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City of Anoka, Minnesota

2023 Annual Comprehensive Financial Report

For the year ended December 31, 2023



CITY OF ANOKA, MINNESOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2023

Prepared by the Finance Department

Brenda Springer, Director

Members of the Government Finance Officers Association

of the United States and Canada



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ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023
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2015 First Avenue, Anoka, MN 55303
Phone: (763) 576-2700 * Website: www.anokaminnesota.com

June 17, 2024

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 Annual Comprehensive Financial Report of the City of Anoka for the fiscal year ended December 31, 2023.

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 Abdo, 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, 2023, 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, 2023, 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 18,127. The City is a unique blend of history and economic vitality. The City of Anoka is empowered to levy a property tax on both real and personal properties located within its boundaries. While it also is empowered by state statute to extend its corporate limits by annexation, the City of Anoka is bordered on all sides by other incorporated communities.

The City of Anoka has operated under the council-manager form of government since April 1, 1914. Policy making and legislative authority are vested in a city council, consisting of the mayor and four other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and city attorney.

The city manager is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the city government, and appointing the heads of the various departments. The council is elected on a nonpartisan basis. The mayor is elected every two years, and council members serve four-year staggered terms and are elected at large.

The City of Anoka provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; electric, water, and sewer services; and recreational activities and cultural events.

The annual budget serves as the foundation for the City of Anoka financial planning and control. All departments are required to submit requests for appropriation to the city manager in June of each year. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents this proposed budget to the council for review at their first meeting in August. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 26. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations between departments and funds require the approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as required supplementary information in this report on [page 89](#) and detailed in supplemental financial schedules starting on [page 108](#). Special revenue fund budgetary comparisons start on [page 97](#).

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 City of Anoka area had an employed labor force at the end of 2023 of about 14,194 which compares favorably to the 7,817 households located within corporate boundaries. The unemployment rate at the end of 2023 for Anoka County was 2.5%. This is a decrease of .5% from 2022, and the lowest rate in the past twenty years. The City of Anoka had a median annual income of \$67,860 per employee at the end of 2023 which is 3.2% higher than 2022. This exceeds the average per capita income for Anoka County as a whole by \$5,165 or 8.2%. The city's current tax base consists of 55% residential homesteaded property, 30% commercial/industrial and residential non-homesteaded properties, and 15% 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 townhome and condominium 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. In March of 2024, the city entered into a consulting contract with Ehlers, Inc., to assist the city with updating the 10 year financial management plan. This plan will focus heavily on the redevelopment sites throughout the city which are mainly in tax increment financing (TIF) districts. One of the developments is in the Greens of Anoka TIF, this district is located west of downtown, next to the industrial park, and the golf course. In preparation for the HWY 10 road construction project the city purchased houses in the Highland Park neighborhood and built a parkway that served as an alternate route during construction. Redevelopment of that area with high end homes along the golf course will help the long-term financing of that district. The other area is in the Commuter Rail Transit Village TIF district, the city contracted with HKGi to complete a market study of that area along with putting together preliminary concepts for development. Maximizing the development in this area will help finance the debt that this TIF district incurred. Another focus of the financial management plan will be the relocating and rebuilding of both of the city's liquor stores including revenue projections and financing of the debt. This past legislative session the State of Minnesota legalized the selling of cannabis starting January 1, 2025. Since the City of Anoka has been in the municipal liquor business since 1937, they would also like to control the sale of full-strength cannabis in Anoka. The new law requires one license be issued per 12,500 residents (Anoka, with 18,000 residents, must issue one). The city has entered into a consulting contract with Point 7 Group out of Colorado to assist in putting together a full business plan and financial model for a proposed dispensary, this will include revenue, start up, operational, personnel and financial projections based on demographics, traffic, access and pricing.

The City continues to invest in its street renewal program where it tries to fully reconstruct a mile of city streets every year, this includes replacement of the sewer, storm and water below the street. In the past the City was able to capitalize on lower construction and debt costs, staff is reassessing the plan and funding in 2024 and beyond due to higher construction and debt costs.

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 2023 the City Council approved temporary abatement bonds for \$10,765,000 to secure an industrial building in a desired redevelopment area. The bond matures in 2026 and will be repaid with funds from the sale of property, refunded for another temporary period, or refunded for a full period of up to twenty years depending on the best interest of the City. The City also issued \$6,325,000 in general obligation bonds for continuation of the street renewal project.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anoka for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This was the 43rd 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 comprehensive report. The report must satisfy both generally accepted accounting principles 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 report for the fiscal year ended December 31, 2022. This is a prestigious national award recognizing conformance with the highest standard for preparation of state and local government reports. This was the 8th 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.

The GFOA has also awarded the Distinguished Budget Presentation Award to the City of Anoka for its Annual Budget for the fiscal year beginning January 1, 2023. In order to receive this award a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This was the 17th consecutive year that the City has received this prestigious award.

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Anoka
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

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Minnesota**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Anoka
Minnesota**

For the Fiscal Year Beginning

January 01, 2023

Christopher P. Morill

Executive Director



Elected and Appointed Officials
December 31, 2023
City Council



Brian Wesp, Councilmember
Term Expires 12/31/2024

Jeff Weaver, Councilmember
Term Expires 12/31/2024

Erik Skogquist, Councilmember
Term Expires 12/31/2026

Sam Scott, Councilmember
Term Expires 12/31/2026

Phil Rice, Mayor
Term Expires 12/31/2024

City Managerial Staff

Employee

Greg Lee
Scott Baumgartner
Doug Borglund
Del Vancura
Brenda Springer
Ted Massicotte
Larry Norland
Kevin Morelli
Eric Peterson
Mark Anderson

Position

City Manager
City Attorney
Community Development Director
Electric Utility Director
Finance Director
Fire Chief
Golf Operations
Liquor Operations
Police Chief
Public Services Director

