

CITY OF MOUND
MOUND, MINNESOTA

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024

REPORT PREPARED BY
THE CITY OF MOUND FINANCE DEPARTMENT

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City of Mound, Minnesota
Annual Comprehensive Financial Report
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For the Year Ended December 31, 2024

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INTRODUCTORY SECTION

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Mound, Minnesota
 Elected and Appointed Officials
 For the Year Ended December 31, 2024

ELECTED

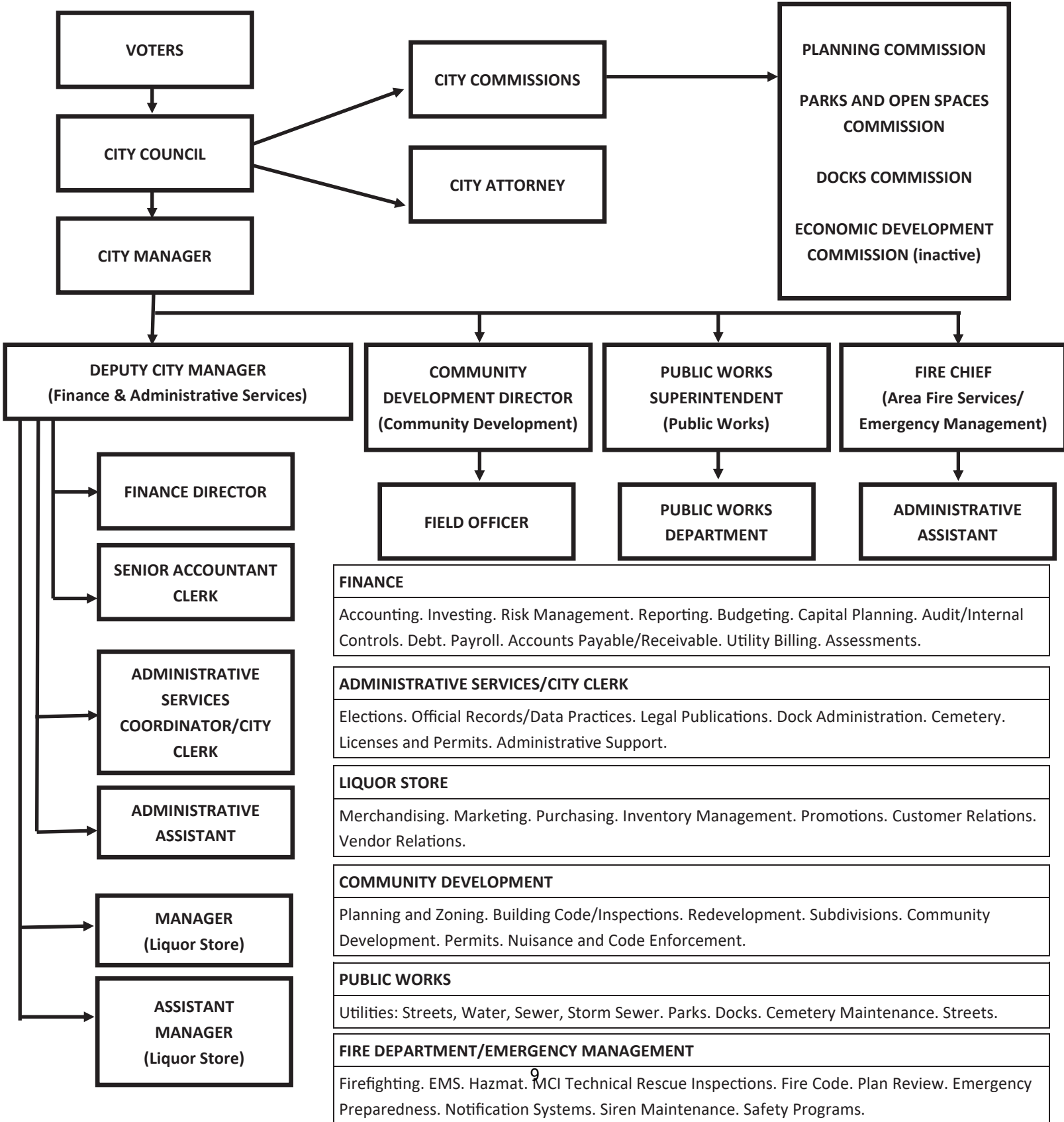
Name	Term Expires	Title
Jason Holt	12/31/26	Mayor
Sherrie Pugh	12/31/26	Council Member
Michelle Herrick	12/31/28	Council Member
Kathy McEnaney	12/31/26	Council Member
Kevin Castellano	12/31/28	Council Member

APPOINTED

Jesse Dickson	City Manager
Maggie Reisdorf	Deputy City Manager
Noah Iverson	Finance Director
Greg Pederson	Fire Chief
Sarah Smith	Community Development Director
Ron Gust	Liquor Store Manager
Ryan Prich	Public Works Director
Correy Farniok	Orono Police Chief



CITY OF MOUND - ORGANIZATIONAL CHART - 2024



FINANCE
 Accounting. Investing. Risk Management. Reporting. Budgeting. Capital Planning. Audit/Internal Controls. Debt. Payroll. Accounts Payable/Receivable. Utility Billing. Assessments.

ADMINISTRATIVE SERVICES/CITY CLERK
 Elections. Official Records/Data Practices. Legal Publications. Dock Administration. Cemetery. Licenses and Permits. Administrative Support.

LIQUOR STORE
 Merchandising. Marketing. Purchasing. Inventory Management. Promotions. Customer Relations. Vendor Relations.

COMMUNITY DEVELOPMENT
 Planning and Zoning. Building Code/Inspections. Redevelopment. Subdivisions. Community Development. Permits. Nuisance and Code Enforcement.

PUBLIC WORKS
 Utilities: Streets, Water, Sewer, Storm Sewer. Parks. Docks. Cemetery Maintenance. Streets.

FIRE DEPARTMENT/EMERGENCY MANAGEMENT
 Firefighting. EMS. Hazmat. MCI Technical Rescue Inspections. Fire Code. Plan Review. Emergency Preparedness. Notification Systems. Siren Maintenance. Safety Programs.

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June 10, 2025

**Honorable Mayor, Members of the City Council, and Citizens of Mound
City of Mound
Mound, Minnesota 55364**

Citizens, Mayor and City Council Members:

The Annual Comprehensive Financial Report of the City of Mound for the fiscal year ended December 31, 2024, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designated to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The funds included in our Annual Comprehensive Financial Report are those considered to be within the financial reporting entity of the City of Mound (the primary government) as defined by *Governmental Accounting Standards*. Based on these criteria, all funds of the City are included in this report. However, the Mound Fire Relief Association has not met the established criteria for inclusion in the financial reporting entity, and accordingly is excluded from this report.

The City provides its residents and businesses a full range of municipal services consisting of police, fire, public works, parks, and general administrative services. The City also operated five enterprises in 2024: a liquor store, water utility, sewer utility, storm water utility, and a curb-side recycling service.

Generally accepted accounting principles requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designated to complement the MD&A and should be read in conjunction with it. The City of Mound's MD&A can be found immediately following the report of the independent auditors.

ECONOMIC CONDITION AND OUTLOOK

Mound is a suburb located twenty miles west of the Minneapolis central business district. The City covers an area of 3.18 square miles and its population, according to the 2020 Census, is estimated at 9,398. The most dominant feature of the community is the vast shoreline of Lake Minnetonka which creates a number of bays within the City of Mound.

Mound is considered a fully developed community where urban land uses cover more than 90% of the total land area. The vast majority of the tax base in Mound is residential, approximating 97% of total parcels and 92% of the tax capacity. This provides the City with a stable, but not necessarily a rapidly expanding tax base. With little remaining vacant land in Mound, redevelopment allows opportunities to revitalize areas that are in need of improvement which is important for growing City resources. Mound has three active TIF districts, the most recent TIF district was created in 2017 for a 72-unit assisted living/memory care facility that was constructed on a blighted parcel that used to house a florist shop. All projects proposed or underway are only undertaken if they are consistent with the overall land use and economic development goals of the community.

MAJOR INITIATIVES FOR THE YEAR

Major events during 2024 were the following:

- The 15-year total street reconstruction program was completed in 2018 and included Municipal State Aid (MSA) streets as well as repairs to underground sewer and water infrastructure, as needed. The City continues its robust maintenance plan to extend the life of the new streets. Crack seal and seal coat repairs are completed every 4-9 years and mill and overlay improvements are completed after 20 years.
- In response to the deteriorating conditions of downtown City pavers and sidewalks, an engineering study was conducted in 2021 to map out options for reconstruction. Since 2021, the City has completed nearly \$1.46 million in downtown paver and sidewalk improvements. Looking ahead, the City has planned an additional \$1.2 million in sidewalk and paver improvements citywide through 2033.
- Each year, the City reconstructs one of its 30 sanitary sewer lift stations. As of 2024, twenty-six of 30 lift stations have been reconstructed. Since 2014, the Metropolitan Council Environmental Services (MCES) and the City have invested over \$45M in cooperative projects in Mound to improve sewer operations.
- The City completed a three-year project to improve the watermain along Lynwood Boulevard, replacing aging infrastructure prone to breaks and ruptures. The total project cost was \$1.47 million, supported in part by the full allocation of the \$1.039 million in ARPA funding received in 2021.
- The City's municipal liquor operations remained strong in 2024, with gross profit and income before transfers exceeding the prior year's impressive results. Sales exceeded \$3.8 million for the fifth consecutive year, and the gross profit margin was the highest in the store's history at 30.3%. In 2024, liquor operations transferred \$360,000 to support street maintenance and park improvements—nearly three times the amount transferred in 2018—helping to reduce the burden on the tax base. The liquor store building debt was paid off in 2019, freeing up additional capital for transfers to reduce the property tax levy. The liquor store was recognized as the most profitable municipal liquor store in the Twin Cities' seven-county metro area in 2023, 2022, and 2021. This achievement reflects strong management practices and the store's emergence as a destination for rare products, a vast selection, and friendly, knowledgeable staff.
- The City issued building permits with a total value of improvements of \$16.5 million. Building permit fees totaled \$304K of which \$205K was paid to SAFEbuilt, the City's contracted building official.
- Recycling programs included leaf dumping offered to residents at a SET compost site in Minnetrista as well as bi-weekly, single-sort, curbside recycling offered to all residents. An organics recycling drop-off site was launched in 2022 and to date 128 households have registered with the program.
- The City continues administration of the storm water utility management plan. Neighborhood storm water projects are completed in compliance with Minnehaha Creek Watershed District mandates as development and reconstruction occur, with occasional stand-alone projects. The City adopted a policy in 2022 that limits its responsibility for lake management to essentially City shoreline stabilization, specifically stating that the discharge of storm water into Lake Minnetonka as "receiving waters" under the City of Mound Municipal Separate Storm Sewer System (MS4) permit does not establish an inherent obligation of the City to address general lake bottom, navigation, and/or weed conditions throughout the lake.
- In 2023, the City completed a Comprehensive Plan health check to re-examine the desired densities for new developments. In January of 2024, the City completed an amendment to the 2040 Mound Comprehensive Plan to more clearly articulate the community's vision for growth and development. The revised vision acknowledges that the community is fully developed and that future growth will primarily come from infill development that is at the property owner's initiative. The primary area of change in the amendment was related to the mixed use land use category. Mixed use is meant to support a variety of uses, including commercial, public, and residential (townhomes, row houses and existing multifamily apartments.) The City has almost 69 acres of mixed use designated area, with the largest areas focused along Shoreline Drive and Commerce Boulevard. In the amendment, the City changed the allowable new residential uses from apartments to only townhouses or rowhouses.
- The City commenced Phase 1 of the Lost Lake Commons Park Improvement project. The park is located near the Mound Transit Center and will be completed in three phases, with Phase 2 anticipated to begin in 2025.

- In December 2021, the Minnesota Department of Agriculture confirmed the presence of Emerald Ash Borer across all areas of Mound. Emerald Ash Borer kills Ash trees by tunneling beneath the bark and feeding on the tree's nutrient-transporting tissues. In response, the City applied and received a \$75,000 grant in 2022 to help offset the costs associated with managing the infestation. However, the actual expenses of the infestation have far exceeded the grant amount and are expected to continue into the foreseeable future. As a result, the Parks Department's budget for tree management & removal has significantly increased from \$30,000 in 2022 to \$175,000 in 2024.
- In 2023, the City contracted with Ehlers Public Finance Advisors to study the Dock Fund and to restructure revenues to align with the demands of the fund. Principally, projections indicated that without adjustments to user rates, the fund would face a negative balance by 2027 due to operational inflation and Emerald Ash Borer's devastation of Ash trees. With the insights provided by Ehlers' analysis, the City developed user rate guidelines for the next decade to accommodate inflationary pressures and the expenses related to the Emerald Ash Borer infestation. The first rate increase under the plan was implemented in 2024. The City will conduct annual reviews of the fund's performance and make adjustments as needed to maintain financial stability and support ongoing operations.
- Since its inception in 2023, the Communications Committee has been proactive in implementing various initiatives to enhance the City's communication with its stakeholders. The Committee has created a social media presence with Facebook, Instagram, and YouTube and will continue to evaluate other platforms. The City's newsletter was redesigned and updated while a new website will be launched in 2025.
- Lifestyle Communities completed construction on a 2.35 acre 52-unit cooperative living facility in the heart of downtown. The first residents moved in August 2024.
- The City contracted with Ehlers Public Finance Advisors to develop a Long-Term Financial Management Plan (FMP) and to complete a Utility Rate Study (URS). Both plans were presented to the City Council in June 2024. The FMP will act as a strategic guide for the City's financial decisions in the coming decade, addressing critical issues like inflation, extensive infrastructure requirements, and the loss of Local Government Aid. The URS studied water and sewer operations. The URS developed a plan to eliminate the water fund's deficit cash balance and established an equitable rate structure aligned with the City's long-term objectives.
- The City's credit rating was upgraded to "AA+" from "AA" due to the City's FMP, URS, and strong unassigned fund balance in the General Fund.

MAJOR INITIATIVES FOR THE FUTURE

Major street maintenance and improvement projects aimed at extending the life of the City's streets will commence in 2025. These projects are projected to cost approximately \$31 million through 2033. Additionally, the annual crack seal and seal coat repairs are expected to cost \$3 million over the same period. Other Public Works projects include park improvements, storm water drainage improvements, inflow/infiltration and manhole remediation, sanitary sewer lift station reconstruction, and watermain replacement. Finally, the City is in the process of inventorying all water service lines to satisfy the Environmental Protection Agency's lead and copper rule revisions as administered by the Minnesota Department of Health.

The Minnesota Department of Health (MDH) began testing for manganese in municipal water supplies in 2020 and elevated levels of manganese greater than the MDH recommended health advisory guideline level was found in the City's water supply. The City Council approved a study to develop alternatives to mitigate the issue as well as an application for state and federal funding to pay for a water treatment facility. The estimated cost for the water treatment facility is \$41.3 million and would remove iron and manganese from our source water. The State of Minnesota approved \$10.3 million in funding as part of the 2023 bonding bill and \$959,752 was approved in federal funding from congressionally directed spending. Design work began 2024, and in 2025, the City broke ground on infrastructure improvements necessary to support the future facility. The City will continue to explore additional funding avenues and options throughout 2025.

PROPERTY VALUES

The City's tax base comprises 4,476 parcels, predominantly residential, accounting for approximately 97% of the total parcels and contributing 92% of the City's tax capacity. Within the residential category, two important distinctions exist: off-lake and on-lake residential properties. Although both are subject to the same tax rates, valuations differ, as evidenced by tax capacity. Lakeshore residential properties constitute 24% of the City's parcels and contribute 50% of the tax capacity. In contrast, non-lakeshore residential properties represent 73% of the City's parcels, contributing 42% of the tax capacity. Commercial tax base within Mound is small, consisting of only 2% of the parcels and representing 5% of the tax capacity, with miscellaneous classifications making up the remaining portions.

Similar to other communities, Mound has experienced significant growth in residential property values in recent years. The average value of a non-lakeshore single family residential home has risen to \$318K, up from \$255K in 2021. The average valuation of a lakeshore property is \$1.12 million, up from \$768K in 2021. Overall, Mound's five-year cumulative growth in single family residential home values is 54.6%, the second highest in Hennepin County.

SPECIFIC FOCUS – BONDED DEBT

Over the past twenty years, Mound has made significant capital investments. Since 2005, excluding equipment purchases, approximately \$90 million has been invested in infrastructure improvements to streets, water, sewer, storm water, and public buildings. These projects were primarily funded through bonded debt, as the City did not authorize robust capital reserve funds until 2018. Approximately \$82 million in bonds were issued to finance the improvements. Bond terms typically range from 15 to 20 years, and repayment sources vary depending on the nature of the project. Repayment sources include property taxes, utility revenues from ratepayers, and special assessments. Special assessments are charges levied on properties that directly benefit from a public improvement and are collected over time to help repay the bond debt.

The City's total outstanding bonded debt peaked in 2016 at \$67.1 million, with debt per capita 306% higher than the average for cities in Hennepin County. The City's current bonded debt has been reduced to \$33.78 million, though debt per capita remains 87% above the average for cities in Hennepin County.

The goal of the City's Financial Management Plan (FMP) is to eliminate the need for special assessments and reduce reliance on debt by adequately funding capital reserve funds over the life of the plan. The FMP identifies approximately \$71 million in capital improvements between 2024 and 2033, with an estimated \$31.7 million to be financed through bond issuance.

RELEVANT FINANCIAL POLICIES

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits; 2) the valuation of costs and benefits requires estimates and judgments by management. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and also provide reasonable assurance of properly recording financial transactions.

In 2011, the City of Mound adopted a Fund Balance Policy in order to comply with Governmental Accounting Standards Board (GASB) Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions. It is the City's general guideline to maintain an unassigned General Fund balance, also referred to as the "minimum fund balance", of not less than 20% of budgeted operating expenditures which the City has been consistently able to exceed.

The primary financial goal of the City's Investment Policy is to ensure the safety of the principal invested by the City. Cash temporarily idle during the year is invested in certificates of deposit, commercial paper, and obligations of the U.S. Treasury and government agencies. The City only invests in instruments that are authorized under Minnesota Statute 118A. The City of Mound subscribes to the "pooled cash" concept of investing, which means that all operating funds with cash balances participate in an investment pool. This permits some funds to be overdrawn and other funds to show cash balances while the City maintains a positive cash balance overall. This pooled cash concept provides for investing greater amounts of money at more favorable rates. Interest earnings are then allocated to the participating funds.

Capital financing for major municipal improvements is provided through reserves, improvement bonds, general obligation bonds, tax increment bonds, and/or revenue bonds. The City Council sets the terms and conditions of any inter-fund loans or advances, including the rate of interest to be charged. Inter-fund loans were approved between the HRA Fund and the Capital Improvements Fund to the TIF 1-3 debt service fund due to the insufficient TIF which resulted from the recession and corresponding delay in redevelopment. Inter-fund loans to the utility funds in the form of year-end adjustments to offset negative cash balances allow the City to manage pressure on utility rates while continuing utility infrastructure improvements.

The City maintains budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control for the General Fund (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the change in fund balance level as often overages in expenditures are offset by favorable revenues.

In addition, the City engages in long-term financial planning. As previously discussed, the City implemented a Financial Management Plan in 2025, which will serve as a strategic guide for financial decision making over the next decade.

The City of Mound's risk management policy centers around the worker's compensation insurance and its general property and liability coverage provided through the League of Minnesota Cities Insurance Trust (LMCIT). The LMCIT worker's compensation program is a joint self-insurance plan, designed to lower and stabilize cities' workers compensation costs and to assure that cities have a source of coverage available. Each participating City deposits with the LMCIT its worker's compensation deposit premiums for the policy year. The deposit premiums are calculated using standard manual rates with the applicable volume discounts and experience modification factor. From these deposits, LMCIT purchases reinsurance to protect the program from catastrophic and abnormal payment claims. LMCIT's reserves and rates are reviewed annually by an actuary to help assure that the program remains financially strong.

