



CITY OF ROCHESTER, MINNESOTA

Financial Statement Overview 2019

City of Rochester

Independent Audit December 31, 2019

- **Issued unmodified opinion on City's basic financial statements**
 - **City issued 2019 CAFR in June 2020**
 - **Smith Schafer relied on Baker, Tilly, Virchow, Krause's unmodified opinion on Electric and Water Utility Funds**
 - **Smith Schafer relied on CliftonLarsonAllen's unmodified opinion on the blended component unit, DMCC**
 - **City applied for GFOA Certificate of Achievement for Excellence in Financial Reporting for the 2019 CAFR & responded to GFOA comments on 2018 CAFR for which City received the Certificate**
- **Smith Schafer is performing the Single Audit of 2019 federal grant awards in July**
- **Audit Committee Meeting**
 - **Reviewed results of 2019 Audit, Procedural Recommendations and Auditors' Responsibility Letter**

Governmental Fund Types

- **General Fund**
- **Special Revenue Funds:**
 - Library
 - Municipal Recreation System
 - Mayo Civic Center
 - Edward Byrne Memorial JAG
 - Airport Operations
 - F.E. Williams Estate
 - Transit
 - Minnesota Bio Science Center
 - Community Development Projects
 - DMCC
- **Capital Project Fund**
 - Capital Improvement
- **Debt Service Funds:**
 - Tax Increment Bonds
 - TIF Revenue Bond
 - Facility Energy Improvements Loan
 - EDA Bond
 - Public Works & Transit Operation Center Bond
 - Lodging Tax Revenue Bond
 - GO Variable Rate Sales Tax Bond

Proprietary Fund Types

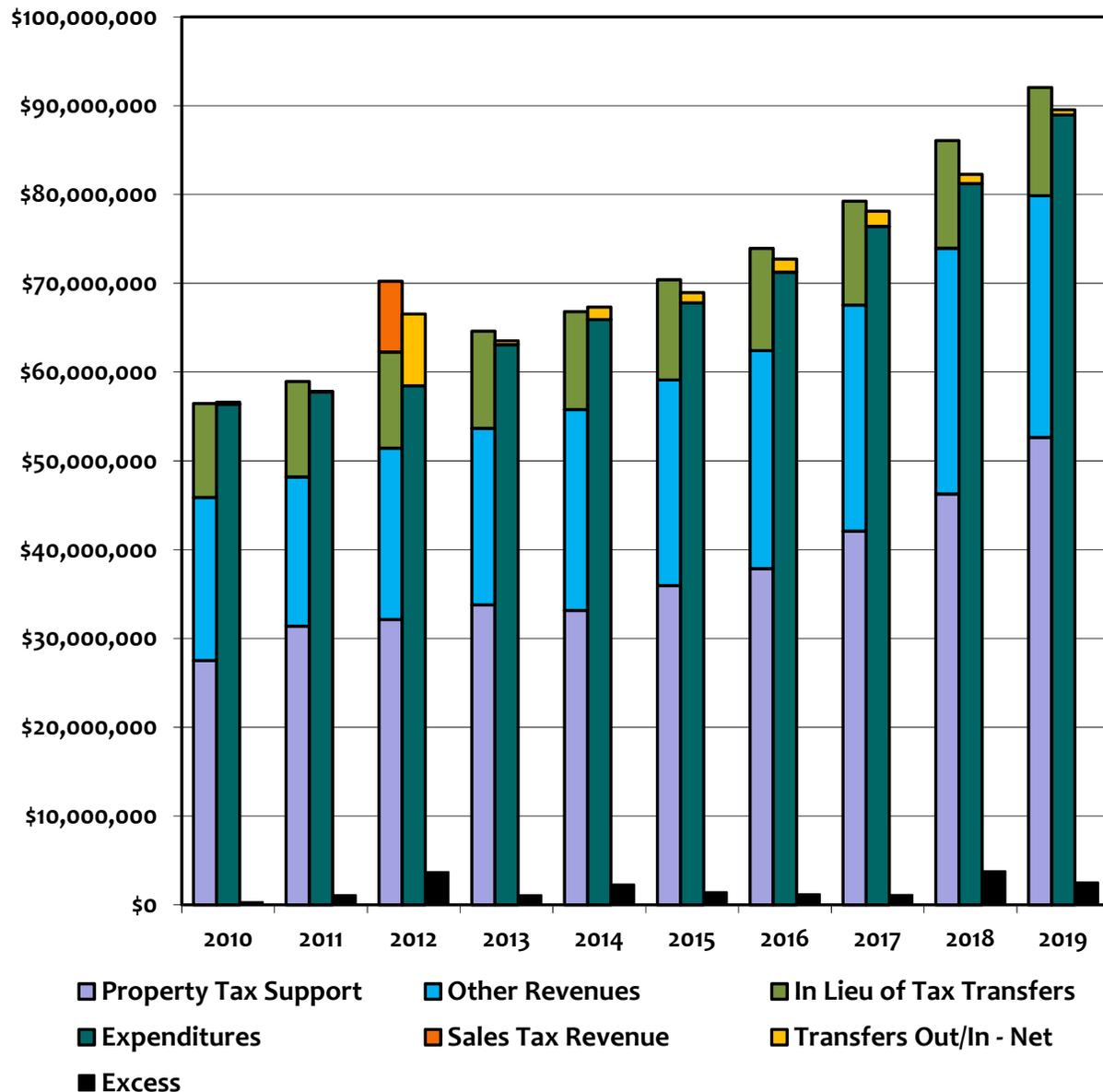
- **Enterprise Funds:**

- Parking
- Electric
- Water
- Sewer
- Storm Water

- **Internal Service Funds:**

- Equipment Revolving
- Information Technology Revolving
- Self-Insurance

General Fund Revenues and Expenditures

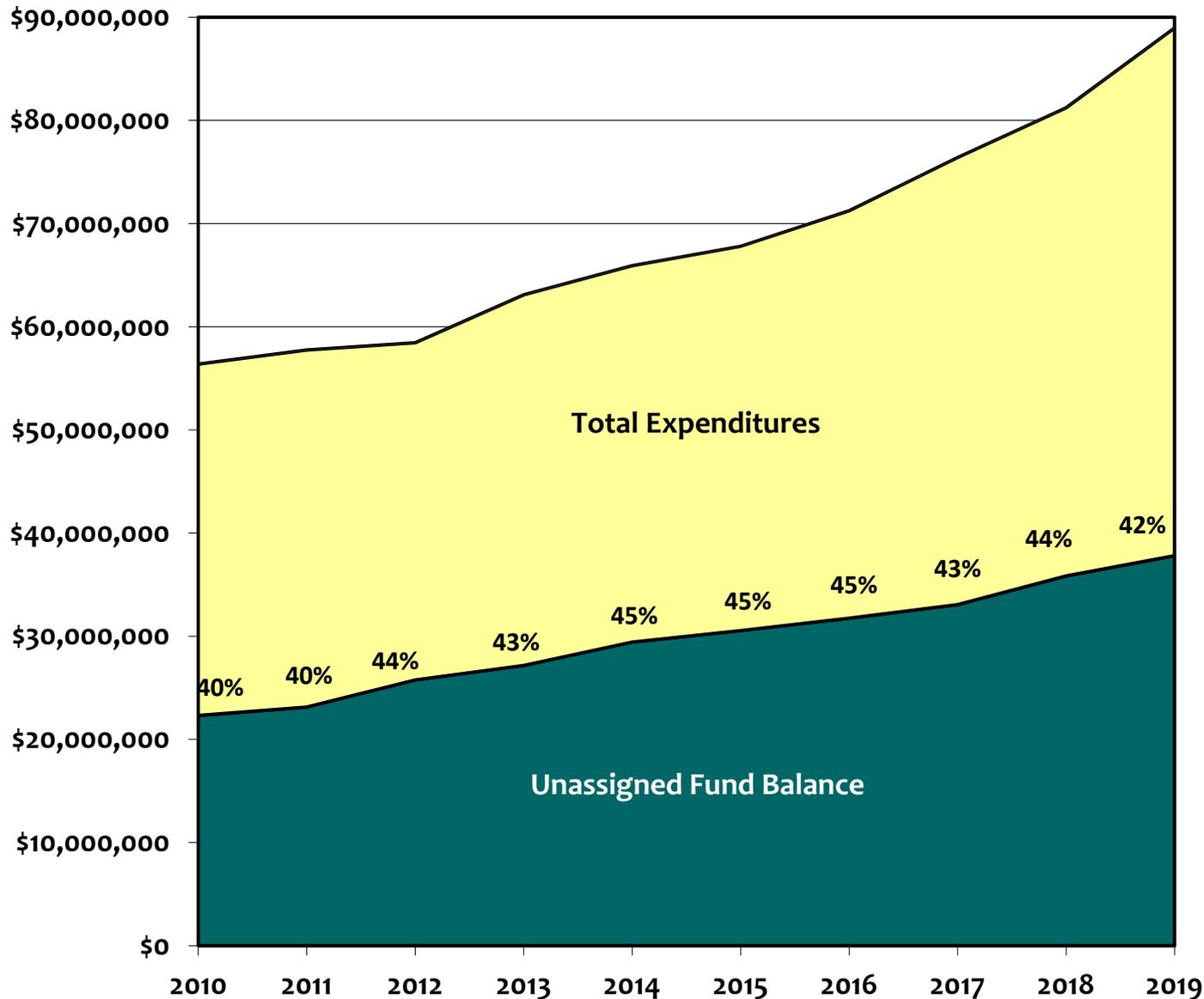


- Generated surplus of **\$2,524,166** in 2019
- Revenues increased **\$5,899,397** from 2018 to 2019 primarily as the result of:
 - Increase in General Property Taxes of \$6.4 million
 - Offset by decrease in hotel/motel tax revenue of \$0.6 million
- Expenditures increased from 2018 to 2019 by **\$7,742,443** or **9.5%**
 - Increases in:

• General Government	\$1,252,759	11.5%
• Public Safety	\$3,957,741	7.5%
• Public Works	\$2,314,358	15.6%
• Culture	\$175,260	9.6%
- 2019 In Lieu of Tax received by General Fund:

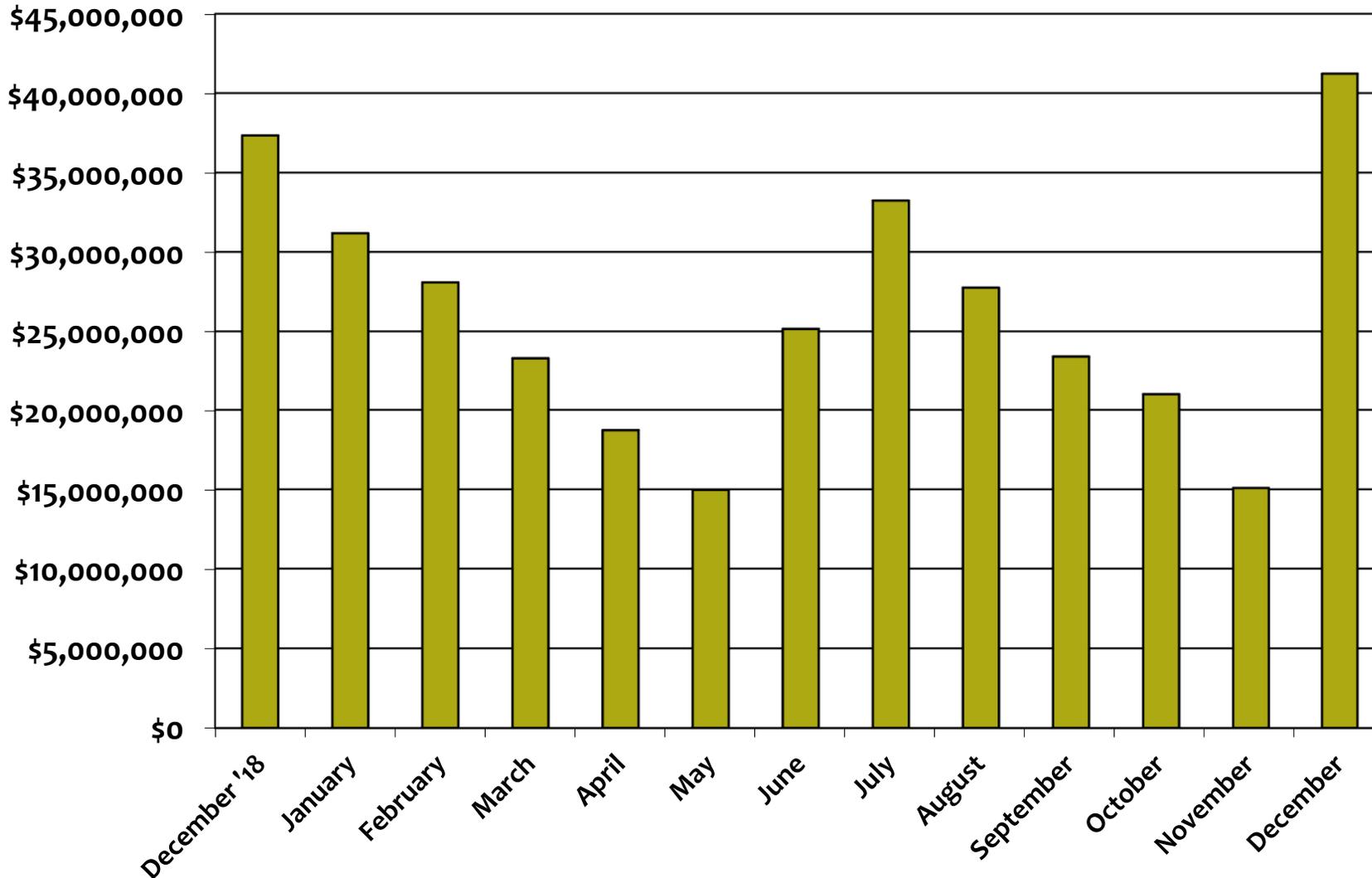
– Electric	\$8,714,477
– Sewer	1,873,334
– Storm Water	619,442
– Parking	648,341
– Water	<u>357,668</u>
– Total	<u>\$12,213,262</u>

General Fund – Unassigned



- General fund unassigned fund balance was **\$37,808,279** at 12/31/19 - expenditures totaled **\$88,962,377** in 2019
- State Auditor recommendation and adopted city policy is no less than 5 months of expenditures (**42%**)

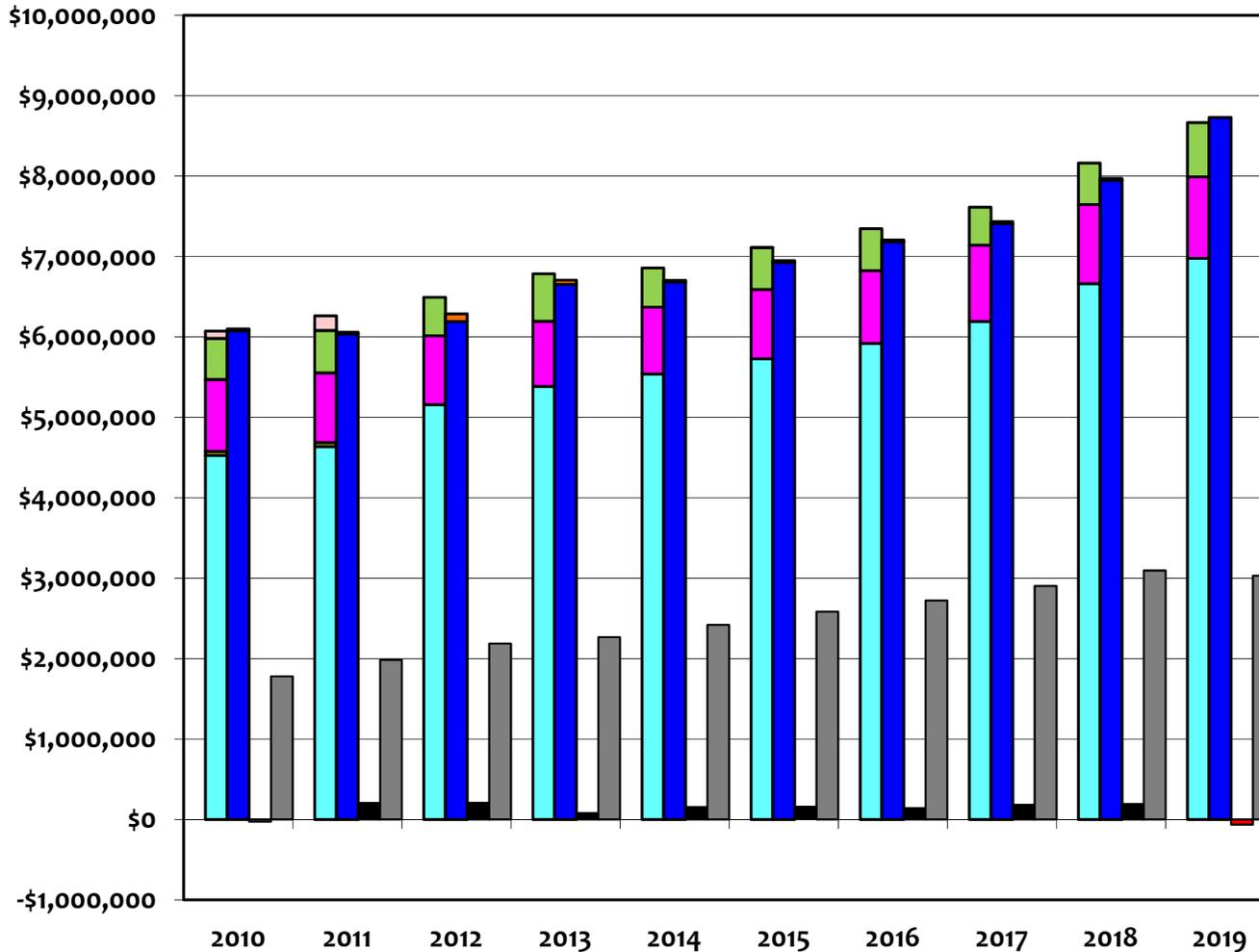
General Fund – 2019 Month End Cash and Investment Balances



Special Revenue Funds

- **Library**
- **Municipal Recreation System**
- **Mayo Civic Center**
- **Edward Byrne Memorial JAG**
- **Airport Operations**
- **F.E . Williams Trust**
- **Transit**
- **Minnesota Bio Science Center**
- **Community Development Projects**
- **DMCC**

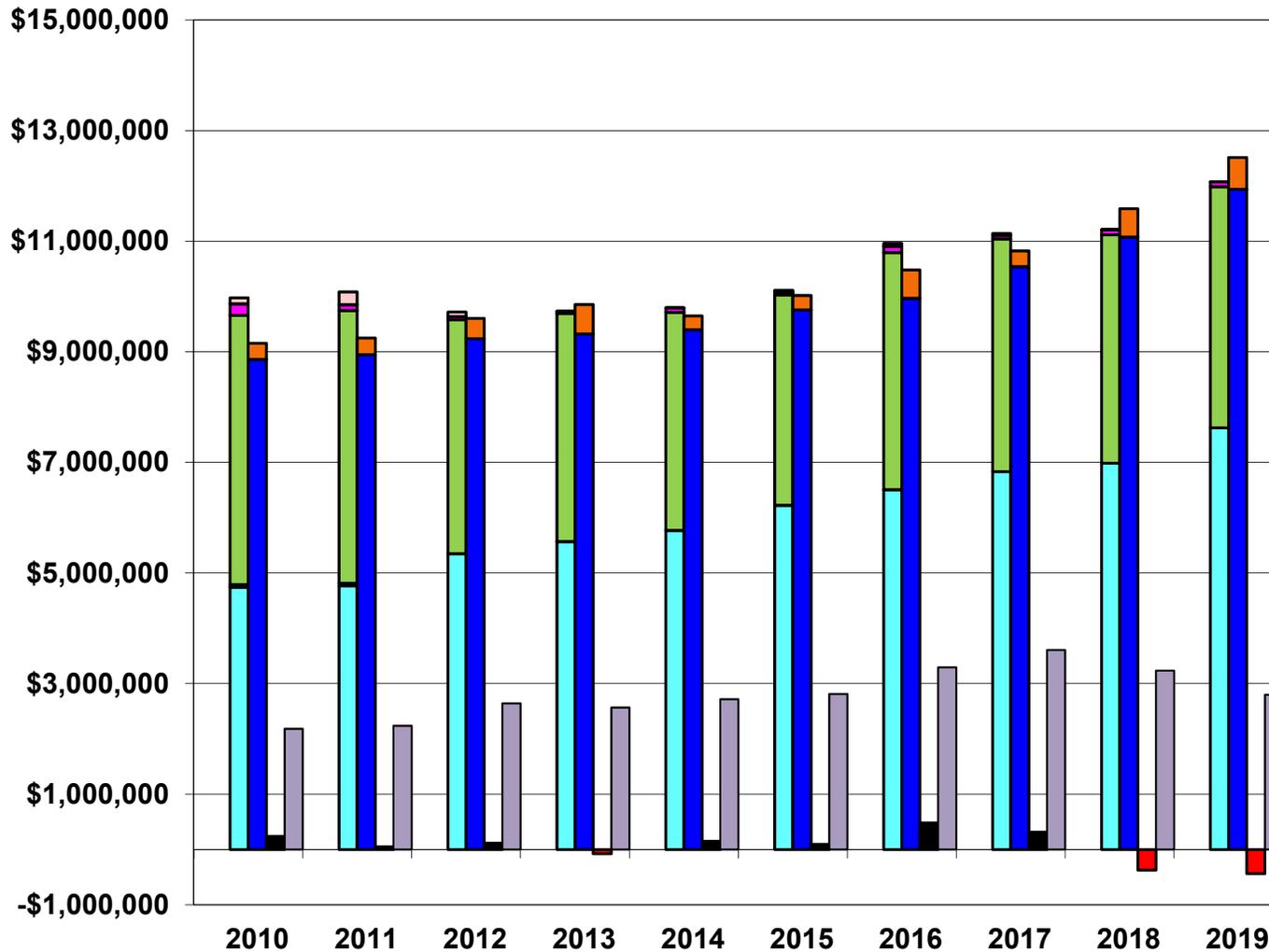
Library Fund



- Property taxes of **\$6,978,565** represented **80.5%** of Library revenues in 2019
- In 2019, the Library operated at a deficit of **\$64,927**
- County contributions totaled **\$1,012,711** in 2019 which is raised through property taxes levied outside of the City
- Expenditures increased by **\$781,533** in 2019
- Ending Fund Balance of **\$3,029,188** was **35%** of 2019 Expenditures