ORGANIZATIONAL CHART



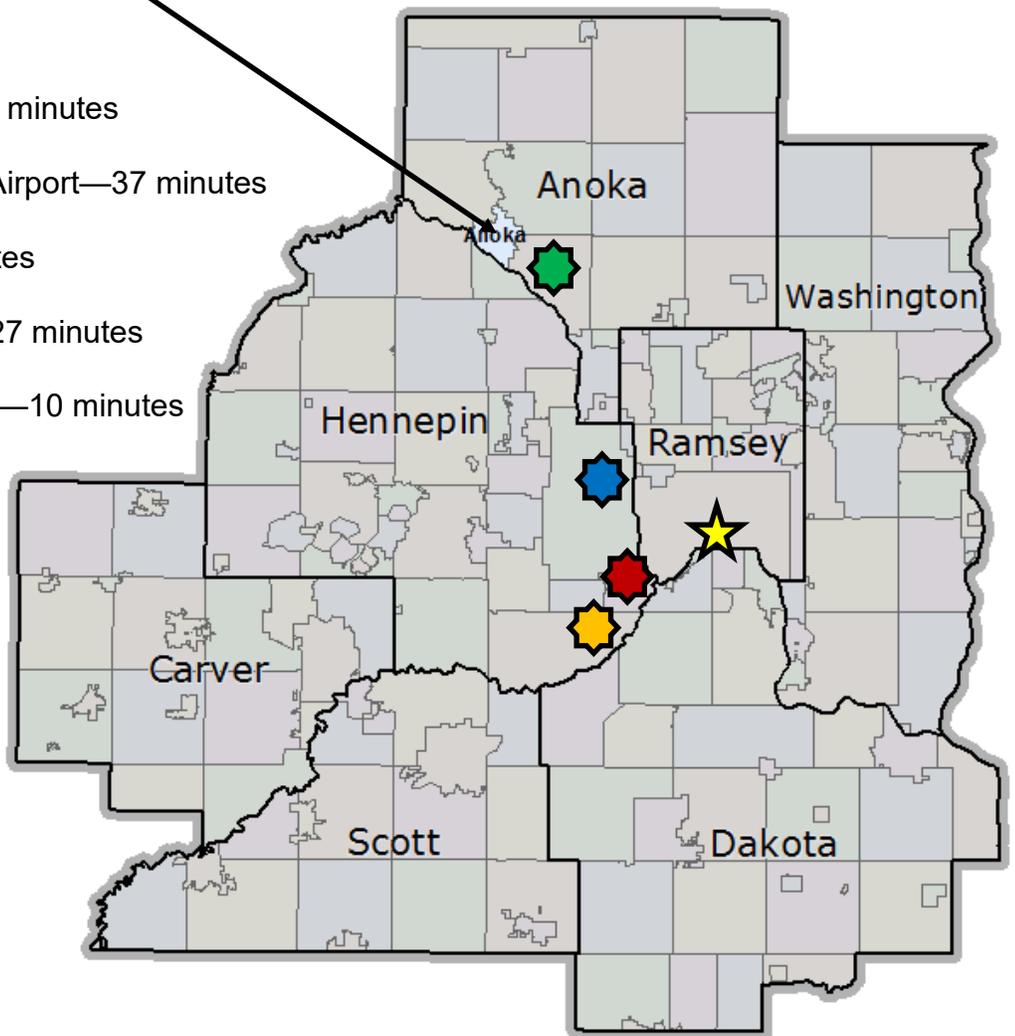
City of Anoka geographical location

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

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



-  State Capital, St Paul—37 minutes
-  Twin Cities International Airport—37 minutes
-  Mall of America—35 minutes
-  Downtown Minneapolis—27 minutes
-  Bunker Beach Water Park—10 minutes





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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Anoka, Minnesota

Report on the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of December 31, 2023, 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 of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 of America; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As described in Note 4 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 96, Subscription Based Information Technology Agreements, for the year ended December 31, 2023. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 33, the Schedule of Contributions - OPEB, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Pension Contributions, the Schedule of Proportionate Share of Net Pension Liability, the Budgetary Comparison Schedule – General Fund and the Notes to the Required Supplementary Information starting on page 89, to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 of America, 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 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 accompanying combining and individual fund financial statements and schedules and supplemental financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental financial schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information in the report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



Abdo
Minneapolis, Minnesota
June 14, 2024



CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Anoka (the “City”), we offer readers of the City of Anoka's financial statements this narrative overview and analysis of the financial activities of the City of Anoka for the fiscal year ended December 31, 2023. 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 6-8](#) of this report.

Financial Highlights

- At the close of 2023, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$180,968,398 (net position). Of this amount, \$12,383,387 (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 decreased \$333,070 or 0.20 percent.
- As of the close of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$9,640,835, which is an increase of \$7,322,597 from 2022.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,669,677, or 28.7 percent of total general fund expenditures.
- The City of Anoka's total bonded debt increased by \$17,090,000 during the current fiscal year.
- The City implemented Government Accounting Standards Board (GASB) Statement No. 96. The City does not currently have any subscription agreements that meet this new standard.

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, parks and recreation. The business-type activities of the City of Anoka include electric, water, sanitary sewer, storm sewer, liquor, golf, and recycling. The government-wide financial statements can be found on [pages 30-32](#) 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.

CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

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 Capital, State Aid Constriction, Street Renewal, Commuter Rail Transit Village Tax Increment District, and Greens of Anoka Tax Increment District, 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. Budgetary comparison schedules have been provided for budgeted funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on [pages 33-36](#) of this report.

Proprietary funds. The City of Anoka maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Anoka uses enterprise funds to account for its electric, water, sewer, liquor, golf, storm drainage, and recycling. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City of Anoka's various functions. The City of Anoka uses internal service funds to account for its information technology, general risk management, employee benefits, and vehicle/equipment fleet. These services benefit governmental and business-type functions, and they have been included within both governmental activities and business-type functions in the government-wide financial statements.

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, sewer, and storm drainage, which are considered to be major funds of the City of Anoka.

Liquor, golf and recycling operations 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 37-44](#) 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 45](#) 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 91](#) 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 2023 assets plus deferred outflows exceeded liabilities plus deferred inflows by \$180,968,399.

CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

The largest portion of the City of Anoka's net position (87.5 percent) reflects its investment in capital assets (e.g., land, right of use leased assets, buildings, machinery, and equipment) less any related debt or leases used to acquire those assets that is still outstanding. The City of Anoka uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Anoka's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net position of the City of Anoka decreased by \$333,070 in 2023. The primary elements for the decrease in net position are the 2023 bond issues and spending in capital project funds. A small portion of the City of Anoka's net position, 5.6 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$12,383,387 may be used to meet the City's ongoing obligations to citizens and creditors. Net investment in capital assets increased \$584,947, or 0.40 percent. Net position restricted for debt increased by \$773,033, net position restricted for tax increments decreased by \$107,689, and other restricted net position increased \$1,044,836. These other amounts include park dedication fees, police forfeiture funds, certain police aid funds, and land purchased with 2023 abatement bonding, less the outstanding abatement debt. Total restricted net position increased \$1,710,180 largely due to funds restricted for debt service and the 2023 police safety aid.