In 2016, the City Council authorized staff to no longer apply for the Government Finance Officer's Association's Certificate of Achievement for Excellence in Financial Reporting award. The City's Annual Comprehensive Financial Report will continue to be prepared in accordance with accounting standards generally accepted in the United States and the City will continue to pay for an independent audit where the auditors express an opinion on the fairness, in all material respects, of the financial position of the government and business-type activities. The goal of the certificate program is not to assess the financial health of participating governments, but rather to ensure that users of their financial statements have the information they need to do so themselves. In recent years, new GASB pronouncements have led to additional costs in order to comply and the City will be weighing those costs with the relevance and value of the resulting information and implement GASB pronouncements selectively as a result, thereby disqualifying it from the certificate program.

INDEPENDENT AUDIT

Minnesota statutes require an annual audit of the City's accounts by the Minnesota Office of the State Auditor or by independent certified public accountants. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

The independent certified public accountant will issue a management and compliance letter covering the examination of the City of Mound's system of internal controls and compliance with applicable legal provisions. The management and compliance letter will not modify or affect this report or the financial statements in any way.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the cooperation of the entire staff of the Finance and Administrative Services Department, the cooperation of the City departments, the support of the Mayor, the City Council, the City Manager, the Deputy City Manager, and with the assistance of the independent auditors.

Respectfully submitted,

Noah Iverson

**Noah Iverson
Finance Director**

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FINANCIAL SECTION

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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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, 2024, 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, 2024, and the results of its operations and cash flows 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, 2024, and the budgetary comparisons for the Area Fire Service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.



Report on Summarized Comparative Information

We have previously audited the City's 2023 financial statements, and we expressed qualified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major proprietary fund in our report dated June 3, 2024. In our opinion, the summarized comparative information presented herein for the respective proprietary fund financial statements as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 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
June 10, 2025



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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, 2024.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$53,439,490 (net position). Of this amount, \$7,030,505 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$3,942,014. Governmental activities accounted for \$3,289,667 of the total increase in net position while business-type activities increased by \$652,347. The increase in governmental activities was primarily due to strong investment returns, with investment income reaching their highest level since 2007. The business activities increase was primarily due to strong sales in off-sale municipal liquor store operations and minimal operating expense increases across all utility funds.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,555,645, an increase of \$336,025 from prior year. The increase is mainly attributed to investment income that exceeded budgeted amounts, while total actual General fund expenditures were below budgeted amounts. Approximately 28.6% or \$4,157,782 of the total combined ending fund balance is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the General fund was \$4,157,782, or 60.23% of total General fund expenditures and transfer to Fire fund for operations.
- The City's total bonded debt increased 1.29% during the current fiscal year due to regularly scheduled bond payments being offset by the issuance of 2024A General Obligation Utility Revenue Utility Bonds.
- The City's investment income totaled \$429,119, compared to \$400,458 in the prior year, contributing to a stronger-than-anticipated unrestricted fund balance in the General Fund. This will support the City in achieving more sustainable long-term strategic planning.

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

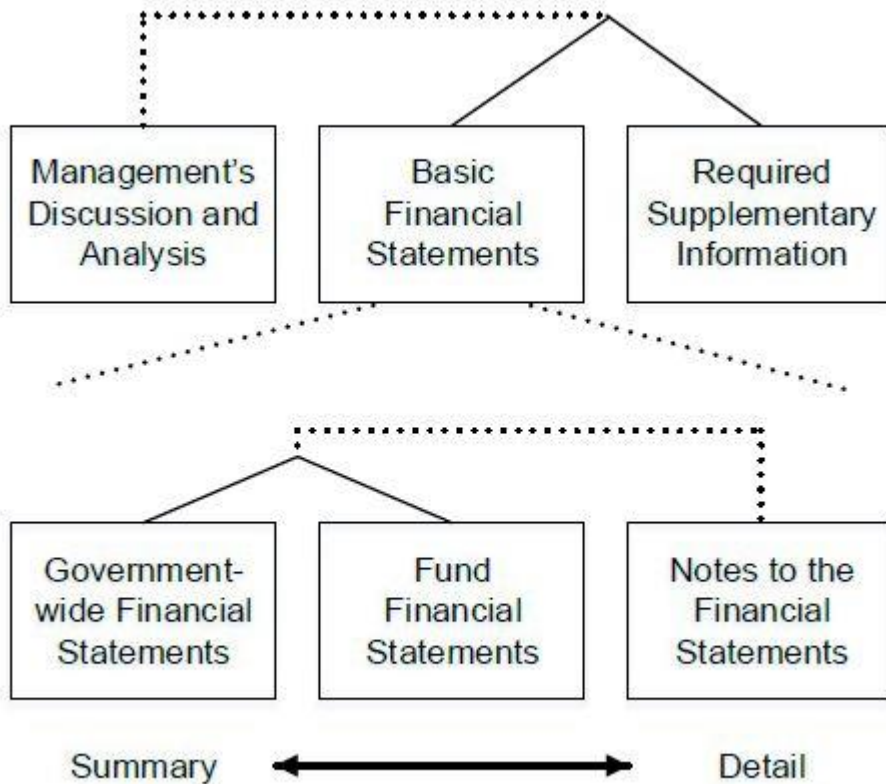


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	Fund Financial Statements		
	Government-wide 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	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Net Position • Statements 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 in flow/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 38 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 for the two other special revenue funds are provided elsewhere in this report to demonstrate compliance with the budget.

The basic governmental fund financial statements start on page 42 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 municipal liquor, water, sewer, recycling and storm water. The City does not use *internal service funds*.

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.

The basic proprietary fund financial statements start on page 48 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 53 of this report.

Other Information. The combining statements 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 78 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 by \$53,439,490 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.

City of Mound's Summary of Net Position

	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
Assets								
Current and other assets	\$ 17,931,039	\$ 17,802,802	\$ 128,237	\$ 1,936,386	\$ (1,447,082)	\$ 3,383,468	\$ 19,867,425	\$ 16,355,720
Capital assets	34,431,242	33,307,766	1,123,476	36,151,804	35,751,487	400,317	70,583,046	69,059,253
Total Assets	52,362,281	51,110,568	1,251,713	38,088,190	34,304,405	3,783,785	90,450,471	85,414,973
Liabilities								
Long-term liabilities	9,533,937	11,577,561	(2,043,624)	25,169,250	22,371,313	2,797,937	34,703,187	33,948,874
Other liabilities	1,205,292	1,199,622	5,670	1,102,502	769,001	333,501	2,307,794	1,968,623
Total Liabilities	10,739,229	12,777,183	(2,037,954)	26,271,752	23,140,314	3,131,438	37,010,981	35,917,497
Net Position								
Net investment in capital assets	27,001,774	24,065,317	2,936,457	16,034,593	14,404,734	1,629,859	43,036,367	38,470,051
Restricted	3,372,618	4,291,949	(919,331)	-	-	-	3,372,618	4,291,949
Unrestricted	11,248,660	9,976,119	1,272,541	(4,218,155)	(3,240,643)	(977,512)	7,030,505	6,735,476
Total Net Position	\$ 41,623,052	\$ 38,333,385	\$ 3,289,667	\$ 11,816,438	\$ 11,164,091	\$ 652,347	\$ 53,439,490	\$ 49,497,476

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's *net investment in capital assets* represents 80.5% of net position. An additional portion of the City's net position (6.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (13.2%) may be used to meet the City's ongoing obligations to citizens and creditors.

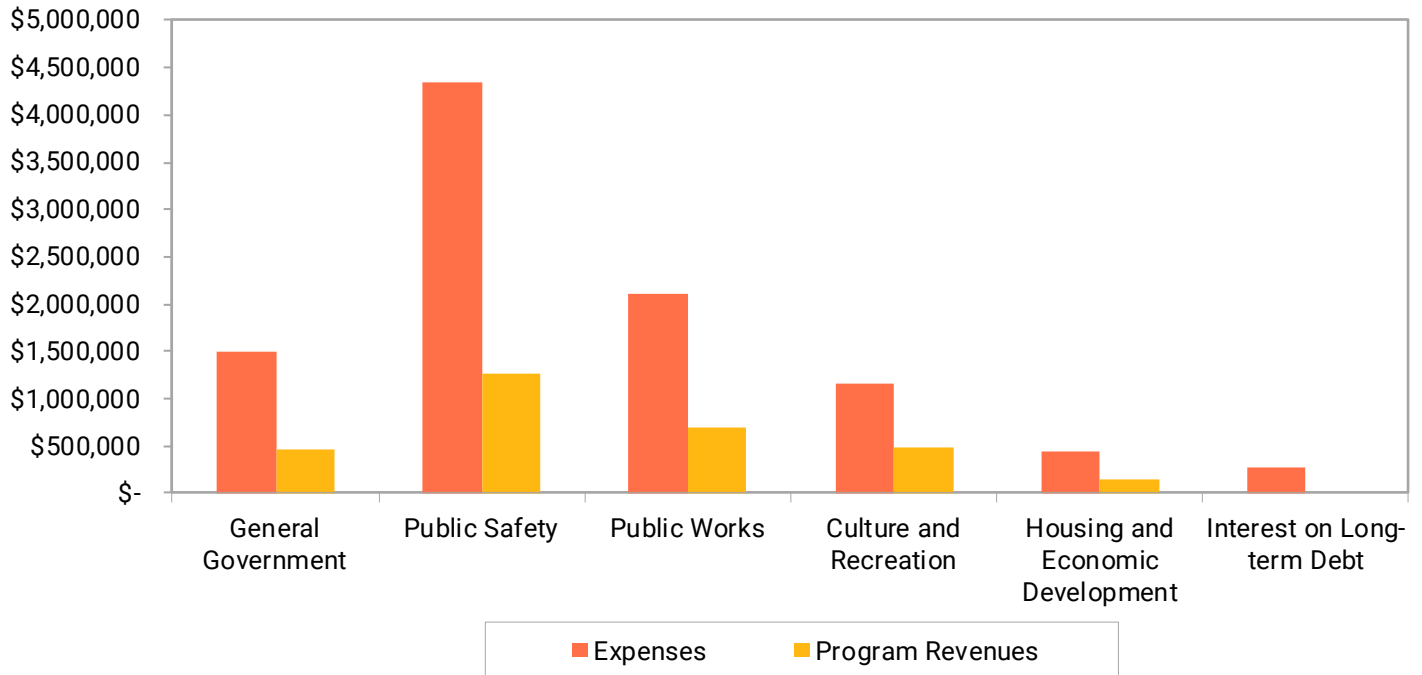
Governmental Activities. Governmental activities' net position increased by \$3,289,667, accounting for 83.4% of the growth in the City's net position. Factors contributing to this change are illustrated below and on the following page.

City of Mound's Changes in Net Position

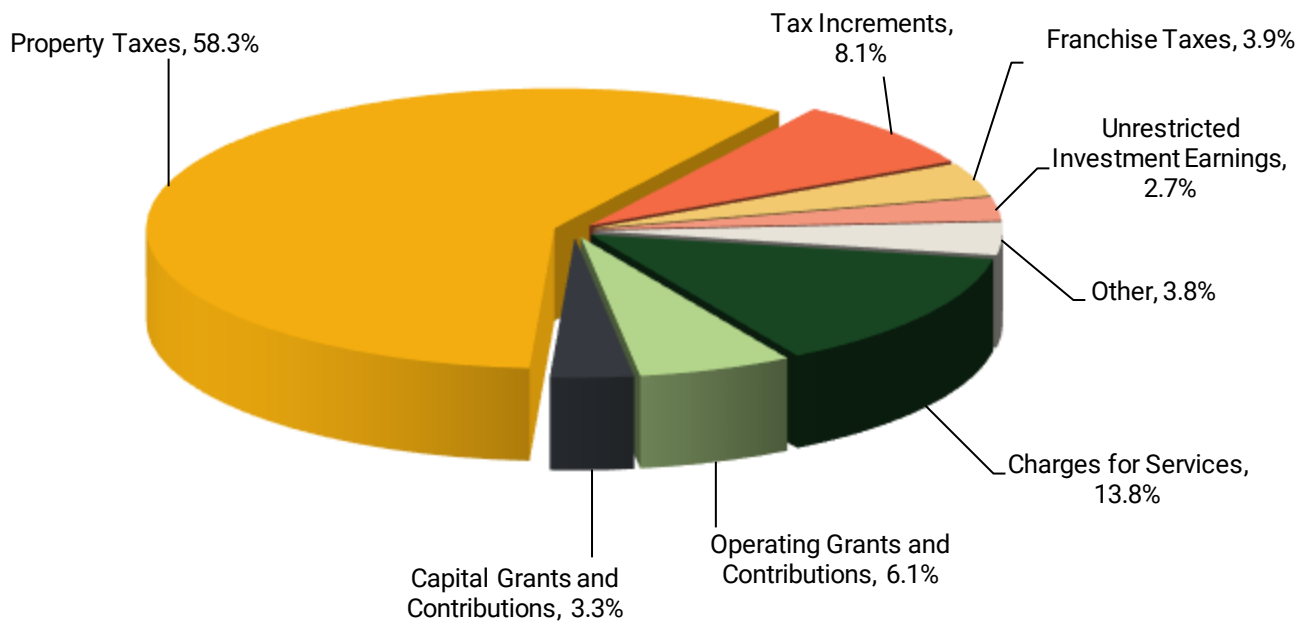
	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
Revenues								
Program revenues								
Charges for services	\$ 1,821,789	\$ 1,943,855	\$ (122,066)	\$ 9,101,220	\$ 9,169,648	\$ (68,428)	\$ 10,923,009	\$ 11,113,503
Operating grants and contributions	797,749	1,134,027	(336,278)	21,927	18,642	3,285	819,676	1,152,669
Capital grants and contributions	426,678	119,178	307,500	4,000	113,640	(109,640)	430,678	232,818
General revenues								
Property taxes/tax increments	8,689,789	7,744,097	945,692	360,000	360,000	-	9,049,789	8,104,097
Franchise taxes	514,089	370,841	143,248	-	-	-	514,089	370,841
Grants and contributions not restricted to specific programs	74,762	168,842	(94,080)	-	344,609	(344,609)	74,762	513,451
Investment earnings	347,682	333,902	13,780	81,437	66,556	14,881	429,119	400,458
Gain on sale of capital assets	60,121	70,466	(10,345)	1,382	7,189	(5,807)	61,503	77,655
Total Revenues	12,732,659	11,885,208	847,451	9,569,966	10,080,284	(510,318)	22,302,625	21,965,492
Expenses								
General government	1,489,931	1,353,093	136,838	-	-	-	1,489,931	1,353,093
Public safety	4,339,968	4,213,678	126,290	-	-	-	4,339,968	4,213,678
Public works	2,109,548	2,203,860	(94,312)	-	-	-	2,109,548	2,203,860
Culture and recreation	1,160,750	1,086,106	74,644	-	-	-	1,160,750	1,086,106
Housing and economic development	437,140	254,309	182,831	-	-	-	437,140	254,309
Interest on long-term debt	265,655	326,634	(60,979)	-	-	-	265,655	326,634
Water	-	-	-	2,084,277	2,014,321	69,956	2,084,277	2,014,321
Sewer	-	-	-	2,464,711	2,274,120	190,591	2,464,711	2,274,120
Municipal liquor	-	-	-	3,436,837	3,468,709	(31,872)	3,436,837	3,468,709
Recycling	-	-	-	251,309	249,577	1,732	251,309	249,577
Storm water	-	-	-	320,485	325,339	(4,854)	320,485	325,339
Total Expenses	9,802,992	9,437,680	365,312	8,557,619	8,332,066	225,553	18,360,611	17,769,746
Increase in Net Position Before Transfers								
	2,929,667	2,447,528	482,139	1,012,347	1,748,218	(735,871)	3,942,014	4,195,746
Transfers - Internal Activities								
	360,000	300,000	60,000	(360,000)	(300,000)	(60,000)	-	-
Change in Net Position								
	3,289,667	2,747,528	542,139	652,347	1,448,218	(795,871)	3,942,014	4,195,746
Net Position, January 1								
	38,333,385	35,585,857	2,747,528	11,164,091	9,715,873	1,448,218	49,497,476	45,301,730
Net Position, December 31								
	\$ 41,623,052	\$ 38,333,385	\$ 3,289,667	\$ 11,816,438	\$ 11,164,091	\$ 652,347	\$ 53,439,490	\$ 49,497,476

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

Expenses and Program Revenues - Governmental Activities

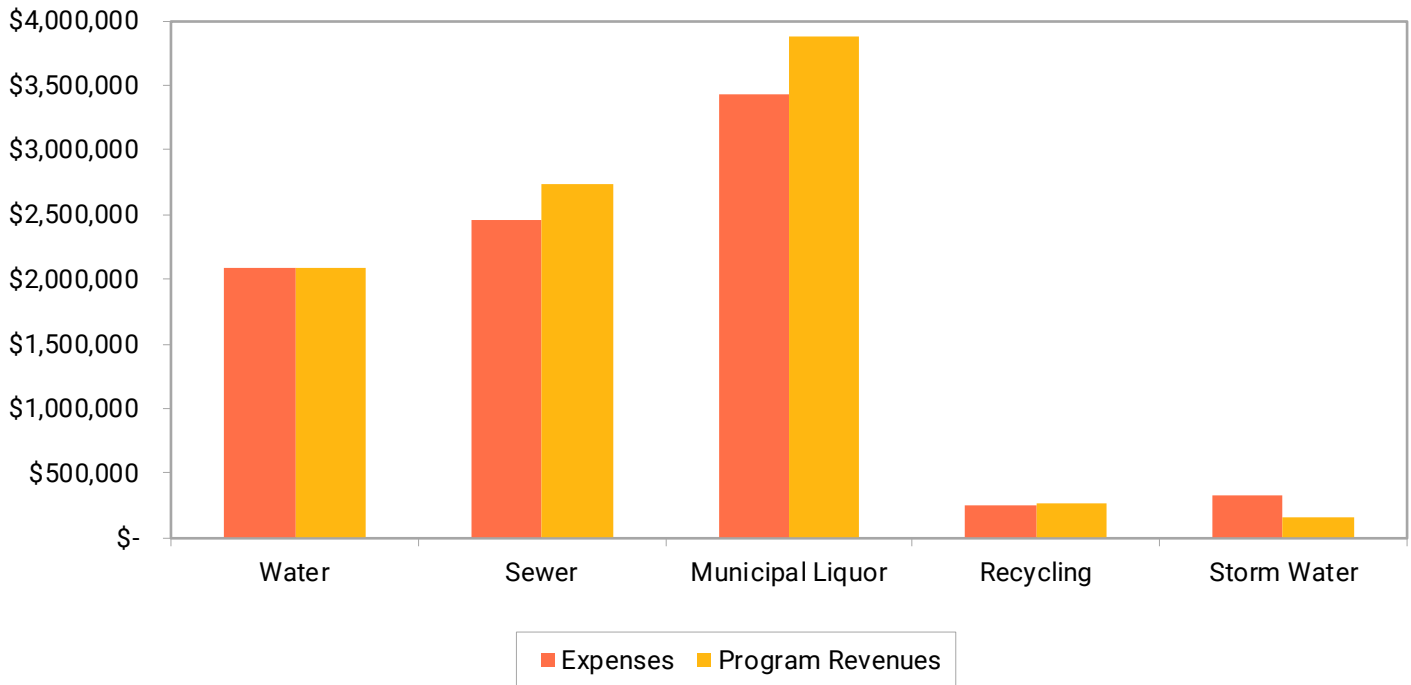


Revenues by Source - Governmental Activities

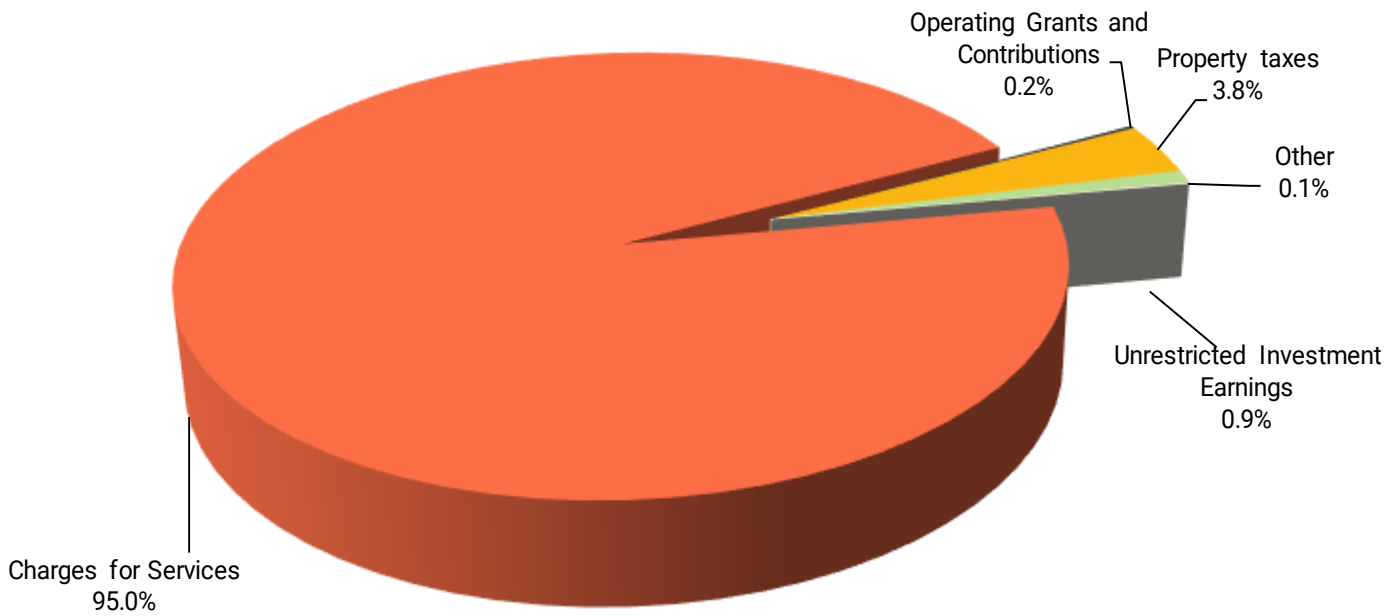


Business-type Activities. Business-type activities' net position increased during the year by \$652,347 accounting for 16.6% of the growth in the City's net position. Factors contributing to this change are illustrated below.

