

CITY OF MOUND
MOUND, MINNESOTA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2025

REPORT PREPARED BY
THE CITY OF MOUND FINANCE DEPARTMENT

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Mound, Minnesota
Annual Comprehensive Financial Report
Table of Contents
For the Year Ended December 31, 2025

	<u>Page No.</u>
Introductory Section	
Elected and Appointed Officials	8
Organizational Chart	9
Financial Section	
Independent Auditor's Report	13
Management's Discussion and Analysis	17
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements	
Governmental Funds	
Balance Sheet	34
Reconciliation of the Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	37
Proprietary Funds	
Statement of Net Position	38
Statement of Revenues, Expenses and Changes in Net Position	39
Statement of Cash Flows	40
Notes to the Financial Statements	43
Required Supplementary Information	
Budgetary Comparison Schedules	66
General Fund	
Fire Area Service Fund	67
Notes to the Required Supplementary Information – Budgetary Reporting	68
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73
Nonmajor Special Revenue Funds	
Combining Balance Sheet	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	77
Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual	
Dock Special Revenue Fund	78
HRA Special Revenue Fund	79
Nonmajor Capital Projects Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	83

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Mound, Minnesota
Annual Comprehensive Financial Report
Table of Contents (Continued)
For the Year Ended December 31, 2025

	<u>Table</u>	<u>Page No.</u>
Combining and Individual Fund Financial Statements and Schedules (Continued)		
General Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual		85
Debt Service Funds		
Combining Balance Sheet		88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances		90
Statistical Section (Unaudited)		
Financial Trends		
Net Position by Component	1	96
Changes in Net Position	2	98
Governmental Activities Tax Revenues by Source	3	103
Fund Balances of Governmental Funds	4	104
Changes in Fund Balances of Governmental Funds	5	106
Revenue Capacity		
Tax Capacity and Estimated Actual Values of Taxable Property	6	108
Property Tax Capacity Rates - Direct and Overlapping Debt	7	110
Property Tax Levies and Collections	8	111
Debt Capacity		
Ratios of Outstanding Debt by Type	9	112
Ratios of General Bonded Debt Outstanding	10	113
Computation of Direct and Overlapping Debt	11	115
Legal Debt Margin Information	12	116
Revenue Bond Coverage	13	119
Demographic and Economic Information		
Demographic and Economic Statistics	14	120
Operating Information		
Full-Time Equivalent City Government Employees by Function	15	121
Operating Indicators by Function	16	122
Capital Asset Statistics by Function	17	123

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INTRODUCTORY SECTION

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Mound, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2025

ELECTED

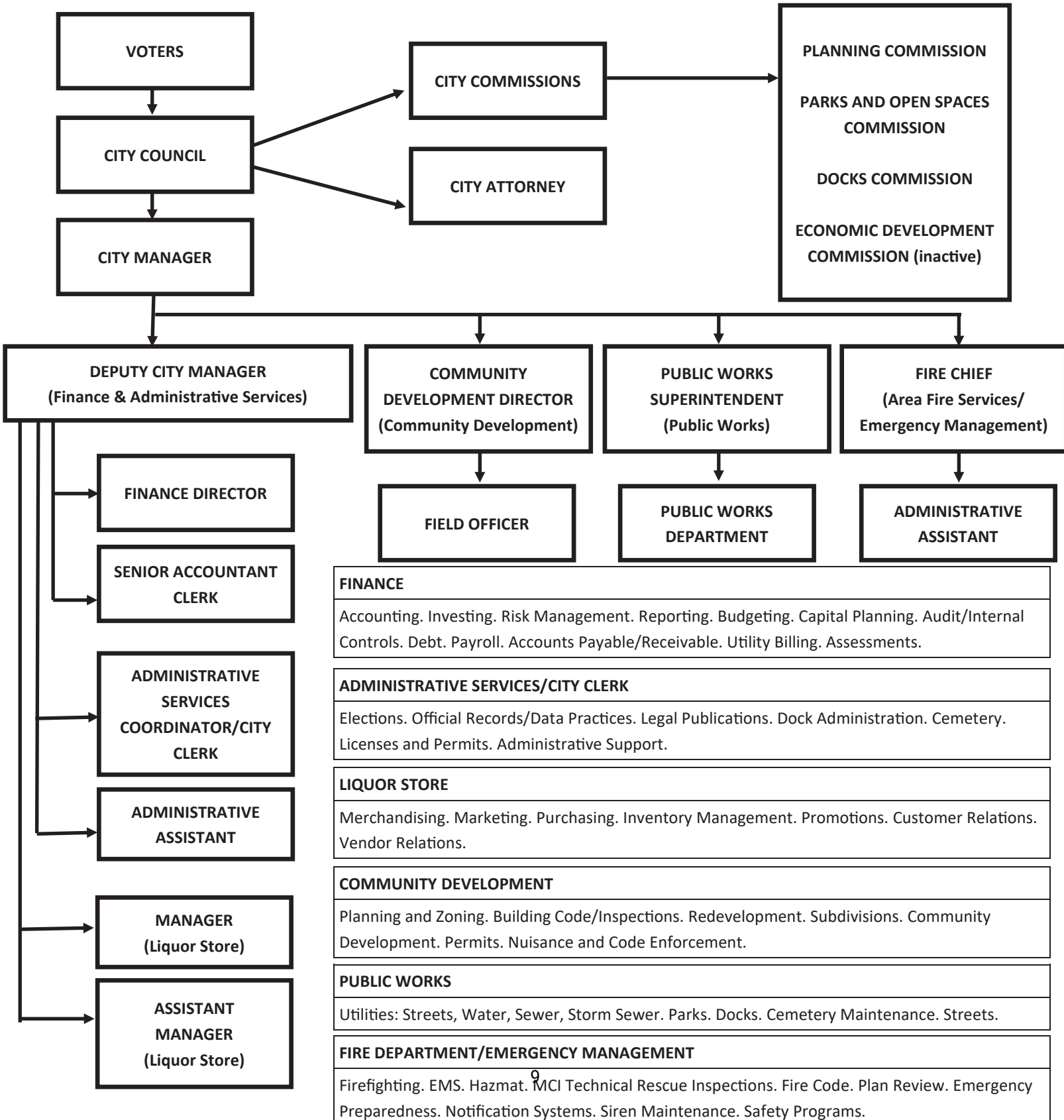
<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Jason Holt	12/31/26	Mayor
Sherrie Pugh	12/31/26	Council Member
Michelle Herrick	12/31/28	Council Member
Kathy McEnaney	12/31/26	Council Member
Kevin Castellano	12/31/28	Council Member

APPOINTED

Jesse Dickson	City Manager
Laila Imihy	Deputy City Manager
Lindsey Erdmann	Finance Director



CITY OF MOUND - ORGANIZATIONAL CHART



THIS PAGE IS LEFT
BLANK INTENTIONALLY

FINANCIAL SECTION

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Mound, Minnesota

Report on the Financial Statements

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Qualified
Governmental Fund General Fund	Qualified
Governmental Fund Debt Service	Unmodified
Governmental Fund Area Fire Service	Unmodified
Governmental Fund Capital Improvements	Unmodified
Enterprise Fund Liquor	Qualified
Enterprise Fund Water	Qualified
Enterprise Fund Sewer	Qualified
Enterprise Fund Storm Water	Qualified
Aggregate Remaining Fund Information	Unmodified/Qualified

Basis for Qualified Opinions

The City has not adopted GASB Statement No. 87, Accounting and Financial Reporting for Leases, GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the Public Employee Retirement Association nor the pension amounts related to the Volunteer Fire Department Relief Association, in the governmental activities, business-type activities, and each major proprietary fund and, accordingly, has not shown activity related to this standard. Accounting principles generally accepted in the United States of America require that pension liabilities and balances be shown, which would report deferred outflows of resources, deferred inflows of resources and liabilities or assets, while changing the net position in the applicable statements.

Qualified Opinions

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinions", the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major proprietary fund of the City as of December 31, 2025, and the results of its operations and cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information with the exception of the General fund of the City as of December 31, 2025.

Management's Responsibility for the Financial Statements

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

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'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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'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 starting on page 17 and the budgetary comparison schedules and related note disclosures, on page 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying 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 auditing standards generally accepted in the United States of America. 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 section, other financial information, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Abdo
Minneapolis, Minnesota
September 24, 2026



THIS PAGE IS LEFT
BLANK INTENTIONALLY

Management's Discussion and Analysis

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

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Required Components of the
City's Annual Financial Report

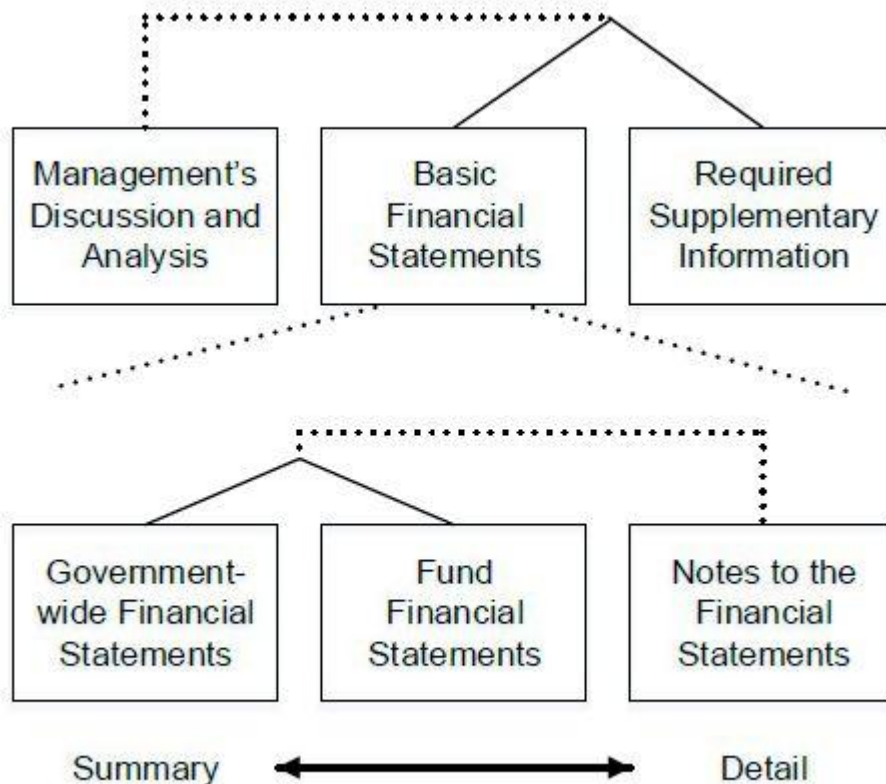


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of 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).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, housing and economic development and interest on long-term debt. The business-type activities of the City include municipal liquor, water, sewer, recycling, and storm water.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Housing and Redevelopment Authority for which the City is financially accountable. The Housing and Redevelopment Authority, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements start on page 30 of this report.

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds, many of which are Debt Service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the Debt Service fund, Area Fire Service fund and Capital Improvement fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for its General fund and for its special revenue funds. A budgetary comparison statement has been provided for the General fund and Area Service Fund. The budgetary comparison statements or schedules are provided elsewhere in this report to demonstrate compliance with the budget.

The basic governmental fund financial statements start on page 34 of this report.

Proprietary Fund. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, municipal liquor, recycling and storm water.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City apart from the recycling fund which is considered a nonmajor fund.

The basic proprietary fund financial statements start on page 38 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 43 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparison schedules. Required supplementary information can be found starting on page 66 of this report.

The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 72 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities at the close of the most recent fiscal year as shown in the summary of net position below.

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

Analysis of the City's Finances

	Governmental Activities			Business-type Activities			Total	
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024
Assets								
Current and other assets	\$ 18,387,539	\$ 17,931,039	\$ 456,500	\$ 3,321,753	\$ 1,936,386	\$ 1,385,367	\$ 21,709,292	\$ 19,867,425
Capital assets	36,039,865	34,431,242	1,608,623	36,423,570	36,151,804	271,766	72,463,435	70,583,046
Total Assets	54,427,404	52,362,281	2,065,123	39,745,323	38,088,190	1,657,133	94,172,727	90,450,471
Liabilities								
Long-term liabilities	7,720,741	9,533,937	(1,813,196)	22,907,915	25,169,250	(2,261,335)	30,628,656	34,703,187
Other liabilities	1,139,507	1,205,292	(65,785)	1,018,981	1,102,502	(83,521)	2,158,488	2,307,794
Total Liabilities	8,860,248	10,739,229	(1,878,981)	23,926,896	26,271,752	(2,344,856)	32,787,144	37,010,981
Net Position								
Net investment in capital assets	29,714,913	27,001,774	2,713,139	16,287,263	16,034,593	252,670	46,002,176	43,036,367
Restricted	3,558,260	3,372,618	185,642	-	-	-	3,558,260	3,372,618
Unrestricted	12,293,983	11,248,660	1,045,323	(468,836)	(4,218,155)	3,749,319	11,825,147	7,030,505
Total Net Position	\$ 45,567,156	\$ 41,623,052	\$ 3,944,104	\$ 15,818,427	\$ 11,816,438	\$ 4,001,989	\$ 61,385,583	\$ 53,439,490

The restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors. The City is able to report a positive net position balance in all three categories.

Governmental Activities. Governmental activities' net position increased the City's net position as shown below.

City of Mound's Changes in Net Position

	Governmental Activities			Business-type Activities			Total	
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024
Revenues								
Program revenues								
Charges for services	\$ 1,981,084	\$ 1,821,789	\$ 159,295	\$ 9,591,872	\$ 9,101,220	\$ 490,652	\$ 11,572,956	\$ 10,923,009
Operating grants and contributions	854,425	797,749	56,676	22,776	21,927	849	877,201	819,676
Capital grants and contributions	498,569	426,678	71,891	2,831,969	4,000	2,827,969	3,330,538	430,678
General revenues								
Property taxes/tax increments	9,305,506	8,689,789	615,717	360,000	360,000	-	9,665,506	9,049,789
Franchise taxes	623,421	514,089	109,332	-	-	-	623,421	514,089
Grants and contributions not restricted	-	74,762	(74,762)	-	-	-	-	74,762
Investment earnings	314,921	347,682	(32,761)	136,850	81,437	55,413	451,771	429,119
Sale of assets	23,345	60,121	(36,776)	-	1,382	(1,382)	23,345	61,503
Total Revenues	<u>13,601,271</u>	<u>12,732,659</u>	<u>868,612</u>	<u>12,943,467</u>	<u>9,569,966</u>	<u>3,373,501</u>	<u>26,544,738</u>	<u>22,302,625</u>
Expenses								
General government	1,300,489	1,489,931	(189,442)	-	-	-	1,300,489	1,489,931
Public safety	4,287,004	4,339,968	(52,964)	-	-	-	4,287,004	4,339,968
Public works	2,397,649	2,109,548	288,101	-	-	-	2,397,649	2,109,548
Culture and recreation	1,419,532	1,160,750	258,782	-	-	-	1,419,532	1,160,750
Housing and economic development	243,266	437,140	(193,874)	-	-	-	243,266	437,140
Interest on long-term debt	204,227	265,655	(61,428)	-	-	-	204,227	265,655
Water	-	-	-	2,116,583	2,084,277	32,306	2,116,583	2,084,277
Sewer	-	-	-	2,742,809	2,464,711	278,098	2,742,809	2,464,711
Municipal liquor	-	-	-	3,320,638	3,436,837	(116,199)	3,320,638	3,436,837
Recycling	-	-	-	254,225	251,309	2,916	254,225	251,309
Storm water	-	-	-	312,223	320,485	(8,262)	312,223	320,485
Total Expenses	<u>9,852,167</u>	<u>9,802,992</u>	<u>49,175</u>	<u>8,746,478</u>	<u>8,557,619</u>	<u>188,859</u>	<u>18,598,645</u>	<u>18,360,611</u>
Increase in Net Position Before Transfers	<u>3,749,104</u>	<u>2,929,667</u>	<u>819,437</u>	<u>4,196,989</u>	<u>1,012,347</u>	<u>3,184,642</u>	<u>7,946,093</u>	<u>3,942,014</u>
Transfers - Internal Activities	<u>195,000</u>	<u>360,000</u>	<u>(165,000)</u>	<u>(195,000)</u>	<u>(360,000)</u>	<u>165,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>3,944,104</u>	<u>3,289,667</u>	<u>654,437</u>	<u>4,001,989</u>	<u>652,347</u>	<u>3,349,642</u>	<u>7,946,093</u>	<u>3,942,014</u>
Net Position, January 1	<u>41,623,052</u>	<u>38,333,385</u>	<u>3,289,667</u>	<u>11,816,438</u>	<u>11,164,091</u>	<u>652,347</u>	<u>53,439,490</u>	<u>49,497,476</u>
Net Position, December 31	<u>\$ 45,567,156</u>	<u>\$ 41,623,052</u>	<u>\$ 3,944,104</u>	<u>\$ 15,818,427</u>	<u>\$ 11,816,438</u>	<u>\$ 4,001,989</u>	<u>\$ 61,385,583</u>	<u>\$ 53,439,490</u>

Key elements of this increase are as follows:

- Increases in property taxes and tax increments due to economic growth
- Increases in charges for services

Growth in revenues due to economic growth

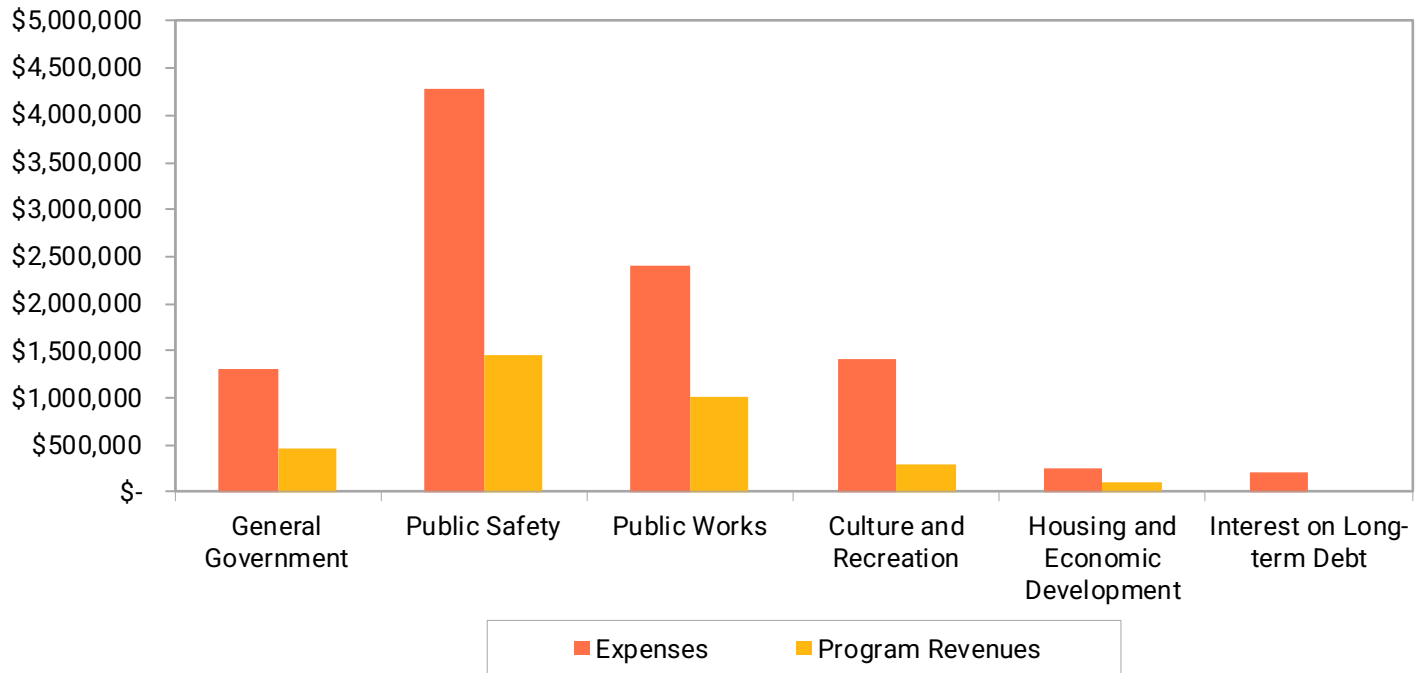
Increase in ad valorem taxes due to a larger levy in the current year.

