



CITY OF ANOKA, MINNESOTA

Popular Annual Financial Report

To The Community

FOR THE YEAR ENDED DECEMBER 31 2022

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

ELECTED OFFICIALS:

MAYOR:

PHIL RICE

CITY COUNCIL :

SAM SCOTT
ERIK SKOGQUIST
JEFF WEAVER
BRIAN WESP

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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.

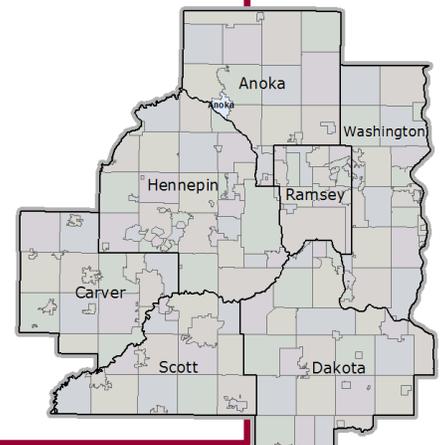
Information in this report comes from Anoka’s 2022 Annual Comprehensive Financial Report (ACFR). The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP), was audited by Abdo, LLP, and received an unmodified opinion, which is the best audit opinion possible.

If you’d like a copy of the Annual Comprehensive Financial Report, visit the City’s website at www.anokaminnesota.com/223/Annual-Comprehensive-Financial-Reports .

Or call the Finance Department at 763-576-2770.

City of Anoka fast facts:

- Date of incorporation: March 2, 1878
- Population: 18,041 (2021 Met Council estimate)
- Average age: 37.7 (2020 US Census)
- Median December home sale price \$292,500 (Realtor.com)
- Median gross rent: \$1,056 (2021 Met Council American Community Survey)
- Registered voters: 11,082 (2022 election)
- Voter participation: 63% (2022 election)
- Unemployment rate: 3.0% (December 2022 Department of Employment and Economic Development)
- Per capita income: \$65,780 (December 2022 Department of Employment and Economic Development)
- Acres of park, recreation, and preserves: 600 acres
- Area of city: 7.13 square miles



Your Tax Dollars In Use

Residents in the City of Anoka receive a variety of City services for an affordable price. When budgeting for 2022, the average home was estimated to have a market value of \$254,000. This translates to approximately \$809 in city property taxes for 2022, or about \$68 a month. This tax covers city services after grants, fees, and all other 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, \$38.76 a month



General Government, \$11.56 a month



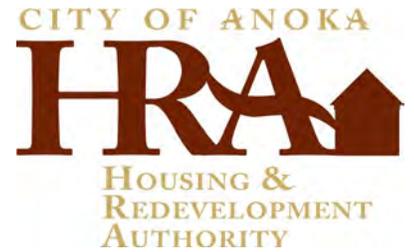
Parks and Rec, \$10.20 a month



Public Works \$4.08 a month



Debt Service, \$3.40 a month



HRA, \$3.00 a month

Dividing Up Your Property Tax Dollar



Your tax dollar is divided up into several governmental entities. The City of Anoka collects \$0.42 cents of every tax dollar for City services. The remaining portions are divided among Anoka County, the school district and other agencies.

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 every-day general expenditures like street and park maintenance and police and fire protection, while at the same time supplementing portions of the other funds.

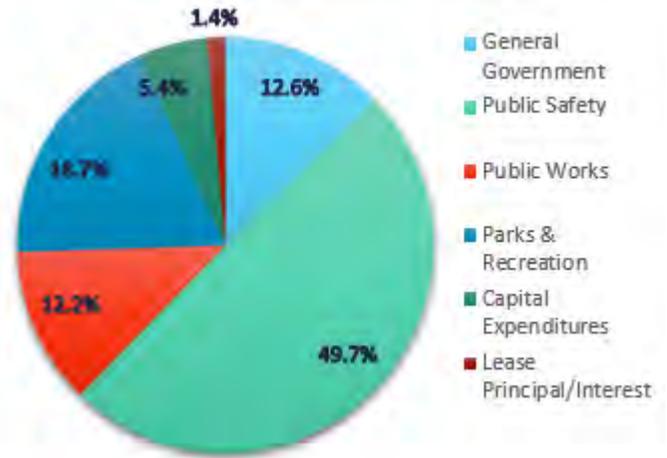
Like most funds, the General Fund relies on the inflow of cash, shown as revenues and subsequently the outflow of cash shown as expenditures. The primary revenue source for the General Fund is property taxes. Intergovernmental revenues are items such as state or county aid and grants.