Significant changes to pension related deferred outflows, liability and deferred inflows are reported for 2023. This was expected, as the measurement focus of the current pension liability now includes the interest rate increases of 2022 and part of 2023. The measurement focus of the current pension liability reporting is from July 1, 2022, to June 30, 2023. Governmental activities saw increases to current assets and long-term liabilities due to the abatement bond issuance for purchase of land that will be sold for redevelopment.

	City of Anoka Net Position					
	Governmental activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	17,950,664	10,949,366	38,916,164	36,566,652	56,866,828	47,516,018
Noncurrent assets	2,145,563	2,154,185	2,437,966	2,570,047	4,583,529	4,724,232
Capital assets	130,911,730	130,201,229	62,981,510	58,701,864	193,893,240	188,903,093
Total assets	<u>151,007,957</u>	<u>143,304,780</u>	<u>104,335,640</u>	<u>97,838,563</u>	<u>255,343,597</u>	<u>241,143,343</u>
Deferred outflows of resources	<u>7,623,724</u>	<u>9,010,567</u>	<u>752,582</u>	<u>1,349,924</u>	<u>8,376,306</u>	<u>10,360,491</u>
Current liabilities	7,405,513	7,052,187	4,583,054	5,732,792	11,988,567	12,784,979
Long-term liabilities	43,074,759	39,125,245	16,844,667	15,205,563	59,919,426	54,330,808
Total liabilities	<u>50,480,272</u>	<u>46,177,432</u>	<u>21,427,721</u>	<u>20,938,355</u>	<u>71,907,993</u>	<u>67,115,787</u>
Deferred inflows of resources	<u>7,503,842</u>	<u>377,330</u>	<u>3,339,670</u>	<u>2,709,249</u>	<u>10,843,512</u>	<u>3,086,579</u>
Net position	<u>\$ 100,647,567</u>	<u>\$ 105,760,585</u>	<u>\$ 80,320,831</u>	<u>\$ 75,540,883</u>	<u>\$ 180,968,398</u>	<u>\$ 181,301,468</u>
Net investment in capital assets	\$ 106,224,477	\$ 107,298,169	\$ 52,185,655	\$ 50,527,016	\$ 158,410,132	\$ 157,825,185
Restricted						
Debt	2,241,184	1,468,151	-	-	2,241,184	1,468,151
Tax increment	6,324,530	6,432,219	-	-	6,324,530	6,432,219
Other	1,609,165	564,329	-	-	1,609,165	564,329
Unrestricted	<u>(15,751,789)</u>	<u>(10,002,283)</u>	<u>28,135,176</u>	<u>25,013,867</u>	<u>12,383,387</u>	<u>15,011,584</u>
Total net position	<u>\$ 100,647,567</u>	<u>\$ 105,760,585</u>	<u>\$ 80,320,831</u>	<u>\$ 75,540,883</u>	<u>\$ 180,968,398</u>	<u>\$ 181,301,468</u>

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 continue to report a negative unrestricted balance due to previous spending for development in the capital construction accounts. Business-type activities report positive balances in all three categories.

**CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS**

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

	City of Anoka Changes in Net Position					
	Governmental activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for service	\$ 3,611,827	\$ 2,884,406	\$ 45,721,318	\$ 47,297,896	\$ 49,333,145	\$ 50,182,302
Operating grants and contributions	1,611,164	606,917	124,012	34,299	1,735,176	641,216
Capital grants and contributions	20,378,171	27,663,547	-	-	20,378,171	27,663,547
General revenues						
Property taxes	8,928,519	8,424,286	-	-	8,928,519	8,424,286
Franchise taxes	1,355,763	1,385,067	-	-	1,355,763	1,385,067
Unrestricted grants and contributions	2,664,318	2,555,322	-	-	2,664,318	2,555,322
Investment income (loss), net	375,009	(197,848)	961,196	(134,153)	1,336,205	(332,001)
Other	301,003	494,816	889,163	960,968	1,190,166	1,455,784
Gain on disposal of capital assets	-	245,173	40,992	114,362	40,992	359,535
Total revenues	39,225,774	44,061,686	47,736,681	48,273,372	86,962,455	92,335,058
Expenses:						
General government	3,209,025	2,979,676	-	-	3,209,025	2,979,676
Public safety	9,651,002	7,953,219	-	-	9,651,002	7,953,219
Public works	27,426,808	28,833,240	-	-	27,426,808	28,833,240
Parks and recreation	3,833,783	3,833,994	-	-	3,833,783	3,833,994
Interest on debt	1,033,174	777,873	-	-	1,033,174	777,873
Electric	-	-	31,838,384	32,834,098	31,838,384	32,834,098
Water	-	-	2,010,751	1,765,283	2,010,751	1,765,283
Sewer	-	-	2,858,291	2,683,510	2,858,291	2,683,510
Storm drainage	-	-	588,550	280,670	588,550	280,670
Liquor	-	-	2,810,873	3,734,381	2,810,873	3,734,381
Golf	-	-	1,586,308	1,418,965	1,586,308	1,418,965
Recycling	-	-	448,576	419,740	448,576	419,740
Total expenses	45,153,792	44,378,002	42,141,733	43,136,647	87,295,525	87,514,649
Increase (decrease) before transfers	(5,928,018)	(316,316)	5,594,948	5,136,725	(333,070)	4,820,409
Transfers	815,000	1,225,000	(815,000)	(1,225,000)	-	-
Change in net position	(5,113,018)	908,684	4,779,948	3,911,725	(333,070)	4,820,409
Net position on January 1	105,760,585	104,851,901	75,540,883	71,629,158	181,301,468	176,481,059
Net position on December 31	\$ 100,647,567	\$ 105,760,585	\$ 80,320,831	\$ 75,540,883	\$ 180,968,398	\$ 181,301,468

