

# ANOKA

REAL. CLASSIC.

**CITY OF ANOKA, MINNESOTA**  
**HALLOWEEN CAPITAL OF THE WORLD**  
**100TH ANNIVERSARY**



**2020 COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**



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# **CITY OF ANOKA, MINNESOTA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the Year Ended December 31, 2020**

**Prepared by the Finance Department**

**Brenda Springer, Director**

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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Image of Iron Jack pumpkin sculpture at  
Anoka City Hall



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# CITY OF ANOKA, MINNESOTA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 21, 2021

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, 2020.

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, 2020, 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, 2020, 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.

### **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 18,700.

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.

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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 90](#). Special revenue fund budgetary comparisons start on [page 99](#).

### **Factors Affecting Financial Condition**

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

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

The worldwide Covid-19 pandemic had local impact as businesses were required to temporarily close or change the methods of operation to comply with local, state and federal regulations to prevent spread. The City made funds available through grants to local businesses, refunded partial business license fees, and waived late fees on utility accounts for all customer classes.

# CITY OF ANOKA, MINNESOTA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City agreed to protect consumers from disconnection of electric and water service for non-payment effective March 31, 2020 until the State of Minnesota removes the peacetime state of emergency designation. The City also created extra outdoor seating where it could for local restaurants and bars, including fire pits, to assist with limited indoor seating requirements. Anoka County had a peak unemployment rate of 9.8% in May 2020. The rate in December 2019 was 3.2% and the rate in December of 2020 was 4.8%. Signs are favorable for continued improvement in employment rates for 2021.

The City of Anoka area had an employed labor force at the end of 2020 of approximately 13,670 which is a 7.1% decrease from the end of 2019 but higher than the second and third quarters of 2020. The employed labor force still compares favorably to the 7,659 housing units located within the corporate boundaries. The city's current tax base consists of 45% residential homesteaded property, 38% commercial/industrial and residential non-homesteaded properties, and 17% 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 townhome developments under construction or in development 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.

**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 completed land purchases 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 come from state, county, and federal sources, with some minor portion supported by the local taxpayers.

The City continues to work on local street improvement projects by reconstructing approximately one mile of city streets every year. The annual cost of reconstruction improvements are built into the City's capital improvement planning.

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

**Major initiatives.** In 2020 the City began construction of the new Park Maintenance building. This move allows the City to sell the property previously used for this for redevelopment and return to the tax rolls. The developer plans to break ground in 2021. In 2021 the City will begin construction of a Law Enforcement Training Center.

# CITY OF ANOKA, MINNESOTA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Both projects will be paid for with bond issues that will occur in summer 2021. In 2020, the City continued its Street Renewal Program with completion of two projects totaling 1.23 miles of reconstructed roads and utilities. An additional .44 miles is planned for 2021. In Fall 2021 the City will begin bid process for TH-10/169 Improvement Project. Land acquisitions begun in 2020 and will be completed in 2021.

### **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 for the fiscal year ended December 31, 2019. This was the 40th 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 annual report. 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 annual report 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 for the fiscal year ended December 31, 2019. In order to receive an award, a government unit must publish a popular report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. The City of Anoka has received a Popular Award for the last five consecutive years.

The GFOA awarded the Distinguished Budget Presentation Award to the City of Anoka for its 2020 Budget. This was the 14th consecutive year that the City has received this prestigious award. To be awarded a Distinguished Budget Presentation Award, the City published an easily readable and efficiently organized budget. The budget 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

CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT



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**City of Anoka  
Minnesota**

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*Christopher P. Morill*

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**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



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, 2019**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Elected and Appointed Officials**

**December 31, 2020**

**City Council**

Phil Rice, Mayor  
Term Expires 12/31/2022

Elizabeth Barnett, Councilmember  
Term Expires 12/31/2022

Jeff Weaver, Councilmember  
Term Expires 12/31/2024

Erik Skogquist, Councilmember  
Term Expires 12/31/2022

Brian Wesp, Councilmember  
Term Expires 12/31/2024

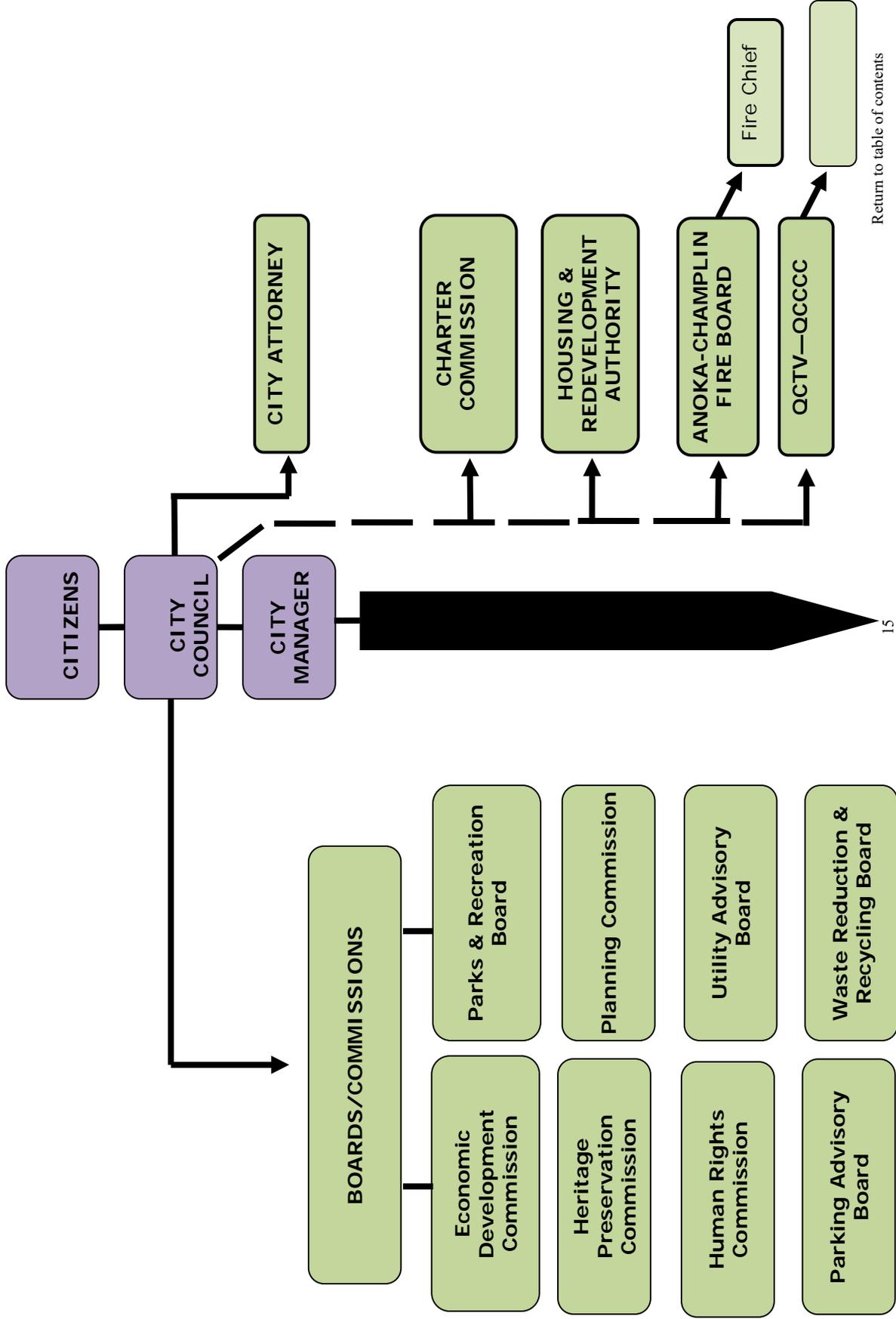
**City Managerial Staff**

**Employee**

**Position**

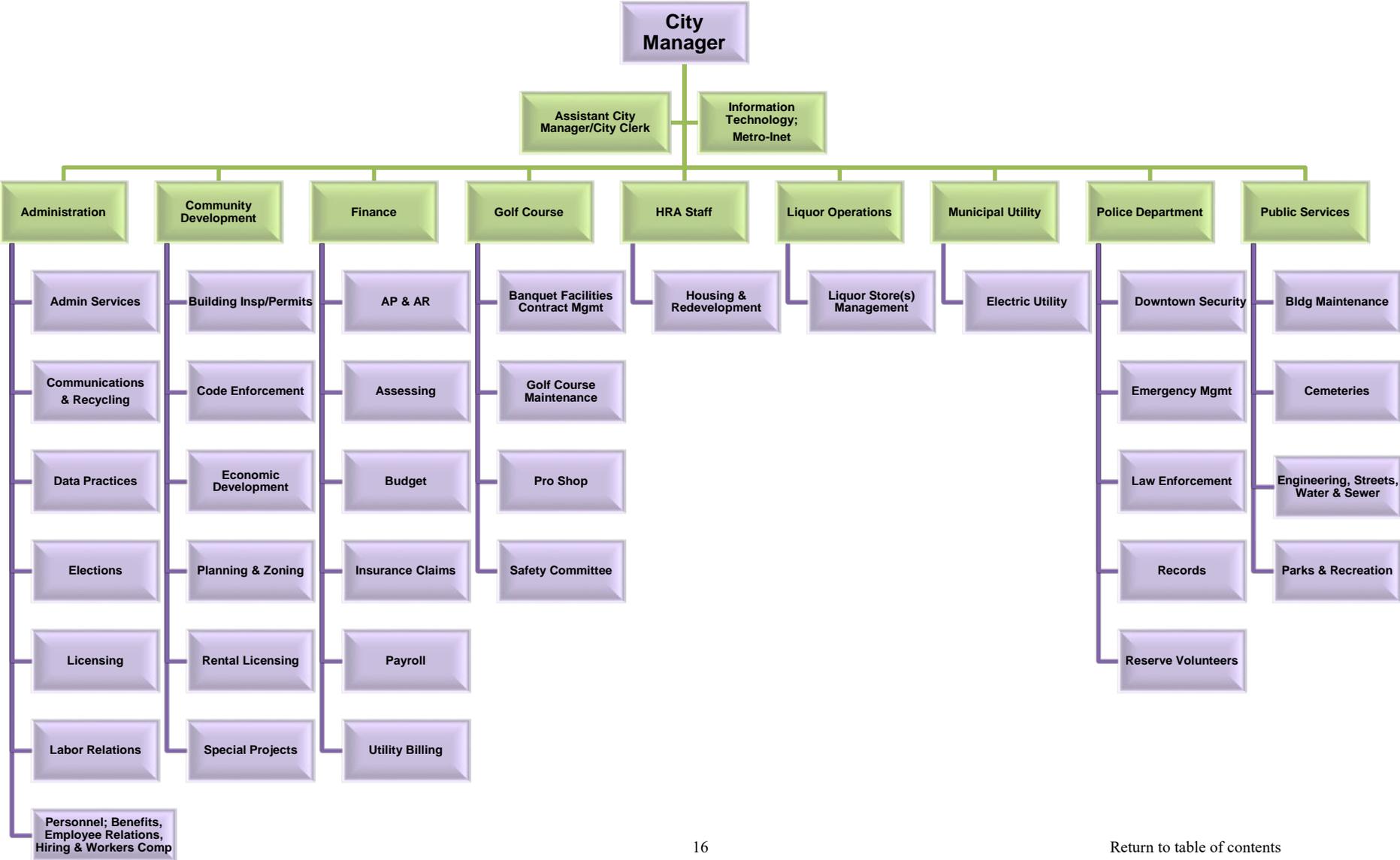
Greg Lee	City Manager
Scott Baumgartner	City Attorney
Doug Borglund	Community Development/Planning Director
Greg Geiger	Electric Utility Director
Brenda Springer	Finance Director
Ted Massicotte	Fire Chief
Larry Norland	Golf Operations
Dave Duwenhoegger	Liquor Operations
Eric Peterson	Police Chief
Mark Anderson	Public Services Director

# Organizational Chart



# CITY OF ANOKA, MINNESOTA COMPREHENSIVE ANNUAL FINANCIAL REPORT

## Organizational Chart



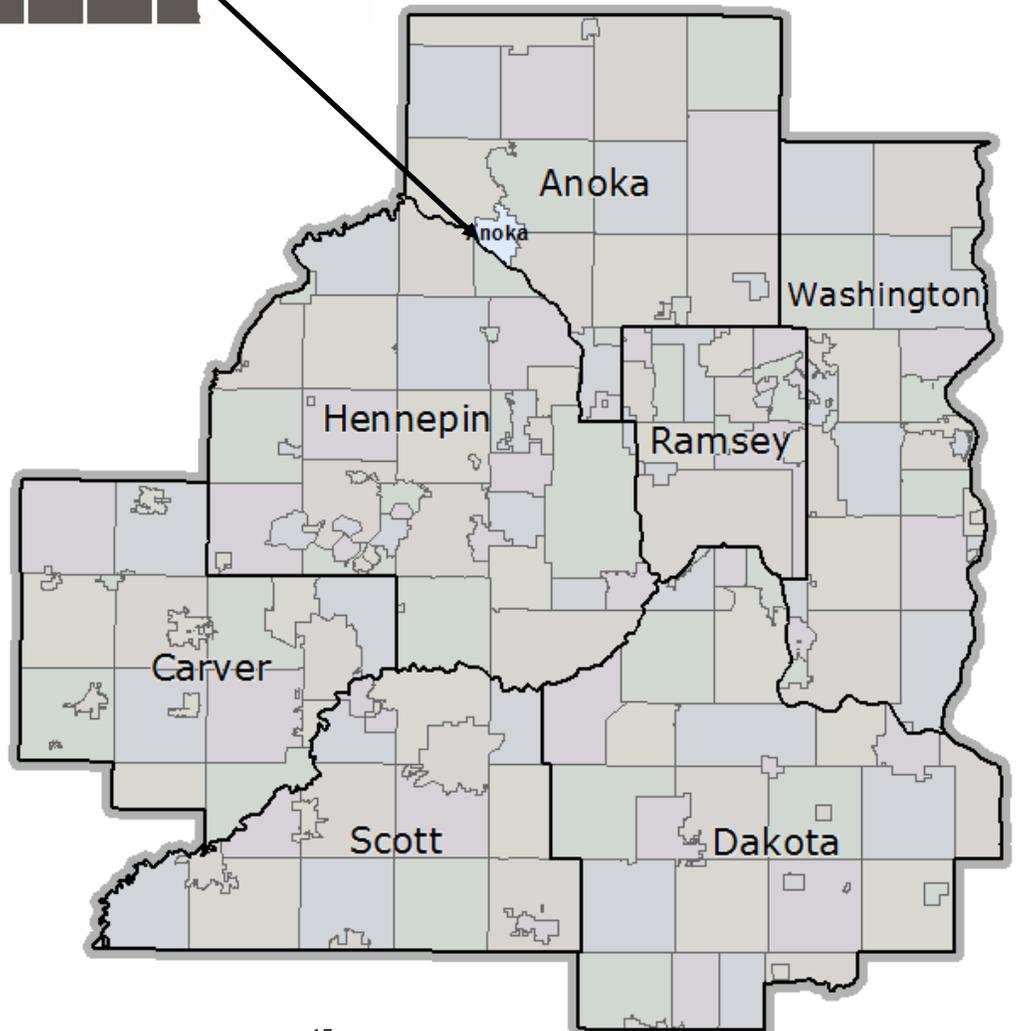
# CITY OF ANOKA, MINNESOTA COMPREHENSIVE ANNUAL FINANCIAL REPORT



## City of Anoka geographical location

The City of Anoka is the County Seat of Anoka County.

Anoka County is part of the 7-county Minneapolis-St Paul metropolitan region.





## 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, 2020, 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.

# CITY OF ANOKA, MINNESOTA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### 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, 2020, 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.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that management's discussion and analysis on pages 21-31, information about the City's net pension liability and other post-employment benefits on pages 84-89, and budgetary comparison information on pages 90-91, 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.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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 3, 2021, 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*

Wipfli LLP

June 3, 2021  
Minneapolis, Minnesota

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**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, 2020. 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 8-11](#) of this report.

### **Financial Highlights**

- At the close of 2020, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$167,198,194 (net position). Of this amount, \$15,847,555 (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 \$11,846,708 or 7.6 percent.
- As of the close of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$2,410,807, which is a decrease of \$627,719 from 2019.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,533,135, or 43.5 percent of total general fund expenditures.
- The City of Anoka’s total bonded debt increased by \$7,760,000 during the current fiscal year.

### **Overview of the Financial Statements**

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Anoka that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Anoka include general government, public safety, public works, and parks and recreation.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**

The business-type activities of the City of Anoka include electric, water, sanitary sewer, liquor, golf, storm drainage, refuse, and recycling. The government-wide financial statements can be found on [pages 32 and 33](#) 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, Building Improvement 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 34-37](#) 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 governmental-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

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business-type functions, and they have been included within both governmental activities and business-type functions in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, and exclude internal service fund allocations. The proprietary fund financial statements provide separate information for the electric, water, storm drainage, and liquor operations,

which are considered to be major funds of the City of Anoka. Sewer, golf, refuse, and recycling are considered non-major funds and are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

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

The basic proprietary fund financial statements can be found on [pages 38-43](#) 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 44](#) 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 46](#) 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 93](#) 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 2020 assets plus deferred outflows exceeded liabilities plus deferred inflows by \$167,198,194.

The largest portion of the City of Anoka's net position (86.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that 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

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that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Anoka Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other	\$ 9,821,678	\$ 8,955,000	\$ 30,603,962	\$ 26,668,491	\$ 40,425,640	\$ 35,623,491
Capital assets	115,550,351	101,852,747	48,841,467	46,373,370	164,391,818	148,226,117
Total assets	<u>125,372,029</u>	<u>110,807,747</u>	<u>79,445,429</u>	<u>73,041,861</u>	<u>204,817,458</u>	<u>183,849,608</u>
Deferred outflows of resources	<u>2,068,105</u>	<u>2,994,802</u>	<u>449,102</u>	<u>250,172</u>	<u>2,517,207</u>	<u>3,244,974</u>
Current and other	3,354,360	2,458,859	3,952,469	3,779,026	7,306,829	6,237,885
Long-term liabilities	21,967,482	16,069,953	8,173,046	4,398,798	30,140,528	20,468,751
Total liabilities	<u>25,321,842</u>	<u>18,528,812</u>	<u>12,125,515</u>	<u>8,177,824</u>	<u>37,447,357</u>	<u>26,706,636</u>
Deferred inflows of resources	<u>2,545,976</u>	<u>4,595,413</u>	<u>143,138</u>	<u>441,047</u>	<u>2,689,114</u>	<u>5,036,460</u>
Net position	<u>\$ 99,572,316</u>	<u>\$ 90,678,324</u>	<u>\$ 67,625,878</u>	<u>\$ 64,673,162</u>	<u>\$ 167,198,194</u>	<u>\$ 155,351,486</u>
Net investment in capital assets	\$ 100,463,238	\$ 91,561,788	\$ 43,809,804	\$ 44,782,151	\$ 144,273,042	\$ 136,343,939
Restricted:						
Debt	554,827	234,604	-	-	554,827	234,604
Tax increment	6,522,770	6,414,787	-	-	6,522,770	6,414,787
Unrestricted	<u>(7,968,519)</u>	<u>(7,532,855)</u>	<u>23,816,074</u>	<u>19,891,011</u>	<u>15,847,555</u>	<u>12,358,156</u>
Total net position	<u>\$ 99,572,316</u>	<u>\$ 90,678,324</u>	<u>\$ 67,625,878</u>	<u>\$ 64,673,162</u>	<u>\$ 167,198,194</u>	<u>\$ 155,351,486</u>

The net position of the City of Anoka increased by \$11,846,708. The primary reason for the increase in net position is investment to capital assets through infrastructure projects finished in 2020 and increased operating revenue in the proprietary funds. The increased operating revenue was used to build unrestricted fund balance in the funds. A small portion of the City of Anoka's net position, 4.2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$15,847,555 may be used to meet the City's ongoing obligations to citizens and creditors. Net investment in capital assets increased by \$7,929,103, or 5.8 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 2021 bonding. Net position restricted for debt increased by \$320,223, and net position restricted for tax increments increased by \$107,983, for a net increase in restricted net position of \$428,206.

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.

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**Governmental Activities**

Governmental activities account for 61.5 percent of the City of Anoka's net position. For the year ended December 31 2020, there is an increase in net position for governmental activities of \$8,893,992. Total general revenues for governmental activities amounted to \$14,011,029; transfers in were \$1,393,470; gain on disposal of capital assets was \$998,780. Total expenses were \$16,918,395.

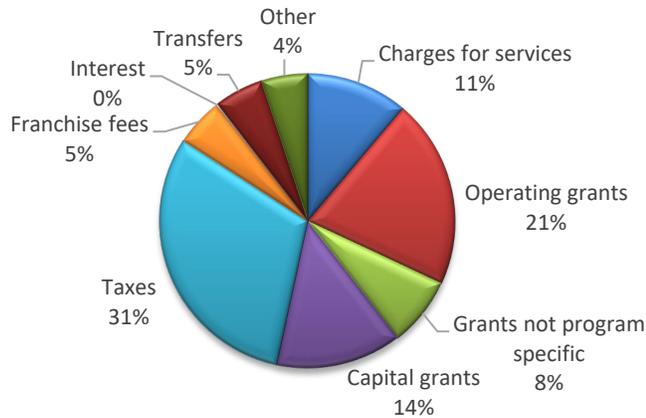
Key elements of the increase in net position are as follows.

	City of Anoka's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 2,888,359	\$ 2,357,432	\$ 41,098,927	\$ 39,423,756	\$ 43,987,286	\$ 41,781,188
Operating grants and contributions	5,348,931	347,271	206,482	53,415	5,555,413	400,686
Capital grants and contributions	3,564,068	3,740,950	-	-	3,564,068	3,740,950
General revenues:						
Property taxes	7,947,349	7,644,001	-	-	7,947,349	7,644,001
Franchise taxes	1,353,488	1,315,467	-	-	1,353,488	1,315,467
Grants and contributions not restricted to specific programs	1,976,993	1,829,333	-	-	1,976,993	1,829,333
Investment income, net	37,510	250,681	491,638	645,719	529,148	896,400
Other	303,439	80,902	451,066	337,025	754,505	417,927
Total revenues	<u>23,420,137</u>	<u>17,566,037</u>	<u>42,248,113</u>	<u>40,459,915</u>	<u>65,668,250</u>	<u>58,025,952</u>
Expenses:						
General government	2,882,766	2,583,603	-	-	2,882,766	2,583,603
Public safety	7,059,355	6,534,566	-	-	7,059,355	6,534,566
Public works	3,499,233	3,143,535	-	-	3,499,233	3,143,535
Park and recreation	2,816,971	3,019,196	-	-	2,816,971	3,019,196
Interest on debt	660,070	564,216	-	-	660,070	564,216
Electric	-	-	27,503,734	27,737,971	27,503,734	27,737,971
Water	-	-	1,536,990	1,454,722	1,536,990	1,454,722
Liquor	-	-	4,613,761	4,125,519	4,613,761	4,125,519
Storm drainage	-	-	283,450	244,539	283,450	244,539
Sewer	-	-	2,372,326	2,358,704	2,372,326	2,358,704
Golf	-	-	1,228,152	1,118,253	1,228,152	1,118,253
Recycling	-	-	387,069	360,038	387,069	360,038
Total expenses	<u>16,918,395</u>	<u>15,845,116</u>	<u>37,925,482</u>	<u>37,399,746</u>	<u>54,843,877</u>	<u>53,244,862</u>
Gain on disposal of capital assets	998,780	452,706	23,555	16,380	1,022,335	469,086
Increase in net position before transfers and contributed capital	7,500,522	2,173,627	4,346,186	3,076,549	11,846,708	5,250,176
Transfers	1,393,470	1,032,200	(1,393,470)	(1,032,200)	-	-
Change in net position	<u>8,893,992</u>	<u>3,205,827</u>	<u>2,952,716</u>	<u>2,044,349</u>	<u>11,846,708</u>	<u>5,250,176</u>
Net position on Jan. 1	90,678,324	87,472,497	64,673,162	62,628,813	155,351,486	150,101,310
Net position on Dec. 31	<u>\$ 99,572,316</u>	<u>\$ 90,678,324</u>	<u>\$ 67,625,878</u>	<u>\$ 64,673,162</u>	<u>\$ 167,198,194</u>	<u>\$ 155,351,486</u>

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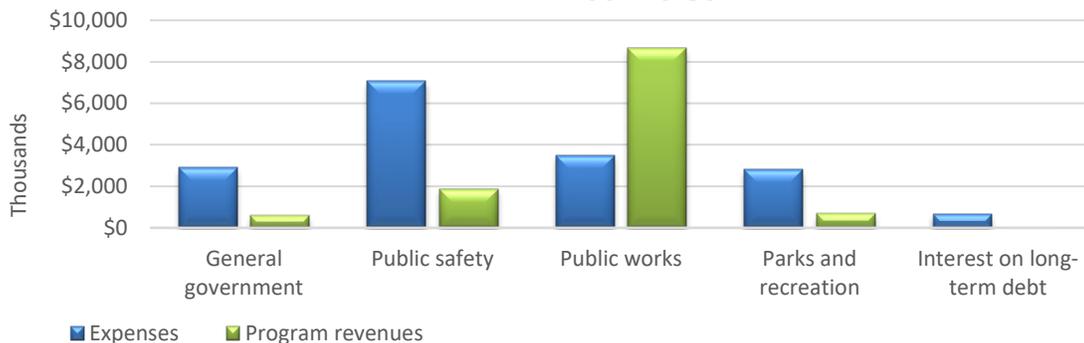
Following are specific graphs that provide comparisons of the governmental activities revenues and expenses.

