

CITY OF MOUND  
MOUND, MINNESOTA

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2023

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, 2023

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INTRODUCTORY SECTION

CITY OF MOUND  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2023

City of Mound, Minnesota  
Elected and Appointed Officials  
For the Year Ended December 31, 2023

**ELECTED**

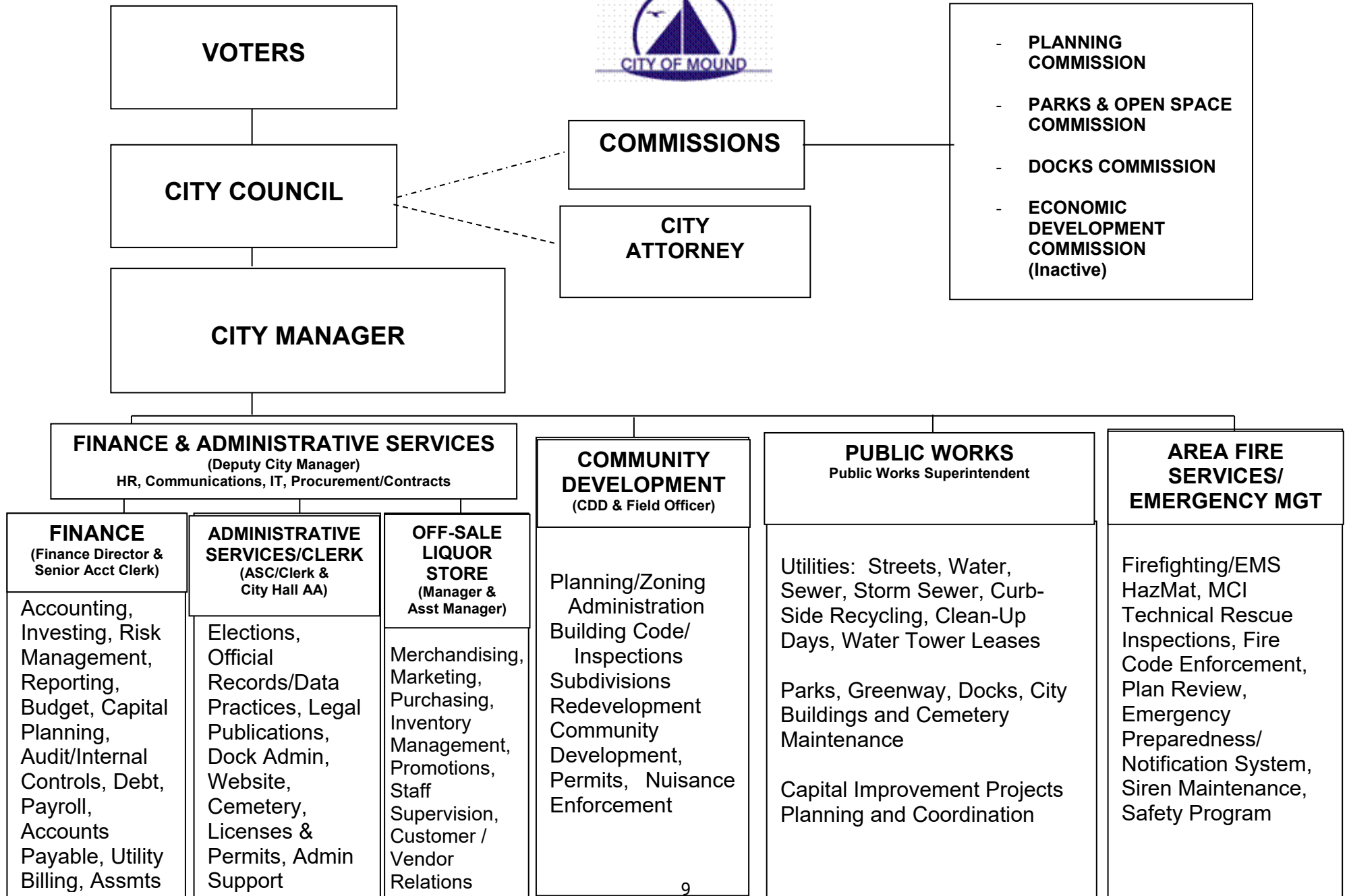
Name	Term Expires	Title
Jason Holt	12/31/24	Mayor
Sherrie Pugh	12/31/26	Council Member
Paula Larson	12/31/24	Council Member
Kathy McEnaney	12/31/26	Council Member
Kevin Castellano	12/31/24	Council Member

**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
Correy Farniok	Orono Police Chief



# CITY OF MOUND – ORGANIZATIONAL CHART



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June 3, 2024

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

**Mayor and City Council Members, and Citizens of Mound:**

The Annual Comprehensive Financial Report of the City of Mound for the fiscal year ended December 31, 2023, 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 and Independent School District No. 277 have not met the established criteria for inclusion in the financial reporting entity, and accordingly are 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 2023: 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 96% of total parcels and 90% 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 2023 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 pipes, 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 reconstructed nearly \$700,000 in pavers and sidewalks located downtown.
- Each year, the City reconstructs one of its 30 sanitary sewer lift stations. As of 2023, twenty-five of 30 lift stations have been reconstructed. Since 2014, the Metropolitan Council Environmental Services (MCES) and the City have invested over \$40M in cooperative projects in Mound to improve sewer operations.
- In 2021, the City initiated a three-year project to improve the watermain along Lynwood Boulevard. This project involves replacing aging infrastructure that has been susceptible to breakage and ruptures. As of 2023, \$1.410 million has been expended on the project, which is anticipated to conclude in 2024. The City dedicated the entire \$1.039 million in ARPA funding received in 2021 to support this project.
- The municipal liquor operations remained strong in 2023, as sales, gross profit, and income before transfers were consistent with the prior year's impressive results. Sales surpassed \$3.8 million for the fourth year in a row, as the gross profit margin was 28.5% of sales. Liquor operations transferred \$300,000 in 2023 for street maintenance, reducing the burden on the tax base. The budgeted transfers from liquor operations in 2024 is \$360,000, nearly three times the 2018 amount. The liquor store building debt was paid off in 2019, freeing up additional capital for transfers to reduce the levy. The liquor store was named the most profitable municipal liquor store in the Twin Cities' seven-county metro area in 2022 and 2021. This recognition highlights the 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 \$43 million, a significant increase from the prior year. Building permit fees totaled \$497K of which \$347K was paid to MNSPECT, 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 111 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.
- 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 Fire Department purchased the 2023 Pierce Pumper Enforcer Fire Truck for \$674,554. The truck will be the primary first engine used on fire calls.
- In December 2021, the Minnesota Department of Agriculture identified Emerald Ash Borer activity throughout all geographical regions of Mound. Emerald Ash Borer larvae kill Ash trees by tunneling under the bark and feeding on the part of the tree that supplies nutrients within the trunk. The City received a grant in 2022 of \$75,000 to partially mitigate the cost of the infestation, however, the actual cost has surpassed the grant received and will continue to require funding for the foreseeable future.
- 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 in 2024, 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.
- Since its inception in 2023, the Communication Committee has been proactive in implementing various initiatives to enhance the City's communication with its stakeholders. The Committee created a social media presence with Facebook and YouTube and will continue to evaluate other platforms. The City's newsletter was redesigned and updated while continuous improvements are being made to the City's website and the City's logo was modernized.
- Lifestyle Communities broke ground on a 52-unit cooperative living community in the heart of downtown with the remainder of the space to be dedicated as a public park and event gathering space.
- The City Council approved the Community Development Block Grant (CDBG) and recommended the funding support local senior services and the Westonka Community Action Network.

## **MAJOR INITIATIVES FOR THE FUTURE**

The City has contracted with Ehlers Public Finance Advisors to develop a Long-Term Financial Management Plan (FMP) and to complete a Utility Rate Study (URS). 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 potential loss of additional Local Government Aid. The URS will study water and sewer operations. The goal of the URS is to outline a plan for eliminating the water fund's deficit cash balance, determine whether the usage for ratepayers is equitable to the fee assessed, assure that base rate fees cover fixed costs to the systems, and develop an effective rate structure to meet the City's objectives.

With the completion of the 15-year total street reconstruction projects in 2018, mill and overlay projects are scheduled to start up in 2025. Other Public Works projects include park improvements, storm water drainage improvements, inflow/infiltration and manhole remediation, sanitary sewer lift station reconstruction, watermain replacement, and completion of a wellhead protection plan in accordance with state and federal regulations. 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. 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 \$36 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. The City plans to reapply for additional funding from both the state and federal levels in future years.

## **SPECIFIC FOCUS – PROPERTY VALUES, TAXES, AND LOCAL GOVERNMENT AID**

The City's tax base comprises 4,474 parcels, predominantly residential, accounting for approximately 96% of the total parcels and contributing 90% 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 23% of the City's parcels and contribute 48% 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 tax capacity, with miscellaneous classifications making up the remaining portions.

Similar to other communities, Mound has experienced notable growth in residential property values. The median value of a single family residential home in Mound has risen to \$367,100, an increase from \$274,000 in 2021. The average valuation of a lakeshore property is \$1.11 million, up from \$768K in 2021. Overall, Mound's five year cumulative growth in single family residential home values is 62.1% outpacing our neighboring cities and the highest in Hennepin County.

From 2010 to 2014, the City experienced a 34% reduction in tax capacity due to the impact of the Great Recession. Responding to the economic downturn, the City implemented cost-saving measures, limiting the average overall levy increase to 1.11% from 2011 to 2020. In part due to increasing property values, the City saw a decrease of \$93K in Local Government Aid (LGA) in 2021, equivalent to 1.49% of the previous year's levy. Subsequently, in 2023, the City faced an additional loss of \$145K in LGA and will lose another \$94K in LGA funding in 2024. The annual decline in LGA since 2021 represents 5.3% of the 2020 levy.

In response to the combined impacts of declining LGA, historic inflation, and infrastructure requirements, the City raised the levy by 5% in 2021, 2022, and 2023, which was outpaced by cumulative inflation. With persistent inflation, mill and overlay street projects slated to begin in 2025, and the cumulative loss in LGA, the City increased the levy by 11.66% in 2024.

## **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 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. Depending on the project, special assessments may be levied upon properties to share in the cost of the improvement project. The special assessments are collected over a period of time and are used to help satisfy the improvement bond debt. 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 Dock Fund and General 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 between the governmental funds and 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 and special revenue funds are included in the annual appropriated budget. The level of budgetary control (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. The City Council approved a ten-year capital improvement plan in 2018 which is reviewed annually on a rolling basis. Debt service payments started to decline dramatically in 2023 and the plan is to maintain a steady levy and build reserves in order to reduce future reliance on debt and special assessments. As previously stated, a more rigorous update will take place in 2024 as many of the original assumptions are being challenged.

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, 2023

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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, 2023, 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
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

### 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, 2023, 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, 2023, 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 2022 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 1, 2023. 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, 2022, 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 3, 2024



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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, 2023.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$49,497,476 (net position). Of this amount, \$6,735,476 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$4,195,746. Governmental activities accounted for \$2,747,528 of the total increase in net position while business-type activities increased by \$1,448,218. The governmental activities increase was mainly due to favorable tax receipts, including \$411,697 in a one-time public safety aid provided by the State of Minnesota, and an increase in investment income due to rising rates. The business activities increase was primarily due to strong sales in off-sale municipal liquor store operations, federal grants provided by the American Rescue Plan Act, and an increase in utility charges for services.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,219,620, a decrease of \$210,947 from prior year. The decrease is mainly attributed to a purchase of a fire truck in the amount of \$675,554 and debt service. Approximately 24% or \$3,394,334 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 \$3,646,446, or 62.1% of total General fund expenditures; some of which has been assigned for specific purposes as noted in the basic financial statements.
- The City's total bonded debt decreased \$4,970,463 or 12.9% during the current fiscal year.
- The City's investment income totaled \$400,458, compared to \$129,343 in prior year. Unfortunately, much of the gains in investment income were offset by continued historic inflation on goods and services.

## Overview of the Financial Statements

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

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

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

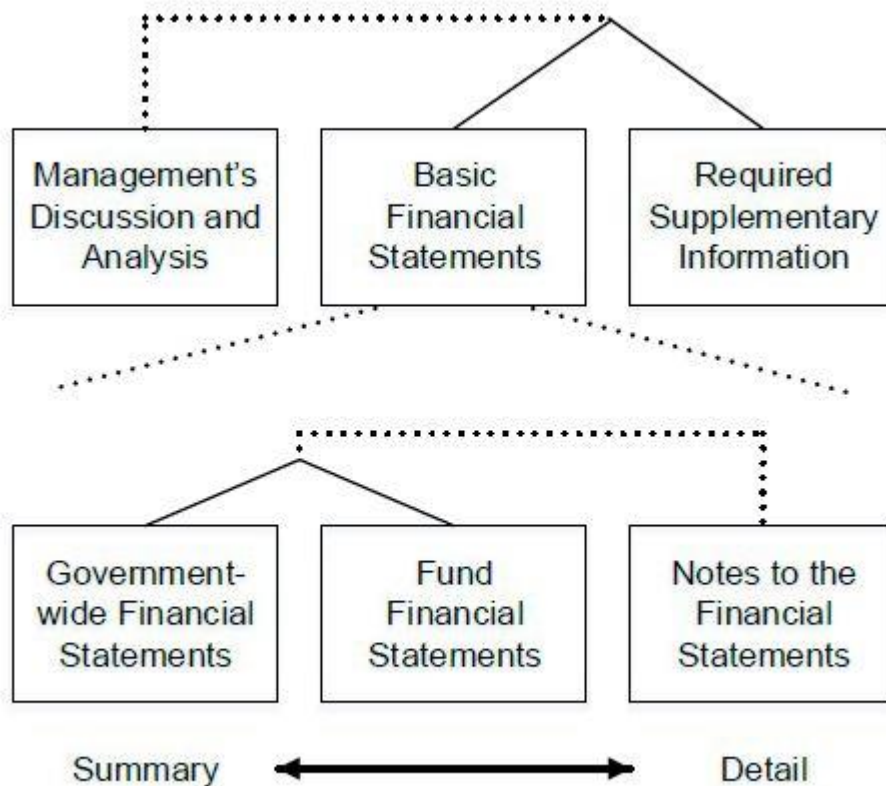




Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the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

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

	Government-wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, 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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of Net Position</li> <li>• Statements of Revenues, Expenses and Changes in Net Position</li> <li>• Statements of Cash Flows</li> </ul>
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 and earned but unused vacation leave).

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 \$49,497,476 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		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 17,802,802	\$ 17,840,218	\$ (37,416)	\$ (1,447,082)	\$ (58,351)	\$ (1,388,731)
Capital assets	33,307,766	33,170,885	136,881	35,751,487	35,427,339	324,148
Total Assets	51,110,568	51,011,103	99,465	34,304,405	35,368,988	(1,064,583)
<b>Liabilities</b>						
Long-term liabilities						
outstanding	11,577,561	14,413,712	(2,836,151)	22,371,313	24,524,963	(2,153,650)
Other liabilities	1,199,622	1,011,534	188,088	769,001	1,128,152	(359,151)
Total Liabilities	12,777,183	15,425,246	(2,648,063)	23,140,314	25,653,115	(2,512,801)
<b>Net Position</b>						
Net investment in capital assets	24,065,317	21,756,632	2,308,685	14,404,734	12,564,557	1,840,177
Restricted	4,291,949	4,268,616	23,333	-	-	-
Unrestricted	9,976,119	9,560,609	415,510	(3,240,643)	(2,848,684)	(391,959)
Total Net Position	\$ 38,333,385	\$ 35,585,857	\$ 2,747,528	\$ 11,164,091	\$ 9,715,873	\$ 1,448,218

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 77.7% of net position. An additional portion of the City's net position (8.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (13.6%) may be used to meet the City's ongoing obligations to citizens and creditors.

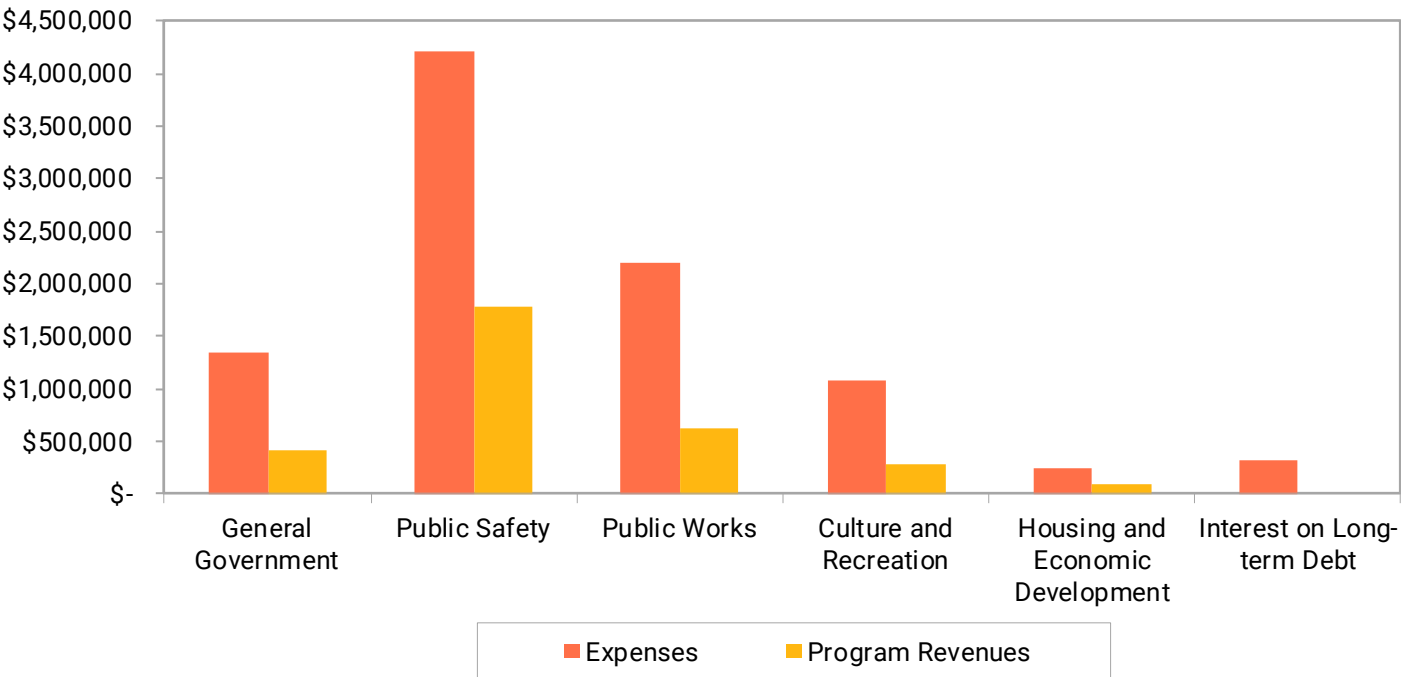
**Governmental Activities.** Governmental activities' net position increased by \$2,747,528, accounting for 65.5% of the growth in the City's net position. Increased investment earnings and a one-time public safety aid offset the loss in Local Government Aid and inflationary pressures on operations. Additional factors contributing to this change are illustrated below and on the following page.

