



CITY OF ANOKA, MINNESOTA

Popular Annual Financial Report

To The Community

FOR THE YEAR ENDED DECEMBER 31 2021

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

ELECTED OFFICIALS:

MAYOR:

PHIL RICE

CITY COUNCIL :

ELIZABETH BARNETT
ERIK SKOGQUIST
JEFF WEAVER
BRIAN WESP

INSIDE THIS ISSUE:

Introduction	1
Dividing up your Tax Dollar	1
Tax Dollars in Use	2
General Fund	3
City Departments	4
Special Revenue Funds	4
Long Term Debt	5
Capital Project Funds	5
Electric Utility	6
Water, Sewer, Storm Drain Utilities	6
Liquor	7
Golf	7
Recycling	7
Internal Services	8
HRA Component Unit	8
Financial Summary	9
About Anoka	10

Dear Anoka Resident,

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

Information in this report comes from Anoka's 2021 Annual Comprehensive Financial Report (ACFR). The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP), was audited by WIPFLI LLP, and received an unmodified opinion, which is the best audit opinion possible.

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

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

Governmental Funds account for tax-supported activities and include:

General Fund accounts for activities that provide for basic operations of the City, i.e., administration, building maintenance, police & fire, street & park maintenance, recreation activity, community development and planning.

Special Revenue Funds account for activities restricted to specific purposes like the Round Up for Change program or parking.

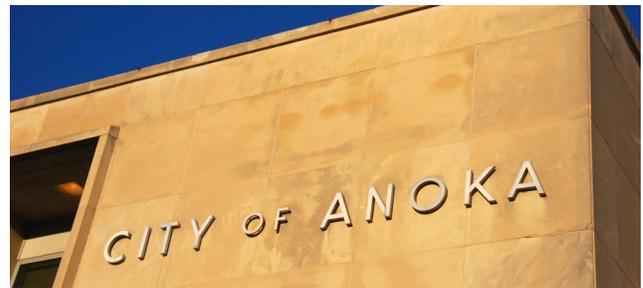
Debt Service Funds track revenues and expenses related to repayment of long term debt.

Capital Project Funds collect revenue from special assessments, state and county aids and allots them toward construction or major capital expenses.

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

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

If you'd like a copy of the Annual Report visit the City's website at www.anokaminnesota.com/223/Annual-Comprehensive-Financial-Reports. Or call the Finance Department at 763-576-2770.



Dividing Up Your Property Tax Dollar

Your tax dollar is divided up into several governmental entities. The City of Anoka collects 41.47 cents of every tax dollar for City services. The remaining portions are divided among Anoka County, the school district and other agencies.

The average residential estimated market value of a home in Anoka in 2021 was \$243,100



CITY OF ANOKA
41.47%

ANOKA COUNTY
37.11%

SCHOOL DIST
18.76%

MET COUNCIL
2.65%

Your Tax Dollars In Use

Residents in the City of Anoka receive a variety of City services for an affordable price. For an average Anoka home in 2021 the estimated market value was \$243,100 which translates to approximately \$798 annually, or \$66.51 a month. This tax covers the City services after grants, fees, and all other non property tax revenues are received.

Public Safety includes police, security, fire and inspections. General Government includes council, administration, finance, legal, planning and development. Parks and Recreation includes special events, aquatic center, senior center, and park maintenance. Public Works includes streets, engineering, and building maintenance.

The City of Anoka Housing and Redevelopment Authority, which undertakes projects in the City of Anoka, has an annual tax levy separate from the City. This levy is approximately \$3 per month for the average household. Their powers and duties include property acquisition, relocation, demolition and ultimately rehabilitation or redevelopment in the City.