**Revenue Sources - Governmental Activities**



- Total property tax collection increased by \$303,348 during the year, which is due to the tax levy increase, as well as increased property values within the City.
- Charges for service increased by \$530,927. Charges for services vary every year because they are based on projects occurring throughout the city. The largest portions of increase this year were in public safety as a result of increased building permits, and public works as a result of increased sewer and water access charges. Both increases result from higher than expected construction activity in the City in 2020.
- Operating grants and contributions increased by \$5,001,660 in 2020. The City received CARES Act funds totaling \$1,399,295 and \$1,135,400 of those dollars were used in Governmental Funds to cover specific Covid-19 costs. Additionally, Anoka County provided reimbursement grants for projects related to the ongoing Highway 10 projects.
- Investment income decreased \$213,171 in 2020 due to lower rates of return on investments, as well as the one-time transfer of accumulated interest from escrow to the General Fund that occurred in 2019.
- All governmental expenses, except interest on long-term debt, are supported with general revenues to a varying extent.

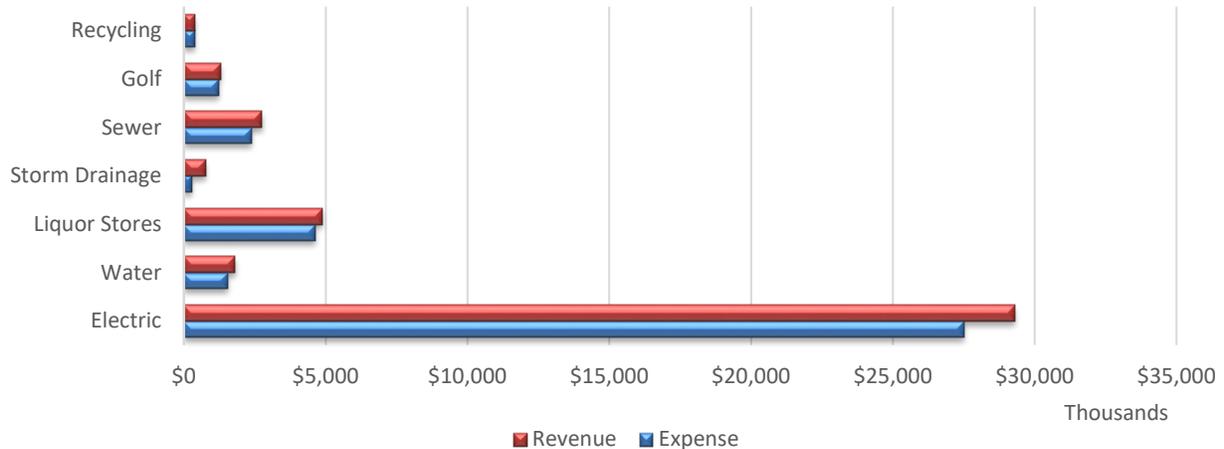
**Expenses and Program Revenues - Governmental Activities**



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**Business-type activities.** Business-type net position increased by \$2,952,716. The increase is primarily associated with increases in sales and services in Golf and Liquor Funds. Electric, Water, Sewer and Storm Drainage funds all built 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 \$41,098,927. The electric public utility accounts for 71.3 percent of the total. Overall business-type charges for services increased by \$1,675,171 when compared with 2019. Golf and Liquor sales and services both increased dramatically, as nationally those types of business saw increases due to the Covid-19 restrictions placed on other types of recreation.
- Investment income in business-type activities decreased in 2020 by \$154,081 as a result of current market conditions.
- Operating expenses increased by \$525,736 when compared to 2019. The largest source of the increase is in costs of goods sold in Golf and Liquor Funds. The increased sales in those funds meant an additional \$482,371 in goods were purchased.

**Financial Analysis of the City’s Funds**

**Governmental funds.** The focus of the City of Anoka's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Anoka's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$2,410,807, a decrease of \$627,719. The decrease is primarily the result of the new Park Maintenance Building that was constructed in 2020. Bonding in 2021 will be used to reimburse the City for the construction of the building.

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Of the total governmental fund balance, \$60,756 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 \$5,533,135, while total fund balance was \$5,593,891. 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 43.5 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$525,743 during the current year. Operating revenue exceeded expense by \$525,243. Actual expenditures were under final budget by \$856,765. The majority of the expenditures under budget occurred as a result of lower than budgeted professional services. Federal funds from the CARES Act were used to reimburse departments for purchases made and time spent on duties substantially related to the Covid-19 pandemic. Departments continue to create better efficiencies through new technological uses and streamlining processes. Key factors are as follows:

- The General Fund tax levy for 2020 increased by \$274,441 from the tax levy in 2019. Actual General Fund tax revenues in 2020 were up \$282,647 compared with 2019.
- The City's General Fund used \$1,135,400 in federal grant money from the CARES (Coronavirus Aid, Relief, and Economic Security) Act to reimburse expenses for personal protective equipment, increased safety in work spaces, grants to Anoka businesses, and other eligible expenses.
- Public Safety expenses in the General Fund increased over 2019 by \$448,060. This is largely due to changes in shifts and additional time spent to sanitize equipment and vehicles due to the Covid-19 pandemic. Parks and Recreation expenses in the General Fund decreased by \$103,984 in the same time period, since the pandemic canceled or curtailed much of the recreational activities offered by the City for 2020.

The Building Improvement Fund has a fund deficit of \$3,675,315 which is a decrease of \$3,757,266 from 2019 and which will be eliminated in 2021 with new public facility bond issuance. The State Aid Construction Fund has a fund balance of \$734,431 which is a decrease of \$126,210 from 2019. The Street Renewal Fund balance has fund balance of \$529,298, which is an decrease of \$1,675,941 from 2019. The Commuter Rail Transit Village Tax Increment Fund has a deficit fund balance of \$2,819,179. 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 \$3,627,172. Greens of Anoka TIF completed necessary land purchases in 2020 for the redevelopment plan. 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.

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**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 - \$17,950,398, Water - \$2,945,959, Liquor - \$1,107,985, and Storm Drainage - \$534,566. All proprietary funds had increases in net position in 2020, with the exception of the Refuse Fund. This fund was closed and net position balance was transferred to the Recycling Fund. The City no longer provides billing service for trash collection, which was accounted for in the Refuse fund. In the event that the City adopts an organized hauling policy, the Recycling Fund will include refuse collection operations.

## **Budgetary Highlights**

### **General Fund**

The amendment to the original expenditure budget for the General Fund in 2020 included recognition of revenue and expenses related to the Covid-19 pandemic. Budgeted revenue was increased \$1,135,400 which was the amount of CARES Act federal grant money used in the General Fund. Budgeted expenses were increased \$1,132,400 for a net change of \$3,000. Actual expenditures were under the final budget amount by \$856,765 and actual revenues were under the final budget by \$184,022. Highlights of expenditure variances from the 2020 budget are summarized as follows:

- General government activities under budget by \$195,894
- Public safety activities under budget by \$228,830
- Public works activities under budget by \$214,903
- Parks and recreation under budget by \$217,138

## **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, 2020, amounts to \$164,391,818 (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 10.9 percent, or \$16,165,701. There is a 13.5 percent increase in governmental activities investment in capital assets and a 5.3 percent increase for business-type activities investment in capital assets.

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

- \$4.9 million for the new Park Maintenance building
- \$4.8 million for street renewal and improvement projects
- \$4.6 million in utility distribution improvements

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The capital assets note (see Note 7) to the financial statements, which begins on [page 62](#) of this report, provides more detailed information on capital asset activity.

	City of Anoka's Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 9,026,510	\$ 9,026,510	\$ 1,322,349	\$ 1,322,349	\$ 10,348,859	\$ 10,348,859
Construction in progress	12,265,222	6,221,109	182,608	99,197	12,447,830	6,320,306
Infrastructure	68,436,469	64,599,119	42,990,411	40,632,750	111,426,880	105,231,869
Buildings and structures	22,780,184	18,706,198	1,499,724	1,551,719	24,279,908	20,257,917
Machinery and equipment	2,900,645	3,168,236	2,086,029	1,976,362	4,986,674	5,144,598
Furniture and equipment	141,321	131,575	6,277	18,186	147,598	149,761
Other improvements	-	-	754,069	772,807	754,069	772,807
<b>Total capital assets</b>	<b>\$ 115,550,351</b>	<b>\$ 101,852,747</b>	<b>\$ 48,841,467</b>	<b>\$ 46,373,370</b>	<b>\$ 164,391,818</b>	<b>\$ 148,226,117</b>

**Long-term debt.** At the end of the current fiscal year, the City of Anoka had total long-term debt outstanding of \$17,055,000. The City has \$15,600,000 of long-term debt for tax increment, public safety buildings, public facilities, and public improvements. 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 \$1,455,000 in the Storm Drainage Fund for utility improvements.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 12,250,000	\$ 7,755,000	\$ 3,350,000	\$ -	\$ 15,600,000	\$ 7,755,000
Revenue bonds	-	-	1,455,000	1,540,000	1,455,000	1,540,000
Met Council loan	2,308,137	2,308,137	-	-	2,308,137	2,308,137
<b>Total outstanding debt</b>	<b>\$ 14,558,137</b>	<b>\$ 10,063,137</b>	<b>\$ 4,805,000</b>	<b>\$ 1,540,000</b>	<b>\$ 19,363,137</b>	<b>\$ 11,603,137</b>

The City of Anoka's total debt increased by \$7,760,000 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 in its beginning phase 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 \$50,915,079 based on 2020 estimated market value of \$1,697,169,300. The City's current outstanding debt that applies to the limitation is \$19,363,137, and only \$598,937 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 63](#) of this report.

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

- The unemployment rate in Anoka County in December 2020 was 4.8 percent, compared with 3.2 percent a year ago. Overall, unemployment in the state of Minnesota was at 4.9 percent and for the United States at 6.6 percent. Peak unemployment in 2020, in the County as well as the State, occurred between April and June at between 9 and 11 percent. These rates are due to the Covid-19 pandemic. The City continues to see unemployment rates return to more normal numbers faster than the national average.
- Total estimated market value increased approximately 6.1 percent in 2020, and net tax capacity increased approximately 2.4 percent
- The occupancy rate for industrial properties city-wide is 97.8 percent. The City's industrial park district is maintaining about a 95.0 percent occupancy rate.

These factors and other factors were considered when the City of Anoka prepared its 2021 budget. The City did not include any additional federal funds relating to the Covid-19 pandemic when creating its 2021 budget, if additional funds are released to cities a budget adjustment will be made.

At the end of 2020, total unassigned fund balance in the General Fund was \$5,533,135. The nonspendable fund balance of \$60,756 is for inventories and prepaid items. The City's 2021 total tax levy increased by \$143,095, or 1.96 percent over last year.

The General Fund budgeted revenues (excluding uses of fund balance) are decreasing by a total of 1.8 percent in 2021. Total general fund budgeted expenditures also decreased by 2.9 percent in 2021. The General Fund will not transfer funds out for debt service or capital projects in 2021 and utilized a debt service levy to cover debt not financed by other sources. General Fund expenditures have remained relatively the same over the past several years with 2021 budgeted expenses 2.2 percent over the six-year average.

In 2021, the storm drainage utility rate will increase by approximately 5.4 percent to help offset infrastructure costs in the future. The residential recycling program will increase fees by 21.8 percent to offset the cost of disposal of recycling. This fee increase should cover charges for this service without increase for three years or more. The contract for our residential recycling contractor was up for bid in 2020 and the City changed contractors in April 2021 from Republic Services to Ace Solid Waste.

**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**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	HRA
<b>Assets and Deferred Outflows of Resources</b>				
Current assets:				
Cash and investments	\$ 13,628,950	\$ 5,313,584	\$ 18,942,534	\$ 976,413
Taxes receivable	293,538	-	293,538	12,441
Accounts receivable	3,861,213	4,013,138	7,874,351	449,578
Special assessments receivable	-	39,472	39,472	-
Internal balances	(19,307,322)	19,307,322	-	-
Inventories	38,080	1,791,166	1,829,246	-
Prepaid items	154,528	139,280	293,808	-
Land held for resale	8,707,696	-	8,707,696	2,113,753
Total current assets	<u>7,376,683</u>	<u>30,603,962</u>	<u>37,980,645</u>	<u>3,552,185</u>
Noncurrent assets:				
Special assessments receivable	2,444,995	-	2,444,995	-
Nondepreciable capital assets	21,291,732	1,504,957	22,796,689	237,058
Capital assets - Net of depreciation:				
Infrastructure	68,436,469	42,990,411	111,426,880	778,746
Buildings and structures	22,780,184	1,499,724	24,279,908	-
Machinery, vehicles, and equipment	2,900,645	2,086,029	4,986,674	-
Furniture and equipment	141,321	6,277	147,598	-
Other improvements	-	754,069	754,069	-
Total noncurrent assets	<u>117,995,346</u>	<u>48,841,467</u>	<u>166,836,813</u>	<u>1,015,804</u>
Total assets	<u>125,372,029</u>	<u>79,445,429</u>	<u>204,817,458</u>	<u>4,567,989</u>
Deferred outflows of resources:				
Deferred other postemployment resources	32,389	-	32,389	-
Deferred pension resources	2,035,716	449,102	2,484,818	10,940
	<u>2,068,105</u>	<u>449,102</u>	<u>2,517,207</u>	<u>10,940</u>
Total assets and deferred outflows of resources	<u>\$ 127,440,134</u>	<u>\$ 79,894,531</u>	<u>\$ 207,334,665</u>	<u>\$ 4,578,929</u>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
Current liabilities:				
Accounts payable	\$ 1,356,078	\$ 2,278,768	\$ 3,634,846	\$ 230
Accrued wages payable	430,142	66,172	496,314	1,584
Due to other governments and units	1,283	-	1,283	-
Accrued interest payable	157,260	56,925	214,185	18,482
Deposits	386,169	1,271,036	1,657,205	-
Unearned revenue	318,428	78,568	396,996	-
Current portion of compensated absences payable	20,000	61,000	81,000	-
Current portion of long-term liabilities	685,000	140,000	825,000	-
Total current liabilities	<u>3,354,360</u>	<u>3,952,469</u>	<u>7,306,829</u>	<u>20,296</u>
Noncurrent liabilities:				
Compensated absences payable	991,305	325,535	1,316,840	3,852
Net other postemployment benefit liability	680,059	-	680,059	-
Noncurrent portion of long-term liabilities	14,402,113	4,891,663	19,293,776	1,697,326
Net pension liability	5,894,005	2,955,848	8,849,853	72,001
Total noncurrent liabilities	<u>21,967,482</u>	<u>8,173,046</u>	<u>30,140,528</u>	<u>1,773,179</u>
Total liabilities	<u>25,321,842</u>	<u>12,125,515</u>	<u>37,447,357</u>	<u>1,793,475</u>
Deferred inflows of resources:				
Deferred other postemployment resources	16,170	-	16,170	-
Deferred pension resources	2,529,806	143,138	2,672,944	3,487
	<u>2,545,976</u>	<u>143,138</u>	<u>2,689,114</u>	<u>3,487</u>
Net position:				
Net investment in capital assets	100,463,238	43,809,804	144,273,042	1,432,231
Restricted for debt service	554,827	-	554,827	4,887
Restricted for tax increment	6,522,770	-	6,522,770	1,584,402
Unrestricted	(7,968,519)	23,816,074	15,847,555	(239,553)
Total net position	<u>99,572,316</u>	<u>67,625,878</u>	<u>167,198,194</u>	<u>2,781,967</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 127,440,134</u>	<u>\$ 79,894,531</u>	<u>\$ 207,334,665</u>	<u>\$ 4,578,929</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit HRA
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business - Type Activities		
Primary government:								
Governmental activities:								
General government	\$ 2,882,766	\$ 227,542	\$ 358,720	\$ -	\$ (2,296,504)	\$ -	\$ (2,296,504)	
Public safety	7,059,355	905,560	967,895	-	(5,185,900)	-	(5,185,900)	
Public works	3,499,233	1,414,204	3,667,039	3,564,068	5,146,078	-	5,146,078	
Parks and recreation	2,816,971	341,053	355,277	-	(2,120,641)	-	(2,120,641)	
Interest on long-term debt	660,070	-	-	-	(660,070)	-	(660,070)	
Total governmental activities	<u>16,918,395</u>	<u>2,888,359</u>	<u>5,348,931</u>	<u>3,564,068</u>	<u>(5,117,037)</u>	<u>-</u>	<u>(5,117,037)</u>	
Business-type activities:								
Electric	27,503,734	29,296,536	18,207	-	-	1,811,009	1,811,009	
Water	1,536,990	1,803,882	18,764	-	-	285,656	285,656	
Liquor Stores	4,613,761	4,876,807	27,532	-	-	290,578	290,578	
Storm Drainage	283,450	756,857	-	-	-	473,407	473,407	
Sewer	2,372,326	2,743,766	676	-	-	372,116	372,116	
Golf	1,228,152	1,291,034	84,120	-	-	147,002	147,002	
Recycling	387,069	330,045	57,183	-	-	159	159	
Total business-type activities	<u>37,925,482</u>	<u>41,098,927</u>	<u>206,482</u>	<u>-</u>	<u>-</u>	<u>3,379,927</u>	<u>3,379,927</u>	
Total primary government	<u>\$ 54,843,877</u>	<u>\$ 43,987,286</u>	<u>\$ 5,555,413</u>	<u>\$ 3,564,068</u>	<u>(5,117,037)</u>	<u>3,379,927</u>	<u>(1,737,110)</u>	
Component unit:								
HRA	<u>\$ 570,709</u>	<u>\$ 169,121</u>	<u>\$ 193</u>	<u>\$ -</u>				<u>\$ (401,395)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					7,293,631	-	7,293,631	294,811
Property taxes, levied for debt service					39	-	39	-
Property taxes, levied for tax increment					653,679	-	653,679	130,131
Franchise taxes					1,353,488	-	1,353,488	-
Grants, aid, and contributions not restricted to specific programs					1,976,993	-	1,976,993	-
Investment income, net					37,510	491,638	529,148	10,449
Gain on disposal of capital assets					998,780	23,555	1,022,335	-
Other					303,439	451,066	754,505	57,638
Transfers					1,393,470	(1,393,470)	-	-
Total general revenues and transfers					<u>14,011,029</u>	<u>(427,211)</u>	<u>13,583,818</u>	<u>493,029</u>
Change in net position					<u>8,893,992</u>	<u>2,952,716</u>	<u>11,846,708</u>	<u>91,634</u>
Net position - Beginning of year					<u>90,678,324</u>	<u>64,673,162</u>	<u>155,351,486</u>	<u>2,690,333</u>
Net position - End of year					<u>\$ 99,572,316</u>	<u>\$ 67,625,878</u>	<u>\$ 167,198,194</u>	<u>\$ 2,781,967</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	<u>General</u>	<u>Building Improvement</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>
<b>ASSETS</b>								
Cash and investments	\$ 6,341,466	\$ 23,493	\$ 50,920	\$ 238,862	\$ 210	\$ 49,752	\$ 4,462,342	\$ 11,167,045
Receivables, net:								
Taxes	276,765	-	-	-	-	13,560	3,213	293,538
Special assessments	16,215	-	-	1,581,477	-	-	847,303	2,444,995
Accounts receivable	41,792	-	3,538,090	108,652	-	165,912	6,767	3,861,213
Due from other funds	18,200	-	-	-	-	-	-	18,200
Advance to other funds	-	-	-	-	-	-	805,000	805,000
Inventories	20,718	-	-	-	-	-	-	20,718
Prepaid items	40,038	-	-	-	-	-	-	40,038
Land held for resale	-	241,921	2,331,233	230,000	580,627	3,295,471	2,028,444	8,707,696
Total assets	<u>\$ 6,755,194</u>	<u>\$ 265,414</u>	<u>\$ 5,920,243</u>	<u>\$ 2,158,991</u>	<u>\$ 580,837</u>	<u>\$ 3,524,695</u>	<u>\$ 8,153,069</u>	<u>\$ 27,358,443</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 112,609	\$ 354,661	\$ 385,812	\$ 84,061	\$ 16	\$ 340,947	\$ 60,658	\$ 1,338,764
Accrued wages payable and other benefits	426,415	-	-	-	-	-	1,053	427,468
Due to other funds	6,500	3,586,068	4,800,000	-	100,000	2,100,000	200,000	10,792,568
Due to other governments	-	-	-	872	-	-	411	1,283
Due to other organizations - Escrow	386,169	-	-	-	-	-	-	386,169
Unearned revenue	115,973	-	-	-	-	165,912	36,543	318,428
Advance from other funds	-	-	-	-	3,300,000	4,545,000	1,375,000	9,220,000
Total liabilities	<u>1,047,666</u>	<u>3,940,729</u>	<u>5,185,812</u>	<u>84,933</u>	<u>3,400,016</u>	<u>7,151,859</u>	<u>1,673,665</u>	<u>22,484,680</u>
Deferred inflows of resources:								
Unavailable revenue-Property taxes	113,637	-	-	-	-	8	768	114,413
Unavailable revenue-Special assessments	-	-	-	1,544,760	-	-	803,783	2,348,543
Total deferred inflows of resources	<u>113,637</u>	<u>-</u>	<u>-</u>	<u>1,544,760</u>	<u>-</u>	<u>8</u>	<u>804,551</u>	<u>2,462,956</u>
Fund balances:								
Nonspendable	60,756	-	-	-	-	-	-	60,756
Restricted	-	-	-	-	580,627	3,295,471	3,887,735	7,763,833
Committed	-	-	-	-	-	-	2,517,248	2,517,248
Assigned	-	-	734,431	529,298	-	-	627,468	1,891,197
Unassigned	5,533,135	(3,675,315)	-	-	(3,399,806)	(6,922,643)	(1,357,598)	(9,822,227)
Total fund balances	<u>5,593,891</u>	<u>(3,675,315)</u>	<u>734,431</u>	<u>529,298</u>	<u>(2,819,179)</u>	<u>(3,627,172)</u>	<u>5,674,853</u>	<u>2,410,807</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,755,194</u>	<u>\$ 265,414</u>	<u>\$ 5,920,243</u>	<u>\$ 2,158,991</u>	<u>\$ 580,837</u>	<u>\$ 3,524,695</u>	<u>\$ 8,153,069</u>	<u>\$ 27,358,443</u>

See accompanying notes to financial statements

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**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

Total governmental fund balances (page 34)	\$ 2,410,807
Amounts reported for governmental activities in the statement of net position (page 32) 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.	114,063,373
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.	2,931,488
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.	(663,840)
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore are not reported in the funds.	(15,087,113)
Governmental funds do not report a liability for accrued interest until due and payable.	(157,260)
The net pension liability and related deferred inflows and deferred outflows are recorded only in the government-wide statement of net position.	(6,388,095)
Deferred inflows are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,462,956
Net position of the governmental activities	\$ 99,572,316