■ Property Tax Support ■ Market Value Credit ■ County Contributions
■ Fees & Other Revenues ■ Transfers In ■ Expenditures
■ Transfers Out ■ Excess (Deficit in Red) ■ Fund Balance

Municipal Recreation System

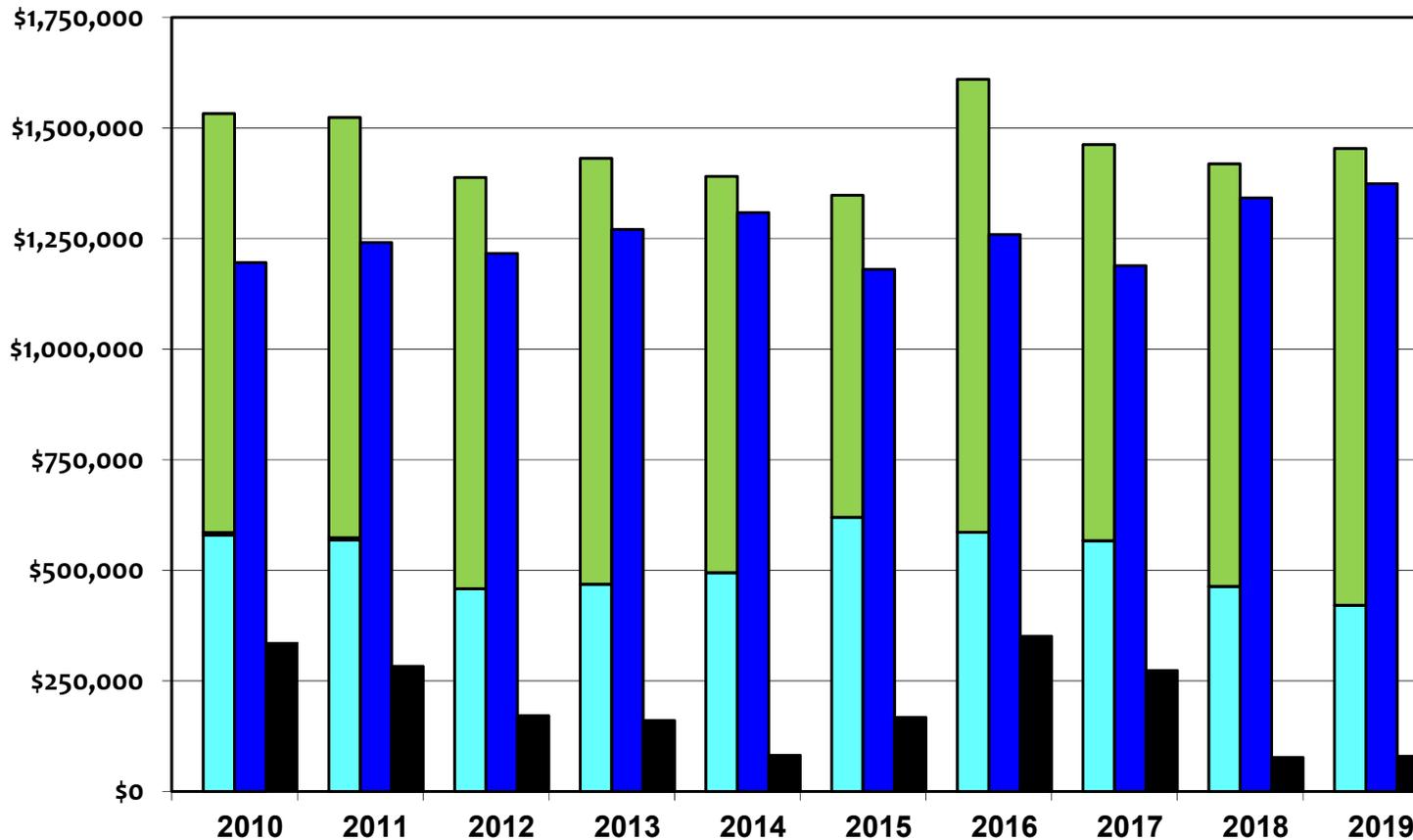


- **Municipal Recreation System includes:**
 - Recreation Center
 - Golf operations
 - Parks, Forestry, and Parkway Maintenance
 - Recreation
 - Tennis Center
 - Swimming Pools
 - Plummer House
 - Foster Arend Park
 - Graham Arena
 - Nat'l Volleyball Center
- Property taxes of **\$7,623,422** were **63%** of revenues in 2019
- In 2019, Municipal Recreation System operated at a deficit of **\$436,668** after transfers out of **\$575,425**
- Fund balance totaled **\$2,797,741** at 12/31/19 (**23%** of 2019 Expenditures)

■ Property Tax Support ■ Market Value Credit ■ Fees & Other Revenues
■ Intergovernmental ■ Transfer In ■ Expenditures
■ Excess (Deficit in Red) ■ Transfers Out ■ Fund Balance

Recreation Center

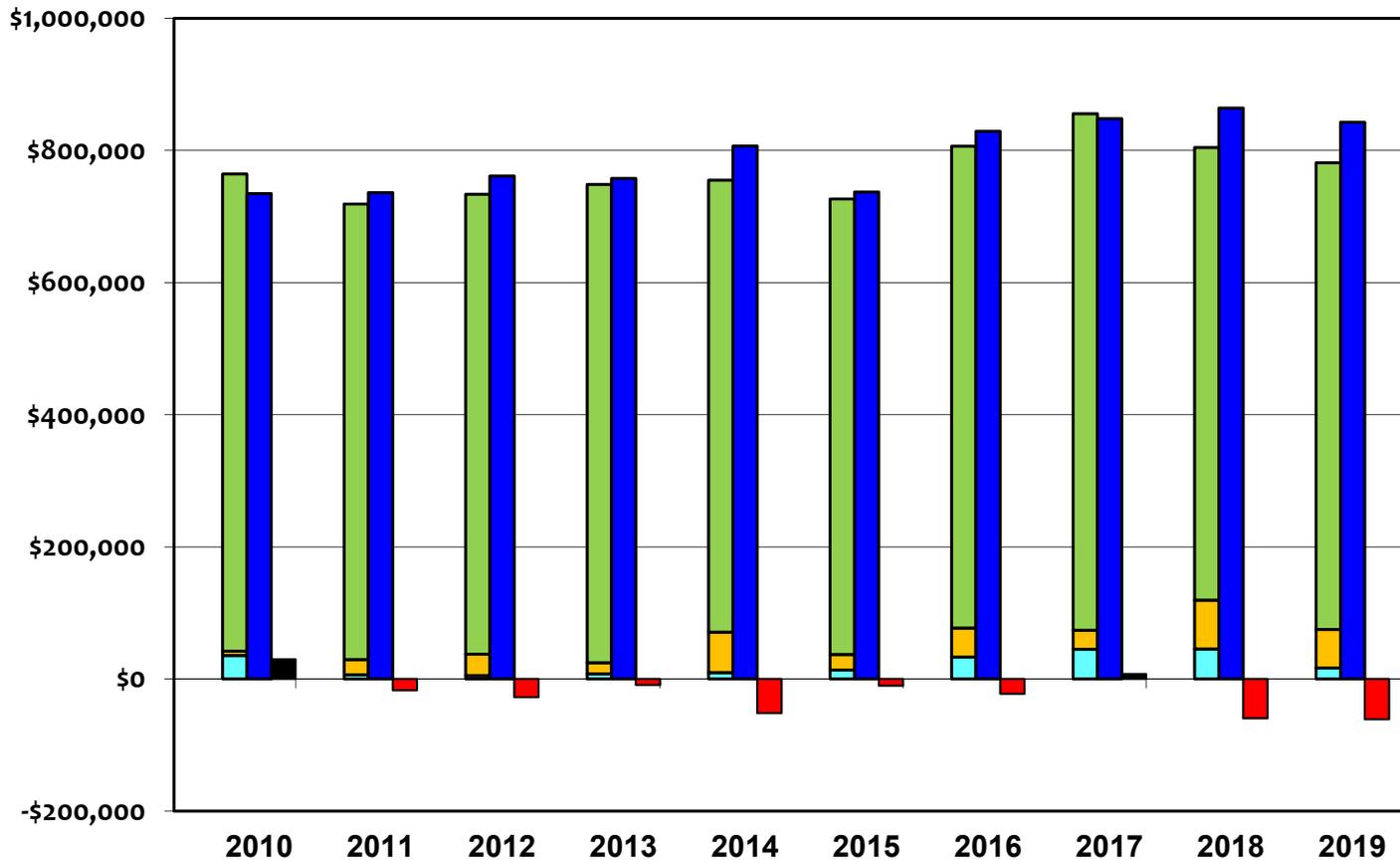
Charges for Services, Direct Expenditures and Property Tax Support



- Direct expenditures exceeded customer charge revenues by **\$341,528** in 2019, versus **\$386,726** in 2018
- The Recreation Center was supported by tax levy of **\$420,992** in 2019

Graham Arenas

Charges for Services, Direct Expenditures and Property Tax Support

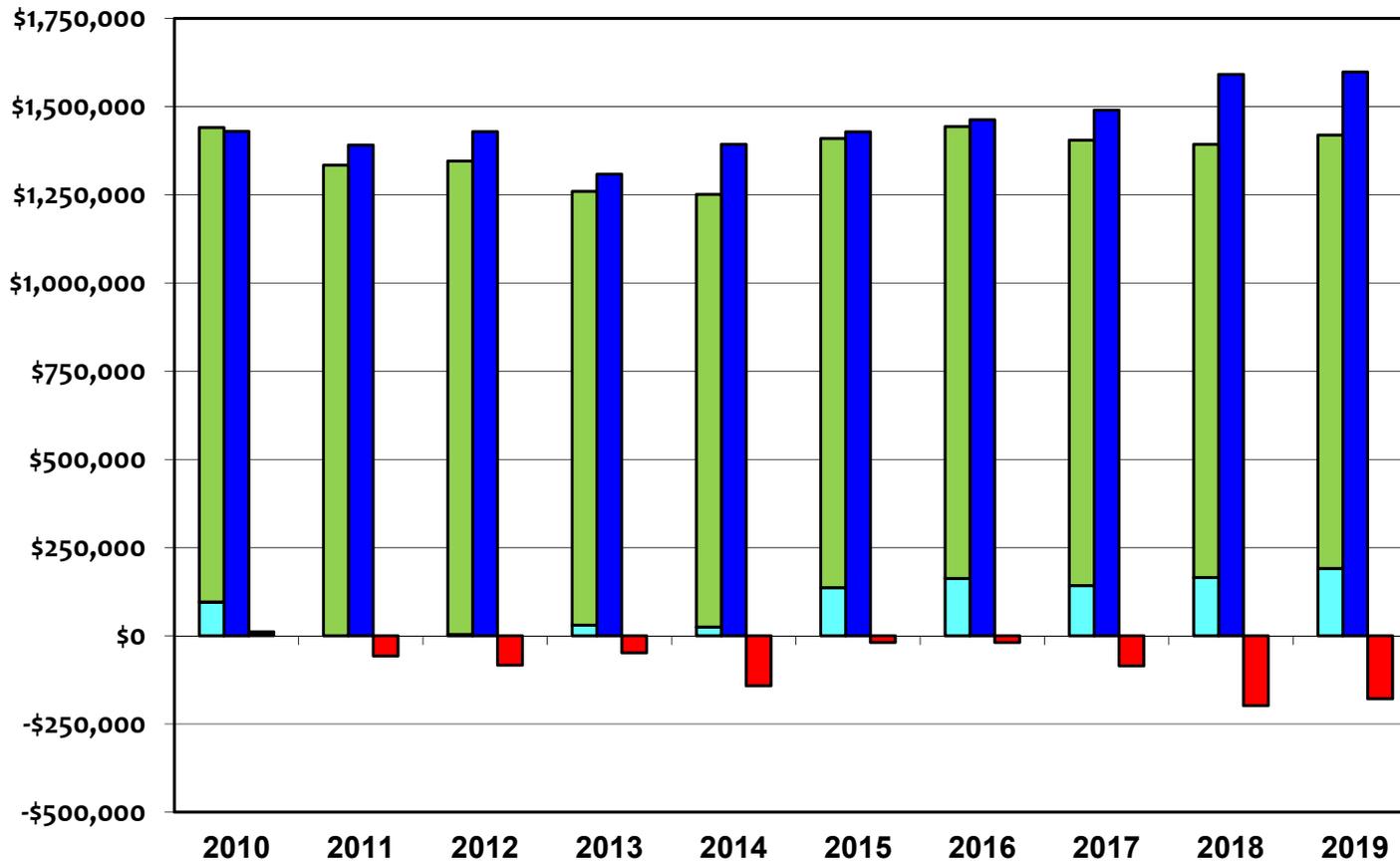


- Rentals, User Fees, and Program Fees totaled **\$706,444** in 2019
- Expenditures totaled **\$842,457** in 2019, a decrease of **\$21,585** from 2018
- Any operating deficit is split between the city and county

■ Excess after Property Tax Support (Deficit Red)
 ■ Direct Expenditures
■ Program & User Fees
 ■ County Contributions
■ Property Tax Support

Golf Operations

Charges for Services, Direct Expenditures and Property Tax Support

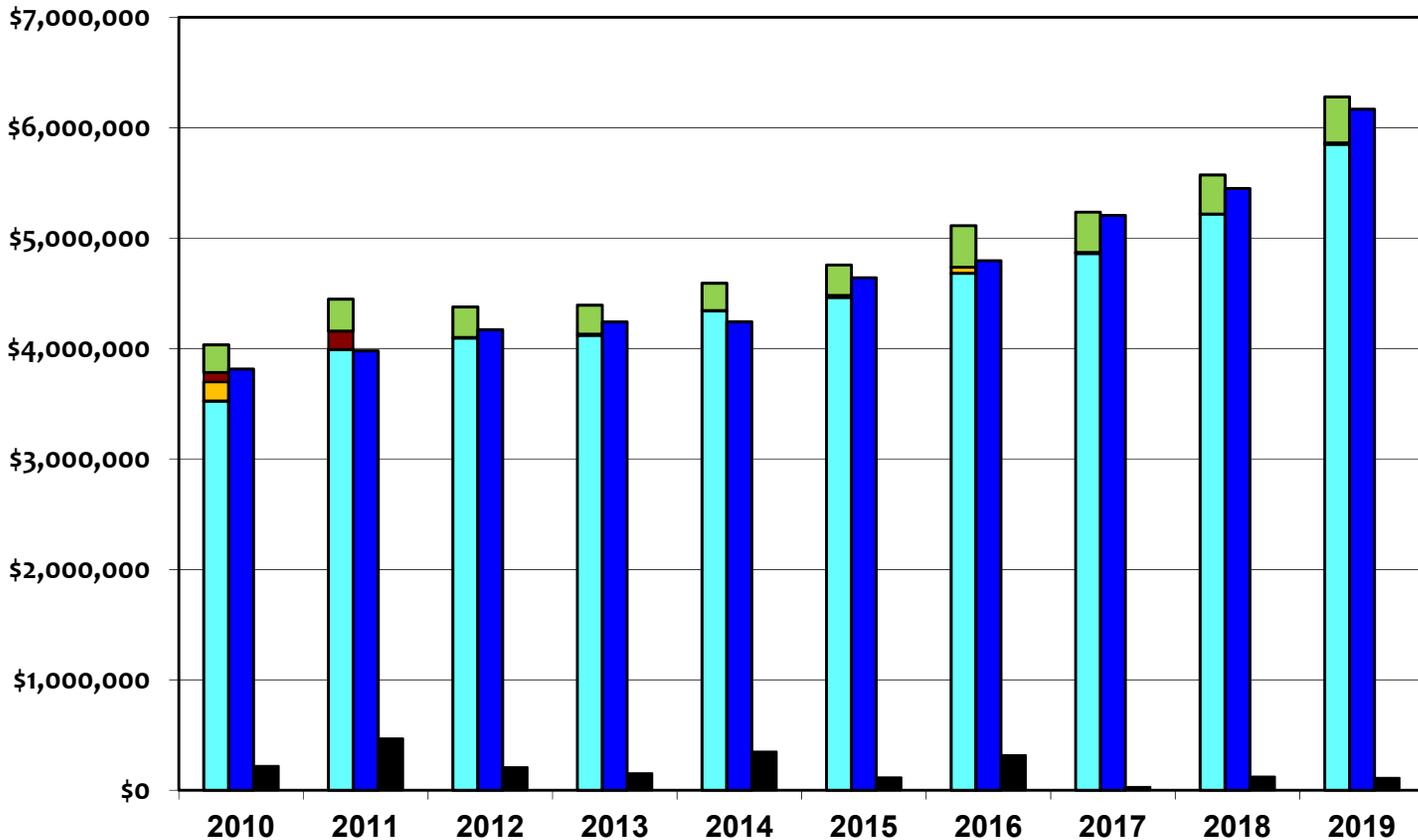


- Customer charges in 2019 increased **\$596** in comparison to 2018
- Total expenditures increased **\$6,817** from 2018 to 2019
- Property tax support totaled **\$190,875** in 2019
- Total expenditures exceeded customer charges revenues by **\$369,631** in 2019, versus **\$363,410** in 2018

■ Customer Charges
 ■ Market Value Credit
■ Property Tax Support
 ■ Direct Expenditures
■ Excess after Property Tax Support (Deficit Red)

Park/Forestry/Parkway Maintenance

Charges for Services, Direct Expenditures and Property Tax Support



- Property taxes of **\$5,850,161** represented **93%** of revenues in 2019
- Expenditures of **\$6,167,733** in 2019 were **\$718,640** higher than 2018
- Overall departmental excess of **\$110,748** in 2019