Increases in charges for services

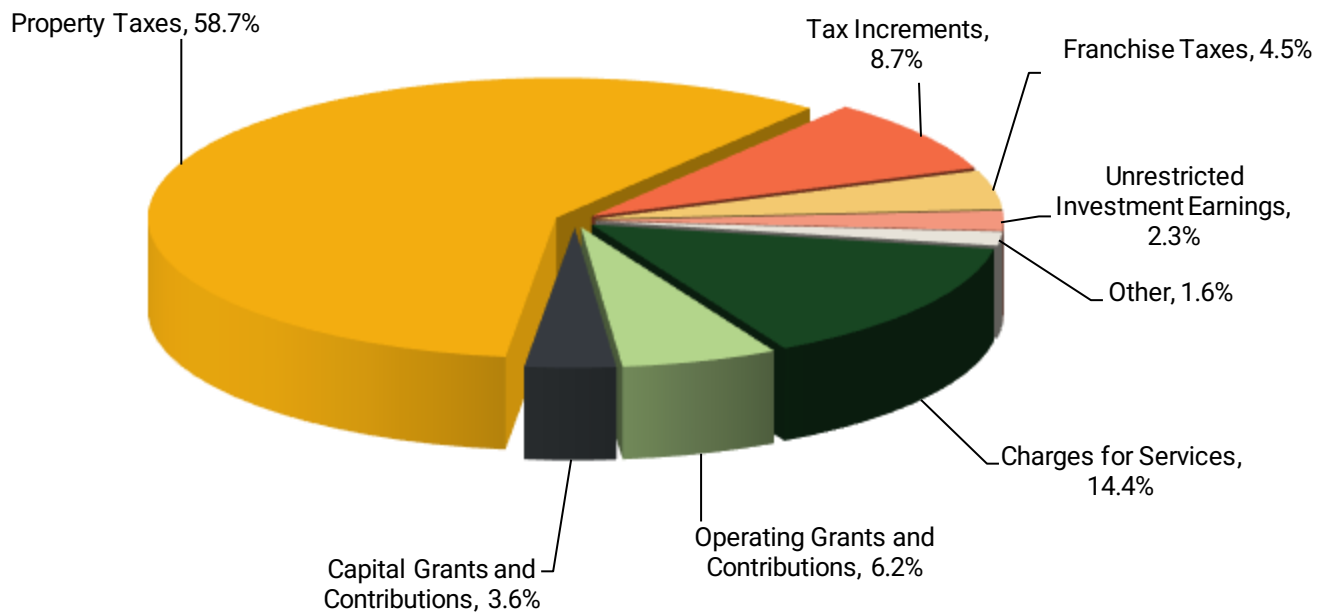
There was an increase in building permits and plan check fees in the current year.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



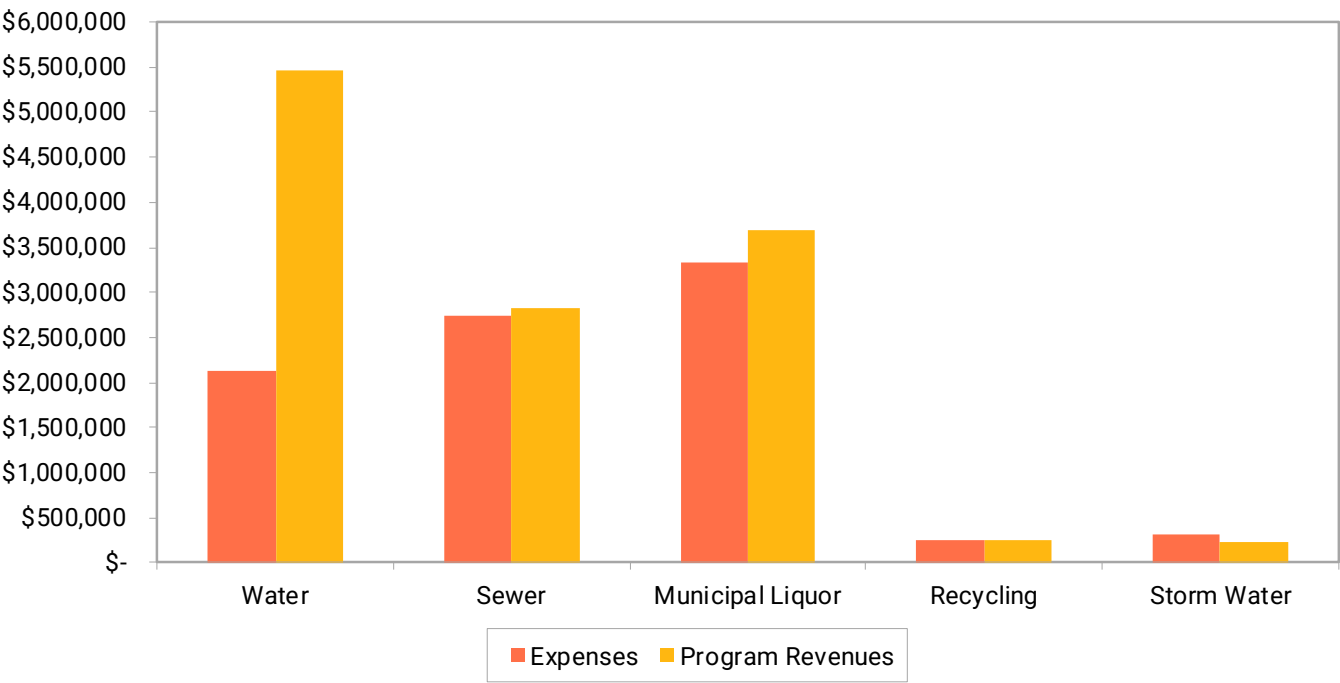
Revenues by Source - Governmental Activities



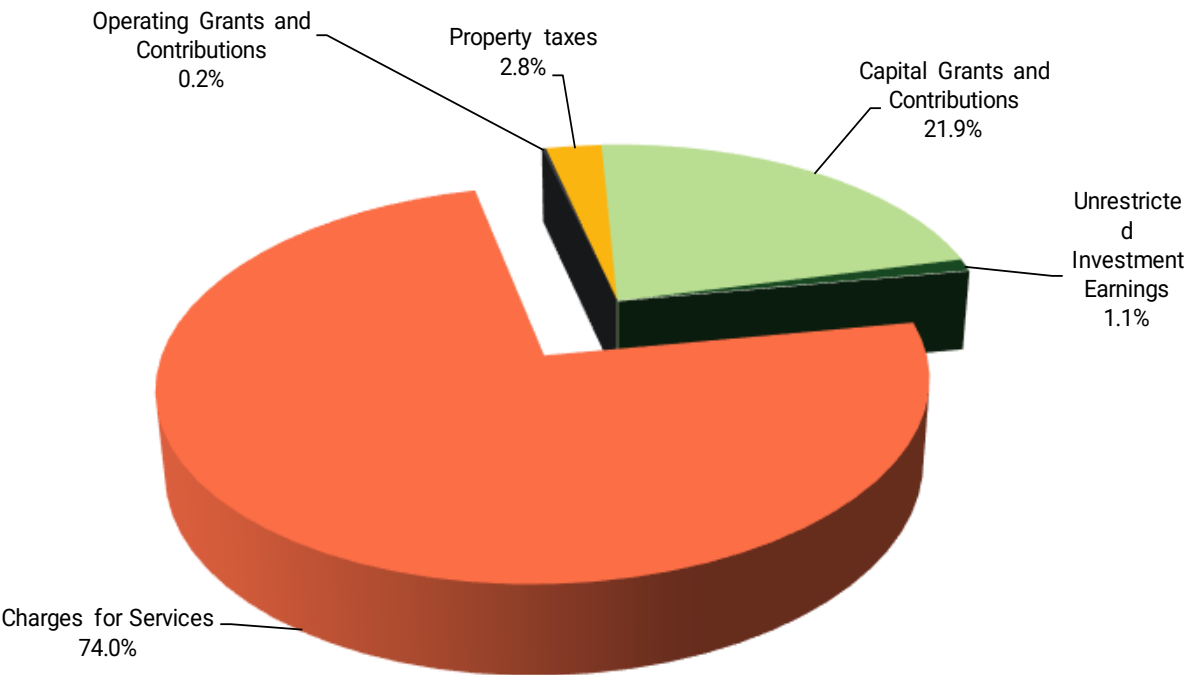
Business-type Activities. Business-type activities’ net position increased during the year. Factors contributing to this change are illustrated below.

- Increases in charges for services related to utility rate increases particularly for water, sewer and storm sewer.
- Increase is capital grants and contributions from the MN PFA related to water infrastructure improvements.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending December 31, 2025.

	General	Debt Service	Area Fire Service	Capital Improvements	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 7,084	\$ 7,084	\$ 9,082	\$ (1,998)
Restricted	-	4,177,504	-	-	67,655	4,245,159	4,262,024	(16,865)
Assigned	335,015	-	704,054	2,205,053	2,921,538	6,165,660	6,126,757	38,903
Unassigned	4,790,601	-	-	-	-	4,790,601	4,157,782	632,819
Total Fund Balances	<u>\$ 5,125,616</u>	<u>\$ 4,177,504</u>	<u>\$ 704,054</u>	<u>\$ 2,205,053</u>	<u>\$ 2,996,277</u>	<u>\$ 15,208,504</u>	<u>\$ 14,555,645</u>	<u>\$ 652,859</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances are shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 43 of this report.

The General fund is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund increased as shown below. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Fund Balance		Increase/ (Decrease)
	2025	2024	
General Fund Fund Balances			
Nonspendable	\$ -	\$ 1,998	\$ (1,998)
Assigned	335,015	266,243	68,772
Unassigned	4,790,601	4,157,782	632,819
Total General Fund Balances	<u>\$ 5,125,616</u>	<u>\$ 4,426,023</u>	<u>\$ 699,593</u>
General Fund expenditures	\$ 5,927,096	\$ 5,918,974	
Unassigned as a percent of expenditures	80.8%	70.2%	
Total fund balance as a percent of expenditures	86.5%	74.8%	

The fund balance of the City's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was primarily due to favorable variances in interest on investments and expenditures in the public works and culture and recreation departments.

Other major governmental fund analysis is shown below:

	Fund Balance		Increase (Decrease)
	2025	2024	
Debt Service fund	\$ 4,177,504	\$ 4,206,844	\$ (29,340)
<i>The Debt Service fund balance decreased as a result of the City transferring remaining cash from bonds with no future bond obligations to other funds to close the debt service funds.</i>			
Area Fire Service fund	704,054	574,290	129,764
<i>The Area Fire Service fund balance increased during the year mainly due to unbudgeted grants received, positive budget variance in investment income, and total resources in excess of total operating and capital expenses.</i>			
Capital Improvements fund	2,205,053	2,344,817	(139,764)
<i>Capital Improvements fund balance decreased due to capital outlay expenditures for street improvement projects in the current year in excess of current year resources.</i>			

Proprietary Funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	Net Position		Increase/ (Decrease)
	2025	2024	
Municipal Liquor Store	\$ 2,442,659	\$ 2,407,589	\$ 35,070
<i>The gross profit from sales increased in 2025 allowing the City to increase the transfer out of liquor profits while also increasing total net position.</i>			
Water Utility	7,293,388	3,774,215	3,519,173
<i>Increase in 2025 was primarily due to intergovernmental received during the year to offset project costs for infrastructure improvement projects.</i>			
Sewer Utility	6,639,379	6,104,075	535,304
<i>A property tax levy of \$360,000 along with a 9% increase in Sewer rates mitigated increases to both operating and nonoperating expenses accounting for the increase.</i>			
Recycling	279,979	281,732	(1,753)
<i>Revenues and expenditures remained consistent year to year resulting in a minimal decrease in total ending net position.</i>			
Storm Water Utility	(836,978)	(751,173)	(85,805)
<i>Storm utility charges are insufficient to cover depreciation and debt service resulting in a decline in total net position.</i>			

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, water and sewer systems, machinery and equipment, park facilities, and roads.

Major capital asset events during the current fiscal year included the following:

- Completion of the following capital projects:
 - Surfside Park Playground
 - Lost Lake Commons Park
 - CSAH 15 Sidewalk Improvements
 - 2024 Shoreline Trail Crossing
 - 2024 Paver Sidewalk Replacement
 - 2023 Lift Station – Lakewinds
 - Manhole Rehabilitation
- Acquisition of the following capital assets:
 - John Deere Mower
 - 2024 Bobcat
 - 2026 Western Star 47X Truck
 - Track Loader

Additional information on the City's capital assets can be found in Note 3B starting on page 54 of this report.

City of Mound's Capital Assets (Net of Depreciation)

	Governmental Activities			Business-type Activities			Total	
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024
Land	\$ 439,150	\$ 439,150	\$ -	\$ 488,685	\$ 488,685	\$ -	\$ 927,835	\$ 927,835
Construction in Progress	2,150,957	1,506,636	644,321	3,269,874	2,900,003	369,871	5,420,831	4,406,639
Buildings	6,414,051	6,711,889	(297,838)	656,683	694,416	(37,733)	7,070,734	7,406,305
Improvements other than Buildings	1,247,849	1,302,275	(54,426)	-	-	-	1,247,849	1,302,275
Equipment	2,410,489	2,286,567	123,922	135,934	129,973	5,961	2,546,423	2,416,540
Infrastructure	23,377,369	22,184,724	1,192,645	31,872,394	31,938,727	(66,333)	55,249,763	54,123,451
Total	\$ 36,039,865	\$ 34,431,241	\$ 1,608,624	\$ 36,423,570	\$ 36,151,804	\$ 271,766	\$ 72,463,435	\$ 70,583,045
Percentage increase/(decrease)			4.7%			0.8%		

Long-term Debt. At the end of the current fiscal year, the City's total bonded debt outstanding decreased, as shown below, mainly due to regularly scheduled principal repayments.

City of Mound's Outstanding Debt

	Governmental Activities			Business-type Activities			Total	
	2025	2024	Increase (Decrease)	2025	2024	Increase (Decrease)	2025	2024
General Obligation Revenue Bonds	\$ -	\$ -	\$ -	\$ 22,345,000	\$ 24,580,000	\$ (2,235,000)	\$ 22,345,000	\$ 24,580,000
G.O. Tax Increment Bonds	1,240,000	1,659,000	(419,000)	-	-	-	1,240,000	1,659,000
G.O. Improvement Bonds	6,100,000	7,545,000	(1,445,000)	-	-	-	6,100,000	7,545,000
Bond Premium	45,726	63,694	(17,968)	459,253	499,415	(40,162)	504,979	563,109
Total	<u>\$ 7,385,726</u>	<u>\$ 9,267,694</u>	<u>\$ (1,881,968)</u>	<u>\$ 22,804,253</u>	<u>\$ 25,079,415</u>	<u>\$ (2,275,162)</u>	<u>\$ 30,189,979</u>	<u>\$ 34,347,109</u>
Percentage increase/(decrease)			-20.3%			-9.1%		

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The City's outstanding general obligation debt is significantly less than the current debt limitation. The City's total debt decreased by during the current fiscal year. The key factor in this decrease was scheduled bond payments.