See accompanying notes to financial statements

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Building Improvement</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	\$ 7,282,910	\$ -	\$ -	\$ -	\$ 231,762	\$ 275,491	\$ 147,268	\$ 7,937,431
Special assessments	-	-	-	436,428	-	-	430,459	866,887
Licenses and permits	550,803	-	-	18,834	-	-	35,831	605,468
Fines and forfeitures	65,841	-	-	-	-	-	-	65,841
Intergovernmental	3,686,181	-	5,456,840	1,409,683	-	-	595,825	11,148,529
Charges for current services	516,930	-	37,080	-	-	5,561	63,711	623,282
Franchise fees	939,130	-	-	414,358	-	-	-	1,353,488
Investment income	40,923	(9,890)	(38,481)	36,284	-	9,012	(13,380)	24,468
Net increase (decrease) in fair value of investments	3,171	(4,777)	(5,383)	2,282	-	-	29,126	24,419
Miscellaneous	146,391	-	-	-	-	19,331	260,075	425,797
Total revenues	<u>13,232,280</u>	<u>(14,667)</u>	<u>5,450,056</u>	<u>2,317,869</u>	<u>231,762</u>	<u>309,395</u>	<u>1,548,915</u>	<u>23,075,610</u>
Expenditures:								
Current:								
General government	2,031,309	-	-	-	19,601	15,019	133,989	2,199,918
Public safety	6,708,902	-	-	-	-	-	107,376	6,816,278
Public works	1,778,425	5,446	-	-	-	-	82,808	1,866,679
Parks and recreation	2,133,931	-	-	-	-	-	66,548	2,200,479
Capital outlay	54,470	4,840,933	5,576,266	5,563,466	4,417	706,229	376,369	17,122,150
Debt service:								
Principal retirement	-	-	-	-	-	-	700,000	700,000
Interest and fiscal charges	-	-	-	-	117,731	161,962	361,218	640,911
Bond issuance costs	-	-	-	79,865	-	-	-	79,865
Total expenditures	<u>12,707,037</u>	<u>4,846,379</u>	<u>5,576,266</u>	<u>5,643,331</u>	<u>141,749</u>	<u>883,210</u>	<u>1,828,308</u>	<u>31,626,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>525,243</u>	<u>(4,861,046)</u>	<u>(126,210)</u>	<u>(3,325,462)</u>	<u>90,013</u>	<u>(573,815)</u>	<u>(279,393)</u>	<u>(8,550,670)</u>
Other financing sources (uses) including transfers:								
Bond offering	-	-	-	5,195,000	-	-	-	5,195,000
Bond premium	-	-	-	335,701	-	-	-	335,701
Transfer in	800,500	105,000	-	-	-	-	1,423,970	2,329,470
Transfer out	(800,000)	-	-	-	-	-	(136,000)	(936,000)
Proceeds from sale of asset	-	998,780	-	-	-	-	-	998,780
Total other financing sources (uses)	<u>500</u>	<u>1,103,780</u>	<u>-</u>	<u>5,530,701</u>	<u>-</u>	<u>-</u>	<u>1,287,970</u>	<u>7,922,951</u>
Net changes in fund balances	525,743	(3,757,266)	(126,210)	2,205,239	90,013	(573,815)	1,008,577	(627,719)
Fund balances (deficits) at beginning of year	<u>5,068,148</u>	<u>81,951</u>	<u>860,641</u>	<u>(1,675,941)</u>	<u>(2,909,192)</u>	<u>(3,053,357)</u>	<u>4,666,276</u>	<u>3,038,526</u>
Fund balances (deficits) at end of year	<u>\$ 5,593,891</u>	<u>\$(3,675,315)</u>	<u>\$ 734,431</u>	<u>\$ 529,298</u>	<u>\$ (2,819,179)</u>	<u>\$ (3,627,172)</u>	<u>\$ 5,674,853</u>	<u>\$ 2,410,807</u>

See accompanying notes to financial statements

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**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**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, 2020**

Net change in fund balances - Total governmental funds ( <a href="#">page 36</a> )	\$ (627,719)
Amounts reported for government activities in the statement of activities ( <a href="#">page 33</a> ) 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.	13,836,901
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.	61,104
Net other postemployment benefit liability 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.	(57,008)
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.	(4,495,000)
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.	(354,859)
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.	217,113
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	313,460
Change in net position of governmental activities	\$ 8,893,992

See accompanying notes to financial statements

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF NET POSITION -  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2020**

**Business-Type Activities - Enterprise Funds**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Funds</b>
<b>Current assets:</b>							
Cash and cash equivalents	\$ 1,484,310	\$ 950,449	\$ 988,052	\$ 468,242	\$ 1,422,531	\$ 5,313,584	\$ 2,461,905
Receivables, net:							
Special assessments	39,472	-	-	-	-	39,472	-
Accounts receivable	3,343,854	186,656	-	106,264	376,364	4,013,138	-
Due from other funds	8,415,068	2,200,000	-	-	206,500	10,821,568	-
Inventory	1,028,392	-	716,370	-	46,404	1,791,166	17,362
Prepaid items	19,172	-	290	-	119,818	139,280	114,490
Advance to other funds	8,626,375	-	-	-	-	8,626,375	-
Total current assets	<u>22,956,643</u>	<u>3,337,105</u>	<u>1,704,712</u>	<u>574,506</u>	<u>2,171,617</u>	<u>30,744,583</u>	<u>2,593,757</u>
<b>Noncurrent assets:</b>							
Land and improvements	806,267	-	311,392	-	204,690	1,322,349	-
Construction in progress	-	182,608	-	-	-	182,608	-
Buildings and structures	2,415,647	1,124,314	1,365,989	-	559,638	5,465,588	50,000
Furniture and equipment	656,396	-	213,056	-	169,564	1,039,016	538,889
Machinery and automotive equipment	4,351,977	942,982	14,806	-	2,124,657	7,434,422	5,017,526
Distribution system	45,174,755	18,393,590	-	8,488,995	9,495,305	81,552,645	-
Other improvements	-	-	-	-	2,726,073	2,726,073	-
Total property	53,405,042	20,643,494	1,905,243	8,488,995	15,279,927	99,722,701	5,606,415
Accumulated depreciation	(29,878,838)	(10,499,963)	(1,342,111)	(1,157,036)	(8,003,286)	(50,881,234)	(4,119,437)
Total noncurrent assets	<u>23,526,204</u>	<u>10,143,531</u>	<u>563,132</u>	<u>7,331,959</u>	<u>7,276,641</u>	<u>48,841,467</u>	<u>1,486,978</u>
Total assets	<u>46,482,847</u>	<u>13,480,636</u>	<u>2,267,844</u>	<u>7,906,465</u>	<u>9,448,258</u>	<u>79,586,050</u>	<u>4,080,735</u>
<b>Deferred outflows of resources:</b>							
Deferred pension resources	252,664	38,654	64,960	-	92,824	449,102	-
Total assets and deferred outflows of resources	<u>\$ 46,735,511</u>	<u>\$ 13,519,290</u>	<u>\$ 2,332,804</u>	<u>\$ 7,906,465</u>	<u>\$ 9,541,082</u>	<u>\$ 80,035,152</u>	<u>\$ 4,080,735</u>
<b>Liabilities:</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 2,062,528	\$ 80,659	\$ 123,046	\$ 2,068	\$ 10,467	\$ 2,278,768	\$ 17,314
Accrued wages payable	34,989	5,878	11,053	-	14,252	66,172	2,674
Accrued interest payable	-	6,988	-	37,872	12,065	56,925	-
Due to other funds	-	8,200	-	-	39,000	47,200	-
Advance from other funds	-	-	-	-	211,375	211,375	-
Current portion of compensated absences payable	61,000	-	-	-	-	61,000	20,000
Current portion of bonds payable	-	20,000	-	85,000	35,000	140,000	-
Deposits	1,164,248	-	4,451	-	102,337	1,271,036	-
Unearned revenue	78,568	-	-	-	-	78,568	-
Total current liabilities	<u>3,401,333</u>	<u>121,725</u>	<u>138,550</u>	<u>124,940</u>	<u>424,496</u>	<u>4,211,044</u>	<u>39,988</u>
<b>Noncurrent liabilities:</b>							
Compensated absences payable	114,091	61,348	74,887	-	75,209	325,535	991,305
Bonds payable	-	607,785	-	3,237,817	1,046,061	4,891,663	-
Net pension liability	1,662,956	254,407	427,546	-	610,939	2,955,848	-
Total liabilities	<u>5,178,380</u>	<u>1,045,265</u>	<u>640,983</u>	<u>3,362,757</u>	<u>2,156,705</u>	<u>12,384,090</u>	<u>1,031,293</u>
<b>Deferred inflows of resources:</b>							
Deferred pension resources	80,529	12,320	20,704	-	29,585	143,138	-
<b>Net position:</b>							
Net investment in capital assets	23,526,204	9,515,746	563,132	4,009,142	6,195,580	43,809,804	1,486,978
Unrestricted	17,950,398	2,945,959	1,107,985	534,566	1,159,212	23,698,120	1,562,464
Total net position	<u>41,476,602</u>	<u>12,461,705</u>	<u>1,671,117</u>	<u>4,543,708</u>	<u>7,354,792</u>	<u>67,507,924</u>	<u>3,049,442</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 46,735,511</u>	<u>\$ 13,519,290</u>	<u>\$ 2,332,804</u>	<u>\$ 7,906,465</u>	<u>\$ 9,541,082</u>	<u>\$ 80,035,152</u>	<u>\$ 4,080,735</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**RECONCILIATION OF THE BALANCE SHEET OF THE PROPRIETARY FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

Net position - Total enterprise funds ( <a href="#">page 38</a> )	\$ 67,507,924
Amounts reported for proprietary activities in the statement of net position ( <a href="#">page 32</a> ) 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>117,954</u>
Net position of the business-type activities	<u><u>\$ 67,625,878</u></u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
 PROPRIETARY FUNDS  
 FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
Operating revenues:							
Charges for sales and services:							
Electric utility sales	\$ 29,250,856	\$ -	\$ -	\$ -	\$ -	\$ 29,250,856	\$ -
Water utility sales	-	1,787,877	-	-	-	1,787,877	-
Liquor sales	-	-	4,876,807	-	-	4,876,807	-
Sewer	-	-	-	-	2,741,932	2,741,932	-
Golf	-	-	-	-	1,291,034	1,291,034	-
Storm water	-	-	-	732,666	-	732,666	-
Recycling	-	-	-	-	329,580	329,580	-
Other	45,680	16,005	-	24,191	59,413	145,289	1,985,136
Total operating revenues	<u>29,296,536</u>	<u>1,803,882</u>	<u>4,876,807</u>	<u>756,857</u>	<u>4,421,959</u>	<u>41,156,041</u>	<u>1,985,136</u>
Operating expenses:							
Personal services	1,847,691	500,196	592,081	44,890	1,092,845	4,077,703	303,790
Supplies	888,106	114,979	13,784	-	138,562	1,155,431	254,565
Professional services	1,680,483	300,795	229,269	56,755	249,217	2,516,519	917,372
Contractual services	342,931	61,317	5,759	1,241	82,990	494,238	192,305
Purchased power	20,234,900	-	-	-	-	20,234,900	-
Disposal	-	-	-	-	1,817,069	1,817,069	-
Franchise fee	921,051	-	-	-	-	921,051	-
Cost of goods sold	-	-	3,728,642	-	78,322	3,806,964	-
Depreciation	1,570,164	539,724	18,367	180,828	443,600	2,752,683	376,309
Total operating expenses	<u>27,485,326</u>	<u>1,517,011</u>	<u>4,587,902</u>	<u>283,714</u>	<u>3,902,605</u>	<u>37,776,558</u>	<u>2,044,341</u>
Operating income (loss)	<u>1,811,210</u>	<u>286,871</u>	<u>288,905</u>	<u>473,143</u>	<u>519,354</u>	<u>3,379,483</u>	<u>(59,205)</u>
Nonoperating revenues (expenses):							
Interest income	95,578	41,593	10,929	10,240	20,669	179,009	27,152
Internal interest income	305,462	-	-	-	-	305,462	-
Net increase in fair value of investments	1,264	1,967	157	1,262	2,517	7,167	900
Interest expense	(27,987)	(13,894)	-	(72,834)	(30,305)	(145,020)	-
Pension revenue	4,464	683	1,148	-	1,640	7,935	-
Federal Grant - CARES Act	13,743	18,081	26,384	-	83,225	141,433	122,462
CARES expense enterprise funds	(13,743)	(18,081)	(26,384)	-	(83,225)	(141,433)	(122,462)
Gain (loss) on sale of capital assets	23,555	-	-	-	-	23,555	(7,442)
Other income	206,765	288,741	3,530	-	97,050	596,086	92,208
Total nonoperating revenues (expenses)	<u>609,101</u>	<u>319,090</u>	<u>15,764</u>	<u>(61,332)</u>	<u>91,571</u>	<u>974,194</u>	<u>112,818</u>
Income before transfers	<u>2,420,311</u>	<u>605,961</u>	<u>304,669</u>	<u>411,811</u>	<u>610,925</u>	<u>4,353,677</u>	<u>53,613</u>
Other transfers:							
Transfer in	-	-	-	-	363,121	363,121	-
Transfer out	(635,000)	(380,180)	(260,500)	(179,500)	(301,411)	(1,756,591)	-
Total transfers	<u>(635,000)</u>	<u>(380,180)</u>	<u>(260,500)</u>	<u>(179,500)</u>	<u>61,710</u>	<u>(1,393,470)</u>	<u>-</u>
Change in net position	1,785,311	225,781	44,169	232,311	672,635	2,960,207	53,613
Net position - Beginning of year	39,691,291	12,235,924	1,626,948	4,311,397	6,682,157	64,547,717	2,995,829
Net position - Ending of year	<u>\$ 41,476,602</u>	<u>\$ 12,461,705</u>	<u>\$ 1,671,117</u>	<u>\$ 4,543,708</u>	<u>\$ 7,354,792</u>	<u>\$ 67,507,924</u>	<u>\$ 3,049,442</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**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, 2020**

Change in net position - Total enterprise funds ([page 40](#)) \$ 2,960,207

Amounts reported for proprietary activities in the statement of activities ([page 33](#)) 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.

(7,491)

Change in net position of business-type activities: \$ 2,952,716

# CITY OF ANOKA, MINNESOTA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Liquor	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:							
Received from customers	\$ 29,380,636	\$ 2,054,894	\$ 4,881,485	\$ 733,457	\$ 4,490,491	\$ 41,540,963	\$ -
Received from interfund services provided	305,462	-	-	-	-	305,462	2,032,136
Payments to suppliers for goods and services	(23,013,340)	(498,530)	(4,080,233)	(68,242)	(552,273)	(28,212,618)	(1,380,293)
Payments to employees for services	(1,986,909)	(491,027)	(626,482)	(44,890)	(1,143,617)	(4,292,925)	(184,283)
Payments to other funds for franchise fee	(921,051)	-	-	-	-	(921,051)	-
Disposal charges	-	-	-	-	(1,817,069)	(1,817,069)	-
Deposits returned	30,440	-	(185)	-	31,958	62,213	-
Net cash provided by operating activities	<u>3,795,238</u>	<u>1,065,337</u>	<u>174,585</u>	<u>620,325</u>	<u>1,009,490</u>	<u>6,664,975</u>	<u>467,560</u>
Cash flows from noncapital financing activities:							
(Increase)/decrease from other funds	(3,147,114)	(2,171,917)	800,000	(800,000)	(211,124)	(5,530,155)	-
Transfer from other funds	-	-	-	-	363,121	363,121	-
Transfer to other funds	(635,000)	(380,180)	(260,500)	(179,500)	(301,411)	(1,756,591)	-
Net cash provided by (used in) noncapital financing activities	<u>(3,782,114)</u>	<u>(2,552,097)</u>	<u>539,500</u>	<u>(979,500)</u>	<u>(149,414)</u>	<u>(6,923,625)</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(2,286,571)	(1,102,281)	(20,500)	(877,094)	(934,335)	(5,220,781)	(350,122)
Principal paid on bonds and leases	-	-	-	(85,000)	-	(85,000)	-
Interest paid	(27,987)	(6,906)	-	(53,653)	(18,240)	(106,786)	-
Cost of disposing of equipment	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	627,785	-	1,816,598	1,081,061	3,525,444	-
Grants for capital assets	-	-	-	-	-	-	-
Proceeds from sale of capital assets	23,555	-	-	-	-	23,555	105,668
Net cash used in capital and related financing activities	<u>(2,291,003)</u>	<u>(481,402)</u>	<u>(20,500)</u>	<u>800,851</u>	<u>128,486</u>	<u>(1,863,568)</u>	<u>(244,454)</u>
Cash flows from investing activities:							
Investment earnings	96,842	43,560	11,086	11,502	23,186	186,176	28,052
Net (decrease) increase in cash and cash equivalents	<u>(2,181,037)</u>	<u>(1,924,602)</u>	<u>704,671</u>	<u>453,178</u>	<u>1,011,748</u>	<u>(1,936,042)</u>	<u>251,158</u>
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of year	<u>\$ 1,484,310</u>	<u>\$ 950,449</u>	<u>\$ 988,052</u>	<u>\$ 468,242</u>	<u>\$ 1,422,531</u>	<u>\$ 5,313,584</u>	<u>\$ 2,461,905</u>
Cash components:							
Cash and cash equivalents at end of year	<u>\$ 1,484,310</u>	<u>\$ 950,449</u>	<u>\$ 988,052</u>	<u>\$ 468,242</u>	<u>\$ 1,422,531</u>	<u>\$ 5,313,584</u>	<u>\$ 2,461,905</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUNDS (CONTINUED)**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Storm Drainage</b>	<b>Other Enterprise Funds</b>		
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 1,811,210	\$ 286,871	\$ 288,905	\$ 473,143	\$ 519,354	\$ 3,379,483	\$ (59,205)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1,570,164	539,724	18,367	180,828	443,600	2,752,683	376,309
Pension Revenue	4,464	683	1,148	-	1,640	7,935	-
Other income	512,227	288,741	3,530	-	97,050	901,548	92,208
Changes in assets and liabilities:							
Accounts receivable	(168,096)	(19,421)	-	(23,400)	(30,159)	(241,076)	-
Inventory	(125,921)	-	5,627	-	6,868	(113,426)	7,673
Prepaid items	(1,224)	-	(250)	-	7,128	5,654	(15,193)
Net pension liability	189,266	48,351	44,006	-	61,822	343,445	-
Deferred outflows - Pensions	(111,538)	(18,921)	(28,231)	-	(40,240)	(198,930)	-
Deferred inflows - Pensions	(168,271)	(22,468)	(44,048)	-	(63,122)	(297,909)	-
Accounts payable	260,225	(21,439)	(108,156)	(10,246)	(17,177)	103,207	(53,739)
Accrued wages payable	(65,851)	(8,016)	(16,558)	-	(16,762)	(107,187)	(4,233)
Compensated absences payable	17,176	10,223	10,430	-	7,530	45,359	123,740
Deposits	30,440	-	(185)	-	31,958	62,213	-
Unearned revenues	40,967	(18,991)	-	-	-	21,976	-
Total adjustments	<u>1,984,028</u>	<u>778,466</u>	<u>(114,320)</u>	<u>147,182</u>	<u>490,136</u>	<u>3,285,492</u>	<u>526,765</u>
Net cash provided by (used in) operating activities	<u>\$ 3,795,238</u>	<u>\$ 1,065,337</u>	<u>\$ 174,585</u>	<u>\$ 620,325</u>	<u>\$ 1,009,490</u>	<u>\$ 6,664,975</u>	<u>\$ 467,560</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF FIDUCIARY NET POSITION -**  
**CUSTODIAL FUNDS**  
**DECEMBER 31, 2020**

**Assets**

Cash and investments	\$ 46,604
Accounts receivable	<u>5,200</u>
Total assets	<u><u>\$ 51,804</u></u>

**Liabilities**

Liabilities:	
Accounts payable	<u>\$ -</u>

**Net Position**

Restricted for:	
Youth First	-
Downtown District	<u>51,804</u>
Total net position	<u>51,804</u>
Total liabilities and net position	<u><u>\$ 51,804</u></u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

**Additions**

Donations and contributions	\$ 74,836
Investment income	407
Increase in fair value of investments	<u>65</u>
Total additions	<u>75,308</u>

**Deductions**

Professional services	88,376
Contractual services	<u>11,825</u>
Total deductions	<u>100,201</u>
Net decrease in fiduciary net position	<u>(24,893)</u>
Net position - beginning of year	<u>76,697</u>
Net position - ending of year	<u><u>\$ 51,804</u></u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2020**

**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  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2020**

**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  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2020**

**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.

**Building Capital Improvements** - The Building Capital Improvement fund was designed for long-term funding of construction and improvements to city buildings and equipment.

**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.

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.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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.

**Debt Service Funds** – The Debt Service funds are 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.

**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 use the economic resources measurement focus. The City reports fiduciary activity for Anoka’s Downtown District and Youth First. Funds for Youth First were returned to the organization in 2020.

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.

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**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.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Cash and Cash Equivalents (Continued)**

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

**Property Taxes and Special Assessments**

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 \$2,738,533. Of this receivable, \$2,462,956 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.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Interfund transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Interfund transactions within the respective categories of governmental activities and proprietary activities in the government-wide statement of net position represents interfund receivables or payables between the two types of activities: governmental and proprietary.

**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 assets before 2014, are depreciated on an item basis. Noncurrent capital assets prior to 2014 in the Electric Utility Fund are grouped into common or like-kind assets and depreciated on a composite basis using straight-line depreciation. When those 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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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.

**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.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Compensated Absences (Continued)**

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.

**Pensions and other post-employment benefits (OPEB)**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. 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.

The measurement of the net OPEB liability, deferred outflows/inflows of resources, and OPEB expense are determined through actuarial valuation on a look back basis, where the assets and liabilities are measured as of the prior fiscal year-end but applied to the current fiscal year.

**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.

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**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.

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

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Activities**

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.

Non-depreciable	\$ 21,291,732
Infrastructure	68,436,469
Buildings and structures	22,780,184
Machinery, vehicles, and equipment	1,530,672
Furniture and equipment	<u>24,316</u>
Net adjustments to increase fund balance – total Governmental funds to arrive at net position – governmental activities	<u>\$114,063,373</u>

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**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2020**

**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**

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	\$ 17,122,150
Depreciation expense (not including internal service)	<u>(3,285,249)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 13,836,901</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” The details of this difference are as follows:

Retirement of general obligation bonds	\$ 700,000
Issuance of general obligation bonds	<u>(5,195,000)</u>
Net adjustment to decrease net changes in fund balances- Total governmental funds to arrive at changes in net position of governmental activities	<u>\$(4,495,000)</u>

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

**Deficit Fund Equity**

The following funds have a negative fund balance at December 31, 2020:

1. The Building Improvement Fund has a negative fund balance of \$3,675,315. The negative fund balance will be eliminated in 2021 with bond proceeds.
2. The Commuter Rail Transit Village Tax Increment Fund has a negative fund balance of \$2,819,179. The negative fund balance will be eliminated with future tax increment revenue collections and sales of land held for resale.
3. The Greens of Anoka Tax Increment Fund has a negative fund balance of \$3,627,172. The negative fund balance will be eliminated with future tax increment revenue collections and sales of land held for resale.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

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

**Deficit Fund Equity (Continued)**

4. The South Ferry Tax Increment Fund has a negative fund balance of \$1,357,598. 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.

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 \$46,604 and exclude petty cash of \$4,875. The tables also exclude accrued interest of \$30,264 which is included in cash and investments in the net position and balance sheets in the basic financial statements.

(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, 2020, 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)	\$ 3,699,040	\$ 1,001,750	\$ 2,697,290	\$ -
Federal Nat'l. Mtg. Assn. (FNMA)	425,077	-	425,077	-
Federal Farm Credit Bank (FFCB)	2,867,842	-	2,867,842	-
Federal Home Loan Mtg. Corp. (Freddie Mac)	6,550,691	-	6,550,691	-
Federal Agri Mortgage	204,590	-	204,590	-
Treasury Notes	2,003,660	2,003,660	-	-
Municipal bonds	500,970	500,970	-	-
Certificates of deposit	503,394	-	503,394	-
Money market accounts	2,198,735	2,198,735	-	-
	<u>\$ 18,953,999</u>	<u>\$ 5,705,115</u>	<u>\$ 13,248,884</u>	<u>\$ -</u>

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**4. CASH AND INVESTMENTS**

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

(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, 2020, 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.

(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, 2020, 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, 2020.

**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.

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**4. CASH AND INVESTMENTS**

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

As of December 31, 2020, the HRA had the following investments and maturities:

Money market accounts - Less than one year - \$976,413

(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.

(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, 2020:

Money market accounts - \$976,413 – 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, 2020, 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, 2020.

**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.

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**5. FAIR VALUE MEASUREMENT**

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

The City has the following investments valued at recurring fair value measurements at December 31, 2020:

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	\$ 2,198,735	\$ -	\$ 2,198,735	\$ -
Negotiable certificates of deposit	503,394	-	503,394	-
Municipal bonds	500,970	-	500,970	-
US governmental agency obligations	15,750,900	-	15,750,900	-
	<u>\$ 18,953,999</u>	<u>\$ -</u>	<u>\$ 18,953,999</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) \$976,413

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**6. INTERFUND ACTIVITY**

The City had the following interfund receivable and payable balances as of December 31, 2020:

Fund	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
General Fund	\$ 18,200	\$ 6,500	\$ -	\$ -
Building Capital Fund	-	3,586,068	-	-
State Aid Construction	-	4,800,000	-	-
CRTV Tax Increment	-	100,000	-	3,300,000
Greens of Anoka Tax Increment	-	2,100,000	-	4,545,000
Non-major governmental funds	-	200,000	805,000	1,375,000
Electric Utility	8,415,068	-	8,626,375	-
Water Utility	2,200,000	8,200	-	-
Sewer Utility	206,500	-	-	-
Non-major proprietary funds	-	39,000	-	211,375
<b>Totals</b>	<b>\$ 10,839,768</b>	<b>\$ 10,839,768</b>	<b>\$ 9,431,375</b>	<b>\$ 9,431,375</b>

The interfund receivables and payables are used to borrow funds internally for special projects and year-end adjustments. Advances to and from other funds are longer-term commitments. The City utilizes this internal lending fund special capital projects throughout the City, especially redevelopment in TIF funds. The funds advancing receive interest at a rate that currently exceeds what could be achieved through investment of the same money.

