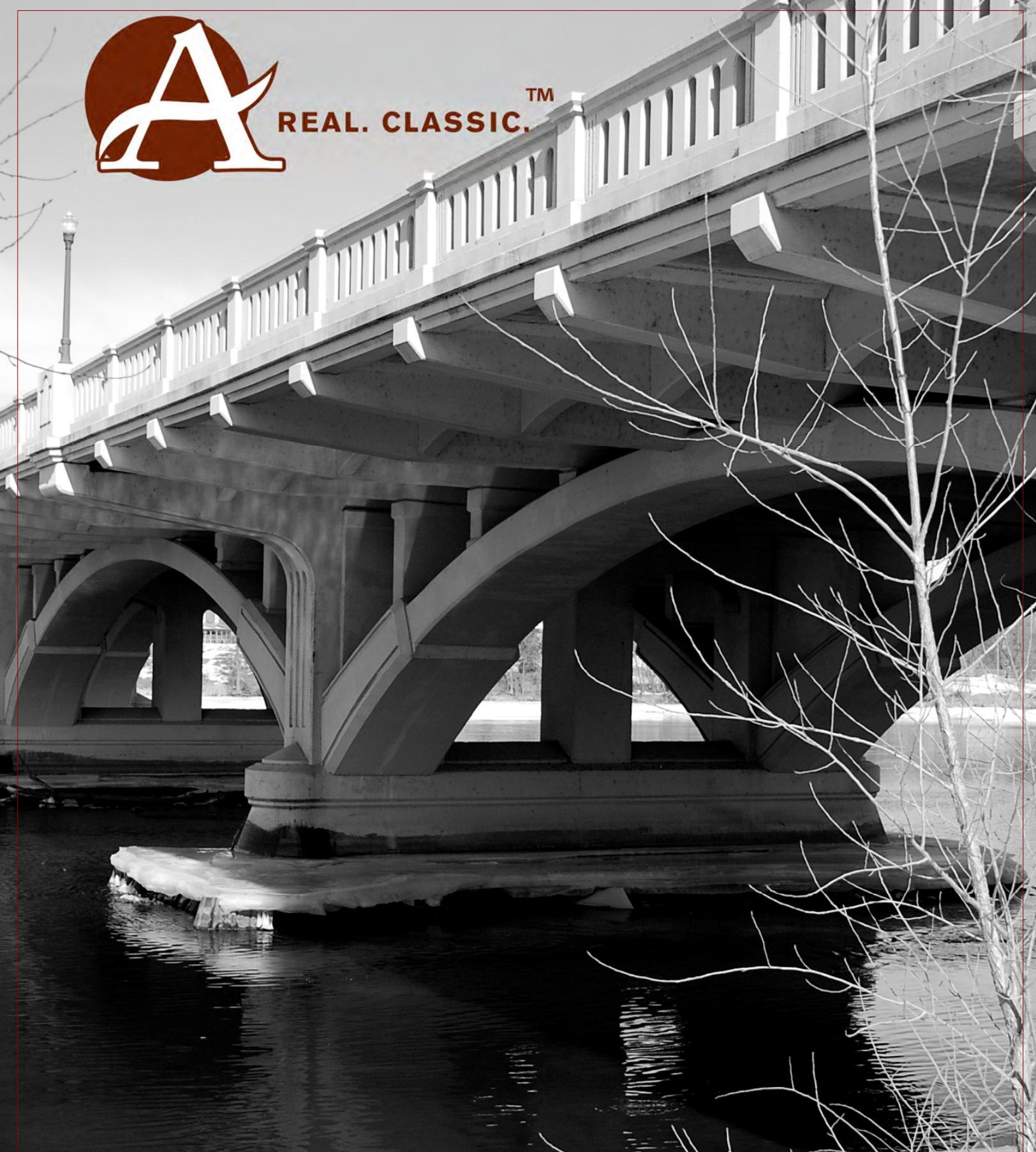




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City of Anoka
Comprehensive Annual Financial Report
For Year Ended December 31, 2019



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CITY OF ANOKA, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended December 31, 2019

Prepared by the Finance Department

Brenda Springer, Director



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CITY OF ANOKA, MINNESOTA

Comprehensive Annual Financial Report

Year ended December 31, 2019

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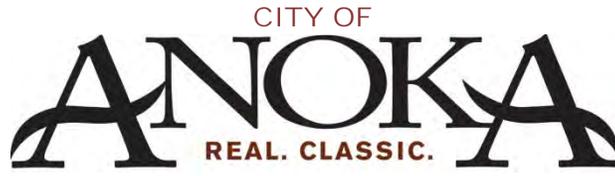
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June 15, 2020

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, 2019.

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 in the United States (GAAP). 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, 2019, 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, 2019, 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.



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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 an estimated population of 18,500. 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 87](#). Special revenue fund budgetary comparisons start on [page 96](#).

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.



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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 worldwide Covid-19 pandemic is being monitored closely by Council and City management. 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 had an employed labor force at the end of 2019 of approximately 14,720, which compares favorably to the 7,657 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 current available housing to both revitalize neighborhoods, and assist owners in converting rental property to owner occupied property.

Long-term financial planning. The City is currently in redevelopment stages in two areas of the City. One area is 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. The other area surrounds the Commuter Rail Transit Station that was completed as part of the Northwest Commuter Rail line. 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.



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Major initiatives. In 2019, the City continued its Street Renewal Program with plans for two more additional projects in 2020. The City determined that bond issuance in 2020 would be used to accelerate the renewal of city streets and infrastructure, which is more cost effective since construction costs rise yearly. Part of the costs incurred for these projects in 2019 will be recovered through the bonding. In 2019, City Staff met with State Legislators regarding the Commuter Rail Transit Village and were able to secure an extension of the knock down rule which will allow the City to take development action for three additional years.

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, 2018. This was the 39th 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, 2018. 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 four consecutive years.

The GFOA awarded the Distinguished Budget Presentation Award to the City of Anoka for its 2019 Budget. This was the 13th 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 Springer
Finance Director



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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, 2018

Christopher P. Morrill

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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF ANOKA, MINNESOTA

Elected and Appointed Officials

December 31, 2019



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

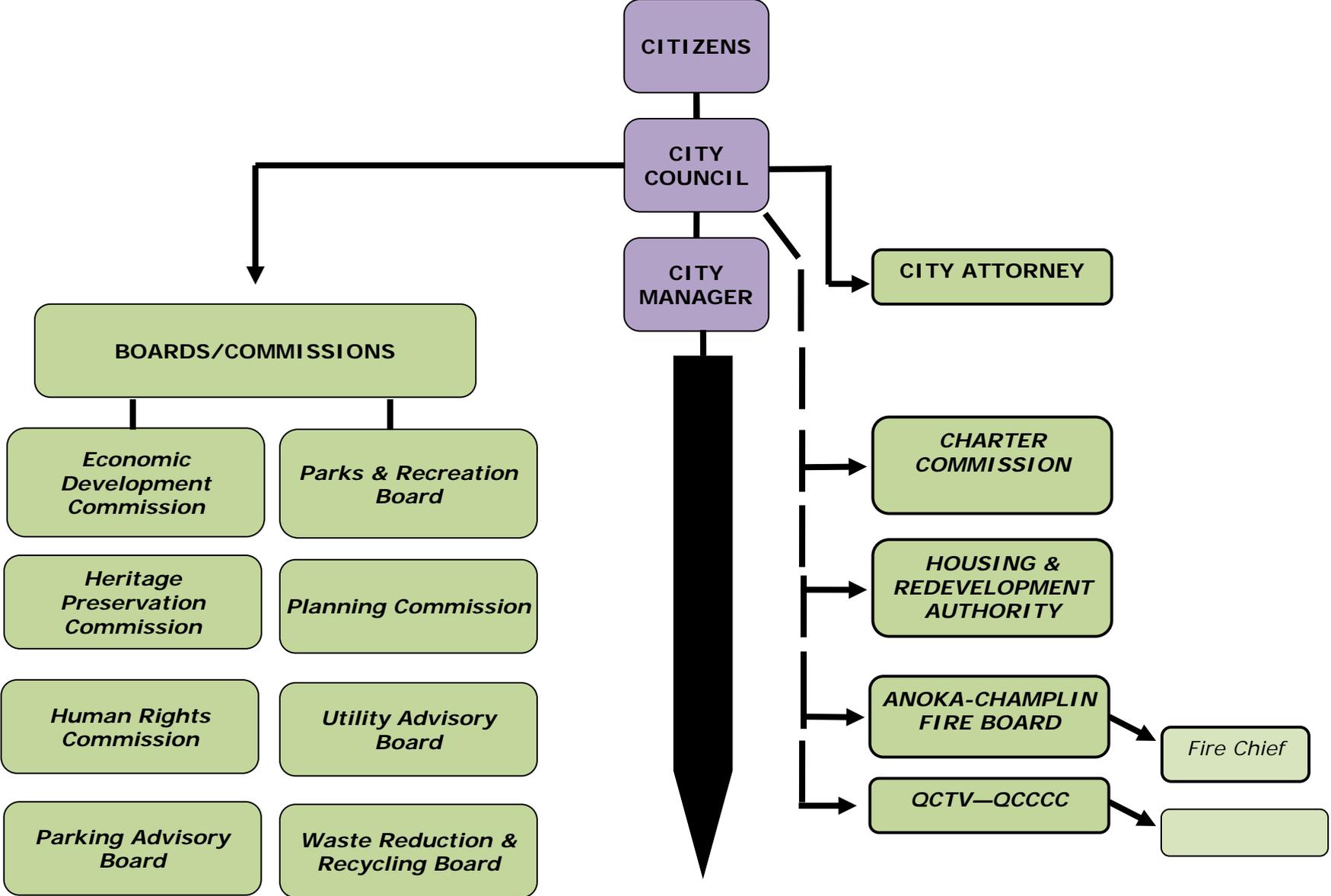
Brian Wesp, Councilmember
Term Expires 12/31/20

City Managerial Staff

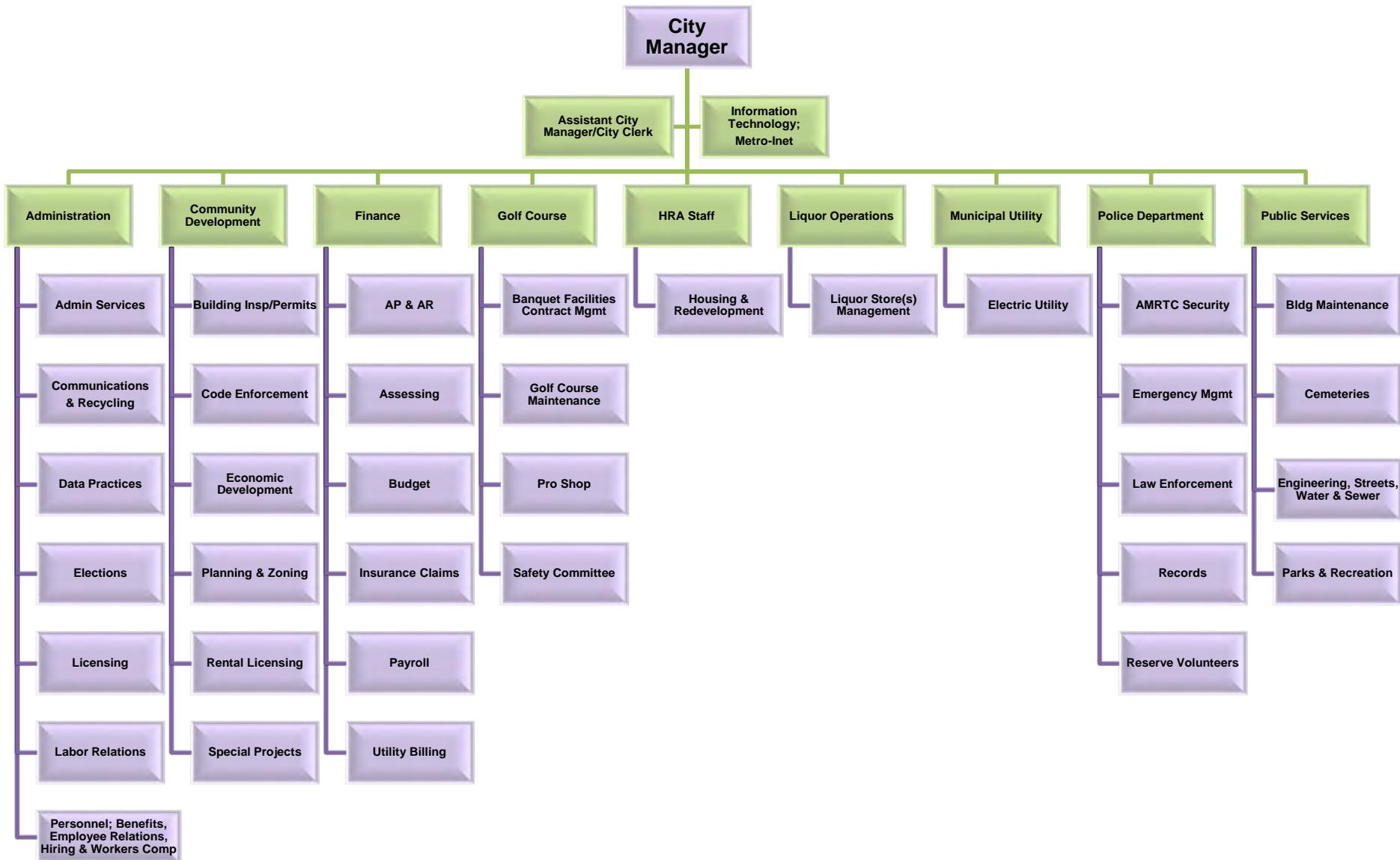
<u>Employee</u>	<u>Position</u>
Greg Lee	City Manager
Scott Baumgartner	Attorney
Greg Geiger	Electric Utility Director
Brenda Springer	Finance Director
Open	Fire Chief
Larry Norland	Golf Manager
Dave Duwenhoegger	Liquor Operations Manager
Doug Borglund	Community Development Director
Eric Peterson	Police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

CITY OF ANOKA, MINNESOTA

City of Anoka Organizational Chart

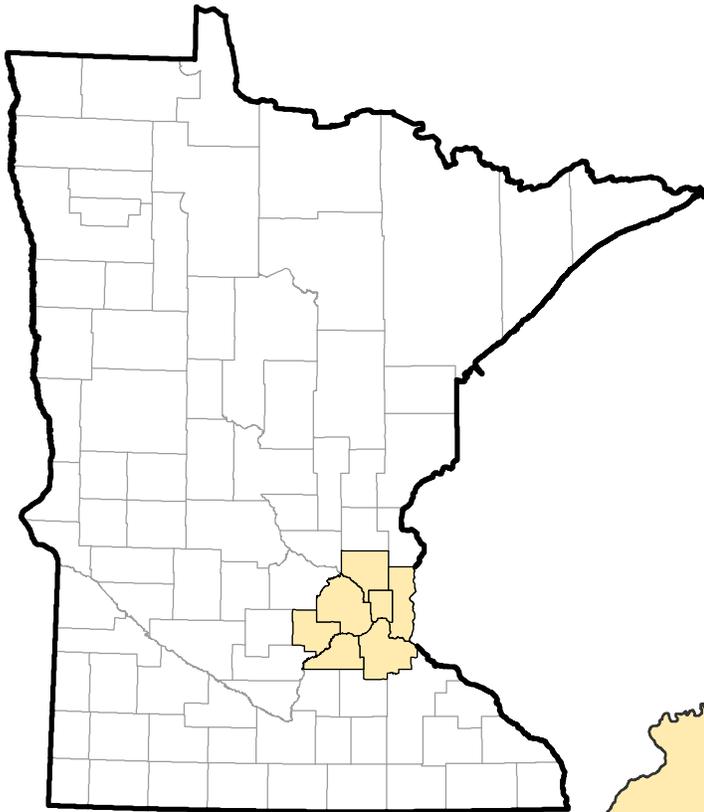


City of Anoka Organizational Chart



City of Anoka

Geographical Location





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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, 2019, 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, 2019, 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 1 to the financial statements, the City adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities* during the year ended December 31, 2019. 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 81-86, and budgetary comparison information on pages 87-88, 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 10, 2020, 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.



Wipfli LLP

June 10, 2020
Minneapolis, Minnesota



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CITY OF ANOKA, MINNESOTA

MANAGEMENTS 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, 2019. 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 2019, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$155,351,486 (net position). Of this amount, \$12,358,156 (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 \$5,250,176 or 3.5 percent.
- As of the close of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$3,038,526, which is a decrease of \$2,772,905 from 2018.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,042,915, or 42.1 percent of total general fund expenditures.
- The City of Anoka’s total bonded debt decreased by \$765,000 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

CITY OF ANOKA, MINNESOTA

MANAGEMENTS DISCUSSION AND ANALYSIS

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 custodial 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, State Aid Constriction Fund, Street Renewal Fund, Commuter Rail Transit Village Tax Increment Fund, and Greens of Anoka 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. 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.

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

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.

Custodial funds. Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 basic custodial 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 41](#) 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 90](#) 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 2019 assets plus deferred outflows exceeded liabilities plus deferred inflows by \$155,351,486.

The largest portion of the City of Anoka's net position (87.8 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, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

City of Anoka Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other	\$ 8,955,000	\$ 11,214,204	\$ 26,668,491	\$ 26,183,920	\$ 35,623,491	\$ 37,398,124
Capital assets	101,852,747	96,674,811	46,373,370	44,548,908	148,226,117	141,223,719
Total assets	110,807,747	107,889,015	73,041,861	70,732,828	183,849,608	178,621,843
Deferred outflows of resources	2,994,802	4,517,019	250,172	304,448	3,244,974	4,821,467
Current and other	2,458,859	1,970,051	3,779,026	3,503,851	6,237,885	5,473,902
Long-term liabilities	16,069,953	16,737,662	4,398,798	4,472,909	20,468,751	21,210,571
Total liabilities	18,528,812	18,707,713	8,177,824	7,976,760	26,706,636	26,684,473
Deferred inflows of resources	4,595,413	6,225,824	441,047	431,703	5,036,460	6,657,527
Net position	\$ 90,678,324	\$ 87,472,497	\$ 64,673,162	\$ 62,628,813	\$ 155,351,486	\$ 150,101,310
Net investment in capital assets	\$ 91,561,788	\$ 85,684,691	\$ 44,782,151	\$ 42,869,504	\$ 136,343,939	\$ 128,554,195
Restricted:						
Debt	234,604	191,993	-	-	234,604	191,993
Tax increment	6,414,787	6,190,807	-	-	6,414,787	6,190,807
Unrestricted	(7,532,855)	(4,594,994)	19,891,011	19,759,309	12,358,156	15,164,315
Total net position	\$ 90,678,324	\$ 87,472,497	\$ 64,673,162	\$ 62,628,813	\$ 155,351,486	\$ 150,101,310

The net position of the City of Anoka increased by \$5,250,176. The primary reason for the increase in net position is investment to capital assets through infrastructure projects finished in 2019. A small portion of the City of Anoka's net position, 4.3 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$12,358,156 may be used to meet the City's ongoing obligations to citizens and creditors. Net investment in capital assets increased by \$7,789,744, or 6 percent, due to continued capital outlay to city infrastructure. The City used a combination of grants and available funds for investment in capital assets, and approved reimbursement for some projects from 2020 bonding. Net position restricted for debt increased by \$42,611, and net position restricted for tax increments increased by \$223,980, for a net increase in restricted net position of \$266,591.

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.

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities account for just over 58 percent of the City of Anoka's net position. For the year ended December 31 2019, there is an increase in net position for governmental activities of \$3,205,827. Total revenues for governmental activities amounted to \$17,566,037; transfers in were \$1,032,200; gain on disposal of capital assets was \$452,706. Total expenses were \$15,845,116.

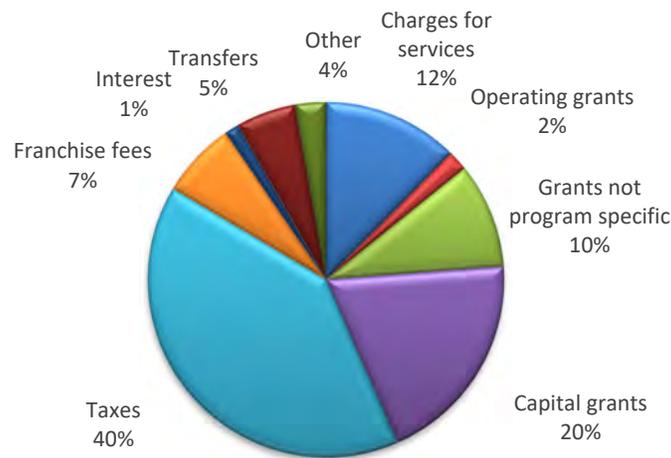
Key elements of the increase in net position are as follows.

	City of Anoka's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 2,357,432	\$ 2,885,668	\$ 39,423,756	\$ 39,724,665	\$ 41,781,188	\$ 42,610,333
Operating grants and contributions	347,271	314,285	53,415	56,611	400,686	370,896
Capital grants and contributions	3,740,950	785,219	-	-	3,740,950	785,219
General revenues:						
Property taxes	7,644,001	7,404,134	-	-	7,644,001	7,404,134
Franchise taxes	1,315,467	1,355,374	-	-	1,315,467	1,355,374
Grants and contributions not restricted to specific programs	1,829,333	1,822,734	-	-	1,829,333	1,822,734
Investment income, net	250,681	122,509	645,719	480,225	896,400	602,734
Other	80,902	423,977	337,025	300,539	417,927	724,516
Total revenues	<u>17,566,037</u>	<u>15,113,900</u>	<u>40,459,915</u>	<u>40,562,040</u>	<u>58,025,952</u>	<u>55,675,940</u>
Expenses:						
General government	2,583,603	2,583,277	-	-	2,583,603	2,583,277
Public safety	6,534,566	6,667,289	-	-	6,534,566	6,667,289
Public works	3,143,535	2,778,395	-	-	3,143,535	2,778,395
Park and recreation	3,019,196	2,756,501	-	-	3,019,196	2,756,501
Interest on debt	564,216	509,195	-	-	564,216	509,195
Electric	-	-	27,737,971	27,695,950	27,737,971	27,695,950
Water	-	-	1,454,722	1,430,534	1,454,722	1,430,534
Liquor	-	-	4,125,519	4,081,459	4,125,519	4,081,459
Storm drainage	-	-	244,539	222,292	244,539	222,292
Sewer	-	-	2,358,704	2,336,214	2,358,704	2,336,214
Golf	-	-	1,118,253	1,088,099	1,118,253	1,088,099
Refuse	-	-	-	101,672	-	101,672
Recycling	-	-	360,038	315,252	360,038	315,252
Total expenses	<u>15,845,116</u>	<u>15,294,657</u>	<u>37,399,746</u>	<u>37,271,472</u>	<u>53,244,862</u>	<u>52,566,129</u>
Gain on disposal of capital assets	452,706	5,515	16,380	1,501	469,086	7,016
Increase in net position before transfers and contributed capital	2,173,627	(175,242)	3,076,549	3,292,069	5,250,176	3,116,827
Transfers	1,032,200	2,380,000	(1,032,200)	(2,380,000)	-	-
Change in net position	<u>3,205,827</u>	<u>2,204,758</u>	<u>2,044,349</u>	<u>912,069</u>	<u>5,250,176</u>	<u>3,116,827</u>
Net position on Jan. 1	87,472,497	85,267,739	62,628,813	61,716,744	150,101,310	146,984,483
Net position on Dec. 31	<u>\$ 90,678,324</u>	<u>\$ 87,472,497</u>	<u>\$ 64,673,162</u>	<u>\$ 62,628,813</u>	<u>\$ 155,351,486</u>	<u>\$ 150,101,310</u>

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

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

Revenue Sources - Governmental Activities



- Total property tax collection increased by \$239,867 during the year, which is due to the tax levy increase, as well as increased property values within the City.
- Charges for service decreased by \$528,236. Charges for services vary every year because they are based on projects occurring throughout the city. The largest portion of decrease this year was as a result of the end of a contract for security services to Anoka Metro Regional Treatment Center by Anoka Police Department, which was \$264,541 in 2018.
- Capital grants and contributions increased by \$2,955,731 as a result of increased aid for street projects to the State Aid Construction and Street Renewal funds.
- Investment income increased \$128,172 in 2019 due to increased performance of investments, as well as a one-time transfer of accumulated interest from escrow to the General Fund.
- All governmental expenses, except interest on long-term debt, are supported with general revenues to a varying extent.