Public Safety, \$37.03 a month



General Government, \$10.78 a month



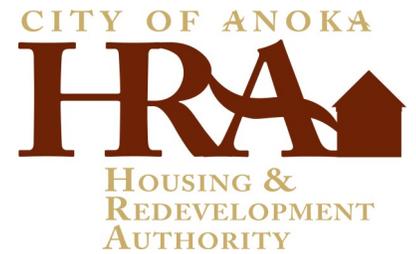
Parks and Rec, \$8.14 a month



Debt Service, \$6.70 a month

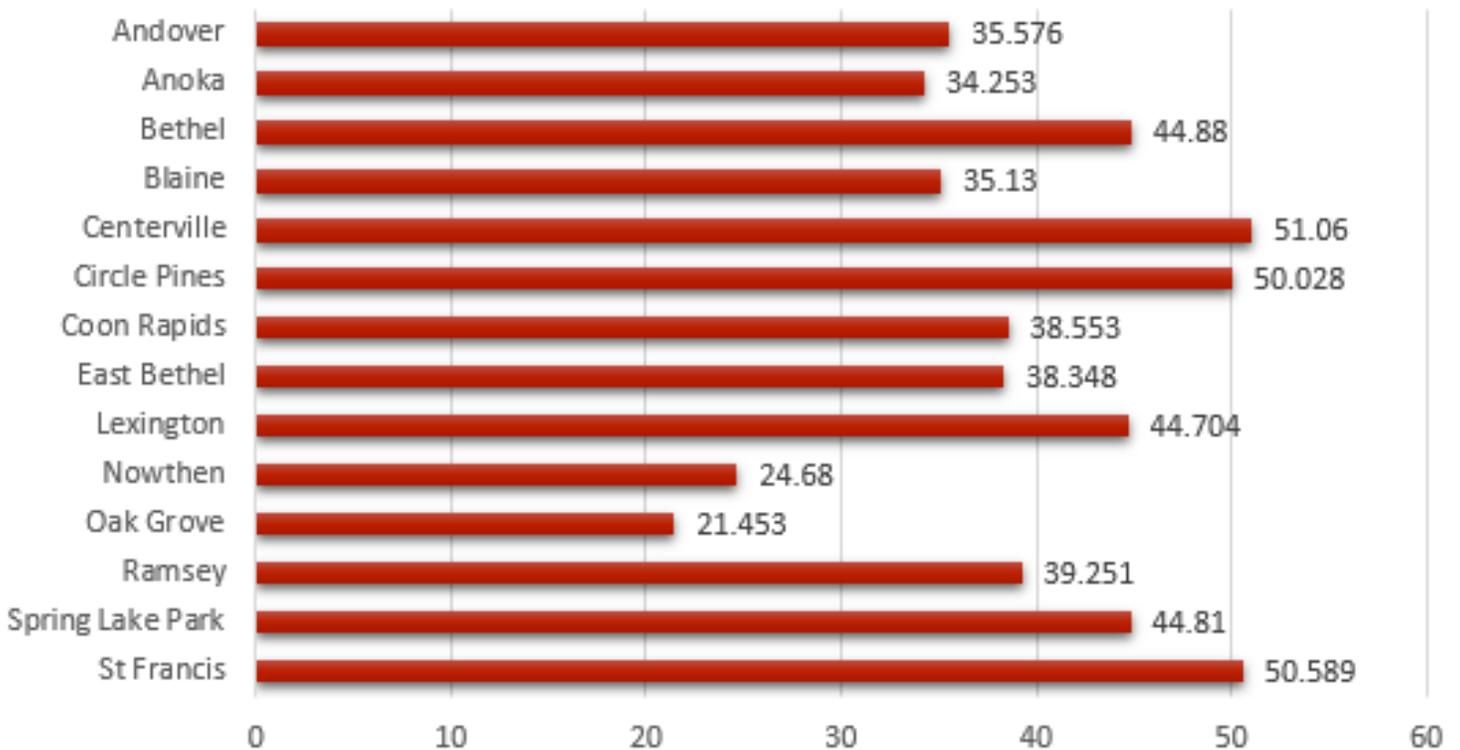


Public Works, \$3.86 a month



HRA, \$3.00 a month

Final 2021 Tax Rates for Anoka County Communities



General Fund Revenue and Expenditures

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

At 2021 year-end the City’s revenue total was \$11,905,262 which was a \$1,327,018 or 10.03% decrease compared the previous year.

The decrease is the result of delaying recognition of ARPA funds until 2022 when the funds will be used, and a separate levy for debt service in 2021.