Interfund transfers for the year were as follows:

	General Fund	Building Capital	Nonmajor Gov	Nonmajor Prop	Total Out
General Fund	\$ -	\$ -	\$ 555,000	\$ 245,000	\$ 800,000
Non-major Gov	-	-	136,000	-	136,000
Electric	600,000	35,000	-	-	635,000
Water	-	35,000	345,180	-	380,180
Storm Water	-	-	179,500	-	179,500
Liquor	200,500	-	60,000	-	260,500
Non-major Prop	-	35,000	148,290	118,121	301,411
<b>Total In</b>	<b>\$ 800,500</b>	<b>\$ 105,000</b>	<b>\$ 1,423,970</b>	<b>\$ 363,121</b>	<b>\$ 2,692,591</b>

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

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**7. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 9,026,510	\$ -	\$ -	\$ -	\$ 9,026,510
Construction in progress	6,221,109	15,854,597	-	(9,810,484)	12,265,222
Total capital assets not being depreciated	<u>15,247,619</u>	<u>15,854,597</u>	<u>-</u>	<u>(9,810,484)</u>	<u>21,291,732</u>
Capital assets being depreciated:					
Infrastructure	83,547,639	1,116,978	-	4,889,539	89,554,156
Building and structures	35,415,420	54,786	-	4,907,465	40,377,671
Machinery and equipment	10,171,096	410,068	396,408	-	10,184,756
Furniture and equipment	1,238,740	35,844	139,495	13,480	1,148,569
Total capital assets being depreciated	<u>130,372,895</u>	<u>1,617,676</u>	<u>535,903</u>	<u>9,810,484</u>	<u>141,265,152</u>
Less accumulated depreciation for:					
Infrastructure	18,948,520	2,169,166	-	-	21,117,686
Building and structures	16,709,222	888,266	-	-	17,597,488
Machinery and equipment	7,002,860	564,549	283,297	-	7,284,112
Furniture and equipment	1,107,165	39,577	139,495	-	1,007,247
Total accumulated depreciation	<u>43,767,767</u>	<u>3,661,558</u>	<u>422,792</u>	<u>-</u>	<u>47,006,533</u>
Total capital assets being depreciated, net	<u>86,605,128</u>	<u>(2,043,882)</u>	<u>113,111</u>	<u>9,810,484</u>	<u>94,258,619</u>
Governmental activities capital assets, net	<u>\$ 101,852,747</u>	<u>\$ 13,810,715</u>	<u>\$ 113,111</u>	<u>\$ -</u>	<u>\$ 115,550,351</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land and improvements	\$ 1,322,349	\$ -	\$ -	\$ -	\$ 1,322,349
Construction in progress	99,197	83,411	-	-	182,608
Total capital assets not being depreciated	<u>1,421,546</u>	<u>83,411</u>	<u>-</u>	<u>-</u>	<u>1,504,957</u>
Capital assets being depreciated:					
Infrastructure	76,946,910	4,646,017	40,282	-	81,552,645
Building and structures	5,432,608	32,980	-	-	5,465,588
Machinery and equipment	7,027,933	406,489	-	-	7,434,422
Furniture and equipment	1,039,016	-	-	-	1,039,016
Other improvements	2,674,190	51,883	-	-	2,726,073
Total capital assets being depreciated	<u>93,120,657</u>	<u>5,137,369</u>	<u>40,282</u>	<u>-</u>	<u>98,217,744</u>
Less accumulated depreciation for:					
Infrastructure	36,314,160	2,296,636	40,282	(8,280)	38,562,234
Building and structures	3,880,889	84,975	-	-	3,965,864
Machinery and equipment	5,051,571	288,542	-	8,280	5,348,393
Furniture and equipment	1,020,830	11,909	-	-	1,032,739
Other improvements	1,901,383	70,621	-	-	1,972,004
Total accumulated depreciation	<u>48,168,833</u>	<u>2,752,683</u>	<u>40,282</u>	<u>-</u>	<u>50,881,234</u>
Total capital assets being depreciated, net	<u>44,951,824</u>	<u>2,384,686</u>	<u>-</u>	<u>-</u>	<u>47,336,510</u>
Business-type activities capital assets, net	<u>\$ 46,373,370</u>	<u>\$ 2,468,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,841,467</u>

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**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	\$ 1,019,985
Public Safety	228,713
Streets and Highways (including depreciation of infrastructure)	1,683,636
Parks and Recreation	729,224
Total depreciation of expense - Governmental activities	\$ 3,661,558
Business-type activities:	
Electric	\$ 1,570,164
Water	539,724
Sewer	272,953
Storm Drainage	180,828
Liquor	18,367
Golf	170,647
Total depreciation of expense - Business-type activities	\$ 2,752,683

**8. LONG-TERM DEBT**

**A. City of Anoka**

Bonds payable at December 31, 2020, are summarized as follows:

	Maturities	Rate	Balance
Governmental activities:			
General obligation bonds:			
G.O. Public facilities refunding	2022	3.05-3.15%	\$ 700,000
G.O. Public facilities crossover refunding	2028	2.00-2.00%	1,140,000
G.O. Tax increment crossover refunding	2033	3.00-3.40%	5,215,000
G.O. Road Improvement bonds	2041	2.00-4.00%	5,195,000
Business-type activities:			
General Obligation Bonds:			
Utility storm water bonds	2041	2.00-4.00%	1,730,000
Utility water bonds	2041	2.00-4.00%	595,000
Utility sewer bonds	2041	2.00-4.00%	1,025,000
General Obligation Revenue Bonds:			
Utility storm water revenue bonds	2036	2.00-3.00%	1,455,000
			\$ 17,055,000

The Met Council loan payable at December 31, 2020, is \$2,308,137. There is no scheduled payback for this loan, nor is there any interest charged.

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**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 2020 are summarized as follows:

	1/01/2020	Issued	Retired	12/31/2020	Due in One Year
Governmental activities:					
General obligation bonds	\$ 7,755,000	\$ 5,195,000	\$ 700,000	\$ 12,250,000	\$ 685,000
Premium on bonds	227,822	335,701	34,547	528,976	-
Other liabilities					
GERF pension liability	2,225,992	443,420	115,490	2,553,922	-
PEPFF pension liability	2,781,802	1,794,706	1,236,425	3,340,083	-
Compensated absences	887,565	932,765	809,025	1,011,305	20,000
OPEB	603,635	110,536	34,112	680,059	-
Met Council loan	2,308,137	-	-	2,308,137	-
Total governmental activities	<u>16,789,953</u>	<u>8,812,128</u>	<u>2,929,599</u>	<u>22,672,482</u>	<u>705,000</u>
Business-type activities:					
Revenue bonds	1,540,000	-	85,000	1,455,000	85,000
General obligation bonds	-	3,350,000	-	3,350,000	55,000
Premium on bonds	51,219	187,210	11,766	226,663	-
Other liabilities:					
GERF pension liability	2,612,403	496,839	153,394	2,955,848	-
Compensated absences	341,176	375,806	330,447	386,535	61,000
Total business-type activities	<u>4,544,798</u>	<u>4,409,855</u>	<u>580,607</u>	<u>8,374,046</u>	<u>201,000</u>
Total long-term debt	<u>\$ 21,334,751</u>	<u>\$ 13,221,983</u>	<u>\$ 3,510,206</u>	<u>\$ 31,046,528</u>	<u>\$ 906,000</u>

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 entity-wide statements, but are not part of fund balances. The General Fund has been the primary governmental fund for liquidation of pension and OPEB expenses and liabilities. The proprietary funds liquidate pension expense and liabilities relative to the amount of PERA contributions incurred during the year. The Met Council loan is payable with the sale of land held for resale when the State of Minnesota reconstructs Highway Ten.

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**8. LONG-TERM DEBT**

**A. City of Anoka**

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

The scheduled annual principal and interest payments on the City's indebtedness as of December 31, 2020, are the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total
	Principal	Interest	Principal	Interest	
2021	685,000	367,713	140,000	127,860	1,320,573
2022	1,105,000	338,738	215,000	122,460	1,781,198
2023	795,000	304,975	215,000	115,560	1,430,535
2024	835,000	275,175	220,000	108,560	1,438,735
2025	855,000	244,175	225,000	101,360	1,425,535
2026-2030	3,740,000	839,080	1,215,000	391,174	6,185,254
2031-2035	2,735,000	308,229	1,370,000	220,754	4,633,983
2036-2040	1,235,000	101,811	1,100,000	70,358	2,507,169
2041	265,000	3,114	105,000	1,234	374,348
	<u>\$ 12,250,000</u>	<u>\$ 2,783,010</u>	<u>\$ 4,805,000</u>	<u>\$ 1,259,320</u>	<u>\$ 21,097,330</u>

The City has pledged future storm water customer revenues, net of specified operating expense, to repay the utility a revenue bond included in business type activities. Proceeds from the bonds provided for financing for the construction of capital assets used in storm water collection and treatment, activities which are accounted for in the enterprise funds of the City. These bond is payable through 2036. Total principal and interest remaining to be paid on these bonds is \$1,786,375. Total principal and interest paid and total revenues pledged for the repayment of these bond for the current year are \$122,200 and \$629,780 respectively.

Principal and interest payments on governmental general obligation bonds are financed by the Debt Service Funds, which received tax levy revenue and transfers from the Enterprise Park Tax Increment Fund, HRRD Tax Increment Fund, and the General Fund. General obligation bonds in enterprise funds are financed by utility revenue. 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.

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**8. LONG-TERM DEBT**

**A. City of Anoka**

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

At December 31, 2020, the legal debt margin was calculated as follows:

Market value of taxable property	\$ 1,697,169,300
Debt limit, 3.0% of market value	\$ 50,915,079
Less amount of debt (applicable to debt limit)	598,937
Legal debt margin	\$ 50,316,142

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, 2020, there are three series of health care facility revenue bonds outstanding with an aggregate principal amount payable of \$22,560,000 (2011A), \$21,660,000 (2014A), and \$39,030,000 (2017A). One series of senior housing facility revenue bonds outstanding with an aggregate principal amount payable of \$10,025,000, one series of senior housing and healthcare revenue bonds outstanding with an aggregate principal amount payable of \$13,935,000 (2015A), and one series of taxable senior housing and healthcare revenue bonds with an aggregate principal amount payable of \$505,000 (2015B).

**B. Component Unit – HRA**

Bonds payable at December 31, 2020, are summarized as follows:

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

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**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 2020 are summarized as follows:

	<u>1/01/2020</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2020</u>	<u>Due in One Year</u>
General obligation bonds	\$ 1,690,000	\$ -	\$ -	\$ 1,690,000	\$ -
Premium on bonds	7,710	-	384	7,326	-
Compensated absences	2,890	11,543	10,581	3,852	-
GERF pension liability	60,101	15,156	3,256	72,001	-
Total long-term debt	<u>\$ 1,760,701</u>	<u>\$ 26,699</u>	<u>\$ 14,221</u>	<u>\$ 1,773,179</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, 2020, are the following:

	<u>Principal</u>	<u>Interest</u>
2021	-	44,358
2022	25,000	43,983
2023	25,000	43,233
2024	60,000	41,958
2025	60,000	40,158
2026-2030	330,000	179,662
2031-2035	395,000	137,056
2036-2040	465,000	80,407
2041-2043	330,000	14,393
	<u>\$ 1,690,000</u>	<u>\$ 625,208</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.

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**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 2019 and 2020 were as follows:

	<u>2019</u>	<u>2020</u>
Unpaid claims at beginning of year	\$ 21,398	\$ -
Current-year claims	87,672	110,408
Claim payments	<u>(109,070)</u>	<u>(91,786)</u>
Balance at end of year	<u>\$ -</u>	<u>\$ 18,622</u>

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**10. FUND BALANCE/NET POSITION**

**Classifications**

At December 31, 2020, a summary of the governmental fund balance classifications is as follows:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
<b>General Fund:</b>						
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ 5,533,135	\$ 5,533,135
Inventories	20,718	-	-	-	-	20,718
Prepaid items	40,038	-	-	-	-	40,038
<b>Total General Fund</b>	<b>60,756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,533,135</b>	<b>5,593,891</b>
Building Improvements	-	-	-	-	(3,675,315)	(3,675,315)
State Aid Construction	-	-	-	734,431	-	734,431
Street Renewal	-	-	-	529,298	-	529,298
<b>Commuter Rail Tax Increment:</b>						
Redevelopment in district	-	-	-	-	(3,399,806)	(3,399,806)
Land held for resale	-	580,627	-	-	-	580,627
<b>Total Commuter Rail Tax Increment</b>	<b>-</b>	<b>580,627</b>	<b>-</b>	<b>-</b>	<b>(3,399,806)</b>	<b>(2,819,179)</b>
<b>Greens of Anoka Tax Increment:</b>						
Redevelopment in district	-	-	-	-	(6,922,643)	(6,922,643)
Land held for resale	-	3,295,471	-	-	-	3,295,471
<b>Total Greens of Anoka Tax Increment</b>	<b>-</b>	<b>3,295,471</b>	<b>-</b>	<b>-</b>	<b>(6,922,643)</b>	<b>(3,627,172)</b>
<b>Non-major Governmental Funds:</b>						
Urban redevelopment	-	-	1,513,769	-	-	1,513,769
Food shelves	-	-	4,077	-	-	4,077
Police supplies	-	-	39,376	-	-	39,376
Cemetery operations	-	-	460,262	-	-	460,262
Parking operations	-	-	371,610	-	-	371,610
Lodging and tourism	-	-	19,485	-	-	19,485
Debt service	-	1,241,063	-	-	-	1,241,063
Parks	-	-	108,669	627,468	-	736,137
Tax increment	-	2,646,672	-	-	(1,357,598)	1,289,074
<b>Total Nonmajor Funds</b>	<b>-</b>	<b>3,887,735</b>	<b>2,517,248</b>	<b>627,468</b>	<b>(1,357,598)</b>	<b>5,674,853</b>
<b>Total Governmental fund balances</b>	<b>\$ 60,756</b>	<b>\$ 7,763,833</b>	<b>\$ 2,517,248</b>	<b>\$ 1,891,197</b>	<b>\$ (9,822,227)</b>	<b>\$ 2,410,807</b>

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**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 (census) of December 31, 2018 for reporting date December 31, 2020, 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, 2020, was \$680,059. The total liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2018.

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**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	2.75%
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 were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plans due to its repeal.

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.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the Fidelity 20-year Municipal GO AA Index. The bond index rate was updated to reflect rates as of the December 31, 2019 measurement date.

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

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

Sensitivity of OPEB Liability at Current Single Discount Rate			
1% decrease in Discount Rate	1.75%	\$	716,373
Current Discount Rate	2.75%		680,059
1% increase in Discount Rate	3.75%		642,954
Sensitivity of OPEB Liability at Current Trend Rate			
1% decrease in Trend Rates	5.40%	\$	598,956
Current Trend Rates	6.40%		680,059
1% increase in Trend Rates	7.40%		776,002

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**11. OTHER POSTEMPLOYMENT BENEFITS**

**G. Changes in Total OPEB liability**

Changes in the total OPEB liability for the year ended December 31, 2020, are as follows:

Balance at December 31, 2019	\$	603,635
Changes for the year		
Service cost		64,363
Interest		24,150
Difference between expected and actual experience		-
Changes of assumption		22,023
Benefit payments		<u>(34,112)</u>
Balance at December 31, 2020	\$	680,059

**H. OPEB Cost**

For the year ended December 31, 2020, the City recognized OPEB expense of \$91,120.

As of December 31, 2020 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	\$ -	\$16,170
B. Change of assumptions	32,389	-
C. Net difference between projected and actual investment earnings	-	-
D. Contributions between measurement date and reporting date	-	-
E. Total	<u>\$32,389</u>	<u>\$16,170</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>
2021	\$ 2,607
2022	2,607
2023	2,607
2024	2,607
2025	2,198
Thereafter	<u>3,593</u>
	\$ 16,219

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**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 members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is 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.

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**12. DEFINED BENEFIT PENSION PLANS**

**B. Benefits Provided**

(a) General Employees Plan Benefits (Continued)

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 ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

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

(a) General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 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, 2020, were \$509,790. The City'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 11.3 percent of pay to 11.8 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$508,902. The City's contributions were equal to the required contributions as set by state statute.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

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

**D. Pension Costs**

(a) General Employees Fund Pension Costs

At December 31, 2020, the City of Anoka reported a liability of \$5,581,771 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. 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 \$172,174. The net pension liability was measured as of June 30, 2020, 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, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .0931 percent at the end of the measurement period and .0886 percent for the beginning of the period.

City of Anoka proportionate share of the net pension liability	\$5,581,771
State of Minnesota's proportionate share of the net pension liability associated with the City of Anoka	<u>172,174</u>
Total	<u>\$5,753,945</u>

There were no provision changes during the measurement period. If changes expected to have a significant effect on the measurement of the net pension liability had occurred between the measurement date and the reporting date, the City would include a brief description of the nature of those changes.

For the year ended December 31, 2020, the City of Anoka recognized pension expense of \$495,677 for its proportionate share of the General Employees Plan's pension expense. In addition, the City of Anoka recognized an additional \$14,984 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.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**12. DEFINED BENEFIT PENSION PLANS**

**D. Pension Costs**

(a) General Employees Fund Pension Costs (Continued)

At December 31, 2020, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 48,452	\$ 21,119
Changes in actuarial assumptions	0.00	201,873
Net collective difference between projected and actual investment earnings	355,851	
Changes in proportion	186,596	47,307
Contributions paid to PERA subsequent to the measurement date	257,178	
Total	\$ 848,077	\$ 270,299

The \$257,178 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>Pension Expense Amount</b>
2021	\$ (30,618)
2022	48,440
2023	167,921
2024	134,857

(b) Police and Fire Fund Pension Costs

At December 31, 2020, the City of Anoka reported a liability of \$3,340,083 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, 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's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .2534 percent at the end of the measurement period and .2613 percent for the beginning of the period.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**12. DEFINED BENEFIT PENSION PLANS**

**D. Pension Costs**

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

The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City of Anoka recognized pension expense of \$577,438 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$24,211 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City of Anoka also recognized \$22,806 for the year ended December 31, 2020 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.

There were no provision changes during the measurement period. If changes expected to have a significant effect on the measurement of the net pension liability had occurred between the measurement date and the reporting date, the City would include a brief description of the nature of those changes.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**12. DEFINED BENEFIT PENSION PLANS**

**D. Pension Costs**

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

At December 31, 2020, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 147,433	\$ 158,995
Changes in actuarial assumptions	1,121,980	2,034,832
Net collective difference between projected and actual investment earnings		48,577
Changes in proportion	114,880	163,728
Contributions paid to PERA subsequent to the measurement date	263,388	
<b>Total</b>	<b>\$ 1,647,681</b>	<b>\$ 2,406,132</b>

The \$263,388 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>Pension Expense Amount</b>
2021	\$ (168,737)
2022	(1,146,873)
2023	158,839
2024	146,602
2025	(11,670)

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2020, 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

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**12. DEFINED BENEFIT PENSION PLANS**

**E. Actuarial Assumptions (Continued)**

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, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

**General Employees Fund**

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

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**12. DEFINED BENEFIT PENSION PLANS**

**E. Actuarial Assumptions**

**General Employees Fund**

Changes in Actuarial Assumptions (Continued):

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**Police and Fire Fund**

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

There have been no changes since the prior valuation

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**12. DEFINED BENEFIT PENSION PLANS**

**E. Actuarial Assumptions (Continued)**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
<b>Total</b>	<b>100%</b>	

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2020 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.

**G. Pension Liability Sensitivity**

The following presents the City of Anoka 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'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:

<b>Sensitivity Analysis</b>				
<i>Net Pension Liability (Asset) at Different Discount Rates</i>				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.50%	\$8,945,642	6.50%	\$6,657,267
Current Discount Rate	7.50%	5,581,770	7.50%	3,340,083
1% Higher	8.50%	2,806,847	8.50%	595,695

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

**H. Pension Plan Fiduciary Net Position**

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

**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.

Total contributions made by the City of Anoka during fiscal year 2020 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$1016	\$1016	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.

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**FISCAL YEAR ENDED DECEMBER 31, 2020**

**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.

For the fiscal year ended December 31, 2020, the City abated property taxes totaling \$1,699 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 April 5, 2021 the City Council approved a resolution calling for public hearing on the issuance of bonds and on a capital improvement plan. The public hearing on May 3, 2021 is for issuing Series 2021A bonds in the amount not to exceed \$10,475,000 to pay for the already constructed Park Maintenance building and the new construction of the Law Enforcement Training Center/Animal Containment facility. Bond payments will be made with a special debt levy.
- On April 5, 2021 the City Council approved plans and specifications and set the bid date for the Law Enforcement Training Center/Animal Containment facility. On May 3, 2021 the City Council may approve bids and award a contract. Construction will begin Summer of 2021. Funding for this project comes from the sale of bonds that will close early in July 2021. Bond payments will be made with a special debt levy.

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

Fiscal Year Ending	Contributions in Relation to the			Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contributions required by contracts	Contributions required by contracts	Contributions required by contracts			
December 31, 2018	\$ 21,162	\$ 21,162	\$ -	\$ 7,830,401	0.27%	
December 31, 2019	23,996	23,996	-	8,226,470	0.29%	
December 31, 2020	34,112	34,112	-	8,372,710	0.41%	
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.

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Service cost	\$ 57,928	\$ 66,040	\$ 64,363							
Interest	20,309	20,233	24,150							
Difference between expected and actual experience	-	(21,360)	-							
Changes in assumptions	14,447	5,504	22,023							
Benefit payments	(21,162)	(23,996)	(34,112)							
Net change	<u>71,522</u>	<u>46,421</u>	<u>76,424</u>							
Total - beginning	485,692	557,214	603,635							
Total - ending	<u>\$ 557,214</u>	<u>\$ 603,635</u>	<u>\$ 680,059</u>							
Covered payroll	\$ 8,300,130	\$ 8,020,865	\$ 8,851,743							
Total OPEB liability as a percentage of covered- employee payroll	6.7%	7.5%	7.7%							

\* 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.

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**REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND  
SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS\*)**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions</b>	<b>Contributions in Relation to the Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2015	\$ 390,382	\$ 390,382	\$ -	5,205,096	7.50%
December 31, 2016	423,692	423,692	-	5,649,231	7.50%
December 31, 2017	447,978	447,978	-	5,973,037	7.50%
December 31, 2018	456,350	456,350	-	6,084,667	7.50%
December 31, 2019	482,720	482,720	-	6,436,267	7.50%
December 31, 2020	509,790	509,790	-	6,797,200	7.50%
December 31, 2021	-	-	-	-	-
December 31, 2022	-	-	-	-	-
December 31, 2023	-	-	-	-	-

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

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**REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT FUND  
SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS\*)**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions</b>	<b>Contributions in Relation to the Statutorily Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
December 31, 2015	\$ 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	508,902	508,902	-	2,875,153	17.70%
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  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (LAST TEN YEARS\*)**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion (Percentage) of the Net Pension Liability</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability</b>	<b>Employer's Covered Payroll**</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
December 31, 2015	0.0887%	\$ 4,596,894	\$ 5,222,169	88.03%	78.19%
December 31, 2016	0.0866%	7,031,490	5,772,439	121.81%	68.91%
December 31, 2017	0.0909%	5,802,996	5,857,640	99.07%	75.90%
December 31, 2018	0.0895%	4,965,093	6,015,560	82.54%	79.53%
December 31, 2019	0.0886%	4,898,496	6,270,733	78.12%	80.23%
December 31, 2020	0.0931%	5,581,770	6,626,893	84.23%	79.06%
December 31, 2021		-	-		
December 31, 2022		-	-		
December 31, 2023		-	-		
December 31, 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  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES GENERAL EMPLOYEES POLICE AND FIRE RETIREMENT FUND  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (LAST TEN YEARS\*)**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion (Percentage) of the Net Pension Liability</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability</b>	<b>Employer's Covered Payroll**</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
December 31, 2015	0.246%	\$ 2,795,136	\$ 2,254,918	124%	86.61%
December 31, 2016	0.254%	10,193,462	2,448,383	416%	63.88%
December 31, 2017	0.247%	3,334,792	2,537,175	131%	85.43%
December 31, 2018	0.2523%	2,689,256	2,659,346	101%	88.84%
December 31, 2019	0.2613%	2,781,802	2,757,290	101%	89.26%
December 31, 2020	0.2534%	3,340,083	2,862,094	117%	87.19%
December 31, 2021		-	-		
December 31, 2022		-	-		
December 31, 2023		-	-		
December 31, 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**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>			<b>Variance From</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget</b> <b>Positive</b> <b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 7,306,005	\$ 7,306,005	\$ 7,282,910	\$ (23,095)
Licenses and permits	443,100	443,100	550,803	107,703
Fines and forfeitures	56,300	56,300	65,841	9,541
Intergovernmental	2,470,617	3,606,017	3,686,181	80,164
Charges for current services	829,300	829,300	516,930	(312,370)
Franchise fees	981,000	981,000	939,130	(41,870)
Investment earnings	50,000	50,000	40,923	(9,077)
Net increase in fair value of investments	-	-	3,171	3,171
Miscellaneous	144,580	144,580	146,391	1,811
<b>Total revenues</b>	<u>12,280,902</u>	<u>13,416,302</u>	<u>13,232,280</u>	<u>(184,022)</u>
<b>Expenditures:</b>				
General government	1,802,121	2,227,203	2,031,309	195,894
Public safety	6,314,879	6,957,197	6,728,367	228,830
Public works	1,769,936	1,993,328	1,778,425	214,903
Parks and recreation	2,544,466	2,386,074	2,168,936	217,138
<b>Total expenditures</b>	<u>12,431,402</u>	<u>13,563,802</u>	<u>12,707,037</u>	<u>856,765</u>
<b>Excess of revenues over expenditures</b>	<u>(150,500)</u>	<u>(147,500)</u>	<u>525,243</u>	<u>672,743</u>
<b>Other financing sources (uses):</b>				
Transfer in	800,500	800,500	800,500	-
Transfer out	(800,000)	(800,000)	(800,000)	-
Proceeds (loss) from sale of asset	-	-	-	-
<b>Total other financing sources</b>	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
<b>Special item - transfer of operations</b>	-	-	-	-
<b>Net changes in fund balance</b>	<u>\$ (150,000)</u>	<u>\$ (147,000)</u>	<u>525,743</u>	<u>\$ 672,743</u>
Fund balance at beginning of year			<u>5,068,148</u>	
<b>Fund balance at end of year</b>			<u>\$ 5,593,891</u>	

See Independent Auditor's Report.