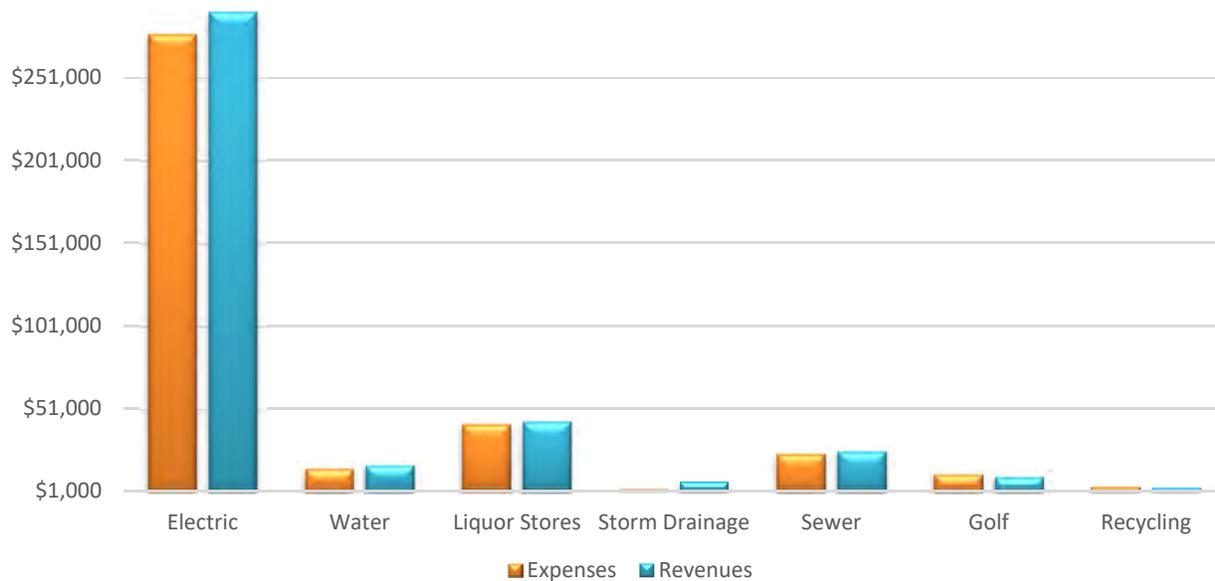
Expenses and Program Revenues - Governmental Activities



CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

Business-type activities. Business-type net position increased by \$2,044,349. The increase is primarily associated with fewer transfers out from business-type funds to governmental funds to build net position for upcoming infrastructure projects. 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 \$39,423,756. The electric public utility accounts for 73.7 percent of the total. Overall business-type charges for services decreased by \$300,909 when compared with 2018. This is mainly due to decreased sales of electricity, and the elimination of billing services for refuse.
- Investment income in business-type activities increased in 2019 by \$165,494 as a result of current market conditions.
- Operating expenses increased by \$128,274 when compared to 2018. Increases to personal and suppliers were largely offset by the decrease in purchased power for sale by the electric fund, as electric consumption decreased by close to 4.0 percent in 2019, which resulted in only a 0.3 percent increase in total expenses.

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.

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

At the end of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$3,038,526, a decrease of \$2,772,905. The decrease is primarily the result of continued spending on street renewal within the City. The City will bond in 2020 for street renewal projects completed in 2019 and beyond.

Of the total governmental fund balance, \$30,558 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 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 \$5,042,915, while total fund balance was \$5,068,148. 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 42.1 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$104,455 during the current year. Operating expenses exceeded revenue by \$92,045. Actual expenditures were under budget by \$7,344. 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. The increased costs in personal services reflect cost of living adjustments, step increases for personal who have not yet reached full pay, and increased staffing in Police, Municipal Parks, and Street Maintenance. The majority of the expenditures under budget occurred as a result of lower than budgeted professional services. Departments continue to create better efficiencies through new technological uses and streamlining processes. Key factors are as follows:

- The General Fund tax levy for 2019 increased by \$190,229 from the tax levy in 2018. Actual General Fund tax revenues in 2019 were up \$193,195 compared with 2018.
- The City's Police Department security services contracts decreased \$257,204 in 2019 largely as a result of the contract with Anoka Metro Regional Treatment Center ending.
- General Fund expenditures were \$365,517 higher than 2018 because of planned increases in spending in public works and parks and recreation for professional and contractual services.

The Debt Service Fund balance is \$565,981, which is an increase of \$18,587 from 2018. The State Aid Construction Fund has a fund balance of \$860,641 which is a decrease of \$323,401 from 2018. The Street Renewal Fund balance has a deficit balance of \$1,675,941, which is an decrease of \$1,799,280 from 2018 and will be replenished with bond issuance in 2020. The Commuter Rail Transit Village Tax Increment Fund has a deficit fund balance of \$2,909,192. 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 \$3,053,357. Greens of Anoka TIF continued land purchases in 2019 towards the end goal of redeveloping the area. This fund will also see tax revenues generated in 2020 and beyond as well as proceeds from land sales to pay the internal loan for road projects in this district.

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

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 - \$16,881,494, Water - \$2,654,950, Liquor - \$1,065,949, and Storm Drainage has a negative unrestricted net position of \$733,077. Most proprietary funds had increases in net position in 2019, with the exception of Liquor, Golf, and Recycling funds. The Liquor fund used some unrestricted net position to transfer \$303,500 to Parks, and the Golf and Recycling funds had operating losses of \$144,614 and \$19,268 respectively.

The City no longer provides billing service for trash collection, which is accounted for in the Refuse fund. The net position of \$118,121 will remain in the fund until the future of organized hauling in the City is known.

Budgetary Highlights

General Fund

The amendment to the original expenditure budget for the General Fund in 2019 was interdepartmental only, and did not increase or decrease the budget. Actual expenditures were under the final budget amount by \$7,344 and actual revenues were over the final budget by \$97,111. Highlights of expenditure variances from the 2019 budget are summarized as follows:

- General government activities under budget by \$3,520
- Public safety activities under budget by \$472
- Public works activities under budget by \$1,550
- Parks and recreation under budget by \$1,802

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, 2019, amounts to \$148,226,117 (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 5.0 percent, or \$7,002,399. There is a 5.4 percent increase in governmental activities investment in capital assets and a 4.1 percent decrease for business-type activities investment in capital assets.

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

- \$8.4 million in street renewal and improvement projects completed and capitalized
- \$3.6 million in utility distribution improvements

The capital assets note (see Note 7) to the financial statements, which begins on [page 58](#) of this report, provides more detailed information on capital asset activity.

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

	City of Anoka's Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 9,026,510	\$ 9,025,301	\$ 1,322,349	\$ 1,289,095	\$ 10,348,859	\$ 10,314,396
Construction in progress	6,221,109	6,716,619	99,197	111,956	6,320,306	6,828,575
Infrastructure	64,599,119	57,720,953	40,632,750	39,185,993	105,231,869	96,906,946
Buildings and structures	18,706,198	19,583,606	1,551,719	1,539,896	20,257,917	21,123,502
Machinery and equipment	3,168,236	3,467,240	1,976,362	1,507,762	5,144,598	4,975,002
Furniture and equipment	131,575	161,092	18,186	35,795	149,761	196,887
Other improvements	-	-	772,807	878,410	772,807	878,410
Total capital assets	\$ 101,852,747	\$ 96,674,811	\$ 46,373,370	\$ 44,548,907	\$ 148,226,117	\$ 141,223,718

Long-term debt. At the end of the current fiscal year, the City of Anoka had total long-term debt outstanding of \$9,295,000. The City has \$7,755,000 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 \$1,540,000 in the Storm Drainage Fund for storm drain improvements.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 7,755,000	\$ 8,435,000	\$ -	\$ -	\$ 7,755,000	\$ 8,435,000
Revenue bonds	-	-	1,540,000	1,625,000	1,540,000	1,625,000
Met Council loan	2,308,137	2,308,137	-	-	2,308,137	2,308,137
Total outstanding debt	\$ 10,063,137	\$ 10,743,137	\$ 1,540,000	\$ 1,625,000	\$ 11,603,137	\$ 12,368,137

The City of Anoka's total debt decreased by \$765,000 during the current year. The City has long-term debt payable to the Met Council. This debt is still considered long term; while the Highway 10 Improvements project is under planning and will begin in 2021 or 2022, repayment to Met Council is not yet scheduled. 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 \$47,969,889. The City's current outstanding debt that applies to the limitation is \$11,603,137, and only \$1,759,019 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 59](#) of this report.

CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in Anoka County in December 2019 was 3.2 percent, compared with 2.9 percent a year ago. Overall, unemployment in the state of Minnesota was at 3.5 percent and for the United States at 3.4 percent. The City expects these numbers to significantly increase during 2020 due to the Covid-19 pandemic, but cautiously anticipates a return to more normal numbers by year-end.
- Total estimated market value increased approximately 6.42 percent in 2019, and tax capacity increased approximately 6.57 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 2020 budget. After the budget was adopted, the world-wide Covid-19 crisis began. The City is factoring this new information into 2020 decision making, as well as looking forward into 2021.

At the end of 2019, total unassigned fund balance in the General Fund was \$5,042,915. The nonspendable fund balance of \$25,233 is for inventories and prepaid items. The City's 2020 total tax levy increased by \$274,441, or 3.90 percent over last year.

The General Fund budgeted revenues (excluding uses of fund balance) are increasing by a total of 4.2 percent in 2020. Total general fund budgeted expenditures also increased by 5.4 percent in 2020. The General Fund expenditures include transfer to debt service of \$555,000 and transfer to the Golf Fund of \$245,000. General Fund expenditures had remained relatively the same over the past several years with 2020 budgeted expenses increasing 9.2 percent over the six-year average. The largest part of this increase is due to the transfers.

In 2020, the sewer utility rate will increase by 7.8 percent, and the storm drainage utility rate will increase by approximately 8.1 percent to help offset infrastructure costs in the future. The residential recycling program will increase fees by 14.7 percent to offset the cost of disposal of recycling. The contract for our residential recycling contractor is up for bid in 2020.

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 1st Avenue, Anoka, MN 55303.

CITY OF ANOKA, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	HRA
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and investments	\$ 11,445,434	\$ 7,249,626	\$ 18,695,060	\$ 1,255,889
Taxes receivable	141,399	-	141,399	5,193
Accounts receivable	313,863	3,795,980	4,109,843	374,172
Special assessments receivable	-	15,555	15,555	-
Internal balances	(13,784,657)	13,784,657	-	-
Due from other governmental units	60	-	60	-
Inventories	45,873	1,677,739	1,723,612	-
Prepaid items	109,017	144,934	253,951	-
Land held for resale	8,597,395	-	8,597,395	2,176,259
Total current assets	<u>6,868,384</u>	<u>26,668,491</u>	<u>33,536,875</u>	<u>3,811,513</u>
Noncurrent assets:				
Special assessments receivable	2,086,616	-	2,086,616	-
Nondepreciable capital assets	15,247,619	1,421,546	16,669,165	237,058
Capital assets - Net of depreciation:				
Infrastructure	64,599,119	40,632,750	105,231,869	523,855
Buildings and structures	18,706,198	1,551,719	20,257,917	-
Machinery, vehicles, and equipment	3,168,236	1,976,362	5,144,598	-
Furniture and equipment	131,575	18,186	149,761	-
Other improvements	-	772,807	772,807	-
Total noncurrent assets	<u>103,939,363</u>	<u>46,373,370</u>	<u>150,312,733</u>	<u>760,913</u>
Total assets	<u>110,807,747</u>	<u>73,041,861</u>	<u>183,849,608</u>	<u>4,572,426</u>
Deferred outflows of resources:				
Deferred other postemployment resources	15,568	-	15,568	-
Deferred pension resources	2,979,234	250,172	3,229,406	5,755
	2,994,802	250,172	3,244,974	5,755
Total assets and deferred outflows of resources	<u>\$ 113,802,549</u>	<u>\$ 73,292,033</u>	<u>\$ 187,094,582</u>	<u>\$ 4,578,181</u>
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities:				
Accounts payable	\$ 784,720	\$ 2,175,561	\$ 2,960,281	\$ 98,214
Accrued wages payable	376,114	173,359	549,473	4,667
Due to other governments and units	670	-	670	60
Accrued interest payable	103,555	18,691	122,246	14,059
Deposits	231,569	1,208,823	1,440,392	-
Unearned revenue	242,231	56,592	298,823	-
Current portion of compensated absences payable	20,000	61,000	81,000	-
Current portion of long-term liabilities	700,000	85,000	785,000	-
Total current liabilities	<u>2,458,859</u>	<u>3,779,026</u>	<u>6,237,885</u>	<u>117,000</u>
Noncurrent liabilities:				
Compensated absences payable	867,565	280,176	1,147,741	2,890
Net other postemployment benefit obligation	603,635	-	603,635	-
Noncurrent portion of long-term liabilities	9,590,959	1,506,219	11,097,178	1,697,710
Net pension liability	5,007,794	2,612,403	7,620,197	60,101
Total noncurrent liabilities	<u>16,069,953</u>	<u>4,398,798</u>	<u>20,468,751</u>	<u>1,760,701</u>
Total liabilities	<u>18,528,812</u>	<u>8,177,824</u>	<u>26,706,636</u>	<u>1,877,701</u>
Deferred inflows of resources:				
Deferred other postemployment resources	18,765	-	18,765	-
Deferred pension resources	4,576,648	441,047	5,017,695	10,147
	4,595,413	441,047	5,036,460	10,147
Net position:				
Net investment in capital assets	91,561,788	44,782,151	136,343,939	2,937,172
Restricted for debt service	234,604	-	234,604	-
Restricted for tax increment	6,414,787	-	6,414,787	1,907,050
Unrestricted	(7,532,855)	19,891,011	12,358,156	(2,153,889)
Total net position	<u>90,678,324</u>	<u>64,673,162</u>	<u>155,351,486</u>	<u>2,690,333</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 113,802,549</u>	<u>\$ 73,292,033</u>	<u>\$ 187,094,582</u>	<u>\$ 4,578,181</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Unit
					Governmental Activities	Business - Type Activities		HRA
Primary government:								
Governmental activities:								
General government	\$ 2,583,603	\$ 148,888	\$ -	\$ -	\$ (2,434,715)	\$ -	\$ (2,434,715)	
Public safety	6,534,566	756,474	347,271	-	(5,430,821)	-	(5,430,821)	
Public works	3,143,535	840,771	-	3,740,950	1,438,186	-	1,438,186	
Parks and recreation	3,019,196	611,299	-	-	(2,407,897)	-	(2,407,897)	
Interest on long-term debt	564,216	-	-	-	(564,216)	-	(564,216)	
Total governmental activities	15,845,116	2,357,432	347,271	3,740,950	(9,399,463)	-	(9,399,463)	
Business-type activities:								
Electric	27,797,859	29,084,623	-	-	-	1,286,764	1,286,764	
Water	1,396,536	1,658,795	-	-	-	262,259	262,259	
Liquor Stores	4,100,343	4,263,089	-	-	-	162,746	162,746	
Storm Drainage	244,539	674,280	-	-	-	429,741	429,741	
Sewer	2,397,685	2,497,328	-	-	-	99,643	99,643	
Golf	1,103,679	959,146	-	-	-	(144,533)	(144,533)	
Refuse	-	36	-	-	-	36	36	
Recycling	359,105	286,459	53,415	-	-	(19,231)	(19,231)	
Total business-type activities	37,399,746	39,423,756	53,415	-	-	2,077,425	2,077,425	
Total primary government	\$ 53,244,862	\$ 41,781,188	\$ 400,686	\$ 3,740,950	(9,399,463)	2,077,425	(7,322,038)	
Component unit:								
HRA	\$ 600,109	\$ 114,878	\$ -	\$ -				\$ (485,231)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					7,023,911	-	7,023,911	272,460
Property taxes, levied for tax increment					620,090	-	620,090	117,767
Franchise taxes					1,315,467	-	1,315,467	-
Grants, aid, and contributions not restricted to specific programs					1,829,333	-	1,829,333	-
Investment income, net					250,681	645,719	896,400	25,396
Gain on disposal of capital assets					452,706	16,380	469,086	-
Other					80,902	337,025	417,927	33,186
Transfers					1,032,200	(1,032,200)	-	-
Total general revenues and transfers					12,605,290	(33,076)	12,572,214	448,809
Change in net position					3,205,827	2,044,349	5,250,176	(36,422)
Net position - Beginning of year					87,472,497	62,628,813	150,101,310	2,726,755
Net position - End of year					\$ 90,678,324	\$ 64,673,162	\$ 155,351,486	\$ 2,690,333

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>State Aid Construction</u>	<u>Street Renewal</u>	<u>Commuter Rail Transit Village Tax Increment</u>	<u>Greens of Anoka Tax Increment</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and investments	\$ 5,731,631	\$ 565,981	\$ 6,622	\$ 8,084	\$ 5,800	\$ 33,309	\$ 2,883,260	\$ 9,234,687
Receivables, net:								
Taxes	136,058	781	-	-	-	9	4,551	141,399
Special assessments	18,104	-	-	2,068,512	-	-	-	2,086,616
Accounts receivable	8,359	-	-	96,771	-	185,004	23,729	313,863
Due from other funds	4,750	-	-	-	-	-	260,000	264,750
Due from other governmental units	60	-	-	-	-	-	-	60
Advance to other funds	-	-	-	-	-	-	860,000	860,000
Inventories	20,838	-	-	-	-	-	-	20,838
Prepaid items	4,395	-	-	-	-	-	5,325	9,720
Land held for resale	-	-	2,331,233	230,000	580,627	3,185,170	2,270,365	8,597,395
Total assets	<u>\$ 5,924,195</u>	<u>\$ 566,762</u>	<u>\$ 2,337,855</u>	<u>\$ 2,403,367</u>	<u>\$ 586,427</u>	<u>\$ 3,403,492</u>	<u>\$ 6,307,230</u>	<u>\$ 21,529,328</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 104,446	\$ -	\$ 407,214	\$ 112,993	\$ 619	\$ 16,836	\$ 71,559	\$ 713,667
Accrued wages payable and other benefits	366,562	-	-	-	-	-	2,645	369,207
Due to other funds	-	-	1,070,000	1,922,535	110,000	1,600,000	636,427	5,338,962
Due to other governments	-	-	-	670	-	-	-	670
Due to other organizations - Escrow	231,569	-	-	-	-	-	-	231,569
Unearned revenue	47,874	-	-	-	-	185,004	9,353	242,231
Advance from other funds	-	-	-	-	3,385,000	4,655,000	1,405,000	9,445,000
Total liabilities	<u>750,451</u>	<u>-</u>	<u>1,477,214</u>	<u>2,036,198</u>	<u>3,495,619</u>	<u>6,456,840</u>	<u>2,124,984</u>	<u>16,341,306</u>
Deferred inflows of resources:								
Unavailable revenue-Property taxes	105,596	781	-	-	-	9	-	106,386
Unavailable revenue-Special assessments	-	-	-	2,043,110	-	-	-	2,043,110
Total deferred inflows of resources	<u>105,596</u>	<u>781</u>	<u>-</u>	<u>2,043,110</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>2,149,496</u>
Fund balances:								
Nonspendable	25,233	-	-	-	-	-	5,325	30,558
Restricted	-	565,981	-	-	580,627	3,185,170	2,648,990	6,980,768
Committed	-	-	-	-	-	-	2,390,007	2,390,007
Assigned	-	-	860,641	-	-	-	522,919	1,383,560
Unassigned	5,042,915	-	-	(1,675,941)	(3,489,819)	(6,238,527)	(1,384,995)	(7,746,367)
Total fund balances	<u>5,068,148</u>	<u>565,981</u>	<u>860,641</u>	<u>(1,675,941)</u>	<u>(2,909,192)</u>	<u>(3,053,357)</u>	<u>4,182,246</u>	<u>3,038,526</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,924,195</u>	<u>\$ 566,762</u>	<u>\$ 2,337,855</u>	<u>\$ 2,403,367</u>	<u>\$ 586,427</u>	<u>\$ 3,403,492</u>	<u>\$ 6,307,230</u>	<u>\$ 21,529,328</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, 2019

Total governmental fund balances (page 29)	\$ 3,038,526
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.	100,226,472
Long-term liabilities, including bonds payable and related premiums and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(10,290,959)
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.	2,870,384
The net pension liability and related deferred inflows and deferred outflows are recorded only in the government-wide statement of net position.	(6,605,208)
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.	(606,832)
Governmental funds do not report a liability for accrued interest until due and payable.	(103,555)
Deferred inflows are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>2,149,496</u>
Net position of the governmental activities	<u>\$ 90,678,324</u>

