

CITY OF MOUND
MOUND, MINNESOTA

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

REPORT PREPARED BY
THE CITY OF MOUND FINANCE DEPARTMENT

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City of Mound, Minnesota
 Comprehensive Annual Financial Report
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 For the Year Ended December 31, 2019

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INTRODUCTORY SECTION

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

City of Mound, Minnesota
Elected and Appointed Officials
For the Year Ended December 31, 2019

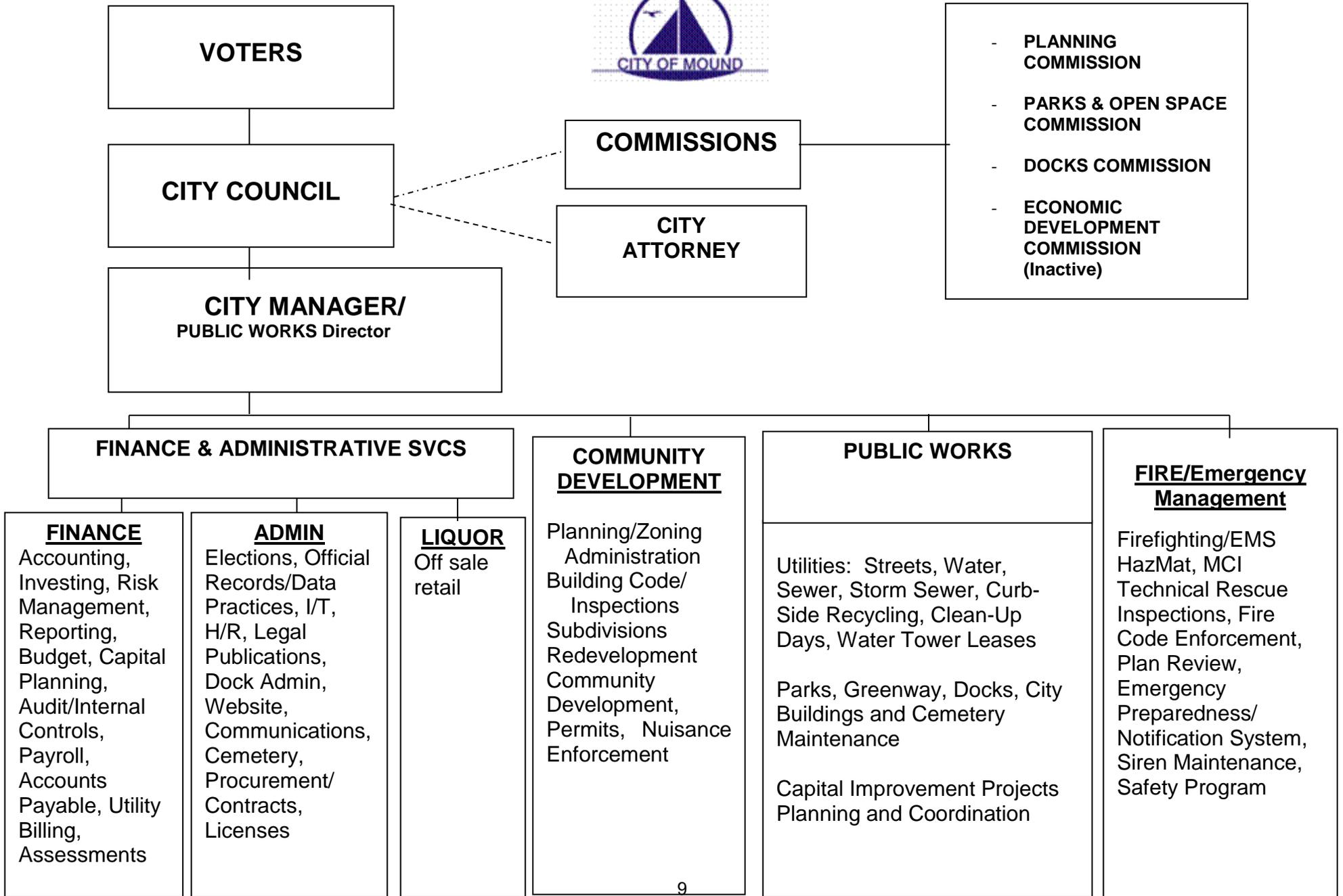
ELECTED

<u>Name</u>	<u>Term Expires</u>	<u>Title</u>
Ray Salazar	12/31/20	Mayor
Jeff Bergquist	12/31/20	Council Member
Phil Velsor	12/31/22	Council Member
Sherrie Pugh	12/31/22	Council Member
Paula Larson	12/31/20	Council Member

APPOINTED

Eric Hoversten	City Manager & Director of Public Works
Catherine Pausche	Director of Finance & Administration
Greg Pederson	Fire Chief
Sarah Smith	Community Development/Planner
Ron Gust	Liquor Store Manager

CITY OF MOUND - ORGANIZATIONAL CHART



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2415 WILSHIRE BOULEVARD
MOUND, MINNESOTA 55364
PH: (952) 472-0600
FAX: (952) 472-0620
WEB: www.cityofmound.com

May 12, 2020

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

Mayor and City Council Members:

The Comprehensive Annual Financial Report of the City of Mound for the fiscal year ended December 31, 2019, 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 Comprehensive Annual 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 2019: a liquor store, water utility, sewer utility, storm sewer utility, and a curb-side recycling service.

GAAP 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 4.15 square miles and its population, according to the 2010 Census, is estimated at 9,052. 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 currently classified as a fully developed community since urban uses occupy more than 90 percent of the total land area. The majority of the tax base in Mound is residential property. This provides the City with a stable tax revenue flow, but not a rapidly expanding tax base. Because less than 10 percent of the land in Mound is currently vacant, redevelopment plays a vital role in the City's future. Redevelopment means going from a lower usage to a higher density or intensity of use. Commercial redevelopment in Mound has followed this pattern in recent years and is expected to do so in the future. Mound has three active TIF districts, the most recent 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 2019 were the following:

- The 15-year neighborhood street reconstruction program was completed in 2018, which included Municipal State Aid (MSA) streets and corresponding upgrades to the sewer and water utilities as needed. Multi-year cooperative projects with MCES were also substantially completed in 2019. Twenty-two of the City's 30 sanitary sewer lift stations were reconstructed as of 2019.
- Our oldest streets are now a few cul-de-sacs from subdivisions created over the years and these streets are being monitored for potential reconstruction. Sherwood Drive was selected and the project was approved in 2019 with construction in 2020. Multiple projects in 2019 were unbundled and rebid late in the year to improve bidding results.
- The Swenson Park tennis courts were reconstructed in 2019.
- An Infrastructure Replacement Reserve Fund and corresponding special levy were implemented in order to plan for the next generation of streets and avoid the need for special assessments in the future. Capital reserve funds were also created for City buildings, parks and open spaces and equipment in order to build reserves and better manage the fluctuations in these types of expenditures.
- The City's Key Financial Strategies, or Long Term Financial Plan, was approved through 2028 that addresses financing the remaining utility improvements and the next generation of streets. The plan calls for deficits in the utility enterprise funds in order to manage utility rate increases in the short-term.
- The City issued 488 building permits for the year at a total value of \$9,579,435, which was a slight decrease in the total value of improvements from the prior year.
- The municipal liquor store revenues were steady at \$3M but the gross profit percentage improved from 25.8 to 26.9 percent. The interfund loan related to the 2002 construction financing was paid off in 2019 and the amount of profits transferred for tax relief increased from \$125K to \$175K.
- The City of Mound completed the 2040 Comprehensive Plan Update, which reimagines the downtown revitalization concepts to adjust to changes in the market conditions. The Metropolitan Council approved the plan, and implementation activities including amendments to City Code related to zoning, subdivision, etc. have commenced.
- A multi-level parking deck and transit center was completed in 2007 in the Transit District which includes 176 spaces including 50 stalls reserved on the upper floor for park and ride use. Several grants contributed to the financing of this project.
- A Request for Qualification and Interest (RFQ/I) in a Townhome Development was issued late in 2018 but the selected developer backed out due to soil conditions. A second RFQ/I for a Residential Development was then issued and the City is currently in negotiations with Lifestyle Communities, who specialize in multi-family, age-restricted, luxury cooperative-living housing developments.
- Recycling programs included the annual spring cleanup day in May, as well as leaf dumping offered to residents at a SET compost site in Minnetrista. Bi-weekly, single-sort, curbside recycling is also offered to all residents.
- Continued administration of the storm water utility management plan. Many neighborhood storm water projects have also been initiated to comply with MCWD mandates that are funded by the Storm Water Utility fees.
- Significant infrastructure improvements have been completed in our water utility, including the Chateau Water Tower that was replaced along with a new pumphouse in 2007 and multiple watermain crossing projects under Lake Minnetonka to create a loop for existing dead-end watermain lines in order to increase water volume and pressure to area residents.

- The Fire Department implemented a duty officer program in 2015 to increase efficiency and improve response times and continues to be very successful securing outside grants to offset expenditures making our fire protection spending per household less than the state average.
- The City continued the agreement with the Lake Minnetonka Communication Commission, which provides public, educational and government community programming via cable television and the internet. Council Chambers recording equipment was upgraded in 2019.
- In 2008, the Dakota Rail Regional trail was opened which provides for reuse of the former Dakota Railroad corridor as an “interim” recreational trail from Wayzata to St. Bonifacius, bringing more traffic and exposure to downtown Mound.
- Subdivided parcels provide a main source of growth. Woodlyn Ridge created 11 additional homes, Sulgrove, Anderson Grove, and Surfside Landing subdivisions provide for an additional 3 homes each, and a former mobile home property on 5.9 acres with portions in Mound and Minnetrista is slated for redevelopment.
- An independent marketing study was commissioned by the HRA in 2013 to help address the challenges that occur with conventional market studies that do not take into consideration the fact that Lake Minnetonka covers much of our geographical area and area residents are willing to drive farther to get to their destination. The study identified gaps in goods and services that will help to market to and attract potential businesses.
- The City Council approved the Community Development Block Grant (CDBG) and recommended the funding support local senior services, rehab grants for private property, the Westonka Community Action Network and Sojourner of Minnetonka.

MAJOR INITIATIVES FOR THE FUTURE

The COVID-19 pandemic has impacted every facet of our lives and city operations. The City is adapting and monitoring appropriately and has implemented a series of initiatives to protect our employees, residents and liquor store customers. Because of all the hard work to downsize our workforce by 24% during the 2009 recession, and because we contract for police and professional services, there is no need to consider furloughs or layoffs at this time.

The City also does not have a local sales tax, so besides monitoring for delinquent property taxes and utility bills, and the likely reduction in state aid, we do not anticipate significant revenue fluctuations. Our off-sale liquor store has had a healthy increase in sales while dine-in restaurants and bars are closed. Incremental expenses related to COVID-19 have been immaterial to date and we are reviewing potential shovel ready projects in the event stimulus money is approved and made available.

Market values increased in 2015, the first time since 2009, and continue to show strength. The total levy increased an average of 1.67% per year from 2009 – 2020. The City will continue to limit increases in operating expenditures and take advantage of previous cost containment initiatives. Infrastructure improvements have put pressure on utility rates, so the Council approved reductions to the storm water and street light fees starting in 2018 in order to provide some relief in the form of a 14.5% reduction in the base utility bill. Storm water and street light fees were reduced instead of other utility fees because these services are often funded by levies.

With the completion of the 15-year city-wide street and retaining wall reconstruction program, other Public Works projects will continue and include storm water drainage improvements, inflow/infiltration remediation, sanitary lift station reconstruction, and completion of a wellhead protection plan in accordance with state and federal regulations.

The Met Council Environmental Services (MCES) completed over \$38 million in projects to upgrade their infrastructure in Mound between 2014 and 2019. The timeframe was reduced in response to the record breaking rain events that occurred in the spring of 2014.

DEPARTMENT FOCUS - OFFICE OF THE CITY MANAGER

Each year, one department is selected to highlight that department's efforts and accomplishments. This year, the Office of the City Manager has been selected for review. The duties of the office vary depending on the size of the municipality, the services it renders, and its form of government. Mound is a Plan B City with a Council-Manager form of government. The City Manager is responsible for executing the policies adopted by the City Council and managing the ongoing administrative operations of the City. This includes, but is not limited to, community relations, strategic planning, policy research and implementation, performance measurement, project management and all human resources related functions. Since 2015, Eric Hoversten has served as the City Manager and Public Works Director for Mound. The dual role has created synergies and efficiencies that provide significant value to both the taxpayers and those doing business with the City. The City Manager provides oversight and guidance to every function of the City, requiring pragmatic leadership and problem solving skills, diplomatic communication skills and strong listening skills.

The success of the Office of the City Manager and the City as a whole can be summed up by S&P Global Ratings report that referred to *strong management, strong budgetary performances, and very strong budgetary flexibility* when it affirmed its AA/Stable rating in 2018.

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 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; however, this need could fluctuate with each year's budget objectives.

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 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 has 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. The City of Mound earned \$135K in interest revenue in 2019, up from \$100K in 2018, and \$40K in 2017.

Capital financing for major municipal improvements is provided through improvement bonds, general obligation bonds, tax increment bonds, 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. The City Council approved an inter-fund loan between the General Fund and the Municipal Liquor Store Fund to pay-off the 2001B bonds that were issued to build the new store. Inter-fund loans were also 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 are contemplated to help finance the remaining utility infrastructure improvements. In addition, year-end adjustments are made to offset negative cash balances in those funds that are overdrawn.

In addition, the City maintains budgetary controls. The objective of these 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 fund level.

In addition, the City engages in long-term financial planning. The City Council approved a ten-year capital improvement plan which will be reviewed annually on a rolling basis. Projected capital investment for the five-year period 2020 - 2024 exceeds \$9.6 million in improvements, some of which was delayed from 2019. Debt service payments will dramatically decline starting in 2023 and the plan is to maintain the levy and build reserves for the next generation of improvements.

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. The balance of the deposits and reserves are invested, with the earnings accruing to the benefit of all participants. LMCIT's reserves and rates are reviewed annually by an actuary to help assure that the program remains financially strong.

The City's tax capacity decreased significantly from 2010 to 2014. In order to maintain our policy of 20% unassigned fund balance in the General Fund and to manage increases to the tax rate, the City undertook a series of operational and personnel maneuvers that will have a long-term savings impact, not just one-time. These initiatives included offering a voluntary early retirement incentive plan in 2009 and 2012, a reduction in force in 2010 and 2012, introducing policies on overtime and retrofitting much of our lighting to save on utilities expense, and contracting for services at fixed rates, including policing and utility billing. The average increase to the General Fund levy was 0.53% from 2009 - 2020. The efforts continue and have become part of the culture as we try to reinvent the way government services are provided.

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 Comprehensive Annual 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 City Council and the City Manager, and the assistance of the independent auditors.

Respectfully submitted,



Catherine Pausche
Finance Director/Clerk/Treasurer

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FINANCIAL SECTION
CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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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, 2019, and the related notes to the financial statements, which collectively comprises the City's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business - type Activities	Qualified
General Fund	Unmodified
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 Recycling	Qualified
Enterprise Fund Storm Water	Qualified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinions

The City has not adopted 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, 2019, 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 of the City as of December 31, 2019, and the budgetary comparisons for the General fund and Area Fire Service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

The prior year comparative information has been derived from the City's 2018 financial statements and, in our report dated May 21, 2019 we express qualified opinions on the respective proprietary fund financial statements.

Required Supplementary Information

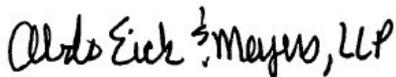
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 23 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, supplementary information, combining and individual fund financial statements and schedules, statistical section and other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, schedules, and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section and other financial information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 12, 2020

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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, 2019.

Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$36,295,618 (net position). Of this amount, \$3,916,129 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$2,612,175. Governmental activities accounted for \$2,521,690 of the total increase in net position while Business activities increased by \$90,485. This increase was mainly due to revenues from taxes and state grants and contributions more than offsetting the expenses over program revenues related to governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,149,098, a decrease of \$4,072,395 in comparison with the prior year. The decrease is mainly attributed to the Debt Service funds. The G.O. Refunding Bonds of 2018A were issued in late 2018 but the proceeds were not used for refunding until 2019. Approximately 22 percent or \$2,423,326, 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 \$3,222,470, or 69.4 percent 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 \$13,932,000, or 22.4 percent during the current fiscal year as the result of payments made on refunding bonds.

Overview of the Financial Statements

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

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

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

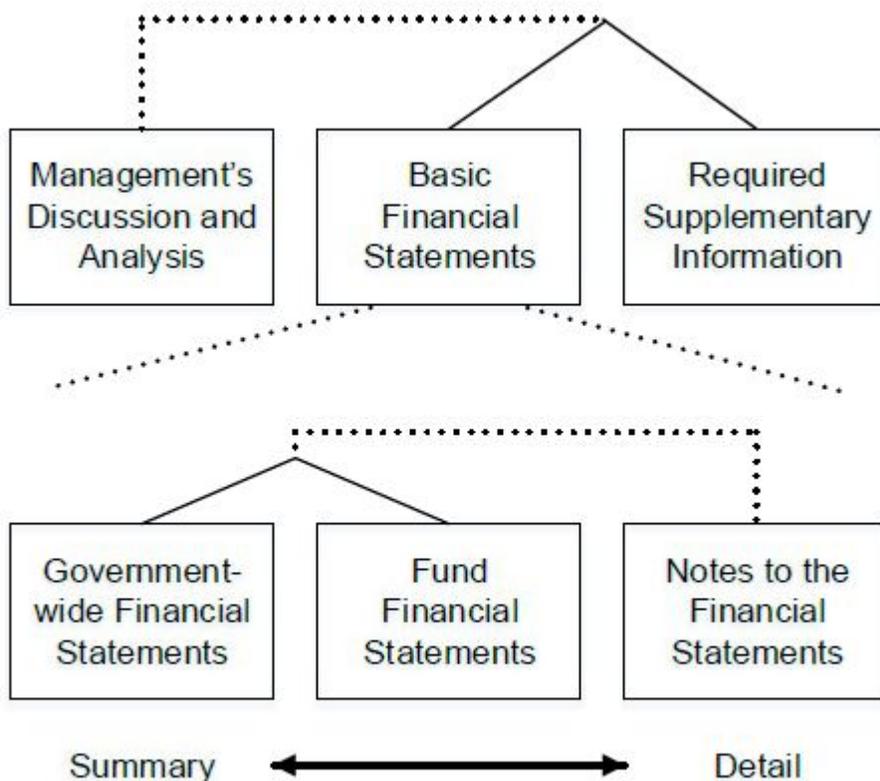


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the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

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

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (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"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Net Position • Statements of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of in flow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

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

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes 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 36 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, the Area Fire Service fund and the Capital Improvements 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 40 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 46 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 51 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 76 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 \$36,295,618 at the close of the most recent fiscal year.

The City’s net position in capital assets (78.3 percent) 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		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Assets						
Current and other assets	\$ 17,899,796	\$ 22,787,856	\$ (4,888,060)	\$ (945,521)	\$ 4,207,449	\$ (5,152,970)
Capital assets	35,503,686	36,065,657	(561,971)	36,737,298	37,541,419	(804,121)
Total Assets	53,403,482	58,853,513	(5,450,031)	35,791,777	41,748,868	(5,957,091)
Liabilities						
Long-term liabilities outstanding	22,340,431	29,966,908	(7,626,477)	26,272,742	32,583,953	(6,311,211)
Other liabilities	1,102,723	1,134,879	(32,156)	2,564,656	2,301,021	263,635
Total Liabilities	23,443,154	31,101,787	(7,658,633)	28,837,398	34,884,974	(6,047,576)
Deferred Inflows of Resources						
Unavailable revenue - other	619,089	932,177	(313,088)	-	-	-
Net Position						
Net investment in capital assets	17,556,048	13,956,997	3,599,051	10,874,807	7,131,553	3,743,254
Restricted	3,948,634	5,618,075	(1,669,441)	-	-	-
Unrestricted	7,836,557	7,244,477	592,080	(3,920,428)	(267,659)	(3,652,769)
Total Net Position	\$ 29,341,239	\$ 26,819,549	\$ 2,521,690	\$ 6,954,379	\$ 6,863,894	\$ 90,485

An additional portion of the City’s net position (10.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$3,916,129) may be used to meet the City’s ongoing obligations to citizens and creditors.