### City of Mound's Changes in Net Position

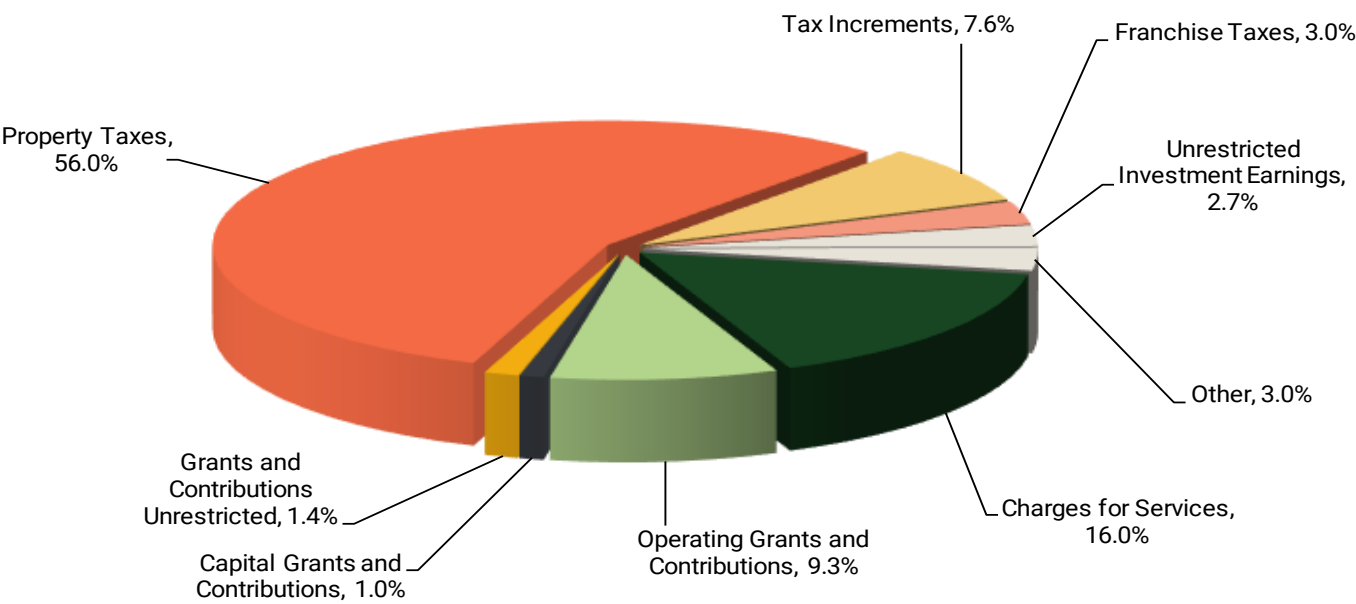
	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 1,943,855	\$ 1,902,435	\$ 41,420	\$ 9,169,648	\$ 8,910,228	\$ 259,420
Operating grants and contributions	1,134,027	679,431	454,596	18,642	18,661	(19)
Capital grants and contributions	119,178	169,328	(50,150)	113,640	-	113,640
General revenues						
Property taxes/tax increments	7,744,097	7,619,480	124,617	360,000	180,000	180,000
Franchise taxes	370,841	381,925	(11,084)	-	-	-
Grants and contributions not restricted to specific programs	168,842	313,146	(144,304)	344,609	332,432	12,177
Investment earnings	333,902	107,679	226,223	66,556	21,664	44,892
Gain on sale of capital assets	70,466	5,392	65,074	7,189	-	7,189
Total Revenues	<u>11,885,208</u>	<u>11,178,816</u>	<u>706,392</u>	<u>10,080,284</u>	<u>9,462,985</u>	<u>617,299</u>
Expenses						
General government	1,353,093	1,200,506	152,587	-	-	-
Public safety	4,213,678	4,199,967	13,711	-	-	-
Public works	2,203,860	2,029,199	174,661	-	-	-
Culture and recreation	1,086,106	865,711	220,395	-	-	-
Housing and economic development	254,309	257,316	(3,007)	-	-	-
Interest on long-term debt	326,634	404,256	(77,622)	-	-	-
Water	-	-	-	2,014,321	1,879,319	135,002
Sewer	-	-	-	2,274,120	2,250,749	23,371
Municipal liquor	-	-	-	3,468,709	3,409,989	58,720
Recycling	-	-	-	249,577	251,464	(1,887)
Storm water	-	-	-	325,339	333,180	(7,841)
Total Expenses	<u>9,437,680</u>	<u>8,956,955</u>	<u>480,725</u>	<u>8,332,066</u>	<u>8,124,701</u>	<u>207,365</u>
Increase in Net Position Before Transfers	2,447,528	2,221,861	225,667	1,748,218	1,338,284	409,934
Transfers - Internal Activities	<u>300,000</u>	<u>250,000</u>	<u>50,000</u>	<u>(300,000)</u>	<u>(250,000)</u>	<u>(50,000)</u>
Change in Net Position	2,747,528	2,471,861	275,667	1,448,218	1,088,284	359,934
Net Position, January 1	<u>35,585,857</u>	<u>33,113,996</u>	<u>2,471,861</u>	<u>9,715,873</u>	<u>8,627,589</u>	<u>1,088,284</u>
Net Position, December 31	<u>\$ 38,333,385</u>	<u>\$ 35,585,857</u>	<u>\$ 2,747,528</u>	<u>\$ 11,164,091</u>	<u>\$ 9,715,873</u>	<u>\$ 1,448,218</u>

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

### Expenses and Program Revenues - Governmental Activities

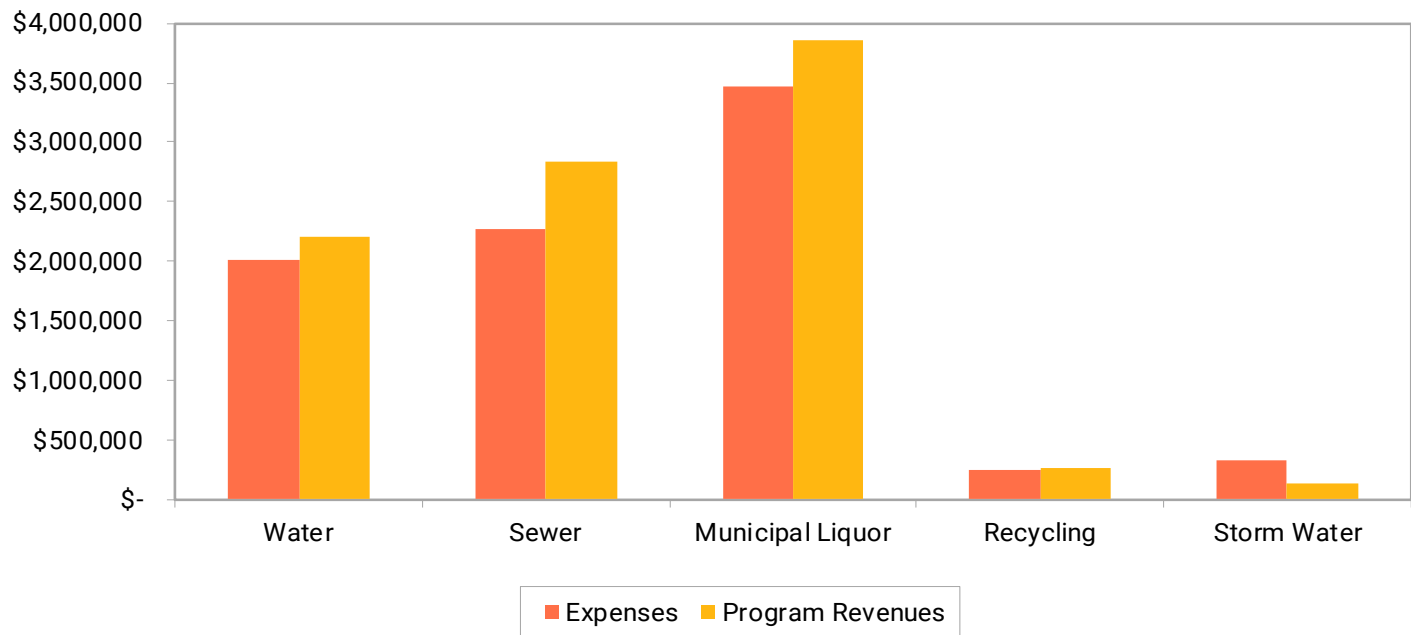


### Revenues by Source - Governmental Activities

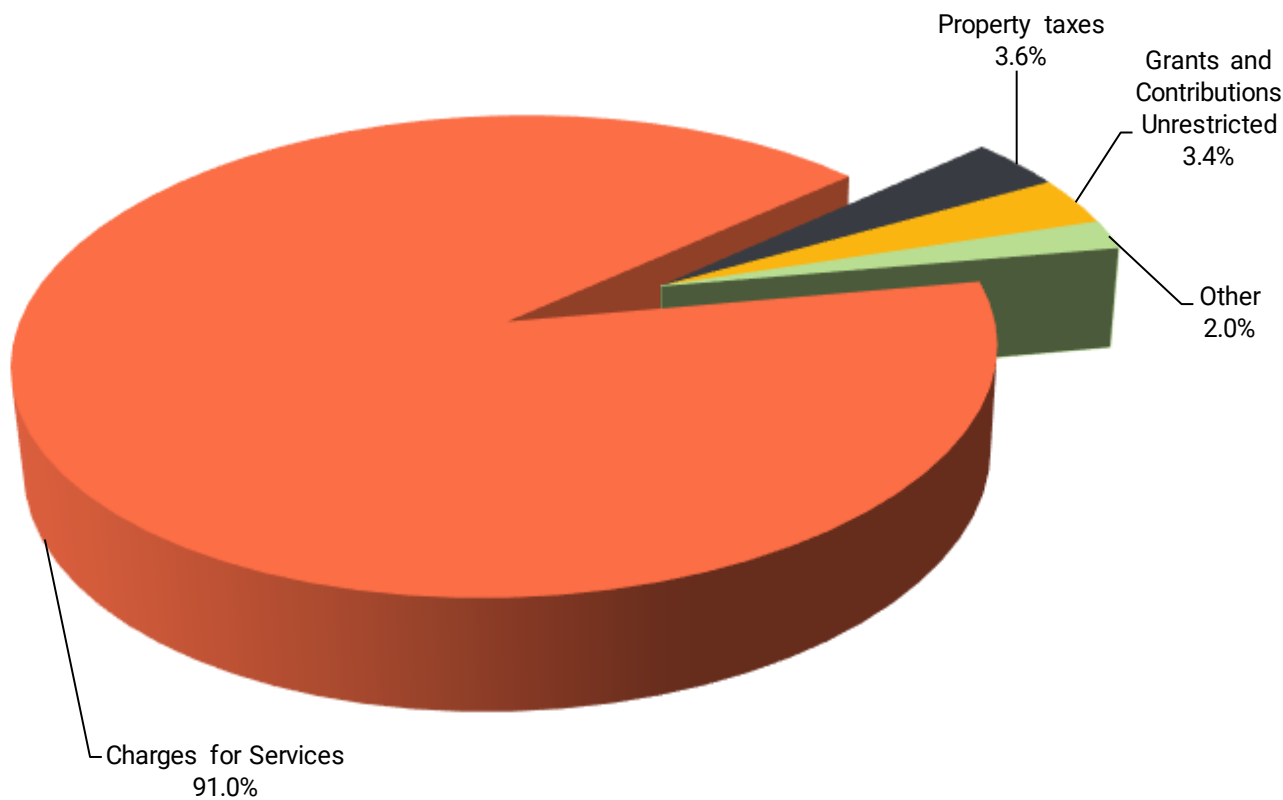


**Business-type Activities.** Business-type activities’ net position increased during the year by \$1,448,218 accounting for 34.5% of the growth in the City’s net position. Strong liquor sales, increased utility rates, and property taxes in the Sewer fund contributed to the gain in fund balance. Additional 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, 2023.

	General	Debt Service	Area Fire Service	Capital Improvements	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ 9,576	\$ -	\$ -	\$ -	\$ 7,084	\$ 16,660	\$ 684,158	\$ (667,498)
Restricted	411,697	4,396,546	-	-	553,908	5,362,151	5,601,447	(239,296)
Assigned	252,112	-	400,653	2,041,957	2,751,753	5,446,475	5,240,893	205,582
Unassigned	3,394,334	-	-	-	-	3,394,334	2,904,069	490,265
Total Fund Balances	<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>	<u>\$ 14,430,567</u>	<u>\$ (210,947)</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,219,620 as shown above. Governmental funds combined fund balance decreased by \$210,947 primary due to a purchase of a new fire truck (\$675,554) and debt service. 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 by \$713,649 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.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 9,576	\$ 1,360	\$ 8,216
Restricted	411,697	-	411,697
Assigned	252,112	407,909	(155,797)
Unassigned	3,394,334	2,944,801	449,533
Total General Fund Balances	<u>\$ 4,067,719</u>	<u>\$ 3,354,070</u>	<u>\$ 713,649</u>
General Fund expenditures	\$ 5,865,983	\$ 5,206,214	
Unassigned as a percent of expenditures	57.9%	56.6%	
Total fund balance as a percent of expenditures	69.3%	64.4%	

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 due to favorable variances from budget related to intergovernmental and investment revenues.

Other major governmental fund analysis is shown below:

	December 31, 2023	December 31, 2022	Increase (Decrease)
Debt Service fund	\$ 4,396,546	5,057,235	(660,689)
<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>			
Area Service Fire Service fund	\$ 400,653	943,048	(542,395)
<i>The Area Service Fire fund balance decreased during the year due to a purchase of a fire truck.</i>			
Capital Improvements fund	\$ 2,041,957	2,220,349	(178,392)
<i>Capital Improvements fund balance decreased as the City used fund balance to pay for capital improvements that exceeded levy revenue.</i>			

**Proprietary Funds.** The City's proprietary funds 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:

	Ending Net Position 2023	Ending Net Position 2022	Increase/ (Decrease)
Municipal Liquor Store	\$ 2,283,645	\$ 2,164,334	\$ 119,311
<i>The gross profit from sales remained strong in 2023, mirroring the results achieved in 2022. The rise in operating expenses caused by inflation was counterbalanced by an increase in investment earnings allowing the City to increase the transfer out of liquor profits.</i>			
Water Utility	3,765,386	3,232,960	532,426
<i>Increases in utility revenue and capital contributions helped mitigate the increase in operational costs. Water utility rates were increased by 3% in 2023.</i>			
Sewer Utility	5,433,025	4,464,070	968,955
<i>Increases in utility revenue, property tax, capital contributions, and investment earnings outpaced the increase in operational expenses. Sewer utility rates were increased by 3% in 2023.</i>			
Recycling	266,185	253,861	12,324
<i>The fund balance grew as an operating grant from Hennepin County and increased investment earnings balanced out the loss on operations.</i>			
Storm Water Utility	(584,150)	(399,352)	(184,798)
<i>Storm utility charges are insufficient to cover depreciation and debt service resulting in a decline in fund balance.</i>			



## General Fund Budgetary Highlights

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 5,964,419	\$ 7,208,590	\$ 1,244,171
Expenditures	5,420,430	5,865,983	(445,553)
Excess of Revenues Over Expenditures	543,989	1,342,607	798,618
Other Financing Sources (Uses)			
Transfers in	300,000	300,000	-
Sale of capital assets	-	50,113	50,113
Transfers out	(979,071)	(979,071)	-
Total Other Financing Sources (Uses)	(679,071)	(628,958)	50,113
Net Change in Fund Balances	(135,082)	713,649	848,731
Fund Balances, January 1	3,354,070	3,354,070	
Fund Balances, December 31	\$ 3,218,988	\$ 4,067,719	\$ 848,731

The City's actual change in fund balance exceeded the budgeted amount by \$848,731. Significant favorable revenue variances included a one-time public safety aid in the amount of \$411,697, authorized by the State of Minnesota's 2023 omnibus tax bill, and investment earnings of \$272,288, marking the highest earnings since 2007. Additionally, the City experienced favorable revenue variances in tax receipts and building permits, attributed to significant redevelopment activities taking place.

The key factors contributing to unfavorable expenditure variances in different departments:

1. Public Safety (\$164,917): The variance was due to building inspection fees related to redevelopment activities offset by permit fees.
2. General Government (\$126,288): The variance was attributed to severance payments resulting from employee turnover and consulting fees related to the City Manager position search, as well as the development of a long-term financial plan.
3. Culture and Recreation (\$125,546): The variance in this department resulted from tree removal cost necessitated by the Emerald Ash Borer infestation.
4. Public Works (\$28,802): Unexpected repairs to city vehicles caused the variance in this department. Maintenance and repair costs for vehicles can fluctuate based on factors like age, usage, and unforeseen mechanical issues.

