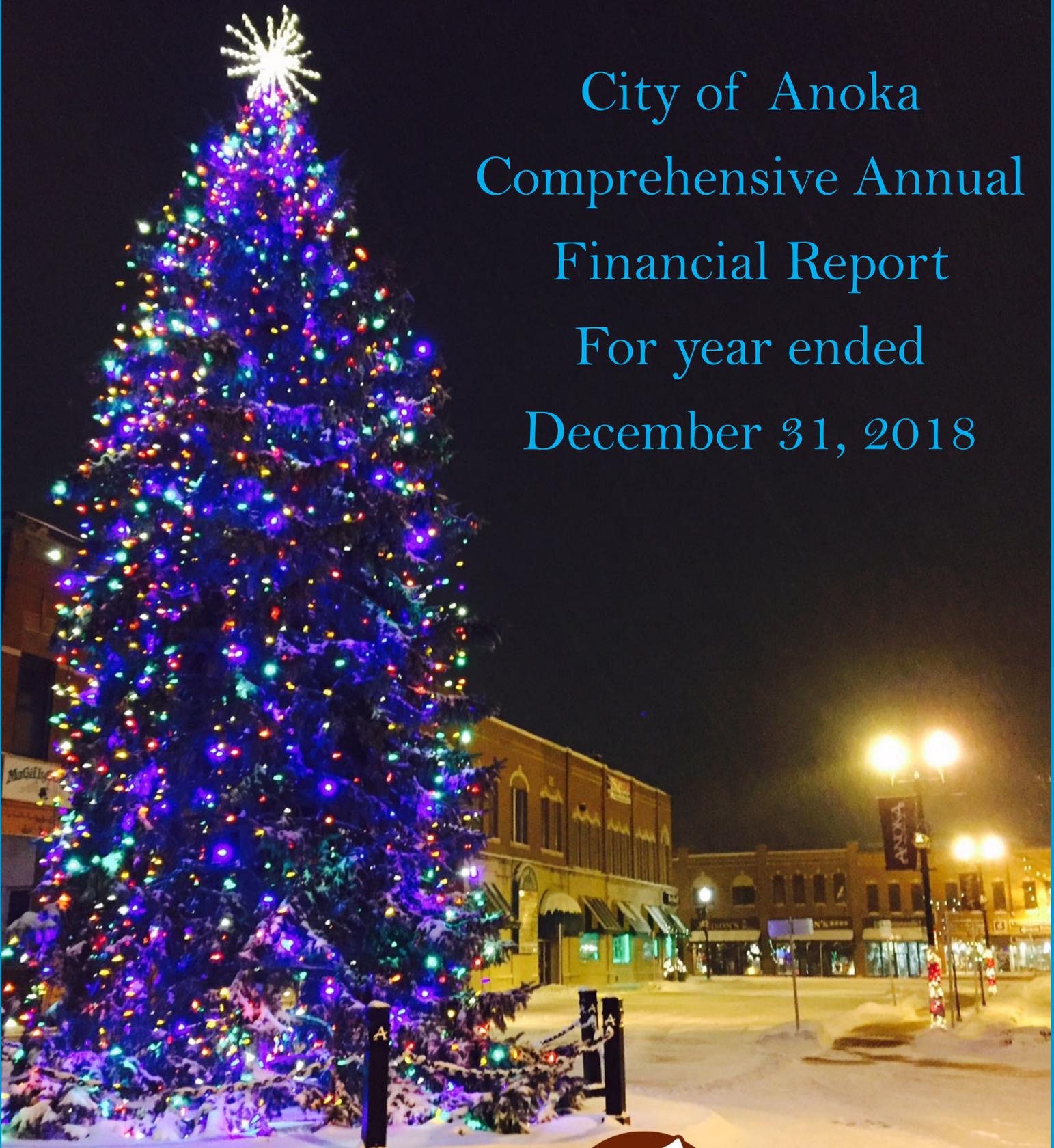


City of Anoka  
Comprehensive Annual  
Financial Report  
For year ended  
December 31, 2018



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# **CITY OF ANOKA, MINNESOTA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the Year Ended December 31, 2018**

**Prepared by the Finance Department**

**Brenda Smith, Director**



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# CITY OF ANOKA, MINNESOTA

## Comprehensive Annual Financial Report

Year ended December 31, 2018

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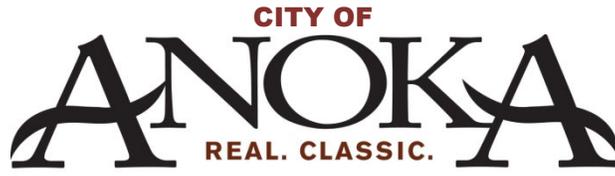
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June 17, 2019

To the Honorable Mayor, City Council, and Citizens of the City of Anoka:

State law requires that the chief financial officer in cities with populations of more than 2,500 submit to the state auditor audited financial statements within 180 days after the close of each year. State law also requires that these statements be submitted to the mayor and council members within 210 days after the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Anoka for the fiscal year ended December 31, 2018.

This report consists of management's representations concerning the finances of the City of Anoka. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Anoka has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Anoka's financial statements in conformity with generally accepted accounting principles (GAAP) in the U.S. Because the cost of internal controls should not outweigh their benefits, the City of Anoka's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Anoka's financial statements have been audited by Wipfli LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Anoka for the fiscal year ended December 31, 2018, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Anoka's financial statements for the fiscal year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.



**2015 FIRST AVE NORTH • ANOKA, MINNESOTA 55303-2270**  
PHONE (763)576-2750 • TTY (763)422-0422 • FAX (763)576-2777  
[www.ci.anoka.mn.us](http://www.ci.anoka.mn.us)

## **Profile of the Government**

The City of Anoka, incorporated on March 2, 1878, is the county seat of Anoka County, Minnesota, and lies approximately 20 miles northwest of Minneapolis-St. Paul. The City comprises an area of 7.13 square miles and serves a population of 18,000. The City is a unique blend of history and economic vitality. The City of Anoka is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, the City of Anoka is bordered on all sides by other incorporated communities.

The City of Anoka has operated under the council-manager form of government since April 1, 1914. Policy making and legislative authority are vested in a city council, consisting of the mayor and four other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and city attorney. The city manager is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the city government, and appointing the heads of the various departments. The council is elected on a nonpartisan basis. The mayor is elected every two years, and council members serve four-year staggered terms and are elected at large.

The City of Anoka provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; electric, water, and sewer services; and recreational activities and cultural events.

The annual budget serves as the foundation for the City of Anoka financial planning and control. All departments are required to submit requests for appropriation to the city manager in June of each year. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents this proposed budget to the council for review at their first meeting in August. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 26.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations between departments and funds require the approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as required supplementary information in this report on page 84. Special revenue fund budgetary comparisons start on page 93.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Anoka operates.



**Local economy.** The City of Anoka is the county seat for Anoka County. The City currently enjoys a favorable economic environment, and local indicators point to continued stability. The region has a varied tax base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include computer hardware and software manufacturers, electrical controls, ammunition, and medical services.

The City of Anoka area has an employed labor force of approximately 15,188, which compares favorably to the 7,612 housing units located within the corporate boundaries. The city's current tax base consists of 46% residential, 36% commercial/industrial, and 18% exempt properties.

Because of the fully developed nature of the community, the opportunity for new and expanded housing is limited. The City's focus is on developing previously purchased properties or on undeveloped existing property. There are several potential townhome developments throughout the city. The City continues to focus on redeveloping the central business district to include cooperative living units, a restaurant, and additional residential units. Another focus is on assisting homeowners to redevelop and remodel the current available housing so as the change-over from older residents occurs, younger families will continue to be attracted to the City of Anoka.

**Long-term financial planning.** The City is currently in the redevelopment stage of an area west of downtown. This area is next to the industrial park but is also located next to the golf course. In preparation for new roads and housing, the City will continue to purchase land necessary to complete the parkway and housing plans. All of the redevelopment and development happening in the City of Anoka increases the City's tax base and helps keep tax rates low or level. The City also continues to increase the density in the downtown area to keep it a vibrant economic gem.

The City is working closely with state, federal, and neighboring communities to improve the area's state and county transportation network, which includes upgraded highways and well-placed pathways. Funding for most of the transportation improvements will need to come from state, county, and federal sources, with some minor portion supported by the local taxpayers. The City continues to work on local street improvement projects by reconstructing approximately one mile of city streets every year. The annual cost of reconstruction improvements are built into the City's capital improvement planning.

**Budget policies and practices.** The city charter allows the council to increase a budget to the extent that actual revenues exceed budgeted revenues or transfer within budgeted funds. This allowed flexibility among general fund departments to move budget to cover additional expenditures in various departments.

**Major initiatives.** In 2018, the City replenished depleted capital and internal service funds through an increase in the levy. Back in 2015, the City was able to increase the levy while giving property tax payers relief as a result of the largest tax increment district being decertified. During the Great Recession, the city maintained core services without increasing the tax levy through decreases to capital and internal service funds. The city still continued to invest in streets and infrastructure through transferred funds from electric to capital project funds to complete desired infrastructure improvements.



## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anoka for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2017. This was the 38<sup>th</sup> consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Anoka for its popular annual financial report (PAFR) for the fiscal year ended December 31, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an award, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award is valid for a period of one year only. The City of Anoka has received a Popular Award for the last 3 consecutive years (fiscal years ended 2015-2017).

The GFOA awarded the Distinguished Budget Presentation Award to the City of Anoka for its 2018 Budget. This was the 12<sup>th</sup> consecutive year that the City has received this prestigious award. To be awarded a Distinguished Budget Presentation Award, the government published an easily readable and efficiently organized Budget. This report satisfied the generally accepted budgeting practices as pronounced by the GFOA and GAAP for governmental accounting.

The preparation of this report would not have been possible without the dedicated services of the Finance Department staff. I would like to express my appreciation to all members of the department who assisted with and contributed to the preparation of this report. Credit also must be given to the mayor and the city council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Anoka's finances.

Respectfully submitted



Brenda Smith  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Anoka**  
**Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**City of Anoka  
Minnesota**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF ANOKA, MINNESOTA

## Elected and Appointed Officials

December 31, 2018



### City Council

Phil Rice, Mayor  
Term Expires 12/31/20

Elizabeth Barnett, Councilmember  
Term Expires 12/31/22

Erik Skogquist, Councilmember  
Term Expires 12/31/22

Mark Freeburg, Councilmember  
Term Expires 12/31/20

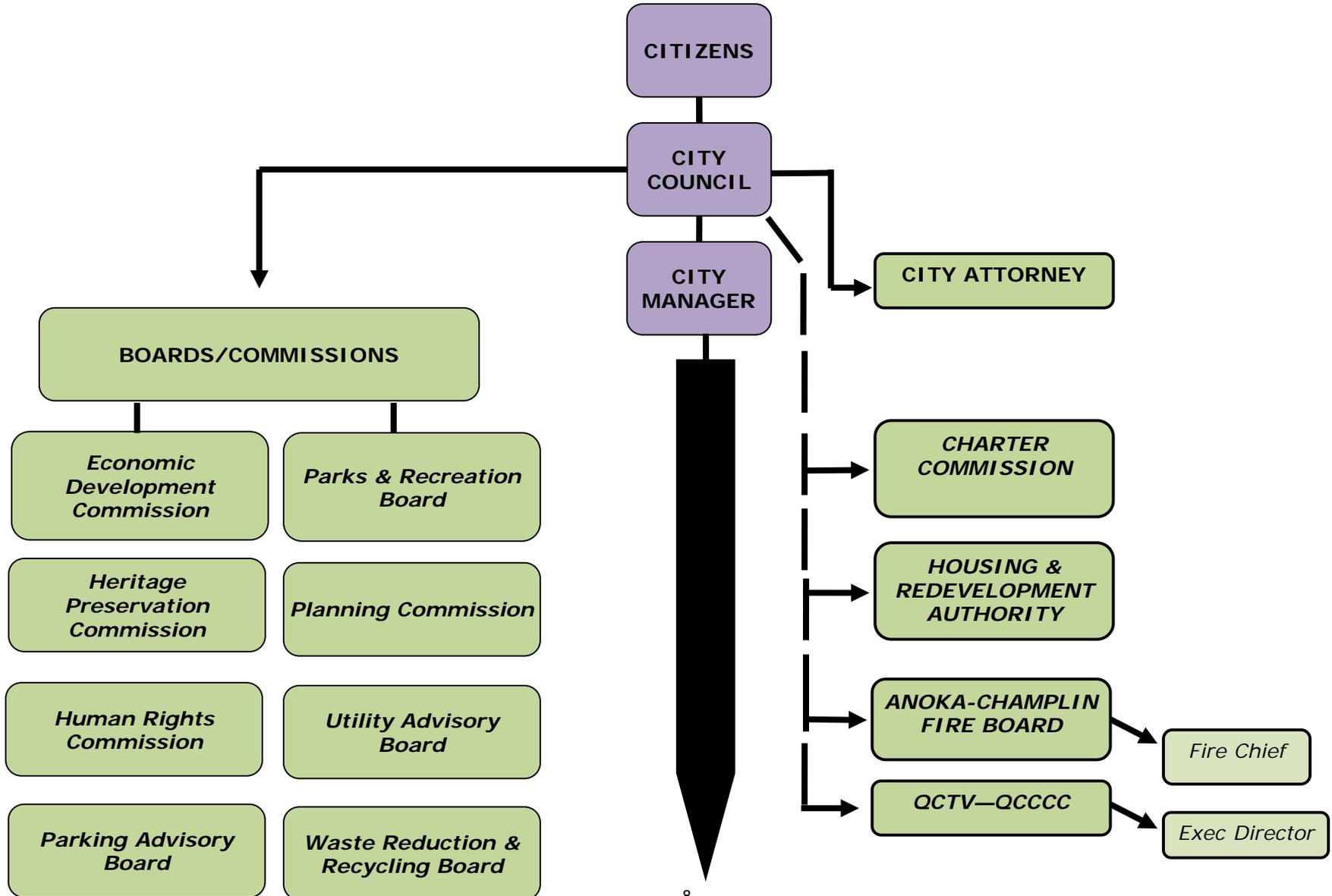
Brian Wesp, Councilmember  
Term Expires 12/31/20

### City Managerial Staff

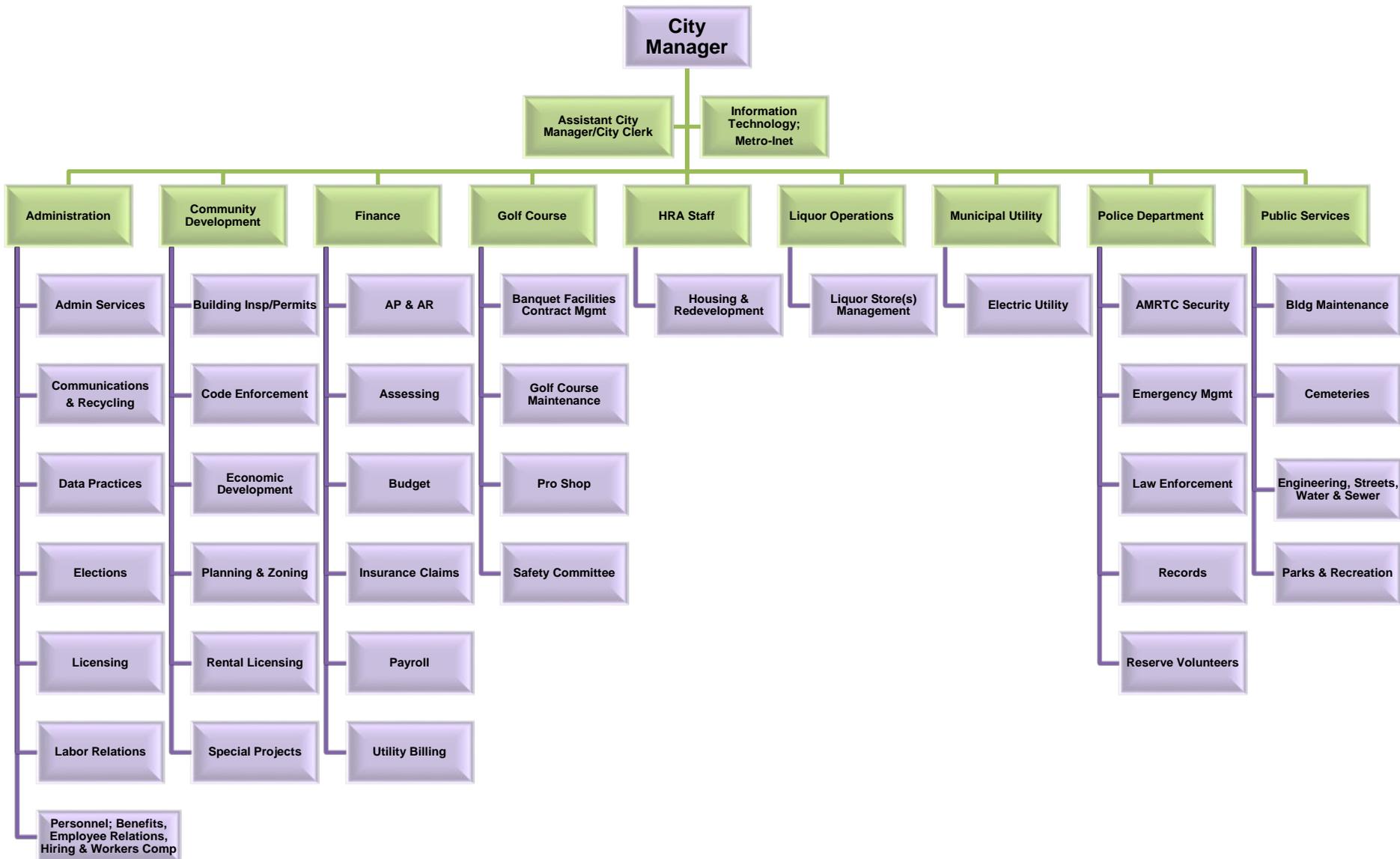
<u>Employee</u>	<u>Position</u>
Greg Lee	City Manager
Scott Baumgartner	Attorney
Greg Geiger	Electric Utility Director
Brenda Smith	Finance Director
Charlie Thompson	Fire Chief
Larry Norland	Golf Manager
Dave Duwenhoegger	Liquor Operations Manager
Doug Borglund	Community Development Director
Eric Peterson	Police Chief

CITY OF ANOKA, MINNESOTA

# City of Anoka Organizational Chart



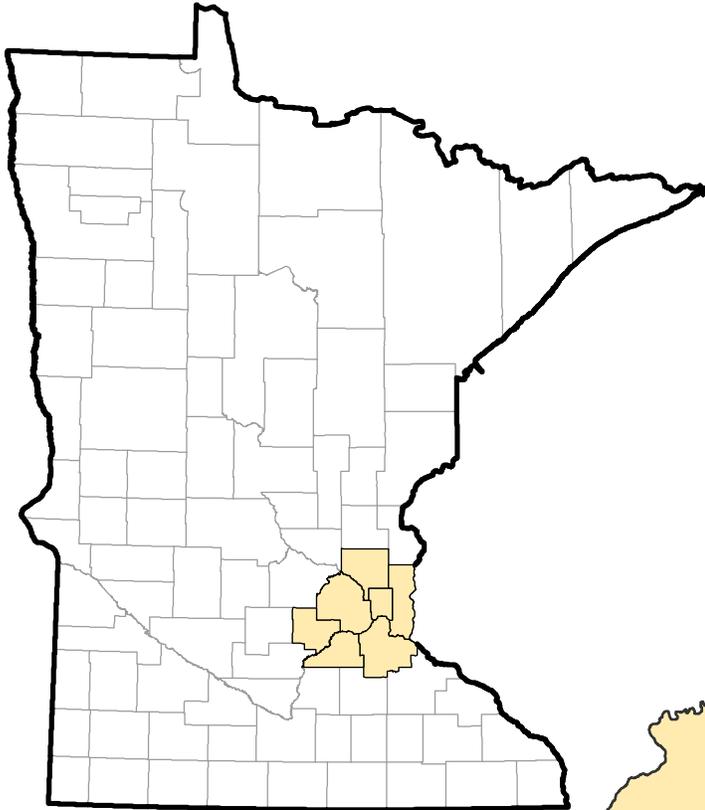
# City of Anoka Organizational Chart



# *City of Anoka*

## *Geographical Location*

**ANOKA**  
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## **Independent Auditor's Report**

City Council  
City of Anoka  
Anoka, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Anoka, Minnesota, (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise 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; 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Anoka, Minnesota, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Emphasis of Matter**

As discussed in Note 17 to the financial statements, the City adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year ended December 31, 2018. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that management's discussion and analysis on pages 16-26, information about the City's net pension liability and other post-employment benefits on pages 78-83, and budgetary comparison information on pages 84-85, 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and 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. The introductory section, combining and individual nonmajor fund financial statements and schedules, the combining internal service fund statements, supplemental financial schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the combining internal service fund statements, and supplemental financial schedules 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. In our

opinion, the combining and individual nonmajor fund financial statements, the combining internal service fund statements, and supplemental financial schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2019 on our consideration of the City's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

June 17, 2019  
Minneapolis, Minnesota



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# Management's Discussion and Analysis

As management of the City of Anoka (the City), we offer readers of the City of Anoka's financial statements this narrative overview and analysis of the financial activities of the City of Anoka for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

## Financial Highlights

- At the close of 2018, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$150,101,310 (net position). Of this amount, \$15,164,315 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$2,837,954, or 1.93 percent.
- As of the close of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$5,811,431, which is a decrease of \$1,522,434 from 2017.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,865,938, or 41.9 percent of total general fund expenditures.
- The City of Anoka's total bonded debt decreased by \$760,000 during the current fiscal year.

## Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Anoka's basic financial statements. The City of Anoka'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 supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City of Anoka's assets, liabilities, and deferred inflows/outflows 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 of Anoka 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 of Anoka that are principally supported by taxes and intergovernmental revenues (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 of Anoka include general government, public safety, public works, and parks and recreation. The business-type activities of the City of Anoka include electric, water, sanitary sewer, liquor, golf, storm drainage, refuse, and recycling. The government-wide financial statements can be found on pages 27 and 28 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 of Anoka, 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 of Anoka can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 financial 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 of the City's near-term financial decisions. Both the governmental fund balance sheet and 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 of Anoka maintains six individual major governmental 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, Debt Service Fund, Street Renewal Fund, Commuter Rail Transit Village Tax Increment Fund, Greens of Anoka Tax Increment Fund, and the South Ferry Tax Increment Fund, all of 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 non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City of Anoka adopts an annual appropriated budget for its general and special revenue funds, except for the Police Forfeiture Fund. A budgetary comparison statement has been provided for budgeted funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29-32 of this report.

**Proprietary funds.** The City of Anoka maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Anoka uses enterprise funds to account for its electric, water, sewer, liquor, golf, storm drainage, refuse, and recycling. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City of Anoka's various functions. The City of Anoka uses internal service funds to account for its information technology, general risk management, employee benefits, and vehicle/equipment fleet. These services benefit governmental and business-type functions, and they have been included within both governmental activities and business-type functions in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, and exclude internal service fund allocations. The proprietary fund financial statements provide separate information for the electric, water, storm drainage, and liquor operations, which are considered to be major funds of the City of Anoka. Sewer, golf, refuse, and recycling are considered non-major funds and are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 33-38 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City of Anoka's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 39 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 40 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, and internal service funds and the component unit are presented immediately following the required basic financial statements and required supplementary information. Combining and individual fund statements and schedules can be found starting on page 87 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 of Anoka, at the close of 2018 assets plus deferred outflows exceeded liabilities plus deferred inflows by \$150,101,310.

The largest portion of the City of Anoka's net position (85.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Anoka uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Anoka'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 Anoka Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 11,214,204	\$ 13,442,864	\$ 26,183,920	\$ 25,052,107	\$ 37,398,124	\$ 38,494,971
Capital assets	96,674,811	93,383,668	44,548,908	45,454,561	141,223,719	138,838,229
Total assets	<u>107,889,015</u>	<u>106,826,532</u>	<u>70,732,828</u>	<u>70,506,668</u>	<u>178,621,843</u>	<u>177,333,200</u>
Deferred outflows of resources	<u>4,517,019</u>	<u>5,646,652</u>	<u>304,448</u>	<u>857,503</u>	<u>4,821,467</u>	<u>6,504,155</u>
Current and other liabilities	1,970,051	2,331,673	3,503,851	4,116,705	5,473,902	6,448,378
Long-term liabilities	16,737,662	18,074,115	4,472,909	4,949,890	21,210,571	23,024,005
Total liabilities	<u>18,707,713</u>	<u>20,405,788</u>	<u>7,976,760</u>	<u>9,066,595</u>	<u>26,684,473</u>	<u>29,472,383</u>
Deferred inflows of resources	<u>6,225,824</u>	<u>6,520,784</u>	<u>431,703</u>	<u>580,832</u>	<u>6,657,527</u>	<u>7,101,616</u>
Net position	<u>\$ 87,472,497</u>	<u>\$ 85,546,612</u>	<u>\$ 62,628,813</u>	<u>\$ 61,716,744</u>	<u>\$ 150,101,310</u>	<u>\$ 147,263,356</u>
Net investment in capital	\$ 85,684,691	\$ 81,699,387	\$ 42,869,504	\$ 43,686,972	\$ 128,554,195	\$ 125,386,359
Restricted:						
Debt	191,993	162,654	-	-	191,993	162,654
Tax increment	6,190,807	3,193,386	-	-	6,190,807	3,193,386
Unrestricted	<u>(4,594,994)</u>	<u>491,185</u>	<u>19,759,309</u>	<u>18,029,772</u>	<u>15,164,315</u>	<u>18,520,957</u>
Total net position	<u>\$ 87,472,497</u>	<u>\$ 85,546,612</u>	<u>\$ 62,628,813</u>	<u>\$ 61,716,744</u>	<u>\$ 150,101,310</u>	<u>\$ 147,263,356</u>

The net position of the City of Anoka increased by \$2,837,954. The primary reason for the increase in net position is investment to capital assets through infrastructure projects finished in 2018. A small portion of the City of Anoka's net position, 4.2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$15,164,315 may be used to meet the City's ongoing obligations to citizens and creditors. Net investment in capital assets increased by \$3,167,836, or 2.5 percent, due to continued capital outlay to city infrastructure. The City used a combination of grants and available funds for investment in capital assets. Net position restricted for debt increased by \$29,339, and net position restricted for tax increments increased by \$2,997,421, for a net increase in restricted net position of \$3,026,760.

At the end of the current fiscal year, the City of Anoka is able to report positive balances in all three categories of net position for the government as a whole. Governmental funds report a negative unrestricted balance due to spending by the TIF Districts. Business-type activities also report positive balances in all three categories.

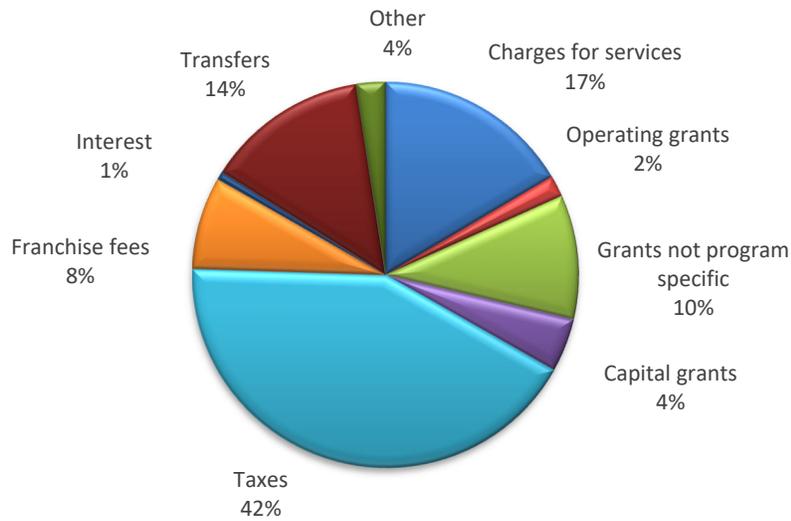
## Governmental Activities

Governmental activities account for just over 58 percent of the City of Anoka's net position. For the year ended December 31 2018, there is an increase in net position for governmental activities of \$2,204,758. Total revenues for governmental activities amounted to \$15,113,900; transfers in were \$2,380,000. Total expenses were \$15,294,657. Key elements of the increase in net position are as follows.

