



CITY OF ANOKA
2015 1ST AVENUE
ANOKA, MN 55303
763-576-2700

ELECTED
OFFICIALS:

MAYOR:

PHIL RICE

CITY COUNCIL :

ELIZABETH BARNETT

MARK FREEBURG

ERIK SKOGQUIST

BRIAN WESP

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www.anokaminnesota.com

CITY OF ANOKA

Popular Annual Financial Report

To The Community

FOR THE YEAR ENDED DECEMBER 31 2019

Dear Anoka Resident,

We are pleased to present the City of Anoka's Popular Annual Financial Report (PAFR). This report provides a summary of the City's financial information in a simplified, easy to read format. We trust this report gives you a better understanding of city government and our financial condition.

Information in this report comes from Anoka's 2019 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformity with Generally Accepted Accounting Principles (GAAP), was audited by WIPFLI LLP, and received an unmodified opinion, which is the best audit opinion possible.

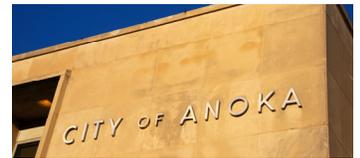
In order for Anoka to manage the community finances smoothly, it divides various activities into several different funds.

Governmental funds account for tax-supported activities and include:

- **General Fund** activities that provide for basic operations of the City, i.e., administration, building maintenance, police & fire, street & park maintenance, recreation activity, community development and planning.
- **Special Revenue Funds** account for activities restricted to specific purposes like the Round Up for Change program or parking.
- **Debt Service Funds** track revenues and expenses related to repayment of long term debt.
- **Capital Project Funds** collect revenue from special assessments, state and county aids and allots them toward construction or major capital expenses.

Proprietary Funds account for activities that operate as a public enterprise which are paid for by user fees, i.e., electric, water, sanitary sewer, storm water management, liquor stores and Green Haven golf course.

Internal Service Funds account for the acquisition, operation, and maintenance of governmental facilities and services, which are entirely or predominately self-supported by user charges to the governmental funds.



If you'd like a copy of the CAFR visit the City's website at www.anokaminnesota.com or contact the Finance Department at (763)576-2700.

**Please note that Fiduciary Funds are not recognized in this report, but are included in the CAFR*

Dividing Up Your Property Tax Dollar

Your tax dollar is divided up into several governmental entities. The City of Anoka collects 40.9 cents of every tax dollar for City services. The remaining portions are divided among Anoka County, the school district and other agencies. (These tax rates are based on a residential home with a taxable valuation of \$223,500).



CITY OF ANOKA	ANOKA COUNTY	SCHOOL DIST	OTHER
40.88%	37.97%	17.76%	3.39%

General Fund Revenue and Expenditures

The City’s General Fund is the largest Governmental funds and also one of the most vital to the City’s operation. The General Fund is the primary fund that accounts for everyday general expenditures like street and park maintenance, police protection, and fire protection while at the same time supplementing portions of the other funds.

At the year end of 2019 the City’s revenue total was \$11,883,599 which was a \$20,543 (0.17%) decrease from the previous year. The decrease is due to decreased charges for services in Public safety and Planning.

Like most funds, the General Fund relies on the inflow of cash, shown as revenues and subsequently the outflow listed as expenditures. The primary revenue for the General Fund is property taxes. Intergovernmental revenues are items like state or county aid and grants.

Total General Fund expenditures for 2019 were \$11,975,644 which is \$368,017 (3.17%) higher than the previous year due to increased spending in Public Works and Parks.