Additional information on the City's long-term debt can be found in Note 3D starting on page 57 of this report.

Currently Known Facts, Decisions, or Conditions

The City's estimated population as of December 31, 2025 is 9,297. Through its budgeting process, the City planned for conservative levels of growth in fiscal year 2026.

- Property valuations are expected to increase with the current economic conditions.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2026 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of Mound, 2415 Wilshire Boulevard, Mound, Minnesota 55364.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Mound, Minnesota
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 13,801,024	\$ 2,000	\$ 13,803,024
Receivables			
Accounts	107,541	1,715,226	1,822,767
Taxes	131,864	-	131,864
Special assessments	992,271	282,104	1,274,375
Internal balances	2,083,363	(2,083,363)	-
Due from other governments	1,264,392	2,809,969	4,074,361
Inventory	-	595,817	595,817
Prepaid items	7,084	-	7,084
Capital assets			
Land and construction in progress	2,590,107	3,758,559	6,348,666
Depreciable, net of accumulated depreciation	33,449,758	32,665,011	66,114,769
Total Assets	<u>54,427,404</u>	<u>39,745,323</u>	<u>94,172,727</u>
Liabilities			
Accounts payable	608,622	680,343	1,288,965
Accrued salaries payable	98,301	27,367	125,668
Due to other governments	-	42,641	42,641
Deposits payable	347,604	(1,401)	346,203
Accrued interest payable	84,980	270,031	355,011
Noncurrent liabilities			
Due within one year	1,696,009	2,427,446	4,123,455
Due in more than one year	6,024,732	20,480,469	26,505,201
Total Liabilities	<u>8,860,248</u>	<u>23,926,896</u>	<u>32,787,144</u>
Net Position			
Net investment in capital assets	29,714,913	16,287,263	46,002,176
Restricted for			
Debt service	3,490,605	-	3,490,605
Economic development	67,655	-	67,655
Unrestricted	12,293,983	(468,836)	11,825,147
Total Net Position	<u>\$ 45,567,156</u>	<u>\$ 15,818,427</u>	<u>\$ 61,385,583</u>

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

City of Mound, Minnesota
Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$1,300,489	\$ 421,586	\$ 32,407	\$ -	\$ (846,496)	\$ -	\$ (846,496)
Public safety	4,287,004	1,220,810	237,488	-	(2,828,706)	-	(2,828,706)
Public works	2,397,649	28,802	492,263	498,569	(1,378,015)	-	(1,378,015)
Culture and recreation	1,419,532	294,836	1,417	-	(1,123,279)	-	(1,123,279)
Housing and economic development	243,266	15,050	90,850	-	(137,366)	-	(137,366)
Interest on long-term debt	204,227	-	-	-	(204,227)	-	(204,227)
Total Governmental Activities	<u>9,852,167</u>	<u>1,981,084</u>	<u>854,425</u>	<u>498,569</u>	<u>(6,518,089)</u>	<u>-</u>	<u>(6,518,089)</u>
Business-type Activities							
Water	2,116,583	2,638,787	-	2,831,969	-	3,354,173	3,354,173
Sewer	2,742,809	2,817,199	-	-	-	74,390	74,390
Municipal liquor	3,320,638	3,685,543	-	-	-	364,905	364,905
Recycling	254,225	223,925	22,776	-	-	(7,524)	(7,524)
Storm water	312,223	226,418	-	-	-	(85,805)	(85,805)
Total Business-type Activities	<u>8,746,478</u>	<u>9,591,872</u>	<u>22,776</u>	<u>2,831,969</u>	<u>-</u>	<u>3,700,139</u>	<u>3,700,139</u>
Total	<u>\$ 18,598,645</u>	<u>\$ 11,572,956</u>	<u>\$ 877,201</u>	<u>\$ 3,330,538</u>	<u>(6,518,089)</u>	<u>3,700,139</u>	<u>(2,817,950)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					7,485,226	360,000	7,845,226
Property taxes, levied for debt service					613,700	-	613,700
Tax increments					1,206,580	-	1,206,580
Franchise taxes					623,421	-	623,421
Unrestricted investment earnings					314,921	136,850	451,771
Gain on sale of capital assets					23,345	-	23,345
Transfers - Internal Activities					195,000	(195,000)	-
Total General Revenues and Transfers					<u>10,462,193</u>	<u>301,850</u>	<u>10,764,043</u>
Change in Net Position					3,944,104	4,001,989	7,946,093
Net Position, January 1					<u>41,623,052</u>	<u>11,816,438</u>	<u>53,439,490</u>
Net Position, December 31					<u>\$ 45,567,156</u>	<u>\$ 15,818,427</u>	<u>\$ 61,385,583</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

FUND FINANCIAL STATEMENTS

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Mound, Minnesota

Balance Sheet
Governmental Funds
December 31, 2025

	101	300's	222	401	Other	Total
	General	Debt Service	Area Fire Service	Capital Improvements	Governmental Funds	Governmental Funds
Assets						
Cash and temporary investments	\$ 5,590,354	\$ 4,167,385	\$ 775,874	\$ 101,423	\$ 3,165,988	\$ 13,801,024
Receivables						
Accounts	107,541	-	-	-	-	107,541
Taxes	125,450	6,414	-	-	-	131,864
Special assessments	83,926	641,949	-	263,480	2,916	992,271
Due from other governments	15,633	-	-	1,248,759	-	1,264,392
Due from other funds	-	-	-	2,083,363	-	2,083,363
Prepaid items	-	-	-	-	7,084	7,084
Total Assets	\$ 5,922,904	\$ 4,815,748	\$ 775,874	\$ 3,697,025	\$ 3,175,988	\$ 18,387,539
Liabilities						
Accounts payable	\$ 236,011	\$ 163	\$ 32,386	\$ 163,267	\$ 176,795	\$ 608,622
Accrued salaries payable	58,867	-	39,434	-	-	98,301
Deposits payable	347,604	-	-	-	-	347,604
Total Liabilities	642,482	163	71,820	163,267	176,795	1,054,527
Deferred Inflows of Resources						
Unavailable revenue - property taxes	70,881	-	-	-	-	70,881
Unavailable revenue - special assessments	83,925	638,081	-	258,688	2,916	983,610
Unavailable revenue - intergovernmental	-	-	-	1,070,017	-	1,070,017
Total Deferred Inflows of Resources	154,806	638,081	-	1,328,705	2,916	2,124,508
Fund Balances						
Nonspendable for						
Prepaid items	-	-	-	-	7,084	7,084
Restricted for						
Debt service	-	4,177,504	-	-	-	4,177,504
Economic development	-	-	-	-	67,655	67,655
Assigned for						
Severance pay	335,015	-	-	-	-	335,015
Public safety	-	-	704,054	-	-	704,054
Culture and recreation	-	-	-	-	376,403	376,403
Housing and redevelopment authority	-	-	-	-	415,754	415,754
Capital improvements	-	-	-	2,205,053	2,129,381	4,334,434
Unassigned	4,790,601	-	-	-	-	4,790,601
Total Fund Balances	5,125,616	4,177,504	704,054	2,205,053	2,996,277	15,208,504
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,922,904	\$ 4,815,748	\$ 775,874	\$ 3,697,025	\$ 3,175,988	\$ 18,387,539

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

City of Mound, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2025

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

Total Fund Balances - Governmental Funds	\$ 15,208,504
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	58,248,958
Less: accumulated depreciation	(22,209,093)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bond principal payable	(7,340,000)
Bond premium payable	(45,726)
Compensated absences payable	(335,015)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Taxes receivable	70,881
Special assessments receivable	983,610
Intergovernmental	1,070,017
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(84,980)</u>
Total Net Position - Governmental Activities	<u><u>\$ 45,567,156</u></u>

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

City of Mound, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	101	300's	222	401	Other	Total
	General	Debt Service	Area Fire Service	Capital Improvements	Governmental Funds	Governmental Funds
Revenues						
Taxes	\$ 5,936,096	\$ 1,695,031	\$ 91,102	\$ 1,278,000	\$ 902,549	\$ 9,902,778
Licenses and permits	376,270	-	-	-	334,620	710,890
Intergovernmental	48,068	-	237,488	280,527	92,729	658,812
Charges for services	590,844	-	590,908	-	22,400	1,204,152
Fines and forfeitures	27,300	-	-	-	-	27,300
Special assessments	4,489	283,133	-	55,886	2,177	345,685
Interest on investments	270,388	-	19,248	-	25,285	314,921
Miscellaneous	65,476	-	60,872	421,927	19,000	567,275
Total Revenues	<u>7,318,931</u>	<u>1,978,164</u>	<u>999,618</u>	<u>2,036,340</u>	<u>1,398,760</u>	<u>13,731,813</u>
Expenditures						
Current						
General government	1,279,482	-	-	-	-	1,279,482
Public safety	2,881,340	-	1,365,703	-	-	4,247,043
Public works	1,070,611	-	-	205	-	1,070,816
Culture and recreation	695,663	-	-	-	167,109	862,772
Housing and economic development	-	50,100	-	-	74,475	124,575
Capital outlay						
General government	-	-	-	-	10,944	10,944
Public safety	-	-	10,043	-	-	10,043
Public works	-	-	-	2,210,146	381,949	2,592,095
Culture and recreation	-	-	-	-	891,487	891,487
Housing and economic development	-	-	-	-	118,691	118,691
Debt service						
Principal	-	1,689,000	175,000	-	-	1,864,000
Interest and other	-	234,157	11,350	-	-	245,507
Total Expenditures	<u>5,927,096</u>	<u>1,973,257</u>	<u>1,562,096</u>	<u>2,210,351</u>	<u>1,644,655</u>	<u>13,317,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,391,835</u>	<u>4,907</u>	<u>(562,478)</u>	<u>(174,011)</u>	<u>(245,895)</u>	<u>414,358</u>
Other Financing Sources (Uses)						
Transfers in	-	-	692,242	34,247	195,000	921,489
Sale of capital assets	-	-	-	-	43,501	43,501
Transfers out	(692,242)	(34,247)	-	-	-	(726,489)
Total Other Financing Sources (Uses)	<u>(692,242)</u>	<u>(34,247)</u>	<u>692,242</u>	<u>34,247</u>	<u>238,501</u>	<u>238,501</u>
Net Change in Fund Balances	699,593	(29,340)	129,764	(139,764)	(7,394)	652,859
Fund Balances, January 1	<u>4,426,023</u>	<u>4,206,844</u>	<u>574,290</u>	<u>2,344,817</u>	<u>3,003,671</u>	<u>14,555,645</u>
Fund Balances, December 31	<u>\$ 5,125,616</u>	<u>\$ 4,177,504</u>	<u>\$ 704,054</u>	<u>\$ 2,205,053</u>	<u>\$ 2,996,277</u>	<u>\$ 15,208,504</u>

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

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

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

Total Net Change in Fund Balances - Governmental Funds	\$ 652,859
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	3,315,100
Depreciation expense	(1,686,320)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
Disposals	(69,856)
Depreciation on disposals	49,700
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments	1,864,000
Amortization of bond premium	17,968
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	23,312
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	(278,896)
Property taxes	26,149
Intergovernmental	98,860
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	(68,772)
Change in Net Position - Governmental Activities	<u>\$ 3,944,104</u>

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

City of Mound, Minnesota
Statements of Net Position
Proprietary Funds
December 31, 2025

	Business-type Activities - Enterprise Funds					
	601	602	609	675	670	
	Water	Sewer	Municipal Liquor	Storm Water	Nonmajor Recycling	Totals
Assets						
Current Assets						
Cash and temporary investments	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
Receivables						
Accounts	709,701	875,182	-	65,120	65,223	1,715,226
Special assessments	282,104	-	-	-	-	282,104
Due from other governments	2,809,969	-	-	-	-	2,809,969
Due from other funds	-	3,935,219	1,546,734	-	233,544	5,715,497
Inventory	42,263	-	553,554	-	-	595,817
Total Current Assets	3,844,037	4,810,401	2,102,288	65,120	298,767	11,120,613
Noncurrent Assets						
Capital assets, at cost	31,106,074	25,407,716	1,477,701	6,768,332	-	64,759,823
Less: Accumulated depreciation	(13,020,552)	(11,086,393)	(856,331)	(3,372,977)	-	(28,336,253)
Net Capital Assets	18,085,522	14,321,323	621,370	3,395,355	-	36,423,570
Total Assets	21,929,559	19,131,724	2,723,658	3,460,475	298,767	47,544,183
Liabilities						
Current Liabilities						
Accounts payable	69,687	414,432	177,436	-	18,788	680,343
Accrued salaries payable	7,513	7,857	11,997	-	-	27,367
Due to other governments	17	-	42,624	-	-	42,641
Deposits payable	-	(1,566)	165	-	-	(1,401)
Due to other funds	5,604,041	-	-	2,194,819	-	7,798,860
Accrued interest payable	109,787	137,434	-	22,810	-	270,031
Compensated absences payable - current	16,063	16,868	29,515	-	-	62,446
Bonds payable - current	1,175,768	930,800	-	258,432	-	2,365,000
Total Current Liabilities	6,982,876	1,505,825	261,737	2,476,061	18,788	11,245,287
Noncurrent Liabilities						
Compensated absences payable	10,709	11,245	19,262	-	-	41,216
Bonds payable	7,642,586	10,975,275	-	1,821,392	-	20,439,253
Total Noncurrent Liabilities	7,653,295	10,986,520	19,262	1,821,392	-	20,480,469
Total Liabilities	14,636,171	12,492,345	280,999	4,297,453	18,788	31,725,756
Net Position						
Net investment in capital assets	12,077,137	2,273,225	621,370	1,315,531	-	16,287,263
Unrestricted	(4,783,749)	4,366,154	1,821,289	(2,152,509)	279,979	(468,836)
Total Net Position	\$ 7,293,388	\$ 6,639,379	\$ 2,442,659	\$ (836,978)	\$ 279,979	\$ 15,818,427

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

City of Mound, Minnesota
Statements of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					
	601	602	609	675	670	
	Water	Sewer	Municipal Liquor	Storm Water	Nonmajor Recycling	Totals
Operating Revenues						
Sales	\$ -	\$ -	\$ 3,681,270	\$ -	\$ -	\$ 3,681,270
Cost of sales	-	-	(2,552,685)	-	-	(2,552,685)
Gross Profit	-	-	1,128,585	-	-	1,128,585
Charges for services	2,587,311	2,742,640	-	224,152	219,366	5,773,469
Penalties	49,890	55,060	-	2,266	4,559	111,775
Total Operating Revenues	2,637,201	2,797,700	1,128,585	226,418	223,925	7,013,829
Operating Expenses						
Personnel services	410,604	342,111	443,028	-	1,165	1,196,908
Supplies	172,975	61,133	25,366	-	28	259,502
Professional services	105,759	100,441	56,487	-	-	262,687
Communications	15,224	16,636	17,253	-	-	49,113
Insurance	15,811	26,351	20,644	-	-	62,806
Utilities	55,507	61,112	23,734	-	-	140,353
Repairs and maintenance	12,106	28,786	19,582	-	-	60,474
Rent	-	-	23,114	-	-	23,114
Other contractual services	140,163	113,611	5,130	25,472	253,032	537,408
Metropolitan Council Environmental Services disposal charges	-	1,060,560	-	-	-	1,060,560
Depreciation	902,974	617,254	38,404	233,341	-	1,791,973
Miscellaneous	15,361	6,822	95,211	-	-	117,394
Total Operating Expenses	1,846,484	2,434,817	767,953	258,813	254,225	5,562,292
Operating Income (Loss)	790,717	362,883	360,632	(32,395)	(30,300)	1,451,537
Nonoperating Revenues (Expenses)						
Intergovernmental	-	-	-	-	22,776	22,776
Property taxes	-	360,000	-	-	-	360,000
Interest on investments	-	100,914	30,165	-	5,771	136,850
Miscellaneous	1,586	19,499	4,273	-	-	25,358
Interest expense and other	(262,586)	(301,310)	-	(53,410)	-	(617,306)
Loss on sale of capital assets	(7,513)	(6,682)	-	-	-	(14,195)
Total Nonoperating Revenues (Expenses)	(268,513)	172,421	34,438	(53,410)	28,547	(86,517)
Income (Loss) Before Transfers and Contributions	522,204	535,304	395,070	(85,805)	(1,753)	1,365,020
Capital Contributions	22,000	-	-	-	-	22,000
Capital Contributions - grants	2,809,969	-	-	-	-	2,809,969
Transfers In	165,000	-	-	-	-	165,000
Transfers Out	-	-	(360,000)	-	-	(360,000)
Change in Net Position	3,519,173	535,304	35,070	(85,805)	(1,753)	4,001,989
Net Position, January 1	3,774,215	6,104,075	2,407,589	(751,173)	281,732	11,816,438
Net Position, December 31	\$ 7,293,388	\$ 6,639,379	\$ 2,442,659	\$ (836,978)	\$ 279,979	\$ 15,818,427