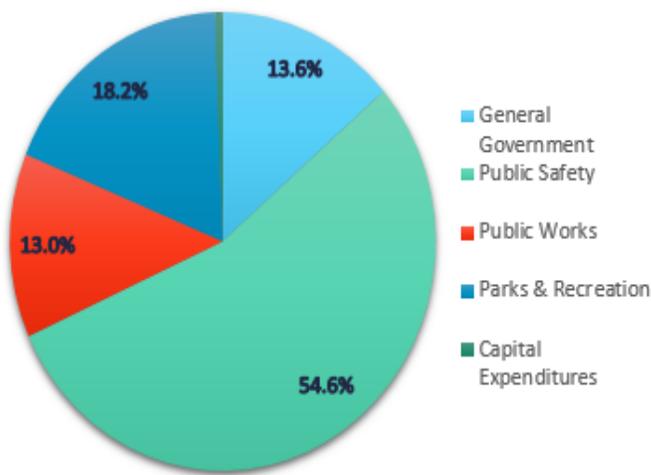
Total General Fund expenditures for 2021 were \$12,579,456 which is \$127,581 or 1% lower than the previous year due to decreases in pandemic related spending in general government and increases in public safety and parks and recreation.

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

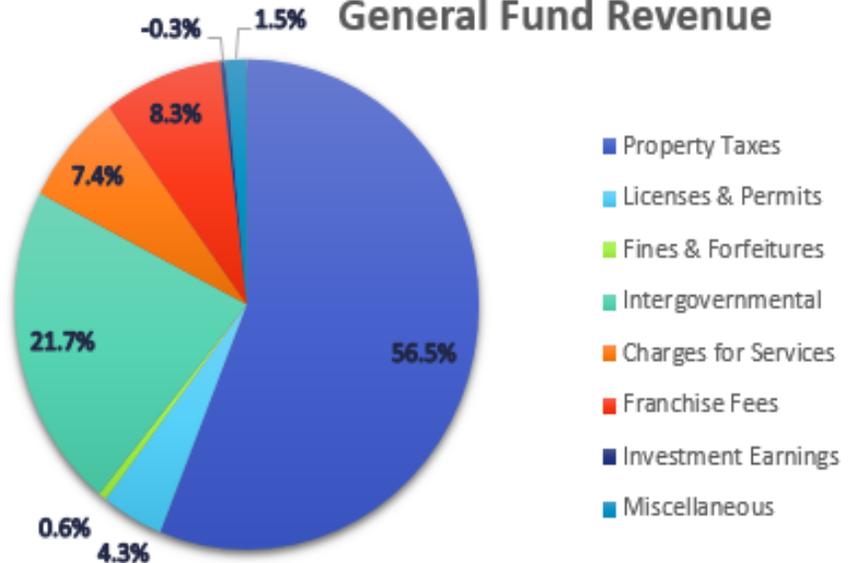
Expenditures	2021	2020	2019
General Government	1,715,704	2,031,309	1,921,412
Public Safety	6,866,946	6,708,902	6,260,842
Public Works	1,632,586	1,778,425	1,411,241
Parks & Recreation	2,292,761	2,133,931	2,237,915
Capital Expenditures	71,459	54,470	144,234
Total Expenditures	12,579,456	12,707,037	11,975,644

Revenues	2021	2020	2019
Property Taxes	6,722,149	7,282,910	7,000,263
Licenses & Permits	516,180	550,803	332,927
Fines & Forfeitures	66,761	65,841	64,416
Intergovernmental	2,580,585	3,686,181	2,352,279
Charges for Services	885,181	516,930	792,428
Franchise Fees	992,054	939,130	931,357
Investment Earnings	(38,647)	44,094	242,323
Miscellaneous	180,999	146,391	167,606
Total Revenues	11,905,262	13,232,280	11,883,599

0.6% **General Fund Expenditures**



General Fund Revenue



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



City Departments

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

Finance: This department conducts the financial affairs of the City of Anoka in accordance with the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principals (GAAP). The activities in this department are part of general government.

Planning & Community Development: This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for Economic Development within the City. The activities in this department are part of general government.

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

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

Parks & Recreation: This department is responsible for providing recreation activities in the City and maintaining the City’s parks and trails.

The Parks and Recreation department put on several events throughout the year. Shown above are employees at the tree lighting event

Special Revenue Funds

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

Round Up: This fund administers Round Up donations from utility billing customers to local charitable organizations.