## 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, 2023, 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:

- Purchase of 2023 Pierce Pumper Enforcer Fire Truck
- F-1 Lift Station Improvement Project – Lakewinds
- Lynwood Boulevard Watermain Improvements - Phase 3
- Downtown Paver Sidewalks Replacement Project – Group 3

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		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land	\$ 198,366	\$ 198,366	\$ -	\$ 488,685	\$ 488,685	\$ -
Construction in Progress	777,530	624,889	152,641	2,793,925	828,682	1,965,243
Buildings	6,961,036	7,175,728	(214,692)	732,149	769,882	(37,733)
Improvements other than Buildings	1,371,147	985,942	385,205	-	-	-
Equipment	1,971,993	1,497,445	474,548	164,455	255,027	(90,572)
Infrastructure	22,027,694	22,688,515	(660,821)	31,572,273	33,085,063	(1,512,790)
<b>Total</b>	<b>\$ 33,307,766</b>	<b>\$ 33,170,885</b>	<b>\$ 136,881</b>	<b>\$ 35,751,487</b>	<b>\$ 35,427,339</b>	<b>\$ 324,148</b>
Percentage increase/(decrease)			0.4%			0.9%

**Long-term Debt.** At the end of the current fiscal year, the City the total bonded debt outstanding decreased as shown below due to regularly scheduled principal and interest payments.

### City of Mound's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
General Obligation Revenue Bonds	\$ -	\$ -	\$ -	\$ 22,109,213	\$ 24,245,746	\$ (2,136,533)
G.O. Tax Increment Bonds	2,083,000	2,627,000	(544,000)	-	-	-
G.O. Improvement Bonds	9,160,786	11,414,253	(2,253,467)	-	-	-
Bond Premium	81,663	99,632	(17,969)	190,893	209,387	(18,494)
<b>Total</b>	<b>\$ 11,325,449</b>	<b>\$ 14,140,885</b>	<b>\$ (2,815,436)</b>	<b>\$ 22,300,106</b>	<b>\$ 24,455,133</b>	<b>\$ (2,155,027)</b>
Percentage increase/(decrease)			-19.9%			-8.8%

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 unemployment rate for the local area was 2.2 percent in December 2023, which is a decrease from a rate of 2.6 percent in December 2022. This compares favorably to the State's and national average unemployment rates of 2.6 percent and 3.5 percent, respectively.
- Tax capacity surged in 2023, increasing by 28.5 percent. The City expects tax capacity to increase by 9.8 percent in 2024. This increase will mark 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.
- Inflationary pressures due to supply chain, labor shortages, and monetary policies continue to be felt on operations. The City is watching the increases in the cost of fuel, construction, and materials in order to make the appropriate budget and capital improvement plan adjustments, and in some cases postponing projects until the markets settle. The three year Bartlett Boulevard Trenchless Watermain Improvement projects were moved from 2024-2026 to 2025-2027 based on the conditions of the infrastructure and the financial health of the fund.

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 earnings surpassed \$400K in 2023, the highest since 2007. As of March 2024, the City's average daily yield on all cash and investments was 5.423%.

All of these factors were considered in preparing the City's budget for the 2024 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, in 2018 the City was able to adopt a 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, 2023, the capital reserve funds had a combined fund balance of \$4,041,345. Since 2022, the City has lost \$243,604 in annual LGA funding, or the equivalent of 6.05% 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 respond to loss in LGA, inflationary pressures, and growing infrastructure needs. Additionally, the City contracted with Ehlers Public Finance Advisors to develop a Financial Management Plan (FMP) and Utility Rate Study (URS) to respond to the changing and challenging financial environment. The FMP and URS is expected to be completed in the Spring of 2024.

The 2024 budgeted General fund expenditures increased \$714,078, or 11.16% from 2023. The budgeted increase in General fund expenditures was driven by persistent inflation, wage increases resulting from the 2024-2026 collective bargaining agreement with the Public Works union, hiring a Public Works Director position, and an increase in tree removal costs from the Emerald Ash Borer infestation on public lands.

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 2003, the City has invested more than \$80M 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, 5 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.

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 \$36M. The City solicited funding at the state and federal level to construct a water treatment facility. In 2023, the City was awarded \$10.3M from the State of Minnesota and nearly \$1M at the federal level. The City will continue to seek funding to build the water treatment facility.

The 2023 Minnesota Legislature enacted a one-time public safety aid for cities, counties, and tribal nations. The City received \$411,697 in December 2023 and will use the funding for 2024 fire and police protection services.

### **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, 2023

City of Mound, Minnesota  
Statement of Net Position  
December 31, 2023

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and temporary investments	\$ 10,198,824	\$ 1,213,462	\$ 11,412,286
Receivables			
Accounts	86,081	1,420,506	1,506,587
Taxes	102,065	-	102,065
Special assessments	1,588,710	274,272	1,862,982
Internal balances	4,928,491	(4,928,491)	-
Due from other governments	641,186	-	641,186
Inventory	-	569,389	569,389
Prepaid items	16,660	3,780	20,440
Land held for resale	240,785	-	240,785
Capital assets			
Land and construction in progress	975,896	3,282,610	4,258,506
Depreciable, net of accumulated depreciation	32,331,870	32,468,877	64,800,747
Total Assets	<u>51,110,568</u>	<u>34,304,405</u>	<u>85,414,973</u>
<b>Liabilities</b>			
Accounts payable	411,078	461,506	872,584
Accrued salaries payable	69,882	15,475	85,357
Due to other governments	1,516	42,840	44,356
Deposits payable	583,615	10,735	594,350
Accrued interest payable	133,531	238,445	371,976
Noncurrent liabilities			
Due within one year	2,151,053	2,391,938	4,542,991
Due in more than one year	9,426,508	19,979,375	29,405,883
Total Liabilities	<u>12,777,183</u>	<u>23,140,314</u>	<u>35,917,497</u>
<b>Net Position</b>			
Net investment in capital assets	24,065,317	14,404,734	38,470,051
Restricted for			
Debt service	3,326,344	-	3,326,344
Public safety	411,697	-	411,697
Economic development	553,908	-	553,908
Unrestricted	9,976,119	(3,240,643)	6,735,476
Total Net Position	<u>\$ 38,333,385</u>	<u>\$ 11,164,091</u>	<u>\$ 49,497,476</u>

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

City of Mound, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2023

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
<b>Governmental Activities</b>							
General government	\$1,353,093	\$ 409,941	\$ 12,953	\$ -	\$ (930,199)	\$ -	\$ (930,199)
Public safety	4,213,678	1,187,497	605,000	-	(2,421,181)	-	(2,421,181)
Public works	2,203,860	71,106	425,424	119,178	(1,588,152)	-	(1,588,152)
Culture and recreation	1,086,106	274,782	-	-	(811,324)	-	(811,324)
Housing and economic development	254,309	529	90,650	-	(163,130)	-	(163,130)
Interest on long-term debt	326,634	-	-	-	(326,634)	-	(326,634)
Total Governmental Activities	<u>9,437,680</u>	<u>1,943,855</u>	<u>1,134,027</u>	<u>119,178</u>	<u>(6,240,620)</u>	<u>-</u>	<u>(6,240,620)</u>
<b>Business-type Activities</b>							
Water	2,014,321	2,142,111	-	60,000	-	187,790	187,790
Sewer	2,274,120	2,791,277	-	53,640	-	570,797	570,797
Municipal liquor	3,468,709	3,858,461	-	-	-	389,752	389,752
Recycling	249,577	237,258	18,642	-	-	6,323	6,323
Storm water	325,339	140,541	-	-	-	(184,798)	(184,798)
Total Business-type Activities	<u>8,332,066</u>	<u>9,169,648</u>	<u>18,642</u>	<u>113,640</u>	<u>-</u>	<u>969,864</u>	<u>969,864</u>
<b>Total</b>	<u>\$ 17,769,746</u>	<u>\$ 11,113,503</u>	<u>\$ 1,152,669</u>	<u>\$ 232,818</u>	<u>(6,240,620)</u>	<u>969,864</u>	<u>(5,270,756)</u>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes, levied for general purposes					5,665,485	360,000	6,025,485
Property taxes, levied for debt service					1,154,939	-	1,154,939
Tax increments					923,673	-	923,673
Franchise taxes					370,841	-	370,841
Grants and contributions not restricted to specific programs					168,842	344,609	513,451
Unrestricted investment earnings					333,902	66,556	400,458
Gain on sale of capital assets					70,466	7,189	77,655
Transfers - Internal Activities					300,000	(300,000)	-
Total General Revenues and Transfers					<u>8,988,148</u>	<u>478,354</u>	<u>9,466,502</u>
Change in Net Position					2,747,528	1,448,218	4,195,746
Net Position, January 1					<u>35,585,857</u>	<u>9,715,873</u>	<u>45,301,730</u>
Net Position, December 31					<u>\$ 38,333,385</u>	<u>\$ 11,164,091</u>	<u>\$ 49,497,476</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, 2023

**City of Mound, Minnesota**

Balance Sheet

Governmental Funds

December 31, 2023

	<b>101</b>	<b>300's</b>	<b>222</b>	<b>401</b>	Other	Total
	<b>General</b>	<b>Debt Service</b>	<b>Area Fire Service</b>	<b>Capital Improvements</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Assets</b>						
Cash and temporary investments	\$ 3,942,914	\$ 4,387,990	\$ 481,513	\$ -	\$ 1,386,407	\$ 10,198,824
Receivables						
Accounts	86,081	-	-	-	-	86,081
Taxes	93,889	8,176	-	-	-	102,065
Special assessments	87,895	1,150,780	-	344,334	5,701	1,588,710
Due from other governments	7,317	-	-	633,869	-	641,186
Due from other funds	791,479	57,434	-	2,077,504	2,059,508	4,985,925
Prepaid items	9,576	-	-	-	7,084	16,660
<b>Total Assets</b>	<b>\$ 5,019,151</b>	<b>\$ 5,604,380</b>	<b>\$ 481,513</b>	<b>\$ 3,055,707</b>	<b>\$ 3,458,700</b>	<b>\$ 17,619,451</b>
<b>Liabilities</b>						
Accounts payable	\$ 185,774	\$ 4,071	\$ 45,432	\$ 35,547	\$ 140,254	\$ 411,078
Accrued salaries payable	34,454	-	35,428	-	-	69,882
Due to other governments	1,516	-	-	-	-	1,516
Deposits payable	583,615	-	-	-	-	583,615
Due to other funds	-	57,434	-	-	-	57,434
<b>Total Liabilities</b>	<b>805,359</b>	<b>61,505</b>	<b>80,860</b>	<b>35,547</b>	<b>140,254</b>	<b>1,123,525</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	59,128	-	-	-	-	59,128
Unavailable revenue - special assessments	86,945	1,146,329	-	344,334	5,701	1,583,309
Unavailable revenue - intergovernmental	-	-	-	633,869	-	633,869
<b>Total Deferred Inflows of Resources</b>	<b>146,073</b>	<b>1,146,329</b>	<b>-</b>	<b>978,203</b>	<b>5,701</b>	<b>2,276,306</b>
<b>Fund Balances</b>						
Nonspendable for						
Prepaid items	9,576	-	-	-	7,084	16,660
Restricted for						
Debt service	-	4,396,546	-	-	-	4,396,546
Public safety	411,697	-	-	-	-	411,697
Economic development	-	-	-	-	553,908	553,908
Assigned for						
Severance pay	252,112	-	-	-	-	252,112
Public safety	-	-	400,653	-	-	400,653
Culture and recreation	-	-	-	-	356,083	356,083
Housing and redevelopment authority	-	-	-	-	396,282	396,282
Capital improvements	-	-	-	2,041,957	1,999,388	4,041,345
Unassigned	3,394,334	-	-	-	-	3,394,334
<b>Total Fund Balances</b>	<b>4,067,719</b>	<b>4,396,546</b>	<b>400,653</b>	<b>2,041,957</b>	<b>3,312,745</b>	<b>14,219,620</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,019,151</b>	<b>\$ 5,604,380</b>	<b>\$ 481,513</b>	<b>\$ 3,055,707</b>	<b>\$ 3,458,700</b>	<b>\$ 17,619,451</b>

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, 2023

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

Total Fund Balances - Governmental Funds	\$ 14,219,620
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Land held for resale	240,785
Cost of capital assets	52,317,830
Less: accumulated depreciation	(19,010,064)
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	(11,243,786)
Bond premium payable	(81,663)
Compensated absences payable	(252,112)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Taxes receivable	59,128
Special assessments receivable	1,583,309
Intergovernmental	633,869
Governmental funds do not report a liability for accrued interest until due and payable.	(133,531)
Total Net Position - Governmental Activities	<u>\$ 38,333,385</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, 2023

	<b>101</b>	<b>300's</b>	<b>222</b>	<b>401</b>	Other	Total
	General	Debt Service	Area Fire Service	Capital Improvements	Governmental Funds	Governmental Funds
<b>Revenues</b>						
Taxes	\$ 5,175,716	\$ 1,962,593	\$ 82,839	\$ 308,000	\$ 582,169	\$ 8,111,317
Licenses and permits	374,943	-	-	-	276,586	651,529
Intergovernmental	625,967	-	193,303	-	75,737	895,007
Charges for services	553,783	-	548,445	-	70,000	1,172,228
Fines and forfeitures	40,173	-	-	-	-	40,173
Special assessments	33,838	390,060	-	61,728	567	486,193
Interest on investments	292,288	-	13,520	-	28,094	333,902
Miscellaneous	111,882	-	58,031	-	662	170,575
Total Revenues	<u>7,208,590</u>	<u>2,352,653</u>	<u>896,138</u>	<u>369,728</u>	<u>1,033,815</u>	<u>11,860,924</u>
<b>Expenditures</b>						
Current						
General government	1,357,938	-	-	-	-	1,357,938
Public safety	2,769,440	-	1,113,774	-	-	3,883,214
Public works	994,280	-	-	31,362	-	1,025,642
Culture and recreation	744,325	-	-	-	142,994	887,319
Housing and economic development	-	28,070	-	-	45,226	73,296
Capital outlay						
General government	-	-	-	-	23,925	23,925
Public safety	-	-	810,652	-	-	810,652
Public works	-	-	-	516,535	255,838	772,373
Culture and recreation	-	-	-	-	304,510	304,510
Housing and economic development	-	-	-	-	135,673	135,673
Debt service						
Principal	-	2,627,467	170,000	-	-	2,797,467
Interest and other	-	357,805	18,200	223	-	376,228
Total Expenditures	<u>5,865,983</u>	<u>3,013,342</u>	<u>2,112,626</u>	<u>548,120</u>	<u>908,166</u>	<u>12,448,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,342,607</u>	<u>(660,689)</u>	<u>(1,216,488)</u>	<u>(178,392)</u>	<u>125,649</u>	<u>(587,313)</u>
Other Financing Sources (Uses)						
Transfers in	300,000	-	649,071	-	330,000	1,279,071
Sale of capital assets	50,113	-	25,022	-	1,231	76,366
Transfers out	(979,071)	-	-	-	-	(979,071)
Total Other Financing Sources (Uses)	<u>(628,958)</u>	<u>-</u>	<u>674,093</u>	<u>-</u>	<u>331,231</u>	<u>376,366</u>
Net Change in Fund Balances	713,649	(660,689)	(542,395)	(178,392)	456,880	(210,947)
Fund Balances, January 1	<u>3,354,070</u>	<u>5,057,235</u>	<u>943,048</u>	<u>2,220,349</u>	<u>2,855,865</u>	<u>14,430,567</u>
Fund Balances, December 31	<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>

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, 2023

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

Total Net Change in Fund Balances - Governmental Funds	\$ (210,947)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	1,608,038
Depreciation expense	(1,465,257)
Governmental funds report a gain (loss) on sale of capital assets to the extent of cash exchanged, whereas the disposition of the assets book value is included in the total gain (loss) in the statement of activities.	
Disposals	(296,486)
Depreciation on disposals	290,586
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	
Principal repayments	2,797,467
Amortization of bond premium	17,969
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.	31,625
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Special assessments	(367,015)
Property taxes	3,621
Intergovernmental	317,212
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	20,715
Change in Net Position - Governmental Activities	<u><u>\$ 2,747,528</u></u>

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

City of Mound, Minnesota  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 4,973,639	\$ 4,973,639	\$ 5,175,716	\$ 202,077
Licenses and permits	233,850	233,850	374,943	141,093
Intergovernmental	198,842	198,842	625,967	427,125
Charges for services	433,088	433,088	553,783	120,695
Fines and forfeitures	28,000	28,000	40,173	12,173
Special assessments	12,000	12,000	33,838	21,838
Interest on investments	20,000	20,000	292,288	272,288
Miscellaneous	65,000	65,000	111,882	46,882
Total Revenues	<u>5,964,419</u>	<u>5,964,419</u>	<u>7,208,590</u>	<u>1,244,171</u>
Expenditures				
Current				
General government	1,231,650	1,231,650	1,357,938	(126,288)
Public safety	2,604,523	2,604,523	2,769,440	(164,917)
Public works	965,478	965,478	994,280	(28,802)
Culture and recreation	618,779	618,779	744,325	(125,546)
Total Expenditures	<u>5,420,430</u>	<u>5,420,430</u>	<u>5,865,983</u>	<u>(445,553)</u>
Excess of Revenues Over Expenditures	<u>543,989</u>	<u>543,989</u>	<u>1,342,607</u>	<u>798,618</u>
Other Financing Sources (Uses)				
Transfers in	300,000	300,000	300,000	-
Sale of capital assets	-	-	50,113	50,113
Transfers out	(979,071)	(979,071)	(979,071)	-
Total Other Financing Sources (Uses)	<u>(679,071)</u>	<u>(679,071)</u>	<u>(628,958)</u>	<u>50,113</u>
Net Change in Fund Balances	(135,082)	(135,082)	713,649	848,731
Fund Balances, January 1	<u>3,354,070</u>	<u>3,354,070</u>	<u>3,354,070</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,218,988</u>	<u>\$ 3,218,988</u>	<u>\$ 4,067,719</u>	<u>\$ 848,731</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	\$ 82,839	\$ 82,839	\$ 82,839	\$ -
Intergovernmental	132,521	132,521	193,303	60,782
Charges for services	548,325	548,325	548,445	120
Interest on investments	-	-	13,520	13,520
Miscellaneous	-	-	58,031	58,031
Total Revenues	<u>763,685</u>	<u>763,685</u>	<u>896,138</u>	<u>132,453</u>
Expenditures				
Current				
Public safety				
Personnel services	903,410	903,410	839,147	64,263
Supplies	67,220	67,220	51,968	15,252
Other services and charges	199,076	199,076	222,659	(23,583)
Capital outlay	730,654	730,654	810,652	(79,998)
Debt service				
Principal	170,000	170,000	170,000	-
Interest and other	17,950	17,950	18,200	(250)
Total Expenditures	<u>2,088,310</u>	<u>2,088,310</u>	<u>2,112,626</u>	<u>(24,316)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,324,625)</u>	<u>(1,324,625)</u>	<u>(1,216,488)</u>	<u>108,137</u>
Other Financing Sources (Uses)				
Transfers in	649,071	649,071	649,071	-
Sale of capital assets	-	-	25,022	25,022
Total Other Financing Sources (Uses)	<u>649,071</u>	<u>649,071</u>	<u>674,093</u>	<u>25,022</u>
Net Change in Fund Balances	(675,554)	(675,554)	(542,395)	133,159
Fund Balances, January 1	<u>943,048</u>	<u>943,048</u>	<u>943,048</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 267,494</u>	<u>\$ 267,494</u>	<u>\$ 400,653</u>	<u>\$ 133,159</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, 2023 and 2022