Expenditures	2018	2019
General Government	1,897,819	1,921,412
Public Safety	6,249,287	6,260,842
Public Works	1,109,907	1,411,241
Parks & Recreation	2,067,490	2,237,915
Capital Expenditures	283,124	144,234
Total Expenditures	11,607,627	11,975,644

Revenues	2018	2019
Property Taxes	6,826,423	7,000,263
Licenses & Permits	400,519	332,927
Fines & Forfeitures	55,160	64,416
Intergovernmental	2,322,531	2,352,279
Charges for Services	1,060,709	792,428
Franchise Fees	973,328	931,357
Investment earnings	66,818,	242,323
Miscellaneous	198,654	167,606
Total Revenues	11,904,142	11,883,599

City Departments:

Administration: This department provides the overall direction for the City as determined by the City Council. It is responsible for maintaining City records; issuing licenses; administering Council policies; and election procedures.

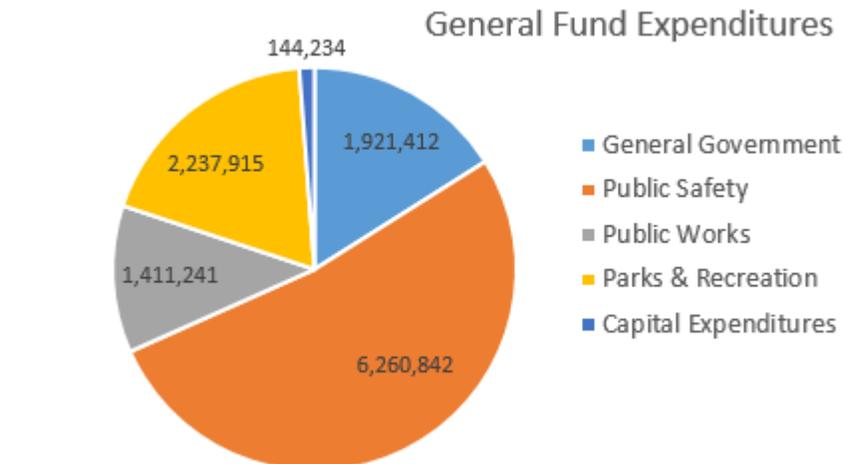
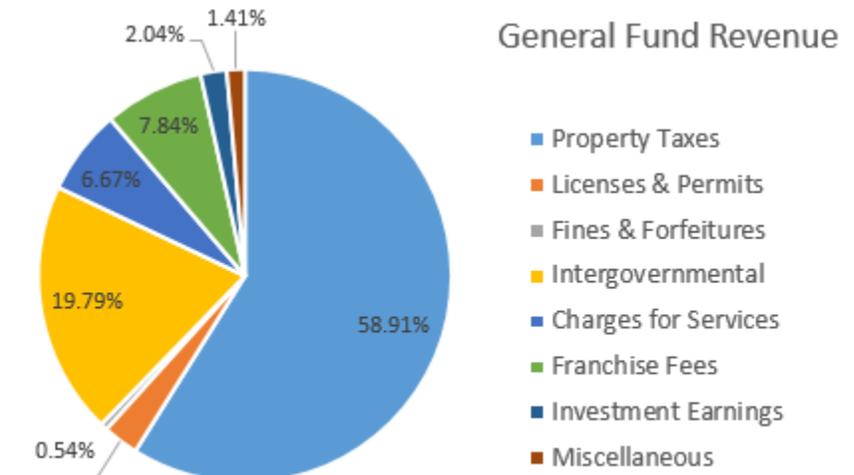
Finance: This department conducts the financial affairs of the City of Anoka in accordance with the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principals (GAAP).

Planning & Community Development: This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for Economic Development within the City.

Public Works: This department maintains the City’s infrastructure as it relates to roadways, including snow removal.

Parks & Recreation: This department is responsible to provide recreation activities in the City and maintain the City’s parks and trails.

Public Safety: This department is responsible for maintaining the peace and the protection of the community through diligent enforcement of laws and effective response to calls for service.



Although the financial numbers in this Annual Financial Report come from an audited source, they are presented in this report in a condensed, unaudited, non-GAAP format.

Special Revenue Funds

Special Revenue Funds are used to account for general government financial resources that are restricted by law, contractual agreement, or Council designation to specific purposes other than debt service or major capital projects.