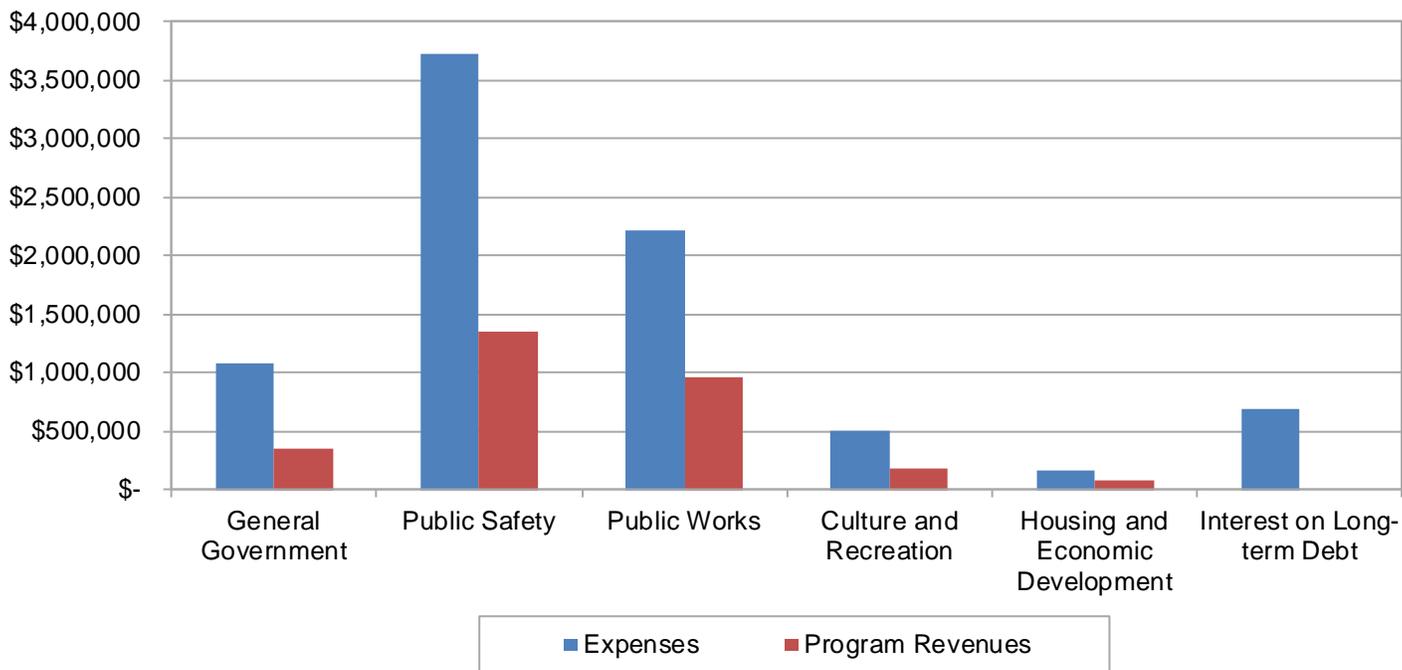
Governmental Activities. Governmental activities' net position increased by \$2,521,690, accounting for 96.5 percent of the growth in the City's net position. Factors contributing to this change are illustrated below and on the following page.

City of Mound's Changes in Net Position

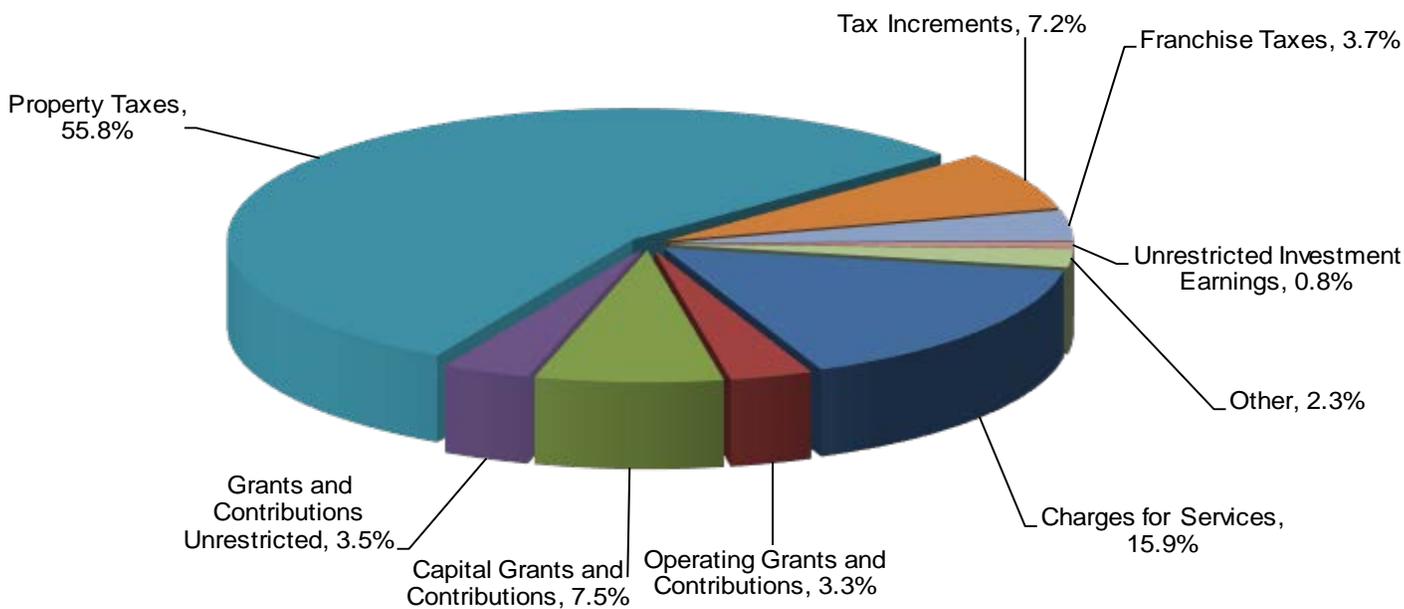
	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 1,724,726	\$ 2,013,197	\$ (288,471)	\$ 7,750,732	\$ 7,735,628	\$ 15,104
Operating grants and contributions	361,689	154,653	207,036	-	-	-
Capital grants and contributions	818,456	1,365,758	(547,302)	120,013	25,573	94,440
General revenues						
Property taxes/tax increments	6,856,784	6,638,769	218,015	-	-	-
Franchise taxes	400,811	406,501	(5,690)	-	-	-
Grants and contributions not restricted to specific programs	384,321	383,843	478	-	-	-
Investment earnings	85,578	63,111	22,467	49,953	36,823	13,130
Gain on sale of capital assets	77,793	14,045	63,748	-	-	-
Total Revenues	<u>10,710,158</u>	<u>11,039,877</u>	<u>(329,719)</u>	<u>7,920,698</u>	<u>7,798,024</u>	<u>122,674</u>
Expenses						
General government	1,071,883	1,105,111	(33,228)	-	-	-
Public safety	3,730,923	3,684,407	46,516	-	-	-
Public works	2,211,777	2,113,037	98,740	-	-	-
Culture and recreation	499,451	660,464	(161,013)	-	-	-
Housing and economic development	154,646	197,131	(42,485)	-	-	-
Interest on long-term debt	695,483	692,731	2,752	-	-	-
Water	-	-	-	1,976,984	1,950,571	26,413
Sewer	-	-	-	2,241,123	2,247,194	(6,071)
Municipal liquor	-	-	-	2,832,948	2,907,960	(75,012)
Recycling	-	-	-	197,261	199,927	(2,666)
Storm water	-	-	-	406,202	393,803	12,399
Total Expenses	<u>8,364,163</u>	<u>8,452,881</u>	<u>(88,718)</u>	<u>7,654,518</u>	<u>7,699,455</u>	<u>(44,937)</u>
Increase in Net Position Before Transfers	2,345,995	2,586,996	(241,001)	266,180	98,569	167,611
Transfers - Internal Activities	<u>175,695</u>	<u>128,072</u>	<u>47,623</u>	<u>(175,695)</u>	<u>(128,072)</u>	<u>(47,623)</u>
Change in Net Position	2,521,690	2,715,068	(193,378)	90,485	(29,503)	119,988
Net Position, January 1	<u>26,819,549</u>	<u>24,104,481</u>	<u>2,715,068</u>	<u>6,863,894</u>	<u>6,893,397</u>	<u>(29,503)</u>
Net Position, December 31	<u>\$ 29,341,239</u>	<u>\$ 26,819,549</u>	<u>\$ 2,521,690</u>	<u>\$ 6,954,379</u>	<u>\$ 6,863,894</u>	<u>\$ 90,485</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

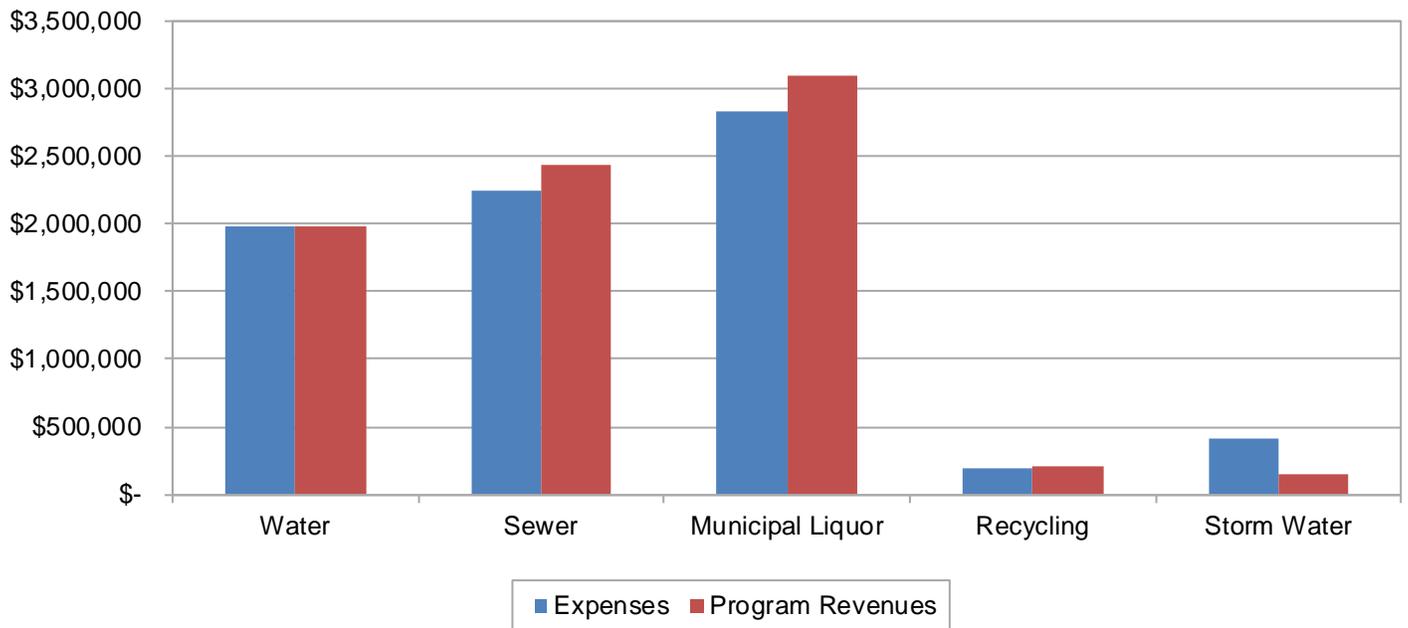


Revenues by Source - Governmental Activities

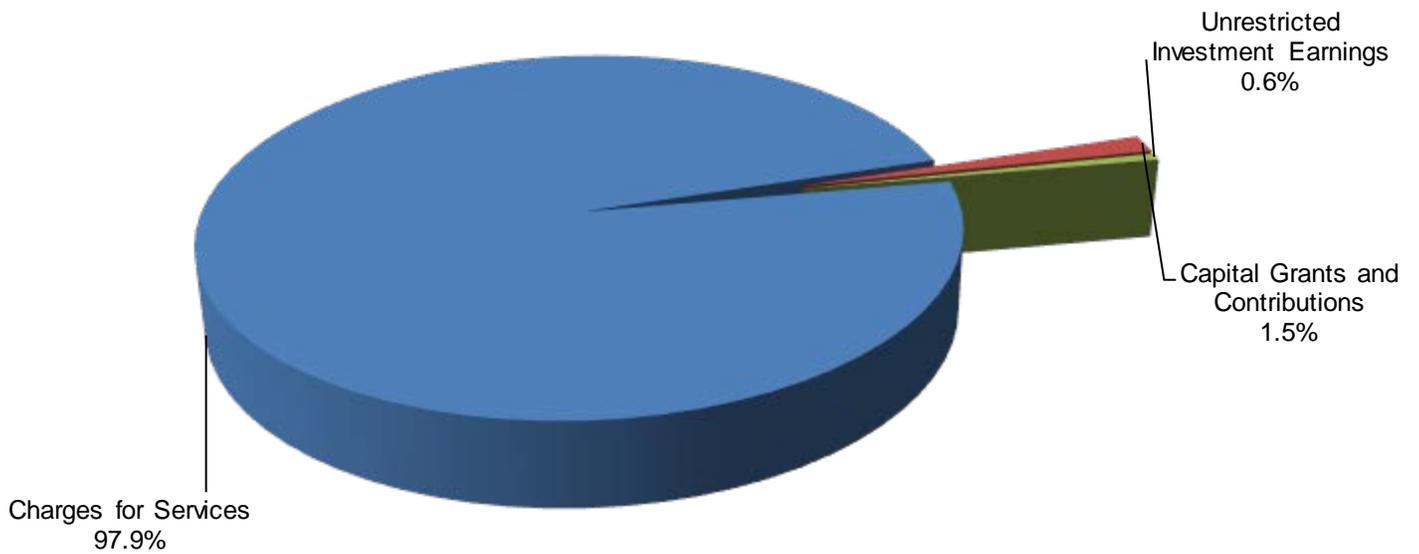


Business-type Activities. Business-type activities' net position increased by \$90,485 during the year. Factors contributing to this change are illustrated below.

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.

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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,149,098, a decrease of \$4,072,395 in comparison with the prior year. Approximately 22 percent of this total amount \$2,423,326 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balances \$8,725,772 is not available for new spending because it is either 1) nonspendable (\$7,084), 2) restricted (\$5,622,612), or 3) assigned (\$3,096,076) for the purposes described in the financial statements.

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 was \$3,242,489. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 50 percent of fund expenditures and transfers out, while total fund balance represents 62 percent of that same amount.

The fund balance of the City's General fund decreased \$89,624 from prior year. The City had budgeted a \$303,659 decrease of fund balance during the year. The decrease in fund balance is mainly due to budgeted transfers out related to costs incurred for the Fire Department fund and funds to pay for projects in the Street Maintenance Fund.

The Debt Service fund has a total fund balance of \$5,384,772, all of which is restricted for the payment of debt service.

The Area Fire Service fund has an ending fund balance of \$554,056, all of which is assigned for fire services. The increase of \$42,516 from the prior year is the result of grants from governmental agencies and contributions exceeding expenditures during the year.

The Capital Improvement fund has a total fund balance of \$1,343,246. The total ending fund balance is assigned for future capital purchases in agreement to the City's capital improvement plan.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to a negative balance of \$3,920,428. The total increase in net position was \$90,485. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Since 2009, the City continues to respond to changes in the environment, including a diminishing tax base and other revenues. The City's General fund and capital fund levies decreased 4.3% from 2010 to 2019. This was achieved by continuing efforts to streamline operations in order to optimize resources. Employees are doing more with less and minimizing the impact on service levels. In addition, investments in technology are being made and employees are encouraged to challenge the status quo at every level.

The budget called for expenditures exceeding revenues by \$303,659. The General fund actual results resulted in expenditures exceeding revenues by \$89,624. Total revenues had a positive budget variance of \$56,286 while total expenditures had an positive budget variance of \$152,054. The most significant expenditure variance was in general government category, as total expenditures were under budget by \$123,034. Within that category, Finance and Administration had the largest variance at \$28,085 under budget. The most significant revenue variance within the General fund was in interest on investments, which was over budget by \$55,171.

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, 2019, amounts to \$72,240,984 (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, water and sewer systems, machinery and equipment, park facilities, and roads. The City's investment in capital assets decreased by 1.86 percent during the year.

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

- The completion of the 2017 Capital Improvement Projects during the year.
- The purchase of new vehicles for the Park's department
- Breaking ground on the Swenson Park Tennis Court improvement project

Additional information on the City's capital assets can be found in Note 3B starting on page 61 of this report.

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

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Land	\$ 198,366	\$ 198,366	\$ -	\$ 488,685	\$ 488,685	\$ -
Construction in Progress	716,057	3,142,616	(2,426,559)	1,796,244	4,379,112	(2,582,868)
Buildings	8,075,781	8,335,847	(260,066)	834,281	869,593	(35,312)
Improvements other than Buildings	547,117	690,355	(143,238)	-	-	-
Equipment	1,823,194	1,804,382	18,812	513,218	626,030	(112,812)
Infrastructure	24,143,171	21,894,091	2,249,080	33,104,870	31,177,999	1,926,871
Total	\$ 35,503,686	\$ 36,065,657	\$ (561,971)	\$ 36,737,298	\$ 37,541,419	\$ (804,121)

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$48,300,000.

City of Mound's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
General Obligation Revenue Bonds	\$ -	\$ -	\$ -	\$ 26,182,362	\$ 32,476,340	\$ (6,293,978)
G.O. Tax Increment Bonds	4,170,000	7,647,000	(3,477,000)	-	-	-
G.O. Improvement Bonds	17,947,638	22,108,660	(4,161,022)	-	-	-
Total	<u>\$ 22,117,638</u>	<u>\$ 29,755,660</u>	<u>\$ (7,638,022)</u>	<u>\$ 26,182,362</u>	<u>\$ 32,476,340</u>	<u>\$ (6,293,978)</u>

The City's total debt decreased \$13,932,000 (22.39 percent) during the current fiscal year. Major factors to the change in debt are:

- The City made regularly scheduled debt service and interest payments of approximately \$7.5 million during the year.
- The City did issue refunding bonds in 2018 in the Debt service fund in the amount of \$7,520,000. The principal balances of the refunded debt occurred in 2019.

The City received an "AA" rating from Standard and Poor's for the bonds issued in 2018.

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 current debt limitation for the City is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 3D starting on page 65 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the local area was 2.6 percent in December 2019, which is an increase from a rate of 2.1 percent in December 2018. This compares favorably to the State's average unemployment rate of 3.3 percent and the national average rate of 3.5 percent.
- Tax Capacity increased by 10 percent in 2019, but is still 2% lower than 2010. The City expects tax capacity to increase by 6 percent in 2020. This will mark the sixth straight year tax capacity has seen an increase since the annual declines in tax capacity each year from 2010 to 2014.
- Inflationary trends in the region compare favorably to national indices. 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.
- For the past several years the environment for the City to implement a more active investment portfolio remained weak. However, with interest rates on the rise, the City began investing in a SWEEP account in 2018. Interest income increased by 36% from 2018 totaling \$135,531 in 2019.

All of these factors were considered in preparing the City's budget for the 2020 fiscal year.

The City began receiving Local Government Aid from the State of Minnesota in 2014, the first time since it ended in 2003. With the assistance of Local Government Aid returning and other cost savings measures, the City Council has kept the overall levy relatively flat with an average levy increase of 1.67% between 2009 and 2020.

The 2020 budgeted General fund expenditures increased \$223,083 or 4.1 percent from 2019. The collective bargaining agreement with the Public Works union for 2019 - 2020 was approved with a 3% wage increase for 2020. There is a \$75K one-time staffing contingency to allow for a key department supervisor to train their successor. The city created capital reserve funds for infrastructure, equipment, buildings and public lands to provide for the next generation of improvements while minimizing fluctuations in the levy. Reorganizations implemented since 2008 have resulted in the reduction of eight full-time employees, or 24 percent, excluding the contract for police services. Fiscal discipline is now part of the culture and will continue to be at the forefront of decision making and strategy building.

Utility rates have been on the rise since the early 2000's in order to fund the investments in infrastructure made to increase the capacity, efficiency and quality of our utility services. While water system improvements will diminish now that the street improvements are complete, there are still 9 of 30 lift stations left to upgrade as well our continued effort to reduce inflow and infiltration in our sanitary sewer system. The City will continue to balance rate increases with some use of fund balances in the short-term in order to continue infrastructure improvements while decreasing dependence on debt.