	City of Anoka's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,885,668	\$ 3,649,090	\$ 39,724,665	\$ 38,035,368	\$ 42,610,333	\$ 41,684,458
Operating grants and contributions	314,285	310,718	56,611	61,796	370,896	372,514
Capital grants and contributions	785,219	2,412,774	-	-	785,219	2,412,774
General revenues:						
Property taxes	7,404,134	7,177,145	-	-	7,404,134	7,177,145
Franchise taxes	1,355,374	1,315,417	-	-	1,355,374	1,315,417
Grants and contributions not restricted to specific programs	1,822,734	1,719,554	-	-	1,822,734	1,719,554
Investment income, net	122,509	104,574	480,225	327,960	602,734	432,534
Other	423,977	104,460	300,539	561,204	724,516	665,664
<b>Total revenues</b>	<b>15,113,900</b>	<b>16,793,732</b>	<b>40,562,040</b>	<b>38,986,328</b>	<b>55,675,940</b>	<b>55,780,060</b>
<b>Expenses:</b>						
General government	2,583,277	2,606,360	-	-	2,583,277	2,606,360
Public safety	6,667,289	6,434,580	-	-	6,667,289	6,434,580
Public works	2,778,395	2,927,491	-	-	2,778,395	2,927,491
Park and recreation	2,756,501	2,963,585	-	-	2,756,501	2,963,585
Interest on debt	509,195	508,276	-	-	509,195	508,276
Electric	-	-	27,695,950	26,685,242	27,695,950	26,685,242
Water	-	-	1,430,534	1,329,635	1,430,534	1,329,635
Sewer	-	-	2,336,214	2,260,974	2,336,214	2,260,974
Liquor	-	-	4,081,459	4,267,203	4,081,459	4,267,203
Golf	-	-	1,088,099	1,107,911	1,088,099	1,107,911
Storm drainage	-	-	222,292	188,734	222,292	188,734
Refuse	-	-	101,672	112,193	101,672	112,193
Recycling	-	-	315,252	297,525	315,252	297,525
<b>Total expenses</b>	<b>15,294,657</b>	<b>15,440,292</b>	<b>37,271,472</b>	<b>36,249,417</b>	<b>52,566,129</b>	<b>51,689,709</b>
Gain (Loss) on disposal of capital assets	5,515	371,287	1,501	32,465	7,016	403,752
Increase in net position before transfers and contributed capital	(175,242)	1,724,727	3,292,069	2,769,376	3,116,827	4,494,103
Transfers	2,380,000	1,500,000	(2,380,000)	(1,500,000)	-	-
<b>Change in net position</b>	<b>2,204,758</b>	<b>3,224,727</b>	<b>912,069</b>	<b>1,269,376</b>	<b>3,116,827</b>	<b>4,494,103</b>
Net position on Jan. 1	85,546,612	82,321,885	61,716,744	60,447,368	147,263,356	142,769,253
Prior period adjustment (OPEB)	(278,873)	-	-	-	(278,873)	-
Net position on Jan 1 restated	85,267,739	-	-	-	146,984,483	-
<b>Net position on Dec. 31</b>	<b>\$ 87,472,497</b>	<b>\$ 85,546,612</b>	<b>\$ 62,628,813</b>	<b>\$ 61,716,744</b>	<b>\$ 150,101,310</b>	<b>\$ 147,263,356</b>

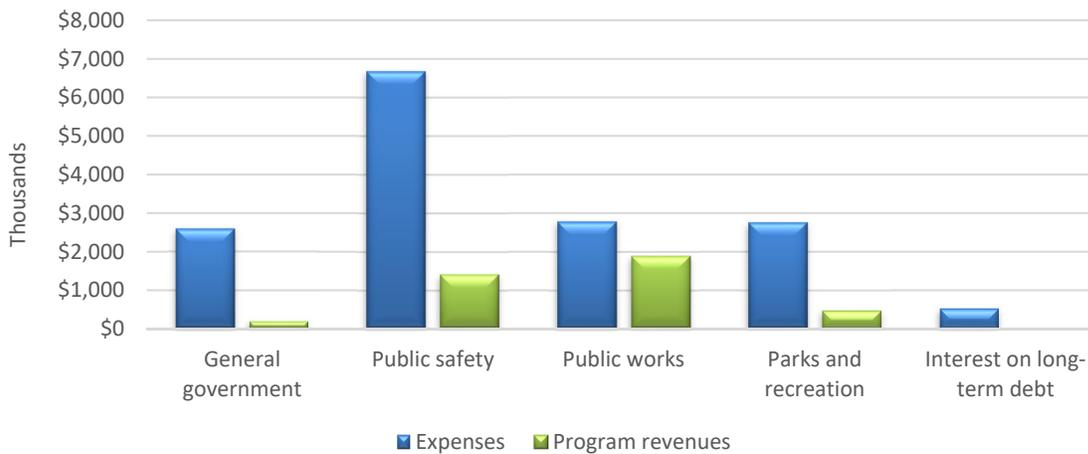
Following are specific graphs that provide comparisons of the governmental activities revenues and expenses.

## Revenue Sources - Governmental Activities



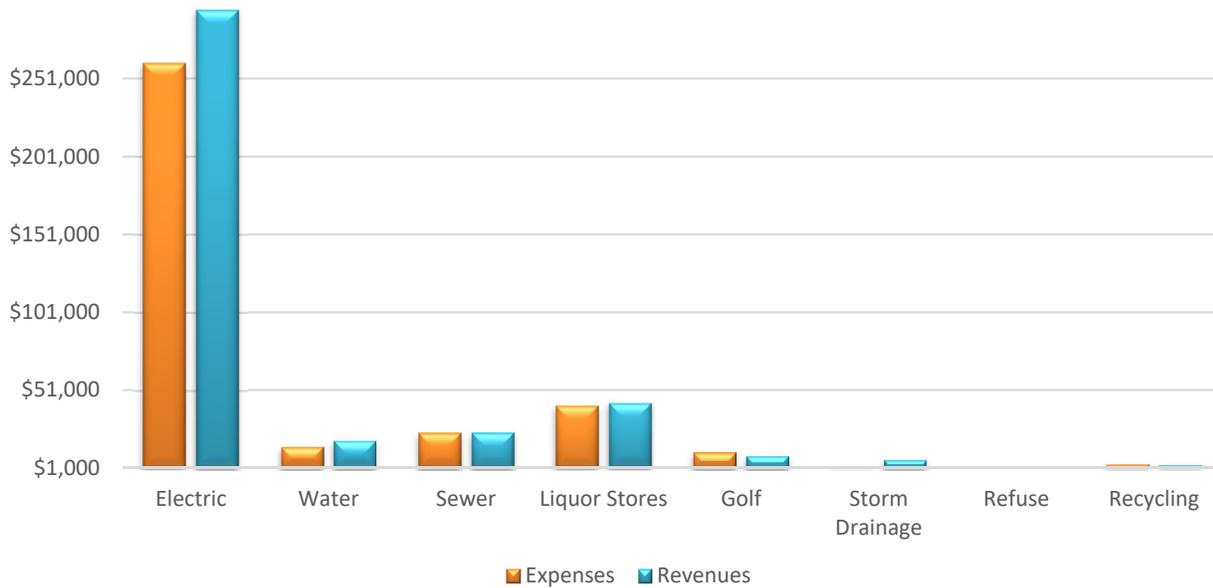
- Total property taxes increased by \$226,989 during the year, which is because of a tax levy increase, as well as increased property values within the City.
- Charges for service decreased by \$763,422. Charges for services vary every year because they are based on projects occurring throughout the city. The large decrease this year was primarily a result of changes in the activity of the deferred special assessment revenue compared with 2017.
- Capital grants and contributions decreased by \$1,627,555 as a result of decreased aid for street projects.
- All governmental expenses, except interest on long-term debt, are supported with general revenues to a varying extent.

## Expenses and Program Revenues - Governmental Activities



**Business-type activities.** Business-type net position increased by \$912,069. The increase is primarily associated with electric utility operations. Below is a graph showing the business-type activities revenue and expense comparisons.

## Expenses and Program Revenues - Business Type Activities (in \$100's)



- Charges for services for business-type activities totaled \$39,724,665. The electric public utility accounts for 74.2 percent of the total. Overall business-type charges for services increased by \$1,689,297 when compared with 2017. There were changes in rate structure in the Electric, Sewer, and Storm Drainage Funds in 2018. The Electric Fund discontinued a purchased power adjustment in 2018.
- Investment income in business-type activities increased in 2018 by \$152,265 as a result of current market conditions.
- Operating expenses increased by \$1,057,143 compared with 2017. All categories of operational expenses were lower in 2018 than in 2017, with the exception of purchased power, sanitary sewer fees, franchise fees, and depreciation.

### Financial Analysis of the City's Funds

**Governmental funds.** The focus of the City of Anoka'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 of Anoka'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.

At the end of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$5,811,431, a decrease of \$1,522,434. The decrease is primarily the result of decreased grants for street projects in 2018. Of the total governmental fund balance, \$97,755 is nonspendable to indicate that it is not available for new spending, because it has already been spent on inventory and prepaid maintenance contracts. The restricted fund balance also indicates that it is not available for new spending, because it has outside restrictions for land held for resale, advances to other funds, debt service, and tax increment.

The General Fund is the chief operating fund of the City of Anoka. At the end of the current year, unassigned fund balance of the General Fund was \$4,865,938, while total fund balance was \$4,963,693. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance with total fund expenditures. Unassigned fund balance represents 41.9 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$227,015 during the current year. Actual revenues in the General Fund were lower than budgeted revenues by \$81,413. Actual expenditures were under budget by \$347,928. With improvements in the economy, the city strives to stay competitive to retain and attract new employees by keeping salary and benefits comparable to other cities this size. Budgeted personal costs exceeded actual costs as a reflection of large number of positions that have been filled through retirement over the past couple years. The majority of the expenditures under budget occurred as a result of lower than budgeted contractual costs. Departments continue to create better efficiencies through new technological uses and streamlining processes. Key factors are as follows:

- The General Fund tax levy for 2018 increased by \$197,105 from the tax levy in 2017. Actual General Fund tax revenues in 2018 were up \$171,786 compared with 2017.
- The City's General Fund licenses and permits revenues decreased by \$38,069 when compared with 2017 as a result of new developments reaching completion. Governmental aid from the state to the General Fund increased \$106,849 over 2017.
- General Fund expenditures were \$269,933 higher than 2017 because of planned increases in spending in public safety departments.

The Debt Service Fund balance is \$547,394, which is an increase of \$3,337 from 2017. The Street Renewal Fund balance is \$123,339, which is an increase of \$87,520 from 2017. The fund received a \$225,000 transfer from the Electric Fund. The Commuter Rail Transit Village Tax Increment Fund has a deficit fund balance of \$3,020,189. This fund will see additional tax revenues generated in the future to pay for internal loans and infrastructure projects. The Greens of Anoka Tax Increment Fund deficit is \$1,960,115. Greens of Anoka TIF continued land purchases in 2018 towards the end goal of redeveloping the area. This fund will also see tax revenues generated in 2018 and beyond as well as proceeds from land sales to pay the internal loan for road projects in this district. The South Ferry Tax Increment Fund deficit is \$1,418,483. This fund will see future tax revenues and transfers from other districts to pay for activity in this district.

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

The unrestricted net position in the respective major proprietary funds are Electric - \$15,504,676, Water - \$2,662,434, Liquor - \$1,124,534, and Storm Drainage - \$127,305. Most propriety funds had increases in net position in 2018, with the exception of Golf, Refuse, and Recycling funds because of operating losses of \$211,741 (Golf Fund), \$4,815 (Refuse Fund), and \$11,693 (Recycling Fund).

The City will close the Refuse Fund in 2019 because the City no longer provides billing service for trash collection. The fund balance will be transferred to the Recycling Fund which will see increased costs and decreased governmental aid as the County changes expectations of service and also plans to decrease grants.

## Budgetary Highlights

### General Fund

The amendment to the original expenditure budget for the General Fund in 2018 resulted in an increase of \$35,000. Actual expenditures were under the final budget amount by \$347,928. Highlights of expenditure variances from the 2018 budget are summarized as follows:

- General government activities under budget by \$115,236
- Public safety activities under budget by \$61,181
- Public works activities under budget by \$36,420
- Parks and recreation under budget by \$135,091

### Capital Assets and Debt Administration

**Capital assets.** The City of Anoka's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounts to \$141,223,719 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, furniture, machinery, and equipment. The total increase in the City of Anoka's investment in capital assets for the current fiscal year was 1.7 percent, or \$2,385,490. There is a 3.5 percent increase in governmental activities investment in capital assets and a 2.0 percent decrease for business-type activities investment in capital assets.

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

- \$6.2 million in street renewal and improvement projects
- \$1.7 million in utility fund infrastructure improvements

The capital assets note (see Note 7) to the financial statements, which begins on page 57 of this report, provides more detailed information on capital asset activity.

#### City of Anoka's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 9,025,301	\$ 9,025,301	\$ 1,289,095	\$ 1,289,095	\$ 10,314,396	\$ 10,314,396
Construction in progress	6,716,619	7,142,562	111,956	111,956	6,828,575	7,254,518
Infrastructure	57,720,953	53,442,528	39,185,993	39,710,562	96,906,946	93,153,090
Buildings and structures	19,583,606	20,027,720	1,539,896	1,642,227	21,123,502	21,669,947
Machinery and equipment	3,467,240	3,562,070	1,507,762	1,692,760	4,975,002	5,254,830
Furniture and equipment	161,092	183,487	35,795	53,404	196,887	236,891
Other improvements	-	-	878,411	954,557	878,411	954,557
<b>Total capital assets</b>	<b>\$ 96,674,811</b>	<b>\$ 93,383,668</b>	<b>\$ 44,548,908</b>	<b>\$ 45,454,561</b>	<b>\$ 141,223,719</b>	<b>\$ 138,838,229</b>

**Long-term debt.** At the end of the current fiscal year, the City of Anoka had total long-term debt outstanding of \$10,060,000. The City has \$8,435,000 of long-term debt for tax increment, public safety buildings, and public facilities. In addition, \$2,308,137 due to the Met Council for purchasing property for a future Highway Ten improvement project is included as governmental activity debt. The City has business-type activity long-term debt in the amount of \$1,625,000 in the Storm Drainage Fund for storm drain improvements.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 8,435,000	\$ 9,110,000	\$ -	\$ -	\$ 8,435,000	\$ 9,110,000
Revenue bonds	-	-	1,625,000	1,710,000	1,625,000	1,710,000
Met Council loan	2,308,137	2,308,137	-	-	2,308,137	2,308,137
<b>Total outstanding debt</b>	<b>\$ 10,743,137</b>	<b>\$ 11,418,137</b>	<b>\$ 1,625,000</b>	<b>\$ 1,710,000</b>	<b>\$ 12,368,137</b>	<b>\$ 13,128,137</b>

The City of Anoka’s total debt decreased by \$760,000 during the current year. The City has long-term debt payable to the Met Council. This debt is considered long term, since it is unknown when improvements will be made to Highway Ten. The City of Anoka maintains a bond rating of AA+ from Standard & Poor’s for general obligation and revenue bond debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City of Anoka is \$42,007,749. The City’s current outstanding debt that applies to the limitation is \$12,368,137, and only \$2,266,532 of this amount is counted within the statutory limitation, since the other debt is either wholly or partially financed by revenues or sources other than a general tax levy. Additional information on the City of Anoka's long-term debt can be found in Note 8 starting on page 58 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate in Anoka County is currently estimated at 3.0 percent, compared with 3.1 percent a year ago. Overall, unemployment in the state of Minnesota is estimated at 3.2 percent and for the United States at 3.7 percent.
- The occupancy rate for industrial properties city-wide is 97.8 percent. The City’s industrial park district is maintaining about a 96.5 percent occupancy rate.

These factors and other factors were considered when the City of Anoka prepared its 2019 budget.

At the end of 2018, total unassigned fund balance in the General Fund was \$4,865,938. The nonspendable fund balance of \$97,755 is for inventories and prepaid items. The City’s 2019 total tax levy increased by \$190,229, or 2.78 percent over last year.

The General Fund budgeted revenues (excluding uses of fund balance) are increasing by a total of .5 percent in 2019. Total general fund budgeted expenditures also increased by .5 percent in 2019. The General Fund expenditures include transfer to debt service of \$569,500. General Fund expenditures have remained relatively the same over the past couple of years.

In 2019, the electric utility rate will add a purchased power adjustment to all rates classes. The sewer utility rate will increase by 9.5 percent, and the storm drainage utility rate will increase by approximately 10 percent to help offset infrastructure costs in the future.

**Requests for information.** This financial report is designed to provide a general overview of the City of Anoka's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 2015 1<sup>st</sup> Avenue, Anoka, MN 55303.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	HRA
<b>Assets and Deferred Outflows of Resources</b>				
Current assets:				
Cash and investments	\$ 9,168,882	\$ 11,548,695	\$ 20,717,577	\$ 1,009,555
Taxes receivable	127,967	-	127,967	4,761
Accounts receivable	489,807	3,847,189	4,336,996	297,017
Special assessments receivable	-	7,973	7,973	-
Accrued interest receivable	20,742	37,673	58,415	3,072
Internal balances	(9,040,675)	9,040,675	-	-
Due from other governmental units	-	-	-	739
Inventories	56,746	1,701,715	1,758,461	-
Prepaid items	83,135	-	83,135	-
Land held for resale	8,093,972	-	8,093,972	694,036
Total current assets	9,000,576	26,183,920	35,184,496	2,009,180
Noncurrent assets:				
Special assessments receivable	2,213,628	-	2,213,628	-
Nondepreciable capital assets	15,741,920	1,401,051	17,142,971	237,058
Capital assets - Net of depreciation:				
Infrastructure	57,720,953	39,185,993	96,906,946	534,964
Buildings and structures	19,583,606	1,539,896	21,123,502	-
Machinery, vehicles, and equipment	3,467,240	1,507,762	4,975,002	-
Furniture and equipment	161,092	35,795	196,887	-
Other improvements	-	878,411	878,411	-
Total noncurrent assets	98,888,439	44,548,908	143,437,347	772,022
Total assets	107,889,015	70,732,828	178,621,843	2,781,202
Deferred outflows of resources:				
Deferred other postemployment resources	12,590	-	12,590	-
Deferred pension resources	4,504,429	304,448	4,808,877	(4,973)
	4,517,019	304,448	4,821,467	(4,973)
Total assets and deferred outflows of resources	\$ 112,406,034	\$ 71,037,276	\$ 183,443,310	\$ 2,776,229
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
Current liabilities:				
Accounts payable	\$ 498,274	\$ 1,958,509	\$ 2,456,783	\$ 2,578
Accrued wages payable	350,037	155,681	505,718	4,293
Due to other governments	714	-	714	-
Accrued interest payable	108,417	17,983	126,400	-
Deposits	-	1,158,100	1,158,100	-
Unearned revenue	312,609	67,578	380,187	-
Current portion of compensated absences payable	20,000	61,000	81,000	-
Current portion of long-term liabilities	680,000	85,000	765,000	-
Total current liabilities	1,970,051	3,503,851	5,473,902	6,871
Noncurrent liabilities:				
Compensated absences payable	825,742	300,572	1,126,314	3,899
Net other postemployment benefit obligation	557,214	-	557,214	-
Noncurrent portion of long-term liabilities	10,310,120	1,594,404	11,904,524	-
Net pension liability	5,044,586	2,577,933	7,622,519	31,830
Total noncurrent liabilities	16,737,662	4,472,909	21,210,571	35,729
Total liabilities	18,707,713	7,976,760	26,684,473	42,600
Deferred inflows of resources:				
Deferred pension resources	6,225,824	431,703	6,657,527	6,874
Net position:				
Net investment in capital assets	85,684,691	42,869,504	128,554,195	772,022
Restricted for debt service	191,993	-	191,993	-
Restricted for tax increment	6,190,807	-	6,190,807	1,678,365
Unrestricted	(4,594,994)	19,759,309	15,164,315	276,368
Total net position	87,472,497	62,628,813	150,101,310	2,726,755
Total liabilities, deferred inflows of resources, and net position	\$ 112,406,034	\$ 71,037,276	\$ 183,443,310	\$ 2,776,229

See accompanying notes to financial statements.

# CITY OF ANOKA, MINNESOTA

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			HRA
					Governmental Activities	Business - Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,583,277	\$ 208,264	\$ -	\$ -	\$ (2,375,013)	\$ -	\$ (2,375,013)	
Public safety	6,667,289	1,099,352	314,285	-	(5,253,652)	-	(5,253,652)	
Public works	2,778,395	1,105,052	-	783,744	(889,599)	-	(889,599)	
Parks and recreation	2,756,501	473,000	-	1,475	(2,282,026)	-	(2,282,026)	
Interest on long-term debt	509,195	-	-	-	(509,195)	-	(509,195)	
Total governmental activities	15,294,657	2,885,668	314,285	785,219	(11,309,485)	-	(11,309,485)	
Business-type activities:								
Electric	27,695,950	29,474,681	-	-	-	1,778,731	1,778,731	
Water	1,430,534	1,814,740	-	-	-	384,206	384,206	
Sewer	2,336,214	2,349,392	-	-	-	13,178	13,178	
Liquor Stores	4,081,459	4,247,545	-	-	-	166,086	166,086	
Golf	1,088,099	873,424	-	-	-	(214,675)	(214,675)	
Storm Drainage	222,292	627,500	-	-	-	405,208	405,208	
Refuse	101,672	94,732	-	-	-	(6,940)	(6,940)	
Recycling	315,252	242,651	56,611	-	-	(15,990)	(15,990)	
Total business-type activities	37,271,472	39,724,665	56,611	-	-	2,509,804	2,509,804	
Total primary government	52,566,129	42,610,333	370,896	785,219	(11,309,485)	2,509,804	(8,799,681)	
Component unit:								
HRA	226,900	(6,441)	-	-				(233,341)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					6,830,816	-	6,830,816	251,472
Property taxes, levied for debt service					(324)	-	(324)	-
Property taxes, levied for tax increment					573,642	-	573,642	101,895
Franchise taxes					1,355,374	-	1,355,374	-
Grants, aid, and contributions not restricted to specific programs					1,822,734	-	1,822,734	-
Investment income, net					122,509	480,225	602,734	22,578
Gain (loss) on disposal of capital assets					5,515	1,501	7,016	(732,399)
Other					423,977	300,539	724,516	52,529
Transfers					2,380,000	(2,380,000)	-	-
Total general revenues and transfers					13,514,243	(1,597,735)	11,916,508	(303,925)
Change in net position					2,204,758	912,069	3,116,827	(537,266)
Net position - Beginning of year					85,546,612	61,716,744	147,263,356	3,264,021
Prior period adjustment (See note 17)					(278,873)	-	(278,873)	-
Net position - Beginning of year as restated					85,267,739	61,716,744	146,984,483	3,264,021
Net position - End of year					87,472,497	62,628,813	150,101,310	2,726,755

See accompanying notes to financial statements

**CITY OF ANOKA, MINNESOTA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	<b>General</b>	<b>Debt Service</b>	<b>Street Renewal</b>	<b>Commuter Rail Transit Village Tax Increment</b>	<b>Greens of Anoka Tax Increment</b>	<b>South Ferry Tax Increment</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>								
Cash and investments	\$ 3,401,906	\$ 545,611	\$ 53,330	\$ 18,821	\$ 2,756	\$ 32,424	\$ 2,978,319	\$ 7,033,167
Receivables, net:								
Taxes	124,536	1,398	-	-	1,174	-	859	127,967
Special assessments	4,390	-	2,209,238	-	-	-	-	2,213,628
Accounts receivable	58,107	-	181,892	-	203,403	-	46,405	489,807
Due from other funds	2,019,869	-	328,870	-	-	-	-	2,348,739
Accrued interest	16,487	1,668	(1,747)	-	-	-	(1,755)	14,653
Advance to other funds	-	-	-	-	-	-	915,000	915,000
Inventories	14,620	-	-	-	-	-	-	14,620
Prepaid items	83,135	-	-	-	-	-	-	83,135
Land held for resale	-	-	230,000	432,331	2,837,536	-	4,594,105	8,093,972
Total assets	<u>\$ 5,723,050</u>	<u>\$ 548,677</u>	<u>\$ 3,001,583</u>	<u>\$ 451,152</u>	<u>\$ 3,044,869</u>	<u>\$ 32,424</u>	<u>\$ 8,532,933</u>	<u>\$ 21,334,688</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 143,649	\$ -	\$ 53,252	\$ 1,341	\$ 36,566	\$ 907	\$ 180,416	\$ 416,131
Accrued wages payable and other benefits	339,773	-	-	-	-	-	3,879	343,652
Due to other funds	90,000	-	643,198	-	-	-	1,766,212	2,499,410
Due to other governments	-	-	714	-	-	-	-	714
Unearned revenue	103,392	-	-	-	203,403	-	5,814	312,609
Advance from other funds	-	-	-	3,470,000	4,765,000	1,450,000	-	9,685,000
Total liabilities	<u>676,814</u>	<u>-</u>	<u>697,164</u>	<u>3,471,341</u>	<u>5,004,969</u>	<u>1,450,907</u>	<u>1,956,321</u>	<u>13,257,516</u>
Deferred inflows of resources:								
Unavailable revenue-Property taxes	82,543	1,283	-	-	15	-	820	84,661
Unavailable revenue-Special assessments	-	-	2,181,080	-	-	-	-	2,181,080
Total deferred inflows of resources	<u>82,543</u>	<u>1,283</u>	<u>2,181,080</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>820</u>	<u>2,265,741</u>
Fund balances:								
Nonspendable	97,755	-	-	-	-	-	-	97,755
Restricted	-	547,394	-	432,331	2,837,536	-	5,252,173	9,069,434
Committed	-	-	-	-	-	-	2,287,781	2,287,781
Assigned	-	-	123,339	-	-	-	462,073	585,412
Unassigned	4,865,938	-	-	(3,452,520)	(4,797,651)	(1,418,483)	(1,426,235)	(6,228,951)
Total fund balances	<u>4,963,693</u>	<u>547,394</u>	<u>123,339</u>	<u>(3,020,189)</u>	<u>(1,960,115)</u>	<u>(1,418,483)</u>	<u>6,575,792</u>	<u>5,811,431</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,723,050</u>	<u>\$ 548,677</u>	<u>\$ 3,001,583</u>	<u>\$ 451,152</u>	<u>\$ 3,044,869</u>	<u>\$ 32,424</u>	<u>\$ 8,532,933</u>	<u>\$ 21,334,688</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

Total governmental fund balances	\$ 5,811,431
Amounts reported for governmental activities in the statement of net position (page 27) are different because:	
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and are not reported in the funds.	94,851,537
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore are not reported in the funds.	(10,990,120)
Internal service funds are used by management to charge the costs of fleet management, payroll benefits, insurance, and management information systems to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position.	2,952,930
The net pension liability and related deferred inflows and deferred outflows are recorded only in the government-wide statement of net position.	(6,765,981)
The liability recorded for other postemployment benefits and related deferred inflows and deferred outflows are not due and payable in the current period and therefore are not recorded in the governmental funds.	(544,624)
Governmental funds do not report a liability for accrued interest until due and payable.	(108,417)
Deferred inflows are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>2,265,741</u>
Net position of the governmental activities	<u>\$ 87,472,497</u>

**CITY OF ANOKA, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Street Renewal	Commuter Rail Transit Village Tax Increment	Greens of Anoka Tax Increment	South Ferry Tax Increment	Total Nonmajor Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 6,826,423	\$ 415	\$ -	\$ 237,762	\$ 202,004	\$ 18,773	\$ 129,724	\$ 7,415,101
Special assessments	-	-	568,810	-	-	-	-	568,810
Licenses and permits	400,519	-	15,401	-	-	-	44,908	460,828
Fines and forfeitures	55,160	-	-	-	-	-	44,479	99,639
Intergovernmental	2,322,531	-	577,000	-	-	-	-	2,899,531
Charges for current services	1,060,709	-	-	-	-	-	214,630	1,275,339
Franchise fees	973,328	-	382,046	-	-	-	-	1,355,374
Investment income	39,712	2,493	13,577	-	-	-	8,196	63,978
Net increase (loss) in fair value of investments	27,106	3,515	(14,123)	-	-	-	42,033	58,531
Miscellaneous	198,654	-	467,494	172,182	-	-	221,208	1,059,538
Total revenues	<u>11,904,142</u>	<u>6,423</u>	<u>2,010,205</u>	<u>409,944</u>	<u>202,004</u>	<u>18,773</u>	<u>705,178</u>	<u>15,256,669</u>
Expenditures:								
Current:								
General government	1,897,819	2,775	-	4,977	15,284	8,407	22,913	1,952,175
Public safety	6,249,287	-	-	-	-	-	79,163	6,328,450
Public works	1,109,907	-	11,797	-	-	-	76,495	1,198,199
Parks and recreation	2,067,490	-	-	-	-	-	80,703	2,148,193
Capital outlay	283,124	-	2,135,888	319,586	552,455	-	3,030,835	6,321,888
Debt service:								
Principal retirement	-	675,000	-	-	-	-	-	675,000
Interest and fiscal charges	-	269,811	-	120,794	92,531	52,062	-	535,198
Total expenditures	<u>11,607,627</u>	<u>947,586</u>	<u>2,147,685</u>	<u>445,357</u>	<u>660,270</u>	<u>60,469</u>	<u>3,290,109</u>	<u>19,159,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>296,515</u>	<u>(941,163)</u>	<u>(137,480)</u>	<u>(35,413)</u>	<u>(458,266)</u>	<u>(41,696)</u>	<u>(2,584,931)</u>	<u>(3,902,434)</u>
Other financing sources (uses) including transfers:								
Transfer in	500,000	944,500	225,000	-	-	50,000	1,655,000	3,374,500
Transfer out	(569,500)	-	-	-	-	-	(425,000)	(994,500)
Total other financing sources (uses)	<u>(69,500)</u>	<u>944,500</u>	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>1,230,000</u>	<u>2,380,000</u>
Net changes in fund balances	227,015	3,337	87,520	(35,413)	(458,266)	8,304	(1,354,931)	(1,522,434)
Fund balances (deficits) at beginning of year	<u>4,736,678</u>	<u>544,057</u>	<u>35,819</u>	<u>(2,984,776)</u>	<u>(1,501,849)</u>	<u>(1,426,787)</u>	<u>7,930,723</u>	<u>7,333,865</u>
Fund balances (deficits) at end of year	<u>\$ 4,963,693</u>	<u>\$ 547,394</u>	<u>\$ 123,339</u>	<u>\$ (3,020,189)</u>	<u>\$ (1,960,115)</u>	<u>\$ (1,418,483)</u>	<u>\$ 6,575,792</u>	<u>\$ 5,811,431</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

**FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - Total governmental funds (page 31)	\$ (1,522,434)
Amounts reported for government activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,227,559
Net pension obligations reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.	174,990
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(159,955)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt-related items.	675,000
Interest expense accrued on bonds payable that is reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issues, whereas these amounts are amortized in the statement of activities.	26,004
Net other postemployment benefit obligation reported in the statement of activities does not require the use of current financial resources and is not reported as expenditures in governmental funds until actually due.	(58,932)
Internal service funds are used by management to charge the costs of fleet management, insurance, employee benefits, and management information systems to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(157,474)
Change in net position of governmental activities (page 28)	\$ 2,204,758

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Liquor	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	
<b>Assets:</b>							
Current assets:							
Cash and cash equivalents	\$ 6,558,293	\$ 2,874,956	\$ 1,114,611	\$ 280,070	\$ 720,765	\$ 11,548,695	\$ 2,135,715
Receivables, net:							
Special assessments	7,973	-	-	-	-	7,973	-
Accounts receivable	3,263,437	178,977	-	76,506	328,269	3,847,189	-
Accrued interest	22,537	8,742	3,424	908	2,062	37,673	6,089
Due from other funds	536,240	-	-	-	3,301	539,541	90,000
Due from other governments	-	-	-	-	-	-	-
Inventory	924,569	-	729,281	-	47,864	1,701,714	42,126
Prepaid items	-	-	-	-	-	-	-
Advance to other funds	8,770,000	-	-	-	-	8,770,000	-
Total current assets	<u>20,083,049</u>	<u>3,062,675</u>	<u>1,847,316</u>	<u>357,484</u>	<u>1,102,261</u>	<u>26,452,785</u>	<u>2,273,930</u>
Noncurrent assets:							
Land and improvements	806,267	111,956	311,392	-	171,436	1,401,051	-
Buildings and structures	2,415,647	1,124,314	1,345,489	-	426,443	5,311,893	50,000
Furniture and equipment	656,396	-	257,158	-	169,564	1,083,118	689,783
Machinery and automotive equipment	3,707,941	855,233	14,806	-	2,007,943	6,585,923	5,217,902
Distribution system	42,177,980	16,504,174	-	6,272,786	8,377,937	73,332,877	-
Other improvements	-	-	-	-	2,704,961	2,704,961	-
Total property	49,764,231	18,595,677	1,928,845	6,272,786	13,858,284	90,419,823	5,957,685
Accumulated depreciation	(26,895,622)	(9,486,010)	(1,317,105)	(821,392)	(7,350,786)	(45,870,915)	(4,134,411)
Total noncurrent assets	<u>22,868,609</u>	<u>9,109,667</u>	<u>611,740</u>	<u>5,451,394</u>	<u>6,507,498</u>	<u>44,548,908</u>	<u>1,823,274</u>
Total assets	<u>42,951,658</u>	<u>12,172,342</u>	<u>2,459,056</u>	<u>5,808,878</u>	<u>7,609,759</u>	<u>71,001,693</u>	<u>4,097,204</u>
<b>Deferred outflows of resources:</b>							
Deferred pension resources	152,771	50,915	50,581	-	50,181	304,448	-
Total assets and deferred outflows of resources	<u>\$ 43,104,429</u>	<u>\$ 12,223,257</u>	<u>\$ 2,509,637</u>	<u>\$ 5,808,878</u>	<u>\$ 7,659,940</u>	<u>\$ 71,306,141</u>	<u>\$ 4,097,204</u>
<b>Liabilities:</b>							
Current liabilities:							
Accounts payable	\$ 1,727,448	\$ 20,348	\$ 191,466	\$ 7,069	\$ 12,178	\$ 1,958,509	\$ 82,143
Accrued wages payable	89,466	12,450	23,487	-	30,278	155,681	6,385
Accrued interest payable	-	-	-	17,983	-	17,983	-
Due to other funds	-	54,465	-	205,127	119,278	378,870	100,000
Current portion of compensated absences payable	61,000	-	-	-	-	61,000	20,000
Current portion of bonds payable	-	-	-	85,000	-	85,000	-
Deposits	1,092,006	-	3,746	-	62,348	1,158,100	-
Unearned revenue	67,578	-	-	-	-	67,578	-
Total current liabilities	<u>3,037,498</u>	<u>87,263</u>	<u>218,699</u>	<u>315,179</u>	<u>224,082</u>	<u>3,882,721</u>	<u>208,528</u>
Noncurrent liabilities:							
Compensated absences payable	108,809	35,252	70,048	-	86,463	300,572	825,742
Bonds payable	-	-	-	1,594,404	-	1,594,404	-
Net pension liability	1,353,230	284,680	416,234	-	523,789	2,577,933	-
Total liabilities	<u>4,499,537</u>	<u>407,195</u>	<u>704,981</u>	<u>1,909,583</u>	<u>834,334</u>	<u>8,355,630</u>	<u>1,034,270</u>
<b>Deferred inflows of resources:</b>							
Deferred pension resources	231,607	43,961	68,382	-	87,753	431,703	-
<b>Net position:</b>							
Net investment in capital assets	22,868,609	9,109,667	611,740	3,771,990	6,507,498	42,869,504	1,823,274
Unrestricted	15,504,676	2,662,434	1,124,534	127,305	230,355	19,649,304	1,239,660
Total net position	<u>38,373,285</u>	<u>11,772,101</u>	<u>1,736,274</u>	<u>3,899,295</u>	<u>6,737,853</u>	<u>62,518,808</u>	<u>3,062,934</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 43,104,429</u>	<u>\$ 12,223,257</u>	<u>\$ 2,509,637</u>	<u>\$ 5,808,878</u>	<u>\$ 7,659,940</u>	<u>\$ 71,306,141</u>	<u>\$ 4,097,204</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**RECONCILIATION OF THE BALANCE SHEET OF THE PROPRIETARY FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

Net position - Total enterprise funds	\$ 62,518,808
Amounts reported for proprietary activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of fleet management, payroll benefits, insurance, and management information systems to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position.	<u>110,005</u>
Net position of the business-type activities (page 27)	<u><u>\$ 62,628,813</u></u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
Operating revenues:							
Charges for sales and services:							
Electric utility sales	\$ 29,411,828	\$ -	\$ -	\$ -	\$ -	\$ 29,411,828	\$ -
Water utility sales	-	1,808,072	-	-	-	1,808,072	-
Liquor sales	-	-	4,247,545	-	-	4,247,545	-
Sewer	-	-	-	-	2,349,392	2,349,392	-
Golf	-	-	-	-	798,667	798,667	-
Storm water	-	-	-	627,500	-	627,500	-
Refuse	-	-	-	-	94,732	94,732	-
Recycling	-	-	-	-	242,651	242,651	-
Other	62,853	6,668	-	-	131,368	200,889	1,672,615
Total operating revenues	<u>29,474,681</u>	<u>1,814,740</u>	<u>4,247,545</u>	<u>627,500</u>	<u>3,616,810</u>	<u>39,781,276</u>	<u>1,672,615</u>
Operating expenses:							
Personal services	1,455,645	463,499	566,112	34,356	1,090,575	3,610,187	222,771
Supplies	562,802	103,797	12,512	-	168,483	847,594	311,322
Professional services	1,175,208	281,782	203,559	33,434	218,473	1,912,456	769,449
Contractual services	294,988	73,825	12,028	7,835	70,150	458,826	145,201
Purchased power	21,691,460	-	-	-	-	21,691,460	-
Disposal	-	-	-	-	1,799,074	1,799,074	-
Franchise fee	953,506	-	-	-	-	953,506	-
Cost of sales	-	-	3,229,055	-	59,171	3,288,226	-
Depreciation	1,555,508	505,992	55,420	146,636	432,725	2,696,281	441,336
Total operating expenses	<u>27,689,117</u>	<u>1,428,895</u>	<u>4,078,686</u>	<u>222,261</u>	<u>3,838,651</u>	<u>37,257,610</u>	<u>1,890,079</u>
Operating income (loss)	<u>1,785,564</u>	<u>385,845</u>	<u>168,859</u>	<u>405,239</u>	<u>(221,841)</u>	<u>2,523,666</u>	<u>(217,464)</u>
Nonoperating revenues (expenses):							
Interest income	89,509	32,383	12,032	2,157	5,432	141,513	25,241
Internal interest income	231,919	-	-	-	-	231,919	-
Net increase in fair value of investments	70,635	18,181	8,681	493	8,803	106,793	11,824
Interest expense	(9,228)	-	-	(38,125)	-	(47,353)	-
Gain on sale of capital assets	1,501	-	-	-	-	1,501	14,912
Other income	125,890	176,299	4,594	-	41,109	347,892	(5,844)
Total nonoperating revenues (expenses)	<u>510,226</u>	<u>226,863</u>	<u>25,307</u>	<u>(35,475)</u>	<u>55,344</u>	<u>782,265</u>	<u>46,133</u>
Income (loss) before transfers	<u>2,295,790</u>	<u>612,708</u>	<u>194,166</u>	<u>369,764</u>	<u>(166,497)</u>	<u>3,305,931</u>	<u>(171,331)</u>
Other transfers:							
Transfer out	(2,250,000)	(40,000)	(60,000)	-	(30,000)	(2,380,000)	-
Total transfers	<u>(2,250,000)</u>	<u>(40,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>(30,000)</u>	<u>(2,380,000)</u>	<u>-</u>
Change in net position	45,790	572,708	134,166	369,764	(196,497)	925,931	(171,331)
Net position - Beginning of year	<u>38,327,495</u>	<u>11,199,393</u>	<u>1,602,108</u>	<u>3,529,531</u>	<u>6,934,350</u>	<u>61,592,877</u>	<u>3,234,265</u>
Net position - Ending of year	<u>\$ 38,373,285</u>	<u>\$ 11,772,101</u>	<u>\$ 1,736,274</u>	<u>\$ 3,899,295</u>	<u>\$ 6,737,853</u>	<u>\$ 62,518,808</u>	<u>\$ 3,062,934</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND BALANCE OF PROPRIETARY FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

Change in net position - Total enterprise funds (page 34) \$ 925,931

Amounts reported for proprietary activities in the statement of activities (page 28) are different because:

Internal service funds are used by management to charge the costs of fleet management, payroll benefits, insurance, and management information systems to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(13,862)

Change in net position of business-type activities: \$ 912,069

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
Cash flows from operating activities:							
Received from customers	\$ 29,716,621	\$ 1,991,684	\$ 4,252,139	\$ 621,744	\$ 3,633,366	\$ 40,215,554	\$ -
Received from interfund services provided	231,919	-	-	-	-	231,919	1,672,615
Reimbursement from insurance carrier	-	-	-	-	-	-	404,271
Payments to suppliers for goods and services	(23,945,925)	(462,488)	(3,724,447)	(130,377)	(546,691)	(28,809,928)	(1,289,934)
Payments to employees for services	(1,446,899)	(437,090)	(562,656)	(51,272)	(1,080,823)	(3,578,740)	(186,726)
Payments to other funds for franchise fee	(953,506)	-	-	-	-	(953,506)	-
Disposal charges	-	-	-	-	(1,799,074)	(1,799,074)	-
Deposits returned	(30,855)	-	26	-	7,900	(22,929)	-
Net cash used in operating activities	<u>3,571,355</u>	<u>1,092,106</u>	<u>(34,938)</u>	<u>440,095</u>	<u>214,678</u>	<u>5,283,296</u>	<u>600,226</u>
Cash flows from noncapital financing activities:							
(Increase)/decrease from other funds	(2,254,847)	54,465	-	205,127	115,977	(1,879,278)	87,867
Transfer (to) from other funds	(2,250,000)	(40,000)	(60,000)	-	(30,000)	(2,380,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(4,504,847)</u>	<u>14,465</u>	<u>(60,000)</u>	<u>205,127</u>	<u>85,977</u>	<u>(4,259,278)</u>	<u>87,867</u>
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(900,043)	(244,500)	(10,830)	(419,751)	(215,502)	(1,790,626)	(558,597)
Principal paid on bonds and leases	-	-	-	(88,185)	-	(88,185)	-
Interest paid	(9,228)	-	-	(37,413)	-	(46,641)	-
Proceeds from sale of capital assets	1,501	-	-	-	-	1,501	68,590
Net cash used in capital and related financing activities	<u>(907,770)</u>	<u>(244,500)</u>	<u>(10,830)</u>	<u>(545,349)</u>	<u>(215,502)</u>	<u>(1,923,951)</u>	<u>(490,007)</u>
Cash flows from investing activities:							
Investment earnings	<u>173,435</u>	<u>52,763</u>	<u>22,075</u>	<u>2,431</u>	<u>16,201</u>	<u>266,905</u>	<u>37,179</u>
Net (decrease) increase in cash and cash equivalents	(1,667,827)	914,834	(83,693)	102,304	101,354	(633,028)	235,265
Cash and cash equivalents at beginning of year	<u>8,226,120</u>	<u>1,960,122</u>	<u>1,198,304</u>	<u>177,766</u>	<u>619,411</u>	<u>12,181,723</u>	<u>1,900,450</u>
Cash and cash equivalents at end of year	<u>\$ 6,558,293</u>	<u>\$ 2,874,956</u>	<u>\$ 1,114,611</u>	<u>\$ 280,070</u>	<u>\$ 720,765</u>	<u>\$ 11,548,695</u>	<u>\$ 2,135,715</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 1,785,564	\$ 385,845	\$ 168,859	\$ 405,239	\$ (221,841)	\$ 2,523,666	\$ (217,464)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,555,508	505,992	55,420	146,636	432,725	2,696,281	441,336
Other income	357,809	176,299	4,594	0	41,109	579,811	(5,844)
Changes in assets and liabilities:							
Accounts receivable	142,998	645	-	(5,756)	(24,553)	113,334	404,271
Inventory	20,141	-	(44,861)	-	(6,640)	(31,360)	(5,683)
Prepaid items	-	-	-	-	-	-	10,000
Net pension liability	(248,024)	(16,886)	(69,603)	(22,347)	(93,615)	(450,475)	-
Deferred outflows - Pensions	304,503	40,030	85,452	8,137	114,933	553,055	-
Deferred inflows - Pensions	(82,109)	(10,282)	(23,041)	(2,706)	(30,991)	(149,129)	-
Accounts payable	(241,608)	(3,084)	(222,432)	(89,108)	(23,774)	(580,006)	(62,435)
Accrued wages payable	4,156	(432)	2,347	-	9,746	15,817	(522)
Compensated absences payable	30,220	13,979	8,301	-	9,679	62,179	36,567
Deposits	(30,855)	-	26	-	7,900	(22,929)	-
Unearned revenues	(26,948)	-	-	-	-	(26,948)	-
Total adjustments	<u>1,785,791</u>	<u>706,261</u>	<u>(203,797)</u>	<u>34,856</u>	<u>436,519</u>	<u>2,759,630</u>	<u>817,690</u>
Net cash provided by (used in) operating activities	<u>\$ 3,571,355</u>	<u>\$ 1,092,106</u>	<u>\$ (34,938)</u>	<u>\$ 440,095</u>	<u>\$ 214,678</u>	<u>\$ 5,283,296</u>	<u>\$ 600,226</u>

See accompanying notes to financial statements.

# CITY OF ANOKA, MINNESOTA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2018

	<u>Agency</u>
<b>Assets</b>	
Cash and investments	\$ 595,489
Accounts receivable	13,179
Accrued interest receivable	<u>1,808</u>
Total assets	<u><u>\$ 610,476</u></u>
<b>Liabilities</b>	
Liabilities:	
Deposits payable	\$ 499,544
Due to other organizations	<u>110,932</u>
Total liabilities	<u><u>\$ 610,476</u></u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Accounting Policies of the City of Anoka, Minnesota (the City), conform to accounting principles generally accepted in the United States (GAAP) as applicable to governmental units. The following is a summary of the more significant accounting policies:

**A. Financial Reporting Entity**

The criteria used to determine the financial reporting entity were in conformance with GAAP and include all relevant Governmental Accounting Standards Board (GASB) pronouncements. For financial reporting purposes, the City's financial statements include all funds, departments, agencies, boards, commissions, and other organizations for which the City is considered to be financially accountable.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or levels of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

As a result of applying the criteria above, the financial statements of the reporting entity include those of the City of Anoka and its component unit. In conformity with GAAP, the financial statements of the City of Anoka Housing and Redevelopment Authority (HRA) have been included in the City's reporting entity as a discretely presented component unit.

The discretely presented component unit is reported in a separate column to emphasize that it is legally separate from the City. The HRA was created by the City to carry out certain development projects within the City's HRA tax increment districts. The governing board is appointed by the City Council. The HRA can give, sell, buy, and transfer property; provide grants, loans, leases, and abatements; and raise funds. The HRA may levy a special property tax to fund housing improvement plans within the City. The levy is separate from the City's general fund levy. The HRA annually submits a budget to the City Council, which has the final authority to approve the HRA levy each year. Separate financial statements of the component unit are not prepared but are included in the supplemental section of this document.

**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 all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements.

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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Government-Wide and Fund Financial Statements (continued):**

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 which are clearly identifiable with a specific function or segment. 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**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 fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the 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. The fiduciary fund financial statements have no measurement focus.

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 claims and judgments, are recorded only when payment is due.

Revenues are recorded when received, except for the following items for which receivables have been recorded:

1. Property tax revenue is recorded when it becomes measurable and available to finance expenditures of the current fiscal year. All delinquent taxes receivable are completely offset by deferred inflows of resources. Taxes due from Anoka County on December 31 have been accrued by the City because they will be transmitted to the City in January.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(continued):

2. Special assessment revenue is recorded when it becomes measurable and available to finance expenditures of the current fiscal year. All special assessments receivable in the Governmental Funds are completely offset by deferred inflows of resources. Special assessments due from the County on December 31 have been accrued as revenue, because they will be transmitted to the City in January.
3. Investment earnings are recorded as revenues in the year when earned.
4. Certain grants and state aid received by the City require that eligible expenditures be made in order to earn the grant or aid. Revenue for these grants or state aid is recorded for the period in which eligible expenditures are made.

The City reports the following major governmental funds:

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

**Debt Service Fund** – The Debt Service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for expenditures of principal and interest on general and tax increment long-term debt.

**Street Renewal Fund** - The Street Renewal Capital Project Fund is used to account for financial resources to be used to finance public works projects that are financed partially by special assessments levied against properties that benefit from the public improvements.

**Commuter Rail Transit Village Tax Increment Fund** - The Commuter Rail Transit Village Tax Increment Fund is used to account for the financial resources and expenditures in the City's transit-oriented development village.

**Greens of Anoka Tax Increment Fund** - The Greens of Anoka Tax Increment Fund is used to account for the financial resources and expenditures in the City's golf course redevelopment district.

**South Ferry Tax Increment Fund** - The South Ferry Tax Increment Fund is used to account for the redevelopment of South Ferry Street.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(continued)**

The City reports the following major enterprise funds:

**Electric Fund** - The Electric Fund accounts for the activities related to the operation of an electric utility system.

**Water Fund** - The Water Fund is used to account for the provision of water services to properties within the City of Anoka.

**Liquor Fund** - The Liquor Fund accounts for the revenues and expenses related to operation of the two municipal liquor stores.

**Storm Drainage Fund** - The Storm Drainage Fund is used to account for operating revenues and expenses of maintaining a storm sewer system.

In addition, the City reports the following fund types:

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of the specific revenue sources (other than major capital resources) that are restricted or committed for a specified purpose.

**Capital Project Funds** - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or major purchases of equipment (other than those financed by Proprietary Funds).

**Enterprise Funds** - Enterprise Funds are maintained to account for the operation of City service enterprises that are self-supporting and financed by user charges.

**Internal Service Funds** – Internal Service Funds account for fleet management, risk management, information management, and benefit management services provided to other departments of the government on a cost-reimbursements basis.

**Agency Funds** – Agency Funds account for funds held by the City as agent for private individuals, organizations, or other governments in a custodial nature and do not involve measurement of results of operations. The City reports fiduciary activity for funds held in escrow, for Youth First, and for Anoka’s Downtown District.

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

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(continued)**

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position/Fund Balances**

**Cash and Cash Equivalents**

Cash balances from all funds are pooled together in official depositories and invested to the maximum extent possible. All investment transactions are accounted for in an Investment Agency Fund through a cash overdraft account. On December 31 of each year, the investments and accrued interest receivable balances are allocated from the Investment Agency account to all funds based on their relative cash balance.

On January 1 of each year, this allocation is reversed to re-create an investment pool for maximization of interest earnings. Earnings on investments are allocated to all funds based on their average monthly balances. Periodically, during the year, certain funds have a temporary cash deficit. These funds with cash deficits are charged interest (at the same rate as funds with a positive balance earn interest) when investment interest earnings are allocated.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position/Fund Balances**

**Cash and Cash Equivalents (continued)**

The City invests in municipal bonds, commercial paper, certificates of deposit, banker's acceptances, the United States Treasury, and agencies of the U.S. government. Investments are recorded at fair value based on quoted market prices.

**Property Taxes**

Property tax levies are set by the City Council in December of each year and are certified to Anoka County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The tax levy notice is mailed in March, with the first half-payment due on May 15 and the second half-payment due on October 15.

All property tax receivables are shown net of an allowance for uncollectibles. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. Taxes and special assessments receivable currently total \$2,341,595. Of this receivable, \$2,265,741 is not expected to be collected in the current year and is reflected in the deferred inflows of resources section.

**Accounts Receivable**

All receivables are reported at their gross value and, as appropriate, are reduced by the estimated portion that is expected to be uncollectible. The City considers these receivables to be collectible, and therefore no allowance for uncollectible amounts has been recorded.

**Inventories and Prepaid Items**

Inventory of materials and supplies has been valued at cost (determined on the first-in, first-out basis), except for the Liquor Fund, which is valued on the lower of cost (average-cost basis) or market value. Inventory in the General Fund is for fuel supplies and is equally offset by non-spendable fund balance. The cost of inventory is recorded as an expense when consumed (i.e., consumption method) in the General Fund and Proprietary Fund types.

Certain payments to vendors reflect costs applicable to future accounting periods (consumption method) and are recorded as prepaid items in both the government-wide and fund accounting statements and will be expensed in the period the items are consumed or used.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position/Fund Balances (continued)

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 are defined by the City as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All proprietary fund noncurrent capital assets, with the exception of the Electric Utility Fund, are depreciated on an item basis. Noncurrent capital assets in the Electric Utility Fund are grouped into common or like-kind assets and depreciated on a composite basis using straight-line depreciation. When Electric Utility Fund capital assets are retired, the original cost is removed from the accounts and charged, together with any cost of removal, to accumulated depreciation. Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	5-30
Equipment and vehicles	3-30
Streets and public infrastructure	15-60
Utility distribution systems	15-60

Deferred Outflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category.

Accordingly the item, deferred pension and other postemployment resources are reported only in the statement of net position. This item results from actuarial calculations and current-year pension contributions made subsequent to the measurement date.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position/Fund Balances (continued)**

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the 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 one type of item that 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 fund reports unavailable revenues from three sources: property taxes, special assessments, and intergovernmental. These amounts are deferred and recognized as an inflow or resources in the period that the amounts become available. The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. The City compensates all employees upon termination for unused vacation, holiday, and compensatory time. City employees are entitled to sick leave benefits at the rate of eight hours for each calendar month of full-time service.

Employees hired prior to January 1, 1981 (February 1, 1987, for police patrol), and retiring employees who meet the Public Employees Retirement Association (PERA) age and years of service requirements are compensated for one-third of unused sick leave, up to a maximum of 350 hours upon termination of employment. Accumulated vacation and sick leave is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements. The employee benefits internal service fund reports the government funds' liability for compensated absences on the accrual basis.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position/Fund Balances (continued)**

**Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of PERA and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates, and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 debt are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and related premiums are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond issue costs are recognized when they are incurred. Interest is reported as an expenditure in the period in which the related payment is made.

**Net Position/Fund Equity**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, in the government-wide financial statements. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position/Fund Balances (continued)

**Fund Balance Classifications**

In the fund financial statements, governmental funds report fund balance in classifications that disclose the constraints for which amounts in those funds can be spent. These classifications are as follows:

*Non-spendable* – Consists of amounts that are not in spendable form, such as inventory or prepaid items.

*Restricted* – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors or constraints imposed by state statutory provisions.

*Committed* – Consists of internally imposed constraints. These constraints are established by resolution of the City Council.

*Assigned* – Consists of internally imposed constraints. These constraints reflect the specific purpose for the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council resolution, the City's finance director and/or manager is authorized to establish assignments of fund balance.

*Unassigned* – Is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: (1) committed, (2) assigned, and (3) unassigned.

The City's targeted unassigned General Fund balance is at least 30 percent of budgeted operating expenditures.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2018

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of activities. One element of the reconciliation explains that “capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and are not reported in the funds.” Details of this difference are as follows.

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of activities**

Non-depreciable	\$15,741,920
Infrastructure	57,720,953
Buildings and structures	19,583,606
Machinery, vehicles, and equipment	1,767,681
Furniture and equipment	<u>37,377</u>
Net adjustment to increase fund balance - Total governmental funds to arrive at net position - Governmental activities	<u>\$ 94,851,537</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances reconciles the reconciliation of the net changes in fund balances of total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 6,321,888
Depreciation expense	<u>(3,094,329)</u>
Net adjustment to increase net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,227,559</u>

Another element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.” The details of this difference are as follows:

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)**

Retirement of general obligation bonds	<u>\$ 675,000</u>
Net adjustment to decrease net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 675,000</u>

**3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Fund Equity**

The following funds have a negative fund balance at December 31, 2018:

1. The Commuter Rail Transit Village Tax Increment Fund has a negative fund balance of \$3,020,189. The negative fund balance will be eliminated with future tax increment revenue collections.
2. The Greens of Anoka Tax Increment Fund has a negative fund balance of \$1,960,115. The negative fund balance will be eliminated with future tax increment revenue collections.
3. The South Ferry Tax Increment Fund has a negative fund balance of \$1,418,483. The negative fund balance will be eliminated with future tax increment revenue collections.
4. The Building Improvement Fund has a negative fund balance of \$279,044. The negative fund balance will be eliminated with the sale of property held for resale and future transfers from the Electric Fund.

**4. CASH AND INVESTMENTS**

**A. City of Anoka**

The City follows its own investment policy, which is designed following the state statute guidelines for investment purposes of City funds. The state statute allows for investments in United States securities, obligations of state and local governments, commercial paper, certificates of deposit, banker's acceptance, and repurchase agreements.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**4. CASH AND INVESTMENTS**

**A. City of Anoka (continued)**

In addition to limitations described in state statute, the City’s investment policy restricts investment maturities to a maximum of 10 years. The following tables of cash and investments for the City of Anoka include fiduciary funds of \$595,489 and exclude petty cash of \$4,875.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates.