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, 2024.

	General	Debt Service	Area Fire Service	Capital Improvements	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ 1,998	\$ -	\$ -	\$ -	\$ 7,084	\$ 9,082	\$ 16,660	\$ (7,578)
Restricted	-	4,206,844	-	-	55,180	4,262,024	5,362,151	(1,100,127)
Assigned	266,243	-	574,290	2,344,817	2,941,407	6,126,757	5,446,475	680,282
Unassigned	4,157,782	-	-	-	-	4,157,782	3,394,334	763,448
Total Fund Balances	\$ 4,426,023	\$ 4,206,844	\$ 574,290	\$ 2,344,817	\$ 3,003,671	\$ 14,555,645	\$ 14,219,620	\$ 336,025

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,555,645 as shown above. Governmental funds combined fund balance increased by \$336,025 which is mainly attributed to investment income in excess of budgeted amounts. Additional information on the City's fund balances can be found in Note 1 starting on page 53 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)
	2024	2023	
General Fund Fund Balances			
Nonspendable	\$ 1,998	\$ 9,576	\$ (7,578)
Restricted	-	411,697	(411,697)
Assigned	266,243	252,112	14,131
Unassigned	4,157,782	3,394,334	763,448
Total General Fund Balances	\$ 4,426,023	\$ 4,067,719	\$ 358,304
General Fund expenditures	\$ 5,918,974	\$ 5,865,983	
Unassigned as a percent of expenditures	70.2%	57.9%	
Total fund balance as a percent of expenditures	74.8%	69.3%	

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 investment income and reduced expenditures in the public works department, resulting from a milder winter that lowered snow removal costs.

Other major governmental fund analysis is shown below:

	Fund Balance		Increase (Decrease)
	2024	2023	
Debt Service fund <i>The Debt Service fund balance decreased as the City reduced the debt service levy and used fund balance to pay for regularly scheduled principal and interest payments on bonds.</i>	\$ 4,206,844	\$ 4,396,546	\$ (189,702)
Area Fire Service fund <i>The Area Fire Service fund balance increased during the year mainly due to unbudgeted grants, donations, and investment income more than the offsetting increase in capital outlay.</i>	574,290	400,653	173,637
Capital Improvements fund <i>Capital Improvements fund balance increased due to tax revenues increasing as the City builds reserves for the upcoming street improvement projects.</i>	2,344,817	2,041,957	302,860

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)
	2024	2023	
Municipal Liquor Store <i>The gross profit from sales increased in 2024 allowing the City to increase the transfer out of liquor profits while increasing net position.</i>	\$ 2,407,589	\$ 2,283,645	\$ 123,944
Water Utility <i>Water rates were increased by 3% in 2024; however, the impact of the rate increase was offset by a rainy spring, which lead to reduced water usage and only a minimal net position increase.</i>	3,774,215	3,765,386	8,829
Sewer Utility <i>A property tax levy of \$360,000 along with a 3% increase in Sewer rates mitigated increases to both operating and nonoperating expenses.</i>	6,104,075	5,433,025	671,050
Storm Water Utility <i>Storm utility charges are insufficient to cover depreciation and debt service resulting in a decline in fund balance.</i>	(751,173)	(584,150)	(167,023)

General Fund Budgetary Highlights

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 6,863,240	\$ 7,027,450	\$ 164,210
Expenditures	6,063,407	5,918,974	144,433
Excess of Revenues Over Expenditures	799,833	1,108,476	308,643
Other Financing Sources (Uses)			
Transfers in	300,000	300,000	-
Transfers out	(1,050,172)	(1,050,172)	-
Total Other Financing Sources (Uses)	(750,172)	(750,172)	-
Net Change in Fund Balances	49,661	358,304	308,643
Fund Balances, January 1	4,067,719	4,067,719	
Fund Balances, December 31	\$ 4,117,380	\$ 4,426,023	\$ 308,643

The City's general fund budget was not amended during the year. Actual change in fund balance exceeded the budgeted amount by \$308,643. Revenues had a positive budget variance of \$164,210 mainly due to investment income. The expenditures had a positive variance of \$144,433 mainly due to the Street Department expenditures being under budget due to a milder winter that lowered snow removal costs.

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, 2024, 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:
 - 2022 Downtown Paver Replacement Project Phase 1
 - Downtown Paver & Sidewalk Replacement Project Group 3
 - Transit Center Paver Replacement Project
 - 2022 & 2023 Lynwood Watermain Improvement Projects Phase 2 & 3
 - 2024 Marion Lane Watermain Improvement Project
 - 2023 Manhole Rehabilitation and TV Lining
 - 2022 Lift Station Improvement Project
- Acquisition of the following capital assets:
 - 2023 Elgin Pelican street sweeper
 - 2024 Dodge RAM 550 plow truck
 - 2024 Chevrolet Tahoe truck

Additional information on the City's capital assets can be found in Note 3B starting on page 64 of this report.

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

	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
Land	\$ 439,151	\$ 198,366	\$ 240,785	\$ 488,685	\$ 488,685	\$ -	\$ 927,836	\$ 687,051
Construction in Progress	1,506,636	777,530	729,106	2,900,003	2,793,925	106,078	4,406,639	3,571,455
Buildings	6,711,889	6,961,036	(249,147)	694,416	732,149	(37,733)	7,406,305	7,693,185
Improvements other than Buildings	1,302,275	1,371,147	(68,872)	-	-	-	1,302,275	1,371,147
Equipment	2,286,567	1,971,993	314,574	129,973	164,455	(34,482)	2,416,540	2,136,448
Infrastructure	22,184,724	22,027,694	157,030	31,938,727	31,572,273	366,454	54,123,451	53,599,967
Total	\$ 34,431,242	\$ 33,307,766	\$ 1,123,476	\$ 36,151,804	\$ 35,751,487	\$ 400,317	\$ 70,583,046	\$ 69,059,253
Percentage increase/(decrease)			3.4%			1.1%		

Long-term Debt. At the end of the current fiscal year, the City's total bonded debt outstanding increased, as shown below, due to the issuance of the 2024A General Obligation Utility Revenue Bonds, which exceeded the amount of regularly scheduled principal and interest payments.

City of Mound's Outstanding Debt

	Governmental Activities			Business-type Activities			Total	
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)	2024	2023
General Obligation Revenue Bonds	\$ -	\$ -	\$ -	\$ 24,580,000	\$ 22,109,213	\$ 2,470,787	\$ 24,580,000	\$ 22,109,213
G.O. Tax Increment Bonds	1,659,000	2,083,000	(424,000)	-	-	-	1,659,000	2,083,000
G.O. Improvement Bonds	7,545,000	9,160,786	(1,615,786)	-	-	-	7,545,000	9,160,786
Bond Premium	63,694	81,663	(17,969)	499,415	190,893	308,522	563,109	272,556
Total	\$ 9,267,694	\$ 11,325,449	\$ (2,057,755)	\$ 25,079,415	\$ 22,300,106	\$ 2,779,309	\$ 34,347,109	\$ 33,625,555
Percentage increase/(decrease)			-18.2%			12.5%		

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.

Additional information on the City's long-term debt can be found in Note 3D starting on page 67 of this report.

Economic Factors and Next Year's Budgets and Rates

- The local area's unemployment rate was 2.2 percent in December 2024, consistent with the rate from December 2023. This compares favorably to the State and national unemployment rates of 2.6 percent and 3.9 percent, respectively.
- Tax capacity surged in 2023, increasing by 28.5 percent and by an additional 9.8 percent in 2024, marking the tenth consecutive year of growth since the bottom of the Great Recession. This increase marks the tenth straight year that tax capacity has seen an increase since the bottom of the Great Recession. In 2021, the City finally recovered the tax capacity lost from the Great Recession. The City's 2024 tax capacity is 61% higher than the peak prior to the Great Recession. For 2025, tax capacity is expected to remain relatively flat, with a slight decrease projected from the all-time high reached in 2024.
- For the first time in three years, inflationary pressures—driven by supply chain disruptions, labor shortages, and monetary policies—appear to be easing, resulting in more favorable operating conditions. The City will continue to monitor changes in the cost of fuel, construction, and materials to determine appropriate adjustments to the budget and Capital Improvement Plan, and will make strategic, condition-based assessments for all construction projects as needed.

The City thoroughly reviewed its banking services and investment needs throughout 2021 and elected to switch financial institutions in late 2021. The change has made significant improvements to the City's banking and investment goals. The City's bank service fees have decreased by \$21K annually, and are the lowest in 10+ years while investment vehicles available to the City were greatly enhanced. Investment income was \$429K in 2024, the highest since 2007.

All of these factors were considered in preparing the City's budget for the 2025 fiscal year.

The City began receiving Local Government Aid (LGA) from the State of Minnesota in 2014, the first time since 2003. With the assistance of LGA and cost savings measures, the City was able to maintain an average levy increase of 2.27% between 2010 and 2023. With continued LGA funding, ongoing cost savings measures, retiring debt, and low inflation, the City was able to adopt the 2018 10+ year Long-Term Financial Plan designed to build capital reserves for future infrastructure investments while managing and balancing tax and utility rates. As of December 31, 2024, the capital reserve funds had a combined fund balance of \$4,586,006. Since 2022, the City has lost \$313,146 in annual LGA funding, or the equivalent of 7.81% of the 2022 General fund levy. The City faced substantial increases in operational and capital costs during fiscal years 2022 and 2023, largely attributed to historic levels of inflation. The City Council approved an 11.66% levy increase for 2024 to address the loss of Local Government Aid (LGA), ongoing inflationary pressures, and growing infrastructure needs. In response to the evolving and challenging financial environment, the City contracted with Ehlers Public Finance Advisors to complete a Financial Management Plan (FMP) and a Utility Rate Study (URS). The findings from both the FMP and URS will guide the City in making key financial decisions throughout the 2025–2033 budgeting cycles.

The 2025 budgeted General Fund expenditures and transfers decreased by 2.86% compared to 2024. This decrease is primarily attributed to easing inflationary pressures and the absence of significant one-time expenses that were included in the 2024 budget.

Utility rates have been on the rise since the early 2000s in order to fund the investments in infrastructure made to increase the capacity, efficiency, and quality of our utility services. Since 2005, the City has invested more than \$90M in infrastructure renewal in roads, water, sewer, and storm water. While there have been significant investments and improvements to the City's utility infrastructure, there are still miles of watermain to replace/reline, 4 of 30 lift stations left to upgrade as well our continued effort to reduce inflow and infiltration in our sanitary sewer system.

The City continues to balance rate increases with some use of fund balance in the mid-term in order to continue infrastructure improvements while decreasing dependence on debt. Use of fund balance has been necessary as water rates were frozen from 2018-2022 and storm water rates were cut significantly to give utility ratepayers relief. Since 2018, the sewer rate has increased by 3% annually. Additionally, in 2020, the Council approved \$4.24M in bonds for the Sewer fund that will be repaid with a property tax special levy further reducing utility rate pressure. With the completion of the URS, the City now has a clear roadmap to strengthen the financial health of its utility funds through strategically balanced rate increases.

The City of Mound and the Minnesota Department of Health (MDH) routinely conduct water analysis testing to monitor water quality. Testing indicates the City's drinking water supply complies with the Safe Drinking Water Act's primary drinking water standards. However, a December 2020 test indicated elevated levels of manganese greater than the MDH recommended health advisory guideline levels. The City worked with our engineering consultants and MDH to determine possible long-term treatment options to reduce the manganese levels in the City's drinking water. It was determined the best solution is to construct a water treatment facility with an estimated cost of \$41.3M. The City actively pursued state and federal funding to support the construction of a water treatment facility. In 2023, the City was awarded \$10.3 million from the State of Minnesota and \$960K in federal funding. Design work for the facility began in 2024, and in 2025, the City broke ground on infrastructure improvements necessary to support a future water treatment facility. The City will continue to seek funding to build the water treatment facility.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Mound, Minnesota
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 14,789,525	\$ 2,000	\$ 14,791,525
Receivables			
Accounts	155,443	1,505,439	1,660,882
Taxes	108,475	-	108,475
Special assessments	1,267,068	285,301	1,552,369
Internal balances	505,070	(505,070)	-
Due from other governments	1,096,376	-	1,096,376
Inventory	-	574,719	574,719
Prepaid items	9,082	73,997	83,079
Capital assets			
Land and construction in progress	1,945,787	3,388,688	5,334,475
Depreciable, net of accumulated depreciation	32,485,455	32,763,116	65,248,571
Total Assets	52,362,281	38,088,190	90,450,471
Liabilities			
Accounts payable	419,926	764,251	1,184,177
Accrued salaries payable	86,975	24,307	111,282
Due to other governments	2,485	41,274	43,759
Deposits payable	587,613	10,760	598,373
Accrued interest payable	108,293	261,910	370,203
Noncurrent liabilities			
Due within one year	2,023,746	2,290,571	4,314,317
Due in more than one year	7,510,191	22,878,679	30,388,870
Total Liabilities	10,739,229	26,271,752	37,010,981
Net Position			
Net investment in capital assets	27,001,774	16,034,593	43,036,367
Restricted for			
Debt service	3,317,438	-	3,317,438
Economic development	55,180	-	55,180
Unrestricted	11,248,660	(4,218,155)	7,030,505
Total Net Position	\$ 41,623,052	\$ 11,816,438	\$ 53,439,490

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, 2024

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	\$1,489,931	\$ 414,201	\$ 44,778	\$ -	\$ (1,030,952)	\$ -	\$ (1,030,952)
Public safety	4,339,968	1,053,633	212,603	-	(3,073,732)	-	(3,073,732)
Public works	2,109,548	40,247	449,718	202,586	(1,416,997)	-	(1,416,997)
Culture and recreation	1,160,750	254,994	-	224,092	(681,664)	-	(681,664)
Housing and economic development	437,140	58,714	90,650	-	(287,776)	-	(287,776)
Interest on long-term debt	265,655	-	-	-	(265,655)	-	(265,655)
Total Governmental Activities	<u>9,802,992</u>	<u>1,821,789</u>	<u>797,749</u>	<u>426,678</u>	<u>(6,756,776)</u>	<u>-</u>	<u>(6,756,776)</u>
Business-type Activities							
Water	2,084,277	2,087,724	-	4,000	-	7,447	7,447
Sewer	2,464,711	2,738,744	-	-	-	274,033	274,033
Municipal liquor	3,436,837	3,882,891	-	-	-	446,054	446,054
Recycling	251,309	238,399	21,927	-	-	9,017	9,017
Storm water	320,485	153,462	-	-	-	(167,023)	(167,023)
Total Business-type Activities	<u>8,557,619</u>	<u>9,101,220</u>	<u>21,927</u>	<u>4,000</u>	<u>-</u>	<u>569,528</u>	<u>569,528</u>
Total	<u>\$ 18,360,611</u>	<u>\$ 10,923,009</u>	<u>\$ 819,676</u>	<u>\$ 430,678</u>	<u>(6,756,776)</u>	<u>569,528</u>	<u>(6,187,248)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					6,702,516	360,000	7,062,516
Property taxes, levied for debt service					926,191	-	926,191
Tax increments					1,061,082	-	1,061,082
Franchise taxes					514,089	-	514,089
Grants and contributions not restricted to specific programs					74,762	-	74,762
Unrestricted investment earnings					347,682	81,437	429,119
Gain on sale of capital assets					60,121	1,382	61,503
Transfers - Internal Activities					360,000	(360,000)	-
Total General Revenues and Transfers					<u>10,046,443</u>	<u>82,819</u>	<u>10,129,262</u>
Change in Net Position					3,289,667	652,347	3,942,014
Net Position, January 1					<u>38,333,385</u>	<u>11,164,091</u>	<u>49,497,476</u>
Net Position, December 31					<u>\$ 41,623,052</u>	<u>\$ 11,816,438</u>	<u>\$ 53,439,490</u>

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

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FUND FINANCIAL STATEMENTS

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

City of Mound, Minnesota

Balance Sheet
Governmental Funds
December 31, 2024

	101 General	300's Debt Service	222 Area Fire Service	401 Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and temporary investments	\$ 4,988,771	\$ 4,193,656	\$ 634,517	\$ 2,311,178	\$ 2,661,403	\$ 14,789,525
Receivables						
Accounts	150,443	-	-	-	5,000	155,443
Taxes	94,479	13,996	-	-	-	108,475
Special assessments	81,712	881,600	-	298,913	4,843	1,267,068
Due from other governments	11,070	-	-	1,084,315	991	1,096,376
Due from other funds	-	-	-	-	505,070	505,070
Prepaid items	1,998	-	-	-	7,084	9,082
Total Assets	\$ 5,328,473	\$ 5,089,252	\$ 634,517	\$ 3,694,406	\$ 3,184,391	\$ 17,931,039
Liabilities						
Accounts payable	\$ 133,030	\$ 4,521	\$ 26,130	\$ 80,368	\$ 175,877	\$ 419,926
Accrued salaries payable	52,878	-	34,097	-	-	86,975
Due to other governments	2,485	-	-	-	-	2,485
Deposits payable	587,613	-	-	-	-	587,613
Total Liabilities	776,006	4,521	60,227	80,368	175,877	1,096,999
Deferred Inflows of Resources						
Unavailable revenue - property taxes	44,732	-	-	-	-	44,732
Unavailable revenue - special assessments	81,712	877,887	-	298,064	4,843	1,262,506
Unavailable revenue - intergovernmental	-	-	-	971,157	-	971,157
Total Deferred Inflows of Resources	126,444	877,887	-	1,269,221	4,843	2,278,395
Fund Balances						
Nonspendable for						
Prepaid items	1,998	-	-	-	7,084	9,082
Restricted for						
Debt service	-	4,206,844	-	-	-	4,206,844
Economic development	-	-	-	-	55,180	55,180
Assigned for						
Severance pay	266,243	-	-	-	-	266,243
Public safety	-	-	574,290	-	-	574,290
Culture and recreation	-	-	-	-	372,813	372,813
Housing and redevelopment authority	-	-	-	-	327,405	327,405
Capital improvements	-	-	-	2,344,817	2,241,189	4,586,006
Unassigned	4,157,782	-	-	-	-	4,157,782
Total Fund Balances	4,426,023	4,206,844	574,290	2,344,817	3,003,671	14,555,645
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,328,473	\$ 5,089,252	\$ 634,517	\$ 3,694,406	\$ 3,184,391	\$ 17,931,039