At 2022 year-end the City’s revenue total was \$12,855,934 which was a \$950,672 or 7.99% increase compared the previous year. The increase is the result of increased property tax collections, and one time grants received by the parks department. The City also recognized a portion of American Recovery Plan Act funds in 2022, and will use the remaining funds in 2023.

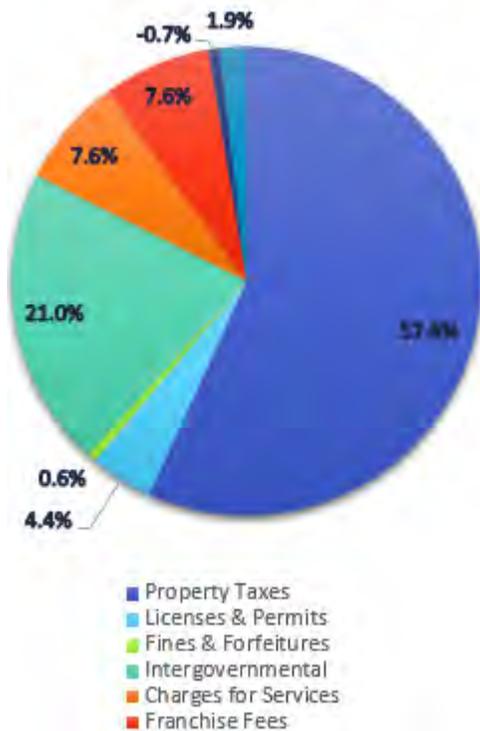
Total General Fund expenditures for 2022 were \$14,508,490 which is \$1,929,034 or 15.3% higher than the previous year. The largest increase was recognition of the remaining lease period for the City’s police fleet and copiers due to a new accounting standard. The City also expended 18% more in the parks and recreation department for Emerald Ash Borer mitigation

Expenditures	2022	2021	2020
General Government	1,832,257	1,715,704	2,031,309
Public Safety	7,208,815	6,866,946	6,708,902
Public Works	1,760,318	1,632,586	1,778,425
Parks & Recreation	2,714,330	2,292,761	2,133,931
Capital Expenditures	788,116	71,459	54,470
Lease Principal/Interest	204,654	0	0
Total Expenditures	14,508,490	12,579,456	12,707,037

General Fund Expenditures



General Fund Revenue



Revenues	2022	2021	2020
Property Taxes	7,408,785	6,722,149	7,282,910
Licenses & Permits	568,094	516,180	550,803
Fines & Forfeitures	82,891	66,761	65,841
Intergovernmental	2,696,707	2,580,585	3,686,181
Charges for Services	978,166	885,181	516,930
Franchise Fees	974,245	992,054	939,130
Investment Earnings	(94,833)	(38,647)	44,094
Miscellaneous	241,879	180,999	146,391
Total Revenues	12,855,934	11,905,262	13,232,280

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.

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



Shown above are employees at the tree lighting event, attended by thousands annually

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.

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 water and sewer access 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

The City of Anoka uses debt service funds to track revenues and expenses related to the repayment of 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 \$1,320,000 of bonded debt in 2022

The City issued new general obligation capital improvement bonds in the amount of \$3,850,000 and new water revenue bonds in the amount of \$6,000,000. The GO capital improvement bonds were used to complete construction of the new Law Enforcement Training Center, and the water revenue bonds were used to begin construction of the water treatment facility in the northeast section of the City.

Additional bonding will occur in 2023 for \$6,325,000 for additional street renewal projects planned for 2023 and 2024.