The City is monitoring impacts of the COVID-19 pandemic and has implemented a series of initiatives to protect our employees, residents and liquor store customers. Contract for key services like police, building inspections, engineering and planning services protects the City from having to consider layoffs or furloughs.

The City also does not have a local sales tax, so besides monitoring for delinquent property taxes and utility bills, and the likely reduction in state aid, we do not anticipate significant revenue fluctuations. Our off-sale liquor store has had substantial increases while dine-in restaurants and bars are closed. Incremental expenses related to COVID-19 have been immaterial to date and we are reviewing potential shovel ready projects in the event stimulus money is approved and made available.

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 Director of Finance and Administration, City of Mound, 2415 Wilshire Boulevard, Mound, Minnesota 55364.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

City of Mound, Minnesota
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and temporary investments	\$ 9,038,029	\$ 460,482	\$ 9,498,511
Receivables			
Accounts	95,684	1,290,675	1,386,359
Taxes	142,421	-	142,421
Interest	11,476	-	11,476
Special assessments	3,472,543	353,271	3,825,814
Internal balances	3,377,731	(3,377,731)	-
Due from other governments	1,833	-	1,833
Inventory	-	327,782	327,782
Prepaid items	7,084	-	7,084
Land held for resale	1,752,995	-	1,752,995
Capital assets			
Land and construction in progress	914,423	2,284,929	3,199,352
Depreciable, net of accumulated depreciation	34,589,263	34,452,369	69,041,632
Total Assets	<u>53,403,482</u>	<u>35,791,777</u>	<u>89,195,259</u>
Liabilities			
Accounts payable	205,931	147,402	353,333
Accrued salaries payable	88,167	35,102	123,269
Due to other governments	304,512	2,072,375	2,376,887
Deposits payable	208,055	-	208,055
Accrued interest payable	270,279	309,777	580,056
Unearned revenue	25,779	-	25,779
Noncurrent liabilities			
Due within one year	2,964,795	1,998,109	4,962,904
Due in more than one year	19,375,636	24,274,633	43,650,269
Total Liabilities	<u>23,443,154</u>	<u>28,837,398</u>	<u>52,280,552</u>
Deferred Inflows of Resources			
Unavailable revenue - state aid received for subsequent years	619,089	-	619,089
Net Position			
Net investment in capital assets	17,556,048	10,874,807	28,430,855
Restricted for			
Debt service	3,710,794	-	3,710,794
Culture and recreation	237,840	-	237,840
Unrestricted	7,836,557	(3,920,428)	3,916,129
Total Net Position	<u>\$ 29,341,239</u>	<u>\$ 6,954,379</u>	<u>\$ 36,295,618</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, 2019

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 1,071,883	\$ 345,221	\$ -	\$ -	\$ (726,662)	\$ -	\$ (726,662)
Public safety	3,730,923	1,137,281	213,093	-	(2,380,549)	-	(2,380,549)
Public works	2,211,777	60,267	74,362	818,456	(1,258,692)	-	(1,258,692)
Culture and recreation	499,451	179,945	-	-	(319,506)	-	(319,506)
Housing and economic development	154,646	2,012	74,234	-	(78,400)	-	(78,400)
Interest on long-term debt	695,483	-	-	-	(695,483)	-	(695,483)
Total Governmental Activities	8,364,163	1,724,726	361,689	818,456	(5,459,292)	-	(5,459,292)
Business-type Activities							
Water	1,976,984	1,979,250	-	-	-	2,266	2,266
Sewer	2,241,123	2,342,322	-	95,702	-	196,901	196,901
Municipal liquor	2,832,948	3,094,818	-	-	-	261,870	261,870
Recycling	197,261	181,232	-	24,311	-	8,282	8,282
Storm water	406,202	153,110	-	-	-	(253,092)	(253,092)
Total Business-type Activities	7,654,518	7,750,732	-	120,013	-	216,227	216,227
Total	\$ 16,018,681	\$ 9,475,458	\$ 361,689	\$ 938,469	(5,459,292)	216,227	(5,243,065)
General Revenues							
Taxes							
Property taxes, levied for general purposes					4,265,956	-	4,265,956
Property taxes, levied for debt service					1,805,182	-	1,805,182
Tax increments					785,646	-	785,646
Franchise taxes					400,811	-	400,811
State grants and contributions not restricted to specific programs					384,321	-	384,321
Unrestricted investment earnings					85,578	49,953	135,531
Gain on sale of capital assets					77,793	-	77,793
Transfers - Internal Activities					175,695	(175,695)	-
Total General Revenues and Transfers					7,980,982	(125,742)	7,855,240
Change in Net Position					2,521,690	90,485	2,612,175
Net Position, January 1					26,819,549	6,863,894	33,683,443
Net Position, December 31					\$ 29,341,239	\$ 6,954,379	\$ 36,295,618

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, 2019

City of Mound, Minnesota
Balance Sheet
Governmental Funds
December 31, 2019

	General	Debt Service	222 Area Fire Service	401 Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and temporary investments	\$ 2,403,990	\$ 5,372,919	\$ 598,059	\$ -	\$ 663,061	\$ 9,038,029
Receivables						
Accounts	91,205	-	2,467	-	2,012	95,684
Taxes	136,349	6,072	-	-	-	142,421
Interest	11,476	-	-	-	-	11,476
Special assessments	89,621	2,774,706	-	600,277	7,939	3,472,543
Due from other governments	1,833	-	-	-	-	1,833
Due from other funds	1,103,450	142,713	-	2,274,281	139,911	3,660,355
Prepaid items	-	-	-	-	7,084	7,084
Total Assets	<u>\$ 3,837,924</u>	<u>\$ 8,296,410</u>	<u>\$ 600,526</u>	<u>\$ 2,874,558</u>	<u>\$ 820,007</u>	<u>\$ 16,429,425</u>
Liabilities						
Accounts payable	\$ 132,487	\$ 2,624	\$ 17,911	\$ 9,687	\$ 43,222	\$ 205,931
Accrued salaries payable	59,608	-	28,559	-	-	88,167
Due to other governments	2,249	-	-	302,263	-	304,512
Deposits payable	203,655	-	-	-	4,400	208,055
Due to other funds	-	142,713	-	-	139,911	282,624
Unearned revenue	25,779	-	-	-	-	25,779
Total Liabilities	<u>423,778</u>	<u>145,337</u>	<u>46,470</u>	<u>311,950</u>	<u>187,533</u>	<u>1,115,068</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	82,249	-	-	-	-	82,249
Unavailable revenue - special assessments	89,408	2,766,301	-	600,273	7,939	3,463,921
Unavailable revenue - state aid received for subsequent years	-	-	-	619,089	-	619,089
Total Deferred Inflows of Resources	<u>171,657</u>	<u>2,766,301</u>	<u>-</u>	<u>1,219,362</u>	<u>7,939</u>	<u>4,165,259</u>
Fund Balances						
Nonspendable for						
Prepaid items	-	-	-	-	7,084	7,084
Restricted for						
Debt service	-	5,384,772	-	-	-	5,384,772
Culture and recreation	20,019	-	-	-	217,821	237,840
Assigned to						
Severance pay	222,793	-	-	-	-	222,793
Budget deficit	400,526	-	-	-	-	400,526
Public safety	-	-	554,056	-	-	554,056
Capital improvements	-	-	-	1,343,246	575,455	1,918,701
Unassigned	2,599,151	-	-	-	(175,825)	2,423,326
Total Fund Balances	<u>3,242,489</u>	<u>5,384,772</u>	<u>554,056</u>	<u>1,343,246</u>	<u>624,535</u>	<u>11,149,098</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,837,924</u>	<u>\$ 8,296,410</u>	<u>\$ 600,526</u>	<u>\$ 2,874,558</u>	<u>\$ 820,007</u>	<u>\$ 16,429,425</u>

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, 2019

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

Total Fund Balances - Governmental Funds	\$ 11,149,098
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Land held for resale	1,752,995
Cost of capital assets	49,477,871
Less: accumulated depreciation	(13,974,185)
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	(22,117,638)
Compensated absences payable	(222,793)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes receivable	82,249
Special assessments receivable	3,463,921
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(270,279)</u>
Total Net Position - Governmental Activities	<u><u>\$ 29,341,239</u></u>

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

City of Mound, Minnesota
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Debt Service	222 Area Fire Service	401 Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 3,737,248	\$ 2,584,779	\$ 234,601	\$ 220,000	\$ 473,184	\$ 7,249,812
Licenses and permits	218,973	-	-	-	238,594	457,567
Intergovernmental	414,321	-	213,093	343,586	74,362	1,045,362
Charges for services	417,305	-	487,141	-	-	904,446
Fines and forfeitures	34,082	-	-	-	-	34,082
Special assessments	16,383	769,351	-	191,593	709	978,036
Interest on investments	65,171	-	13,688	-	6,719	85,578
Miscellaneous	76,212	282,940	38,047	-	6,214	403,413
Total Revenues	<u>4,979,695</u>	<u>3,637,070</u>	<u>986,570</u>	<u>755,179</u>	<u>799,782</u>	<u>11,158,296</u>
Expenditures						
Current						
General government	1,063,703	-	-	-	-	1,063,703
Public safety	2,256,245	-	1,198,242	-	-	3,454,487
Public works	853,050	-	-	1,321	1,643	856,014
Culture and recreation	420,060	-	-	-	119,552	539,612
Housing and economic development	-	-	-	-	57,833	57,833
Capital outlay						
General government	-	-	-	-	24,080	24,080
Public safety	-	-	110,413	-	-	110,413
Public works	-	-	-	329,667	359,752	689,419
Culture and recreation	49,210	-	-	-	198,919	248,129
Housing and economic development	-	-	-	-	51,473	51,473
Debt service						
Principal	-	2,898,022	55,000	-	-	2,953,022
Interest and other	-	737,849	13,145	-	-	750,994
Total Expenditures	<u>4,642,268</u>	<u>3,635,871</u>	<u>1,376,800</u>	<u>330,988</u>	<u>813,252</u>	<u>10,799,179</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>337,427</u>	<u>1,199</u>	<u>(390,230)</u>	<u>424,191</u>	<u>(13,470)</u>	<u>359,117</u>
Other Financing Sources (Uses)						
Transfers in	175,695	-	432,746	-	170,000	778,441
Sale of capital assets	-	-	-	-	77,793	77,793
Transfers out	(602,746)	-	-	-	-	(602,746)
Refunding bond payment	-	(4,685,000)	-	-	-	(4,685,000)
Total Other Financing Sources (Uses)	<u>(427,051)</u>	<u>(4,685,000)</u>	<u>432,746</u>	<u>-</u>	<u>247,793</u>	<u>(4,431,512)</u>
Net Change in Fund Balances	(89,624)	(4,683,801)	42,516	424,191	234,323	(4,072,395)
Fund Balances, January 1	<u>3,332,113</u>	<u>10,068,573</u>	<u>511,540</u>	<u>919,055</u>	<u>390,212</u>	<u>15,221,493</u>
Fund Balances, December 31	<u>\$ 3,242,489</u>	<u>\$ 5,384,772</u>	<u>\$ 554,056</u>	<u>\$ 1,343,246</u>	<u>\$ 624,535</u>	<u>\$ 11,149,098</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, 2019

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

Total Net Change in Fund Balances - Governmental Funds	\$ (4,072,395)
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	909,327
Depreciation expense	(1,471,299)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal repayments	7,638,022
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	55,511
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Special assessments	(533,166)
Property taxes	7,235
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(11,545)
Change in Net Position - Governmental Activities	\$ 2,521,690

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,740,672	\$ 3,740,672	\$ 3,737,248	\$ (3,424)
Licenses and permits	235,950	235,950	218,973	(16,977)
Intergovernmental	414,321	414,321	414,321	-
Charges for services	389,466	389,466	417,305	27,839
Fines and forfeitures	42,000	42,000	34,082	(7,918)
Special assessments	20,000	20,000	16,383	(3,617)
Interest on investments	10,000	10,000	65,171	55,171
Miscellaneous	71,000	71,000	76,212	5,212
Total Revenues	<u>4,923,409</u>	<u>4,923,409</u>	<u>4,979,695</u>	<u>56,286</u>
Expenditures				
Current				
General government	1,186,737	1,186,737	1,063,703	123,034
Public safety	2,294,795	2,294,795	2,256,245	38,550
Public works	788,858	788,858	853,050	(64,192)
Culture and recreation	498,932	498,932	420,060	78,872
Capital outlay				
Culture and recreation	25,000	25,000	49,210	(24,210)
Total Expenditures	<u>4,794,322</u>	<u>4,794,322</u>	<u>4,642,268</u>	<u>152,054</u>
Excess of Revenues Over Expenditures	<u>129,087</u>	<u>129,087</u>	<u>337,427</u>	<u>208,340</u>
Other Financing Sources (Uses)				
Transfers in	170,000	170,000	175,695	5,695
Transfers out	(602,746)	(602,746)	(602,746)	-
Total Other Financing Sources (Uses)	<u>(432,746)</u>	<u>(432,746)</u>	<u>(427,051)</u>	<u>5,695</u>
Net Change in Fund Balances	(303,659)	(303,659)	(89,624)	214,035
Fund Balances, January 1	<u>3,332,113</u>	<u>3,332,113</u>	<u>3,332,113</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 3,028,454</u>	<u>\$ 3,028,454</u>	<u>\$ 3,242,489</u>	<u>\$ 214,035</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 234,601	\$ 234,601	\$ 234,601	\$ -
Intergovernmental	111,760	111,760	213,093	101,333
Charges for services	486,805	486,805	487,141	336
Interest on investments	-	-	13,688	13,688
Miscellaneous	-	-	38,047	38,047
Total Revenues	<u>833,166</u>	<u>833,166</u>	<u>986,570</u>	<u>153,404</u>
Expenditures				
Current				
Public safety				
Personnel services	678,965	678,965	679,469	(504)
Supplies	51,840	51,840	61,780	(9,940)
Other services and charges	464,840	464,840	456,993	7,847
Capital outlay	62,300	62,300	110,413	(48,113)
Debt service				
Principal	55,000	55,000	55,000	-
Interest and other	13,550	13,550	13,145	405
Total Expenditures	<u>1,326,495</u>	<u>1,326,495</u>	<u>1,376,800</u>	<u>(50,305)</u>
Deficiency of Revenues Under Expenditures	(493,329)	(493,329)	(390,230)	103,099
Other Financing Sources				
Transfers in	<u>432,746</u>	<u>432,746</u>	<u>432,746</u>	<u>-</u>
Net Change in Fund Balances	(60,583)	(60,583)	42,516	103,099
Fund Balances, January 1	<u>511,540</u>	<u>511,540</u>	<u>511,540</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 450,957</u>	<u>\$ 450,957</u>	<u>\$ 554,056</u>	<u>\$ 103,099</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, 2019 and 2018

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds							
	609		601		602		670		675		Totals	
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Assets												
Current Assets												
Cash and temporary investments	\$ 460,482	\$ 344,588	\$ -	\$ 1,445,373	\$ -	\$ -	\$ -	\$ 182,738	\$ -	\$ 147,739	\$ 460,482	\$ 2,120,438
Receivables												
Accounts	-	-	540,390	568,661	663,903	664,681	53,669	53,568	32,713	33,947	1,290,675	1,320,857
Special assessments	-	-	353,271	359,746	-	-	-	-	-	-	353,271	359,746
Due from other governments	-	-	-	30,712	-	9,110	-	-	-	5,360	-	45,182
Due from other funds	-	-	-	244,230	-	-	195,303	-	-	-	195,303	244,230
Inventory	326,683	336,883	1,099	5,772	-	-	-	-	-	-	327,782	342,655
Prepaid items	-	-	-	-	-	74,271	-	-	-	-	-	74,271
Total Current Assets	<u>787,165</u>	<u>681,471</u>	<u>894,760</u>	<u>2,654,494</u>	<u>663,903</u>	<u>748,062</u>	<u>248,972</u>	<u>236,306</u>	<u>32,713</u>	<u>187,046</u>	<u>2,627,513</u>	<u>4,507,379</u>
Noncurrent Assets												
Capital assets, at cost	1,429,305	1,429,305	27,910,052	27,726,509	20,165,333	20,027,505	-	-	6,826,900	6,830,306	56,331,590	56,013,625
Less: Accumulated depreciation	(621,358)	(584,366)	(8,675,021)	(8,169,348)	(8,269,461)	(7,898,385)	-	-	(2,028,452)	(1,820,107)	(19,594,292)	(18,472,206)
Net Capital Assets	<u>807,947</u>	<u>844,939</u>	<u>19,235,031</u>	<u>19,557,161</u>	<u>11,895,872</u>	<u>12,129,120</u>	<u>-</u>	<u>-</u>	<u>4,798,448</u>	<u>5,010,199</u>	<u>36,737,298</u>	<u>37,541,419</u>
Total Assets	<u>1,595,112</u>	<u>1,526,410</u>	<u>20,129,791</u>	<u>22,211,655</u>	<u>12,559,775</u>	<u>12,877,182</u>	<u>248,972</u>	<u>236,306</u>	<u>4,831,161</u>	<u>5,197,245</u>	<u>39,364,811</u>	<u>42,048,798</u>
Liabilities												
Current Liabilities												
Accounts payable	55,904	12,221	18,902	29,276	56,543	222,947	14,495	14,495	1,558	8,338	147,402	287,277
Accrued salaries payable	12,322	13,425	11,390	10,328	11,390	10,328	-	164	-	-	35,102	34,245
Due to other governments	29,953	30,520	1,764,078	1,428,660	201,163	124,747	-	-	77,181	58,567	2,072,375	1,642,494
Due to other funds	-	55,700	1,444,513	-	1,455,011	244,230	-	-	673,510	-	3,573,034	299,930
Accrued interest payable	-	-	174,899	190,882	88,896	96,601	-	-	45,982	49,522	309,777	337,005
Current portion of compensated absences payable	19,804	26,948	17,212	18,806	17,212	18,806	-	8	-	-	54,228	64,568
Current portion of bonds payable	-	-	1,076,958	3,857,753	573,994	1,639,348	-	-	292,929	796,877	1,943,881	6,293,978
Total Current Liabilities	<u>117,983</u>	<u>138,814</u>	<u>4,507,952</u>	<u>5,535,705</u>	<u>2,404,209</u>	<u>2,357,007</u>	<u>14,495</u>	<u>14,667</u>	<u>1,091,160</u>	<u>913,304</u>	<u>8,135,799</u>	<u>8,959,497</u>
Noncurrent Liabilities												
Compensated absences payable	13,202	17,965	11,475	12,537	11,475	12,537	-	6	-	-	36,152	43,045
Bonds payable	-	-	13,640,580	14,717,537	7,057,924	7,631,920	-	-	3,539,977	3,832,905	24,238,481	26,182,362
Total Noncurrent Liabilities	<u>13,202</u>	<u>17,965</u>	<u>13,652,055</u>	<u>14,730,074</u>	<u>7,069,399</u>	<u>7,644,457</u>	<u>-</u>	<u>6</u>	<u>3,539,977</u>	<u>3,832,905</u>	<u>24,274,633</u>	<u>26,225,407</u>
Total Liabilities	<u>131,185</u>	<u>156,779</u>	<u>18,160,007</u>	<u>20,265,779</u>	<u>9,473,608</u>	<u>10,001,464</u>	<u>14,495</u>	<u>14,673</u>	<u>4,631,137</u>	<u>4,746,209</u>	<u>32,410,432</u>	<u>35,184,904</u>
Net Position												
Net investment in capital assets	807,947	844,939	4,517,493	2,606,007	4,263,954	2,924,234	-	-	1,285,413	756,373	10,874,807	7,131,553
Unrestricted	655,980	524,692	(2,547,709)	(660,131)	(1,177,787)	(48,516)	234,477	221,633	(1,085,389)	(305,337)	(3,920,428)	(267,659)
Total Net Position	<u>\$ 1,463,927</u>	<u>\$ 1,369,631</u>	<u>\$ 1,969,784</u>	<u>\$ 1,945,876</u>	<u>\$ 3,086,167</u>	<u>\$ 2,875,718</u>	<u>\$ 234,477</u>	<u>\$ 221,633</u>	<u>\$ 200,024</u>	<u>\$ 451,036</u>	<u>\$ 6,954,379</u>	<u>\$ 6,863,894</u>