See accompanying note to required supplementary information.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**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**

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

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

**General Employees Fund**

2020 Changes

Changes in Actuarial Assumptions (continued)

- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provision

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**Police and Fire Fund**

2020 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provision

- There have been no changes since the prior valuation.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

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

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

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

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

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

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

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

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**NONMAJOR GOVERNMENTAL FUNDS**

**Debt Service Funds**

Debt Service Funds are used to account for the accumulation of resources that are restricted for expenditures of principal and interest on general and tax increment long-term debt.

**Capital Project Funds**

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

**Park Funds** - The Park Funds are comprised of Park Capital, Aquatic Center Capital, and Park Dedication. Park Funds are 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** - The South Ferry Tax Increment Fund is used to account for the redevelopment of South Ferry Street.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<b>Special Revenue</b>						<b>Total Nonmajor Special Revenue Funds</b>
	<b>Parking</b>	<b>Lodging</b>	<b>Cemetery</b>	<b>Police Forefeiture</b>	<b>Round Up</b>	<b>Urban Redevelopment</b>	
<b>Assets</b>							
Cash and investments	\$ 381,834	\$ 19,896	\$ 457,770	\$ 40,164	\$ 1,553	\$ 1,523,095	\$ 2,424,312
Receivables, net:							
Accounts receivable	750	1,472	6,150	-	2,524	32,624	43,520
<b>Total assets</b>	<b>\$ 382,584</b>	<b>\$ 21,368</b>	<b>\$ 463,920</b>	<b>\$ 40,164</b>	<b>\$ 4,077</b>	<b>\$ 1,555,719</b>	<b>\$ 2,467,832</b>
<b>Liabilities and Fund Balance</b>							
Liabilities:							
Accounts payable	\$ 5,745	\$ 1,472	\$ 3,401	\$ 788	\$ -	\$ 9,840	\$ 21,246
Accrued wages payable	796	-	257	-	-	-	1,053
Due to other governments	-	411	-	-	-	-	411
Unearned revenue	4,433	-	-	-	-	32,110	36,543
<b>Total liabilities</b>	<b>10,974</b>	<b>1,883</b>	<b>3,658</b>	<b>788</b>	<b>-</b>	<b>41,950</b>	<b>59,253</b>
Fund balance:							
Committed	371,610	19,485	460,262	39,376	4,077	1,513,769	2,408,579
<b>Total fund balance</b>	<b>371,610</b>	<b>19,485</b>	<b>460,262</b>	<b>39,376</b>	<b>4,077</b>	<b>1,513,769</b>	<b>2,408,579</b>
<b>Total liabilities and fund balance</b>	<b>\$ 382,584</b>	<b>\$ 21,368</b>	<b>\$ 463,920</b>	<b>\$ 40,164</b>	<b>\$ 4,077</b>	<b>\$ 1,555,719</b>	<b>\$ 2,467,832</b>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020 (CONTINUED)**

	Capital Projects					Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Debt Service	Parks	Enterprise Park Tax Increment	HRRD Tax Increment	South Ferry Tax Increment		
<b>Assets</b>							
Cash and investments	\$ 1,239,964	\$ 772,143	\$ 1,677	\$ 6,838	\$ 17,408	\$ 798,066	\$ 4,462,342
Receivables, net:							
Taxes	1,867	-	-	1,346	-	1,346	3,213
Special Assessments	803,783	-	-	-	-	-	847,303
Accounts receivable	-	-	6,767	-	-	6,767	6,767
Advance to other funds	-	-	805,000	-	-	805,000	805,000
Land held for resale	-	-	1,531,688	496,756	-	2,028,444	2,028,444
	<u>\$ 2,045,614</u>	<u>\$ 772,143</u>	<u>\$ 2,345,132</u>	<u>\$ 504,940</u>	<u>\$ 17,408</u>	<u>\$ 3,639,623</u>	<u>\$ 8,153,069</u>
<b>Total assets</b>							
	<u>\$ 2,045,614</u>	<u>\$ 772,143</u>	<u>\$ 2,345,132</u>	<u>\$ 504,940</u>	<u>\$ 17,408</u>	<u>\$ 3,639,623</u>	<u>\$ 8,153,069</u>
<b>Liabilities and Fund Balance</b>							
Liabilities:							
Accounts payable	\$ -	\$ 36,006	\$ 3,393	\$ 7	\$ 6	\$ 39,412	\$ 60,658
Accrued wages payable	-	-	-	-	-	-	1,053
Due to other funds	-	-	200,000	-	-	200,000	200,000
Due to other governments	-	-	-	-	-	-	411
Unearned revenue	-	-	-	-	-	-	36,543
Advance from other funds	-	-	-	-	1,375,000	1,375,000	1,375,000
	<u>-</u>	<u>36,006</u>	<u>203,393</u>	<u>7</u>	<u>1,375,006</u>	<u>1,614,412</u>	<u>1,673,665</u>
<b>Total liabilities</b>							
	<u>-</u>	<u>36,006</u>	<u>203,393</u>	<u>7</u>	<u>1,375,006</u>	<u>1,614,412</u>	<u>1,673,665</u>
Deferred inflows of resources:							
Unavailable revenue-Property tax	768	-	-	-	-	-	768
Unavailable revenue-Special assessment	803,783	-	-	-	-	-	803,783
Total deferred inflows of resources	<u>804,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>804,551</u>
Fund balance:							
Restricted	1,241,063	-	2,141,739	504,933	-	2,646,672	3,887,735
Committed	-	108,669	-	-	-	108,669	2,517,248
Assigned	-	627,468	-	-	-	627,468	627,468
Unassigned	-	-	-	-	(1,357,598)	(1,357,598)	(1,357,598)
	<u>1,241,063</u>	<u>736,137</u>	<u>2,141,739</u>	<u>504,933</u>	<u>(1,357,598)</u>	<u>2,025,211</u>	<u>5,674,853</u>
<b>Total fund balance (deficit)</b>							
	<u>1,241,063</u>	<u>736,137</u>	<u>2,141,739</u>	<u>504,933</u>	<u>(1,357,598)</u>	<u>2,025,211</u>	<u>5,674,853</u>
<b>Total liabilities and fund balance</b>							
	<u>\$ 2,045,614</u>	<u>\$ 772,143</u>	<u>\$ 2,345,132</u>	<u>\$ 504,940</u>	<u>\$ 17,408</u>	<u>\$ 3,639,623</u>	<u>\$ 8,153,069</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	Special Revenue						Total Nonmajor Special Revenue Funds
	Parking	Lodging	Cemetery	Police Forfeiture	Round Up	Urban Redevelopment	
Revenues:							
Taxes	\$ -	\$ 791	\$ -	\$ -	\$ -	\$ -	\$ 791
Licenses and permits	44,683	-	-	-	-	-	44,683
Fines and forfeitures	16,504	-	-	19,327	-	-	35,831
Charges for current services	1,290	-	83,807	-	-	184,065	269,162
Investment income	4,632	217	4,993	433	89	17,347	27,711
Net increase (decrease) in fair value of investments	19	4	157	31	(17)	525	719
Miscellaneous	-	-	305	-	29,435	-	29,740
<b>Total revenues</b>	<b>67,128</b>	<b>1,012</b>	<b>89,262</b>	<b>19,791</b>	<b>29,507</b>	<b>201,937</b>	<b>408,637</b>
Expenditures:							
Current:							
General government	-	419	-	-	-	125,135	125,554
Public safety	52,194	-	-	10,514	44,668	-	107,376
Public works	82,808	-	-	-	-	-	82,808
Parks and recreation	-	-	66,297	-	-	-	66,297
Capital outlay	6,615	-	6,740	-	-	-	13,355
<b>Total expenditures</b>	<b>141,617</b>	<b>419</b>	<b>73,037</b>	<b>10,514</b>	<b>44,668</b>	<b>125,135</b>	<b>395,390</b>
Excess (deficiency) of revenues over (under) expenditures	(74,489)	593	16,225	9,277	(15,161)	76,802	13,247
Fund balances at beginning of year	446,099	18,892	444,037	30,099	19,238	1,436,967	2,395,332
Fund balances at end of year	<u>\$ 371,610</u>	<u>\$ 19,485</u>	<u>\$ 460,262</u>	<u>\$ 39,376</u>	<u>\$ 4,077</u>	<u>\$ 1,513,769</u>	<u>\$ 2,408,579</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020 (CONTINUED)**

	<u>Capital Projects</u>					<u>Total Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service</u>	<u>Parks</u>	<u>Enterprise Park Tax Increment</u>	<u>HRRD Tax Increment</u>	<u>South Ferry Tax Increment</u>		
Revenues:							
Taxes	\$ 51	\$ -	\$ -	\$ 124,898	\$ 21,528	\$ 146,426	\$ 147,268
Special assessments	385,776	-	-	-	-	-	430,459
Licenses and permits	-	-	-	-	-	-	35,831
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	-	326,663	-	-	-	326,663	595,825
Charges for current services	-	-	36,000	-	-	36,000	63,711
Investment income	3,045	7,907	(26,692)	1,641	-	(17,144)	(13,380)
Net increase (decrease) in fair value of investments	21	582	(1,817)	600	-	(635)	29,126
Miscellaneous	-	230,456	29,619	-	-	260,075	260,075
<b>Total revenues</b>	<b>388,893</b>	<b>565,608</b>	<b>37,110</b>	<b>127,139</b>	<b>21,528</b>	<b>751,385</b>	<b>1,548,915</b>
Expenditures:							
Current:							
General government	4,475	-	28	3,021	911	3,960	133,989
Public safety	-	-	-	-	-	-	107,376
Public works	-	-	-	-	-	-	82,808
Parks and recreation	-	251	-	-	-	251	66,548
Capital outlay	-	330,188	27,518	-	5,308	363,014	376,369
Debt service:							
Principal retirement	700,000	-	-	-	-	-	700,000
Interest and fiscal charges	312,306	-	-	-	48,912	48,912	361,218
<b>Total expenditures</b>	<b>1,016,781</b>	<b>330,439</b>	<b>27,546</b>	<b>3,021</b>	<b>55,131</b>	<b>416,137</b>	<b>1,828,308</b>
Excess (deficiency) of revenues over (under) expenditures	(627,888)	235,169	9,564	124,118	(33,603)	335,248	(279,393)
Other financing sources (uses):							
Transfer in	1,302,970	60,000	-	-	61,000	121,000	1,423,970
Transfer out	-	-	(61,000)	(75,000)	-	(136,000)	(136,000)
<b>Total other financing sources (uses)</b>	<b>1,302,970</b>	<b>60,000</b>	<b>(61,000)</b>	<b>(75,000)</b>	<b>61,000</b>	<b>(15,000)</b>	<b>1,287,970</b>
Net changes in fund balances	675,082	295,169	(51,436)	49,118	27,397	320,248	1,008,577
Fund balances (deficits) at beginning of year	565,981	440,968	2,193,175	455,815	(1,384,995)	1,704,963	4,666,276
Fund balances (deficits) at end of year	<u>\$ 1,241,063</u>	<u>\$ 736,137</u>	<u>\$ 2,141,739</u>	<u>\$ 504,933</u>	<u>\$ (1,357,598)</u>	<u>\$ 2,025,521</u>	<u>\$ 5,674,853</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance From Final Budget Positive (Negative)</b>
<b>Parking fund:</b>				
Revenues:				
Licenses and permits	\$ 52,000	\$ 52,000	\$ 44,683	\$ (7,317)
Fines and forfeitures	32,000	32,000	16,504	(15,496)
Miscellaneous	7,000	7,000	1,290	(5,710)
Interest income	6,100	6,100	4,632	(1,468)
Net increase in fair value of investments	-	-	19	19
Total revenues	<u>97,100</u>	<u>97,100</u>	<u>67,128</u>	<u>(29,972)</u>
Expenditures:				
Personal services	51,480	51,480	52,194	(714)
Supplies	-	-	765	(765)
Professional services	63,680	63,680	53,541	10,139
Contractual services	25,433	25,433	28,502	(3,069)
Capital outlay	160,000	-	6,615	(6,615)
Total expenditures	<u>300,593</u>	<u>140,593</u>	<u>141,617</u>	<u>(1,024)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (203,493)</u>	<u>\$ (43,493)</u>	<u>\$ (74,489)</u>	<u>\$ (30,996)</u>
Fund balance at beginning of year			<u>446,099</u>	
Fund balance at end of year			<u>\$ 371,610</u>	
<b>Lodging fund:</b>				
Revenues:				
Taxes	\$ 750	\$ 750	\$ 791	\$ 41
Miscellaneous	4,000	4,000	-	(4,000)
Interest income	200	200	217	17
Net increase in fair value of investments	-	-	4	4
Total revenues	<u>4,950</u>	<u>4,950</u>	<u>1,012</u>	<u>(3,938)</u>
Expenditures:				
Personal services	390	390	390	-
Professional services	<u>3,530</u>	<u>3,530</u>	<u>29</u>	<u>3,501</u>
Total expenditures	<u>3,920</u>	<u>3,920</u>	<u>419</u>	<u>3,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,030</u>	<u>\$ 1,030</u>	<u>\$ 593</u>	<u>\$ 437</u>
Fund balance at beginning of year			<u>18,892</u>	
Fund balance at end of year			<u>\$ 19,485</u>	

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance From Final Budget Positive (Negative)</b>
<b>Cemetery fund:</b>				
Revenues:				
Charges for services	\$ 74,500	\$ 74,500	\$ 83,807	\$ 9,307
Miscellaneous	250	250	305	55
Interest income	3,000	3,000	4,993	1,993
Net increase in fair value of investments	-	-	157	157
Total revenues	<u>77,750</u>	<u>77,750</u>	<u>89,262</u>	<u>11,512</u>
Expenditures:				
Personal services	66,760	66,760	36,675	30,085
Supplies	5,400	5,400	418	4,982
Professional services	10,330	10,330	14,046	(3,716)
Contractual services	15,333	15,333	15,158	175
Capital outlay	-	-	6,740	(6,740)
Total expenditures	<u>97,823</u>	<u>97,823</u>	<u>73,037</u>	<u>24,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (20,073)</u>	<u>\$ (20,073)</u>	\$ 16,225	<u>\$ 36,298</u>
Fund balance at beginning of year			<u>444,037</u>	
Fund balance at end of year			<u>\$ 460,262</u>	
<b>Urban Redevelopment fund:</b>				
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 184,065	\$ 34,065
Interest income	16,500	16,500	17,347	847
Net increase in fair value of investments	-	-	525	525
Miscellaneous	-	-	-	-
Total revenues	<u>166,500</u>	<u>166,500</u>	<u>201,937</u>	<u>35,437</u>
Expenditures:				
Personal services	100	100	100	-
Professional services	10	10	125,035	(125,025)
Total expenditures	<u>110</u>	<u>110</u>	<u>125,135</u>	<u>(125,025)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 166,390</u>	<u>\$ 166,390</u>	\$ 76,802	<u>\$ (89,588)</u>
Fund balance at beginning of year			<u>1,436,967</u>	
Fund balance at end of year			<u>\$ 1,513,769</u>	

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance From Final Budget Positive (Negative)</b>
<b>Round Up:</b>				
Revenues:				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 29,435	\$ (565)
Interest income	300	300	89	(211)
Net increase in fair value of investments	-	-	(17)	(17)
Total revenues	<u>30,300</u>	<u>30,300</u>	<u>29,507</u>	<u>(793)</u>
Expenditures:				
Professional services	30,300	30,300	44,646	(14,346)
Contractual services	-	-	22	(22)
Total expenditures	<u>30,300</u>	<u>30,300</u>	<u>44,668</u>	<u>(14,368)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ (15,161)	<u>\$ (15,161)</u>
Fund balance at beginning of year			<u>19,238</u>	
Fund balance at end of year			<u>\$ 4,077</u>	
<b>Police Forfeiture</b>				
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 19,327	\$ 9,327
Interest income	300	300	433	133
Net increase in fair value of investments	-	-	31	31
Sale of fixed asset	-	-	-	-
Total revenues	<u>10,300</u>	<u>10,300</u>	<u>19,791</u>	<u>9,491</u>
Expenditures:				
Supplies	-	-	4,755	(4,755)
Professional services	5,300	5,300	5,759	(459)
Capital Outlay	5,000	5,000	-	5,000
Total expenditures	<u>10,300</u>	<u>10,300</u>	<u>10,514</u>	<u>(214)</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 9,277	<u>\$ 9,277</u>
Fund balance at beginning of year			<u>30,099</u>	
Fund balance at end of year			<u>\$ 39,376</u>	

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL 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 was closed in 2020 and the funds were transferred to the Recycling fund.

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

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF NET POSITION -**  
**NONMAJOR PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

<b>Assets:</b>	<b>Sewer</b>	<b>Golf</b>	<b>Refuse</b>	<b>Recycling</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 900,318	\$ 336,702	\$ -	\$ 185,511	\$ 1,422,531
Receivables, net:					
Accounts receivable	314,280	3,356	-	58,728	376,364
Prepaid items	119,633	185	-	-	119,818
Due from other funds	206,500	-	-	-	206,500
Inventory	-	46,404	-	-	46,404
Total current assets	<u>1,540,731</u>	<u>386,647</u>	<u>-</u>	<u>244,239</u>	<u>2,171,617</u>
<b>Noncurrent assets:</b>					
Land and improvements	13,383	191,307	-	-	204,690
Buildings and structures	150,000	409,638	-	-	559,638
Furniture and equipment	-	169,564	-	-	169,564
Machinery and automotive equipment	1,098,405	1,026,252	-	-	2,124,657
Distribution system	9,495,305	-	-	-	9,495,305
Other improvements	-	2,726,073	-	-	2,726,073
Total property	<u>10,757,093</u>	<u>4,522,834</u>	<u>-</u>	<u>-</u>	<u>15,279,927</u>
Accumulated depreciation	<u>(5,013,284)</u>	<u>(2,990,002)</u>	<u>-</u>	<u>-</u>	<u>(8,003,286)</u>
Net noncurrent assets	<u>5,743,809</u>	<u>1,532,832</u>	<u>-</u>	<u>-</u>	<u>7,276,641</u>
Total assets	<u>7,284,540</u>	<u>1,919,479</u>	<u>-</u>	<u>244,239</u>	<u>9,448,258</u>
<b>Deferred outflows of resources:</b>					
Deferred pension resources	<u>38,277</u>	<u>50,665</u>	<u>-</u>	<u>3,882</u>	<u>92,824</u>
Total assets and deferred outflows of resources	<u>\$ 7,322,817</u>	<u>\$ 1,970,144</u>	<u>\$ -</u>	<u>\$ 248,121</u>	<u>\$ 9,541,082</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 5,351	\$ 3,574	\$ -	\$ 1,542	\$ 10,467
Accrued wages payable	5,078	8,601	-	573	14,252
Accrued interest payable	12,065	-	-	-	12,065
Due to other funds	-	39,000	-	-	39,000
Advance to other funds	-	211,375	-	-	211,375
Current portion of bonds payable	35,000	-	-	-	35,000
Deposits	-	102,337	-	-	102,337
Total current liabilities	<u>57,494</u>	<u>364,887</u>	<u>-</u>	<u>2,115</u>	<u>424,496</u>
<b>Current liabilities:</b>					
Compensated absences payable	13,621	61,588	-	-	75,209
Bonds payable	1,046,061	-	-	-	1,046,061
Net pension liability	<u>251,928</u>	<u>333,459</u>	<u>-</u>	<u>25,552</u>	<u>610,939</u>
Total liabilities	<u>1,369,104</u>	<u>759,934</u>	<u>-</u>	<u>27,667</u>	<u>2,156,705</u>
<b>Deferred inflows of resources:</b>					
Deferred pension resources	<u>12,200</u>	<u>16,148</u>	<u>-</u>	<u>1,237</u>	<u>29,585</u>
<b>Net position:</b>					
Net investment in capital assets	4,662,748	1,532,832	-	-	6,195,580
Unrestricted	<u>1,278,765</u>	<u>(338,770)</u>	<u>-</u>	<u>219,217</u>	<u>1,159,212</u>
Total net position	<u>5,941,513</u>	<u>1,194,062</u>	<u>-</u>	<u>219,217</u>	<u>7,354,792</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,322,817</u>	<u>\$ 1,970,144</u>	<u>\$ -</u>	<u>\$ 248,121</u>	<u>\$ 9,541,082</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
NONMAJOR PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<b>Sewer</b>	<b>Golf</b>	<b>Refuse</b>	<b>Recycling</b>	<b>Total Nonmajor Proprietary Funds</b>
Operating revenues:					
Charges for sales and services:					
Sewer	\$ 2,741,932	\$ -	\$ -	\$ -	\$ 2,741,932
Golf	-	1,291,034	-	-	1,291,034
Recycling billings	-	-	-	329,580	329,580
Other	1,834	-	-	57,579	59,413
Total operating revenues	<u>2,743,766</u>	<u>1,291,034</u>	<u>-</u>	<u>387,159</u>	<u>4,421,959</u>
Operating expenses:					
Personal services	436,003	606,275	-	50,567	1,092,845
Supplies	11,230	125,658	-	1,674	138,562
Professional services	91,016	114,050	-	44,151	249,217
Contractual services	30,474	50,057	-	2,459	82,990
Disposal charges	1,528,868	-	-	288,201	1,817,069
Cost of goods sold	-	78,322	-	-	78,322
Depreciation	272,953	170,647	-	-	443,600
Total operating expenses	<u>2,370,544</u>	<u>1,145,009</u>	<u>-</u>	<u>387,052</u>	<u>3,902,605</u>
Operating income	<u>373,222</u>	<u>146,025</u>	<u>-</u>	<u>107</u>	<u>519,354</u>
Nonoperating revenues:					
Interest income	17,644	639	-	2,386	20,669
Interest expense	(23,930)	(6,375)	-	-	(30,305)
Net increase in fair value of investments	1,954	533	-	30	2,517
Pension revenue	676	895	-	69	1,640
Federal Grant - CARES Act	-	83,225	-	-	83,225
CARES expense enterprise funds	-	(83,225)	-	-	(83,225)
Other income	95,700	-	-	1,350	97,050
Total nonoperating revenues (loss)	<u>92,044</u>	<u>(4,308)</u>	<u>-</u>	<u>3,835</u>	<u>91,571</u>
Income before transfers	465,266	141,717	-	3,942	610,925
Other transfers:					
Transfer in	-	245,000	-	118,121	363,121
Transfer out	(183,290)	-	(118,121)	-	(301,411)
Total transfers	<u>(183,290)</u>	<u>245,000</u>	<u>(118,121)</u>	<u>118,121</u>	<u>61,710</u>
Change in net position	281,976	386,717	(118,121)	122,063	672,635
Net position - Beginning of year	<u>5,659,537</u>	<u>807,345</u>	<u>118,121</u>	<u>97,154</u>	<u>6,682,157</u>
Net position - End of year	<u>\$ 5,941,513</u>	<u>\$ 1,194,062</u>	<u>\$ -</u>	<u>\$ 219,217</u>	<u>\$ 7,354,792</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF CASH FLOWS -**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<u>Sewer</u>	<u>Golf</u>	<u>Refuse</u>	<u>Recycling</u>	<b>Total Nonmajor Proprietary Funds</b>
Cash flows from operating activities:					
Received from customers	\$ 2,820,228	\$ 1,301,059	\$ -	\$ 369,204	\$ 4,490,491
Payments to suppliers for goods and services	(128,960)	(376,377)	-	(46,936)	(552,273)
Payments to employees for services	(470,542)	(617,169)	-	(55,906)	(1,143,617)
Disposal charges	(1,528,868)	-	-	(288,201)	(1,817,069)
Increase in deposits	-	31,958	-	-	31,958
Net cash provided by (used in) operating activities	<u>691,858</u>	<u>339,471</u>	<u>-</u>	<u>(21,839)</u>	<u>1,009,490</u>
Cash flows from noncapital financing activities:					
Cash flow from (to) other funds	(206,499)	(84,625)	80,000	-	(211,124)
Transfer from other funds	-	245,000	-	118,121	363,121
Transfer to other funds	(183,290)	-	(118,121)	-	(301,411)
Net cash provided (used) by noncapital financing activities	<u>(389,789)</u>	<u>160,375</u>	<u>(38,121)</u>	<u>118,121</u>	<u>(149,414)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(773,171)	(161,164)	-	-	(934,335)
Interest paid	(11,865)	(6,375)	-	-	(18,240)
Proceeds from sale of bonds	1,081,061	-	-	-	1,081,061
Net cash used for capital and related financing activities	<u>296,025</u>	<u>(167,539)</u>	<u>-</u>	<u>-</u>	<u>128,486</u>
Cash flows from investing activities:					
Investment earnings	19,598	1,172	-	2,416	23,186
Net increase (decrease) in cash and cash equivalents	617,692	333,479	(38,121)	98,698	1,011,748
Cash and cash equivalents at beginning of year	<u>282,626</u>	<u>3,223</u>	<u>38,121</u>	<u>86,813</u>	<u>410,783</u>
Cash and cash equivalents at end of year	<u>\$ 900,318</u>	<u>\$ 336,702</u>	<u>\$ -</u>	<u>\$ 185,511</u>	<u>\$ 1,422,531</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ 373,222</u>	<u>\$ 146,025</u>	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ 519,354</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	272,953	170,647	-	-	443,600
Pension revenue	676	895	-	69	1,640
Other income	95,700	-	-	1,350	97,050
Change in assets and liabilities:					
Accounts receivable	(19,914)	9,129	-	(19,374)	(30,159)
Inventory	-	6,868	-	-	6,868
Prepaid items	7,263	(135)	-	-	7,128
Net pension liability	15,767	41,957	-	4,098	61,822
Deferred outflows - Pensions	(15,662)	(22,750)	-	(1,828)	(40,240)
Deferred inflows - Pensions	(27,671)	(33,066)	-	(2,385)	(63,122)
Accounts payable	(3,503)	(15,022)	-	1,348	(17,177)
Accrued wages payable	(7,504)	(8,146)	-	(1,112)	(16,762)
Compensated absences payable	531	11,111	-	(4,112)	7,530
Deposits	-	31,958	-	-	31,958
Total adjustments	<u>318,636</u>	<u>193,446</u>	<u>-</u>	<u>(21,946)</u>	<u>490,136</u>
Net cash provided by (used in) operating activities	<u>\$ 691,858</u>	<u>\$ 339,471</u>	<u>\$ -</u>	<u>\$ (21,839)</u>	<u>\$ 1,009,490</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL 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**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF NET POSITION -**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2020**