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

City of Mound, Minnesota
Statements of Cash Flows (Continued on the Following Page)
Proprietary Funds
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds					
	601	602	609	675	670	
	Water	Sewer	Municipal Liquor	Storm Water	Nonmajor Recycling	Totals
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 2,537,472	\$ 2,704,093	\$ 3,681,270	\$ 205,823	\$ 231,266	\$ 9,359,924
Other operating receipts	1,586	19,499	4,273	-	-	25,358
Payments to suppliers	(479,331)	(1,196,491)	(2,834,013)	(25,472)	(252,975)	(4,788,282)
Payments to employees	(408,342)	(339,554)	(430,960)	-	(1,165)	(1,180,021)
Net Cash Provided (Used) by Operating Activities	1,651,385	1,187,547	420,570	180,351	(22,874)	3,416,979
Cash Flows from Noncapital Financing Activities						
Receipt (payment) of due to other funds	1,129,835	376,206	(90,735)	168,660	(5,673)	1,578,293
Transfers in	165,000	-	-	-	-	165,000
Transfers out	-	-	(360,000)	-	-	(360,000)
Intergovernmental receipts	-	-	-	-	22,776	22,776
Net Cash Provided (Used) by Noncapital Financing Activities	1,294,835	376,206	(450,735)	168,660	17,103	1,406,069
Cash Flows from Capital Financing Activities						
Acquisition of capital assets	(1,518,490)	(939,061)	-	-	-	(2,457,551)
Property taxes	-	360,000	-	-	-	360,000
Proceeds from capital grants	22,000	-	-	-	-	22,000
Interest paid on bonds	(276,587)	(313,612)	-	(59,148)	-	(649,347)
Principal paid on bonds	(1,173,143)	(771,994)	-	(289,863)	-	(2,235,000)
Net Cash Provided (Used) by Capital Financing Activities	(2,946,220)	(1,664,667)	-	(349,011)	-	(4,959,898)
Cash Flows from Investing Activities						
Interest received on investments	-	100,914	30,165	-	5,771	136,850
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-	-	-	-
Cash and Cash Equivalents, January 1	-	-	2,000	-	-	2,000
Cash and Cash Equivalents, December 31	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000

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

City of Mound, Minnesota
Statements of Cash Flows (Continued)
Proprietary Funds
For the Years Ended December 31, 2025 and 2024

	Business-type Activities - Enterprise Funds					Totals
	601	602	609	675	670	
	Water	Sewer	Municipal Liquor	Storm Water	Nonmajor Recycling	
Reconciliation to Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 790,717	\$ 362,883	\$ 360,632	\$ (32,395)	\$ (30,300)	\$ 1,451,537
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Other income	1,586	19,499	4,273	-	-	25,358
Depreciation expense	902,974	617,254	38,404	233,341	-	1,791,973
(Increase) decrease in assets						
Accounts receivable	(102,926)	(93,607)	-	(20,595)	7,341	(209,787)
Special assessments receivable	3,197	-	-	-	-	3,197
Inventory	8,429	-	(29,527)	-	-	(21,098)
Prepaid items	-	73,997	-	-	-	73,997
Increase (decrease) in liabilities						
Accounts payable	45,473	217,290	33,026	-	85	295,874
Deposits payable	-	(12,326)	-	-	-	(12,326)
Accrued salaries payable	915	1,006	1,139	-	-	3,060
Due to other governments	(327)	-	1,694	-	-	1,367
Compensated absences payable	1,347	1,551	10,929	-	-	13,827
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,651,385</u>	<u>\$ 1,187,547</u>	<u>\$ 420,570</u>	<u>\$ 180,351</u>	<u>\$ (22,874)</u>	<u>\$ 3,416,979</u>
Noncash Capital and Related Financing Activities						
Intergovernmental	<u>\$ 2,809,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,809,969</u>
Acquisition of capital assets on account	<u>\$ -</u>	<u>\$ 142,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,023</u>
Disposal of capital assets	<u>\$ (7,513)</u>	<u>\$ (6,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,195)</u>
Amortization of bond premium	<u>\$ 6,245</u>	<u>\$ 31,161</u>	<u>\$ -</u>	<u>\$ 2,756</u>	<u>\$ -</u>	<u>\$ 40,162</u>

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

THIS PAGE IS LEFT
BLANK INTENTIONALLY

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

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Mound, Minnesota (the City), operates under the "Plan B" form of government as defined in the State of Minnesota statutes. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are in substance, part of the City's operations and so data from these units are combined with data of the primary government. The component unit has a December 31 year end.

Blended Component Unit. The Housing and Redevelopment Authority (HRA) serves all the citizens of the City and are governed by City appointed Board of Directors.

The HRA was created by the City to carry out certain redevelopment projects. The five-member Board of Directors is appointed by the City Council and currently is comprised of the members of the City Council. The City Council reviews and approves HRA tax levies, and the City provides major community development financing for HRA activities. Debt issued for HRA activities are City general obligations. The HRA consists of two separate operations. The general operations are reported as blended special revenue and debt service funds. Separate financial statements are not issued.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the City and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the City is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

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

The *Debt Service fund* accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Area Fire Service fund* accounts for the contracted services provided by the City's fire department. The resources in the fund include taxes, which are levied, charges for services provided by the cities that contract for fire services and intergovernmental aid from the State.

The *Capital Improvements fund* accounts for the accumulation of financial resources for future capital improvement expenses.

The City reports the following major proprietary funds:

The *Municipal Liquor fund* accounts for costs associated with the City's municipal off - sale liquor operations. When net income exists, it will be used for the annual seal-coating of City streets and/or other capital improvements.

The *Water fund* accounts for costs associated with the City's water system and ensure that user charges are sufficient to pay for those costs.

The *Sewer fund* accounts for the costs associated with the City's sewer system and ensure that user charges are sufficient to pay for those costs.

The *Storm Water fund* accounts for the costs associated with the City's storm water system, which are financed by the storm water surcharge, and ensure that user charges are sufficient to pay for those costs.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Cash balances from all funds are pooled and invested, to the extent available, in authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with 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.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.
10. Certificates of deposits that are fully insured by the Federal Deposit Insurance Corporation or collateralized as required by law.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2025:

- Government securities of \$2,025,512 are valued using quoted market prices (Level 1 inputs)

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

Note 1: Summary of Significant Accounting Policies (Continued)

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the City's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contacting the League of Minnesota Cities Finance Department at 145 University Avenue West, St. Paul, Minnesota, 55103-2044 or call (651) 281-1200.

Property Taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and November each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

Account Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2025. The City annually certifies delinquent utility accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Governmental special assessments have been offset by a deferred inflow of resources for special assessments not received within 60 days after year end in the governmental fund financial statements.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Certain advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories

For proprietary funds, inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventories are recorded as an expense when sold or consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items of the City are accounted for using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of four years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the acquisition value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Furniture and Fixtures	5 - 15
Buildings	50 - 100
Equipment	5 - 10
Leasehold Improvements	10 - 20
Infrastructure	20 - 60

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

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick pay benefits are paid by the City according to the following schedule:

Years of Service	Non-Union	Public Works Union
5	41 %	53 %
10	46	59
15	52	66
20	57	73
25+	62	80

All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In the case of a liability being recorded in the governmental funds, the liability would be liquidated from the General fund.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. Assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Manager.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 20 percent of budgeted operating expenditures for cash-flow timing needs.

Net Position

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

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

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund and the Area Fire Service, Dock and HRA special revenue funds. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

On or before July 1 of each year, all departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. Before September 30th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in December.

The appropriated budget is prepared by fund, function and department. The City's department heads, with the approval of the City Manager, may make transfers of appropriations within or between departments. The legal level of budgetary control is the fund level. Budgeted amounts are as originally adopted by the General fund, Area Fire Services fund, Dock fund and HRA fund, or as amended by the City Council. There were no budget amendments during the year.

B. Deficit Fund Equity

The following fund had a deficit fund equity at December 31, 2025:

Fund	Amount
Enterprise	
Storm Water	\$ 836,978

The City plans to fund this deficit with future revenues from user charges.

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2025 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Area Fire Service	\$ 1,541,907	\$ 1,562,096	\$ 20,189

The Area Fire Service fund's excesses were funded with revenues in excess of budget and transfers from other funds.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

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

Note 3: Detailed Notes on All Funds (Continued)

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any Federal agency.

A reconciliation of cash and investments as reported on the statement of net position follows:

Outstanding Payments and Deposits	\$ (104,462)
Investments	13,905,136
Cash on Hand	<u>2,350</u>
Total - as Reported on the Statement of Net Position	<u><u>\$ 13,803,024</u></u>

Investments

As of December 31, 2025, the City had the following investments that are insured or registered, or securities held by the City's agent in the City's name:

Investment Type	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Minnesota Municipal Money Market	N/A	Less than 1 year	\$ 11,879,624	\$ -	\$ -	\$ -
Non-pooled Investments at Fair Value						
Government Securities	AAA	Less than 1 year	<u>2,025,512</u>	<u>2,025,512</u>	<u>-</u>	<u>-</u>
Total Investments			<u><u>\$ 13,905,136</u></u>	<u><u>\$ 2,025,512</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(1) Ratings are provided by various credit rating agencies where applicable.

(2) Interest rate risk is disclosed using the segmented time distribution method.

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

Note 3: Detailed Notes on All Funds (Continued)

Investment Policy

The City's investment policy incorporates Minnesota statutes as described above which reduce the City's exposure to credit, custodial credit and interest rate risks. Specific risk information for the City is as follows:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list on page 46 of the notes.
- *Custodial Credit Risk.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In accordance with the City's investment policy, the investment officer shall structure all investments, deposits, and repurchase agreements so that the custodial risk is categorized as either insured or registered, or securities held by the City or its agent in the City's name or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name. All investments are placed in safekeeping at financial institutions.
- *Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the City's investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. The maturities selected shall provide for stability of income and reasonable liquidity.
- *Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturity of its investment portfolio to less than five years.

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

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, not Being Depreciated				
Land	\$ 439,150	\$ -	\$ -	\$ 439,150
Construction in progress	1,506,636	2,928,199	(2,283,878)	2,150,957
Total Capital Assets, not Being Depreciated	1,945,786	2,928,199	(2,283,878)	2,590,107
Capital Assets Being Depreciated				
Buildings	12,124,585	13,353	-	12,137,938
Improvements other than buildings	2,886,801	32,090	-	2,918,891
Equipment	5,950,891	562,791	(53,756)	6,459,926
Infrastructure	32,095,651	2,062,545	(16,100)	34,142,096
Total Capital Assets Being Depreciated	53,057,928	2,670,779	(69,856)	55,658,851
Less Accumulated Depreciation for				
Buildings	(5,412,696)	(311,191)	-	(5,723,887)
Improvements other than buildings	(1,584,526)	(86,516)	-	(1,671,042)
Equipment	(3,664,324)	(432,666)	47,553	(4,049,437)
Infrastructure	(9,910,927)	(855,947)	2,147	(10,764,727)
Total Accumulated Depreciation	(20,572,473)	(1,686,320)	49,700	(22,209,093)
Total Capital Assets Being Depreciated, Net	32,485,455	984,459	(20,156)	33,449,758
Governmental Activities Capital Assets, Net	<u>\$ 34,431,241</u>	<u>\$ 3,912,658</u>	<u>\$ (2,304,034)</u>	<u>\$ 36,039,865</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities	
Public safety	\$ 16,323
Public works	1,317,760
Culture and recreation	352,237
Total Depreciation Expense - Governmental Activities	<u>\$ 1,686,320</u>

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

Note 3: Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, not Being Depreciated				
Land	\$ 488,685	\$ -	\$ -	\$ 488,685
Construction in progress	2,900,003	2,027,803	(1,657,932)	3,269,874
Total Capital Assets, not Being Depreciated	3,388,688	2,027,803	(1,657,932)	3,758,559
Capital Assets Being Depreciated				
Buildings	1,460,915	-	-	1,460,915
Equipment	1,107,795	50,131	-	1,157,926
Infrastructure	56,746,861	1,657,932	(22,370)	58,382,423
Total Capital Assets Being Depreciated	59,315,571	1,708,063	(22,370)	61,001,264
Less Accumulated Depreciation for				
Buildings	(766,499)	(37,733)	-	(804,232)
Equipment	(977,822)	(44,170)	-	(1,021,992)
Infrastructure	(24,808,134)	(1,710,070)	8,175	(26,510,029)
Total Accumulated Depreciation	(26,552,455)	(1,791,973)	8,175	(28,336,253)
Total Capital Assets Being Depreciated, Net	32,763,116	(83,910)	(14,195)	32,665,011
Business-type Activities Capital Assets, Net	<u>\$ 36,151,804</u>	<u>\$ 1,943,893</u>	<u>\$ (1,672,127)</u>	<u>\$ 36,423,570</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type Activities	
Water	\$ 902,974
Sewer	617,254
Storm water	233,341
Municipal liquor	38,404
Total Depreciation Expense - Business-type Activities	<u>\$ 1,791,973</u>

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

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City had the following outstanding construction commitments at December 31, 2025:

Project	Spent to Date	Remaining Commitment
2025 Street Reconstruction Project	\$ 1,161,251	\$ 61,118
Lost Lake Commons Park - Phase 2	431,928	351,929
2025 Lift Station Improvement Project	384,650	99,573
Water Treatment Plant - Well 9	4,732	586,116
Water Treatment Infrastructure	8,127	4,339,611
Total	<u>\$ 1,990,687</u>	<u>\$ 5,438,348</u>

C. Interfund Receivables, Payables and Transfers

Due to/from Other Funds

Due to/from funds represent reclassifications of temporary cash deficits in individual fund and other short term loans expected to be repaid within one year. The amount owing between funds represents reclassification of temporary cash deficits between. At year end, the balances were as follows:

Receivable Fund	Payable Fund	Total
<i>Due to/from other Funds</i>		
Sewer	Water	\$ 3,935,219
Recycling	Water	233,544
Capital Improvements	Water	1,435,278
Municipal Liquor	Storm Water	1,546,734
Capital Improvements	Storm Water	<u>648,085</u>
Subtotal Interfund Balances		7,798,860
Interfund activity eliminated from government-wide statements		<u>(5,715,497)</u>
Total Internal Balances - Government-wide Statements		<u>\$ 2,083,363</u>

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

Note 3: Detailed Notes on All Funds (Continued)

Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2025 is as follows:

Fund	Transfer In				Total
	Area Fire Service	Capital Improvements	Nonmajor	Water	
Transfer Out					
General	\$ 692,242	\$ -	\$ -	\$ -	\$ 692,242
Debt service	-	34,247	-	-	34,247
Municipal Liquor	-	-	195,000	165,000	360,000
Subtotal Transfers	<u>\$ 692,242</u>	<u>\$ 34,247</u>	<u>\$ 195,000</u>	<u>\$ 165,000</u>	<u>\$ 1,086,489</u>

- The General fund transferred \$692,242 to the Area Fire Service fund for costs incurred for the Fire Department.
- The Municipal Liquor fund transferred \$135,000, \$60,000 and \$165,000 to the Street Maintenance fund, the Parks fund, and the Water fund, respectively, to reduce the tax levy and the burden on its citizens.
- Debt service fund transferred \$23,517 from the 2011A Debt Service Fund \$10,730 from 2018A Debt Service Fund the Capital Improvements fund for the purposes of closing debt service funds.

D. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be paid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund an issue of general obligation bonds.

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

Note 3: Detailed Notes on All Funds (Continued)

General Obligation (Improvement) Bonds

The following bonds were issued to finance various improvements and will be repaid from tax levies and special assessment collections. All improvement bonds are backed by the full faith and credit of the City. Each year, the tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2012A	\$ 2,245,000	2.00 - 3.25 %	07/12/12	02/01/28	\$ 510,000
G.O. Improvement Bonds of 2013A	2,780,000	2.00 - 2.25	05/02/13	02/01/29	830,000
G.O. Improvement Bonds of 2014A	715,000	2.00 - 3.00	09/18/14	02/01/30	270,000
G.O. Improvement Bonds of 2015A	3,510,000	2.00 - 3.50	09/10/15	02/01/32	635,000
G.O. Tax Abatement Bonds of 2015B	2,590,000	2.00 - 4.00	09/10/15	02/01/35	1,575,000
GO Improvement Bonds of 2016A	2,105,000	2.00 - 2.75	12/01/16	02/01/32	1,085,000
GO Improvement Bonds of 2016A	725,000	2.00 - 2.75	12/01/16	02/01/32	120,000
GO Refunding Bonds of 2020A	2,450,000	1.15 - 2.00	11/04/20	02/01/30	<u>1,075,000</u>
Total G.O. Improvement Bonds					<u><u>\$ 6,100,000</u></u>

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

Year Ending December 31,	Governmental Activities		
	G.O. Improvement		
	Principal	Interest	Total
2026	\$ 1,215,000	\$ 144,865	\$ 1,359,865
2027	1,125,000	118,099	1,243,099
2028	1,140,000	91,139	1,231,139
2029	735,000	67,889	802,889
2030	535,000	51,391	586,391
2031 - 2035	<u>1,350,000</u>	<u>99,087</u>	<u>1,449,087</u>
Total	<u><u>\$ 6,100,000</u></u>	<u><u>\$ 572,470</u></u>	<u><u>\$ 6,672,470</u></u>

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

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Tax Increment Bonds

The following bonds were issued to finance various redevelopment projects throughout the City and will be repaid from tax increments. There were no City capital assets acquired with these bonds. The additional tax increments resulting from increased tax capacity of the redeveloped properties will be used to retire the related debt.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Tax Increment Revenue Refunding of 2006	\$ 3,295,000	4.25 - 5.00 %	11/02/06	08/15/26	\$ 110,000
G.O. Tax Increment Refunding Bonds of 2018A	4,020,000	2.10 - 3.25	12/04/18	02/01/31	1,130,000
Total G.O. Tax Increment Bonds					<u>\$ 1,240,000</u>

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

Year Ending December 31,	Governmental Activities		
	G.O. Tax Increment		
	Principal	Interest	Total
2026	\$ 280,000	\$ 39,363	\$ 319,363
2027	180,000	29,613	209,613
2028	185,000	22,311	207,311
2029	190,000	15,763	205,763
2030	200,000	9,788	209,788
2031	205,000	3,331	208,331
Total	<u>\$ 1,240,000</u>	<u>\$ 120,169</u>	<u>\$ 1,360,169</u>