Year	Principal	Interest
2023	1,260,000	917,316
2024	1,650,000	837,640
2025	1,695,000	780,390
2026	1,690,000	724,290
2027	1,590,000	672,365
2028	1,760,000	619,715
2029	1,635,000	564,565
2030	1,680,000	512,446
2031	1,740,000	463,188
2032	1,785,000	415,653
2033	1,835,000	368,698
2034	1,315,000	329,705
2035	1,345,000	298,948
2036	1,375,000	266,030
2037	1,295,000	232,671
2038	1,320,000	199,054
2039	1,365,000	161,884
2040	1,405,000	121,443
2041	1,340,000	80,398
2042	1,005,000	43,550
2043	675,000	13,500
	<u>\$ 30,760,000</u>	<u>\$ 8,623,446</u>

Capital Project Funds

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

Building Improvement:

The Law Enforcement Training Center project, which includes a new animal containment facility, began in 2022 and will reach full completion in 2023. Total capital outlay in 2022 was \$3,725,931 which was supported by 2022 bonding.

State Aid Construction:

Bids were received and awarded for the long anticipated Highway 10 project, with ground breaking in fall 2021. Shafer Construction was able to reach approximately 50% completion by the end of 2022 and the project is on track to be complete by the end of 2023. The City is acting as project manager for this project, since Highway 10 is not a City street. The expenditures related to roadways that belong to the County and State are reimbursed by federal, state, and local grants. Project costs in 2022 totaled \$24,908,409.

Street Renewal:

The City continued an aggressive policy on street renewal in 2022. The historic Swede Town neighborhood project was split into two years, with the first .44 miles being completed in 2021 and second half in 2022. The City also participating in a joint traffic signal installation with the City of Andover on 7th Avenue, and spent more than \$2,000,000 on street surface improvements. After the 2023 budget was approved, The City authorized \$1,000,000 in emergency street repairs due to the significant damage from the past winter freeze and thaw cycles. Total capital costs for 2022 were \$3,978,467, supported by street assessments and franchise fees.

Park Dedication and Park Capital:

Several parks and recreation projects were underway in 2022; The Aquatic Center began improvements which will be completed before 2023 season opening to include a new boiler and pool floor. Work was completed at Rudy Johnson Park, and additional funds were spent on Mississippi River bank stabilization and Rum River Trail improvements. The total capital park expenditures in 2022 was \$865,678 which was supported with American Recovery Plan Act funds and State grants.

**Please note that Enterprise TIF District (decertified 12/31/16), South Ferry TIF District, Commuter Rail Transit Village, Greens of Anoka, 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—Anoka Main Street in the early morning

Utilities: Electric, Water, Sewer and Storm Drains

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 11,462 residential, 1,322 commercial, and 19 industrial customers including several national accounts such as Hoffman and Federal Cartridge . Annual total operating revenues topped \$36 million in 2022. The Electric Fund contributed close to \$1.75 million in 2022 through fund transfers and franchise agreements with the City. This provides funding for capital improvements throughout the city. Costs of purchased power increased significantly again in 2022. The City held prices to consumers steady, and will wait to address possible rate increases once costs stabilize.

2022 Operating Revenue:
\$36,442,857

2022 Operating Expenses:
\$32,799,571

Monthly Average Home:
\$88.89

Positions—Full time
18.30

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 began work on a new water treatment facility in 2022 and issued revenue backed bonds to finance the project.

2022 Operating Revenue:
\$1,873,192

2022 Operating Expenses:
\$1,757,955

Monthly Average Home: \$19.53

Positions—Full time 3.55

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 which will require bonding.

2022 Operating Revenue:
\$2,867,567

2022 Operating Expenses:
\$2,674,017

Monthly Average Home: \$26.36

Positions—Full time 2.95

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.