Governmental Activities

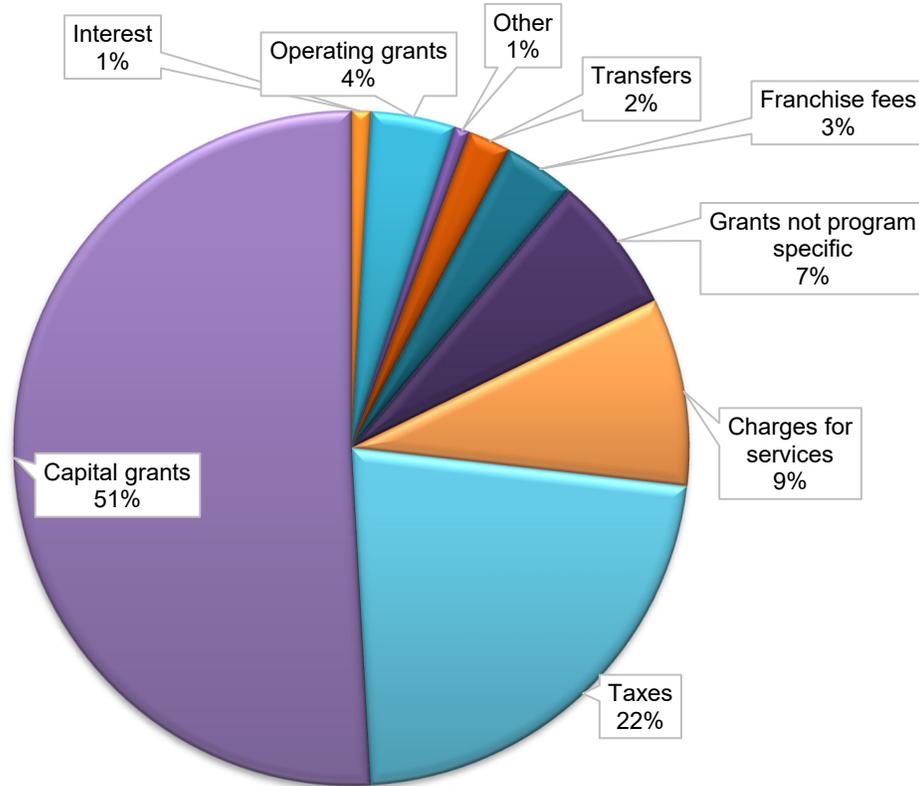
Governmental activities account for 55.6 percent of the City of Anoka's net position. For the year ended December 31, 2023, there is a decrease in net position for governmental activities of \$5,113,018. Total program and general revenues for governmental activities amounted to \$39,225,774; transfers in were \$815,000. Total expenses were \$45,153,792.

- Capital grants and contributions decreased \$7,285,376, or 26.3 percent as a result of Highway 10 reimbursement grant funding for 2023. Additional revenues are expected in future periods for this project which will reach final completion in 2024.
- Operating grants and contributions increased \$1,004,247, or 165.5 percent, largely due to Emerald Ash Borer mitigation grant funds received and the 2023 public safety aid received in December 2023.
- Property tax collection increased by \$504,233 which is due to the tax levy increase of 6.19% for 2023.
- Charges for service increased \$727,421. Charges for services vary every year because they are based on projects occurring throughout the city. The largest increases in 2023 were in Public Safety, for increased fee amounts charged for building inspection services, and in Public Works, for increased collections of special assessments.
- Investment income increased \$572,857 in 2023 due to higher rates of return on investments. The largest factor was the recognized market value adjustment of currently held investments. The market value adjustment was (\$327,704) for 2023 compared to (\$723,881) in 2022.

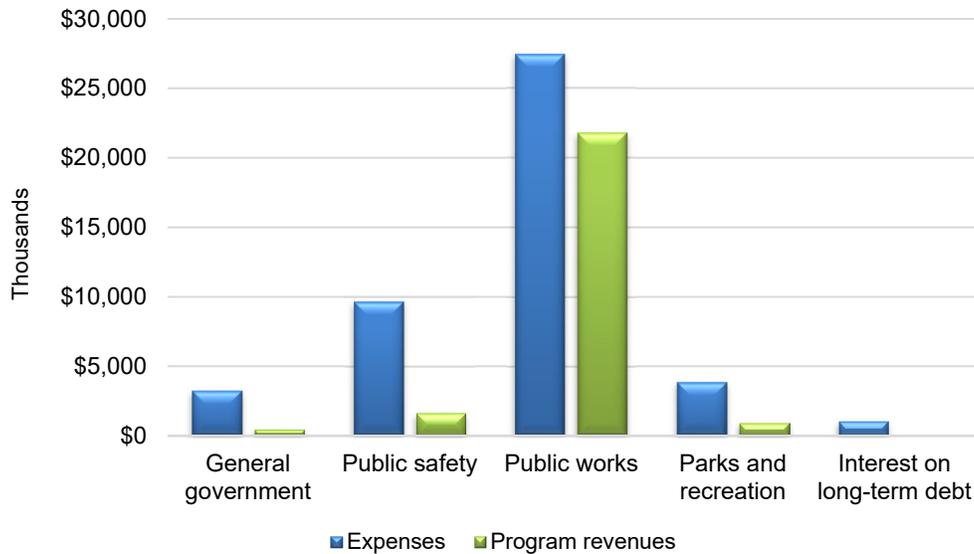
**CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS**

All governmental expenses, except interest on long-term debt, are supported with general revenues to a varying extent.

Revenue Sources - Governmental Activities



**Expenses and Program Revenues -
Governmental Activities**



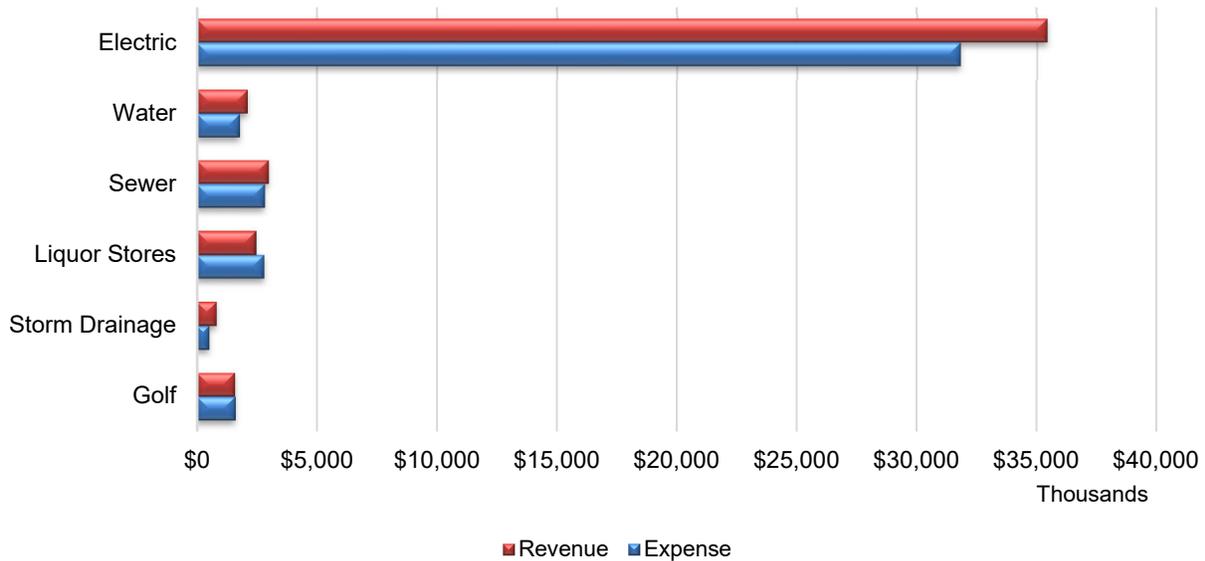
CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