The City of Anoka has the following Special Revenue Funds:

- **Round Up for Change** - This fund administers Round Up donations from utility billing customers to local charitable organizations.
- **Cemetery Maintenance** - These funds are used for upkeep and maintenance of the City’s public cemeteries. The City currently maintains two cemeteries; Forest Hill and Oakwood
- **Urban Redevelopment** - This fund manages Met Council sewer credits, with loans available for WAC/SAC charges
- **Police Forfeiture**— The funds received from seized asset sales during DUI or narcotic arrests are managed in this fund.
- **Parking** - Two ramps and several parking lots are located in the downtown area. The fund also covers parking enforcement.
- **Lodging Tax** - The State of Minnesota charges Hotels and Lodging facilities tax of 3% on short-term lodging. This supports tourism in Anoka.



Above, City employees enjoying the festivities at the Christmas Tree lighting event.

Long Term Debt

Anoka received a “AA+” rating from Standard and Poor’s Global. This is the second highest possible rating you can receive. A high bond rating translates into lower future borrowing costs. This rating is based on the City’s:

- Moderately-sized tax base with recent improvement in its valuation after a trend decline.
- Sound financial position characterized by healthy reserves.
- Average debt burden with slow principal amortization.
- Favorably located in the Twin Cities metropolitan area

The City retired \$765,000 of bonded debt in 2019.

S&P CREDIT RATING



In 2019 The City of Anoka received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the City’s Comprehensive Annual Financial Report and the Distinguished Budget Award. This is the 39th year the City has received the Excellence in Financial Reporting Award, and the 13th year receiving the Distinguished Budget Award.

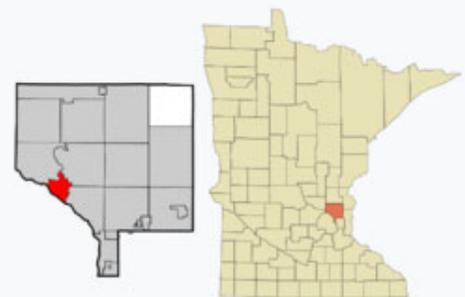
Internal Service Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City maintains internal service funds for the following:

- Vehicle and Equipment Maintenance **Revenue—\$ 1,659,862**
- Information Technology
- Insurance **Expenses—\$1,931,602**
- Benefit Liability **Net Position—\$2,995,829**

City of Anoka Fast Facts:

Population:	18,500 (est)
Date of Incorporation:	March 2, 1878
Area of City:	7.13 square miles
Registered Voters:	10,663
Unemployment Rate:	3.2% (Anoka County, year end 2019)
Acres of parks, recreation and preserves:	595 acres



Location of the city of Anoka within Anoka County, Minnesota

Capital Fund Projects in 2019



The Parks and Recreation department put on several summer concerts and events. Shown above is the Devon Worley Band playing at Anoka's Rockin on the Rum event.

Building Improvement:

Plans and specifications were approved for the new Golf Maintenance Building. This will replace the current building which is on land being sold for redevelopment as part of the Greens of Anoka plan. The new building will be complete in 2020. Capital outlay \$153,120 in 2019.

Street Renewal & State Aid Construction:

The 2019 Street Renewal and Street Surface Repair projects were just over \$3,000,000 with several other street projects getting underway for next year. The Highway 10 solution is planned to begin in 2021. Further details can be found on the city website. Capital outlay \$6,879,637 in 2019.

Park Dedication and Park Improvement:

Significant improvements to the George Green tennis court and playgrounds, Sunny Acres tennis courts and Akin Riverside playground were completed in 2019. Capital outlay \$115,289 in 2019.

Greens of Anoka District:

The Greens of Anoka parkway project was advanced significantly in 2019 with multiple properties purchased and demolished. The City is working with developers to revitalize this area. Capital outlay \$1,222,727 in 2019.

Commuter Rail Transit Village:

The City has plans for new residential areas and commercial areas under negotiation with developers. Future purchases of properties are in planning now. This fund did not have capital expenditures in 2019.