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds							
	609		601		602		670		675		Totals	
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets												
Current Assets												
Cash and temporary investments	\$ 1,213,462	\$ 1,137,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,213,462	\$ 1,137,057
Receivables												
Accounts	-	-	573,167	557,399	743,613	718,102	71,604	69,942	32,122	32,268	1,420,506	1,377,711
Special assessments	-	-	274,272	262,474	-	-	-	-	-	-	274,272	262,474
Due from other funds	-	-	-	-	1,070,628	1,689,148	213,232	202,570	-	-	1,283,860	1,891,718
Inventory	523,684	477,305	45,705	51,540	-	-	-	-	-	-	569,389	528,845
Prepaid items	-	-	1,890	-	1,890	-	-	-	-	-	3,780	-
Total Current Assets	1,737,146	1,614,362	895,034	871,413	1,816,131	2,407,250	284,836	272,512	32,122	32,268	4,765,269	5,197,805
Noncurrent Assets												
Capital assets, at cost	1,477,701	1,477,701	29,124,740	28,689,514	23,195,142	21,815,949	-	-	6,831,534	6,831,537	60,629,117	58,814,701
Less: Accumulated depreciation	(778,599)	(739,188)	(11,283,039)	(10,591,157)	(9,848,637)	(9,324,610)	-	-	(2,967,355)	(2,732,407)	(24,877,630)	(23,387,362)
Net Capital Assets	699,102	738,513	17,841,701	18,098,357	13,346,505	12,491,339	-	-	3,864,179	4,099,130	35,751,487	35,427,339
Total Assets	2,436,248	2,352,875	18,736,735	18,969,770	15,162,636	14,898,589	284,836	272,512	3,896,301	4,131,398	40,516,756	40,625,144
Liabilities												
Current Liabilities												
Accounts payable	68,385	105,243	85,826	82,681	288,644	252,339	18,651	18,651	-	-	461,506	458,914
Deposits payable	-	-	-	-	10,735	9,990	-	-	-	-	10,735	9,990
Accrued salaries payable	6,291	6,269	4,510	3,929	4,674	3,929	-	-	-	-	15,475	14,127
Due to other governments	42,510	38,861	330	347	-	-	-	-	-	-	42,840	39,208
Due to other funds	-	-	4,436,818	3,721,476	-	-	-	-	1,775,533	1,534,680	6,212,351	5,256,156
Accrued interest payable	-	-	122,535	135,102	86,951	94,251	-	-	28,959	31,951	238,445	261,304
Unearned revenue	-	-	-	344,609	-	-	-	-	-	-	-	344,609
Current portion of compensated absences payable	21,250	22,901	10,494	9,499	10,980	9,499	-	-	-	-	42,724	41,899
Current portion of bonds payable	-	-	1,168,537	1,126,398	879,918	724,732	-	-	300,759	285,403	2,349,214	2,136,533
Total Current Liabilities	138,436	173,274	5,829,050	5,424,041	1,281,902	1,094,740	18,651	18,651	2,105,251	1,852,034	9,373,290	8,562,740
Noncurrent Liabilities												
Compensated absences payable	14,167	15,267	6,996	6,332	7,320	6,332	-	-	-	-	28,483	27,931
Bonds payable	-	-	9,135,303	10,306,437	8,440,389	9,333,447	-	-	2,375,200	2,678,716	19,950,892	22,318,600
Total Noncurrent Liabilities	14,167	15,267	9,142,299	10,312,769	8,447,709	9,339,779	-	-	2,375,200	2,678,716	19,979,375	22,346,531
Total Liabilities	152,603	188,541	14,971,349	15,736,810	9,729,611	10,434,519	18,651	18,651	4,480,451	4,530,750	29,352,665	30,909,271
Net Position												
Net investment in capital assets	699,102	738,513	8,115,258	7,881,917	4,026,198	2,433,160	-	-	1,564,176	1,510,967	14,404,734	12,564,557
Unrestricted	1,584,543	1,425,821	(4,349,872)	(4,648,957)	1,406,827	2,030,910	266,185	253,861	(2,148,326)	(1,910,319)	(3,240,643)	(2,848,684)
Total Net Position	\$ 2,283,645	\$ 2,164,334	\$ 3,765,386	\$ 3,232,960	\$ 5,433,025	\$ 4,464,070	\$ 266,185	\$ 253,861	\$ (584,150)	\$ (399,352)	\$ 11,164,091	\$ 9,715,873

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, 2023 and 2022

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds							
	609		601		602		670		675			
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating Revenues												
Sales	\$ 3,857,129	\$ 3,820,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,857,129	\$ 3,820,758
Cost of sales	(2,757,972)	(2,721,381)	-	-	-	-	-	-	-	-	(2,757,972)	(2,721,381)
Gross Profit	1,099,157	1,099,377	-	-	-	-	-	-	-	-	1,099,157	1,099,377
Charges for services	-	-	2,095,151	2,020,598	2,734,685	2,577,640	232,774	234,603	139,587	137,680	5,202,197	4,970,521
Penalties	-	-	42,058	40,181	47,208	43,206	4,484	4,039	954	933	94,704	88,359
Total Operating Revenues	1,099,157	1,099,377	2,137,209	2,060,779	2,781,893	2,620,846	237,258	238,642	140,541	138,613	6,396,058	6,158,257
Operating Expenses												
Personnel services	352,262	345,715	265,691	285,442	266,682	283,014	567	379	-	-	885,202	914,550
Supplies	18,424	18,223	127,441	77,082	49,717	33,178	-	2,175	-	-	195,582	130,658
Professional services	45,345	45,400	91,965	85,334	86,988	64,599	-	-	-	-	224,298	195,333
Communications	13,480	13,867	13,982	10,635	13,760	11,212	-	-	-	-	41,222	35,714
Insurance	19,717	21,649	15,566	9,457	25,943	21,649	-	-	-	-	61,226	52,755
Utilities	27,443	26,699	57,462	59,761	45,377	43,509	-	-	-	-	130,282	129,969
Repairs and maintenance	8,218	15,071	29,915	39,478	47,212	43,316	-	-	-	-	85,345	97,865
Rent	17,726	19,020	-	-	-	-	-	-	-	-	17,726	19,020
Other contractual services	9,256	6,017	237,043	108,547	105,429	72,675	249,010	248,910	22,147	23,087	622,885	459,236
Metropolitan Council Environmental Services disposal charges	-	-	-	-	806,646	863,301	-	-	-	-	806,646	863,301
Depreciation	39,411	39,411	865,543	866,147	624,167	593,815	-	-	234,948	234,948	1,764,069	1,734,321
Miscellaneous	159,455	137,536	12,939	10,973	3,758	4,890	-	-	-	-	176,152	153,399
Total Operating Expenses	710,737	688,608	1,717,547	1,552,856	2,075,679	2,035,158	249,577	251,464	257,095	258,035	5,010,635	4,786,121
Operating Income (Loss)	388,420	410,769	419,662	507,923	706,214	585,688	(12,319)	(12,822)	(116,554)	(119,422)	1,385,423	1,372,136
Nonoperating Revenues (Expenses)												
Intergovernmental	-	-	344,609	332,432	-	-	18,642	18,661	-	-	363,251	351,093
Property taxes	-	-	-	-	360,000	180,000	-	-	-	-	360,000	180,000
Interest on investments	29,559	7,929	-	-	30,996	11,973	6,001	1,762	-	-	66,556	21,664
Miscellaneous	1,332	-	4,902	14,268	9,384	14,795	-	-	-	-	15,618	29,063
Interest expense and other	-	-	(296,774)	(326,463)	(198,441)	(215,591)	-	-	(68,244)	(75,145)	(563,459)	(617,199)
Gain on sale of capital assets	-	-	27	799	7,162	728	-	-	-	-	7,189	1,527
Total Nonoperating Revenues (Expenses)	30,891	7,929	52,764	21,036	209,101	(8,095)	24,643	20,423	(68,244)	(75,145)	249,155	(33,852)
Income (Loss) Before Transfers and Contributions	419,311	418,698	472,426	528,959	915,315	577,593	12,324	7,601	(184,798)	(194,567)	1,634,578	1,338,284
Capital Contributions	-	-	60,000	-	53,640	-	-	-	-	-	113,640	-
Transfers Out	(300,000)	(250,000)	-	-	-	-	-	-	-	-	(300,000)	(250,000)
Change in Net Position	119,311	168,698	532,426	528,959	968,955	577,593	12,324	7,601	(184,798)	(194,567)	1,448,218	1,088,284
Net Position, January 1	2,164,334	1,995,636	3,232,960	2,704,001	4,464,070	3,886,477	253,861	246,260	(399,352)	(204,785)	9,715,873	8,627,589
Net Position, December 31	\$ 2,283,645	\$ 2,164,334	\$ 3,765,386	\$ 3,232,960	\$ 5,433,025	\$ 4,464,070	\$ 266,185	\$ 253,861	\$ (584,150)	\$ (399,352)	\$ 11,164,091	\$ 9,715,873

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, 2023 and 2022

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds							
	609		601		602		670		675		Totals	
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Cash Flows from Operating Activities												
Receipts from customers and users	\$ 3,857,129	\$ 3,820,758	\$ 2,109,643	\$ 2,040,342	\$ 2,765,766	\$ 2,604,311	\$ 235,596	\$ 225,998	\$ 140,687	\$ 138,909	\$ 9,108,821	\$ 8,830,318
Other operating receipts	1,332	-	4,902	14,268	-	-	-	-	-	-	6,234	14,268
Payments to suppliers	(3,156,624)	(2,955,796)	(549,102)	(429,666)	(1,141,121)	(994,776)	(249,010)	(246,929)	(22,147)	(23,087)	(5,118,004)	(4,650,254)
Payments to employees	(354,991)	(347,796)	(263,451)	(296,797)	(263,468)	(294,369)	(567)	(379)	-	-	(882,477)	(939,341)
Net Cash Provided (Used) by Operating Activities	346,846	517,166	1,301,992	1,328,147	1,361,177	1,315,166	(13,981)	(21,310)	118,540	115,822	3,114,574	3,254,991
Cash Flows from Noncapital Financing Activities												
Receipt (payment) of due to other funds	-	-	715,342	22,781	618,520	125,198	(10,662)	887	240,853	261,665	1,564,053	410,531
Transfers out	(300,000)	(250,000)	-	-	-	-	-	-	-	-	(300,000)	(250,000)
Intergovernmental receipts	-	-	-	519,582	-	-	18,642	18,661	-	-	18,642	538,243
Net Cash Provided (Used) by Noncapital Financing Activities	(300,000)	(250,000)	715,342	542,363	618,520	125,198	7,980	19,548	240,853	261,665	1,282,695	698,774
Cash Flows from Capital Financing Activities												
Acquisition of capital assets	-	-	(638,998)	(407,741)	(1,480,720)	(690,194)	-	-	-	-	(2,119,718)	(1,097,935)
Proceeds from sale of capital assets	-	-	-	799	-	728	-	-	-	-	-	1,527
Property Taxes	-	-	-	-	360,000	180,000	-	-	-	-	360,000	180,000
Proceeds from capital grants	-	-	60,000	-	53,640	-	-	-	-	-	113,640	-
Interest paid on bonds	-	-	(311,940)	(341,062)	(218,881)	(235,617)	-	-	(73,988)	(80,880)	(604,809)	(657,559)
Principal paid on bonds	-	-	(1,126,396)	(1,122,506)	(724,732)	(707,254)	-	-	(285,405)	(296,607)	(2,136,533)	(2,126,367)
Net Cash Provided (Used) by Capital Financing Activities	-	-	(2,017,334)	(1,870,510)	(2,010,693)	(1,452,337)	-	-	(359,393)	(377,487)	(4,387,420)	(3,700,334)
Cash Flows from Investing Activities												
Interest received on investments	29,559	7,929	-	-	30,996	11,973	6,001	1,762	-	-	66,556	21,664
Net Increase (Decrease) in Cash and Cash Equivalents	76,405	275,095	-	-	-	-	-	-	-	-	76,405	275,095
Cash and Cash Equivalents, January 1	1,137,057	861,962	-	-	-	-	-	-	-	-	1,137,057	861,962
Cash and Cash Equivalents, December 31	\$ 1,213,462	\$ 1,137,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,213,462	\$ 1,137,057

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, 2023 and 2022

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds							
	609		601		602		670		675			
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Reconciliation to Operating Income (Loss)												
to Net Cash Provided (Used)												
by Operating Activities												
Operating income (loss)	\$ 388,420	\$ 410,769	\$ 419,662	\$ 507,923	\$ 706,214	\$ 585,688	\$ (12,319)	\$ (12,822)	\$ (116,554)	\$ (119,422)	\$ 1,385,423	\$ 1,372,136
Adjustments to reconcile operating income (loss)												
to net cash provided (used) by operating activities												
Other income	1,332	-	4,902	14,268	9,384	14,795	-	-	-	-	15,618	29,063
Depreciation expense	39,411	39,411	865,543	866,147	624,167	593,815	-	-	234,948	234,948	1,764,069	1,734,321
(Increase) decrease in assets												
Accounts receivable	-	-	(15,768)	(19,116)	(25,511)	(31,330)	(1,662)	(12,644)	146	296	(42,795)	(62,794)
Special assessments receivable	-	-	(11,798)	(1,321)	-	-	-	-	-	-	(11,798)	(1,321)
Inventory	(46,379)	927	5,835	(39,440)	-	-	-	-	-	-	(40,544)	(38,513)
Prepaid items	-	-	(1,890)	-	(1,890)	-	-	-	-	-	(3,780)	-
Increase (decrease) in liabilities												
Accounts payable	(36,858)	67,392	3,145	28,521	36,305	84,111	-	4,156	-	-	2,592	184,180
Deposits payable	-	-	-	-	745	(7,405)	-	-	-	-	745	(7,405)
Accrued salaries payable	22	(3,785)	581	(1,354)	745	(1,354)	-	-	-	-	1,348	(6,493)
Due to other governments	3,649	748	30,121	(17,480)	8,549	86,847	-	-	-	-	42,319	70,115
Compensated absences payable	(2,751)	1,704	1,659	(10,001)	2,469	(10,001)	-	-	-	-	1,377	(18,298)
Net Cash Provided (Used)												
by Operating Activities	<u>\$ 346,846</u>	<u>\$ 517,166</u>	<u>\$ 1,301,992</u>	<u>\$ 1,328,147</u>	<u>\$ 1,361,177</u>	<u>\$ 1,315,166</u>	<u>\$ (13,981)</u>	<u>\$ (21,310)</u>	<u>\$ 118,540</u>	<u>\$ 115,822</u>	<u>\$ 3,114,574</u>	<u>\$ 3,254,991</u>
Noncash Capital and												
Related Financing Activities												
Acquisition of capital assets on account	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,138</u>	<u>\$ -</u>	<u>\$ 8,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,687</u>
Disposal of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 7,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,189</u>	<u>\$ -</u>
Amortization of bond premium	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,599</u>	<u>\$ 2,598</u>	<u>\$ 13,140</u>	<u>\$ 13,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,755</u>	<u>\$ 2,755</u>	<u>\$ 18,494</u>	<u>\$ 18,494</u>

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, 2023

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

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

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

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

### B. Government-wide and Fund Financial Statements

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

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

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

## **Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

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

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

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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 Improvement 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, 2023

**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, 2023:

- Government securities of \$6,097,193 are valued using quoted market prices (Level 1 inputs)



City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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 2023. 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.

***Land Held for Resale***

The City acquires properties for redevelopment purposes. These properties are reported at their net realizable value in the financial statements. Any costs incurred that are above a property's net realizable value are reported as expenditures of the current period.

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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, 2023

**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, 2023

**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, 2023

**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, 2023:

Fund	Amount
Enterprise	
Storm Water	\$ 584,150

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

**C. Excess Expenditures Over Appropriations**

For the year ended December 31, 2023 expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
General	\$ 5,420,430	\$ 5,865,983	\$ 445,553
Area Fire Service	2,088,310	2,112,626	24,316
HRA	48,018	74,576	26,558
Dock	179,243	238,519	59,276
Total	<u>\$ 7,736,001</u>	<u>\$ 8,291,704</u>	<u>\$ 555,703</u>

The General fund and the Area Fire Service fund's excesses were funded with revenues in excess of budget while the Dock fund and the HRA fund's excesses were funded with revenues in excess of budget and available fund balance.