Business-type Activities

Business-type net position increased by \$4,779,948 or 6.3 percent. Total charges for services and general revenues for business-type activities amounted to \$47,695,689, transfers out were \$815,000, and gain on disposal of capital assets was \$40,992. Total business-type activity expenses totaled \$41,761,389.

- The electric public utility accounts for 77.5 percent of the total charges for business-type activities. Charges for electric service decreased 2.7 percent, or \$993,847 in 2023, due to decreased consumption compared to 2022. The City increased electric variable rates by 3.0 percent for 2024 to cover operating and capital needs.
- Liquor operations decreased \$1,083,810, or 30.7 percent, compared to 2022. As a result of the Highway 10 roadway changes, one store was closed in 2023. Staff and Council are exploring locations and financing of a new store.
- Water revenues increased 11.5 percent, or \$215,487, through a combination of higher water consumption and rate increases. Water rates were increased in 2024 to keep pace with the increased cost of providing services to citizens.
- Sewer disposal costs from Metropolitan Council have increased more than 26.7 percent over the past two years. In order to keep pace with the increased costs, and to improve and maintain vital infrastructure, rates were increased in 2023 and 2024. Additional rate increases will be necessary.
- Investment income in business-type activities increased in 2023 by \$875,476 as a result of improved market conditions and interest rate hikes. This revenue source is expected to maintain higher levels in 2024.
- Operating expenses for business-type activities decreased \$994,914 when compared to 2022. The largest decrease is in Liquor operations, due to the closure of one store. The decreased cost of goods sold is \$773,863 or 29.5 percent.

Expenses and Program Revenues - Business Type Activities (in \$1,000's)



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 \$9,640,835, which is an increase of \$7,322,597. The increase is primarily the result of the abatement bond issue that was used to purchase land meant to be used for redevelopment in the City.

CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

Of the total governmental fund balance, \$166,785 is nonspendable to indicate that it is not available for new spending, this balance includes inventory and prepaid maintenance items, which reflect dollars already spent and also includes the portion of leases receivable that are not deferred. The restricted fund balance of \$19,146,784 also indicates that it is not available for new spending, because it has outside restrictions for bond spending, debt service, tax increment as well as statutes regarding park dedication fees police forfeiture and aid revenues.

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 \$4,669,677, while total fund balance was \$4,835,262. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balances with total fund expenditures. Unassigned fund balance represents 28.7 percent of total General Fund expenditures. This ratio is expected to increase in 2024, as Council approved emergency use of unassigned fund balance in 2023 for street repairs required due to the extraordinary thaw and freeze cycles from winter 2022/2023.

The fund balance of the City's General Fund decreased \$1,331,843 during the current year. Operating expenses exceeded revenues by \$2,212,183. Actual expenditures were under the final budget amount by \$234,732. This is the result of actual contractual services at \$791,383 under the final budgeted amounts for that category.

- Capital spending in the General Fund was increased \$1,034,951 in 2023 compared to 2022. This is the result of the emergency appropriations of \$1,000,000 the Council approved for necessary street repairs in 2023.
- The Electric utility fund and Liquor operations fund supported City programs and projects with transfers in totaling \$815,000.
- Expenditures in the General Fund increased compared to 2022 by \$1,775,004. Outside of the increased capital spending authorized by Council, inflationary pressures in supply and professional services categories affected budget to actual comparisons for most departments.
- The City received reimbursement grants from the State of Minnesota totaling \$209,665 for Emerald Ash Borer mitigation that occurred in 2022 and 2023. Addition mitigation and corresponding grants may be needed into 2024.
- New right to use leased assets came to \$180,340 for three new police vehicles. The capital outlay of the new leased assets is entirely offset by lease liability issued and has no effect on fund balance.

Building Capital fund balance is \$10,844,944 which is an increase of \$9,192,013 from 2022. The City issued abatement bonds in 2023 for \$10,765,000 to purchase an industrial site for redevelopment. The land purchased and remaining bond funds totaling \$9,604,277 are restricted, leaving an assigned balance of \$1,240,717.

The State Aid Fund deficit is \$2,972,452, which is a decrease to fund balance of \$4,309,884. The entirety of the balance is Highway 10 construction which will reach full completion in 2024. Additional State and County grant funds are expected in 2024, as well as final funding of the City's portion of this project. The additional grant, and City funding, will eliminate the negative fund balance.

The Street Renewal Fund balance has a fund deficit of \$1,102,281, which is a decrease to the deficit of \$2,033,340 from 2022. GO Capital Improvement Bonds were issued in 2023 and the remainder of the deficit will be eliminated through future special assessment collections and transfers.

The Commuter Rail Transit Village Tax Increment Fund has a deficit fund balance of \$2,525,246, and the Greens of Anoka Tax Increment Fund deficit is \$5,825,429. These fund balances increased \$154,721 and \$118,251 respectively in 2023. Both tax increment financing districts have completed acquisitions and will use land sales and future tax revenues to pay the internal loans.

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 as follows:

- Electric - \$20,372,414
- Water - \$3,730,756
- Sewer - \$2,129,986
- Storm Drainage - \$1,417,134

**CITY OF ANOKA, MINNESOTA
MANAGEMENTS DISCUSSION AND ANALYSIS**

All proprietary funds had increases in net position in 2023 with the exception of two nonmajor funds. Liquor and Golf operations, which are nonmajor proprietary funds, had decreases to net position of \$382,976 and \$4,024 respectively. Liquor operations closed one of the two store locations due to roadway changes on Highway 10. Council and Staff are reviewing sites and plans for a new store location. Golf operations will be supported with a transfer from the General fund in 2024 to purchase equipment.