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, 2019 and 2018

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds				Totals	
	609		601		602		670		675					
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
Operating Revenues														
Sales	\$ 3,093,819	\$ 3,092,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,093,819	\$ 3,092,958
Cost of sales	(2,262,396)	(2,295,344)	-	-	-	-	-	-	-	-	-	-	(2,262,396)	(2,295,344)
Gross Profit	831,423	797,614	-	-	-	-	-	-	-	-	-	-	831,423	797,614
Charges for services	-	-	1,920,857	2,012,670	2,285,464	2,207,571	177,351	175,947	151,929	152,421	4,535,601	4,548,609		
Penalties	-	-	45,091	36,917	46,708	37,690	3,881	3,521	1,181	2,704	96,861	80,832		
Total Operating Revenues	831,423	797,614	1,965,948	2,049,587	2,332,172	2,245,261	181,232	179,468	153,110	155,125	5,463,885	5,427,055		
Operating Expenses														
Personnel services	324,719	349,280	267,725	284,118	265,674	284,218	327	3,854	-	-	858,445	921,470		
Supplies	16,780	17,947	93,469	122,226	44,483	46,740	19	-	-	629	154,751	187,542		
Professional services	43,455	41,381	92,285	96,592	73,212	68,242	-	-	-	-	208,952	206,215		
Communications	9,955	23,903	13,624	11,777	13,167	12,283	-	-	-	-	36,746	47,963		
Insurance	18,095	17,645	8,260	13,108	18,554	13,166	-	-	-	-	44,909	43,919		
Utilities	22,948	24,032	41,624	42,325	42,221	42,164	-	-	-	-	106,793	108,521		
Repairs and maintenance	13,127	4,847	36,529	15,424	33,741	58,692	-	-	-	135	83,397	79,098		
Rent	11,508	16,458	-	-	-	-	-	-	-	-	11,508	16,458		
Other contractual services	9,424	18,117	146,405	178,905	61,021	44,316	196,915	196,073	54,206	64,031	467,971	501,442		
Metropolitan Council Environmental Services disposal charges	-	-	-	-	891,677	837,514	-	-	-	-	891,677	837,514		
Depreciation	36,992	36,992	825,088	806,187	569,528	632,473	-	-	233,401	222,715	1,665,009	1,698,367		
Miscellaneous	63,549	62,014	11,498	12,128	4,960	6,939	-	-	3,486	986	83,493	82,067		
Total Operating Expenses	570,552	612,616	1,536,507	1,582,790	2,018,238	2,046,747	197,261	199,927	291,093	288,496	4,613,651	4,730,576		
Operating Income (Loss)	260,871	184,998	429,441	466,797	313,934	198,514	(16,029)	(20,459)	(137,983)	(133,371)	850,234	696,479		
Nonoperating Revenues (Expenses)														
Interest on investments	8,121	5,990	21,642	15,949	13,548	9,989	4,562	3,363	2,080	1,532	49,953	36,823		
Miscellaneous	999	13,229	3,152	-	-	-	-	-	-	-	4,151	13,229		
Interest and other	-	-	(440,477)	(367,781)	(222,885)	(200,447)	-	-	(115,109)	(105,307)	(778,471)	(673,535)		
Gain on sale of capital assets	-	-	10,150	-	10,150	-	-	-	-	-	20,300	-		
Total Nonoperating Revenues (Expenses)	9,120	19,219	(405,533)	(351,832)	(199,187)	(190,458)	4,562	3,363	(113,029)	(103,775)	(704,067)	(623,483)		
Income (Loss) Before Transfers and Contributions	269,991	204,217	23,908	114,965	114,747	8,056	(11,467)	(17,096)	(251,012)	(237,146)	146,167	72,996		
Capital Contributions	-	-	-	-	95,702	-	24,311	25,573	-	-	120,013	25,573		
Transfers Out	(175,695)	(128,072)	-	-	-	-	-	-	-	-	(175,695)	(128,072)		
Change in Net Position	94,296	76,145	23,908	114,965	210,449	8,056	12,844	8,477	(251,012)	(237,146)	90,485	(29,503)		
Net Position, January 1	1,369,631	1,293,486	1,945,876	1,830,911	2,875,718	2,867,662	221,633	213,156	451,036	688,182	6,863,894	6,893,397		
Net Position, December 31	\$ 1,463,927	\$ 1,369,631	\$ 1,969,784	\$ 1,945,876	\$ 3,086,167	\$ 2,875,718	\$ 234,477	\$ 221,633	\$ 200,024	\$ 451,036	\$ 6,954,379	\$ 6,863,894		

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 Pages)
 Proprietary Funds
 For the Years Ended December 31, 2019 and 2018

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds							
	609		601		602		670		675		Totals	
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash Flows from Operating Activities												
Receipts from customers and users	\$ 3,093,819	\$ 3,092,958	\$ 2,031,406	\$ 2,029,025	\$ 2,342,060	\$ 2,228,797	\$ 181,131	\$ 180,016	\$ 159,704	\$ 213,701	\$ 7,808,120	\$ 7,744,497
Other operating receipts	999	13,229	3,152	-	-	-	-	-	-	-	4,151	13,229
Payments to suppliers	(2,417,921)	(2,498,233)	(449,240)	(588,151)	(1,336,264)	(938,507)	(196,934)	(196,073)	(11,423)	(65,285)	(4,411,782)	(4,286,249)
Payments to employees	(337,729)	(345,901)	(269,319)	(282,494)	(267,268)	(282,594)	(505)	(3,676)	-	-	(874,821)	(914,665)
Net Cash Provided (Used) by Operating Activities	339,168	262,053	1,315,999	1,158,380	738,528	1,007,696	(16,308)	(19,733)	148,281	148,416	2,525,668	2,556,812
Cash Flows from Noncapital Financing Activities												
Receipt (Payment) of due to other funds	(55,700)	(89,391)	1,688,743	(571,884)	1,210,781	(333,646)	(195,303)	-	673,510	-	3,322,031	(994,921)
Transfers out	(175,695)	(128,072)	-	-	-	-	-	-	-	-	(175,695)	(128,072)
Net Cash Provided (Used) by Noncapital Financing Activities	(231,395)	(217,463)	1,688,743	(571,884)	1,210,781	(333,646)	(195,303)	-	673,510	-	3,146,336	(1,122,993)
Cash Flows from Capital Financing Activities												
Acquisition of capital assets	-	-	(167,695)	(402,899)	(198,769)	(975,468)	-	-	(56,085)	(106,094)	(422,549)	(1,484,461)
Proceeds from sale of capital assets	-	-	10,150	-	10,150	-	-	-	-	-	20,300	-
Proceeds of bonds issued	-	-	-	2,671,100	-	1,041,850	-	-	-	482,050	-	4,195,000
Proceeds from capital grants	-	-	-	-	95,702	-	24,311	25,573	-	-	120,013	25,573
Payment on refunding bonds	-	-	(1,524,000)	-	(1,152,400)	-	-	-	(533,200)	-	(3,209,600)	-
Interest paid on bonds	-	-	(456,460)	(378,309)	(230,590)	(205,461)	-	-	(118,649)	(108,340)	(805,699)	(692,110)
Principal paid on bonds	-	-	(2,333,752)	(1,046,964)	(486,950)	(544,960)	-	-	(263,676)	(284,374)	(3,084,378)	(1,876,298)
Net Cash Provided (Used) by Capital Financing Activities	-	-	(4,471,757)	842,928	(1,962,857)	(684,039)	24,311	25,573	(971,610)	(16,758)	(7,381,913)	167,704
Cash Flows from Investing Activities												
Interest received on investments	8,121	5,990	21,642	15,949	13,548	9,989	4,562	3,363	2,080	1,532	49,953	36,823
Net Increase (Decrease) in Cash and Cash Equivalents	115,894	50,580	(1,445,373)	1,445,373	-	-	(182,738)	9,203	(147,739)	133,190	(1,659,956)	1,638,346
Cash and Cash Equivalents, January 1	344,588	294,008	1,445,373	-	-	-	182,738	173,535	147,739	14,549	2,120,438	482,092
Cash and Cash Equivalents, December 31	\$ 460,482	\$ 344,588	\$ -	\$ 1,445,373	\$ -	\$ -	\$ -	\$ 182,738	\$ -	\$ 147,739	\$ 460,482	\$ 2,120,438

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, 2019 and 2018

	Business-type Activities - Enterprise Funds				Business-type Activities - Enterprise Funds						Totals	
	609		601		602		670		675			
	Municipal Liquor		Water		Sewer		Nonmajor Recycling		Storm Water			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
Reconciliation to Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities												
Operating income (loss)	\$ 260,871	\$ 184,998	\$ 429,441	\$ 466,797	\$ 313,934	\$ 198,514	\$ (16,029)	\$ (20,459)	\$ (137,983)	\$ (133,371)	\$ 850,234	\$ 696,479
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities												
Other income	999	13,229	3,152	-	-	-	-	-	-	-	4,151	13,229
Depreciation expense	36,992	36,992	825,088	806,187	569,528	632,473	-	-	233,401	222,715	1,665,009	1,698,367
(Increase) decrease in assets												
Accounts receivable	-	-	28,271	(21,796)	778	(17,533)	(101)	548	1,234	57,947	30,182	19,166
Due from other governments	-	-	30,712	3,603	9,110	1,069	-	-	5,360	629	45,182	5,301
Special assessments receivable	-	-	6,475	(2,369)	-	-	-	-	-	-	6,475	(2,369)
Inventory	10,200	55,176	4,673	1,850	-	-	-	-	-	-	14,873	57,026
Prepaid items	-	-	-	-	74,271	(4,478)	-	-	-	-	74,271	(4,478)
Increase (decrease) in liabilities												
Accounts payable	43,683	(33,588)	(10,374)	(16,543)	(166,404)	182,883	-	-	(6,780)	(9,421)	(139,875)	123,331
Accrued salaries payable	(1,103)	(3,601)	1,062	(1,381)	1,062	(1,381)	(164)	164	-	-	857	(6,199)
Due to other governments	(567)	1,867	155	(80,973)	(61,095)	13,144	-	-	53,049	9,917	(8,458)	(56,045)
Compensated absences payable	(11,907)	6,980	(2,656)	3,005	(2,656)	3,005	(14)	14	-	-	(17,233)	13,004
Net Cash Provided (Used) by Operating Activities	<u>\$ 339,168</u>	<u>\$ 262,053</u>	<u>\$ 1,315,999</u>	<u>\$ 1,158,380</u>	<u>\$ 738,528</u>	<u>\$ 1,007,696</u>	<u>\$ (16,308)</u>	<u>\$ (19,733)</u>	<u>\$ 148,281</u>	<u>\$ 148,416</u>	<u>\$ 2,525,668</u>	<u>\$ 2,556,812</u>
Noncash Capital and Related Financing Activities												
Acquisition of capital assets on account	\$ -	\$ -	\$ 1,222,518	\$ 887,255	\$ 201,163	\$ 63,652	\$ -	\$ -	\$ -	\$ 34,435	\$ 1,423,681	\$ 985,342

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

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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 enterprise fund of the blended 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, 2019

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 *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 who contract for fire services and intergovernmental aid from the State.

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 *Capital Improvement fund* accounts for the City's major improvement projects.

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other 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.

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.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

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 2019. 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.

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.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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 \$5,000 (amount not rounded) and an estimated useful life in excess of two 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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 position 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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. Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Expenditures Over Appropriations</u>
Area Fire Service	\$ 1,326,495	\$ 1,376,800	\$ 50,305

The excess was funded by revenues greater than anticipated.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 2: Stewardship, Compliance and Accountability (Continued)

C. Deficit Fund Balances

The following funds had deficit fund balances at December 31, 2019:

Fund	Amount
Nonmajor	
HRA	\$ 9,082
TIF 1-1	686
TIF 1-3	107,182
Community Investment	56,107
Capital Replacement - Buildings	1,592
 Total	 \$ 174,649

The City plans to fund these deficits with future revenues from tax levy, tax increment, and transfers from other funds.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

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

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.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was (\$61,126) deficit and the bank balance was \$30,215. The bank balance was covered by federal depository insurance.

As of December 31, 2019, the City had the following investments that are insured or registered, or securities held by the City or its agent in the City's name:

Investment Type	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
<u>Investments not Subject to Categorization</u>			
Broker money markets			
Wells Fargo	N/A	Less than 6 months	<u>\$ 9,557,288</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

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

N/A Indicates not applicable or available.

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

Deposits	\$ (61,127)
Investments	9,557,288
Cash on Hand	<u>2,350</u>
 Total - as Reported on the Statement of Net Position	 <u>\$ 9,498,511</u>

The investments of the City are subject to the following risks:

- *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 54 of the notes.
- *Custodial Credit Risk.* The 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 register, 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.* 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.* 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, 2019

Note 3: Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, not Being Depreciated				
Land	\$ 198,366	\$ -	\$ -	\$ 198,366
Construction in progress	3,142,616	523,103	(2,949,663)	716,057
Total Capital Assets, not Being Depreciated	<u>3,340,982</u>	<u>523,103</u>	<u>(2,949,663)</u>	<u>914,423</u>
Capital Assets Being Depreciated				
Buildings	11,949,272	38,978	-	11,988,250
Improvements other than buildings	1,915,321	-	(109,551)	1,805,770
Equipment	4,768,543	347,245	(490,954)	4,624,834
Infrastructure	27,194,930	2,949,664	-	30,144,594
Total Capital Assets Being Depreciated	<u>45,828,066</u>	<u>3,335,887</u>	<u>(600,505)</u>	<u>48,563,448</u>
Less Accumulated Depreciation for				
Buildings	(3,613,425)	(299,044)	-	(3,912,469)
Improvements other than buildings	(1,224,966)	(143,237)	109,550	(1,258,653)
Equipment	(2,964,161)	(328,434)	490,955	(2,801,640)
Infrastructure	(5,300,839)	(700,584)	-	(6,001,423)
Total Accumulated Depreciation	<u>(13,103,391)</u>	<u>(1,471,299)</u>	<u>600,505</u>	<u>(13,974,185)</u>
Total Capital Assets Being Depreciated, Net	<u>32,724,675</u>	<u>1,864,588</u>	<u>-</u>	<u>34,589,263</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,065,657</u>	<u>\$ 2,387,691</u>	<u>\$ (2,949,663)</u>	<u>\$ 35,503,686</u>

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

Governmental Activities	
General government	\$ 12,855
Public safety	267,637
Public works	1,047,973
Culture and recreation	97,494
Housing and economic development	45,340
Total Depreciation Expense - Governmental Activities	<u>\$ 1,471,299</u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets, not Being Depreciated				
Land	\$ 488,685	\$ -	\$ -	\$ 488,685
Construction in progress	4,379,112	811,149	(3,394,017)	1,796,244
Total Capital Assets, not Being Depreciated	<u>4,867,797</u>	<u>811,149</u>	<u>(3,394,017)</u>	<u>2,284,929</u>
Capital Assets Being Depreciated				
Buildings	1,412,519	-	-	1,412,519
Equipment	1,586,846	-	(204,756)	1,382,090
Infrastructure	<u>48,146,463</u>	<u>3,443,756</u>	<u>(338,167)</u>	<u>51,252,052</u>
Total Capital Assets Being Depreciated	<u>51,145,828</u>	<u>3,443,756</u>	<u>(542,923)</u>	<u>54,046,661</u>
Less Accumulated Depreciation for				
Buildings	(542,926)	(35,312)		(578,238)
Equipment	(960,816)	(112,810)	204,754	(868,872)
Infrastructure	<u>(16,968,464)</u>	<u>(1,516,887)</u>	<u>338,169</u>	<u>(18,147,182)</u>
Total Accumulated Depreciation	<u>(18,472,206)</u>	<u>(1,665,009)</u>	<u>542,923</u>	<u>(19,594,292)</u>
Total Capital Assets Being Depreciated, Net	<u>32,673,622</u>	<u>1,778,747</u>	<u>-</u>	<u>34,452,369</u>
Business-type Activities Capital Assets, Net	<u>\$ 37,541,419</u>	<u>\$ 2,589,896</u>	<u>\$ (3,394,017)</u>	<u>\$ 36,737,298</u>

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

Business-type Activities	
Water	\$ 825,088
Sewer	569,528
Storm water	233,401
Municipal liquor	<u>36,992</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,665,009</u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

C. Construction Commitments

The City had the following outstanding construction commitments at December 31, 2019:

Project	Spent to Date	Remaining Commitment
Swenson Park Tennis Court Improvement	\$ 177,844	\$ 71,148
2019 Street Project	67,383	254,480
Commerce Watermain	45,085	455,584
2019 Fernside Forcemain Re-Route	101,484	282,101
2019 Manhold Rehab Project	110,513	19,225
2019 Bayridge Sewer Improvement Project	21,553	61,925
Total	\$ 523,861	\$ 1,144,463

Interfund Receivables, Payables and Transfers

The composition of internal balances as of December 31, 2019 is as follows:

Receivable Fund	Payable Fund	Total
<i>Due to/from other Funds</i>		
General	Storm	\$ 673,510
Debt service	Debt service	142,713
Nonmajor governmental	Nonmajor governmental	139,911
General	Sewer	429,940
Recycling	Sewer	195,303
Capital Improvements	Sewer	829,768
Capital Improvements	Water	1,444,513
Subtotal Interfund Balances		<u>3,855,658</u>
Interfund activity eliminated from government-wide statements		<u>(477,927)</u>
Total Internal Balances - Government-wide Statements		<u>\$ 3,377,731</u>

Due to/from other Funds

- All due to and due from balances during 2019 made by the City were to eliminate deficit cash balances at year end.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2019 is as follows:

Fund	Transfer In			Total
	General	Area Fire Service	Nonmajor	
Transfer Out				
General	\$ -	\$ 432,746	\$ 170,000	602,746
Municipal Liquor	175,695	-	-	175,695
Total	<u>\$ 175,695</u>	<u>\$ 432,746</u>	<u>\$ 170,000</u>	<u>\$ 778,441</u>

- The General fund transferred \$170,000 to the nonmajor Street Maintenance fund for future projects and \$432,746 to the Area Fire Service fund for costs incurred for the Fire Department.
- The Municipal Liquor fund transferred \$175,695 to the General fund to reduce the levy.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

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.