See accompanying notes to financial statements

CITY OF ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>State Aid Construction</u>	<u>Street Renewal</u>	<u>Commuter Rail Transit Village Tax Increment</u>	<u>Greens of Anoka Tax Increment</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Taxes	\$ 7,000,263	\$ 403	\$ -	\$ -	\$ 235,787	\$ 244,462	\$ 141,362	\$ 7,622,277
Special assessments	-	-	-	783,656	-	-	-	783,656
Licenses and permits	332,927	-	-	10,460	-	-	48,643	392,030
Fines and forfeitures	64,416	-	-	-	-	-	38,990	103,406
Intergovernmental	2,352,279	-	1,658,000	1,872,000	-	-	-	5,882,279
Charges for current services	792,428	-	-	49,580	-	-	157,691	999,699
Franchise fees	931,357	-	-	384,110	-	-	-	1,315,467
Investment income	205,823	20,771	(27,801)	(48,882)	-	26,032	45,624	221,567
Net increase (decrease) in fair value of investments	36,500	3,676	(6,600)	(8,501)	-	32,352	4,042	61,469
Miscellaneous	167,606	-	-	-	-	-	97,553	265,159
Total revenues	<u>11,883,599</u>	<u>24,850</u>	<u>1,623,599</u>	<u>3,042,423</u>	<u>235,787</u>	<u>302,846</u>	<u>533,905</u>	<u>17,647,009</u>
Expenditures:								
Current:								
General government	1,921,412	1,900	-	-	4,084	7,548	5,183	1,940,127
Public safety	6,260,842	-	-	-	-	-	73,993	6,334,835
Public works	1,411,241	-	-	35,650	-	-	84,655	1,531,546
Parks and recreation	2,237,915	-	-	-	-	-	67,160	2,305,075
Capital outlay	144,234	-	1,947,000	4,932,637	-	1,222,727	286,132	8,532,730
Debt service:								
Principal retirement	-	680,000	-	-	-	-	-	680,000
Interest and fiscal charges	-	251,363	-	-	120,706	165,813	50,356	588,238
Total expenditures	<u>11,975,644</u>	<u>933,263</u>	<u>1,947,000</u>	<u>4,968,287</u>	<u>124,790</u>	<u>1,396,088</u>	<u>567,479</u>	<u>21,912,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,045)</u>	<u>(908,413)</u>	<u>(323,401)</u>	<u>(1,925,864)</u>	<u>110,997</u>	<u>(1,093,242)</u>	<u>(33,574)</u>	<u>(4,265,542)</u>
Other financing sources (uses) including transfers:								
Transfer in	763,500	927,000	-	83,700	-	-	425,000	2,199,200
Transfer out	(567,000)	-	-	-	-	-	(600,000)	(1,167,000)
Proceeds from sale of asset	-	-	-	42,884	-	-	417,553	460,437
Total other financing sources (uses)	<u>196,500</u>	<u>927,000</u>	<u>-</u>	<u>126,584</u>	<u>-</u>	<u>-</u>	<u>242,553</u>	<u>1,492,637</u>
Net changes in fund balances	104,455	18,587	(323,401)	(1,799,280)	110,997	(1,093,242)	208,979	(2,772,905)
Fund balances (deficits) at beginning of year	<u>4,963,693</u>	<u>547,394</u>	<u>1,184,042</u>	<u>123,339</u>	<u>(3,020,189)</u>	<u>(1,960,115)</u>	<u>3,973,267</u>	<u>5,811,431</u>
Fund balances (deficits) at end of year	<u>\$ 5,068,148</u>	<u>\$ 565,981</u>	<u>\$ 860,641</u>	<u>\$ (1,675,941)</u>	<u>\$ (2,909,192)</u>	<u>\$ (3,053,357)</u>	<u>\$ 4,182,246</u>	<u>\$ 3,038,526</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, 2019

Net change in fund balances - Total governmental funds (page 31)	\$ (2,772,905)
Amounts reported for government activities in the statement of activities (page 28) 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.	5,382,667
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.	160,774
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(116,247)
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.	680,000
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 issued, whereas these amounts are amortized in the statement of activities.	24,022
The loss from disposal of fixed assets that is reported in the statement of activities is not reported as an expenditure in governmental funds.	(7,732)
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.	(62,208)
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.	(82,544)
Change in net position of governmental activities	\$ 3,205,827

See accompanying notes to financial statements

CITY OF ANOKA, MINNESOTA

**STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
DECEMBER 31, 2019**

Business-Type Activities - Enterprise Funds

	Electric	Water	Liquor	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Assets:							
Current assets:							
Cash and cash equivalents	\$ 3,665,347	\$ 2,875,051	\$ 283,381	\$ 15,064	\$ 410,783	\$ 7,249,626	\$ 2,210,747
Receivables, net:							
Special assessments	15,555	-	-	-	-	15,555	-
Accounts receivable	3,199,675	167,235	-	82,864	346,206	3,795,980	-
Due from other funds	5,074,212	19,883	800,000	-	80,000	5,974,095	20,000
Inventory	902,471	-	721,997	-	53,271	1,677,739	25,035
Prepaid items	17,948	-	40	-	126,946	144,934	99,297
Advance to other funds	8,840,000	-	-	-	-	8,840,000	-
Total current assets	<u>21,715,208</u>	<u>3,062,169</u>	<u>1,805,418</u>	<u>97,928</u>	<u>1,017,206</u>	<u>27,697,929</u>	<u>2,355,079</u>
Noncurrent assets:							
Land and improvements	806,267	-	311,392	-	204,691	1,322,350	-
Construction in progress	-	99,196	-	-	-	99,196	-
Buildings and structures	2,415,647	1,124,314	1,345,489	-	547,158	5,432,608	50,000
Furniture and equipment	656,396	-	213,056	-	169,564	1,039,016	622,436
Machinery and automotive equipment	4,080,612	942,982	14,806	-	1,989,533	7,027,933	5,099,653
Distribution system	43,198,787	17,375,766	-	7,611,902	8,760,455	76,946,910	-
Other improvements	-	-	-	-	2,674,190	2,674,190	-
Total property	<u>51,157,709</u>	<u>19,542,258</u>	<u>1,884,743</u>	<u>7,611,902</u>	<u>14,345,591</u>	<u>94,542,203</u>	<u>5,772,089</u>
Accumulated depreciation	<u>(28,347,912)</u>	<u>(9,961,284)</u>	<u>(1,323,744)</u>	<u>(976,209)</u>	<u>(7,559,684)</u>	<u>(48,168,833)</u>	<u>(4,145,814)</u>
Total noncurrent assets	<u>22,809,797</u>	<u>9,580,974</u>	<u>560,999</u>	<u>6,635,693</u>	<u>6,785,907</u>	<u>46,373,370</u>	<u>1,626,275</u>
Total assets	<u>44,525,005</u>	<u>12,643,143</u>	<u>2,366,417</u>	<u>6,733,621</u>	<u>7,803,113</u>	<u>74,071,299</u>	<u>3,981,354</u>
Deferred outflows of resources:							
Deferred pension resources	<u>141,126</u>	<u>19,733</u>	<u>36,729</u>	<u>-</u>	<u>52,584</u>	<u>250,172</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 44,666,131</u>	<u>\$ 12,662,876</u>	<u>\$ 2,403,146</u>	<u>\$ 6,733,621</u>	<u>\$ 7,855,697</u>	<u>\$ 74,321,471</u>	<u>\$ 3,981,354</u>
Liabilities:							
Current liabilities:							
Accounts payable	\$ 1,802,303	\$ 102,098	\$ 231,202	\$ 12,314	\$ 27,644	\$ 2,175,561	\$ 71,053
Accrued wages payable	100,840	13,894	27,611	-	31,014	173,359	6,907
Accrued interest payable	-	-	-	18,691	-	18,691	-
Due to other funds	19,883	-	-	800,000	80,000	899,883	20,000
Advance from other funds	-	-	-	-	255,000	255,000	-
Current portion of compensated absences payable	61,000	-	-	-	-	61,000	20,000
Current portion of bonds payable	-	-	-	85,000	-	85,000	-
Deposits	1,133,808	-	4,636	-	70,379	1,208,823	-
Unearned revenue	37,601	18,991	-	-	-	56,592	-
Total current liabilities	<u>3,155,435</u>	<u>134,983</u>	<u>263,449</u>	<u>916,005</u>	<u>464,037</u>	<u>4,933,909</u>	<u>117,960</u>
Noncurrent liabilities:							
Compensated absences payable	96,915	51,125	64,457	-	67,679	280,176	867,565
Bonds payable	-	-	-	1,506,219	-	1,506,219	-
Net pension liability	1,473,690	206,056	383,540	-	549,117	2,612,403	-
Total liabilities	<u>4,726,040</u>	<u>392,164</u>	<u>711,446</u>	<u>2,422,224</u>	<u>1,080,833</u>	<u>9,332,707</u>	<u>985,525</u>
Deferred inflows of resources:							
Deferred pension resources	<u>248,800</u>	<u>34,788</u>	<u>64,752</u>	<u>-</u>	<u>92,707</u>	<u>441,047</u>	<u>-</u>
Net position:							
Net investment in capital assets	22,809,797	9,580,974	560,999	5,044,474	6,785,907	44,782,151	1,626,275
Unrestricted	16,881,494	2,654,950	1,065,949	(733,077)	(103,750)	19,765,566	1,369,554
Total net position	<u>39,691,291</u>	<u>12,235,924</u>	<u>1,626,948</u>	<u>4,311,397</u>	<u>6,682,157</u>	<u>64,547,717</u>	<u>2,995,829</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 44,666,131</u>	<u>\$ 12,662,876</u>	<u>\$ 2,403,146</u>	<u>\$ 6,733,621</u>	<u>\$ 7,855,697</u>	<u>\$ 74,321,471</u>	<u>\$ 3,981,354</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, 2019

Net position - Total enterprise funds (page 33)	\$ 64,547,717
Amounts reported for proprietary activities in the statement of net position (page 27) 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>125,445</u>
Net position of the business-type activities	<u>\$ 64,673,162</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, 2019

Business-Type Activities - Enterprise Funds

	Electric	Water	Liquor	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Operating revenues:							
Charges for sales and services:							
Electric utility sales	\$ 29,017,998	\$ -	\$ -	\$ -	\$ -	\$ 29,017,998	\$ -
Water utility sales	-	1,652,886	-	-	-	1,652,886	-
Liquor sales	-	-	4,263,089	-	-	4,263,089	-
Sewer	-	-	-	-	2,497,328	2,497,328	-
Golf	-	-	-	-	959,146	959,146	-
Storm water	-	-	-	674,280	-	674,280	-
Refuse	-	-	-	-	36	36	-
Recycling	-	-	-	-	286,459	286,459	-
Other	66,625	5,909	-	-	53,415	125,949	1,659,862
Total operating revenues	<u>29,084,623</u>	<u>1,658,795</u>	<u>4,263,089</u>	<u>674,280</u>	<u>3,796,384</u>	<u>39,477,171</u>	<u>1,659,862</u>
Operating expenses:							
Personal services	2,174,786	389,467	558,812	38,410	1,117,253	4,278,728	232,277
Supplies	802,317	99,408	8,259	120	170,427	1,080,531	284,172
Professional services	1,383,356	320,352	212,970	31,622	223,174	2,171,474	703,259
Contractual services	572,657	60,889	9,992	19,434	76,129	739,101	230,822
Purchased power	20,471,761	-	-	-	-	20,471,761	-
Disposal	-	-	-	-	1,775,572	1,775,572	-
Franchise fee	912,549	-	-	-	-	912,549	-
Cost of goods sold	-	-	3,261,660	-	62,933	3,324,593	-
Depreciation	1,488,340	528,932	50,741	154,816	438,048	2,660,877	481,072
Total operating expenses	<u>27,805,766</u>	<u>1,399,048</u>	<u>4,102,434</u>	<u>244,402</u>	<u>3,863,536</u>	<u>37,415,186</u>	<u>1,931,602</u>
Operating income (loss)	<u>1,278,857</u>	<u>259,747</u>	<u>160,655</u>	<u>429,878</u>	<u>(67,152)</u>	<u>2,061,985</u>	<u>(271,740)</u>
Nonoperating revenues (expenses):							
Interest income	149,359	66,318	23,082	6,367	10,649	255,775	45,094
Internal interest income	305,331	-	-	-	-	305,331	-
Net increase in fair value of investments	50,478	20,076	7,437	2,280	4,342	84,613	13,562
Interest expense	(18,430)	-	-	(36,423)	-	(54,853)	-
Gain on sale of capital assets	8,280	8,100	-	-	-	16,380	107,951
Other income	202,831	149,582	3,000	10,000	26,465	391,878	38,028
Total nonoperating revenues (expenses)	<u>697,849</u>	<u>244,076</u>	<u>33,519</u>	<u>(17,776)</u>	<u>41,456</u>	<u>999,124</u>	<u>204,635</u>
Income (loss) before transfers	<u>1,976,706</u>	<u>503,823</u>	<u>194,174</u>	<u>412,102</u>	<u>(25,696)</u>	<u>3,061,109</u>	<u>(67,105)</u>
Other transfers:							
Transfer out	(658,700)	(40,000)	(303,500)	-	(30,000)	(1,032,200)	-
Change in net position	1,318,006	463,823	(109,326)	412,102	(55,696)	2,028,909	(67,105)
Net position - Beginning 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>
Net position - Ending of year	<u>\$ 39,691,291</u>	<u>\$ 12,235,924</u>	<u>\$ 1,626,948</u>	<u>\$ 4,311,397</u>	<u>\$ 6,682,157</u>	<u>\$ 64,547,717</u>	<u>\$ 2,995,829</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS TO THE STATEMENT OF ACTIVITIES FOR FISCAL YEAR ENDED DECEMBER 31, 2019

Change in net position - Total enterprise funds (page 35)	\$ 2,028,909
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.	<u>15,440</u>
Change in net position of business-type activities:	<u>\$ 2,044,349</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

Business-Type Activities - Enterprise Funds

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric	Water	Liquor	Storm Drainage	Other Enterprise Funds		
Cash flows from operating activities:							
Received from customers	\$ 29,313,657	\$ 1,839,110	\$ 4,266,089	\$ 677,922	\$ 3,804,911	\$ 39,901,689	\$ -
Received from interfund services provided	305,331	-	-	-	-	305,331	1,679,862
Payments to suppliers for goods and services	(23,151,086)	(398,899)	(3,445,901)	(45,931)	(649,550)	(27,691,367)	(1,293,521)
Payments to employees for services	(2,026,008)	(428,765)	(582,751)	(38,410)	(1,107,422)	(4,183,356)	(189,932)
Payments to other funds for franchise fee	(912,549)	-	-	-	-	(912,549)	-
Disposal charges	-	-	-	-	(1,775,572)	(1,775,572)	-
Deposits returned	41,802	-	890	-	8,031	50,723	-
Net cash provided by operating activities	<u>3,571,147</u>	<u>1,011,446</u>	<u>238,327</u>	<u>593,581</u>	<u>280,398</u>	<u>5,694,899</u>	<u>196,409</u>
Cash flows from noncapital financing activities:							
(Increase)/decrease from other funds	(4,588,089)	(74,348)	(800,000)	594,873	139,024	(4,728,540)	(10,000)
Transfer to other funds	(658,700)	(40,000)	(303,500)	-	(30,000)	(1,032,200)	-
Net cash provided by (used in) noncapital financing activities	<u>(5,246,789)</u>	<u>(114,348)</u>	<u>(1,103,500)</u>	<u>594,873</u>	<u>109,024</u>	<u>(5,760,740)</u>	<u>(10,000)</u>
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(1,429,528)	(1,000,239)	-	(1,339,115)	(716,457)	(4,485,339)	(288,690)
Principal paid on bonds and leases	-	-	-	(88,185)	-	(88,185)	-
Interest paid	(18,430)	-	-	(35,715)	-	(54,145)	-
Proceeds from sale of capital assets	8,280	8,100	-	-	-	16,380	112,568
Net cash used in capital and related financing activities	<u>(1,439,678)</u>	<u>(992,139)</u>	<u>-</u>	<u>(1,463,015)</u>	<u>(716,457)</u>	<u>(4,611,289)</u>	<u>(176,122)</u>
Cash flows from investing activities:							
Investment earnings	222,374	95,136	33,943	9,555	17,053	378,061	64,745
Net (decrease) increase in cash and cash equivalents	(2,892,946)	95	(831,230)	(265,006)	(309,982)	(4,299,069)	75,032
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of year	<u>\$ 3,665,347</u>	<u>\$ 2,875,051</u>	<u>\$ 283,381</u>	<u>\$ 15,064</u>	<u>\$ 410,783</u>	<u>\$ 7,249,626</u>	<u>\$ 2,210,747</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED) FOR FISCAL YEAR ENDED DECEMBER 31, 2019

Business-Type Activities - Enterprise Funds

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric	Water	Liquor	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 1,278,857	\$ 259,747	\$ 160,655	\$ 429,878	\$ (67,152)	\$ 2,061,985	\$ (271,740)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,488,340	528,932	50,741	154,816	438,048	2,660,877	481,072
Other income	508,162	149,582	3,000	10,000	26,465	697,209	38,028
Changes in assets and liabilities:							
Accounts receivable	56,180	11,742	-	(6,358)	(17,938)	43,626	-
Inventory	22,098	-	7,284	-	(5,407)	23,975	17,091
Prepaid items	(17,948)	-	(40)	-	(126,946)	(144,934)	(99,297)
Net pension liability	120,460	(78,624)	(32,694)	-	25,328	34,470	-
Deferred outflows - Pensions	11,645	31,182	13,852	-	(2,403)	54,276	-
Deferred inflows - Pensions	17,193	(9,173)	(3,630)	-	4,954	9,344	-
Accounts payable	74,855	81,750	39,736	5,245	15,466	217,052	(11,090)
Accrued wages payable	11,374	1,444	4,124	-	736	17,678	522
Compensated absences payable	(11,894)	15,873	(5,591)	-	(18,784)	(20,396)	41,823
Deposits	41,802	-	890	-	8,031	50,723	-
Unearned revenues	(29,977)	18,991	-	-	-	(10,986)	-
Total adjustments	2,292,290	751,699	77,672	163,703	347,550	3,632,914	468,149
Net cash provided by (used in) operating activities	\$ 3,571,147	\$ 1,011,446	\$ 238,327	\$ 593,581	\$ 280,398	\$ 5,694,899	\$ 196,409

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS DECEMBER 31, 2019

Assets

Cash and investments	\$	71,934
Accounts receivable		<u>6,105</u>
Total assets	\$	<u><u>78,039</u></u>

Liabilities

Liabilities:		
Accounts payable	\$	<u>1,342</u>

Net Position

Restricted for:		
Youth First		43,538
Downtown District		<u>33,159</u>
Total net position		<u>76,697</u>
Total liabilities and net position	\$	<u><u>78,039</u></u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

Additions

Donations and contributions	\$ 273,699
Investment income	1,721
Increase fair market value	<u>593</u>
Total additions	<u>276,013</u>

Deductions

Personal services	145,083
Supplies	59,079
Professional services	<u>102,838</u>
Total deductions	<u>307,000</u>
Net decrease in fiduciary net position	<u>(30,987)</u>
Net position - beginning of year, restated	<u>107,684</u>
Net position - ending of year	<u>\$ 76,697</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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, 2019

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 custodial 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 custodial 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, 2019

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.

State Aid Construction - The State Aid Construction Fund is used to account for road improvement projects where part or all of the project is funded with state aid.

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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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.

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

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

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.

Custodial Funds – Custodial 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 Youth First (ending in beginning of 2020), 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, 2019

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating 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 nonoperating 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 \$2,228,015. Of this receivable, \$2,149,496 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, 2019

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 structures	5-30
Furniture and equipment	3-30
Infrastructure	10-50
Machinery and equipment	5-10
Other Improvements	10-50

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 two items that qualify for reporting in this category.

Accordingly the items, deferred pension and other postemployment resources, are reported only in the statement of net position. These items result 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, 2019

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 two additional items which qualify for reporting in this category. The items, deferred pension and other postemployment resources, are reported only in the statements of net position and result 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, 2019

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, 2019

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:

Nonspendable – 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.

New Accounting Pronouncement

The City adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities* that establishes new standards of accounting and financial reporting for fiduciary activities. The assets the City holds in escrow and the related liabilities that were previously reported in Agency funds have been moved to the General Fund. Beginning net assets in the custodial funds have been restated by \$107,684 as a result of implementation of the new standard.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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	\$15,247,619
Infrastructure	64,599,119
Buildings and structures	18,706,198
Machinery, vehicles, and equipment	1,653,273
Furniture and equipment	<u>20,263</u>
Net adjustment to increase fund balance - Total governmental funds to arrive at net position - Governmental activities	<u>\$ 100,226,472</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	\$ 8,532,730
Depreciation expense	<u>(3,150,063)</u>
Net adjustment to increase net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,382,667</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, 2019

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>\$ 680,000</u>
Net adjustment to decrease net changes in fund balances - Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 680,000</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity

The following funds have a negative fund balance at December 31, 2019:

1. The Street Renewal Fund has a negative fund balance of \$1,675,941. The negative fund balance will be eliminated at the beginning of 2020 with bond proceeds.
2. The Commuter Rail Transit Village Tax Increment Fund has a negative fund balance of \$2,909,192. The negative fund balance will be eliminated with future tax increment revenue collections.
3. The Greens of Anoka Tax Increment Fund has a negative fund balance of \$3,053,357. The negative fund balance will be eliminated with future tax increment revenue collections and sales of land held for resale.
4. The South Ferry Tax Increment Fund has a negative fund balance of \$1,384,995. The negative fund balance will be eliminated with future tax increment revenue collections.

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, 2019

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 custodial funds of \$71,934 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, 2019, 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)	\$ 1,203,576	\$ 1,203,576	\$ -	\$ -
Federal Nat'l. Mtg. Assn. (FNMA)	2,007,459	1,000,616	1,006,843	-
Federal Farm Credit Bank (FFCB)	2,254,725	999,263	1,255,462	-
Federal Home Loan Mtg. Corp. (Freddie Mac)	2,959,716	1,459,478	1,500,238	-
Treasury notes	6,375,026	6,375,026	-	-
Municipal bonds	506,487	-	506,487	-
Certificates of deposit	755,220	260,054	495,166	-
Money market accounts	2,699,910	2,699,910	-	-
	<u>\$ 18,762,119</u>	<u>\$ 13,997,923</u>	<u>\$ 4,764,196</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, 2019, 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, 2019

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, 2019, 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, 2019.

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, 2019, the HRA had the following investments and maturities:

Money market accounts - Less than one year - \$1,255,889

(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, 2019

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, 2019:

Money market accounts - \$1,255,889 – 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, 2019, all of the HRA's investments are insured and registered and are held by the counterparty's agent in the City's name.

(d) Restricted Cash

Anoka Housing and Redevelopment Authority does not have cash restricted as of December 31, 2019.