As of December 31, 2018, the City had the following investments and maturities (in years):

	Fair Value	Investment Maturities (in Years)		
		Less than one	1-5	6-10
Federal Home Loan Bank (FHLB)	\$ 1,997,135	\$ 750,097	\$ 1,247,038	\$ -
Federal Nat'l. Mtg. Assn. (FNMA)	4,956,156	2,498,944	2,457,212	-
Federal Farm Credit Bank (FFCB)	2,211,850	-	2,211,850	-
Federal Home Loan Mtg. Corp. (Freddie Mac)	3,210,513	996,270	2,214,243	-
Treasury notes	1,742,567	1,241,918	500,649	-
Municipal bonds	507,582	-	507,582	-
Certificates of deposit	1,958,899	1,228,752	730,147	-
Money market accounts	4,723,489	4,723,489	-	-
	<u>\$ 21,308,191</u>	<u>\$ 11,439,470</u>	<u>\$ 9,868,721</u>	<u>\$ -</u>

(b) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statute limits allows investment in U.S. Securities and the general obligations of state and local governments rated “A” or better by a nationally recognized statistical rating organization (NRSRO) and state and local government revenue securities rated “AA” or better by a NRSRO. As of December 31, 2018, the City’s investments in U.S. Government Agencies and U.S. Government Sponsored Enterprises are rated AA+ by Standard and Poor’s and Aaa by Moody’s Investment Service. The City’s investment in Municipal Bonds were not rated by Standard & Poor’s and Aa by Moody’s investment service. U.S. Treasury Notes, Certificates of Deposit, and Money Market Accounts are exempt from rating.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**4. CASH AND INVESTMENTS**

**A. City of Anoka (continued)**

(c) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. The City of Anoka will eliminate investment custodial credit risk by permitting banks to hold security investments only to the extent they are transferred to the bank's trust department. Security investments not held in the bank's trust department will be held by City of Anoka's custodian. At December 31, 2018, all of the City's investments are insured and registered and are held by the counterparty's agent in the City's name.

(d) Restricted Cash

The City does not have cash restricted as of December 31, 2018.

**B. Component Unit - Housing and Redevelopment Authority (HRA)**

The HRA is a component unit of the City. The HRA follows the City's investment policy, which is designed following the state statute guidelines for investment purposes of City funds.

The state statute allows for investments in U.S. securities, state and local government general obligation securities rated "A" or better by a national bond rating agency, state and local government revenue securities rated "AA" or better by a national bond rating agency, commercial paper rated in the highest quality category by two national rating agencies and that mature in 270 days or less, certificates of deposit, banker's acceptances, and repurchase agreements.

As of December 31, 2018, the HRA had the following investments and maturities:

Money market accounts - Less than one year - \$1,009,555

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**4. CASH AND INVESTMENTS**

**B. Component Unit - Housing and Redevelopment Authority (HRA) (continued)**

(b) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. The following lists the credit quality ratings per Moody's and/or Standard & Poor's of the HRA's investments as of December 31, 2018:

Money market accounts - \$1,009,555 – Not rated

(c) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the HRA will not be able to recover the value of the investments, collateral securities, or deposits that are in the possession of the counterparty. The HRA does not have a formal policy related to custodial credit risk of investments or deposits. At December 31, 2018, all of the HRA's investments are insured and registered and are held by the counterparty's agent in the City's name.

**5. FAIR VALUE MEASUREMENT**

**A. City of Anoka**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The categorization of investments within the hierarchy is based on the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**5. FAIR VALUE MEASUREMENT**

**A. City of Anoka (continued)**

The City has the following investments valued at recurring fair value measurements at December 31, 2018:

Investments by fair value level	Total Assets at Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 4,723,489	\$ -	\$ 4,723,489	\$ -
Negotiable certificates of deposit	1,958,899	-	1,958,899	-
Municipal Bonds	507,582	-	507,582	-
U.S. governmental agency obligations	14,118,221	-	14,118,221	-
Total investments measured at fair value	<u>\$ 21,308,191</u>	<u>\$ -</u>	<u>\$ 21,308,191</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used for assets measured at fair value in the table above:

Money market funds and bankers acceptances - Valued using a net asset value (NAV) of \$1.

Negotiable certificates of deposit - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable certificates of deposit.

U.S. Government agency and municipal bond obligations - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

**B. Component Unit - Housing and Redevelopment Authority (HRA)**

Investments by Fair Value Level

Money market accounts – significant other observable inputs (Level 2) \$1,009,555

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**6. INTERFUND ACTIVITY**

The City had the following interfund receivable and payable balances as of December 31, 2018:

Fund	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
General Fund	\$ 2,019,869	\$ 90,000	\$ -	\$ -
Street Renewal	328,870	643,198	-	-
CRTV Tax Increment	-	-	-	3,470,000
Greens of Anoka Tax Increment	-	-	-	4,765,000
South Ferry Tax Increment	-	-	-	1,450,000
Non-major governmental funds	-	1,766,212	915,000	-
Electric Utility	536,240	-	8,770,000	-
Water Utility	-	54,465	-	-
Storm Drainage Utility	-	205,127	-	-
Non-major proprietary funds	3,301	119,278	-	-
Internal service funds	90,000	100,000	-	-
<b>Total</b>	<b>\$ 2,978,280</b>	<b>\$ 2,978,280</b>	<b>\$ 9,685,000</b>	<b>\$ 9,685,000</b>

The interfund receivables and payables are used to borrow funds internally for special projects and year-end adjustments. Of the due to other funds in the Building Improvement fund, a non-major government fund, \$376,068 will not be repaid within one year. Advances to and from other funds are longer-term commitments.

Interfund transfers for the year were as follows:

	General Fund	Debt Service	Street Renewal	South Ferry TIF	Non-major Gov	Total Out
General Fund	\$ -	\$ 569,500	\$ -	\$ -	\$ -	\$ 569,500
Non-major Gov	-	-	-	50,000	375,000	425,000
Electric	500,000	375,000	225,000	-	1,150,000	2,250,000
Water	-	-	-	-	40,000	40,000
Sewer	-	-	-	-	30,000	30,000
Liquor	-	-	-	-	60,000	60,000
<b>Total In</b>	<b>\$ 500,000</b>	<b>\$ 944,500</b>	<b>\$ 225,000</b>	<b>\$ 50,000</b>	<b>\$ 1,655,000</b>	<b>\$ 3,374,500</b>

Transfers are used to (1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various capital projects accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or proprietary funds have been eliminated in the government-wide statement of activities.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 9,025,301	\$ -	\$ -	\$ -	\$ 9,025,301
Construction in progress	7,142,562	5,510,505	-	(5,936,448)	6,716,619
Total capital assets not being depreciated	<u>16,167,863</u>	<u>5,510,505</u>	<u>-</u>	<u>(5,936,448)</u>	<u>15,741,920</u>
Capital assets being depreciated:					
Infrastructure	68,406,759	316,502	-	5,903,925	74,627,186
Building and structures	34,927,719	452,179	-	32,523	35,412,421
Machinery and equipment	10,017,253	561,686	316,291	-	10,262,648
Furniture and equipment	1,270,364	39,614	-	-	1,309,978
Total capital assets being depreciated	<u>114,622,095</u>	<u>1,369,981</u>	<u>316,291</u>	<u>5,936,448</u>	<u>121,612,233</u>
Less accumulated depreciation for:					
Infrastructure	14,964,231	1,942,002	-	-	16,906,233
Building and structures	14,899,999	928,816	-	-	15,828,815
Machinery and equipment	6,455,183	602,838	262,613	-	6,795,408
Furniture and equipment	1,086,877	62,009	-	-	1,148,886
Total accumulated depreciation	<u>37,406,290</u>	<u>3,535,665</u>	<u>262,613</u>	<u>-</u>	<u>40,679,342</u>
Total capital assets being depreciated, net	<u>77,215,805</u>	<u>(2,165,684)</u>	<u>53,678</u>	<u>5,936,448</u>	<u>80,932,891</u>
Governmental activities capital assets, net	<u>\$93,383,668</u>	<u>\$3,344,821</u>	<u>\$ 53,678</u>	<u>\$ -</u>	<u>\$ 96,674,811</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land and improvements	\$ 1,289,095	\$ -	\$ -	\$ -	\$ 1,289,095
Construction in progress	111,956	-	-	-	111,956
Total capital assets not being depreciated	<u>1,401,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,401,051</u>
Capital assets being depreciated:					
Infrastructure	71,674,598	1,690,962	32,684	-	73,332,876
Building and structures	5,301,063	10,830	-	-	5,311,893
Machinery and equipment	6,497,089	88,835	-	-	6,585,924
Furniture and equipment	1,083,118	-	-	-	1,083,118
Other improvements	2,704,961	-	-	-	2,704,961
Total capital assets being depreciated	<u>87,260,829</u>	<u>1,790,627</u>	<u>32,684</u>	<u>-</u>	<u>89,018,772</u>
Less accumulated depreciation for:					
Infrastructure	31,964,036	2,215,531	32,684	-	34,146,883
Building and structures	3,658,836	113,161	-	-	3,771,997
Machinery and equipment	4,804,329	273,833	-	-	5,078,162
Furniture and equipment	1,029,714	17,609	-	-	1,047,323
Other improvements	1,750,404	76,147	-	-	1,826,551
Total accumulated depreciation	<u>43,207,319</u>	<u>2,696,281</u>	<u>32,684</u>	<u>-</u>	<u>45,870,916</u>
Total capital assets being depreciated, net	<u>44,053,510</u>	<u>(905,654)</u>	<u>-</u>	<u>-</u>	<u>43,147,856</u>
Business-type activities capital assets, net	<u>\$45,454,561</u>	<u>\$ (905,654)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,548,907</u>

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**7. CAPITAL ASSETS (continued)**

Depreciation expense (including internal service fund depreciation) was charged to functions/programs of the City as follows:

Governmental activities:	
General Government	\$ 1,093,563
Public Safety	214,284
Streets and Highways (including depreciation of infrastructure)	1,525,995
Parks and Recreation	701,823
Total depreciation of expense - Governmental activities	<u>\$ 3,535,665</u>
Business-type activities:	
Electric	\$ 1,555,508
Water	505,992
Sewer	297,826
Storm Drainage	146,636
Liquor	55,420
Golf	134,899
Total depreciation of expense - Business-type activities	<u>\$ 2,696,281</u>

**8. LONG-TERM DEBT**

**A. City of Anoka**

Bonds payable at December 31, 2018, are summarized as follows:

	<u>Maturities</u>	<u>Rate</u>	<u>Balance</u>
Governmental activities:			
General obligation bonds:			
G.O. Public facilities refunding	2022	2.00-3.15%	\$ 1,430,000
G.O. Public facilities crossover refunding	2028	2.00%	1,390,000
G.O. Tax increment crossover refunding	2033	3.00-4.00%	5,615,000
Business-type activities:			
General Obligation Revenue Bonds:			
Utility storm water revenue bonds	2036	2.00-3.00%	1,625,000
			<u>\$ 10,060,000</u>

The Met Council loan payable at December 31, 2018, is \$2,308,137. There is no scheduled payback for this loan, nor is there any interest charged.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**8. LONG-TERM DEBT**

**A. City of Anoka (continued)**

**Descriptions of Long-Term Debt**

General obligation bonds – The bonds were issued for improvements or projects that benefited the City as a whole and are therefore repaid from ad valorem levies and tax increment revenues.

Revenue bonds – The bonds were issued for improvements or projects that primarily benefited a particular business-type activity and are therefore *primarily* repaid from charges for services within that activity

Governmental loan – The loan with the Met Council is for purchasing property or right of way in advance of reconstruction. This loan will be repaid when The Minnesota Department of Transportation uses the right-of-way property for reconstruction of Highway Ten.

Changes in long-term liabilities during 2018 are summarized as follows:

	1/01/2018	Issued	Retired	12/31/2018	Due in One Year
Governmental activities:					
General obligation bonds	\$ 9,110,000	\$ -	\$ 675,000	\$ 8,435,000	\$ 680,000
Premium on bonds	266,144	-	19,161	246,983	-
Other liabilities					
GERF pension liability	2,732,048	(38,928)	337,790	2,355,330	-
PEPFF pension liability	3,334,792	(113,356)	532,180	2,689,256	-
Compensated absences	809,175	756,119	719,552	845,742	20,000
OPEB*	485,692	92,684	21,162	557,214	-
Met Council loan	2,308,137	-	-	2,308,137	-
Total governmental activities	<u>19,045,988</u>	<u>696,519</u>	<u>2,304,845</u>	<u>17,437,662</u>	<u>700,000</u>
Business-type activities:					
Revenue bonds	1,710,000	-	85,000	1,625,000	85,000
Premium on bonds	57,589	-	3,185	54,404	-
Other liabilities:					
GERF pension liability	3,028,408	(46,549)	403,926	2,577,933	-
Compensated absences	299,393	328,315	266,136	361,572	61,000
Total business-type activities	<u>5,095,390</u>	<u>281,766</u>	<u>758,247</u>	<u>4,618,909</u>	<u>146,000</u>
Total long-term debt	<u>\$ 24,141,378</u>	<u>\$ 978,285</u>	<u>\$ 3,063,092</u>	<u>\$ 22,056,571</u>	<u>\$ 846,000</u>

\*Beginning balance for OPEB is restated per GASB 75. Please see Note #17

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**8. LONG-TERM DEBT**

**A. City of Anoka**

**Descriptions of Long-Term Debt (continued)**

Compensated absences are liquidated through proprietary funds and internal service funds. OPEB and pension liabilities are unfunded. Yearly expense associated with OPEB is recognized in governmental funds. Yearly pension expense is liquidated in governmental funds and proprietary funds. The Met Council loan is payable with the sale of land held for resale when the State of Minnesota reconstructs Highway Ten.

The scheduled annual principal and interest payments on the City's indebtedness as of December 31, 2018, are the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total
	Principal	Interest	Principal	Interest	
2019	680,000	251,363	85,000	38,900	1,055,263
2020	700,000	232,652	85,000	37,200	1,054,852
2021	685,000	213,065	85,000	35,500	1,018,565
2022	765,000	190,890	85,000	33,800	1,074,690
2023	440,000	171,028	85,000	32,100	728,128
2024-2028	2,585,000	627,612	430,000	134,725	3,777,337
2029-2033	2,580,000	225,386	455,000	80,775	3,341,161
2034-2036	-	-	315,000	14,475	329,475
	<u>\$ 8,435,000</u>	<u>\$ 1,911,996</u>	<u>\$ 1,625,000</u>	<u>\$ 407,475</u>	<u>\$ 12,379,471</u>

The City has pledged future storm water customer revenues, net of specified operating expense, to repay the storm water utility bond. Proceeds from the bond provided for financing for the construction of capital assets used in storm water collection and treatment, activities which are accounted for in an enterprise fund of the City. This bond is payable through 2036. Total principal and interest remaining to be paid on the bond is \$2,032,475. Total principal and interest paid and total storm water revenues pledged for the repayment of this bond for the current year were \$126,310 and \$551,875, respectively.

Principal and interest payments on general obligation bonds are financed by the Debt Service Funds, which receives tax levy revenue and transfers from the Enterprise Fund, HRRD Tax Increment Fund, and the General Fund. All bonds are backed by the full faith and credit of the City.

*State of Minnesota Statutes*, Chapter 475, provides that the City shall not incur or be subject to a net debt in excess of 3 percent of the market value of taxable property.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**8. LONG-TERM DEBT**

**A. City of Anoka**

**Descriptions of Long-Term Debt (continued)**

At December 31, 2018, the legal debt margin was calculated as follows:

Market value of taxable property	<u>\$ 1,477,729,000</u>
Debt limit, 3.0% of market value	\$ 44,331,870
Less amount of debt (applicable to debt limit)	<u>2,266,532</u>
Legal debt margin	<u>\$ 42,065,338</u>

From time to time, the City has issued industrial development revenue bonds in accordance with the Minnesota Municipal Industrial Development Act. These obligations are issued to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The obligations are secured by the property financed and are payable solely from payments received on the underlying mortgage loan.

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, the state, or any political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2018, there are two series of health care facility revenue bonds outstanding with an aggregate principal amount payable of \$22,560,000 and \$21,950,000, one series of senior housing facility revenue bonds outstanding with an aggregate principal amount payable of \$10,885,000, one series of senior housing and healthcare revenue bonds outstanding with an aggregate principal amount payable of \$13,935,000, and one series of taxable senior housing and healthcare revenue bonds with an aggregate principal amount payable of \$885,000.

**B. Component Unit – HRA**

The HRA reported a liability of \$31,830 for its proportionate share of the General Employees Fund Pension net pension liability for the year ended December 31, 2018.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**9. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft or damage to and the destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City reports its insurance activities in the Insurance Fund (an internal service fund). The City participates in a public entity risk pool to mitigate its exposure to these risks. Workers' compensation, property, and liability coverages are provided through a pooled self-insurance plan with other cities.

The City pays an annual premium for its workers' compensation coverage. The public entity risk pool is responsible for the payment of associated claims.

The City has a \$50,000 deductible per occurrence, with a \$200,000 annual maximum, for its property and liability coverage. The public entity risk pool is responsible for all losses in excess of \$200,000 each year. Settled claims have not exceeded insurance coverage in any of the past three years. The public entity risk pool has purchased a reinsurance policy to guard against excessive losses.

Changes in the balances of claims liabilities in the Insurance Fund during 2017 and 2018 were as follows:

	<u>2017</u>	<u>2018</u>
Unpaid claims at beginning of year	\$ 794	\$ 7,996
Current-year claims	318,340	65,028
Claim payments	<u>(311,138)</u>	<u>(51,626)</u>
Balance at end of year	<u>\$ 7,996</u>	<u>\$ 21,398</u>

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**10. FUND BALANCE/NET POSITION**

**Classifications**

At December 31, 2018, a summary of the governmental fund balance classifications is as follows:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
General Fund:						
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ 4,865,938	\$ 4,865,938
Inventories	14,620	-	-	-	-	14,620
Prepaid items	83,135	-	-	-	-	83,135
Total General Fund	<u>97,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,865,938</u>	<u>4,963,693</u>
Debt service	-	547,394	-	-	-	547,394
Street Renewal:						
Land held for resale	-	-	-	123,339	-	123,339
Total Street Renewal	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,339</u>	<u>-</u>	<u>123,339</u>
Commuter Rail Tax Increment:						
Redevelopment in district	-	-	-	-	(3,452,520)	(3,452,520)
Land held for resale	-	432,331	-	-	-	432,331
Total Commuter Rail Tax Increment	<u>-</u>	<u>432,331</u>	<u>-</u>	<u>-</u>	<u>(3,452,520)</u>	<u>(3,020,189)</u>
Greens of Anoka Tax Increment:						
Redevelopment in district	-	-	-	-	(4,797,651)	(4,797,651)
Land held for resale	-	2,837,536	-	-	-	2,837,536
Total Greens of Anoka Tax Increment	<u>-</u>	<u>2,837,536</u>	<u>-</u>	<u>-</u>	<u>(4,797,651)</u>	<u>(1,960,115)</u>
South Ferry Tax Increment	-	-	-	-	(1,418,483)	(1,418,483)
Non-major Governmental Funds:						
Parking operations	-	-	480,599	-	-	480,599
Lodging and tourism	-	-	17,210	-	-	17,210
Cemetery operations	-	-	410,528	-	-	410,528
Police supplies	-	-	19,146	-	-	19,146
Food shelves	-	-	14,561	-	-	14,561
Urban redevelopment	-	-	1,345,737	-	-	1,345,737
State Aid Construction	-	2,331,233	-	-	(1,147,191)	1,184,042
Parks	-	-	-	462,073	-	462,073
Tax increment	-	2,920,940	-	-	-	2,920,940
Building improvements	-	-	-	-	(279,044)	(279,044)
Total Nonmajor Funds	<u>-</u>	<u>5,252,173</u>	<u>2,287,781</u>	<u>462,073</u>	<u>(1,426,235)</u>	<u>6,575,792</u>
Total Governmental fund balances	<u>\$ 97,755</u>	<u>\$ 9,069,434</u>	<u>\$ 2,287,781</u>	<u>\$ 585,412</u>	<u>\$ (6,228,951)</u>	<u>\$ 5,811,431</u>

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**11. OTHER POSTEMPLOYMENT BENEFITS**

The City recognizes the cost of postemployment health care in the year the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. The City has used the actuarial valuation method set forth in GASB Statement No. 75 to determine the materiality of other postemployment benefits (OPEB).

**A. Plan Description**

The City provides postemployment health care benefits as required by Minnesota Statute 471.61 subdivision 2b. Since the premium is a blended rate determined on the entire active and retiree population, the retirees, whose costs are statistically higher than the group average, are receiving an implicit rate subsidy. The retiree health plan does not issue a publicly available financial report. The health care plan is single-employer.

**B. Benefits Provided**

Active employees who retire from the City when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota and do not participate in any other health benefits program providing similar coverage will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the City health benefits program indefinitely. Retirees are required to pay 100 percent of the total group rate.

At the valuation date of December 31, 2016, the following employees were covered by the benefit terms:

1. Active employees electing coverage	66
2. Active employees waiving coverage	41
3. Retirees electing coverage	<u>6</u>
Total	<u><u>113</u></u>

**C. Funding Policy**

The required contribution is based on a projected pay-as-you-go financing requirement where contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses become due.

**D. OPEB Liability**

The City's total OPEB liability as of December 31, 2018, was \$557,214. The total liability was measured as of December 31, 2017, and was determined by an actuarial valuation as of December 31, 2016, and rolled forward to December 31, 2017.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**11. OTHER POSTEMPLOYMENT BENEFITS (continued)**

**E. Actuarial Assumptions**

The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

	Discount rate	3.31%
	Inflation rate	2.50%
	Investment Rate of Return	3.31%
	Salary Increases	Based on the most recently disclosed assumption for the pension plan in which the employee participates (PERA of Minnesota General Employees Retirement Plan or Police and Fire Fund Pension Plan)
	Healthcare Trend Rate	Actual premium increase rates for FY2017 and FY2018, gradually decreasing over several decades to ultimate rate of 4.00% in 2075 and later
	Mortality Rate	General Employees rates based on RP-2014 mortality tables with projected mortality improvements based on scale MP-2015. Police and Fire used RP-2000 tables and scale AA

Current retirees are assumed to continue coverage until 65, at their current plan, and then waive coverage. Future retirees are assumed to elect coverage at retirement at a rate of 25 percent, except for disabled retirees which are assumed at 100 percent.

<b>Medical Plan</b>	<b>Disabled in the line of duty</b>	<b>Regular Retirees</b>
2600-0% Open Access	75%	75%
2600-0% Achieve	5%	5%
3300-25% Open Access	10%	10%
3300-25% Achieve	10%	10%
Waive Coverage	0%	n/a

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the Fidelity 20-year Municipal GO AA Index.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**11. OTHER POSTEMPLOYMENT BENEFITS (continued)**

**F. Sensitivity of the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trends Rate**

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using discount rate or trend rate 1 percent higher or 1 percent lower than current rate.

Sensitivity of OPEB Liability at Current Single Discount Rate		
1% decrease in Discount Rate	2.31%	\$ 585,014
Current Discount Rate	3.31%	557,214
1% increase in Discount Rate	4.31%	528,128
Sensitivity of OPEB Liability at Current Trend Rate		
1% decrease in Trend Rates	5.50%	\$ 489,014
Current Trend Rates	6.50%	557,214
1% increase in Trend Rates	7.50%	637,579

**G. Changes in Total OPEB liability**

Changes in the total OPEB liability for the year ended December 31, 2018 are as follows:

Balance at December 31, 2017*	\$	485,692
Changes for the year		
Service cost		57,928
Interest		20,309
Changes of assumption		14,447
Benefit payments		(21,162)
Balance at December 31, 2018	\$	557,214

\* December 31st balance is restated for GASB 75. See note #17

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**11. OTHER POSTEMPLOYMENT BENEFITS (continued)**

**H. OPEB Cost**

For the year ended December 31, 2018, the City recognized OPEB expense of \$58,932.

As of December 31, 2018, the City of Anoka reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 12,590	\$ -
Totals	\$ 12,590	\$ -

Amounts reported as deferred (inflows) outflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended December 31:	Pension Expense Amount
2019	\$ 1,857
2020	1,857
2021	1,857
2022	1,857
2023	1,857
Thereafter	3,305
	\$ 12,590

**12. DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

The City of Anoka 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.

(a) General Employees Retirement Plan

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

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS**

**A. Plan Description (continued)**

(b) Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations 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.

(a) General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan 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 Plan members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS**

**B. Benefits Provided (continued)**

(b) Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. 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.

Benefit increases are provided to benefit recipients each January. Police and Fire Plan benefit recipients receive a future annual 1.0 percent increase. An annual adjustment will equal 2.5 percent any time the plan exceeds a 90 percent funded ratio for two consecutive years. If the adjustment is increased to 2.5 percent and the funded ratio falls below 80 percent for one year or 85 percent for two consecutive years, the post-retirement benefit increase will be lowered to one percent. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase. For retirements after May 31, 2014, the first increase will be delayed two years.

**C. Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

(a) General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2018, and the City of Anoka was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2018, were \$456,350. The City of Anoka's contributions were equal to the required contributions as set by state statute.

(b) Police and Fire Fund Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary, and the City of Anoka was required to contribute 16.20 percent of pay for members in fiscal year 2018. The City's contributions to the Police and Fire Fund for the year ended December 31, 2018, were \$437,636. The City's contributions were equal to the required contributions as set by state statute.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS (continued)**

**D. Pension Costs**

(a) General Employees Fund Pension Costs

At December 31, 2018, the City of Anoka reported a liability of \$4,965,093 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City of Anoka totaled \$162,801. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City of Anoka contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the City's proportionate share was .0895 percent which was a decrease of .0014 percent from its proportionate share measured as of June 30, 2017.

City of Anoka proportionate share of the net pension liability	\$4,965,093
State of Minnesota's proportionate share of the net pension liability associated with the City of Anoka	<u>162,801</u>
Total	<u>\$5,127,894</u>

For the year ended December 31, 2018, the City recognized pension expense of \$287,944 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$37,965 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS**

**D. Pension Costs**

(a) General Employees Fund Pension Costs (continued)

As of December 31, 2018, the City of Anoka reported its proportionate share of the General Employees Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 133,381	\$ 140,119
Changes in actuarial assumptions	458,924	563,855
Net difference between projected and actual investment earnings	-	454,619
Changes in proportion	174,569	94,240
Contributions paid to PERA subsequent to the measurement date	231,989	-
Totals	\$ 998,863	\$ 1,252,833

The \$231,989 reported as deferred outflows of resources related to pensions resulting from City of Anoka contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. This amount, as well as other amounts reported as deferred outflows and inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2019	\$ 332,362
2020	(300,016)
2021	(182,686)
2022	(103,630)

(b) Police and Fire Fund Pension Costs

At December 31, 2018, the City of Anoka reported a liability of \$2,689,256 for its proportionate share of the Police and Fire Fund’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City of Anoka’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA’s participating employers.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS**

**D. Pension Costs**

(b) Police and Fire Fund Pension Costs (continued)

At June 30, 2018, the City’s proportionate share was .2523 percent, which was an increase of .0053 percent from its proportionate share measured as of June 30, 2017. The City of Anoka also recognized \$22,707 for the year ended December 31, 2018, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

For the year ended December 31, 2018, the City of Anoka recognized pension expense of \$243,593 for its proportionate share of the Police and Fire Fund’s pension expense.

As of December 31, 2018, the City of Anoka reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 107,074	\$ 658,293
Changes in actuarial assumptions	3,365,944	3,877,664
Net collective difference between projected and actual investment earnings	-	598,327
Changes in proportion	105,079	277,284
Contributions paid to PERA subsequent to the measurement date	226,944	-
Totals	\$ 3,805,041	\$ 5,411,568

The \$226,944 reported as deferred outflows of resources related to pensions resulting from the City of Anoka’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. This amount, as well as other amounts reported as deferred outflows and inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2019	\$ 183,138
2020	(165,553)
2021	(324,518)
2022	(1,302,654)
2023	3,060

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2018, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30<sup>th</sup>, 2018 valuations were based on the results of actuarial experience studies. The most recent six-year experience study for the General Employees Plan was completed in 2015. The most recent four-year experience study for the Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

**General Employees Fund:**

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2044 and 2.5 percent per year thereafter to 1.25 percent per year.

**Police and Fire Fund:**

- The mortality projection scale was changed from MP-2016 to MP-2017.
- As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year thereafter to 1.0 percent for all years, with no trigger.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS**

**E. Actuarial Assumptions (continued)**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Markets)	25%	5.90%
Cash	2%	0.00%
Total	100%	

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2018 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Pension Liability Sensitivity**

The following presents the City of Anoka's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City of Anoka's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**12. DEFINED BENEFIT PENSION PLANS**

**G. Pension Liability Sensitivity (continued)**

Sensitivity of Net Pension Liability at Current Single Discount Rate					
	General Employees Fund			Police and Fire Fund	
1% Lower	6.50%	\$	8,068,912	6.50%	\$ 5,765,938
Current Discount Rate	7.50%		4,965,093	7.50%	2,689,256
1% Higher	8.50%		2,402,979	8.50%	144,972

**H. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**13. PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN**

Three council members of the City of Anoka are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Public Employees Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary, which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City of Anoka for the fiscal year 2018 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
Employee	Employer	Employee	Employer	
\$ 1,057	\$ 1,057	5%	5%	5%

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**14. JOINTLY GOVERNED ORGANIZATION**

The City of Anoka, in conjunction with 11 other governmental entities that provide distribution of electric services, is a member of the Minnesota Municipal Power Agency (MMPA). The MMPA finances and constructs generation and transmission facilities and acquires power for resale to the 12 governmental entities that operate distribution systems. The MMPA board is composed of one member from each participating entity. All members of MMPA have exclusive agreements to purchase power only from the agency for distribution. The City of Anoka is under contract to purchase power from the agency until October 31, 2040.