□ Property Tax Support

■ Operating transfers

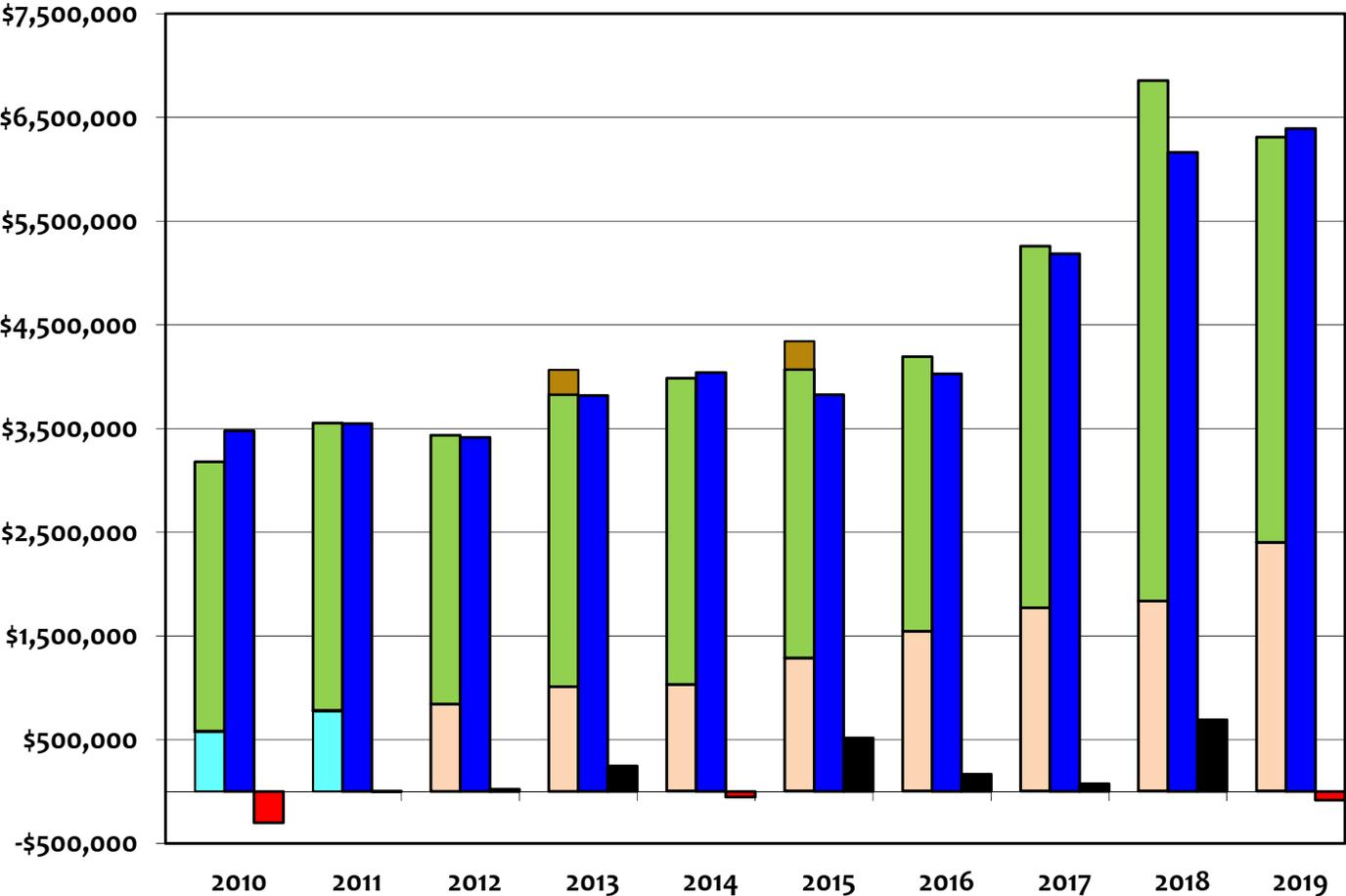
■ Direct Expenditures

■ Intergovernmental Revenue

■ Charges for Services

■ Excess after Property Tax Support

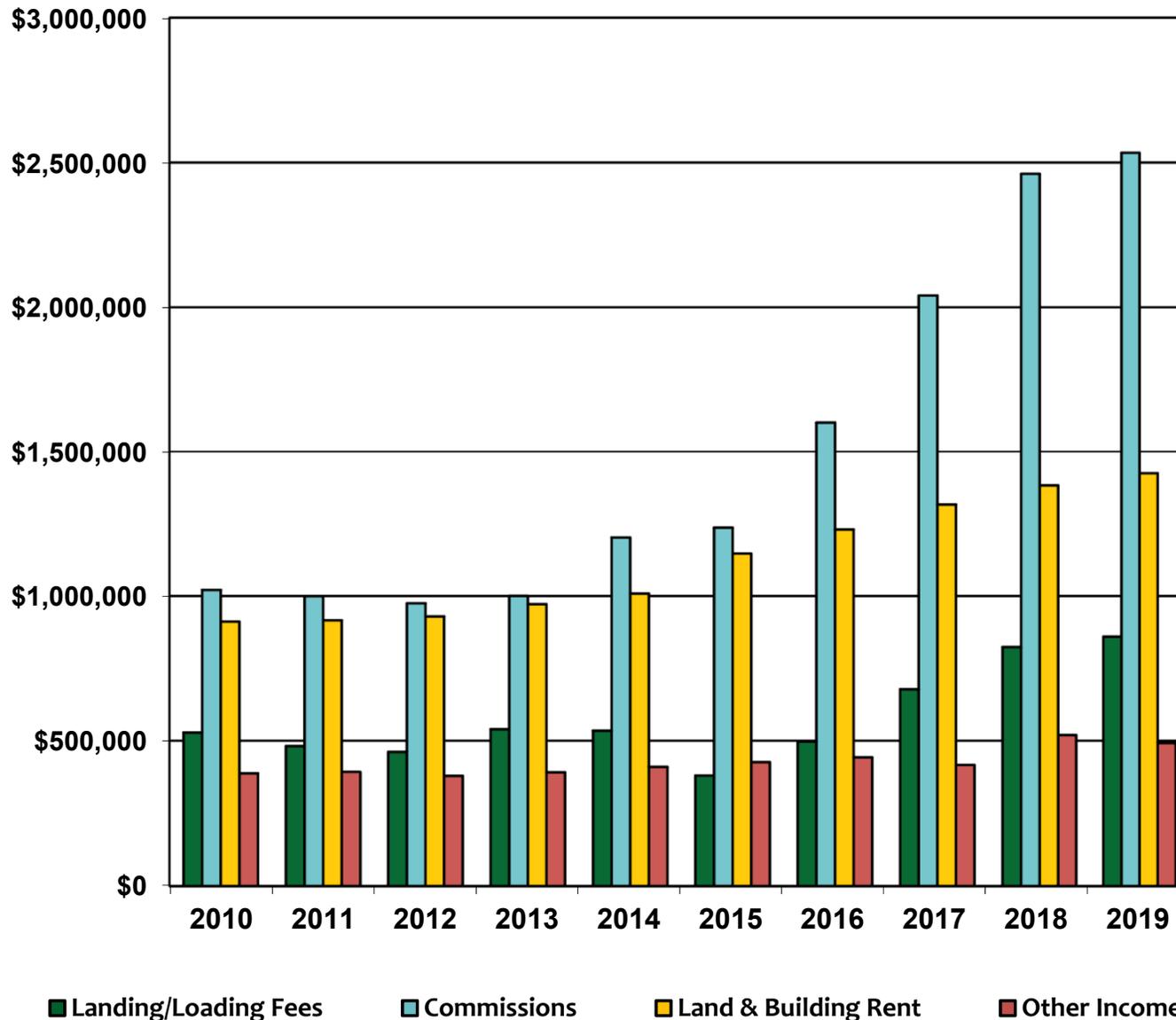
Mayo Civic Center



- MCC operations were supported by lodging tax of **\$2,397,270** in 2019 (38% of 2019 Revenues)
- Charges for services decreased **\$1,108,878** in 2019
- Total expenditures exceeded charges for service revenues by **\$2,484,691** in 2019, versus **\$1,145,469** in 2018
- Fund balance totaled **\$1,525,049** at 12/31/19
- Expenditures and transfers out increased by **\$230,344** in 2019

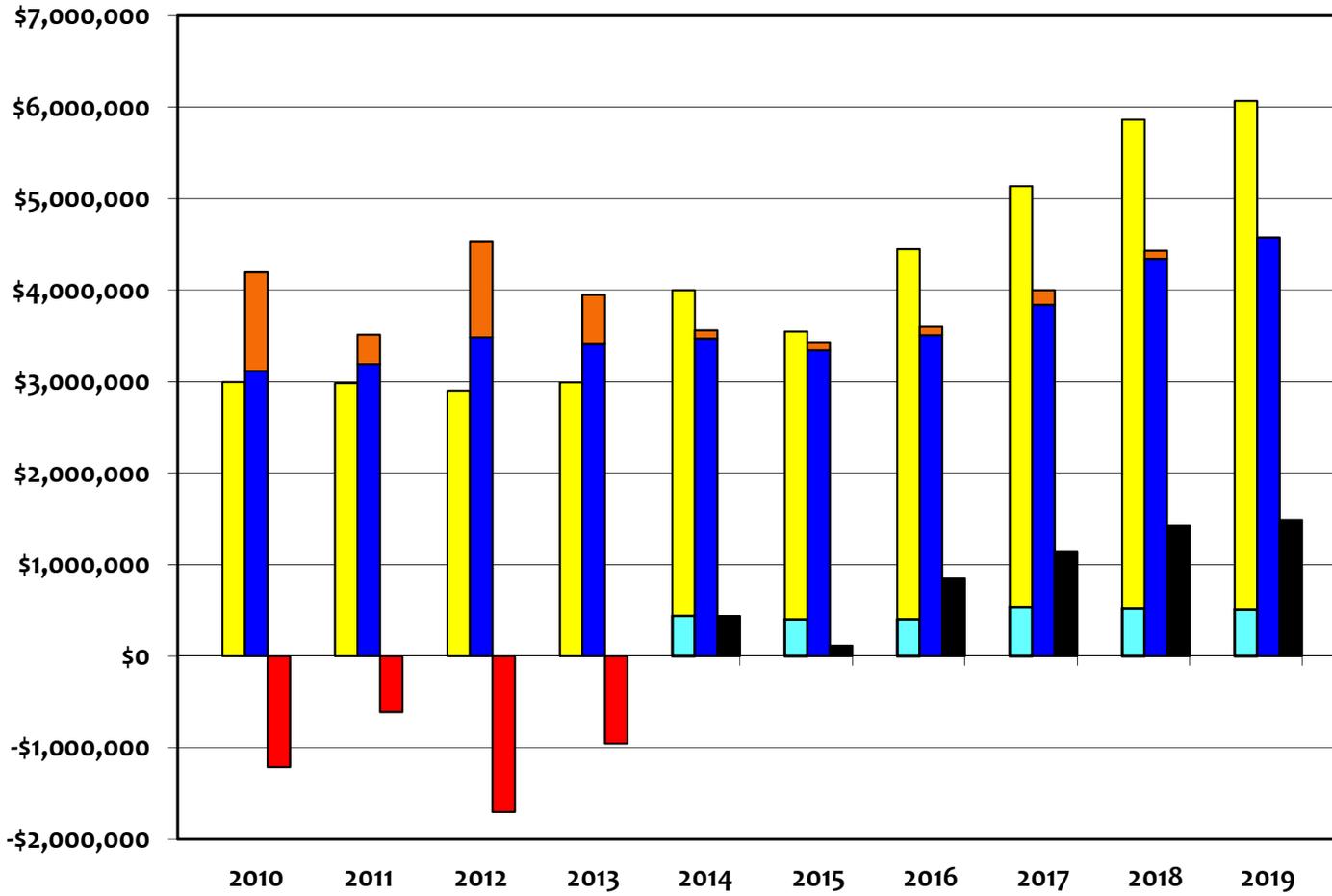
■ Property Tax Support ■ Market Value Credit
■ Lodging Tax ■ Charges for Services
■ Transfers In ■ Direct Expenditures/Transfers Out
■ Excess after Tax Support (Deficit Red)

Airport Operating Revenues



- Airport saw an increase in commissions of \$72,657 and an increase in landing/loader fees of \$35,981 in 2019
- Commission revenue generated primarily from:
 - Parking lot
 - Car rentals
 - Fixed Base Operator
- Land and building rent continues to grow and is the 2nd largest source of revenue (\$1,423,948 in 2019, an increase of \$41,844)
- Total Airport operating revenues in 2019 was \$5,309,496, an increase of \$123,363 from 2018

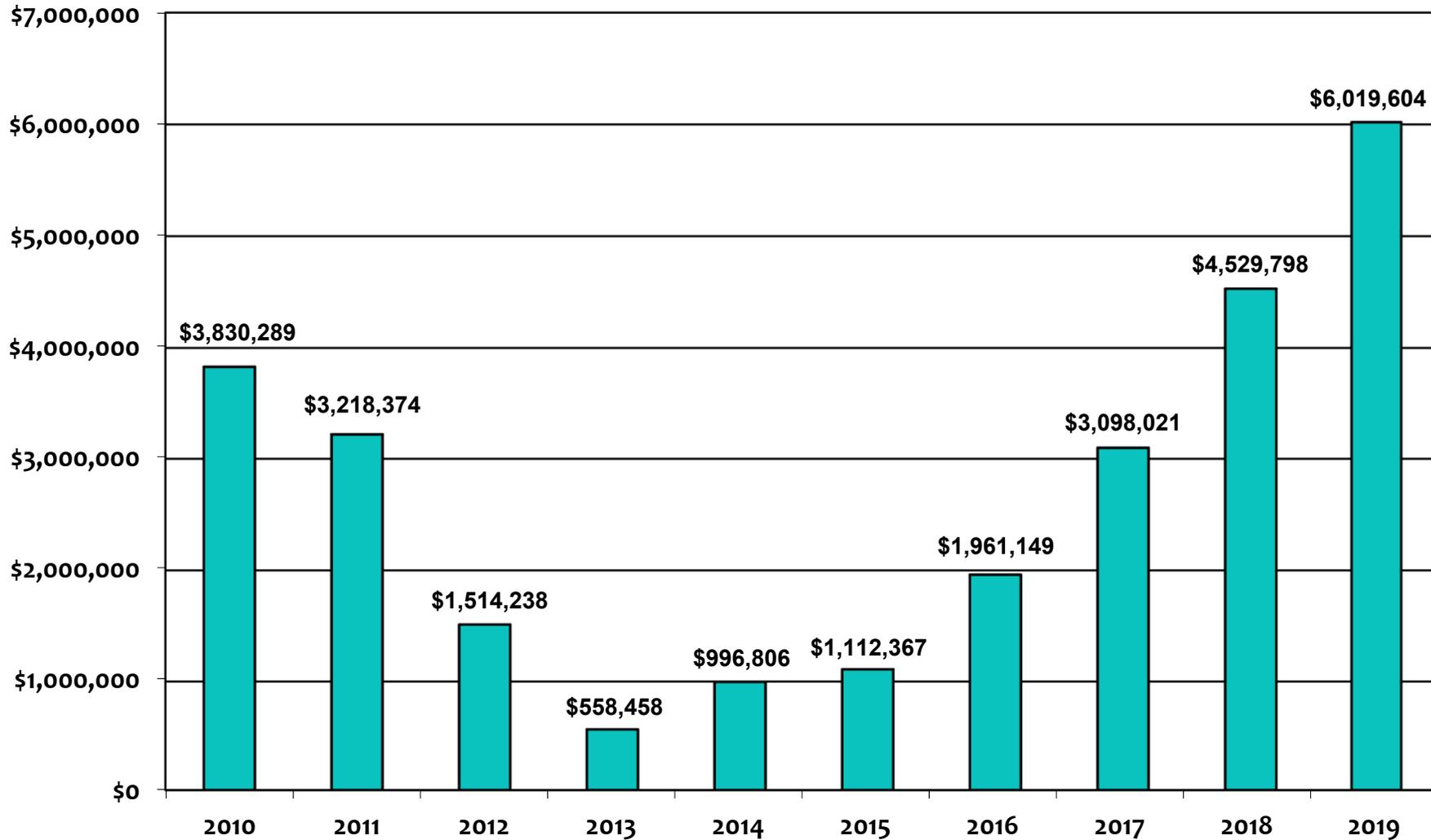
Airport Operations Fund



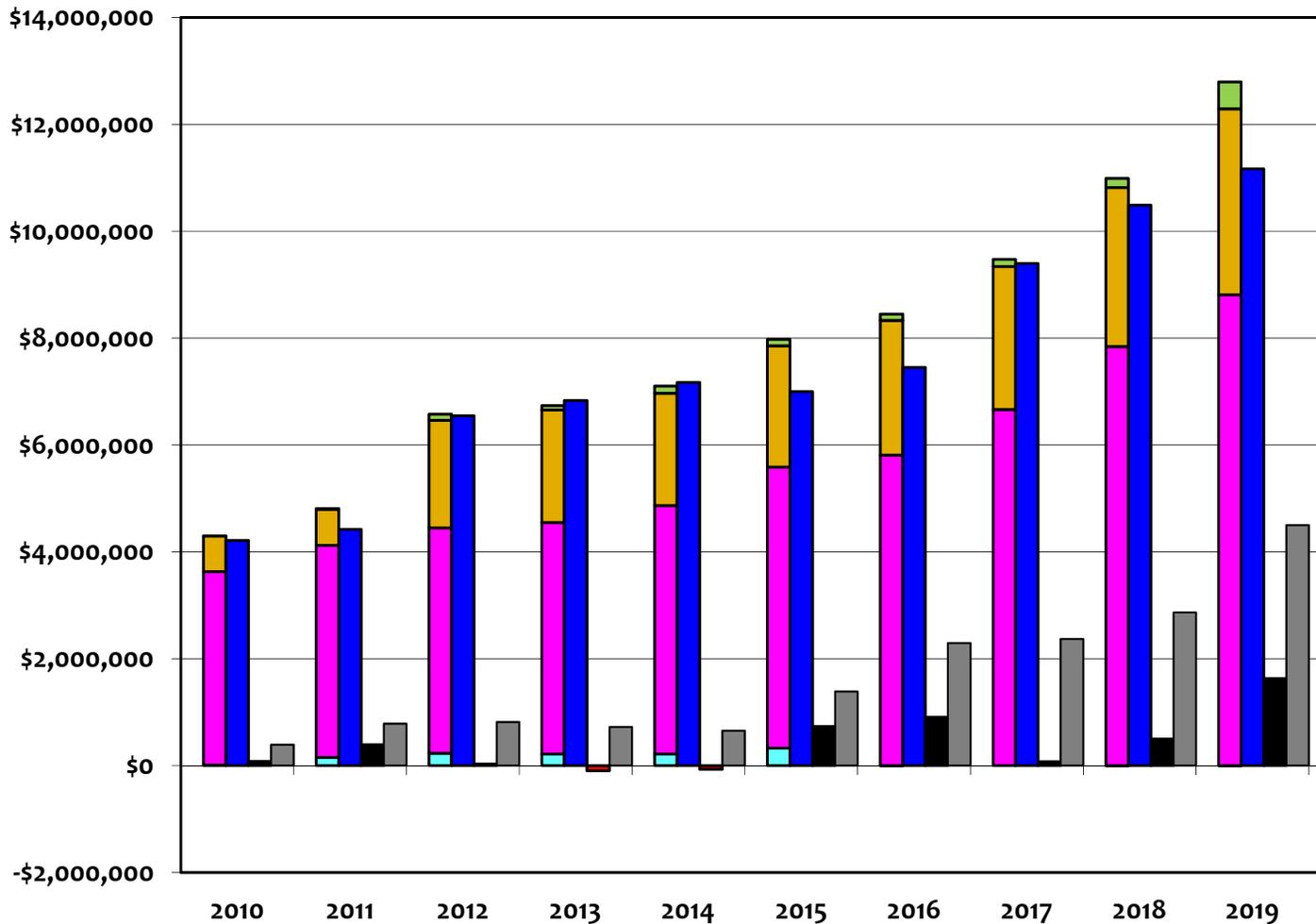
- Property taxes of **\$509,148** were collected for airport operations
 - Utilities (excluding natural gas)
 - Customs

■ Property Tax Support
 ■ Airport Revenues
 ■ Expenditures
■ Transfers Out, Net
 ■ Excess (Deficit in Red)

Airport Operations Fund – Fund Balance



Transit Fund



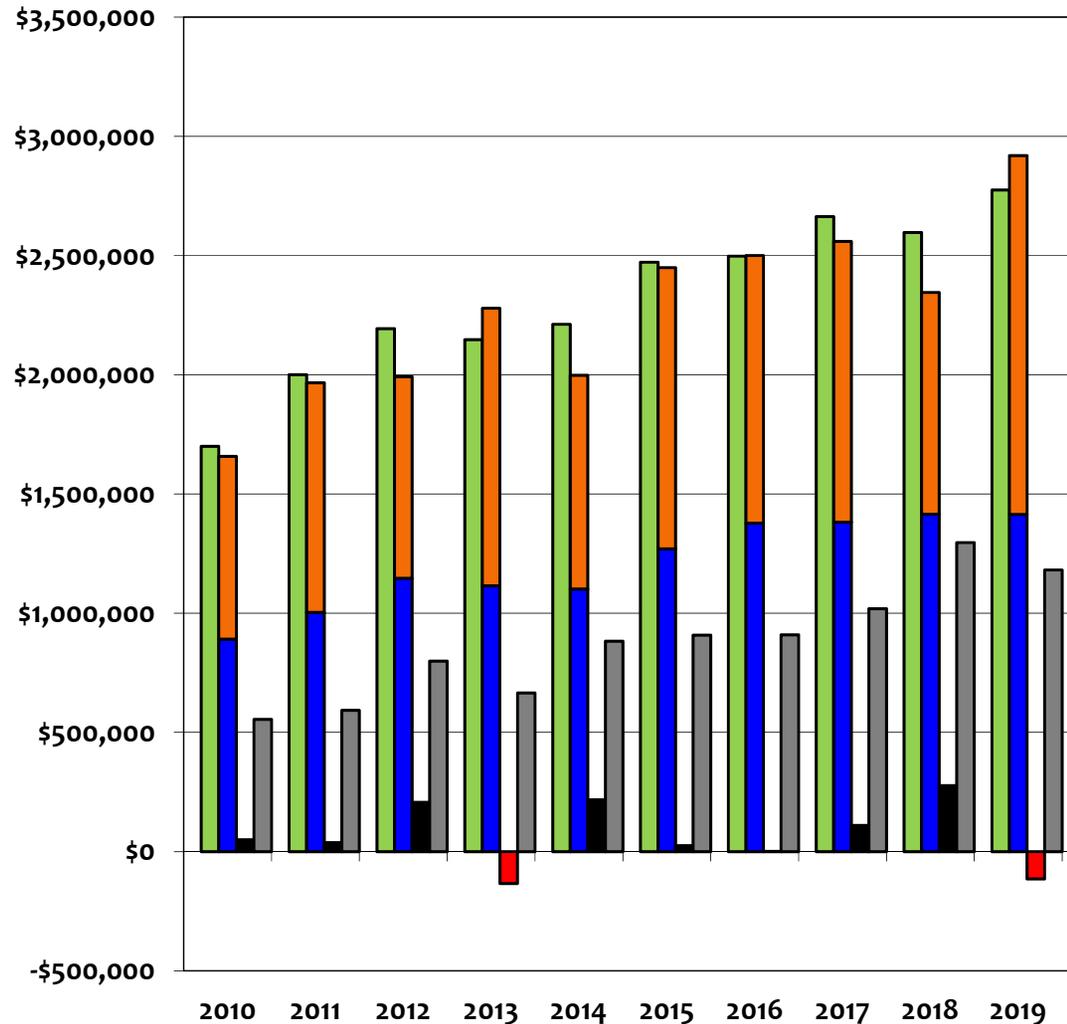
- Increase in revenues of \$1,807,624 primarily due to increased allocation of state aid and user fees
- In 2019, the Transit Fund operated at an excess of \$1,630,061
- Fund balance at December 31, 2019 totaled \$4,498,556
- Change in contract type from cost reimbursement in 2012 resulted in gross recording of revenues and expenditures
- Expenditures increase in 2018 and 2019 included expansion of services

■ Property Tax Support
■ Other Revenues
■ Fund Balance

■ Federal and State Grants
■ Expenditures/Transfers

■ Charges for Services
■ Excess (Deficit in Red)

Minnesota Bio Science Center Fund



- This fund includes revenues from non-TIF portion of building only (Floors 4-8)
- Rental revenues totaled \$2,774,615 in 2019
- In 2019, the MN Bio Science Center operated at a deficit of \$114,806
- In 2019, transfers of \$1,505,229 were made to the EDA Bond Fund for principal and interest payments and repayment of advance from parking fund, transfers in 2018 amounted to \$929,726
- Fund Balance totaled \$1,181,303 at 12/31/19