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 %	08/01/11	02/01/24	\$ 962,638
G.O. Improvement					
Bonds of 2011B	3,475,000	3.00 - 4.125	05/05/11	02/01/32	2,140,000
G.O. Improvement					
Bonds of 2012A	2,245,000	2.00 - 3.25	07/12/12	02/01/28	1,420,000
G.O. Refunding					
Bonds of 2012B	4,325,000	0.40 - 2.10	07/12/12	02/01/23	1,735,000
G.O. Improvement					
Bonds of 2013A	2,780,000	2.00 - 2.25	05/02/13	02/01/29	1,945,000
G.O. Improvement					
Bonds of 2014A	715,000	2.00 - 3.00	09/18/14	02/01/30	550,000
G.O. Refunding					
Bonds of 2014B	940,000	2.00	09/18/14	02/01/21	285,000
G.O. Improvement					
Bonds of 2015A	3,510,000	2.00 - 3.50	09/10/15	02/01/32	2,235,000
G.O. Tax Abatement					
Bonds of 2015B	2,590,000	2.00 - 4.00	09/10/15	02/01/35	2,250,000
GO Improvement					
Bonds of 2016A	2,230,000	2.00 - 2.75	12/01/16	02/01/32	1,960,000
GO Improvement					
Bonds of 2016A	725,000	2.00 - 2.75	12/01/16	02/01/32	625,000
GO Refunding					
Bonds of 2016B	600,000	2.00	12/01/16	02/01/28	435,000
GO Refunding					
Bonds of 2018A	1,405,000	2.1 - 3.250	12/04/18	02/01/31	<u>1,405,000</u>
 Total G.O. Improvement Bonds					 <u>\$ 17,947,638</u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

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
2020	\$ 2,386,119	\$ 467,029	\$ 2,853,148
2021	2,343,633	399,279	2,742,912
2022	2,263,633	339,992	2,603,625
2023	2,193,467	282,018	2,475,485
2024	1,560,786	232,423	1,793,209
2025 - 2029	5,385,000	621,003	6,006,003
2030 - 2034	1,625,000	145,979	1,770,979
2035	190,000	3,800	193,800
Total	<u>\$ 17,947,638</u>	<u>\$ 2,491,523</u>	<u>\$ 20,439,161</u>

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	02/15/27	\$ 1,600,000
G.O. Tax Increment Refunding Bonds of 2013B	1,500,000	2.00 - 2.25	05/02/13	02/01/24	650,000
G.O. Tax Increment Refunding Bonds of 2018A	1,920,000	2.10 - 3.25	12/04/18	02/01/31	<u>1,920,000</u>
Total G.O. Tax Increment Bonds					<u>\$ 4,170,000</u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

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
2020	\$ 445,000	\$ 161,945	\$ 606,945
2021	478,000	144,895	622,895
2022	500,000	126,654	626,654
2023	524,000	107,275	631,275
2024	384,000	88,488	472,488
2025 - 2029	1,434,000	190,288	1,624,288
2030 - 2031	405,000	13,118	418,118
Total	<u>\$ 4,170,000</u>	<u>\$ 832,663</u>	<u>\$ 5,002,663</u>

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. 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	\$ 1,965,948	\$ 2,332,172	\$ 153,110
Principal and Interest	2,790,212	717,540	382,325
Percentage of Revenues	142 %	31 %	250 %

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Revenue					
Bonds of 2008C	\$ 1,885,000	2.8 - 4.35 %	06/18/08	02/01/29	\$ 1,085,000
G.O. Refunding					
Bonds of 2011A	1,455,000	.60 - 3.35	08/01/11	02/01/24	352,362
G.O. Improvement					
Bonds of 2011B	2,840,000	3.00 - 4.125	05/05/11	02/01/32	2,040,000
G.O. Improvement					
Bonds of 2012A	2,615,000	2.00 - 3.25	07/12/12	02/01/33	1,940,000
G.O. Refunding					
Bonds of 2012B	1,180,000	0.40 - 2.35	07/12/12	02/01/25	590,000
G.O. Improvement					
Bonds of 2013A	3,490,000	2.00 - 2.25	05/02/13	02/01/34	2,750,000
G.O. Revenue					
Bonds of 2013B	995,000	2.00 - 2.50	05/02/13	02/01/24	505,000
G.O. Revenue					
Bonds of 2014A	4,210,000	2.00 - 3.50	09/18/14	02/01/35	3,475,000
G.O. Refunding					
Bonds of 2014B	2,290,000	2.00 - 2.75	09/18/14	02/01/26	1,415,000
G.O. Revenue					
Bonds of 2015A	4,210,000	2.00 - 3.50	09/18/14	02/01/36	4,300,000
G.O. Revenue					
Bonds of 2016A	2,995,000	2.00 - 2.75	12/01/16	02/01/37	2,760,000
G.O. Refunding					
Bonds of 2016B	2,245,000	2.00	12/01/16	02/01/28	1,860,000
G.O. Refunding					
Bonds of 2018A	4,195,000	2.1 - 3.250	12/04/18	02/01/31	<u>3,110,000</u>
 Total G.O. Revenue Bonds					 <u><u>\$ 26,182,362</u></u>

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
2020	\$ 1,943,881	\$ 736,339	\$ 2,680,220
2021	1,981,367	686,263	2,667,630
2022	2,021,367	635,059	2,656,426
2023	2,031,533	581,609	2,613,142
2024	2,084,214	525,496	2,609,710
2025 - 2029	8,855,000	1,818,635	10,673,635
2030 - 2034	5,835,000	647,232	6,482,232
2035 - 2037	1,430,000	49,582	1,479,582
 Total	 <u><u>\$ 26,182,362</u></u>	 <u><u>\$ 5,680,215</u></u>	 <u><u>\$ 31,862,577</u></u>

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
G.O. improvement bonds	\$ 22,108,660	\$ -	\$ (4,161,022)	\$ 17,947,638	\$ 2,386,119
G.O. tax increment bonds	7,647,000	-	(3,477,000)	4,170,000	445,000
Compensated absences payable	211,248	145,569	(134,024)	222,793	133,676
Total	<u>\$ 29,966,908</u>	<u>\$ 145,569</u>	<u>\$ (7,772,046)</u>	<u>\$ 22,340,431</u>	<u>\$ 2,964,795</u>
Business-type Activities					
G.O. revenue bonds	\$ 32,476,340	\$ -	\$ (6,293,978)	\$ 26,182,362	\$ 1,943,881
Compensated absences payable	107,613	50,832	(68,065)	90,380	54,228
Total	<u>\$ 32,583,953</u>	<u>\$ 50,832</u>	<u>\$ (6,362,043)</u>	<u>\$ 26,272,742</u>	<u>\$ 1,998,109</u>

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 Retirement Plan (GERP)

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

Public Employees Police and Fire Plan (PEPFP)

The PEPFP, 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 PEPFP 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.

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

GERP Benefits

GERP 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.

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be 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. For 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. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

PEPFP Benefits

Benefits for the PEPFP 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 PEPFP 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 3.0 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be 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. For 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. These statutes are established and amended by the State legislature. The City makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.10 and 6.50 percent, respectively, of their annual covered salary in 2019. PEPFP members were required to contribute 11.30 percent of their annual covered salary in 2019. In 2019, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan GERP members, 7.50 percent for Coordinated Plan GERP members, and 16.95 percent for PEPFP members.

City of Mound, Minnesota
Notes to the Financial Statements
December 31, 2019

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

The City's contributions to GERP and PEPFF for the years ending December 31, 2019, 2018 and 2017 are as follows:

	2019	2018	2017
Coordinated	\$ 134,732	\$ 140,059	\$ 128,222
Police and Fire	18,715	17,866	16,609
Total	\$ 153,447	\$ 157,925	\$ 144,831

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

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, 2019, 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.

Note 6: Subsequent Event

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the City is unable to determine if it will have a material impact to its operations.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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NONMAJOR GOVERNMENTAL FUNDS

City of Mound, Minnesota
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2019

Exhibit A-1

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 214,054	\$ 449,007	\$ 663,061
Receivables			
Accounts	2,012	-	2,012
Special assessments receivable	-	7,939	7,939
Due from other funds	10,060	129,851	139,911
Prepaid items	7,084	-	7,084
	<u>\$ 233,210</u>	<u>\$ 586,797</u>	<u>\$ 820,007</u>
Liabilities			
Accounts payable	\$ 4,103	\$ 39,119	\$ 43,222
Deposits payable	4,400	-	4,400
Due to other funds	10,060	129,851	139,911
Total Liabilities	<u>18,563</u>	<u>168,970</u>	<u>187,533</u>
Deferred Inflows of Resources			
Unavailable revenue - special assessments	-	7,939	7,939
	<u>-</u>	<u>7,939</u>	<u>7,939</u>
Fund Balances			
Nonspendable	7,084	-	7,084
Restricted	217,821	-	217,821
Assigned	-	575,455	575,455
Unassigned	(10,258)	(165,567)	(175,825)
Total Fund Balances	<u>214,647</u>	<u>409,888</u>	<u>624,535</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 233,210</u>	<u>\$ 586,797</u>	<u>\$ 820,007</u>

City of Mound, Minnesota
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2019

Exhibit A-2

	Special Revenue	Capital Projects	Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 57,135	\$ 416,049	\$ 473,184
Licenses and permits	238,594	-	238,594
Intergovernmental	-	74,362	74,362
Special assessments	-	709	709
Interest on investments	6,719	-	6,719
Miscellaneous	2,214	4,000	6,214
Total Revenues	304,662	495,120	799,782
Expenditures			
Current			
Public works	-	1,643	1,643
Culture and recreation	92,479	27,073	119,552
Housing and economic development	56,313	1,520	57,833
Capital outlay			
General government	-	24,080	24,080
Public works	-	359,752	359,752
Culture and recreation	3,010	195,909	198,919
Housing and economic development	5,430	46,043	51,473
Total Expenditures	157,232	656,020	813,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	147,430	(160,900)	(13,470)
Other Financing Sources (Uses)			
Transfers in	-	170,000	170,000
Sale of capital assets	-	77,793	77,793
Total Other Financing Sources (Uses)	-	247,793	247,793
Net Change in Fund Balances	147,430	86,893	234,323
Fund Balances, January 1	67,217	322,995	390,212
Fund Balances, December 31	\$ 214,647	\$ 409,888	\$ 624,535

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

HRA Fund - 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, 2019

Exhibit B-1

	281	285	
	Dock	HRA	Total
Assets			
Cash and temporary investments	\$ 214,054	\$ -	\$ 214,054
Accounts receivable	-	2,012	2,012
Due from other funds	10,060	-	10,060
Prepaid items	5,908	1,176	7,084
Total Assets	\$ 230,022	\$ 3,188	\$ 233,210
Liabilities			
Accounts payable	\$ 1,893	\$ 2,210	\$ 4,103
Due to other funds	-	10,060	10,060
Deposits payable	4,400	-	4,400
Total Liabilities	6,293	12,270	18,563
Fund Balances			
Nonspendable for prepaid items	5,908	1,176	7,084
Restricted for culture and recreation	217,821	-	217,821
Unassigned	-	(10,258)	(10,258)
Total Fund Balances	223,729	(9,082)	214,647
Total Liabilities and Fund Balances	\$ 230,022	\$ 3,188	\$ 233,210

City of Mound, Minnesota
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2019

Exhibit B-2

	281	285	
	<u>Dock</u>	<u>HRA</u>	<u>Total</u>
Revenues			
Property taxes	\$ -	\$ 57,135	\$ 57,135
Licenses and permits	164,360	74,234	238,594
Interest on investments	6,719	-	6,719
Miscellaneous	202	2,012	2,214
Total Revenues	<u>171,281</u>	<u>133,381</u>	<u>304,662</u>
Expenditures			
Current			
Culture and recreation	92,479	-	92,479
Housing and economic development	-	56,313	56,313
Capital outlay			
Culture and recreation	3,010	-	3,010
Housing and economic development	-	5,430	5,430
Total Expenditures	<u>95,489</u>	<u>61,743</u>	<u>157,232</u>
Excess of Revenues Over Expenditures	75,792	71,638	147,430
Fund Balances, January 1	<u>147,937</u>	<u>(80,720)</u>	<u>67,217</u>
Fund Balances, December 31	<u>\$ 223,729</u>	<u>\$ (9,082)</u>	<u>\$ 214,647</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, 2019

Exhibit B-3

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Licenses and permits	\$ 160,000	\$ 160,000	\$ 164,360	\$ 4,360	\$ 358,915
Interest on investments	1,000	1,000	6,719	5,719	4,954
Miscellaneous	100	100	202	102	6,378
Total Revenues	<u>161,100</u>	<u>161,100</u>	<u>171,281</u>	<u>10,181</u>	<u>370,247</u>
Expenditures					
Current					
Culture and recreation					
Personnel services	55,948	55,948	50,854	5,094	51,048
Supplies	3,800	3,800	7,993	(4,193)	3,017
Other services and charges	39,235	39,235	33,632	5,603	47,292
Capital outlay					
Culture and recreation	65,000	65,000	3,010	61,990	55,255
Total Expenditures	<u>163,983</u>	<u>163,983</u>	<u>95,489</u>	<u>68,494</u>	<u>156,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,883)	(2,883)	75,792	78,675	213,635
Other Financing Uses					
Transfers out	-	-	-	-	(348,573)
Net Change in Fund Balances	(2,883)	(2,883)	75,792	78,675	(134,938)
Fund Balances, January 1	147,937	147,937	147,937	-	282,875
Fund Balances, December 31	<u>\$ 145,054</u>	<u>\$ 145,054</u>	<u>\$ 223,729</u>	<u>\$ 78,675</u>	<u>\$ 147,937</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, 2019

Exhibit B-4

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Property taxes	\$ 57,135	\$ 57,135	\$ 57,135	\$ -	\$ 49,954
Licenses and permits	77,700	77,700	74,234	(3,466)	-
Intergovernmental	-	-	-	-	4,626
Miscellaneous	-	-	2,012	2,012	-
Total Revenues	<u>134,835</u>	<u>134,835</u>	<u>133,381</u>	<u>(1,454)</u>	<u>54,580</u>
Expenditures					
Current					
Housing and economic development					
Supplies	1,500	1,500	364	1,136	1,529
Other services and charges	55,040	55,040	55,949	(909)	40,584
Capital outlay					
Housing and economic development	22,500	22,500	5,430	17,070	18,201
Total Expenditures	<u>79,040</u>	<u>79,040</u>	<u>61,743</u>	<u>17,297</u>	<u>60,314</u>
Net Change in Fund Balances	55,795	55,795	71,638	15,843	(5,734)
Fund Balances, January 1	<u>(80,720)</u>	<u>(80,720)</u>	<u>(80,720)</u>	-	<u>(74,986)</u>
Fund Balances, December 31	<u>\$ (24,925)</u>	<u>\$ (24,925)</u>	<u>\$ (9,082)</u>	<u>\$ 15,843</u>	<u>\$ (80,720)</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 other than those financed by enterprise funds.

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 mixed use residential and commercial project 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.

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 and sales of existing assets.

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.

City of Mound, Minnesota
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 December 31, 2019

Exhibit C-1

	403	404	405	427	454	475	
	Capital Replacement Equipment	Community Investment	Capital Replacement Buildings	Street Maintenance	TIF 1-1	TIF 1-3	Total
Assets							
Cash and temporary investments	\$ 31,257	\$ -	\$ -	\$ 415,172	\$ 2,578	\$ -	\$ 449,007
Special assessments receivable	-	-	-	7,939	-	-	7,939
Due from other funds	129,851	-	-	-	-	-	129,851
Total Assets	\$ 161,108	\$ -	\$ -	\$ 423,111	\$ 2,578	\$ -	\$ 586,797
Liabilities							
Accounts payable	\$ -	\$ 12,524	\$ -	\$ 825	\$ 3,264	\$ 22,506	\$ 39,119
Due to other funds	-	43,583	1,592	-	-	84,676	129,851
Total Liabilities	-	56,107	1,592	825	3,264	107,182	168,970
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	-	-	7,939	-	-	7,939
Fund Balances							
Assigned to capital improvements	161,108	-	-	414,347	-	-	575,455
Unassigned	-	(56,107)	(1,592)	-	(686)	(107,182)	(165,567)
Total Fund Balances	161,108	(56,107)	(1,592)	414,347	(686)	(107,182)	409,888
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 161,108	\$ -	\$ -	\$ 423,111	\$ 2,578	\$ -	\$ 586,797

City of Mound, Minnesota
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the Year Ended December 31, 2019

	403	404	405	427	454	475	
	Capital Replacement Equipment	Community Investment	Capital Replacement Buildings	Street Maintenance	TIF 1-1	TIF 1-3	Total
Revenues							
Taxes	\$ 300,000	\$ 50,000	\$ 60,000	\$ -	\$ 6,049	\$ -	\$ 416,049
Intergovernmental	-	-	-	74,362	-	-	74,362
Special assessments	-	-	-	709	-	-	709
Miscellaneous	-	4,000	-	-	-	-	4,000
Total Revenues	<u>300,000</u>	<u>54,000</u>	<u>60,000</u>	<u>75,071</u>	<u>6,049</u>	<u>-</u>	<u>495,120</u>
Expenditures							
Current							
Public works	1,643	-	-	-	-	-	1,643
Culture and recreation	1,406	25,667	-	-	-	-	27,073
Housing and economic development	-	-	-	-	1,290	230	1,520
Capital outlay							
General government	-	-	24,080	-	-	-	24,080
Public works	220,227	-	-	139,525	-	-	359,752
Culture and recreation	-	156,362	39,547	-	-	-	195,909
Housing and economic development	-	-	-	-	5,445	40,598	46,043
Total Expenditures	<u>223,276</u>	<u>182,029</u>	<u>63,627</u>	<u>139,525</u>	<u>6,735</u>	<u>40,828</u>	<u>656,020</u>
Excess (Deficiency) of Revenues (Under) Over Expenditures	<u>76,724</u>	<u>(128,029)</u>	<u>(3,627)</u>	<u>(64,454)</u>	<u>(686)</u>	<u>(40,828)</u>	<u>(160,900)</u>
Other Financing Sources (Uses)							
Transfers in	-	-	-	170,000	-	-	170,000
Sale of capital assets	77,793	-	-	-	-	-	77,793
Total Other Financing Sources (Uses)	<u>77,793</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>247,793</u>
Net Change in Fund Balances	154,517	(128,029)	(3,627)	105,546	(686)	(40,828)	86,893
Fund Balances, January 1	<u>6,591</u>	<u>71,922</u>	<u>2,035</u>	<u>308,801</u>	<u>-</u>	<u>(66,354)</u>	<u>322,995</u>
Fund Balances, December 31	<u>\$ 161,108</u>	<u>\$ (56,107)</u>	<u>\$ (1,592)</u>	<u>\$ 414,347</u>	<u>\$ (686)</u>	<u>\$ (107,182)</u>	<u>\$ 409,888</u>

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City of Mound, Minnesota
General Fund
Balance Sheets
December 31, 2019 and 2018

Exhibit D-1

	2019	2018
Assets		
Cash and temporary investments	\$ 2,403,990	\$ 3,478,489
Receivables		
Accounts	91,205	119,174
Taxes	136,349	127,174
Interest	11,476	27,101
Special assessments	89,621	90,602
Due from other governments	1,833	1,790
Due from other funds	1,103,450	55,700
Total Assets	\$ 3,837,924	\$ 3,900,030
Liabilities		
Accounts payable	\$ 132,487	\$ 102,725
Due to other governments	2,249	3,157
Deposits payable	203,655	242,433
Accrued salaries payable	59,608	54,259
Unearned revenue	25,779	-
Total Liabilities	423,778	402,574
Deferred Inflows of Resources		
Unavailable revenue - property taxes	82,249	75,014
Unavailable revenue - special assessments	89,408	90,329
Total Deferred Inflows of Resources	171,657	165,343
Fund Balances		
Restricted for		
Culture and recreation	20,019	20,019
Assigned to		
Severance pay	222,793	211,248
Budget deficit	400,526	303,659
Unassigned	2,599,151	2,797,187
Total Fund Balances	3,242,489	3,332,113
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,837,924	\$ 3,900,030

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, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance With Final Budget	2018
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Revenues					
Taxes					
General property taxes					
Current	\$ 2,821,672	\$ 2,821,672	\$ 2,785,551	\$ (36,121)	\$ 2,739,506
Delinquent	50,000	50,000	37,494	(12,506)	30,630
Fiscal disparities	450,000	450,000	494,167	44,167	455,382
Penalties and interest	15,000	15,000	19,225	4,225	13,488
Franchise tax	404,000	404,000	400,811	(3,189)	406,501
Total taxes	<u>3,740,672</u>	<u>3,740,672</u>	<u>3,737,248</u>	<u>(3,424)</u>	<u>3,645,507</u>
Licenses and permits	<u>235,950</u>	<u>235,950</u>	<u>218,973</u>	<u>(16,977)</u>	<u>240,500</u>
Intergovernmental					
State					
Local government aid	378,261	378,261	378,261	-	377,783
State aid for streets	30,000	30,000	30,000	-	60,000
PERA aid	6,060	6,060	6,060	-	6,060
Other state grants and aid	-	-	-	-	271
Total intergovernmental	<u>414,321</u>	<u>414,321</u>	<u>414,321</u>	<u>-</u>	<u>444,114</u>
Charges for services	<u>389,466</u>	<u>389,466</u>	<u>417,305</u>	<u>27,839</u>	<u>413,964</u>
Fines and forfeitures	<u>42,000</u>	<u>42,000</u>	<u>34,082</u>	<u>(7,918)</u>	<u>36,771</u>
Special assessments	<u>20,000</u>	<u>20,000</u>	<u>16,383</u>	<u>(3,617)</u>	<u>14,725</u>
Interest on investments	<u>10,000</u>	<u>10,000</u>	<u>65,171</u>	<u>55,171</u>	<u>48,062</u>
Miscellaneous					
Refunds and reimbursements	30,000	30,000	32,548	2,548	24,194
Other	41,000	41,000	43,664	2,664	55,198
Total miscellaneous	<u>71,000</u>	<u>71,000</u>	<u>76,212</u>	<u>5,212</u>	<u>79,392</u>
Total Revenues	<u>4,923,409</u>	<u>4,923,409</u>	<u>4,979,695</u>	<u>56,286</u>	<u>4,923,035</u>
Other Financing Sources					
Transfers in	<u>170,000</u>	<u>170,000</u>	<u>175,695</u>	<u>5,695</u>	<u>128,072</u>
Total Revenues and Other Financing Sources	<u>\$ 5,093,409</u>	<u>\$ 5,093,409</u>	<u>\$ 5,155,390</u>	<u>\$ 61,981</u>	<u>\$ 5,051,107</u>

