant	Public Safety Programs	Pandemic Relief	Lodging Tax	Miscellaneous Grants	Emergency Management	Nonmajor Governmental Funds
REVENUES									
Property Taxes	\$ 69,000	\$ 221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,266,095
Lodging Tax	-	-	-	-	-	479,065	-	-	479,065
Licenses and Permits	-	-	-	-	-	-	-	-	7,800
Special Assessments	-	50,918	-	-	-	-	-	-	50,918
Intergovernmental	-	-	36,360	-	283,235	-	1,369,877	-	1,953,117
Charges for Services	-	-	-	(448)	-	-	-	-	2,678,975
Fines and Forfeits	-	-	-	2,272	-	-	-	-	2,272
Investment Income	3,382	1,091	12,991	33,030	-	7,886	790	5,050	423,336
Donations	35,000	-	-	2,176	-	-	16,675	-	364,965
Miscellaneous	-	-	-	-	-	-	6,600	-	325,188
Total Revenues	107,382	52,230	49,351	37,030	283,235	486,951	1,393,942	5,050	9,551,731
EXPENDITURES									
Current:									
General Government	-	-	-	-	162,607	466,356	997,658	-	1,626,621
Public Safety	-	-	-	54,001	64,328	-	1,374	-	119,703
Public Works	-	-	27,142	-	-	-	-	308	27,450
Culture and Recreation	145,946	56,462	-	-	-	-	164,599	-	6,256,823
Economic Development	-	-	-	-	-	-	25,153	-	25,153
Capital Outlay	-	-	-	-	-	-	-	-	4,492,485
Debt Service:									
Principal	-	-	-	-	56,300	-	-	-	56,300
Other	-	-	-	-	-	-	-	-	106,058
Total Expenditures	145,946	56,462	27,142	54,001	283,235	466,356	1,188,784	308	12,710,593
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(38,564)	(4,232)	22,209	(16,971)	-	20,595	205,158	4,742	(3,158,862)
OTHER FINANCING SOURCES (USES)									
Transfers Out	-	-	-	(130,000)	-	-	-	-	(363,150)
Debt Issuance	-	-	-	-	-	-	-	-	5,269,005
Premiums on Debt Issued	-	-	-	-	-	-	-	-	439,530
Total Other Financing Sources (Uses)	-	-	-	(130,000)	-	-	-	-	5,345,385
NET CHANGE IN FUND BALANCES	(38,564)	(4,232)	22,209	(146,971)	-	20,595	205,158	4,742	2,186,523
Fund Balances - Beginning of Year, as Originally Reported	64,464	25,450	281,190	692,602	-	130,552	(69,272)	121,766	4,253,302
Change in Fund Presentation from Major to Nonmajor (See Note 13)	-	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year, as Adjusted	64,464	25,450	281,190	692,602	-	130,552	(69,272)	121,766	4,253,302
FUND BALANCES - END OF YEAR	25,900	21,218	303,399	545,631	-	151,147	135,886	\$ 126,508	\$ 8,720,814

CITY OF STILLWATER, MINNESOTA

**COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUNDS
December 31, 2025**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	710	720, 725	Total	
	Lighting	Parking Lot	Nonmajor Enterprise Funds	
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 804,483	\$ 935,471	\$ 1,739,954	
Accrued Interest Receivable	1,345	1,645	2,990	
Accounts Receivable	178,589	13,251	191,840	
Interfund Receivable	-	79,000	79,000	
Prepaid Items	1,158	7,707	8,865	
Total Current Assets	<u>985,575</u>	<u>1,037,074</u>	<u>2,022,649</u>	
CAPITAL ASSETS				
Land	-	122,919	122,919	
Building and Other Improvements	-	39,576	39,576	
Improvements Other Than Building	50,528	1,628,483	1,679,011	
Machinery and Equipment	135,110	36,101	171,211	
Vehicles	77,376	6,200	83,576	
Right-to-Use Assets	-	5,350	5,350	
Less: Accumulated Depreciation and Amortization	(168,448)	(1,070,608)	(1,239,056)	
Capital Assets, Net	<u>94,566</u>	<u>768,021</u>	<u>862,587</u>	
Total Assets	1,080,141	1,805,095	2,885,236	
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Pensions	1,453	7,791	9,244	
Deferred Outflows - OPEB	4,125	22,114	26,239	
Total Deferred Outflows of Resources	<u>5,578</u>	<u>29,905</u>	<u>35,483</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 1,085,719</u>	<u>\$ 1,835,000</u>	<u>\$ 2,920,719</u>	

CITY OF STILLWATER, MINNESOTA

COMBINING BALANCE SHEET (CONTINUED)

NONMAJOR PROPRIETARY FUNDS

December 31, 2025

	710	720, 725	Total
	Lighting	Parking Lot	Nonmajor Enterprise Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 23,235	\$ 3,910	\$ 27,145
Contracts Payable	-	1,275	1,275
Salaries Payable	1,031	9,593	10,624
Compensated Absences Payable	813	3,259	4,072
Current Maturities of Leases Payable	-	789	789
Other Postemployment Benefits	859	4,604	5,463
Total Current Liabilities	25,938	23,430	49,368
NONCURRENT LIABILITIES			
Compensated Absences	5,006	35,825	40,831
Other Postemployment Benefits	14,641	78,485	93,126
Net Pension Liability	5,902	31,639	37,541
Total Noncurrent Liabilities	25,549	145,949	171,498
Total Liabilities	51,487	169,379	220,866
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pensions	3,857	20,673	24,530
Deferred Inflows - OPEB	3,562	19,096	22,658
Total Deferred Inflows of Resources	7,419	39,769	47,188
NET POSITION			
Net Investment in Capital Assets	94,566	767,232	861,798
Unrestricted	932,247	858,620	1,790,867
Total Net Position	1,026,813	1,625,852	2,652,665
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,085,719	\$ 1,835,000	\$ 2,920,719

CITY OF STILLWATER, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
Year Ended December 31, 2025**

	710	720, 725	Total
	Lighting	Parking Lot	Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for Services	\$ 664,235	\$ 510,162	\$ 1,174,397
OPERATING EXPENSES			
Personnel Services	13,926	82,668	96,594
Supplies	15,420	31,026	46,446
Other Services and Charges	260,417	65,596	326,013
Miscellaneous	21,722	25,502	47,224
Depreciation and Amortization	5,555	91,099	96,654
Total Operating Expenses	<u>317,040</u>	<u>295,891</u>	<u>612,931</u>
INCOME FROM OPERATIONS	347,195	214,271	561,466
NONOPERATING REVENUES (EXPENSES)			
Investment Income	28,144	36,739	64,883
Interest Expense	-	(190)	(190)
Other Income	13,441	402	13,843
Total Nonoperating Revenues (Expenses)	<u>41,585</u>	<u>36,951</u>	<u>78,536</u>
INCOME BEFORE TRANSFERS	388,780	251,222	640,002
TRANSFERS			
Transfers Out	-	(94,803)	(94,803)
CHANGE IN NET POSITION	388,780	156,419	545,199
Net Position - Beginning of Year, as Originally Reported	-	-	-
Change in Fund Presentation from Major to Nonmajor (See Note 13)	638,033	1,469,433	2,107,466
Net Position - Beginning of Year, as Adjusted	<u>638,033</u>	<u>1,469,433</u>	<u>2,107,466</u>
NET POSITION - END OF YEAR	<u>\$ 1,026,813</u>	<u>\$ 1,625,852</u>	<u>\$ 2,652,665</u>

CITY OF STILLWATER, MINNESOTA

**STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
Year Ended December 31, 2025**

	710 Lighting	720, 725 Parking Lot	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 657,282	\$ 492,785	\$ 1,150,067
Payments to Suppliers	(293,522)	(59,969)	(353,491)
Payments to Employees	(21,980)	(120,096)	(142,076)
Net Cash Provided by Operating Activities	<u>341,780</u>	<u>312,720</u>	<u>654,500</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(21,659)	(4,560)	(26,219)
Transfer to Other Funds	-	(94,803)	(94,803)
Interest Paid	-	(190)	(190)
Proceeds from Taxes, Assessments, and Connections	13,441	402	13,843
Net Cash Used by Capital and Related Financing Activities	<u>(8,218)</u>	<u>(99,151)</u>	<u>(107,369)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	<u>27,389</u>	<u>36,765</u>	<u>64,154</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>360,951</u>	<u>250,334</u>	<u>611,285</u>
Cash and Cash Equivalents - Beginning of Year	<u>443,532</u>	<u>685,137</u>	<u>1,128,669</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 804,483</u>	<u>\$ 935,471</u>	<u>\$ 1,739,954</u>

CITY OF STILLWATER, MINNESOTA

STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR PROPRIETARY FUNDS
Year Ended December 31, 2025

	710 Lighting	720, 725 Parking Lot	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 347,195	\$ 214,271	\$ 561,466
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	5,555	91,099	96,654
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	(6,953)	(12,351)	(19,304)
Due from Other Funds	-	62,000	62,000
Due from Other Governments			-
Prepaid Items	(70)	(1,634)	(1,704)
Deferred Outflows - Pensions	(79)	(448)	(527)
Deferred Outflows - OPEB	(1,699)	(9,147)	(10,846)
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts and Contracts Payable	4,107	1,789	5,896
Salaries Payable	86	35	121
Unearned Revenue	-	(5,026)	(5,026)
Compensated Absences Payable	(2,279)	(6,466)	(8,745)
Total OPEB Liability	1,399	7,707	9,106
Deferred Inflows - OPEB	(3,952)	(21,072)	(25,024)
Net Pension Liability	(726)	(3,792)	(4,518)
Deferred Inflows - Pensions	(804)	(4,245)	(5,049)
Total Adjustments	(5,415)	98,449	93,034
Net Cash Provided by Operating Activities	\$ 341,780	\$ 312,720	\$ 654,500
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES			
Change in Fair Value of Investments	\$ 2,284	\$ 2,793	\$ 5,077

(115)

CITY OF STILLWATER, MINNESOTA**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – PARKS FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,490,790	\$ 1,490,790	\$ -
Licenses and Permits	-	7,800	7,800
Charges for Services	39,000	59,770	20,770
Investment Income	-	37,455	37,455
Donations	10,000	22,025	12,025
Miscellaneous	-	1,030	1,030
Total Revenues	<u>1,539,790</u>	<u>1,618,870</u>	<u>79,080</u>
EXPENDITURES			
Current:			
Culture and Recreation	<u>1,669,790</u>	<u>1,578,657</u>	<u>91,133</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (130,000)</u></u>	<u>40,213</u>	<u><u>\$ 170,213</u></u>
Fund Balance - Beginning of Year		<u>721,517</u>	
FUND BALANCE - END OF YEAR		<u><u>\$ 761,730</u></u>	

CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL EVENTS FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 48,000	\$ 48,000	\$ -
Investment Income	-	77	77
Donations	12,000	5,000	(7,000)
Total Revenues	<u>60,000</u>	<u>53,077</u>	<u>(6,923)</u>
EXPENDITURES			
Current:			
Culture and Recreation	<u>60,000</u>	<u>64,753</u>	<u>(4,753)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(11,676)</u>	<u>\$ (11,676)</u>
Fund Balance - Beginning of Year		<u>3,561</u>	
FUND BALANCE - END OF YEAR		<u>\$ (8,115)</u>	

CITY OF STILLWATER, MINNESOTA**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ST. CROIX VALLEY RECREATION CENTER FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 1,819,060	\$ 2,086,215	\$ 267,155
Investment Income	-	111,688	111,688
Miscellaneous	300,983	311,624	10,641
Total Revenues	<u>2,120,043</u>	<u>2,509,527</u>	<u>389,484</u>
EXPENDITURES			
Current:			
Culture and Recreation:			
Recreation Center Ice Arena	1,111,206	1,224,672	(113,466)
Recreation Center Fieldhouse	289,959	372,149	(82,190)
Lily Lake Ice Arena	340,784	380,053	(39,269)
Total Expenditures	<u>1,741,949</u>	<u>1,976,874</u>	<u>(234,925)</u>
EXCESS OF REVENUES OVER EXPENDITURES	378,094	532,653	154,559
OTHER FINANCING USES			
Transfers Out	<u>(376,975)</u>	<u>(216,544)</u>	<u>160,431</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,119</u>	316,109	<u>\$ 314,990</u>
Fund Balance - Beginning of Year		<u>2,074,095</u>	
FUND BALANCE - END OF YEAR		<u>\$ 2,390,204</u>	

CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – LIBRARY FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,658,084	\$ 1,658,084	\$ -
Charges for Services	4,920	4,069	(851)
Investment Income	-	14,055	14,055
Donations	18,667	21,526	2,859
Miscellaneous	6,200	5,934	(266)
Total Revenues	1,687,871	1,703,668	15,797
EXPENDITURES			
Current:			
Culture and Recreation			
Operations	1,386,890	1,334,069	52,821
Plant	302,155	319,380	(17,225)
Total Expenditures	1,689,045	1,653,449	35,596
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,174)	50,219	51,393
OTHER FINANCING USES			
Transfers Out	-	(6,266)	(6,266)
NET CHANGE IN FUND BALANCE	<u>\$ (1,174)</u>	43,953	<u>\$ 51,393</u>
Fund Balance - Beginning of Year		206,894	
FUND BALANCE - END OF YEAR		<u>\$ 250,847</u>	

CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COMMUNITY BEAUTIFICATION FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 69,000	\$ 69,000	\$ -
Investment Income	1,205	3,382	2,177
Donations	-	35,000	35,000
Total Revenues	<u>70,205</u>	<u>107,382</u>	<u>37,177</u>
EXPENDITURES			
Culture and Recreation	<u>29,000</u>	<u>145,946</u>	<u>(116,946)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 41,205</u>	<u>(38,564)</u>	<u>\$ (79,769)</u>
Fund Balance - Beginning of Year		<u>64,464</u>	
FUND BALANCE - END OF YEAR		<u>\$ 25,900</u>	

CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – WASHINGTON COUNTY RECYCLING GRANT FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 35,650	\$ 36,360	\$ 710
Investment Income	-	12,991	12,991
Total Revenues	35,650	49,351	13,701
EXPENDITURES			
Public Works	26,550	27,142	(592)
NET CHANGE IN FUND BALANCE	<u>\$ 9,100</u>	22,209	<u>\$ 13,109</u>
Fund Balance - Beginning of Year		<u>281,190</u>	
FUND BALANCE - END OF YEAR		<u>\$ 303,399</u>	

CITY OF STILLWATER, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – LODGING TAX FUND
Year Ended December 31, 2025**

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Lodging Tax	\$ 350,000	\$ 479,065	\$ 129,065
Investment Income	5,000	7,886	2,886
Total Revenues	<u>355,000</u>	<u>486,951</u>	<u>131,951</u>
EXPENDITURES			
General Government	<u>343,395</u>	<u>466,356</u>	<u>(122,961)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 11,605</u>	<u>20,595</u>	<u>\$ 8,990</u>
Fund Balance - Beginning of Year		<u>130,552</u>	
FUND BALANCE - END OF YEAR		<u>\$ 151,147</u>	

CITY OF STILLWATER, MINNESOTA

COMBINING SCHEDULE OF SPECIAL REVENUE FUND – LIBRARY DONATIONS FUND
BALANCE SHEET
December 31, 2025

	220	221	222	223	224	226	227
	Minerva	Mcluer-Webster	Hollis R. Murdock	Personnel Grant	Helen Lawson	Doctor H. Van Meier	Gifts
ASSETS							
Cash and Pooled Investments	\$ 26,624	\$ 11,306	\$ 1,944	\$ 425	\$ 67,059	\$ 1,463	\$ 33,523
Accrued Interest Receivable	57	23	-	-	139	-	73
Accounts Receivable	-	-	-	-	-	-	-
Prepaid Items	-	-	-	363	-	-	-
Total Assets	\$ 26,681	\$ 11,329	\$ 1,944	\$ 788	\$ 67,198	\$ 1,463	\$ 33,596
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ 437	\$ -	\$ -	\$ -	\$ 297	\$ -	\$ 3,476
Due to Other Funds	-	-	-	-	-	-	-
Accrued Salaries	-	-	-	3,458	-	-	-
Total Liabilities	437	-	-	3,458	297	-	3,476
FUND BALANCES							
Nonspendable	-	-	-	363	-	-	-
Restricted	26,244	11,329	1,944	-	66,901	1,463	30,120
Unassigned	-	-	-	(3,033)	-	-	-
Total Fund Balance	26,244	11,329	1,944	(2,670)	66,901	1,463	30,120
Total Liabilities and Fund Balance	\$ 26,681	\$ 11,329	\$ 1,944	\$ 788	\$ 67,198	\$ 1,463	\$ 33,596

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF SPECIAL REVENUE FUND – LIBRARY DONATIONS FUND
BALANCE SHEET (CONTINUED)
December 31, 2025**

ASSETS

	229 Friends of Stillwater Library	232 Stillwater Library Foundation	233 Kilty	234 The Whitson Fund	235 Miscellaneous Donations	Total Library Donations
Cash and Pooled Investments	\$ 2,912	\$ 730	\$ 41,192	\$ 15	\$ 19,045	\$ 206,238
Accrued Interest Receivable	18	26	83	-	44	463
Accounts Receivable	-	44,579	-	-	1,500	46,079
Prepaid Items	-	2,697	-	-	-	3,060
Total Assets	<u>\$ 2,930</u>	<u>\$ 48,032</u>	<u>\$ 41,275</u>	<u>\$ 15</u>	<u>\$ 20,589</u>	<u>\$ 255,840</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 2,456	\$ 26,785	\$ -	\$ -	\$ 12	\$ 33,463
Due to Other Funds	-	10,000	-	-	-	10,000
Accrued Salaries	-	-	-	-	-	3,458
Total Liabilities	<u>2,456</u>	<u>36,785</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>46,921</u>

FUND BALANCES

Nonspendable	-	2,697	-	-	-	3,060
Restricted	474	8,550	41,275	15	20,577	208,892
Unassigned	-	-	-	-	-	(3,033)
Total Fund Balance	<u>474</u>	<u>11,247</u>	<u>41,275</u>	<u>15</u>	<u>20,577</u>	<u>208,919</u>
Total Liabilities and Fund Balance	<u>\$ 2,930</u>	<u>\$ 48,032</u>	<u>\$ 41,275</u>	<u>\$ 15</u>	<u>\$ 20,589</u>	<u>\$ 255,840</u>

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF SPECIAL REVENUE FUND – LIBRARY DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2025

	220	221	222	223	224	226	227
	Minerva	Mcluer-Webster	Hollis R. Murdock	Personnel Grant	Helen Lawson	Doctor H. Van Meier	Gifts
REVENUES							
Investment Income	\$ 1,259	\$ 507	\$ 9	\$ -	\$ 3,124	\$ 7	\$ 1,602
Donations	-	-	-	-	10,444	-	5,000
Total Revenues	1,259	507	9	-	13,568	7	6,602
EXPENDITURES							
Personnel Services	-	-	-	72,289	-	-	-
Supplies	-	-	-	-	-	-	-
Miscellaneous	2,250	-	-	-	10,235	-	10,414
Total Expenditures	2,250	-	-	72,289	10,235	-	10,414
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(991)	507	9	(72,289)	3,333	7	(3,812)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	72,289	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	72,289	-	-	-
NET CHANGE IN FUND BALANCES	(991)	507	9	-	3,333	7	(3,812)
Fund Balances - Beginning of Year	27,235	10,822	1,935	(2,670)	63,568	1,456	33,932
FUND BALANCES - END OF YEAR	\$ 26,244	\$ 11,329	\$ 1,944	\$ (2,670)	\$ 66,901	\$ 1,463	\$ 30,120

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF SPECIAL REVENUE FUND – LIBRARY DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
Year Ended December 31, 2025**

	229	232	233	234	235	Total
	Friends of Stillwater Library	Stillwater Library Foundation	Kilty	The Whitson Fund	Miscellaneous Donations	Library Donations
REVENUES						
Investment income	354	524	1,837	-	979	\$ 10,202
Donations	15,000	220,651	-	-	8,468	259,563
Total revenues	15,354	221,175	1,837	-	9,447	269,765
EXPENDITURES						
Personnel services	-	-	-	-	-	72,289
Supplies	-	31,936	-	-	3,008	34,944
Miscellaneous	14,812	106,087	-	-	4,547	148,345
Total expenditures	14,812	138,023	-	-	7,555	255,578
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	542	83,152	1,837	-	1,892	14,187
OTHER FINANCING USES						
Transfer in	-	-	-	-	-	72,289
Transfer out	-	(82,629)	-	-	-	(82,629)
Total other financing sources (uses)	-	(82,629)	-	-	-	(10,340)
NET CHANGE IN FUND BALANCE	542	523	1,837	-	1,892	3,847
Fund Balance - Beginning	(68)	10,724	39,438	15	18,685	205,072
FUND BALANCE - ENDING	474	11,247	41,275	15	20,577	\$ 208,919