■ Rental income ■ Expenditures ■ Transfers
■ Excess (Deficit in Red) ■ Fund Balance

Debt Service Funds

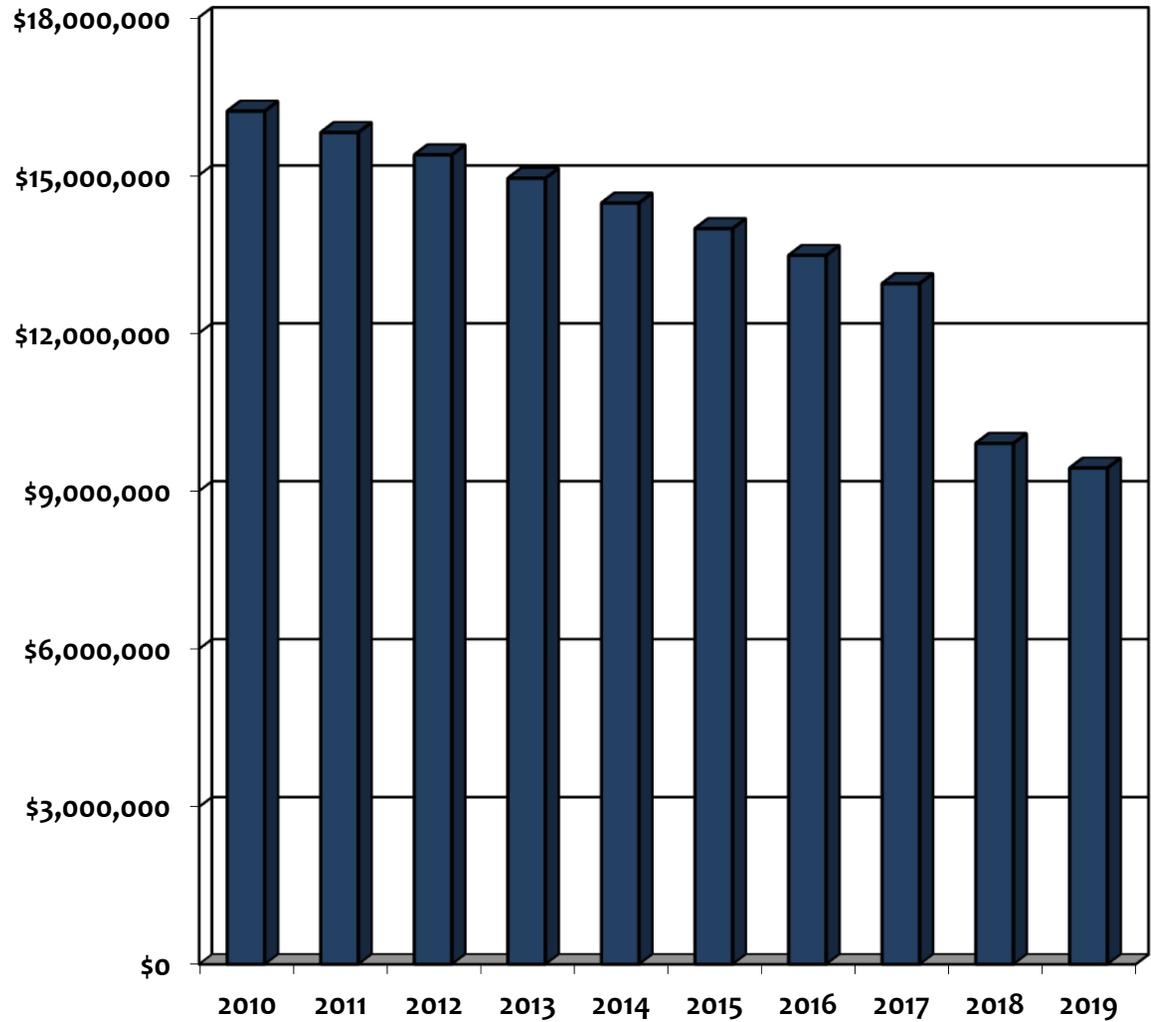
- **Tax Increment Bonds**
- **TIF Revenue Bond**
- **Facility Energy Improvement Loan**
- **Economic Development Authority Bond**
- **Public Works and Transit Operation Center Bond**
- **Lodging Tax Revenue Bond**
- **GO Variable Rate Sales Tax Bond**

REDA Lease Revenue Bond

- **REDA Lease Revenue Bond Outstanding**

- 2010 \$16,215,000
- 2011 15,810,000
- 2012 15,385,000
- 2013 14,940,000
- 2014 14,470,000
- 2015 13,985,000
- 2016 13,475,000
- 2017 12,940,000
- 2018 9,904,000
- 2019 9,436,000

- **Bond payments will be funded by sublease rent payments from tenants of the Minnesota Bio Science Center**



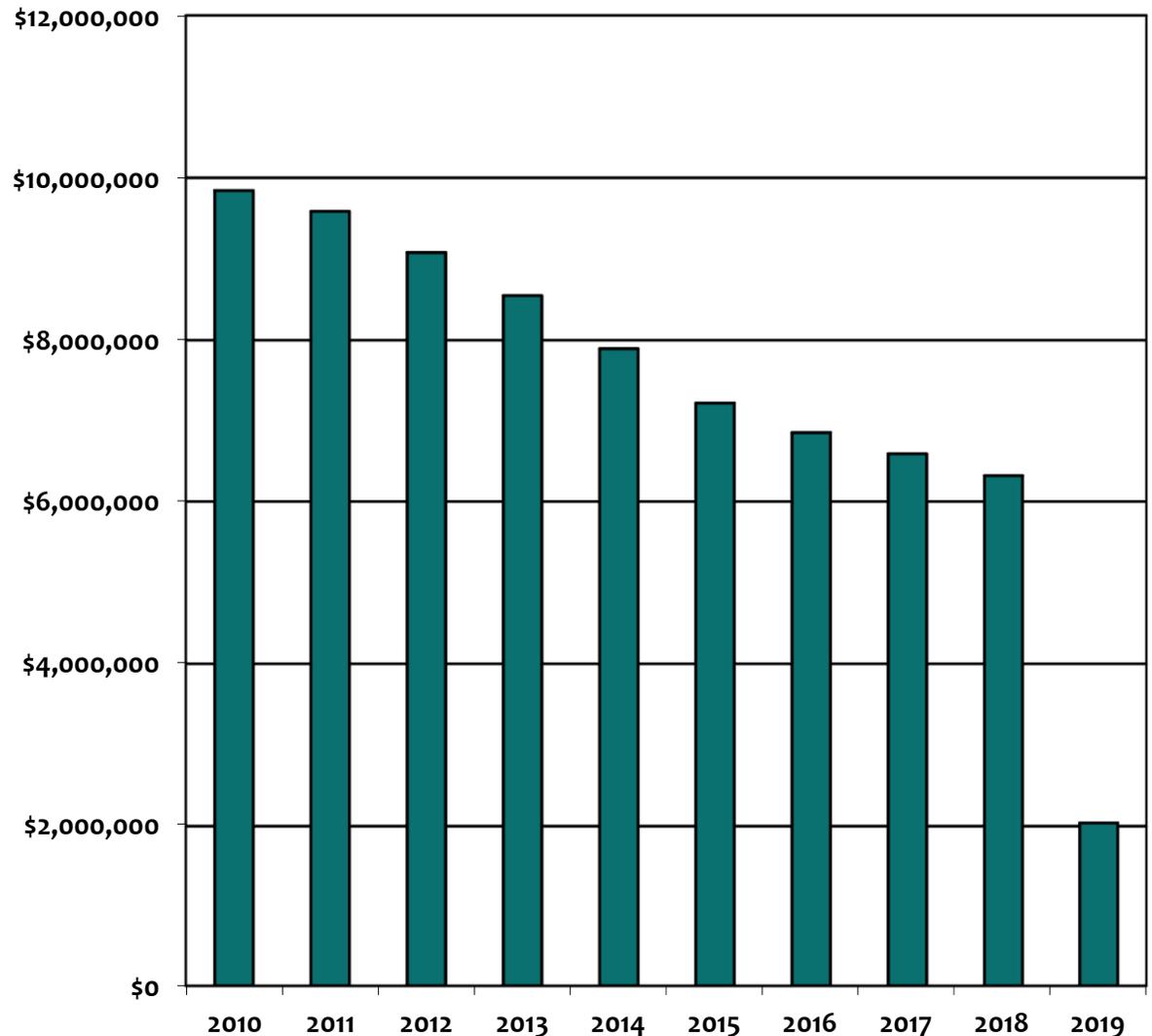
Tax Increment Bond

- **Tax Increment Bonds Outstanding**

– 2010	9,841,721
– 2011	9,586,023
– 2012	9,079,422
– 2013	8,548,965
– 2014	7,895,273
– 2015	7,224,787
– 2016	6,860,000
– 2017	6,600,000
– 2018	6,330,000
– 2019	2,040,000

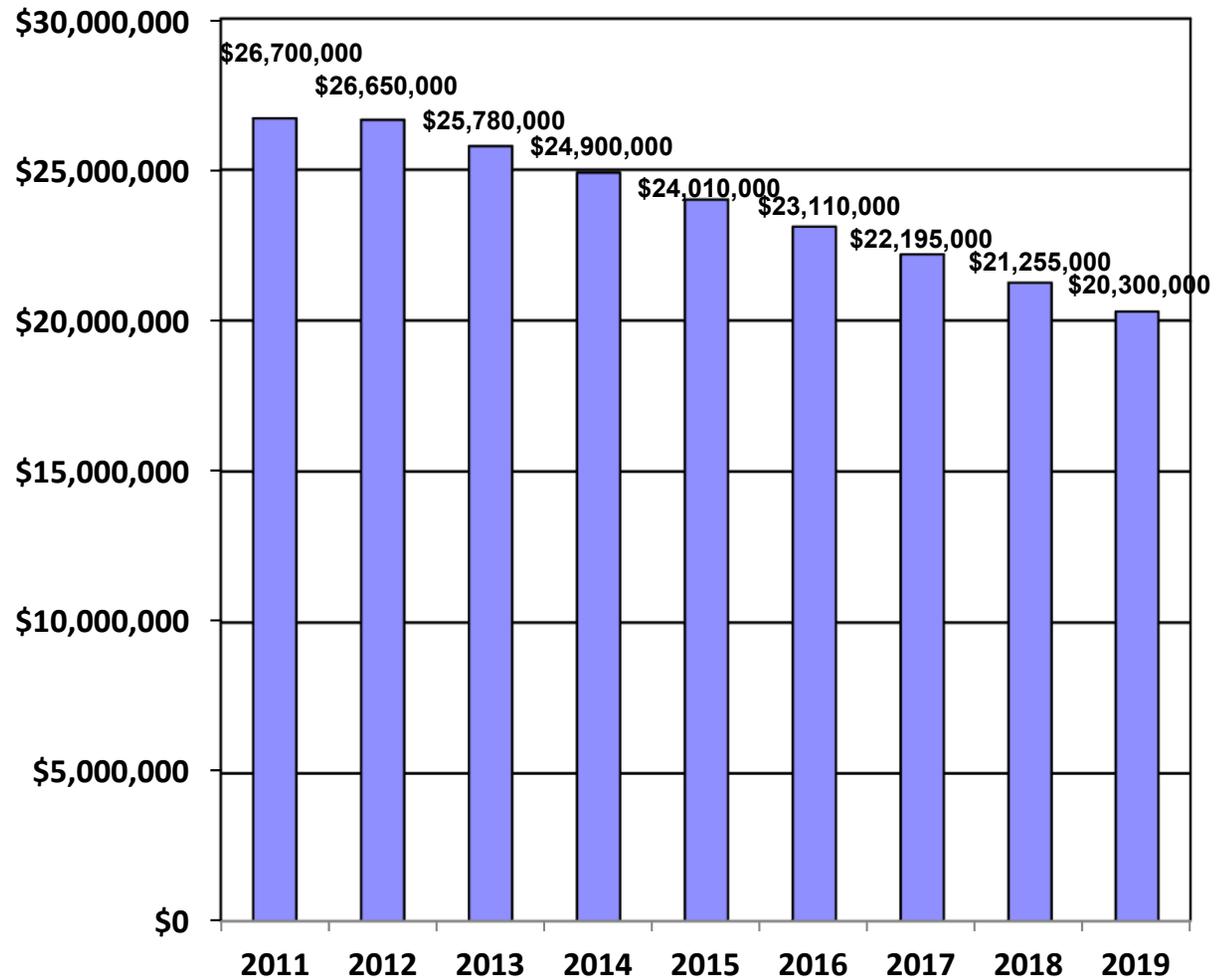
- **TIF Bond issued in 2009 is to be paid by the collection of Bio-Science Center tax increments and building lease revenues – Balance at 12/31/19 - \$2,040,000**

- **Principal paid in 2019 totaled \$4,290,000**

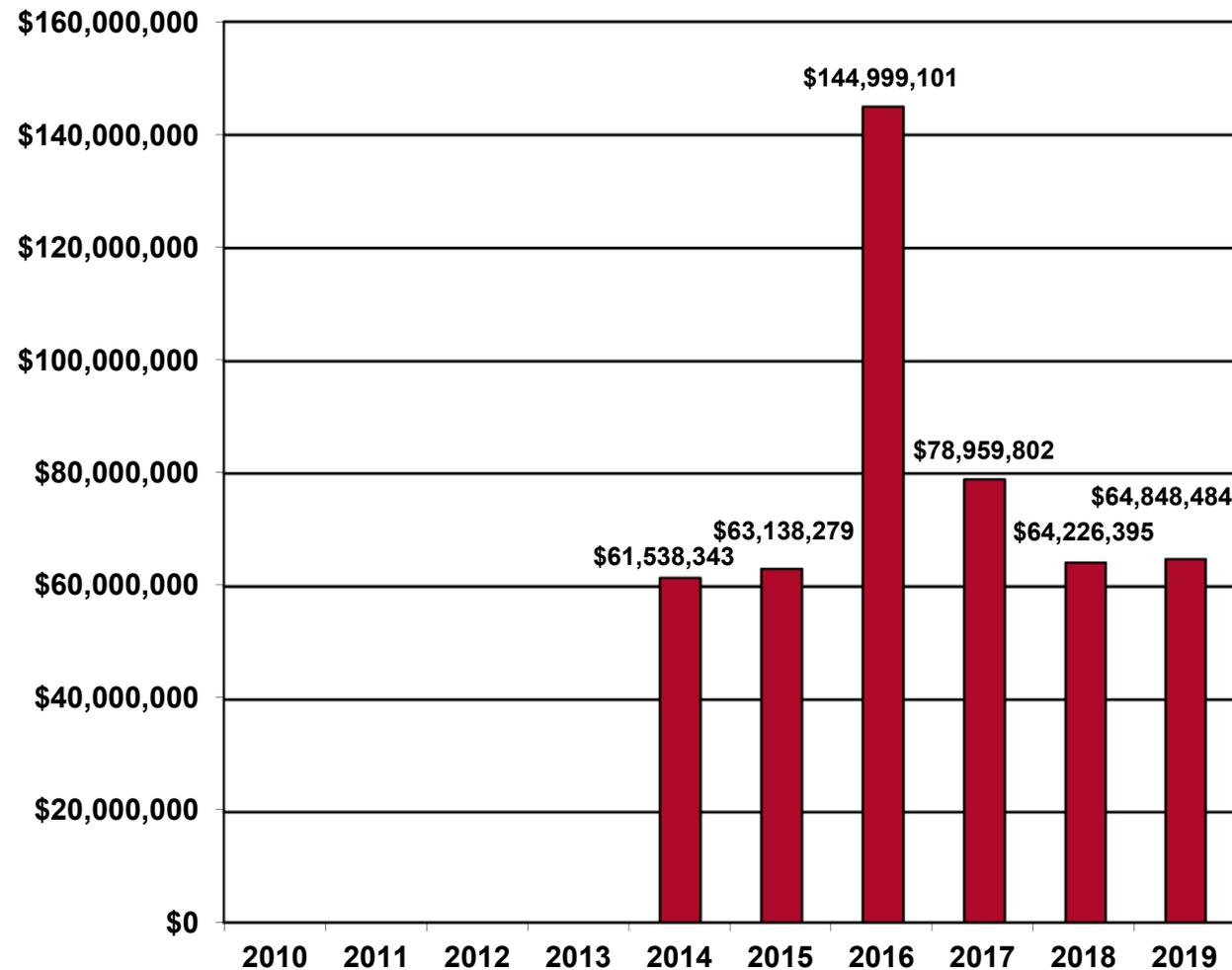


GO Taxable Build America Bond

- GO Taxable Build America Bonds (Series 2010A) were issued in 2010. Proceeds of these bonds used for:
 - Public Works Operations Center \$23.8 million
 - Transit Operations Center \$2,475,000
 - Fire Truck \$425,000
- A portion of the interest payable on these bonds is reimbursed through federal grants



Net Pension Liability



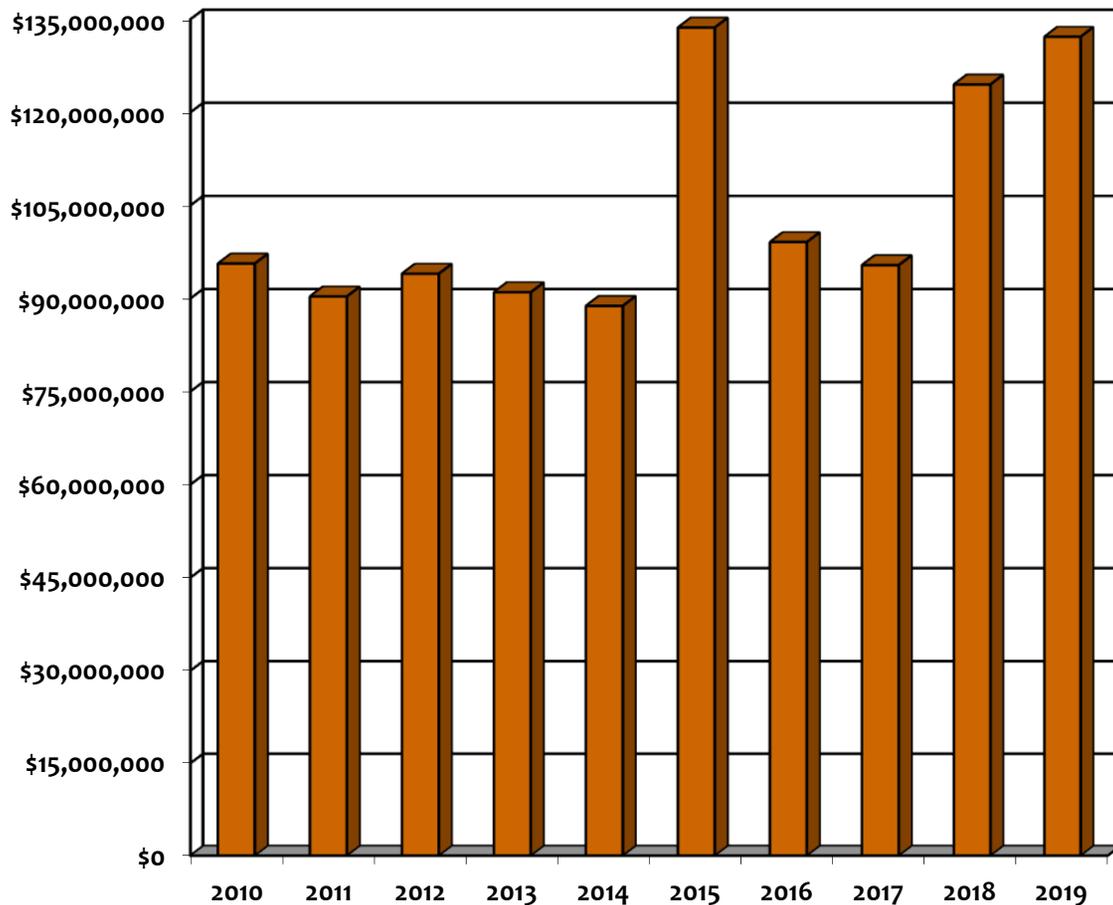
- Adopted new Accounting Standard for Pensions in 2015
- Net Pension Liability represents City's portion of PERA underfunding – based on PERA Actuarial Report dated June 30, 2019
- Recorded as

– Governmental	\$48,024,820
– Proprietary	<u>16,823,664</u>
Total	\$64,848,484
- Funding percentages at June 30, 2019 estimated at
 - General Employee Fund: 80.2%
 - PEPF: 89.3%