Cemetery Maintenance: This fund is used for upkeep and maintenance of the City’s public cemeteries; Forest Hill and Oakwood

Urban Redevelopment: This fund manages Met Council sewer access fees, and loans for WAC/SAC charges.

Parking: Two ramps and several parking lots are located in the downtown area. These funds also cover parking enforcement.

Lodging Tax: The State of Minnesota charges Hotels and Lodging facilities tax of 3% on short-term lodging. This fund supports tourism in Anoka.

**Police forfeiture is not recognized in this report, but is included in the Annual Report*



Cookout with the Cops—featuring grill master Chief Peterson

Long-Term Debt

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

The City retired \$825,000 of bonded debt in 2021.

The City issued new capital improvement debt in the amount of \$6,000,000 in 2021. This debt was used to pay for the Park Maintenance Building completed in 2021 and the Law Enforcement Training Center (LETC) which went out for bid in 2021.

Additional bonding will occur in 2022 for the completion of the LETC as well as expansion to the water treatment facility for water wells 6 and 8.



Year	General Obligation Bonds	
	Principal	Interest
2022	1,235,000	523,957
2023	1,175,000	493,890
2024	1,225,000	453,740
2025	1,255,000	412,090
2026	1,235,000	372,190
2027	1,120,000	337,065
2028	1,270,000	302,090
2029	1,130,000	265,490
2030	1,155,000	232,621
2031	1,200,000	203,538
2032	1,230,000	174,678
2033	1,255,000	144,748
2034	720,000	123,381
2035	730,000	110,773
2036	740,000	96,685
2037	755,000	81,196
2038	765,000	65,230
2039	790,000	48,665
2040	805,000	31,443
2041	715,000	14,898
2042	355,000	3,550
	<u>\$ 20,860,000</u>	<u>\$ 4,491,915</u>

Capital Project Funds

Building Improvement:

The Park Maintenance Building project which began in 2019 reached full completion in 2021. Bids were received and awarded for the Law Enforcement Training Center, which breaks ground in 2022. Total capital outlay in 2021 was \$1,019,842, supported by bond funds

State Aid Construction:

Bids were received and awarded for the long anticipated Highway 10 project, with ground breaking in fall 2021. The City continued final acquisitions of right of ways throughout 2021. MnDOT and Anoka County have projects in the area running concurrently so that by the end of 2023, the project is projected to be fully complete. Total capital outlay in 2021 was \$6,802,620, supported by grant funds.

Street Renewal:

The City continued an aggressive policy on street renewal in 2021. The historic Swede Town neighborhood project was split into two years, with the first .44 miles being completed in 2021. Total capital costs for the year were \$1,566,860, supported by assessments and franchise fees.

Greens of Anoka TIF District:

The City is working with developers to revitalize this area. Acquisition of property for this project was completed in 2020. Final demolition and roadway work were completed in 2021. Capital outlay was \$3,039,609 in 2021, supported by future tax revenues generated from the redevelopment.

Park Dedication and Park Capital:

Several park projects were underway in 2021; Mississippi River bank stabilization, Anoka Station Park construction and Rudy Johnson Park reconstruction were just a few of the improvements. Total capital was \$1,186,661 which was supported by grants, dedication fees, donations and transfers from other funds.

**Please note that Enterprise TIF District (decertified 12/31/16), South Ferry TIF District, Commuter Rail Transit Village and the Historic Rum River TIF District are not recognized in this report, but are included in the Annual Report*

Enterprise Funds

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



Above—kids cool off in the fountain during Anoka’s Food Truck Festival

Utilities: Electric

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

AMU serves 11,148 residential, 1,321 commercial, and 17 industrial customers including several national accounts such as nVent Hoffman and Federal Cartridge . Annual total operating revenues topped \$30 million in 2021. The Electric Fund contributed just over \$1.75 million in 2021 through fund transfers and franchise agreements with the City. This provides funding for capital improvements throughout the city. The cost per kwh of purchased power increased almost 12% over 2020, with additional increases anticipated in 2022.

2021 Operating Revenue:
\$30,831,936

2021 Operating Expenses:
\$29,038,263

Positions—Full time
18.30

Monthly Average Home:
\$80.90

Utilities: Water, Sewer and Storm Drains

Water

The Water utility accounts for the operation of the city-owned water system and maintenance and improvements to the water infrastructure. The water department will need to upgrade a water treatment facility in 2022 and will bond for this project.