CITY OF STILLWATER, MINNESOTA

COMBINING SCHEDULE OF DEBT SERVICE FUND
BALANCE SHEET
December 31, 2025

	312	314	318	319	320	321	322
	\$6,355,000 C.O. Bonds of 2012A	\$9,215,000 C.O. Bonds of 2014A	\$5,935,000 C.O. Bonds of 2018	\$1,005,000 C.O. Bonds of 2009B	Local Sales Tax	\$2,455,000 C.O. Bonds of 2021A	\$3,965,000 C.O. Bonds of 2022A
ASSETS							
Cash and Pooled Investments	\$ 354,886	\$ 764,053	\$ 779,340	\$ 106,864	\$ 1,172,276	\$ 782,140	\$ 1,074,491
Accrued Interest Receivable	715	1,005	685	-	620	1,098	1,478
Accounts Receivable	-	-	-	-	598,739	-	-
Taxes Receivable:							
Delinquent	-	4,627	4,190	-	-	4,866	6,434
Due from County	7	909	895	-	-	752	1,083
	<u>355,608</u>	<u>770,594</u>	<u>785,110</u>	<u>106,864</u>	<u>1,771,635</u>	<u>788,856</u>	<u>1,083,486</u>
Total Assets	\$ 355,608	\$ 770,594	\$ 785,110	\$ 106,864	\$ 1,771,635	\$ 788,856	\$ 1,083,486
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	4,627	4,190	-	224,644	4,866	6,434
	<u>355,608</u>	<u>765,967</u>	<u>780,920</u>	<u>106,864</u>	<u>1,546,991</u>	<u>783,990</u>	<u>1,077,052</u>
FUND BALANCES							
Restricted							

CITY OF STILLWATER, MINNESOTA

COMBINING SCHEDULE OF DEBT SERVICE FUND
BALANCE SHEET (CONTINUED)
December 31, 2025

	360	376	576	385	389	334	Total Debt Service Fund
	\$2,450,000 TIF Bonds of 2016B	\$6,585,000 TIF Bonds 2016C	Escrow Bonds 2016C	\$2,695,000 G.O. Sports Ctr Bonds of 2005C	\$1,420,000 Revenue Bonds of 2009C	2024 G.O. Bonds	
ASSETS							
Cash and Pooled Investments	\$ 50,087	\$ 62,514	\$ -	\$ 171,466	\$ 275,204	\$ 947,756	\$ 10,452,039
Accrued Interest Receivable	-	-	-	-	-	1,227	12,512
Accounts Receivable	-	-	-	-	-	-	598,739
Taxes Receivable:							
Delinquent	-	-	-	-	-	6,868	43,852
Due from County	-	-	-	-	-	1,080	8,072
Total Assets	\$ 50,087	\$ 62,514	\$ -	\$ 171,466	\$ 275,204	\$ 956,931	\$ 11,115,214
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 4,500	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ 13,150
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	-	-	-	-	3,470	268,496
FUND BALANCES							
Restricted	45,587	54,414	-	171,466	275,204	953,461	10,833,568
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 50,087	\$ 62,514	\$ -	\$ 171,466	\$ 275,204	\$ 956,931	\$ 11,115,214

CITY OF STILLWATER, MINNESOTA

COMBINING SCHEDULE OF DEBT SERVICE FUND
BALANCE SHEET (CONTINUED)
December 31, 2025

	360	376	576	385	389	334	Total
	\$2,450,000	\$6,585,000	Escrow	\$2,695,000	\$1,420,000	Debt	Debt
	TIF	TIF	Bonds	G.O. Sports	Revenue	Service	Service
	Bonds of	Bonds	2016C	Ctr Bonds of	Bonds of	Fund	Fund
	2016B	2016C	2016C	2005C	2009C		
ASSETS							
Cash and Pooled Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funds Held in Escrow	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-
Taxes Receivable:							
Delinquent	-	-	-	-	-	-	-
Due from County	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES							
Restricted	-	-	-	-	-	-	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2025**

	312	314	318	319	320	321	322
	\$6,355,000 C.O. Bonds of 2012A	\$9,215,000 C.O. Bonds of 2014A	\$5,935,000 C.O. Bonds of 2018	\$1,005,000 C.O. Bonds of 2009B	Local Sales Tax	\$2,455,000 C.O. Bonds of 2021A	C.O. Bonds of 2022A
REVENUES							
Property Taxes	\$ 96	\$ 474,035	\$ 473,855	\$ -	\$ -	\$ 397,889	\$ 571,865
Local Option Sales Tax	-	-	-	-	1,568,018	-	-
Investment Income	15,836	22,238	13,603	-	12,303	21,799	32,733
Total Revenues	15,932	496,273	487,458	-	1,580,321	419,688	604,598
EXPENDITURES							
Current:							
Economic Development	-	-	-	-	33,330	-	-
Debt Service:							
Principal	-	265,000	495,000	-	-	280,000	420,000
Interest	-	184,416	99,285	-	-	95,500	134,000
Paying Agent Fees	-	750	600	-	-	550	573
Miscellaneous	300	300	301	-	-	300	300
Total Expenditures	300	450,466	595,186	-	33,330	376,350	554,873
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,632	45,807	(107,728)	-	1,546,991	43,338	49,725
OTHER FINANCING SOURCES							
Other Sources	-	-	-	-	-	-	-
Transfers In	-	-	164,975	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	164,975	-	-	-	-
NET CHANGE IN FUND BALANCES	15,632	45,807	57,247	-	1,546,991	43,338	49,725
Fund Balances - Beginning of Year	339,976	720,160	723,673	106,864	-	740,652	1,027,327
FUND BALANCES - END OF YEAR	\$ 355,608	\$ 765,967	\$ 780,920	\$ 106,864	\$ 1,546,991	\$ 783,990	\$ 1,077,052

CITY OF STILLWATER, MINNESOTA

COMBINING SCHEDULE OF DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
Year Ended December 31, 2025

	323	324	325	326	327	339	329
	\$4,955,000		\$6,505,000	\$6,505,000	\$3,405,000	\$2,770,000	\$4,095,000
	Bonds of	C.O.	Bonds of	Bonds of	C.O.	Bonds of	C.O.
	2023A	Amory	2016A	2016A	2017A	2019A	2009D
		Land					
REVENUES							
Property Taxes	\$ 579,694	\$ -	\$ 371,464	\$ 238,039	\$ 172,151	\$ 423,767	\$ 5
Local Option Sales Tax	-	-	-	-	-	-	-
Investment Income	21,691	4,370	4,276	35,804	11,005	11,938	37,428
Total Revenues	601,385	4,370	375,740	273,843	183,156	435,705	37,433
EXPENDITURES							
Current:							
Economic Development	-	-	-	-	-	-	-
Debt Service:							
Principal	415,000	-	-	205,000	350,000	350,000	-
Interest	234,875	-	-	21,250	24,260	52,000	-
Paying Agent Fees	550	-	-	600	575	600	-
Miscellaneous	300	-	-	300	300	300	-
Total Expenditures	650,725	-	-	227,150	375,135	402,900	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,340)	4,370	375,740	46,693	(191,979)	32,805	37,433
OTHER FINANCING SOURCES							
Other Sources	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(49,340)	4,370	375,740	46,693	(191,979)	32,805	37,433
Fund Balances - Beginning of Year	836,158	90,997	-	905,208	523,642	500,935	803,382
FUND BALANCES - END OF YEAR	\$ 786,818	\$ 95,367	\$ 375,740	\$ 951,901	\$ 331,663	\$ 533,740	\$ 840,815

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
Year Ended December 31, 2025**

	360	376	576	385	389	334	Total
	\$2,450,000	\$6,585,000	Escrow	\$2,695,000	\$1,420,000	2024 G.O.	Debt
	TIF	Bonds	Bonds	Bonds of	Bonds of	Bonds	Service
	2016B	2016C	2016C	2005C	2009C		Fund
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573,776	\$ 4,276,636
Local Option Sales Tax	-	-	-	-	-	-	1,568,018
Investment Income	-	-	7,230	-	-	25,131	277,385
Total Revenues	-	-	7,230	-	-	598,907	6,122,039
EXPENDITURES							
Current:							
Economic Development	-	-	-	-	-	-	33,330
Debt Service:							
Principal	1,430,000	3,285,000	-	-	-	-	7,495,000
Interest	43,528	135,348	-	-	-	138,511	1,162,973
Paying Agent Fees	1,200	-	-	-	-	500	6,498
Miscellaneous	8,550	12,150	-	-	-	300	23,701
Total Expenditures	1,483,278	3,432,498	-	-	-	139,311	8,721,502
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,483,278)	(3,432,498)	7,230	-	-	459,596	(2,599,463)
OTHER FINANCING SOURCES							
Other Sources	33,865	-	-	-	-	-	33,865
Transfers In	1,453,913	3,432,498	-	-	-	-	5,051,386
Transfers Out	-	-	(344,287)	-	-	-	(344,287)
Total Other Financing Sources	1,487,778	3,432,498	(344,287)	-	-	-	4,740,964
NET CHANGE IN FUND BALANCES	4,500	-	(337,057)	-	-	459,596	2,141,501
Fund Balances - Beginning of Year	41,087	54,414	337,057	171,466	275,204	493,865	8,692,067
FUND BALANCES - END OF YEAR	\$ 45,587	\$ 54,414	\$ -	\$ 171,466	\$ 275,204	\$ 953,461	\$ 10,833,568

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF TIF DISTRICTS FUND – BY DISTRICT
BALANCE SHEET
December 31, 2025**

	461 TIF District #1 (Decertified)	464 TIF District #4 (Decertified)	468 TIF District #8	469 TIF District #9	470 TIF District #10
ASSETS					
Cash and Pooled Investments	\$ 56,442	\$ 3,164,939	\$ 291,898	\$ 283,165	\$ 3,691,252
Accrued Interest Receivable	104	6,248	-	453	9,915
Taxes Receivable:					
Delinquent	-	-	-	-	31,900
Special Assessments Receivable:					
Noncurrent	14,754	-	-	-	-
Interfund Receivable	-	62,400	-	-	-
Total Assets	<u>\$ 71,300</u>	<u>\$ 3,233,587</u>	<u>\$ 291,898</u>	<u>\$ 283,618</u>	<u>\$ 3,733,067</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ 72,750	\$ 9,269
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	14,754	-	-	-	31,900
FUND BALANCES					
Restricted	<u>56,546</u>	<u>3,233,587</u>	<u>291,898</u>	<u>210,868</u>	<u>3,691,898</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 71,300</u>	<u>\$ 3,233,587</u>	<u>\$ 291,898</u>	<u>\$ 283,618</u>	<u>\$ 3,733,067</u>