2022 Operating Revenue:
\$783,700

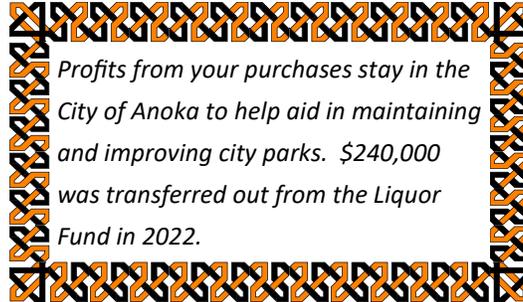
2022 Operating Expenses:
\$280,639

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 until 2023. This location will be closed in 2023 and development of a new location is already underway. Weekly specials can be found on the stores website

www.anokaminnesota.com/155/Better-Values-Liquor



Profits from your purchases stay in the City of Anoka to help aid in maintaining and improving city parks. \$240,000 was transferred out from the Liquor Fund in 2022.

2022 Operating Revenue: \$3,531,627

2022 Operating Expenses: \$3,722,147

Positions—Full time 5

Golf Course



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

2022 Operating Revenue: \$1,399,177

2022 Operating Expenses: \$1,416,528

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 2022:

Residential recycling hauled off 1,629

Drop Off Events collected 75 tons of recycling

NEW Organics recycling participants dropped off 18 tons of compostable waste



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 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.

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
- Insurance
- Information Technology
- Benefit Liability

	Garage	IT	Insurance	Benefits
Operating Revenue	\$888,800	\$588,200	\$492,260	\$60,150
Operating Expenses	\$820,883	\$618,310	\$695,601	\$115,103
Net Position	\$1,796,579	\$460,330	\$731,289	\$<81,906>

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 2022:**
- 2022 HRA Tax levy:** \$329,400
 - New home improvement loans:** \$148,000
 - New down payment assistance:** \$5,000
 - New Curb Appeal grants:** \$37,700