Budgetary Highlights

General Fund

Budgeted expenditure of \$5,000 for a 2023 entrance monument that could not be completed in 2023 due to staffing issues was rolled over to 2024. Budgeted expenditures of \$645,000 were added for emergency street repairs, additional costs for building inspections (with offsetting revenues) and police expenditures for labor and vehicles. Some capital projects were completed with ARPA funds and were accounted for in capital project funds. Those budgets were decreased accordingly. Actual expenditures were under the final budget amount by \$234,732 and actual revenues were under the final budget by \$521,915.

Highlights of expenditure variances from the 2023 budget are summarized as follows:

- General government activities under budget by \$19,002
- Public safety activities under budget by \$65,283
- Public works activities under budget by \$66,826
- Parks and recreation under budget by \$83,621

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, 2023, amounts to \$193,893,240 (net of accumulated depreciation and amortization). 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 2.6 percent, or \$4,990,147. There is less than a 1.0 percent increase in governmental activities investment in capital assets and a 7.3 percent increase for business-type activities investment in capital assets.

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

- \$2.5 million for street reconstruction and improvements, including \$1,098,926 for emergency street repairs.
- \$1.9 million for utility reconstruction and storm drain infrastructure completed during street renewal.
- \$1.1 million for continued construction of Well 6/8 water treatment plant, completion expected in 2024.
- \$1.3 million for vehicles and equipment throughout the City, including \$577 thousand in the electric fund.
- \$0.5 million for completion of the Law Enforcement Training Center (LETC)

The capital assets note (see Note 8) to the financial statements, which begins on [page 59](#) of this report, provides more detailed information on capital asset activity.

	City of Anoka's Capital Assets (Net of Depreciation/Amortization)					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,014,410	\$ 9,014,410	\$ 2,176,477	\$ 1,322,349	\$ 11,190,887	\$ 10,336,759
Construction in progress	7,647,993	12,373,744	4,955,642	4,690,765	12,603,635	17,064,509
Infrastructure	85,450,477	84,694,116	51,985,831	48,954,736	137,436,308	133,648,852
Buildings and structures	25,756,530	21,343,475	1,264,124	1,341,738	27,020,654	22,685,213
Machinery and equipment	2,500,553	2,285,941	2,046,437	1,771,070	4,546,990	4,057,011
Furniture and equipment	181,450	91,516	2,400	2,887	183,850	94,403
Other improvements	-	-	550,599	618,319	550,599	618,319
Intangible right of use	360,317	398,027	-	-	360,317	398,027
Total capital assets	\$ 130,911,730	\$ 130,201,229	\$ 62,981,510	\$ 58,701,864	\$ 193,893,240	\$ 188,903,093

CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

Long-term debt. At the end of the current fiscal year, the City of Anoka had total long-term bonded debt outstanding of \$46,590,000. The City has \$28,625,000 of long-term debt for tax increment, public safety buildings, public facilities, and public improvements. The City has a temporary tax abatement bond for \$10,765,000 that will mature in 2026. The City has the option to sell the land to reduce the debt or issue another round of temporary abatement bonds. In addition, \$1,124,112 due to the Met Council for purchasing property for the Highway Ten improvement project is included as governmental activity debt. This debt is only payable if certain parcels of land adjacent to Highway 10 are sold. The City has business-type activity long-term debt in the amount of \$7,200,000 in the Water and Storm Drainage Funds for utility improvements.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 33,115,000	\$ 20,310,000	\$ 6,275,000	\$ 3,165,000	\$ 39,390,000	\$ 23,475,000
Revenue bonds	-	-	7,200,000	7,285,000	7,200,000	7,285,000
Met Council loan	1,124,112	2,308,137	-	-	1,124,112	2,308,137
Total outstanding debt	\$ 34,239,112	\$ 22,618,137	\$ 13,475,000	\$ 10,450,000	\$ 47,714,112	\$ 33,068,137

The City of Anoka's total bonded debt increased by \$15,830,000 during the current year. The City has a long-term debt payable to the Met Council for funds used to purchase property for the Highway 10 improvement project. The City received grant funds related to right of way acquisition for those parcels, which was paid to Met Council in 2023 in the amount of \$1,184,025. The remaining balance of \$1,124,112 is payable upon sale of the remaining land on the parcels after construction is completed in 2024. If the land is not sold, the debt has no repayment schedule. 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 \$66,887,598 based on 2023 estimated market value of \$2,229,586,600. The City's current outstanding debt that applies to the limitation is \$47,714,112, while \$19,048,908 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 10 starting on [page 62](#) of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in Anoka County in December 2023 was 2.5 percent, compared with 3.0 percent a year ago and compared to 3.2 percent prepandemic. Overall, unemployment in the state of Minnesota was at 2.6 percent and for the United States at 3.5 percent.
- Both total estimated market value and net tax capacity increased approximately 20.0 percent in 2023.
- 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 2024 budget. The valuations of property for taxes payable in 2024 reflected increases on average close to 6.0 percent. The changes in value varied from home type and location. The average mid-ranged home in the City of Anoka decreased 1.5 percent from \$310,600 to \$306,000.

At the end of 2023, the total unassigned fund balance in the General Fund was \$4,669,677. The nonspendable fund balance of \$165,585 is for inventories, prepaid items, and current lease receivables. The City's 2024 total tax levy increased by \$1,851,802, or 22.3 percent over last year.

The General Fund budgeted revenues (excluding uses of fund balance) are increasing by a total of 1.6 percent in 2024. Total general fund budgeted expenditures increased by 1.6 percent in 2024. The General Fund will transfer funds out of \$71,500 to Golf operations for equipment purchases. The City utilized a debt service levy in 2024 of \$1,374,907 to cover debt not financed by other sources. General Fund operating expenditures are budgeted at 7.3 percent higher than 2023 budget, and 30.5 percent higher than pre-pandemic 2019. Excluding the transfer out, the largest portion of the increase is to supplies and professional services, both categories have continued to see inflationary increases. Services inflation has increased the cost of these expert services. Employee services increased due to budgeted wage increases to retain talented employees as well as increased costs of insurance.

CITY OF ANOKA, MINNESOTA MANAGEMENTS DISCUSSION AND ANALYSIS

In 2024 the City reviewed all fees and rates to ensure that the amounts charged were reflective of the cost to provide the service. Special revenue items such as parking fees and fines, and cemetery charges for service were all increased. Utility rates were increased in the electric, water, sewer and storm water funds. Public hearings were held for all fee and rate increases in December 2023.