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, 2024

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

Total Fund Balances - Governmental Funds	\$ 14,555,645
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	55,003,715
Less: accumulated depreciation	(20,572,473)
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	(9,204,000)
Bond premium payable	(63,694)
Compensated absences payable	(266,243)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Taxes receivable	44,732
Special assessments receivable	1,262,506
Intergovernmental	971,157
Governmental funds do not report a liability for accrued interest until due and payable.	(108,293)
Total Net Position - Governmental Activities	<u>\$ 41,623,052</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, 2024

	101	300's	222	401	Other	Total
	General	Debt Service	Area Fire Service	Capital Improvements	Governmental Funds	Governmental Funds
Revenues						
Taxes	\$ 5,691,952	\$ 1,864,395	\$ 86,571	\$ 818,928	\$ 756,428	\$ 9,218,274
Licenses and permits	257,557	-	-	-	302,586	560,143
Intergovernmental	149,540	-	212,603	3,214	92,321	457,678
Charges for services	530,391	-	634,049	-	1,101	1,165,541
Fines and forfeitures	37,296	-	-	-	-	37,296
Special assessments	14,504	327,749	-	63,631	1,133	407,017
Interest on investments	299,301	-	17,798	-	30,583	347,682
Miscellaneous	46,909	-	33,834	113,158	58,825	252,726
Total Revenues	<u>7,027,450</u>	<u>2,192,144</u>	<u>984,855</u>	<u>998,931</u>	<u>1,242,977</u>	<u>12,446,357</u>
Expenditures						
General government	1,457,338	-	-	-	-	1,457,338
Public safety	2,684,888	-	1,268,183	-	-	3,953,071
Public works	1,007,805	-	-	36,555	-	1,044,360
Culture and recreation	768,943	-	-	-	148,812	917,755
Housing and economic development	-	37,274	-	-	43,449	80,723
Capital outlay						
General government	-	-	-	-	-	-
Public safety	-	-	103,347	-	-	103,347
Public works	-	-	-	659,301	667,976	1,327,277
Culture and recreation	-	-	-	-	986,857	986,857
Housing and economic development	-	-	-	-	311,077	311,077
Debt service						
Principal	-	1,864,786	175,000	-	-	2,039,786
Interest and other	-	293,787	14,860	215	-	308,862
Total Expenditures	<u>5,918,974</u>	<u>2,195,847</u>	<u>1,561,390</u>	<u>696,071</u>	<u>2,158,171</u>	<u>12,530,453</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>1,108,476</u>	<u>(3,703)</u>	<u>(576,535)</u>	<u>302,860</u>	<u>(915,194)</u>	<u>(84,096)</u>
Other Financing Sources (Uses)						
Transfers in	300,000	126,955	750,172	-	1,242,044	2,419,171
Sale of capital assets	-	-	-	-	60,121	60,121
Transfers out	(1,050,172)	(312,954)	-	-	(696,045)	(2,059,171)
Total Other Financing Sources (Uses)	<u>(750,172)</u>	<u>(185,999)</u>	<u>750,172</u>	<u>-</u>	<u>606,120</u>	<u>420,121</u>
Net Change in Fund Balances	358,304	(189,702)	173,637	302,860	(309,074)	336,025
Fund Balances, January 1	<u>4,067,719</u>	<u>4,396,546</u>	<u>400,653</u>	<u>2,041,957</u>	<u>3,312,745</u>	<u>14,219,620</u>
Fund Balances, December 31	<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>

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, 2024

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

Total Net Change in Fund Balances - Governmental Funds	\$ 336,025
<p>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.</p>	
Capital outlays	2,295,867
Depreciation expense	(1,637,268)
<p>Resources in the statement of activities that do not provide current financial resources are not reported as revenue (expense) in the fund statements.</p>	
Capital contributions received during the year	224,092
<p>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.</p>	
Disposals	(74,859)
Depreciation on disposals	74,859
<p>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.</p>	
Principal repayments	2,039,786
Amortization of bond premium	17,969
<p>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.</p>	
	25,238
<p>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.</p>	
Special assessments	(320,803)
Property taxes	(14,396)
Intergovernmental	337,288
<p>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.</p>	
Compensated absences	(14,131)
Change in Net Position - Governmental Activities	\$ 3,289,667

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 - Budget and Actual
General Fund
For the Year Ended December 31, 2024

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Taxes	\$ 5,493,011	\$ 5,493,011	\$ 5,691,952	\$ 198,941	\$ 5,175,716
Licenses and permits	244,400	244,400	257,557	13,157	374,943
Intergovernmental	531,459	531,459	149,540	(381,919)	625,967
Charges for services	473,370	473,370	530,391	57,021	553,783
Fines and forfeitures	28,000	28,000	37,296	9,296	40,173
Special assessments	12,000	12,000	14,504	2,504	33,838
Interest on investments	20,000	20,000	299,301	279,301	292,288
Miscellaneous	61,000	61,000	46,909	(14,091)	111,882
Total Revenues	<u>6,863,240</u>	<u>6,863,240</u>	<u>7,027,450</u>	<u>164,210</u>	<u>7,208,590</u>
Expenditures					
Current					
General government	1,395,662	1,395,662	1,457,338	(61,676)	1,357,938
Public safety	2,737,040	2,737,040	2,684,888	52,152	2,769,440
Public works	1,149,506	1,149,506	1,007,805	141,701	994,280
Culture and recreation	781,199	781,199	768,943	12,256	744,325
Total Expenditures	<u>6,063,407</u>	<u>6,063,407</u>	<u>5,918,974</u>	<u>144,433</u>	<u>5,865,983</u>
Excess of Revenues Over Expenditures	<u>799,833</u>	<u>799,833</u>	<u>1,108,476</u>	<u>308,643</u>	<u>1,342,607</u>
Other Financing Sources (Uses)					
Transfers in	300,000	300,000	300,000	-	300,000
Sale of capital assets	-	-	-	-	50,113
Transfers out	(1,050,172)	(1,050,172)	(1,050,172)	-	(979,071)
Total Other Financing Sources (Uses)	<u>(750,172)</u>	<u>(750,172)</u>	<u>(750,172)</u>	<u>-</u>	<u>(628,958)</u>
Net Change in Fund Balances	49,661	49,661	358,304	308,643	713,649
Fund Balances, January 1	<u>4,067,719</u>	<u>4,067,719</u>	<u>4,067,719</u>	<u>-</u>	<u>3,354,070</u>
Fund Balances, December 31	<u>\$ 4,117,380</u>	<u>\$ 4,117,380</u>	<u>\$ 4,426,023</u>	<u>\$ 308,643</u>	<u>\$ 4,067,719</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 - Budget and Actual
Area Fire Service Special Revenue Fund
For the Year Ended December 31, 2024

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Property taxes	\$ 86,571	\$ 86,571	\$ 86,571	\$ -	\$ 82,839
Intergovernmental	135,834	135,834	212,603	76,769	193,303
Charges for services	633,807	633,807	634,049	242	548,445
Interest on investments	-	-	17,798	17,798	13,520
Miscellaneous	-	-	33,834	33,834	58,031
Total Revenues	<u>856,212</u>	<u>856,212</u>	<u>984,855</u>	<u>128,643</u>	<u>896,138</u>
Expenditures					
Current					
Public safety					
Personnel services	975,218	975,218	900,508	74,710	839,147
Supplies	138,200	138,200	143,518	(5,318)	51,968
Other services and charges	221,258	221,258	224,157	(2,899)	222,659
Capital outlay	82,208	82,208	103,347	(21,139)	810,652
Debt service					
Principal	175,000	175,000	175,000	-	170,000
Interest and other	14,500	14,500	14,860	(360)	18,200
Total Expenditures	<u>1,606,384</u>	<u>1,606,384</u>	<u>1,561,390</u>	<u>44,994</u>	<u>2,112,626</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(750,172)</u>	<u>(750,172)</u>	<u>(576,535)</u>	<u>173,637</u>	<u>(1,216,488)</u>
Other Financing Sources (Uses)					
Transfers in	750,172	750,172	750,172	-	649,071
Sale of capital assets	-	-	-	-	25,022
Total Other Financing Sources (Uses)	<u>750,172</u>	<u>750,172</u>	<u>750,172</u>	<u>-</u>	<u>674,093</u>
Net Change in Fund Balances	-	-	173,637	173,637	(542,395)
Fund Balances, January 1	<u>400,653</u>	<u>400,653</u>	<u>400,653</u>	<u>-</u>	<u>943,048</u>
Fund Balances, December 31	<u>\$ 400,653</u>	<u>\$ 400,653</u>	<u>\$ 574,290</u>	<u>\$ 173,637</u>	<u>\$ 400,653</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, 2024 and 2023

Business-type Activities - Enterprise Funds

	609		601		602		675		670		Totals	
	Municipal Liquor		Water		Sewer		Storm Water		Nonmajor Recycling			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assets												
Current Assets												
Cash and temporary investments	\$ 2,000	\$ 1,213,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,213,462
Receivables												
Accounts	-	-	606,775	573,167	781,575	743,613	44,525	32,122	72,564	71,604	1,505,439	1,420,506
Special assessments	-	-	285,301	274,272	-	-	-	-	-	-	285,301	274,272
Due from other funds	1,455,999	-	-	-	4,311,425	1,070,628	-	-	227,871	213,232	5,995,295	1,283,860
Inventory	524,027	523,684	50,692	45,705	-	-	-	-	-	-	574,719	569,389
Prepaid items	-	-	-	1,890	73,997	1,890	-	-	-	-	73,997	3,780
Total Current Assets	1,982,026	1,737,146	942,768	895,034	5,166,997	1,816,131	44,525	32,122	300,435	284,836	8,436,751	4,765,269
Noncurrent Assets												
Capital assets, at cost	1,477,701	1,477,701	30,041,006	29,124,740	24,417,220	23,195,142	6,768,332	6,831,534	-	-	62,704,259	60,629,117
Less: Accumulated depreciation	(817,927)	(778,599)	(12,118,116)	(11,283,039)	(10,476,776)	(9,848,637)	(3,139,636)	(2,967,355)	-	-	(26,552,455)	(24,877,630)
Net Capital Assets	659,774	699,102	17,922,890	17,841,701	13,940,444	13,346,505	3,628,696	3,864,179	-	-	36,151,804	35,751,487
Total Assets	2,641,800	2,436,248	18,865,658	18,736,735	19,107,441	15,162,636	3,673,221	3,896,301	300,435	284,836	44,588,555	40,516,756
Liabilities												
Current Liabilities												
Accounts payable	144,575	68,385	469,585	85,826	131,388	288,644	-	-	18,703	18,651	764,251	461,506
Deposits payable	-	-	-	-	10,760	10,735	-	-	-	-	10,760	10,735
Accrued salaries payable	10,858	6,291	6,598	4,510	6,851	4,674	-	-	-	-	24,307	15,475
Due to other governments	40,930	42,510	344	330	-	-	-	-	-	-	41,274	42,840
Due to other funds	-	-	4,474,206	4,436,818	-	-	2,026,159	1,775,533	-	-	6,500,365	6,212,351
Accrued interest payable	-	-	117,543	122,535	118,576	86,951	25,791	28,959	-	-	261,910	238,445
Compensated absences payable - current	24,379	21,250	15,255	10,494	15,937	10,980	-	-	-	-	55,571	42,724
Bonds payable - current	-	-	1,173,143	1,168,537	771,994	879,918	289,863	300,759	-	-	2,235,000	2,349,214
Total Current Liabilities	220,742	138,436	6,256,674	5,829,050	1,055,506	1,281,902	2,341,813	2,105,251	18,703	18,651	9,893,438	9,373,290
Noncurrent Liabilities												
Compensated absences payable	13,469	14,167	10,170	6,996	10,625	7,320	-	-	-	-	34,264	28,483
Bonds payable	-	-	8,824,599	9,135,303	11,937,235	8,440,389	2,082,581	2,375,200	-	-	22,844,415	19,950,892
Total Noncurrent Liabilities	13,469	14,167	8,834,769	9,142,299	11,947,860	8,447,709	2,082,581	2,375,200	-	-	22,878,679	19,979,375
Total Liabilities	234,211	152,603	15,091,443	14,971,349	13,003,366	9,729,611	4,424,394	4,480,451	18,703	18,651	32,772,117	29,352,665
Net Position												
Net investment in capital assets	659,774	699,102	9,294,416	8,115,258	4,448,195	4,026,198	1,632,208	1,564,176	-	-	16,034,593	14,404,734
Unrestricted	1,747,815	1,584,543	(5,520,201)	(4,349,872)	1,655,880	1,406,827	(2,383,381)	(2,148,326)	281,732	266,185	(4,218,155)	(3,240,643)
Total Net Position	\$ 2,407,589	\$ 2,283,645	\$ 3,774,215	\$ 3,765,386	\$ 6,104,075	\$ 5,433,025	\$ (751,173)	\$ (584,150)	\$ 281,732	\$ 266,185	\$ 11,816,438	\$ 11,164,091

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 Years Ended December 31, 2024 and 2023

	Business-type Activities - Enterprise Funds										Totals	
	609		601		602		675		670			
	Municipal Liquor		Water		Sewer		Storm Water		Nonmajor Recycling		2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Operating Revenues												
Sales	\$ 3,881,104	\$ 3,857,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,881,104	\$ 3,857,129
Cost of sales	(2,705,563)	(2,757,972)	-	-	-	-	-	-	-	-	(2,705,563)	(2,757,972)
Gross Profit	1,175,541	1,099,157	-	-	-	-	-	-	-	-	1,175,541	1,099,157
Charges for services	-	-	2,036,842	2,095,151	2,684,862	2,734,685	152,437	139,587	233,872	232,774	5,108,013	5,202,197
Penalties	-	-	42,835	42,058	48,359	47,208	1,025	954	4,527	4,484	96,746	94,704
Total Operating Revenues	1,175,541	1,099,157	2,079,677	2,137,209	2,733,221	2,781,893	153,462	140,541	238,399	237,258	6,380,300	6,396,058
Operating Expenses												
Personnel services	423,352	352,262	324,506	265,691	333,659	266,682	-	-	610	567	1,082,127	885,202
Supplies	16,703	18,424	152,743	127,441	42,052	49,717	-	-	-	-	211,498	195,582
Professional services	56,049	45,345	143,076	91,965	113,076	86,988	-	-	-	-	312,201	224,298
Communications	13,100	13,480	13,901	13,982	14,398	13,760	-	-	-	-	41,399	41,222
Insurance	21,660	19,717	15,837	15,566	26,396	25,943	-	-	-	-	63,893	61,226
Utilities	22,316	27,443	48,210	57,462	42,895	45,377	-	-	-	-	113,421	130,282
Repairs and maintenance	7,464	8,218	14,479	29,915	30,948	47,212	-	-	-	-	52,891	85,345
Rent	22,469	17,726	-	-	-	-	-	-	-	-	22,469	17,726
Other contractual services	6,065	9,256	177,302	237,043	83,674	105,429	24,251	22,147	250,699	249,010	541,991	622,885
Metropolitan Council Environmental Services disposal charges	-	-	-	-	825,265	806,646	-	-	-	-	825,265	806,646
Depreciation	39,327	39,411	885,020	865,543	628,140	624,167	235,483	234,948	-	-	1,787,970	1,764,069
Miscellaneous	102,769	159,455	17,059	12,939	10,550	3,758	-	-	-	-	130,378	176,152
Total Operating Expenses	731,274	710,737	1,792,133	1,717,547	2,151,053	2,075,679	259,734	257,095	251,309	249,577	5,185,503	5,010,635
Operating Income (Loss)	444,267	388,420	287,544	419,662	582,168	706,214	(106,272)	(116,554)	(12,910)	(12,319)	1,194,797	1,385,423
Nonoperating Revenues (Expenses)												
Intergovernmental	-	-	-	344,609	-	-	-	-	21,927	18,642	21,927	363,251
Property taxes	-	-	-	-	360,000	360,000	-	-	-	-	360,000	360,000
Interest on investments	37,890	29,559	-	-	37,017	30,996	-	-	6,530	6,001	81,437	66,556
Miscellaneous	1,787	1,332	8,047	4,902	5,523	9,384	-	-	-	-	15,357	15,618
Interest expense and other	-	-	(292,144)	(296,774)	(313,658)	(198,441)	(60,751)	(68,244)	-	-	(666,553)	(563,459)
Gain on sale of capital assets	-	-	1,382	27	-	7,162	-	-	-	-	1,382	7,189
Total Nonoperating Revenues (Expenses)	39,677	30,891	(282,715)	52,764	88,882	209,101	(60,751)	(68,244)	28,457	24,643	(186,450)	249,155
Income (Loss) Before Transfers and Contributions	483,944	419,311	4,829	472,426	671,050	915,315	(167,023)	(184,798)	15,547	12,324	1,008,347	1,634,578
Capital Contributions	-	-	4,000	60,000	-	53,640	-	-	-	-	4,000	113,640
Transfers Out	(360,000)	(300,000)	-	-	-	-	-	-	-	-	(360,000)	(300,000)
Change in Net Position	123,944	119,311	8,829	532,426	671,050	968,955	(167,023)	(184,798)	15,547	12,324	652,347	1,448,218
Net Position, January 1	2,283,645	2,164,334	3,765,386	3,232,960	5,433,025	4,464,070	(584,150)	(399,352)	266,185	253,861	11,164,091	9,715,873
Net Position, December 31	\$ 2,407,589	\$ 2,283,645	\$ 3,774,215	\$ 3,765,386	\$ 6,104,075	\$ 5,433,025	\$ (751,173)	\$ (584,150)	\$ 281,732	\$ 266,185	\$ 11,816,438	\$ 11,164,091

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 Years Ended December 31, 2024 and 2023

Business-type Activities - Enterprise Funds

	609		601		602		675		670		Totals	
	Municipal Liquor		Water		Sewer		Storm Water		Nonmajor Recycling		2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash Flows from Operating Activities												
Receipts from customers and users	\$ 3,881,104	\$ 3,857,129	\$ 2,035,040	\$ 2,109,643	\$ 2,695,259	\$ 2,765,766	\$ 141,059	\$ 140,687	\$ 237,439	\$ 235,596	\$ 8,989,901	\$ 9,108,821
Other operating receipts	1,787	1,332	8,047	4,902	5,523	-	-	-	-	-	15,357	6,234
Payments to suppliers	(2,899,891)	(3,156,624)	(647,302)	(549,102)	(1,494,861)	(1,141,121)	(24,251)	(22,147)	(250,647)	(249,010)	(5,316,952)	(5,118,004)
Payments to employees	(416,353)	(354,991)	(314,483)	(263,451)	(323,220)	(263,468)	-	-	(610)	(567)	(1,054,666)	(882,477)
Net Cash Provided (Used) by Operating Activities	566,647	346,846	1,081,302	1,301,992	882,701	1,361,177	116,808	118,540	(13,818)	(13,981)	2,633,640	3,114,574
Cash Flows from Noncapital Financing Activities												
Receipt (payment) of due to other funds	(1,455,999)	-	37,388	715,342	(3,240,797)	618,520	250,626	240,853	(14,639)	(10,662)	(4,423,421)	1,564,053
Transfers out	(360,000)	(300,000)	-	-	-	-	-	-	-	-	(360,000)	(300,000)
Intergovernmental receipts	-	-	-	-	-	-	-	-	21,927	18,642	21,927	18,642
Net Cash Provided (Used) by Noncapital Financing Activities	(1,815,999)	(300,000)	37,388	715,342	(3,240,797)	618,520	250,626	240,853	7,288	7,980	(4,761,494)	1,282,695
Cash Flows from Capital Financing Activities												
Acquisition of capital assets	-	-	(519,456)	(638,998)	(1,145,810)	(1,480,720)	-	-	-	-	(1,665,266)	(2,119,718)
Property taxes	-	-	-	-	360,000	360,000	-	-	-	-	360,000	360,000
Proceeds of bonds issued, net	-	-	865,956	-	4,286,521	-	-	-	-	-	5,152,477	-
Proceeds from capital grants	-	-	4,000	60,000	-	53,640	-	-	-	-	4,000	113,640
Interest paid on bonds	-	-	(300,653)	(311,940)	(299,715)	(218,881)	(66,675)	(73,988)	-	-	(667,043)	(604,809)
Principal paid on bonds	-	-	(1,168,537)	(1,126,396)	(879,917)	(724,732)	(300,759)	(285,405)	-	-	(2,349,213)	(2,136,533)
Net Cash Provided (Used) by Capital Financing Activities	-	-	(1,118,690)	(2,017,334)	2,321,079	(2,010,693)	(367,434)	(359,393)	-	-	834,955	(4,387,420)
Cash Flows from Investing Activities												
Interest received on investments	37,890	29,559	-	-	37,017	30,996	-	-	6,530	6,001	81,437	66,556
Net Increase (Decrease) in Cash and Cash Equivalents	(1,211,462)	76,405	-	-	-	-	-	-	-	-	(1,211,462)	76,405
Cash and Cash Equivalents, January 1	1,213,462	1,137,057	-	-	-	-	-	-	-	-	1,213,462	1,137,057
Cash and Cash Equivalents, December 31	\$ 2,000	\$ 1,213,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,213,462