**15. CONTINGENT LIABILITIES**

There are several lawsuits pending in which the City is involved. The City Attorney has indicated that existing and pending lawsuit claims and other actions in which the City is a defendant are either covered by insurance or fully reserved for by the City, or the cases are in the early stages of discovery, and accordingly the ultimate outcome cannot presently be determined. It is the opinion of City management that in each case the possibility of material loss, net of amounts reserved, is remote.

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 that would have a material effect on the financial statements.

**16. TAX ABATEMENTS**

The City of Anoka negotiates property tax abatement agreements on an individual basis under Minnesota Statute 469.1813. Under that statute, governing bodies may grant current or prospective abatement of the taxes imposed by the political subdivision on a parcel of property for the purpose of increasing or preserving tax base, providing employment opportunities, redeveloping or renewing blighted areas, or providing access to services for residents, therefore being in the public interest.

For the fiscal year ended December 31, 2018, the City abated property taxes totaling \$2,637:

- Abatement of \$2,121 to a development company for purchase and construction on empty commercial property. This abatement agreement began with taxes payable in 2005 and ends in 2019.
- Abatement of \$516 to a manufacturer for purchase and redevelopment of existing commercial property. This abatement agreement began with taxes payable in 2014 and ends in 2023.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2018**

**17. PRIOR YEAR RESTATEMENT**

As a result of the implementation of GASB Statement No 75, the City of Anoka has restated beginning net position as follows:

	Governmental Activities
Balance at December 31, 2017, as previously reported	\$ 85,546,612
Subtract restated total OPEB liability as of 12/31/2017	(485,692)
Add previously stated total OPEB liability as of 12/31/2017	206,819
Balance at December 31, 2017, as restated	<u>\$ 85,267,739</u>

**CITY OF ANOKA, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**OTHER POST EMPLOYMENT BENEFITS  
Schedule of Contributions (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions</b>	<b>Contributions in Relation to the Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2018	\$ 21,162	\$ 21,162	\$ -	\$ 8,300,130	0.25%
December 31, 2019	-	-	-	-	-
December 31, 2020	-	-	-	-	-
December 31, 2021	-	-	-	-	-
December 31, 2022	-	-	-	-	-
December 31, 2023	-	-	-	-	-
December 31, 2024	-	-	-	-	-
December 31, 2025	-	-	-	-	-
December 31, 2026	-	-	-	-	-
December 31, 2027	-	-	-	-	-

\* This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

**CITY OF ANOKA, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DECEMBER 31, 2018**

**OTHER POST EMPLOYMENT BENEFITS  
 Schedule of Changes in Net OPEB Liability and Related Ratios (Last Ten Years\*)**

	<b>2018</b>
Service cost	\$ 57,928
Interest	20,309
Changes in assumptions	14,447
Benefit payments	<u>(21,162)</u>
Net change	71,522
Total - beginning	<u>485,692</u>
Total - ending	<u><u>\$ 557,214</u></u>
Covered payroll	\$8,300,130
Total OPEB liability as a percentage of covered-employee payroll	6.7%

\* This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**CITY OF ANOKA, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**Public Employees General Employees Retirement Fund  
Schedule of Contributions (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions</b>	<b>Contributions in Relation to the Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2015	\$ 390,382	\$ 390,382	\$ -	\$ 5,205,096	7.50%
December 31, 2016	423,692	423,692	-	5,649,231	7.50%
December 31, 2017	447,978	447,978	-	5,973,037	7.50%
December 31, 2018	456,350	456,350	-	6,084,667	7.50%
December 31, 2019	-	-	-	-	-
December 31, 2020	-	-	-	-	-
December 31, 2021	-	-	-	-	-
December 31, 2022	-	-	-	-	-
December 31, 2023	-	-	-	-	-

\* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

**CITY OF ANOKA, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**Public Employees Police and Fire Fund  
Schedule of Contributions (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions</b>	<b>Contributions in Relation to the Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2015	\$ 380,161	\$ 380,161	\$ -	\$ 2,346,673	16.20%
December 31, 2016	403,245	403,245	-	2,489,167	16.20%
December 31, 2017	421,476	421,476	-	2,601,703	16.20%
December 31, 2018	437,636	437,636	-	2,701,457	16.20%
December 31, 2019	-	-	-	-	
December 31, 2020	-	-	-	-	
December 31, 2021	-	-	-	-	
December 31, 2022	-	-	-	-	
December 31, 2023	-	-	-	-	
December 31, 2024	-	-	-	-	

\* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.

**CITY OF ANOKA, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**Public Employees General Employees Retirement Fund  
Schedule of Proportionate Share of Net Pension Liability (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion (Percentage) of the Net Pension Liability</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability</b>	<b>Employer's Covered Payroll**</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
June 30, 2015	0.0887%	\$ 4,596,894	\$ 5,222,169	88.03%	78.19%
June 30, 2016	0.0866%	7,031,490	5,772,439	121.81%	68.91%
June 30, 2017	0.0909%	5,802,996	5,857,640	99.07%	75.90%
June 30, 2018	0.0895%	4,965,093	6,015,560	82.54%	79.53%
June 30, 2019		-	-		
June 30, 2020		-	-		
June 30, 2021		-	-		
June 30, 2022		-	-		
June 30, 2023		-	-		
June 30, 2024		-	-		

\* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

\*\* The year reported for this schedule coincides with the measurement date used for the NPL.

**CITY OF ANOKA, MINNESOTA  
REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**Public Employees Police and Fire Fund  
Schedule of Proportionate Share of Net Pension Liability (Last Ten Years\*)**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion (Percentage) of the Net Pension Liability</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability</b>	<b>Employer's Covered Payroll**</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
June 30, 2015	0.246%	\$ 2,795,136	\$ 2,254,918	124%	86.61%
June 30, 2016	0.254%	10,193,462	2,448,383	416%	63.88%
June 30, 2017	0.247%	3,334,792	2,537,175	131%	85.43%
June 30, 2018	0.2523%	2,689,256	2,659,346	101%	88.84%
June 30, 2019		-	-		
June 30, 2020		-	-		
June 30, 2021		-	-		
June 30, 2022		-	-		
June 30, 2023		-	-		
June 30, 2024		-	-		

\* This schedule is provided prospectively beginning with the fiscal year ended December 31, 2015.

\*\* The year reported for this schedule coincides with the measurement date used for the NPL.

# CITY OF ANOKA, MINNESOTA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes	\$ 6,844,335	\$ 6,844,335	\$ 6,826,423	\$ (17,912)
Licenses and permits	440,500	440,500	400,519	(39,981)
Fines and forfeitures	61,500	61,500	55,160	(6,340)
Intergovernmental	2,283,720	2,283,720	2,322,531	38,811
Charges for current services	1,145,100	1,145,100	1,060,709	(84,391)
Franchise fees	966,000	966,000	973,328	7,328
Investment earnings	50,000	50,000	39,712	(10,288)
Net increase in fair value of investments	-	-	27,106	27,106
Miscellaneous	194,400	194,400	198,654	4,254
Total revenues	<u>11,985,555</u>	<u>11,985,555</u>	<u>11,904,142</u>	<u>(81,413)</u>
Expenditures:				
General government	2,012,740	2,052,740	1,937,504	115,236
Public safety	6,101,670	6,346,670	6,285,489	61,181
Public works	1,548,670	1,263,670	1,227,250	36,420
Parks and recreation	2,257,475	2,292,475	2,157,384	135,091
Total expenditures	<u>11,920,555</u>	<u>11,955,555</u>	<u>11,607,627</u>	<u>347,928</u>
Excess of revenues over expenditures	<u>65,000</u>	<u>30,000</u>	<u>296,515</u>	<u>266,515</u>
Other financing sources (uses):				
Transfer in	500,000	500,000	500,000	-
Transfer out	(565,000)	(565,000)	(569,500)	(4,500)
Total other financing sources (uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>(69,500)</u>	<u>(4,500)</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ (35,000)</u>	227,015	<u>\$ 262,015</u>
Fund balance at beginning of year			<u>4,736,678</u>	
Fund balance at end of year			<u>\$ 4,963,693</u>	

See Independent Auditor's Report.  
See accompanying note to required supplementary information.

**CITY OF ANOKA, MINNESOTA**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2018**

**A. Budgetary accounting**

The City legally adopts annual budgets for the General and Special Revenue Funds (excluding the Police Forfeiture Fund). They are prepared on the same basis of accounting as the fund financial statements. The budgets adopted for the Special Revenue Funds indicate the amount that can be adopted based on detailed budget estimates for individual expenditure accounts. The General Fund budget is by department. Budgets are also approved as needed to calculate user charges for the enterprise and internal service funds and to determine debt service levies. All unencumbered appropriations for the City's operating budget lapse at year-end.

On or before mid-July of each year, all departments and agencies of the City submit requests for appropriations to the city manager so a budget may be prepared. At the first council meeting in August, the proposed budget is presented to the City Council for review and approval. By September 15, the proposed budget and tax levy must be submitted to the county auditor. The Council holds public hearings, and a final budget and tax levy must be prepared, adopted, and submitted to the county auditor no later than December 28.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between department and funds require the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.



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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The City of Anoka has the following non major special revenue funds:

**Parking** - This fund accounts for operations of the City's two parking ramps and numerous parking lots. Funding is primarily generated from parking permits and parking fines.

**Lodging** - This fund records the collection of lodging taxes from hotels and motels in the city and uses a majority the revenue to pay membership dues to the North Metro Minneapolis Visitor and Convention Bureau.

**Cemetery** - This fund was established to account for the maintenance of the City's two cemeteries.

**Police Forfeiture** - This fund was established to account for funds collected from settled drug forfeiture cases. State statute requires these funds be used for specific purposes such as police capital or training.

**Round Up** - This fund was established to account for voluntary "round up" contributions from utility customers used to provide financial assistance to worthwhile activities, organizations, and community projects that improve the lives of families, children, and seniors in the community. The City must spend the funds in accordance with these guidelines and in compliance with laws governing public purpose expenditures of municipal governments.

**Urban Redevelopment** - This fund manages the Metropolitan Council sewer credits. Funds are used to promote redevelopment in the City.

## Capital Project Funds

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The City of Anoka has the following non major capital project funds:

**State Aid Construction Fund** - This fund is used to account for the City's allocation of the state-collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.

**Parks Capital Fund** - The Parks Capital Project Fund is used to account for money received from state and federal grants, contributions from developers, amounts committed by the City, etc., which is expended for the acquisition, improvement, and development of park land.

**Historic Rum River District Tax Increment (HRRD)** - This fund was established to account for the redevelopment of the City's downtown business district.

**Enterprise Park Tax Increment** - The Enterprise Park Tax Increment Fund is now used to account for the financial resources and expenditures related to internal lending for projects within the City's Tax Increment plan area.

**Building Improvement** - This fund is used to account for money received from state and federal grants and contributions from developers, etc., which is expended for the acquisition and development of park land.

**CITY OF ANOKA, MINNESOTA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

Assets	Special Revenue						Total Nonmajor Special Revenue Funds
	Parking	Lodging	Cemetery	Police Forefeiture	Round Up	Urban Redevel- opment	
Cash and investments	\$ 485,959	\$ 18,104	\$ 406,413	\$ 19,875	\$ 19,072	\$ 1,319,791	\$ 2,269,214
Receivables, net:							
Taxes	-	-	-	-	-	-	-
Accounts receivable	1,246	293	4,917	-	2,481	21,912	30,849
Accrued interest	1,486	54	1,152	61	58	4,034	6,845
Advance to other funds	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 488,691</b>	<b>\$ 18,451</b>	<b>\$ 412,482</b>	<b>\$ 19,936</b>	<b>\$ 21,611</b>	<b>\$ 1,345,737</b>	<b>\$ 2,306,908</b>
<b>Liabilities and Fund Balance</b>							
Liabilities:							
Accounts payable	\$ 326	\$ 1,241	\$ 27	\$ 790	\$ 7,050	\$ -	\$ 9,434
Accrued wages payable	1,952	-	1,927	-	-	-	3,879
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	5,814	-	-	-	-	-	5,814
<b>Total liabilities</b>	<b>8,092</b>	<b>1,241</b>	<b>1,954</b>	<b>790</b>	<b>7,050</b>	<b>-</b>	<b>19,127</b>
Deferred inflows of resources:							
Unavailable revenue-Property taxes	-	-	-	-	-	-	-
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	480,599	17,210	410,528	19,146	14,561	1,345,737	2,287,781
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balance (deficit)</b>	<b>480,599</b>	<b>17,210</b>	<b>410,528</b>	<b>19,146</b>	<b>14,561</b>	<b>1,345,737</b>	<b>2,287,781</b>
<b>Total liabilities and fund balance</b>	<b>\$ 488,691</b>	<b>\$ 18,451</b>	<b>\$ 412,482</b>	<b>\$ 19,936</b>	<b>\$ 21,611</b>	<b>\$ 1,345,737</b>	<b>\$ 2,306,908</b>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

Assets	Capital Projects					Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	State Aid Construction	Parks	HRRD Tax Increment	Enterprise Park Tax Increment	Building Improvement		
Cash and investments	\$ 100,364	\$ 484,224	\$ 4,238	\$ 114,991	\$ 5,288	\$ 709,105	\$ 2,978,319
Receivables, net:							
Taxes	-	-	859	-	-	859	859
Accounts receivable	-	-	-	15,556	-	15,556	46,405
Accrued interest	(2,964)	1,480	(415)	(6,516)	(185)	(8,600)	(1,755)
Advance to other funds	-	-	-	915,000	-	915,000	915,000
Land held for resale	2,331,233	-	489,263	1,531,688	241,921	4,594,105	4,594,105
<b>Total assets</b>	<b>\$ 2,428,633</b>	<b>\$ 485,704</b>	<b>\$ 493,945</b>	<b>\$ 2,570,719</b>	<b>\$ 247,024</b>	<b>\$ 6,226,025</b>	<b>\$ 8,532,933</b>
<b>Liabilities and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 144,591	\$ 23,631	\$ 2,703	\$ 57	\$ -	\$ 170,982	\$ 180,416
Accrued wages payable	-	-	-	-	-	-	3,879
Due to other funds	1,100,000	-	140,000	144	526,068	1,766,212	1,766,212
Unearned revenue	-	-	-	-	-	-	5,814
<b>Total liabilities</b>	<b>1,244,591</b>	<b>23,631</b>	<b>142,703</b>	<b>201</b>	<b>526,068</b>	<b>1,937,194</b>	<b>1,956,321</b>
<b>Deferred inflows of resources:</b>							
Unavailable revenue-Property taxes	-	-	820	-	-	820	820
<b>Fund balance:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,331,233	-	350,422	2,570,518	-	5,252,173	5,252,173
Committed	-	-	-	-	-	-	2,287,781
Assigned	-	462,073	-	-	-	462,073	462,073
Unassigned	(1,147,191)	-	-	-	(279,044)	(1,426,235)	(1,426,235)
<b>Total fund balance (deficit)</b>	<b>1,184,042</b>	<b>462,073</b>	<b>350,422</b>	<b>2,570,518</b>	<b>(279,044)</b>	<b>4,288,011</b>	<b>6,575,792</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,428,633</b>	<b>\$ 485,704</b>	<b>\$ 493,945</b>	<b>\$ 2,570,719</b>	<b>\$ 247,024</b>	<b>\$ 6,226,025</b>	<b>\$ 8,532,933</b>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	<b>Special Revenue</b>						<b>Total Nonmajor Special Revenue Funds</b>
	<b>Parking</b>	<b>Lodging</b>	<b>Cemetery</b>	<b>Police Forfeiture</b>	<b>Round Up</b>	<b>Urban Redevel- opment</b>	
<b>Revenues:</b>							
Taxes	\$ -	\$ 13,794	\$ -	\$ -	\$ -	\$ -	\$ 13,794
Licenses and permits	44,908	-	-	-	-	-	44,908
Fines and forfeitures	31,106	-	-	13,373	-	-	44,479
Charges for current services	6,940	-	58,590	-	-	149,100	214,630
Investment income	5,949	214	4,365	262	246	14,828	25,864
Net increase (loss) in fair value of investments	3,640	116	2,998	89	(59)	6,229	13,013
Miscellaneous	-	4,042	310	-	33,954	1,298	39,604
<b>Total revenues</b>	<b>92,543</b>	<b>18,166</b>	<b>66,263</b>	<b>13,724</b>	<b>34,141</b>	<b>171,455</b>	<b>396,292</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	16,848	-	-	-	75	16,923
Public safety	48,436	-	-	4,534	26,193	-	79,163
Public works	76,495	-	-	-	-	-	76,495
Parks and recreation	-	-	77,556	-	-	-	77,556
Capital outlay	23,760	-	-	6,500	-	-	30,260
<b>Total expenditures</b>	<b>148,691</b>	<b>16,848</b>	<b>77,556</b>	<b>11,034</b>	<b>26,193</b>	<b>75</b>	<b>280,397</b>
Excess (deficiency) of revenues over (under) expenditures	(56,148)	1,318	(11,293)	2,690	7,948	171,380	115,895
<b>Other financing sources (uses):</b>							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>(56,148)</b>	<b>1,318</b>	<b>(11,293)</b>	<b>2,690</b>	<b>7,948</b>	<b>171,380</b>	<b>115,895</b>
Fund balances at beginning of year	536,747	15,892	421,821	16,456	6,613	1,174,357	2,171,886
Fund balances at end of year	\$ 480,599	\$ 17,210	\$ 410,528	\$ 19,146	\$ 14,561	\$ 1,345,737	\$ 2,287,781

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

	<b>Capital Projects</b>					<b>Total Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>State Aid Construction</b>	<b>Parks</b>	<b>HRRD Tax Increment</b>	<b>Enterprise Park Tax Increment</b>	<b>Building Improvement</b>		
<b>Revenues:</b>							
Taxes	\$ -	\$ -	\$ 115,930	\$ -	\$ -	\$ 115,930	\$ 129,724
Licenses and permits	-	-	-	-	-	-	44,908
Fines and forfeitures	-	-	-	-	-	-	44,479
Charges for current services	-	-	-	-	-	-	214,630
Investment income	(10,039)	6,376	(202)	(13,276)	(527)	(17,668)	8,196
Net increase (loss) in fair value of investments	8,284	3,049	1,719	15,396	572	29,020	42,033
Miscellaneous	69,155	41,288	-	71,161	-	181,604	221,208
<b>Total revenues</b>	<b>67,400</b>	<b>50,713</b>	<b>117,447</b>	<b>73,281</b>	<b>45</b>	<b>308,886</b>	<b>705,178</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	5,947	43	-	5,990	22,913
Public safety	-	-	-	-	-	-	79,163
Public works	-	-	-	-	-	-	76,495
Parks and recreation	-	3,147	-	-	-	3,147	80,703
Capital outlay	2,458,153	222,257	-	32,184	287,981	3,000,575	3,030,835
<b>Total expenditures</b>	<b>2,458,153</b>	<b>225,404</b>	<b>5,947</b>	<b>32,227</b>	<b>287,981</b>	<b>3,009,712</b>	<b>3,290,109</b>
Excess (deficiency) of revenues over (under) expenditures	(2,390,753)	(174,691)	111,500	41,054	(287,936)	(2,700,826)	(2,584,931)
<b>Other financing sources (uses):</b>							
Transfer in	1,450,000	100,000	-	-	105,000	1,655,000	1,655,000
Transfer out	-	-	(75,000)	(350,000)	-	(425,000)	(425,000)
<b>Total other financing sources (uses)</b>	<b>1,450,000</b>	<b>100,000</b>	<b>(75,000)</b>	<b>(350,000)</b>	<b>105,000</b>	<b>1,230,000</b>	<b>1,230,000</b>
<b>Net changes in fund balances</b>	<b>(940,753)</b>	<b>(74,691)</b>	<b>36,500</b>	<b>(308,946)</b>	<b>(182,936)</b>	<b>(1,470,826)</b>	<b>(1,354,931)</b>
Fund balances (deficits) at beginning of year	2,124,795	536,764	313,922	2,879,464	(96,108)	5,758,837	7,930,723
Fund balances (deficits) at end of year	<u>\$ 1,184,042</u>	<u>\$ 462,073</u>	<u>\$ 350,422</u>	<u>\$ 2,570,518</u>	<u>\$ (279,044)</u>	<u>\$ 4,288,011</u>	<u>\$ 6,575,792</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2018

	Original Budget	Actual	Variance From Original Budget Positive (Negative)
<b>Parking fund:</b>			
Revenues:			
Licenses and permits	\$ 49,900	\$ 44,908	\$ (4,992)
Fines and forfeitures	38,000	31,106	(6,894)
Miscellaneous	-	6,940	6,940
Interest income	9,000	5,949	(3,051)
Net increase in fair value of investments	-	3,640	3,640
	<u>96,900</u>	<u>92,543</u>	<u>(4,357)</u>
Expenditures:			
Personal services	85,630	48,436	37,194
Supplies	900	-	900
Professional services	60,930	55,954	4,976
Contractual services	26,915	20,541	6,374
Capital outlay	-	23,760	(23,760)
	<u>174,375</u>	<u>148,691</u>	<u>25,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (77,475)</u>	<u>(56,148)</u>	<u>\$ 21,327</u>
Fund balance at beginning of year		<u>536,747</u>	
Fund balance at end of year		<u>\$ 480,599</u>	
<b>Lodging fund:</b>			
Revenues:			
Taxes	\$ 12,250	\$ 13,794	\$ 1,544
Miscellaneous	4,400	4,042	(358)
Interest income	150	214	64
Net increase in fair value of investments	-	116	116
	<u>16,800</u>	<u>18,166</u>	<u>1,366</u>
Expenditures:			
Personal services	235	235	-
Professional services	16,420	16,613	(193)
	<u>16,655</u>	<u>16,848</u>	<u>(193)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 145</u>	<u>1,318</u>	<u>\$ (1,173)</u>
Fund balance at beginning of year		<u>15,892</u>	
Fund balance at end of year		<u>\$ 17,210</u>	

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance From Original Budget Positive (Negative)</u>
<b>Cemetery fund:</b>			
Revenues:			
Charges for services	\$ 78,000	\$ 58,590	\$ (19,410)
Miscellaneous	-	310	310
Interest income	7,000	4,365	(2,635)
Net increase in fair value of investments	-	2,998	2,998
	<u>85,000</u>	<u>66,263</u>	<u>(18,737)</u>
Total revenues			
Expenditures:			
Personal services	47,425	54,704	(7,279)
Supplies	2,700	1,331	1,369
Professional services	8,725	6,212	2,513
Contractual services	20,665	15,309	5,356
Capital outlay	40,000	0	40,000
	<u>119,515</u>	<u>77,556</u>	<u>41,959</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (34,515)</u>	(11,293)	<u>\$ 23,222</u>
Fund balance at beginning of year		<u>421,821</u>	
Fund balance at end of year		<u>\$ 410,528</u>	
<b>Urban Redevelopment fund:</b>			
Revenues:			
Charges for services	\$ 82,775	\$ 149,100	\$ 66,325
Interest income	15,000	14,828	(172)
Net increase in fair value of investments	-	6,229	6,229
Miscellaneous	3,250	1,298	(1,952)
	<u>101,025</u>	<u>171,455</u>	<u>70,430</u>
Total revenues			
Expenditures:			
Personal services	75	75	-
Professional services	10	-	10
	<u>85</u>	<u>75</u>	<u>10</u>
Total expenditures			
Excess of revenues over expenditures	<u>\$ 100,940</u>	171,380	<u>\$ 70,440</u>
Fund balance at beginning of year		<u>1,174,357</u>	
Fund balance at end of year		<u>\$ 1,345,737</u>	

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	Original Budget	Actual	Variance From Original Budget Positive (Negative)
<b>Round Up:</b>			
Revenues:			
Miscellaneous	\$ 36,800	\$ 33,954	\$ (2,846)
Interest income	200	246	46
Net increase in fair value of investments	-	(59)	(59)
Total revenues	37,000	34,141	(2,859)
Expenditures:			
Professional services	37,000	26,150	10,850
Contractual services	-	43	(43)
Total expenditures	37,000	26,193	10,807
Excess of revenues over expenditures	\$ -	7,948	\$ 7,948
Fund balance at beginning of year		6,613	
Fund balance at end of year		\$ 14,561	

See Independent Auditor's Report.

## NONMAJOR PROPRIETARY FUNDS

### Enterprise Funds

**Sewer** - The Sewer Fund was established to account for operating revenues and expenses of maintaining a sewer system.

**Golf** - This fund was established to account for operating revenues and expenses of operating a golf course.

**Refuse** - The Refuse Fund was established to account for user fees charged for garbage collection. The City stopped billing service for garbage collection at the end of 2018. The fund will be closed in 2019.