**Please note that Enterprise TIF District (decertified 12/31/16), South Ferry TIF District, and the Historic Rum River TIF District are not recognized in this report, but are included in the CAFR.*

Enterprise Funds

The Enterprise Funds account for the City's utilities, liquor stores, golf course and recycling funds, which are run like businesses in that they rely on fees and charges for revenue to cover expenses.

Build a Birdhouse with a Lineman event at Anoka Municipal Utility.



Utilities: Electric

Anoka Municipal Utility (AMU) has been a community-owned, not-for-profit, electric supplier serving the City of Anoka, and portions of the cities of Ramsey, Coon Rapids, Champlin and Dayton since 1909. The citizen's of Anoka chose to create AMU over a century ago to provide economical, reliable electric power and have local control over an essential service. In 1992, AMU and seven other cities joined together to form MMPA. Today, MMPA has 12 member cities.

2019 Operating Revenue	\$29,084,623
2019 Operating Expenses	\$27,805,766
Positions—Full time	18.30
Monthly Average Home	\$75.35

AMU serves 10,909 residential, 1,329 commercial, and 16 industrial customers including several national accounts such as Pentair and Federal Cartridge (a subdivision of Alliant Tech). Annual total revenues topped \$29 million in 2019. The Electric Fund contributed just over \$1.5 million in 2019 through fund transfers and franchise agreements with the City. This provides funding for capital improvements throughout the city.

Utilities: Water, Sewer and Storm Water

Water Utility and Infrastructure

Water utility accounts for the operation of the City-owned water system and maintenance and improvements to the water infrastructure.

Sewer

The City of Anoka has approximately 66 miles of sanitary sewer mains. Each year about one-fourth of the city’s sanitary sewer mains are inspected and cleaned. This routine maintenance helps to prevent blockages and sewer backups.

Storm Water

The storm water utility accounts for the operation and improvement of the storm water drainage system.

2019 Operating Revenue	\$1,658,795	2019 Operating Revenue	\$2,497,328	2019 Operating Revenue	\$674,280
2019 Operating Expenses	\$1,399,048	2019 Operating Expenses	\$2,400,634	2019 Operating Expenses	\$244,402
Positions—Full time	3.55	Positions—Full time	2.95	Positions—Full time	0
Monthly Cost for Average Home	\$16.09	Monthly Cost for Average Home	\$19.64	Monthly Cost for Average Home	\$4.65

Liquor Stores

The City owns and operates two municipal liquor stores. The East store is located at 847 East River Road, Anoka, west of Mercy Hospital. The West store is located at 809 West Main Street, Anoka, off of Hwy 10. Better Values is open Monday thru Saturday from 8am to 10pm.

All weekly specials are posted on the website www.bettervaluesliquor.com. Every Tuesday is Senior Day, customers over 55 receive a 10 % discount.

2019 Operating Revenue	\$4,263,089
2018 Operating Expenses	\$4,102,434
Positions—Full time	4



Profits from your purchases stay in the City of Anoka to help aid in maintaining and improving city parks. \$303,500 was transferred out from the Liquor Fund in 2019.

Golf Course

Green Haven Golf Course & Event Center

is located in the heart of beautiful and historic Anoka. This course features:

2019 Operating Revenue	\$959,146
2019 Operating Expenses	\$1,103,760
Positions—Full time	2.95

- 18 Championship Holes
- A park-like setting within easy driving distance to all major metro areas
- First class banquet facility
- Restaurant and full bar service
- All carts GPS equipped
- Playable for the high handicap player while providing a solid test for the single digit handicap player



Recycling

The Recycling Division is responsible for organizing the residential recycling program by providing proper collection, handling, and disposal of recyclables to maintain a safe, healthy, and clean environment of residents of the city. The City of Anoka contracts with one hauler for single-sort recycling services - no sorting or separating! Simply put, all of your recycling items in the cart and Republic Services will take care of the rest.