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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:

Investments	\$ 11,655,249
Cash on Hand	<u>2,350</u>
Total - as Reported on the Statement of Net Position	<u><u>\$ 11,412,286</u></u>

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**Investments**

As of December 31, 2023, 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	\$ 5,558,056	\$ -	\$ -	\$ -
Non-pooled Investments at Fair Value						
Government Securities	AAA	Less than 1 year	6,097,193	6,097,193	-	-
Total Investments			<u>\$ 11,655,249</u>	<u>\$ 6,097,193</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, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**B. Capital Assets**

Capital asset activity for governmental activities for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, not Being Depreciated				
Land	\$ 198,366	\$ -	\$ -	\$ 198,366
Construction in progress	624,889	606,699	(454,058)	777,530
 Total Capital Assets, not Being Depreciated	 823,255	 606,699	 (454,058)	 975,896
Capital Assets Being Depreciated				
Buildings	11,988,250	87,238	(10,303)	12,065,185
Improvements other than buildings	2,456,163	454,057	(40,069)	2,870,151
Equipment	4,735,922	793,870	(246,114)	5,283,678
Infrastructure	31,002,688	120,232	-	31,122,920
 Total Capital Assets Being Depreciated	 50,183,023	 1,455,397	 (296,486)	 51,341,934
Less Accumulated Depreciation for				
Buildings	(4,812,522)	(301,930)	10,303	(5,104,149)
Improvements other than buildings	(1,470,221)	(68,852)	40,069	(1,499,004)
Equipment	(3,238,477)	(313,422)	240,214	(3,311,685)
Infrastructure	(8,314,173)	(781,053)	-	(9,095,226)
 Total Accumulated Depreciation	 (17,835,393)	 (1,465,257)	 290,586	 (19,010,064)
 Total Capital Assets Being Depreciated, Net	 32,347,630	 (9,860)	 (5,900)	 32,331,870
 Governmental Activities Capital Assets, Net	 <u>\$ 33,170,885</u>	 <u>\$ 596,839</u>	 <u>\$ (459,958)</u>	 <u>\$ 33,307,766</u>

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

<b>Governmental Activities</b>	
General government	\$ 23,650
Public safety	295,310
Public works	982,180
Culture and recreation	118,777
Housing and economic development	45,340
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,465,257</u>



City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

Capital asset activity for business-type activities for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets, not Being Depreciated				
Land	\$ 488,685	\$ -	\$ -	\$ 488,685
Construction in progress	828,682	1,965,243	-	2,793,925
	<u>1,317,367</u>	<u>1,965,243</u>	<u>-</u>	<u>3,282,610</u>
Total Capital Assets, not Being Depreciated				
	<u>1,317,367</u>	<u>1,965,243</u>	<u>-</u>	<u>3,282,610</u>
Capital Assets Being Depreciated				
Buildings	1,460,915	-	-	1,460,915
Equipment	1,179,649	-	-	1,179,649
Infrastructure	54,856,770	122,974	(273,801)	54,705,943
	<u>57,497,334</u>	<u>122,974</u>	<u>(273,801)</u>	<u>57,346,507</u>
Total Capital Assets Being Depreciated				
	<u>57,497,334</u>	<u>122,974</u>	<u>(273,801)</u>	<u>57,346,507</u>
Less Accumulated Depreciation for				
Buildings	(691,033)	(37,733)	-	(728,766)
Equipment	(924,622)	(90,572)	-	(1,015,194)
Infrastructure	(21,771,707)	(1,635,764)	273,801	(23,133,670)
	<u>(23,387,362)</u>	<u>(1,764,069)</u>	<u>273,801</u>	<u>(24,877,630)</u>
Total Accumulated Depreciation				
	<u>(23,387,362)</u>	<u>(1,764,069)</u>	<u>273,801</u>	<u>(24,877,630)</u>
Total Capital Assets Being Depreciated, Net				
	<u>34,109,972</u>	<u>(1,641,095)</u>	<u>-</u>	<u>32,468,877</u>
Business-type Activities Capital Assets, Net				
	<u>\$ 35,427,339</u>	<u>\$ 324,148</u>	<u>\$ -</u>	<u>\$ 35,751,487</u>

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

<b>Business-type Activities</b>	
Water	\$ 865,543
Sewer	624,167
Storm water	234,948
Municipal liquor	39,411
	<u>1,764,069</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,764,069</u>

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

**Construction Commitments**

The City had the following outstanding construction commitments at December 31, 2023:

Project	Spent to Date	Remaining Commitment
2023 Lynwood Blvd Watermain Improvement - Phase 3	\$ 571,435	\$ 72,294
2022 Lift Station Improvement Project - Island View Drive LS R1	633,711	17,351
2023 Lift Station Improvement Project - Lakewinds F-1	878,482	235,179
Total	<u>\$ 2,083,629</u>	<u>\$ 324,824</u>

**C. Interfund Receivables, Payables and Transfers**

The composition of internal balances as of December 31, 2023 is as follows:

Receivable Fund	Payable Fund	Total
<b><i>Due to/from other Funds</i></b>		
General	Water	\$ 791,479
Sewer	Water	1,070,628
Capital Improvements	Water	2,077,504
Street Maintenance	Water	497,207
Street Maintenance	Storm	322,479
Recycling	Storm	213,232
Capital Replacement Equipment	Storm	735,209
Community Investment	Storm	205,422
Capital Replacement Buildings	Storm	299,191
Debt service (Fund 365)	Debt service (Fund 362)	<u>57,434</u>
Subtotal Interfund Balances		6,269,785
Interfund activity eliminated from government-wide statements		<u>(1,341,294)</u>
Total Internal Balances - Government-wide Statements		<u>\$ 4,928,491</u>

***Due to/from Other Funds***

- All due to and due from balances made by the City during 2023 were to eliminate deficit cash balances at year end.

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**Note 3: Detailed Notes on All Funds (Continued)**

***Interfund Transfers***

The composition of interfund transfers for the year ended December 31, 2023 is as follows:

Fund	Transfer In			
	General	Area Fire Service	Nonmajor	Total
Transfer Out				
General	\$ -	\$ 649,071	\$ 330,000	\$ 979,071
Municipal Liquor	300,000	-	-	300,000
Subtotal Transfers	<u>\$ 300,000</u>	<u>\$ 649,071</u>	<u>\$ 330,000</u>	<u>\$ 1,279,071</u>

- The General fund transferred \$649,071 to the Area Fire Service fund for costs incurred for the Fire Department and \$330,000 to the nonmajor Street Maintenance fund to pay for the annual seal-coating of City streets.
- The Municipal Liquor fund transferred \$300,000 to the General fund for operations.

**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, 2023

**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. Refunding Bonds of 2011A	\$ 3,975,000	0.60 - 3.35 %	02/02/11	02/01/24	\$ 120,786
G.O. Improvement Bonds of 2012A	2,245,000	2.00 - 3.25	07/12/12	02/01/28	825,000
G.O. Improvement Bonds of 2013A	2,780,000	2.00 - 2.25	05/02/13	02/01/29	1,215,000
G.O. Improvement Bonds of 2014A	715,000	2.00 - 3.00	09/18/14	02/01/30	370,000
G.O. Improvement Bonds of 2015A	3,510,000	2.00 - 3.50	09/10/15	02/01/32	810,000
G.O. Tax Abatement Bonds of 2015B	2,590,000	2.00 - 4.00	09/10/15	02/01/35	1,820,000
GO Improvement Bonds of 2016A	2,105,000	2.00 - 2.75	12/01/16	02/01/32	1,385,000
GO Improvement Bonds of 2016A	725,000	2.00 - 2.75	12/01/16	02/01/32	350,000
GO Refunding Bonds of 2016B	2,845,000	2.00	12/01/16	02/01/24	90,000
GO Refunding Bonds of 2018A	3,940,000	2.1 - 3.250	12/04/18	02/01/25	510,000
GO Refunding Bonds of 2020A	2,450,000	1.15 - 2.00	11/04/20	02/01/30	1,665,000
Total G.O. Improvement Bonds					<u>\$ 9,160,786</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
2024	\$ 1,615,786	\$ 215,501	\$ 1,831,287
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 - 2033	2,250,000	203,367	2,453,367
2034 - 2035	370,000	15,000	385,000
Total	<u>\$ 9,160,786</u>	<u>\$ 964,736</u>	<u>\$ 10,125,522</u>

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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	\$ 643,000
G.O. Tax Increment Refunding Bonds of 2018A	4,020,000	2.10 - 3.25	12/04/18	02/01/31	1,440,000
Total G.O. Tax Increment Bonds					<u>\$ 2,083,000</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
2024	\$ 384,000	\$ 78,738	\$ 462,738
2025	419,000	60,388	479,388
2026	320,000	40,813	360,813
2027	180,000	29,613	209,613
2028	185,000	22,311	207,311
2028 - 2031	595,000	28,881	623,881
Total	<u>\$ 2,083,000</u>	<u>\$ 260,744</u>	<u>\$ 2,343,744</u>

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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. Refunding Bonds of 2011A	\$ 1,455,000	.60 - 3.35 %	08/01/11	02/01/24	\$ 44,216
G.O. Improvement Bonds of 2012A	2,615,000	2.00 - 3.25	07/12/12	02/01/33	1,460,000
G.O. Refunding Bonds of 2012B	1,180,000	0.40 - 2.35	07/12/12	02/01/25	215,000
G.O. Improvement Bonds of 2013A	3,490,000	2.00 - 2.25	05/02/13	02/01/34	2,095,000
G.O. Revenue Bonds of 2013B	995,000	2.00 - 2.50	05/02/13	02/01/24	85,000
G.O. Revenue Bonds of 2014A	4,210,000	2.00 - 3.50	09/18/14	02/01/35	2,615,000
G.O. Refunding Bonds of 2014B	2,290,000	2.00 - 2.75	09/18/14	02/01/26	640,000
G.O. Revenue Bonds of 2015A	4,210,000	2.00 - 3.50	09/18/14	02/01/36	3,460,000
G.O. Revenue Bonds of 2016A	2,995,000	2.00 - 2.75	12/01/16	02/01/37	2,230,000
G.O. Refunding Bonds of 2016B	2,245,000	2.00	12/01/16	02/01/28	1,015,000
G.O. Refunding Bonds of 2018A	4,195,000	2.1 - 3.250	12/04/18	02/01/31	2,850,000
G.O. Refunding Bonds of 2020A	6,020,000	1.15 - 2.00	11/04/20	02/01/36	<u>5,399,997</u>
Total G.O. Revenue Bonds					<u>\$ 22,109,213</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	\$ 2,137,209	\$ 2,781,893	\$ 140,541
Principal and Interest	1,438,336	943,613	359,393
Percentage of Revenues	67 %	34 %	256 %

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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
2024	\$ 2,349,214	\$ 542,079	\$ 2,891,293
2025	2,235,000	483,581	2,718,581
2026	2,184,999	426,920	2,611,919
2027	1,925,000	372,851	2,297,851
2028	1,985,001	319,862	2,304,863
2029 - 2033	8,089,999	916,485	9,006,484
2034 - 2037	3,340,000	131,842	3,471,842
Total	<u>\$ 22,109,213</u>	<u>\$ 3,193,620</u>	<u>\$ 25,302,833</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
G.O. improvement bonds	\$ 11,414,253		\$ (2,253,467)	\$ 9,160,786	\$ 1,615,786
G.O. tax increment bonds	2,627,000		(544,000)	2,083,000	384,000
Bond premium	99,632		(17,969)	81,663	-
Compensated absences payable	272,827	177,020	(197,735)	252,112	151,267
Total	<u>\$ 14,413,712</u>	<u>\$ 177,020</u>	<u>\$ (3,013,171)</u>	<u>\$ 11,577,561</u>	<u>\$ 2,151,053</u>
<b>Business-type Activities</b>					
G.O. revenue bonds	\$ 24,245,746		\$ (2,136,533)	\$ 22,109,213	\$ 2,349,214
Bond premium	209,387		(18,494)	190,893	-
Compensated absences payable	69,830	74,372	(72,995)	71,207	42,724
Total	<u>\$ 24,524,963</u>	<u>\$ 74,372</u>	<u>\$ (2,228,022)</u>	<u>\$ 22,371,313</u>	<u>\$ 2,391,938</u>

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**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.

General Employees Plan Benefits

General Employees Plan 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 PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

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. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.



City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

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

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

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. Funding Policy**

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 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, 2023, 2022 and 2021 are outlined in the chart below. The City's contributions were equal to the required contributions for each year as set by state statute.

Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 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, 2023, 2022 and 2021 are outlined in the chart below. The City's contributions were equal to the required contributions for each year as set by state statute.

The City's contributions to General Employees Plan and Police and Fire Plan for the years ending December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Coordinated	\$ 152,998	\$ 144,322	\$ 143,297
Police and Fire	20,150	18,873	20,722
Total	<u>\$ 173,148</u>	<u>\$ 163,195</u>	<u>\$ 164,019</u>

The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

City of Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2023

**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, 2023, 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, 2023

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## NONMAJOR GOVERNMENTAL FUNDS

City of Mound, Minnesota  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2023

Exhibit A-1

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 779,465	\$ 606,942	\$ 1,386,407
Special assessments receivable	-	5,701	5,701
Due from other funds	-	2,059,508	2,059,508
Prepaid items	7,084	-	7,084
	<u>7,084</u>	<u>-</u>	<u>7,084</u>
Total Assets	<u>\$ 786,549</u>	<u>\$ 2,672,151</u>	<u>\$ 3,458,700</u>
Liabilities			
Accounts payable	<u>\$ 27,100</u>	<u>\$ 113,154</u>	<u>\$ 140,254</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	<u>-</u>	<u>5,701</u>	<u>5,701</u>
Fund Balances			
Nonspendable	7,084	-	7,084
Restricted	-	553,908	553,908
Assigned	752,365	1,999,388	2,751,753
Total Fund Balances	<u>759,449</u>	<u>2,553,296</u>	<u>3,312,745</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 786,549</u>	<u>\$ 2,672,151</u>	<u>\$ 3,458,700</u>

City of Mound, Minnesota  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2023

Exhibit A-2

	Special Revenue	Capital Projects	Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 71,150	\$ 511,019	\$ 582,169
Licenses and permits	276,586	-	276,586
Intergovernmental	-	75,737	75,737
Charges for services	-	70,000	70,000
Special assessments	-	567	567
Interest on investments	28,094	-	28,094
Miscellaneous	662	-	662
Total Revenues	<u>376,492</u>	<u>657,323</u>	<u>1,033,815</u>
Expenditures			
Current			
Culture and recreation	142,994	-	142,994
Housing and economic development	43,320	1,906	45,226
Capital outlay			
General government	-	23,925	23,925
Public works	-	255,838	255,838
Culture and recreation	95,525	208,985	304,510
Housing and economic development	31,256	104,417	135,673
Total Expenditures	<u>313,095</u>	<u>595,071</u>	<u>908,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>63,397</u>	<u>62,252</u>	<u>125,649</u>
Other Financing Sources (Uses)			
Transfers in	-	330,000	330,000
Sale of capital assets	-	1,231	1,231
Total Other Financing Sources (Uses)	<u>-</u>	<u>331,231</u>	<u>331,231</u>
Net Change in Fund Balances	63,397	393,483	456,880
Fund Balances, January 1	<u>696,052</u>	<u>2,159,813</u>	<u>2,855,865</u>
Fund Balances, December 31	<u>\$ 759,449</u>	<u>\$ 2,553,296</u>	<u>\$ 3,312,745</u>

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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, 2023

Exhibit B-1

	<b>281</b>	<b>285</b>	
	<u>Dock</u>	<u>HRA</u>	<u>Total</u>
Assets			
Cash and temporary investments	\$ 360,995	\$ 418,470	\$ 779,465
Prepaid items	<u>5,908</u>	<u>1,176</u>	<u>7,084</u>
Total Assets	<u><u>\$ 366,903</u></u>	<u><u>\$ 419,646</u></u>	<u><u>\$ 786,549</u></u>
Liabilities			
Accounts payable	<u>\$ 4,912</u>	<u>\$ 22,188</u>	<u>\$ 27,100</u>
Fund Balances			
Nonspendable for prepaid items	5,908	1,176	7,084
Assigned for			
Housing and redevelopment authority	-	396,282	396,282
Culture and recreation	<u>356,083</u>	<u>-</u>	<u>356,083</u>
Total Fund Balances	<u><u>361,991</u></u>	<u><u>397,458</u></u>	<u><u>759,449</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 366,903</u></u>	<u><u>\$ 419,646</u></u>	<u><u>\$ 786,549</u></u>

City of Mound, Minnesota  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2023

Exhibit B-2

	<b>281</b>	<b>285</b>	
	Dock	HRA	Total
Revenues			
Property taxes	\$ -	\$ 71,150	\$ 71,150
Licenses and permits	185,936	90,650	276,586
Interest on investments	15,800	12,294	28,094
Miscellaneous	133	529	662
Total Revenues	<u>201,869</u>	<u>174,623</u>	<u>376,492</u>
Expenditures			
Current			
Culture and recreation	142,994	-	142,994
Housing and economic development	-	43,320	43,320
Capital outlay			
Culture and recreation	95,525	-	95,525
Housing and economic development	-	31,256	31,256
Total Expenditures	<u>238,519</u>	<u>74,576</u>	<u>313,095</u>
Net Change in Fund Balances	(36,650)	100,047	63,397
Fund Balances, January 1	<u>398,641</u>	<u>297,411</u>	<u>696,052</u>
Fund Balances, December 31	<u>\$ 361,991</u>	<u>\$ 397,458</u>	<u>\$ 759,449</u>

City of Mound, Minnesota  
 Dock Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2023

Exhibit B-3

(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Licenses and permits	\$ 184,800	\$ 184,800	\$ 185,936	\$ 1,136	\$ 186,885
Interest on investments	-	-	15,800	15,800	4,319
Miscellaneous	-	-	133	133	100
Total Revenues	<u>184,800</u>	<u>184,800</u>	<u>201,869</u>	<u>17,069</u>	<u>191,304</u>
Expenditures					
Current					
Culture and recreation					
Personnel services	86,523	86,523	81,556	4,967	66,438
Supplies	5,800	5,800	3,073	2,727	12,182
Other services and charges	51,920	51,920	58,365	(6,445)	49,735
Capital outlay					
Culture and recreation	35,000	35,000	95,525	(60,525)	6,240
Total Expenditures	<u>179,243</u>	<u>179,243</u>	<u>238,519</u>	<u>(59,276)</u>	<u>134,595</u>
Net Change in Fund Balances	5,557	5,557	(36,650)	(42,207)	56,709
Fund Balances, January 1	<u>398,641</u>	<u>398,641</u>	<u>398,641</u>	-	<u>341,932</u>
Fund Balances, December 31	<u>\$ 404,198</u>	<u>\$ 404,198</u>	<u>\$ 361,991</u>	<u>\$ (42,207)</u>	<u>\$ 398,641</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, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

Exhibit B-4

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 71,150	\$ 71,150	\$ 71,150	\$ -	\$ 72,405
Licenses and permits	85,100	85,100	90,650	5,550	92,050
Interest on investments	-	-	12,294	12,294	4,424
Miscellaneous	-	-	529	529	-
Total Revenues	<u>156,250</u>	<u>156,250</u>	<u>174,623</u>	<u>18,373</u>	<u>168,879</u>
Expenditures					
Current					
Housing and economic development					
Supplies	1,500	1,500	1,208	292	828
Other services and charges	38,518	38,518	42,112	(3,594)	48,267
Capital outlay					
Housing and economic development	8,000	8,000	31,256	(23,256)	16,304
Total Expenditures	<u>48,018</u>	<u>48,018</u>	<u>74,576</u>	<u>(26,558)</u>	<u>65,399</u>
Net Change in Fund Balances	108,232	108,232	100,047	(8,185)	103,480
Fund Balances, January 1	<u>297,411</u>	<u>297,411</u>	<u>297,411</u>	<u>-</u>	<u>193,931</u>
Fund Balances, December 31	<u>\$ 405,643</u>	<u>\$ 405,643</u>	<u>\$ 397,458</u>	<u>\$ (8,185)</u>	<u>\$ 297,411</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 and park dedication fees.