5. FAIR VALUE MEASUREMENT

A. City of Anoka

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; and 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, 2019

5. FAIR VALUE MEASUREMENT

A. City of Anoka (Continued)

The City has the following investments valued at recurring fair value measurements at December 31, 2019:

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	\$ 2,699,910	\$ -	\$ 2,699,910	\$ -
Negotiable certificates of deposit	755,220	-	754,285	-
Municipal bonds	506,487	-	501,070	-
US governmental agency obligations	14,800,502	-	13,642,244	-
	<u>\$ 18,762,119</u>	<u>\$ -</u>	<u>\$ 17,597,509</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) \$1,255,889

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

6. INTERFUND ACTIVITY

The City had the following interfund receivable and payable balances as of December 31, 2019:

Fund	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
General Fund	\$ 4,750	\$ -	\$ -	\$ -
State Aid Construction	-	1,070,000	-	-
Street Renewal	-	1,922,534	-	-
CRTV Tax Increment	-	110,000	-	3,385,000
Greens of Anoka Tax Increment	-	1,600,000	-	4,655,000
Non-major governmental funds	260,000	636,428	860,000	1,405,000
Electric Utility	5,074,212	19,883	8,840,000	-
Water Utility	19,883	-	-	-
Storm Drainage Utility	-	800,000	-	-
Liquor Fund	800,000	-	-	-
Non-major proprietary funds	80,000	80,000	-	255,000
Internal service funds	20,000	20,000	-	-
Totals	\$ 6,258,845	\$ 6,258,845	\$ 9,700,000	\$ 9,700,000

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 nonmajor 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	Nonmajor Gov	Total Out
General Fund	\$ -	\$ 567,000	\$ -	\$ -	\$ 567,000
Non-major Gov	-	360,000	-	240,000	600,000
Electric	500,000	-	83,700	75,000	658,700
Water	-	-	-	40,000	40,000
Liquor	263,500	-	-	40,000	303,500
Non-major Prop	-	-	-	30,000	30,000
Total In	\$ 763,500	\$ 927,000	\$ 83,700	\$ 425,000	\$ 2,199,200

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, 2019

7. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,025,301	\$ 1,209	\$ -	\$ -	\$ 9,026,510
Construction in progress	6,716,619	7,984,865	-	(8,480,375)	6,221,109
Total capital assets not being depreciated	<u>15,741,920</u>	<u>7,986,074</u>	<u>-</u>	<u>(8,480,375)</u>	<u>15,247,619</u>
Capital assets being depreciated:					
Infrastructure	74,627,186	440,078	-	8,480,375	83,547,639
Building and structures	35,412,421	25,087	22,088	-	35,415,420
Machinery and equipment	10,262,648	339,907	431,459	-	10,171,096
Furniture and equipment	1,309,978	30,274	101,512	-	1,238,740
Total capital assets being depreciated	<u>121,612,233</u>	<u>835,346</u>	<u>555,059</u>	<u>8,480,375</u>	<u>130,372,895</u>
Less accumulated depreciation for:					
Infrastructure	16,906,233	2,042,287	-	-	18,948,520
Building and structures	15,828,815	901,719	21,312	-	16,709,222
Machinery and equipment	6,795,408	627,338	419,886	-	7,002,860
Furniture and equipment	1,148,886	59,791	101,512	-	1,107,165
Total accumulated depreciation	<u>40,679,342</u>	<u>3,631,135</u>	<u>542,710</u>	<u>-</u>	<u>43,767,767</u>
Total capital assets being depreciated, net	<u>80,932,891</u>	<u>(2,795,789)</u>	<u>12,349</u>	<u>8,480,375</u>	<u>86,605,128</u>
Governmental activities capital assets, net	<u>\$ 96,674,811</u>	<u>\$ 5,190,285</u>	<u>\$ 12,349</u>	<u>\$ -</u>	<u>\$ 101,852,747</u>
Business-type activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 1,289,095	\$ -	\$ -	\$ 33,254	\$ 1,322,349
Construction in progress	111,956	61,739	-	(74,498)	99,197
Total capital assets not being depreciated	<u>1,401,051</u>	<u>61,739</u>	<u>-</u>	<u>(41,244)</u>	<u>1,421,546</u>
Capital assets being depreciated:					
Infrastructure	73,332,876	3,567,306	27,770	74,498	76,946,910
Building and structures	5,311,893	123,198	-	(2,483)	5,432,608
Machinery and equipment	6,585,924	733,097	291,088	-	7,027,933
Furniture and equipment	1,083,118	-	44,102	-	1,039,016
Other improvements	2,704,961	-	-	(30,771)	2,674,190
Total capital assets being depreciated	<u>89,018,772</u>	<u>4,423,601</u>	<u>362,960</u>	<u>41,244</u>	<u>93,120,657</u>
Less accumulated depreciation for:					
Infrastructure	34,146,883	2,219,810	27,770	(24,763)	36,314,160
Building and structures	3,771,997	108,892	-	-	3,880,889
Machinery and equipment	5,078,162	239,734	291,088	24,763	5,051,571
Furniture and equipment	1,047,323	17,609	44,102	-	1,020,830
Other improvements	1,826,551	74,832	-	-	1,901,383
Total accumulated depreciation	<u>45,870,916</u>	<u>2,660,877</u>	<u>362,960</u>	<u>-</u>	<u>48,168,833</u>
Total capital assets being depreciated, net	<u>43,147,856</u>	<u>1,762,724</u>	<u>-</u>	<u>41,244</u>	<u>44,951,824</u>
Business-type activities capital assets, net	<u>\$ 44,548,907</u>	<u>\$ 1,824,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,373,370</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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	\$ 1,130,919
Public Safety	221,916
Streets and Highways (including depreciation of infrastructure)	1,584,258
Parks and Recreation	694,042
Total depreciation of expense - Governmental activities	<u>\$ 3,631,135</u>
Business-type activities:	
Electric	\$ 1,488,340
Water	528,932
Sewer	290,980
Storm Drainage	154,816
Liquor	50,741
Golf	147,068
Total depreciation of expense - Business-type activities	<u>\$ 2,660,877</u>

8. LONG-TERM DEBT

A. City of Anoka

Bonds payable at December 31, 2019, 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%	\$ 1,060,000
G.O. Public facilities crossover refunding	2028	3.30-4.10%	1,265,000
G.O. Tax increment crossover refunding	2033	.50-4.00%	5,430,000
Business-type activities:			
General Obligation Revenue Bonds:			
Utility storm water revenue bonds	2036	2.00-3.00%	1,540,000
			<u>\$ 9,295,000</u>

The Met Council loan payable at December 31, 2019, 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, 2019

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 2019 are summarized as follows:

	1/01/2019	Issued	Retired	12/31/2019	Due in One Year
Governmental activities:					
General obligation bonds	\$ 8,435,000	\$ -	\$ 680,000	\$ 7,755,000	\$ 700,000
Premium on bonds	246,983	-	19,161	227,822	-
Other liabilities					
GERF pension liability	2,355,330	254,509	383,847	2,225,992	-
PEPFF pension liability	2,689,256	636,669	544,123	2,781,802	-
Compensated absences	845,742	819,222	777,399	887,565	20,000
OPEB	557,214	91,777	45,356	603,635	-
Met Council loan	2,308,137	-	-	2,308,137	-
Total governmental activities	<u>17,437,662</u>	<u>1,802,177</u>	<u>2,449,886</u>	<u>16,789,953</u>	<u>720,000</u>
Business-type activities:					
Revenue bonds	1,625,000	-	85,000	1,540,000	85,000
Premium on bonds	54,404	-	3,185	51,219	-
Other liabilities:					
GERF pension liability	2,577,933	298,701	264,231	2,612,403	-
Compensated absences	361,572	320,780	341,176	341,176	61,000
Total business-type activities	<u>4,618,909</u>	<u>619,481</u>	<u>693,592</u>	<u>4,544,798</u>	<u>146,000</u>
Total long-term debt	<u>\$ 22,056,571</u>	<u>\$ 2,421,658</u>	<u>\$ 3,143,478</u>	<u>\$ 21,334,751</u>	<u>\$ 866,000</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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. OPEB and pension expense and liability are recognized in governmental net position, but is not part of fund balances. The liability for pension related and OPEB related debt will be primarily liquidated from the General Fund. 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, 2019, are the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total
	Principal	Interest	Principal	Interest	
2020	700,000	232,653	85,000	37,200	1,054,853
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	465,000	155,728	85,000	30,400	736,128
2025-2029	2,600,000	550,962	435,000	125,400	3,711,362
2030-2034	2,100,000	146,308	465,000	67,650	2,778,958
2035-2036	-	-	215,000	6,525	221,525
	<u>\$ 7,755,000</u>	<u>\$ 1,660,634</u>	<u>\$ 1,540,000</u>	<u>\$ 368,575</u>	<u>\$ 11,324,209</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 \$1,908,575. Total principal and interest paid and total storm water revenues pledged for the repayment of this bond for the current year were \$124,608 and \$584,694, 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 Park Tax Increment 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, 2019

8. LONG-TERM DEBT

A. City of Anoka

Descriptions of Long-Term Debt (Continued)

At December 31, 2019, the legal debt margin was calculated as follows:

Market value of taxable property	<u>\$ 1,598,996,300</u>
Debt limit, 3.0% of market value	\$ 47,969,889
Less amount of debt (applicable to debt limit)	<u>1,759,019</u>
Legal debt margin	<u>\$ 46,210,870</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, 2019, there are two series of health care facility revenue bonds outstanding with an aggregate principal amount payable of \$22,560,000 and \$21,660,000 one series of senior housing facility revenue bonds outstanding with an aggregate principal amount payable of \$10,465,000, 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 \$700,000.

B. Component Unit – HRA

The City issued debt for the component unit, which is solely responsible for the repayment, in 2019. Details regarding that debt are below, and schedules appear in the supplemental financial schedules found in this document.

Bonds payable at December 31, 2019, are summarized as follows:

	<u>Maturities</u>	<u>Rate</u>	<u>Balance</u>
General obligation bonds:			
HRA GO TIF Bonds of 2019A	2043	2.00-3.00%	\$ 1,690,000
			<u>\$ 1,690,000</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

8. LONG-TERM DEBT

B. Component Unit – HRA (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 tax increment revenues.

Changes in long-term liabilities during 2019 are summarized as follows:

	1/01/2019	Issued	Retired	12/31/2019	Due in One Year
General obligation bonds	\$ -	\$ 1,690,000	\$ -	\$ 1,690,000	\$ -
Premium on bonds	-	7,841	131	7,710	-
Compensated absences	3,899	9,952	10,961	2,890	-
GERF pension liability	31,831	35,978	7,708	60,101	-
Total long-term debt	<u>\$ 35,730</u>	<u>\$ 1,743,771</u>	<u>\$ 18,800</u>	<u>\$ 1,760,701</u>	<u>\$ -</u>

Compensated absences are liquidated through the HRA fund. OPEB and pension liabilities are unfunded.

The scheduled annual principal and interest payments on the HRA’s indebtedness as of December 31, 2019, are the following:

	Principal	Interest
2020	-	40,168
2021	-	44,358
2022	25,000	43,983
2023	25,000	43,233
2024	60,000	41,958
2025-2029	320,000	186,837
2030-2034	380,000	146,660
2035-2039	450,000	92,953
2040-2043	430,000	25,222
	<u>\$ 1,690,000</u>	<u>\$ 665,372</u>

Principal and interest payments on general obligation bonds will be financed by the HRA Debt Service Fund, which transfers from the South Business Tax Increment Fund.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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 2018 and 2019 were as follows:

	<u>2018</u>	<u>2019</u>
Unpaid claims at beginning of year	\$ 7,996	\$ 21,398
Current-year claims	65,028	87,672
Claim payments	<u>(51,626)</u>	<u>(109,070)</u>
Balance at end of year	<u>\$ 21,398</u>	<u>\$ -</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

10. FUND BALANCE/NET POSITION

Classifications

At December 31, 2019, a summary of the governmental fund balance classifications is as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General Fund:						
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ 5,042,915	\$ 5,042,915
Inventories	20,838	-	-	-	-	20,838
Prepaid items	4,395	-	-	-	-	4,395
Total General Fund	<u>25,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,042,915</u>	<u>5,068,148</u>
Debt service	-	565,981	-	-	-	565,981
State Aid Construction	-	-	-	860,641	-	860,641
Street Renewal	-	-	-	-	(1,675,941)	(1,675,941)
Commuter Rail Tax Increment:						
Redevelopment in district	-	-	-	-	(3,489,819)	(3,489,819)
Land held for resale	-	580,627	-	-	-	580,627
Total Commuter Rail Tax Increment	<u>-</u>	<u>580,627</u>	<u>-</u>	<u>-</u>	<u>(3,489,819)</u>	<u>(2,909,192)</u>
Greens of Anoka Tax Increment:						
Redevelopment in district	-	-	-	-	(6,238,527)	(6,238,527)
Land held for resale	-	3,185,170	-	-	-	3,185,170
Total Greens of Anoka Tax Increment	<u>-</u>	<u>3,185,170</u>	<u>-</u>	<u>-</u>	<u>(6,238,527)</u>	<u>(3,053,357)</u>
Non-major Governmental Funds:						
Urban redevelopment	-	-	1,436,967	-	-	1,436,967
Food shelves	-	-	19,238	-	-	19,238
Police supplies	-	-	30,099	-	-	30,099
Cemetery operations	5,325	-	438,712	-	-	444,037
Parking operations	-	-	446,099	-	-	446,099
Lodging and tourism	-	-	18,892	-	-	18,892
Building improvements	-	-	-	81,951	-	81,951
Parks	-	-	-	440,968	-	440,968
Tax increment	-	2,648,990	-	-	(1,384,995)	1,263,995
Total Nonmajor Funds	<u>5,325</u>	<u>2,648,990</u>	<u>2,390,007</u>	<u>522,919</u>	<u>(1,384,995)</u>	<u>4,182,246</u>
Total Governmental fund balances	<u>\$ 30,558</u>	<u>\$ 6,980,768</u>	<u>\$ 2,390,007</u>	<u>\$ 1,383,560</u>	<u>\$ (7,746,367)</u>	<u>\$ 3,038,526</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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, 2019, the following employees were covered by the benefit terms:

1. Active employees electing coverage	73
2. Active employees waiving coverage	33
3. Retirees electing coverage	<u>6</u>
Total	<u><u>112</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, 2019, was \$603,635. The total liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of December 31, 2018.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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	3.71%
Inflation Rate	2.50%
Mortality Rate	From the July 1, 2018 PERA actuarial valuation, mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017 and other adjustments for General and Police and Fire members.
Health care cost trend rate	6.4% for FY2019, gradually decreasing over several decades to an ultimate rate of 4.0% in FY2075 and later years. In addition, the medical trend rates above were increase to reflect the projected effect of the ACA's excise tax on high-cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.38% beginning calendar year 2032 for plans other than Medicare plans.
Increases in Direct Subsidy	Assumed to increase with healthcare trenda rates. Only applicable for Public Safety Officers disabled in the line of duty.
Demographic assumptions (withdrawal, disability, salary, and spousal age difference)	Based on assumptions for General and Police and Fire Employees used in the July 1, 2018 PERA of Minnesota Retirement Plan actuarial valuations.

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 30 percent, except for disabled retirees, which are assumed at 100 percent. 100% of current and future retirees under age 65 are assumed to become Medicare eligible at the later of age 65 or retirement.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

11. OTHER POSTEMPLOYMENT BENEFITS

F. Actuarial Assumptions (Continued)

<u>Medical Plan</u>	<u>Disabled in the line of duty</u>	<u>Regular Retirees</u>
\$2,700 Open Access	70%	70%
\$2,700 Achieve	0%	0%
\$3,300 Open Access	6%	6%
\$3,300 Achieve	10%	10%
\$5,000 Open Access	10%	10
\$5,000 Achieve	5%	5%
Waive Coverage	0%	NA

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

G. 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 one percent higher or one percent lower than current rate.

<u>Sensitivity of OPEB Liability at Current Single Discount Rate</u>		
1% decrease in Discount Rate	2.71%	\$ 637,234
Current Discount Rate	3.71%	603,635
1% increase in Discount Rate	4.71%	569,683
<u>Sensitivity of OPEB Liability at Current Trend Rate</u>		
1% decrease in Trend Rates	5.40%	\$ 538,346
Current Trend Rates	6.40%	603,635
1% increase in Trend Rates	7.40%	680,271

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

H. Changes in Total OPEB liability

Changes in the total OPEB liability for the year ended December 31, 2019, are as follows:

Balance at December 31, 2018		\$ 557,214
Changes for the year		
Service cost		66,040
Interest		20,233
Difference between expected and actual experience		(21,360)
Changes of assumption		5,504
Benefit payments		<u>(23,996)</u>
Balance at December 31, 2019		\$ 603,635

I. OPEB Cost

For the year ended December 31, 2019, the City recognized OPEB expense of \$86,204.

As of December 31, 2019, the City of Anoka reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

<u>Summary of Deferred Outflows/Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
A. Difference between expected and actual liability	\$ -	\$18,765
B. Change of assumptions	15,568	-
C. Net difference between projected and actual investment earnings	-	-
D. Contributions between measurement date and reporting date	-	-
E. Total	<u>\$15,568</u>	<u>\$18,765</u>

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

<u>Year Ended December 31:</u>	<u>Pension Expense</u>
2020	\$ (69)
2021	(69)
2022	(69)
2023	(69)
2024	(69)
Thereafter	<u>(2,852)</u>
	\$(3,197)

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

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.

(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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

B. Benefits Provided (Continued)

(a) General Employees Plan Benefits (Continued)

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

(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 10 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 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is three percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at one percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

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

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

C. Contributions (Continued)

(a) General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019, 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, 2019, were \$482,720. The City of Anoka's contributions were equal to the required contributions as set by state statute.

(b) Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the year ended December 31, 2019, were \$479,925. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

(a) General Employees Fund Pension Costs

At December 31, 2019, the City of Anoka reported a liability of \$4,898,496 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 2019. 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 \$152,327. The net pension liability was measured as of June 30, 2019, 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, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the City's proportionate share was .0886 percent, which was a decrease of .0009 percent from its proportionate share measured as of June 30, 2018.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

D. Pension Costs (Continued)

(a) General Employees Fund Pension Costs (Continued)

City of Anoka proportionate share of the net pension liability	\$4,898,496
State of Minnesota’s proportionate share of the net pension liability associated with the City of Anoka	<u>152,327</u>
Total	<u>\$5,050,823</u>

For the year ended December 31, 2019, the City recognized pension expense of \$432,726 for its proportionate share of the General Employees Plan’s pension expense. In addition, the City recognized an additional \$11,408 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.

As of December 31, 2019, 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	\$ 137,406	\$ -
Changes in proportion	87,284	82,133
Net difference between projected and actual investment earnings	-	353,760
Changes in actuarial assumptions		391,111
Contributions paid to PERA subsequent to the measurement date	244,405	-
Totals	\$ 469,095	\$ 827,004

The \$244,405 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, 2020. 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:

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

D. Pension Costs (Continued)

<u>Year Ended December 31</u>	<u>Pension Expense Amount</u>
2020	\$ (307,975)
2021	(190,645)
2022	(111,587)
2023	7,893

(b) Police and Fire Fund Pension Costs

At December 31, 2019, the City of Anoka reported a liability of \$2,781,802 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2019, the City's proportionate share was .2613 percent, which was an increase of .0090 percent from its proportionate share measured as of June 30, 2018. The City of Anoka also recognized \$35,275 for the year ended December 31, 2019, 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 until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019, in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is later.

For the year ended December 31, 2019, the City of Anoka recognized pension expense of \$463,750 for its proportionate share of the Police and Fire Fund's pension expense.

As of December 31, 2019, 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:

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

D. Pension Costs (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 114,144	\$ 408,644
Changes in actuarial assumptions	2,243,962	2,956,077
Net difference between projected and actual investment earnings	-	650,655
Changes in proportion	157,945	185,462
Contributions paid to PERA subsequent to the measurement date	250,015	-
Totals	\$ 2,766,066	\$ 4,200,838

The \$250,015 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, 2020. 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
2020	\$ (142,741)
2021	(301,706)
2022	(1,279,842)
2023	25,870
2024	13,632

Total Pension Expense

The total pension expense for all plans recognized by the City of Anoka for the year ended December 31, 2019, was \$896,476.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS (Continued)

E. Actuarial Assumptions

The total pension liability in the June 30, 2019, 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, 2019, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

E. Actuarial Assumptions (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5%	5.10%
Private Markets	25.0%	5.90%
Fixed Income	20.0%	0.75%
International Equity	17.5%	5.90%
Cash Equivalents	2.0%	0.00%
Total	100%	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 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 were 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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS (Continued)

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.

Sensitivity of Net Pension Liability at Current Single Discount Rate				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.50%	\$ 8,052,863	6.50%	\$ 6,080,503
Current Discount Rate	7.50%	4,898,496	7.50%	2,781,802
1% Higher	8.50%	2,293,938	8.50%	54

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.

I. Public Employees Defined Contribution Plan (Defined Contribution Plan)

Three council members of the City of Anoka are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The 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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

12. DEFINED BENEFIT PENSION PLANS

I. Public Employees Defined Contribution Plan (Defined Contribution Plan) (Continued)

Total contributions made by the City of Anoka during fiscal year 2019 were as follow:

Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
Employee	Employer	Employee	Employer	
\$ 728	\$ 728	5%	5%	5%

13. 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.

14. 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.

15. 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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2019

15. TAX ABATEMENTS (Continued)

For the fiscal year ended December 31, 2019, the City abated property taxes totaling \$4,572:

- Abatement of \$2,166 to a development company for purchase and construction on empty commercial property. This abatement agreement began with taxes payable in 2005 and 2019 was the final year.
- Abatement of \$2,406 to a manufacturer for purchase and redevelopment of existing commercial property. This abatement agreement began with taxes payable in 2014 and ends in 2023.

16. SUBSEQUENT EVENTS

- On January 6, 2020, the City Council adopted an ordinance authorizing the sale of General Obligation Improvement Bonds, Series 2020A in an amount not to exceed \$8,850,000. On January 21st, 2020, the City Council adopted a resolution award the sale of General Obligation Bonds, Series 2020A in the amount of \$8,545,000. Per a 2019 resolution, the City will utilize the bond revenue to reimburse itself for certain expenditures for the 2019 public improvement projects and complete 2020 public improvement projects. Bond payments will be made with special assessment revenue.
- On December 16, 2019, the City Council approved plans and specifications and set the bid date for the Golf Maintenance Facility. On February 3, 2020, the City Council approved bids and awarded the contract. Construction began in March 2020. Funding for this project will initially be financed by internal lending with resolution to reimburse projects costs with bond revenue. The sale of bonds will close in early January 2021. Bond payments will be made with a special debt levy.

CITY OF ANOKA, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS*)

Fiscal Year Ending	Contributions required by contracts	Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	\$	Contributions required by contracts	\$	\$		
December 31, 2018	21,162		21,162	-	8,300,130	0.25%
December 31, 2019	23,996		23,996	-	8,020,865	0.30%
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 presented prospectively beginning with the fiscal year ended December 31, 2018.

CITY OF ANOKA, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (LAST TEN YEARS*)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Service cost	\$ 57,928	\$ 66,040								
Interest	20,309	20,233								
Difference between expected and actual experience	-	(21,360)								
Changes in assumptions	14,447	5,504								
Benefit payments	(21,162)	(23,996)								
Net change	<u>71,522</u>	<u>46,421</u>								
Total - beginning	485,692	557,214								
Total - ending	<u><u>\$ 557,214</u></u>	<u><u>\$ 603,635</u></u>								
Covered payroll	\$ 8,300,130	\$ 8,020,865								
Total OPEB liability as a percentage of covered-employee payroll	6.7%	7.5%								

* This schedule is presented prospectively beginning with the fiscal year ended December 31, 2018.