In 2019

- Residential recycling hauled off 954 tons
- City Parks removed 2 tons of recycling
- Drop Off Events collected 122 tons of recycling



Get the Anoka County Recycling App
Anoka County launched its latest tool to help you recycle more and it's right in the palm of your hand. Download the app and learn more about recycling! Download from the App Store or Google play.

HRA Component Unit

The Anoka Housing and Redevelopment Authority (HRA) is legally separate from the City. It was created by the City to carry out redevelopment projects throughout the City. The governing board is appointed by the City Council. They can give, sell, buy and transfer property; provide grants, loans, leases and abatements; and raise funds. The HRA has levy authority to provide funding for its housing and redevelopment projects. The levy is separate from the City's general fund levy.

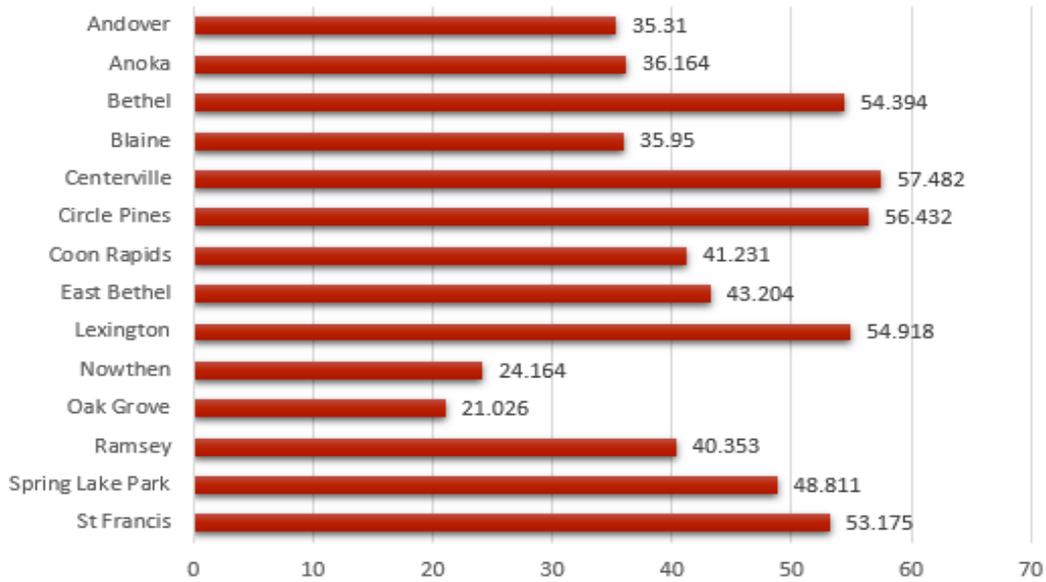
Some of the 2019 Accomplishments were:

- Home improvement loans provided to seven single family homes
- Acquired property at 7th and Main for revitalization
- Additional fire suppression projects in downtown buildings
- Increased funding for rehab and conversion loans

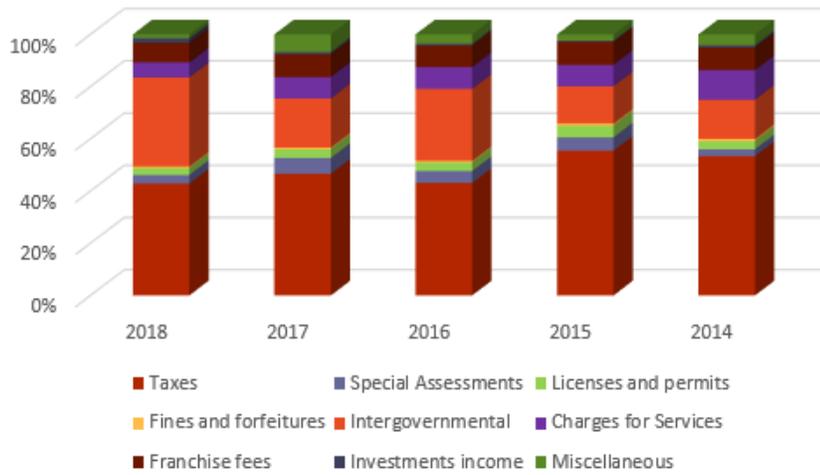


Shown above is the City's roundabout at Anoka Middle School for the Arts.
Intersection of Washington Street, 4th Ave, and Military Road.