In 2024 the City will engage with Ehlers Inc, to update its comprehensive financial plan. This will include long-term planning, and rate studies for the utility funds. In 2024 the electric utility will continue to monitor purchased power costs. The utility is working with a consultant for metering infrastructure improvements planned for 2025 and 2026. Rates for water, sewer, and storm sewer will be reviewed to ensure that the rates cover the utility's need for infrastructure upgrades. An expansion of the water treatment facility that services wells 6 and 8 began in 2022 and continues in 2024. Repairs and upgrades to a major sewer lift station are planned for the near future.

Requests for information. This financial report is designed to provide a general overview of the City of Anoka's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 2015 1st Avenue, Anoka, MN 55303.

CITY OF ANOKA, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government			Component Unit
	Governmental	Business-Type	Total	HRA
	Activities	Activities		
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and investments	\$ 14,203,297	\$ 13,113,450	\$ 27,316,747	\$ 703,117
Taxes receivable	181,468	-	181,468	7,962
Accounts receivable	3,902,201	4,860,832	8,763,033	818,671
Lease receivable	34,013	131,429	165,442	-
Special assessments receivable	10,084	7,770	17,854	-
Accrued interest receivable	3,339	6,197	9,536	190
Internal balances	(18,230,185)	18,230,185	-	-
Inventories	47,024	2,382,644	2,429,668	-
Prepaid items	387,812	183,657	571,469	-
Land held for resale	17,411,611	-	17,411,611	2,148,775
Total current assets	<u>17,950,664</u>	<u>38,916,164</u>	<u>56,866,828</u>	<u>3,678,715</u>
Noncurrent assets:				
Special assessments receivable	2,110,271	-	2,110,271	-
Lease receivable - noncurrent	35,292	2,437,966	2,473,258	-
Nondepreciable capital assets	16,662,403	7,132,119	23,794,522	237,058
Capital assets - Net of depreciation or amortization:				
Right to use capital lease assets	360,317	-	360,317	-
Infrastructure	85,450,477	51,985,831	137,436,308	729,458
Buildings and structures	25,756,530	1,264,124	27,020,654	-
Machinery, vehicles, and equipment	2,500,553	2,046,437	4,546,990	-
Furniture and equipment	181,450	2,400	183,850	-
Other improvements	-	550,599	550,599	-
Total noncurrent assets	<u>133,057,293</u>	<u>65,419,476</u>	<u>198,476,769</u>	<u>966,516</u>
Total assets	<u>151,007,957</u>	<u>104,335,640</u>	<u>255,343,597</u>	<u>4,645,231</u>
Deferred outflows of resources:				
Deferred other postemployment resources	263,180	-	263,180	-
Deferred pension resources	7,360,544	752,582	8,113,126	20,795
Total deferred outflows of resources	<u>7,623,724</u>	<u>752,582</u>	<u>8,376,306</u>	<u>20,795</u>
Total assets and deferred outflows of resources	<u>\$ 158,631,681</u>	<u>\$ 105,088,222</u>	<u>\$ 263,719,903</u>	<u>\$ 4,666,026</u>

CITY OF ANOKA, MINNESOTA
STATEMENT OF NET POSITION - CONTINUED
DECEMBER 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	HRA
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities:				
Accounts payable	\$ 3,236,707	\$ 2,465,685	\$ 5,702,392	\$ 18,633
Accrued wages payable	167,826	76,305	244,131	2,487
Due to other governments and units	759	-	759	-
Accrued interest payable	448,827	211,183	660,010	17,857
Deposits	465,306	1,224,738	1,690,044	-
Unearned revenue	1,674,310	88,560	1,762,870	-
Current portion of lease payable	166,778	-	166,778	-
Current portion of compensated absences	20,000	60,000	80,000	-
Current portion of long-term liabilities	1,225,000	456,583	1,681,583	60,000
Total current liabilities	<u>7,405,513</u>	<u>4,583,054</u>	<u>11,988,567</u>	<u>98,977</u>
Noncurrent liabilities:				
Compensated absences payable	1,100,190	406,391	1,506,581	787
Lease payable	199,237	-	199,237	-
Net other postemployment benefit liability	916,171	-	916,171	-
Noncurrent portion of long-term liabilities	33,861,238	13,557,065	47,418,303	1,586,174
Net pension liability	6,997,923	2,881,211	9,879,134	79,843
Total noncurrent liabilities	<u>43,074,759</u>	<u>16,844,667</u>	<u>59,919,426</u>	<u>1,666,804</u>
Total liabilities	<u>50,480,272</u>	<u>21,427,721</u>	<u>71,907,993</u>	<u>1,765,781</u>
Deferred inflows of resources:				
Deferred lease receivable	65,211	2,448,175	2,513,386	
Deferred other postemployment resources	191,366	-	191,366	-
Deferred pension resources	7,247,265	891,495	8,138,760	24,705
	<u>7,503,842</u>	<u>3,339,670</u>	<u>10,843,512</u>	<u>24,705</u>
Net position:				
Net investment in capital assets	106,224,477	52,185,655	158,410,132	966,516
Restricted for - debt service	2,241,184	-	2,241,184	9,283
Restricted for - tax increment	6,324,530	-	6,324,530	1,516,316
Restricted for - other	1,609,165	-	1,609,165	-
Unrestricted	(15,751,789)	28,135,176	12,383,387	383,425
Total net position	<u>100,647,567</u>	<u>80,320,831</u>	<u>180,968,398</u>	<u>2,875,540</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 158,631,681</u>	<u>\$ 105,088,222</u>	<u>\$ 263,719,903</u>	<u>\$ 4,666,026</u>