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 PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS*)

Fiscal Year Ending	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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	482,720	482,720	-	6,436,267	7.50%
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 PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT FUND SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS*)

Fiscal Year Ending	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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	479,925	479,925	-	2,831,416	16.95%
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 PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (LAST TEN YEARS*)

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability	Employer's Covered Payroll**	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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	0.0886%	4,898,496	6,270,733	78.12%	80.23%
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 PUBLIC EMPLOYEES GENERAL EMPLOYEES POLICE AND FIRE RETIREMENT FUND SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (LAST TEN YEARS*)

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability	Employer's Covered Payroll**	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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	0.2613%	2,781,802	2,757,290	101%	89.26%
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, 2019

	<u>Budgeted Amounts</u>			Variance From Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 7,036,564	\$ 7,036,564	\$ 7,000,263	\$ (36,301)
Licenses and permits	438,400	438,400	332,927	(105,473)
Fines and forfeitures	63,000	63,000	64,416	1,416
Intergovernmental	2,292,824	2,292,824	2,352,279	59,455
Charges for current services	861,200	861,200	792,428	(68,772)
Franchise fees	956,000	956,000	931,357	(24,643)
Investment earnings	50,000	50,000	205,823	155,823
Net increase in fair value of investments	-	-	36,500	36,500
Miscellaneous	88,500	88,500	167,606	79,106
Total revenues	<u>11,786,488</u>	<u>11,786,488</u>	<u>11,883,599</u>	<u>97,111</u>
Expenditures:				
General government	1,979,285	1,936,885	1,933,365	3,520
Public safety	6,070,950	6,288,350	6,287,878	472
Public works	1,540,245	1,460,245	1,458,695	1,550
Parks and recreation	2,392,508	2,297,508	2,295,706	1,802
Total expenditures	<u>11,982,988</u>	<u>11,982,988</u>	<u>11,975,644</u>	<u>7,344</u>
Excess of revenues over expenditures	<u>(196,500)</u>	<u>(196,500)</u>	<u>(92,045)</u>	<u>104,455</u>
Other financing sources (uses):				
Transfer in	763,500	763,500	763,500	-
Transfer out	(567,000)	(567,000)	(567,000)	-
Total other financing sources	<u>196,500</u>	<u>196,500</u>	<u>196,500</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	104,455	<u>\$ 104,455</u>
Fund balance at beginning of year			<u>4,963,693</u>	
Fund balance at end of year			<u>\$ 5,068,148</u>	

See Independent Auditor's Report.

See accompanying note to required supplementary information.

CITY OF ANOKA, MINNESOTA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

A. Budgetary accounting

The City legally adopts annual budgets for the General and Special Revenue Funds. 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.

B. Schedule of Changes in Net Pension Liabilities and Related Ratios

General Employees Fund

2019 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

Police and Fire Fund

2019 Changes

Changes in Actuarial Assumptions

- The morality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- There have been no changes since the prior valuation.



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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 nonmajor 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 nonmajor capital project funds:

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.

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.

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

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

	Special Revenue						Total Nonmajor Special Revenue Funds
	Parking	Lodging	Cemetery	Police Forefeiture	Round Up	Urban Redevel- opment	
Assets							
Cash and investments	\$ 461,170	\$ 21,092	\$ 435,619	\$ 30,099	\$ 16,963	\$ 1,428,725	\$ 2,393,668
Receivables, net:							
Taxes	-	-	-	-	-	-	-
Accounts receivable	-	-	3,637	-	2,275	8,242	14,154
Due from other funds	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-
Prepaid items	-	-	5,325	-	-	-	5,325
Land held for resale	-	-	-	-	-	-	-
Total assets	\$ 461,170	\$ 21,092	\$ 444,581	\$ 30,099	\$ 19,238	\$ 1,436,967	\$ 2,413,147
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 3,590	\$ 2,200	\$ 27	\$ -	\$ -	\$ -	\$ 5,817
Accrued wages payable	2,128	-	517	-	-	-	2,645
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	9,353	-	-	-	-	-	9,353
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	15,071	2,200	544	-	-	-	17,815
Fund balance:							
Nonspendable	-	-	5,325	-	-	-	5,325
Restricted	-	-	-	-	-	-	-
Committed	446,099	18,892	438,712	30,099	19,238	1,436,967	2,390,007
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance (deficit)	446,099	18,892	444,037	30,099	19,238	1,436,967	2,395,332
Total liabilities and fund balance	\$ 461,170	\$ 21,092	\$ 444,581	\$ 30,099	\$ 19,238	\$ 1,436,967	\$ 2,413,147

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

Assets	Capital Projects					Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Building Capital	Parks	HRRD Tax Increment	Enterprise Park Tax Increment	South Ferry Tax Increment		
Cash and investments	\$ 279,003	\$ 183,805	\$ 4,508	\$ 2,271	\$ 20,005	\$ 489,592	\$ 2,883,260
Receivables, net:							
Taxes	-	-	4,551	-		4,551	4,551
Accounts receivable	-	-	-	9,575	-	9,575	23,729
Due from other funds	-	260,000	-	-	-	260,000	260,000
Advance to other funds	-	-	-	860,000	-	860,000	860,000
Prepaid items	-	-	-	-	-	-	5,325
Land held for resale	241,921	-	496,756	1,531,688	-	2,270,365	2,270,365
	<u>520,924</u>	<u>443,805</u>	<u>505,815</u>	<u>2,403,534</u>	<u>20,005</u>	<u>3,894,083</u>	<u>6,307,230</u>
Total assets	<u>\$ 520,924</u>	<u>\$ 443,805</u>	<u>\$ 505,815</u>	<u>\$ 2,403,534</u>	<u>\$ 20,005</u>	<u>\$ 3,894,083</u>	<u>\$ 6,307,230</u>
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 62,905	\$ 2,837	\$ -	\$ -	\$ -	\$ 65,742	\$ 71,559
Accrued wages payable	-	-	-	-	-	-	2,645
Due to other funds	376,068	-	50,000	210,359	-	636,427	636,427
Unearned revenue	-	-	-	-	-	-	9,353
Advance from other funds	-	-	-	-	1,405,000	1,405,000	1,405,000
	<u>438,973</u>	<u>2,837</u>	<u>50,000</u>	<u>210,359</u>	<u>1,405,000</u>	<u>2,107,169</u>	<u>2,124,984</u>
Total liabilities	<u>438,973</u>	<u>2,837</u>	<u>50,000</u>	<u>210,359</u>	<u>1,405,000</u>	<u>2,107,169</u>	<u>2,124,984</u>
Fund balance:							
Nonspendable	-	-	-	-	-	-	5,325
Restricted	-	-	455,815	2,193,175	-	2,648,990	2,648,990
Committed	-	-	-	-	-	-	2,390,007
Assigned	81,951	440,968	-	-	-	522,919	522,919
Unassigned	-	-	-	-	(1,384,995)	(1,384,995)	(1,384,995)
	<u>81,951</u>	<u>440,968</u>	<u>455,815</u>	<u>2,193,175</u>	<u>(1,384,995)</u>	<u>1,786,914</u>	<u>4,182,246</u>
Total fund balance (deficit)	<u>81,951</u>	<u>440,968</u>	<u>455,815</u>	<u>2,193,175</u>	<u>(1,384,995)</u>	<u>1,786,914</u>	<u>4,182,246</u>
Total liabilities and fund balance	<u>\$ 520,924</u>	<u>\$ 443,805</u>	<u>\$ 505,815</u>	<u>\$ 2,403,534</u>	<u>\$ 20,005</u>	<u>\$ 3,894,083</u>	<u>\$ 6,307,230</u>

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, 2019

	Special Revenue						Total Nonmajor Special Revenue Funds
	Parking	Lodging	Cemetery	Police Forfeiture	Round Up	Urban Redevel- opment	
Revenues:							
Taxes	\$ -	\$ 695	\$ -	\$ -	\$ -	\$ -	\$ 695
Licenses and permits	48,643	-	-	-	-	-	48,643
Fines and forfeitures	35,890	-	-	3,100	-	-	38,990
Charges for current services	-	-	105,596	-	-	52,095	157,691
Investment income	9,960	431	9,174	467	345	29,464	49,841
Net increase (decrease) in fair value of investments	3,225	122	2,582	136	125	8,962	15,152
Miscellaneous	-	4,322	540	-	30,337	810	36,009
Total revenues	97,718	5,570	117,892	3,703	30,807	91,331	347,021
Expenditures:							
Current:							
General government	-	3,888	-	-	-	101	3,989
Public safety	47,563	-	-	300	26,130	-	73,993
Public works	84,655	-	-	-	-	-	84,655
Parks and recreation	-	-	67,160	-	-	-	67,160
Capital outlay	-	-	17,723	-	-	-	17,723
Debt service:							
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	132,218	3,888	84,883	300	26,130	101	247,520
Excess (deficiency) of revenues over (under) expenditures	(34,500)	1,682	33,009	3,403	4,677	91,230	99,501
Other financing sources (uses):							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Proceeds from sale of asset	-	-	500	7,550	-	-	8,050
Total other financing sources (uses)	-	-	500	7,550	-	-	8,050
Net changes in fund balances	(34,500)	1,682	33,509	10,953	4,677	91,230	107,551
Fund balances (deficits) at beginning of year	480,599	17,210	410,528	19,146	14,561	1,345,737	2,287,781
Fund balances (deficits) at end of year	\$ 446,099	\$ 18,892	\$ 444,037	\$ 30,099	\$ 19,238	\$ 1,436,967	\$ 2,395,332

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, 2019 (CONTINUED)

	Capital Projects					Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Building Capital	Parks	HRRD Tax Increment	Enterprise Park Tax Increment	South Ferry Tax Increment		
Revenues:							
Taxes	\$ -	\$ -	\$ 121,360	\$ -	\$ 19,307	\$ 140,667	\$ 141,362
Licenses and permits	-	-	-	-	-	-	48,643
Fines and forfeitures	-	-	-	-	-	-	38,990
Charges for current services	-	-	-	-	-	-	157,691
Investment income	(367)	10,987	(4,470)	(10,367)	-	(4,217)	45,624
Net increase (decrease) in fair value of investments	(21)	3,197	(799)	(13,487)	-	(11,110)	4,042
Miscellaneous	-	-	-	61,544	-	61,544	97,553
Total revenues	(388)	14,184	116,091	37,690	19,307	186,884	533,905
Expenditures:							
Current:							
General government	-	-	698	33	463	1,194	5,183
Public safety	-	-	-	-	-	-	73,993
Public works	-	-	-	-	-	-	84,655
Parks and recreation	-	-	-	-	-	-	67,160
Capital outlay	153,120	115,289	-	-	-	268,409	286,132
Debt service:							
Interest and fiscal charges	-	-	-	-	50,356	50,356	50,356
Total expenditures	153,120	115,289	698	33	50,819	319,959	567,479
Excess (deficiency) of revenues over (under) expenditures	(153,508)	(101,105)	115,393	37,657	(31,512)	(133,075)	(33,574)
Other financing sources (uses):							
Transfer in	105,000	80,000	175,000	-	65,000	425,000	425,000
Transfer out	-	-	(185,000)	(415,000)	-	(600,000)	(600,000)
Proceeds from sale of asset	409,503	-	-	-	-	409,503	417,553
Total other financing sources (uses)	514,503	80,000	(10,000)	(415,000)	65,000	234,503	242,553
Net changes in fund balances	360,995	(21,105)	105,393	(377,343)	33,488	101,428	208,979
Fund balances (deficits) at beginning of year	(279,044)	462,073	350,422	2,570,518	(1,418,483)	1,685,486	3,973,267
Fund balances (deficits) at end of year	\$ 81,951	\$ 440,968	\$ 455,815	\$ 2,193,175	\$ (1,384,995)	\$ 1,786,914	\$ 4,182,246

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2019

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance From Original Budget Positive (Negative)</u>
Parking fund:			
Revenues:			
Licenses and permits	\$ 53,240	\$ 48,643	\$ (4,597)
Fines and forfeitures	40,000	35,890	(4,110)
Miscellaneous	1,000	-	(1,000)
Interest income	6,550	9,960	3,410
Net increase in fair value of investments	100	3,225	3,125
Total revenues	<u>100,890</u>	<u>97,718</u>	<u>(3,172)</u>
Expenditures:			
Personal services	50,210	47,563	2,647
Supplies	850	1,840	(990)
Professional services	60,740	54,972	5,768
Contractual services	27,950	27,843	107
Total expenditures	<u>139,750</u>	<u>132,218</u>	<u>7,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (38,860)</u>	(34,500)	<u>\$ 4,360</u>
Fund balance at beginning of year		<u>480,599</u>	
Fund balance at end of year		<u>\$ 446,099</u>	
Lodging fund:			
Revenues:			
Taxes	\$ 14,600	\$ 695	\$ (13,905)
Miscellaneous	3,000	4,322	1,322
Interest income	200	431	231
Net increase in fair value of investments	-	122	122
Total revenues	<u>17,800</u>	<u>5,570</u>	<u>(12,230)</u>
Expenditures:			
Personal services	355	365	(10)
Professional services	17,445	3,523	13,922
Total expenditures	<u>17,800</u>	<u>3,888</u>	<u>13,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	1,682	<u>\$ (1,682)</u>
Fund balance at beginning of year		<u>17,210</u>	
Fund balance at end of year		<u>\$ 18,892</u>	

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2019

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance From Original Budget Positive (Negative)</u>
Cemetery fund:			
Revenues:			
Charges for services	\$ 71,000	\$ 105,596	\$ 34,596
Miscellaneous	280	540	260
Interest income	3,000	9,174	6,174
Net increase in fair value of investments	-	2,582	2,582
Sale of fixed asset	-	500	500
Total revenues	<u>74,280</u>	<u>118,392</u>	<u>44,112</u>
Expenditures:			
Personal services	41,585	46,645	(5,060)
Supplies	5,400	525	4,875
Professional services	8,235	7,636	599
Contractual services	19,060	12,354	6,706
Capital outlay	-	17,723	(17,723)
Total expenditures	<u>74,280</u>	<u>84,883</u>	<u>(10,603)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	33,509	<u>\$ 33,509</u>
Fund balance at beginning of year		<u>410,528</u>	
Fund balance at end of year		<u>\$ 444,037</u>	
Urban Redevelopment fund:			
Revenues:			
Charges for services	\$ 90,469	\$ 52,095	\$ (38,374)
Interest income	13,000	29,464	16,464
Net increase in fair value of investments	-	8,962	8,962
Miscellaneous	-	810	810
Total revenues	<u>103,469</u>	<u>91,331</u>	<u>(12,138)</u>
Expenditures:			
Personal services	90	90	-
Professional services	10	11	(1)
Contractual services	825	-	825
Total expenditures	<u>925</u>	<u>101</u>	<u>824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 102,544</u>	91,230	<u>\$ (11,314)</u>
Fund balance at beginning of year		<u>1,345,737</u>	
Fund balance at end of year		<u>\$ 1,436,967</u>	

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2019

	Original Budget	Actual	Variance From Original Budget Positive (Negative)
Round Up:			
Revenues:			
Miscellaneous	\$ 36,000	\$ 30,337	\$ (5,663)
Interest income	100	345	245
Net increase in fair value of investments	-	125	125
Total revenues	36,100	30,807	(5,293)
Expenditures:			
Professional services	36,100	26,112	9,988
Contractual services	-	18	(18)
Total expenditures	36,100	26,130	9,970
Excess of revenues over expenditures	\$ -	4,677	\$ 4,677
Fund balance at beginning of year		14,561	
Fund balance at end of year		\$ 19,238	
 Police Forfeiture			
Revenues:			
Fines and forfeitures	\$ 7,000	\$ 3,100	\$ (3,900)
Interest income	200	467	267
Net increase in fair value of investments	-	136	136
Sale of fixed asset	-	7,550	7,550
Total revenues	7,200	11,253	4,053
Expenditures:			
Professional services	400	300	100
Total expenditures	400	300	100
Excess of revenues over expenditures	\$ 6,800	10,953	\$ 4,153
Fund balance at beginning of year		19,146	
Fund balance at end of year		\$ 30,099	

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 remain open while City Council works through organized hauling for the City. In the event that organized hauling is not adopted, the fund will be closed.

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, 2019

	<u>Sewer</u>	<u>Golf</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Assets:					
Current assets:					
Cash and cash equivalents	\$ 282,626	\$ 3,223	\$ 38,121	\$ 86,813	\$ 410,783
Receivables, net:					
Accounts receivable	294,367	12,485	-	39,354	346,206
Prepaid items	126,896	50	-	-	126,946
Due from other funds	-	-	80,000	-	80,000
Inventory	-	53,271	-	-	53,271
Total current assets	<u>703,889</u>	<u>69,029</u>	<u>118,121</u>	<u>126,167</u>	<u>1,017,206</u>
Noncurrent assets:					
Land and improvements	13,384	191,307	-	-	204,691
Buildings and structures	150,000	397,158	-	-	547,158
Furniture and equipment	-	169,564	-	-	169,564
Machinery and automotive equipment	1,060,082	929,451	-	-	1,989,533
Distribution system	8,760,455	-	-	-	8,760,455
Other improvements	-	2,674,190	-	-	2,674,190
Total property	<u>9,983,921</u>	<u>4,361,670</u>	<u>-</u>	<u>-</u>	<u>14,345,591</u>
Accumulated depreciation	<u>(4,740,330)</u>	<u>(2,819,354)</u>	<u>-</u>	<u>-</u>	<u>(7,559,684)</u>
Net noncurrent assets	<u>5,243,591</u>	<u>1,542,316</u>	<u>-</u>	<u>-</u>	<u>6,785,907</u>
Total assets	<u>5,947,480</u>	<u>1,611,345</u>	<u>118,121</u>	<u>126,167</u>	<u>7,803,113</u>
Deferred outflows of resources:					
Deferred pension resources	<u>22,615</u>	<u>27,915</u>	<u>-</u>	<u>2,054</u>	<u>52,584</u>
Total assets and deferred outflows of resources	<u>\$ 5,970,095</u>	<u>\$ 1,639,260</u>	<u>\$ 118,121</u>	<u>\$ 128,221</u>	<u>\$ 7,855,697</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ 8,854	\$ 18,596	\$ -	\$ 194	\$ 27,644
Accrued wages payable	12,582	16,747	-	1,685	31,014
Due to other funds	-	80,000	-	-	80,000
Advance to other funds	-	255,000	-	-	255,000
Deposits	-	70,379	-	-	70,379
Total current liabilities	<u>21,436</u>	<u>440,722</u>	<u>-</u>	<u>1,879</u>	<u>464,037</u>
Compensated absences payable	13,090	50,477	-	4,112	67,679
Net pension liability	<u>236,161</u>	<u>291,502</u>	<u>-</u>	<u>21,454</u>	<u>549,117</u>
Total liabilities	<u>270,687</u>	<u>782,701</u>	<u>-</u>	<u>27,445</u>	<u>1,080,833</u>
Deferred inflows of resources:					
Deferred pension resources	<u>39,871</u>	<u>49,214</u>	<u>-</u>	<u>3,622</u>	<u>92,707</u>
Net position:					
Net investment in capital assets	5,243,591	1,542,316	-	-	6,785,907
Unrestricted	<u>415,946</u>	<u>(734,971)</u>	<u>118,121</u>	<u>97,154</u>	<u>(103,750)</u>
Total net position	<u>5,659,537</u>	<u>807,345</u>	<u>118,121</u>	<u>97,154</u>	<u>6,682,157</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,970,095</u>	<u>\$ 1,639,260</u>	<u>\$ 118,121</u>	<u>\$ 128,221</u>	<u>\$ 7,855,697</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, 2019

	<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	\$ 2,497,328	\$ -	\$ -	\$ -	\$2,497,328
Golf	-	959,146	-	-	959,146
Refuse billings	-	-	36	-	36
Recycling billings	-	-	-	286,459	286,459
Other	-	-	-	53,415	53,415
Total operating revenues	<u>2,497,328</u>	<u>959,146</u>	<u>36</u>	<u>339,874</u>	<u>3,796,384</u>
Operating expenses:					
Personal services	481,179	584,567	-	51,507	1,117,253
Supplies	23,251	146,108	-	1,068	170,427
Professional services	68,291	110,990	-	43,893	223,174
Contractual services	21,442	52,094	-	2,593	76,129
Disposal charges	1,515,491	-	-	260,081	1,775,572
Cost of goods sold	-	62,933	-	-	62,933
Depreciation	290,980	147,068	-	-	438,048
Total operating expenses	<u>2,400,634</u>	<u>1,103,760</u>	<u>-</u>	<u>359,142</u>	<u>3,863,536</u>
Operating income (loss)	<u>96,694</u>	<u>(144,614)</u>	<u>36</u>	<u>(19,268)</u>	<u>(67,152)</u>
Nonoperating revenues:					
Interest income (loss)	10,338	(4,128)	(375)	4,814	10,649
Net increase (decrease) in fair value of investments	3,511	(592)	683	740	4,342
Other income	25,025	-	-	1,440	26,465
Total nonoperating revenues (losses)	<u>38,874</u>	<u>(4,720)</u>	<u>308</u>	<u>6,994</u>	<u>41,456</u>
Income (loss) before transfers	135,568	(149,334)	344	(12,274)	(25,696)
Other transfers:					
Transfer out	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Change in net position	105,568	(149,334)	344	(12,274)	(55,696)
Net position - Beginning of year	<u>5,553,969</u>	<u>956,679</u>	<u>117,777</u>	<u>109,428</u>	<u>6,737,853</u>
Net position - End of year	<u>\$ 5,659,537</u>	<u>\$ 807,345</u>	<u>\$ 118,121</u>	<u>\$ 97,154</u>	<u>\$6,682,157</u>