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

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Revenue Bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future net operating revenues and transfers in from the enterprise funds and are backed by the taxing power of the City. Additional information for the bonds outstanding are noted below.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds of 2012A	\$ 2,615,000	2.00 - 3.25 %	07/12/12	02/01/33	\$ 1,200,000
G.O. Improvement Bonds of 2013A	3,490,000	2.00 - 2.25	05/02/13	02/01/34	1,755,000
G.O. Revenue Bonds of 2014A	4,210,000	2.00 - 3.50	09/18/14	02/01/35	2,205,000
G.O. Refunding Bonds of 2014B	2,290,000	2.00 - 2.75	09/18/14	02/01/26	220,000
G.O. Revenue Bonds of 2015A	4,210,000	2.00 - 3.50	09/18/14	02/01/36	3,005,000
G.O. Revenue Bonds of 2016A	2,995,000	2.00 - 2.75	12/01/16	02/01/37	1,950,000
G.O. Refunding Bonds of 2016B	2,245,000	2.00	12/01/16	02/01/28	560,000
G.O. Refunding Bonds of 2018A	4,195,000	2.1 - 3.250	12/04/18	02/01/31	2,075,000
G.O. Refunding Bonds of 2020A	6,020,000	1.15 - 2.00	11/04/20	02/01/36	4,555,000
G.O. Revenue Bonds of 2024A	4,820,000	4.00	10/01/24	02/01/40	<u>4,820,000</u>
Total G.O. Revenue Bonds					<u>\$ 22,345,000</u>

Annual net operating revenues and transfers in, principal and interest payments, and the percentage of revenue required to cover principal and interest payment are as follows:

	Water	Sewer	Storm
Net Operating Revenues	\$ 2,637,201	\$ 2,797,700	\$ 226,418
Principal and Interest	1,449,730	1,085,606	349,011
Percentage of Revenues	55 %	39 %	154 %

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

Note 3: Detailed Notes on All Funds (Continued)

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

Year Ending December 31,	Business-type Activities		
	G.O. Revenue Bonds		
	Principal	Interest	Total
2026	\$ 2,365,000	\$ 616,120	\$ 2,981,120
2027	2,175,000	553,451	2,728,451
2028	2,250,000	490,162	2,740,162
2029	2,165,000	427,363	2,592,363
2030	2,095,000	367,584	2,462,584
2031 - 2035	8,320,000	1,099,707	9,419,707
2036 - 2040	2,975,000	220,172	3,195,172
Total	<u>\$ 22,345,000</u>	<u>\$ 3,774,559</u>	<u>\$ 26,119,559</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
G.O. improvement bonds	\$ 7,545,000	\$ -	\$ (1,445,000)	\$ 6,100,000	\$ 1,215,000
G.O. tax increment bonds	1,659,000	-	(419,000)	1,240,000	280,000
Bond premium	63,694	-	(17,968)	45,726	-
Compensated absences payable*	266,243	68,772	-	335,015	201,009
Total	<u>\$ 9,533,937</u>	<u>\$ 68,772</u>	<u>\$ (1,881,968)</u>	<u>\$ 7,720,741</u>	<u>\$ 1,696,009</u>
Business-type Activities					
G.O. revenue bonds	\$ 24,580,000	\$ -	\$ (2,235,000)	\$ 22,345,000	\$ 2,365,000
Bond premium	499,415	-	(40,162)	459,253	-
Compensated absences payable*	89,835	13,827	-	103,662	62,446
Total	<u>\$ 25,169,250</u>	<u>\$ 13,827</u>	<u>\$ (2,275,162)</u>	<u>\$ 22,907,915</u>	<u>\$ 2,427,446</u>

*Compensated absences change is shown as net

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

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

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

General Employees Retirement Plan (General Plan)

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

Public Employees Police and Fire Plan (Police and Fire Plan)

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

B. Benefits Provided

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

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step 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 the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced retirement 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.

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

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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.

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 increases 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 who 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.

C. 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.

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 \$186,879. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80% of their annual covered salary in fiscal year 2025 and the City was required to contribute 17.70% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2025, were \$25,434. The City's contributions were equal to the required contributions as set by state statute.

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

Note 5: Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past four fiscal years.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$1,000,000. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

B. Legal Debt Margin

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of three percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. As of December 31, 2025, the City is under the legal debt margin.

C. Tax Increment Districts

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

The City has entered into "pay as you go" Tax Increment Financing notes within its TIF districts. These notes are payable only to the extent of the increment received. As a result, they are a commitment within the district but they have not met the criteria to be reported as a liability on the Statement of Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

City of Mound, Minnesota
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	\$ 5,986,592	\$ 5,936,096	\$ (50,496)
Licenses and permits	247,900	376,270	128,370
Intergovernmental	30,000	48,068	18,068
Charges for services	523,490	590,844	67,354
Fines and forfeitures	32,000	27,300	(4,700)
Special assessments	12,000	4,489	(7,511)
Interest on investments	20,000	270,388	250,388
Miscellaneous	58,400	65,476	7,076
Total Revenues	<u>6,910,382</u>	<u>7,318,931</u>	<u>408,549</u>
Expenditures			
Current			
General government	1,324,173	1,279,482	44,691
Public safety	2,758,933	2,881,340	(122,407)
Public works	1,237,629	1,070,611	167,018
Culture and recreation	897,405	695,663	201,742
Total Expenditures	<u>6,218,140</u>	<u>5,927,096</u>	<u>291,044</u>
Excess of Revenues Over Expenditures	692,242	1,391,835	699,593
Other Financing Sources (Uses)			
Transfers out	<u>(692,242)</u>	<u>(692,242)</u>	<u>-</u>
Net Change in Fund Balances	-	699,593	699,593
Fund Balances, January 1	<u>4,426,023</u>	<u>4,426,023</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 4,426,023</u>	<u>\$ 5,125,616</u>	<u>\$ 699,593</u>

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

City of Mound, Minnesota
Required Supplementary Information (Continued)
Budgetary Comparison Schedule
Area Fire Service Special Revenue Fund
For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Property taxes	\$ 91,102	\$ 91,102	\$ -
Intergovernmental	167,860	237,488	69,628
Charges for services	590,703	590,908	205
Interest on investments	-	19,248	19,248
Miscellaneous	-	60,872	60,872
Total Revenues	<u>849,665</u>	<u>999,618</u>	<u>149,953</u>
Expenditures			
Current			
Public safety			
Personnel services	1,010,035	971,234	38,801
Supplies	76,060	84,043	(7,983)
Other services and charges	235,812	310,426	(74,614)
Capital outlay	34,000	10,043	23,957
Debt service			
Principal	175,000	175,000	-
Interest and other	11,000	11,350	(350)
Total Expenditures	<u>1,541,907</u>	<u>1,562,096</u>	<u>(20,189)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(692,242)	(562,478)	129,764
Other Financing Sources (Uses)			
Transfers in	<u>692,242</u>	<u>692,242</u>	<u>-</u>
Net Change in Fund Balances	-	129,764	129,764
Fund Balances, January 1	<u>574,290</u>	<u>574,290</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 574,290</u>	<u>\$ 704,054</u>	<u>\$ 129,764</u>

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

City of Mound, Minnesota
Required Supplementary Information (Continued)
For the Year Ended December 31, 2025

Notes to the Required Supplemental Information - Budgetary Reporting

A. Budgetary Comparison Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2025, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
Area Fire Service	<u>\$ 1,541,907</u>	<u>\$ 1,562,096</u>	<u>\$ 20,189</u>

These excess expenditures were funded by greater than anticipated revenues.

C. Summary of Significant Budget Variances

The Area Fire Service fund revenues varied significantly from final budget amounts as noted below:

Revenues

- Intergovernmental revenues exceeded final budgeted amounts due to state grants and aids being conservatively budgeted for in the current year.
- Miscellaneous revenues exceeded final budgeted amounts because miscellaneous revenues were not budgeted for.

D. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2025.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

NONMAJOR GOVERNMENTAL FUNDS

City of Mound, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2025

Exhibit A-1

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 822,196	\$ 2,343,792	\$ 3,165,988
Receivables			
Special assessments receivable	-	2,916	2,916
Prepaid items	7,084	-	7,084
	<u>7,084</u>	<u>-</u>	<u>7,084</u>
Total Assets	<u>\$ 829,280</u>	<u>\$ 2,346,708</u>	<u>\$ 3,175,988</u>
Liabilities			
Accounts payable	<u>\$ 30,039</u>	<u>\$ 146,756</u>	<u>\$ 176,795</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	<u>-</u>	<u>2,916</u>	<u>2,916</u>
Fund Balances			
Nonspendable	7,084	-	7,084
Restricted	-	67,655	67,655
Assigned	792,157	2,129,381	2,921,538
Total Fund Balances	<u>799,241</u>	<u>2,197,036</u>	<u>2,996,277</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 829,280</u>	<u>\$ 2,346,708</u>	<u>\$ 3,175,988</u>

City of Mound, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2025

Exhibit A-2

	Special Revenue	Capital Projects	Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 67,300	\$ 835,249	\$ 902,549
Licenses and permits	334,620	-	334,620
Intergovernmental	-	92,729	92,729
Charges for services	-	22,400	22,400
Special assessments	-	2,177	2,177
Interest on investments	25,285	-	25,285
Miscellaneous	4,000	15,000	19,000
Total Revenues	<u>431,205</u>	<u>967,555</u>	<u>1,398,760</u>
Expenditures			
Current			
Culture and recreation	167,109	-	167,109
Housing and economic development	74,425	50	74,475
Capital outlay			
General government	-	10,944	10,944
Public works	-	381,949	381,949
Culture and recreation	91,765	799,722	891,487
Housing and economic development	5,967	112,724	118,691
Total Expenditures	<u>339,266</u>	<u>1,305,389</u>	<u>1,644,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,939</u>	<u>(337,834)</u>	<u>(245,895)</u>
Other Financing Sources (Uses)			
Transfers in	-	195,000	195,000
Sale of capital assets	-	43,501	43,501
Total Other Financing Sources (Uses)	<u>-</u>	<u>238,501</u>	<u>238,501</u>
Net Change in Fund Balances	91,939	(99,333)	(7,394)
Fund Balances, January 1	<u>707,302</u>	<u>2,296,369</u>	<u>3,003,671</u>
Fund Balances, December 31	<u>\$ 799,241</u>	<u>\$ 2,197,036</u>	<u>\$ 2,996,277</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenue derived from specific taxes or other earmarked revenue sources. They are usually required by Minnesota statute or local ordinance to finance particular functions or activities of government.

Dock - The purpose of this fund is to account for the revenue and expenditures of dock activity located along City owned lakeshore.

HRA - The purpose of this fund is to account for activities related to administering the Mound Housing and Redevelopment Authority.

City of Mound, Minnesota
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2025

Exhibit B-1

	281 Dock	285 HRA	Total
Assets			
Cash and temporary investments	\$ 403,312	\$ 418,884	\$ 822,196
Prepaid items	5,908	1,176	7,084
Total Assets	<u>\$ 409,220</u>	<u>\$ 420,060</u>	<u>\$ 829,280</u>
Liabilities			
Accounts payable	<u>\$ 26,909</u>	<u>\$ 3,130</u>	<u>\$ 30,039</u>
Fund Balances			
Nonspendable for prepaid items	5,908	1,176	7,084
Assigned for			
Housing and redevelopment authority	-	415,754	415,754
Culture and recreation	376,403	-	376,403
Total Fund Balances	<u>382,311</u>	<u>416,930</u>	<u>799,241</u>
Total Liabilities and Fund Balances	<u>\$ 409,220</u>	<u>\$ 420,060</u>	<u>\$ 829,280</u>

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

Exhibit B-2

	281 Dock	285 HRA	Total
Revenues			
Property taxes	\$ -	\$ 67,300	\$ 67,300
Licenses and permits	243,770	90,850	334,620
Interest on investments	14,744	10,541	25,285
Miscellaneous	3,950	50	4,000
Total Revenues	<u>262,464</u>	<u>168,741</u>	<u>431,205</u>
Expenditures			
Current			
Culture and recreation	167,109	-	167,109
Housing and economic development	-	74,425	74,425
Capital outlay			
Culture and recreation	91,765	-	91,765
Housing and economic development	-	5,967	5,967
Total Expenditures	<u>258,874</u>	<u>80,392</u>	<u>339,266</u>
Net Change in Fund Balances	3,590	88,349	91,939
Fund Balances, January 1	<u>378,721</u>	<u>328,581</u>	<u>707,302</u>
Fund Balances, December 31	<u><u>\$ 382,311</u></u>	<u><u>\$ 416,930</u></u>	<u><u>\$ 799,241</u></u>

City of Mound, Minnesota
Dock Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

Exhibit B-3

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues			
Licenses and permits	\$ 235,545	\$ 243,770	\$ 8,225
Interest on investments	-	14,744	14,744
Miscellaneous	-	3,950	3,950
Total Revenues	<u>235,545</u>	<u>262,464</u>	<u>26,919</u>
Expenditures			
Current			
Culture and recreation	180,174	167,109	13,065
Capital outlay			
Culture and recreation	115,000	91,765	23,235
Total Expenditures	<u>295,174</u>	<u>258,874</u>	<u>36,300</u>
Net Change in Fund Balances	(59,629)	3,590	63,219
Fund Balances, January 1	<u>378,721</u>	<u>378,721</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 319,092</u>	<u>\$ 382,311</u>	<u>\$ 63,219</u>

City of Mound, Minnesota
HRA Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2025

Exhibit B-4

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 67,300	\$ 67,300	\$ -
Licenses and permits	85,100	90,850	5,750
Interest on investments	-	10,541	10,541
Miscellaneous	-	50	50
Total Revenues	<u>152,400</u>	<u>168,741</u>	<u>16,341</u>
Expenditures			
Current			
Housing and economic development	85,076	74,425	10,651
Supplies	7,000	2,033	4,967
Other services and charges	78,076	72,392	5,684
Capital outlay			
Housing and economic development	-	5,967	(5,967)
Total Expenditures	<u>170,152</u>	<u>154,817</u>	<u>15,335</u>
Net Change in Fund Balances	(17,752)	13,924	31,676
Fund Balances, January 1	<u>328,581</u>	<u>328,581</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 310,829</u>	<u>\$ 342,505</u>	<u>\$ 31,676</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

NONMAJOR CAPITAL PROJECTS FUNDS

Capital project funds are used to account for the acquisition and construction of major capital facilities, infrastructure, and equipment not financed by enterprise or special revenue funds.

Capital Replacement Equipment - This fund accounts for equipment and vehicle purchases for general government, public safety, public works, and culture and recreation. Financing comes from the general levy.

Community Investment - This fund accounts for expenditures on parks, open spaces and street scape. Financing comes from the general levy, park dedication fees, and from the City's Municipal Liquor fund profits.

Capital Replacement Buildings - This fund accounts for building improvements to the general government, public safety, public works, and culture and recreation building structures. Financing comes from the general levy.

Street Maintenance - This fund accounts for the five-year rotating sealcoat on City streets. Financing comes primarily from the City's Municipal Liquor fund profits.

Tax Increment Financing District 1-1 - The Tax Increment Financing District No. 1-1 was created to facilitate construction of a senior housing community with an affordable component in the City. This fund accounts for the financial activity relating to this project.

City of Mound, Minnesota
Nonmajor Capital Projects Funds
Combining Balance Sheet
December 31, 2025

Exhibit C-1

	403 Capital Replacement Equipment	404 Community Investment	405 Capital Replacement Buildings	427 Street Maintenance	454 TIF 1-1	Total
Assets						
Cash and temporary investments	\$ 461,203	\$ 183,874	\$ 518,844	\$ 1,055,880	\$ 123,991	\$ 2,343,792
Special assessments receivable	-	-	-	2,916	-	2,916
Total Assets	<u>\$ 461,203</u>	<u>\$ 183,874</u>	<u>\$ 518,844</u>	<u>\$ 1,058,796</u>	<u>\$ 123,991</u>	<u>\$ 2,346,708</u>
Liabilities						
Accounts payable	\$ -	\$ 90,063	\$ -	\$ 357	\$ 56,336	\$ 146,756
Deferred Inflows of Resources						
Unavailable revenue - special assessments	-	-	-	2,916	-	2,916
Fund Balances						
Restricted for economic development	-	-	-	-	67,655	67,655
Assigned for capital improvements and equipment	461,203	93,811	518,844	1,055,523	-	2,129,381
Total Fund Balances	<u>461,203</u>	<u>93,811</u>	<u>518,844</u>	<u>1,055,523</u>	<u>67,655</u>	<u>2,197,036</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 461,203</u>	<u>\$ 183,874</u>	<u>\$ 518,844</u>	<u>\$ 1,058,796</u>	<u>\$ 123,991</u>	<u>\$ 2,346,708</u>

City of Mound, Minnesota
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2025

Exhibit C-2

	403 Capital Replacement Equipment	404 Community Investment	405 Capital Replacement Buildings	427 Street Maintenance	454 TIF 1-1	Total
Revenues						
Taxes	\$ 250,000	\$ 320,000	\$ 140,000	\$ -	\$ 125,249	\$ 835,249
Intergovernmental	-	-	-	92,729	-	92,729
Charges for services	-	22,400	-	-	-	22,400
Special assessments	-	-	-	2,177	-	2,177
Miscellaneous	-	-	15,000	-	-	15,000
Total Revenues	<u>250,000</u>	<u>342,400</u>	<u>155,000</u>	<u>94,906</u>	<u>125,249</u>	<u>967,555</u>
Expenditures						
Current						
Housing and economic development	-	-	-	-	50	50
Capital outlay						
General government	-	-	10,944	-	-	10,944
Public works	230,287	-	-	151,662	-	381,949
Culture and recreation	102,975	683,344	13,403	-	-	799,722
Housing and economic development	-	-	-	-	112,724	112,724
Total Expenditures	<u>333,262</u>	<u>683,344</u>	<u>24,347</u>	<u>151,662</u>	<u>112,774</u>	<u>1,305,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(83,262)</u>	<u>(340,944)</u>	<u>130,653</u>	<u>(56,756)</u>	<u>12,475</u>	<u>(337,834)</u>
Other Financing Sources (Uses)						
Transfers in	-	60,000	-	135,000	-	195,000
Sale of capital assets	43,501	-	-	-	-	43,501
Total Other Financing Sources (Uses)	<u>43,501</u>	<u>60,000</u>	<u>-</u>	<u>135,000</u>	<u>-</u>	<u>238,501</u>
Net Change in Fund Balances	(39,761)	(280,944)	130,653	78,244	12,475	(99,333)
Fund Balances, January 1	<u>500,964</u>	<u>374,755</u>	<u>388,191</u>	<u>977,279</u>	<u>55,180</u>	<u>2,296,369</u>
Fund Balances, December 31	<u>\$ 461,203</u>	<u>\$ 93,811</u>	<u>\$ 518,844</u>	<u>\$ 1,055,523</u>	<u>\$ 67,655</u>	<u>\$ 2,197,036</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Mound, Minnesota