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF TIF DISTRICTS FUND – BY DISTRICT
BALANCE SHEET (CONTINUED)
December 31, 2025**

	471 TIF District #11	472 TIF District #12	473 TIF District #13	474 TIF District #14	Total TIF Districts
ASSETS					
Cash and Pooled Investments	\$ (172,194)	\$ 125,527	\$ 48,832	\$ 108,312	\$ 7,598,173
Accrued Interest Receivable	-	48	-	-	16,768
Taxes Receivable:					
Delinquent	-	-	-	-	31,900
Special Assessments Receivable:					
Noncurrent	-	-	-	-	14,754
Interfund Receivable	-	-	-	-	62,400
Total Assets	<u>\$ (172,194)</u>	<u>\$ 125,575</u>	<u>\$ 48,832</u>	<u>\$ 108,312</u>	<u>\$ 7,723,995</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 64,712	\$ 103,368	\$ 53,462	\$ 96,146	\$ 399,707
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	46,654
FUND BALANCES					
Restricted	<u>(236,906)</u>	<u>22,207</u>	<u>(4,630)</u>	<u>12,166</u>	<u>7,277,634</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ (172,194)</u>	<u>\$ 125,575</u>	<u>\$ 48,832</u>	<u>\$ 108,312</u>	<u>\$ 7,723,995</u>

CITY OF STILLWATER, MINNESOTA

COMBINING SCHEDULE OF TIF DISTRICTS FUND-BY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended December 31, 2025

	461 TIF District #1 (Decertified)	464 TIF District #4 (Decertified)	468 TIF District #8	469 TIF District #9	470 TIF District #10
REVENUES					
Tax Increment	\$ -	\$ -	\$ -	\$ 68,766	\$ 1,282,729
Special Assessments	8,096	-	-	-	-
Investment Income	2,270	140,594	1,408	9,962	226,346
Total Revenues	<u>10,366</u>	<u>140,594</u>	<u>1,408</u>	<u>78,728</u>	<u>1,509,075</u>
EXPENDITURES					
Current:					
Economic Development	949	1,765	105	62,284	29,261
Debt Service:					
Interest	-	-	-	12,750	-
Total Expenditures	<u>949</u>	<u>1,765</u>	<u>105</u>	<u>75,034</u>	<u>29,261</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,417	138,829	1,303	3,694	1,479,814
OTHER FINANCING USES					
Transfers Out	-	-	-	-	(4,542,124)
NET CHANGE IN FUND BALANCES	9,417	138,829	1,303	3,694	(3,062,310)
Fund Balances - Beginning of Year	47,129	3,094,758	290,595	207,174	6,754,208
FUND BALANCES - END OF YEAR	<u>\$ 56,546</u>	<u>\$ 3,233,587</u>	<u>\$ 291,898</u>	<u>\$ 210,868</u>	<u>\$ 3,691,898</u>

CITY OF STILLWATER, MINNESOTA

**COMBINING SCHEDULE OF TIF DISTRICTS FUND-BY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
Year Ended December 31, 2025**

	471 TIF District #11	472 TIF District #12	473 TIF District #13	474 TIF District #14	Total TIF Districts
REVENUES					
Tax Increment	\$ 172,565	\$ 229,707	\$ 118,805	\$ 213,657	\$ 2,086,229
Special Assessments	-	-	-	-	8,096
Investment Income	-	999	-	48	381,627
Total Revenues	<u>172,565</u>	<u>230,706</u>	<u>118,805</u>	<u>213,705</u>	<u>2,475,952</u>
EXPENDITURES					
Current:					
Economic Development	132,770	209,976	110,986	195,326	743,422
Debt Service:					
Interest	-	-	-	-	12,750
Total Expenditures	<u>132,770</u>	<u>209,976</u>	<u>110,986</u>	<u>195,326</u>	<u>756,172</u>
EXCESS OF REVENUES OVER EXPENDITURES	39,795	20,730	7,819	18,379	1,719,780
OTHER FINANCING USES					
Transfers Out	-	-	-	-	(4,542,124)
NET CHANGE IN FUND BALANCES	39,795	20,730	7,819	18,379	(2,822,344)
Fund Balances - Beginning of Year	<u>(276,701)</u>	<u>1,477</u>	<u>(12,449)</u>	<u>(6,213)</u>	<u>10,099,978</u>
FUND BALANCES - END OF YEAR	<u>\$ (236,906)</u>	<u>\$ 22,207</u>	<u>\$ (4,630)</u>	<u>\$ 12,166</u>	<u>\$ 7,277,634</u>

STATISTICAL SECTION

This part of the City of Stillwater's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	137
<u>Revenue Capacity</u>	
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	145
<u>Debt Capacity</u>	
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	151
<u>Demographic and Economic Information</u>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	156
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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF STILLWATER, MINNESOTA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net investment in Capital Assets	\$ 71,049,412	\$ 74,085,103	\$ 74,547,220	\$ 80,248,654	\$ 81,501,522
Restricted	25,170,874	29,073,515	30,897,232	27,196,289	24,295,944
Unrestricted	(13,610,309)	(13,746,861)	(29,102,791)	(25,348,798)	(21,916,890)
Total Governmental Activities Net Position	<u>\$ 82,609,977</u>	<u>\$ 89,411,757</u>	<u>\$ 76,341,661</u>	<u>\$ 82,096,145</u>	<u>\$ 83,880,576</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 13,195,217	\$ 13,395,604	\$ 13,286,058	\$ 12,854,158	\$ 12,466,088
Unrestricted	1,347,815	768,657	(1,058,464)	(1,244,820)	(1,310,632)
Total Business-Type Activities Net Position	<u>\$ 14,543,032</u>	<u>\$ 14,164,261</u>	<u>\$ 12,227,594</u>	<u>\$ 11,609,338</u>	<u>\$ 11,155,456</u>
Primary Government:					
Net Investment in Capital Assets	\$ 84,244,629	\$ 87,480,707	\$ 87,833,278	\$ 93,102,812	\$ 93,967,610
Restricted	25,170,874	29,073,515	30,897,232	27,196,289	24,295,944
Unrestricted	(12,262,494)	(12,978,204)	(30,161,255)	(26,593,618)	(23,227,522)
Total Primary Government Net Position	<u>\$ 97,153,009</u>	<u>\$ 103,576,018</u>	<u>\$ 88,569,255</u>	<u>\$ 93,705,483</u>	<u>\$ 95,036,032</u>

CITY OF STILLWATER, MINNESOTA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (CONTINUED) (accrual basis of accounting)

Fiscal Year				
2021	2022	2023	2024	2025
\$ 85,573,640	\$ 86,751,341	\$ 87,188,271	\$ 90,151,573	\$ 93,760,370
28,720,342	25,753,577	30,715,623	34,171,510	35,164,630
(20,439,145)	(16,188,774)	(15,381,053)	(9,825,948)	(3,210,766)
<u>\$ 93,854,837</u>	<u>\$ 96,316,144</u>	<u>\$ 102,522,841</u>	<u>\$ 114,497,135</u>	<u>\$ 125,714,234</u>
\$ 22,244,374	\$ 21,781,668	\$ 22,386,550	\$ 22,720,098	\$ 23,675,793
(55,218)	2,959,313	4,245,221	5,228,677	5,967,437
<u>\$ 22,189,156</u>	<u>\$ 24,740,981</u>	<u>\$ 26,631,771</u>	<u>\$ 27,948,775</u>	<u>\$ 29,643,230</u>
\$ 107,818,014	\$ 108,533,009	\$ 109,574,821	\$ 112,871,671	\$ 117,436,163
28,720,342	25,753,577	30,715,623	34,171,510	35,164,630
(20,494,363)	(13,229,461)	(11,135,832)	(4,597,271)	2,756,671
<u>\$ 116,043,993</u>	<u>\$ 121,057,125</u>	<u>\$ 129,154,612</u>	<u>\$ 142,445,910</u>	<u>\$ 155,357,464</u>

CITY OF STILLWATER, MINNESOTA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
EXPENSES					
Governmental Activities:					
General Government	\$ 4,366,424	\$ 4,456,152	\$ 4,564,749	\$ 4,504,125	\$ 4,369,616
Public Safety	7,059,377	6,692,653	6,390,804	6,085,166	6,933,758
Public Works	3,385,412	3,340,782	4,442,535	7,334,627	5,033,803
Culture and Recreation	4,768,962	4,861,962	3,683,368	1,402,190	4,284,050
Economic Development	7,010,850	291,330	277,549	189,143	1,322,749
Interest on Long-Term Debt	1,295,302	1,072,597	1,221,607	1,105,102	1,038,338
Total Governmental Activities Expenses	<u>27,886,327</u>	<u>20,715,476</u>	<u>20,580,612</u>	<u>20,620,353</u>	<u>22,982,314</u>
Business-Type Activities:					
Sanitary Sewer	2,848,988	2,990,283	3,590,043	3,256,871	3,441,371
Storm Sewer	526,292	577,812	579,610	829,124	782,405
Signs and Lighting	366,118	312,631	395,821	369,417	390,018
Water	-	-	-	-	-
Parking	447,272	448,160	459,150	459,393	434,159
Total Business-Type Activities Expenses	<u>4,188,670</u>	<u>4,328,886</u>	<u>5,024,624</u>	<u>4,914,805</u>	<u>5,047,953</u>
Total Primary Government Expenses	<u>32,074,997</u>	<u>25,044,362</u>	<u>25,605,236</u>	<u>25,535,158</u>	<u>28,030,267</u>
REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	\$ 473,930	\$ 403,129	\$ 348,883	\$ 421,830	\$ 449,776
Public Safety	1,015,496	1,357,058	1,591,519	1,190,235	1,282,406
Public Works	414,733	397,170	1,031,032	679,853	574,188
Culture and Recreation	1,855,984	1,916,982	2,070,711	2,370,259	1,536,388
Operating Grants and Contributions	652,863	868,811	1,000,747	1,672,557	2,580,748
Capital grants and Contributions	3,558,295	6,630,514	2,533,262	2,236,362	2,141,694
Total Governmental Activities Program Revenues	<u>7,971,301</u>	<u>11,573,664</u>	<u>8,576,154</u>	<u>8,571,096</u>	<u>8,565,200</u>
Business-Type Activities:					
Charges for Services:					
Sanitary Sewer	2,486,019	2,584,047	3,160,024	2,779,111	3,276,665
Storm Sewer	638,621	642,510	603,410	607,418	625,089
Signs and Lighting	387,937	389,296	390,720	393,476	396,212
Water	-	-	-	-	-
Parking	404,171	396,975	464,423	435,611	200,705
Total Business-Type Activities Program Revenues	<u>3,916,748</u>	<u>4,012,828</u>	<u>4,618,577</u>	<u>4,215,616</u>	<u>4,498,671</u>
Total Primary Government Program Revenues	<u>11,888,049</u>	<u>15,586,492</u>	<u>13,194,731</u>	<u>12,786,712</u>	<u>13,063,871</u>
NET REVENUE (EXPENSE)					
Governmental Activities	(19,915,026)	(9,141,812)	(12,004,458)	(12,049,257)	(14,417,114)
Business-Type Activities	(271,922)	(316,058)	(406,047)	(699,189)	(549,282)
Total Primary Government Expense, Net	<u>(20,186,948)</u>	<u>(9,457,870)</u>	<u>(12,410,505)</u>	<u>(12,748,446)</u>	<u>(14,966,396)</u>