2021 Operating Revenue:
\$1,909,921

2021 Operating Expenses:
\$1,517,011

Positions—Full time 3.55

Monthly Average Home:
\$19.03

Sewer

The City of Anoka has approximately 66 miles of sanitary sewer mains. Each year about one-fourth of the city’s sanitary sewer mains are inspected and cleaned. This routine maintenance helps to prevent blockages and sewer backups. The City has identified a lift station that will need to be replaced within 5 years.

2021 Operating Revenue:
\$2,755,045

2021 Operating Expenses:
\$2,306,589

Positions—Full time 2.95

Monthly Average Home:
\$25.56

Storm Drains

The storm water utility accounts for the operation and improvement of the storm water drainage system. Each year the City inspects, cleans and repairs about 50 catch basins. The City continues to add storm drain infrastructure during street renewal projects.

2021 Operating Revenue:
\$797,425

2021 Operating Expenses:
\$338,493

Monthly Average Home:
\$4.90

Liquor Stores

The City owns and operates two municipal liquor stores. The east store is located at 847 East River Road, Anoka, west of Mercy Hospital. The west store is located at 809 West Main Street, Anoka, off of Highway 10. Weekly specials can be found on the stores website www.anokaminnesota.com/155/Better-Values-Liquor



2021 Operating Revenue: \$4,607,366

2021 Operating Expenses: \$4,391,317

Positions—Full time 4

Profits from your purchases stay in the City of Anoka to help aid in maintaining and improving city parks. \$440,000 was transferred out from the Liquor Fund in 2021.



Green Haven Golf Course & Event Center

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

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

Golf Course

2021 Operating Revenue: \$1,422,446

2021 Operating Expenses: \$1,395,339

Positions—Full time 3.95

Recycling

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

In 2021:

Residential recycling hauled off 1,957 tons

Drop Off Events collected 84 tons of recycling



Get the ACE MYTrashMN for Apple and Android devices today!
View your recycling schedule, receive collection notifications, and use the Recycle Wizard to determine if your item should be recycling or waste.



Public Works and Utility staff put on “Small People Big Trucks” over MEA, giving Anoka kids the opportunity to test out all the large equipment at the City

Internal Service Funds

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

- Vehicle and Equipment Maintenance
- Information Technology
- Insurance
- Benefit Liability

	Garage	IT	Insurance	Benefits
Operating Revenue	923,800	552,700	447,320	60,150
Operating Expenses	770,834	531,680	686,554	47,279
Net Position	1,729,432	457,669	895,142	-18,436



HRA Component Unit

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

In 2021:

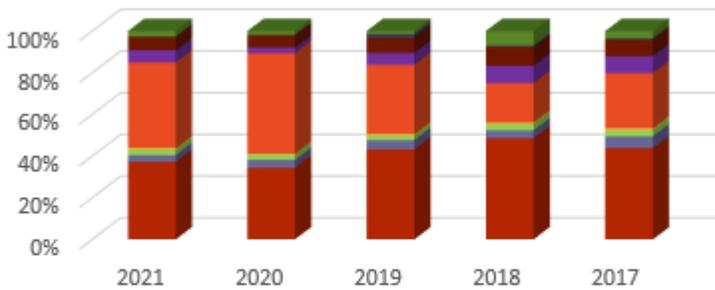
2021 HRA Tax levy: \$326,000

New home improvement loans: 6 loans: \$50,330

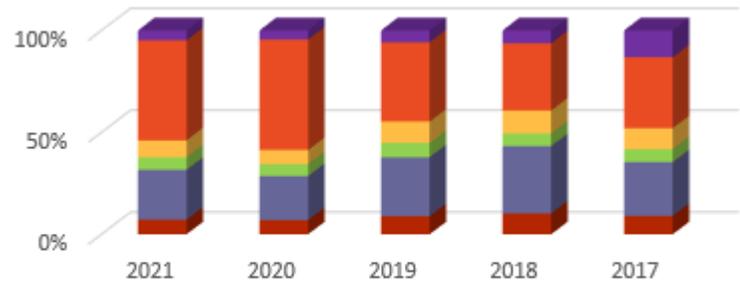
Government Wide Financial Summary

- Charges for service increased by \$119,736. 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 renewed security services offered to the school district after Covid-19 restrictions were lifted.
- Operating and capital grants and contributions decreased by \$2,309,039 in 2021. American Recovery Plan Act funds received in 2021 are unspent and will be recognized when allowable expenses occur in 2022. The City will see large future increases in grants due to Highway 10 funding. The project breaks ground in 2022 and is expected to reach completion in 2023.
- Investment income decreased \$19,420 in 2021 due to continued lower rates of return on investments.

5 Year Revenue Comparison



5 Year Expenditure Comparison



■ Property Taxes ■ Special Assessments ■ Licenses & Permits
■ Fines & forfeitures ■ Intergovernmental ■ Charges for Services
■ Franchise Fees ■ Investment Earnings ■ Miscellaneous
■ General Government ■ Public Safety ■ Public Works
■ Parks & Recreation ■ Capital Outlay ■ Debt Service



In 2021 The City of Anoka received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the City’s Comprehensive Annual Financial Report and the Distinguished Budget Award. This is the 41st year the City has received the Excellence in Financial Reporting Award, and the 15th year receiving the Distinguished Budget Award.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Anoka for its report for the fiscal year ended December 31, 2020. This is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government reports. This was the 5th year the City submitted the report and received the award from the GFOA.

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

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



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, 2020

Christopher P. Merrill
Executive Director/CEO

Anoka, and What it's Known For!

Credit to **Anoka Halloween Inc**

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

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

Working hand in hand were businessmen, teachers from the Anoka public and parochial schools, parents, and students. For weeks before the big event, more than a thousand Anoka school children made plans and costumes for the big event.

A parade was scheduled for the evening. Participants included local and neighboring bands, drum corps, the Anoka police, and fire departments, the Kiwanis Club, the Commercial Club, and the Anoka National Guard; all working together to make the evening a success. Afterward, hundreds of bags of popcorn, candy, peanuts, and other treats were given away to the children who marched in the parade. And, everyone was invited to a large bonfire that was staged at Bridge Square. Celebrations have been held every year since 1920 with the exception of 1942 and 1943 when the festivities were canceled because of World War II.

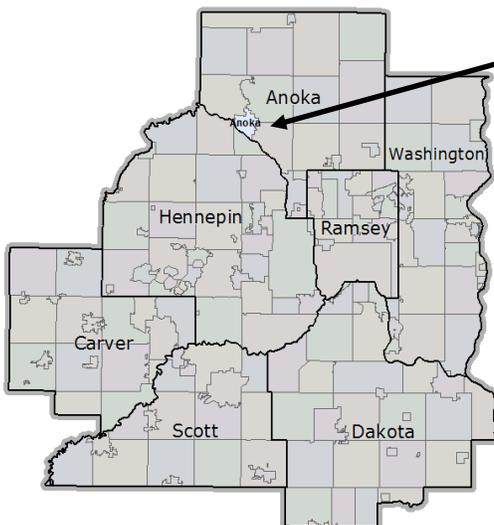
By the 1930s, the festivities had expanded as had the attendance at the parades. There were over 2,000 costumed children marching down Main Street. It was estimated that 20,000 spectators lined the streets to watch this night-time spectacle. In 1937, 12-year-old, Harold Blair, donning a sweater embellished with a Halloween Capital insignia, carried with him to Washington, D.C. a proclamation naming Anoka Halloween Capital of the World™.



Above is a photo of an Anoka Halloween celebration from around 1925, photo from Minnesota Historical Society

City of Anoka fast facts:

- Date of incorporation: March 2, 1878
- Population: 17,615 (2020 US Census)
- Average age: 37.7 (2020 US Census)
- Household size: 2.29 (2020 Met Council)
- Medial home sale price \$279,900 (Realtor.com)
- Registered voters: 11,778 (2020 election)
- Voter participation: 82% (2020 election)
- Unemployment rate: 2.6% (December 2021)
- Per capita income: \$62,452 (December 2021)
- Acres of park, recreation, and preserves: 600 acres
- Area of city: 7.13 square miles



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