Capital Projects Fund

- **Capital Improvement**

Capital Projects Fund Balance

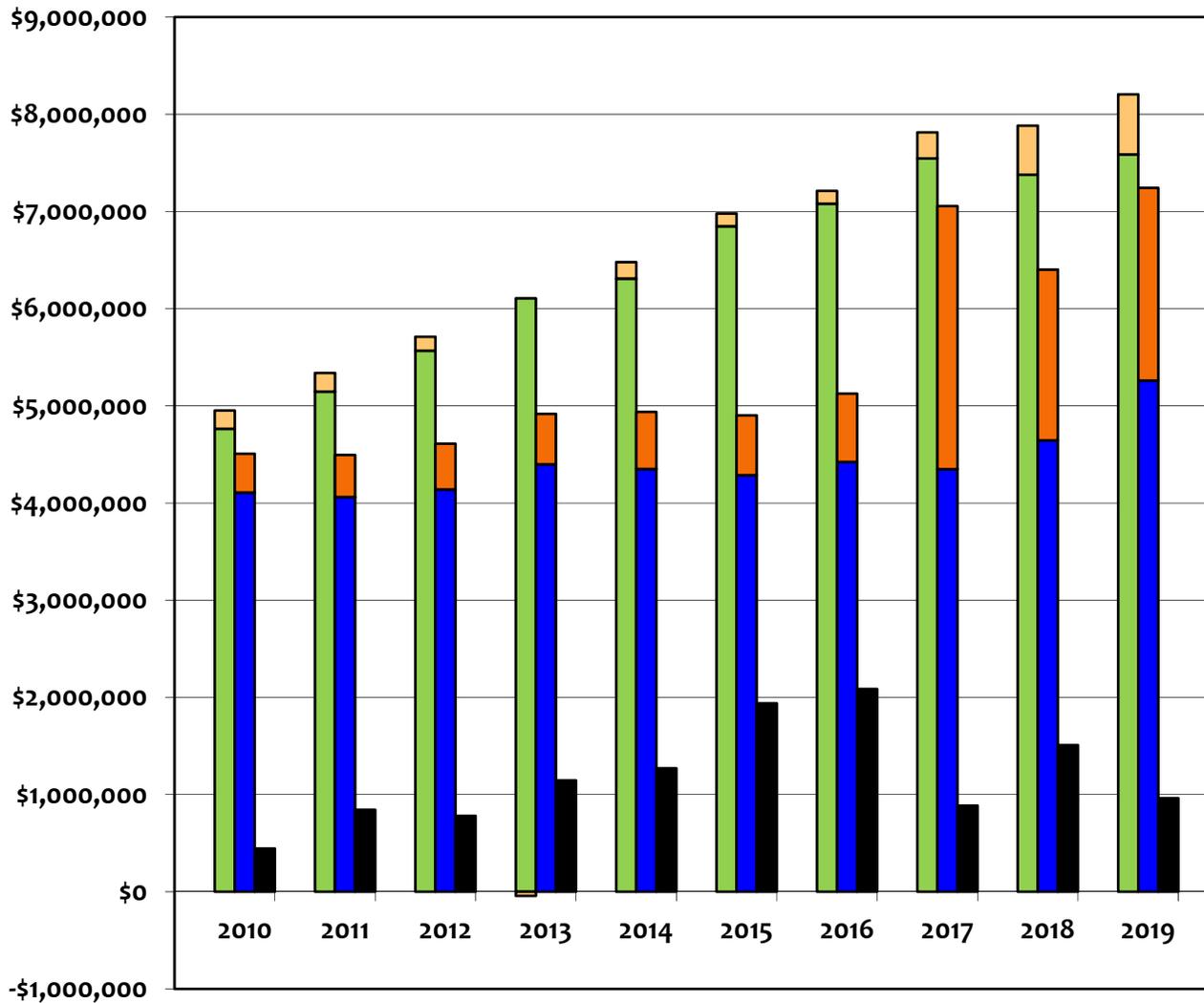


- Fund balance totaled **\$132,192,804** at 12/31/19
 - Fund balance is either committed by the City Council or restricted for the following:
 - Flood Control (\$15.0 Million)
 - Sewer and Water (\$6.2 Million)
 - Infrastructure Sales Tax Projects (\$30.3 Million)
 - Highways & Streets (\$27.1 Million)
 - Future Construction (\$946,000)
 - Economic Development Loan (\$938,000)
 - Mass Transit (\$1.8 Million)
 - Tax Increment (\$9.0 Million)
 - Future Assessment Projects (\$8.8 Million)
 - Future Property Acquisition (\$2.8 Million)
 - Park and Recreation (\$3.3 Million)
 - Fire Station, Computer Upgrades, Airport, Future Construction & other misc. projects (\$10.3 Million)
 - Police Precinct/Development Service Infrastructure Center (-\$10.8 Million)
 - Mayo Civic Center (\$6.8 Million)
 - DMCC (\$19.7 Million)

Enterprise Funds

- **Parking**
- **Electric Utility**
- **Water Utility**
- **Sewer Utility**
- **Storm Water Utility**

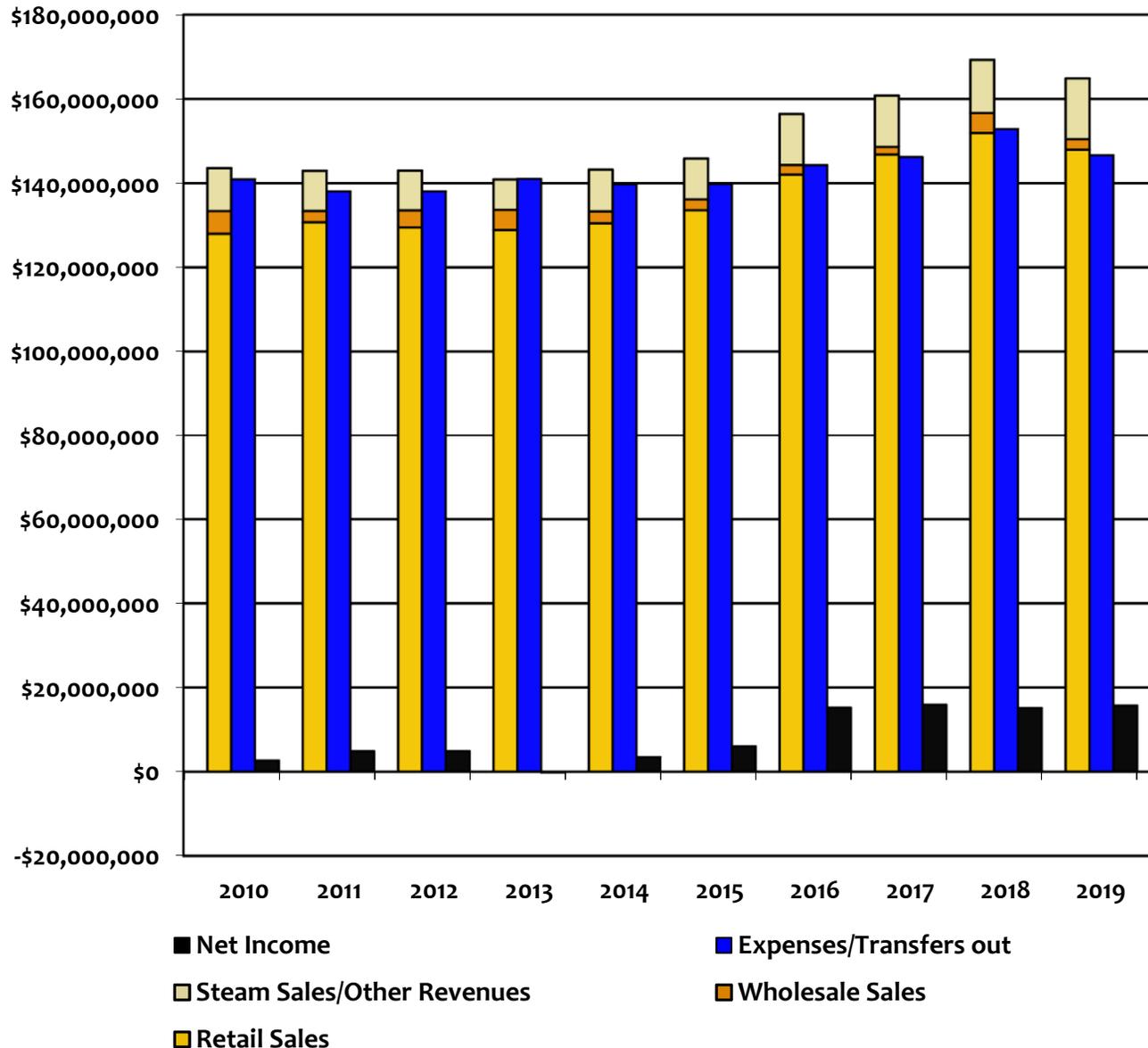
Parking Fund



- In 2019, revenues from Ramps increased by \$51,939 and parking fines collected increased by \$31,968
- Operating costs, not including depreciation, increased by \$651,981
- Net income totaled \$962,276 in 2019 and \$1,507,385 in 2018
- Unrestricted net position at December 31, 2019 totaled \$15.8 million
- Chart excludes capital contributions and transfers out to the BioScience Center
- 2017 net income excludes transfer in of \$22.4 million related to bond proceeds
- Transfers out in 2017 include \$1.9 million related to consulting studies (DMCC)

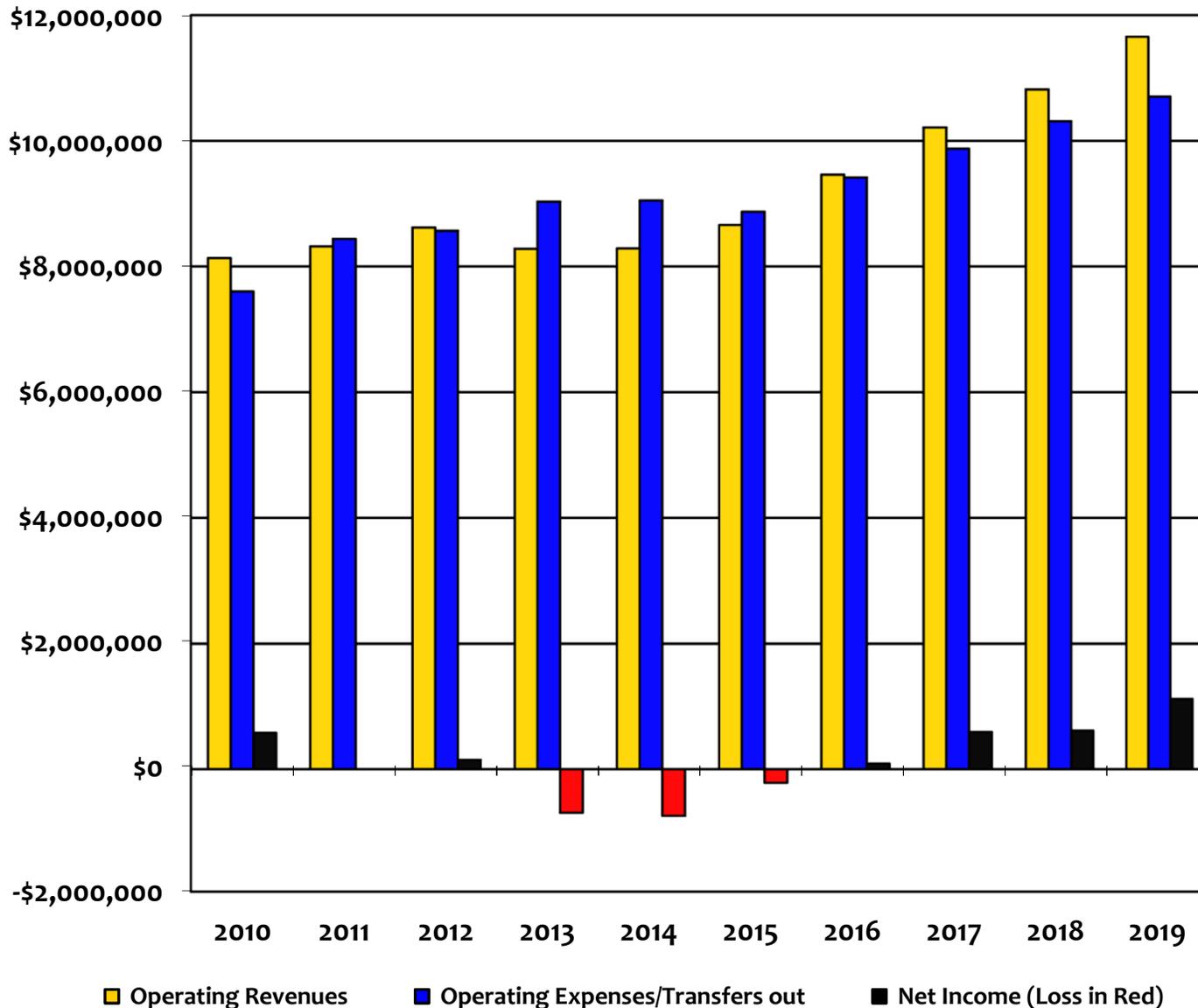
■ Revenues ■ Other Income (Expense) ■ Expenses
■ Transfers Out/In Lieu of Tax ■ Net Income

Electric Utility (RPU)



- Electric revenues in 2019 were \$164,893,341, a decrease of \$4,401,892
- Rates increased 1.9% in January 2019 and 1.5% in January 2018.
- Additional Electric Customers:
 - 2019 1,047
 - 2018 1,102
 - 2017 939
 - 2016 1,520
 - 2015 974
 - 2014 418
 - 2013 392
 - 2012 583
 - 2011 1,188
 - 2010 544
- Operating expenses have fluctuated primarily as the result of SMMPA purchased power rate increases and the changing volume of wholesale activity
- Revenue Bonds and Electric Utility Notes of \$171,180,000 outstanding at 12/31/19

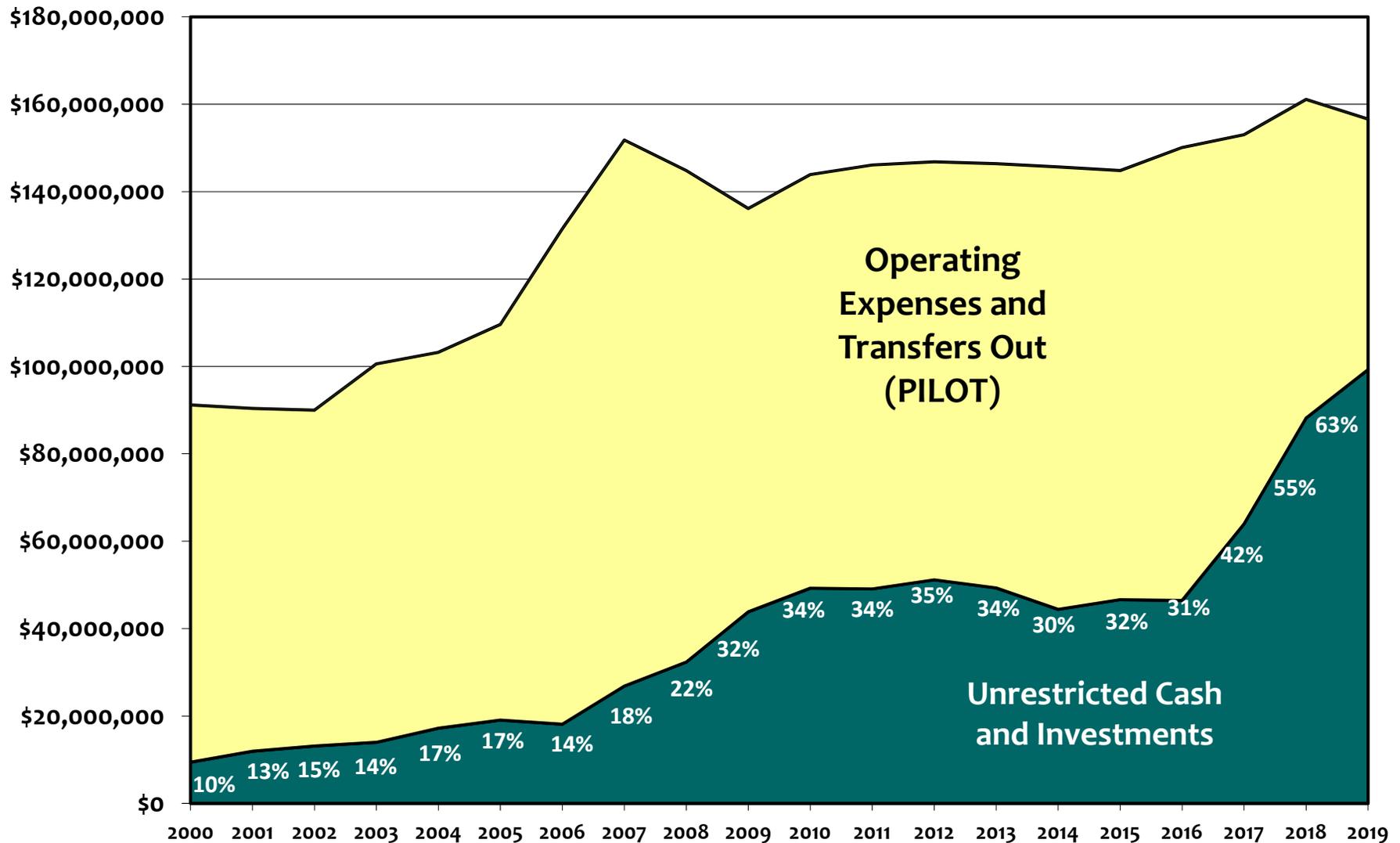
Water Utility (RPU)



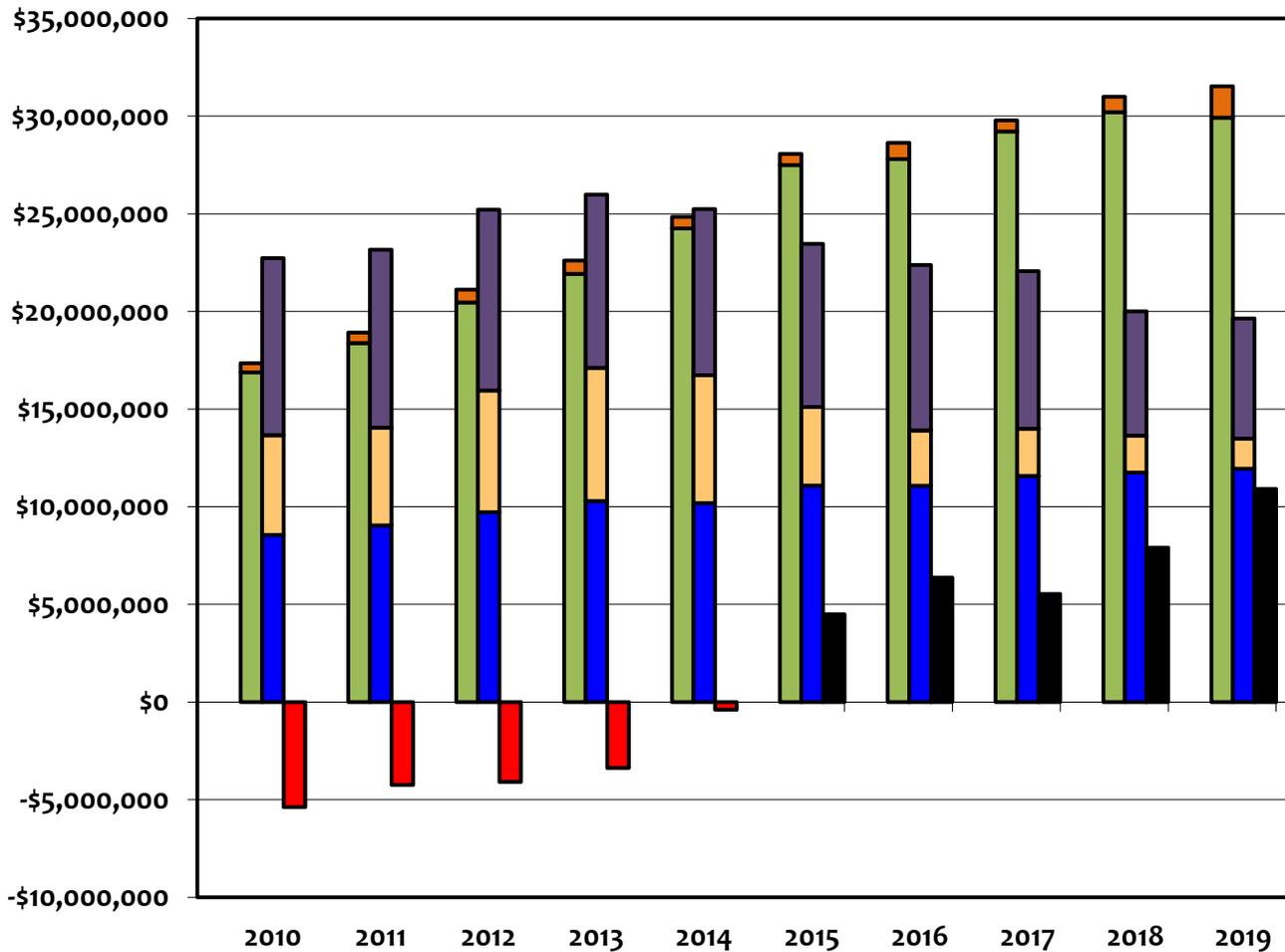
- Water revenues in 2019 were \$11,657,335, an increase of \$840,037
- Rates increased 6.0% in January 2019 and 6.0% in January 2018.
- Additional Water Customers:
 - 2019 268
 - 2018 451
 - 2017 434
 - 2016 481
 - 2015 503
 - 2014 296
 - 2013 367
 - 2012 398
 - 2011 318
 - 2010 219
- Operating expenses/transfers out increased by \$392,368
- Net income for 2019 and 2018, as shown in the chart, of \$1,122,486 and \$619,954, respectively, excludes capital contributions

Electric and Water Utilities (RPU)