CITY OF STILLWATER, MINNESOTA

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (accrual basis of accounting)

Fiscal Year				
2021	2022	2023	2024	2025
\$ 7,008,458	\$ 8,867,051	\$ 6,436,325	\$ 6,809,059	\$ 8,324,080
4,700,357	7,739,073	8,800,796	9,363,226	9,830,734
704,135	1,335,470	3,406,171	3,144,331	3,344,714
5,324,879	5,956,931	7,550,482	6,741,886	7,230,645
448,230	844,089	151,948	519,613	550,706
369,844	858,861	796,133	774,142	1,162,927
18,555,903	25,601,475	27,141,855	27,352,257	30,443,806
3,442,657	3,389,979	3,174,098	3,907,871	4,382,399
684,436	667,603	843,254	798,945	913,894
410,752	447,667	147,779	324,410	317,040
1,787,001	1,343,081	1,711,872	1,615,301	1,723,308
431,890	458,265	516,304	580,735	475,987
6,756,736	6,306,595	6,393,307	7,227,262	7,812,628
25,312,639	31,908,070	33,535,162	34,579,519	38,256,434
\$ 205,881	\$ 217,286	\$ 264,975	\$ 214,670	\$ 802,751
1,323,970	1,519,719	1,693,312	1,432,606	1,755,635
1,835,902	924,978	406,758	467,661	314,517
1,918,277	2,257,656	2,345,591	2,371,087	2,558,346
926,109	1,064,296	1,645,387	4,100,467	2,696,848
3,832,703	2,871,236	3,026,427	5,036,198	4,724,343
10,042,842	8,855,171	9,382,450	13,622,689	12,852,440
4,025,213	4,043,214	4,309,804	4,408,513	5,016,019
637,100	634,158	768,254	920,507	986,673
398,504	410,081	505,240	657,840	677,676
1,759,682	1,887,743	2,149,868	1,748,309	2,206,713
380,067	354,696	386,643	630,117	652,450
7,200,566	7,329,892	8,119,809	8,365,286	9,539,531
17,243,408	16,185,063	17,502,259	21,987,975	22,391,971
(8,513,061)	(16,746,304)	(17,759,405)	(13,729,568)	(17,591,366)
443,830	1,023,297	1,726,502	1,138,024	1,726,903
(8,069,231)	(15,723,007)	(16,032,903)	(12,591,544)	(15,864,463)

CITY OF STILLWATER, MINNESOTA

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2016	2017	2017	2019	2020
GENERAL REVENUES AND OTHER					
CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 12,068,746	\$ 12,554,501	\$ 12,821,075	\$ 13,681,381	\$ 14,580,365
Tax Increment	1,373,886	1,443,648	1,512,869	1,698,539	2,116,712
Lodging Tax	211,723	218,821	237,665	304,367	244,202
Local Sales Tax	-	-	-	-	-
Franchise Taxes	462,988	467,214	351,721	600,965	488,199
Unrestricted Grants and Contributions	662,095	734,034	747,981	752,370	801,740
Unrestricted Investment Earnings	175,342	390,082	496,595	755,040	590,907
Gain on Sale of Capital Assets	-	33,500	24,380	931	-
Transfers	7,190	101,792	-	10,148	-
Total Governmental Activities	<u>14,961,970</u>	<u>15,943,592</u>	<u>16,192,286</u>	<u>17,803,741</u>	<u>18,822,125</u>
Business-Type Activities:					
Unrestricted Investment Earnings	22,177	39,079	37,942	48,426	49,984
Property Taxes	-	-	45,400	42,655	45,416
Transfers	(7,190)	(101,792)	-	(10,148)	-
Total Business-Type Activities	<u>14,987</u>	<u>(62,713)</u>	<u>83,342</u>	<u>80,933</u>	<u>95,400</u>
Total Primary Government	<u>14,976,957</u>	<u>15,880,879</u>	<u>16,275,628</u>	<u>17,884,674</u>	<u>18,917,525</u>
CHANGES IN NET POSITION					

CITY OF STILLWATER, MINNESOTA

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year				
2021	2022	2023	2024	2025
\$ 14,657,337	\$ 15,589,123	\$ 17,457,987	\$ 18,892,723	\$ 20,980,183
2,222,757	2,359,807	2,260,558	2,700,949	1,872,572
373,565	453,006	481,045	462,940	479,065
	-	-	-	1,568,018
490,260	494,088	495,401	497,831	502,002
847,165	827,165	1,673,964	1,277,758	1,282,390
(86,488)	(515,578)	1,466,526	1,704,317	1,729,433
-	-	-	3,920	-
(17,274)	-	130,621	163,424	394,803
<u>18,487,322</u>	<u>19,207,611</u>	<u>23,966,102</u>	<u>25,703,862</u>	<u>28,808,466</u>
19,950	(63,058)	249,634	298,239	318,698
48,034	47,847	45,275	44,165	43,657
17,274	-	(130,621)	(163,424)	(394,803)
<u>85,258</u>	<u>(15,211)</u>	<u>164,288</u>	<u>178,980</u>	<u>(32,448)</u>
<u>18,572,580</u>	<u>19,192,400</u>	<u>24,130,390</u>	<u>25,882,842</u>	<u>28,776,018</u>

CITY OF STILLWATER, MINNESOTA

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
General Fund:						
Nonspendable	\$ 81,749	\$ 157,495	\$ 186,539	\$ 148,629	\$ 141,950	\$ 131,747
Assigned	1,243,101	1,315,041	1,477,834	1,433,503	1,435,504	1,494,061
Unassigned	3,127,595	3,479,741	3,670,736	4,063,892	5,094,506	5,505,246
Total General Fund	<u>\$ 4,452,445</u>	<u>\$ 4,952,277</u>	<u>\$ 5,335,109</u>	<u>\$ 5,646,024</u>	<u>\$ 6,671,960</u>	<u>\$ 7,131,054</u>
All Other Governmental Funds:						
Nonspendable	\$ 25,912	\$ 15,005	\$ 64,425	\$ 27,032	\$ 20,618	\$ 23,318
Restricted	27,996,173	25,138,964	27,040,698	22,169,462	19,343,328	21,856,097
Committed	3,438,415	4,074,625	4,574,745	3,066,640	3,575,480	3,144,396
Assigned	2,942,937	3,334,837	3,459,251	3,745,844	4,431,065	4,510,543
Unassigned	-	-	-	-	-	-
Total all Other Governmental Funds	<u>\$ 34,403,437</u>	<u>\$ 32,563,431</u>	<u>\$ 35,139,119</u>	<u>\$ 29,008,978</u>	<u>\$ 27,370,491</u>	<u>\$ 29,534,354</u>

CITY OF STILLWATER, MINNESOTA

FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year			
2022	2023	2024	2025
\$ 147,556	\$ 327,125	\$ 322,663	\$ 328,200
1,672,164	1,607,807	1,749,206	2,009,416
5,255,844	5,449,323	6,576,025	6,927,778
<u>\$ 7,075,564</u>	<u>\$ 7,384,255</u>	<u>\$ 8,647,894</u>	<u>\$ 9,265,394</u>
\$ 105,606	\$ 45,813	\$ 47,944	\$ 79,143
21,691,133	25,558,716	29,519,610	27,396,214
2,728,724	2,007,199	2,321,388	2,634,225
4,465,419	3,478,089	4,933,265	4,517,424
(71,024)	(162,726)	(72,224)	(8,115)
<u>\$ 28,919,858</u>	<u>\$ 30,927,091</u>	<u>\$ 36,749,983</u>	<u>\$ 34,618,891</u>

CITY OF STILLWATER, MINNESOTA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
REVENUES					
Taxes:					
Property Taxes	\$ 12,100,943	\$ 12,654,828	\$ 12,818,222	\$ 13,643,617	\$ 14,485,774
Tax Increment	1,372,407	1,424,791	1,512,869	1,698,539	2,116,712
Lodging Tax	211,723	218,820	237,665	304,367	244,202
Franchise Taxes	462,988	467,214	351,721	600,965	488,199
Licenses and Permits	502,476	819,172	981,289	653,202	672,357
Special Assessments	1,274,144	1,082,560	1,219,697	1,304,358	1,391,545
Intergovernmental	2,038,847	1,467,311	2,412,168	2,263,692	4,393,551
Charges for Services	3,555,525	3,435,785	3,318,855	2,845,300	2,469,154
Fines and Forfeits	70,256	84,369	233,394	226,692	199,397
Interest	(116,034)	162,819	496,595	755,040	590,907
Donations	129,479	232,988	148,456	236,232	113,577
Miscellaneous	1,396,557	690,403	663,207	1,446,364	526,058
Total Revenues	22,999,311	22,741,060	24,394,138	25,978,368	27,691,433
EXPENDITURES					
General Government	3,829,183	4,008,578	4,300,275	4,421,763	4,341,618
Public Safety	5,092,685	5,230,427	5,682,655	6,047,254	7,036,364
Public Works	1,330,771	1,331,395	1,478,505	4,236,957	1,894,843
Culture and Recreation	3,381,088	3,537,419	3,641,969	3,858,355	3,430,726
Economic Development	7,045,568	303,818	322,146	189,143	409,817
Capital Outlay	3,350,489	7,745,376	7,851,141	8,341,407	6,354,883
Debt Service:					
Principal	2,815,000	4,525,000	3,110,000	3,455,000	3,775,000
Interest	775,294	1,065,123	1,104,530	1,086,440	1,067,283
Other	410,664	75,444	89,751	60,368	6,850
Total Expenditures	28,030,742	27,822,580	27,580,972	31,696,687	28,317,384
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,031,431)	(5,081,520)	(3,186,834)	(5,718,319)	(625,951)
OTHER FINANCING SOURCES (USES)					
Proceeds from Borrowing, Net	16,362,531	3,527,632	6,120,974	3,203,034	-
Transfers In	2,966,121	3,565,058	2,437,492	7,666,535	2,544,570
Transfer (Out)	(2,958,931)	(3,463,266)	(2,437,492)	(7,656,387)	(2,544,570)
Leases	-	-	-	-	-
Sale of Property	-	111,922	24,380	145,711	13,400
Payment on Refunded Debt	(1,210,000)	-	-	(3,460,000)	-
Insurance Settlement	-	-	-	-	-
Total Other Financing Sources (Uses)	15,159,721	3,741,346	6,145,354	(101,107)	13,400
NET CHANGES IN FUND BALANCES	\$ 10,128,290	\$ (1,340,174)	\$ 2,958,520	\$ (5,819,426)	\$ (612,551)
Debt Service as a Percentage of Noncapital Expenditures	14.5%	27.9%	21.3%	21.4%	21.5%