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

	<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	\$ 2,504,729	\$ 949,942	\$ 9,491	\$340,749	\$3,804,911
Payments to suppliers for goods and services	(233,229)	(365,847)	(14,824)	(35,650)	(649,550)
Payments to employees for services	(459,895)	(594,772)	0	(52,755)	(1,107,422)
Disposal charges	(1,515,491)	-	0	(260,081)	(1,775,572)
Increase in deposits	-	8,031	-	-	8,031
Net cash provided by (used in) operating activities	<u>296,114</u>	<u>(2,646)</u>	<u>(5,333)</u>	<u>(7,737)</u>	<u>280,398</u>
Cash flows from noncapital financing activities:					
Cash flow from (to) other funds	(65,976)	285,000	(80,000)	-	139,024
Transfer to other funds	(30,000)	-	-	-	(30,000)
Net cash provided (used) by noncapital financing activities	<u>(95,976)</u>	<u>285,000</u>	<u>(80,000)</u>	<u>-</u>	<u>109,024</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets and related financing activities	<u>(427,595)</u>	<u>(288,862)</u>	<u>-</u>	<u>-</u>	<u>(716,457)</u>
	<u>(427,595)</u>	<u>(288,862)</u>	<u>-</u>	<u>-</u>	<u>(716,457)</u>
Cash flows from investing activities:					
Investment earnings	<u>15,366</u>	<u>(4,830)</u>	<u>683</u>	<u>5,834</u>	<u>17,053</u>
Net increase (decrease) in cash and cash equivalents	(212,091)	(11,338)	(84,650)	(1,903)	(309,982)
Cash and cash equivalents at beginning of year	<u>494,717</u>	<u>14,561</u>	<u>122,771</u>	<u>88,716</u>	<u>720,765</u>
Cash and cash equivalents at end of year	<u>\$ 282,626</u>	<u>\$ 3,223</u>	<u>\$ 38,121</u>	<u>\$ 86,813</u>	<u>\$ 410,783</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ 96,694</u>	<u>\$ (144,614)</u>	<u>\$ 36</u>	<u>\$ (19,268)</u>	<u>\$ (67,152)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	290,980	147,068	-	-	438,048
Other income	25,025	-	-	1,440	26,465
Change in assets and liabilities:					
Accounts receivable	(17,624)	(9,204)	9,455	(565)	(17,938)
Inventory	-	(5,407)	-	-	(5,407)
Prepaid items	(126,896)	(50)	-	-	(126,946)
Net pension liability	33,468	(6,894)	-	(1,246)	25,328
Deferred outflows - Pensions	(366)	(2,942)	-	905	(2,403)
Deferred inflows - Pensions	7,679	(2,515)	-	(210)	4,954
Accounts payable	6,651	11,735	(14,824)	11,904	15,466
Accrued wages payable	(2,785)	3,394	-	127	736
Compensated absences payable	(16,712)	(1,248)	-	(824)	(18,784)
Deposits	-	8,031	-	-	8,031
Total adjustments	<u>199,420</u>	<u>141,968</u>	<u>(5,369)</u>	<u>11,531</u>	<u>347,550</u>
Net cash provided by (used in) operating activities	<u>\$ 296,114</u>	<u>\$ (2,646)</u>	<u>\$ (5,333)</u>	<u>\$ (7,737)</u>	<u>\$ 280,398</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, 2019

Assets	Information Systems	Insurance	Employee Benefits	Central Garage	Total
Current assets:					
Cash and cash equivalents	\$ 278,532	\$ 1,041,352	\$ 883,663	\$ 7,200	\$ 2,210,747
Due from other funds	-	20,000	-	-	20,000
Inventory	-	-	-	25,035	25,035
Prepaid items	-	99,297	-	-	99,297
Total current assets	<u>278,532</u>	<u>1,160,649</u>	<u>883,663</u>	<u>32,235</u>	<u>2,355,079</u>
Noncurrent assets:					
Capital assets:					
Buildings and structures	50,000	-	-	-	50,000
Furniture and equipment	622,436	-	-	-	622,436
Machinery and automotive equipment	-	-	-	5,099,653	5,099,653
Total property	<u>672,436</u>	<u>-</u>	<u>-</u>	<u>5,099,653</u>	<u>5,772,089</u>
Accumulated depreciation	(561,124)	-	-	(3,584,690)	(4,145,814)
Net noncurrent assets	<u>111,312</u>	<u>-</u>	<u>-</u>	<u>1,514,963</u>	<u>1,626,275</u>
Total assets	<u>\$ 389,844</u>	<u>\$ 1,160,649</u>	<u>\$ 883,663</u>	<u>\$ 1,547,198</u>	<u>\$ 3,981,354</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	\$ 3,632	\$ 51,959	\$ 2,820	\$ 12,642	\$ 71,053
Accrued wages payable	-	-	-	6,907	6,907
Due to other funds	-	-	-	20,000	20,000
Current portion of compen absences payable	-	-	20,000	-	20,000
Total current liabilities	<u>3,632</u>	<u>51,959</u>	<u>22,820</u>	<u>39,549</u>	<u>117,960</u>
Compensated absences payable	-	-	846,087	21,478	867,565
Total liabilities	<u>3,632</u>	<u>51,959</u>	<u>868,907</u>	<u>61,027</u>	<u>985,525</u>
Net position:					
Net investment in capital assets	111,312	-	-	1,514,963	1,626,275
Unrestricted	274,900	1,108,690	14,756	(28,792)	1,369,554
Total net position	<u>386,212</u>	<u>1,108,690</u>	<u>14,756</u>	<u>1,486,171</u>	<u>2,995,829</u>
Total liabilities and net position	<u>\$ 389,844</u>	<u>\$ 1,160,649</u>	<u>\$ 883,663</u>	<u>\$ 1,547,198</u>	<u>\$ 3,981,354</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, 2019

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:					
Total operating revenues	\$ 450,415	\$ 414,435	\$ 30,012	\$ 765,000	\$ 1,659,862
Operating expenses:					
Personal services	20,240	9,685	34,967	167,385	232,277
Supplies	7,912	-	-	276,260	284,172
Professional services	266,687	399,778	-	36,794	703,259
Contractual services	159,200	-	-	71,622	230,822
Depreciation	42,677	-	-	438,395	481,072
Total operating expenses	<u>496,716</u>	<u>409,463</u>	<u>34,967</u>	<u>990,456</u>	<u>1,931,602</u>
Operating income (loss)	<u>(46,301)</u>	<u>4,972</u>	<u>(4,955)</u>	<u>(225,456)</u>	<u>(271,740)</u>
Nonoperating revenues:					
Interest income	6,155	22,831	18,712	(2,604)	45,094
Net increase in fair value of investments	2,121	7,059	4,901	(519)	13,562
Gain on sale of fixed assets	-	-	-	107,951	107,951
Other income	20,000	18,028	-	-	38,028
Total nonoperating revenues	<u>28,276</u>	<u>47,918</u>	<u>23,613</u>	<u>104,828</u>	<u>204,635</u>
Change in net position	(18,025)	52,890	18,658	(120,628)	(67,105)
Net position - Beginning 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>
Net position - End of year	<u>\$ 386,212</u>	<u>\$ 1,108,690</u>	<u>\$ 14,756</u>	<u>\$ 1,486,171</u>	<u>\$ 2,995,829</u>

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

	<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	\$ 470,415	\$ 414,435	\$ 30,012	\$ 765,000	\$ 1,679,862
Payments to suppliers for goods and services	(475,121)	(429,088)	2,820	(392,132)	(1,293,521)
Payments to employees for services	(20,240)	(9,685)	(193)	(159,814)	(189,932)
Net cash provided by (used in) operating activities	<u>(24,946)</u>	<u>(24,338)</u>	<u>32,639</u>	<u>213,054</u>	<u>196,409</u>
Cash flows from noncapital financing activities:					
(Increase) decrease from other funds	<u>-</u>	<u>(20,000)</u>	<u>90,000</u>	<u>(80,000)</u>	<u>(10,000)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(30,274)	-	-	(258,416)	(288,690)
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,568</u>	<u>112,568</u>
Net cash used in capital and related financing activities	<u>(30,274)</u>	<u>-</u>	<u>-</u>	<u>(145,848)</u>	<u>(176,122)</u>
Cash flows from investing activities:					
Investment earnings	<u>9,268</u>	<u>33,107</u>	<u>25,756</u>	<u>(3,386)</u>	<u>64,745</u>
Net increase (decrease) in cash and cash equivalents	(45,952)	(11,231)	148,395	(16,180)	75,032
Cash and cash equivalents at beginning of year	<u>324,484</u>	<u>1,052,583</u>	<u>735,268</u>	<u>23,380</u>	<u>2,135,715</u>
Cash and cash equivalents end of year	<u>\$ 278,532</u>	<u>\$ 1,041,352</u>	<u>\$ 883,663</u>	<u>\$ 7,200</u>	<u>\$ 2,210,747</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ (46,301)</u>	<u>\$ 4,972</u>	<u>\$ (4,955)</u>	<u>\$ (225,456)</u>	<u>\$ (271,740)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	42,677	-	-	438,395	481,072
Other income	20,000	18,028	-	-	38,028
Change in assets and liabilities:					
Inventory	-	-	-	17,091	17,091
Prepaid expense	-	(99,297)	-	-	(99,297)
Accounts payable	(41,322)	51,959	2,820	(24,547)	(11,090)
Accrued wages payable	-	-	-	522	522
Compensated absences payable	-	-	34,774	7,049	41,823
Total adjustments	<u>21,355</u>	<u>(29,310)</u>	<u>37,594</u>	<u>438,510</u>	<u>468,149</u>
Net cash provided by (used in) operating activities	<u>\$ (24,946)</u>	<u>\$ (24,338)</u>	<u>\$ 32,639</u>	<u>\$ 213,054</u>	<u>\$ 196,409</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, 2019

	Final Budget	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 7,028,564	\$ 6,997,064	\$ (31,500)
Penalties and interest	8,000	3,199	(4,801)
Total taxes	7,036,564	7,000,263	(36,301)
Licenses and permits:			
Licenses	128,200	107,375	(20,825)
Permits	310,200	225,552	(84,648)
Total licenses and permits	438,400	332,927	(105,473)
Fines and forfeitures:			
Court fines	63,000	54,439	(8,561)
Code violations	-	9,261	9,261
Other	-	716	716
Total fines and forfeitures	63,000	64,416	1,416
Intergovernmental:			
Local government aid	1,800,824	1,800,824	-
State aid maintenance	204,000	210,950	6,950
Police aid	259,500	311,996	52,496
PERA aid	28,500	28,509	9
Total intergovernmental	2,292,824	2,352,279	59,455
Charges for current services:			
Swimming pool	303,200	327,345	24,145
Parks	60,500	64,632	4,132
Police services	342,500	332,413	(10,087)
Planning services	123,500	64,089	(59,411)
Public works	1,500	349	(1,151)
Other	-	3,600	3,600
Total charges for current services	\$ 831,200	\$ 792,428	\$ (38,772)

CITY OF ANOKA, MINNESOTA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance Positive (Negative)
Franchise fees	\$ 956,000	\$ 931,357	\$ (24,643)
Interest earnings	50,000	205,823	155,823
Miscellaneous:			
Other	118,500	167,606	49,106
Net increase in fair value of investments	-	36,500	36,500
Total Miscellaneous	118,500	204,106	85,606
Total revenues	11,786,488	11,883,599	97,111
Other financing sources:			
Electric transfer in	500,000	500,000	-
Liquor transfer in	263,500	263,500	-
Total	763,500	763,500	-
Total revenues and other financing sources	\$ 12,549,988	\$ 12,647,099	\$ 97,111

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government:			
Mayor and council:			
Personal services	\$ 38,000	\$ 41,389	\$ (3,389)
Supplies	500	179	321
Professional services	<u>76,810</u>	<u>73,004</u>	<u>3,806</u>
Totals	<u>115,310</u>	<u>114,572</u>	<u>738</u>
City administration			
Personal services	289,500	278,514	10,986
Supplies	4,750	1,123	3,627
Professional services	83,675	86,143	(2,468)
Contractual services	<u>1,500</u>	<u>20,181</u>	<u>(18,681)</u>
Totals	<u>379,425</u>	<u>385,961</u>	<u>(6,536)</u>
Elections:			
Supplies	200	500	(300)
Contractual services	<u>4,200</u>	<u>3,887</u>	<u>313</u>
Totals	<u>4,400</u>	<u>4,387</u>	<u>13</u>
Finance:			
Personal services	205,100	211,517	(6,417)
Supplies	4,100	2,181	1,919
Professional services	73,400	61,461	11,939
Contractual services	<u>1,700</u>	<u>1,277</u>	<u>423</u>
Totals	<u>284,300</u>	<u>276,436</u>	<u>7,864</u>
Assessing:			
Personal services	136,900	148,311	(11,411)
Supplies	700	88	612
Professional services	13,485	12,569	916
Contractual services	<u>5,725</u>	<u>5,625</u>	<u>100</u>
Totals	<u>156,810</u>	<u>166,593</u>	<u>(9,783)</u>
Miscellaneous:			
Professional services	79,000	59,568	19,432
Contractual services	(2,400)	7,605	(10,005)
Capital outlay	<u>-</u>	<u>1,209</u>	<u>(1,209)</u>
Totals	<u>\$ 76,600</u>	<u>\$ 68,382</u>	<u>\$ 8,218</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government (Continued):			
Attorney:			
Supplies	\$ 500	\$ -	\$ 500
Professional services	207,000	204,276	2,724
Totals	<u>207,500</u>	<u>204,276</u>	<u>3,224</u>
Planning, Community Development:			
Personal services	303,300	333,717	(30,417)
Supplies	6,000	743	5,257
Professional services	78,160	52,936	25,224
Contractual services	3,200	4,038	(838)
Totals	<u>390,660</u>	<u>391,434</u>	<u>(774)</u>
General government buildings:			
Personal services	43,270	25,625	17,645
Supplies	5,200	638	4,562
Professional services	54,790	48,004	6,786
Contractual services	20,570	54,097	(33,527)
Capital outlay	15,500	10,744	4,756
Totals	<u>139,330</u>	<u>139,108</u>	<u>222</u>
Building maintenance:			
Personal services	99,950	88,349	11,601
Supplies	7,900	82	7,818
Professional services	12,450	4,308	8,142
Contractual services	62,250	89,477	(27,227)
Totals	<u>182,550</u>	<u>182,216</u>	<u>334</u>
Total general government	<u>1,936,885</u>	<u>1,933,365</u>	<u>3,520</u>
Public safety:			
Police department:			
Personal services	3,853,800	3,743,101	110,699
Supplies	132,200	133,959	(1,759)
Professional services	378,385	367,474	10,911
Contractual services	255,400	325,459	(70,059)
Capital outlay	26,400	27,036	(636)
Totals	<u>\$ 4,646,185</u>	<u>\$ 4,597,029</u>	<u>\$ 49,156</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance Positive (Negative)
Public safety (Continued):			
High school security, liason, and security:			
Personal services	\$ 667,950	\$ 714,053	\$ (46,103)
Supplies	800	-	800
Professional services	33,160	33,960	(800)
Contractual services	56,250	60,584	(4,334)
Totals	<u>758,160</u>	<u>808,597</u>	<u>(50,437)</u>
Fire protection:			
Contractual services	706,870	706,800	70
Emergency services:			
Personal services	500	-	500
Professional services	1,050	-	1,050
Contractual services	2,500	2,214	286
Totals	<u>4,050</u>	<u>2,214</u>	<u>1,836</u>
Building Inspections:			
Personal services	125,100	126,176	(1,076)
Supplies	1,450	133	1,317
Professional services	35,285	35,679	(394)
Contractual services	11,250	11,250	-
Totals	<u>173,085</u>	<u>173,238</u>	<u>(153)</u>
Total public safety	<u>6,288,350</u>	<u>6,287,878</u>	<u>472</u>
Public works:			
Engineering:			
Personal services	76,150	75,809	341
Supplies	4,000	2,022	1,978
Professional services	20,205	30,124	(9,919)
Contractual services	15,625	5,860	9,765
Totals	<u>115,980</u>	<u>113,815</u>	<u>2,165</u>
Streets:			
Personal services	588,200	646,114	(57,914)
Supplies	29,400	12,268	17,132
Professional services	72,665	58,409	14,256
Contractual services	614,000	580,635	33,365
Capital outlay	40,000	47,454	(7,454)
Totals	<u>1,344,265</u>	<u>1,344,880</u>	<u>(615)</u>
Total public works	<u>\$ 1,460,245</u>	<u>\$ 1,458,695</u>	<u>\$ 1,550</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance Positive (Negative)
Parks and recreation:			
Community programs and event center			
Personal services	\$ 57,800	\$ 54,755	\$ 3,045
Supplies	9,000	14,579	(5,579)
Professional services	122,765	170,212	(47,447)
Contractual services	45,000	118,286	(73,286)
Totals	<u>234,565</u>	<u>357,832</u>	<u>(123,267)</u>
Recreation			
Personal services	92,200	109,315	(17,115)
Supplies	32,400	12,165	20,235
Professional services	123,190	35,629	87,561
Contractual services	50,500	66,253	(15,753)
Totals	<u>298,290</u>	<u>223,362</u>	<u>74,928</u>
Aquatic center:			
Personal services	229,100	261,497	(32,397)
Supplies	34,000	54,088	(20,088)
Professional services	71,645	39,457	32,188
Contractual services	34,250	21,831	12,419
Totals	<u>368,995</u>	<u>376,873</u>	<u>(7,878)</u>
Senior citizens:			
Personal services	146,400	121,256	25,144
Supplies	8,000	3,370	4,630
Professional services	57,680	52,003	5,677
Contractual services	47,500	29,527	17,973
Totals	<u>259,580</u>	<u>206,156</u>	<u>53,424</u>
Municipal parks:			
Personal services	619,100	660,689	(41,589)
Supplies	43,558	58,158	(14,600)
Professional services	75,845	81,535	(5,690)
Contractual services	236,500	228,505	7,995
Capital outlay	95,000	57,791	37,209
Totals	<u>\$ 1,070,003</u>	<u>\$ 1,086,678</u>	<u>\$ (16,675)</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2019

	Final Budget	Actual	Variance Positive (Negative)
Parks and recreation (Continued):			
City beautification:			
Personal services	\$ 2,600	\$ 2,793	\$ (193)
Supplies	14,700	15,516	(816)
Professional services	8,775	4,624	4,151
Contractual services	40,000	21,872	18,128
Totals	66,075	44,805	21,270
Total parks and recreation	2,297,508	2,295,706	1,802
Total expenditures	11,982,988	11,975,644	7,344
Transfers out:			
Debt service	567,000	567,000	-
Totals	567,000	567,000	-
Total expenditures and transfers	\$ 12,549,988	\$ 12,542,644	\$ 7,344

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINED SCHEDULE OF INDEBTEDNESS DECEMBER 31, 2019

Bonded Indebtedness	Issue Date	Maturity Date	Interest Rates	Authorized and Issued	Balance 12/31/2018
General obligation bonds:					
2010A Public Facility Refunding Bonds		02/01/2022	3.00-3.15%	\$ 3,740,000	\$ 1,430,000
2014A TIF Crossover Refunding Bonds	08/14/2014	02/01/2033	3.00-3.40	6,115,000	5,615,000
2016A Public Facilities Crossover Refunding	04/27/2016	02/01/2028	2.00%	<u>1,510,000</u>	<u>1,390,000</u>
Total general obligation bonds	12/27/2010			<u>11,365,000</u>	<u>8,435,000</u>
Revenue bonds:					
Utility Storm Water Bonds, Series 2016B	08/01/2016	02/01/2036	2.00-3.00%	<u>1,795,000</u>	<u>1,625,000</u>
Total revenue bonds				<u>1,795,000</u>	<u>1,625,000</u>
Total bonds payable				<u><u>\$ 13,160,000</u></u>	<u><u>\$ 10,060,000</u></u>
Loan Payable to Met Council				<u><u>\$ -</u></u>	<u><u>\$ 2,308,137</u></u>

CITY OF ANOKA, MINNESOTA

COMBINED SCHEDULE OF INDEBTEDNESS (CONTINUED) DECEMBER 31, 2019

Bonded Indebtedness	Additions	Retirements	Balance 12/31/2019	INTEREST PAYMENTS
General obligation bonds:				
2010A Public Facility Refunding Bonds	\$ -	\$ 370,000	\$ 1,060,000	37,310
2014A TIF Crossover Refunding Bonds	-	185,000	5,430,000	187,503
2016A Public Facilities Crossover Refunding	-	125,000	1,265,000	26,550
	-	680,000	7,755,000	251,363
Total general obligation bonds				
General Obligation Revenue bonds:				
Utility Storm Water Bonds, Series 2016B	-	85,000	1,540,000	38,900
	-	85,000	1,540,000	38,900
Total general obligation revenue bonds				
	\$ -	\$ 765,000	\$ 9,295,000	\$ 290,263
Total Bonds payable	\$ -	\$ -	\$ 2,308,137	\$ -

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CITY OF ANOKA, MINNESOTA

SCHEDULE OF BOND MATURITIES DECEMBER 31, 2019

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds:				
\$6,115,000 TIF Crossover Refunding Bonds of 2014A	08/14/2014	3.00%	02/01/2020	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>5,430,000</u>
\$3,740,000 GO Pub Facility Refunding Bonds 2010A	12/27/2010	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>1,060,000</u>
\$1,510,000 Crossover Refunding Bonds of 2016A	04/27/2017	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 2016A				<u>1,265,000</u>
Total General Obligation Bonds Payable				<u>7,755,000</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF BOND MATURITIES (CONTINUED) DECEMBER 31, 2019

	Issue Date	Interest Rate	Maturity Date	Principal
Revenue Bonds:				
\$1,795,000 Utility Revenue Bonds, 2016B	08/01/2016		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				1,540,000
Total Bonds Payable				\$ 9,295,000

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CITY OF ANOKA, MINNESOTA

SCHEDULE OF DEBT SERVICE REQUIREMENTS DECEMBER 31, 2019

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	700,000	232,653	85,000	37,200	785,000	269,853
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	155,728	85,000	30,400	550,000	186,128
2025	470,000	139,828	85,000	28,700	555,000	168,528
2026	500,000	125,078	85,000	27,000	585,000	152,078
2027	515,000	111,353	85,000	25,300	600,000	136,653
2028	635,000	95,628	90,000	23,325	725,000	118,953
2029	480,000	79,078	90,000	21,075	570,000	100,153
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>\$ 7,755,000</u>	<u>\$ 1,660,634</u>	<u>\$ 1,540,000</u>	<u>\$ 368,575</u>	<u>\$ 9,295,000</u>	<u>\$ 2,029,209</u>

See Independent Auditors Report.