Exhibit D-2

General Fund

Schedule of Revenues, Expenditures and Change in Fund Balances -
Budget and Actual

For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes			
General property taxes			
Current	\$ 4,989,885	\$ 4,893,712	\$ (96,173)
Delinquent	-	27,828	27,828
Fiscal disparities	348,707	386,753	38,046
Penalties and interest	-	4,382	4,382
Franchise tax	648,000	623,421	(24,579)
Total taxes	<u>5,986,592</u>	<u>5,936,096</u>	<u>(50,496)</u>
Licenses and permits	<u>247,900</u>	<u>376,270</u>	<u>128,370</u>
Intergovernmental			
State			
Local government aid	-	4,299	4,299
State aid for streets	30,000	30,000	-
Other state grants and aid	-	13,769	13,769
Total intergovernmental	<u>30,000</u>	<u>48,068</u>	<u>18,068</u>
Charges for services	<u>523,490</u>	<u>590,844</u>	<u>67,354</u>
Fines and forfeitures	<u>32,000</u>	<u>27,300</u>	<u>(4,700)</u>
Special assessments	<u>12,000</u>	<u>4,489</u>	<u>(7,511)</u>
Interest on investments	<u>20,000</u>	<u>270,388</u>	<u>250,388</u>
Miscellaneous			
Refunds and reimbursements	23,000	14,278	(8,722)
Other	35,400	51,198	15,798
Total miscellaneous	<u>58,400</u>	<u>65,476</u>	<u>7,076</u>
Total Revenues	<u>6,910,382</u>	<u>7,318,931</u>	<u>408,549</u>
Expenditures			
Current			
General government			
Mayor and city council			
Personnel services	24,387	24,305	82
Supplies	5,700	7,495	(1,795)
Other services and charges	97,380	96,985	395
Total mayor and city council	<u>127,467</u>	<u>128,785</u>	<u>(1,318)</u>

City of Mound, Minnesota

Exhibit D-2

General Fund

Schedule of Revenues, Expenditures and Change in Fund Balances -
Budget and Actual (Continued)
For the Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Expenditures			
Current (Continued)			
City manager			
Personnel services	\$ 217,226	\$ 214,115	\$ 3,111
Supplies	1,175	3,856	(2,681)
Other services and charges	6,107	6,635	(528)
Total city manager	<u>224,508</u>	<u>224,606</u>	<u>(98)</u>
Election and voters' registration			
Supplies	600	465	135
Other services and charges	2,500	89	2,411
Total election and voters' registration	<u>3,100</u>	<u>554</u>	<u>2,546</u>
Finance			
Personnel services	560,795	528,051	32,744
Supplies	5,600	4,425	1,175
Other services and charges	18,038	22,459	(4,421)
Total finance	<u>584,433</u>	<u>554,935</u>	<u>29,498</u>
Computer			
Supplies	8,000	12,545	(4,545)
Other services and charges	62,000	60,451	1,549
Total computer	<u>70,000</u>	<u>72,996</u>	<u>(2,996)</u>
Legal			
Other services and charges	<u>199,470</u>	<u>168,858</u>	<u>30,612</u>
City hall			
Supplies	6,200	6,691	(491)
Other services and charges	40,319	53,679	(13,360)
Total city hall	<u>46,519</u>	<u>60,370</u>	<u>(13,851)</u>
City property			
Supplies	2,000	688	1,312
Other services and charges	66,676	67,690	(1,014)
Total city property	<u>68,676</u>	<u>68,378</u>	<u>298</u>
Total general government	<u>1,324,173</u>	<u>1,279,482</u>	<u>44,691</u>

City of Mound, Minnesota

Exhibit D-2

General Fund

Schedule of Revenues, Expenditures and Change in Fund Balances -
 Budget and Actual (Continued)
 For The Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Expenditures (Continued)			
Current (Continued)			
Public safety			
Police protection			
Personnel services	\$ 650	\$ 625	\$ 25
Other services and charges	2,127,500	2,127,194	306
Total public safety	2,128,150	2,127,819	331
Emergency preparedness			
Personnel services	41,584	41,351	233
Supplies	6,670	501	6,169
Other services and charges	12,499	10,928	1,571
Total emergency preparedness	60,753	52,780	7,973
Planning and inspection			
Personnel services	343,327	331,616	11,711
Supplies	6,300	4,699	1,601
Other services and charges	220,403	364,426	(144,023)
Total planning and inspection	570,030	700,741	(130,711)
Total public safety	2,758,933	2,881,340	(122,407)
Public works			
Streets			
Personnel services	629,454	585,139	44,315
Supplies	228,750	148,184	80,566
Other services and charges	379,425	337,288	42,137
Total public works	1,237,629	1,070,611	167,018
Culture and recreation			
Parks			
Personnel services	472,799	355,267	117,532
Supplies	107,600	95,473	12,127
Other services and charges	317,006	244,923	72,083
Total parks	897,405	695,663	201,742
Total Expenditures	6,218,140	5,927,096	291,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	692,242	1,391,835	117,505
Other Financing Sources (Uses)			
Transfers out	(692,242)	(692,242)	-
Net Change in Fund Balances	-	699,593	117,505
Fund Balances, January 1	4,426,023	4,426,023	-
Fund Balances, December 31	\$ 4,426,023	\$ 5,125,616	\$ 117,505

City of Mound, Minnesota
Debt Service Funds
Combining Balance Sheet
December 31, 2025

Exhibit E-1

	355 G.O. Tax Increment Refunding Bonds 2013B	370 G.O. Refunding Bonds 2011A	375 G.O. Tax Increment Refunding Bonds 2018A	350 Tax Abatement Bonds Series 2015B	363 G.O. Improvement Bonds 2018A
Assets					
Cash and temporary investments	\$ 1,501,088	\$ -	\$ 385,615	\$ 235,158	\$ -
Receivables					
Taxes	2,771	-	3,643	-	-
Special assessments	-	-	-	-	-
Total Assets	<u><u>\$ 1,503,859</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 389,258</u></u>	<u><u>\$ 235,158</u></u>	<u><u>\$ -</u></u>
Liabilities					
Accounts payable	\$ 163	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources					
Unavailable revenue - special assessments	-	-	-	-	-
Fund Balances					
Restricted for debt service	1,503,696	-	389,258	235,158	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,503,859</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 389,258</u></u>	<u><u>\$ 235,158</u></u>	<u><u>\$ -</u></u>

364	365	310	311	312	313	
G.O. Improvement Bonds 2020A	G.O. Improvement Bonds 2012A	G.O. Improvement Bonds 2013A	G.O. Improvement Bonds 2014A	G.O. Improvement Bonds 2015A	G.O. Improvement Bonds 2016A	Total
\$ 449,837	\$ 449,178	\$ 471,569	\$ 275,975	\$ 281,831	\$ 117,134	\$ 4,167,385
-	-	-	-	-	-	6,414
79,836	120,523	153,711	68,177	98,037	121,665	641,949
<u>\$ 529,673</u>	<u>\$ 569,701</u>	<u>\$ 625,280</u>	<u>\$ 344,152</u>	<u>\$ 379,868</u>	<u>\$ 238,799</u>	<u>\$ 4,815,748</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163
79,528	120,305	153,712	66,963	96,731	120,842	638,081
450,145	449,396	471,568	277,189	283,137	117,957	4,177,504
<u>\$ 529,673</u>	<u>\$ 569,701</u>	<u>\$ 625,280</u>	<u>\$ 344,152</u>	<u>\$ 379,868</u>	<u>\$ 238,799</u>	<u>\$ 4,815,748</u>

City of Mound, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2025

Exhibit E-2

	355 G.O. Tax Increment Refunding Bonds 2013B	370 G.O. Refunding Bonds 2011A	375 G.O. Tax Increment Refunding Bonds 2018A	350 Tax Abatement Bonds Series 2015B	363 G.O. Improvement Bonds 2018A
Revenues					
Taxes	\$ 768,572	\$ -	\$ 312,759	\$ 182,700	\$ -
Special assessments	-	-	-	-	43,801
Total Revenues	<u>768,572</u>	<u>-</u>	<u>312,759</u>	<u>182,700</u>	<u>43,801</u>
Expenditures					
Current					
Housing and economic development	50,050	-	50	-	-
Debt service					
Principal	254,000	-	165,000	125,000	260,000
Interest and other	<u>18,923</u>	<u>-</u>	<u>43,812</u>	<u>55,475</u>	<u>5,719</u>
Total Expenditures	<u>322,973</u>	<u>-</u>	<u>208,862</u>	<u>180,475</u>	<u>265,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	445,599	-	103,897	2,225	(221,918)
Other Financing Sources (Uses)					
Transfers out	<u>-</u>	<u>(23,517)</u>	<u>-</u>	<u>-</u>	<u>(10,730)</u>
Net Change in Fund Balances	445,599	(23,517)	103,897	2,225	(232,648)
Fund Balances, January 1	<u>1,058,097</u>	<u>23,517</u>	<u>285,361</u>	<u>232,933</u>	<u>232,648</u>
Fund Balances, December 31	<u>\$ 1,503,696</u>	<u>\$ -</u>	<u>\$ 389,258</u>	<u>\$ 235,158</u>	<u>\$ -</u>

364	365	310	311	312	313	
G.O. Improvement Bonds 2020A	G.O. Improvement Bonds 2012A	G.O. Improvement Bonds 2013A	G.O. Improvement Bonds 2014A	G.O. Improvement Bonds 2015A	G.O. Improvement Bonds 2016A	Total
\$ 130,000	\$ -	\$ 85,000	\$ -	\$ 70,000	\$ 146,000	\$ 1,695,031
45,515	51,151	55,576	22,653	32,509	31,928	283,133
<u>175,515</u>	<u>51,151</u>	<u>140,576</u>	<u>22,653</u>	<u>102,509</u>	<u>177,928</u>	<u>1,978,164</u>
-	-	-	-	-	-	50,100
240,000	160,000	195,000	50,000	90,000	150,000	1,689,000
18,033	16,163	20,638	9,442	19,385	26,567	234,157
<u>258,033</u>	<u>176,163</u>	<u>215,638</u>	<u>59,442</u>	<u>109,385</u>	<u>176,567</u>	<u>1,973,257</u>
(82,518)	(125,012)	(75,062)	(36,789)	(6,876)	1,361	4,907
-	-	-	-	-	-	(34,247)
(82,518)	(125,012)	(75,062)	(36,789)	(6,876)	1,361	(29,340)
532,663	574,408	546,630	313,978	290,013	116,596	4,206,844
<u>\$ 450,145</u>	<u>\$ 449,396</u>	<u>\$ 471,568</u>	<u>\$ 277,189</u>	<u>\$ 283,137</u>	<u>\$ 117,957</u>	<u>\$ 4,177,504</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2025

THIS PAGE IS LEFT
BLANK INTENTIONALLY

STATISTICAL SECTION (UNAUDITED)

This part of the City of Mound'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 government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relocates to the services the government provides and the activities it performs.

City of Mound, Minnesota
Statistical Section (Unaudited)
Net Position by Component
Last Ten Fiscal Years

Table 1

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities					
Net investment in capital assets	\$ 8,497,543	\$ 13,280,560	\$ 13,956,997	\$ 17,556,048	\$ 18,938,946
Restricted	5,281,846	4,111,566	5,618,075	3,948,634	3,796,206
Unrestricted	7,602,371	6,712,355	7,244,477	7,836,557	9,026,779
Total Governmental Activities Net Position	<u>\$ 21,381,760</u>	<u>\$ 24,104,481</u>	<u>\$ 26,819,549</u>	<u>\$ 29,341,239</u>	<u>\$ 31,761,931</u>
Business-type Activities					
Net investment in capital assets	\$ 4,410,201	\$ 6,786,181	\$ 7,131,553	\$ 10,874,807	\$ 14,219,103
Unrestricted	1,790,488	107,216	(267,659)	(3,920,428)	(6,677,620)
Total Business-type Activities Net Position	<u>\$ 6,200,689</u>	<u>\$ 6,893,397</u>	<u>\$ 6,863,894</u>	<u>\$ 6,954,379</u>	<u>\$ 7,541,483</u>
Total Primary Government					
Net investment in capital assets	\$ 12,907,744	\$ 20,066,741	\$ 21,088,550	\$ 28,430,855	\$ 33,158,049
Restricted	5,281,846	4,111,566	5,618,075	3,948,634	3,796,206
Unrestricted	9,392,859	6,819,571	6,976,818	3,916,129	2,349,159
Total Primary Government	<u>\$ 27,582,449</u>	<u>\$ 30,997,878</u>	<u>\$ 33,683,443</u>	<u>\$ 36,295,618</u>	<u>\$ 39,303,414</u>

Table 1

Fiscal Year				
2021	2022	2023	2024	2025
\$ 20,354,790	\$ 21,756,632	\$ 24,065,317	\$ 27,001,774	\$ 29,714,913
4,248,389	4,268,616	4,291,949	3,372,618	3,558,260
8,510,817	9,560,609	9,976,119	11,248,660	12,293,983
<u>\$ 33,113,996</u>	<u>\$ 35,585,857</u>	<u>\$ 38,333,385</u>	<u>\$ 41,623,052</u>	<u>\$ 45,567,156</u>
\$ 10,140,949	\$ 12,564,557	\$ 14,404,734	\$ 16,034,593	\$ 16,287,263
(1,513,360)	(2,848,684)	(3,240,643)	(4,218,155)	(468,836)
<u>\$ 8,627,589</u>	<u>\$ 9,715,873</u>	<u>\$ 11,164,091</u>	<u>\$ 11,816,438</u>	<u>\$ 15,818,427</u>
\$ 30,495,739	\$ 34,321,189	\$ 38,470,051	\$ 43,036,367	\$ 46,002,176
4,248,389	4,268,616	4,291,949	3,372,618	3,558,260
6,997,457	6,711,925	6,735,476	7,030,505	11,825,147
<u>\$ 41,741,585</u>	<u>\$ 45,301,730</u>	<u>\$ 49,497,476</u>	<u>\$ 53,439,490</u>	<u>\$ 61,385,583</u>

City of Mound, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued of the Following Pages)
Last Ten Fiscal Years

Table 2

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
General government	\$ 1,137,472	\$ 1,168,554	\$ 1,105,111	\$ 1,071,883	\$ 1,730,674
Public safety	3,563,263	3,760,227	3,684,407	3,730,923	3,910,533
Public works	1,666,696	1,743,263	2,113,037	2,211,777	2,113,513
Culture and recreation	651,029	710,673	660,464	499,451	661,179
Housing and economic development	107,601	829,207	197,131	154,646	286,580
Interest on long-term debt	912,412	882,349	692,731	695,483	625,566
Total Governmental Activities Expenses	<u>8,038,473</u>	<u>9,094,273</u>	<u>8,452,881</u>	<u>8,364,163</u>	<u>9,328,045</u>
Business-type activities					
Water	1,803,974	1,926,287	1,950,571	1,976,984	1,944,607
Sewer	2,097,118	2,096,323	2,247,194	2,241,123	2,161,094
Municipal liquor	2,848,011	2,923,079	2,907,960	2,832,948	3,396,840
Recycling	182,133	200,399	199,927	197,261	197,363
Storm water	389,394	393,363	393,803	406,202	407,685
HRA public housing	320,944	-	-	-	-
Total Business-type Activities Expenses	<u>7,641,574</u>	<u>7,539,451</u>	<u>7,699,455</u>	<u>7,654,518</u>	<u>8,107,589</u>
Total Expenses	<u>\$ 15,680,047</u>	<u>\$ 16,633,724</u>	<u>\$ 16,152,336</u>	<u>\$ 16,018,681</u>	<u>\$ 17,435,634</u>
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 350,087	\$ 341,676	\$ 327,565	\$ 345,221	\$ 364,623
Public safety	1,310,451	1,382,033	1,238,004	1,137,281	1,103,015
Public works	124,524	84,554	58,320	60,267	57,778
Culture and recreation	253,328	294,000	389,308	179,945	183,459
Housing and economic development	9,967	1,245	-	2,012	5,011
Operating grants and contributions	125,361	148,745	154,653	361,689	1,205,813
Capital grants and contributions	1,701,151	2,088,315	1,365,758	818,456	556,943
Total Governmental Activities Program Revenue	<u>3,874,869</u>	<u>4,340,568</u>	<u>3,533,608</u>	<u>2,904,871</u>	<u>3,476,642</u>
Business-type activities					
Charges for services					
Water	1,800,376	1,959,567	2,121,051	2,049,587	1,979,250
Sewer	1,888,094	2,086,544	2,322,975	2,245,261	2,342,322
Municipal liquor	2,965,068	3,053,772	3,159,784	3,106,187	3,094,818
Recycling	183,141	183,394	181,342	179,468	181,232
Storm water	507,892	553,576	473,241	155,125	153,110
HRA public housing	141,163	129,839	-	-	-
Operating grants and contributions	163,699	167,350	-	-	-
Capital grants and contributions	115,521	72,570	80,358	25,573	120,013
Total Business-type Activities Program Revenue	<u>7,764,954</u>	<u>8,206,612</u>	<u>8,338,751</u>	<u>7,761,201</u>	<u>7,870,745</u>
Total Program Revenues	<u>\$ 11,639,823</u>	<u>\$ 12,547,180</u>	<u>\$ 11,872,359</u>	<u>\$ 10,666,072</u>	<u>\$ 11,347,387</u>