Unrestricted Cash and Investments Reserves



Sewer Utility

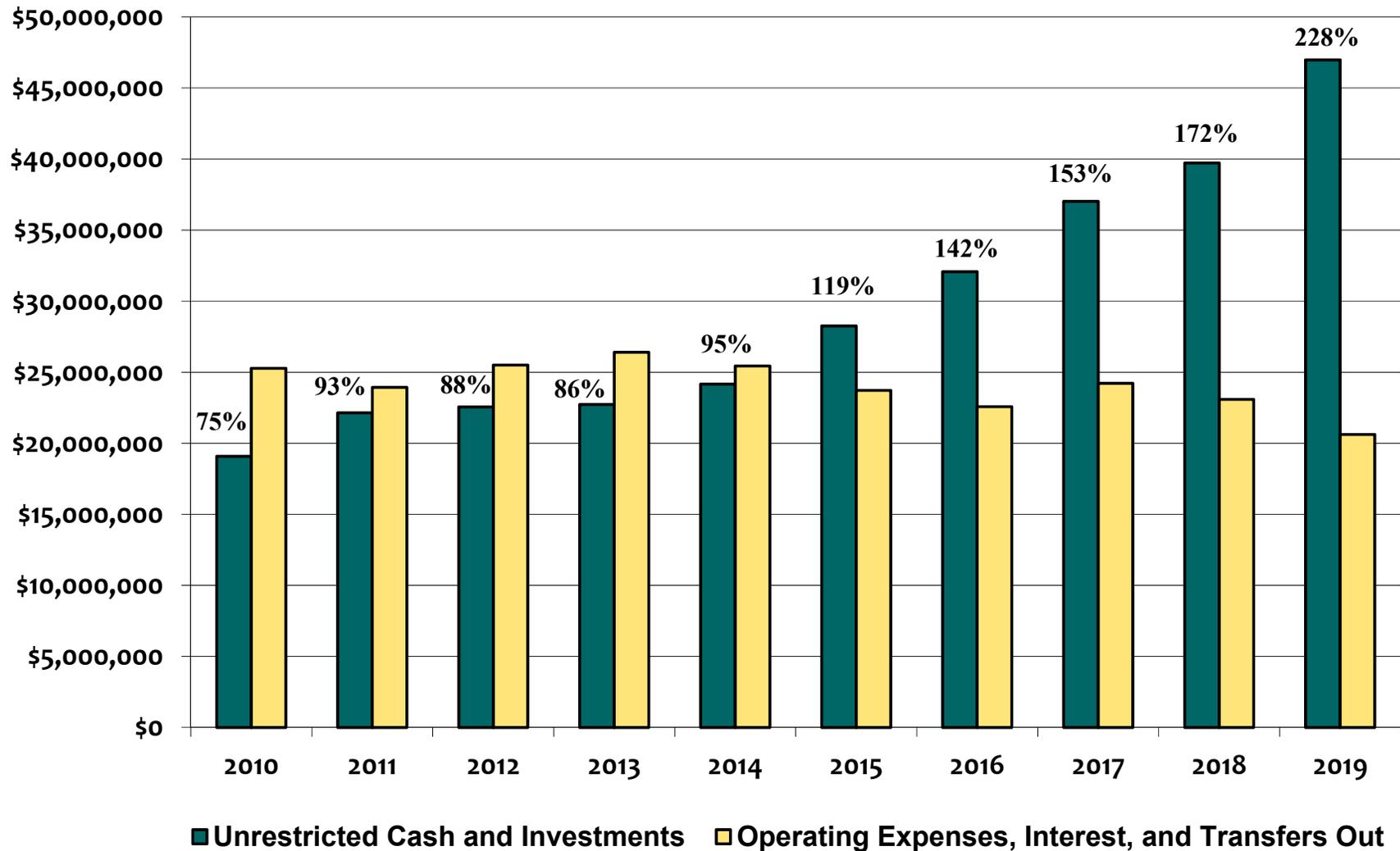


- Revenues
- Expenses Including In Lieu of Tax
- Depreciation Expense
- Other Income- Net
- Interest Expense on Bonds
- Income Before Cap. Contr. (Loss Red)

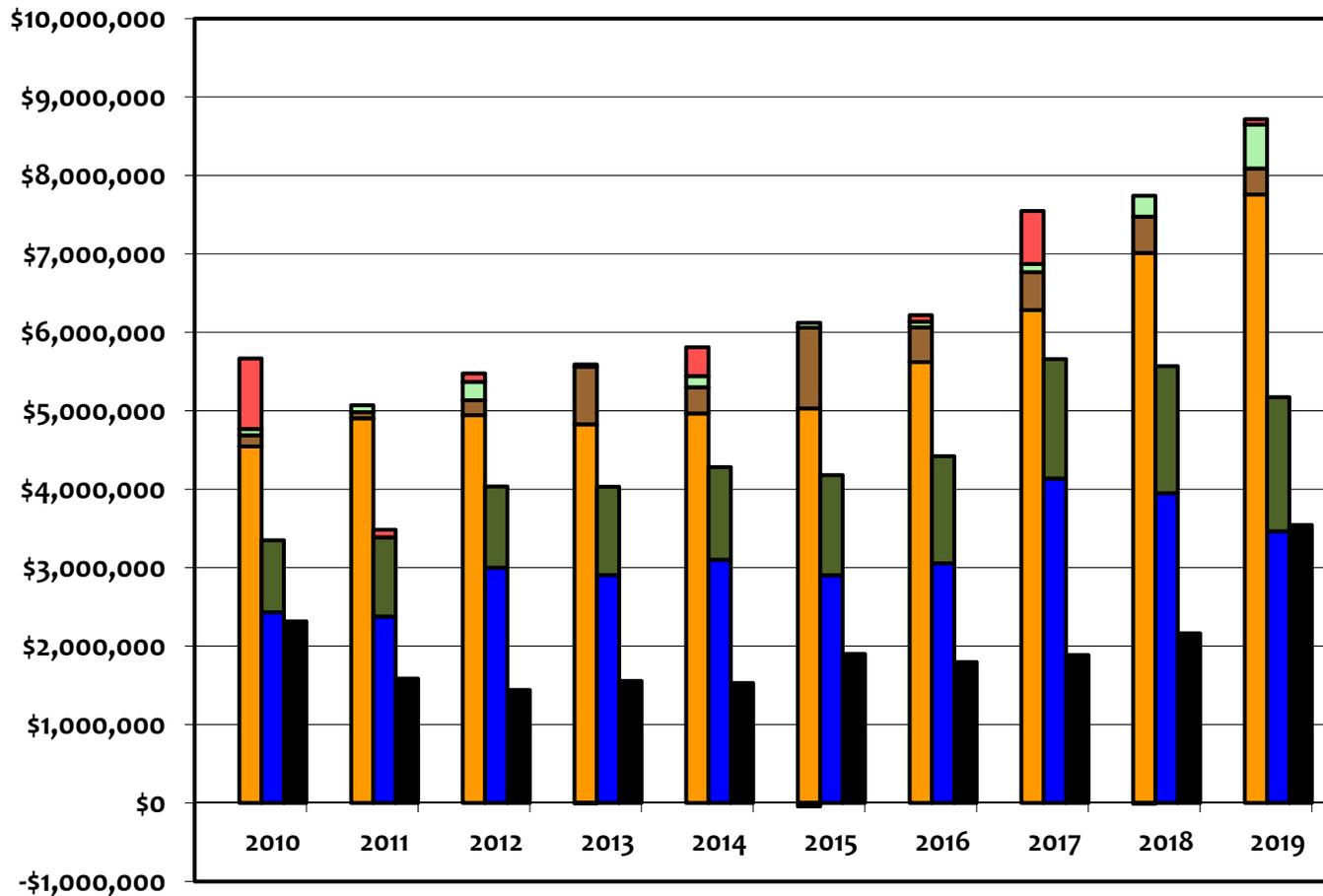
- Rate increases approved through 2021 based upon rate study completed in 2015
- Non-cash depreciation expense of **\$6.2 million** and interest expense of **\$1.5 million** in 2019
- Sewer Bonds outstanding totaled **\$65,675,000** at 12/31/19.

Sewer Utility

Unrestricted Cash and Investments Reserves



Storm Water Utility

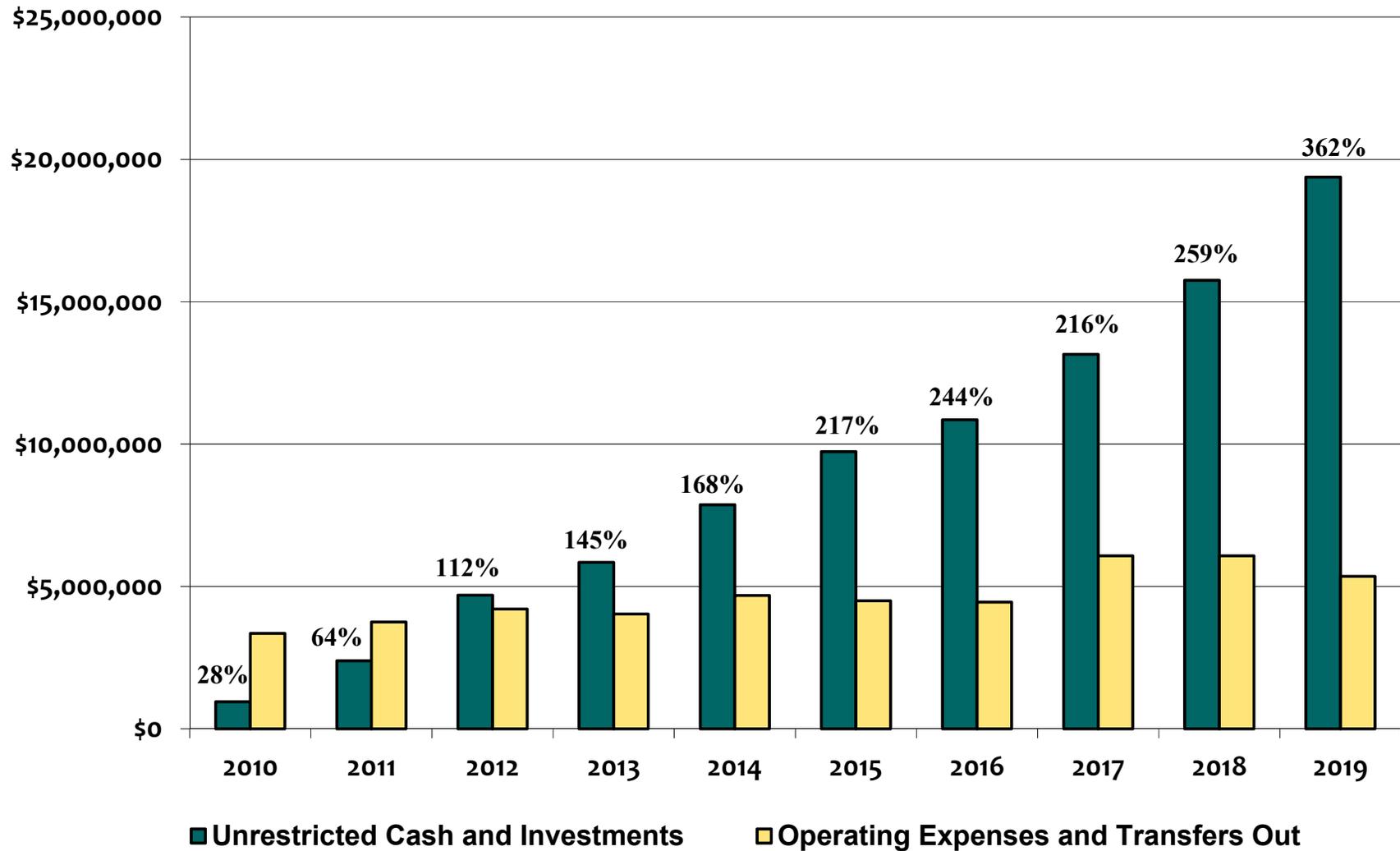


- Net income, after transfers (excluding capital contributions), totaled **\$3,543,961** in 2019
- Rate increase of 10.75% in January 2019 based on rate study completed in 2015
- Operating excesses are being set aside to fund future storm water system improvements
- Capital contributions of **\$2,903,829** and **\$3,010,280** for 2019 and 2018 are not included in the chart
- Storm Water Unrestricted Net Position at 12/31/19 was **\$19,388,915**

■ Storm Water Fees
 ■ Revenue from Developers
 ■ Expenses Including In Lieu of Tax
■ Depreciation
 ■ Other Revenue (Expenses) - Net
 ■ Transfers In (Out) - Net
■ Net Income Before Capital Cont

Storm Water Utility

Unrestricted Cash and Investments Reserves

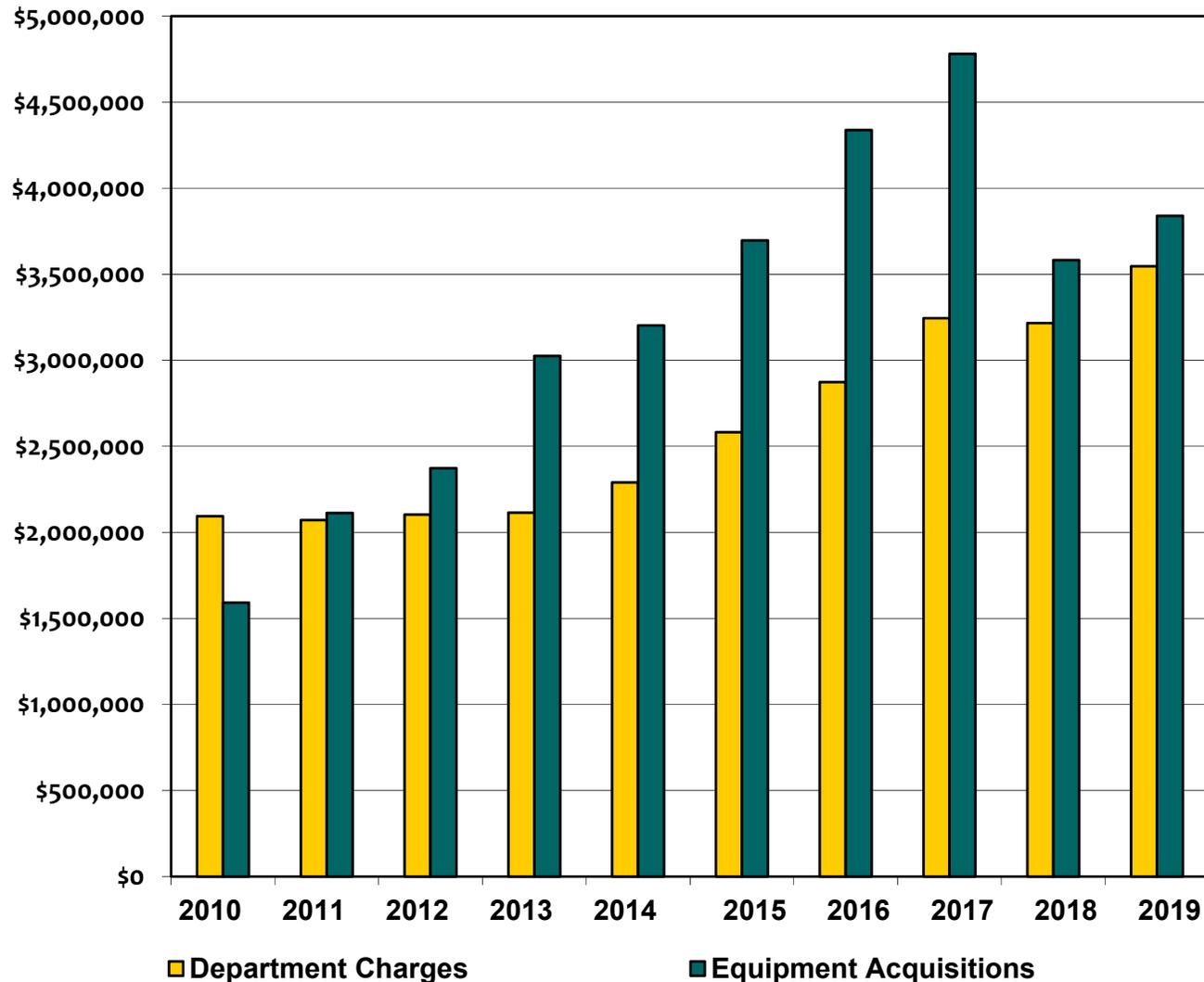


Internal Service Funds

- **Equipment Revolving**
- **Information Technology Revolving**
- **Self-Insurance**

Equipment Revolving Fund

Departmental Charges & Equipment Acquisitions

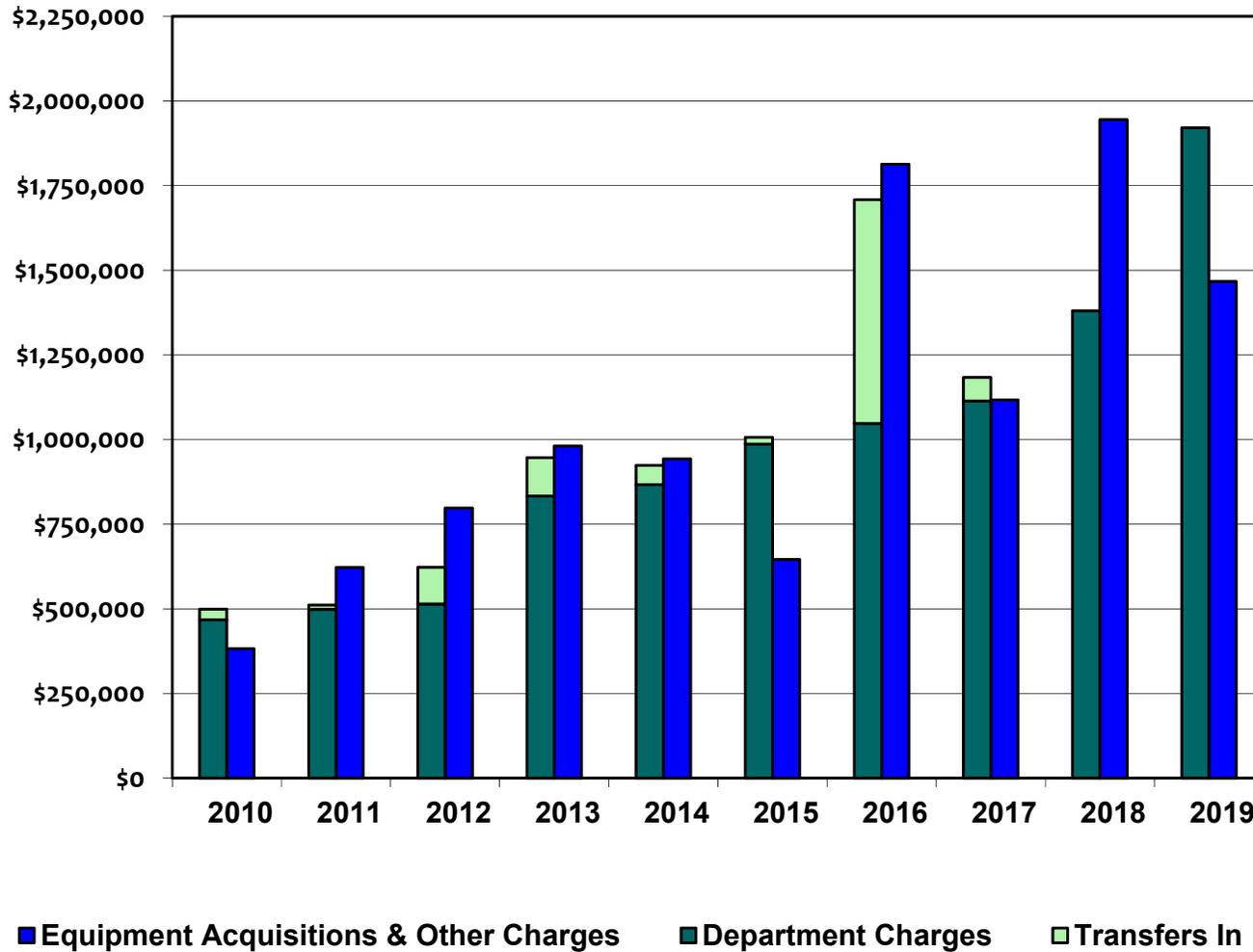


- Cash reserves and related interest earnings allows for:
 - Stable departmental charges
 - Interest income to supplement departmental charges as source of funding for acquisitions
- 2019 Equipment capitalized totaled **\$3,839,343** and included:

7 Ford Interceptor Utility AWD	345,502
5 Ford Interceptor Sedan	153,323
2 Pierce Impel Pumper	1,082,197
3 Peterbilt Tandem Axle Plow Truck	778,883
1 CAT Wheel Loader 938M	180,037
1 Chevy 3500 4x4	127,473
3 Toro GM 5910	297,269
1 Peterbilt 348 w/Chip Box	129,749
1 Aerial Lift Truck	208,913
1 Jet Sewer Truck	260,591