<b>Assets</b>	<b>Information Systems</b>	<b>Insurance</b>	<b>Employee Benefits</b>	<b>Central Garage</b>	<b>Total</b>
<b>Current assets:</b>					
Cash and cash equivalents	\$ 302,720	\$ 976,111	\$ 962,882	\$ 220,192	\$ 2,461,905
Inventory	-	-	-	17,362	17,362
Prepaid items	2,281	112,209	-	-	114,490
Total current assets	<u>305,001</u>	<u>1,088,320</u>	<u>962,882</u>	<u>237,554</u>	<u>2,593,757</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Buildings and structures	50,000	-	-	-	50,000
Furniture and equipment	538,889	-	-	-	538,889
Machinery and automotive equipment	-	-	-	5,017,526	5,017,526
Total property	<u>588,889</u>	<u>-</u>	<u>-</u>	<u>5,017,526</u>	<u>5,606,415</u>
Accumulated depreciation	<u>(471,884)</u>	<u>-</u>	<u>-</u>	<u>(3,647,553)</u>	<u>(4,119,437)</u>
Net noncurrent assets	<u>117,005</u>	<u>-</u>	<u>-</u>	<u>1,369,973</u>	<u>1,486,978</u>
Total assets	<u>\$ 422,006</u>	<u>\$ 1,088,320</u>	<u>\$ 962,882</u>	<u>\$ 1,607,527</u>	<u>\$ 4,080,735</u>
<b>Liabilities and Net Position</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 3,973	\$ 8	\$ 3,450	\$ 9,883	\$ 17,314
Accrued wages payable	-	-	-	2,674	2,674
Current portion of compen absences payable	-	-	20,000	-	20,000
Total current liabilities	<u>3,973</u>	<u>8</u>	<u>23,450</u>	<u>12,557</u>	<u>39,988</u>
Compensated absences payable	-	-	967,304	24,001	991,305
Total liabilities	<u>3,973</u>	<u>8</u>	<u>990,754</u>	<u>36,558</u>	<u>1,031,293</u>
<b>Net position:</b>					
Net investment in capital assets	117,005	-	-	1,369,973	1,486,978
Unrestricted	301,028	1,088,312	(27,872)	200,996	1,562,464
Total net position (deficit)	<u>418,033</u>	<u>1,088,312</u>	<u>(27,872)</u>	<u>1,570,969</u>	<u>3,049,442</u>
Total liabilities and net position	<u>\$ 422,006</u>	<u>\$ 1,088,320</u>	<u>\$ 962,882</u>	<u>\$ 1,607,527</u>	<u>\$ 4,080,735</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
INTERNAL SERVICE FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:					
Total operating revenues	\$ 519,516	\$ 477,320	\$ 55,000	\$ 933,300	\$ 1,985,136
Operating expenses:					
Personal services	21,261	10,180	108,182	164,167	303,790
Supplies	11,094	-	-	243,471	254,565
Professional services	323,039	544,416	-	49,917	917,372
Contractual services	152,470	-	-	39,835	192,305
Depreciation	30,150	-	-	346,159	376,309
Total operating expenses	<u>538,014</u>	<u>554,596</u>	<u>108,182</u>	<u>843,549</u>	<u>2,044,341</u>
Operating income (loss)	<u>(18,498)</u>	<u>(77,276)</u>	<u>(53,182)</u>	<u>89,751</u>	<u>(59,205)</u>
Nonoperating revenues (expenses):					
Interest income	3,233	11,518	10,253	2,148	27,152
Net increase in fair value of investments	86	172	301	341	900
Federal Grants - CARES Act	119,827			2,635	122,462
CARES expense internal service funds	(119,827)			(2,635)	(122,462)
Loss on sale of fixed assets	-	-	-	(7,442)	(7,442)
Other income	47,000	45,208	-	-	92,208
Total nonoperating revenues	<u>50,319</u>	<u>56,898</u>	<u>10,554</u>	<u>(4,953)</u>	<u>112,818</u>
Change in net position	31,821	(20,378)	(42,628)	84,798	53,613
Net position - Beginning 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>
Net position (deficit) - End of year	<u>\$ 418,033</u>	<u>\$ 1,088,312</u>	<u>\$ (27,872)</u>	<u>\$ 1,570,969</u>	<u>\$ 3,049,442</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<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	\$ 566,516	\$ 477,320	\$ 55,000	\$ 933,300	\$ 2,032,136
Payments to suppliers for goods and services	(488,543)	(564,071)	630	(328,309)	(1,380,293)
Payments to employees for services	(21,261)	(10,180)	13,035	(165,877)	(184,283)
Net cash provided by (used in) operating activities	<u>56,712</u>	<u>(96,931)</u>	<u>68,665</u>	<u>439,114</u>	<u>467,560</u>
Cash flows from noncapital financing activities:					
(Increase) decrease from other funds	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(35,843)	-	-	(314,279)	(350,122)
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,668</u>	<u>105,668</u>
Net cash used in capital and related financing activities	<u>(35,843)</u>	<u>-</u>	<u>-</u>	<u>(208,611)</u>	<u>(244,454)</u>
Cash flows from investing activities:					
Investment earnings	<u>3,319</u>	<u>11,690</u>	<u>10,554</u>	<u>2,489</u>	<u>28,052</u>
Net increase (decrease) in cash and cash equivalents	24,188	(65,241)	79,219	212,992	251,158
Cash and cash equivalents at beginning of year	<u>278,532</u>	<u>1,041,352</u>	<u>883,663</u>	<u>7,200</u>	<u>2,210,747</u>
Cash and cash equivalents end of year	<u>\$ 302,720</u>	<u>\$ 976,111</u>	<u>\$ 962,882</u>	<u>\$ 220,192</u>	<u>\$ 2,461,905</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ (18,498)</u>	<u>\$ (77,276)</u>	<u>\$ (53,182)</u>	<u>\$ 89,751</u>	<u>\$ (59,205)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	30,150	-	-	346,159	376,309
Other income	47,000	45,208	-	-	92,208
Change in assets and liabilities:					
Inventory	-	-	-	7,673	7,673
Prepaid expense	(2,281)	(12,912)	-	-	(15,193)
Accounts payable	341	(51,951)	630	(2,759)	(53,739)
Accrued wages payable	-	-	-	(4,233)	(4,233)
Compensated absences payable	-	-	121,217	2,523	123,740
Total adjustments	<u>75,210</u>	<u>(19,655)</u>	<u>121,847</u>	<u>349,363</u>	<u>526,765</u>
Net cash provided by (used in) operating activities	<u>\$ 56,712</u>	<u>\$ (96,931)</u>	<u>\$ 68,665</u>	<u>\$ 439,114</u>	<u>\$ 467,560</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Taxes:</b>			
Property	\$ 7,303,005	\$ 7,279,887	\$ (23,118)
Penalties and interest	3,000	3,023	23
Total taxes	<u>7,306,005</u>	<u>7,282,910</u>	<u>(23,095)</u>
<b>Licenses and permits:</b>			
Licenses	133,100	98,715	(34,385)
Permits	<u>310,000</u>	<u>452,088</u>	<u>142,088</u>
Total licenses and permits	<u>443,100</u>	<u>550,803</u>	<u>107,703</u>
<b>Fines and forfeitures:</b>			
Court fines	56,000	44,097	(11,903)
Code violations	-	21,694	21,694
Other	<u>300</u>	<u>50</u>	<u>(250)</u>
Total fines and forfeitures	<u>56,300</u>	<u>65,841</u>	<u>9,541</u>
<b>Intergovernmental:</b>			
Local government aid	1,968,117	1,976,993	8,876
Federal Grants - CARES	1,135,400	1,135,400	-
State aid maintenance	209,000	234,385	25,385
Police aid	265,000	321,807	56,807
PERA aid	28,500	-	(28,500)
Other	<u>-</u>	<u>17,596</u>	<u>17,596</u>
Total intergovernmental	<u>3,606,017</u>	<u>3,686,181</u>	<u>80,164</u>
<b>Charges for current services:</b>			
Swimming pool	307,700	135,201	(172,499)
Parks	58,500	23,280	(35,220)
Police services	339,100	261,461	(77,639)
Planning services	119,000	90,983	(28,017)
Public works	1,500	-	(1,500)
Finance	<u>1,000</u>	<u>6,005</u>	<u>5,005</u>
Total charges for current services	<u>\$ 826,800</u>	<u>\$ 516,930</u>	<u>\$ (309,870)</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Franchise fees</b>	\$ 981,000	\$ 939,130	\$ (41,870)
<b>Interest earnings</b>	50,000	40,923	(9,077)
<b>Miscellaneous:</b>			
Other	147,080	146,391	(689)
Net increase in fair value of investments	-	3,171	3,171
Total Miscellaneous	147,080	149,562	2,482
Total revenues	13,416,002	13,232,280	(184,022)
<b>Other financing sources:</b>			
Electric transfer in	600,000	600,000	-
Liquor transfer in	200,500	200,500	-
Total	800,500	800,500	-
Total revenues and other financing sources	<u>\$ 14,216,502</u>	<u>\$ 14,032,780</u>	<u>\$ (184,022)</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>General government:</b>			
Mayor and council:			
Personal services	\$ 45,800	\$ 36,066	\$ 9,734
Supplies	100	37	63
Professional services	<u>74,700</u>	<u>74,325</u>	<u>375</u>
Totals	<u>120,600</u>	<u>110,428</u>	<u>10,172</u>
City administration			
Personal services	290,741	278,252	12,489
Supplies	1,500	4,925	(3,425)
Professional services	102,840	95,737	7,103
Contractual services	<u>77,482</u>	<u>80,943</u>	<u>(3,461)</u>
Totals	<u>472,563</u>	<u>459,857</u>	<u>12,706</u>
Elections:			
Personal services	62,775	53,504	9,271
Supplies	2,000	5,190	(3,190)
Professional services	1,700	1,710	(10)
Contractual services	<u>11,377</u>	<u>11,346</u>	<u>31</u>
Totals	<u>77,852</u>	<u>71,750</u>	<u>6,102</u>
Finance:			
Personal services	245,552	244,769	783
Supplies	2,250	2,933	(683)
Professional services	79,320	58,607	20,713
Contractual services	<u>258,386</u>	<u>258,634</u>	<u>(248)</u>
Totals	<u>585,508</u>	<u>564,943</u>	<u>20,565</u>
Assessing:			
Personal services	175,630	162,220	13,410
Supplies	350	46	304
Professional services	13,920	21,296	(7,376)
Contractual services	<u>7,291</u>	<u>7,291</u>	<u>-</u>
Totals	<u>197,191</u>	<u>190,853</u>	<u>6,338</u>
Miscellaneous:			
Professional services	81,200	21,614	59,586
Contractual services	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Totals	<u>\$ 82,700</u>	<u>\$ 21,614</u>	<u>\$ 61,086</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>General government (Continued):</b>			
Attorney:			
Professional services	\$ 205,000	\$ 192,491	\$ 12,509
Contractual services	837	837	\$ -
Totals	<u>205,837</u>	<u>193,328</u>	<u>12,509</u>
Planning, Community Development:			
Personal services	393,682	364,156	29,526
Supplies	6,000	751	5,249
Professional services	82,070	49,768	32,302
Contractual services	3,200	3,861	(661)
Totals	<u>484,952</u>	<u>418,536</u>	<u>66,416</u>
Total general government	<u>2,227,203</u>	<u>2,031,309</u>	<u>195,894</u>
<b>Public safety:</b>			
Police department:			
Personal services	3,658,347	3,499,132	159,215
Supplies	97,400	97,152	248
Professional services	420,870	368,251	52,619
Contractual services	1,023,643	1,033,762	(10,119)
Capital outlay	-	19,465	(19,465)
Totals	<u>\$ 5,200,260</u>	<u>\$ 5,017,762</u>	<u>\$ 182,498</u>
High school security, liason, and security:			
Personal services	\$ 714,410	\$ 681,465	\$ 32,945
Supplies	200	-	200
Professional services	37,830	36,956	874
Contractual services	72,914	76,166	(3,252)
Totals	<u>825,354</u>	<u>794,587</u>	<u>30,767</u>
Fire protection:			
Contractual services	<u>732,300</u>	<u>725,300</u>	<u>7,000</u>
Emergency services:			
Supplies	500	-	500
Professional services	950	-	950
Contractual services	2,500	2,214	286
Totals	<u>3,950</u>	<u>2,214</u>	<u>1,736</u>
Building Inspections:			
Personal services	138,900	140,728	(1,828)
Supplies	1,450	167	1,283
Professional services	40,400	33,026	7,374
Contractual services	14,583	14,583	-
Totals	<u>195,333</u>	<u>188,504</u>	<u>6,829</u>
Total public safety	<u>6,957,197</u>	<u>6,728,367</u>	<u>228,830</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public works:			
General government buildings:			
Personal services	38,978	31,479	7,499
Supplies	5,200	9,895	(4,695)
Professional services	111,550	50,120	61,430
Contractual services	<u>148,949</u>	<u>180,922</u>	<u>(31,973)</u>
Totals	<u>304,677</u>	<u>272,416</u>	<u>32,261</u>
Building maintenance:			
Personal services	92,366	97,053	(4,687)
Supplies	7,900	10,887	(2,987)
Professional services	11,070	11,714	(644)
Contractual services	<u>106,429</u>	<u>82,627</u>	<u>23,802</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>217,765</u>	<u>202,281</u>	<u>15,484</u>
Engineering:			
Personal services	50,482	48,452	2,030
Supplies	4,500	2,694	1,806
Professional services	41,260	31,038	10,222
Contractual services	<u>17,291</u>	<u>7,641</u>	<u>9,650</u>
Totals	<u>113,533</u>	<u>89,825</u>	<u>23,708</u>
Streets:			
Personal services	548,847	599,033	(50,186)
Supplies	30,400	3,994	26,406
Professional services	81,950	66,386	15,564
Contractual services	<u>696,156</u>	<u>544,490</u>	<u>151,666</u>
Totals	<u>1,357,353</u>	<u>1,213,903</u>	<u>143,450</u>
Total public works	<u>\$ 1,993,328</u>	<u>\$ 1,778,425</u>	<u>\$ 214,903</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Parks and recreation:			
Community programs and event center			
Personal services	\$ 68,000	\$ 69,631	\$ (1,631)
Supplies	9,000	17,722	(8,722)
Professional services	175,470	162,700	12,770
Contractual services	53,630	42,937	10,693
Capital outlay	25,000	35,005	(10,005)
Totals	<u>331,100</u>	<u>327,995</u>	<u>3,105</u>
Recreation			
Personal services	103,300	113,910	(10,610)
Supplies	33,400	6,058	27,342
Professional services	57,530	35,041	22,489
Contractual services	43,831	84,716	(40,885)
Capital outlay	20,000	-	20,000
Totals	<u>258,061</u>	<u>239,725</u>	<u>18,336</u>
Aquatic center:			
Personal services	196,954	232,224	(35,270)
Supplies	53,000	23,131	29,869
Professional services	46,060	27,407	18,653
Contractual services	39,484	27,546	11,938
Totals	<u>335,498</u>	<u>310,308</u>	<u>25,190</u>
Senior citizens:			
Personal services	85,139	107,901	(22,762)
Supplies	9,500	2,613	6,887
Professional services	54,400	30,293	24,107
Contractual services	58,550	35,225	23,325
Totals	<u>207,589</u>	<u>176,032</u>	<u>31,557</u>
Municipal parks:			
Personal services	733,347	689,074	44,273
Supplies	42,058	34,733	7,325
Professional services	79,220	83,137	(3,917)
Contractual services	273,021	271,747	1,274
Capital outlay	55,000	-	55,000
Totals	<u>\$ 1,182,646</u>	<u>\$ 1,078,691</u>	<u>\$ 103,955</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2020**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Parks and recreation (Continued):			
City beautification:			
Personal services	\$ 3,500	\$ 3,013	\$ 487
Supplies	15,200	14,931	269
Professional services	7,480	5,330	2,150
Contractual services	45,000	12,911	32,089
Totals	<u>71,180</u>	<u>36,185</u>	<u>34,995</u>
Total parks and recreation	<u>2,386,074</u>	<u>2,168,936</u>	<u>217,138</u>
Total expenditures	<u>13,563,802</u>	<u>12,707,037</u>	<u>856,765</u>
Transfers out:			
Golf fund	245,000	245,000	-
Debt service	555,000	555,000	-
Totals	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Total expenditures and transfers	<u><u>\$ 14,363,802</u></u>	<u><u>\$ 13,507,037</u></u>	<u><u>\$ 856,765</u></u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINED SCHEDULE OF INDEBTEDNESS  
DECEMBER 31, 2020**

<u>Bonded Indebtedness</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Authorized and Issued</u>	<u>Balance 12/31/2019</u>
<b>General obligation bonds:</b>					
2010A Public Facility Refunding Bonds	12/27/2010	02/01/2022	3.00-3.15%	\$ 3,740,000	\$ 1,060,000
2014A TIF Crossover Refunding Bonds	08/14/2014	02/01/2033	3.00-3.40	6,115,000	5,430,000
2016A Public Facilities Crossover Refunding	04/27/2016	02/01/2028	2.00%	1,510,000	1,265,000
2020A Public Road Improvement Bonds	01/30/2020	02/01/2041	2.00-4.00%	<u>8,545,000</u>	<u>-</u>
Total general obligation bonds				<u>19,910,000</u>	<u>7,755,000</u>
<b>Revenue bonds:</b>					
2016B Utility Storm Water Bonds	08/01/2016	02/01/2036	2.00-3.00%	<u>1,795,000</u>	<u>1,540,000</u>
Total revenue bonds				<u>1,795,000</u>	<u>1,540,000</u>
Total bonds payable				<u>\$ 21,705,000</u>	<u>\$ 9,295,000</u>
Loan Payable to Met Council				<u>\$ -</u>	<u>\$ 2,308,137</u>

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINED SCHEDULE OF INDEBTEDNESS (CONTINUED)  
DECEMBER 31, 2020**

<u>Bonded Indebtedness</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2020</u>	<u>INTEREST PAYMENTS</u>
<b>General obligation bonds:</b>				
2010A Public Facility Refunding Bonds	\$ -	\$ 360,000	\$ 700,000	\$ 27,100
2014A TIF Crossover Refunding Bonds	-	215,000	5,215,000	181,502
2016A Public Facilities Crossover Refunding	-	125,000	1,140,000	24,050
2020A Public Road Improvement Bonds	<u>8,545,000</u>	<u>-</u>	<u>8,545,000</u>	<u>124,743</u>
Total general obligation bonds	<u>8,545,000</u>	<u>700,000</u>	<u>15,600,000</u>	<u>357,395</u>
<b>Revenue bonds:</b>				
2016B Utility Storm Water Bonds	<u>-</u>	<u>85,000</u>	<u>1,455,000</u>	<u>37,200</u>
Total revenue bonds	<u>-</u>	<u>85,000</u>	<u>1,455,000</u>	<u>37,200</u>
Total bonds payable	<u>\$ 8,545,000</u>	<u>\$ 785,000</u>	<u>\$ 17,055,000</u>	<u>\$ 394,595</u>
Loan Payable to Met Council	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,308,137</u>	<u>\$ -</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**SCHEDULE OF BOND MATURITIES**  
**DECEMBER 31, 2020**

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>
<b>General obligation bonds:</b>				
\$6,115,000 TIF Crossover Refunding Bonds, 2014A	08/14/2014	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, 2014A				5,215,000
\$3,740,000 GO Pub Facility Refunding Bonds, 2010A	12/27/2010	3.05	02/01/2021	350,000
		3.15	02/01/2022	350,000
Total Public Facility Refunding Bonds, 2010A				700,000
\$1,510,000 Crossover Refunding Bonds, 2016A	04/27/2017	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, 2016A				1,140,000
\$8,545,000 Road Improvement GO Bonds, 2020A	01/30/2020		02/01/2021	55,000
			02/01/2022	470,000
			02/01/2023	485,000
			02/01/2024	505,000
			02/01/2025	525,000
			02/01/2026	470,000
			02/01/2027	330,000
			02/01/2028	355,000

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**SCHEDULE OF BOND MATURITIES (CONTINUED)**  
**DECEMBER 31, 2020**

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>
<b>General obligation bonds (continued):</b>			02/01/2029	365,000
\$8,545,000 Road Improvement GO Bonds, 2020A			02/01/2030	375,000
continued			02/01/2031	385,000
			02/01/2032	395,000
			02/01/2033	400,000
			02/01/2034	415,000
			02/01/2035	420,000
			02/01/2036	425,000
			02/01/2037	435,000
			02/01/2038	440,000
			02/01/2039	460,000
			02/01/2040	465,000
			02/01/2041	370,000
Total Road Improvement GO Bonds, 2020A				<u>8,545,000</u>
<b>Total General Obligation Bonds Payable</b>				<b>15,600,000</b>
<b>Revenue Bonds:</b>				
\$1,795,000 Utility Revenue Bonds, 2016B	08/01/2016		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, 2016B				<u>1,455,000</u>
<b>Total Bonds Payable</b>				<b>17,055,000</b>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**DECEMBER 31, 2020**

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	740,000	460,073	85,000	35,500	825,000	495,573
2022	1,235,000	427,398	85,000	33,800	1,320,000	461,198
2023	925,000	388,435	85,000	32,100	1,010,000	420,535
2024	970,000	353,335	85,000	30,400	1,055,000	383,735
2025	995,000	316,835	85,000	28,700	1,080,000	345,535
2026	970,000	282,185	85,000	27,000	1,055,000	309,185
2027	845,000	252,460	85,000	25,300	930,000	277,760
2028	990,000	223,035	90,000	23,325	1,080,000	246,360
2029	845,000	192,085	90,000	21,075	935,000	213,160
2030	865,000	164,966	90,000	18,825	955,000	183,791
2031	905,000	140,258	90,000	16,350	995,000	156,608
2032	930,000	114,523	90,000	13,650	1,020,000	128,173
2033	955,000	88,043	95,000	10,875	1,050,000	98,918
2034	415,000	70,458	100,000	7,950	515,000	78,408
2035	420,000	62,003	105,000	4,875	525,000	66,878
2036	425,000	53,235	110,000	1,650	535,000	54,885
2037	435,000	44,096			435,000	44,096
2038	440,000	34,580			440,000	34,580
2039	460,000	24,565			460,000	24,565
2040	465,000	14,043			465,000	14,043
2041	370,000	4,348			370,000	4,348
	<u>\$ 15,600,000</u>	<u>\$ 3,710,955</u>	<u>\$ 1,455,000</u>	<u>\$ 331,375</u>	<u>\$ 17,055,000</u>	<u>\$ 4,042,330</u>

See Independent Auditors Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF FIDUCIARY NET POSITON -  
CUSTODIAL FUNDS  
DECEMBER 31, 2020**