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, 2024 and 2023

Business-type Activities - Enterprise Funds

	609		601		602		675		670		Totals	
	Municipal Liquor		Water		Sewer		Storm Water		Nonmajor Recycling			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Reconciliation to Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities												
Operating income (loss)	\$ 444,267	\$ 388,420	\$ 287,544	\$ 419,662	\$ 582,168	\$ 706,214	\$ (106,272)	\$ (116,554)	\$ (12,910)	\$ (12,319)	\$ 1,194,797	\$ 1,385,423
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities												
Other income	1,787	1,332	8,047	4,902	5,523	9,384	-	-	-	-	15,357	15,618
Depreciation expense	39,327	39,411	885,020	865,543	628,140	624,167	235,483	234,948	-	-	1,787,970	1,764,069
(Increase) decrease in assets												
Accounts receivable	-	-	(33,608)	(15,768)	(37,962)	(25,511)	(12,403)	146	(960)	(1,662)	(84,933)	(42,795)
Special assessments receivable	-	-	(11,029)	(11,798)	-	-	-	-	-	-	(11,029)	(11,798)
Inventory	(343)	(46,379)	(4,987)	5,835	-	-	-	-	-	-	(5,330)	(40,544)
Prepaid items	-	-	1,890	(1,890)	(72,107)	(1,890)	-	-	-	-	(70,217)	(3,780)
Increase (decrease) in liabilities												
Accounts payable	76,190	(36,858)	(61,612)	3,145	(233,525)	36,305	-	-	52	-	(218,895)	2,592
Deposits payable	-	-	-	-	25	745	-	-	-	-	25	745
Accrued salaries payable	4,568	22	2,088	581	2,177	745	-	-	-	-	8,833	1,348
Due to other governments	(1,580)	3,649	14	30,121	-	8,549	-	-	-	-	(1,566)	42,319
Compensated absences payable	2,431	(2,751)	7,935	1,659	8,262	2,469	-	-	-	-	18,628	1,377
Net Cash Provided (Used) by Operating Activities	<u>\$ 566,647</u>	<u>\$ 346,846</u>	<u>\$ 1,081,302</u>	<u>\$ 1,301,992</u>	<u>\$ 882,701</u>	<u>\$ 1,361,177</u>	<u>\$ 116,808</u>	<u>\$ 118,540</u>	<u>\$ (13,818)</u>	<u>\$ (13,981)</u>	<u>\$ 2,633,640</u>	<u>\$ 3,114,574</u>
Noncash Capital and Related Financing Activities												
Acquisition of capital assets on account	\$ -	\$ -	\$ 445,371	\$ -	\$ 76,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,640	\$ -
Disposal of capital assets	\$ -	\$ -	\$ 1,382	\$ 27	\$ -	\$ 7,162	\$ -	\$ -	\$ -	\$ -	\$ 1,382	\$ 7,189
Amortization of bond premium	\$ -	\$ -	\$ 3,517	\$ 2,599	\$ 17,682	\$ 13,140	\$ 2,756	\$ 2,755	\$ -	\$ -	\$ 23,955	\$ 18,494

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

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City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024

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, 2024

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, 2024:

- Government securities of \$3,000,377 are valued using quoted market prices (Level 1 inputs)

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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 contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

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 2024. 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, 2024

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, 2024

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, 2024

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.

Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024:

Fund	Amount
Enterprise	
Storm Water	\$ 751,173

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

C. Excess Expenditures Over Appropriations

For the year ended December 31, 2024 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
HRA	\$ 73,572	\$ 242,966	\$ 169,394

The HRA fund's excesses were funded with revenues in excess of budget and available fund balance to fund the Transit Center Parking Lot Improvement Project.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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.

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	\$ (226,648)
Investments	15,015,823
Cash on Hand	2,350
 Total - as Reported on the Statement of Net Position	 \$ 14,791,525

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Investments

As of December 31, 2024, 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	\$ 12,015,446	\$ -	\$ -	\$ -
Non-pooled Investments at Fair Value						
Government Securities	AAA	Less than 1 year	3,000,377	3,000,377	-	-
Total Investments			<u>\$ 15,015,823</u>	<u>\$ 3,000,377</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.

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 56 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, 2024

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Adjustment*	Decreases	Ending Balance
Governmental Activities					
Capital Assets, not Being Depreciated					
Land	\$ 198,366	\$ -	\$ 240,785	\$ -	\$ 439,151
Construction in progress	777,530	1,925,932	-	(1,196,826)	1,506,636
Total Capital Assets, not Being Depreciated	975,896	1,925,932	240,785	(1,196,826)	1,945,787
Capital Assets Being Depreciated					
Buildings	12,065,185	59,400	-	-	12,124,585
Improvements other than buildings	2,870,151	16,650	-	-	2,886,801
Equipment	5,283,678	742,072	-	(74,859)	5,950,891
Infrastructure	31,122,920	972,731	-	-	32,095,651
Total Capital Assets Being Depreciated	51,341,934	1,790,853	-	(74,859)	53,057,928
Less Accumulated Depreciation for					
Buildings	(5,104,149)	(308,547)	-	-	(5,412,696)
Improvements other than buildings	(1,499,004)	(85,522)	-	-	(1,584,526)
Equipment	(3,311,685)	(427,498)	-	74,859	(3,664,324)
Infrastructure	(9,095,226)	(815,701)	-	-	(9,910,927)
Total Accumulated Depreciation	(19,010,064)	(1,637,268)	-	74,859	(20,572,473)
Total Capital Assets Being Depreciated, Net	32,331,870	153,585	-	-	32,485,455
Governmental Activities Capital Assets, Net	\$ 33,307,766	\$ 2,079,517	\$ 240,785	\$ (1,196,826)	\$ 34,431,242

* The adjustment is noted as a change in circumstance of previously reported land held for resale to capital asset land.

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

Governmental Activities	
General government	\$ 28,406
Public safety	371,770
Public works	1,047,164
Culture and recreation	144,588
Housing and economic development	45,340
Total Depreciation Expense - Governmental Activities	\$ 1,637,268

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2024 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	2,793,925	2,109,098	(2,003,020)	2,900,003
Total Capital Assets, not Being Depreciated	3,282,610	2,109,098	(2,003,020)	3,388,688
Capital Assets Being Depreciated				
Buildings	1,460,915	-	-	1,460,915
Equipment	1,179,649	41,291	(113,145)	1,107,795
Infrastructure	54,705,943	2,040,918	-	56,746,861
Total Capital Assets Being Depreciated	57,346,507	2,082,209	(113,145)	59,315,571
Less Accumulated Depreciation for				
Buildings	(728,766)	(37,733)	-	(766,499)
Equipment	(1,015,194)	(75,773)	113,145	(977,822)
Infrastructure	(23,133,670)	(1,674,464)	-	(24,808,134)
Total Accumulated Depreciation	(24,877,630)	(1,787,970)	113,145	(26,552,455)
Total Capital Assets Being Depreciated, Net	32,468,877	294,239	-	32,763,116
Business-type Activities Capital Assets, Net	\$ 35,751,487	\$ 2,403,337	\$ (2,003,020)	\$ 36,151,804

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

Business-type Activities		
Water		\$ 885,020
Sewer		628,140
Storm water		235,483
Municipal liquor		39,327
Total Depreciation Expense - Business-type Activities		\$ 1,787,970

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Construction Commitments

The City had the following outstanding construction commitments at December 31, 2024:

Project	Spent to Date	Remaining Commitment
Lost Lake Commons Park Addition - Phase 1	\$ 669,133	\$ 33,018
Downtown Pavers Sidewalk Replacement Project - Group 2	423,467	43,250
2024 Lift Station Improvements Sunset Road Lift Station A3	615,471	29,156
2024 Manhole Rehabilitation Project	107,976	32,485
Total	<u>\$ 1,816,047</u>	<u>\$ 137,909</u>

C. Interfund Receivables, Payables and Transfers

Due to/from Other Funds

The composition of internal balances as of December 31, 2024 is as follows:

Receivable Fund	Payable Fund	Total
<i>Due to/from other Funds</i>		
Sewer	Water	\$ 4,311,425
Recycling	Water	162,781
Recycling	Storm Water	65,090
Municipal Liquor	Storm Water	1,455,999
Street Maintenance	Storm Water	505,070
Subtotal Interfund Balances		6,500,365
Interfund activity eliminated from government-wide statements		<u>(5,995,295)</u>
Total Internal Balances - Government-wide Statements		<u>\$ 505,070</u>

All due to and due from balances made by the City during 2024 were to eliminate deficit cash balances at year end.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

Note 3: Detailed Notes on All Funds (Continued)

Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2024 is as follows:

Fund	Transfer In				Total
	General	Debt Service	Area Fire Service	Nonmajor	
Transfer Out					
General	\$ -	\$ -	\$ 750,172	\$ 300,000	\$ 1,050,172
Debt service	-	126,955	-	185,999	312,954
Nonmajor governmental	-	-	-	696,045	696,045
Municipal Liquor	300,000	-	-	60,000	360,000
Subtotal Transfers	<u>\$ 300,000</u>	<u>\$ 126,955</u>	<u>\$ 750,172</u>	<u>\$ 1,242,044</u>	<u>\$ 2,419,171</u>

- The General fund transferred \$750,172 to the Area Fire Service fund for costs incurred for the Fire Department and \$300,000 to the nonmajor Street Maintenance fund to pay for the annual seal-coating of City streets.
- The Municipal Liquor fund transferred \$300,000 and \$60,000 to the General fund and Community Investment fund, respectively, for operations and park improvements.
- The Nonmajor Tax Increment Project Fund 1-3 transferred \$696,045 to the Nonmajor Community Investment fund for the purposes of allocating land sale proceeds to park improvements.
- Transferred \$52,431 from #311 Debt Service Fund 2014A and transferred \$74,524 from #371 Debt Service Fund 2012B to #362 Debt Service Fund 2016B for the purposes of closing debt service funds.
- Transferred \$185,999 from #375 Tax Increment Debt Service Fund 1-3 to Tax Increment Project Fund 1-3 for the purposes of closing the project fund.

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, 2024

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	\$ 670,000
G.O. Improvement Bonds of 2013A	2,780,000	2.00 - 2.25	05/02/13	02/01/29	1,025,000
G.O. Improvement Bonds of 2014A	715,000	2.00 - 3.00	09/18/14	02/01/30	320,000
G.O. Improvement Bonds of 2015A	3,510,000	2.00 - 3.50	09/10/15	02/01/32	725,000
G.O. Tax Abatement Bonds of 2015B	2,590,000	2.00 - 4.00	09/10/15	02/01/35	1,700,000
GO Improvement Bonds of 2016A	2,105,000	2.00 - 2.75	12/01/16	02/01/32	1,235,000
GO Improvement Bonds of 2016A	725,000	2.00 - 2.75	12/01/16	02/01/32	235,000
GO Refunding Bonds of 2018A	3,940,000	2.1 - 3.250	12/04/18	02/01/25	260,000
GO Refunding Bonds of 2020A	2,450,000	1.15 - 2.00	11/04/20	02/01/30	<u>1,375,000</u>
Total G.O. Improvement Bonds					<u><u>\$ 7,545,000</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
2025	\$ 1,445,000	\$ 176,765	\$ 1,621,765
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 - 2034	1,695,000	146,678	1,841,678
2035	<u>190,000</u>	<u>3,800</u>	<u>193,800</u>
Total	<u><u>\$ 7,545,000</u></u>	<u><u>\$ 749,235</u></u>	<u><u>\$ 8,294,235</u></u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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	\$ 364,000
G.O. Tax Increment Refunding Bonds of 2018A	4,020,000	2.10 - 3.25	12/04/18	02/01/31	<u>1,295,000</u>
Total G.O. Tax Increment Bonds					<u>\$ 1,659,000</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
2025	\$ 419,000	\$ 60,388	\$ 479,388
2026	280,000	40,813	320,813
2027	180,000	29,613	209,613
2028	185,000	22,311	207,311
2029	190,000	15,763	205,763
2030 - 2031	<u>405,000</u>	<u>13,118</u>	<u>418,118</u>
Total	<u>\$ 1,659,000</u>	<u>\$ 182,006</u>	<u>\$ 1,841,006</u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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	\$ 1,330,000
G.O. Refunding Bonds of 2012B	1,180,000	0.40 - 2.35	07/12/12	02/01/25	110,000
G.O. Improvement Bonds of 2013A	3,490,000	2.00 - 2.25	05/02/13	02/01/34	1,925,000
G.O. Revenue Bonds of 2014A	4,210,000	2.00 - 3.50	09/18/14	02/01/35	2,395,000
G.O. Refunding Bonds of 2014B	2,290,000	2.00 - 2.75	09/18/14	02/01/26	435,000
G.O. Revenue Bonds of 2015A	4,210,000	2.00 - 3.50	09/18/14	02/01/36	3,235,000
G.O. Revenue Bonds of 2016A	2,995,000	2.00 - 2.75	12/01/16	02/01/37	2,090,000
G.O. Refunding Bonds of 2016B	2,245,000	2.00	12/01/16	02/01/28	790,000
G.O. Refunding Bonds of 2018A	4,195,000	2.1 - 3.250	12/04/18	02/01/31	2,470,000
G.O. Refunding Bonds of 2020A	6,020,000	1.15 - 2.00	11/04/20	02/01/36	4,980,000
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>\$ 24,580,000</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	\$ 2,079,677	\$ 2,733,221	\$ 153,462
Principal and Interest	1,469,190	1,179,632	367,434
Percentage of Revenues	71 %	43 %	239 %

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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
2025	\$ 2,235,000	\$ 644,248	\$ 2,879,248
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 - 2034	8,995,000	1,340,915	10,335,915
2035 - 2039	3,975,000	338,148	4,313,148
2040	420,000	8,400	428,400
Total	<u>\$ 24,580,000</u>	<u>\$ 4,418,807</u>	<u>\$ 28,998,807</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
G.O. improvement bonds	\$ 9,160,786	\$ -	\$ (1,615,786)	\$ 7,545,000	\$ 1,445,000
G.O. tax increment bonds	2,083,000	-	(424,000)	1,659,000	419,000
Bond premium	81,663	-	(17,969)	63,694	-
Compensated absences payable*	252,112	14,131	-	266,243	159,746
Total	<u>\$ 11,577,561</u>	<u>\$ 14,131</u>	<u>\$ (2,057,755)</u>	<u>\$ 9,533,937</u>	<u>\$ 2,023,746</u>
Business-type Activities					
G.O. revenue bonds	\$ 22,109,213	\$ 4,820,000	\$ (2,349,213)	\$ 24,580,000	\$ 2,235,000
Bond premium	190,893	332,477	(23,955)	499,415	-
Compensated absences payable*	71,207	18,628	-	89,835	55,571
Total	<u>\$ 22,371,313</u>	<u>\$ 5,171,105</u>	<u>\$ (2,373,168)</u>	<u>\$ 25,169,250</u>	<u>\$ 2,290,571</u>

*Compensated absences change is shown as net

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 Employee 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 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent 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, 2024

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a 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 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent 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 percent each month members are younger than age 55.

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

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 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2024, 2023 and 2022, were \$177,501, \$152,998 and \$144,332, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2024, 2023 and, 2022 were \$23,973, \$20,150 and \$18,873, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2024

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, 2024, 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.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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NONMAJOR GOVERNMENTAL FUNDS

City of Mound, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2024

Exhibit A-1

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 706,449	\$ 1,954,954	\$ 2,661,403
Receivables			
Accounts	5,000	-	5,000
Special assessments receivable	-	4,843	4,843
Due from other governments	991	-	991
Due from other funds	-	505,070	505,070
Prepaid items	7,084	-	7,084
 Total Assets	 \$ 719,524	 \$ 2,464,867	 \$ 3,184,391
Liabilities			
Accounts payable	\$ 12,222	\$ 163,655	\$ 175,877
Deferred Inflows of Resources			
Unavailable revenue - special assessments	-	4,843	4,843
Fund Balances			
Nonspendable	7,084	-	7,084
Restricted	-	55,180	55,180
Assigned	700,218	2,241,189	2,941,407
Total Fund Balances	707,302	2,296,369	3,003,671
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 719,524	 \$ 2,464,867	 \$ 3,184,391

City of Mound, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2024

Exhibit A-2

	Special Revenue	Capital Projects	Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 68,550	\$ 687,878	\$ 756,428
Licenses and permits	302,586	-	302,586
Intergovernmental	9,891	82,430	92,321
Charges for services	-	1,101	1,101
Special assessments	-	1,133	1,133
Interest on investments	30,583	-	30,583
Miscellaneous	425	58,400	58,825
Total Revenues	412,035	830,942	1,242,977
Expenditures			
Current			
Culture and recreation	148,812	-	148,812
Housing and economic development	42,479	970	43,449
Capital outlay			
Public works	-	667,976	667,976
Culture and recreation	72,404	914,453	986,857
Housing and economic development	200,487	110,590	311,077
Total Expenditures	464,182	1,693,989	2,158,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,147)	(863,047)	(915,194)
Other Financing Sources (Uses)			
Transfers in	-	1,242,044	1,242,044
Sale of capital assets	-	60,121	60,121
Transfers out	-	(696,045)	(696,045)
Total Other Financing Sources (Uses)	-	606,120	606,120
Net Change in Fund Balances	(52,147)	(256,927)	(309,074)
Fund Balances, January 1	759,449	2,553,296	3,312,745
Fund Balances, December 31	\$ 707,302	\$ 2,296,369	\$ 3,003,671

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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, 2024

Exhibit B-1

	281 Dock	285 HRA	Total
Assets			
Cash and temporary investments	\$ 373,595	\$ 332,854	\$ 706,449
Accounts receivable	-	5,000	5,000
Due from other governments	991	-	991
Prepaid items	5,908	1,176	7,084
Total Assets	\$ 380,494	\$ 339,030	\$ 719,524
Liabilities			
Accounts payable	\$ 1,773	\$ 10,449	\$ 12,222
Fund Balances			
Nonspendable for prepaid items	5,908	1,176	7,084
Assigned for			
Housing and redevelopment authority	-	327,405	327,405
Culture and recreation	372,813	-	372,813
Total Fund Balances	378,721	328,581	707,302
Total Liabilities and Fund Balances	\$ 380,494	\$ 339,030	\$ 719,524

City of Mound, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2024

Exhibit B-2

	281 Dock	285 HRA	Total
Revenues			
Property taxes	\$ -	\$ 68,550	\$ 68,550
Licenses and permits	211,936	90,650	302,586
Intergovernmental	9,891	-	9,891
Interest on investments	16,008	14,575	30,583
Miscellaneous	111	314	425
Total Revenues	237,946	174,089	412,035
Expenditures			
Current			
Culture and recreation	148,812	-	148,812
Housing and economic development	-	42,479	42,479
Capital outlay			
Culture and recreation	72,404	-	72,404
Housing and economic development	-	200,487	200,487
Total Expenditures	221,216	242,966	464,182
Net Change in Fund Balances	16,730	(68,877)	(52,147)
Fund Balances, January 1	361,991	397,458	759,449
Fund Balances, December 31	\$ 378,721	\$ 328,581	\$ 707,302

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, 2024

Exhibit B-3

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Licenses and permits	\$ 209,400	\$ 209,400	\$ 211,936	\$ 2,536	\$ 185,936
Intergovernmental	-	-	9,891	9,891	-
Interest on investments	-	-	16,008	16,008	15,800
Miscellaneous	-	-	111	111	133
Total Revenues	<u>209,400</u>	<u>209,400</u>	<u>237,946</u>	<u>28,546</u>	<u>201,869</u>
Expenditures					
Current					
Culture and recreation					
Personnel services	96,114	96,114	91,610	4,504	81,556
Supplies	9,525	9,525	1,984	7,541	3,073
Other services and charges	62,223	62,223	55,218	7,005	58,365
Capital outlay					
Culture and recreation	95,000	95,000	72,404	22,596	95,525
Total Expenditures	<u>262,862</u>	<u>262,862</u>	<u>221,216</u>	<u>41,646</u>	<u>238,519</u>
Net Change in Fund Balances	(53,462)	(53,462)	16,730	70,192	(36,650)
Fund Balances, January 1	<u>361,991</u>	<u>361,991</u>	<u>361,991</u>	<u>-</u>	<u>398,641</u>
Fund Balances, December 31	<u>\$ 308,529</u>	<u>\$ 308,529</u>	<u>\$ 378,721</u>	<u>\$ 70,192</u>	<u>\$ 361,991</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, 2024

Exhibit B-4

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 68,550	\$ 68,550	\$ 68,550	\$ -	\$ 71,150
Licenses and permits	85,100	85,100	90,650	5,550	90,650
Interest on investments	-	-	14,575	14,575	12,294
Miscellaneous	-	-	314	314	529
Total Revenues	<u>153,650</u>	<u>153,650</u>	<u>174,089</u>	<u>20,439</u>	<u>174,623</u>
Expenditures					
Current					
Housing and economic development					
Supplies	1,000	1,000	1,947	(947)	1,208
Other services and charges	52,572	52,572	40,532	12,040	42,112
Capital outlay					
Housing and economic development	<u>20,000</u>	<u>20,000</u>	<u>200,487</u>	<u>(180,487)</u>	<u>31,256</u>
Total Expenditures	<u>73,572</u>	<u>73,572</u>	<u>242,966</u>	<u>(169,394)</u>	<u>74,576</u>
Net Change in Fund Balances	80,078	80,078	(68,877)	(148,955)	100,047
Fund Balances, January 1	<u>397,458</u>	<u>397,458</u>	<u>397,458</u>	<u>-</u>	<u>297,411</u>
Fund Balances, December 31	<u>\$ 477,536</u>	<u>\$ 477,536</u>	<u>\$ 328,581</u>	<u>\$ (148,955)</u>	<u>\$ 397,458</u>

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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.