**Recycling** - This fund was established to account for revenues and expenses of operating a recycling program in the city.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF NET POSITION NONMAJOR PROPRIETARY FUNDS DECEMBER 31, 2018

	<u>Sewer</u>	<u>Golf</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 494,717	\$ 14,561	\$ 122,771	\$ 88,716	\$ 720,765
Receivables, net:					
Accounts receivable	276,744	3,281	9,455	38,789	328,269
Accrued interest	1,517	(110)	375	280	2,062
Due from other funds	3,301	-	-	-	3,301
Inventory	-	47,864	-	-	47,864
Total current assets	<u>776,279</u>	<u>65,596</u>	<u>132,601</u>	<u>127,785</u>	<u>1,102,261</u>
Noncurrent assets:					
Land and improvements	13,383	158,053	-	-	171,436
Buildings and structures	150,000	276,443	-	-	426,443
Furniture and equipment	-	169,564	-	-	169,564
Machinery and automotive equipment	1,015,006	992,937	-	-	2,007,943
Distribution system	8,377,937	-	-	-	8,377,937
Other improvements	-	2,704,961	-	-	2,704,961
Total property	<u>9,556,326</u>	<u>4,301,958</u>	<u>-</u>	<u>-</u>	<u>13,858,284</u>
Accumulated depreciation	<u>(4,449,350)</u>	<u>(2,901,436)</u>	<u>-</u>	<u>-</u>	<u>(7,350,786)</u>
Net noncurrent assets	<u>5,106,976</u>	<u>1,400,522</u>	<u>-</u>	<u>-</u>	<u>6,507,498</u>
Total assets	<u>5,883,255</u>	<u>1,466,118</u>	<u>132,601</u>	<u>127,785</u>	<u>7,609,759</u>
<b>Deferred outflows of resources:</b>					
Deferred pension resources	<u>22,249</u>	<u>24,973</u>	<u>-</u>	<u>2,959</u>	<u>50,181</u>
Total assets and deferred outflows of resources	<u>\$ 5,905,504</u>	<u>\$ 1,491,091</u>	<u>\$ 132,601</u>	<u>\$ 130,744</u>	<u>\$ 7,659,940</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	\$ 2,203	\$ 6,861	\$ 14,824	\$ (11,710)	\$ 12,178
Accrued wages payable	15,367	13,353	-	1,558	30,278
Due to other funds	69,278	50,000	-	-	119,278
Deposits	-	62,348	-	-	62,348
Total current liabilities	<u>86,848</u>	<u>132,562</u>	<u>14,824</u>	<u>(10,152)</u>	<u>224,082</u>
Compensated absences payable	29,802	51,725	-	4,936	86,463
Net pension liability	202,693	298,396	-	22,700	523,789
Total liabilities	<u>319,343</u>	<u>482,683</u>	<u>14,824</u>	<u>17,484</u>	<u>834,334</u>
<b>Deferred inflows of resources:</b>					
Deferred pension resources	<u>32,192</u>	<u>51,729</u>	<u>-</u>	<u>3,832</u>	<u>87,753</u>
<b>Net position:</b>					
Net investment in capital assets	5,106,976	1,400,522	-	-	6,507,498
Unrestricted	446,993	(443,843)	117,777	109,428	230,355
Total net position	<u>5,553,969</u>	<u>956,679</u>	<u>117,777</u>	<u>109,428</u>	<u>6,737,853</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,905,504</u>	<u>\$ 1,491,091</u>	<u>\$ 132,601</u>	<u>\$ 130,744</u>	<u>\$ 7,659,940</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Sewer</u>	<u>Golf</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Operating revenues:					
Charges for sales and services:					
Sewer	\$ 2,349,392	\$ -	\$ -	\$ -	\$ 2,349,392
Golf	-	798,667	-	-	798,667
Refuge billings	-	-	94,732	-	94,732
Recycling billings	-	-	-	242,651	242,651
Other	-	74,757	-	56,611	131,368
Total operating revenues	<u>2,349,392</u>	<u>873,424</u>	<u>94,732</u>	<u>299,262</u>	<u>3,616,810</u>
Operating expenses:					
Personal services	429,964	598,736	7,495	54,380	1,090,575
Supplies	25,223	139,846	-	3,414	168,483
Professional services	75,878	104,755	65	37,775	218,473
Contractual services	13,557	50,291	4,000	2,302	70,150
Disposal charges	1,491,668	-	90,076	217,330	1,799,074
Cost of sales	-	59,171	-	-	59,171
Depreciation	297,826	134,899	-	-	432,725
Total operating expenses	<u>2,334,116</u>	<u>1,087,698</u>	<u>101,636</u>	<u>315,201</u>	<u>3,838,651</u>
Operating income (loss)	<u>15,276</u>	<u>(214,274)</u>	<u>(6,904)</u>	<u>(15,939)</u>	<u>(221,841)</u>
Nonoperating revenues:					
Interest income	3,599	(521)	1,362	992	5,432
Net increase in fair value of investments	5,644	1,462	727	970	8,803
Other income	37,233	1,592	-	2,284	41,109
Total nonoperating revenues	<u>46,476</u>	<u>2,533</u>	<u>2,089</u>	<u>4,246</u>	<u>55,344</u>
Income (loss) before transfers	61,752	(211,741)	(4,815)	(11,693)	(166,497)
Other transfers-					
Transfer out	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Change in net position	31,752	(211,741)	(4,815)	(11,693)	(196,497)
Net position - Beginning of year	<u>5,522,217</u>	<u>1,168,420</u>	<u>122,592</u>	<u>121,121</u>	<u>6,934,350</u>
Net position - End of year	<u>\$ 5,553,969</u>	<u>\$ 956,679</u>	<u>\$ 117,777</u>	<u>\$ 109,428</u>	<u>\$ 6,737,853</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

	<u>Sewer</u>	<u>Golf</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Cash flows from operating activities:					
Received from customers	\$ 2,365,608	\$ 874,659	\$ 99,335	\$ 293,764	\$ 3,633,366
Payments to suppliers for goods and services	(131,157)	(361,645)	2,069	(55,958)	(546,691)
Payments to employees for services	(417,855)	(602,266)	(7,495)	(53,207)	(1,080,823)
Disposal charges	(1,491,668)	-	(90,076)	(217,330)	(1,799,074)
Increase in deposits	-	7,900	-	-	7,900
Net cash provided by (used in) operating activities	<u>324,928</u>	<u>(81,352)</u>	<u>3,833</u>	<u>(32,731)</u>	<u>214,678</u>
Cash flows from noncapital financing activities:					
Cash flow from other funds	65,977	50,000	-	-	115,977
Transfer to other funds	(30,000)	-	-	-	(30,000)
Net cash provided (used) by noncapital financing activities	<u>35,977</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>85,977</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(173,363)	(42,139)	-	-	(215,502)
Cash flows from investing activities:					
Investment earnings	10,423	1,456	2,166	2,156	16,201
Net increase (decrease) in cash and cash equivalents	197,965	(72,035)	5,999	(30,575)	101,354
Cash and cash equivalents at beginning of year	296,752	86,596	116,772	119,291	619,411
Cash and cash equivalents at end of year	<u>\$ 494,717</u>	<u>\$ 14,561</u>	<u>\$ 122,771</u>	<u>\$ 88,716</u>	<u>\$ 720,765</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 15,276	\$ (214,274)	\$ (6,904)	\$ (15,939)	\$ (221,841)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	297,826	134,899	-	-	432,725
Other income	37,233	1,592	-	2,284	41,109
Change in assets and liabilities:					
Accounts receivable	(21,017)	(357)	4,603	(7,782)	(24,553)
Inventory	-	(6,640)	-	-	(6,640)
Net pension liability	(37,764)	(52,341)	-	(3,510)	(93,615)
Deferred outflows - Pensions	46,364	64,260	-	4,309	114,933
Deferred inflows - Pensions	(12,502)	(17,327)	-	(1,162)	(30,991)
Accounts payable	(16,499)	(942)	6,134	(12,467)	(23,774)
Accrued wages payable	7,481	728	-	1,537	9,746
Compensated absences payable	8,530	1,150	-	(1)	9,679
Deposits	-	7,900	-	-	7,900
Total adjustments	<u>309,652</u>	<u>132,922</u>	<u>10,737</u>	<u>(16,792)</u>	<u>436,519</u>
Net cash provided by (used in) operating activities	<u>\$ 324,928</u>	<u>\$ (81,352)</u>	<u>\$ 3,833</u>	<u>\$ (32,731)</u>	<u>\$ 214,678</u>

See Independent Auditor's Report.

## INTERNAL SERVICE FUNDS

An Internal Service Fund is defined as a fund to account for the financing of goods or services by one department to other departments of the City, or to other governmental units, on a cost-reimbursement basis. The City of Anoka has the following Internal Service Funds:

**Information Systems** – This fund accounts for the maintenance, repairs, and operation of the City’s computer hardware and software. These operating expenses are used as a basis to charge departments for the use of the data processing system.

**Insurance** - This fund was established to account for all of the property and liability insurance premiums and claims.

**Employee Benefits** – This fund was established to account for all of the compensated absences benefits (except proprietary funds).

**Central Garage** - This fund was established to account for all of the operating expenses of all City vehicles and major pieces of equipment (except proprietary fund equipment). These operating expenses are used as a basis to establish rental rates that are charged to the departments using the vehicles.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS DECEMBER 31, 2018

Assets	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 324,484	\$ 1,052,583	\$ 735,268	\$ 23,380	\$ 2,135,715
Accounts receivable	-	-	-	-	-
Accrued interest	992	3,217	2,143	(263)	6,089
Due from other funds	-	-	90,000	-	90,000
Inventory	-	-	-	42,126	42,126
Prepaid items	-	-	-	-	-
Total current assets	<u>325,476</u>	<u>1,055,800</u>	<u>827,411</u>	<u>65,243</u>	<u>2,273,930</u>
Noncurrent assets:					
Capital assets:					
Buildings and structures	50,000	-	-	-	50,000
Furniture and equipment	689,783	-	-	-	689,783
Machinery and automotive equipment	-	-	-	5,217,902	5,217,902
Total property	<u>739,783</u>	<u>-</u>	<u>-</u>	<u>5,217,902</u>	<u>5,957,685</u>
Accumulated depreciation	<u>(616,068)</u>	<u>-</u>	<u>-</u>	<u>(3,518,343)</u>	<u>(4,134,411)</u>
Net noncurrent assets	<u>123,715</u>	<u>-</u>	<u>-</u>	<u>1,699,559</u>	<u>1,823,274</u>
Total assets	<u>\$ 449,191</u>	<u>\$ 1,055,800</u>	<u>\$ 827,411</u>	<u>\$ 1,764,802</u>	<u>\$ 4,097,204</u>
<b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	\$ 44,954	\$ -	\$ -	\$ 37,189	\$ 82,143
Accrued wages payable	-	-	-	6,385	6,385
Due to other funds	-	-	-	100,000	100,000
Current portion of compensated absences payable	-	-	20,000	-	20,000
Total current liabilities	<u>44,954</u>	<u>-</u>	<u>20,000</u>	<u>143,574</u>	<u>208,528</u>
Compensated absences payable	-	-	811,313	14,429	825,742
Total liabilities	<u>44,954</u>	<u>-</u>	<u>831,313</u>	<u>158,003</u>	<u>1,034,270</u>
Net position:					
Net investment in capital assets	123,715	-	-	1,699,559	1,823,274
Unrestricted	280,522	1,055,800	(3,902)	(92,760)	1,239,660
Total net position	<u>404,237</u>	<u>1,055,800</u>	<u>(3,902)</u>	<u>1,606,799</u>	<u>3,062,934</u>
Total liabilities and net position	<u>\$ 449,191</u>	<u>\$ 1,055,800</u>	<u>\$ 827,411</u>	<u>\$ 1,764,802</u>	<u>\$ 4,097,204</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:					
Total operating revenues	\$ 436,435	\$ 414,485	\$ 90,000	\$ 731,695	\$ 1,672,615
Operating expenses:					
Personal services	6,925	10,435	42,853	162,558	222,771
Supplies	13,629	-	-	297,693	311,322
Professional services	273,817	456,286	-	39,346	769,449
Contractual services	111,635	-	-	33,566	145,201
Depreciation	39,342	-	-	401,994	441,336
Total operating expenses	<u>445,348</u>	<u>466,721</u>	<u>42,853</u>	<u>935,157</u>	<u>1,890,079</u>
Operating income (loss)	<u>(8,913)</u>	<u>(52,236)</u>	<u>47,147</u>	<u>(203,462)</u>	<u>(217,464)</u>
Nonoperating revenues:					
Interest income	4,631	14,234	7,967	(1,591)	25,241
Net increase in fair value of investments	2,173	2,428	4,742	2,481	11,824
Gain on sale of fixed assets	-	-	-	14,912	14,912
Other income	-	(5,844)	-	-	(5,844)
Total nonoperating revenues	<u>6,804</u>	<u>10,818</u>	<u>12,709</u>	<u>15,802</u>	<u>46,133</u>
Change in net position	(2,109)	(41,418)	59,856	(187,660)	(171,331)
Net position - Beginning of year	<u>406,346</u>	<u>1,097,218</u>	<u>(63,758)</u>	<u>1,794,459</u>	<u>3,234,265</u>
Net position - End of year	<u>\$ 404,237</u>	<u>\$ 1,055,800</u>	<u>\$ (3,902)</u>	<u>\$ 1,606,799</u>	<u>\$ 3,062,934</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2018

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Cash flows from operating activities:					
Received from interfund services provided	\$ 436,435	\$ 414,485	\$ 90,000	\$ 731,695	\$ 1,672,615
Reimbursement from insurance carrier	-	494,271	(90,000)	-	404,271
Payments to suppliers for goods and services	(374,184)	(548,243)	-	(367,507)	(1,289,934)
Payments to employees for services	(6,925)	(10,435)	(10,385)	(158,981)	(186,726)
Net cash provided by (used in) operating activities	<u>55,326</u>	<u>350,078</u>	<u>(10,385)</u>	<u>205,207</u>	<u>600,226</u>
Cash flows from noncapital financing activities:					
(Increase) decrease from other funds	-	-	(12,133)	100,000	87,867
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(39,614)	-	-	(518,983)	(558,597)
Proceeds from sale of capital assets	-	-	-	68,590	68,590
Net cash used in capital and related financing activities	<u>(39,614)</u>	<u>-</u>	<u>-</u>	<u>(450,393)</u>	<u>(490,007)</u>
Cash flows from investing activities:					
Investment earnings	5,940	16,104	13,340	1,795	37,179
Net increase (decrease) in cash and cash equivalents	21,652	366,182	(9,178)	(143,391)	235,265
Cash and cash equivalents at beginning of year	<u>302,832</u>	<u>686,401</u>	<u>744,446</u>	<u>166,771</u>	<u>1,900,450</u>
Cash and cash equivalents end of year	<u>\$ 324,484</u>	<u>\$ 1,052,583</u>	<u>\$ 735,268</u>	<u>\$ 23,380</u>	<u>\$ 2,135,715</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ (8,913)</u>	<u>\$ (52,236)</u>	<u>\$ 47,147</u>	<u>\$ (203,462)</u>	<u>\$ (217,464)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	39,342	-	-	401,994	441,336
Other income	-	(5,844)	-	-	(5,844)
Change in assets and liabilities:					
Inventory	-	-	-	(5,683)	(5,683)
Prepaid expense	-	10,000	-	-	10,000
Accounts receivable	-	494,271	(90,000)	-	404,271
Accounts payable	24,897	(96,113)	-	8,781	(62,435)
Accrued wages payable	-	-	(1,663)	1,141	(522)
Compensated absences payable	-	-	34,131	2,436	36,567
Total adjustments	<u>64,239</u>	<u>402,314</u>	<u>(57,532)</u>	<u>408,669</u>	<u>817,690</u>
Net cash provided by (used in) operating activities	<u>\$ 55,326</u>	<u>\$ 350,078</u>	<u>\$ (10,385)</u>	<u>\$ 205,207</u>	<u>\$ 600,226</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes:			
Property	\$ 6,838,335	\$ 6,824,074	\$ (14,261)
Penalties and interest	6,000	2,349	(3,651)
Total	<u>6,844,335</u>	<u>6,826,423</u>	<u>(17,912)</u>
Licenses and permits:			
Licenses	80,200	88,874	8,674
Permits	360,300	311,645	(48,655)
Total	<u>440,500</u>	<u>400,519</u>	<u>(39,981)</u>
Fines and forfeitures:			
Court fines	61,500	55,160	(6,340)
Intergovernmental:			
Local government aid	1,794,220	1,794,225	5
State aid maintenance	195,000	206,744	11,744
Police aid	256,000	266,122	10,122
PERA aid	28,500	28,509	9
Other	10,000	26,931	16,931
Total	<u>2,283,720</u>	<u>2,322,531</u>	<u>38,811</u>
Charges for current services:			
Swimming pool	299,900	310,380	10,480
Parks	52,100	58,479	6,379
Police services	666,700	595,450	(71,250)
Planning services	125,400	96,146	(29,254)
Public works	1,000	254	(746)
Other	-	-	-
Total	<u>1,145,100</u>	<u>1,060,709</u>	<u>(84,391)</u>
Franchise fees	966,000	973,328	7,328
Interest earnings	50,000	39,712	(10,288)
Miscellaneous:			
Other	194,400	198,654	4,254
Net increase in fair value of investments	-	27,106	27,106
Total	<u>194,400</u>	<u>225,760</u>	<u>31,360</u>
Total revenues	<u>11,985,555</u>	<u>11,904,142</u>	<u>(81,413)</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources:			
Electric transfer in	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>
Total	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 12,485,555</u>	<u>\$ 12,404,142</u>	<u>\$ (81,413)</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government:			
Mayor and council:			
Personal services	\$ 40,770	\$ 39,217	\$ 1,553
Supplies	500	60	440
Professional services	<u>70,770</u>	<u>71,038</u>	<u>(268)</u>
Totals	<u>112,040</u>	<u>110,315</u>	<u>1,725</u>
City manager:			
Personal services	276,410	248,105	28,305
Supplies	5,750	1,068	4,682
Professional services	77,515	107,478	(29,963)
Contractual services	<u>1,500</u>	<u>4,409</u>	<u>(2,909)</u>
Totals	<u>361,175</u>	<u>361,060</u>	<u>115</u>
Elections:			
Personal services	32,500	22,779	9,721
Supplies	200	1,849	(1,649)
Professional services	-	1,691	(1,691)
Contractual services	<u>4,000</u>	<u>6,823</u>	<u>(2,823)</u>
Totals	<u>36,700</u>	<u>33,142</u>	<u>3,558</u>
Finance:			
Personal services	234,585	185,989	48,596
Supplies	4,100	1,164	2,936
Professional services	47,350	59,379	(12,029)
Contractual services	<u>2,700</u>	<u>1,321</u>	<u>1,379</u>
Totals	<u>288,735</u>	<u>247,853</u>	<u>40,882</u>
Assessing:			
Personal services	138,625	141,959	(3,334)
Supplies	700	140	560
Professional services	13,205	10,393	2,812
Contractual services	<u>5,425</u>	<u>5,225</u>	<u>200</u>
Totals	<u>157,955</u>	<u>157,717</u>	<u>238</u>
Miscellaneous:			
Professional services	60,000	47,301	12,699
Contractual services	<u>75,000</u>	<u>56,000</u>	<u>19,000</u>
Totals	<u>135,000</u>	<u>103,301</u>	<u>31,699</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government (continued):			
Attorney:			
Supplies	\$ 500	\$ -	\$ 500
Professional services	205,000	191,817	13,183
Totals	<u>205,500</u>	<u>191,817</u>	<u>13,683</u>
Planning:			
Personal services	182,950	178,325	4,625
Supplies	3,500	115	3,385
Professional services	37,295	44,031	(6,736)
Contractual services	3,600	3,292	308
Totals	<u>227,345</u>	<u>225,763</u>	<u>1,582</u>
Community development:			
Personal services	122,755	120,747	2,008
Supplies	3,000	729	2,271
Professional services	20,920	11,178	9,742
Contractual services	500	34	466
Totals	<u>147,175</u>	<u>132,688</u>	<u>14,487</u>
General government buildings:			
Personal services	64,660	73,856	(9,196)
Supplies	3,200	2,376	824
Professional services	58,070	47,490	10,580
Contractual services	78,465	34,953	43,512
Capital outlay	-	39,684	(39,684)
Totals	<u>204,395</u>	<u>198,359</u>	<u>6,036</u>
Building maintenance:			
Personal services	91,935	95,760	(3,825)
Supplies	9,900	18	9,882
Professional services	13,130	7,463	5,667
Contractual services	61,755	72,247	(10,492)
Totals	<u>176,720</u>	<u>175,488</u>	<u>1,232</u>
Total general government	<u>2,052,740</u>	<u>1,937,503</u>	<u>115,237</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Police department:			
Personal services	\$ 3,593,565	\$ 3,627,617	\$ (34,052)
Supplies	96,200	86,008	10,192
Professional services	357,115	361,830	(4,715)
Contractual services	349,055	322,885	26,170
Capital outlay	40,000	36,202	3,798
Totals	4,435,935	4,434,542	1,393
State hospital security:			
Personal services	190,200	193,587	(3,387)
Supplies	400	-	400
Professional services	9,330	6,330	3,000
Contractual services	30,905	22,870	8,035
Totals	230,835	222,787	8,048
High school security, liason, and security:			
Personal services	499,455	496,602	2,853
Supplies	800	-	800
Professional services	22,065	18,565	3,500
Contractual services	34,655	31,715	2,940
Totals	556,975	546,882	10,093
Fire protection:			
Contractual services	672,565	672,565	-
Emergency services:			
Personal services	500	-	500
Professional services	1,150	-	1,150
Contractual services	2,300	2,214	86
Totals	3,950	2,214	1,736

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual	Variance Positive (Negative)
Public safety (continued):			
Inspections:			
Personal services	\$ 207,515	\$ 187,783	\$ 19,732
Supplies	3,250	132	3,118
Professional services	53,340	40,167	13,173
Contractual services	10,655	10,455	200
Totals	274,760	238,537	36,223
Property maintenance:			
Personal services	140,950	135,898	5,052
Professional services	9,795	10,914	(1,119)
Contractual services	20,905	21,150	(245)
Totals	171,650	167,962	3,688
Total public safety	6,346,670	6,285,489	61,181
Public works:			
Engineering:			
Personal services	83,700	72,391	11,309
Supplies	4,500	2,634	1,866
Professional services	51,050	44,048	7,002
Contractual services	5,725	5,225	500
Totals	144,975	124,298	20,677
Streets:			
Personal services	594,555	513,503	81,052
Supplies	9,400	23,269	(13,869)
Professional services	65,935	73,744	(7,809)
Contractual services	428,805	375,093	53,712
Capital outlay	20,000	117,343	(97,343)
Totals	1,118,695	1,102,952	15,743
Total public works	1,263,670	1,227,250	36,420

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Parks and recreation:			
Organized recreation:			
Personal services	\$ 42,945	\$ 49,017	\$ (6,072)
Supplies	10,000	9,403	597
Professional services	163,145	159,064	4,081
Contractual services	155,000	63,228	91,772
Totals	<u>371,090</u>	<u>280,712</u>	<u>90,378</u>
Playgrounds and playfields:			
Personal services	84,700	80,199	4,501
Supplies	9,000	8,781	219
Professional services	28,430	31,079	(2,649)
Contractual services	57,810	53,451	4,359
Totals	<u>179,940</u>	<u>173,510</u>	<u>6,430</u>
Aquatic center:			
Personal services	215,040	253,176	(38,136)
Supplies	36,500	33,861	2,639
Professional services	77,315	59,132	18,183
Contractual services	37,055	19,147	17,908
Capital outlay	35,000	35,000	-
Totals	<u>400,910</u>	<u>400,316</u>	<u>594</u>
Senior citizens:			
Personal services	105,650	115,336	(9,686)
Supplies	9,550	8,462	1,088
Professional services	44,200	51,112	(6,912)
Contractual services	48,405	25,817	22,588
Totals	<u>207,805</u>	<u>200,727</u>	<u>7,078</u>
Skating rinks/River recreation:			
Personal services	36,420	34,162	2,258
Supplies	6,200	1,083	5,117
Professional services	8,755	6,454	2,301
Contractual services	9,000	3,089	5,911
Totals	<u>60,375</u>	<u>44,788</u>	<u>15,587</u>
Municipal parks:			
Personal services	689,230	693,506	(4,276)
Supplies	49,200	31,253	17,947
Professional services	71,865	60,420	11,445
Contractual services	217,525	184,491	33,034
Capital outlay	-	54,895	(54,895)
Totals	<u>1,027,820</u>	<u>1,024,565</u>	<u>3,255</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Parks and recreation (continued):			
Shade tree beautification:			
Personal services	\$ 6,970	\$ (6,410)	\$ 13,380
Supplies	(39,800)	181	(39,981)
Professional services	5,865	4,825	1,040
Contractual services	26,500	34,171	(7,671)
Capital outlay	45,000	-	45,000
	44,535	32,767	11,768
Totals	44,535	32,767	11,768
Total parks and recreation	2,292,475	2,157,385	135,090
Total expenditures	11,955,555	11,607,627	347,928
Transfers out:			
Debt service	565,000	569,500	(4,500)
Totals	565,000	569,500	(4,500)
Total expenditures and transfers	\$ 12,520,555	\$ 12,177,127	\$ 343,428

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINED SCHEDULE OF INDEBTEDNESS DECEMBER 31, 2018

ACCOUNT NUMBER	Bonded Indebtedness	Issue Date	Maturity Date	Interest Rates	Authorized and Issued	Balance 12/31/2017
<b>General obligation bonds:</b>						
302-4770	Public Facility Refunding Bonds of 2010A	12/27/2010	02/01/2022	2.00-3.15%	\$ 3,740,000	\$ 1,805,000
379-4780	2014A TIF Crossover Refunding Bonds	08/14/2014	02/01/2033	3.00-4.00%	6,115,000	5,795,000
305-4771	2016A Public Facilities Crossover Refunding	04/27/2016	02/01/2028	2.00%	1,510,000	1,510,000
	Total general obligation bonds				<u>11,365,000</u>	<u>9,110,000</u>
<b>General Obligation Revenue bonds:</b>						
603	Utility Storm Water Bonds, Series 2016B	08/01/2016	02/01/2036	2.00-3.00%	1,795,000	1,710,000
	Total general obligation revenue bonds				<u>1,795,000</u>	<u>1,710,000</u>
	Total bonds payable				<u>\$ 13,160,000</u>	<u>\$ 10,820,000</u>
410	Loan Payable to Met Council				<u>\$ -</u>	<u>\$ 2,308,137</u>

# CITY OF ANOKA, MINNESOTA

## COMBINED SCHEDULE OF INDEBTEDNESS (Continued) DECEMBER 31, 2018

ACCOUNT NUMBER	Bonded Indebtedness	Additions	Retirements	Balance 12/31/2018
<b>General obligation bonds:</b>				
302-4770	Public Facility Refunding Bonds of 2010A	\$ -	\$ 375,000	\$ 1,430,000
379-4780	2014A TIF Crossover Refunding Bonds	-	180,000	5,615,000
305-4771	2016A Public Facilities Crossover Refunding	-	120,000	1,390,000
	Total general obligation bonds	-	675,000	8,435,000
<b>General Obligation Revenue bonds:</b>				
603	Utility Storm Water Bonds, Series 2016B	-	85,000	1,625,000
	Total general obligation revenue bonds	-	85,000	1,625,000
	Total bonds payable	\$ -	\$ 760,000	\$ 10,060,000
410	Loan Payable to Met Council	\$ -	\$ -	\$ 2,308,137

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF BOND MATURITIES

DECEMBER 31, 2018

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds:				
\$6,115,000 TIF Crossover Refunding Bonds of 2014A	08/14/2014	3.00%	02/01/2019	\$ 185,000
		3.00	02/01/2020	215,000
		3.00	02/01/2021	205,000
		4.00	02/01/2022	280,000
		4.00	02/01/2023	300,000
		4.00	02/01/2024	325,000
		4.00	02/01/2025	330,000
		3.00	02/01/2026	350,000
		3.00	02/01/2027	365,000
		3.00	02/01/2028	480,000
		3.25	02/01/2029	480,000
		3.38	02/01/2030	490,000
		3.40	02/01/2031	520,000
		3.40	02/01/2032	535,000
		3.40	02/01/2033	555,000
Total TIF Crossover Refunding Bonds of 2014A				<u>5,615,000</u>
\$3,740,000 G.O. Public Facility Refunding Bonds, Series 2010A	12/27/2010	2.60%	02/01/2019	\$ 370,000
		3.00	02/01/2020	360,000
		3.05	02/01/2021	350,000
		3.15	02/01/2022	350,000
Total Public Facility Refunding Bonds of 2010A				<u>1,430,000</u>
\$1,510,000 Crossover Refunding Bonds of 2016A	04/27/2017	2.00%	02/01/2019	\$ 125,000
		2.00	02/01/2020	125,000
		2.00	02/01/2021	130,000
		2.00	02/01/2022	135,000
		2.00	02/01/2023	140,000
		2.00	02/01/2024	140,000
		2.00	02/01/2025	140,000
		2.00	02/01/2026	150,000
		2.00	02/01/2027	150,000
		2.00	02/01/2028	155,000
Total Public Facility Refunding Bonds of 2010A				<u>1,390,000</u>
Total General Obligation Bonds Payable				<u>8,435,000</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF BOND MATURITIES (CONTINUED)

DECEMBER 31, 2018

	Issue Date	Interest Rate	Maturity Date	Principal
Revenue Bonds:				
\$1,795,000 Utility Revenue Bonds, 2016B	08/01/2016		02/01/2019	\$ 85,000
			02/01/2020	85,000
			02/01/2021	85,000
			02/01/2022	85,000
			02/01/2023	85,000
			02/01/2024	85,000
			02/01/2025	85,000
			02/01/2026	85,000
			02/01/2027	85,000
			02/01/2028	90,000
			02/01/2029	90,000
			02/01/2030	90,000
			02/01/2031	90,000
			02/01/2032	90,000
			02/01/2033	95,000
			02/01/2034	100,000
			02/01/2035	105,000
			02/01/2036	110,000
Total Utility Revenue Bonds of 2016B				1,625,000
Total Bonds Payable				\$ 10,060,000

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF DEBT SERVICE REQUIREMENTS DECEMBER 31, 2018

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 680,000	\$ 251,363	\$ 85,000	\$ 38,900	\$ 765,000	\$ 290,263
2020	700,000	232,652	85,000	37,200	785,000	269,852
2021	685,000	213,065	85,000	35,500	770,000	248,565
2022	765,000	190,890	85,000	33,800	850,000	224,690
2023	440,000	171,028	85,000	32,100	525,000	203,128
2024	465,000	155,727	85,000	30,400	550,000	186,127
2025	470,000	139,828	85,000	28,700	555,000	168,528
2026	500,000	125,077	85,000	27,000	585,000	152,077
2027	515,000	111,353	85,000	25,300	600,000	136,653
2028	635,000	95,627	90,000	23,325	725,000	118,952
2029	480,000	79,077	90,000	21,075	570,000	100,152
2030	490,000	63,009	90,000	18,825	580,000	81,834
2031	520,000	45,900	90,000	16,350	610,000	62,250
2032	535,000	27,965	90,000	13,650	625,000	41,615
2033	555,000	9,435	95,000	10,875	650,000	20,310
2034			100,000	7,950	100,000	7,950
2035			105,000	4,875	105,000	4,875
2036			110,000	1,650	110,000	1,650
	<u>\$ 8,435,000</u>	<u>\$ 1,911,996</u>	<u>\$ 1,625,000</u>	<u>\$ 407,475</u>	<u>\$ 10,060,000</u>	<u>\$ 2,319,471</u>

See Independent Auditors Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2018

	<b>Agency</b>			
	<b>Escrow Funds</b>	<b>Youth First</b>	<b>Downtown District</b>	<b>Agency Total</b>
<b>Assets</b>				
Cash and investments	\$ 498,034	\$ 90,380	\$ 7,075	\$ 595,489
Accounts receivable	-	7,050	6,129	13,179
Accrued interest receivable	1,510	276	22	1,808
Total assets	\$ 499,544	\$ 97,706	\$ 13,226	\$ 610,476
 <b>Liabilities</b>				
Liabilities:				
Deposits payable	\$ 499,544	\$ -	\$ -	\$ 499,544
Due to other organizations	-	97,706	13,226	110,932
Total liabilities	\$ 499,544	\$ 97,706	\$ 13,226	\$ 610,476

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FIDUCIARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2018