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS DECEMBER 31, 2019

	Youth First	Downtown District	Custodial Funds Total
Assets			
Cash and investments	\$ 44,880	\$ 27,054	\$ 71,934
Accounts receivable	-	6,105	6,105
Total assets	\$ 44,880	\$ 33,159	\$ 78,039
Liabilities			
Accounts payable	\$ 1,342	\$ -	\$ 1,342
Net Position			
Restricted for:			
Youth First	\$ 43,538	\$ -	\$ 43,538
Downtown District		33,159	33,159
Total net position	\$ 43,538	\$ 33,159	\$ 76,697

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2019

	Youth First	Downtown District	Custodial Funds Total
Additions			
Donations and contributions	\$ 192,766	\$ 80,933	\$ 273,699
Investment income	1,294	427	1,721
Increase fair market value	554	39	593
Total additions	194,614	81,399	276,013
Deductions			
Personal services	145,083	-	145,083
Supplies	58,729	350	59,079
Professional services	41,722	61,116	102,838
Total deductions	245,534	61,466	307,000
Net increase (decrease) in fiduciary net position	(50,920)	19,933	(30,987)
Net position - beginning, restated	94,458	13,226	107,684
Net position - ending	\$ 43,538	\$ 33,159	\$ 76,697

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY

BALANCE SHEET - COMPONENT UNIT DECEMBER 31, 2019

	HRA	Central Business Tax Increment	Business Core Tax Increment	South Business Tax Increment	Total HRA Funds
ASSETS					
Cash and investments	\$ 593,188	\$ 198,210	\$ 1,343	\$ 463,148	\$ 1,255,889
Receivables, net:					
Taxes	5,193	-	-	-	5,193
Loans receivable	374,172	-	-	-	374,172
Due from other funds	375,000	1,120,700	-	-	1,495,700
Land held for resale	609,662	219,095	-	1,347,502	2,176,259
Total assets	\$ 1,957,215	\$ 1,538,005	\$ 1,343	\$ 1,810,650	\$ 5,307,213
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 169	\$ 26,960	\$ -	\$ 71,085	\$ 98,214
Accrued wages payable and other benefits	4,667	-	-	-	4,667
Due to other funds	-	60	152,200	1,343,500	1,495,760
Total liabilities	4,836	27,020	152,200	1,414,585	1,598,641
Deferred inflows of resources:					
Unavailable revenue property taxes	3,286	-	-	-	3,286
Unavailable revenue loans	374,172	-	-	-	374,172
Total deferred inflows of resources	377,458	-	-	-	377,458
Fund balances:					
Nonspendable	609,662	-	-	-	609,662
Restricted	-	1,510,985	-	396,065	1,907,050
Unassigned	965,259	-	(150,857)	-	814,402
Total fund balances	1,574,921	1,510,985	(150,857)	396,065	3,331,114
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,957,215	\$ 1,538,005	\$ 1,343	\$ 1,810,650	\$ 5,307,213

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY

RECONCILIATION OF THE BALANCE SHEET OF THE COMPONENT UNIT TO THE STATEMENT OF NET POSITION DECEMBER 31, 2019

Total Component Unit fund balances (page 121)	\$ 3,331,114
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.	760,913
Some receivables are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue in the government-wide statements because they are unavailable	377,458
Long-term liabilities, including bonds payable and related premiums and compensated compensated not due and payable in the current period and, therefore, are not reported in the funds	(1,700,600)
Governmental funds do not report a liability for accrued interest until due and payable.	(14,059)
The net pension liability and related deferred inflows and deferred outflows are recorded only in only in the government-wide statement of net position.	(64,493)
Net position of governmental activities	<u><u>\$ 2,690,333</u></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, 2019

	HRA	Central Business Tax Increment	Business Core Tax Increment	South Business Tax Increment	Total HRA Funds
Revenues:					
Taxes	\$ 272,242	\$ -	\$ 16,452	\$ 101,315	\$ 390,009
Charges for current services	37,723	-	-	-	37,723
Investment income	11,845	4,981	130	1,435	18,391
Net increase in fair value of investments	4,785	1,948	22	250	7,005
Miscellaneous	19,252	13,934	-	-	33,186
Total revenues	345,847	20,863	16,604	103,000	486,314
Expenditures					
Current:					
Urban redevelopment and housing	249,357	188,243	70	53,219	490,889
Debt service:					
Interest and fiscal charges	-	-	-	64,375	64,375
Total expenditures	249,357	188,243	70	117,594	555,264
Excess (deficiency) of revenues over (under) expenditures	96,490	(167,380)	16,534	(14,594)	(68,950)
Other financing (uses) including transfers:					
Bond offering	-	-	-	1,690,000	1,690,000
Bond premium	-	-	-	7,841	7,841
Transfers in	150,000	-	-	-	150,000
Transfers out	(150,000)	-	-	-	(150,000)
Total other financing sources	-	-	-	1,697,841	1,697,841
Net changes in fund balances	96,490	(167,380)	16,534	1,683,247	1,628,891
Fund balances (deficits) at beginning of year	1,478,431	1,678,365	(167,391)	(1,287,182)	1,702,223
Fund balances (deficits) at end of year	\$ 1,574,921	\$ 1,510,985	\$ (150,857)	\$ 396,065	\$ 3,331,114

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE COMPONENT UNIT STATEMENT OF ACTIVITIES DECEMBER 31, 2019

Net change in fund balances (page 123)	\$ 1,628,891
Amounts reported for government activities in the statement of activities (page 28) 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.	(11,109)
Receivables not currently available are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.	77,373
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.	(1,690,000)
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 issued, whereas these amounts are amortized in the statement of activities.	(21,769)
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.	1,008
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.	<u>(20,816)</u>
Change in net position of governmental activities	<u>\$ (36,422)</u>

See Independent Auditor's Report.

CITY OF ANOKA, HOUSING AND REHABILITATION AUTHORITY

COMBINED SCHEDULE OF INDEBTEDNESS - COMPONENT UNIT DECEMBER 31, 2019

<u>Bonded Indebtedness</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Authorized and Issued</u>	<u>Balance 12/31/2018</u>
HRA General obligation bonds:					
2019A HRA GO TIF Revenue Bonds	09/05/2019	02/01/2043	2.10-3.00%	<u>\$ 1,690,000</u>	<u>\$ -</u>
Total HRA bonds payable				<u><u>\$ 1,690,000</u></u>	<u><u>\$ -</u></u>

CITY OF ANOKA, HOUSING AND REHABILITATION AUTHORITY

COMBINED SCHEDULE OF INDEBTEDNESS - COMPONENT UNIT (Continued) DECEMBER 31, 2019

Bonded Indebtedness	Additions	Retirements	Balance 12/31/2019	INTEREST PAYMENTS
HRA General obligation bonds:				
2019A HRA GO TIF Revenue Bonds	\$ 1,690,000	\$ -	\$ 1,690,000	\$ -
Total general obligation revenue bonds	\$ 1,690,000	-	\$ 1,690,000	\$ -
			\$ 1,690,000	

See Independent Auditor's Report.

CITY OF ANOKA, HOUSING AND REDEVELOPMENT AUTHORITY

SCHEDULE OF BOND MATURITIES - COMPONENT UNIT DECEMBER 31, 2019

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds:				
\$1,690,000 HRA GO TIF Bonds of 2019A	09/05/2019	3.00%	02/01/2022	\$ 25,000
		3.00	02/01/2023	25,000
		3.00	02/01/2024	60,000
		3.00	02/01/2025	60,000
		2.00	02/01/2026	60,000
		2.05	02/01/2027	65,000
		2.10	02/01/2028	65,000
		2.20	02/01/2029	70,000
		2.40	02/01/2030	70,000
		2.40	02/01/2031	75,000
		2.40	02/01/2032	75,000
		2.55	02/01/2033	80,000
		2.55	02/01/2034	80,000
		2.55	02/01/2035	85,000
		2.55	02/01/2036	85,000
		2.75	02/01/2037	90,000
		2.75	02/01/2038	95,000
		2.75	02/01/2039	95,000
		2.75	02/01/2040	100,000
		2.85	02/01/2041	105,000
		2.85	02/01/2042	110,000
		2.85	02/01/2043	115,000
Total HRA GO TIF Bonds of 2019A				<u><u>1,690,000</u></u>
Total General Obligation Bonds Payable				<u><u>\$ 1,690,000</u></u>

See Independent Auditor's Report.

CITY OF ANOKA, HOUSING AND REHABILITATION AUTHORITY

SCHEDULE OF DEBT SERVICE REQUIREMENTS - COMPONENT UNITS DECEMBER 31, 2019

Year	General Obligation Bonds	
	Principal	Interest
2020	\$ -	\$ 40,168
2021	-	44,358
2022	25,000	43,983
2023	25,000	43,233
2024	60,000	41,958
2025	60,000	40,158
2026	60,000	38,658
2027	65,000	37,391
2028	65,000	36,043
2029	70,000	34,590
2030	70,000	32,980
2031	75,000	31,240
2032	75,000	29,440
2033	80,000	27,520
2034	80,000	25,480
2035	85,000	23,376
2036	85,000	21,124
2037	90,000	18,718
2038	95,000	16,174
2039	95,000	13,561
2040	100,000	10,830
2041	105,000	7,909
2042	110,000	4,845
2043	115,000	1,639
	\$ 1,690,000	\$ 665,376

See Independent Auditors 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.

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

	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 46,048,443	\$ 42,414,832	\$ 51,838,450	\$ 62,009,558
Restricted	502,574	1,012,029	1,458,235	4,610,299
Unrestricted	8,816,308	14,938,282	13,246,285	10,635,827
Total governmental activities net position	\$ 55,367,325	\$ 58,365,143	\$ 66,542,970	\$ 77,255,684
Business-type activities:				
Net investment in capital assets	\$ 32,376,427	\$ 31,799,293	\$ 33,751,733	\$ 34,879,100
Restricted	331,203	328,029	339,854	248,258
Unrestricted	19,738,257	22,785,758	21,807,653	21,712,562
Total business-type activities net position	\$ 52,445,887	\$ 54,913,080	\$ 55,899,240	\$ 56,839,920
Primary government:				
Net investment in capital assets	\$ 78,424,870	\$ 74,214,125	\$ 85,590,183	\$ 96,888,658
Restricted	833,777	1,340,058	1,798,089	4,858,557
Unrestricted	28,554,565	37,724,040	35,053,938	32,348,389
Total primary government net position	\$ 107,813,212	\$ 113,278,223	\$ 122,442,210	\$ 134,095,604

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (CONTINUED)

2014	2015	2016	2017	2018	2019
\$ 66,844,241	\$ 71,334,409	\$ 75,833,210	\$ 81,699,387	\$ 85,684,691	\$ 91,561,788
5,197,093	5,828,258	5,174,912	3,356,040	6,382,800	6,649,391
10,721,398	6,150,596	1,313,763	491,185	(4,594,994)	(7,532,855)
<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>	<u>\$ 90,678,324</u>
\$ 38,846,655	\$ 41,105,603	\$ 41,570,574	\$ 43,686,972	\$ 42,869,504	\$ 44,782,151
256,330	228,725	1,237,871	-	-	-
19,782,441	17,632,441	17,638,923	18,029,772	19,759,309	19,891,011
<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>	<u>\$ 64,673,162</u>
\$ 105,690,896	\$ 112,440,012	\$ 117,403,784	\$ 125,386,359	\$ 128,554,195	\$ 136,343,939
5,453,423	6,056,983	6,412,783	3,356,040	6,382,800	6,649,391
30,503,839	23,783,037	18,952,686	18,520,957	15,164,315	12,358,156
<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>	<u>\$ 155,351,486</u>

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

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 2,365,246	\$ 2,923,429	\$ 1,973,890	\$ 2,352,739
Public safety	5,320,857	4,964,088	5,200,008	5,280,686
Public works	1,396,491	2,184,103	2,097,304	2,446,436
Parks and recreation	1,840,678	1,927,287	1,928,896	2,109,080
Interest on long-term debt	701,054	572,753	526,864	490,008
Total governmental activities expenses	<u>11,624,326</u>	<u>12,571,660</u>	<u>11,726,962</u>	<u>12,678,949</u>
Business-type activities:				
Electric	21,291,347	22,350,480	22,862,034	24,533,255
Water	1,299,137	1,344,164	1,291,808	1,430,439
Liquor stores	3,481,544	3,653,495	3,758,217	3,857,645
Storm drainage	150,370	162,570	166,886	198,447
Sewer	2,004,164	1,940,882	1,842,496	1,967,585
Golf	1,356,041	1,393,724	1,319,486	1,088,903
Refuse	229,266	200,494	177,847	161,493
Recycling	304,284	264,232	253,912	271,358
Total business-type activities expenses	<u>30,116,153</u>	<u>31,310,041</u>	<u>31,672,686</u>	<u>33,509,125</u>
Total primary government expenses	<u>\$ 41,740,479</u>	<u>\$ 43,881,701</u>	<u>\$ 43,399,648</u>	<u>\$ 46,188,074</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 73,135	\$ 87,718	\$ 113,277	\$ 110,399
Public safety	871,206	1,049,481	1,203,307	1,075,581
Public works	577,894	478,204	738,468	591,786
Parks and recreation	402,048	559,575	361,437	490,059
Operating grants and contributions	301,812	304,430	289,662	472,961
Capital grants and contributions	867,036	587,413	2,886,426	7,932,979
Total governmental activities program revenues	<u>3,093,131</u>	<u>3,066,821</u>	<u>5,592,577</u>	<u>10,673,765</u>
Business-type activities:				
Charges for services				
Electric	23,723,639	24,508,858	24,506,822	25,757,858
Water	1,607,863	1,834,611	1,726,207	1,614,435
Liquor stores	3,589,782	3,790,973	3,970,832	4,067,548
Storm drainage	419,276	419,839	420,954	471,251
Sewer	2,159,743	2,224,510	2,045,200	2,056,585
Golf	1,075,509	894,487	1,009,109	848,183
Refuse	217,991	191,181	169,868	154,338
Recycling	271,022	264,068	238,314	301,530
Operating grants and contributions	40,967	-	-	-
Total business-type activities revenues	<u>33,105,792</u>	<u>34,128,527</u>	<u>34,087,306</u>	<u>35,271,728</u>
Total primary government revenues	<u>\$ 36,198,923</u>	<u>\$ 37,195,348</u>	<u>\$ 39,679,883</u>	<u>\$ 45,945,493</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)

2014	2015	2016	2017	2018	2019
\$ 2,575,107	\$ 2,354,218	\$ 2,581,670	\$ 2,606,360	\$ 2,583,277	\$ 2,583,603
5,303,656	5,630,639	7,296,891	6,434,580	6,667,289	6,534,566
2,580,990	2,505,957	2,778,563	2,927,491	2,778,395	3,143,535
2,582,244	2,462,522	2,455,616	2,963,585	2,756,501	3,019,196
514,894	549,923	557,369	508,276	509,195	564,216
<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>	<u>15,845,116</u>
24,728,393	25,074,193	26,193,102	26,685,242	27,695,950	27,797,859
1,423,583	1,362,189	1,408,208	1,329,635	1,430,534	1,396,536
4,007,571	3,977,014	4,038,791	4,267,203	4,081,459	4,100,343
184,749	209,167	268,033	188,734	222,292	244,539
2,113,023	2,018,953	2,202,166	2,260,974	2,336,214	2,397,685
939,188	1,019,747	1,073,673	1,107,911	1,088,099	1,103,679
135,444	124,159	116,745	112,193	101,672	-
271,444	284,608	293,927	297,525	315,252	359,105
<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>37,399,746</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>	<u>\$ 53,244,862</u>
\$ 132,467	\$ 295,002	\$ 269,319	\$ 251,317	\$ 208,264	\$ 148,888
1,306,662	1,389,495	1,198,722	1,206,524	1,099,352	756,474
1,208,335	1,482,100	1,113,023	1,627,532	1,105,052	840,771
446,436	512,643	533,668	563,717	473,000	611,299
268,999	264,399	295,741	310,718	314,285	347,271
2,584,266	393,326	187,695	2,412,774	785,219	3,740,950
<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>	<u>6,445,653</u>
27,406,129	27,968,233	27,804,476	27,649,947	29,474,681	29,084,623
1,489,934	1,606,698	1,774,756	1,887,801	1,814,740	1,658,795
4,179,462	4,174,041	4,117,403	4,428,648	4,247,545	4,263,089
471,678	472,283	491,314	559,706	627,500	674,280
2,052,380	2,097,836	2,157,690	2,249,203	2,349,392	2,497,328
913,354	931,322	974,193	913,608	873,424	959,146
133,959	111,711	114,016	106,540	94,732	36
236,453	236,021	239,079	239,915	242,651	286,459
21,049	50,739	56,042	61,796	56,611	53,415
<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>39,477,171</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>	<u>\$ 45,922,824</u>

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

	2010	2011	2012	2013
Net (expense) revenue:				
Governmental activities	\$ (8,531,195)	\$ (9,504,839)	\$ (6,134,385)	\$ (2,005,184)
Business-type activities	2,989,639	2,818,486	2,414,620	1,762,603
Total primary government net (expense)/revenue	<u>\$ (5,541,556)</u>	<u>\$ (6,686,353)</u>	<u>\$ (3,719,765)</u>	<u>\$ (242,581)</u>
General Revenues and Other Sources in Net Position				
Governmental activities:				
Property taxes levied for general purpose	\$ 5,397,013	\$ 5,220,518	\$ 5,455,000	\$ 5,442,963
Property taxes levied for debt service	400,560	393,745	406,164	393,566
Property taxes from tax increments	2,696,195	2,633,140	2,577,022	2,558,472
Franchise taxes	1,236,900	1,257,715	1,298,606	1,340,379
Grants, aid, and contributions not restricted to specific programs	1,006,620	1,036,760	931,996	929,604
Unrestricted investment income	324,389	278,584	89,102	(210,377)
Gain (loss) on disposal of capital assets	-	-	1,407,516	-
Other	47,829	223,246	71,810	835,177
Transfers	1,584,996	1,458,949	2,074,996	150,000
Transfer of operations	-	-	-	-
Contributed capital	-	-	-	949,670
Total governmental activities	<u>12,694,502</u>	<u>12,502,657</u>	<u>14,312,212</u>	<u>12,389,454</u>
Business-type activities				
Interest and investment earnings	508,386	468,237	257,696	(161,677)
Gain on sale of capital assets	6,316	411,364	31,342	6,495
Other	68,669	228,055	357,498	432,929
Transfers	(1,584,996)	(1,458,949)	(2,074,996)	(150,000)
Contributed capital	-	-	-	(949,670)
Total business-type activities	<u>(1,001,625)</u>	<u>(351,293)</u>	<u>(1,428,460)</u>	<u>(821,923)</u>
Total primary government	<u>\$ 11,692,877</u>	<u>\$ 12,151,364</u>	<u>\$ 12,883,752</u>	<u>\$ 11,567,531</u>
Change in Net Position				
Governmental activities	\$ 4,163,307	\$ 2,997,818	\$ 8,177,827	\$ 10,384,270
Business-type activities	1,988,014	2,467,193	986,160	940,680
Total primary government	<u>\$ 6,151,321</u>	<u>\$ 5,465,011</u>	<u>\$ 9,163,987</u>	<u>\$ 11,324,950</u>

CITY OF ANOKA, MINNESOTA

(Unaudited)

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (CONTINUED)

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ (7,609,726)	\$ (9,166,294)	\$ (12,071,941)	\$ (9,067,710)	\$ (11,309,485)	\$ (9,399,463)
3,101,003	3,578,854	2,134,324	1,847,747	2,509,804	2,077,425
<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>	<u>\$ (7,322,038)</u>
\$ 5,313,111	\$ 5,328,549	\$ 6,298,054	\$ 6,635,017	\$ 6,830,816	\$ 7,023,911
386,417	387,269	154,800	(2,006)	(324)	-
2,557,981	2,660,321	410,817	544,134	573,642	620,090
1,331,955	1,344,354	1,334,186	1,315,417	1,355,374	1,315,467
1,575,982	1,678,395	1,712,178	1,719,554	1,822,734	1,829,333
383,830	122,552	62,064	104,574	122,509	250,681
(413,606)	343,103	(399,610)	371,287	5,515	452,706
285,953	614,075	84,074	104,460	423,977	80,902
2,285,000	2,808,000	1,424,000	1,500,000	2,380,000	1,032,200
(589,849)	-	-	-	-	-
-	(731,000)	-	-	-	-
<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>	<u>12,605,290</u>
588,632	268,561	290,001	327,960	480,225	645,719
60,505	21,999	8,562	32,465	1,501	16,380
580,366	563,698	451,212	561,204	300,539	337,025
(2,285,000)	(2,808,000)	(1,424,000)	(1,500,000)	(2,380,000)	(1,032,200)
-	731,000	-	-	-	-
<u>(1,055,497)</u>	<u>(1,222,742)</u>	<u>(674,225)</u>	<u>(578,371)</u>	<u>(1,597,735)</u>	<u>(33,076)</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>	<u>\$ 12,572,214</u>
\$ 5,507,048	\$ 5,389,324	\$ (991,378)	\$ 3,224,727	\$ 2,204,758	\$ 3,205,827
2,045,506	2,356,112	1,460,099	1,269,376	912,069	2,044,349
<u>\$ 7,552,554</u>	<u>\$ 7,745,436</u>	<u>\$ 468,721</u>	<u>\$ 4,494,103</u>	<u>\$ 3,116,827</u>	<u>\$ 5,250,176</u>

COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2010	2011	2012	2013
General Fund:				
Nonspendable	\$ -	\$ 18,361	\$ 18,361	\$ 18,059
Restricted	-	673,271	736,344	562,438
Committed	-	500,000	750,000	1,100,000
Unassigned	-	4,622,827	4,668,774	4,191,499
Reserved	18,489	-	-	-
Unreserved	4,845,779	-	-	-
Total general fund	<u>\$ 4,864,268</u>	<u>\$ 5,814,459</u>	<u>\$ 6,173,479</u>	<u>\$ 5,871,996</u>
All other governmental funds:				
Nonspendable:				
State Aid	\$ -	\$ -	\$ -	\$ -
Commuter Rail Tax Increment	-	-	-	-
Nonmajor Special Revenue	-	-	-	-
Nonmajor Capital Projects	-	2,707,879	3,189,741	-
Restricted:				
Debt Service	-	475,643	455,642	443,168
State Aid	-	-	-	2,502,460
Commuter Rail Tax Increment	-	-	-	117,663
Greens of Anoka Tax Increment	-	-	-	-
Nonmajor Capital Projects	-	679,546	429,465	3,647,600
Committed:				
Nonmajor Special Revenue	-	2,119,138	1,893,442	1,813,335
Nonmajor Capital Projects	-	-	231,455	-
Assigned:				
State Aid	-	-	-	303,216
Street Renewal	-	2,930,355	830,861	182,810
Nonmajor Capital Projects	-	919,454	119,521	836,671
Unassigned:				
State Aid	-	(1,900,554)	(1,898,345)	-
Street Renewal	-	-	-	-
Commuter Rail Tax Increment	-	-	(14,155)	(363,419)
Greens of Anoka Tax Increment	-	-	(1,128)	(783,294)
Nonmajor Capital Projects	-	(1,246,386)	(383,638)	(410,064)
Reserved	4,438,862	-	-	-
Unreserved	(158,995)	-	-	-
Total all other governmental funds	<u>\$ 4,279,867</u>	<u>\$ 6,685,075</u>	<u>\$ 4,852,861</u>	<u>\$ 8,290,146</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)**