	<b>Youth First</b>	<b>Downtown District</b>	<b>Custodial Funds Total</b>
<b>Assets</b>			
Cash and investments	\$ -	\$ 46,604	\$ 46,604
Accounts receivable	-	5,200	5,200
	\$ -	\$ 51,804	\$ 51,804
Total assets	\$ -	\$ 51,804	\$ 51,804
 <b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
 <b>Net Position</b>			
Restricted for:			
Youth First	\$ -	\$ -	\$ -
Downtown District	-	51,804	51,804
Total net position	\$ -	\$ 51,804	\$ 51,804

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2020**

	<u>Youth First</u>	<u>Downtown District</u>	<u>Custodial Funds Total</u>
<b>Additions</b>			
Donations and contributions	\$ -	\$ 74,836	\$ 74,836
Investment income	-	407	407
Increase in fair value of investments	-	65	65
Total additions	<u>-</u>	<u>75,308</u>	<u>75,308</u>
<b>Deductions</b>			
Professional services	43,538	44,838	88,376
Contractual services	<u>-</u>	<u>11,825</u>	<u>11,825</u>
Total deductions	<u>43,538</u>	<u>56,663</u>	<u>100,201</u>
Net increase (decrease) in fiduciary net position	(43,538)	18,645	(24,893)
Net position - beginning	<u>43,538</u>	<u>33,159</u>	<u>76,697</u>
Net position - ending	<u><u>-</u></u>	<u><u>51,804</u></u>	<u><u>51,804</u></u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**BALANCE SHEET - COMPONENT UNIT**  
**DECEMBER 31, 2020**

	<u>HRA</u>	<u>Debt Service</u>	<u>Central Business Tax Increment</u>	<u>Business Core Tax Increment</u>	<u>South Business Tax Increment</u>	<u>Total HRA Funds</u>
<b>ASSETS</b>						
Cash and investments	\$ 787,254	\$ 695	\$ 178,999	\$ 1,739	\$ 7,726	\$ 976,413
Receivables, net:	-					
Taxes	10,935	-	-	252	1,254	12,441
Loans receivable	449,578	-	-	-	-	449,578
Due from other funds	335,000	30,000	1,085,200	-	-	1,450,200
Land held for resale	510,523	-	219,095	-	1,384,135	2,113,753
Total assets	<u>\$ 2,093,290</u>	<u>\$ 30,695</u>	<u>\$ 1,483,294</u>	<u>\$ 1,991</u>	<u>\$ 1,393,115</u>	<u>\$ 5,002,385</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 223	\$ -	\$ 6	\$ -	\$ 1	\$ 230
Accrued wages payable and other benefits	1,584	-	-	-	-	1,584
Due to other funds	30,000	-	-	128,200	1,292,000	1,450,200
Total liabilities	<u>31,807</u>	<u>-</u>	<u>6</u>	<u>128,200</u>	<u>1,292,001</u>	<u>1,452,014</u>
Deferred inflows of resources:						
Unavailable revenue property taxes	3,755	-	-	-	-	3,755
Unavailable revenue loans	449,578	-	-	-	-	449,578
Total deferred inflows of resources	<u>453,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>453,333</u>
Fund balances:						
Nonspendable	510,523	-	-	-	-	510,523
Restricted	-	30,695	1,483,288	-	101,114	1,615,097
Unassigned	1,097,627	-	-	(126,209)	-	971,418
Total fund balances	<u>1,608,150</u>	<u>30,695</u>	<u>1,483,288</u>	<u>(126,209)</u>	<u>101,114</u>	<u>3,097,038</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,093,290</u>	<u>\$ 30,695</u>	<u>\$ 1,483,294</u>	<u>\$ 1,991</u>	<u>\$ 1,393,115</u>	<u>\$ 5,002,385</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**RECONCILIATION OF THE BALANCE SHEET OF THE COMPONENT UNIT**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

Total Component Unit fund balances (page 124) \$ 3,097,038

Amounts reported for governmental activities in the statement of net position (page 32) 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. 1,015,804

Some receivables are reported as deferred inflows of resources in the fund financial statements, but are recongnized as revenue in the government-wide statements because they are unavailable 453,333

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 (1,701,178)

Governmental funds do not report a liability for accrued interest until due and payable. (18,482)

The net pension liability and related deferred inflows and deferred outflows are recorded only in only in the government-wide statement of net position. (64,548)

Net position of governmental activities \$ 2,781,967

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**HOUSING AND REDEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**COMPONENT UNIT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

	<u>HRA</u>	<u>Debt Service</u>	<u>Central Business Tax Increment</u>	<u>Business Core Tax Increment</u>	<u>South Business Tax Increment</u>	<u>Total HRA Funds</u>
Revenues:						
Taxes	\$ 294,811	\$ -	\$ -	\$ 31,021	\$ 99,110	\$ 424,942
Intergovernmental	500	-	-	-	-	500
Charges for current services	93,246	-	-	-	-	93,246
Investment income	6,704	(137)	1,599	(164)	2,490	10,492
Net increase in fair value of investments	423	-	30	(7)	(489)	(43)
Miscellaneous	18,574	-	38,564	-	-	57,138
Total revenues	<u>414,258</u>	<u>(137)</u>	<u>40,193</u>	<u>30,850</u>	<u>101,111</u>	<u>586,275</u>
Expenditures						
Current:						
Urban redevelopment and housing	307,466	-	67,890	1,518	42,801	419,675
Capital outlay	-	-	-	-	266,000	266,000
Debt service:	-					
Interest and fiscal charges	-	40,168	-	4,684	46,261	91,113
Total expenditures	<u>307,466</u>	<u>40,168</u>	<u>67,890</u>	<u>6,202</u>	<u>355,062</u>	<u>776,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>106,792</u>	<u>(40,305)</u>	<u>(27,697)</u>	<u>24,648</u>	<u>(253,951)</u>	<u>(190,513)</u>
Other financing (uses) including transfers:						
Transfers in	300,000	71,000	-	-	-	371,000
Transfers out	(330,000)	-	-	-	(41,000)	(371,000)
(Loss) from sale of land held for resale	(43,563)	-	-	-	-	(43,563)
Total other financing sources	<u>(73,563)</u>	<u>71,000</u>	<u>-</u>	<u>-</u>	<u>(41,000)</u>	<u>(43,563)</u>
Net changes in fund balances	33,229	30,695	(27,697)	24,648	(294,951)	(234,076)
Fund balances (deficit) at beginning of year	<u>1,574,921</u>	<u>-</u>	<u>1,510,985</u>	<u>(150,857)</u>	<u>396,065</u>	<u>3,331,114</u>
Fund balances (deficit) at end of year	<u>\$ 1,608,150</u>	<u>\$ 30,695</u>	<u>\$ 1,483,288</u>	<u>\$ (126,209)</u>	<u>\$ 101,114</u>	<u>\$ 3,097,038</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**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, 2020**

Net change in fund balances (page 126) \$ (234,076)

Amounts reported for government activities in the statement of activities (page 33) 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. 254,891

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. 75,875

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. (4,039)

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. (962)

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. (55)

Change in net position of governmental activities \$ 91,634

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**HOUSING AND REHABILITATION AUTHORITY  
 COMBINED SCHEDULE OF INDEBTEDNESS - COMPONENT UNIT  
 DECEMBER 31, 2020**

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

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**HOUSING AND REHABILITATION AUTHORITY  
COMBINED SCHEDULE OF INDEBTEDNESS - COMPONENT UNIT (Continued)  
DECEMBER 31, 2020**

<u>Bonded Indebtedness</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2020</u>	<u>INTEREST PAYMENTS</u>
<b>HRA General obligation bonds:</b>				
2019A HRA GO TIF Revenue Bonds	\$ -	\$ -	\$ 1,690,000	\$ 40,168
Total general obligation revenue bonds	<u>\$ -</u>	<u>-</u>	<u>\$ 1,690,000</u>	<u>\$ 40,168</u>
			<u>\$ 1,690,000</u>	

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**HOUSING AND REDEVELOPMENT AUTHORITY  
SCHEDULE OF BOND MATURITIES - COMPONENT UNIT  
DECEMBER 31, 2020**

	Issue Date	Interest Rate	Maturity Date	Principal
<b>General obligation bonds:</b>				
\$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>
<b>Total General Obligation Bonds Payable</b>				<u><u>\$ 1,690,000</u></u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**HOUSING AND REHABILITATION AUTHORITY**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS - COMPONENT UNITS**  
**DECEMBER 31, 2020**

Year	General Obligation Bonds	
	Principal	Interest
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	\$ 625,208

See Independent Auditors Report.



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**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**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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**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:				
Net investment in capital assets	\$ 42,414,832	\$ 51,838,450	\$ 62,009,558	\$ 66,844,241
Restricted	1,012,029	1,458,235	4,610,299	5,197,093
Unrestricted	<u>14,938,282</u>	<u>13,246,285</u>	<u>10,635,827</u>	<u>10,721,398</u>
Total governmental activities net position	<u>\$ 58,365,143</u>	<u>\$ 66,542,970</u>	<u>\$ 77,255,684</u>	<u>\$ 82,762,732</u>
Business-type activities:				
Net investment in capital assets	\$ 31,799,293	\$ 33,751,733	\$ 34,879,100	\$ 38,846,655
Restricted	328,029	339,854	248,258	256,330
Unrestricted	<u>22,785,758</u>	<u>21,807,653</u>	<u>21,712,562</u>	<u>19,782,441</u>
Total business-type activities net position	<u>\$ 54,913,080</u>	<u>\$ 55,899,240</u>	<u>\$ 56,839,920</u>	<u>\$ 58,885,426</u>
Primary government:				
Net investment in capital assets	\$ 74,214,125	\$ 85,590,183	\$ 96,888,658	\$ 105,690,896
Restricted	1,340,058	1,798,089	4,858,557	5,453,423
Unrestricted	<u>37,724,040</u>	<u>35,053,938</u>	<u>32,348,389</u>	<u>30,503,839</u>
Total primary government net position	<u>\$ 113,278,223</u>	<u>\$ 122,442,210</u>	<u>\$ 134,095,604</u>	<u>\$ 141,648,158</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

2015	2016	2017	2018	2019	2020
\$ 71,334,409	\$ 75,833,210	\$ 81,699,387	\$ 85,684,691	\$ 91,561,788	\$ 100,463,238
5,828,258	5,174,912	3,356,040	6,382,800	6,649,391	7,077,597
6,150,596	1,313,763	491,185	(4,594,994)	(7,532,855)	(7,968,519)
<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>	<u>\$ 99,572,316</u>
\$ 41,105,603	\$ 41,570,574	\$ 43,686,972	\$ 42,869,504	\$ 44,782,151	\$ 43,809,804
228,725	1,237,871	-	-	-	-
17,632,441	17,638,923	18,029,772	19,759,309	19,891,011	23,816,074
<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>	<u>\$ 67,625,878</u>
\$ 112,440,012	\$ 117,403,784	\$ 125,386,359	\$ 128,554,195	\$ 136,343,939	\$ 144,273,042
6,056,983	6,412,783	3,356,040	6,382,800	6,649,391	7,077,597
23,783,037	18,952,686	18,520,957	15,164,315	12,358,156	15,847,555
<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>	<u>\$ 167,198,194</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,923,429	\$ 1,973,890	\$ 2,352,739	\$ 2,575,107
Public safety	4,964,088	5,200,008	5,280,686	5,303,656
Public works	2,184,103	2,097,304	2,446,436	2,580,990
Parks and recreation	1,927,287	1,928,896	2,109,080	2,582,244
Interest on long-term debt	572,753	526,864	490,008	514,894
Total governmental activities expenses	<u>12,571,660</u>	<u>11,726,962</u>	<u>12,678,949</u>	<u>13,556,891</u>
Business-type activities:				
Electric	22,350,480	22,862,034	24,533,255	24,728,393
Water	1,344,164	1,291,808	1,430,439	1,423,583
Liquor stores	3,653,495	3,758,217	3,857,645	4,007,571
Storm drainage	162,570	166,886	198,447	184,749
Sewer	1,940,882	1,842,496	1,967,585	2,113,023
Golf	1,393,724	1,319,486	1,088,903	939,188
Refuse	200,494	177,847	161,493	135,444
Recycling	264,232	253,912	271,358	271,444
Total business-type activities expenses	<u>31,310,041</u>	<u>31,672,686</u>	<u>33,509,125</u>	<u>33,803,395</u>
Total primary government expenses	<u>\$ 43,881,701</u>	<u>\$ 43,399,648</u>	<u>\$ 46,188,074</u>	<u>\$ 47,360,286</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 87,718	\$ 113,277	\$ 110,399	\$ 132,467
Public safety	1,049,481	1,203,307	1,075,581	1,306,662
Public works	478,204	738,468	591,786	1,208,335
Parks and recreation	559,575	361,437	490,059	446,436
Operating grants and contributions	304,430	289,662	472,961	268,999
Capital grants and contributions	587,413	2,886,426	7,932,979	2,584,266
Total governmental activities program revenues	<u>3,066,821</u>	<u>5,592,577</u>	<u>10,673,765</u>	<u>5,947,165</u>
Business-type activities:				
Charges for services				
Electric	24,508,858	24,506,822	25,757,858	27,406,129
Water	1,834,611	1,726,207	1,614,435	1,489,934
Liquor stores	3,790,973	3,970,832	4,067,548	4,179,462
Storm drainage	419,839	420,954	471,251	471,678
Sewer	2,224,510	2,045,200	2,056,585	2,052,380
Golf	894,487	1,009,109	848,183	913,354
Refuse	191,181	169,868	154,338	133,959
Recycling	264,068	238,314	301,530	236,453
Operating grants and contributions	-	-	-	21,049
Total business-type activities revenues	<u>34,128,527</u>	<u>34,087,306</u>	<u>35,271,728</u>	<u>36,904,398</u>
Total primary government revenues	<u>\$ 37,195,348</u>	<u>\$ 39,679,883</u>	<u>\$ 45,945,493</u>	<u>\$ 42,851,563</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

2015	2016	2017	2018	2019	2020
\$ 2,354,218	\$ 2,581,670	\$ 2,606,360	\$ 2,583,277	\$ 2,583,603	\$ 2,882,766
5,630,639	7,296,891	6,434,580	6,667,289	6,534,566	7,059,355
2,505,957	2,778,563	2,927,491	2,778,395	3,143,535	3,499,233
2,462,522	2,455,616	2,963,585	2,756,501	3,019,196	2,816,971
549,923	557,369	508,276	509,195	564,216	660,070
<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>	<u>16,918,395</u>
25,074,193	26,193,102	26,685,242	27,695,950	27,797,859	27,503,734
1,362,189	1,408,208	1,329,635	1,430,534	1,396,536	1,536,990
3,977,014	4,038,791	4,267,203	4,081,459	4,100,343	4,613,761
209,167	268,033	188,734	222,292	244,539	283,450
2,018,953	2,202,166	2,260,974	2,336,214	2,397,685	2,372,326
1,019,747	1,073,673	1,107,911	1,088,099	1,103,679	1,228,152
124,159	116,745	112,193	101,672	-	-
284,608	293,927	297,525	315,252	359,105	387,069
<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>37,925,482</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>	<u>\$ 54,843,877</u>
\$ 295,002	\$ 269,319	\$ 251,317	\$ 208,264	\$ 148,888	\$ 227,542
1,389,495	1,198,722	1,206,524	1,099,352	756,474	905,560
1,482,100	1,113,023	1,627,532	1,105,052	840,771	1,414,204
512,643	533,668	563,717	473,000	611,299	341,053
264,399	295,741	310,718	314,285	347,271	5,348,931
393,326	187,695	2,412,774	785,219	3,740,950	3,564,068
<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>	<u>11,801,358</u>
27,968,233	27,804,476	27,649,947	29,474,681	29,084,623	29,296,536
1,606,698	1,774,756	1,887,801	1,814,740	1,658,795	1,803,882
4,174,041	4,117,403	4,428,648	4,247,545	4,263,089	4,876,807
472,283	491,314	559,706	627,500	674,280	756,857
2,097,836	2,157,690	2,249,203	2,349,392	2,497,328	2,743,766
931,322	974,193	913,608	873,424	959,146	1,291,034
111,711	114,016	106,540	94,732	36	-
236,021	239,079	239,915	242,651	286,459	330,045
50,739	56,042	61,796	56,611	53,415	206,482
<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>41,305,409</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>	<u>\$ 53,106,767</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (expense) revenue:				
Governmental activities	\$ (9,504,839)	\$ (6,134,385)	\$ (2,005,184)	\$ (7,609,726)
Business-type activities	2,818,486	2,414,620	1,762,603	3,101,003
Total primary government net (expense)/revenue	<u>\$ (6,686,353)</u>	<u>\$ (3,719,765)</u>	<u>\$ (242,581)</u>	<u>\$ (4,508,723)</u>
<b>General Revenues and Other Sources in Net Position</b>				
Governmental activities:				
Property taxes levied for general purpose	\$ 5,220,518	\$ 5,455,000	\$ 5,442,963	\$ 5,313,111
Property taxes levied for debt service	393,745	406,164	393,566	386,417
Property taxes from tax increments	2,633,140	2,577,022	2,558,472	2,557,981
Franchise taxes	1,257,715	1,298,606	1,340,379	1,331,955
Grants, aid, and contributions not restricted to specific programs	1,036,760	931,996	929,604	1,575,982
Unrestricted investment income	278,584	89,102	(210,377)	383,830
Gain (loss) on disposal of capital assets	-	1,407,516	-	(413,606)
Other	223,246	71,810	835,177	285,953
Transfers	1,458,949	2,074,996	150,000	2,285,000
Transfer of operations	-	-	-	(589,849)
Contributed capital	-	-	949,670	-
Total governmental activities	<u>12,502,657</u>	<u>14,312,212</u>	<u>12,389,454</u>	<u>13,116,774</u>
Business-type activities				
Interest and investment earnings	468,237	257,696	(161,677)	588,632
Gain on sale of capital assets	411,364	31,342	6,495	60,505
Other	228,055	357,498	432,929	580,366
Transfers	(1,458,949)	(2,074,996)	(150,000)	(2,285,000)
Contributed capital	-	-	(949,670)	-
Total business-type activities	<u>(351,293)</u>	<u>(1,428,460)</u>	<u>(821,923)</u>	<u>(1,055,497)</u>
Total primary government	<u>\$ 12,151,364</u>	<u>\$ 12,883,752</u>	<u>\$ 11,567,531</u>	<u>\$ 12,061,277</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 2,997,818	\$ 8,177,827	\$ 10,384,270	\$ 5,507,048
Business-type activities	<u>2,467,193</u>	<u>986,160</u>	<u>940,680</u>	<u>2,045,506</u>
Total primary government	<u>\$ 5,465,011</u>	<u>\$ 9,163,987</u>	<u>\$ 11,324,950</u>	<u>\$ 7,552,554</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

2015	2016	2017	2018	2019	2020
\$ (9,166,294)	\$ (12,071,941)	\$ (9,067,710)	\$ (11,309,485)	\$ (9,399,463)	\$ (5,117,037)
3,578,854	2,134,324	1,847,747	2,509,804	2,077,425	3,379,927
<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>	<u>\$ (1,737,110)</u>
\$ 5,328,549	\$ 6,298,054	\$ 6,633,011	\$ 6,830,816	\$ 7,023,911	\$ 7,293,631
387,269	154,800	(2,006)	(324)	-	39
2,660,321	410,817	544,134	573,642	620,090	653,679
1,344,354	1,334,186	1,315,417	1,355,374	1,315,467	1,353,488
1,678,395	1,712,178	1,719,554	1,822,734	1,829,333	1,976,993
122,552	62,064	104,574	122,509	250,681	37,510
343,103	(399,610)	371,287	5,515	452,706	998,780
614,075	84,074	104,460	423,977	80,902	303,439
2,808,000	1,424,000	1,500,000	2,380,000	1,032,200	1,393,470
-	-	-	-	-	-
(731,000)	-	-	-	-	-
<u>14,555,618</u>	<u>11,080,563</u>	<u>12,290,431</u>	<u>13,514,243</u>	<u>12,605,290</u>	<u>14,011,029</u>
268,561	290,001	327,960	480,225	645,719	491,638
21,999	8,562	32,465	1,501	16,380	23,555
563,698	451,212	561,204	300,539	337,025	451,066
(2,808,000)	(1,424,000)	(1,500,000)	(2,380,000)	(1,032,200)	(1,393,470)
731,000	-	-	-	-	-
<u>(1,222,742)</u>	<u>(674,225)</u>	<u>(578,371)</u>	<u>(1,597,735)</u>	<u>(33,076)</u>	<u>(427,211)</u>
<u>\$ 13,332,876</u>	<u>\$ 10,406,338</u>	<u>\$ 11,712,060</u>	<u>\$ 11,916,508</u>	<u>\$ 12,572,214</u>	<u>\$ 13,583,818</u>
\$ 5,389,324	\$ (991,378)	\$ 3,222,721	\$ 2,204,758	\$ 3,205,827	\$ 8,893,992
2,356,112	1,460,099	1,269,376	912,069	2,044,349	2,952,716
<u>\$ 7,745,436</u>	<u>\$ 468,721</u>	<u>\$ 4,492,097</u>	<u>\$ 3,116,827</u>	<u>\$ 5,250,176</u>	<u>\$ 11,846,708</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2011	2012	2013	2014
<b>General Fund:</b>				
Nonspendable	\$ 18,361	\$ 18,361	\$ 18,059	\$ 66,191
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	4,814,642
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total general fund</b>	<b>\$ 5,814,459</b>	<b>\$ 6,173,479</b>	<b>\$ 5,871,996</b>	<b>\$ 4,880,833</b>
<b>All other governmental funds:</b>				
<b>Nonspendable:</b>				
Building Improvement	\$ 770,099	\$ 770,099	\$ -	\$ 966,564
State Aid	-	-	-	2,525,556
Commuter Rail Tax Increment	-	-	-	205,274
Nonmajor Governmental Funds	1,937,780	2,419,642	-	4,430,513
<b>Restricted:</b>				
Building Improvement	-	-	-	-
State Aid	-	-	2,502,460	-
Commuter Rail Tax Increment	-	-	117,663	-
Greens of Anoka Tax Increment	-	-	-	-
Nonmajor Governmental Funds	1,168,678	885,107	4,090,768	7,731,730
<b>Committed:</b>				
Nonmajor Governmental Funds	2,105,649	2,125,323	1,813,335	1,961,560
<b>Assigned:</b>				
Building Improvement	-	-	770,099	-
State Aid	-	-	303,216	651,471
Street Renewal	2,930,355	830,861	182,810	-
Nonmajor Governmental Funds	919,454	119,521	66,572	305,712
<b>Unassigned:</b>				
Building Improvement	(143,209)	(45,475)	(96,440)	(702,076)
State Aid	(1,900,554)	-	-	-
Street Renewal	-	-	-	(791,125)
Commuter Rail Tax Increment	-	(14,155)	(363,419)	(1,371,901)
Greens of Anoka Tax Increment	-	(1,128)	(783,294)	(812,290)
Nonmajor Governmental Funds	(1,103,177)	(2,236,934)	(313,624)	(433,517)
<b>Total all other governmental funds</b>	<b>\$ 6,685,075</b>	<b>\$ 4,852,861</b>	<b>\$ 8,290,146</b>	<b>\$ 14,667,471</b>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

2015	2016	2017	2018	2019	2020
\$ 22,103	\$ 43,921	\$ 55,026	\$ 97,755	\$ 25,233	\$ 60,756
-	-	-	-	-	-
-	-	-	-	-	-
5,647,410	4,526,917	4,681,652	4,865,938	5,042,915	5,533,135
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 5,593,891</u>
\$ 241,921	\$ -	\$ -	\$ -	\$ -	\$ -
2,525,556	-	-	-	-	-
432,331	-	-	-	-	-
4,999,746	-	-	-	5,325	-
-	241,921	-	-	-	-
-	2,525,556	2,331,233	2,331,233	-	-
-	432,331	432,331	432,331	580,627	580,627
-	472,087	639,312	2,837,536	3,185,170	3,295,471
546,128	6,306,736	3,737,443	3,468,334	3,214,971	3,887,735
2,093,916	2,166,383	2,171,886	2,287,781	2,390,007	2,517,248
-	-	241,921	-	81,951	-
233,851	237,632	-	123,339	860,641	734,431
277,809	852,140	230,000	-	-	529,298
1,009,351	556,128	536,764	462,073	440,968	627,468
(653,314)	(469,836)	-	(279,044)	-	(3,675,315)
-	-	(206,438)	(1,147,191)	-	-
-	-	(194,181)	-	(1,675,941)	-
(2,449,485)	(3,506,643)	(3,417,107)	(3,452,520)	(3,489,819)	(3,399,806)
(1,097,010)	(1,642,691)	(2,141,161)	(4,797,651)	(6,238,527)	(6,922,643)
(7,093)	(2,053,591)	(1,764,816)	(1,418,483)	(1,384,995)	(1,357,598)
<u>\$ 8,153,707</u>	<u>\$ 6,118,153</u>	<u>\$ 2,597,187</u>	<u>\$ 847,738</u>	<u>\$ (2,029,622)</u>	<u>\$ (3,183,084)</u>