Tax Increment Financing District 1-3 - The Tax Increment Financing District No. 1-3 was created to facilitate construction of a mixed use residential and commercial project 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, 2024

Exhibit C-1

	403	404	405	427	454	475	
	Capital Replacement Equipment	Community Investment	Capital Replacement Buildings	Street Maintenance	TIF 1-1	TIF 1-3	Total
Assets							
Cash and temporary investments	\$ 576,676	\$ 461,340	\$ 388,191	\$ 472,752	\$ 55,995	\$ -	\$ 1,954,954
Special assessments receivable	-	-	-	4,843	-	-	4,843
Due from other funds	-	-	-	505,070	-	-	505,070
Total Assets	<u>\$ 576,676</u>	<u>\$ 461,340</u>	<u>\$ 388,191</u>	<u>\$ 982,665</u>	<u>\$ 55,995</u>	<u>\$ -</u>	<u>\$ 2,464,867</u>
Liabilities							
Accounts payable	\$ 75,712	\$ 86,585	\$ -	\$ 543	\$ 815	\$ -	\$ 163,655
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	-	-	4,843	-	-	4,843
Fund Balances							
Restricted for economic development	-	-	-	-	55,180	-	55,180
Assigned for capital improvements and equipment	500,964	374,755	388,191	977,279	-	-	2,241,189
Total Fund Balances	<u>500,964</u>	<u>374,755</u>	<u>388,191</u>	<u>977,279</u>	<u>55,180</u>	<u>-</u>	<u>2,296,369</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 576,676</u>	<u>\$ 461,340</u>	<u>\$ 388,191</u>	<u>\$ 982,665</u>	<u>\$ 55,995</u>	<u>\$ -</u>	<u>\$ 2,464,867</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, 2024

Exhibit C-2

	403	404	405	427	454	475	Total
	Capital Replacement Equipment	Community Investment	Capital Replacement Buildings	Street Maintenance	TIF 1-1	TIF 1-3	
Revenues							
Taxes	\$ 150,000	\$ 325,000	\$ 90,000	\$ -	\$ 122,878	\$ -	\$ 687,878
Intergovernmental	-	-	-	82,430	-	-	82,430
Charges for services	-	1,101	-	-	-	-	1,101
Special assessments	-	-	-	1,133	-	-	1,133
Refunds and reimbursements	-	-	58,400	-	-	-	58,400
Total Revenues	<u>150,000</u>	<u>326,101</u>	<u>148,400</u>	<u>83,563</u>	<u>122,878</u>	<u>-</u>	<u>830,942</u>
Expenditures							
Current							
Housing and economic development	-	-	-	-	970	-	970
Capital outlay							
Public works	442,372	-	-	225,604	-	-	667,976
Culture and recreation	-	855,053	59,400	-	-	-	914,453
Housing and economic development	-	-	-	-	110,590	-	110,590
Total Expenditures	<u>442,372</u>	<u>855,053</u>	<u>59,400</u>	<u>225,604</u>	<u>111,560</u>	<u>-</u>	<u>1,693,989</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(292,372)</u>	<u>(528,952)</u>	<u>89,000</u>	<u>(142,041)</u>	<u>11,318</u>	<u>-</u>	<u>(863,047)</u>
Other Financing Sources (Uses)							
Transfers in	-	756,045	-	300,000	-	185,999	1,242,044
Sale of capital assets	60,121	-	-	-	-	-	60,121
Transfers out	-	-	-	-	-	(696,045)	(696,045)
Total Other Financing Sources (Uses)	<u>60,121</u>	<u>756,045</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>(510,046)</u>	<u>606,120</u>
Net Change in Fund Balances	(232,251)	227,093	89,000	157,959	11,318	(510,046)	(256,927)
Fund Balances, January 1	<u>733,215</u>	<u>147,662</u>	<u>299,191</u>	<u>819,320</u>	<u>43,862</u>	<u>510,046</u>	<u>2,553,296</u>
Fund Balances, December 31	<u>\$ 500,964</u>	<u>\$ 374,755</u>	<u>\$ 388,191</u>	<u>\$ 977,279</u>	<u>\$ 55,180</u>	<u>\$ -</u>	<u>\$ 2,296,369</u>

City of Mound, Minnesota
 General Fund
 Balance Sheet
 December 31, 2024 and 2023

Exhibit D-1

	2024	2023
Assets		
Cash and temporary investments	\$ 4,988,771	\$ 3,942,914
Receivables		
Accounts	150,443	86,081
Taxes	94,479	93,889
Special assessments	81,712	87,895
Due from other governments	11,070	7,317
Due from other funds	-	791,479
Prepaid items	1,998	9,576
Total Assets	\$ 5,328,473	\$ 5,019,151
Liabilities		
Accounts payable	\$ 133,030	\$ 185,774
Due to other governments	2,485	1,516
Deposits payable	587,613	583,615
Accrued salaries payable	52,878	34,454
Total Liabilities	776,006	805,359
Deferred Inflows of Resources		
Unavailable revenue - property taxes	44,732	59,128
Unavailable revenue - special assessments	81,712	86,945
Total Deferred Inflows of Resources	126,444	146,073
Fund Balances		
Nonspendable for		
Prepaid items	1,998	9,576
Restricted for		
Public safety	-	411,697
Assigned for		
Severance pay	266,243	252,112
Unassigned	4,157,782	3,394,334
Total Fund Balances	4,426,023	4,067,719
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,328,473	\$ 5,019,151

City of Mound, Minnesota

Exhibit D-2

General Fund

Schedule of Revenues and Other Financing Sources - Budget and Actual

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Revenues					
Taxes					
General property taxes					
Current	\$ 4,393,511	\$ 4,393,511	\$ 4,785,296	\$ 391,785	\$ 4,328,298
Delinquent	50,000	50,000	45,267	(4,733)	33,228
Fiscal disparities	450,000	450,000	342,718	(107,282)	434,366
Penalties and interest	10,000	10,000	4,582	(5,418)	8,983
Franchise tax	589,500	589,500	514,089	(75,411)	370,841
Total taxes	<u>5,493,011</u>	<u>5,493,011</u>	<u>5,691,952</u>	<u>198,941</u>	<u>5,175,716</u>
Licenses and permits	<u>244,400</u>	<u>244,400</u>	<u>257,557</u>	<u>13,157</u>	<u>374,943</u>
Intergovernmental					
State					
Local government aid	486,459	486,459	85,047	(401,412)	168,842
Public safety aid	-	-	-	-	411,697
State aid for streets	30,000	30,000	30,000	-	30,000
Other state grants and aid	15,000	15,000	34,493	19,493	15,428
Total intergovernmental	<u>531,459</u>	<u>531,459</u>	<u>149,540</u>	<u>(381,919)</u>	<u>625,967</u>
Charges for services	<u>473,370</u>	<u>473,370</u>	<u>530,391</u>	<u>57,021</u>	<u>553,783</u>
Fines and forfeitures	<u>28,000</u>	<u>28,000</u>	<u>37,296</u>	<u>9,296</u>	<u>40,173</u>
Special assessments	<u>12,000</u>	<u>12,000</u>	<u>14,504</u>	<u>2,504</u>	<u>33,838</u>
Interest on investments	<u>20,000</u>	<u>20,000</u>	<u>299,301</u>	<u>279,301</u>	<u>292,288</u>
Miscellaneous					
Refunds and reimbursements	23,000	23,000	9,044	(13,956)	65,736
Other	38,000	38,000	37,865	(135)	46,146
Total miscellaneous	<u>61,000</u>	<u>61,000</u>	<u>46,909</u>	<u>(14,091)</u>	<u>111,882</u>
Total Revenues	<u>6,863,240</u>	<u>6,863,240</u>	<u>7,027,450</u>	<u>164,210</u>	<u>7,208,590</u>
Other Financing Sources					
Transfers in	300,000	300,000	300,000	-	300,000
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,113</u>
Total Other Financing Sources	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>350,113</u>
Total Revenues and Other Financing Sources	<u>\$ 7,163,240</u>	<u>\$ 7,163,240</u>	<u>\$ 7,327,450</u>	<u>\$ 164,210</u>	<u>\$ 7,558,703</u>

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City of Mound, Minnesota

Exhibit D-3

General Fund

Schedule of Expenditures and Other Financing Uses
Budget and Actual (Continued on the Following Pages)

For the Year Ended December 31, 2024

(With Comparative Actual Amounts for the Year Ended December 31, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personnel services	\$ 24,382	\$ 24,382	\$ 24,365	\$ 17	\$ 24,000
Supplies	5,200	5,200	7,822	(2,622)	5,430
Other services and charges	96,852	96,852	77,702	19,150	66,541
Total mayor and city council	<u>126,434</u>	<u>126,434</u>	<u>109,889</u>	<u>16,545</u>	<u>95,971</u>
City manager					
Personnel services	253,248	253,248	221,398	31,850	201,856
Supplies	1,075	1,075	685	390	409
Other services and charges	5,538	5,538	3,935	1,603	25,328
Total city manager	<u>259,861</u>	<u>259,861</u>	<u>226,018</u>	<u>33,843</u>	<u>227,593</u>
Election and voters' registration					
Personnel services	700	700	-	700	-
Supplies	2,000	2,000	2,025	(25)	840
Other services and charges	27,300	27,300	29,794	(2,494)	85
Total election and voters' registration	<u>30,000</u>	<u>30,000</u>	<u>31,819</u>	<u>(1,819)</u>	<u>925</u>
Assessing					
Other services and charges	<u>142,000</u>	<u>142,000</u>	<u>144,891</u>	<u>(2,891)</u>	<u>138,361</u>
Finance					
Personnel services	515,955	515,955	503,232	12,723	487,024
Supplies	4,600	4,600	5,363	(763)	3,693
Other services and charges	16,492	16,492	31,195	(14,703)	52,291
Total finance	<u>537,047</u>	<u>537,047</u>	<u>539,790</u>	<u>(2,743)</u>	<u>543,008</u>
Computer					
Supplies	8,000	8,000	7,041	959	1,840
Other services and charges	59,000	59,000	51,449	7,551	51,925
Total computer	<u>67,000</u>	<u>67,000</u>	<u>58,490</u>	<u>8,510</u>	<u>53,765</u>
Legal					
Other services and charges	<u>124,456</u>	<u>124,456</u>	<u>244,307</u>	<u>(119,851)</u>	<u>175,309</u>

City of Mound, Minnesota
 General Fund
 Schedule of Expenditures and Other Financing Uses
 Budget and Actual (Continued)
 For the Year Ended December 31, 2024
 (With Comparative Actual Amounts for the Year Ended December 31, 2023)

Exhibit D-3

	2024			Variance With Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (Continued)					
General government (Continued)					
City hall					
Supplies	\$ 5,000	\$ 5,000	\$ 7,752	\$ (2,752)	\$ 3,923
Other services and charges	40,380	40,380	41,711	(1,331)	39,836
Total city hall	<u>45,380</u>	<u>45,380</u>	<u>49,463</u>	<u>(4,083)</u>	<u>43,759</u>
City property					
Supplies	2,000	2,000	526	1,474	1,548
Other services and charges	61,484	61,484	52,145	9,339	77,699
Total city property	<u>63,484</u>	<u>63,484</u>	<u>52,671</u>	<u>10,813</u>	<u>79,247</u>
Total general government	<u>1,395,662</u>	<u>1,395,662</u>	<u>1,457,338</u>	<u>(61,676)</u>	<u>1,357,938</u>
Public safety					
Police protection					
Personnel services	529	529	612	(83)	612
Other services and charges	2,146,000	2,146,000	2,070,717	75,283	2,036,734
Total public safety	<u>2,146,529</u>	<u>2,146,529</u>	<u>2,071,329</u>	<u>75,200</u>	<u>2,037,346</u>
Emergency preparedness					
Personnel services	39,197	39,197	39,496	(299)	36,340
Supplies	2,590	2,590	540	2,050	318
Other services and charges	11,622	11,622	10,928	694	14,164
Total emergency preparedness	<u>53,409</u>	<u>53,409</u>	<u>50,964</u>	<u>2,445</u>	<u>50,822</u>
Planning and inspection					
Personnel services	325,954	325,954	309,824	16,130	289,620
Supplies	6,700	6,700	4,930	1,770	8,586
Other services and charges	204,448	204,448	247,841	(43,393)	383,066
Total planning and inspection	<u>537,102</u>	<u>537,102</u>	<u>562,595</u>	<u>(25,493)</u>	<u>681,272</u>
Total public safety	<u>2,737,040</u>	<u>2,737,040</u>	<u>2,684,888</u>	<u>52,152</u>	<u>2,769,440</u>
Public works					
Streets					
Personnel services	586,176	586,176	513,432	72,744	430,542
Supplies	251,750	251,750	169,093	82,657	170,356
Other services and charges	311,580	311,580	325,280	(13,700)	393,382
Total public works	<u>1,149,506</u>	<u>1,149,506</u>	<u>1,007,805</u>	<u>141,701</u>	<u>994,280</u>

City of Mound, Minnesota
 General Fund
 Schedule of Expenditures and Other Financing Uses
 Budget and Actual (Continued)
 For the Year Ended December 31, 2024
 (With Comparative Actual Amounts for the Year Ended December 31, 2023)

Exhibit D-3

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (Continued)					
Culture and recreation					
Parks					
Personnel services	\$ 420,871	\$ 420,871	\$ 396,933	\$ 23,938	\$ 342,287
Supplies	116,600	116,600	101,215	15,385	92,052
Other services and charges	243,728	243,728	270,795	(27,067)	291,041
Total parks	<u>781,199</u>	<u>781,199</u>	<u>768,943</u>	<u>12,256</u>	<u>725,380</u>
Cable TV					
Other services and charges	-	-	-	-	18,945
Total culture and recreation	<u>781,199</u>	<u>781,199</u>	<u>768,943</u>	<u>12,256</u>	<u>744,325</u>
Total Expenditures	6,063,407	6,063,407	5,918,974	144,433	5,865,983
Other Financing Uses					
Transfers out	<u>1,050,172</u>	<u>1,050,172</u>	<u>1,050,172</u>	-	<u>979,071</u>
Total Expenditures and Other Financing Uses	<u>\$ 7,113,579</u>	<u>\$ 7,113,579</u>	<u>\$ 6,969,146</u>	<u>\$ 144,433</u>	<u>\$ 6,845,054</u>

City of Mound, Minnesota

Exhibit E-1

Debt Service Funds

Combining Balance Sheet (Continued on the Following Page)

December 31, 2024

	355	370	375	350	362	363
	G.O. Tax Increment Refunding Bonds 2013B	G.O. Refunding Bonds 2011A	G.O. Tax Increment Refunding Bonds 2018A	Tax Abatement Bonds Series 2015B	G.O. Refunding Bonds 2016B	G.O. Improvement Bonds 2018A
Assets						
Cash and temporary investments	\$ 1,053,887	\$ 23,517	\$ 280,096	\$ 232,933	\$ -	\$ 232,243
Receivables						
Taxes	7,504	-	6,492	-	-	-
Special assessments	-	-	-	-	-	43,445
Total Assets	<u>\$ 1,061,391</u>	<u>\$ 23,517</u>	<u>\$ 286,588</u>	<u>\$ 232,933</u>	<u>\$ -</u>	<u>\$ 275,688</u>
Liabilities						
Accounts payable	<u>\$ 3,294</u>	<u>\$ -</u>	<u>\$ 1,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,040</u>
Fund Balances						
Restricted for debt service	<u>1,058,097</u>	<u>23,517</u>	<u>285,361</u>	<u>232,933</u>	<u>-</u>	<u>232,648</u>
Total Deferred and Liabilities						
Inflows of Resources						
and Fund Balances	<u>\$ 1,061,391</u>	<u>\$ 23,517</u>	<u>\$ 286,588</u>	<u>\$ 232,933</u>	<u>\$ -</u>	<u>\$ 275,688</u>

City of Mound, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued)
December 31, 2024

Exhibit E-1

	364	365	371	310	311	312	313	
	G.O. Improvement Bonds 2020A	G.O. Improvement Bonds 2012A	G.O. Refunding Bonds 2012B	G.O. Improvement Bonds 2013A	G.O. Improvement Bonds 2014A	G.O. Improvement Bonds 2015A	G.O. Improvement Bonds 2016A	Total
Assets								
Cash and temporary investments	\$ 531,999	\$ 573,927	\$ -	\$ 546,530	\$ 312,344	\$ 290,013	\$ 116,167	\$ 4,193,656
Receivables								
Taxes	-	-	-	-	-	-	-	13,996
Special assessments	119,516	163,589	-	199,502	86,825	122,968	145,755	881,600
Total Assets	\$ 651,515	\$ 737,516	\$ -	\$ 746,032	\$ 399,169	\$ 412,981	\$ 261,922	\$ 5,089,252
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,521
Deferred Inflows of Resources								
Unavailable revenue - special assessments	118,852	163,108	-	199,402	85,191	122,968	145,326	877,887
Fund Balances								
Restricted for debt service	532,663	574,408	-	546,630	313,978	290,013	116,596	4,206,844
Total Deferred and Liabilities Inflows of Resources and Fund Balances	\$ 651,515	\$ 737,516	\$ -	\$ 746,032	\$ 399,169	\$ 412,981	\$ 261,922	\$ 5,089,252

City of Mound, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Continued on the Following Page)
For the Year Ended December 31, 2024