Table 2

Fiscal Year				
2021	2022	2023	2024	2025
\$ 1,970,602	\$ 1,200,506	\$ 1,353,093	\$ 1,489,931	\$ 1,300,489
4,034,136	4,199,967	4,213,678	4,339,968	4,287,004
1,956,950	2,029,199	2,203,860	2,109,548	2,397,649
754,563	865,711	1,086,106	1,160,750	1,419,532
289,505	257,316	254,309	437,140	243,266
482,611	404,256	326,634	265,655	204,227
9,488,367	8,956,955	9,437,680	9,802,992	9,852,167
1,931,878	1,879,319	2,014,321	2,084,277	2,116,583
2,381,166	2,250,749	2,274,120	2,464,711	2,742,809
3,411,372	3,409,989	3,468,709	3,436,837	3,320,638
197,986	251,464	249,577	251,309	254,225
355,543	333,180	325,339	320,485	312,223
-	-	-	-	-
8,277,945	8,124,701	8,332,066	8,557,619	8,746,478
<u>\$ 17,766,312</u>	<u>\$ 17,081,656</u>	<u>\$ 17,769,746</u>	<u>\$ 18,360,611</u>	<u>\$ 18,598,645</u>
\$ 400,740	\$ 404,122	\$ 409,941	\$ 414,201	\$ 421,586
1,217,040	1,253,672	1,187,497	1,053,633	1,220,810
66,590	44,120	71,106	40,247	28,802
209,554	200,521	274,782	254,994	294,836
250	-	529	58,714	15,050
653,008	679,431	1,134,027	797,749	854,425
154,233	169,328	119,178	426,678	498,569
2,701,415	2,751,194	3,197,060	3,046,216	3,334,078
2,089,204	2,159,374	2,142,111	2,087,724	2,638,787
2,518,028	2,642,942	2,791,277	2,738,744	2,817,199
3,838,394	3,874,634	3,858,461	3,882,891	3,685,543
183,522	185,332	237,258	238,399	223,925
139,330	137,839	140,541	153,462	226,418
-	-	-	-	-
-	18,301	18,642	21,927	22,776
99,476	1,015	113,640	4,000	2,831,969
8,867,954	9,019,437	9,301,930	9,127,147	12,446,617
<u>\$ 11,569,369</u>	<u>\$ 11,770,631</u>	<u>\$ 12,498,990</u>	<u>\$ 12,173,363</u>	<u>\$ 15,780,695</u>

City of Mound, Minnesota
Statistical Section (Unaudited)
Changes in Net Position (Continued)
Last Ten Fiscal Years

Table 2

	Fiscal Year				
	2016	2017	2018	2019	2020
Program Revenues (Continued)					
Net (expenses) revenues					
Governmental activities	\$ (4,163,604)	\$ (4,753,705)	\$ (4,919,273)	\$ (5,459,292)	\$ (5,851,403)
Business-type activities	123,380	667,161	639,296	106,683	(236,844)
Total Primary Government	<u>\$ (4,040,224)</u>	<u>\$ (4,086,544)</u>	<u>\$ (4,279,977)</u>	<u>\$ (5,352,609)</u>	<u>\$ (6,088,247)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 6,500,525	\$ 6,510,322	\$ 6,638,769	\$ 6,856,784	\$ 7,211,433
Franchise taxes	423,042	405,178	406,501	400,811	397,104
State grants and contributions not restricted to specific programs	340,471	347,390	383,843	384,321	406,616
Unrestricted investment earnings	12,514	26,970	63,111	85,578	27,938
Gain on sale of capital assets	103,984	56,300	14,045	77,793	54,004
Transfers - internal activities	57,405	130,266	128,072	175,695	175,000
Special item - sale of property	(373,182)	-	-	-	-
Total Governmental Activities General Revenues	<u>7,064,759</u>	<u>7,476,426</u>	<u>7,634,341</u>	<u>7,980,982</u>	<u>8,272,095</u>
Business-type activities					
Taxes					
Property taxes	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-
Unrestricted investment earnings	10,755	13,391	36,823	49,953	1,739
Gain on sale of capital assets	13,334	10,283	-	-	-
Transfers - internal activities	(57,405)	(130,266)	(128,072)	(175,695)	(175,000)
Total Business-type Activities General Revenues	<u>(33,316)</u>	<u>(106,592)</u>	<u>(91,249)</u>	<u>(125,742)</u>	<u>(173,261)</u>
Total Primary Government	<u>\$ 7,031,443</u>	<u>\$ 7,369,834</u>	<u>\$ 7,543,092</u>	<u>\$ 7,855,240</u>	<u>\$ 8,098,834</u>
Change in Net Position					
Governmental activities	\$ 2,901,155	\$ 2,722,721	\$ 2,715,068	\$ 2,521,690	\$ 2,420,692
Business-type activities	90,064	560,569	548,047	(19,059)	(410,105)
Total Primary Government	<u>\$ 2,991,219</u>	<u>\$ 3,283,290</u>	<u>\$ 3,263,115</u>	<u>\$ 2,502,631</u>	<u>\$ 2,010,587</u>

Table 2

Fiscal Year				
2021	2022	2023	2024	2025
\$ (6,786,952)	\$ (6,205,761)	\$ (6,240,620)	\$ (6,756,776)	\$ (6,518,089)
590,009	894,736	969,864	569,528	3,700,139
<u>\$ (6,196,943)</u>	<u>\$ (5,311,025)</u>	<u>\$ (5,270,756)</u>	<u>\$ (6,187,248)</u>	<u>\$ (2,817,950)</u>
\$ 7,164,926	\$ 7,619,480	\$ 7,744,097	\$ 8,689,789	\$ 9,305,506
386,787	381,925	370,841	514,089	623,421
313,146	313,146	168,842	74,762	-
11,443	107,679	333,902	347,682	314,921
62,715	5,392	70,466	60,121	23,345
200,000	250,000	300,000	360,000	195,000
-	-	-	-	-
<u>8,139,017</u>	<u>8,677,622</u>	<u>8,988,148</u>	<u>10,046,443</u>	<u>10,462,193</u>
180,000	180,000	360,000	360,000	360,000
362,124	332,432	344,609	-	-
2,490	21,664	66,556	81,437	136,850
-	-	7,189	1,382	-
<u>(200,000)</u>	<u>(250,000)</u>	<u>(300,000)</u>	<u>(360,000)</u>	<u>(195,000)</u>
<u>344,614</u>	<u>284,096</u>	<u>478,354</u>	<u>82,819</u>	<u>301,850</u>
<u>\$ 8,483,631</u>	<u>\$ 8,961,718</u>	<u>\$ 9,466,502</u>	<u>\$ 10,129,262</u>	<u>\$ 10,764,043</u>
\$ 1,352,065	\$ 2,471,861	\$ 2,747,528	\$ 3,289,667	\$ 3,944,104
934,623	1,178,832	1,448,218	652,347	4,001,989
<u>\$ 2,286,688</u>	<u>\$ 3,650,693</u>	<u>\$ 4,195,746</u>	<u>\$ 3,942,014</u>	<u>\$ 7,946,093</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Mound, Minnesota
Statistical Section (Unaudited)
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years

Table 3

Fiscal Year	Property Tax	Franchise Tax	Total
2016	\$ 6,500,525	\$ 423,042	\$ 6,481,001
2017	6,510,322	405,178	6,648,875
2018	6,638,769	406,501	6,923,567
2019	6,856,784	400,811	6,915,500
2020	7,211,433	397,104	7,045,270
2021	7,164,926	386,787	7,257,595
2022	7,619,480	381,925	7,551,713
2023	7,744,097	370,841	8,114,938
2024	8,689,789	514,089	9,203,878
2025	9,305,506	623,421	9,928,927

City of Mound, Minnesota
Statistical Section (Unaudited)
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 4

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 190,739	\$ 100,673	\$ -	\$ -	\$ -
Restricted	28,084	97,184	20,019	20,019	-
Assigned	344,560	460,695	514,907	623,319	653,660
Unassigned	<u>2,725,710</u>	<u>2,844,456</u>	<u>2,797,187</u>	<u>2,599,151</u>	<u>2,673,660</u>
Total General Fund	<u>\$ 3,289,093</u>	<u>\$ 3,503,008</u>	<u>\$ 3,332,113</u>	<u>\$ 3,242,489</u>	<u>\$ 3,327,320</u>
All Other Governmental Funds					
Nonspendable	\$ 106,665	\$ 107,760	\$ 107,760	\$ 7,084	\$ 7,084
Restricted	7,950,914	6,605,379	10,210,602	5,602,593	5,367,009
Assigned	2,607,179	1,656,628	1,719,268	2,472,757	3,843,073
Unassigned	<u>(60,771)</u>	<u>(90,310)</u>	<u>(148,250)</u>	<u>(175,825)</u>	<u>(191,339)</u>
Total All Other Governmental Funds	<u>\$ 10,603,987</u>	<u>\$ 8,279,457</u>	<u>\$ 11,889,380</u>	<u>\$ 7,906,609</u>	<u>\$ 9,025,827</u>

Table 4

Fiscal Year				
2021	2022	2023	2024	2025
\$ 1,360	\$ 1,360	\$ 9,576	\$ 1,998	\$ -
-	-	411,697	-	-
435,094	407,909	252,113	266,243	335,015
2,887,241	2,944,801	3,394,334	4,157,782	4,790,601
<u>\$ 3,323,695</u>	<u>\$ 3,354,070</u>	<u>\$ 4,067,720</u>	<u>\$ 4,426,023</u>	<u>\$ 5,125,616</u>
\$ 682,798	\$ 682,798	\$ 7,084	\$ 7,084	\$ 7,084
5,803,479	5,601,447	4,950,454	4,262,024	4,245,159
4,071,325	4,832,984	5,194,363	5,860,514	5,830,645
(19,794)	(40,732)	-	-	-
<u>\$ 10,537,808</u>	<u>\$ 11,076,497</u>	<u>\$ 10,151,901</u>	<u>\$ 10,129,622</u>	<u>\$ 10,082,888</u>

City of Mound, Minnesota
Statistical Section (Unaudited)
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 5

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues					
Taxes	\$ 6,928,660	\$ 6,953,226	\$ 7,021,591	\$ 7,249,812	\$ 7,599,933
Licenses and permits	502,724	554,878	599,415	457,567	454,660
Intergovernmental	1,366,113	1,831,317	936,292	1,045,362	1,834,294
Charges for services	1,039,223	1,133,595	983,571	904,446	932,546
Fines and forfeitures	44,022	43,137	36,771	34,082	22,939
Special assessments	1,123,120	1,147,612	1,010,004	978,036	772,846
Interest on investments	12,514	26,970	63,111	85,578	27,938
Miscellaneous	462,248	372,969	396,589	403,413	428,425
Total Revenues	11,478,624	12,063,704	11,047,344	11,158,296	12,073,581
Expenditures					
General government	1,124,242	1,140,874	1,084,064	1,063,703	1,694,250
Public safety	3,348,707	3,466,464	3,423,371	3,454,487	3,568,621
Public works	702,586	744,369	768,371	856,014	789,247
Culture and recreation	528,182	590,260	589,083	539,612	582,428
Housing and economic development	57,906	69,393	82,659	57,833	92,800
Capital outlay	4,037,845	3,796,979	1,503,725	1,123,514	1,454,967
Debt service					
Principal	2,493,041	3,651,041	2,900,702	2,953,022	2,891,119
Interest and other	901,350	901,505	891,521	750,994	683,479
Total Expenditures	13,193,859	14,360,885	11,243,496	10,799,179	11,756,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,715,235)	(2,297,181)	(196,152)	359,117	316,670
Other Financing Sources (Uses)					
Transfers in	574,490	730,712	1,635,107	778,441	823,653
Transfers out	(517,085)	(600,446)	(1,507,035)	(602,746)	(648,653)
Bonds issued	3,555,000	-	3,325,000	-	2,450,000
Bonds refunded	-	-	-	(4,685,000)	(1,930,000)
Bond premium	-	-	168,063	-	138,375
Sale of capital assets	103,984	56,300	14,045	77,793	54,004
Total Other Financing Sources (Uses)	3,716,389	186,566	3,635,180	(4,431,512)	887,379
Net Change in Fund Balances	\$ 2,001,154	\$ (2,110,615)	\$ 3,439,028	\$ (4,072,395)	\$ 1,204,049
Debt Service as a Percentage of Noncapital Expenditures	37.3%	36.5%	39.9%	37.5%	37.5%

Table 5

Fiscal Year				
2021	2022	2023	2024	2025
\$ 7,576,661	\$ 8,008,543	\$ 8,111,317	\$ 9,218,274	\$ 9,902,778
497,617	545,804	651,529	560,143	710,890
880,991	613,210	895,007	457,678	658,812
996,765	1,012,965	1,172,228	1,165,541	1,204,152
28,273	35,427	40,173	37,296	27,300
692,330	556,170	486,193	407,017	345,685
11,443	107,679	333,902	347,682	314,921
456,682	400,415	170,575	252,726	567,275
11,140,762	11,280,213	11,860,924	12,446,357	13,731,813
1,137,971	1,195,105	1,357,938	1,457,338	1,279,482
3,719,610	3,811,333	3,883,214	3,953,071	4,247,043
740,960	902,104	1,025,642	1,044,360	1,070,816
607,339	744,840	887,319	917,755	862,772
78,575	80,119	73,296	80,723	124,575
971,788	893,833	2,047,133	2,728,558	3,623,260
2,821,633	2,883,633	2,797,467	2,039,786	1,864,000
517,245	455,574	376,228	308,862	245,507
10,595,121	10,966,541	12,448,237	12,530,453	13,317,455
545,641	313,672	(587,313)	(84,096)	414,358
895,970	1,007,946	1,279,071	2,419,171	921,489
(695,970)	(757,946)	(979,071)	(2,059,171)	(726,489)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
762,715	5,392	76,366	60,121	43,501
962,715	255,392	376,366	420,121	238,501
\$ 1,508,356	\$ 569,064	\$ (210,947)	\$ 336,025	\$ 652,859
33.4%	33.2%	29.3%	22.9%	21.1%

City of Mound, Minnesota
Statistical Section (Unaudited)
Tax Capacity and Estimated Actual Value of Taxable Property
Current Year and Last Nine Fiscal Years
(Shown by Year of Tax Collectability)

Table 6

	2016	2017	2018	2019	2020
Real Property	\$ 1,078,295,400	\$ 1,175,358,600	\$ 1,225,075,100	\$ 1,337,495,900	\$ 1,418,721,500
Personal Property	5,002,600	5,203,600	5,925,000	6,047,600	5,994,800
Estimated Actual Value	<u>\$ 1,083,298,000</u>	<u>\$ 1,180,562,200</u>	<u>\$ 1,231,000,100</u>	<u>\$ 1,343,543,500</u>	<u>\$ 1,424,716,300</u>
Tax Capacity	\$ 10,992,202	\$ 12,084,264	\$ 12,659,733	\$ 13,917,172	\$ 14,896,070
Contribution to Fiscal Disparities Pool	(276,900)	(299,684)	(327,418)	(342,108)	(349,858)
Receivable from Fiscal Disparities Pool	848,636	887,186	966,291	1,061,728	1,061,178
Tax Increment	<u>(488,930)</u>	<u>(569,772)</u>	<u>(619,616)</u>	<u>(697,017)</u>	<u>(841,118)</u>
Total Tax Capacity	<u>\$ 11,075,008</u>	<u>\$ 12,101,994</u>	<u>\$ 12,678,990</u>	<u>\$ 13,939,775</u>	<u>\$ 14,766,272</u>
Tax Levies					
General	\$ 3,601,007	\$ 3,492,976	\$ 3,580,301	\$ 3,949,614	\$ 4,153,801
Debt service	1,981,102	2,031,250	2,056,154	1,794,582	1,763,189
Fire relief	67,063	68,560	68,001	74,601	76,093
Housing and redevelopment authority	<u>197,008</u>	<u>200,410</u>	<u>218,404</u>	<u>227,735</u>	<u>248,555</u>
Total	<u>\$ 5,846,180</u>	<u>\$ 5,793,196</u>	<u>\$ 5,922,860</u>	<u>\$ 6,046,532</u>	<u>\$ 6,241,638</u>
Tax Capacity Rate					
General	33.170 %	29.184 %	30.463 %	28.156 %	28.083 %
Debt service	17.329	16.102	13.997	12.793	11.921
Fire relief	0.586	0.543	0.463	0.532	0.514
Housing and redevelopment authority	<u>1.794</u>	<u>1.646</u>	<u>1.729</u>	<u>1.626</u>	<u>1.688</u>
Total	<u>52.879 %</u>	<u>47.475 %</u>	<u>46.652 %</u>	<u>43.107 %</u>	<u>42.206 %</u>

Table 6

2021	2022	2023	2024	2025
\$ 1,558,252,100	\$ 1,620,531,800	\$ 2,052,698,200	\$ 2,242,535,200	\$ 2,247,513,200
6,312,600	2,630,500	2,785,200	2,612,800	2,861,200
<u>\$ 1,564,564,700</u>	<u>\$ 1,623,162,300</u>	<u>\$ 2,055,483,400</u>	<u>\$ 2,245,148,000</u>	<u>\$ 2,250,374,400</u>
\$ 16,540,281	\$ 17,173,702	\$ 22,239,866	\$ 24,531,151	\$ 24,417,192
(380,984)	(362,316)	(349,789)	(391,141)	(433,098)
1,130,208	1,168,519	1,089,124	1,082,365	1,165,450
(940,678)	(915,729)	(1,055,435)	(1,153,241)	(1,231,923)
<u>\$ 16,348,827</u>	<u>\$ 17,064,176</u>	<u>\$ 21,923,766</u>	<u>\$ 24,069,134</u>	<u>\$ 23,917,621</u>
\$ 4,485,665	\$ 4,889,744	\$ 5,516,693	\$ 6,552,764	\$ 7,235,490
1,727,048	1,636,591	1,336,089	1,104,742	882,102
78,379	79,115	82,839	86,571	91,102
248,555	248,555	250,000	250,000	250,000
<u>\$ 6,539,647</u>	<u>\$ 6,854,005</u>	<u>\$ 7,185,621</u>	<u>\$ 7,994,077</u>	<u>\$ 8,458,694</u>
27.287 %	28.676 %	24.864 %	27.262 %	30.730 %
10.564	9.598	6.023	4.596	3.318
0.479	0.464	0.378	0.360	0.381
1.508	1.453	1.124	1.035	1.046
<u>39.838 %</u>	<u>40.191 %</u>	<u>32.389 %</u>	<u>33.253 %</u>	<u>35.475 %</u>

City of Mound, Minnesota
Statistical Section (Unaudited)
Property Tax Capacity Rates - Direct and Overlapping Debt
Last Nine Fiscal Years

Table 7

Year Taxes Payable	City	City HRA	County	School	Watershed	Misc.	Total
2016	51.085 %	1.794 %	45.356 %	19.991 %	1.724 %	9.530 %	129.480 %
2017	45.829	1.646	44.087	20.744	1.738	9.319	123.363
2018	44.923	1.729	42.808	20.298	1.694	8.973	120.425
2019	41.481	1.626	41.861	19.873	1.569	8.550	114.960
2020	40.518	1.688	41.084	19.062	1.493	8.219	112.064
2021	38.330	1.508	38.210	17.306	1.422	7.813	104.589
2022	38.738	1.453	38.535	16.531	1.368	7.849	104.474
2023	31.265	1.124	34.542	12.865	1.220	6.944	87.960
2024	32.218	1.035	34.681	17.448	1.135	6.723	93.240
2025	34.429	1.046	37.081	17.693	1.129	7.246	98.624

The direct rate of the City of Mound is calculated in more detail in Table 6 of this report.
Please see page 116 for said calculation and detail.