CITY OF STILLWATER, MINNESOTA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED) LAST TEN FISCAL YEARS (modified accrual basis of accounting)

Fiscal Year				
2021	2022	2023	2024	2025
\$ 14,990,505	\$ 15,687,665	\$ 17,408,851	\$ 18,823,004	\$ 20,499,828
2,222,757	2,359,807	2,260,558	2,773,656	2,086,229
373,565	453,006	481,045	462,940	479,065
490,260	494,088	495,401	497,831	502,002
704,452	814,675	941,310	734,335	973,090
1,595,539	1,671,980	1,526,466	1,761,955	1,704,399
1,931,314	2,410,363	3,419,447	9,745,631	5,911,466
3,245,106	3,529,047	3,354,936	3,469,229	4,823,346
55,838	55,732	71,023	63,083	69,910
(86,488)	(515,578)	1,466,526	1,704,317	1,729,433
1,040,044	208,384	315,673	369,250	384,965
1,717,350	891,818	514,858	428,452	394,368
28,280,242	28,060,987	32,256,094	40,833,683	39,558,101
4,891,396	5,168,094	5,503,309	5,751,398	6,489,339
6,624,453	7,320,254	8,387,435	9,724,616	9,923,968
1,869,282	1,896,517	2,779,036	5,988,755	6,920,289
4,159,642	4,789,445	5,028,867	5,478,777	6,256,823
464,335	867,651	418,402	700,831	801,905
6,436,487	8,571,834	8,032,044	5,622,222	13,246,363
3,422,667	3,309,500	4,452,036	3,489,342	7,801,148
946,485	946,934	1,084,700	1,059,141	1,222,675
75,340	130,505	148,107	258,528	279,564
28,890,087	33,000,734	35,833,936	38,073,610	52,942,074
(609,845)	(4,939,747)	(3,577,842)	2,760,073	(13,383,973)
3,248,017	4,213,164	5,213,169	4,101,620	8,999,209
3,480,358	1,921,715	2,035,686	1,626,122	5,644,364
(3,497,632)	(1,921,715)	(1,905,065)	(1,462,698)	(5,249,561)
-	56,042	401,476	57,494	539,762
2,064	555	148,500	3,920	6,800
-	-	-	-	33,865
-	-	-	-	327,925
3,232,807	4,269,761	5,893,766	4,326,458	10,302,364
\$ 2,622,962	\$ (669,986)	\$ 2,315,924	\$ 7,086,531	\$ (3,081,609)
19.9%	12.9%	20.7%	16.8%	26.2%

CITY OF STILLWATER, MINNESOTA

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY LAST TEN FISCAL YEARS

Payable Year	Real Property			Personal Property			Total		Net Tax Capacity as a Percentage of Estimated Actual Market Value
	Estimated Actual Taxable Market Value	Net Tax Capacity (1)	Estimated Actual Taxable Market Value	Net Tax Capacity	Estimated Actual Taxable Market Value	Net Tax Capacity	Total Direct Tax Rate		
2016	\$ 1,992,003,200	\$ 22,491,740	\$ 13,493,000	\$ 268,060	\$ 2,005,496,200	\$ 22,759,800	57.016	1.13	
2017	2,036,773,900	23,097,759	14,165,600	281,512	2,050,939,500	23,379,271	56.927	1.14	
2018	2,208,179,800	25,003,238	14,998,700	298,174	2,223,178,500	25,301,412	53.420	1.14	
2019	2,358,449,700	26,673,589	14,343,100	285,005	2,372,792,800	26,958,594	54.288	1.14	
2020	2,645,959,000	29,103,385	14,734,000	292,823	2,660,693,000	29,396,208	53.474	1.10	
2021	2,742,731,000	30,387,291	16,300,500	324,153	2,759,031,500	30,711,444	52.486	1.11	
2022	2,920,228,300	32,652,605	8,229,200	162,727	2,928,457,500	32,815,332	52.152	1.12	
2023	3,436,861,000	38,237,378	8,634,600	170,835	3,445,495,600	38,408,213	49.146	1.11	
2024	3,820,168,800	43,149,337	9,190,400	181,751	3,829,359,200	43,331,088	46.862	1.13	
2025	3,807,052,700	42,410,770	9,669,900	191,341	3,816,722,600	42,606,111	52.440	1.12	

Source: Washington County, Minnesota Assessors' Office

Notes:

- (1) The tax capacity (assessed taxable value) of the property is calculated by applying a statutory formula to the estimated market value of the property.

CITY OF STILLWATER, MINNESOTA

PROPERTY TAX RATES – PER \$1,000 OF ASSESSED TAX CAPACITY VALUE (1)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Payable Year	City Direct Rates			County			Overlapping Rates						Other		
	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate	Operating Tax Capacity Rate	Debt Service Tax Capacity Rate	Total Tax Capacity Rate
2016	39.646	17.370	57.016	23.832	3.979	27.811	15.051	4.798	19.849	15.051	4.798	19.849	15.051	4.798	19.849
2017	40.235	16.691	56.927	23.777	4.015	27.792	15.381	5.009	20.390	15.381	5.009	20.390	15.381	5.009	20.390
2018	39.093	14.327	53.420	23.395	3.895	27.290	14.317	5.032	19.349	14.317	5.032	19.349	14.317	5.032	19.349
2019	39.321	14.967	54.288	23.251	3.745	26.996	9.267	9.174	18.441	9.267	9.174	18.441	9.267	9.174	18.441
2020	38.752	14.722	53.474	22.878	3.419	26.297	6.690	8.631	15.321	6.690	8.631	15.321	6.690	8.631	15.321
2021	39.570	12.916	52.486	21.510	3.413	24.923	9.769	7.509	17.278	9.769	7.509	17.278	9.769	7.509	17.278
2022	39.409	12.743	52.152	22.481	2.671	25.152	12.079	7.423	19.502	12.079	7.423	19.502	12.079	7.423	19.502
2023	37.283	11.863	49.146	19.164	2.455	21.619	11.009	6.134	17.143	11.009	6.134	17.143	11.009	6.134	17.143
2024	36.951	9.910	46.862	17.696	2.392	20.088	12.396	9.637	22.033	12.396	9.637	22.033	12.396	9.637	22.033
2025	41.204	11.237	52.440	19.354	2.531	21.886	13.221	10.186	23.407	13.221	10.186	23.407	13.221	10.186	23.407

Source: Washington County, Minnesota Auditor's Office.

Notes:

- (1) Property tax rates (tax capacity rates) are determined by dividing the total tax levy by the tax capacity (assessed value). The tax capacity is calculated by applying a statutory formula to the estimated market value of the property.

CITY OF STILLWATER, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			Collections in Subsequent Years	Total Collections to Date		Abatements to Total Tax Levy	MVHC Collection Unallotment (1)	Outstanding Delinquent Taxes	Percentage of Levy Outstanding
	Operating Tax Levy	Debt Tax Levy	Total Tax Levy	Current Tax Collection	Percentage of Levy	Total Tax Collection		Percentage of Levy					
2016	\$ 8,365,422	\$ 3,706,945	\$ 12,072,367	\$ 11,973,407	99.2	\$ 77,232	\$ 12,050,639	99.8	\$ 4,567	N/A	\$ 17,161	0.1	
2017	8,857,823	3,716,516	12,574,339	12,512,313	99.5	-	12,512,313	99.5	3,057	N/A	58,969	0.5	
2018	9,379,459	3,480,056	12,859,515	12,793,360	99.5	-	12,793,360	99.5	762	N/A	65,393	0.5	
2019	9,914,425	3,815,301	13,729,726	13,622,034	99.2	-	13,622,034	99.2	762	N/A	106,930	0.8	
2020	10,587,577	4,066,526	14,654,103	14,516,018	99.1	-	14,516,018	99.1	18,359	N/A	119,726	0.8	
2021	11,270,799	3,723,155	14,993,954	14,776,386	98.5	111,553	14,887,939	99.3	7,233	N/A	98,782	0.7	
2022	12,032,975	3,934,822	15,967,797	15,855,531	99.3	(137,335)	15,718,195	98.4	52,329	N/A	59,937	0.4	
2023	13,265,987	4,261,760	17,527,747	17,428,836	99.4	(19,817)	17,409,019	99.3	31,976	N/A	66,935	0.4	
2024	14,847,295	4,023,858	18,871,153	18,892,723	99.3	14,229	18,750,091	99.4	24,336	N/A	110,954	0.6	
2025	15,841,130	4,361,853	20,202,983	19,971,251	98.9	23,437	19,994,688	99.0	44,097	N/A	187,634	0.9	

Notes:

(1) Beginning with payable 2012, the MVHC program was discontinued.