Exhibit E-2

	355	370	375	350	362	363
	G.O. Tax Increment Refunding Bonds 2013B	G.O. Refunding Bonds 2011A	G.O. Tax Increment Refunding Bonds 2018A	Tax Abatement Bonds Series 2015B	G.O. Refunding Bonds 2016B	G.O. Improvement Bonds 2018A
Revenues						
Taxes	\$ 727,694	\$ -	\$ 210,510	\$ 181,450	\$ -	\$ 215,600
Special assessments	-	7,996	-	-	21,339	49,119
Total Revenues	<u>727,694</u>	<u>7,996</u>	<u>210,510</u>	<u>181,450</u>	<u>21,339</u>	<u>264,719</u>
Expenditures						
Current						
Housing and economic development	37,274	-	-	-	-	-
Debt service						
Principal	279,000	120,786	145,000	120,000	90,000	250,000
Interest and other	34,918	2,326	51,900	58,410	1,303	15,989
Total Expenditures	<u>351,192</u>	<u>123,112</u>	<u>196,900</u>	<u>178,410</u>	<u>91,303</u>	<u>265,989</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>376,502</u>	<u>(115,116)</u>	<u>13,610</u>	<u>3,040</u>	<u>(69,964)</u>	<u>(1,270)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	126,955	-
Transfers out	-	-	(185,999)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(185,999)</u>	<u>-</u>	<u>126,955</u>	<u>-</u>
Net Change in Fund Balances	376,502	(115,116)	(172,389)	3,040	56,991	(1,270)
Fund Balances, January 1	<u>681,595</u>	<u>138,633</u>	<u>457,750</u>	<u>229,893</u>	<u>(56,991)</u>	<u>233,918</u>
Fund Balances, December 31	<u>\$ 1,058,097</u>	<u>\$ 23,517</u>	<u>\$ 285,361</u>	<u>\$ 232,933</u>	<u>\$ -</u>	<u>\$ 232,648</u>

City of Mound, Minnesota
Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Continued)
For the Year Ended December 31, 2024

	364	365	371	310	311	312	313	
	G.O. Improvement Bonds 2020A	G.O. Improvement Bonds 2012A	G.O. Refunding Bonds 2012B	G.O. Improvement Bonds 2013A	G.O. Improvement Bonds 2014A	G.O. Improvement Bonds 2015A	G.O. Improvement Bonds 2016A	Total
Revenues								
Taxes	\$ 150,000	\$ 50,000	\$ -	\$ 100,000	\$ 40,214	\$ 70,000	\$ 118,927	\$ 1,864,395
Special assessments	54,865	53,008	-	58,764	26,422	27,890	28,346	327,749
Total Revenues	<u>204,865</u>	<u>103,008</u>	<u>-</u>	<u>158,764</u>	<u>66,636</u>	<u>97,890</u>	<u>147,273</u>	<u>2,192,144</u>
Expenditures								
Current								
Housing and economic development	-	-	-	-	-	-	-	37,274
Debt service								
Principal	230,000	155,000	-	190,000	50,000	85,000	150,000	1,864,786
Interest and other	22,685	20,013	-	24,290	10,910	21,550	29,493	293,787
Total Expenditures	<u>252,685</u>	<u>175,013</u>	<u>-</u>	<u>214,290</u>	<u>60,910</u>	<u>106,550</u>	<u>179,493</u>	<u>2,195,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(47,820)</u>	<u>(72,005)</u>	<u>-</u>	<u>(55,526)</u>	<u>5,726</u>	<u>(8,660)</u>	<u>(32,220)</u>	<u>(3,703)</u>
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	126,955
Transfers out	-	-	(74,524)	-	(52,431)	-	-	(312,954)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(74,524)</u>	<u>-</u>	<u>(52,431)</u>	<u>-</u>	<u>-</u>	<u>(185,999)</u>
Net Change in Fund Balances	(47,820)	(72,005)	(74,524)	(55,526)	(46,705)	(8,660)	(32,220)	(189,702)
Fund Balances, January 1	<u>580,483</u>	<u>646,413</u>	<u>74,524</u>	<u>602,156</u>	<u>360,683</u>	<u>298,673</u>	<u>148,816</u>	<u>4,396,546</u>
Fund Balances, December 31	<u>\$ 532,663</u>	<u>\$ 574,408</u>	<u>\$ -</u>	<u>\$ 546,630</u>	<u>\$ 313,978</u>	<u>\$ 290,013</u>	<u>\$ 116,596</u>	<u>\$ 4,206,844</u>

City of Mound, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations -
 Governmental Funds
 For the Years Ended December 31, 2024 and 2023

Exhibit F-1

	Total		Percent Increase (Decrease)
	2024	2023	
Revenues			
Taxes	\$ 9,218,274	\$ 8,111,317	13.65 %
Licenses and permits	560,143	651,529	(14.03)
Intergovernmental	457,678	895,007	(48.86)
Charges for services	1,165,541	1,172,228	(0.57)
Fines and forfeitures	37,296	40,173	(7.16)
Special assessments	407,017	486,193	(16.28)
Interest on investments	347,682	333,902	4.13
Miscellaneous	252,726	170,575	48.16
Total Revenues	<u>\$ 12,446,357</u>	<u>\$ 11,860,924</u>	4.94 %
Per Capita	<u>\$ 1,378</u>	<u>\$ 1,262</u>	9.19 %
Expenditures			
Current			
General government	\$ 1,457,338	\$ 1,357,938	7.32 %
Public safety	3,953,071	3,883,214	1.80
Public works	1,044,360	1,025,642	1.83
Culture and recreation	917,755	887,319	3.43
Housing and economic development	80,723	73,296	10.13
Capital outlay			
General government	-	23,925	(100.00)
Public safety	103,347	810,652	(87.25)
Public works	1,327,277	772,373	71.84
Culture and recreation	986,857	304,510	224.08
Housing and economic development	311,077	135,673	129.28
Debt service			
Principal	2,039,786	2,797,467	(27.08)
Interest and service charges	308,862	376,228	(17.91)
Total Expenditures	<u>\$ 12,530,453</u>	<u>\$ 12,448,237</u>	0.66 %
Per Capita	<u>\$ 1,387</u>	<u>\$ 1,325</u>	4.68 %
Total Long-term Indebtedness	\$ 9,267,694	\$ 11,325,449	(18.17) %
Per Capita	1,026	1,205	(14.85)
General Fund Balance - December 31	\$ 4,426,023	\$ 4,067,719	8.81 %
Per Capita	490	433	13.16

The purpose of this report is to provide a summary of financial information concerning the City of Mound to interested citizens. The complete financial statements may be examined at City Hall, 2415 Wilshire Blvd, Mound, Minnesota 55364. Questions about this report should be directed to Noah Iverson, Finance Director at (952) 472-0608.

STATISTICAL SECTION (UNAUDITED)

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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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			
	2015	2016	2017	2018
Governmental Activities				
Net investment in capital assets	\$ 7,349,615	\$ 8,497,543	\$ 13,280,560	\$ 13,956,997
Restricted	3,581,824	5,281,846	4,111,566	5,618,075
Unrestricted	7,175,984	7,602,371	6,712,355	7,244,477
Total Governmental Activities Net Position	\$ 18,107,423	\$ 21,381,760	\$ 24,104,481	\$ 26,819,549
Business-type Activities				
Net investment in capital assets	\$ 4,610,738	\$ 4,410,201	\$ 6,786,181	\$ 7,131,553
Unrestricted	1,431,411	1,790,488	107,216	(267,659)
Total Business-type Activities Net Position	\$ 6,042,149	\$ 6,200,689	\$ 6,893,397	\$ 6,863,894
Total Primary Government				
Net investment in capital assets	\$ 11,960,353	\$ 12,907,744	\$ 20,066,741	\$ 21,088,550
Restricted	3,581,824	5,281,846	4,111,566	5,618,075
Unrestricted	8,607,395	9,392,859	6,819,571	6,976,818
Total Primary Government	\$ 24,149,572	\$ 27,582,449	\$ 30,997,878	\$ 33,683,443

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 17,556,048	\$ 18,938,946	\$ 20,354,790	\$ 21,756,632	\$ 24,065,317	\$ 27,001,774
3,948,634	3,796,206	4,248,389	4,268,616	4,291,949	3,372,618
7,836,557	9,026,779	8,510,817	9,560,609	9,976,119	11,248,660
<u>\$ 29,341,239</u>	<u>\$ 31,761,931</u>	<u>\$ 33,113,996</u>	<u>\$ 35,585,857</u>	<u>\$ 38,333,385</u>	<u>\$ 41,623,052</u>
\$ 10,874,807	\$ 14,219,103	\$ 10,140,949	\$ 12,564,557	\$ 14,404,734	\$ 16,034,593
(3,920,428)	(6,677,620)	(1,513,360)	(2,848,684)	(3,240,643)	(4,218,155)
<u>\$ 6,954,379</u>	<u>\$ 7,541,483</u>	<u>\$ 8,627,589</u>	<u>\$ 9,715,873</u>	<u>\$ 11,164,091</u>	<u>\$ 11,816,438</u>
\$ 28,430,855	\$ 33,158,049	\$ 30,495,739	\$ 34,321,189	\$ 38,470,051	\$ 43,036,367
3,948,634	3,796,206	4,248,389	4,268,616	4,291,949	3,372,618
3,916,129	2,349,159	6,997,457	6,711,925	6,735,476	7,030,505
<u>\$ 36,295,618</u>	<u>\$ 39,303,414</u>	<u>\$ 41,741,585</u>	<u>\$ 45,301,730</u>	<u>\$ 49,497,476</u>	<u>\$ 53,439,490</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			
	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	\$ 1,143,872	\$ 1,137,472	\$ 1,168,554	\$ 1,105,111
Public safety	3,345,326	3,563,263	3,760,227	3,684,407
Public works	1,644,679	1,666,696	1,743,263	2,113,037
Culture and recreation	707,988	651,029	710,673	660,464
Housing and economic development	84,064	107,601	829,207	197,131
Interest on long-term debt	930,353	912,412	882,349	692,731
Total Governmental Activities Expenses	<u>7,856,282</u>	<u>8,038,473</u>	<u>9,094,273</u>	<u>8,452,881</u>
Business-type activities				
Water	1,763,673	1,803,974	1,926,287	1,950,571
Sewer	2,146,860	2,097,118	2,096,323	2,247,194
Municipal liquor	2,732,378	2,848,011	2,923,079	2,907,960
Recycling	182,673	182,133	200,399	199,927
Storm water	375,853	389,394	393,363	393,803
HRA public housing	330,939	320,944	-	-
Total Business-type Activities Expenses	<u>7,532,376</u>	<u>7,641,574</u>	<u>7,539,451</u>	<u>7,699,455</u>
Total Expenses	<u>\$ 15,388,658</u>	<u>\$ 15,680,047</u>	<u>\$ 16,633,724</u>	<u>\$ 16,152,336</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 340,691	\$ 350,087	\$ 341,676	\$ 327,565
Public safety	1,222,890	1,310,451	1,382,033	1,238,004
Public works	118,533	124,524	84,554	58,320
Culture and recreation	231,716	253,328	294,000	389,308
Housing and economic development	-	9,967	1,245	-
Operating grants and contributions	251,738	125,361	148,745	154,653
Capital grants and contributions	1,279,161	1,701,151	2,088,315	1,365,758
Total Governmental Activities Program Revenue	<u>3,444,729</u>	<u>3,874,869</u>	<u>4,340,568</u>	<u>3,533,608</u>
Business-type activities				
Charges for services				
Water	1,626,188	1,800,376	1,959,567	2,121,051
Sewer	1,767,515	1,888,094	2,086,544	2,322,975
Municipal liquor	2,919,731	2,965,068	3,053,772	3,159,784
Recycling	177,849	183,141	183,394	181,342
Storm water	479,588	507,892	553,576	473,241
HRA public housing	133,205	141,163	129,839	-
Operating grants and contributions	144,127	163,699	167,350	-
Capital grants and contributions	77,855	115,521	72,570	80,358
Total Business-type Activities Program Revenue	<u>7,326,058</u>	<u>7,764,954</u>	<u>8,206,612</u>	<u>8,338,751</u>
Total Program Revenues	<u>\$ 10,770,787</u>	<u>\$ 11,639,823</u>	<u>\$ 12,547,180</u>	<u>\$ 11,872,359</u>

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,071,883	\$ 1,730,674	\$ 1,970,602	\$ 1,200,506	\$ 1,353,093	\$ 1,489,931
3,730,923	3,910,533	4,034,136	4,199,967	4,213,678	4,339,968
2,211,777	2,113,513	1,956,950	2,029,199	2,203,860	2,109,548
499,451	661,179	754,563	865,711	1,086,106	1,160,750
154,646	286,580	289,505	257,316	254,309	437,140
695,483	625,566	482,611	404,256	326,634	265,655
<u>8,364,163</u>	<u>9,328,045</u>	<u>9,488,367</u>	<u>8,956,955</u>	<u>9,437,680</u>	<u>9,802,992</u>
1,976,984	1,944,607	1,931,878	1,879,319	2,014,321	2,084,277
2,241,123	2,161,094	2,381,166	2,250,749	2,274,120	2,464,711
2,832,948	3,396,840	3,411,372	3,409,989	3,468,709	3,436,837
197,261	197,363	197,986	251,464	249,577	251,309
406,202	407,685	355,543	333,180	325,339	320,485
-	-	-	-	-	-
<u>7,654,518</u>	<u>8,107,589</u>	<u>8,277,945</u>	<u>8,124,701</u>	<u>8,332,066</u>	<u>8,557,619</u>
<u>\$ 16,018,681</u>	<u>\$ 17,435,634</u>	<u>\$ 17,766,312</u>	<u>\$ 17,081,656</u>	<u>\$ 17,769,746</u>	<u>\$ 18,360,611</u>
\$ 345,221	\$ 364,623	\$ 400,740	\$ 404,122	\$ 409,941	\$ 414,201
1,137,281	1,103,015	1,217,040	1,253,672	1,187,497	1,053,633
60,267	57,778	66,590	44,120	71,106	40,247
179,945	183,459	209,554	200,521	274,782	254,994
2,012	5,011	250	-	529	58,714
361,689	1,205,813	653,008	679,431	1,134,027	797,749
818,456	556,943	154,233	169,328	119,178	426,678
<u>2,904,871</u>	<u>3,476,642</u>	<u>2,701,415</u>	<u>2,751,194</u>	<u>3,197,060</u>	<u>3,046,216</u>
2,049,587	1,979,250	2,089,204	2,159,374	2,142,111	2,087,724
2,245,261	2,342,322	2,518,028	2,642,942	2,791,277	2,738,744
3,106,187	3,094,818	3,838,394	3,874,634	3,858,461	3,882,891
179,468	181,232	183,522	185,332	237,258	238,399
155,125	153,110	139,330	137,839	140,541	153,462
-	-	-	-	-	-
-	-	-	18,301	18,642	21,927
25,573	120,013	99,476	1,015	113,640	4,000
<u>7,761,201</u>	<u>7,870,745</u>	<u>8,867,954</u>	<u>9,019,437</u>	<u>9,301,930</u>	<u>9,127,147</u>
<u>\$ 10,666,072</u>	<u>\$ 11,347,387</u>	<u>\$ 11,569,369</u>	<u>\$ 11,770,631</u>	<u>\$ 12,498,990</u>	<u>\$ 12,173,363</u>

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

Table 2

	Fiscal Year			
	2015	2016	2017	2018
Program Revenues (Continued)				
Net (expenses) revenues				
Governmental activities	\$ (4,411,553)	\$ (4,163,604)	\$ (4,753,705)	\$ (4,919,273)
Business-type activities	(206,318)	123,380	667,161	639,296
Total Primary Government	<u>\$ (4,617,871)</u>	<u>\$ (4,040,224)</u>	<u>\$ (4,086,544)</u>	<u>\$ (4,279,977)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 6,236,580	\$ 6,500,525	\$ 6,510,322	\$ 6,638,769
Franchise taxes	412,295	423,042	405,178	406,501
State grants and contributions not restricted to specific programs	331,693	340,471	347,390	383,843
Unrestricted investment earnings	8,815	12,514	26,970	63,111
Gain on sale of capital assets	28,668	103,984	56,300	14,045
Transfers - internal activities	59,493	57,405	130,266	128,072
Special item - sale of property	-	(373,182)	-	-
Total Governmental Activities General Revenues	<u>7,077,544</u>	<u>7,064,759</u>	<u>7,476,426</u>	<u>7,634,341</u>
Business-type activities				
Taxes				
Property taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	3,658	10,755	13,391	36,823
Gain on sale of capital assets	25,500	13,334	10,283	-
Transfers - internal activities	(59,493)	(57,405)	(130,266)	(128,072)
Total Business-type Activities General Revenues	<u>(30,335)</u>	<u>(33,316)</u>	<u>(106,592)</u>	<u>(91,249)</u>
Total Primary Government	<u>\$ 7,047,209</u>	<u>\$ 7,031,443</u>	<u>\$ 7,369,834</u>	<u>\$ 7,543,092</u>
Change in Net Position				
Governmental activities	\$ 2,665,991	\$ 2,901,155	\$ 2,722,721	\$ 2,715,068
Business-type activities	(236,653)	90,064	560,569	548,047
Total Primary Government	<u>\$ 2,429,338</u>	<u>\$ 2,991,219</u>	<u>\$ 3,283,290</u>	<u>\$ 3,263,115</u>

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (5,459,292)	\$ (5,851,403)	\$ (6,786,952)	\$ (6,205,761)	\$ (6,240,620)	\$ (6,756,776)
106,683	(236,844)	590,009	894,736	969,864	569,528
<u>\$ (5,352,609)</u>	<u>\$ (6,088,247)</u>	<u>\$ (6,196,943)</u>	<u>\$ (5,311,025)</u>	<u>\$ (5,270,756)</u>	<u>\$ (6,187,248)</u>
\$ 6,856,784	\$ 7,211,433	\$ 7,164,926	\$ 7,619,480	\$ 7,744,097	\$ 8,689,789
400,811	397,104	386,787	381,925	370,841	514,089
384,321	406,616	313,146	313,146	168,842	74,762
85,578	27,938	11,443	107,679	333,902	347,682
77,793	54,004	62,715	5,392	70,466	60,121
175,695	175,000	200,000	250,000	300,000	360,000
-	-	-	-	-	-
<u>7,980,982</u>	<u>8,272,095</u>	<u>8,139,017</u>	<u>8,677,622</u>	<u>8,988,148</u>	<u>10,046,443</u>
-	-	180,000	180,000	360,000	360,000
-	-	362,124	332,432	344,609	-
49,953	1,739	2,490	21,664	66,556	81,437
-	-	-	-	7,189	1,382
(175,695)	(175,000)	(200,000)	(250,000)	(300,000)	(360,000)
<u>(125,742)</u>	<u>(173,261)</u>	<u>344,614</u>	<u>284,096</u>	<u>478,354</u>	<u>82,819</u>
<u>\$ 7,855,240</u>	<u>\$ 8,098,834</u>	<u>\$ 8,483,631</u>	<u>\$ 8,961,718</u>	<u>\$ 9,466,502</u>	<u>\$ 10,129,262</u>
\$ 2,521,690	\$ 2,420,692	\$ 1,352,065	\$ 2,471,861	\$ 2,747,528	\$ 3,289,667
(19,059)	(410,105)	934,623	1,178,832	1,448,218	652,347
<u>\$ 2,502,631</u>	<u>\$ 2,010,587</u>	<u>\$ 2,286,688</u>	<u>\$ 3,650,693</u>	<u>\$ 4,195,746</u>	<u>\$ 3,942,014</u>

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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
2015	\$ 6,236,580	\$ 412,295	\$ 6,581,092
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

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

Table 4

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 276,834	\$ 190,739	\$ 100,673	\$ -
Restricted	-	28,084	97,184	20,019
Assigned	290,300	344,560	460,695	514,907
Unassigned	<u>2,347,131</u>	<u>2,725,710</u>	<u>2,844,456</u>	<u>2,797,187</u>
Total General Fund	<u>\$ 2,914,265</u>	<u>\$ 3,289,093</u>	<u>\$ 3,503,008</u>	<u>\$ 3,332,113</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 106,665	\$ 107,760	\$ 107,760
Restricted	6,385,888	7,950,914	6,605,379	10,210,602
Assigned	2,636,566	2,607,179	1,656,628	1,719,268
Unassigned	<u>(44,793)</u>	<u>(60,771)</u>	<u>(90,310)</u>	<u>(148,250)</u>
Total All Other Governmental Funds	<u>\$ 8,977,661</u>	<u>\$ 10,603,987</u>	<u>\$ 8,279,457</u>	<u>\$ 11,889,380</u>