City of Mound, Minnesota
Statistical Section (Unaudited)
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year	Total Levy	Collection of Current Year's Levy	Percentage of Levy Collected	Collection of Prior Years' Levy	Total Collections	Percentage of Total Collections to Levy
2016	\$ 5,846,180	\$ 5,792,843	99.09 %	53,337	\$ 5,846,180	100.00 %
2017	5,793,196	5,760,438	99.43	32,758	5,793,196	100.00
2018	5,922,860	5,873,097	99.16	49,763	5,922,860	100.00
2019	6,046,532	6,000,790	99.24	45,742	6,046,532	100.00
2020	6,241,638	6,195,301	99.26	45,312	6,240,613	99.98
2021	6,539,647	6,502,153	99.43	34,044	6,536,197	99.95
2022	6,854,005	6,812,203	99.39	37,893	6,850,096	99.94
2023	7,185,621	7,140,019	99.37	33,586	7,173,605	99.83
2024	7,994,077	7,957,060	99.54	23,679	7,980,739	99.83
2025	8,458,880	8,407,650	99.39	-	8,407,650	99.39

See the Tax Capacity and Estimated Actual Value of Taxable Property table on page 116 for tax levy information.

City of Mound, Minnesota
Statistical Section (Unaudited)
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities		Business-type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Increment Bonds	General Obligation Revenue Bonds			
2016	\$ 26,262,403	\$ 6,720,000	\$ 34,122,597	\$ 67,105,000	13.00 %	\$ 6,693
2017	23,072,362	6,259,000	30,157,638	59,489,000	11.52	7,202
2018	22,108,660	7,647,000	32,476,340	62,232,000	11.43	6,333
2019	17,947,638	4,170,000	26,182,362	48,300,000	8.50	6,555
2020	16,081,519	3,665,000	28,348,481	48,095,000	5.63	5,091
2021	13,737,886	3,187,000	26,372,113	43,296,999	7.21	4,607
2022	11,414,253	2,627,000	24,245,746	38,286,999	6.03	4,074
2023	9,160,786	2,083,000	22,109,213	33,352,999	5.28	3,549
2024	7,608,694	1,659,000	25,079,415	33,784,000	5.35	3,741
2025	6,145,726	1,240,000	22,804,253	30,189,979	4.47	3,247

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Demographic and Economic Statistics table on page 127 for personal income and population data.

City of Mound, Minnesota
Statistical Section (Unaudited)
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 10

Fiscal Year	Estimated Population	Tax Capacity	Gross Bonded Debt	Less Restricted Net Position for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Tax Capacity	Net Bonded Debt Per Capita
2016	9,318	\$ 11,075,008	\$ 62,258,000	\$ 3,912,655	58,345,345	\$ 526.82	\$ 6,262
2017	9,394	12,101,994	67,105,000	3,738,591	63,366,409	523.60	6,745
2018	9,494	12,678,990	59,489,000	5,456,027	54,032,973	426.16	5,691
2019	9,347	13,939,775	62,232,000	3,710,794	58,521,206	419.81	6,261
2020	9,398	14,766,272	48,300,000	3,784,669	44,515,331	301.47	4,737
2021	9,398	16,348,827	43,296,999	3,709,635	39,587,364	242.14	4,212
2022	9,398	17,064,176	38,286,999	3,724,404	34,562,595	202.54	3,678
2023	9,398	21,923,766	33,352,999	3,326,344	30,026,655	136.96	3,195
2024	9,420	24,069,134	33,784,000	3,317,438	30,466,562	126.58	3,234
2025	9,297	23,917,621	30,189,979	3,490,605	26,699,374	111.63	2,872

See the Demographic and Economic Statistics table for population data.

See the Tax Capacity and Estimated Actual Value of Taxable Property table for tax capacity information.

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Mound, Minnesota
Statistical Section (Unaudited)
Computation of Direct and Overlapping Debt
December 31, 2025

Table 11

	Total Debt	Percent of Debt Applicable to City*	City of Mound Net Applicable Debt
Direct Debt			
City of Mound	\$ 30,189,979	100.00 %	\$ 30,189,979
Overlapping Debt			
Hennepin County	1,532,160,000	0.89	13,636,224
School District #277	63,220,000	28.82	18,220,004
Hennepin Suburb Park District	63,065,000	1.19	750,474
Hennepin Regional RR Authority	71,980,000	0.89	640,622
Metropolitan Council	1,159,185,118	0.40	4,636,740
Metrol Transit	405,060,000	0.47	1,903,782
Total Overlapping Debt	3,294,670,118	32.66	39,787,846
Total Direct and Overlapping Debt	\$ 3,324,860,097	4.23 %	\$ 69,977,825

* The percentage of overlapping debt applicable is estimated using taxable market property values. Applicable percentages were estimated by determining the portion of the county's taxable market value that is within the City's boundaries and dividing it by the county's total taxable market value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Hennepin County Taxpayer Services Department

City of Mound, Minnesota
Statistical Section (Unaudited)
Legal Debt Margin Information
Last Ten Fiscal Years

Table 12

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 32,498,940	\$ 35,416,866	\$ 36,930,003	\$ 40,306,305	\$ 42,741,489
Total Net Debt Applicable to Limit	<u>730,000</u>	<u>730,000</u>	<u>680,000</u>	<u>625,000</u>	<u>570,000</u>
Legal Debt Margin	<u>\$ 31,768,940</u>	<u>\$ 34,686,866</u>	<u>\$ 36,250,003</u>	<u>\$ 39,681,305</u>	<u>\$ 42,171,489</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.2%	2.1%	1.8%	1.6%	1.3%

Note: Under state law, the City's outstanding general obligation debt should not exceed 3 percent of the market value of taxable property. Prior to 2008, state law provided that general obligation debt should not exceed 2 percent. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the extinguishment of those obligations.

Fiscal Year				
2021	2022	2023	2024	2025
\$ 46,936,941	\$ 48,694,869	\$ 61,664,502	\$ 67,354,440	\$ 67,511,232
515,000	975,000	350,000	235,000	120,000
<u>\$ 46,421,941</u>	<u>\$ 47,719,869</u>	<u>\$ 61,314,502</u>	<u>\$ 67,119,440</u>	<u>\$ 67,391,232</u>
1.1%	2.0%	0.6%	0.3%	0.2%

Legal Debt Margin Calculation:

Taxable Market Value	<u>\$ 2,250,374,400</u>
Debt Limit (3 Percent of Market Value)	\$ 67,511,232
Debt Applicable to Limit	<u>120,000</u>
Legal Debt Margin	<u>\$ 67,391,232</u>

THIS PAGE IS LEFT
BLANK INTENTIONALLY

City of Mound, Minnesota
Statistical Section (Unaudited)
Revenue Bond Coverage
Last Ten Fiscal Years

Table 13

Fiscal Year	(1) Gross Revenue	(2) Expenses	Net Revenue Available	(3) Debt Service			Ratio of Net Revenue to Debt Service
				Principal	Interest	Total	
2016	\$ 4,579,195	\$ 1,891,876	\$ 2,687,319	\$ 1,454,959	\$ 891,549	\$ 2,346,508	1.145 to 1
2017	4,921,545	1,960,196	2,961,349	3,964,959	887,248	4,852,207	.610 to 1
2018	4,449,973	2,256,588	2,193,385	1,876,298	692,110	2,568,408	.854 to 1
2019	4,451,230	2,217,821	2,233,409	3,084,378	805,699	3,890,077	.574 to 1
2020	4,725,326	2,045,367	2,679,959	1,943,881	753,808	2,697,689	.993 to 1
2021	4,850,623	2,286,992	2,563,631	1,976,368	680,934	2,657,302	.965 to 1
2022	4,820,238	2,151,139	2,669,099	2,126,367	657,565	2,783,932	.959 to 1
2023	5,059,643	2,325,663	2,733,980	2,136,533	604,809	2,741,342	.997 to 1
2024	4,966,360	2,454,277	2,512,083	2,349,213	667,043	3,016,256	.833 to 1
2025	5,661,319	2,786,545	2,874,774	2,235,000	649,347	2,884,347	.948 to 1

(1) Includes Water, Sewer and Storm Water Funds

(2) Excluding depreciation, interest on bonds, and transfers

(3) Includes Water, Sewer and Storm Water Funds

City of Mound, Minnesota
Statistical Section (Unaudited)
Demographic and Economic Statistics
Last Ten Years

Table 14

Fiscal Year	Estimated Population	Number of Households	Persons per Household	Total Personal Income	Per Capita Personal Income	Median Age	K-12 School Enrollment	Unemployment Rate
2016	9,318	4,089	2.28	538,123,818	57,751	42.0	2,321	2.7
2017	9,394	4,085	2.30	561,159,984	59,736	42.0	2,358	2.4
2018	9,494	4,089	2.32	595,226,330	62,695	46.0	2,460	2.1
2019	9,347	4,089	2.29	600,731,690	64,270	43.3	2,319	2.6
2020	9,398	4,173	2.25	631,677,172	67,214	43.5	2,482	4.4
2021	9,398	4,621	2.03	631,677,172	67,214	43.5	2,446	2.3
2022	9,398	4,435	2.12	675,828,976	71,912	44.3	2,418	2.6
2023	9,397	4,414	2.13	675,757,064	71,912	44.3	2,412	2.2
2024	9,420	4,429	2.04	666,830,978	70,789	45.6	2,412	2.2
2025	9,297 (1)	4,541 (1)	2.01 (2)	690,858,080 (2)	76,220 (1)	47.2 (1)	2,428 (3)	4.4 (4)

Sources

In general, all prior year data was extracted from previous City of Mound Annual Comprehensive Financial Reports.

- (1) US Department of Commerce - Census and Economic Analysis Bureau
- (2) Calculated by the City
- (3) Westonka ISD
- (4) State of MN - Department of Employment and Economic Development

* Information not available at the time of publication, so the previous year data was used. Information will be updated in future years.

City of Mound, Minnesota
Statistical Section (Unaudited)
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table 15

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	5	5	5	4	4	4	4	4	5	5.45
Police										
Officers	*	*	*	*	*	*	*	*	*	*
Civilians	*	*	*	*	*	*	*	*	*	*
Reserve Officers (1)	*	*	*	*	*	*	*	*	*	*
Fire										
Firefighters and officers	1	1	1	1	1	1	1	1	1	1.00
Civilians	1	1	1	1	1	1	1	1	1	1.00
Volunteers (1)	39	39	38	39	39	40	39	40	35	35.00
Public Works										
Engineering	2	2	2	2	2	2	2	2	2	-
Maintenance	5	3	4	4	4	4	4	4	4	3.85
Culture and Recreation										
Parks	3	3	3	3	3	3	3	3	3	3.00
Seasonal Park Maintenance (2)	2	2	2	2	2	2	3	3	3	3.00
Economic Development										
Planning	2	2	2	2	2	2	2	2	2	2.00
Code Enforcement	1	1	1	1	1	1	1	1	1	0.40
Utilities	2	2	3	3	2	3	3	4	4	5.60
Municipal Liquor Store	6	6	7	6	5	5	5	5	6	6.00
Total	69	67	69	68	66	68	68	70	67	66

(1) Total number of on-call volunteer fire fighters

(2) Nine full-time employees from late Spring through Summer

* The City contracts for its police services.

Source: City of Mound

City of Mound, Minnesota
Statistical Section (Unaudited)
Operating Indicators by Function
Last Ten Fiscal Years

Table 16

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Police calls	*	*	*	*	*	*	*	*	*	*
Physical arrests	*	*	*	*	*	*	*	*	*	*
Parking violations	*	*	*	*	*	*	*	*	*	*
Traffic violations	*	*	*	*	*	*	*	*	*	*
Fire										
Fire calls	588	596	602	568	597	659	723	677	725	807
Elections										
Registered voters last election	6,195	6,195	6,213	6,213	6,719	6,719	6,502	6,502	6,693	6,693
Number of votes cast last election	5,561	5,661	4,961	4,961	6,235	6,235	4,895	4,895	6,125	6,125
Percentage of registered voters voting	91.38%	91.38%	79.85%	79.85%	92.80%	92.80%	75.28%	75.28%	91.51%	91.51%
Building/Engineering										
Permits issued	439	224	444	448	403	448	421	449	491	442
Value of permits issued (in millions)	\$22,119,768	\$28,034,913	\$ 9,829,004	\$ 9,579,435	\$ 9,380,287	\$13,696,549	\$15,798,847	\$43,362,675	\$16,578,410	\$ 25,123,873
Water										
Consumers	3,735	3,780	3,765	3,773	3,771	3,762	3,776	3,798	3,803	3,803
New connections	27	10	19	8	4	2	5	22	5	17
Water mains breaks	4	8	4	5	6	6	3	11	6	3
Average daily consumption (thousands of gallons)	569	586	576	571	625	616	615	610	612	612
Maximum daily capacity (thousands of gallons)	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
User charge per thousand gallons	\$ 4.54	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 5.07	\$ 5.75	\$ 5.75
Sewer										
Average daily treatment flow (thousands of gallons)	1,012	1,012	1,022	1,048	1,102	1,084	1,082	1,074	1,077	1,077
User charge per thousand gallons	\$ 5.81	\$ 6.36	\$ 6.55	\$ 6.75	\$ 6.95	\$ 7.16	\$ 7.37	\$ 7.60	\$ 8.75	\$ 8.75

* The City contracts for its police services.

Source: City of Mound

City of Mound, Minnesota
Statistical Section (Unaudited)
Capital Asset Statistics by Function
Last Ten Fiscal Years (1)

Table 17

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Highways and streets										
Streets (miles)	41	41	41	41	41	41	41	41	41	41
Streets rehabilitated	4	1.5	0	1.3	0	0.5	0.5	3.2	12	1.41
Sidewalks (miles)	11	11	11	11	11	11	11	11	11	11
Street lights	541	541	541	541	541	541	541	541	541	541
Traffic signals	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Parks division										
Parks	33	33	33	33	33	33	33	33	33	33
Parks acreage	45	45	45	45	45	45	45	45	45	45
Basketball courts	2	2	2	2	2	2	2	2	2	2
Softball diamonds	6	6	6	6	6	6	6	6	6	6
Swimming areas	5	5	5	5	5	5	5	5	5	5
Tennis courts	3	3	3	3	3	3	3	3	3	3
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Utilities										
Water										
Miles of water main	45	45	46	46	46	46	46	46	46	46
Miles of water main rehabilitated	4	1	-	1.20	-	0.50	1.00	0.27	0.06	0.37
Fire hydrants	415	416	420	420	420	420	420	420	420	498
Sewer										
Miles of sanitary sewer	60	60	60	60	60	60	60	60	60	60
Miles of sanitary sewer rehabilitated	1	0	1	0.89	-	0.50	-	-	-	0.19
Lift stations	30	30	30	30	30	30	30	30	30	30
Storm sewer										
Miles of storm sewer	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Parking System										
Off-street parking										
Off street lots	5	5	5	5	5	5	5	5	5	5
Off street leased spaces	2	2	2	2	2	2	2	2	2	2

(1) Table added for 2006 and will be updated on a go-forward basis

Source: City of Mound

Note: No capital asset indicators are available for the general government function.