City of Mound, Minnesota

Exhibit D-3

General Fund

Schedule of Expenditures and Other Financing Uses
Budget and Actual (Continued on the Following Pages)
For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

Expenditures	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Current					
General government					
Mayor and city council					
Personnel services	\$ 17,842	\$ 17,842	\$ 17,621	\$ 221	\$ 17,847
Supplies	2,700	2,700	2,441	259	1,156
Other services and charges	117,100	117,100	116,284	816	111,432
Total mayor and city council	<u>137,642</u>	<u>137,642</u>	<u>136,346</u>	<u>1,296</u>	<u>130,435</u>
City manager					
Personnel services	175,265	175,265	163,287	11,978	162,621
Supplies	1,975	1,975	581	1,394	408
Other services and charges	8,050	8,050	1,974	6,076	2,937
Total city manager	<u>185,290</u>	<u>185,290</u>	<u>165,842</u>	<u>19,448</u>	<u>165,966</u>
Election and voters' registration					
Supplies	-	-	31	(31)	661
Other services and charges	3,100	3,100	2,426	674	12,949
Total election and voters' registration	<u>3,100</u>	<u>3,100</u>	<u>2,457</u>	<u>643</u>	<u>13,610</u>
Assessing					
Supplies	50	50	5	45	35
Other services and charges	120,000	120,000	119,000	1,000	115,000
Total assessing	<u>120,050</u>	<u>120,050</u>	<u>119,005</u>	<u>1,045</u>	<u>115,035</u>
Finance					
Personnel services	434,720	434,720	411,155	23,565	413,721
Supplies	3,675	3,675	2,961	714	3,203
Other services and charges	23,850	23,850	20,044	3,806	17,662
Total finance	<u>462,245</u>	<u>462,245</u>	<u>434,160</u>	<u>28,085</u>	<u>434,586</u>
Computer					
Supplies	3,000	3,000	2,501	499	5,018
Other services and charges	51,500	51,500	43,617	7,883	51,029
Total computer	<u>54,500</u>	<u>54,500</u>	<u>46,118</u>	<u>8,382</u>	<u>56,047</u>
Legal					
Other services and charges	100,510	100,510	67,114	33,396	74,375

City of Mound, Minnesota

Exhibit D-3

General Fund

Schedule of Expenditures and Other Financing Uses

Budget and Actual (Continued)

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

Expenditures (Continued)	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Current (continued)					
General government (continued)					
City hall					
Supplies	\$ 7,300	\$ 7,300	\$ 3,021	\$ 4,279	\$ 7,644
Other services and charges	33,000	33,000	27,802	5,198	31,168
Total city hall	<u>40,300</u>	<u>40,300</u>	<u>30,823</u>	<u>9,477</u>	<u>38,812</u>
City property					
Supplies	2,200	2,200	1,404	796	1,869
Other services and charges	80,900	80,900	60,434	20,466	53,329
Total city property	<u>83,100</u>	<u>83,100</u>	<u>61,838</u>	<u>21,262</u>	<u>55,198</u>
Total general government	<u>1,186,737</u>	<u>1,186,737</u>	<u>1,063,703</u>	<u>123,034</u>	<u>1,084,064</u>
Public safety					
Police protection					
Personnel services	525	525	529	(4)	529
Supplies	-	-	8	(8)	-
Other services and charges	1,791,600	1,791,600	1,785,041	6,559	1,750,659
Total public safety	<u>1,792,125</u>	<u>1,792,125</u>	<u>1,785,578</u>	<u>6,547</u>	<u>1,751,188</u>
Emergency preparedness					
Personnel services	28,243	28,243	29,393	(1,150)	20,101
Supplies	2,100	2,100	1,135	965	2,062
Other services and charges	10,600	10,600	9,086	1,514	9,509
Total emergency preparedness	<u>40,943</u>	<u>40,943</u>	<u>39,614</u>	<u>1,329</u>	<u>31,672</u>
Planning and inspection					
Personnel services	250,537	250,537	254,745	(4,208)	234,269
Supplies	6,700	6,700	5,688	1,012	4,673
Other services and charges	204,490	204,490	170,620	33,870	191,220
Total planning and inspection	<u>461,727</u>	<u>461,727</u>	<u>431,053</u>	<u>30,674</u>	<u>430,162</u>
Total public safety	<u>2,294,795</u>	<u>2,294,795</u>	<u>2,256,245</u>	<u>38,550</u>	<u>2,213,022</u>
Public works					
Streets					
Personnel services	431,298	431,298	401,260	30,038	395,565
Supplies	140,250	140,250	152,699	(12,449)	141,239
Other services and charges	217,310	217,310	299,091	(81,781)	231,382
Total public works	<u>788,858</u>	<u>788,858</u>	<u>853,050</u>	<u>(64,192)</u>	<u>768,186</u>

City of Mound, Minnesota

Exhibit D-3

General Fund

Schedule of Expenditures and Other Financing Uses

Budget and Actual (Continued)

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Culture and recreation					
Parks					
Personnel services	\$ 305,282	\$ 305,282	\$ 247,094	\$ 58,188	\$ 285,993
Supplies	64,950	64,950	51,125	13,825	57,918
Other services and charges	86,400	86,400	85,735	665	104,313
Total parks	<u>456,632</u>	<u>456,632</u>	<u>383,954</u>	<u>72,678</u>	<u>448,224</u>
Cable TV					
Other services and charges	<u>42,300</u>	<u>42,300</u>	<u>36,106</u>	<u>6,194</u>	<u>39,502</u>
Total culture and recreation	<u>498,932</u>	<u>498,932</u>	<u>420,060</u>	<u>78,872</u>	<u>487,726</u>
Total current	<u>4,769,322</u>	<u>4,769,322</u>	<u>4,593,058</u>	<u>176,264</u>	<u>4,552,998</u>
Capital outlay					
Culture and recreation	<u>25,000</u>	<u>25,000</u>	<u>49,210</u>	<u>(24,210)</u>	<u>22,844</u>
Total Expenditures	<u>4,794,322</u>	<u>4,794,322</u>	<u>4,642,268</u>	<u>152,054</u>	<u>4,575,842</u>
Other Financing Uses					
Transfers out	<u>602,746</u>	<u>602,746</u>	<u>602,746</u>	<u>-</u>	<u>646,160</u>
Total Expenditures and Other Financing Uses	<u>\$ 5,397,068</u>	<u>\$ 5,397,068</u>	<u>\$ 5,245,014</u>	<u>\$ 152,054</u>	<u>\$ 5,222,002</u>

City of Mound, Minnesota
Debt Service Funds
Combining Balance Sheet (Continued on the Following Page)
December 31, 2019

Exhibit E-1

	355	370	368	375	350	362	363
	G.O. Tax Increment Refunding Bonds 2013 B	2011A Refunding Bond	2014A Refunding Bond	G.O. Tax Increment Refunding Bonds 2009D	Tax Abatement Bonds Series 2015B	G.O. Refunding Bonds 2016B	G.O. Improvement Bonds 2018A
Assets							
Cash and temporary investments	\$ 722,551	\$ 245,537	\$ 215,009	\$ -	\$ 218,834	\$ -	\$ 146,407
Receivables							
Taxes	6,072	-	-	-	-	-	-
Special assessments	-	42,316	19,062	-	-	119,621	324,389
Due from other funds	-	-	-	-	-	-	-
Total Assets	<u>\$ 728,623</u>	<u>\$ 287,853</u>	<u>\$ 234,071</u>	<u>\$ -</u>	<u>\$ 218,834</u>	<u>\$ 119,621</u>	<u>\$ 470,796</u>
Liabilities							
Accounts payable	\$ 1,792	\$ -	\$ -	\$ 832	\$ -	\$ -	\$ -
Due to other funds	-	-	-	116,539	-	26,174	-
Total Liabilities	<u>1,792</u>	<u>-</u>	<u>-</u>	<u>117,371</u>	<u>-</u>	<u>26,174</u>	<u>-</u>
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	41,980	18,914	-	-	118,188	323,231
Fund Balances							
Restricted for debt service	726,831	245,873	215,157	(117,371)	218,834	(24,741)	147,565
Total Deferred and Liabilities Inflows of Resources and Fund Balances	<u>\$ 728,623</u>	<u>\$ 287,853</u>	<u>\$ 234,071</u>	<u>\$ -</u>	<u>\$ 218,834</u>	<u>\$ 119,621</u>	<u>\$ 470,796</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 2011B	G.O. Improvement Bonds 2012A	G.O. Refunding Bonds 2012B	G.O. Improvement Bonds 2013A	G.O. Improvement Bonds 2014A	G.O. Improvement Bonds 2015A	G.O. Improvement Bonds 2016A	Total
Assets								
Cash and temporary investments	\$ 684,937	\$ 690,081	\$ 464,269	\$ 719,544	\$ 326,179	\$ 725,692	\$ 213,879	\$ 5,372,919
Receivables								
Taxes	-	-	-	-	-	-	-	6,072
Special assessments	396,793	456,959	-	521,868	181,766	419,210	292,722	2,774,706
Due from other funds	-	142,713	-	-	-	-	-	142,713
Total Assets	<u>\$ 1,081,730</u>	<u>\$ 1,289,753</u>	<u>\$ 464,269</u>	<u>\$ 1,241,412</u>	<u>\$ 507,945</u>	<u>\$ 1,144,902</u>	<u>\$ 506,601</u>	<u>\$ 8,296,410</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,624
Due to other funds	-	-	-	-	-	-	-	142,713
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,337</u>
Deferred Inflows of Resources								
Unavailable revenue - special assessments	395,822	454,508	-	521,691	181,595	418,669	291,703	2,766,301
Fund Balances								
Restricted for debt service	685,908	835,245	464,269	719,721	326,350	726,233	214,898	5,384,772
Total Deferred and Liabilities Inflows of Resources and Fund Balances	<u>\$ 1,081,730</u>	<u>\$ 1,289,753</u>	<u>\$ 464,269</u>	<u>\$ 1,241,412</u>	<u>\$ 507,945</u>	<u>\$ 1,144,902</u>	<u>\$ 506,601</u>	<u>\$ 8,296,410</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, 2019

	355	370	368	375	350	362	363
	G.O. Tax Increment Bonds 2003C	2011A Refunding Bond	2014A Refunding Bond	G.O. Tax Increment Refunding Bonds 2009D	Tax Abatement Bonds Series 2015B	G.O. Refunding Bonds 2016B	G.O. Improvement Bonds 2018A
Revenues							
Taxes	\$ 649,435	\$ 333,279	\$ 75,000	\$ 130,162	\$ 170,600	\$ 50,000	\$ 215,600
Special assessments	-	22,888	25,079	-	-	39,811	93,769
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>649,435</u>	<u>356,167</u>	<u>100,079</u>	<u>130,162</u>	<u>170,600</u>	<u>89,811</u>	<u>309,369</u>
Expenditures							
Debt service							
Principal	322,000	366,022	140,000	180,000	95,000	85,000	250,000
Interest and other	104,969	33,791	7,916	113,069	72,772	10,136	72,151
Total Expenditures	<u>426,969</u>	<u>399,813</u>	<u>147,916</u>	<u>293,069</u>	<u>167,772</u>	<u>95,136</u>	<u>322,151</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	222,466	(43,646)	(47,837)	(162,907)	2,828	(5,325)	(12,782)
Other Financing Sources (Uses) Refunding bond payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,975,000)</u>	<u>-</u>	<u>-</u>	<u>(1,710,000)</u>
Net Change in Fund Balances	222,466	(43,646)	(47,837)	(3,137,907)	2,828	(5,325)	(1,722,782)
Fund Balances, January 1	<u>504,365</u>	<u>289,519</u>	<u>262,994</u>	<u>3,020,536</u>	<u>216,006</u>	<u>(19,416)</u>	<u>1,870,347</u>
Fund Balances, December 31	<u><u>\$ 726,831</u></u>	<u><u>\$ 245,873</u></u>	<u><u>\$ 215,157</u></u>	<u><u>\$ (117,371)</u></u>	<u><u>\$ 218,834</u></u>	<u><u>\$ (24,741)</u></u>	<u><u>\$ 147,565</u></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, 2019

	364	365	371	310	311	312	313	
	G.O. Improvement Bonds 2011B	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	\$ 191,158	\$ 50,000	\$ 189,000	\$ 100,000	\$ 40,175	\$ 272,000	\$ 118,370	\$ 2,584,779
Special assessments	93,015	116,979	-	126,142	40,386	142,462	68,820	769,351
Miscellaneous	-	-	282,940	-	-	-	-	282,940
Total Revenues	<u>284,173</u>	<u>166,979</u>	<u>471,940</u>	<u>226,142</u>	<u>80,561</u>	<u>414,462</u>	<u>187,190</u>	<u>3,637,070</u>
Expenditures								
Debt service								
Principal	205,000	140,000	400,000	175,000	45,000	355,000	140,000	2,898,022
Interest and other	78,247	35,770	34,875	43,167	15,639	71,355	43,992	737,849
Total Expenditures	<u>283,247</u>	<u>175,770</u>	<u>434,875</u>	<u>218,167</u>	<u>60,639</u>	<u>426,355</u>	<u>183,992</u>	<u>3,635,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	926	(8,791)	37,065	7,975	19,922	(11,893)	3,198	1,199
Other Financing Sources (Uses) Refunding bond payment	-	-	-	-	-	-	-	(4,685,000)
Net Change in Fund Balances	926	(8,791)	37,065	7,975	19,922	(11,893)	3,198	(4,683,801)
Fund Balances, January 1	<u>684,982</u>	<u>844,036</u>	<u>427,204</u>	<u>711,746</u>	<u>306,428</u>	<u>738,126</u>	<u>211,700</u>	<u>10,068,573</u>
Fund Balances, December 31	<u>\$ 685,908</u>	<u>\$ 835,245</u>	<u>\$ 464,269</u>	<u>\$ 719,721</u>	<u>\$ 326,350</u>	<u>\$ 726,233</u>	<u>\$ 214,898</u>	<u>\$ 5,384,772</u>

City of Mound, Minnesota
 Summary Financial Report
 Revenues and Expenditures For General Operations -
 Governmental Funds
 For the Years Ended December 31, 2019 and 2018

Exhibit F-1

	Total		Percent Increase (Decrease)
	2019	2018	
Revenues			
Taxes	\$ 7,249,812	\$ 7,021,591	3.25 %
Licenses and permits	457,567	599,415	(23.66)
Intergovernmental	1,045,362	936,292	11.65
Charges for services	904,446	983,571	(8.04)
Fines and forfeitures	34,082	36,771	(7.31)
Special assessments	978,036	1,010,004	(3.17)
Interest on investments	85,578	63,111	35.60
Miscellaneous	403,413	396,589	1.72
	<u>\$ 11,158,296</u>	<u>\$ 11,047,344</u>	1.00 %
Total Revenues	<u>\$ 11,158,296</u>	<u>\$ 11,047,344</u>	1.00 %
Per Capita	\$ 1,194	\$ 1,164	2.58 %
Expenditures			
Current			
General government	\$ 1,063,703	\$ 1,084,064	(1.88) %
Public safety	3,454,487	3,423,371	0.91
Public works	856,014	768,371	11.41
Culture and recreation	539,612	589,083	(8.40)
Housing and economic development	57,833	82,659	(30.03)
Capital outlay			
General government	24,080	47,965	(49.80)
Public safety	110,413	60,834	81.50
Public works	689,419	1,213,633	(43.19)
Culture and recreation	248,129	112,161	121.23
Housing and economic development	51,473	69,132	(25.54)
Debt service			
Principal	2,953,022	2,900,702	1.80
Interest and service charges	750,994	891,521	(15.76)
	<u>\$ 10,799,179</u>	<u>\$ 11,243,496</u>	(3.95) %
Total Expenditures	<u>\$ 10,799,179</u>	<u>\$ 11,243,496</u>	(3.95) %
Per Capita	\$ 1,155	\$ 1,184	(2.45) %
Total Long-term Indebtedness	\$ 22,117,638	\$ 29,755,660	(25.67) %
Per Capita	2,366	3,134	(24.51)
General Fund Balance - December 31	\$ 3,242,489	\$ 3,332,113	(2.69) %
Per Capita	347	351	(1.14)

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 Catherine Pausche, Director of Finance and Administration at (952) 472-0633.

STATISTICAL SECTION (UNAUDITED)

CITY OF MOUND
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2019

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Mound's comprehensive annual 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			
	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 3,601,564	\$ 3,798,030	\$ 5,055,574	\$ 5,747,984
Restricted	3,815,576	3,286,087	59,497	679,417
Unrestricted	5,808,278	6,151,777	4,642,808	6,047,740
Total Governmental Activities Net Position	\$ 13,225,418	\$ 13,235,894	\$ 9,757,879	\$ 12,475,141
Business-type Activities				
Net investment in capital assets	\$ 5,825,360	\$ 5,947,907	\$ 5,676,107	\$ 5,496,329
Restricted	292,245	-	-	-
Unrestricted	648,346	470,211	168,175	415,237
Total Business-type Activities Net Position	\$ 6,765,951	\$ 6,418,118	\$ 5,844,282	\$ 5,911,566
Total Primary Government				
Net investment in capital assets	\$ 9,426,924	\$ 9,745,937	\$ 10,731,681	\$ 11,244,313
Restricted	4,107,821	3,286,087	59,497	679,417
Unrestricted	6,456,624	6,621,988	4,810,983	6,462,977
Total Primary Government	\$ 19,991,369	\$ 19,654,012	\$ 15,602,161	\$ 18,386,707

Fiscal year					
2014	2015	2016	2017	2018	2019
\$ 6,361,642	\$ 7,349,615	\$ 8,497,543	\$ 13,280,560	\$ 13,956,997	\$ 17,556,048
2,420,487	3,581,824	5,281,846	4,111,566	5,618,075	3,948,634
6,659,303	7,175,984	7,602,371	6,712,355	7,244,477	7,836,557
<u>\$ 15,441,432</u>	<u>\$ 18,107,423</u>	<u>\$ 21,381,760</u>	<u>\$ 24,104,481</u>	<u>\$ 26,819,549</u>	<u>\$ 29,341,239</u>
\$ 4,875,047	\$ 4,610,738	\$ 4,410,201	\$ 6,786,181	\$ 7,131,553	\$ 10,874,807
-	-	-	-	-	-
964,859	1,431,411	1,790,488	107,216	(267,659)	(3,920,428)
<u>\$ 5,839,906</u>	<u>\$ 6,042,149</u>	<u>\$ 6,200,689</u>	<u>\$ 6,893,397</u>	<u>\$ 6,863,894</u>	<u>\$ 6,954,379</u>
\$ 11,236,689	\$ 11,960,353	\$ 12,907,744	\$ 20,066,741	\$ 21,088,550	\$ 28,430,855
2,420,487	3,581,824	5,281,846	4,111,566	5,618,075	3,948,634
7,624,162	8,607,395	9,392,859	6,819,571	6,976,818	3,916,129
<u>\$ 21,281,338</u>	<u>\$ 24,149,572</u>	<u>\$ 27,582,449</u>	<u>\$ 30,997,878</u>	<u>\$ 33,683,443</u>	<u>\$ 36,295,618</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			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 1,228,001	\$ 1,140,001	\$ 1,067,294	\$ 1,094,663
Public safety	3,483,815	3,559,118	3,546,902	3,032,904
Public works	1,624,129	1,893,258	1,566,014	1,653,646
Culture and recreation	847,570	712,948	705,902	676,087
Housing and economic development	131,240	132,525	185,098	107,917
Interest on long-term debt	1,381,408	1,347,585	1,281,873	1,051,549
Total Governmental Activities Expenses	<u>8,696,163</u>	<u>8,785,435</u>	<u>8,353,083</u>	<u>7,616,766</u>
Business-type activities				
Water	1,541,799	1,553,216	1,535,865	1,717,417
Sewer	1,574,547	1,834,709	2,064,511	1,860,943
Municipal liquor	2,632,655	2,601,417	2,656,274	2,684,037
Recycling	218,826	213,015	190,192	189,576
Storm water	382,794	371,598	373,616	375,568
HRA public housing	364,500	303,275	266,751	312,388
Total Business-type Activities Expenses	<u>6,715,121</u>	<u>6,877,230</u>	<u>7,087,209</u>	<u>7,139,929</u>
Total Expenses	<u>\$ 15,411,284</u>	<u>\$ 15,662,665</u>	<u>\$ 15,440,292</u>	<u>\$ 14,756,695</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 303,195	\$ 317,950	\$ 300,526	\$ 294,247
Public safety	811,223	851,770	829,053	855,874
Public works	239,815	205,338	107,569	77,875
Culture and recreation	175,335	200,262	202,571	219,263
Housing and economic development	251,549	239,255	111,291	163,975
Operating grants and contributions	114,760	113,995	164,908	114,401
Capital grants and contributions	3,049,533	354,707	2,012,622	1,921,085
Total Governmental Activities Program Revenue	<u>4,945,410</u>	<u>2,283,277</u>	<u>3,728,540</u>	<u>3,646,720</u>
Business-type activities				
Charges for services				
Water	1,222,848	1,525,082	1,672,286	1,887,698
Sewer	1,404,087	1,457,360	1,446,577	1,523,307
Municipal liquor	2,738,976	2,677,882	2,835,506	2,887,315
Recycling	203,375	203,312	175,799	169,744
Storm water	255,633	353,293	359,905	404,162
HRA public housing	162,546	125,578	139,423	132,679
Operating grants and contributions	176,269	148,453	145,772	191,176
Capital grants and contributions	80,040	45,967	15,257	54,243
Total Business-type Activities Program Revenue	<u>6,243,774</u>	<u>6,536,927</u>	<u>6,790,525</u>	<u>7,250,324</u>
Total Program Revenues	<u>\$ 11,189,184</u>	<u>\$ 8,820,204</u>	<u>\$ 10,519,065</u>	<u>\$ 10,897,044</u>