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ 1,360	\$ 1,360	\$ 9,576	\$ 1,998
20,019	-	-	-	411,697	-
623,319	653,660	435,094	407,909	252,113	266,243
2,599,151	2,673,660	2,887,241	2,944,801	3,394,334	4,157,782
<u>\$ 3,242,489</u>	<u>\$ 3,327,320</u>	<u>\$ 3,323,695</u>	<u>\$ 3,354,070</u>	<u>\$ 4,067,720</u>	<u>\$ 4,426,023</u>
\$ 7,084	\$ 7,084	\$ 682,798	\$ 682,798	\$ 7,084	\$ 7,084
5,602,593	5,367,009	5,803,479	5,601,447	4,950,454	4,262,024
2,472,757	3,843,073	4,071,325	4,832,984	5,194,363	5,860,514
(175,825)	(191,339)	(19,794)	(40,732)	-	-
<u>\$ 7,906,609</u>	<u>\$ 9,025,827</u>	<u>\$ 10,537,808</u>	<u>\$ 11,076,497</u>	<u>\$ 10,151,901</u>	<u>\$ 10,129,622</u>

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

Table 5

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	\$ 6,615,397	\$ 6,928,660	\$ 6,953,226	\$ 7,021,591
Licenses and permits	483,454	502,724	554,878	599,415
Intergovernmental	914,000	1,366,113	1,831,317	936,292
Charges for services	985,139	1,039,223	1,133,595	983,571
Fines and forfeitures	57,242	44,022	43,137	36,771
Special assessments	1,210,186	1,123,120	1,147,612	1,010,004
Interest on investments	8,815	12,514	26,970	63,111
Miscellaneous	536,145	462,248	372,969	396,589
Total Revenues	10,810,378	11,478,624	12,063,704	11,047,344
Expenditures				
General government	1,117,105	1,124,242	1,140,874	1,084,064
Public safety	3,142,873	3,348,707	3,466,464	3,423,371
Public works	734,442	702,586	744,369	768,371
Culture and recreation	544,335	528,182	590,260	589,083
Housing and economic development	38,724	57,906	69,393	82,659
Capital outlay	1,248,810	4,037,845	3,796,979	1,503,725
Debt service				
Principal	2,412,381	2,493,041	3,651,041	2,900,702
Interest and other	991,165	901,350	901,505	891,521
Total Expenditures	10,229,835	13,193,859	14,360,885	11,243,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	580,543	(1,715,235)	(2,297,181)	(196,152)
Other Financing Sources (Uses)				
Transfers in	571,914	574,490	730,712	1,635,107
Transfers out	(512,421)	(517,085)	(600,446)	(1,507,035)
Bonds issued	6,100,000	3,555,000	-	3,325,000
Bonds refunded	(5,160,000)	-	-	-
Bond premium	-	-	-	168,063
Sale of capital assets	28,668	103,984	56,300	14,045
Total Other Financing Sources (Uses)	1,028,161	3,716,389	186,566	3,635,180
Net Change in Fund Balances	\$ 1,608,704	\$ 2,001,154	\$ (2,110,615)	\$ 3,439,028
Debt Service as a Percentage of Noncapital Expenditures	37.0%	37.3%	36.5%	39.9%

Table 5

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 7,249,812	\$ 7,599,933	\$ 7,576,661	\$ 8,008,543	\$ 8,111,317	\$ 9,218,274
457,567	454,660	497,617	545,804	651,529	560,143
1,045,362	1,834,294	880,991	613,210	895,007	457,678
904,446	932,546	996,765	1,012,965	1,172,228	1,165,541
34,082	22,939	28,273	35,427	40,173	37,296
978,036	772,846	692,330	556,170	486,193	407,017
85,578	27,938	11,443	107,679	333,902	347,682
403,413	428,425	456,682	400,415	170,575	252,726
<u>11,158,296</u>	<u>12,073,581</u>	<u>11,140,762</u>	<u>11,280,213</u>	<u>11,860,924</u>	<u>12,446,357</u>
1,063,703	1,694,250	1,137,971	1,195,105	1,357,938	1,457,338
3,454,487	3,568,621	3,719,610	3,811,333	3,883,214	3,953,071
856,014	789,247	740,960	902,104	1,025,642	1,044,360
539,612	582,428	607,339	744,840	887,319	917,755
57,833	92,800	78,575	80,119	73,296	80,723
1,123,514	1,454,967	971,788	893,833	2,047,133	2,728,558
2,953,022	2,891,119	2,821,633	2,883,633	2,797,467	2,039,786
750,994	683,479	517,245	455,574	376,228	308,862
<u>10,799,179</u>	<u>11,756,911</u>	<u>10,595,121</u>	<u>10,966,541</u>	<u>12,448,237</u>	<u>12,530,453</u>
<u>359,117</u>	<u>316,670</u>	<u>545,641</u>	<u>313,672</u>	<u>(587,313)</u>	<u>(84,096)</u>
778,441	823,653	895,970	1,007,946	1,279,071	2,419,171
(602,746)	(648,653)	(695,970)	(757,946)	(979,071)	(2,059,171)
-	2,450,000	-	-	-	-
(4,685,000)	(1,930,000)	-	-	-	-
-	138,375	-	-	-	-
77,793	54,004	762,715	5,392	76,366	60,121
<u>(4,431,512)</u>	<u>887,379</u>	<u>962,715</u>	<u>255,392</u>	<u>376,366</u>	<u>420,121</u>
<u>\$ (4,072,395)</u>	<u>\$ 1,204,049</u>	<u>\$ 1,508,356</u>	<u>\$ 569,064</u>	<u>\$ (210,947)</u>	<u>\$ 336,025</u>
37.5%	37.5%	33.4%	33.2%	29.3%	22.9%

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

Table 6

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Real Property	\$ 1,078,295,400	\$ 1,175,358,600	\$ 1,225,075,100	\$ 1,337,495,900
Personal Property	<u>5,002,600</u>	<u>5,203,600</u>	<u>5,925,000</u>	<u>6,047,600</u>
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>
Tax Capacity	\$ 10,992,202	\$ 12,084,264	\$ 12,659,733	\$ 13,917,172
Contribution to Fiscal Disparities Pool	(276,900)	(299,684)	(327,418)	(342,108)
Receivable from Fiscal Disparities Pool	848,636	887,186	966,291	1,061,728
Tax Increment	<u>(488,930)</u>	<u>(569,772)</u>	<u>(619,616)</u>	<u>(697,017)</u>
Total Tax Capacity	<u>\$ 11,075,008</u>	<u>\$ 12,101,994</u>	<u>\$ 12,678,990</u>	<u>\$ 13,939,775</u>
Tax Levies				
General	\$ 3,601,007	\$ 3,492,976	\$ 3,580,301	\$ 3,949,614
Debt service	1,981,102	2,031,250	2,056,154	1,794,582
Fire relief	67,063	68,560	68,001	74,601
Housing and redevelopment authority	<u>197,008</u>	<u>200,410</u>	<u>218,404</u>	<u>227,735</u>
Total	<u>\$ 5,846,180</u>	<u>\$ 5,793,196</u>	<u>\$ 5,922,860</u>	<u>\$ 6,046,532</u>
Tax Capacity Rate				
General	33.170 %	29.184 %	30.463 %	28.156 %
Debt service	17.329	16.102	13.997	12.793
Fire relief	0.586	0.543	0.463	0.532
Housing and redevelopment authority	<u>1.794</u>	<u>1.646</u>	<u>1.729</u>	<u>1.626</u>
Total	<u>52.879 %</u>	<u>47.475 %</u>	<u>46.652 %</u>	<u>43.107 %</u>

* Included next years information to illustrate changes to property values.

Table 6

2020	2021	2022	2023	2024	2025*
\$ 1,418,721,500	\$ 1,558,252,100	\$ 1,620,531,800	\$ 2,052,698,200	\$ 2,242,535,200	\$ 2,247,513,200
<u>5,994,800</u>	<u>6,312,600</u>	<u>2,630,500</u>	<u>2,785,200</u>	<u>2,612,800</u>	<u>2,861,200</u>
<u>\$ 1,424,716,300</u>	<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>
\$ 14,896,070	\$ 16,540,281	\$ 17,173,702	\$ 22,239,866	\$ 24,531,151	\$ 24,417,192
(349,858)	(380,984)	(362,316)	(349,789)	(391,141)	(433,098)
1,061,178	1,130,208	1,168,519	1,089,124	1,082,365	1,165,450
<u>(841,118)</u>	<u>(940,678)</u>	<u>(915,729)</u>	<u>(1,055,435)</u>	<u>(1,153,241)</u>	<u>(1,231,923)</u>
<u>\$ 14,766,272</u>	<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>
\$ 4,153,801	\$ 4,485,665	\$ 4,889,744	\$ 5,516,693	\$ 6,552,764	\$ 7,235,490
1,763,189	1,727,048	1,636,591	1,336,089	1,104,742	882,102
76,093	78,379	79,115	82,839	86,571	91,102
<u>248,555</u>	<u>248,555</u>	<u>248,555</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
<u>\$ 6,241,638</u>	<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>
28.083 %	27.287 %	28.676 %	24.864 %	27.262 %	30.730 %
11.921	10.564	9.598	6.023	4.596	3.318
0.514	0.479	0.464	0.378	0.360	0.381
<u>1.688</u>	<u>1.508</u>	<u>1.453</u>	<u>1.124</u>	<u>1.035</u>	<u>1.046</u>
<u>42.206 %</u>	<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.

* Included next years information to illustrate changes to tax capacity.

City of Mound, Minnesota
Statistical Section (Unaudited)
Principal Property Taxpayers
December 31, 2024 - December 31, 2015

Table 8

Taxpayer	Type of Property	2024			2015		
		Total Tax	Rank	Percent of Total Tax	Total Tax	Rank	Percent of Total Tax
SCL Holdings-Mound, LLC	Commercial	\$ 160,550	1	0.67 %	\$ 109,930	1	1.00 %
Harrison Bay Senior Living, LLC	Residential - Apartment	142,025	2	0.59	-		-
Metro Storage -Mound LLC	Industrial	135,770	3	0.56	36,810	5	0.34
Lakecrest Village, LLC (Grandview)	Residential - Apartment	113,375	4	0.47	57,375	2	0.52
Walgreens Company	Commercial	57,670	5	0.24	48,130	3	0.44
EGR Premier Properties LLC	Commercial	55,250	6	0.23	-		-
Balboa Minnesota Co.	Industrial	47,015	7	0.20	45,833	4	-
Residential Estate	Residential - LakeShore	44,563	8	0.19	-		-
LHB Properties LLC	Residential - Apartment	42,413	9	0.18	-		-
Residential Estate	Residential - LakeShore	40,424	10	0.17	-		-
Goelzer/Richardson, LLP	Commercial	-		-	34,051	6	0.31
Beth D. Saliterman	Commercial	-		-	25,950	7	0.24
Wells Fargo Bank NA	Commercial	-		-	23,950	8	0.22
Xcel Energy	Utilities	-		-	21,782	9	0.20
Vernon & Nancy Hoium	Commercial	-		-	20,150	10	0.18
Total		\$ 839,055		3.49 %	\$ 423,961		3.45 %

Source: Hennepin County Taxpayer Services Department

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

Table 9

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
2015	\$ 5,722,197	\$ 5,662,691	98.96 %	59,506	\$ 5,722,197	100.00 %
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	44,420	5,917,517	99.91
2019	6,046,532	6,000,790	99.24	45,434	6,046,224	99.99
2020	6,241,638	6,195,301	99.26	45,992	6,241,293	99.99
2021	6,539,647	6,502,153	99.43	36,468	6,538,621	99.98
2022	6,854,005	6,812,203	99.39	35,297	6,847,500	99.91
2023	7,185,621	7,140,019	99.37	35,297	7,175,316	99.86
2024	7,994,077	7,957,060	99.54	-	7,957,060	99.54

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 10

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			
2015	\$ 24,767,444	\$ 7,153,000	\$ 30,337,556	\$ 62,258,000	12.08 %	\$ 6,464
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	7,545,000	1,659,000	24,580,000	33,784,000	5.35	3,741

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 11

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
2015	9,302	\$ 10,982,585	\$ 60,124,000	\$ 2,553,254	57,570,746	\$ 524	\$ 6,189
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	9,031	24,069,134	33,784,000	3,317,438	30,466,562	126.58	3,374

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.

City of Mound, Minnesota
Statistical Section (Unaudited)
Computation of Direct and Overlapping Debt
December 31, 2024

Table 12

	Total Debt	Net Debt Outstanding	Percent of Debt Applicable to City*	City of Mound Share of Debt
Direct Debt				
City of Mound	\$ 33,784,000	\$ 3,989,000	100.00 %	\$ 2,348,396
Overlapping Debt				
Hennepin County	1,530,570,000	1,199,355,000	0.87	10,375,076
School District #277	67,615,000	67,615,000	29.66	19,762,732
Hennepin Suburb Park District	60,050,000	55,385,000	1.18	577,209
Hennepin Regional RR Authority	76,945,000	76,945,000	0.87	667,940
Metropolitan Council	1,558,153,207	178,505,000	0.40	162,440
Total Overlapping Debt	3,293,333,207	1,577,805,000	32.98	31,545,397
Total Direct and Overlapping Debt	\$ 3,327,117,207	\$ 1,581,794,000	2.14 %	\$ 33,893,793

* 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 13

	Fiscal Year			
	2015	2016	2017	2018
Debt Limit	\$ 31,947,381	\$ 32,498,940	\$ 35,416,866	\$ 36,930,003
Total Net Debt Applicable to Limit	-	730,000	730,000	680,000
Legal Debt Margin	<u>\$ 31,947,381</u>	<u>\$ 31,768,940</u>	<u>\$ 34,686,866</u>	<u>\$ 36,250,003</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	2.2%	2.1%	1.8%

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					
2019	2020	2021	2022	2023	2024
\$ 40,306,305	\$ 42,741,489	\$ 46,936,941	\$ 48,694,869	\$ 61,664,502	\$ 67,354,440
<u>625,000</u>	<u>570,000</u>	<u>515,000</u>	<u>975,000</u>	<u>350,000</u>	<u>235,000</u>
<u>\$ 39,681,305</u>	<u>\$ 42,171,489</u>	<u>\$ 46,421,941</u>	<u>\$ 47,719,869</u>	<u>\$ 61,314,502</u>	<u>\$ 67,119,440</u>
1.6%	1.3%	1.1%	2.0%	0.6%	0.3%

Legal Debt Margin Calculation:

Taxable Market Value	<u>\$ 2,245,148,000</u>
Debt Limit (3 Percent of Market Value)	\$ 67,354,440
Debt Applicable to Limit	<u>235,000</u>
Legal Debt Margin	<u>\$ 67,119,440</u>

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

Table 14

Fiscal Year	(1) Gross Revenue	(2) Expenses	Net Revenue Available	(3) Debt Service			Ratio of Net Revenue to Debt Service
				Principal	Interest	Total	
2015	4,196,173	2,155,556	2,040,617	1,263,620	663,207	1,926,827	1.059 to 1
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

(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 15

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
2015	9,302	4,072	2.28	525,516,490	56,495	44.2	238	2.8
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	9,031 (1)	4,429 (1)	2.04 (2)	666,830,978 (2)	73,838 (1)	45.6 (1)	2,412 (3)	2.2 (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 16

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	5	5	5	5	4	4	4	4	4	5
Police										
Officers	*	*	*	*	*	*	*	*	*	*
Civilians	*	*	*	*	*	*	*	*	*	*
Reserve Officers (1)	*	*	*	*	*	*	*	*	*	*
Fire										
Firefighters and officers	1	1	1	1	1	1	1	1	1	1
Civilians	1	1	1	1	1	1	1	1	1	1
Volunteers (1)	39	39	39	38	39	39	40	39	40	35
Public Works										
Engineering	2	2	2	2	2	2	2	2	2	2
Maintenance	2	5	3	4	4	4	4	4	4	4
Culture and Recreation										
Parks	3	3	3	3	3	3	3	3	3	3
Seasonal Park Maintenance (2)	2	2	2	2	2	2	2	3	3	3
Economic Development										
Planning	2	2	2	2	2	2	2	2	2	2
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Utilities	3	2	2	3	3	2	3	3	4	4
Municipal Liquor Store	6	6	6	7	6	5	5	5	5	6
Total	67	69	67	69	68	66	68	68	70	67

(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 17

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Police calls	*	*	*	*	*	*	*	*	*	*
Physical arrests	*	*	*	*	*	*	*	*	*	*
Parking violations	*	*	*	*	*	*	*	*	*	*
Traffic violations	*	*	*	*	*	*	*	*	*	*
Fire										
Fire calls	550	588	596	602	568	597	659	723	677	725
Elections										
Registered voters last election	6,100	6,195	6,195	6,213	6,213	6,719	6,719	6,502	6,502	6,693
Number of votes cast last election	3,893	5,561	5,661	4,961	4,961	6,235	6,235	4,895	4,895	6,125
Percentage of registered voters voting	63.82%	91.38%	91.38%	79.85%	79.85%	92.80%	92.80%	75.28%	75.28%	91.51%
Building/Engineering										
Permits issued	380	439	224	444	448	403	448	421	449	491
Value of permits issued (in millions)	\$ 17,860,182	\$ 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
Water										
Consumers	3,727	3,735	3,780	3,765	3,773	3,771	3,762	3,776	3,798	3,803
New connections	20	27	10	19	8	4	2	5	22	5
Water mains breaks	13	4	8	4	5	6	6	3	11	6
Average daily consumption (thousands of gallons)	612	569	586	576	571	625	616	615	610	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	\$ 4.18	\$ 4.54	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 5.07	\$ 5.75
Sewer										
Average daily treatment flow (thousands of gallons)	1,012	1,012	1,012	1,022	1,048	1,102	1,084	1,082	1,074	1,077
User charge per thousand gallons	\$ 5.31	\$ 5.81	\$ 6.36	\$ 6.55	\$ 6.75	\$ 6.95	\$ 7.16	\$ 7.37	\$ 7.60	\$ 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 18

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	0.65	4	1.5	0	1.3	0	0.5	0.5	3.2	12
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	45	46	46	46	46	46	46	46
Miles of water main rehabilitated	1	4	1	-	1.20	-	0.50	1.00	0.27	0.06
Fire hydrants	414	415	416	420	420	420	420	420	420	420
Sewer										
Miles of sanitary sewer	60	60	60	60	60	60	60	60	60	60
Miles of sanitary sewer rehabilitated	-	1	0	0.54	0.89	-	0.50	-	-	-
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.

OTHER FINANCIAL INFORMATION (UNAUDITED)

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2024

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City of Mound, Minnesota
Schedule of Sources and Uses of Public Funds
For Redevelopment Tax Increment Financing District No. 1-3
For the Year Ended December 31, 2024

Exhibit H-1

	Original Budget	Accounted for in Prior Years	Current Year	Amount Remaining
Source of Funds				
Tax increment revenue	\$ 35,000,000	\$ 2,870,583	\$ 210,510	\$ 31,918,907
Interest on invested funds	-	211,541	-	(211,541)
Proceeds from sale of bonds	-	13,816,359	-	(13,816,359)
State contributions	-	2,020,017	-	(2,020,017)
Other	-	40,575	-	(40,575)
Transfer in	-	2,429,003	-	(2,429,003)
Premium on bonds issued	-	89,781	-	(89,781)
Total Source of Funds	<u>35,000,000</u>	<u>21,477,859</u>	<u>210,510</u>	<u>13,311,631</u>
Use of Funds				
Land acquisition	7,000,000	1,762,430	-	5,237,570
Site improvements	7,000,000	3,666,765	-	3,333,235
Public utilities	1,000,000	-	-	1,000,000
Parking facilities	500,000	-	-	500,000
Streets and sidewalks	500,000	-	-	500,000
Other public improvements	4,000,000	236,776	-	3,763,224
Loan payments				
Principal	-	12,385,000	145,000	(12,530,000)
Interest and other	13,385,405	2,459,092	51,900	10,874,413
Transfers out	-	-	696,045	(696,045)
Total Use of Funds	<u>33,385,405</u>	<u>20,510,063</u>	<u>892,945</u>	<u>11,982,397</u>
Funds Remaining	<u>\$ 1,614,595</u>	<u>\$ 967,796</u>	<u>\$ (682,435)</u>	<u>\$ 1,329,234</u>