Information Technology Revolving Fund

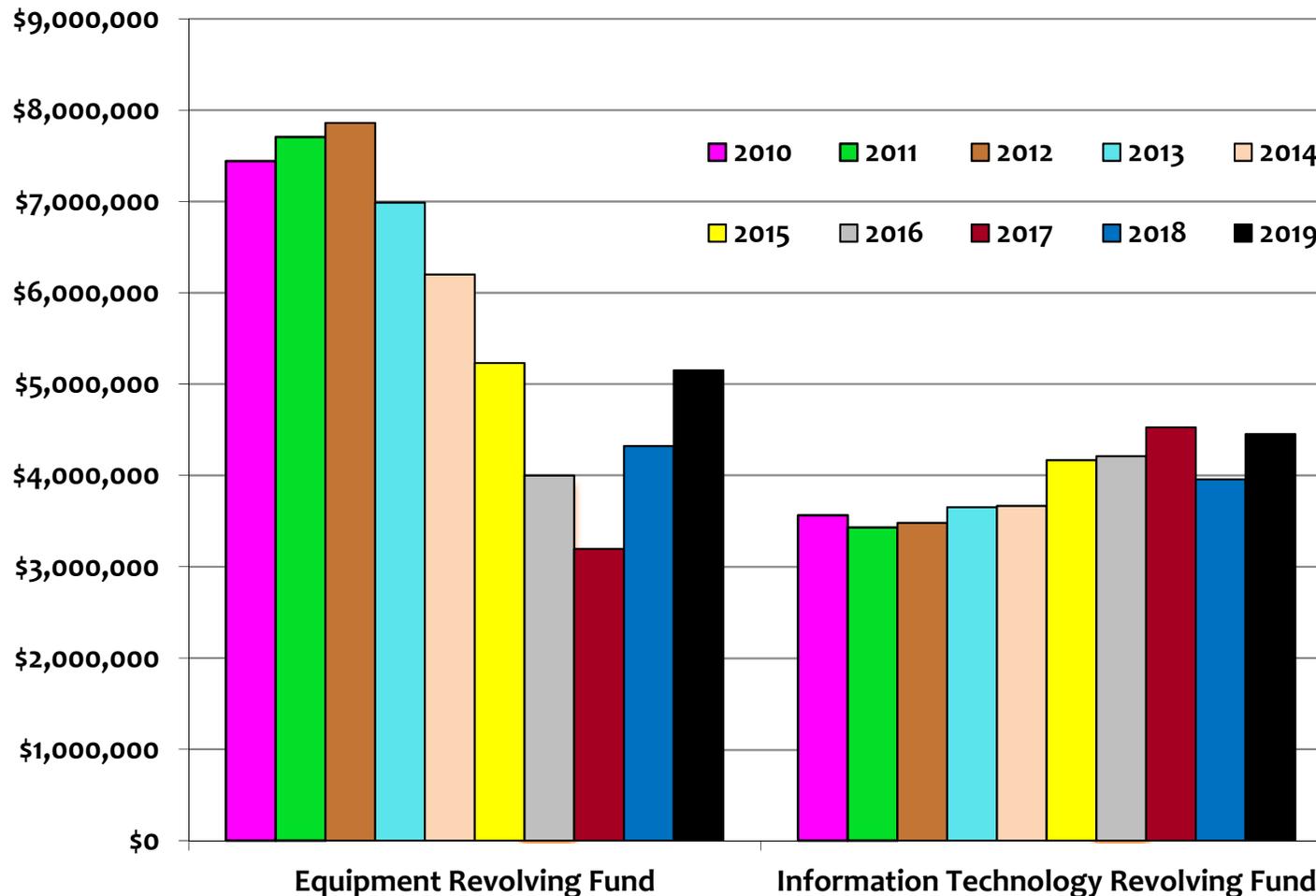
Departmental Charges & Equipment Acquisitions



- Cash reserves and related interest earnings allows for:
 - Stable departmental charges
 - Interest income to supplement departmental charges as source of funding for acquisitions
- Other charges consisting of maintenance agreements, software licenses and other professional and contracted services amounting to \$1,005,515 in 2019 and \$712,542 in 2018
- Increase in 2016 related to technology enhancements as part of the Mayo Civic Center expansion

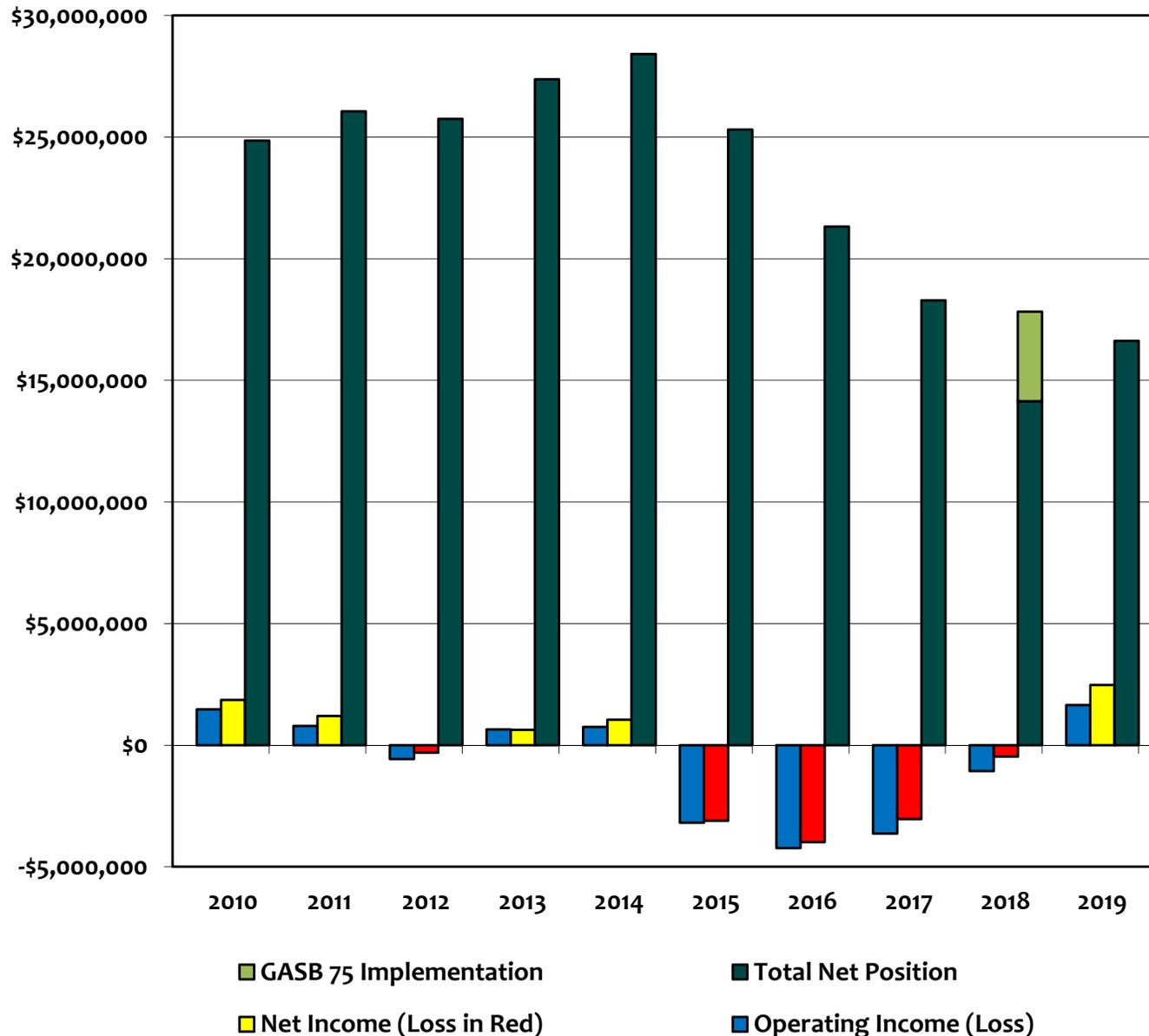
Equipment Revolving Fund and IT Revolving Fund

Unrestricted Net Position



- Unrestricted net position of the equipment revolving fund increased by \$828,500 to \$5,150,059 in 2019
- Unrestricted net position of the information technology revolving fund increased by \$495,091 to \$4,451,782 in 2019

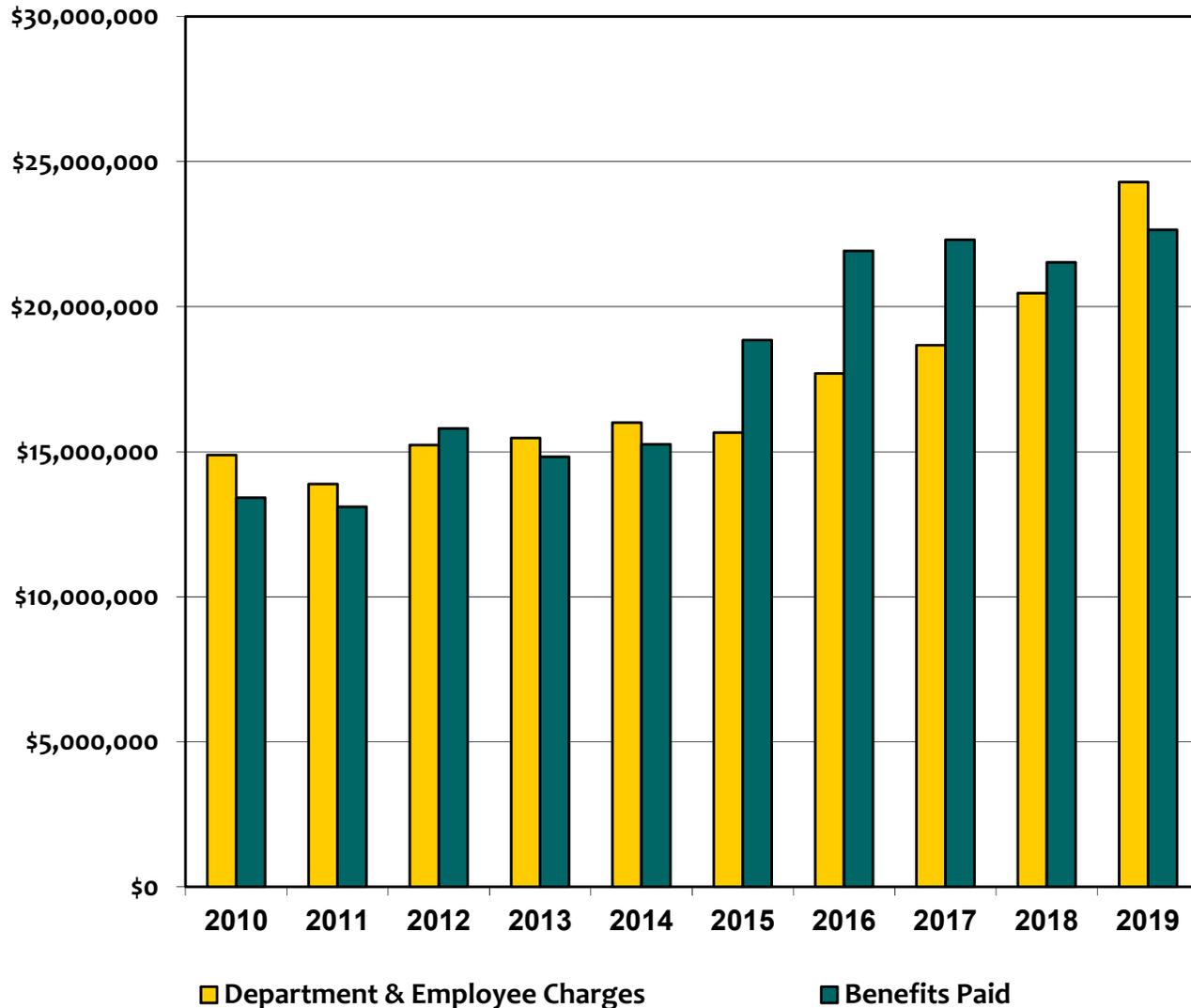
Self-Insurance Fund



- Total Net Position at December 31, 2019 of **\$16,617,957** represents the City's reserve against Self-Insurance risk for:
 - **Deductible Property Loss**
 - **Medical/Dental Claims**
 - **Workers Comp Claims**
- Net income in 2019 was **\$2,472,314** (an increase of **\$2,939,005** from 2018's net loss of **\$466,691**)
- Departmental medical charges increased by **14%** and dental charges increased by **1%** in 2019.
- Implementation of GASB 75 in 2018 restated beginning net position by **\$3,670,778**

Self-Insurance Fund

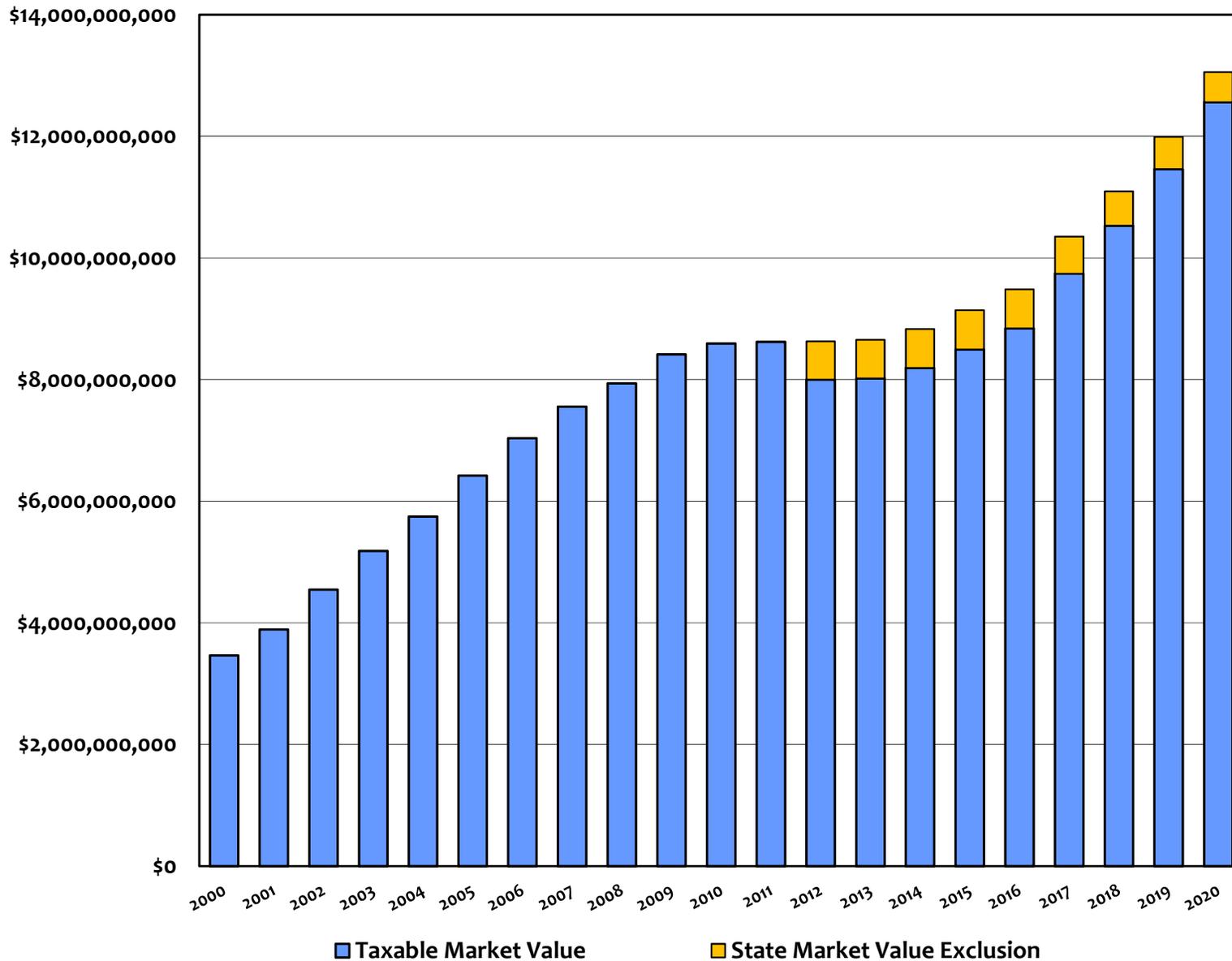
Departmental/Employee Charges & Benefits Paid



- Departmental and employee charges are used to pay health insurance claims
- Interest earnings on reserves are used to supplement departmental and employee charges
- Departmental medical charges have changed annually as follows:

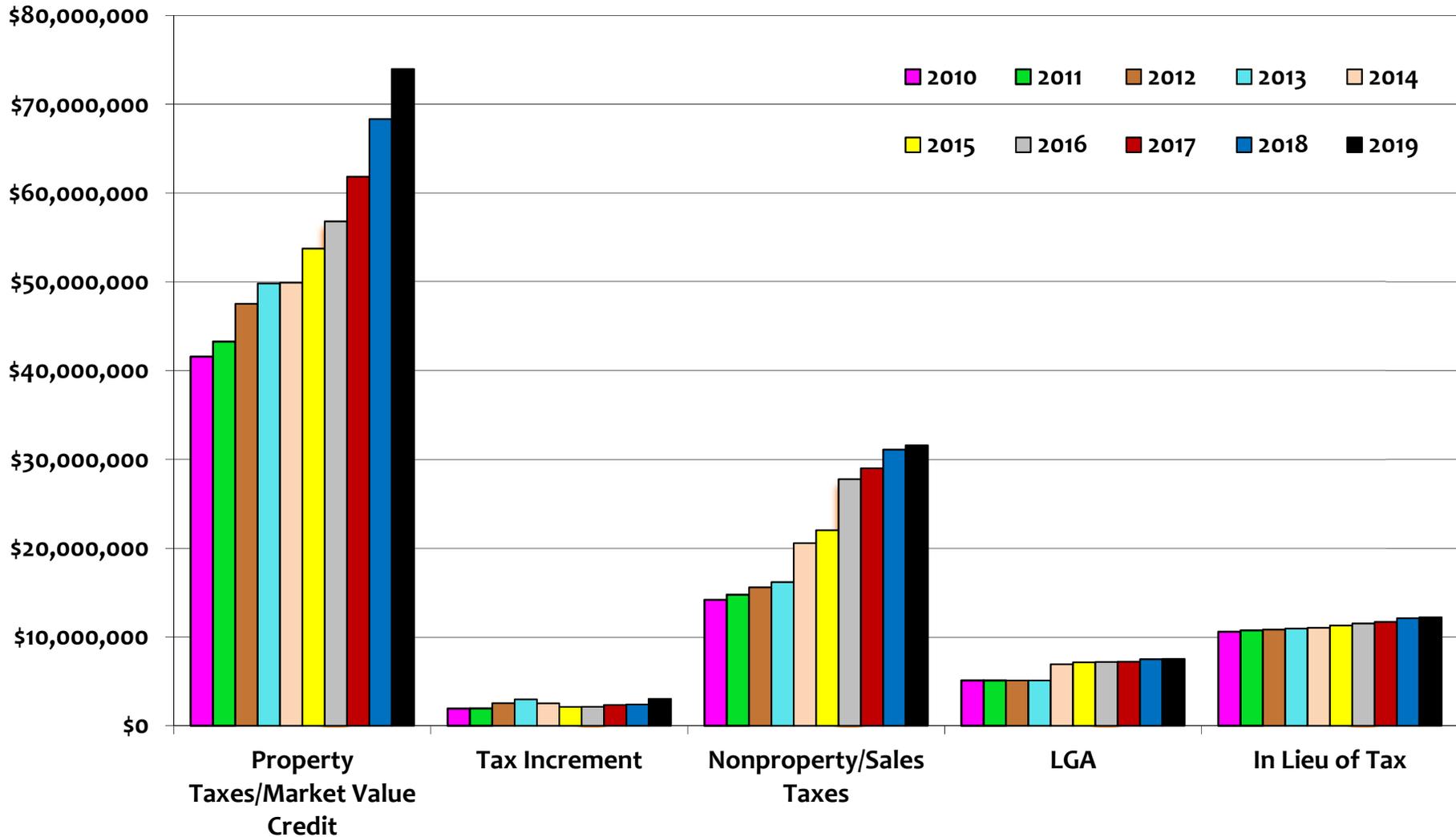
– 2019	14%
– 2018	14%
– 2017	14%
– 2016	13%
– 2015	-2%
– 2014	5%
– 2013	5%
– 2012	-%
– 2011	3%
– 2010	-%
- In October of 2011 the City had an insurance holiday where neither the departments or the employees were charged for Health or Dental Insurance

Total Taxable Market Value

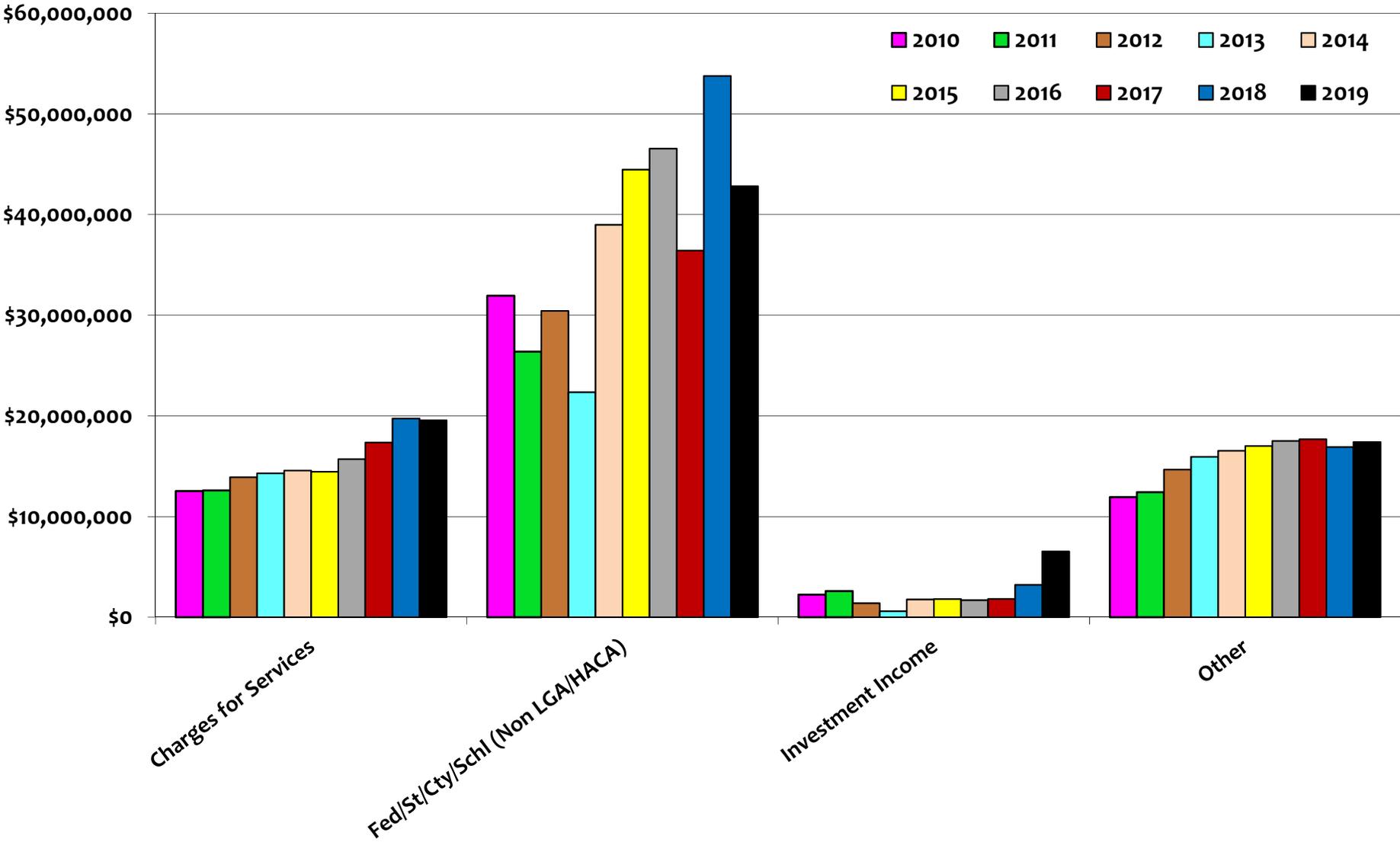


- Taxable Market Value for 2020 is **\$12.6 Billion**, up **\$1.1 Billion (8.8%)** from 2019
- Includes both real property and personal property