**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, 2023

Exhibit C-1

	<b>403</b> Capital Replacement Equipment	<b>404</b> Community Investment	<b>405</b> Capital Replacement Buildings	<b>427</b> Street Maintenance	<b>454</b> TIF 1-1	<b>475</b> TIF 1-3	Total
<b>Assets</b>							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ 96,896	\$ 510,046	\$ 606,942
Special assessments receivable	-	-	-	5,701	-	-	5,701
Due from other funds	735,209	205,422	299,191	819,686	-	-	2,059,508
<b>Total Assets</b>	<b>\$ 735,209</b>	<b>\$ 205,422</b>	<b>\$ 299,191</b>	<b>\$ 825,387</b>	<b>\$ 96,896</b>	<b>\$ 510,046</b>	<b>\$ 2,672,151</b>
<b>Liabilities</b>							
Accounts payable	\$ 1,994	\$ 57,760	\$ -	\$ 366	\$ 53,034	\$ -	\$ 113,154
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - special assessments	-	-	-	5,701	-	-	5,701
<b>Fund Balances</b>							
Restricted for economic development	-	-	-	-	43,862	510,046	553,908
Assigned for capital improvements and equipment	733,215	147,662	299,191	819,320	-	-	1,999,388
<b>Total Fund Balances</b>	<b>733,215</b>	<b>147,662</b>	<b>299,191</b>	<b>819,320</b>	<b>43,862</b>	<b>510,046</b>	<b>2,553,296</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 735,209</b>	<b>\$ 205,422</b>	<b>\$ 299,191</b>	<b>\$ 825,387</b>	<b>\$ 96,896</b>	<b>\$ 510,046</b>	<b>\$ 2,672,151</b>



City of Mound, Minnesota  
Nonmajor Capital Projects Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2023

Exhibit C-2

	<b>403</b>	<b>404</b>	<b>405</b>	<b>427</b>	<b>454</b>	<b>475</b>	
	Capital Replacement Equipment	Community Investment	Capital Replacement Buildings	Street Maintenance	TIF 1-1	TIF 1-3	Total
Revenues							
Taxes	\$ -	\$ 320,000	\$ 75,000	\$ -	\$ 116,019	\$ -	\$ 511,019
Intergovernmental	-	-	-	75,737	-	-	75,737
Charges for services	-	70,000	-	-	-	-	70,000
Special assessments	-	-	-	567	-	-	567
Total Revenues	-	390,000	75,000	76,304	116,019	-	657,323
Expenditures							
Current							
Housing and economic development	-	-	-	-	1,906	-	1,906
Capital outlay							
General government	23,925	-	-	-	-	-	23,925
Public works	40,420	1,902	8,050	205,466	-	-	255,838
Culture and recreation	-	200,935	8,050	-	-	-	208,985
Housing and economic development	-	-	-	-	104,417	-	104,417
Total Expenditures	64,345	202,837	16,100	205,466	106,323	-	595,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,345)	187,163	58,900	(129,162)	9,696	-	62,252
Other Financing Sources (Uses)							
Transfers in	-	-	-	330,000	-	-	330,000
Sale of capital assets	-	1,231	-	-	-	-	1,231
Total Other Financing Sources (Uses)	-	1,231	-	330,000	-	-	331,231
Net Change in Fund Balances	(64,345)	188,394	58,900	200,838	9,696	-	393,483
Fund Balances, January 1	797,560	(40,732)	240,291	618,482	34,166	510,046	2,159,813
Fund Balances, December 31	\$ 733,215	\$ 147,662	\$ 299,191	\$ 819,320	\$ 43,862	\$ 510,046	\$ 2,553,296

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City of Mound, Minnesota  
General Fund  
Balance Sheets  
December 31, 2023 and 2022

Exhibit D-1

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and temporary investments	\$ 3,942,914	\$ 3,862,965
Receivables		
Accounts	86,081	88,872
Taxes	93,889	98,615
Special assessments	87,895	98,998
Due from other governments	7,317	21,261
Due from other funds	791,479	-
Prepaid items	<u>9,576</u>	<u>1,360</u>
 Total Assets	 <u><u>\$ 5,019,151</u></u>	 <u><u>\$ 4,172,071</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 185,774	\$ 197,112
Due to other governments	1,516	3,543
Deposits payable	583,615	430,083
Accrued salaries payable	34,454	33,285
Total Liabilities	<u>805,359</u>	<u>664,023</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - property taxes	59,128	55,507
Unavailable revenue - special assessments	86,945	98,471
Total Deferred Inflows of Resources	<u>146,073</u>	<u>153,978</u>
<b>Fund Balances</b>		
Nonspendable for		
Prepaid items	9,576	1,360
Restricted for		
Public safety	411,697	-
Assigned for		
Severance pay	252,112	272,827
Budget deficit	-	135,082
Unassigned	<u>3,394,334</u>	<u>2,944,801</u>
Total Fund Balances	<u>4,067,719</u>	<u>3,354,070</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>\$ 5,019,151</u></u>	 <u><u>\$ 4,172,071</u></u>

## 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, 2023

(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual	Variance With	Actual
	Original	Final	Amounts	Final Budget	Amounts
Revenues					
Taxes					
General property taxes					
Current	\$ 4,091,639	\$ 4,091,639	\$ 4,328,298	\$ 236,659	\$ 3,503,692
Delinquent	50,000	50,000	33,228	(16,772)	48,689
Fiscal disparities	450,000	450,000	434,366	(15,634)	462,204
Penalties and interest	10,000	10,000	8,983	(1,017)	13,747
Franchise tax	372,000	372,000	370,841	(1,159)	381,925
Total taxes	4,973,639	4,973,639	5,175,716	202,077	4,410,257
Licenses and permits	233,850	233,850	374,943	141,093	266,869
Intergovernmental					
State					
Local government aid	168,842	168,842	168,842	-	313,146
Public safety aid	-	-	411,697	411,697	-
State aid for streets	30,000	30,000	30,000	-	30,000
PERA aid	-	-	2,475	2,475	-
Other state grants and aid	-	-	12,953	12,953	13,438
Total intergovernmental	198,842	198,842	625,967	427,125	356,584
Charges for services	433,088	433,088	553,783	120,695	479,115
Fines and forfeitures	28,000	28,000	40,173	12,173	35,427
Special assessments	12,000	12,000	33,838	21,838	14,996
Interest on investments	20,000	20,000	292,288	272,288	95,808
Miscellaneous					
Refunds and reimbursements	25,000	25,000	65,736	40,736	28,066
Other	40,000	40,000	46,146	6,146	57,413
Total miscellaneous	65,000	65,000	111,882	46,882	85,479
Total Revenues	5,964,419	5,964,419	7,208,590	1,244,171	5,744,535
Other Financing Sources					
Transfers in	300,000	300,000	300,000	-	250,000
Sale of capital assets	-	-	50,113	50,113	-
Total Other Financing Sources	300,000	300,000	350,113	50,113	250,000
Total Revenues and Other Financing Sources	\$ 6,264,419	\$ 6,264,419	\$ 7,558,703	\$ 1,294,284	\$ 5,994,535

City of Mound, Minnesota  
General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual (Continued on the Following Pages)  
For the Year Ended December 31, 2023

Exhibit D-3

(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures					
Current					
General government					
Mayor and city council					
Personnel services	\$ 24,361	\$ 24,361	\$ 24,000	\$ 361	\$ 24,348
Supplies	4,200	4,200	5,430	(1,230)	5,508
Other services and charges	70,760	70,760	66,541	4,219	57,799
Total mayor and city council	99,321	99,321	95,971	3,350	87,655
City manager					
Personnel services	201,867	201,867	201,856	11	190,668
Supplies	1,075	1,075	409	666	396
Other services and charges	5,700	5,700	25,328	(19,628)	1,576
Total city manager	208,642	208,642	227,593	(18,951)	192,640
Election and voters' registration					
Supplies	-	-	840	(840)	1,041
Other services and charges	3,100	3,100	85	3,015	22,030
Total election and voters' registration	3,100	3,100	925	2,175	23,071
Assessing					
Other services and charges	137,000	137,000	138,361	(1,361)	132,000
Finance					
Personnel services	441,752	441,752	487,024	(45,272)	423,915
Supplies	3,500	3,500	3,693	(193)	3,721
Other services and charges	21,035	21,035	52,291	(31,256)	13,411
Total finance	466,287	466,287	543,008	(76,721)	441,047
Computer					
Supplies	8,000	8,000	1,840	6,160	5,502
Other services and charges	57,500	57,500	51,925	5,575	54,770
Total computer	65,500	65,500	53,765	11,735	60,272
Legal					
Other services and charges	150,400	150,400	175,309	(24,909)	127,213

City of Mound, Minnesota  
General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual (Continued)  
For the Year Ended December 31, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

Exhibit D-3

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
General government (continued)					
City hall					
Supplies	\$ 4,500	\$ 4,500	\$ 3,923	\$ 577	\$ 4,062
Other services and charges	36,700	36,700	39,836	(3,136)	44,718
Total city hall	41,200	41,200	43,759	(2,559)	48,780
City property					
Supplies	2,000	2,000	1,548	452	1,212
Other services and charges	55,200	55,200	77,699	(22,499)	81,215
Total city property	57,200	57,200	79,247	(22,047)	82,427
Miscellaneous					
Personnel services	3,000	3,000	-	3,000	-
Total general government	1,231,650	1,231,650	1,357,938	(126,288)	1,195,105
Public safety					
Police protection					
Personnel services	529	529	612	(83)	529
Other services and charges	2,043,000	2,043,000	2,036,734	6,266	1,939,224
Total public safety	2,043,529	2,043,529	2,037,346	6,183	1,939,753
Emergency preparedness					
Personnel services	36,339	36,339	36,340	(1)	34,859
Supplies	2,440	2,440	318	2,122	1,676
Other services and charges	10,940	10,940	14,164	(3,224)	9,922
Total emergency preparedness	49,719	49,719	50,822	(1,103)	46,457
Planning and inspection					
Personnel services	295,535	295,535	289,620	5,915	279,239
Supplies	6,700	6,700	8,586	(1,886)	3,986
Other services and charges	209,040	209,040	383,066	(174,026)	228,206
Total planning and inspection	511,275	511,275	681,272	(169,997)	511,431
Total public safety	2,604,523	2,604,523	2,769,440	(164,917)	2,497,641
Public works					
Streets					
Personnel services	474,518	474,518	430,542	43,976	350,836
Supplies	179,250	179,250	170,356	8,894	196,363
Other services and charges	311,710	311,710	393,382	(81,672)	349,784
Total public works	965,478	965,478	994,280	(28,802)	896,983

City of Mound, Minnesota  
General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual (Continued)  
For the Year Ended December 31, 2023  
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

Exhibit D-3

	2023				2022
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Parks					
Personnel services	\$ 341,029	\$ 341,029	\$ 342,287	\$ (1,258)	\$ 281,984
Supplies	76,950	76,950	92,052	(15,102)	93,762
Other services and charges	158,800	158,800	291,041	(132,241)	217,411
Total parks	<u>576,779</u>	<u>576,779</u>	<u>725,380</u>	<u>(148,601)</u>	<u>593,157</u>
Cable TV					
Other services and charges	<u>42,000</u>	<u>42,000</u>	<u>18,945</u>	<u>23,055</u>	<u>23,328</u>
Total culture and recreation	<u>618,779</u>	<u>618,779</u>	<u>744,325</u>	<u>(125,546)</u>	<u>616,485</u>
Total Expenditures	5,420,430	5,420,430	5,865,983	(445,553)	5,206,214
Other Financing Uses					
Transfers out	<u>979,071</u>	<u>979,071</u>	<u>979,071</u>	<u>-</u>	<u>757,946</u>
Total Expenditures and Other Financing Uses	<u>\$ 6,399,501</u>	<u>\$ 6,399,501</u>	<u>\$ 6,845,054</u>	<u>\$ (445,553)</u>	<u>\$ 5,964,160</u>

City of Mound, Minnesota  
Debt Service Funds  
Combining Balance Sheet (Continued on the Following Page)  
December 31, 2023

Exhibit E-1

	<b>355</b> G.O. Tax Increment Refunding Bonds 2013B	<b>370</b> G.O. Refunding Bonds 2011A	<b>375</b> G.O. Tax Increment Refunding Bonds 2018A	<b>350</b> Tax Abatement Bonds Series 2015B	<b>362</b> G.O. Refunding Bonds 2016B	<b>363</b> G.O. Improvement Bonds 2018A
<b>Assets</b>						
Cash and temporary investments	\$ 679,822	\$ 138,260	\$ 455,406	\$ 229,893	\$ -	\$ 233,918
Receivables						
Taxes	4,585	-	3,591	-	-	-
Special assessments	-	8,351	-	-	20,954	87,648
Due from other funds	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u><u>\$ 684,407</u></u>	<u><u>\$ 146,611</u></u>	<u><u>\$ 458,997</u></u>	<u><u>\$ 229,893</u></u>	<u><u>\$ 20,954</u></u>	<u><u>\$ 321,566</u></u>
<b>Liabilities</b>						
Accounts payable	\$ 2,812	\$ -	\$ 1,247	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	57,434	-
Total Liabilities	<u>2,812</u>	<u>-</u>	<u>1,247</u>	<u>-</u>	<u>57,434</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - special assessments	-	7,978	-	-	20,511	87,648
<b>Fund Balances</b>						
Restricted for debt service	<u>681,595</u>	<u>138,633</u>	<u>457,750</u>	<u>229,893</u>	<u>(56,991)</u>	<u>233,918</u>
Total Deferred and Liabilities Inflows of Resources and Fund Balances	<u><u>\$ 684,407</u></u>	<u><u>\$ 146,611</u></u>	<u><u>\$ 458,997</u></u>	<u><u>\$ 229,893</u></u>	<u><u>\$ 20,954</u></u>	<u><u>\$ 321,566</u></u>



City of Mound, Minnesota  
Debt Service Funds  
Combining Balance Sheet (Continued)  
December 31, 2018

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
<b>Assets</b>								
Cash and temporary investments	\$ 580,483	\$ 588,979	\$ 74,524	\$ 601,745	\$ 360,469	\$ 296,828	\$ 147,663	\$ 4,387,990
Receivables								
Taxes	-	-	-	-	-	-	-	8,176
Special assessments	165,243	205,551	-	246,212	105,397	145,293	166,131	1,150,780
Due from other funds	-	57,434	-	-	-	-	-	57,434
	<u>-</u>	<u>57,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,434</u>
Total Assets	<u>\$ 745,726</u>	<u>\$ 851,964</u>	<u>\$ 74,524</u>	<u>\$ 847,957</u>	<u>\$ 465,866</u>	<u>\$ 442,121</u>	<u>\$ 313,794</u>	<u>\$ 5,604,380</u>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 4,071
Due to other funds	-	-	-	-	-	-	-	57,434
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,505</u>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue - special assessments	165,243	205,551	-	245,789	105,183	143,448	164,978	1,146,329
<b>Fund Balances</b>								
Restricted for debt service	<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>
Total Deferred and Liabilities Inflows of Resources and Fund Balances	<u>\$ 745,726</u>	<u>\$ 851,964</u>	<u>\$ 74,524</u>	<u>\$ 847,957</u>	<u>\$ 465,866</u>	<u>\$ 442,121</u>	<u>\$ 313,794</u>	<u>\$ 5,604,380</u>

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, 2023

Exhibit E-2

	<b>355</b> G.O. Tax Increment Refunding Bonds 2013B	<b>370</b> G.O. Refunding Bonds 2011A	<b>375</b> G.O. Tax Increment Refunding Bonds 2018A	<b>350</b> Tax Abatement Bonds Series 2015B	<b>362</b> G.O. Refunding Bonds 2016B	<b>363</b> G.O. Improvement Bonds 2018A
Revenues						
Taxes	\$ 607,621	\$ 179,054	\$ 200,033	\$ 178,850	\$ 50,000	\$ 215,600
Special assessments	-	6,885	-	-	25,967	58,705
Total Revenues	<u>607,621</u>	<u>185,939</u>	<u>200,033</u>	<u>178,850</u>	<u>75,967</u>	<u>274,305</u>
Expenditures						
Current						
Housing and economic development	26,968	-	1,102	-	-	-
Debt service						
Principal	414,000	113,467	130,000	115,000	90,000	240,000
Interest and other	48,969	6,329	56,585	60,825	3,172	25,740
Total Expenditures	<u>489,937</u>	<u>119,796</u>	<u>187,687</u>	<u>175,825</u>	<u>93,172</u>	<u>265,740</u>
Net Change in Fund Balances	117,684	66,143	12,346	3,025	(17,205)	8,565
Fund Balances, January 1	<u>563,911</u>	<u>72,490</u>	<u>445,404</u>	<u>226,868</u>	<u>(39,786)</u>	<u>225,353</u>
Fund Balances, December 31	<u>\$ 681,595</u>	<u>\$ 138,633</u>	<u>\$ 457,750</u>	<u>\$ 229,893</u>	<u>\$ (56,991)</u>	<u>\$ 233,918</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, 2023