CITY OF STILLWATER, MINNESOTA

PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2025			2016		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Stillwater Health System	\$ 531,120	1	1.25 %	\$ 275,068	1	1.21 %
Lodge at Stillwater, LLC	391,584	2	0.92	-		0.00
Stillwater MP 2021 LLC	326,882	3	0.77	-		0.00
Lakeview Memorial Hospital Assoc. LLC	256,286	4	0.60	-		0.00
Midnight Real Estate II, LLC	253,078	5	0.59	-		0.00
Valley Ridge Holding, LLC	238,386	6	0.56	121,498	5	0.53
Rochester GK Stillwater & 200 Chestnut	233,248	7	0.55	-		0.00
Diasorin, Inc	230,206	8	0.54	114,490	6	0.50
Mikden of Stillwater LLC	221,382	9	0.52	101,252	7	0.44
Dayton Hudson, Corp	215,060	10	0.50	170,192	3	0.75
Xcel Energy	-		0.00	262,460	2	1.15
Super Valu Holdings	-		0.00	143,554	4	0.63
Stillwater MP II LLC	-		0.00	95,250	8	0.42
Gen3 LLC	-		0.00	91,524	9	0.40
Stillwater MP I LLC	-		0.00	81,888	10	0.36
Total	\$ 2,897,232		6.80 %	\$ 1,457,176		6.39 %

Source: Washington County, Minnesota Auditor's Office

CITY OF STILLWATER, MINNESOTA

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities									
	GO General Government Bonds (1) (2)	GO Improvement Bonds (1) (3)	GO Revenue Bonds (1) (4)	GO Tax Increment Bonds (1) (5)	Tax Increment Revenue Bonds (5)	Lease	Other Long-Term Debt	Bond Premium	Total Governmental Activities	
2016	\$ 21,655,000	\$ -	\$ 1,065,000	\$ 6,585,000	\$ 6,585,000	\$ -	\$ -	\$ 1,185,624	\$ 37,075,624	
2017	21,755,000	-	465,000	6,375,000	6,175,000	-	-	1,208,622	35,978,622	
2018	25,425,000	-	315,000	6,150,000	5,790,000	-	-	1,289,697	38,969,697	
2019	25,615,000	-	160,000	2,450,000	4,395,000	-	-	1,607,364	34,227,364	
2020	22,680,000	-	-	2,260,000	4,995,000	-	-	1,481,653	31,416,653	
2021	22,350,000	-	-	2,060,000	4,585,000	-	191,813	1,433,541	30,620,354	
2022	23,730,000	-	-	1,855,000	4,165,000	-	344,789	1,412,065	31,506,854	
2023	25,150,000	-	-	1,645,000	3,730,000	-	878,660	1,382,873	32,786,533	
2024	26,255,000	-	-	1,430,000	3,285,000	280,637	401,175	1,402,410	32,773,585	
2025	31,775,000	-	-	-	-	638,555	256,181	1,709,391	34,379,127	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements and Bonds payable spreadsheet in year end files

- (1) General obligation debt which is backed by the full faith, credit, and taxing power of the City.
- (2) General government bonds are to be repaid from general tax levies.
- (3) Improvement bonds are expected to be repaid primarily from the special assessments to benefitted properties.
- (4) Revenue bonds are expected to be paid from revenues generated from the project.
- (5) Tax increment bonds are to be paid from the pledged tax increment revenues.
- (6) Information not available is labeled N/A.
- (7) See the *Demographic and Economic Statistics* schedule on page 156 for personal income and population data.
- (8) Information not available is labeled N/A.

CITY OF STILLWATER, MINNESOTA

RATIO OF OUTSTANDING DEBT BY TYPE (CONTINUED) LAST TEN FISCAL YEARS

Fiscal Year	Enterprise Funds					Total Business-Type Funds	Total Primary Government	Percentage of Personal Income (6) (7) (8)	Per Capita (7) (8)
	Water Revenue Bonds	Water Bond Premium	Leases						
2016	\$ 1,265,000	\$ 32,828	\$ -		\$ 1,297,828	\$ 38,373,452	27.65	\$ 1,877	
2017	1,180,000	28,584	-		1,208,584	37,187,206	34.95	1,822	
2018	1,095,000	24,544	-		1,119,544	40,089,241	N/A	1,957	
2019	1,010,000	20,708	-		1,030,708	35,258,072	37.24	1,710	
2020	920,000	17,083	-		937,083	32,353,736	24.96	1,589	
2021	830,000	13,728	-		843,728	31,464,082	39.27	1,622	
2022	735,000	10,706	-		745,706	32,252,560	46.32	1,656	
2023	640,000	8,027	-		648,027	33,434,560	47.29	1,688	
2024	540,000	5,699	-		545,699	33,319,284	46.90	1,702	
2025	440,000	3,732	789		444,521	34,823,648	48.18	1,789	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements and Bonds payable spreadsheet in year end files

- (1) General obligation debt which is backed by the full faith, credit, and taxing power of the City.
- (2) General government bonds are to be repaid from general tax levies.
- (3) Improvement bonds are expected to be repaid primarily from the special assessments to benefitted properties.
- (4) Revenue bonds are expected to be paid from revenues generated from the project.
- (5) Tax increment bonds are to be paid from the pledged tax increment revenues.
- (6) Information not available is labeled N/A.
- (7) See the *Demographic and Economic Statistics* schedule on page 156 for personal income and population data.
- (8) Information not available is labeled N/A.

CITY OF STILLWATER, MINNESOTA

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Net General Bonded Debt Outstanding			Percentage of Estimated Market Value (3)	Per Capita (4)
	Gross Bonded Debt (1)	Less Debt Service Fund (2)	Net Bonded Debt		
2016	\$ 22,840,624	\$ 10,197,146	\$ 12,643,478	0.6	\$ 642.03
2017	22,963,622	8,969,528	13,994,094	0.7	708.63
2018	26,714,697	9,492,662	17,222,035	0.8	864.78
2019	27,222,364	6,700,225	20,522,139	0.9	996.22
2020	24,161,653	6,796,178	17,365,475	0.7	878.51
2021	23,783,541	6,796,178	16,987,363	0.6	875.91
2022	25,142,065	6,796,178	18,345,887	0.6	942.55
2023	26,532,873	6,796,178	19,736,695	0.6	1,016.05
2024	27,657,410	8,692,067	18,965,343	0.8	976.34
2025	33,484,391	10,833,568	22,650,823	0.6	1,163.97

Notes:

- (1) Amount does not include debt to be paid from special assessments, tax increments or other revenues.
- (2) Amount available for repayment of general obligation bonds, as determined in Note (1) above.
- (3) See Assessed and Estimated Actual Value of Property schedule on page 147 for property value data.
- (4) See the Demographic and Economic Statistics schedule on page 156 for population data.

CITY OF STILLWATER, MINNESOTA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of December 31, 2025

	Debt Outstanding	Percentage Applicable to City (2)	Net Amount Applicable to City
Direct:			
City of Stillwater	\$ 32,215,000	100%	\$ 32,215,000
Overlapping:			
Washington County	99,350,000 (1)	7.2%	7,153,200
School Districts:			
#834-Stillwater	158,990,000 (1)	23.2%	36,885,680
Washington County HRA	43,984,703 (1)	7.2%	3,166,899
Metropolitan Council/Regional Transit	235,750,000 (1)	8.9%	20,981,750
Total Overlapping			<u>68,187,529</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 100,402,529</u>

Notes:

- (1) Information obtained from Washington County, Minnesota Auditor's office.
- (2) The percentage of overlapping debt applicable is estimated using tax capacity values. Applicable percentages were estimated by determining the portion of each entity's tax capacity that is within the City's boundaries and dividing it by that entity's total tax capacity.

CITY OF STILLWATER, MINNESOTA

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

		Fiscal Year																		
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025									
Estimated Market Value (1)	\$	2,093,975,600	\$	2,137,240,800	\$	2,305,780,800	\$	2,447,760,700	\$	2,660,693,000	\$	2,759,031,500	\$	2,920,228,300	\$	3,436,861,000	\$	3,820,168,800	\$	3,807,052,700
Debt Limitation (2)		62,819,268	64,117,224	69,173,424	73,432,821	79,820,790	82,770,945	87,606,849	103,105,830	114,605,064	114,211,581									
Debt Applicable to Limit:																				
Total Bonded Debt		35,890,000	34,770,000	37,680,000	32,620,000	29,935,000	29,825,000	30,485,000	31,165,000	31,510,000	32,215,000									
Less:																				
GO Revenue Bonds		(1,065,000)	(465,000)	(315,000)	(160,000)	(160,000)	-	-	-	-	-									
GO TIF Bonds		(6,585,000)	(6,375,000)	(6,150,000)	(2,450,000)	(2,260,000)	(5,415,000)	(4,900,000)	(3,090,000)	(2,745,000)	-									
TIF Revenue Bonds		(6,585,000)	(6,175,000)	(5,790,000)	(4,395,000)	(4,995,000)	(2,060,000)	(1,855,000)	(1,645,000)	(1,430,000)	-									
Total Debt																				
Applicable to Limitation		21,655,000	21,755,000	25,425,000	25,615,000	22,520,000	22,350,000	23,730,000	26,430,000	27,335,000	32,215,000									
Legal Debt Margin	\$	41,164,268	\$	42,362,224	\$	43,748,424	\$	47,817,821	\$	57,300,790	\$	60,420,945	\$	63,876,849	\$	76,675,830	\$	87,270,064	\$	81,996,581
Total Debt Applicable to the Limit as a Percentage of Debt Limit		34.47%	33.93%	36.76%	34.88%	28.21%	27.00%	27.09%	25.63%	23.85%	28.21%									

Note:

- (1) Information obtained from Washington County, Minnesota Assessor's Office
- (2) Under Minnesota State Statutes, the City of Stillwater's net debt cannot exceed 2% of the estimated market value. Beginning in 2008, the percentage that the debt limit can not exceed the estimated market value changed from 2% to 3%.

CITY OF STILLWATER, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	City of Stillwater		Washington County		
	Population (1)	Personal Income (2) (6)	Personal Income (2) (3) (5)	Per Capita Income (3) (5)	Unemployment Percentage (4)
2016	19,693	\$ 1,025,218	\$ 13,177,844	\$ 52,060	3.6
2017	19,748	1,257,572	16,324,416	63,681	2.8
2018	19,915	N/A	N/A	N/A	3.4
2019	20,600	1,311,829	16,653,346	63,681	2.5
2020	19,767	1,258,782	16,732,055	63,681	2.9
2021	19,394	1,235,029	17,038,998	63,681	2.9
2022	19,464	1,493,531	20,891,020	76,733	2.9
2023	19,425	1,550,387	22,021,692	79,814	1.7
2024	19,530	1,640,872	23,435,710	84,018	2.6
2025	19,460	1,677,783	24,482,301	86,217	3.6

Notes:

- (1) Estimates from Metropolitan Council
- (2) Thousand of dollars.
- (3) Information from State Demographers Office (Bureau of Economic Analysis Report).
- (4) Information from Jobs Training Research Statistics Department.
- (5) Information not available is labeled N/A.
- (6) The estimated personal income for the City of Stillwater and County is calculated by taking the per capita income of Washington County and multiplying it by the City's and County's population. The per capita personal income used is for that of Washington County, in which the City resides, the smallest region applicable to the City that this information is available for.