Governmental Funds – All Revenues

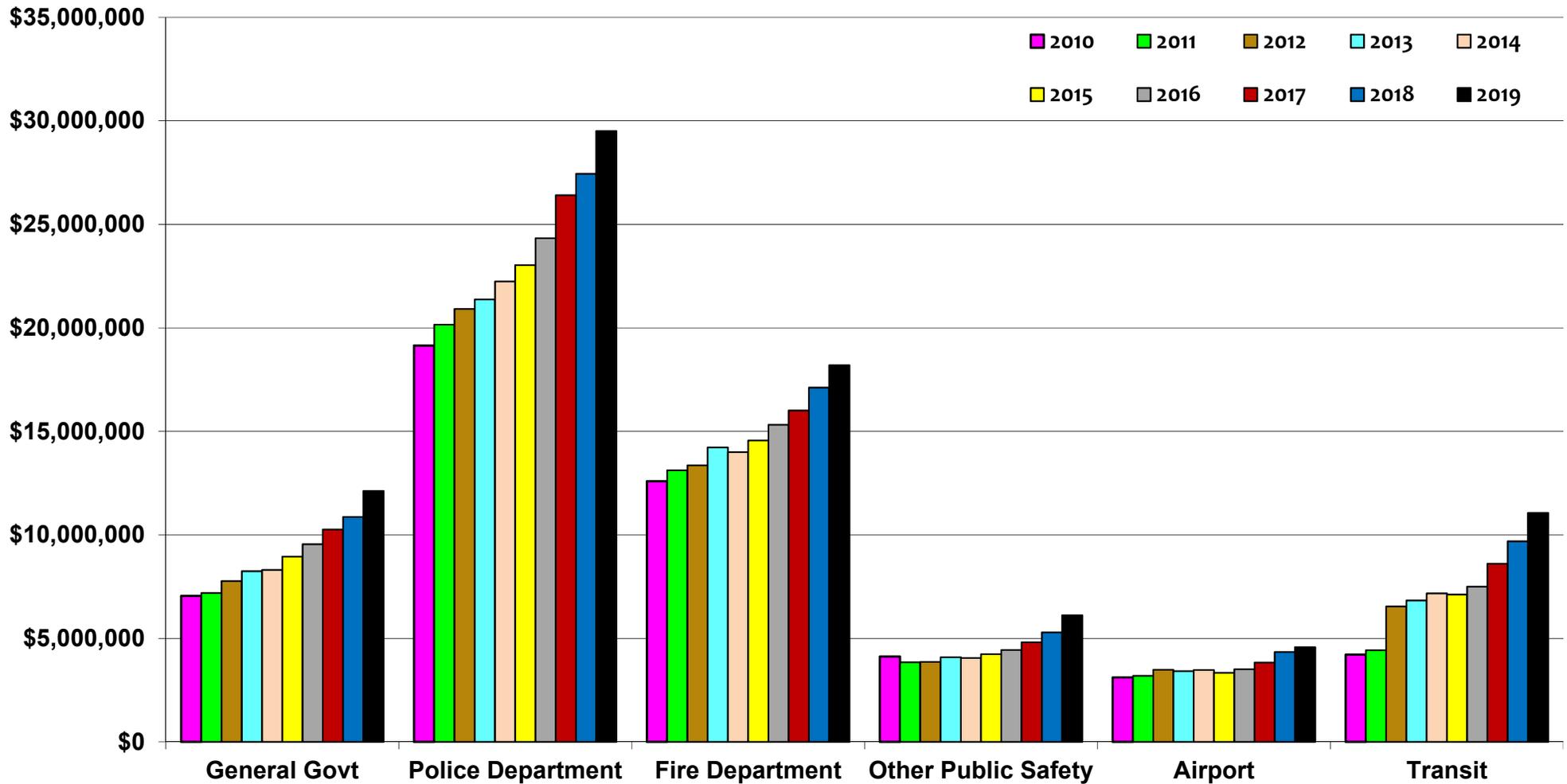


Governmental Funds – All Revenues



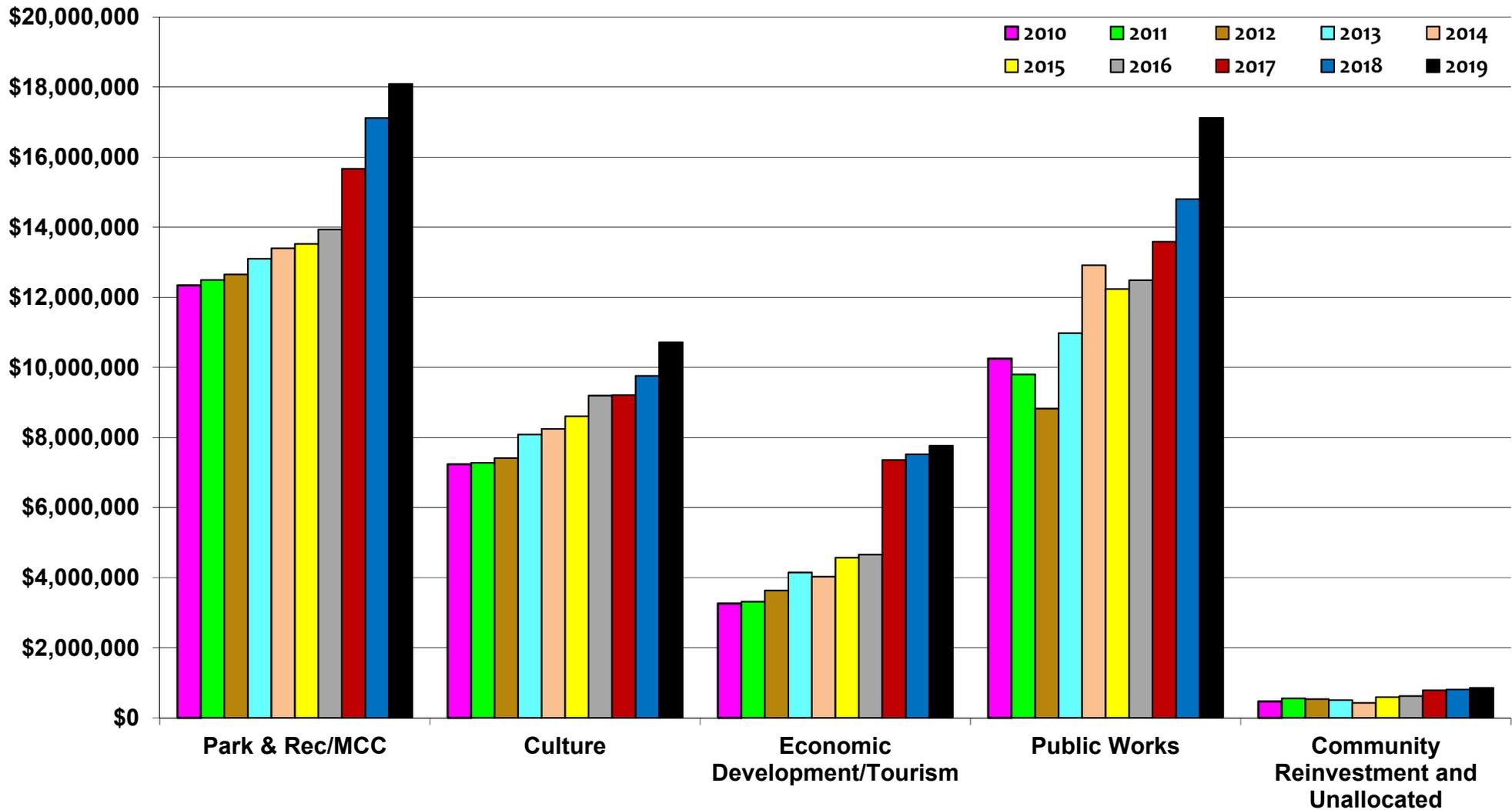
Governmental Funds – All Expenditures

(Excluding Capital Outlay and Debt Service)

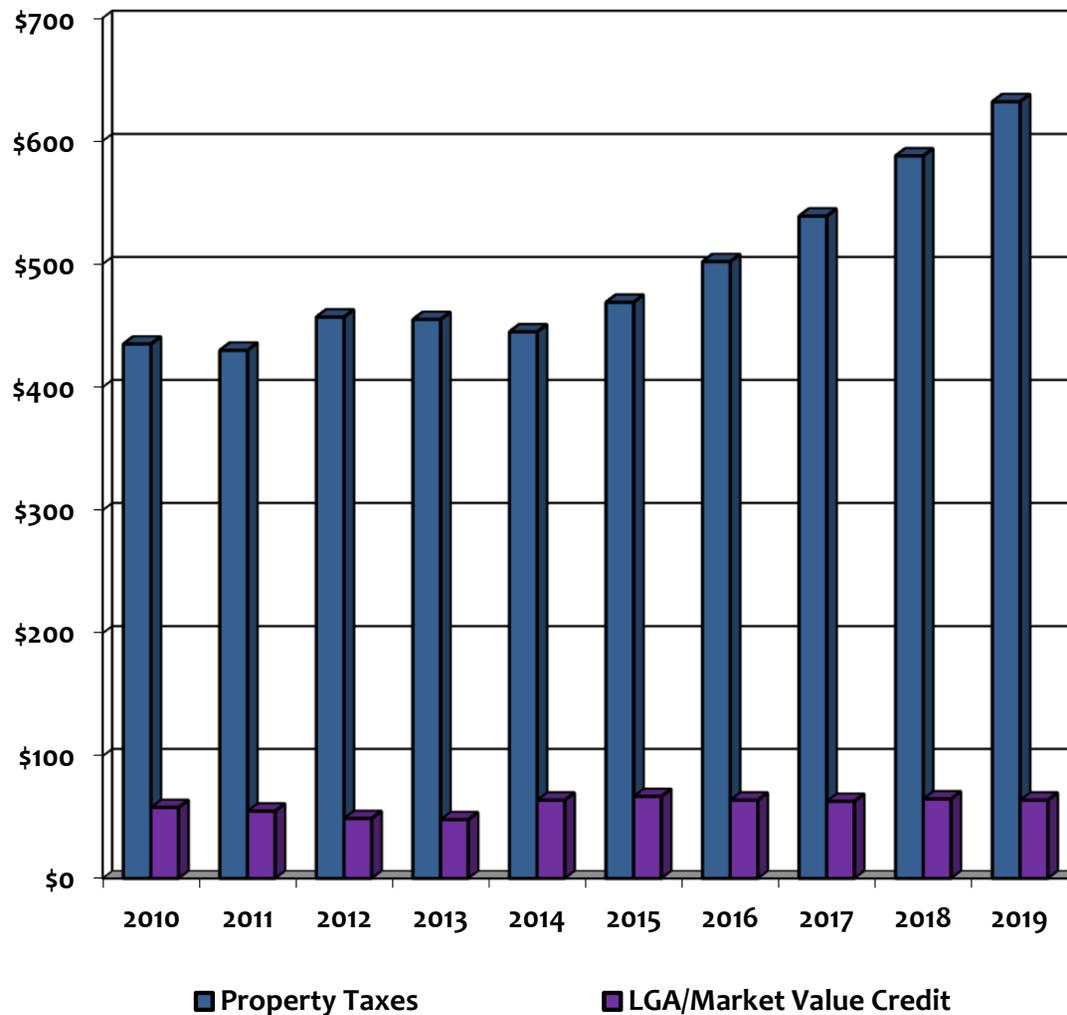


Governmental Funds – All Expenditures

(Excluding Capital Outlay and Debt Service)



Property Taxes, LGA, & Market Value Credit (Per Capita, Inflation Adjusted)



- *Per Capita Property Taxes (Excluding Market Value Credit)*
 - 2010 \$435
 - 2014 445
 - 2019 632
- *Per Capita LGA/Market Value Credit*
 - 2010 \$58
 - 2014 64
 - 2019 64
- *Per Capita Total of Property Taxes, LGA/Market Value Credit*
 - 2010 \$493
 - 2014 509
 - 2019 696
- *Population*
 - 2010 106,769
 - 2014 111,187
 - 2019 118,815

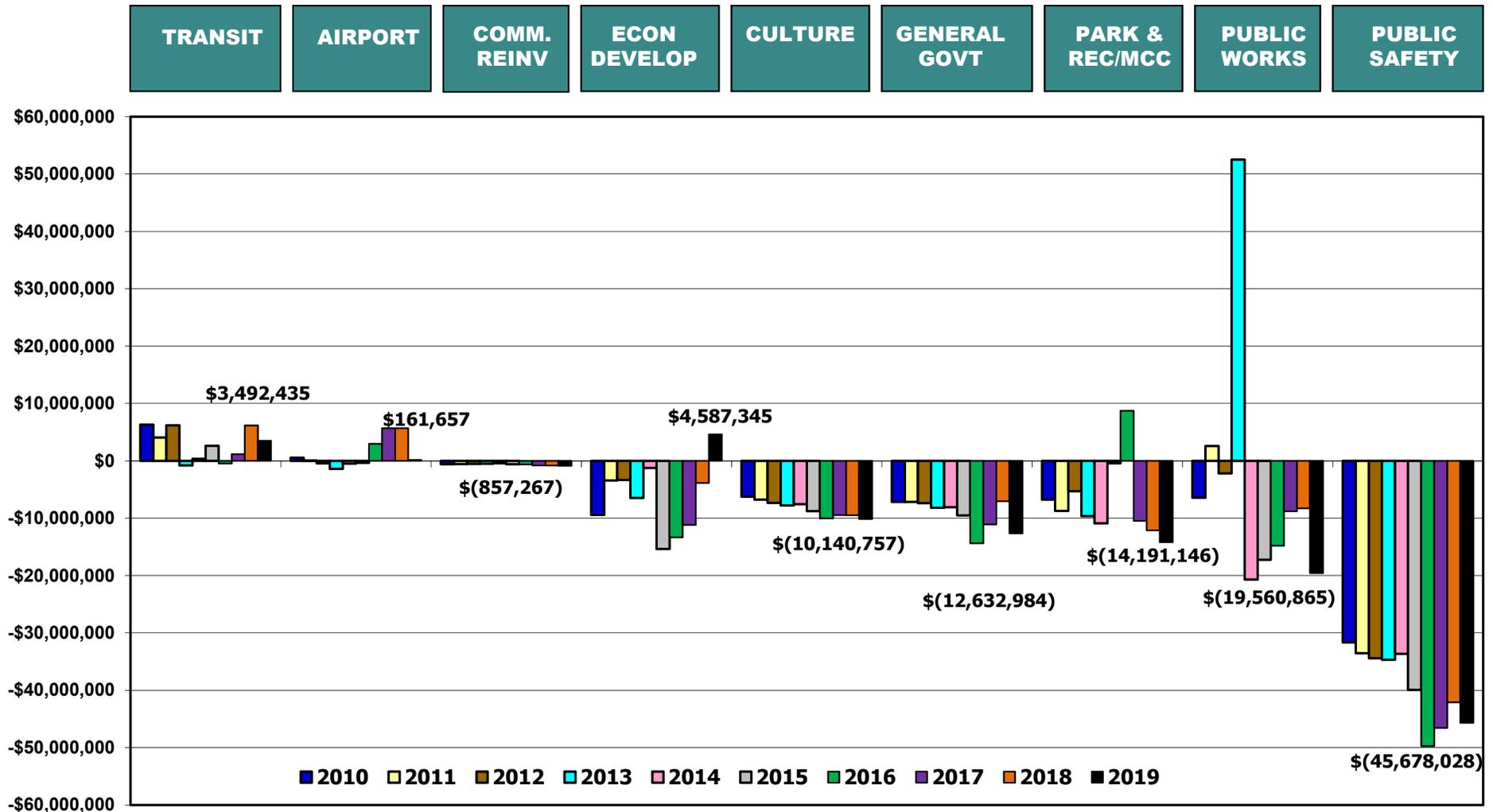
Government – Wide Financial Statements

- **Consists of:**
 - Statement of Net Position
 - Statement of Activities
- **Utilizes accrual basis of accounting and requires capitalization and depreciation of all property and equipment and recognition of all long term liabilities**

CITY OF ROCHESTER, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue 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	\$ 14,054,824	\$ 881,245	\$ 71,367	\$ 469,228	\$ (12,632,984)	\$	\$ (12,632,984)
Public safety	56,158,527	7,400,811	3,079,688		(45,678,028)		(45,678,028)
Public works	29,986,312	691,939	1,574,297	8,159,211	(19,560,865)		(19,560,865)
Airport	7,027,098	5,136,179	283,320	1,769,256	161,657		161,657
Transit	13,109,713	3,569,149	8,810,599	4,222,400	3,492,435		3,492,435
Culture	11,819,593	218,365	1,460,471		(10,140,757)		(10,140,757)
Park and recreation/Mayo Civic Center	24,217,797	8,019,812	263,018	1,743,821	(14,191,146)		(14,191,146)
Economic development/tourism	13,199,647	3,532,418	86,976	14,167,598	4,587,345		4,587,345
Community reinvestment/unallocated	857,267				(857,267)		(857,267)
Interest on long-term debt	4,323,447				(4,323,447)		(4,323,447)
Total governmental activities	174,754,225	29,449,918	15,629,736	30,531,514	(99,143,057)		(99,143,057)
Business-Type activities:							
Parking	5,247,595	7,587,085		577		2,340,067	2,340,067
Electric utility	143,564,632	164,893,341		736,296		22,065,005	22,065,005
Water utility	10,342,165	11,657,335		889,532		2,204,702	2,204,702
Sewer utility	17,671,928	29,919,090		1,907,878		14,155,040	14,155,040
Storm water utility	4,543,218	8,090,409		227,700		3,774,891	3,774,891
Total business-type activities	181,369,538	222,147,260		3,761,983		44,539,705	44,539,705
Total	\$ 356,123,763	\$ 251,597,178	\$ 15,629,736	\$ 34,293,497	(99,143,057)	44,539,705	(54,603,352)
General revenues:							
General property taxes					74,393,424		74,393,424
Tax increments collection					3,025,092		3,025,092
Sales tax					19,671,264		19,671,264
Nonproperty taxes					11,900,517		11,900,517
Grants and contributions not restricted to specific programs:							
Local government aid					7,525,463		7,525,463
Other					3,139,232		3,139,232
Interest earnings					5,054,454	3,485,903	8,540,357
Gain on disposition of property					102,528	42,357	144,885
Net increase in the fair value of investments					2,507,130	1,881,601	4,388,731
Miscellaneous					1,336,907	249,100	1,586,007
Transfers					10,315,658	(10,315,658)	
Total general revenues and transfers					138,971,669	(4,656,697)	134,314,972
Change in net position					39,828,612	39,883,008	79,711,620
Net position - beginning					775,965,811	554,840,583	1,330,806,394
Net position - ending					\$ 815,794,423	\$ 594,723,591	\$ 1,410,518,014

Net Revenue (Expense) By Function



Summary

- **General Fund Unassigned Fund Balance at 42% of annual expenditures. (City policy is not less than 42%)**
- **Library Fund Balance at 35% and Municipal Recreation Fund Balance at 23% of annual expenditures. Mayo Civic Center fund balance totaled \$1,525,049 at December 31, 2019.**
- **Trend of declining Airport Fund Balance was reversed in 2014 as the result of reinstating levy allocation, reducing capital improvement transfers and improved airport operations. Airport Fund Balance has a balance of \$6,019,604 in 2019 an increase of \$1,489,806 from 2018.**
- **Transit fund revenues continue to exceed expenditures increasing fund balance to \$4,498,556 at December 31, 2019. Much of this balance is designated for additional bus purchases.**
- **Capital Improvement fund has \$132 Million in reserves for future capital projects as outlined in the City's capital improvement plan.**
- **Parking fund has \$16 Million in reserves for future capital needs through annual operating profits.**

Summary

- **Electric and Sewer Utilities servicing \$237 Million in bonds (including Crossover Refunding bonds) with future access charges and user fees.**
- **Sewer rate increases have allowed the Sewer Fund to service outstanding Sewer Bonds and build cash reserves for future capital improvements.**
- **The City's Self-Insurance Fund reserves at December 31, 2019 totaled \$16.6 Million an increase of \$2.5 Million from 2018. Fund reserves increased for the first time in the last 5 years.**
- **Equipment Revolving fund unrestricted net position increased from \$4.3 Million in 2018 to \$5.1 Million in 2019. Amount still below the a high of approximately \$8 Million in 2012.**
- **The activity of the DMCC, a separate non-profit corporation, is included in the fund financial statements. DMCC activities are being funded with sales tax collections.**