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

	2011	2012	2013	2014
<b>Revenues:</b>				
Taxes	\$ 8,348,499	\$ 8,383,973	\$ 8,528,515	\$ 8,252,307
Special assessments	370,862	459,562	485,145	406,265
Licenses and permits	275,788	505,153	379,864	467,613
Fines and forfeitures	190,657	147,445	139,553	143,307
Intergovernmental	1,928,603	4,099,693	9,335,544	4,429,247
Charges for current services	1,252,731	1,141,668	1,260,863	1,692,328
Franchise fees	1,257,715	1,298,606	1,340,379	1,331,956
Investment income	278,585	89,102	185,743	93,821
Increase (decrease) in fair market value	-	-	(396,120)	290,008
Miscellaneous	471,935	173,090	465,632	544,037
<b>Total revenues</b>	<b>14,375,375</b>	<b>16,298,292</b>	<b>21,725,118</b>	<b>17,650,889</b>
<b>Expenditures:</b>				
General government	1,610,016	1,603,520	1,739,386	1,950,610
Public safety	4,598,698	4,914,552	4,902,711	5,142,440
Public works	1,300,262	1,086,922	1,343,447	1,318,375
Parks	1,524,582	1,545,826	1,716,943	1,781,546
Miscellaneous	40,714	41,709	48,623	-
Capital outlay	2,472,214	11,071,968	13,294,921	10,106,587
Debt service:				
Principal retirement	380,000	470,000	450,000	499,150
Interest and fiscal charges	604,348	519,502	492,654	432,349
Bond issuance charges	-	-	-	75,089
<b>Total expenditures</b>	<b>12,530,834</b>	<b>21,253,999</b>	<b>23,988,685</b>	<b>21,306,146</b>
Excess (deficiency) of revenues over expenditures	1,844,541	(4,955,707)	(2,263,567)	(3,655,257)
<b>Other Financing Sources (Uses):</b>				
Bond proceeds/refunding of bonds	(3,995,000)	-	-	6,383,638
Proceeds from the sale of asset	1,350,682	1,407,517	440,000	365,539
Transfers in	2,462,996	3,664,996	1,840,000	5,701,000
Transfers out	(1,004,047)	(1,590,000)	(1,590,000)	(3,466,000)
<b>Total other financing sources (uses)</b>	<b>(1,185,369)</b>	<b>3,482,513</b>	<b>690,000</b>	<b>8,984,177</b>
Special item - Transfer of operations	-	-	-	(589,849)
<b>Net change in fund balances</b>	<b>\$ 659,172</b>	<b>\$ (1,473,194)</b>	<b>\$ (1,573,567)</b>	<b>\$ 4,739,071</b>
Debt service as a percentage of noncapital expenditures	9.8%	9.7%	8.8%	8.3%

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

	2015	2016	2017	2018	2019	2020
\$	8,371,829	\$ 6,870,080	\$ 7,222,789	\$ 7,415,101	\$ 7,622,277	\$ 7,937,431
	779,143	728,197	937,857	568,810	783,656	822,204
	670,749	516,502	510,866	460,828	392,030	614,320
	124,199	108,694	105,221	99,639	103,406	101,672
	2,313,979	2,160,485	4,386,815	2,899,531	5,882,279	10,879,367
	1,760,765	1,235,983	1,341,940	1,275,339	999,699	864,733
	1,344,354	1,334,187	1,315,417	1,355,374	1,315,467	1,353,488
	92,413	109,948	64,793	63,978	221,567	51,460
	29,601	(48,495)	39,780	58,531	61,469	(4,602)
	653,297	369,586	576,183	1,059,538	265,159	455,537
	<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>	<u>23,075,610</u>
	1,815,586	1,866,244	1,970,551	1,952,175	1,940,127	2,199,918
	5,292,015	5,778,198	5,725,648	6,328,450	6,334,835	6,816,278
	1,206,679	1,293,682	1,383,635	1,198,199	1,531,546	1,866,679
	1,836,474	1,856,402	2,222,705	2,148,193	2,305,075	2,200,479
	-	-	-	-	-	-
	6,529,280	6,542,355	7,561,788	6,321,888	8,532,730	17,122,150
	7,709,150	540,000	2,299,323	675,000	680,000	700,000
	627,332	532,886	564,423	535,198	588,238	640,911
	-	47,830	-	-	-	79,865
	<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>31,626,280</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>	<u>(8,550,670)</u>
	-	1,563,811	-	-	-	5,530,701
	343,103	(399,610)	371,287	-	460,437	998,780
	4,150,553	5,075,816	2,880,000	3,374,500	2,199,200	2,329,470
	(1,342,553)	(4,301,816)	(1,380,000)	(994,500)	(1,167,000)	(936,000)
	<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>	<u>7,922,951</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>	<u>(627,719)</u>
	45.1%	9.0%	20.2%	9.4%	9.5%	9.2%

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**ESTIMATED ACTUAL AND TAXABLE VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

(Unaudited)

Year Taxes Payable	TAX CAPACITY VALUE				Fiscal Disparities	Adjusted Tax Capacity Value	Tax Rate	Estimated Market Value (EMV)	Tax Capacity as a % of EMV
	Real Property	Personal Property	Total						
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%	
2020	19,866,712	174,838	20,041,550	1,364,760	21,406,310	35.619%	1,701,607,100	1.26%	

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

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

Year Taxes Payable	Overlapping Rates					
	City		School Dist.	Anoka	Special	Total
	General Fund	Debt	#11	County	Districts <sup>1</sup>	
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
2020	35.619	0.000	17.192	33.077	2.939	88.827

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

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

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**PRINCIPAL TAXPAYERS  
DECEMBER 31, 2020**

Taxpayer	Type of Business	Rank	2020		2011		
			Individual Tax Capacity	Percent of Total Tax Capacity	Rank	Individual Tax Capacity	Percent of Total Tax Capacity
Cutters Grove Limited	Apartment Cutter's Grove	1	\$ 339,699	1.69%	3	\$ 217,804	1.43%
Federal Cartridge	Ammunition manufacturing	2	316,807	1.58%	6	169,250	1.11%
Hoffman Enclosures	Electrical enclosures	3	298,710	1.49%	2	229,934	1.51%
Walker Senior Housing	Apartments Senior Living & Care	4	295,784	1.48%			
Homestead at Anoka	Apartment Senior Living & Care	5	274,186	1.37%			
Anoka Industrial LLC	Bakery Products Warehouse	6	272,524	1.36%	1	236,180	1.55%
Ad Center LLC	Ammunition warehousing	7	250,700	1.25%			
Healthpartners	Healthcare	8	245,252	1.22%			
Cretex Companies	Medical device mfg	9	220,230	1.10%			
Paul & Eleanor Sade Trust	Sheet steel fabrication	10	220,048	1.10%	4	181,706	1.19%
CRV Anoka	Furniture warehousing		-		5	179,834	1.18%
Graco	Fluid handling				9	149,250	0.98%
Sundquist Properties II LLC	Precision machining		-		7	154,756	1.01%
Rural Community Ins	Insurance				8	151,446	0.99%
Premier Anoka Partners	Heath Products				10	135,382	0.89%
			<u>\$ 2,733,940</u>	<u>13.64%</u>		<u>\$ 1,805,542</u>	<u>11.84%</u>

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

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

Year	Number of Permits	Residential Value	Commercial Value	Total	PROPERTY VALUE <sup>1</sup>			
					Commercial	Residential	Nontaxable	Total
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
2020	865	11,437,908	44,066,972	55,504,880	746,737,650	954,869,450	364,296,500	2,065,903,600

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

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal year	Collected Within the Fiscal Year of Levy			Delinquent Tax	Total Collections to Date	
	Total Tax Levy	Current Tax Collections	% of Current Tax Levy	Collections in Subsequent Fiscal Years	Total Tax Collections	% of Total Tax Levy
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%	93,292	5,898,436	100.0%
2013	5,856,105	5,789,071	98.9%	65,453	5,854,524	100.0%
2014	5,712,265	5,648,027	98.9%	62,056	5,710,083	100.0%
2015	5,707,246	5,649,416	99.0%	54,260	5,703,676	99.9%
2016	6,453,475	6,390,569	99.0%	59,103	6,449,672	99.9%
2017	6,641,230	6,593,821	99.3%	43,833	6,637,654	99.9%
2018	6,838,335	6,797,121	99.4%	48,577	6,845,698	100.1%
2019	7,028,564	6,974,745	99.2%	34,951	7,009,697	99.7%
2020	7,303,005	7,234,024	99.1%	-	7,234,024	99.1%

Note: Includes Market Value and Homestead Credit.

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>	Population
	General Obligation Bonds	G.O. Tax Bonds	G.O. Revenue Bonds	Premium on Bonds	Met Council Loan	General Obligation Bonds	Revenue Bonds	Premium on Bonds				
2011	\$3,740,000	\$7,710,000	\$ -	\$ -	\$2,183,813	\$ -	\$3,310,000	\$ -	\$16,943,813	2.08	988	17,155
2012	3,395,000	7,585,000	-	-	2,502,460	-	3,035,000	-	16,517,460	1.96	958	17,233
2013	3,070,000	7,460,000	1,077,300	-	2,502,460	-	1,667,700	-	15,777,460	1.81	915	17,248
2014	2,750,000	13,450,000	1,023,150	-	2,502,460	-	1,421,850	-	21,147,460	2.43	1,224	17,276
2015	2,430,000	6,115,000	1,700,000	249,189	2,502,460	-	440,000	-	13,436,649	1.51	775	17,345
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	17,995
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	18,205
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	18,573
2019	1,060,000	5,430,000	1,265,000	227,822	2,308,137	-	1,540,000	51,219	11,882,178	1.15	634	18,728
2020	5,895,000	5,215,000	1,140,000	528,976	2,308,137	3,350,000	1,455,000	226,663	20,118,776	1.82	1,074	18,728

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

<sup>1</sup> Population and personal income data can be found in the schedule of Demographic and Economic Statistics on [page 155](#)

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

Fiscal Year	General Obligation Bonds <sup>1</sup>	Net Position Restricted for Debt Service <sup>2</sup>	Net Bonded Debt	Percentage of Estimated Actual Value of Property <sup>3</sup>	Per Capita <sup>4</sup>
2011	\$ 11,450,000	\$ 318,994	\$ 11,131,006	0.91	642
2012	10,980,000	303,121	10,676,879	0.92	616
2013	11,607,300	282,598	11,324,702	1.08	657
2014	17,223,150	1,109,803	16,113,347	1.55	933
2015	10,245,000	99,949	10,145,051	0.85	585
2016	11,215,000	1,553,640	9,661,360	0.76	537
2017	9,110,000	162,654	8,947,346	0.66	491
2018	8,435,000	191,993	8,243,007	0.56	444
2019	7,755,000	234,604	7,520,396	0.47	402
2020	12,250,000	554,827	11,695,173	0.69	624

<sup>1</sup> General Obligation Bonds restated 2011-2019 to include all bonds regardless of revenue used to repay them

<sup>2</sup> Amounts available in debt service fund restated 2011-2019 to reflect amount of net position restricted for debt service

<sup>3</sup> Property value data can be found in the schedule of Building Permit Values and Real Property Values schedule on [page 147](#).

<sup>4</sup> Population data can be found in the schedule of Demographic and Economic Statistics on [page 155](#).

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**DIRECT AND OVERLAPPING**  
**GENERAL OBLIGATION BONDED DEBT**  
**DECEMBER 31, 2020**

<u>Governmental Unit</u>	<u>Gross General Obligation Debt Outstanding</u>	<u>Percent Applicable to City<sup>1</sup></u>	<u>Net Amount Applicable to City</u>
Direct:			
City of Anoka	\$ 14,558,137	100%	<u>\$ 14,558,137</u>
Overlapping:			
Anoka County	61,405,000	4.76%	2,922,277
Anoka-Hennepin School District #11	288,591,152	7.15%	20,630,000
Met Council/RR Auth Special Dist	1,708,905,662	0.40%	<u>6,908,970</u>
Total Overlapping Debt			<u>30,461,247</u>
Total Direct and Overlapping Debt			<u><u>\$ 45,019,384</u></u>

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

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

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Market value of taxable property	\$ 1,224,073,500	\$ 1,153,576,994	\$ 1,050,914,000	\$ 1,036,711,300
Statutory debt limit (3% of market value)	36,722,205	34,607,310	31,527,420	31,101,339
Amount of debt applicable to debt limit:				
Total bonds and notes payable	16,943,813	16,517,460	15,777,460	21,147,460
Less:				
Debt service fund balance	475,643	455,642	443,168	1,109,803
Met Council loan	2,183,813	2,502,460	2,502,460	2,502,460
Revenue bonds	3,310,000	3,035,000	1,667,700	1,421,850
Improvement bonds	7,710,000	7,585,000	7,460,000	13,450,000
	3,264,357	2,939,358	3,704,132	2,663,347
Legal debt margin	\$ 33,457,848	\$ 31,667,952	\$ 27,823,288	\$ 28,437,992
Total debt applicable to the limit as a percentage of debt limit	9%	8%	12%	9%

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,188,602,800	\$ 1,265,845,300	\$ 1,362,116,000	\$ 1,477,729,000	\$ 1,598,996,300	\$ 1,697,169,300
35,658,084	37,975,359	40,863,480	44,331,870	47,969,889	50,915,079
13,436,649	15,737,460	13,128,137	12,368,137	11,603,137	19,363,137
459,205	1,991,191	544,057	547,394	565,981	1,241,063
2,502,460	2,502,460	2,308,137	2,308,137	2,308,137	2,308,137
440,000	2,020,000	1,710,000	1,625,000	1,540,000	1,455,000
6,115,000	5,970,000	5,795,000	5,615,000	5,430,000	13,760,000
3,919,984	3,253,809	2,770,943	2,272,606	1,759,019	598,937
<u>\$ 31,738,100</u>	<u>\$ 34,721,550</u>	<u>\$ 38,092,537</u>	<u>\$ 42,059,264</u>	<u>\$ 46,210,870</u>	<u>\$ 50,316,142</u>
11%	9%	7%	5%	4%	1%

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**PLEGDED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2020	732,666	102,886	629,780	85,000	37,200	5.15

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Year	Population <sup>1</sup>	Personal Income (Amounts in Thousands) <sup>3</sup>	City of Anoka Per Capita Income <sup>2</sup>	County Per Capita Income <sup>2</sup>	7-County Metro Area Per Capita Income <sup>2</sup>	County Unemployment Rate <sup>2</sup>	7-County Metro Area Unemployment Rate <sup>2</sup>
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	18,728	1,037,157	55,380	54,912	66,456	3.2	2.8
2020	18,728	1,105,327	59,020	57,980	71,500	4.8	4.4

Sources:

<sup>1</sup> Met Council.

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

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

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**PRINCIPAL EMPLOYERS**  
**DECEMBER 31, 2020**

Employer	2020			2011		
	Rank	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment
Anoka County Government Center	1	2,000	14.50%	4	1,162	9.12%
Federal Cartridge	3	950	6.89%	1	1,400	10.98%
Hoffman Enclosures/Pentair Tech	2	650	4.71%	2	1,564	12.27%
Anoka-Hennepin ISD #11	4	650	4.71%	3	1,210	9.49%
Anoka-Metro Treatment Center	5	630	4.57%	5	407	3.19%
Anoka County Jail/Corrections	6	600	4.35%			
Rural Insurance Group	7	300	2.18%	6	405	3.18%
Mate Precision Tool	8	350	2.54%	7	321	2.52%
Copper Sales/Firestone Metals	9	300	2.18%	9	224	1.76%
Anoka Rehab and Living Center	10	260	1.89%			
Anoka Technical College				8	290	2.27%
DecoPac		-	0.00%	10	214	1.68%
		<u>6,690</u>	<u>48.51%</u>		<u>7,197</u>	<u>56.45%</u>
Total City-wide employment <sup>1</sup>		13,792			12,748	

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

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	2011	2012	2013	2014
City manager	2.63	2.63	2.32	2.63
Assessing	1.00	1.00	1.00	1.00
Human resources	2.00	2.00	2.00	2.00
Finance	5.00	5.00	4.58	4.60
Community development	1.49	1.50	1.32	1.00
Planning and property maint/insp	2.65	2.65	2.65	3.40
<b>Total general government</b>	<b>14.77</b>	<b>14.78</b>	<b>13.87</b>	<b>14.63</b>
Building inspections	1.85	1.85	1.60	1.60
Police	28.45	30.08	30.08	30.08
Security - Regional treatment ctr	0.45	0.45	0.45	0.45
Security - Technical college	0.05	0.05	0.05	0.05
Security - High school	0.05	0.05	0.05	0.05
Security - Liaison officer	1.80	1.85	1.85	1.85
Downtown/Crime free housing	-	-	-	-
Total police	32.65	34.33	34.08	34.08
Total fire	4.60	4.60	4.60	-
<b>Total public safety</b>	<b>37.25</b>	<b>38.93</b>	<b>38.68</b>	<b>34.08</b>
Building maintenance	0.95	0.95	0.88	0.95
Municipal buildings	0.48	0.48	0.55	0.48
Engineering	1.80	1.75	1.75	1.75
Streets	5.68	5.68	5.68	6.68
<b>Total public works</b>	<b>8.91</b>	<b>8.86</b>	<b>8.86</b>	<b>9.86</b>
Event center	-	-	-	-
Senior center	0.33	0.33	0.33	0.33
Aquatic center	0.28	0.28	0.28	0.28
Community programs & recreation	1.76	1.58	1.58	1.63
Municipal parks	4.03	4.08	4.08	4.08
City beautification	0.28	0.28	0.28	0.18
<b>Total parks and recreation</b>	<b>6.68</b>	<b>6.55</b>	<b>6.55</b>	<b>6.50</b>
<b>Total general fund</b>	<b>67.61</b>	<b>69.12</b>	<b>67.96</b>	<b>65.07</b>
HRA	1.11	1.50	1.50	1.00
Parking	2.15	1.15	1.15	0.85
Cemetery	1.03	0.93	0.93	0.88
Central equipment (garage)	2.05	2.05	2.05	1.05
Electric	17.90	17.90	18.00	18.40
Water	3.76	3.26	3.26	3.26
Sewer	3.76	3.26	3.26	3.26
Liquor stores	4.00	4.00	4.00	4.00
Golf course	3.17	3.17	3.17	3.12
Recycling	0.51	0.38	0.38	0.38
<b>Total other funds</b>	<b>39.44</b>	<b>37.60</b>	<b>37.70</b>	<b>36.20</b>
Total all funds	107.05	106.72	105.66	101.27

Source: City of Anoka departments

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

2015	2016	2017	2018	2019	2020
3.13	3.15	3.45	3.45	3.45	3.45
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	-	-	-	-
4.60	4.65	4.70	4.70	4.70	4.70
1.00	1.00	1.00	1.00	1.00	1.00
3.15	3.25	2.80	3.05	2.80	2.80
<b>14.88</b>	<b>15.05</b>	<b>12.95</b>	<b>13.20</b>	<b>12.95</b>	<b>12.95</b>
1.60	1.50	1.45	1.20	1.20	1.20
30.28	34.55	35.85	29.95	33.00	31.25
0.50	0.45	1.60	1.60	-	-
0.10	-	-	-	-	-
0.10	0.05	0.10	0.10	0.15	0.15
1.85	1.85	1.85	1.85	1.85	1.85
-	-	1.50	3.50	5.00	6.00
34.43	38.40	42.35	38.20	41.20	40.45
-	-	-	-	-	-
<b>34.43</b>	<b>38.40</b>	<b>42.35</b>	<b>38.20</b>	<b>41.20</b>	<b>40.45</b>
0.75	1.75	1.60	1.48	1.50	1.50
0.35	0.33	0.45	0.43	0.45	0.45
1.50	1.33	1.30	1.30	1.30	1.30
7.18	7.18	6.70	6.48	7.70	7.70
<b>9.78</b>	<b>10.59</b>	<b>10.05</b>	<b>9.69</b>	<b>10.95</b>	<b>10.95</b>
0.40	0.50	0.40	0.38	0.40	0.40
0.33	0.55	0.60	0.55	0.60	0.60
0.28	0.28	0.55	0.40	0.60	0.60
1.63	1.58	2.25	2.65	2.25	2.25
4.08	4.73	4.50	4.50	6.45	5.45
0.18	0.18	0.20	0.20	0.20	0.20
<b>6.90</b>	<b>7.82</b>	<b>8.50</b>	<b>8.68</b>	<b>10.50</b>	<b>9.50</b>
<b>65.99</b>	<b>71.86</b>	<b>73.85</b>	<b>69.77</b>	<b>75.60</b>	<b>73.85</b>
0.75	0.75	1.00	1.00	1.00	1.00
0.80	0.85	0.85	0.85	0.85	0.85
0.88	1.00	0.65	0.60	0.65	0.65
1.45	1.55	1.55	1.55	1.55	1.55
17.40	18.35	18.30	18.30	18.30	18.30
3.56	3.56	3.55	3.55	3.55	3.55
2.96	2.96	2.95	2.95	2.95	2.95
4.00	4.00	4.00	4.00	4.00	4.00
3.25	2.55	2.95	2.95	2.95	3.95
0.37	0.35	0.35	0.35	0.35	0.35
<b>35.42</b>	<b>35.92</b>	<b>36.15</b>	<b>36.10</b>	<b>36.15</b>	<b>37.15</b>
101.41	107.78	110.00	105.87	111.75	111.00

**CITY OF ANOKA, MINNESOTA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Elections</b>										
Registered voters		11,727		10,185		11,385		10,836		11,778
Number of voters		8,962		5,144		8,744		7,229		9,621
Participation		76%		51%		77%		67%		82%
<b>Building inspections</b>										
No. of permits issued	517	443	434	462	579	474	406	445	890	865
Total permit valuation (in thousands)	\$11,336	\$38,804	\$23,672	\$31,734	\$46,974	\$34,437	\$23,182	\$19,328	\$21,129	\$55,505
<b>Public safety</b>										
<b>Police</b>										
Police activity	20,148	21,299	20,087	20,260	20,127	20,947	21,092	21,648	23,368	22,206
Part 1 crime	869	766	619	604	610	679	572	464	432	383
Traffic accidents	698	648	727	920	732	786	833	689	863	564
<b>Public works</b>										
Sidewalk repair costs	65,019	70,731	46,963	8,341	48,405	23,102	48,249	35,423	20,834	60,610
<b>Parks and recreation</b>										
Senior Center passengers	2,900	4,268	5,700	4,651	4,943	4,873	4,795	4,936	3,852	2,800
Picnic shelter reservations	190	212	158	178	183	148	162	178	245	165
Swim lesson participants	1,028	1,103	1,072	1,106	1,083	1,236	1,021	1,059	1,195	787
Open swim attendance	44,000	47,000	39,407	34,804	42,140	36,366	29,937	36,925	33,389	9,039
<b>Parking</b>										
Parking permits issued	66	71	113	168	186	299	345	345	223	177
Ramp permits issued	58	91	61	69	86	-	-	-	-	-
<b>Electric</b>										
Average daily electric use in kWhrs	727,926	738,266	760,714	750,133	760,161	754,067	736,580	758,189	731,524	739,738
<b>Water</b>										
Average daily water use in cubic feet	249,198	262,148	227,385	230,685	235,813	233,602	231,588	240,584	212,476	238,015
<b>Golf</b>										
Rounds of golf purchased	29,614	33,776	28,486	32,745	32,764	33,958	32,089	30,288	31,399	41,003

Source: City of Anoka departments

**CITY OF ANOKA, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

(Unaudited)

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	26	24	25	23	27	25	24	24
<b>Public works</b>										
Street miles	67.28	67.28	67.28	67.68	68.54	68.54	69.02	69.20	69.20	69.02
<b>Parks and recreation</b>										
Park acres maintained	595	595	595	595	595	597	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	2	2	2	2	2	2	2
Portable docks	5	6	6	4	5	5	5	5	5	4
<b>Parking</b>										
Ramps	2	2	2	2	2	2	2	2	2	2
Lots	6	6	6	6	4	4	4	4	4	4
<b>Electric</b>										
Overhead wire miles	159	159	154	147	148	140	134	134	161	156
Underground wire miles	162	162	182	191	192	199	208	208	339	342
Substations	3	3	3	3	4	4	4	4	4	4
Street lights	1,795	1,795	1,795	1,805	1,874	1,874	1,851	1,851	1,851	1,851
<b>Water</b>										
Water main miles	82.53	82.53	83.44	83.46	86.17	86.33	87.44	87.44	87.44	89.31
Wells	8	8	8	8	8	8	8	8	8	8
<b>Sewer/storm sewer</b>										
Sanitary sewer miles	64.97	64.97	65.64	65.67	67.15	67.28	67.67	67.67	67.67	68.30
Storm sewer miles	29.04	29.04	30.00	31.00	34.03	34.85	34.95	34.95	35.86	39.65
<b>Liquor</b>										
Stores	2	2	2	2	2	2	2	2	2	2
<b>Golf</b>										
Golf course acres	126	126	126	126	126	126	126	126	126	126

Source: City of Anoka departments