	Balance January 1 2018	Additions	Deductions	Balance December 31 2018
<u>Escrow Fund</u>				
<b>Assets</b>				
Cash and investments	\$ 245,987	\$ 314,605	\$ 62,558	\$ 498,034
Accrued interest receivable	953	3,602	3,045	1,510
	\$ 246,940	\$ 318,207	\$ 65,603	\$ 499,544
<b>Liabilities</b>				
Liabilities:				
Deposits payable	\$ 246,940	\$ 333,364	\$ 80,760	\$ 499,544
	\$ 246,940	\$ 333,364	\$ 80,760	\$ 499,544
<u>Youth First</u>				
<b>Assets</b>				
Cash and investments	\$ 79,725	\$ 247,590	\$ 236,935	\$ 90,380
Accounts receivable	-	7,050	-	7,050
Accrued interest receivable	308	711	743	276
	\$ 80,033	\$ 255,351	\$ 237,678	\$ 97,706
<b>Liabilities</b>				
Liabilities:				
Due to other organizations	\$ 80,033	\$ 255,351	\$ 237,678	\$ 97,706
	\$ 80,033	\$ 255,351	\$ 237,678	\$ 97,706
<u>Downtown District</u>				
<b>Assets</b>				
Cash and investments	\$ 101,840	\$ 88,556	\$ 183,321	\$ 7,075
Accounts receivable	6,108	86,911	86,890	6,129
Accrued interest receivable	395	72	445	22
	\$ 108,343	\$ 175,539	\$ 270,656	\$ 13,226
<b>Liabilities</b>				
Liabilities:				
Due to other organizations	\$ 108,343	\$ 175,539	\$ 270,656	\$ 13,226
	\$ 108,343	\$ 175,539	\$ 270,656	\$ 13,226

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FIDUCIARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2018 (CONTINUED)

	Balance January 1 2018	Additions	Deductions	Balance December 31 2018
<u>Total Agency Fund</u>				
<b>Assets</b>				
Cash and investments	\$ 427,552	\$ 650,751	\$ 482,814	\$ 595,489
Accounts receivable	6,108	93,961	86,890	13,179
Accrued interest receivable	1,656	4,385	4,233	1,808
	<u>\$ 435,316</u>	<u>\$ 749,097</u>	<u>\$ 573,937</u>	<u>\$ 610,476</u>
<b>Liabilities</b>				
Liabilities:				
Deposits payable	\$ 246,940	\$ 333,364	\$ 80,760	\$ 499,544
Due to other organizations	188,376	430,890	508,334	110,932
	<u>\$ 435,316</u>	<u>\$ 764,254</u>	<u>\$ 589,094</u>	<u>\$ 610,476</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY**

**BALANCE SHEET - COMPONENT UNIT  
DECEMBER 31, 2018**

	<u>HRA</u>	<u>Central Business Tax Increment</u>	<u>Business Core Tax Increment</u>	<u>South Business Tax Increment</u>	<u>Total HRA Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 677,102	\$ 316,046	\$ 1,315	\$ 15,092	\$ 1,009,555
Receivables, net:					
Taxes	4,761	-	-	-	4,761
Accounts receivable	-	-	-	-	-
Loans receivable	297,017	-	-	-	297,017
Due from other funds	370,000	1,142,200	-	43,070	1,555,270
Accrued interest	2,270	967	3	(168)	3,072
Due from other governments	-	57	-	682	739
Land held for resale	474,941	219,095	-	-	694,036
Total assets	<u>\$ 1,826,091</u>	<u>\$ 1,678,365</u>	<u>\$ 1,318</u>	<u>\$ 58,676</u>	<u>\$ 3,564,450</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 211	\$ -	\$ 1,509	\$ 858	\$ 2,578
Accrued wages payable and other benefits	4,293	-	-	-	4,293
Due to other funds	43,070	-	167,200	1,345,000	1,555,270
Total liabilities	<u>47,574</u>	<u>-</u>	<u>168,709</u>	<u>1,345,858</u>	<u>1,562,141</u>
Deferred inflows of resources:					
Unavailable revenue property taxes	3,068	-	-	-	3,068
Unavailable revenue loans	297,018	-	-	-	297,018
Total deferred inflows of resources	<u>300,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,086</u>
Fund balances:					
Nonspendable	474,941	-	-	-	474,941
Restricted	-	1,678,365	-	-	1,678,365
Committed	-	-	-	-	-
Unassigned	1,003,490	-	(167,391)	(1,287,182)	(451,083)
Total fund balances	<u>1,478,431</u>	<u>1,678,365</u>	<u>(167,391)</u>	<u>(1,287,182)</u>	<u>1,702,223</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,826,091</u>	<u>\$ 1,678,365</u>	<u>\$ 1,318</u>	<u>\$ 58,676</u>	<u>\$ 3,564,450</u>
Total Component Unit fund balances					\$ 1,702,223
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in Component Unit (excluding internal service fund capital assets) are not financial resources and are not reported in the funds.					772,022
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources.					300,086
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.					(42,602)
Other long-term liabilities are not due and payable in the current period and therefore are deferred outflows of resources.					(4,974)
Net position of governmental activities (page 27)					<u>\$ 2,726,755</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES COMPONENT UNIT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

	HRA	Central Business Tax Increment	Business Core Tax Increment	South Business Tax Increment	Total HRA Funds
Revenues:					
Taxes	\$ 251,354	\$ -	\$ 9,548	\$ 95,467	\$ 356,369
Charges for current services	39,726	-	-	-	39,726
Investment income	13,151	2,632	1	(1,306)	14,478
Net increase in fair value of investments	5,602	1,710	100	688	8,100
Miscellaneous	10,500	42,029	-	-	52,529
Total revenues	320,333	46,371	9,649	94,849	471,202
Expenditures					
Current:					
Urban redevelopment and housing	156,505	200	10,370	48,219	215,294
Capital outlay	-	-	-	-	-
Total expenditures	156,505	200	10,370	48,219	215,294
Excess (deficiency) of revenues over (under) expenditures	163,828	46,171	(721)	46,630	255,908
Other financing (uses) including transfers: (Loss) from sale of land held for resale	5,848	281,426	-	445,125	732,399
Net changes in fund balances	157,980	(235,255)	(721)	(398,495)	(476,491)
Fund balances (deficits) at beginning of year	1,320,451	1,913,620	(166,670)	(888,687)	2,178,714
Fund balances (deficits) at end of year	\$ 1,478,431	\$ 1,678,365	\$ (167,391)	\$ (1,287,182)	\$ 1,702,223

Amounts reported for government activities in the statement of activities are different because:

Net change in fund balances above	\$ (476,491)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(11,110)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(49,169)
Net change in compensated absences reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.	(1,603)
Net pension obligations reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.	1,107
Change in net position of governmental activities (page 28)	\$ (537,266)

See Independent Auditor's Report.



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## STATISTICAL SECTION

This part of the City of Anoka'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 City's overall financial health.

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

**Revenue Capacity** – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City'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 City's financial activities take place.

**Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:				
Net investment in capital assets	\$ 44,404,665	\$ 46,048,443	\$ 42,414,832	\$ 51,838,450
Restricted	896,059	502,574	1,012,029	1,458,235
Unrestricted	<u>5,968,227</u>	<u>8,816,308</u>	<u>14,938,282</u>	<u>13,246,285</u>
Total governmental activities net position	<u>\$ 51,268,951</u>	<u>\$ 55,367,325</u>	<u>\$ 58,365,143</u>	<u>\$ 66,542,970</u>
Business-type activities:				
Net investment in capital assets	\$ 32,588,231	\$ 32,376,427	\$ 31,799,293	\$ 33,751,733
Restricted	329,304	331,203	328,029	339,854
Unrestricted	<u>17,540,338</u>	<u>19,738,257</u>	<u>22,785,758</u>	<u>21,807,653</u>
Total business-type activities net position	<u>\$ 50,457,873</u>	<u>\$ 52,445,887</u>	<u>\$ 54,913,080</u>	<u>\$ 55,899,240</u>
Primary government:				
Net investment in capital assets	\$ 76,992,896	\$ 78,424,870	\$ 74,214,125	\$ 85,590,183
Restricted	1,225,363	833,777	1,340,058	1,798,089
Unrestricted	<u>23,508,565</u>	<u>28,554,565</u>	<u>37,724,040</u>	<u>35,053,938</u>
Total primary government net position	<u>\$ 101,726,824</u>	<u>\$ 107,813,212</u>	<u>\$ 113,278,223</u>	<u>\$ 122,442,210</u>

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS (CONTINUED)**

2013	2014	2015	2016	2017	2018
\$ 62,009,558	\$ 66,844,241	\$ 71,334,409	\$ 75,833,210	\$ 81,699,387	\$ 85,684,691
4,610,299	5,197,093	5,828,258	5,174,912	3,356,040	6,382,800
<u>10,635,827</u>	<u>10,721,398</u>	<u>6,150,596</u>	<u>1,313,763</u>	<u>491,185</u>	<u>(4,594,994)</u>
<u>\$ 77,255,684</u>	<u>\$ 82,762,732</u>	<u>\$ 83,313,263</u>	<u>\$ 82,321,885</u>	<u>\$ 85,546,612</u>	<u>\$ 87,472,497</u>
\$ 34,879,100	\$ 38,846,655	\$ 41,105,603	\$ 41,570,574	\$ 43,686,972	\$ 42,869,504
248,258	256,330	228,725	1,237,871	-	-
<u>21,712,562</u>	<u>19,782,441</u>	<u>17,632,441</u>	<u>17,638,923</u>	<u>18,029,772</u>	<u>19,759,309</u>
<u>\$ 56,839,920</u>	<u>\$ 58,885,426</u>	<u>\$ 58,966,769</u>	<u>\$ 60,447,368</u>	<u>\$ 61,716,744</u>	<u>\$ 62,628,813</u>
\$ 96,888,658	\$ 105,690,896	\$ 112,440,012	\$ 117,403,784	\$ 125,386,359	\$ 128,554,195
4,858,557	5,453,423	6,056,983	6,412,783	3,356,040	6,382,800
<u>32,348,389</u>	<u>30,503,839</u>	<u>23,783,037</u>	<u>18,952,686</u>	<u>18,520,957</u>	<u>15,164,315</u>
<u>\$ 134,095,604</u>	<u>\$ 141,648,158</u>	<u>\$ 142,280,032</u>	<u>\$ 142,769,253</u>	<u>\$ 147,263,356</u>	<u>\$ 150,101,310</u>

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,398,175	\$ 2,365,246	\$ 2,923,429	\$ 1,973,890
Public safety	5,004,364	5,320,857	4,964,088	5,200,008
Public works	2,033,195	1,396,491	2,184,103	2,097,304
Parks and recreation	2,100,057	1,840,678	1,927,287	1,928,896
Interest on long-term debt	766,471	701,054	572,753	526,864
Total governmental activities expenses	<u>12,302,262</u>	<u>11,624,326</u>	<u>12,571,660</u>	<u>11,726,962</u>
Business-type activities:				
Electric	19,729,760	21,291,347	22,350,480	22,862,034
Water	1,372,374	1,299,137	1,344,164	1,291,808
Sewer	1,946,558	2,004,164	1,940,882	1,842,496
Liquor stores	3,669,135	3,481,544	3,653,495	3,758,217
Golf	1,372,763	1,356,041	1,393,724	1,319,486
Storm drainage	135,671	150,370	162,570	166,886
Refuse	267,873	229,266	200,494	177,847
Recycling	299,333	304,284	264,232	253,912
Total business-type activities expenses	<u>28,793,467</u>	<u>30,116,153</u>	<u>31,310,041</u>	<u>31,672,686</u>
Total primary government expenses	<u>\$ 41,095,729</u>	<u>\$ 41,740,479</u>	<u>\$ 43,881,701</u>	<u>\$ 43,399,648</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 95,124	\$ 73,135	\$ 87,718	\$ 113,277
Public safety	924,027	871,206	1,049,481	1,203,307
Public works	662,257	577,894	478,204	738,468
Parks and recreation	319,198	402,048	559,575	361,437
Operating grants and contributions	502,915	301,812	304,430	289,662
Capital grants and contributions	1,539,997	867,036	587,413	2,886,426
Total governmental activities program revenues	<u>4,043,518</u>	<u>3,093,131</u>	<u>3,066,821</u>	<u>5,592,577</u>
Business-type activities:				
Charges for services				
Electric	22,944,335	23,723,639	24,508,858	24,506,822
Water	1,615,116	1,607,863	1,834,611	1,726,207
Sewer	1,950,490	2,159,743	2,224,510	2,045,200
Liquor stores	3,855,281	3,589,782	3,790,973	3,970,832
Golf	998,057	1,075,509	894,487	1,009,109
Storm drainage	398,762	419,276	419,839	420,954
Refuse	255,741	217,991	191,181	169,868
Recycling	243,876	271,022	264,068	238,314
Operating grants and contributions	46,550	40,967	-	-
Total business-type activities revenues	<u>32,308,208</u>	<u>33,105,792</u>	<u>34,128,527</u>	<u>34,087,306</u>
Total primary government revenues	<u>\$ 36,351,726</u>	<u>\$ 36,198,923</u>	<u>\$ 37,195,348</u>	<u>\$ 39,679,883</u>

CITY OF ANOKA, MINNESOTA

(Unaudited)

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (CONTINUED)

2013	2014	2015	2016	2017	2018
\$ 2,352,739	\$ 2,575,107	\$ 2,354,218	\$ 2,581,670	\$ 2,606,360	\$ 2,583,277
5,280,686	5,303,656	5,630,639	7,296,891	6,434,580	6,667,289
2,446,436	2,580,990	2,505,957	2,778,563	2,927,491	2,778,395
2,109,080	2,582,244	2,462,522	2,455,616	2,963,585	2,756,501
490,008	514,894	549,923	557,369	508,276	509,195
<u>12,678,949</u>	<u>13,556,891</u>	<u>13,503,259</u>	<u>15,670,109</u>	<u>15,440,292</u>	<u>15,294,657</u>
24,533,255	24,728,393	25,074,193	26,193,102	26,685,242	27,695,950
1,430,439	1,423,583	1,362,189	1,408,208	1,329,635	1,430,534
1,967,585	2,113,023	2,018,953	2,202,166	2,260,974	2,336,214
3,857,645	4,007,571	3,977,014	4,038,791	4,267,203	4,081,459
1,088,903	939,188	1,019,747	1,073,673	1,107,911	1,088,099
198,447	184,749	209,167	268,033	188,734	222,292
161,493	135,444	124,159	116,745	112,193	101,672
271,358	271,444	284,608	293,927	297,525	315,252
<u>33,509,125</u>	<u>33,803,395</u>	<u>34,070,030</u>	<u>35,594,645</u>	<u>36,249,417</u>	<u>37,271,472</u>
<u>\$ 46,188,074</u>	<u>\$ 47,360,286</u>	<u>\$ 47,573,289</u>	<u>\$ 51,264,754</u>	<u>\$ 51,689,709</u>	<u>\$ 52,566,129</u>
\$ 110,399	\$ 132,467	\$ 295,002	\$ 269,319	\$ 251,317	\$ 208,264
1,075,581	1,306,662	1,389,495	1,198,722	1,206,524	1,099,352
591,786	1,208,335	1,482,100	1,113,023	1,627,532	1,105,052
490,059	446,436	512,643	533,668	563,717	473,000
472,961	268,999	264,399	295,741	310,718	314,285
7,932,979	2,584,266	393,326	187,695	2,412,774	785,219
<u>10,673,765</u>	<u>5,947,165</u>	<u>4,336,965</u>	<u>3,598,168</u>	<u>6,372,582</u>	<u>3,985,172</u>
25,757,858	27,406,129	27,968,233	27,804,476	27,649,947	29,474,681
1,614,435	1,489,934	1,606,698	1,774,756	1,887,801	1,814,740
2,056,585	2,052,380	2,097,836	2,157,690	2,249,203	2,349,392
4,067,548	4,179,462	4,174,041	4,117,403	4,428,648	4,247,545
848,183	913,354	931,322	974,193	913,608	873,424
471,251	471,678	472,283	491,314	559,706	627,500
154,338	133,959	111,711	114,016	106,540	94,732
301,530	236,453	236,021	239,079	239,915	242,651
-	21,049	50,739	56,042	61,796	56,611
<u>35,271,728</u>	<u>36,904,398</u>	<u>37,648,884</u>	<u>37,728,969</u>	<u>38,097,164</u>	<u>39,781,276</u>
<u>\$ 45,945,493</u>	<u>\$ 42,851,563</u>	<u>\$ 41,985,849</u>	<u>\$ 41,327,137</u>	<u>\$ 44,469,746</u>	<u>\$ 43,766,448</u>

# CITY OF ANOKA, MINNESOTA

(Unaudited)

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (CONTINUED)

	2009	2010	2011	2012
Net (expense) revenue:				
Governmental activities	\$ (8,258,744)	\$ (8,531,195)	\$ (9,504,839)	\$ (6,134,385)
Business-type activities	3,514,741	2,989,639	2,818,486	2,414,620
	\$ (4,744,003)	\$ (5,541,556)	\$ (6,686,353)	\$ (3,719,765)
<b>General Revenues and Other Sources in Net Position</b>				
Governmental activities:				
Property taxes levied for general purpose	\$ 5,390,456	\$ 5,397,013	\$ 5,220,518	\$ 5,455,000
Property taxes levied for debt service	294,295	400,560	393,745	406,164
Property taxes from tax increments	2,537,536	2,696,195	2,633,140	2,577,022
Franchise taxes	1,204,563	1,236,900	1,257,715	1,298,606
Grants, aid, and contributions not restricted to specific programs	1,405,552	1,006,620	1,036,760	931,996
Unrestricted investment income	231,174	324,389	278,584	89,102
Gain (loss) on disposal of capital assets	-	-	-	1,407,516
Other	10,096	47,829	223,246	71,810
Transfers	309,996	1,584,996	1,458,949	2,074,996
Transfer of operations	-	-	-	-
Contributed capital	-	-	-	-
	11,383,668	12,694,502	12,502,657	14,312,212
Business-type activities				
Interest and investment earnings	392,268	508,386	468,237	257,696
Gain on sale of capital assets	(2,923)	6,316	411,364	31,342
Other	3,662	68,669	228,055	357,498
Transfers	(309,996)	(1,584,996)	(1,458,949)	(2,074,996)
Contributed capital	-	-	-	-
	83,011	(1,001,625)	(351,293)	(1,428,460)
Total primary government	\$ 11,466,679	\$ 11,692,877	\$ 12,151,364	\$ 12,883,752
<b>Change in Net Position</b>				
Governmental activities	\$ 3,124,924	\$ 4,163,307	\$ 2,997,818	\$ 8,177,827
Business-type activities	3,597,752	1,988,014	2,467,193	986,160
	\$ 6,722,676	\$ 6,151,321	\$ 5,465,011	\$ 9,163,987

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (CONTINUED)**

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ (2,005,184)	\$ (7,609,726)	\$ (9,166,294)	\$ (12,071,941)	\$ (9,067,710)	\$ (11,309,485)
<u>1,762,603</u>	<u>3,101,003</u>	<u>3,578,854</u>	<u>2,134,324</u>	<u>1,847,747</u>	<u>2,509,804</u>
<u>\$ (242,581)</u>	<u>\$ (4,508,723)</u>	<u>\$ (5,587,440)</u>	<u>\$ (9,937,617)</u>	<u>\$ (7,219,963)</u>	<u>\$ (8,799,681)</u>
\$ 5,442,963	\$ 5,313,111	\$ 5,328,549	\$ 6,298,054	\$ 6,635,017	\$ 6,830,816
393,566	386,417	387,269	154,800	(2,006)	(324)
2,558,472	2,557,981	2,660,321	410,817	544,134	573,642
1,340,379	1,331,955	1,344,354	1,334,186	1,315,417	1,355,374
929,604	1,575,982	1,678,395	1,712,178	1,719,554	1,822,734
(210,377)	383,830	122,552	62,064	104,574	122,509
-	(413,606)	343,103	(399,610)	371,287	5,515
835,177	285,953	614,075	84,074	104,460	423,977
150,000	2,285,000	2,808,000	1,424,000	1,500,000	2,380,000
-	(589,849)	-	-	-	-
949,670	-	(731,000)	-	-	-
<u>12,389,454</u>	<u>13,116,774</u>	<u>14,555,618</u>	<u>11,080,563</u>	<u>12,292,437</u>	<u>13,514,243</u>
(161,677)	588,632	268,561	290,001	327,960	480,225
6,495	60,505	21,999	8,562	32,465	1,501
432,929	580,366	563,698	451,212	561,204	300,539
(150,000)	(2,285,000)	(2,808,000)	(1,424,000)	(1,500,000)	(2,380,000)
(949,670)	-	731,000	-	-	-
<u>(821,923)</u>	<u>(1,055,497)</u>	<u>(1,222,742)</u>	<u>(674,225)</u>	<u>(578,371)</u>	<u>(1,597,735)</u>
<u>\$ 11,567,531</u>	<u>\$ 12,061,277</u>	<u>\$ 13,332,876</u>	<u>\$ 10,406,338</u>	<u>\$ 11,714,066</u>	<u>\$ 11,916,508</u>
\$ 10,384,270	\$ 5,507,048	\$ 5,389,324	\$ (991,378)	\$ 3,224,727	\$ 2,204,758
<u>940,680</u>	<u>2,045,506</u>	<u>2,356,112</u>	<u>1,460,099</u>	<u>1,269,376</u>	<u>912,069</u>
<u>\$ 11,324,950</u>	<u>\$ 7,552,554</u>	<u>\$ 7,745,436</u>	<u>\$ 468,721</u>	<u>\$ 4,494,103</u>	<u>\$ 3,116,827</u>

CITY OF ANOKA, MINNESOTA

(Unaudited)

COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2009	2010	2011	2012
General Fund:				
Nonspendable	\$ -	\$ -	\$ 18,361	\$ 18,361
Restricted	-	-	673,271	736,344
Committed	-	-	500,000	750,000
Unassigned	-	-	4,622,827	4,668,774
Reserved	24,194	18,489	-	-
Unreserved	4,469,350	4,845,779	-	-
Total general fund	<u>\$ 4,493,544</u>	<u>\$ 4,864,268</u>	<u>\$ 5,814,459</u>	<u>\$ 6,173,479</u>
All other governmental funds:				
Nonspendable:				
Commuter Rail Tax Increment	\$ -	\$ -	\$ -	\$ -
Nonmajor Capital Projects	-	-	2,707,879	3,189,741
Restricted:				
Debt Service	-	-	475,643	455,642
Commuter Rail Tax Increment	-	-	-	-
Greens of Anoka Tax Increment	-	-	-	-
South Ferry Tax Increment	-	-	10,365	5,834
Nonmajor Special Revenue	-	-	13,489	-
Nonmajor Capital Projects	-	-	669,181	423,631
Committed:				
Nonmajor Special Revenue	-	-	2,105,649	1,893,868
Nonmajor Capital Projects	-	-	-	231,455
Assigned:				
Street Renewal	-	-	2,930,355	830,861
Nonmajor Capital Projects	-	-	919,454	119,521
Unassigned:				
Street Renewal	-	-	-	-
Commuter Rail Tax Increment	-	-	-	(14,155)
Greens of Anoka Tax Increment	-	-	-	(1,128)
South Ferry Tax Increment	-	-	-	-
Nonmajor Special Revenue	-	-	-	(426)
Nonmajor Capital Projects	-	-	(3,146,940)	(2,281,983)
Reserved	896,059	4,438,862	-	-
Unreserved	(1,632,865)	(158,995)	-	-
Total all other governmental funds	<u>\$ (736,806)</u>	<u>\$ 4,279,867</u>	<u>\$ 6,685,075</u>	<u>\$ 4,852,861</u>

Fund balance categories for years prior to 2011 have not been adjusted for GASB Statement No. 54.

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (CONTINUED)**

2013	2014	2015	2016	2017	2018
\$ 18,059	\$ 66,191	\$ 22,103	\$ 43,921	\$ 55,026	\$ 97,755
562,438	-	-	-	-	-
1,100,000	-	-	-	-	-
4,191,499	4,814,642	5,647,410	4,526,917	4,681,652	4,865,938
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,871,996</u>	<u>\$ 4,880,833</u>	<u>\$ 5,669,513</u>	<u>\$ 4,570,838</u>	<u>\$ 4,736,678</u>	<u>\$ 4,963,693</u>
\$ -	\$ 205,274	\$ 432,331	\$ -	\$ -	\$ -
-	7,922,633	7,767,223	-	-	-
443,168	7,661,468	459,205	1,991,191	544,057	547,394
117,663	-	-	432,331	432,331	432,331
-	-	-	472,087	639,312	2,837,536
-	-	-	-	-	-
-	-	-	-	-	-
6,150,060	70,262	86,923	7,083,022	5,524,619	5,252,173
-	-	-	-	-	-
1,813,335	1,961,560	2,093,916	2,166,383	2,171,886	2,287,781
-	-	-	-	-	-
182,810	-	277,809	852,140	230,000	123,339
1,139,887	957,183	1,243,202	793,760	778,685	462,073
-	(791,125)	-	-	(194,181)	-
(363,419)	(1,371,901)	(2,449,485)	(3,506,643)	(3,417,107)	(3,452,520)
(783,294)	(812,290)	(1,097,010)	(1,642,691)	(2,141,161)	(4,797,651)
(25,803)	(20,032)	(7,093)	(1,359,318)	(1,426,787)	(1,418,483)
-	-	-	-	-	-
(384,261)	(1,115,561)	(653,314)	(1,164,109)	(544,467)	(1,426,235)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,290,146</u>	<u>\$ 14,667,471</u>	<u>\$ 8,153,707</u>	<u>\$ 6,118,153</u>	<u>\$ 2,597,187</u>	<u>\$ 847,738</u>

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	2009	2010	2011	2012
<b>Revenues:</b>				
Taxes	\$ 8,222,287	\$ 8,119,472	\$ 8,348,499	\$ 8,383,973
Special assessments	436,729	423,590	370,862	459,562
Licenses and permits	299,718	408,266	275,788	505,153
Fines and forfeitures	197,953	104,661	190,657	147,445
Intergovernmental	3,448,465	2,175,468	1,928,603	4,099,693
Charges for current services	938,238	913,205	1,252,731	1,141,668
Franchise fees	1,204,563	1,236,900	1,257,715	1,298,606
Investment income	231,174	324,389	278,585	89,102
Increase (decrease) in fair market value	-	-	-	-
Miscellaneous	115,191	130,726	471,935	173,090
<b>Total revenues</b>	<b>15,094,318</b>	<b>13,836,677</b>	<b>14,375,375</b>	<b>16,298,292</b>
<b>Expenditures:</b>				
General government	2,015,056	1,695,481	1,610,016	1,603,520
Public safety	4,572,761	4,488,511	4,598,698	4,914,552
Public works	1,231,499	1,323,429	1,300,262	1,086,922
Parks	1,720,539	1,582,465	1,524,582	1,545,826
Miscellaneous	79,619	39,062	40,714	41,709
Capital outlay	5,474,406	3,575,527	2,472,214	11,071,968
Debt service:				
Principal retirement	235,000	245,000	380,000	470,000
Interest and fiscal charges	765,219	698,816	604,348	519,502
Bond issuance charges	-	61,052	-	-
<b>Total expenditures</b>	<b>16,094,099</b>	<b>13,709,343</b>	<b>12,530,834</b>	<b>21,253,999</b>
Excess (deficiency) of revenues over expenditures	(999,781)	127,334	1,844,541	(4,955,707)
<b>Other Financing Sources (Uses):</b>				
Bond proceeds/refunding of bonds	-	3,740,000	(3,995,000)	-
Proceeds from the sale of asset	-	-	1,350,682	1,407,517
Transfers in	2,095,496	1,857,496	2,462,996	3,664,996
Transfers out	(1,785,500)	(272,500)	(1,004,047)	(1,590,000)
<b>Total other financing sources (uses)</b>	<b>309,996</b>	<b>5,324,996</b>	<b>(1,185,369)</b>	<b>3,482,513</b>
Special item - Transfer of operations	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (689,785)</b>	<b>\$ 5,452,330</b>	<b>\$ 659,172</b>	<b>\$ (1,473,194)</b>
Debt service as a percentage of noncapital expenditures	9.4%	9.3%	9.8%	9.7%

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (CONTINUED)**

	2013	2014	2015	2016	2017	2018
\$	8,528,515	\$ 8,252,307	\$ 8,371,829	\$ 6,870,080	\$ 7,222,789	\$ 7,415,101
	485,145	406,265	779,143	728,197	937,857	568,810
	379,864	467,613	670,749	516,502	510,866	460,828
	139,553	143,307	124,199	108,694	105,221	99,639
	9,335,544	4,429,247	2,313,979	2,160,485	4,386,815	2,899,531
	1,260,863	1,692,328	1,760,765	1,235,983	1,341,940	1,275,339
	1,340,379	1,331,956	1,344,354	1,334,187	1,315,417	1,355,374
	185,743	93,821	92,413	109,948	64,793	63,978
	(396,120)	290,008	29,601	(48,495)	39,780	58,531
	465,632	544,037	653,297	369,586	576,183	1,059,538
	<u>21,725,118</u>	<u>17,650,889</u>	<u>16,140,329</u>	<u>13,385,167</u>	<u>16,501,661</u>	<u>15,256,669</u>
	1,739,386	1,950,610	1,815,586	1,866,244	1,970,551	1,952,175
	4,902,711	5,142,440	5,292,015	5,778,198	5,725,648	6,328,450
	1,343,447	1,318,375	1,206,679	1,293,682	1,383,635	1,198,199
	1,716,943	1,781,546	1,836,474	1,856,402	2,222,705	2,148,193
	48,623	-	-	-	-	-
	13,294,921	10,106,587	6,529,280	6,542,355	7,561,788	6,321,888
	450,000	499,150	7,709,150	540,000	2,299,323	675,000
	492,654	432,349	627,332	532,886	564,423	535,198
	-	75,089	-	47,830	-	-
	<u>23,988,685</u>	<u>21,306,146</u>	<u>25,016,516</u>	<u>18,457,597</u>	<u>21,728,073</u>	<u>19,159,103</u>
	<u>(2,263,567)</u>	<u>(3,655,257)</u>	<u>(8,876,187)</u>	<u>(5,072,430)</u>	<u>(5,226,412)</u>	<u>(3,902,434)</u>
	-	6,383,638	-	1,563,811	-	-
	440,000	365,539	343,103	(399,610)	371,287	-
	1,840,000	5,701,000	4,150,553	5,075,816	2,880,000	3,374,500
	<u>(1,590,000)</u>	<u>(3,466,000)</u>	<u>(1,342,553)</u>	<u>(4,301,816)</u>	<u>(1,380,000)</u>	<u>(994,500)</u>
	<u>690,000</u>	<u>8,984,177</u>	<u>3,151,103</u>	<u>1,938,201</u>	<u>1,871,287</u>	<u>2,380,000</u>
	-	(589,849)	-	-	-	-
\$	<u><u>(1,573,567)</u></u>	<u><u>4,739,071</u></u>	<u><u>(5,725,084)</u></u>	<u><u>(3,134,229)</u></u>	<u><u>(3,355,125)</u></u>	<u><u>(1,522,434)</u></u>
	8.8%	8.3%	45.1%	9.0%	20.2%	9.4%

ESTIMATED ACTUAL AND TAXABLE VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Year Taxes Payable	TAX CAPACITY VALUE			Fiscal Disparities	Adjusted Tax Capacity Value	Tax Rate	Estimated Market Value (EMV) <sup>1</sup>	Tax Capacity as a % of EMV
	Real Property	Personal Property	Total					
2009	\$ 17,653,197	\$ 66,127	\$ 17,719,324	\$ 1,266,687	\$ 18,986,011	37.685%	\$ 1,430,754,500	1.33%
2010	16,610,896	64,756	16,675,652	1,264,489	17,940,141	40.530%	1,343,513,500	1.34%
2011	15,180,773	76,666	15,257,439	1,324,044	16,581,483	43.020%	1,229,089,500	1.35%
2012	13,318,670	80,114	13,398,784	1,216,338	14,615,122	50.368%	1,154,467,900	1.27%
2013	11,956,088	81,521	12,037,609	1,230,432	13,268,041	54.010%	1,050,914,000	1.26%
2014	11,853,852	80,577	11,934,429	1,508,249	13,442,678	49.843%	1,036,711,300	1.30%
2015	13,614,589	94,882	13,709,471	1,334,023	15,043,494	45.014%	1,188,602,800	1.27%
2016	14,673,005	105,798	14,778,803	1,182,407	15,961,210	41.578%	1,265,845,300	1.26%
2017	15,814,341	135,900	15,950,241	1,101,097	17,051,338	40.912%	1,362,116,000	1.25%
2018	17,123,945	161,906	17,285,851	1,236,092	18,521,943	37.791%	1,477,729,000	1.25%

Source of Data: Anoka County Department of Property Records and Taxation.