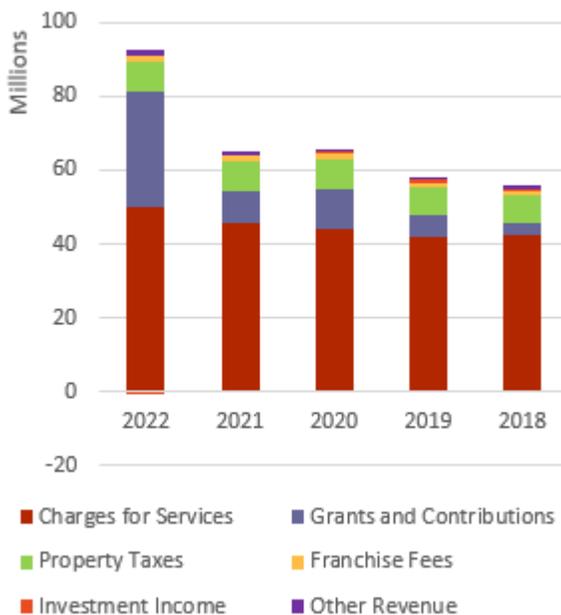


Government Wide Financial Summary

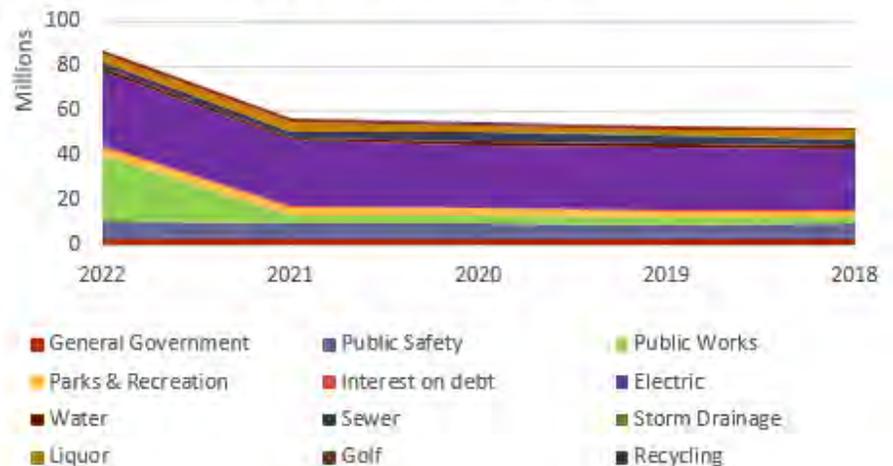
- Public Works expenditures totaled \$28,833,240 in 2022. Most of the expense was right of way acquisition and construction costs for the Highway 10 project, which was 50% complete at the end of 2022.
- Capital grants totaled \$27,663,547 in 2022. The City received federal funds for Highway 10, and statement local funds for Highway 10, Emerald Ash Borer mitigation, and riverbank stabilization.
- A net loss of \$332,001 was recognized in 2022 for investments. This is mainly the result of annual reporting in the difference between currently held investments at the acquired value and current value. The City expects losses to be recouped in 2023 due to current market conditions.
- The purchased cost of electricity increased again in 2022 by 12%, down from 16% in 2021. Charges for service for electricity were held flat in 2021, and increased 18% in 2022.
- Revenue from liquor store operations decreased \$1,075,739 due to reduced access to the West store on Highway 10. This store will be closed and relocated.
- Overall net position increased in 2022 by \$4,820,409 This increase reflects an ongoing investment into capital improvements throughout the City.

	Total	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 50,182,302	\$ 45,803,882
Operating grants and contribution	641,216	272,644
Capital grants and contributions	27,663,547	6,336,679
General revenues:		
Property taxes	8,424,286	8,064,668
Franchise taxes	1,385,067	1,403,673
Grants and contributions not restricted to specific programs	2,555,322	2,039,715
Investment income (loss), net	(332,001)	250,944
Other	1,455,784	1,028,326
Gain on disposal of capital assets	359,535	1,117,951
Total revenues	92,335,058	66,318,482
Expenses:		
General government	2,979,676	2,753,083
Public safety	7,953,219	6,620,998
Public works	28,833,240	3,615,589
Park and recreation	3,833,994	3,918,949
Interest on debt	777,873	678,737
Electric	32,834,098	29,048,446
Water	1,765,283	1,522,326
Sewer	2,683,510	2,313,551
Storm drainage	280,670	344,677
Liquor	3,734,381	4,391,013
Golf	1,418,965	1,392,531
Recycling	419,740	435,717
Total expenses	87,514,649	57,035,617
Increase (decrease) in net position before transfers and contributed capital	4,820,409	9,282,865
Transfers	-	-
Change in net position	4,820,409	9,282,865
Net position on Jan. 1	176,481,059	167,198,194
Net position on Dec. 31	\$181,301,468	\$176,481,059

5 year program and general revenue



5 year comparison of expenses



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.

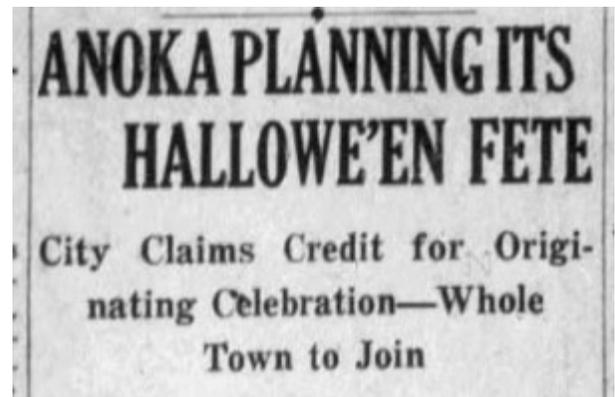
Working hand in hand were businessmen, teachers from the Anoka public and parochial schools, parents, and students. For weeks before the big event, more than a thousand Anoka school children made plans and costumes for the big event.

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



September 19, 1926 Minneapolis Journal



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, 2021

Christopher P. Morill
Executive Director/CEO

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, 2021. This is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government reports. This was the 7th 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.

In 2022 The City of Anoka also 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 42nd year the City has received the Excellence in Financial Reporting Award, and the 16th year receiving the Distinguished Budget Award.