Table 2

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 1,011,092	\$ 1,143,872	\$ 1,137,472	\$ 1,168,554	\$ 1,105,111	\$ 1,071,883
3,094,017	3,345,326	3,563,263	3,760,227	3,684,407	3,730,923
1,732,405	1,644,679	1,666,696	1,743,263	2,113,037	2,211,777
673,660	707,988	651,029	710,673	660,464	499,451
88,092	84,064	107,601	829,207	197,131	154,646
1,048,331	930,353	912,412	882,349	692,731	695,483
<u>7,647,597</u>	<u>7,856,282</u>	<u>8,038,473</u>	<u>9,094,273</u>	<u>8,452,881</u>	<u>8,364,163</u>
1,776,204	1,763,673	1,803,974	1,926,287	1,950,571	1,976,984
2,045,238	2,146,860	2,097,118	2,096,323	2,247,194	2,241,123
2,699,280	2,732,378	2,848,011	2,923,079	2,907,960	2,832,948
181,571	182,673	182,133	200,399	199,927	197,261
378,573	375,853	389,394	393,363	393,803	406,202
327,318	330,939	320,944	-	-	-
<u>7,408,184</u>	<u>7,532,376</u>	<u>7,641,574</u>	<u>7,539,451</u>	<u>7,699,455</u>	<u>7,654,518</u>
<u>\$ 15,055,781</u>	<u>\$ 15,388,658</u>	<u>\$ 15,680,047</u>	<u>\$ 16,633,724</u>	<u>\$ 16,152,336</u>	<u>\$ 16,018,681</u>
\$ 300,624	\$ 340,691	\$ 350,087	\$ 341,676	\$ 327,565	\$ 345,221
865,539	1,222,890	1,310,451	1,382,033	1,238,004	1,137,281
94,104	118,533	124,524	84,554	58,320	60,267
228,854	231,716	253,328	294,000	389,308	179,945
211,928	-	9,967	1,245	-	2,012
113,136	251,738	125,361	148,745	154,653	361,689
1,945,142	1,279,161	1,701,151	2,088,315	1,365,758	818,456
<u>3,759,327</u>	<u>3,444,729</u>	<u>3,874,869</u>	<u>4,340,568</u>	<u>3,533,608</u>	<u>2,904,871</u>
1,626,188	1,800,376	1,959,567	2,121,051	2,049,587	1,979,250
1,767,515	1,888,094	2,086,544	2,322,975	2,245,261	2,342,322
2,919,731	2,965,068	3,053,772	3,159,784	3,106,187	3,094,818
177,849	183,141	183,394	181,342	179,468	181,232
479,588	507,892	553,576	473,241	155,125	153,110
133,205	141,163	129,839	-	-	-
144,127	163,699	167,350	-	-	-
77,855	115,521	72,570	80,358	25,573	120,013
<u>7,326,058</u>	<u>7,764,954</u>	<u>8,206,612</u>	<u>8,338,751</u>	<u>7,761,201</u>	<u>7,870,745</u>
<u>\$ 11,085,385</u>	<u>\$ 11,209,683</u>	<u>\$ 12,081,481</u>	<u>\$ 12,679,319</u>	<u>\$ 11,294,809</u>	<u>\$ 10,775,616</u>

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

Table 2

	Fiscal Year			
	2010	2011	2012	2013
Program Revenues (Continued)				
Net (expenses) revenues				
Governmental activities	\$ (3,750,753)	\$ (6,502,158)	\$ (4,624,543)	\$ (3,970,046)
Business-type activities	(471,347)	(340,303)	(296,684)	110,395
Total Primary Government	<u>\$ (4,222,100)</u>	<u>\$ (6,842,461)</u>	<u>\$ (4,921,227)</u>	<u>\$ (3,859,651)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 5,943,462	\$ 5,981,824	\$ 5,944,240	\$ 6,169,021
Franchise taxes	427,258	408,821	402,789	412,071
State grants and contributions not restricted to specific programs	100,707	93,731	7,208	6,116
Unrestricted investment earnings	32,041	19,820	5,299	5,144
Gain on sale of capital assets	9,041	-	10,546	21,190
Transfers - capital assets	(851,178)	-	-	-
Transfers - internal activities	-	8,438	65,452	73,766
Special item - sale of property	-	-	(4,790,000)	-
Total Governmental Activities General Revenues	<u>5,661,331</u>	<u>6,512,634</u>	<u>1,645,534</u>	<u>6,687,308</u>
Business-type activities				
Unrestricted investment earnings	1,197	908	1,989	4,655
Gain on sale of capital assets	-	-	12,967	26,000
Transfers - capital assets	851,178	-	-	-
Transfers - internal activities	-	(8,438)	(65,452)	(73,766)
Total Business-type Activities General Revenues	<u>852,375</u>	<u>(7,530)</u>	<u>(50,496)</u>	<u>(43,111)</u>
Total Primary Government	<u>\$ 6,513,706</u>	<u>\$ 6,505,104</u>	<u>\$ 1,595,038</u>	<u>\$ 6,644,197</u>
Change in Net Position				
Governmental activities	\$ 1,910,578	\$ 10,476	\$ (2,979,009)	\$ 2,717,262
Business-type activities	381,028	(347,833)	(347,180)	67,284
Total Primary Government	<u>\$ 2,291,606</u>	<u>\$ (337,357)</u>	<u>\$ (3,326,189)</u>	<u>\$ 2,784,546</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ (3,888,270)	\$ (4,411,553)	\$ (4,163,604)	\$ (4,753,705)	\$ (4,919,273)	\$ (5,459,292)
(82,126)	232,578	565,038	799,300	61,746	216,227
<u>\$ (3,970,396)</u>	<u>\$ (4,178,975)</u>	<u>\$ (3,598,566)</u>	<u>\$ (3,954,405)</u>	<u>\$ (4,857,527)</u>	<u>\$ (5,243,065)</u>
\$ 6,068,495	\$ 6,236,580	\$ 6,500,525	\$ 6,510,322	\$ 6,638,769	\$ 6,856,784
412,506	412,295	423,042	405,178	406,501	400,811
297,791	331,693	340,471	347,390	383,843	384,321
7,240	8,815	12,514	26,970	63,111	85,578
7,000	28,668	103,984	56,300	14,045	77,793
-	-	-	-	-	-
332,292	59,493	57,405	130,266	128,072	175,695
-	-	(373,182)	-	-	-
<u>7,125,324</u>	<u>7,077,544</u>	<u>7,064,759</u>	<u>7,476,426</u>	<u>7,634,341</u>	<u>7,980,982</u>
1,995	3,658	10,755	13,391	36,823	49,953
70,000	25,500	13,334	10,283	-	-
-	-	-	-	-	-
(332,292)	(59,493)	(57,405)	(130,266)	(128,072)	(175,695)
<u>(260,297)</u>	<u>(30,335)</u>	<u>(33,316)</u>	<u>(106,592)</u>	<u>(91,249)</u>	<u>(125,742)</u>
<u>\$ 6,865,027</u>	<u>\$ 7,047,209</u>	<u>\$ 7,031,443</u>	<u>\$ 7,369,834</u>	<u>\$ 7,543,092</u>	<u>\$ 7,855,240</u>
\$ 3,237,054	\$ 2,665,991	\$ 2,901,155	\$ 2,722,721	\$ 2,715,068	\$ 2,521,690
(342,423)	202,243	531,722	692,708	(29,503)	90,485
<u>\$ 2,894,631</u>	<u>\$ 2,868,234</u>	<u>\$ 3,432,877</u>	<u>\$ 3,415,429</u>	<u>\$ 2,685,565</u>	<u>\$ 2,612,175</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
2010	\$ 5,943,462	\$ 427,258	\$ 6,370,720
2011	5,981,824	408,821	6,390,645
2012	5,944,240	402,789	6,347,029
2013	6,169,021	412,071	6,581,092
2014	6,068,495	412,506	6,481,001
2015	6,236,580	412,295	6,648,875
2016	6,500,525	423,042	6,923,567
2017	6,510,322	405,178	6,915,500
2018	6,638,769	406,501	7,045,270
2019	6,856,784	400,811	7,257,595

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

Table 4

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 597,791	\$ -	\$ -	\$ -
Unreserved	1,699,009	-	-	-
Total General Fund	<u>\$ 2,296,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other Governmental Funds				
Reserved	\$ 4,162,513	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	471,300	-	-	-
Capital project funds	944,703	-	-	-
Total all other Governmental Funds	<u>\$ 5,578,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
After Implementation of GASB 54				
General Fund				
Nonspendable	\$ -	\$ 566,914	\$ 522,707	\$ 443,967
Restricted	-	13,084	-	-
Assigned	-	584,717	385,420	283,602
Unassigned	-	1,278,726	1,345,459	1,637,080
Total General Fund	<u>\$ -</u>	<u>\$ 2,443,441</u>	<u>\$ 2,253,586</u>	<u>\$ 2,364,649</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 2,221	\$ -	\$ 6,701
Restricted	-	4,087,484	3,750,346	4,444,972
Assigned	-	1,726,974	1,761,587	2,248,345
Unassigned	-	(30,604)	-	(8,769)
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ 5,786,075</u>	<u>\$ 5,511,933</u>	<u>\$ 6,691,249</u>

Note: GASB 54 was implemented beginning in 2011.

Table 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 361,707	\$ 276,834	\$ 190,739	\$ 100,673	\$ -	\$ -
-	-	28,084	97,184	20,019	20,019
272,860	290,300	344,560	460,695	514,907	623,319
1,963,345	2,347,131	2,725,710	2,844,456	2,797,187	2,599,151
<u>\$ 2,597,912</u>	<u>\$ 2,914,265</u>	<u>\$ 3,289,093</u>	<u>\$ 3,503,008</u>	<u>\$ 3,332,113</u>	<u>\$ 3,242,489</u>
\$ -	\$ -	\$ 106,665	\$ 107,760	\$ 107,760	\$ 7,084
5,264,220	6,385,888	7,950,914	6,605,379	10,210,602	5,602,593
2,463,334	2,636,566	2,607,179	1,656,628	1,719,268	2,472,757
(42,244)	(44,793)	(60,771)	(90,310)	(148,250)	(175,825)
<u>\$ 7,685,310</u>	<u>\$ 8,977,661</u>	<u>\$ 10,603,987</u>	<u>\$ 8,279,457</u>	<u>\$ 11,889,380</u>	<u>\$ 7,906,609</u>

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

Table 5

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Taxes	\$ 6,334,761	\$ 6,449,549	\$ 6,371,422	\$ 6,602,770
Licenses and permits	320,834	348,655	323,677	390,433
Intergovernmental	1,461,351	306,435	566,177	224,139
Charges for services	1,526,274	1,528,166	1,264,393	918,354
Fines and forfeitures	59,190	62,867	58,845	68,435
Special assessments	893,071	646,865	902,189	1,173,004
Interest on investments	32,041	19,820	5,299	5,144
Miscellaneous	177,192	149,887	189,095	516,952
Total Revenues	<u>10,804,714</u>	<u>9,512,244</u>	<u>9,681,097</u>	<u>9,899,231</u>
Expenditures				
General government	1,201,380	1,112,840	1,088,263	1,071,935
Public safety	3,193,999	3,346,703	3,347,165	3,107,825
Public works	700,981	712,150	772,473	743,382
Culture and recreation	647,192	564,964	583,193	551,285
Housing and economic development	44,834	51,441	49,213	40,655
Capital outlay	1,971,747	3,601,348	2,980,992	2,880,155
Debt service				
Principal	1,357,000	1,548,000	2,354,454	2,045,285
Interest and other	1,349,680	1,360,812	1,399,287	1,194,296
Total Expenditures	<u>10,466,813</u>	<u>12,298,258</u>	<u>12,575,040</u>	<u>11,634,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>337,901</u>	<u>(2,786,014)</u>	<u>(2,893,943)</u>	<u>(1,735,587)</u>
Other Financing Sources (Uses)				
Transfers in	609,982	579,053	997,528	528,338
Transfers out	(609,982)	(570,615)	(932,076)	(454,572)
Bonds issued	-	7,450,000	6,570,000	4,280,000
Bonds refunded	-	(4,349,714)	(4,239,019)	(1,485,000)
Deferred charges on bonds issued	-	-	22,967	136,010
Sale of capital assets	9,041	31,490	10,546	21,190
Total Other Financing Sources (Uses)	<u>9,041</u>	<u>3,140,214</u>	<u>2,429,946</u>	<u>3,025,966</u>
Net Change in Fund Balances	<u>\$ 346,942</u>	<u>\$ 354,200</u>	<u>\$ (463,997)</u>	<u>\$ 1,290,379</u>
Debt Service as a Percentage of Noncapital Expenditures	29.7%	31.5%	38.1%	36.4%

Table 5

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 6,512,580	\$ 6,615,397	\$ 6,928,660	\$ 6,953,226	\$ 7,021,591	\$ 7,249,812
435,867	483,454	502,724	554,878	599,415	457,567
622,969	914,000	1,366,113	1,831,317	936,292	1,045,362
908,848	985,139	1,039,223	1,133,595	983,571	904,446
65,071	57,242	44,022	43,137	36,771	34,082
1,231,481	1,210,186	1,123,120	1,147,612	1,010,004	978,036
7,240	8,815	12,514	26,970	63,111	85,578
574,203	536,145	462,248	372,969	396,589	403,413
<u>10,358,259</u>	<u>10,810,378</u>	<u>11,478,624</u>	<u>12,063,704</u>	<u>11,047,344</u>	<u>11,158,296</u>
1,011,539	1,117,105	1,124,242	1,140,874	1,084,064	1,063,703
3,176,801	3,142,873	3,348,707	3,466,464	3,423,371	3,454,487
764,378	734,442	702,586	744,369	768,371	856,014
570,893	544,335	528,182	590,260	589,083	539,612
38,466	38,724	57,906	69,393	82,659	57,833
1,261,780	1,248,810	4,037,845	3,796,979	1,503,725	1,123,514
2,269,605	2,412,381	2,493,041	3,651,041	2,900,702	2,953,022
1,091,765	991,165	901,350	901,505	891,521	750,994
<u>10,185,227</u>	<u>10,229,835</u>	<u>13,193,859</u>	<u>14,360,885</u>	<u>11,243,496</u>	<u>10,799,179</u>
<u>173,032</u>	<u>580,543</u>	<u>(1,715,235)</u>	<u>(2,297,181)</u>	<u>(196,152)</u>	<u>359,117</u>
884,929	571,914	574,490	730,712	1,635,107	778,441
(552,637)	(512,421)	(517,085)	(600,446)	(1,507,035)	(602,746)
1,655,000	6,100,000	3,555,000	-	3,325,000	-
(940,000)	(5,160,000)	-	-	-	(4,685,000)
-	-	-	-	168,063	-
7,000	28,668	103,984	56,300	14,045	77,793
<u>1,054,292</u>	<u>1,028,161</u>	<u>3,716,389</u>	<u>186,566</u>	<u>3,635,180</u>	<u>(4,431,512)</u>
<u>\$ 1,227,324</u>	<u>\$ 1,608,704</u>	<u>\$ 2,001,154</u>	<u>\$ (2,110,615)</u>	<u>\$ 3,439,028</u>	<u>\$ (4,072,395)</u>
37.0%	37.3%	36.5%	39.9%	37.5%	37.5%

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

Table 6

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Real Property	\$ 1,193,269,400	\$ 1,803,054,600	\$ 982,868,200	\$ 956,361,700
Personal Property	<u>4,298,200</u>	<u>4,345,400</u>	<u>4,852,200</u>	<u>4,906,600</u>
Estimated Actual Value	<u>\$ 1,197,567,600</u>	<u>\$ 1,807,400,000</u>	<u>\$ 987,720,400</u>	<u>\$ 961,268,300</u>
Tax Capacity	\$ 14,166,216	\$ 12,685,320	\$ 10,972,410	\$ 9,917,462
Contribution to Fiscal Disparities Pool	(323,813)	(263,339)	(242,557)	(251,926)
Receivable from Fiscal Disparities Pool	999,789	967,141	861,664	852,575
Tax Increment	<u>(549,076)</u>	<u>(444,093)</u>	<u>(370,849)</u>	<u>(327,557)</u>
Total Tax Capacity	<u>\$ 14,293,116</u>	<u>\$ 12,945,029</u>	<u>\$ 11,220,668</u>	<u>\$ 10,190,554</u>
Tax Levies				
General	\$ 4,119,163	\$ 3,726,961	\$ 3,474,798	\$ 3,544,294
Debt service	1,106,660	1,602,788	1,508,533	1,694,690
Fire relief	76,030	78,311	82,069	83,782
Housing and redevelopment authority	<u>243,898</u>	<u>244,407</u>	<u>220,823</u>	<u>191,194</u>
Total	<u>\$ 5,545,751</u>	<u>\$ 5,652,467</u>	<u>\$ 5,286,223</u>	<u>\$ 5,513,960</u>
Tax Capacity Rate				
General	28.819 %	28.791 %	31.240 %	35.172 %
Debt service	7.743	12.381	13.575	16.847
Fire relief	0.532	0.605	0.738	0.831
Housing and redevelopment authority	<u>1.706</u>	<u>1.888</u>	<u>1.974</u>	<u>1.868</u>
Total	<u>38.800 %</u>	<u>43.665 %</u>	<u>47.527 %</u>	<u>54.718 %</u>

Table 6

2014	2015	2016	2017	2018	2019
\$ 1,059,788,500	\$ 1,078,295,400	\$ 1,078,295,400	\$ 1,175,358,600	\$ 1,225,075,100	\$ 1,337,495,900
<u>5,124,200</u>	<u>5,002,600</u>	<u>5,002,600</u>	<u>5,203,600</u>	<u>5,925,000</u>	<u>6,047,600</u>
<u>\$ 1,064,912,700</u>	<u>\$ 1,083,298,000</u>	<u>\$ 1,083,298,000</u>	<u>\$ 1,180,562,200</u>	<u>\$ 1,231,000,100</u>	<u>\$ 1,343,543,500</u>
\$ 9,609,636	\$ 10,766,187	\$ 10,992,202	\$ 12,084,264	\$ 12,659,733	\$ 13,917,172
(263,862)	(261,070)	(276,900)	(299,684)	(327,418)	(342,108)
836,694	861,823	848,636	887,186	966,291	1,061,728
<u>(311,005)</u>	<u>(384,355)</u>	<u>(488,930)</u>	<u>(569,772)</u>	<u>(619,616)</u>	<u>(697,017)</u>
<u>\$ 9,871,463</u>	<u>\$ 10,982,585</u>	<u>\$ 11,075,008</u>	<u>\$ 12,101,994</u>	<u>\$ 12,678,990</u>	<u>\$ 13,939,775</u>
\$ 3,394,294	\$ 3,496,123	\$ 3,601,007	\$ 3,492,976	\$ 3,580,301	\$ 3,949,614
1,975,650	1,981,068	1,981,102	2,031,250	2,056,154	1,794,582
78,920	67,171	67,063	68,560	68,001	74,601
<u>182,728</u>	<u>177,835</u>	<u>197,008</u>	<u>200,410</u>	<u>218,404</u>	<u>227,735</u>
<u>\$ 5,631,592</u>	<u>\$ 5,722,197</u>	<u>\$ 5,846,180</u>	<u>\$ 5,793,196</u>	<u>\$ 5,922,860</u>	<u>\$ 6,046,532</u>
35.214 %	32.185 %	33.170 %	29.184 %	30.463 %	28.153 %
19.197	17.314	17.329	16.102	13.917	12.793
0.839	0.587	0.586	0.543	0.543	0.535
<u>1.850</u>	<u>1.600</u>	<u>1.794</u>	<u>1.646</u>	<u>1.729</u>	<u>1.626</u>
<u>57.100 %</u>	<u>51.686 %</u>	<u>52.879 %</u>	<u>47.475 %</u>	<u>46.652 %</u>	<u>43.107 %</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
2010	38.800 %	1.711 %	42.640 %	9.772 %	1.511	8.138 %	102.572 %
2011	43.665	1.903	45.840	10.900	1.606	9.172	113.086
2012	47.527	1.974	48.231	17.262	1.705	9.523	126.222
2013	54.718	1.868	49.461	18.119	1.769	10.089	136.024
2014	55.250	1.850	49.959	19.075	1.806	10.561	138.501
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

The direct rate of the City of Mound is calculated in more detail in Table 6 of this report. Please see page 114 for said calculation and detail.