Exhibit E-2

	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	\$ 41,527	\$ 70,000	\$ 119,908	\$ 1,962,593
Special assessments	57,244	65,003	-	61,153	23,377	55,366	36,360	390,060
Total Revenues	<u>207,244</u>	<u>115,003</u>	<u>-</u>	<u>161,153</u>	<u>64,904</u>	<u>125,366</u>	<u>156,268</u>	<u>2,352,653</u>
Expenditures								
Current								
Housing and economic development	-	-	-	-	-	-	-	28,070
Debt service								
Principal	230,000	155,000	465,000	190,000	45,000	290,000	150,000	2,627,467
Interest and other	27,240	23,674	5,048	28,540	11,861	27,294	32,528	357,805
Total Expenditures	<u>257,240</u>	<u>178,674</u>	<u>470,048</u>	<u>218,540</u>	<u>56,861</u>	<u>317,294</u>	<u>182,528</u>	<u>3,013,342</u>
Net Change in Fund Balances	(49,996)	(63,671)	(470,048)	(57,387)	8,043	(191,928)	(26,260)	(660,689)
Fund Balances, January 1	<u>630,479</u>	<u>710,084</u>	<u>544,572</u>	<u>659,543</u>	<u>352,640</u>	<u>490,601</u>	<u>175,076</u>	<u>5,057,235</u>
Fund Balances, December 31	<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>

City of Mound, Minnesota  
Summary Financial Report  
Revenues and Expenditures For General Operations -  
Governmental Funds  
For the Years Ended December 31, 2023 and 2022

Exhibit F-1

	Total		Percent Increase (Decrease)
	2023	2022	
Revenues			
Taxes	\$ 8,111,317	\$ 8,008,543	1.28 %
Licenses and permits	651,529	545,804	19.37
Intergovernmental	895,007	613,210	45.95
Charges for services	1,172,228	1,012,965	15.72
Fines and forfeitures	40,173	35,427	13.40
Special assessments	486,193	556,170	(12.58)
Interest on investments	333,902	107,679	210.09
Miscellaneous	170,575	400,415	(57.40)
Total Revenues	<u>\$ 11,860,924</u>	<u>\$ 11,280,213</u>	5.15 %
Per Capita	<u>\$ 1,262</u>	<u>\$ 1,200</u>	5.17 %
Expenditures			
Current			
General government	\$ 1,357,938	\$ 1,195,105	13.62 %
Public safety	3,883,214	3,811,333	1.89
Public works	1,025,642	902,104	13.69
Culture and recreation	887,319	744,840	19.13
Housing and economic development	73,296	80,119	(8.52)
Capital outlay			
General government	23,925	-	100.00
Public safety	810,652	113,383	614.97
Public works	772,373	398,012	94.06
Culture and recreation	304,510	250,581	21.52
Housing and economic development	135,673	131,857	2.89
Debt service			
Principal	2,797,467	2,883,633	(2.99)
Interest and service charges	376,228	455,574	(17.42)
Total Expenditures	<u>\$ 12,448,237</u>	<u>\$ 10,966,541</u>	13.51 %
Per Capita	<u>\$ 1,325</u>	<u>\$ 1,167</u>	13.54 %
Total Long-term Indebtedness	\$ 11,325,449	\$ 14,140,885	(19.91) %
Per Capita	1,205	1,505	(19.93)
General Fund Balance - December 31	\$ 4,067,719	\$ 3,354,070	21.28 %
Per Capita	433	357	21.29

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, 2023

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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			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 6,361,642	\$ 7,349,615	\$ 8,497,543	\$ 13,280,560
Restricted	2,420,487	3,581,824	5,281,846	4,111,566
Unrestricted	6,659,303	7,175,984	7,602,371	6,712,355
Total Governmental Activities Net Position	<u>\$ 15,441,432</u>	<u>\$ 18,107,423</u>	<u>\$ 21,381,760</u>	<u>\$ 24,104,481</u>
Business-type Activities				
Net investment in capital assets	\$ 4,875,047	\$ 4,610,738	\$ 4,410,201	\$ 6,786,181
Unrestricted	964,859	1,431,411	1,790,488	107,216
Total Business-type Activities Net Position	<u>\$ 5,839,906</u>	<u>\$ 6,042,149</u>	<u>\$ 6,200,689</u>	<u>\$ 6,893,397</u>
Total Primary Government				
Net investment in capital assets	\$ 11,236,689	\$ 11,960,353	\$ 12,907,744	\$ 20,066,741
Restricted	2,420,487	3,581,824	5,281,846	4,111,566
Unrestricted	7,624,162	8,607,395	9,392,859	6,819,571
Total Primary Government	<u>\$ 21,281,338</u>	<u>\$ 24,149,572</u>	<u>\$ 27,582,449</u>	<u>\$ 30,997,878</u>



Table 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 13,956,997	\$ 17,556,048	\$ 18,938,946	\$ 20,354,790	\$ 21,756,632	\$ 24,065,317
5,618,075	3,948,634	3,796,206	4,248,389	4,268,616	4,291,949
7,244,477	7,836,557	9,026,779	8,510,817	9,560,609	9,976,119
<u>\$ 26,819,549</u>	<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>
\$ 7,131,553	\$ 10,874,807	\$ 14,219,103	\$ 10,140,949	\$ 12,564,557	\$ 14,404,734
(267,659)	(3,920,428)	(6,677,620)	(1,513,360)	(2,848,684)	(3,240,643)
<u>\$ 6,863,894</u>	<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>
\$ 21,088,550	\$ 28,430,855	\$ 33,158,049	\$ 30,495,739	\$ 34,321,189	\$ 38,470,051
5,618,075	3,948,634	3,796,206	4,248,389	4,268,616	4,291,949
6,976,818	3,916,129	2,349,159	6,997,457	6,711,925	6,735,476
<u>\$ 33,683,443</u>	<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>

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

Table 2

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities				
General government	\$ 1,011,092	\$ 1,143,872	\$ 1,137,472	\$ 1,168,554
Public safety	3,094,017	3,345,326	3,563,263	3,760,227
Public works	1,732,405	1,644,679	1,666,696	1,743,263
Culture and recreation	673,660	707,988	651,029	710,673
Housing and economic development	88,092	84,064	107,601	829,207
Interest on long-term debt	1,048,331	930,353	912,412	882,349
Total Governmental Activities Expenses	<u>7,647,597</u>	<u>7,856,282</u>	<u>8,038,473</u>	<u>9,094,273</u>
Business-type activities				
Water	1,776,204	1,763,673	1,803,974	1,926,287
Sewer	2,045,238	2,146,860	2,097,118	2,096,323
Municipal liquor	2,699,280	2,732,378	2,848,011	2,923,079
Recycling	181,571	182,673	182,133	200,399
Storm water	378,573	375,853	389,394	393,363
HRA public housing	327,318	330,939	320,944	-
Total Business-type Activities Expenses	<u>7,408,184</u>	<u>7,532,376</u>	<u>7,641,574</u>	<u>7,539,451</u>
Total Expenses	<u>\$ 15,055,781</u>	<u>\$ 15,388,658</u>	<u>\$ 15,680,047</u>	<u>\$ 16,633,724</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 300,624	\$ 340,691	\$ 350,087	\$ 341,676
Public safety	865,539	1,222,890	1,310,451	1,382,033
Public works	94,104	118,533	124,524	84,554
Culture and recreation	228,854	231,716	253,328	294,000
Housing and economic development	211,928	-	9,967	1,245
Operating grants and contributions	113,136	251,738	125,361	148,745
Capital grants and contributions	1,945,142	1,279,161	1,701,151	2,088,315
Total Governmental Activities Program Revenue	<u>3,759,327</u>	<u>3,444,729</u>	<u>3,874,869</u>	<u>4,340,568</u>
Business-type activities				
Charges for services				
Water	1,887,698	1,626,188	1,800,376	1,959,567
Sewer	1,523,307	1,767,515	1,888,094	2,086,544
Municipal liquor	2,887,315	2,919,731	2,965,068	3,053,772
Recycling	169,744	177,849	183,141	183,394
Storm water	404,162	479,588	507,892	553,576
HRA public housing	132,679	133,205	141,163	129,839
Operating grants and contributions	191,176	144,127	163,699	167,350
Capital grants and contributions	54,243	77,855	115,521	72,570
Total Business-type Activities Program Revenue	<u>7,250,324</u>	<u>7,326,058</u>	<u>7,764,954</u>	<u>8,206,612</u>
Total Program Revenues	<u>\$ 11,009,651</u>	<u>\$ 10,770,787</u>	<u>\$ 11,639,823</u>	<u>\$ 12,547,180</u>

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,105,111	\$ 1,071,883	\$ 1,730,674	\$ 1,970,602	\$ 1,200,506	\$ 1,353,093
3,684,407	3,730,923	3,910,533	4,034,136	4,199,967	4,213,678
2,113,037	2,211,777	2,113,513	1,956,950	2,029,199	2,203,860
660,464	499,451	661,179	754,563	865,711	1,086,106
197,131	154,646	286,580	289,505	257,316	254,309
692,731	695,483	625,566	482,611	404,256	326,634
8,452,881	8,364,163	9,328,045	9,488,367	8,956,955	9,437,680
1,950,571	1,976,984	1,944,607	1,931,878	1,879,319	2,014,321
2,247,194	2,241,123	2,161,094	2,381,166	2,250,749	2,274,120
2,907,960	2,832,948	3,396,840	3,411,372	3,409,989	3,468,709
199,927	197,261	197,363	197,986	251,464	249,577
393,803	406,202	407,685	355,543	333,180	325,339
-	-	-	-	-	-
7,699,455	7,654,518	8,107,589	8,277,945	8,124,701	8,332,066
<u>\$ 16,152,336</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>
\$ 327,565	\$ 345,221	\$ 364,623	\$ 400,740	\$ 404,122	\$ 409,941
1,238,004	1,137,281	1,103,015	1,217,040	1,253,672	1,187,497
58,320	60,267	57,778	66,590	44,120	71,106
389,308	179,945	183,459	209,554	200,521	274,782
-	2,012	5,011	250	-	529
154,653	361,689	1,205,813	653,008	679,431	1,134,027
1,365,758	818,456	556,943	154,233	169,328	119,178
3,533,608	2,904,871	3,476,642	2,701,415	2,751,194	3,197,060
2,121,051	2,049,587	1,979,250	2,089,204	2,159,374	2,142,111
2,322,975	2,245,261	2,342,322	2,518,028	2,642,942	2,791,277
3,159,784	3,106,187	3,094,818	3,838,394	3,874,634	3,858,461
181,342	179,468	181,232	183,522	185,332	237,258
473,241	155,125	153,110	139,330	137,839	140,541
-	-	-	-	-	-
-	-	-	-	18,301	18,642
80,358	25,573	120,013	99,476	1,015	113,640
8,338,751	7,761,201	7,870,745	8,867,954	9,019,437	9,301,930
<u>\$ 11,872,359</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>

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

Table 2

	Fiscal Year			
	2014	2015	2016	2017
<b>Program Revenues (Continued)</b>				
Net (expenses) revenues				
Governmental activities	\$ (3,888,270)	\$ (4,411,553)	\$ (4,163,604)	\$ (4,753,705)
Business-type activities	(157,860)	(206,318)	123,380	667,161
Total Primary Government	<u>\$ (4,046,130)</u>	<u>\$ (4,617,871)</u>	<u>\$ (4,040,224)</u>	<u>\$ (4,086,544)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	\$ 6,068,495	\$ 6,236,580	\$ 6,500,525	\$ 6,510,322
Franchise taxes	412,506	412,295	423,042	405,178
State grants and contributions not restricted to specific programs	297,791	331,693	340,471	347,390
Unrestricted investment earnings	7,240	8,815	12,514	26,970
Gain on sale of capital assets	7,000	28,668	103,984	56,300
Transfers - internal activities	332,292	59,493	57,405	130,266
Special item - sale of property	-	-	(373,182)	-
Total Governmental Activities General Revenues	<u>7,125,324</u>	<u>7,077,544</u>	<u>7,064,759</u>	<u>7,476,426</u>
Business-type activities				
Taxes				
Property taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Unrestricted investment earnings	1,995	3,658	10,755	13,391
Gain on sale of capital assets	70,000	25,500	13,334	10,283
Transfers - internal activities	(332,292)	(59,493)	(57,405)	(130,266)
Total Business-type Activities General Revenues	<u>(260,297)</u>	<u>(30,335)</u>	<u>(33,316)</u>	<u>(106,592)</u>
Total Primary Government	<u>\$ 6,865,027</u>	<u>\$ 7,047,209</u>	<u>\$ 7,031,443</u>	<u>\$ 7,369,834</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 3,237,054	\$ 2,665,991	\$ 2,901,155	\$ 2,722,721
Business-type activities	(418,157)	(236,653)	90,064	560,569
Total Primary Government	<u>\$ 2,818,897</u>	<u>\$ 2,429,338</u>	<u>\$ 2,991,219</u>	<u>\$ 3,283,290</u>

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ (4,919,273)	\$ (5,459,292)	\$ (5,851,403)	\$ (6,786,952)	\$ (6,205,761)	\$ (6,240,620)
639,296	106,683	(236,844)	590,009	894,736	969,864
<u>\$ (4,279,977)</u>	<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>
\$ 6,638,769	\$ 6,856,784	\$ 7,211,433	\$ 7,164,926	\$ 7,619,480	\$ 7,744,097
406,501	400,811	397,104	386,787	381,925	370,841
383,843	384,321	406,616	313,146	313,146	168,842
63,111	85,578	27,938	11,443	107,679	333,902
14,045	77,793	54,004	62,715	5,392	70,466
128,072	175,695	175,000	200,000	250,000	300,000
-	-	-	-	-	-
<u>7,634,341</u>	<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>
-	-	-	180,000	180,000	360,000
-	-	-	362,124	332,432	344,609
36,823	49,953	1,739	2,490	21,664	66,556
-	-	-	-	-	7,189
(128,072)	(175,695)	(175,000)	(200,000)	(250,000)	(300,000)
<u>(91,249)</u>	<u>(125,742)</u>	<u>(173,261)</u>	<u>344,614</u>	<u>284,096</u>	<u>478,354</u>
<u>\$ 7,543,092</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>
\$ 2,715,068	\$ 2,521,690	\$ 2,420,692	\$ 1,352,065	\$ 2,471,861	\$ 2,747,528
548,047	(19,059)	(410,105)	934,623	1,178,832	1,448,218
<u>\$ 3,263,115</u>	<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>

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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
2014	\$ 6,068,495	\$ 412,506	\$ 6,347,029
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

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

Table 4

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 361,707	\$ 276,834	\$ 190,739	\$ 100,673
Restricted	-	-	28,084	97,184
Assigned	272,860	290,300	344,560	460,695
Unassigned	1,963,345	2,347,131	2,725,710	2,844,456
Total General Fund	<u>\$ 2,364,649</u>	<u>\$ 2,597,912</u>	<u>\$ 2,914,265</u>	<u>\$ 3,289,093</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 106,665	\$ 107,760
Restricted	5,264,220	6,385,888	7,950,914	6,605,379
Assigned	2,463,334	2,636,566	2,607,179	1,656,628
Unassigned	(42,244)	(44,793)	(60,771)	(90,310)
Total All Other Governmental Funds	<u>\$ 6,691,249</u>	<u>\$ 7,685,310</u>	<u>\$ 8,977,661</u>	<u>\$ 10,603,987</u>



Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ 1,360	\$ 1,360	\$ 9,576
20,019	20,019	-	-	-	411,697
514,907	623,319	653,660	435,094	407,909	252,112
2,797,187	2,599,151	2,673,660	2,887,241	2,944,801	3,394,334
<u>\$ 3,503,008</u>	<u>\$ 3,332,113</u>	<u>\$ 3,242,489</u>	<u>\$ 3,327,320</u>	<u>\$ 3,323,695</u>	<u>\$ 4,067,719</u>
\$ 107,760	\$ 7,084	\$ 7,084	\$ 682,798	\$ 682,798	\$ 7,084
10,210,602	5,602,593	5,367,009	5,803,479	5,601,447	4,950,454
1,719,268	2,472,757	3,843,073	4,071,325	4,832,984	5,194,363
(148,250)	(175,825)	(191,339)	(19,794)	(40,732)	-
<u>\$ 8,279,457</u>	<u>\$ 11,889,380</u>	<u>\$ 7,906,609</u>	<u>\$ 9,025,827</u>	<u>\$ 10,537,808</u>	<u>\$ 10,151,901</u>

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

Table 5

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 6,512,580	\$ 6,615,397	\$ 6,928,660	\$ 6,953,226
Licenses and permits	435,867	483,454	502,724	554,878
Intergovernmental	622,969	914,000	1,366,113	1,831,317
Charges for services	908,848	985,139	1,039,223	1,133,595
Fines and forfeitures	65,071	57,242	44,022	43,137
Special assessments	1,231,481	1,210,186	1,123,120	1,147,612
Interest on investments	7,240	8,815	12,514	26,970
Miscellaneous	574,203	536,145	462,248	372,969
Total Revenues	<u>9,899,231</u>	<u>10,358,259</u>	<u>10,810,378</u>	<u>11,478,624</u>
Expenditures				
General government	1,011,539	1,117,105	1,124,242	1,140,874
Public safety	3,176,801	3,142,873	3,348,707	3,466,464
Public works	764,378	734,442	702,586	744,369
Culture and recreation	570,893	544,335	528,182	590,260
Housing and economic development	38,466	38,724	57,906	69,393
Capital outlay	1,261,780	1,248,810	4,037,845	3,796,979
Debt service				
Principal	2,269,605	2,412,381	2,493,041	3,651,041
Interest and other	1,091,765	991,165	901,350	901,505
Total Expenditures	<u>11,634,818</u>	<u>10,185,227</u>	<u>10,229,835</u>	<u>13,193,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,735,587)</u>	<u>173,032</u>	<u>580,543</u>	<u>(1,715,235)</u>
Other Financing Sources (Uses)				
Transfers in	884,929	571,914	574,490	730,712
Transfers out	(552,637)	(512,421)	(517,085)	(600,446)
Bonds issued	1,655,000	6,100,000	3,555,000	-
Bonds refunded	(940,000)	(5,160,000)	-	-
Bond premium	-	-	-	-
Sale of capital assets	7,000	28,668	103,984	56,300
Total Other Financing Sources (Uses)	<u>3,025,966</u>	<u>1,054,292</u>	<u>1,028,161</u>	<u>3,716,389</u>
Net Change in Fund Balances	<u>\$ 1,290,379</u>	<u>\$ 1,227,324</u>	<u>\$ 1,608,704</u>	<u>\$ 2,001,154</u>
Debt Service as a Percentage of Noncapital Expenditures	36.4%	37.0%	37.3%	36.5%