2014	2015	2016	2017	2018	2019
\$ 66,191	\$ 22,103	\$ 43,921	\$ 55,026	\$ 97,755	\$ 25,233
-	-	-	-	-	-
-	-	-	-	-	-
4,814,642	5,647,410	4,526,917	4,681,652	4,865,938	5,042,915
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 5,068,148</u>
\$ 2,525,556	\$ 2,525,556	\$ -	\$ -	\$ -	\$ -
205,274	432,331	-	-	-	-
-	-	-	-	-	5,325
5,397,077	5,241,667	-	-	-	-
7,661,468	459,205	1,991,191	544,057	547,394	565,981
-	-	2,525,556	2,331,233	2,331,233	-
-	-	432,331	432,331	432,331	580,627
-	-	472,087	639,312	2,837,536	3,185,170
70,262	86,923	4,557,466	3,193,386	2,920,940	2,648,990
1,961,560	2,093,916	2,166,383	2,171,886	2,287,781	2,390,007
-	-	-	-	-	-
651,471	233,851	237,632	-	-	860,641
-	277,809	852,140	230,000	123,339	-
305,712	1,009,351	556,128	778,685	462,073	522,919
-	-	-	(206,438)	(1,147,191)	-
(791,125)	-	-	(194,181)	-	(1,675,941)
(1,371,901)	(2,449,485)	(3,506,643)	(3,417,107)	(3,452,520)	(3,489,819)
(812,290)	(1,097,010)	(1,642,691)	(2,141,161)	(4,797,651)	(6,238,527)
(1,135,593)	(660,407)	(2,523,427)	(1,764,816)	(1,697,527)	(1,384,995)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,667,471</u>	<u>\$ 8,153,707</u>	<u>\$ 6,118,153</u>	<u>\$ 2,597,187</u>	<u>\$ 847,738</u>	<u>\$ (2,029,622)</u>

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

	2010	2011	2012	2013
Revenues:				
Taxes	\$ 8,119,472	\$ 8,348,499	\$ 8,383,973	\$ 8,528,515
Special assessments	423,590	370,862	459,562	485,145
Licenses and permits	408,266	275,788	505,153	379,864
Fines and forfeitures	104,661	190,657	147,445	139,553
Intergovernmental	2,175,468	1,928,603	4,099,693	9,335,544
Charges for current services	913,205	1,252,731	1,141,668	1,260,863
Franchise fees	1,236,900	1,257,715	1,298,606	1,340,379
Investment income	324,389	278,585	89,102	185,743
Increase (decrease) in fair market value	-	-	-	(396,120)
Miscellaneous	130,726	471,935	173,090	465,632
Total revenues	13,836,677	14,375,375	16,298,292	21,725,118
Expenditures:				
General government	1,695,481	1,610,016	1,603,520	1,739,386
Public safety	4,488,511	4,598,698	4,914,552	4,902,711
Public works	1,323,429	1,300,262	1,086,922	1,343,447
Parks	1,582,465	1,524,582	1,545,826	1,716,943
Miscellaneous	39,062	40,714	41,709	48,623
Capital outlay	3,575,527	2,472,214	11,071,968	13,294,921
Debt service:				
Principal retirement	245,000	380,000	470,000	450,000
Interest and fiscal charges	698,816	604,348	519,502	492,654
Bond issuance charges	61,052	-	-	-
Total expenditures	13,709,343	12,530,834	21,253,999	23,988,685
Excess (deficiency) of revenues over expenditures	127,334	1,844,541	(4,955,707)	(2,263,567)
Other Financing Sources (Uses):				
Bond proceeds/refunding of bonds	3,740,000	(3,995,000)	-	-
Proceeds from the sale of asset	-	1,350,682	1,407,517	440,000
Transfers in	1,857,496	2,462,996	3,664,996	1,840,000
Transfers out	(272,500)	(1,004,047)	(1,590,000)	(1,590,000)
Total other financing sources (uses)	5,324,996	(1,185,369)	3,482,513	690,000
Special item - Transfer of operations	-	-	-	-
Net change in fund balances	\$ 5,452,330	\$ 659,172	\$ (1,473,194)	\$ (1,573,567)
Debt service as a percentage of noncapital expenditures	9.3%	9.8%	9.7%	8.8%

CITY OF ANOKA, MINNESOTA

(Unaudited)

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

2014	2015	2016	2017	2018	2019
\$ 8,252,307	\$ 8,371,829	\$ 6,870,080	\$ 7,222,789	\$ 7,415,101	\$ 7,622,277
406,265	779,143	728,197	937,857	568,810	783,656
467,613	670,749	516,502	510,866	460,828	392,030
143,307	124,199	108,694	105,221	99,639	103,406
4,429,247	2,313,979	2,160,485	4,386,815	2,899,531	5,882,279
1,692,328	1,760,765	1,235,983	1,341,940	1,275,339	999,699
1,331,956	1,344,354	1,334,187	1,315,417	1,355,374	1,315,467
93,821	92,413	109,948	64,793	63,978	221,567
290,008	29,601	(48,495)	39,780	58,531	61,469
544,037	653,297	369,586	576,183	1,059,538	265,159
<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>	<u>17,647,009</u>
1,950,610	1,815,586	1,866,244	1,970,551	1,952,175	1,940,127
5,142,440	5,292,015	5,778,198	5,725,648	6,328,450	6,334,835
1,318,375	1,206,679	1,293,682	1,383,635	1,198,199	1,531,546
1,781,546	1,836,474	1,856,402	2,222,705	2,148,193	2,305,075
-	-	-	-	-	-
10,106,587	6,529,280	6,542,355	7,561,788	6,321,888	8,532,730
499,150	7,709,150	540,000	2,299,323	675,000	680,000
432,349	627,332	532,886	564,423	535,198	588,238
75,089	-	47,830	-	-	-
<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>21,912,551</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>	<u>(4,265,542)</u>
6,383,638	-	1,563,811	-	-	-
365,539	343,103	(399,610)	371,287	-	460,437
5,701,000	4,150,553	5,075,816	2,880,000	3,374,500	2,199,200
<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>(1,167,000)</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>	<u>1,492,637</u>
(589,849)	-	-	-	-	-
<u>\$ 4,739,071</u>	<u>\$ (5,725,084)</u>	<u>\$ (3,134,229)</u>	<u>\$ (3,355,125)</u>	<u>\$ (1,522,434)</u>	<u>\$ (2,772,905)</u>
8.3%	45.1%	9.0%	20.2%	9.4%	9.5%

CITY OF ANOKA, MINNESOTA

(Unaudited)

**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) ¹	Tax Capacity as a % of EMV
	Real Property	Personal Property	Total					
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%
2019	18,638,568	167,964	18,806,532	1,278,910	20,085,442	36.164%	1,598,996,300	1.26%

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

¹ 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 ¹	
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
2019	36.164	0.000	16.588	34.906	4.529	92.187

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

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

PRINCIPAL TAXPAYERS
DECEMBER 31, 2019

Taxpayer	Type of Business	Rank	2019		Rank	2010	
			Individual Tax Capacity	Percent of Total Tax Capacity		Individual Tax Capacity	Percent of Total Tax Capacity
Cutters Grove Limited	Apartment Cutter's Grove	1	\$ 331,530	1.76%	4	\$ 231,708	1.39%
Federal Cartridge	Ammunition manufacturing	2	321,276	1.71%	3	246,428	1.48%
Hoffman Enclosures	Electrical enclosures	3	304,819	1.62%	1	290,106	1.74%
Walker Senior Housing	Apartments Senior Living & Care	4	294,922	1.57%			
Homestead at Anoka	Apartment Senior Living & Care	5	272,765	1.45%			
Anoka Industrial LLC	Bakery Products Warehouse	6	266,798	1.42%	2	251,808	1.51%
Ad Center LLC	Ammunition warehousing	7	262,290	1.39%			
Healthpartners	Healthcare	8	232,586	1.24%			
Cretex Companies	Medical device mfg	9	225,994	1.20%			
Paul & Eleanor Sade Trust	Sheet steel fabrication	10	215,642	1.15%	6	191,310	1.14%
CRV Anoka	Furniture warehousing		-		5	192,502	1.15%
Graco	Fluid handling				7	176,474	1.06%
Sundquist Properties II LLC	Precision machining		-		8	163,578	0.98%
Rural Community Ins	Insurance				9	161,380	0.97%
L R Anoka	Pharmacy Supplier				10	132,698	0.80%
			<u>\$ 2,728,622</u>	<u>14.51%</u>		<u>\$ 2,037,992</u>	<u>12.22%</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 ¹			
					Commercial	Residential	Nontaxable	Total
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
2019	890	9,822,019	11,307,548	21,129,567	704,329,000	894,667,300	341,867,300	1,940,863,600

¹ 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
2010	\$ 5,982,990	\$ 5,840,310	97.6%	\$ 142,484	\$ 5,982,795	100.0%
2011	5,576,597	5,478,335	98.2%	97,294	5,575,629	100.0%
2012	5,899,105	5,805,144	98.4%	93,262	5,898,406	100.0%
2013	5,856,105	5,789,071	98.9%	65,341	5,854,412	100.0%
2014	5,712,265	5,648,027	98.9%	61,898	5,709,925	100.0%
2015	5,707,246	5,649,416	99.0%	54,009	5,703,425	99.9%
2016	6,453,475	6,390,569	99.0%	56,501	6,447,070	99.9%
2017	6,641,230	6,593,821	99.3%	39,770	6,633,591	99.9%
2018	6,838,335	6,797,121	99.4%	30,785	6,827,906	99.8%
2019	7,028,564	6,974,745	99.2%	-	6,974,745	99.2%

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 ¹	Per Capita ¹
	General Obligation Bonds	G.O. Tax Increment Bonds	G.O. Revenue Bonds	Premium on Bonds	Met Council Loan	Revenue Bonds	Premium on Bonds			
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	1.40	739
2018	1,430,000	5,615,000	1,390,000	246,983	2,308,137	1,625,000	54,404	12,669,524	1.27	682
2019	1,060,000	5,430,000	1,265,000	227,822	2,308,137	1,540,000	51,219	11,882,178	1.16	640

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

¹ Population and personal income data can be found in the schedule of Demographic and Economic Statistics on [page 152](#).

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

Fiscal Year	General Obligation Bonds ¹	Premium on Bonds	Amounts		Percentage of Estimated Actual Value of Property ²	Per Capita ³
			Available in Debt Service Fund	Net Bonded Debt		
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	167
2018	2,820,000	246,983	547,394	2,519,589	0.17	136
2019	2,325,000	227,822	565,981	1,986,841	0.12	107

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

² Property value data can be found in the schedule of Building Permit Values and Real Property Values schedule on [page 144](#).

³ Population data can be found in the schedule of Demographic and Economic Statistics on [page 152](#).

**DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2019**

<u>Governmental Unit</u>	<u>Gross General Obligation Debt Outstanding</u>	<u>Percent Applicable to City¹</u>	<u>Net Amount Applicable to City</u>
Direct:			
City of Anoka	\$ 10,290,959	100%	<u>\$ 10,290,959</u>
Overlapping:			
Anoka County	73,895,000	4.78%	3,533,862
Anoka-Hennepin School District #11	175,390,000	7.15%	12,543,375
Met Council/RR Auth Special Dist	1,577,039,035	0.41%	<u>6,444,039</u>
Total Overlapping Debt			<u>22,521,276</u>
Total Direct and Overlapping Debt			<u><u>\$ 32,812,235</u></u>

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

¹ 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Market value of taxable property	\$ 1,338,735,500	\$ 1,224,073,500	\$ 1,153,576,994	\$ 1,050,914,000
Statutory debt limit (3% of market value)	40,162,065	36,722,205	34,607,310	31,527,420
Amount of debt applicable to debt limit:				
Total bonds and notes payable	21,593,813	16,943,813	16,517,460	15,777,460
Less:				
Amount available in debt service fund	4,438,862	475,643	455,642	443,168
Met Council loan	2,183,813	2,183,813	2,502,460	2,502,460
Revenue bonds	3,585,000	3,310,000	3,035,000	1,667,700
Improvement bonds	7,835,000	7,710,000	7,585,000	7,460,000
	<u>3,551,138</u>	<u>3,264,357</u>	<u>2,939,358</u>	<u>3,704,132</u>
Legal debt margin	<u>\$ 36,610,927</u>	<u>\$ 33,457,848</u>	<u>\$ 31,667,952</u>	<u>\$ 27,823,288</u>
Total debt applicable to the limit as a percentage of debt limit	9%	9%	8%	12%

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

2014	2015	2016	2017	2018	2019
<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>\$ 1,598,996,300</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>	<u>47,969,889</u>
21,147,460	13,436,649	15,737,460	13,128,137	12,368,137	11,603,137
359,292	459,205	1,991,191	544,057	547,394	565,981
2,502,460	2,502,460	2,502,460	2,308,137	2,308,137	2,308,137
1,421,850	440,000	2,020,000	1,710,000	1,625,000	1,540,000
<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>5,430,000</u>
<u>3,413,858</u>	<u>3,919,984</u>	<u>3,253,809</u>	<u>2,770,943</u>	<u>2,272,606</u>	<u>1,759,019</u>
<u><u>\$ 27,687,481</u></u>	<u><u>\$ 31,738,100</u></u>	<u><u>\$ 34,721,550</u></u>	<u><u>\$ 38,092,537</u></u>	<u><u>\$ 42,059,264</u></u>	<u><u>\$ 46,210,870</u></u>
11%	11%	9%	7%	5%	4%

PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue	Less	Net	Debt Service		Coverage
		Operating Expense	Available Revenue	Principal	Interest	
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
2019	674,280	89,586	584,694	85,000	39,608	4.69

CITY OF ANOKA, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population ¹	Median Age ¹	Personal Income (Amounts in Thousands) ³	City of Anoka Per Capita Income ²	County Per Capita Income ²	7-County Metro Area Per Capita Income ²	County Unemployment Rate ²	7-County Metro Area Unemployment Rate ²
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	18,205		958,651	52,659	51,047	62,556	3.1	2.7
2018	18,573		995,736	53,612	53,300	65,468	3.0	2.6
2019	18,573 est		1,028,573	55,380	54,912	66,456	3.2	2.8

Sources:

¹ Met Council.

² Minnesota Department of Employment and Economic Development.

³ City per capita times population.

PRINCIPAL EMPLOYERS
DECEMBER 31, 2019

Employer	2019			2010		
	Rank	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment
Anoka County Government Center	1	2,000	13.71%	4	1,140	8.24%
Federal Cartridge	3	950	6.51%	1	1,242	8.98%
Hoffman Enclosures/Pentair Tech	2	650	4.45%	3	1,217	8.80%
Anoka-Hennepin ISD #11	4	650	4.45%	2	1,221	8.83%
Anoka-Metro Treatment Center	5	630	4.32%	5	479	3.46%
Anoka County Jail/Corrections	6	600	4.11%			
Rural Insurance Group	7	300	2.06%	6	373	2.70%
Mate Precision Tool	8	350	2.40%	8	300	2.17%
Copper Sales/Firestone Metals	9	300	2.06%	10	201	1.45%
Anoka Rehab and Living Center	10	260	1.78%			
Anoka Technical College				7	324	2.34%
DecoPac		-	0.00%	9	205	1.48%
		6,690	45.85%		6,702	48.45%
Total City-wide employment ¹		14,591			13,830	

¹ Minnesota Department of Employment and Economic Development.

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2010	2011	2012	2013
City manager	2.80	2.63	2.63	2.32
Assessing	1.50	1.00	1.00	1.00
Human resources	2.00	2.00	2.00	2.00
Finance	5.00	5.00	5.00	4.58
Community development	1.30	1.49	1.50	1.32
Planning and property maint/insp	3.10	2.65	2.65	2.65
Building maintenance	0.85	0.95	0.95	0.88
Municipal buildings	0.25	0.48	0.48	0.55
Total general government	16.80	16.20	16.21	15.30
Building inspections	1.85	1.85	1.85	1.60
Police	29.20	28.45	30.08	30.08
Security - Regional treatment ctr	0.40	0.45	0.45	0.45
Security - Technical college	-	0.05	0.05	0.05
Security - High school	-	0.05	0.05	0.05
Security - Liaison officer	2.15	1.80	1.85	1.85
Downtown/Crime free housing	-	-	-	-
Total police	33.60	32.65	34.33	34.08
Total fire	4.60	4.60	4.60	4.60
Total public safety	38.20	37.25	38.93	38.68
Engineering	1.30	1.80	1.75	1.75
Streets	6.53	5.68	5.68	5.68
Total public works	7.83	7.48	7.43	7.43
Event center	-	-	-	-
Senior center	0.40	0.33	0.33	0.33
Aquatic center	0.35	0.28	0.28	0.28
Community programs & recreation	1.56	1.76	1.58	1.58
Municipal parks	4.87	4.03	4.08	4.08
City beautification	0.50	0.28	0.28	0.28
Total parks and recreation	7.68	6.68	6.55	6.55
Total general fund	70.51	67.61	69.12	67.96
HRA	1.05	1.11	1.50	1.50
Parking	0.85	2.15	1.15	1.15
Cemetery	0.65	1.03	0.93	0.93
Central equipment (garage)	2.05	2.05	2.05	2.05
Electric	19.85	17.90	17.90	18.00
Water	3.76	3.76	3.26	3.26
Sewer	3.76	3.76	3.26	3.26
Liquor stores	4.00	4.00	4.00	4.00
Golf course	3.17	3.17	3.17	3.17
Recycling	0.40	0.51	0.38	0.38
Total other funds	39.54	39.44	37.60	37.70
Total all funds	110.05	107.05	106.72	105.66

Source: City of Anoka departments

CITY OF ANOKA, MINNESOTA

(Unaudited)

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

2014	2015	2016	2017	2018	2019
2.63	3.13	3.15	3.45	3.45	3.45
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	-	-	-
4.60	4.60	4.65	4.70	4.70	4.70
1.00	1.00	1.00	1.00	1.00	1.00
3.40	3.15	3.25	2.80	3.05	2.80
0.95	0.75	1.75	1.60	1.48	1.50
0.48	0.35	0.33	0.45	0.43	0.45
16.06	15.98	17.13	15.00	15.11	14.90
1.60	1.60	1.50	1.45	1.20	1.20
30.08	30.28	34.55	35.85	29.95	33.00
0.45	0.50	0.45	1.60	1.60	-
0.05	0.10	-	-	-	-
0.05	0.10	0.05	0.10	0.10	0.15
1.85	1.85	1.85	1.85	1.85	1.85
-	-	-	1.50	3.50	5.00
34.08	34.43	38.40	42.35	38.20	41.20
-	-	-	-	-	-
34.08	34.43	38.40	42.35	38.20	41.20
1.75	1.50	1.33	1.30	1.30	1.30
6.68	7.18	7.18	6.70	6.48	7.70
8.43	8.68	8.51	8.00	7.78	9.00
-	0.40	0.50	0.40	0.38	0.40
0.33	0.33	0.55	0.60	0.55	0.60
0.28	0.28	0.28	0.55	0.40	0.60
1.63	1.63	1.58	2.25	2.65	2.25
4.08	4.08	4.73	4.50	4.50	6.45
0.18	0.18	0.18	0.20	0.20	0.20
6.50	6.90	7.82	8.50	8.68	10.50
65.07	65.99	71.86	73.85	69.77	75.60
1.00	0.75	0.75	1.00	1.00	1.00
0.85	0.80	0.85	0.85	0.85	0.85
0.88	0.88	1.00	0.65	0.60	0.65
1.05	1.45	1.55	1.55	1.55	1.55
18.40	17.40	18.35	18.30	18.30	18.30
3.26	3.56	3.56	3.55	3.55	3.55
3.26	2.96	2.96	2.95	2.95	2.95
4.00	4.00	4.00	4.00	4.00	4.00
3.12	3.25	2.55	2.95	2.95	2.95
0.38	0.37	0.35	0.35	0.35	0.35
36.20	35.42	35.92	36.15	36.10	36.15
101.27	101.41	107.78	110.00	105.87	111.75

CITY OF ANOKA, MINNESOTA

(Unaudited)

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elections										
Number of voters	10,049		11,727		10,185		11,385		10,663	
% participation in general election	56%		76%		51%		75%		64%	
Building inspections										
No. of permits issued	478	517	443	434	462	579	474	406	445	890
Total permit valuation (in thousands)	\$ 10,715	\$ 11,336	\$ 38,804	\$ 23,672	\$ 31,734	\$ 46,974	\$ 34,437	\$ 23,182	\$ 19,328	\$ 21,129
Public safety										
Police										
Police activity	18,451	20,148	21,299	20,087	20,260	20,127	20,947	21,092	21,648	23,368
Part 1 crime	782	869	766	619	604	610	679	572	464	432
Traffic accidents	762	698	648	727	920	732	786	833	689	863
Public works										
Sidewalk repair costs	72,422	65,019	70,731	46,963	8,341	48,405	23,102	48,249	35,423	20,834
Parks and recreation										
Senior Center passengers	3,000	2,900	4,268	5,700	4,651	4,943	4,873	4,795	4,936	3,852
Picnic shelter reservations	150	190	212	158	178	183	148	162	178	245
Swim lesson participants	978	1,028	1,103	1,072	1,106	1,083	1,236	1,021	1,059	1,195
Open swim attendance	42,567	44,000	47,000	39,407	34,804	42,140	36,366	29,937	36,925	33,389
Parking										
Parking permits issued	75	66	71	113	168	186	299	345	345	223
Parking ramp permits issued	41	58	91	61	69	86	-	-	-	-
Electric										
Avg KWHS consumption daily	726,330	727,926	738,266	760,714	750,133	760,161	754,067	736,580	758,189	731,524
Water										
Avg daily consumption in cubic feet	259,548	249,198	262,148	227,385	230,685	235,813	233,602	231,588	240,584	212,476
Golf										
Rounds of golf purchased	33,344	29,614	33,776	28,486	32,745	32,764	33,958	32,089	30,288	31,399

Source: City of Anoka departments

CITY OF ANOKA, MINNESOTA

(Unaudited)

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	26	24	25	23	27	25	24
Public works										
Street miles	67.28	67.28	67.28	67.28	67.68	68.54	68.54	69.02	69.20	69.20
Parks and recreation										
City park acres maintained	595	595	595	595	595	595	597	597	597	597
Cemetery acres	29	29	29	29	29	29	29	29	29	29
Libraries	-	-	-	-	-	-	-	-	-	-
Trail miles	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
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	2	2	2	2	2	2
Portable docks	5	5	6	6	4	5	5	5	5	5
Parking										
Ramps	2	2	2	2	2	2	2	2	2	2
Lots	6	6	6	6	6	4	4	4	4	4
Electric										
Overhead wire miles	163	159	159	154	147	148	140	134	134	161
Underground wire miles	162	162	162	182	191	192	199	208	208	339
Substations	3	3	3	3	3	4	4	4	4	4
Street lights	1,795	1,795	1,795	1,795	1,805	1,874	1,874	1,851	1,851	1,851
Water										
Water main miles	82.53	82.53	82.53	83.44	83.46	86.17	86.33	87.44	87.44	87.44
Wells	8	8	8	8	8	8	8	8	8	8
Sewer/storm sewer										
Sanitary sewer miles	64.97	64.97	64.97	65.64	65.67	67.15	67.28	67.67	67.67	67.67
Storm sewer miles	29.04	29.04	29.04	30.00	31.00	34.03	34.85	34.95	34.95	35.86
Liquor										
Stores	2	2	2	2	2	2	2	2	2	2
Golf										
Golf course acres	126	126	126	126	126	126	126	126	126	126

Source: City of Anoka departments