City of Mound, Minnesota
 Statistical Section (Unaudited)
 Principal Property Taxpayers
 December 31, 2019 - December 31, 2010

Table 8

Taxpayer	Type of Property	2019			2010		
		Total Tax	Rank	Percent of Total Tax	Total Tax	Rank	Percent of Total Tax
SCL Holdings-Mound, LLC	Commercial	\$ 170,690	1	1.22 %	\$ -		- %
Harrison Bay Senior Living, LLC	Residential - Apartment	119,163	2	0.85			
Metro Storage -Mound LLC	Industrial	107,250	3	0.77	51,267	6	0.36
Grandview Minnesota, LLC	Residential - Apartment	95,238	4	0.68	66,119	4	0.46
Walgreens Company	Commercial	58,470	5	0.42	-		-
Balboa Minnesota Co.	Industrial	54,850	6	0.39	83,711	3	0.59
IKM Limited Partnership	Housing - Low Income	45,833	7	0.33			
EGR Premier Properties LLC	Commercial	42,930	8	0.31	-		-
LHB Properties LLC	Residential - Apartment	34,975	9	0.25	-		-
Wells Fargo Bank NA	Commercial	27,690	10	0.20	-		-
Northern States Power Company	Utilities	-		-	33,516	9	0.23
Goelzer/Richardson, LLP	Commercial	-		-	132,044	2	0.92
Beth D. Saliterman	Commercial	-		-	52,838	5	0.37
Vernon & Nancy Hoium	Commercial	-		-	35,481	7	0.25
Ray Mar Properties	Commercial	-		-	35,379	8	0.25
Speedway Super America	Commercial	-		-	30,382	10	0.21
Mound Marketplace, LLC	Commercial	-		-	238,453	1	1.67
Total		\$ 757,089		5.43 %	\$ 759,190		5.31 %

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
2010	\$ 5,545,751	\$ 5,435,229	98.01 %	\$ 110,522	\$ 5,545,751	100.00 %
2011	5,652,467	5,567,117	98.49	85,350	5,652,467	100.00
2012	5,286,223	5,216,524	98.68	69,699	5,286,223	100.00
2013	5,513,960	5,458,298	98.99	55,662	5,513,960	100.00
2014	5,631,592	5,583,247	99.14	44,216	5,627,463	99.93
2015	5,722,197	5,662,691	98.96	53,637	5,716,328	99.90
2016	5,846,180	5,792,843	99.09	44,945	5,837,788	99.86
2017	5,793,196	5,760,438	99.43	22,189	5,782,627	99.82
2018	5,922,860	5,873,097	99.16	32,676	5,905,773	99.71
2019	6,046,532	6,000,790	99.24	-	6,000,790	99.24

See the Tax Capacity and Estimated Actual Value of Taxable Property table on page 114 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			
2010	\$18,591,714	\$ 8,712,000	\$ 5,350,000	\$ 30,158	\$ 14,940,000	\$ 960,288	\$48,584,160	11.54 %	\$ 5,367
2011	20,626,000	8,505,000	5,075,000	15,188	18,045,000	-	52,266,188	11.82	5,754
2012	25,975,715	8,222,000	-	-	19,921,285	-	54,119,000	11.69	5,876
2013	27,052,430	7,895,000	-	-	23,532,570	-	58,480,000	12.33	6,309
2014	25,862,825	7,530,000	-	-	26,731,175	-	60,124,000	12.16	6,464
2015	24,767,444	7,153,000	-	-	30,337,556	-	62,258,000	12.08	6,693
2016	26,262,403	6,720,000	-	-	34,122,597	-	67,105,000	13.00	7,202
2017	23,072,362	6,259,000	-	-	30,157,638	-	59,489,000	11.52	6,333
2018	22,108,660	7,647,000	-	-	32,476,340	-	62,232,000	11.43	6,555
2019	17,947,638	4,170,000	-	-	26,182,362	-	48,300,000	8.50	5,167

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 125 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
2010	9,052	\$ 14,293,116	\$48,554,002	\$ 4,160,137	\$44,393,865	310.60	\$ 4,904
2011	9,084	12,945,029	52,251,000	3,937,444	48,313,556	373.22	5,319
2012	9,210	11,220,668	54,119,000	3,690,849	50,428,151	449.42	5,475
2013	9,270	10,190,554	58,480,000	4,381,062	54,098,938	530.87	5,836
2014	9,302	9,871,463	60,124,000	2,180,474	57,943,526	586.98	6,229
2015	9,302	10,982,585	62,258,000	2,553,254	59,704,746	543.63	6,418
2016	9,318	11,075,008	67,105,000	3,912,655	63,192,345	570.59	6,782
2017	9,394	12,101,994	59,489,000	3,738,591	55,750,409	460.67	5,935
2018	9,494	12,678,990	62,232,000	5,456,027	56,775,973	447.80	5,980
2019	9,347	13,939,775	48,300,000	3,710,794	44,589,206	319.87	4,770

Year 2010 population from US Census

See the Demographic and Economic Statistics table on page 125 for population data.

See the Tax Capacity and Estimated Actual Value of Taxable Property table on page 114 for tax capacity information.

City of Mound, Minnesota
 Statistical Section (Unaudited)
 Computation of Direct and Overlapping Debt
 December 31, 2019

Table 12

	Total Debt	Net Debt Outstanding	Percent of Debt Applicable to City*	City of Mound Share of Debt
Direct Debt				
City of Mound	\$ 22,117,638	\$ 18,406,844	100.00 %	\$ 18,406,844
Overlapping Debt				
Hennepin County	\$ 1,334,420,000	983,232,996	0.71	6,980,954
School District #277	40,425,000	39,649,210	30.78	12,204,027
Hennepin Suburb Park District	61,035,000	39,123,902	1.00	391,239
Hennepin Regional RR Authority	98,385,000	91,599,372	0.71	915,994
Metropolitan Council	1,555,384,035	142,583,705	0.36	513,301
Total Overlapping Debt	<u>3,089,649,035</u>	<u>1,296,189,185</u>	<u>33.56</u>	<u>21,005,515</u>
Total Direct and Overlapping Debt	<u>\$ 3,111,766,673</u>	<u>\$ 1,314,596,029</u>	<u>2.37 %</u>	<u>\$ 39,412,359</u>

* 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			
	2010	2011	2012	2013
Debt Limit	\$ 39,743,607	\$ 35,927,028	\$ 54,222,000	\$ 29,631,612
Total Net Debt Applicable to Limit	<u>844,714</u>	<u>475,000</u>	<u>350,000</u>	<u>260,000</u>
Legal Debt Margin	<u>\$ 38,898,893</u>	<u>\$ 35,452,028</u>	<u>\$ 53,872,000</u>	<u>\$ 29,371,612</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.1%	1.3%	0.6%	0.9%

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					
2014	2015	2016	2017	2018	2019
\$ 28,838,049	\$ 31,947,381	\$ 32,498,940	\$ 35,416,866	\$ 36,930,003	\$ 40,306,305
200,000	-	730,000	730,000	680,000	625,000
<u>\$ 28,638,049</u>	<u>\$ 31,947,381</u>	<u>\$ 31,768,940</u>	<u>\$ 34,686,866</u>	<u>\$ 36,250,003</u>	<u>\$ 39,681,305</u>
0.7%	0.0%	2.2%	2.1%	1.8%	1.6%

Legal Debt Margin Calculation

Taxable Market Value	<u>\$ 1,343,543,500</u>
Debt Limit (3 Percent of Market Value)	\$ 40,306,305
Debt Applicable to Limit	<u>625,000</u>
Legal Debt Margin	<u>\$ 39,681,305</u>

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

Table 14

Fiscal Year	Gross Revenue	(1)	(2) Expenses	Net Revenue Available	Debt Service			Ratio of Net Revenue to Debt Service
					Principal	Interest	Total	
2010	\$ 3,601,066	(1)	\$ 2,482,888	\$ 1,118,178	\$ 545,000	\$ 718,059	\$ 1,263,059	0.885 to 1
2011	3,981,850	(1)	2,552,024	1,429,826	2,890,286	665,619	3,555,905	0.402 to 1
2012	3,981,850	(3)	2,552,024	1,429,826	1,918,714	700,846	2,619,560	0.546 to 1
2013	4,551,776	(3)	2,486,823	2,064,953	873,717	633,679	1,507,396	1.370 to 1
2014	4,632,193	(3)	2,602,295	2,029,898	3,301,396	782,482	4,083,878	0.497 to 1
2015	4,976,900	(3)	2,667,490	2,309,410	1,263,620	663,207	1,926,827	1.199 to 1
2016	5,355,569	(3)	2,432,607	2,922,962	1,454,959	891,549	2,346,508	1.246 to 1
2017	5,745,316	(3)	2,517,171	3,228,145	3,964,959	887,248	4,852,207	.665 to 1
2018	5,247,587	(3)	2,832,282	2,415,305	1,876,298	692,110	2,568,408	.940 to 1
2019	5,282,653	(3)	2,751,381	2,531,272	3,084,378	805,699	3,890,077	.940 to 1

- (1) Includes Liquor, 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
2010	9,052	3,974	2.28	420,481,414	46,498	42.4	2,218	6.1
2011	9,084	3,987	2.27	444,822,294	48,657	43.4	2,227	5.2
2012	9,210	3,997	2.30	464,452,660	50,260	44.0	2,255	4.8
2013	9,270	4,045	2.33	474,671,142	51,183	43.8	2,187	4.0
2014	9,302	4,045	2.33	494,975,460	53,166	44.2	2,253	3.0
2015	9,302	4,072	2.28	528,171,755	56,495	44.2	2,238	2.8
2016	9,318	4,089	2.28	544,534,179	57,751	42.0	2,321	2.7
2017	9,394	4,085	2.33	568,507,512	59,736	42.0	2,358	2.4
2018	9,494 ⁽¹⁾	4,089 ⁽²⁾	2.28 ⁽²⁾	854,017,512 ⁽³⁾	89,736	46.0 ⁽⁵⁾	2,460	2.1
2019	9,347 *	4,089 *	2.28 *	854,017,512 *	86,432 ⁽⁴⁾	43.3 *	2,319 ⁽⁶⁾	2.6 ⁽⁷⁾

Sources

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

- (1) US Department of Commerce - Census Bureau
- (2) State of MN - Office of Geographic and Demographic Analysis
- (3) Calculated by the City
- (4) US Department of Commerce - Bureau of Economic Analysis
- (5) US Department of Commerce - Census Bureau
- (6) Westonka ISD
- (7) 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	9	6	6	6	5	5	5	5	5	4
Police										
Officers	13	12	13	*	*	*	*	*	*	*
Civilians	1	1	1	*	*	*	*	*	*	*
Reserve Officers (1)	6	6	6	*	*	*	*	*	*	*
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 (2)	42	41	38	39	40	39	39	39	38	39
Public Works										
Engineering	2	2	2	2	2	2	2	2	2	2
Maintenance	3	3	2	3	3	2	5	3	4	4
Culture and Recreation										
Parks	4	4	3	3	2	3	3	3	3	3
Seasonal Park Maintenance (3)	2	2	2	2	2	2	2	2	2	2
Economic Development										
Planning	2	2	2	2	2	2	2	2	2	2
Code Enforcement	-	-	-	-	1	1	1	1	1	1
Water	3	3	3	3	3	3	2	2	3	3
Sewer	3	3	3	3	3	3	2	2	3	3
Municipal Liquor Store	6	6	6	5	6	6	6	6	7	6
Total	98	93	89	70	71	70	71	69	72	71

(1) Total number of volunteer police reserve officers

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

(3) Three full-time employees from June to August

* Starting in 2013, the City contracts for its police services. Information is not available for police functions starting in 2013

Source: City of Mound

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

Table 17

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Police calls	14,853	19,432	3,302	*	*	*	*	*	*	*
Physical arrests	503	663	283	*	*	*	*	*	*	*
Parking violations	228	349	210	*	*	*	*	*	*	*
Traffic violations	1,598	1,520	657	*	*	*	*	*	*	*
Fire										
Fire calls	577	615	554	558	525	550	588	596	602	568
Elections										
Registered voters last election	6,061	6,061	6,014	6,014	6,100	6,100	6,195	6,195	6,213	6,213
Number of votes cast last election	4,047	4,047	5,681	5,681	3,893	3,893	5,661	5,661	4,961	4,961
Percentage of registered voters voting	66.77%	66.77%	94.46%	94.46%	63.82%	63.82%	91.38%	91.38%	79.85%	79.85%
Building/Engineering										
Permits issued	538	419	314	199	350	380	439	224	444	448
Value of permits issued (in millions)	\$ 7,264,815	\$ 8,053,468	\$ 8,162,212	\$ 10,410,249	\$ 8,818,474	\$ 17,860,182	\$ 22,119,768	\$ 28,034,913	\$ 9,829,004	\$ 9,579,435
Water										
Consumers	3,697	3,694	3,741	3,705	3,778	3,727	3,735	3,780	3,765	3,773
New connections	-	1	4	17	9	20	27	10	19	8
Water mains breaks	5	7	4	14	13	13	4	8	4	5
Average daily consumption (thousands of gallons)	673	644	720	655	612	612	569	586	576	571
Maximum daily capacity (thousands of gallons)	2,200	2,200	2,200	2,200	2,200	4,320	4,320	4,320	4,320	4,320
User charge per thousand gallons	\$ 3.51	\$ 3.51	\$ 3.51	\$ 3.77	\$ 3.85	\$ 4.18	\$ 4.54	\$ 4.92	\$ 4.92	\$ 4.92
Sewer										
Average daily treatment flow (thousands of gallons)	882	1,106	773	789	1,012	1,012	1,012	1,121	1,022	1,048
User charge per thousand gallons	\$ 3.87	\$ 3.87	\$ 4.16	\$ 4.41	\$ 4.85	\$ 5.31	\$ 5.81	\$ 6.36	\$ 6.75	\$ 6.75

* Starting in 2013, the City contracts for its police services. Information is not available for police functions starting in 2013.

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	*	*	*	*	*	*	*
Patrol units	7	7	7	*	*	*	*	*	*	*
Unmarked Patrol Units	5	5	5	*	*	*	*	*	*	*
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	-	3.00	3	2.80	0.65	4.00	1.50	-	1.30	-
Sidewalks (miles)	11	11	11	11	11	11	11	11	11	11
Street lights	540	540	540	540	541	541	541	541	541	541
Traffic signals	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Parks division										
Parks	31	33	33	33	33	33	33	33	33	33
Parks acreage	44	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	45	45	45	46	46	46
Miles of water main rehabilitated	-	-	1	0.50	0.86	3.50	0.84	-	1.20	-
Fire hydrants	411	411	411	414	414	415	416	420	420	420
Sewer										
Miles of sanitary sewer	60	60	60	60	60	60	60	60	60	60
Miles of sanitary sewer rehabilitated	-	-	0	0.30	0.30	1.25	0.37	0.54	0.89	-
Lift stations	30	31	31	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

* Starting in 2013, the City contracts for its police services. Information is not available for police functions starting in 2013.

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, 2019

City of Mound, Minnesota
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules by Source
 December 31, 2019 and 2018

Exhibit H-1

	2019	2018
Governmental Funds Capital Assets		
Land	\$ 198,366	\$ 198,365
Buildings and structures	11,988,250	11,949,272
Improvements other than buildings	1,805,770	1,915,321
Furniture and equipment	4,624,834	4,768,543
Infrastructure	30,144,594	27,194,930
Construction in progress	716,057	3,142,617
Total Governmental Funds Capital Assets	\$ 49,477,871	\$ 49,169,048
Investments in Governmental Funds Capital Assets by Source		
General and special revenue funds	\$ 18,617,220	\$ 18,831,501
Capital projects funds	30,860,651	30,337,547
Total Investments in Governmental Funds Capital Assets by Source	\$ 49,477,871	\$ 49,169,048

City of Mound, Minnesota
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function
 December 31, 2019

Exhibit H-2

	<u>Total</u>	<u>Land</u>	<u>Buildings and Structures</u>	<u>Improvements Other Than Buildings</u>	<u>Furniture and Equipment</u>	<u>Infrastructure</u>
Governmental Capital Assets						
General government	\$ 834,025	\$ 159,366	\$ 389,685	\$ 119,316	\$ 165,658	\$ -
Public safety	8,029,813	-	5,918,190	-	2,111,623	-
Public works	38,405,944	-	5,602,904	1,075,556	1,582,890	30,144,594
Culture and recreation	1,492,032	39,000	77,471	610,898	764,663	-
Total Governmental Capital Assets	<u>\$ 48,761,814</u>	<u>\$ 198,366</u>	<u>\$ 11,988,250</u>	<u>\$ 1,805,770</u>	<u>\$ 4,624,834</u>	<u>\$ 30,144,594</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, 2019

Exhibit H-3

	<u>Governmental Capital Assets January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Capital Assets December 31</u>
Governmental Capital Assets				
General government	\$ 900,579	\$ 33,188	\$ 99,742	\$ 834,025
Public safety	7,983,320	105,442	58,949	8,029,813
Public works	35,541,690	2,990,060	125,806	38,405,944
Culture and recreation	<u>1,600,842</u>	<u>207,197</u>	<u>316,007</u>	<u>1,492,032</u>
 Total Governmental Capital Assets	 <u>\$ 46,026,431</u>	 <u>\$ 3,335,887</u>	 <u>\$ 600,504</u>	 <u>\$ 48,761,814</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, 2019

Exhibit I-1

	Original Budget	Accounted for in Prior Years	Current Year	Amount Remaining
Source of Funds				
Tax increment revenue	\$ 35,000,000	\$ 1,960,300	\$ 130,162	\$ 32,909,538
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	-	1,200,000	-	(1,200,000)
Premium on bonds issued	-	89,781	-	(89,781)
Total Source of Funds	<u>35,000,000</u>	<u>19,338,573</u>	<u>130,162</u>	<u>15,531,265</u>
Use of Funds				
Land acquisition	7,000,000	1,762,430	-	5,237,570
Site improvements	7,000,000	3,666,535	230	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	112,304	40,598	3,847,098
Interest	13,385,405	-	-	13,385,405
Loan payments				
Principal	-	8,750,000	3,155,000	(11,905,000)
Interest and other	-	2,093,122	113,069	(2,206,191)
Total Use of Funds	<u>33,385,405</u>	<u>16,384,391</u>	<u>3,308,897</u>	<u>13,692,117</u>
Funds Remaining	<u>\$ 1,614,595</u>	<u>\$ 2,954,182</u>	<u>\$ (3,178,735)</u>	<u>\$ 1,839,148</u>