Table 5

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,021,591	\$ 7,249,812	\$ 7,599,933	\$ 7,576,661	\$ 8,008,543	\$ 8,111,317
599,415	457,567	454,660	497,617	545,804	651,529
936,292	1,045,362	1,834,294	880,991	613,210	895,007
983,571	904,446	932,546	996,765	1,012,965	1,172,228
36,771	34,082	22,939	28,273	35,427	40,173
1,010,004	978,036	772,846	692,330	556,170	486,193
63,111	85,578	27,938	11,443	107,679	333,902
396,589	403,413	428,425	456,682	400,415	170,575
<u>12,063,704</u>	<u>11,047,344</u>	<u>11,158,296</u>	<u>12,073,581</u>	<u>11,140,762</u>	<u>11,860,924</u>
1,084,064	1,063,703	1,694,250	1,137,971	1,195,105	1,357,938
3,423,371	3,454,487	3,568,621	3,719,610	3,811,333	3,883,214
768,371	856,014	789,247	740,960	902,104	1,025,642
589,083	539,612	582,428	607,339	744,840	887,319
82,659	57,833	92,800	78,575	80,119	73,296
1,503,725	1,123,514	1,454,967	971,788	893,833	2,047,133
2,900,702	2,953,022	2,891,119	2,821,633	2,883,633	2,797,467
891,521	750,994	683,479	517,245	455,574	376,228
<u>14,360,885</u>	<u>11,243,496</u>	<u>10,799,179</u>	<u>11,756,911</u>	<u>10,595,121</u>	<u>12,448,237</u>
<u>(2,297,181)</u>	<u>(196,152)</u>	<u>359,117</u>	<u>316,670</u>	<u>545,641</u>	<u>(587,313)</u>
1,635,107	778,441	823,653	895,970	1,007,946	1,279,071
(1,507,035)	(602,746)	(648,653)	(695,970)	(757,946)	(979,071)
3,325,000	-	2,450,000	-	-	-
-	(4,685,000)	(1,930,000)	-	-	-
168,063	-	138,375	-	-	-
14,045	77,793	54,004	762,715	5,392	76,366
<u>186,566</u>	<u>3,635,180</u>	<u>(4,431,512)</u>	<u>887,379</u>	<u>962,715</u>	<u>376,366</u>
<u>\$ (2,110,615)</u>	<u>\$ 3,439,028</u>	<u>\$ (4,072,395)</u>	<u>\$ 1,204,049</u>	<u>\$ 1,508,356</u>	<u>\$ (210,947)</u>
39.9%	37.5%	37.5%	33.4%	33.2%	29.3%

City of Mound, Minnesota

Table 6

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)

	2015	2016	2017	2018
Real Property	\$ 1,059,788,500	\$ 1,078,295,400	\$ 1,175,358,600	\$ 1,225,075,100
Personal Property	5,124,200	5,002,600	5,203,600	5,925,000
Estimated Actual Value	<u>\$ 1,064,912,700</u>	<u>\$ 1,083,298,000</u>	<u>\$ 1,180,562,200</u>	<u>\$ 1,231,000,100</u>
Tax Capacity	\$ 10,766,187	\$ 10,992,202	\$ 12,084,264	\$ 12,659,733
Contribution to Fiscal Disparities Pool	(261,070)	(276,900)	(299,684)	(327,418)
Receivable from Fiscal Disparities Pool	861,823	848,636	887,186	966,291
Tax Increment	<u>(384,355)</u>	<u>(488,930)</u>	<u>(569,772)</u>	<u>(619,616)</u>
Total Tax Capacity	<u>\$ 10,982,585</u>	<u>\$ 11,075,008</u>	<u>\$ 12,101,994</u>	<u>\$ 12,678,990</u>
Tax Levies				
General	\$ 3,496,123	\$ 3,601,007	\$ 3,492,976	\$ 3,580,301
Debt service	1,981,068	1,981,102	2,031,250	2,056,154
Fire relief	67,171	67,063	68,560	68,001
Housing and redevelopment authority	<u>177,835</u>	<u>197,008</u>	<u>200,410</u>	<u>218,404</u>
Total	<u>\$ 5,722,197</u>	<u>\$ 5,846,180</u>	<u>\$ 5,793,196</u>	<u>\$ 5,922,860</u>
Tax Capacity Rate				
General	32.185 %	33.170 %	29.184 %	30.463 %
Debt service	17.314	17.329	16.102	13.997
Fire relief	0.587	0.586	0.543	0.463
Housing and redevelopment authority	<u>1.600</u>	<u>1.794</u>	<u>1.646</u>	<u>1.729</u>
Total	<u>51.686 %</u>	<u>52.879 %</u>	<u>47.475 %</u>	<u>46.652 %</u>

\* Included next years information to illustrate significant changes to property values

Table 6

2019	2020	2021	2022	2023	2024*
\$ 1,337,495,900	\$ 1,418,721,500	\$ 1,558,252,100	\$ 1,620,531,800	\$ 2,052,698,200	\$ 2,242,535,200
6,047,600	5,994,800	6,312,600	2,630,500	2,785,200	2,612,800
<u>\$ 1,343,543,500</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>
\$ 13,917,172	\$ 14,896,070	\$ 16,540,281	\$ 17,173,702	\$ 22,239,866	\$ 24,531,151
(342,108)	(349,858)	(380,984)	(362,316)	(349,789)	(391,141)
1,061,728	1,061,178	1,130,208	1,168,519	1,089,124	1,082,365
(697,017)	(841,118)	(940,678)	(915,729)	(1,055,435)	(1,153,241)
<u>\$ 13,939,775</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>
\$ 3,949,614	\$ 4,153,801	\$ 4,485,665	\$ 4,889,744	\$ 5,516,693	\$ 6,552,764
1,794,582	1,763,189	1,727,048	1,636,591	1,336,089	1,104,742
74,601	76,093	78,379	79,115	82,839	86,571
227,735	248,555	248,555	248,555	250,000	250,000
<u>\$ 6,046,532</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>
28.156 %	28.083 %	27.287 %	28.676 %	24.864 %	27.262 %
12.793	11.921	10.564	9.598	6.023	4.596
0.532	0.514	0.479	0.464	0.378	0.360
1.626	1.688	1.508	1.453	1.124	1.035
<u>43.107 %</u>	<u>42.206 %</u>	<u>39.838 %</u>	<u>40.191 %</u>	<u>32.389 %</u>	<u>33.253 %</u>

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

Table 7

Year Taxes Payable	City	City HRA	County	School	Watershed	Misc.	Total
2015	50.086 %	1.600 %	46.398 %	20.377 %	1.738 %	9.785 %	129.984 %
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

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, 2023 - December 31, 2014

Table 8

Taxpayer	Type of Property	2023			2014		
		Total Tax	Rank	Percent of Total Tax	Total Tax	Rank	Percent of Total Tax
SCL Holdings-Mound, LLC	Commercial	\$ 153,850	1	0.70 %	\$ 109,930	1	1.11 %
Harrison Bay Senior Living, LLC	Residential - Apartment	142,025	2	0.65	-		-
Metro Storage -Mound LLC	Industrial	131,490	3	0.60	36,810	5	0.37
Grandview Minnesota, LLC	Residential - Apartment	113,375	4	0.52	57,375	2	0.58
Walgreens Company	Commercial	55,970	5	0.26	48,130	3	0.49
EGR Premier Properties LLC	Commercial	53,250	6	0.24	-		-
IKM Limited Partnership	Housing - Low Income	51,775	7	0.23	-		-
Balboa Minnesota Co.	Industrial	40,750	8	0.19	45,833	4	0.46
LHB Properties LLC	Residential - Apartment	40,225	9	0.18	-		-
Residential Estate	Residential - LakeShore	36,425	10	0.17	-		-
Goelzer/Richardson, LLP	Commercial	-		-	34,051	6	0.34
Beth D. Saliterman	Commercial	-		-	25,950	7	0.26
Wells Fargo Bank NA	Commercial	-		-	23,950	8	0.24
Xcel Energy	Utilities	-		-	21,782	9	0.22
Vernon & Nancy Hoium	Commercial	-		-	20,150	10	0.20
Total		<u>\$ 819,135</u>		<u>3.74 %</u>	<u>\$ 423,961</u>		<u>4.27 %</u>

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
2014	\$ 5,631,592	\$ 5,583,247	99.14 %	48,345	\$ 5,631,592	100.00 %
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	-	7,140,019	99.37

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	Lease Revenue Bonds	Capital Leases	General Obligation Revenue Bonds	General Obligation Bonds			
2014	\$ 25,862,825	\$ 7,530,000	\$ -	\$ -	\$ 26,731,175	\$ -	\$ 60,124,000	12.16 %	\$ 6,309
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	5,167
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

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 Fund Balance for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Tax Capacity	Net Bonded Debt Per Capita
2014	9,302	\$ 10,190,554	\$58,480,000	\$ 2,180,474	\$ 56,299,526	552.47 %	\$ 6,052
2015	9,302	10,982,585	60,124,000	2,553,254	57,570,746	524.20	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

Year 2020 population from US Census

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, 2023

Table 12

	Total Debt	Net Debt Outstanding	Percent of Debt Applicable to City*	City of Mound Share of Debt
Direct Debt				
City of Mound	\$ 33,353,000	\$ 4,708,000	100.00 %	\$ 3,265,284
Overlapping Debt				
Hennepin County	1,423,815,000	1,027,985,000	0.87	9,190,110
School District #277	27,385,000	27,385,000	30.48	8,099,822
Hennepin Suburb Park District	59,870,000	54,980,000	1.20	595,861
Hennepin Regional RR Authority	81,665,000	81,665,000	0.87	701,415
Metropolitan Council	1,694,829,000	238,225,000	0.43	385,809
Total Overlapping Debt	3,287,564,000	1,430,240,000	33.85	18,973,017
Total Direct and Overlapping Debt	\$ 3,320,917,000	\$ 1,434,948,000	1.55 %	\$ 22,238,301

\* 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			
	2014	2015	2016	2017
Debt Limit	\$ 28,838,049	\$ 31,947,381	\$ 32,498,940	\$ 35,416,866
Total Net Debt Applicable to Limit	<u>200,000</u>	<u>-</u>	<u>730,000</u>	<u>730,000</u>
Legal Debt Margin	<u>\$ 28,638,049</u>	<u>\$ 31,947,381</u>	<u>\$ 31,768,940</u>	<u>\$ 34,686,866</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.7%	0.0%	2.2%	2.1%

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					
2018	2019	2020	2021	2022	2023
\$ 36,930,003	\$ 40,306,305	\$ 42,741,489	\$ 46,936,941	\$ 48,694,869	\$ 61,664,502
680,000	625,000	570,000	515,000	975,000	350,000
<u>\$ 36,250,003</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>
1.8%	1.6%	1.3%	1.1%	2.0%	0.6%

## Legal Debt Margin Calculation:

Taxable Market Value	<u>\$ 2,055,483,400</u>
Debt Limit (3 Percent of Market Value)	\$ 61,664,502
Debt Applicable to Limit	<u>350,000</u>
Legal Debt Margin	<u>\$ 61,314,502</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	
2014	\$ 3,870,751	\$ 2,097,241	\$ 1,773,510	\$ 3,301,396	\$ 782,482	\$ 4,083,878	.434 to 1
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	.959 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
2014	9,302	4,045	2.30	494,550,132	53,166	44.2	2,253	3.0
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 (1)	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 (3)	44.3 (1)	2,418	2.6
2023	9,398 *	4,414 (1)	2.13 (2)	675,828,976 (2)	71,912 *	44.3 *	2,412 (4)	2.2 (5)

Sources

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

- (1) US Department of Commerce - Census Bureau
- (2) Calculated by the City
- (3) US Department of Commerce - Bureau of Economic Analysis
- (4) Westonka ISD
- (5) 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	5	5	5	5	5	4	4	4	4	4
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)	40	39	39	39	38	39	39	40	39	40
Public Works										
Engineering	2	2	2	2	2	2	2	2	2	2
Maintenance	3	2	5	3	4	4	4	4	4	4
Culture and Recreation										
Parks	2	3	3	3	3	3	3	3	3	3
Seasonal Park Maintenance (2)	2	2	2	2	2	2	2	2	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	3	2	2	3	3	2	3	3	4
Municipal Liquor Store	6	6	6	6	7	6	5	5	5	5
Total	68	67	69	67	69	68	66	68	68	70

(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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Police calls	*	*	*	*	*	*	*	*	*	*
Physical arrests	*	*	*	*	*	*	*	*	*	*
Parking violations	*	*	*	*	*	*	*	*	*	*
Traffic violations	*	*	*	*	*	*	*	*	*	*
Fire										
Fire calls										
Elections	525	550	588	596	602	568	597	659	723	677
Registered voters last election										
Number of votes cast last election	6,100	6,100	6,195	6,195	6,213	6,213	6,719	6,719	6,502	6,502
Percentage of registered voters voting	3,893	3,893	5,561	5,661	4,961	4,961	6,235	6,235	4,895	4,895
Building/Engineering	63.82%	63.82%	91.38%	91.38%	79.85%	79.85%	92.80%	92.80%	75.28%	75.28%
Permits issued										
Value of permits issued (in millions)	350	380	439	224	444	448	403	448	421	449
Water	\$ 8,818,474	\$ 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
Consumers										
New connections	3,778	3,727	3,735	3,780	3,765	3,773	3,771	3,762	3,776	3,798
Water mains breaks	9	20	27	10	19	8	4	2	5	22
Average daily consumption (thousands of gallons)	13	13	4	8	4	5	6	6	3	11
Maximum daily capacity (thousands of gallons)	612	612	569	586	576	571	625	616	615	610
User charge per thousand gallons	2,200	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320
Sewer	\$ 3.85	\$ 4.18	\$ 4.54	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 4.92	\$ 5.07
Average daily treatment flow (thousands of gallons)										
User charge per thousand gallons	1,012	1,012	1,012	1,012	1,022	1,048	1,102	1,084	1,082	1,074
	\$ 4.85	\$ 5.31	\$ 5.81	\$ 6.36	\$ 6.55	\$ 6.75	\$ 6.95	\$ 7.16	\$ 7.37	\$ 7.60

\* 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	2.8	0.65	4	1.5	0	1.3	0	0.5	0.5	3.2
Sidewalks (miles)	11	11	11	11	11	11	11	11	11	11
Street lights	540	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	45	46	46	46	46	46	46
Miles of water main rehabilitated	1	1	4	0.84	-	1.20	-	0.50	1.00	0.27
Fire hydrants	414	414	415	416	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	0.37	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, 2023

City of Mound, Minnesota  
Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedules by Source  
December 31, 2023 and 2022

Exhibit H-1

	<u>2023</u>	<u>2022</u>
Governmental Funds Capital Assets		
Land	\$ 198,366	\$ 198,366
Buildings and structures	12,065,185	11,988,250
Improvements other than buildings	2,870,151	2,456,163
Furniture and equipment	5,283,678	4,735,922
Infrastructure	31,122,920	31,002,688
Construction in progress	<u>777,530</u>	<u>624,889</u>
Total Governmental Funds Capital Assets	<u>\$ 52,317,830</u>	<u>\$ 51,006,278</u>
Investments in Governmental Funds Capital Assets by Source		
General and special revenue funds	\$ 20,444,666	\$ 19,378,701
Capital projects funds	<u>31,873,164</u>	<u>31,627,577</u>
Total Investments in Governmental Funds Capital Assets by Source	<u>\$ 52,317,830</u>	<u>\$ 51,006,278</u>

City of Mound, Minnesota  
Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function  
December 31, 2023

Exhibit H-2

	Total	Land	Buildings and Structures	Improvements Other Than Buildings	Furniture and Equipment	Infrastructure
Governmental Capital Assets						
General government	\$ 870,914	\$ 159,366	\$ 411,572	\$ 141,781	\$ 138,959	19,236.00
Public safety	8,761,618	-	5,957,190	-	2,804,428	-
Public works	37,454,662	-	5,602,904	1,033,346	1,536,393	29,282,019
Culture and recreation	2,639,491	39,000	93,519	1,695,024	803,898	8,050
Housing and economic development	1,813,615	-	-	-	-	1,813,615
Total Governmental Capital Assets	<u>\$ 51,540,300</u>	<u>\$ 198,366</u>	<u>\$ 12,065,185</u>	<u>\$ 2,870,151</u>	<u>\$ 5,283,678</u>	<u>\$ 31,122,920</u>

City of Mound, Minnesota  
Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function  
For the Year Ended December 31, 2023

Exhibit H-3

	Governmental Capital Assets January 1	Additions	Deductions	Governmental Capital Assets December 31
Governmental Capital Assets				
General government	\$ 846,397	\$ 65,048	\$ (40,531)	\$ 870,914
Public safety	8,198,677	768,523	(205,582)	8,761,618
Public works	37,346,365	133,366	(25,069)	37,454,662
Culture and recreation	2,176,335	488,460	(25,304)	2,639,491
Housing and economic development	1,813,615	-	-	1,813,615
 Total Governmental Capital Assets	 <u>\$ 50,381,389</u>	 <u>\$ 1,455,397</u>	 <u>\$ (296,486)</u>	 <u>\$ 51,540,300</u>

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, 2023

Exhibit I-1

	Original Budget	Accounted for in Prior Years	Current Year	Amount Remaining
Source of Funds				
Tax increment revenue	\$ 35,000,000	\$ 2,670,550	\$ 200,033	\$ 32,129,417
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>21,277,826</u>	<u>200,033</u>	<u>13,522,141</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	235,674	1,102	3,763,224
Loan payments				
Principal	-	12,255,000	130,000	(12,385,000)
Interest and other	13,385,405	2,402,507	56,585	10,926,313
Total Use of Funds	<u>33,385,405</u>	<u>20,322,376</u>	<u>187,687</u>	<u>12,875,342</u>
Funds Remaining	<u>\$ 1,614,595</u>	<u>\$ 955,450</u>	<u>\$ 12,346</u>	<u>\$ 646,799</u>