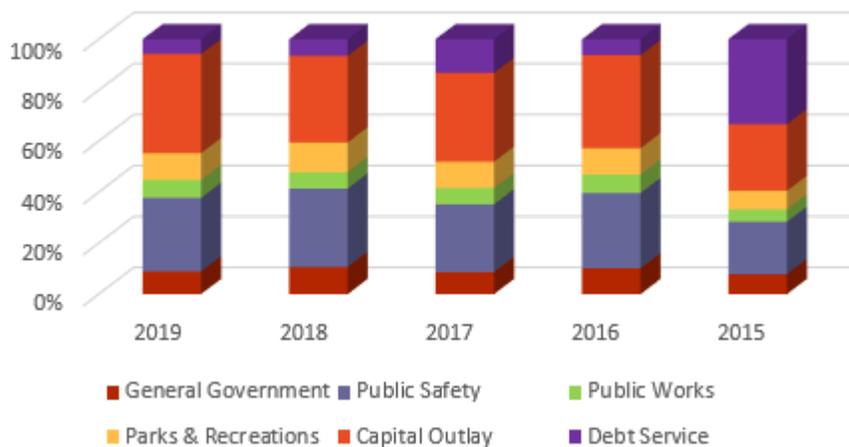
Final 2019 Tax Rates for Anoka County Communities



5 Year Revenue Comparison



5 Year Expenditure Comparison



Anoka, and what it's known for!

Anoka, Minnesota is believed to be the first city in the United States to put on a Halloween celebration to divert its youngsters from Halloween pranks. When Anokans awoke to find their cows roaming Main Street, their windows soaped and their outhouses tipped over, they decided something had to be done.

In 1920, George Green and other Anoka civic leaders suggested the idea of a giant celebration. The idea was adopted by the Anoka Commercial Club and the Anoka Kiwanis Club; both giving their full support. In September of that year, a Halloween committee was organized.

Working hand in hand were businessmen, teachers from the Anoka public and parochial schools, parents, and students. For weeks be-

fore the big event, more than a thousand Anoka school children made plans and costumes for the big event.

A parade was scheduled for the evening. Participants included local and neighboring bands, drum corps, the Anoka police and fire departments, the Kiwanis Club, the Commercial Club, and the Anoka National Guard; all working together to make the evening a success. Afterward, hundreds of bags of popcorn, candy, peanuts and other treats were given away to the children who marched in the parade. Everyone was invited to a

large bonfire that was staged at Bridge Square. Celebrations have been held every year since 1920 with the exception of 1942 and 1943 when the festivities were cancelled because of World War II. By the 1930s, the festivities had expanded as had the attendance at the parades. There were over 2,000 costumed children marching down Main Street. It was estimated that 20,000 spectators lined the streets to watch this night-time spectacle.

In 1937, 12-year-old, Harold Blair, donning a sweater embellished with a Halloween Capital insignia, carried with him to Washington, D.C. a proclamation naming Anoka the Halloween Capital of the World.



Left—Anoka opens two community gardens yearly to citizens



Below—bonfire lighting at Anoka's Winterfest celebration

Right—kids cool off in the fountain during Anoka's Food Truck Festival



Above—Anoka's utility department float in the yearly Light Up the Night parade—one of three parades during Halloween in Anoka.



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, 2018

Christoph P. Moriel
Executive Director/CFO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Anoka for its report for the fiscal year ended December 31, 2018. This is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government reports. This was the 4th year the City submitted the report and received the award from the GFOA.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government entity must publish a report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the standards, and we are submitting it to GFOA.