<sup>1</sup> Estimated Market Value (EMV) in 2011 payable in 2012 decreased significantly due to the Market Value Exclusion.

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Year Taxes Payable	Overlapping Rates					
	City		School Dist.	Anoka	Special	Total
	General Fund	Debt	#11	County	Districts <sup>1</sup>	
2009	35.123	2.562	18.263	32.078	5.323	93.349
2010	37.658	2.872	19.939	35.189	5.711	101.369
2011	39.952	3.068	23.999	39.952	6.094	113.065
2012	46.895	3.473	23.325	41.146	6.074	120.913
2013	50.371	3.639	26.801	44.411	6.387	131.609
2014	46.433	3.410	28.265	43.239	6.213	127.560
2015	41.958	3.056	22.482	38.123	5.605	111.224
2016	41.062	0.516	20.885	34.358	5.762	102.583
2017	40.912	0.000	18.590	37.271	5.084	101.857
2018	37.791	0.000	18.391	35.820	4.801	96.803

Note: Tax rates per \$100 of tax capacity.

<sup>1</sup>Includes City HRA, Met Council (Bonds, General, Livable Community and Trans Dist Bonds), Met Mosquito Control, and RR Authority (Bonds and General)

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**PRINCIPAL TAXPAYERS  
DECEMBER 31, 2018**

Taxpayer	Type of Business	Rank	2018		Rank	2009	
			Individual Tax Capacity	Percent of Total Tax Capacity		Individual Tax Capacity	Percent of Total Tax Capacity
Federal Cartridge	Ammunition manufacturing	1	\$ 307,344	1.77%	3	\$ 246,428	1.47%
Hoffman Enclosures	Electrical enclosures	2	303,255	1.75%	1	290,106	1.73%
Cutters Grove Limited	Apartment Cutter's Grove	3	301,248	1.74%	4	231,708	1.38%
Walker Senior Housing	Apartments Senior Living & Care	4	267,154				
Homestead at Anoka	Apartment Senior Living & Care	5	263,700	1.52%			
Anoka Industrial LLC	Bakery Products Warehouse	6	250,006	1.44%	2	251,808	1.50%
Ad Center LLC	Ammunition warehousing	7	231,034	1.33%			
CRV Anoka	Furniture warehousing	8	196,880	1.14%	5	192,502	1.15%
Sundquist Properties II LLC	Precision machining	9	193,576	1.12%	8	163,578	0.98%
Healthpartners	Healthcare	10	193,250	1.11%			
Firestone Copper Sales	Sheet steel fabrication				6	191,310	1.14%
Graco	Fluid handling				7	176,474	1.05%
Rural Community Ins	Insurance				9	161,380	0.96%
L R Anoka	Pharmacy Supplier				10	132,698	0.79%
			<u>\$ 2,507,447</u>	<u>14.46%</u>		<u>\$ 2,037,992</u>	<u>12.18%</u>

Source of Data: Anoka County Department of Property Records and Taxation.

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**BUILDING PERMIT VALUES AND REAL PROPERTY VALUES  
LAST TEN FISCAL YEARS**

Year	Number of Permits	Residential Value	Commercial Value	Total	PROPERTY VALUE <sup>1</sup>			
					Commercial	Residential	Nontaxable	Total
2008	523	\$ 2,687,076	\$ 16,362,171	\$ 19,049,247	\$ 559,715,700	\$ 867,388,400	\$ 343,134,900	\$ 1,770,239,000
2009	567	3,341,421	6,197,521	9,538,943	588,315,500	841,864,700	357,134,100	1,787,314,300
2010	478	5,623,342	5,091,596	10,714,938	567,125,300	774,574,900	346,511,700	1,688,211,900
2011	517	3,509,792	7,826,385	11,336,177	528,504,800	700,584,700	323,132,000	1,552,221,500
2012	443	2,714,375	36,089,774	38,804,149	501,849,800	652,618,100	311,383,600	1,465,851,500
2013	434	5,592,716	18,079,728	23,672,444	471,210,600	579,703,400	277,467,400	1,328,381,400
2014	462	11,669,749	20,064,521	31,734,270	477,624,300	559,087,000	282,512,900	1,319,224,200
2015	579	10,796,847	36,177,558	46,974,405	522,304,800	666,298,000	295,650,700	1,484,253,500
2016	474	10,982,261	23,454,646	34,436,907	568,280,250	697,565,050	301,345,400	1,567,190,700
2017	406	16,526,545	6,655,396	23,181,941	615,325,200	746,790,800	325,108,300	1,687,224,300
2018	445	13,259,187	6,069,161	19,328,348	654,270,050	823,458,950	336,067,600	1,813,796,600

<sup>1</sup> Source of Data: Anoka County Department of Property Records and Taxation.

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal year	Collected Within the Fiscal Year of Levy			Delinquent Tax Collections in Subsequent Fiscal Years	Total Collections to Date	
	Total Tax Levy	Current Tax Collections	% of Current Tax Levy		Total Tax Collections	% of Total Tax Levy
2009	\$ 5,982,990	\$ 5,858,918	97.9%	\$ 124,073	\$ 5,982,990	100.0%
2010	5,982,990	5,840,310	97.6%	142,357	5,982,667	100.0%
2011	5,576,597	5,478,335	98.2%	97,026	5,575,361	100.0%
2012	5,899,105	5,805,144	98.4%	92,730	5,897,874	100.0%
2013	5,856,105	5,789,071	98.9%	63,642	5,852,713	99.9%
2014	5,712,265	5,648,027	98.9%	61,018	5,709,045	99.9%
2015	5,707,246	5,649,416	99.0%	50,809	5,700,225	99.9%
2016	6,453,475	6,390,569	99.0%	53,693	6,444,262	99.9%
2017	6,641,230	6,593,821	99.3%	35,015	6,628,836	99.8%
2018	6,838,335	6,797,121	99.4%	-	6,797,121	99.4%

Note: Includes Market Value and Homestead Credit.

**OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	G.O. Tax Increment Bonds	G.O. Revenue Bonds	Premium on Bonds	Met Council Loan	Revenue Bonds	Premium on Bonds			
2009	\$ 4,495,000	\$ 7,835,000	\$ -	\$ -	\$ 2,125,528	\$ 3,855,000	\$ -	\$ 18,310,528	2.30	1,019
2010	7,990,000	7,835,000	-	-	2,183,813	3,585,000	-	21,593,813	2.61	1,260
2011	3,740,000	7,710,000	-	-	2,183,813	3,310,000	-	16,943,813	2.08	988
2012	3,395,000	7,585,000	-	-	2,502,460	3,035,000	-	16,517,460	1.96	958
2013	3,070,000	7,460,000	1,077,300	-	2,502,460	1,667,700	-	15,777,460	1.81	915
2014	2,750,000	13,450,000	1,023,150	-	2,502,460	1,421,850	-	21,147,460	2.43	1,224
2015	2,430,000	6,115,000	1,700,000	249,189	2,502,460	440,000	-	13,436,649	1.51	775
2016	2,135,000	5,970,000	3,110,000	285,305	2,502,460	2,020,000	60,774	16,083,539	1.74	894
2017	1,805,000	5,795,000	1,510,000	266,144	2,308,137	1,710,000	57,589	13,451,870	1.42	748
2018	1,430,000	5,615,000	1,390,000	246,984	2,308,137	1,625,000	54,404	12,669,525	1.31	704

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Population and personal income data can be found in the schedule of Demographic and Economic Statistics on page 145.

**RATIOS OF NET GENERAL OBLIGATION  
BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds <sup>1</sup>	Premium on Bonds	Amounts		Percentage of Estimated Actual Value of Property <sup>2</sup>	Per Capita <sup>3</sup>
			Available in Debt Service Fund	Net Bonded Debt		
2009	\$ 4,495,000	\$ -	\$ 896,059	\$ 3,598,941	0.25	200
2010	7,990,000	-	4,438,862	3,551,138	0.26	207
2011	3,740,000	-	475,643	3,264,357	0.27	188
2012	3,395,000	-	455,642	2,939,358	0.25	169
2013	4,147,300	-	443,168	3,704,132	0.35	215
2014	3,773,150	-	359,292	3,413,858	0.33	198
2015	4,130,000	249,189	459,205	3,919,984	0.33	226
2016	5,245,000	285,305	1,991,191	3,539,114	0.28	197
2017	3,315,000	266,145	544,057	3,037,088	0.22	169
2018	2,820,000	246,984	553,468	2,513,516	0.17	140

<sup>1</sup> Amount does not include debt to be paid from special assessments, tax increment, or other revenues.

<sup>2</sup> Property value data can be found in the schedule of Building Permit Values and Real Property Values schedule on page 137.

<sup>3</sup> Population data can be found in the schedule of Demographic and Economic Statistics on page 145.

**DIRECT AND OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT  
DECEMBER 31, 2018**

Governmental Unit	Gross General Obligation Debt Outstanding	Percent Applicable to City <sup>1</sup>	Net Amount Applicable to City
Direct:			
City of Anoka	\$ 10,060,000	100%	\$ 10,060,000
Overlapping:			
Anoka County	92,260,000	4.87%	4,497,121
Anoka-Hennepin School District #11	203,355,000	7.24%	14,715,741
Met Council/RR Auth Special Dist	1,572,082,966	0.40%	6,304,369
Total Overlapping Debt			25,517,231
Total Direct and Overlapping Debt			\$ 35,577,231

Source of Data: Anoka County Department of Property Records and Taxation.

<sup>1</sup> Determined by the portion of the long-term debt that is secured by taxable real estate located within the City of Anoka.

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Market value of taxable property	\$ 1,425,440,200	\$ 1,338,735,500	\$ 1,224,073,500	\$ 1,153,576,994
Statutory debt limit (3% of market value) <sup>1</sup>	42,763,206	40,162,065	36,722,205	34,607,310
Amount of debt applicable to debt limit:				
Total bonds and notes payable	18,310,528	21,593,813	16,943,813	16,517,460
Less:				
Amount available in debt service fund	896,059	4,438,862	475,643	455,642
Met Council loan	2,125,528	2,183,813	2,183,813	2,502,460
Revenue bonds	3,855,000	3,585,000	3,310,000	3,035,000
Improvement bonds	7,835,000	7,835,000	7,710,000	7,585,000
	<u>3,598,941</u>	<u>3,551,138</u>	<u>3,264,357</u>	<u>2,939,358</u>
Legal debt margin	<u>\$ 39,164,265</u>	<u>\$ 36,610,927</u>	<u>\$ 33,457,848</u>	<u>\$ 31,667,952</u>
Total debt applicable to the limit as a percentage of debt limit	8%	9%	9%	8%

<sup>1</sup>Statutory debt limit prior to 2009 was 2%.

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS (CONTINUED)**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<u>\$ 1,050,914,000</u>	<u>\$ 1,036,711,300</u>	<u>\$ 1,188,602,800</u>	<u>\$ 1,265,845,300</u>	<u>\$ 1,362,116,000</u>	<u>\$ 1,477,729,000</u>
<u>31,527,420</u>	<u>31,101,339</u>	<u>35,658,084</u>	<u>37,975,359</u>	<u>40,863,480</u>	<u>44,331,870</u>
15,777,460	21,147,460	13,436,649	15,737,460	13,128,137	12,368,137
443,168	359,292	459,205	1,991,191	544,057	553,468
2,502,460	2,502,460	2,502,460	2,502,460	2,308,137	2,308,137
1,667,700	1,421,850	440,000	2,020,000	1,710,000	1,625,000
<u>7,460,000</u>	<u>13,450,000</u>	<u>6,115,000</u>	<u>5,970,000</u>	<u>5,795,000</u>	<u>5,615,000</u>
<u>3,704,132</u>	<u>3,413,858</u>	<u>3,919,984</u>	<u>3,253,809</u>	<u>2,770,943</u>	<u>2,266,532</u>
<u>\$ 27,823,288</u>	<u>\$ 27,687,481</u>	<u>\$ 31,738,100</u>	<u>\$ 34,721,550</u>	<u>\$ 38,092,537</u>	<u>\$ 42,065,338</u>
12%	11%	11%	9%	7%	5%

**PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenue	Less	Net	Debt Service		Coverage
		Operating Expense	Available Revenue	Principal	Interest	
2009	\$ 2,613,173	\$ 2,045,373	\$ 567,800	\$ 240,000	\$ 136,827	1.51
2010	2,683,372	1,917,076	766,296	270,000	115,508	1.99
2011	2,729,098	1,896,740	832,358	275,000	102,883	2.20
2012	2,735,316	1,785,344	949,972	275,000	101,049	2.53
2013	2,462,618	1,876,173	586,445	290,000	96,358	1.52
2014	2,403,288	1,790,048	613,240	245,850	31,984	2.21
2015	2,538,020	1,807,995	730,025	250,850	30,498	2.59
2016	2,266,070	1,090,550	1,175,520	215,000	34,442	4.71
2017	2,447,507	891,704	1,555,803	310,000	41,974	4.42
2018	627,500	75,625	551,875	85,000	41,310	4.37

# CITY OF ANOKA, MINNESOTA

(Unaudited)

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population <sup>1</sup>	Median Age <sup>1</sup>	Personal Income (Amounts in Thousands) <sup>3</sup>	City of Anoka Per Capita Income <sup>2</sup>	County Per Capita Income <sup>2</sup>	7-County Metro Area Per Capita Income <sup>2</sup>	County Unemployment Rate <sup>2</sup>	7-County Metro Area Unemployment Rate <sup>2</sup>
2009	17,966		\$ 795,031	\$ 44,252	\$ 42,172	\$ 51,376	8.0	7.4
2010	17,142	37.2	826,313	48,204	43,108	52,988	7.4	6.8
2011	17,155		813,559	47,424	44,200	54,201	5.9	5.5
2012	17,233		844,141	48,984	45,656	55,952	5.5	5.0
2013	17,248		873,577	50,648	45,604	59,852	4.4	4.2
2014	17,276		869,605	50,336	47,736	57,772	3.6	3.4
2015	17,345		888,110	51,203	48,603	59,557	3.4	3.2
2016	17,995		925,135	51,411	50,024	60,753	3.9	3.6
2017	17,995		947,593	52,659	51,047	62,556	3.1	2.7
2018	18,000 est		965,016	53,612	53,300	65,468	3.0	2.6

Sources:

<sup>1</sup> Met Council.

<sup>2</sup> Minnesota Department of Employment and Economic Development.

<sup>3</sup> City per capita times population.

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2018**

Employer	2018			2009		
	Rank	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment
Anoka County Government Center	1	2,206	14.03%	1	1,217	9.06%
Hoffman Enclosures/Pentair Tech	2	1,500	9.54%	3	1,025	7.63%
Federal Cartridge	3	1,453	9.24%	4	1,000	7.44%
Anoka-Hennepin ISD #11	4	1,400	8.91%	2	1,167	8.68%
Anoka-Metro Treatment Center	5	423	2.69%	5	525	3.91%
Rural Insurance Group	6	405	2.58%	6	362	2.69%
Mate Precision Tool	7	308	1.96%	7	305	2.27%
DecoPac	8	285	1.81%	9	240	1.79%
Health Partners	9	145	0.92%			
Copper Sales/Firestone Metals	10	130	0.83%	8	242	1.80%
Anoka Technical College				10	209	1.56%
		<u>8,255</u>	<u>52.51%</u>		<u>6,292</u>	<u>46.82%</u>
Total City-wide employment <sup>1</sup>		15,720			13,439	

<sup>1</sup> Minnesota Department of Employment and Economic Development.

CITY OF ANOKA, MINNESOTA

(Unaudited)

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

	2009	2010	2011	2012
City manager	2.80	2.80	2.63	2.63
Assessing	1.00	1.50	1.00	1.00
Human resources	2.00	2.00	2.00	2.00
Finance	5.15	5.00	5.00	5.00
Community development	1.30	1.30	1.49	1.50
Planning and property maint/insp	3.10	3.10	2.65	2.65
Building maintenance	1.68	0.85	0.95	0.95
Municipal buildings	0.48	0.25	0.48	0.48
<b>Total general government</b>	<b>17.51</b>	<b>16.80</b>	<b>16.20</b>	<b>16.21</b>
Building inspections	1.85	1.85	1.85	1.85
Police	29.20	29.20	28.45	30.08
Security - Regional treatment ctr	0.40	0.40	0.45	0.45
Security - Technical college	-	-	0.05	0.05
Security - High school	-	-	0.05	0.05
Security - Liaison officer	2.15	2.15	1.80	1.85
Downtown/Crime free housing	-	-	-	-
Total police	33.60	33.60	32.65	34.33
Total fire	4.60	4.60	4.60	4.60
<b>Total public safety</b>	<b>38.20</b>	<b>38.20</b>	<b>37.25</b>	<b>38.93</b>
Engineering	1.50	1.30	1.80	1.75
Streets	6.63	6.53	5.68	5.68
<b>Total public works</b>	<b>8.13</b>	<b>7.83</b>	<b>7.48</b>	<b>7.43</b>
Event center	-	-	-	-
Senior center	0.40	0.40	0.33	0.33
Aquatic center	0.35	0.35	0.28	0.28
Community programs & recreation	1.81	1.56	1.76	1.58
Municipal parks	5.49	4.87	4.03	4.08
City beautification	0.75	0.50	0.28	0.28
<b>Total parks and recreation</b>	<b>8.80</b>	<b>7.68</b>	<b>6.68</b>	<b>6.55</b>
<b>Total general fund</b>	<b>72.64</b>	<b>70.51</b>	<b>67.61</b>	<b>69.12</b>
HRA	1.05	1.05	1.11	1.50
Parking	0.85	0.85	2.15	1.15
Cemetery	0.90	0.65	1.03	0.93
Central equipment (garage)	2.15	2.05	2.05	2.05
Electric	19.80	19.85	17.90	17.90
Water	3.86	3.76	3.76	3.26
Sewer	3.86	3.76	3.76	3.26
Liquor stores	4.00	4.00	4.00	4.00
Golf course	3.67	3.17	3.17	3.17
Recycling	0.40	0.40	0.51	0.38
<b>Total other funds</b>	<b>40.54</b>	<b>39.54</b>	<b>39.44</b>	<b>37.60</b>
Total all funds	113.18	110.05	107.05	106.72

Source: City of Anoka departments

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS (CONTINUED)

2013	2014	2015	2016	2017	2018
2.32	2.63	3.13	3.15	3.45	3.45
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	-	-
4.58	4.60	4.60	4.65	4.70	4.70
1.32	1.00	1.00	1.00	1.00	1.00
2.65	3.40	3.15	3.25	2.80	3.05
0.88	0.95	0.75	1.75	1.60	1.48
0.55	0.48	0.35	0.33	0.45	0.43
<b>15.30</b>	<b>16.06</b>	<b>15.98</b>	<b>17.13</b>	<b>15.00</b>	<b>15.11</b>
1.60	1.60	1.60	1.50	1.45	1.20
30.08	30.08	30.28	34.55	35.85	29.95
0.45	0.45	0.50	0.45	1.60	1.60
0.05	0.05	0.10	-	-	-
0.05	0.05	0.10	0.05	0.10	0.10
1.85	1.85	1.85	1.85	1.85	1.85
-	-	-	-	1.50	3.50
34.08	34.08	34.43	38.40	42.35	38.20
4.60	-	-	-	-	-
<b>38.68</b>	<b>34.08</b>	<b>34.43</b>	<b>38.40</b>	<b>42.35</b>	<b>38.20</b>
1.75	1.75	1.50	1.33	1.30	1.30
5.68	6.68	7.18	7.18	6.70	6.48
<b>7.43</b>	<b>8.43</b>	<b>8.68</b>	<b>8.51</b>	<b>8.00</b>	<b>7.78</b>
-	-	0.40	0.50	0.40	0.38
0.33	0.33	0.33	0.55	0.60	0.55
0.28	0.28	0.28	0.28	0.55	0.40
1.58	1.63	1.63	1.58	2.25	2.65
4.08	4.08	4.08	4.73	4.50	4.50
0.28	0.18	0.18	0.18	0.20	0.20
<b>6.55</b>	<b>6.50</b>	<b>6.90</b>	<b>7.82</b>	<b>8.50</b>	<b>8.68</b>
<b>67.96</b>	<b>65.07</b>	<b>65.99</b>	<b>71.86</b>	<b>73.85</b>	<b>69.77</b>
1.50	1.00	0.75	0.75	1.00	1.00
1.15	0.85	0.80	0.85	0.85	0.85
0.93	0.88	0.88	1.00	0.65	0.60
2.05	1.05	1.45	1.55	1.55	1.55
18.00	18.40	17.40	18.35	18.30	18.30
3.26	3.26	3.56	3.56	3.55	3.55
3.26	3.26	2.96	2.96	2.95	2.95
4.00	4.00	4.00	4.00	4.00	4.00
3.17	3.12	3.25	2.55	2.95	2.95
0.38	0.38	0.37	0.35	0.35	0.35
<b>37.70</b>	<b>36.20</b>	<b>35.42</b>	<b>35.92</b>	<b>36.15</b>	<b>36.10</b>
<b>105.66</b>	<b>101.27</b>	<b>101.41</b>	<b>107.78</b>	<b>110.00</b>	<b>105.87</b>

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Elections</b>										
Number of voters		10,049		11,727		10,185		11,385		10,663
% participation in general election		56%		76%		51%		75%		64%
<b>Building inspections</b>										
No. of permits issued	567	478	517	443	434	462	579	474	406	445
Total permit valuation (in thousands)	\$ 9,539	\$ 10,715	\$ 11,336	\$ 38,804	\$ 23,672	\$ 31,734	\$ 46,974	\$ 34,437	\$ 23,182	\$ 19,328
<b>Public safety</b>										
<b>Police</b>										
Police activity	19,580	18,451	20,148	21,299	20,087	20,260	20,127	20,947	21,092	21,648
Part 1 crime	770	782	869	766	619	604	610	679	572	464
Traffic accidents	716	762	698	648	727	920	732	786	833	689
<b>Public works</b>										
Sidewalk repair costs	54,949	72,422	65,019	70,731	46,963	8,341	48,405	23,102	48,249	35,423
<b>Parks and recreation</b>										
Senior Center passengers	3,525	3,000	2,900	4,268	5,700	4,651	4,943	4,873	4,795	4,936
Picnic shelter reservations	143	150	190	212	158	178	183	148	162	178
Swim lesson participants	850	978	1,028	1,103	1,072	1,106	1,083	1,236	1,021	1,059
Open swim attendance	31,266	42,567	44,000	47,000	39,407	34,804	42,140	36,366	29,937	36,925
<b>Parking</b>										
Parking permits issued	91	75	66	71	113	168	186	299	345	345
Parking ramp permits issued	41	41	58	91	61	69	86	-	-	-
<b>Electric</b>										
Avg KWHRs consumption daily	688,041	726,330	727,926	738,266	760,714	750,133	760,161	754,067	736,580	758,189
<b>Water</b>										
Avg daily consumption in cubic feet	277,528	259,548	249,198	262,148	227,385	230,685	235,813	233,602	231,588	240,584
<b>Golf</b>										
Rounds of golf purchased	33,054	33,344	29,614	33,776	28,486	32,745	32,764	33,958	32,089	30,288

Source: City of Anoka departments

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	26	24	25	23	27	25
<b>Public works</b>										
Street miles	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/3	68 1/2	68 1/2	69	69 1/5
<b>Parks and recreation</b>										
City park acres maintained	595	595	595	595	595	595	595	597	597	597
Cemetery acres	29	29	29	29	29	29	29	29	29	29
Libraries	-	-	-	-	-	-	-	-	-	-
Trail miles	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Outdoor pools	1	1	1	1	1	1	1	1	1	1
Outdoor skate parks	1	1	1	1	1	1	1	1	1	1
Picnic shelters	12	12	12	12	12	12	12	12	12	12
Boat launches	1	1	1	1	1	2	2	2	2	2
Portable docks	5	5	5	6	6	4	5	5	5	5
<b>Parking</b>										
Ramps	2	2	2	2	2	2	2	2	2	2
Lots	6	6	6	6	6	6	4	4	4	4
<b>Electric</b>										
Overhead wire miles	162 5/6	163	159	159	154	147	148	140	134	134
Underground wire miles	155 5/7	162	162	162	182	191	192	199	208	208
Substations	3	3	3	3	3	3	4	4	4	4
Street lights	1,795	1,795	1,795	1,795	1,795	1,805	1,874	1,874	1,851	1,851
<b>Water</b>										
Water main miles	82 1/2	82 1/2	82 1/2	82 1/2	83 4/9	83 1/2	86 1/6	86 1/3	87 4/9	87 4/9
Wells	8	8	8	8	8	8	8	8	8	8
<b>Sewer/storm sewer</b>										
Sanitary sewer miles	65	65	65	65	65 2/3	65 2/3	67 1/7	67 2/7	67 2/3	67 2/3
Storm sewer miles	29	29	29	29	30	31	34	34 6/7	35	35
<b>Liquor</b>										
Stores	2	2	2	2	2	2	2	2	2	2
<b>Golf</b>										
Golf course acres	126	126	126	126	126	126	126	126	126	126

Source: City of Anoka departments