CITY OF STILLWATER, MINNESOTA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Stillwater Medical Clinic	1,880	1	33.4 %	288	7	6.3 %
Stillwater Public Schools	1,194	2	21.2	1,066	2	23.4
Washington County	810	3	14.4	1,234	1	27.1
Lakeview Memorial Hospital	500	4	8.9	836	3	18.4
DiaSorin, Inc	350	5	6.2	340	5	7.5
Target Corporation	200	6	3.6	200	8	4.4
Minnesota Correctional Facility	200	6	3.6	-		0.0
Cub Foods, Inc	194	8	3.4	150	9	3.3
City of Stillwater	166	9	2.9	-		0.0
Modernistic	135	10	2.4	-		0.0
St. Croix Boat & Packet	-		0.0	300	6	6.6
Herbergers	-		0.0	141	10	3.1
Total	5,629		100.0 %	4,555		100.1 %

Source: Bond Document Official Statement pg A7

CITY OF STILLWATER, MINNESOTA

FULL TIME EQUIVALENT EMPLOYEES CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
MIS	2.80	2.80	2.80	2.80	2.70	2.70	2.70	2.70	2.70	2.70
Finance	3.70	3.55	4.50	3.65	4.25	4.25	3.70	3.70	3.70	3.70
Human Resources	0.00	1.15	1.30	2.15	2.15	2.15	2.15	2.15	2.15	2.15
Administration	3.70	3.70	4.60	3.60	3.75	3.75	3.75	3.75	3.75	4.85
Legal/City Attorney	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant/City Hall	0.00	0.00	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	2.50	3.75	3.00	3.75	4.00	4.00	4.00	5.00	5.00	5.00
Public Safety:										
Police	25.00	26.00	25.00	26.00	27.00	27.00	28.00	30.00	32.00	32.00
Fire	11.50	11.50	11.75	12.75	12.75	12.88	14.00	14.00	16.00	16.00
Inspections	3.00	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Public Works:										
Engineering	2.75	2.75	2.75	3.25	3.25	3.25	2.95	2.95	3.40	3.45
Streets	6.75	5.75	6.75	6.75	6.75	6.75	7.60	7.10	7.25	8.00
Culture and Recreation:										
Library	13.23	10.95	11.70	11.70	11.80	14.43	15.10	15.60	15.50	15.50
Parks	6.25	6.25	6.25	7.25	8.25	7.25	7.25	8.00	8.40	8.35
Sanitary Sewer	3.95	3.95	3.95	3.95	4.70	3.95	4.70	4.70	4.85	4.90
Storm Sewer	2.85	2.85	2.85	3.35	4.35	4.35	4.20	4.20	5.35	4.55
Signs and Lighting	0.95	0.95	0.95	0.95	0.95	0.95	0.90	0.65	0.20	0.15
Water	0.00	0.00	0.00	0.00	0.00	2.30	5.70	5.70	5.85	5.90
Parking	1.10	1.10	1.10	2.10	2.10	2.10	2.10	1.10	1.10	1.00
Total	89.65	91.50	94.75	99.00	103.75	107.06	113.80	116.30	122.20	124.20

Source: City Finance Department

CITY OF STILLWATER, MINNESOTA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	13	13	13	13	13	13	14	14	15
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Trucks	13	12	12	13	12	12	12	12	12	12
Fire Boat	1	1	1	1	1	1	1	1	1	1
Rescue Boat	0	0	0	0	1	1	1	1	1	1
Rescue Dispatch	1	1	1	1	1	1	1	1	1	1
Special Ops Trailer	1	1	2	2	1	1	1	1	1	1
Public Works:										
Lights	1,337	1,643	1,643	1,630	1,630	1630	1630	1656	1656	1678
Vehicles	28	32	32	32	32	32	32	34	38	38
Streets (Miles)	91.28	99.98	100.64	92.85	92.85	97.81	97.81	97.81	97.81	97.81
Sidewalks (Miles)	N/A	61.35	61.35	57.99	57.99	57.99	57.99	57.99	57.99	57.99
Culture and Recreation:										
St Croix Valley Recreation Center										
Sheets of Ice	3	3	3	3	3	3	3	3	3	3
Field House	3	1	1	1	1	1	1	1	1	1
Library										
Building	1	1	1	1	1	1	1	1	1	1
Parks										
Parks	36	40	40	40	40	40	40	40	40	40
Internal Trails	19.81	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paved Trails	N/A	15.97	16.00	16.00	16	17	23.35	24.35	24.35	24.35
Natural Trails	N/A	6.17	6	6	6.2	6.2	6.2	6.2	6.2	6.2
Park Acres	583	614	614	614	614	614	614	614	614	614
Park Shelters	28	28	28	28	28	28	28	28	28	28
Basketball Courts	5	5	5	5	5	5	5	5	5	5
Boat Launches	2	2	2	2	2	2	2	2	2	2
Fishing Pier	1	2	2	2	2	2	2	2	2	2
Horseshoe Courts	11	11	11	11	11	10	10	10	10	10
Skating Rinks	7	7	7	7	7	5	4	3	3	3
Soccer Fields	13	6	6	6	6	6	6	6	6	6
Softball Fields	6	13	13	13	13	11	11	11	11	11
Swimming Beach	0	0	0	0	-	0	0	0	0	0
Tennis Courts	11	11	11	11	11	7	4	4	4	4
Volleyball Courts	4	4	4	4	4	3	3	2	2	2
Bathroom Facilities	7	7	6	6	6	6	6	6	6	6
Pickle Ball Courts	0	0	0	0	0	8	16	16	16	16

CITY OF STILLWATER, MINNESOTA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sanitary Sewer:										
Collection System (Miles)	89.13	90.99	92.29	92.99	92.99	93.17	93.17	93.17	93.2	93.2
Sewer Connections	6,495	6,554	6,573	6,691	6,691	6,734	6,795	6,813	6,891	6,901
Lift Stations	13	13	13	13	13	13	13	13	13	13
Storm Sewer:										
Pipe (miles)	79.61	81.03	81.96	70.17	82	82.37	82.80	82.80	85	85
Water:										
Water Line (Miles)	0	0	0	0	0	105.51	105.51	105.51	106.7	106.9
Water Storage Tanks	0	0	0	0	0	4	4	4	4	4
Wells	0	0	0	0	0	8	8	8	8	8
Pump Houses	0	0	0	0	0	10	10	10	10	10
Parking:										
Paylots/Permit Parking	9	9	11	11	11	11	11	11	11	11
Parking Ramp	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

CITY OF STILLWATER, MINNESOTA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Elections										
Registered Voters	2	-	2	-	3	1	2	1	3	-
Number of Votes Cast	13,829	-	13,454	-	7,554	13,936	14,044	N/A	15,091	-
Voter Participation (Registered)	11,814	-	10,697	-	6,818	N/A	10,631	N/A	12,907	-
	84.6%	0.0%	79.5%	0.0%	90.25%	N/A	383	N/A	85.5%	0.0%
Public Safety:										
Police										
Part I Offenses	460	458	622	288	291	231	189	341	No Longer Used	No Longer Used
Part II Offenses	1,260	1,260	1,042	572	501	321	343	244	No Longer Used	No Longer Used
Part III, IV & V Offenses	9,255	9,115	8,689	8,900	8,207	8,670	8,332	7153	No Longer Used	No Longer Used
Traffic Violations	2,022	1,995	2,326	729	887	1,085	498	395	242	320
*Group A Offenses									441	408
*Group B Offenses									351	408
*All Other Offenses									6814	7018
*For 2024 it was Requested we Re-Label the Offenses to Reflect Current Terminology Used										
Fire										
Medical	1,354	1,383	1,175	1,304	1,203	1,441	1,501	1566	1470	1830
Fire	45	63	65	69	183	217	233	484	549	451
False Alarm	155	149	127	163	131	141	131	138	181	183
Inspections	295	272	700	637	655	646	469	200	211	217
Other Services	128	151	244	208	279	352	442	359	220	230
Miscellaneous	144	167	189	297	142	128	84	51	133	112
Inspections										
Building Permits	1,233	2,193	2,236	1,496	1,532	1,509	1,743	1,802	1,460	1,568
Inspections	2,921	4,123	6,038	4,339	4,484	4,128	3,922	4,150	3,601	3,344
Value of Building Permits	\$ 33,610,517	\$ 61,434,729	\$ 89,160,498	\$ 48,416,094	\$ 57,821,811	\$ 50,473,333	\$ 66,325,204	\$ 83,945,309	\$ 42,106,445	\$ 125,772,905
Public Works:										
General Maintenance (Hours)	14,318	14,580	1,771	15,116	15,000	15,453	12,755	13,563	10,951	9,465
Trash Pickup (Hours)	2,260	2,076	1,927	2,087	2,000	2,380	1,927	1,921	1,350	937
Snow Removal (Hours)	2,704	2,409	4,860	4,479	4,500	4,500	4,513	4,541	627	1865
New Construction (Hours)	252	92	853	442	440	535	284	131	N/A	N/A
Culture and Recreation:										
St Croix Valley Recreation Center										
Recreation Center - (Hours)	4,788	5,292	5,054	7,477	3,126	3,816	2,728	7,363	8,804	7,421
Fieldhouse - (Hours)	982	1,095	1,475	2,477	677	1,091	890	2,681	3,173	3,133
Lily Lake - (Hours)	1,239	1,054	1,843	1,762	1,075	1,126	760	2,337	2,950	2,960
Recreation Maintenance (Hours)	6,019	6,340	7,581	10,425	630	5,724	6,567	18,572	22,390	20,271

CITY OF STILLWATER, MINNESOTA

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Culture and Recreation (Continued):										
Library										
Collection Size	91,140	93,720	90,343	90,763	89,917	95,215	96,350	93,348	89,265	90,809
Circulation (Checked Out)	324,370	337,627	323,876	372,483	247,164	345,359	409,282	432,845	442,463	427,997
Internet Sessions	24,364	14,300	13,602	12,615	3,248	4,207	6,232	194,229	288,354	301,008
Program Attendance	9,029	9,369	11,960	12,921	10,353	10,624	16,965	18,861	19,584	20,051
Parks										
Park Reservations	240	208	244	236	0	244	236	273	349	251
Park Maintenance (Hours)	8,765	8,131	11,343	10,046	10,000	11,500	9,613	11,690	11,060	12,999
Sanitary Sewer:										
Sewer Work (Hours)	2,624	2,807	4,174	3,025	5,302	5,125	10,719	10,997	3,136	3,095
Water Work (Hours)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,053	4,367
Storm Work (Hours)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	804	644
Parking:										
Monthly Parking Permits	5,783	5,807	9,365	6,681	264	188	84	295	349	179

Source: Various City Departments

Notes:

Information not available is labeled N/A.
Monthly Parking Permits dropped in 2020 & 2021 because fees were waived for a time