**CITY OF ANOKA, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Program Revenues

Net (Expense) Revenue and Changes in Net Position

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total	HRA
Primary government:								
Governmental activities:								
General government	\$ 3,209,025	\$ 464,927	\$ -	\$ -	\$ (2,744,098)	\$ -	\$ (2,744,098)	
Public safety	9,651,002	1,267,556	1,172,655	-	(7,210,791)	-	(7,210,791)	
Public works	27,426,808	1,170,991	228,844	20,378,171	(5,648,802)	-	(5,648,802)	
Parks and recreation	3,833,783	708,353	209,665	-	(2,915,765)	-	(2,915,765)	
Interest on long-term debt	1,033,174	-	-	-	(1,033,174)	-	(1,033,174)	
Total governmental activities	<u>45,153,792</u>	<u>3,611,827</u>	<u>1,611,164</u>	<u>20,378,171</u>	<u>(19,552,630)</u>	<u>-</u>	<u>(19,552,630)</u>	
Business-type activities:								
Electric	31,838,384	35,449,010	-	-	-	3,610,626	3,610,626	
Water	2,010,751	2,088,679	-	-	-	77,928	77,928	
Sewer	2,858,291	2,979,974	-	-	-	121,683	121,683	
Storm Drainage	588,550	790,706	-	-	-	202,156	202,156	
Liquor Stores	2,810,873	2,447,817	-	-	-	(363,056)	(363,056)	
Golf	1,586,308	1,561,660	-	-	-	(24,648)	(24,648)	
Recycling	448,576	403,472	124,012	-	-	78,908	78,908	
Total business-type activities	<u>42,141,733</u>	<u>45,721,318</u>	<u>124,012</u>	<u>-</u>	<u>-</u>	<u>3,703,597</u>	<u>3,703,597</u>	
Total primary government	<u>\$ 87,295,525</u>	<u>\$ 49,333,145</u>	<u>\$ 1,735,176</u>	<u>\$ 20,378,171</u>	<u>(19,552,630)</u>	<u>3,703,597</u>	<u>(15,849,033)</u>	
Component unit:								
HRA	<u>\$ 734,899</u>	<u>\$ 312,652</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (422,247)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					7,517,944	-	7,517,944	344,842
Property taxes, levied for debt service					731,221	-	731,221	-
Property taxes, levied for tax increment					679,354	-	679,354	183,056
Franchise taxes					1,355,763	-	1,355,763	-
Grants, aid, and contributions not restricted to specific programs					2,664,318	-	2,664,318	-
Investment income					375,009	961,196	1,336,205	90,794
Gain on disposal of capital assets					-	40,992	40,992	-
Other					301,003	889,163	1,190,166	4,408
Transfers					815,000	(815,000)	-	-
Total general revenues and transfers					<u>14,439,612</u>	<u>1,076,351</u>	<u>15,515,963</u>	<u>623,100</u>
Change in net position					<u>(5,113,018)</u>	<u>4,779,948</u>	<u>(333,070)</u>	<u>200,853</u>
Net position - Beginning of year					<u>105,760,585</u>	<u>75,540,883</u>	<u>181,301,468</u>	<u>2,674,687</u>
Net position - End of year					<u>\$ 100,647,567</u>	<u>\$ 80,320,831</u>	<u>\$ 180,968,398</u>	<u>\$ 2,875,540</u>

CITY OF ANOKA, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS	General	Building Capital	State Aid Construction	Street Renewal	Commuter Rail Transit Village Tax Increment	Greens of Anoka Tax Increment	Total Nonmajor Funds	Total Governmental Funds
Cash and investments	\$ 7,273,118	\$ 322,933	\$ 77,287	\$ 3,096	\$ 3,862	\$ 87,642	\$ 3,935,032	\$ 11,702,970
Receivables, net:								
Taxes	162,393	-	-	-	271	19	18,785	181,468
Special assessments	9,128	-	-	1,477,615	-	-	633,612	2,120,355
Accounts receivable	61,410	-	2,767,541	107,123	-	101,848	864,279	3,902,201
Due from other funds	-	1,315,000	-	-	-	-	1,359,480	2,674,480
Accrued interest	1,776	352	-	-	-	-	597	2,725
Advance to other funds	-	-	-	-	-	-	742,500	742,500
Lease Receivable	69,305	-	-	-	-	-	-	69,305
Inventories	15,516	-	-	-	-	-	-	15,516
Prepaid items	145,975	-	-	-	-	-	1,200	147,175
Land held for resale	-	9,443,477	1,831,700	230,000	580,627	3,297,363	2,028,444	17,411,611
Total assets	<u>\$7,738,621</u>	<u>\$11,081,762</u>	<u>\$ 4,676,528</u>	<u>\$ 1,817,834</u>	<u>\$ 584,760</u>	<u>\$ 3,486,872</u>	<u>\$ 9,583,929</u>	<u>\$38,970,306</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 483,886	\$ 236,768	\$ 2,148,980	\$ 136,825	\$ 6	\$ 434	\$ 100,567	\$ 3,107,466
Accrued wages payable and other benefits	163,454	-	-	-	-	-	1,504	164,958
Due to other funds	789,480	-	5,500,000	1,315,000	150,000	5,000,000	420,000	13,174,480
Due to other governments	-	-	-	759	-	-	-	759
Due to other organizations - Escrow	465,306	-	-	-	-	-	-	465,306
Unearned revenue	740,510	-	-	-	-	101,848	831,952	1,674,310
Advance from other funds	107,500	-	-	-	2,960,000	4,210,000	1,205,000	8,482,500
Total liabilities	<u>2,750,136</u>	<u>236,768</u>	<u>7,648,980</u>	<u>1,452,584</u>	<u>3,110,006</u>	<u>9,312,282</u>	<u>2,559,023</u>	<u>27,069,779</u>
Deferred inflows of resources:								
Unavailable revenue-Deferred lease revenues	65,211	-	-	-	-	-	-	65,211
Unavailable revenue-Property taxes	78,884	-	-	-	-	19	5,307	84,210
Unavailable revenue-Special assessments	9,128	-	-	1,467,531	-	-	633,612	2,110,271
Total deferred inflows of resources	<u>153,223</u>	<u>-</u>	<u>-</u>	<u>1,467,531</u>	<u>-</u>	<u>19</u>	<u>638,919</u>	<u>2,259,692</u>
Fund balances:								
Nonspendable	165,585	-	-	-	-	-	1,200	166,785
Restricted	-	9,604,277	-	-	580,627	3,297,363	5,664,517	19,146,784
Committed	-	-	-	-	-	-	1,885,178	1,885,178
Assigned	-	1,240,717	-	-	-	-	168,029	1,408,746
Unassigned	4,669,677	-	(2,972,452)	(1,102,281)	(3,105,873)	(9,122,792)	(1,332,937)	(12,966,658)
Total fund balances	<u>4,835,262</u>	<u>10,844,994</u>	<u>(2,972,452)</u>	<u>(1,102,281)</u>	<u>(2,525,246)</u>	<u>(5,825,429)</u>	<u>6,385,987</u>	<u>9,640,835</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,738,621</u>	<u>\$ 11,081,762</u>	<u>\$ 4,676,528</u>	<u>\$ 1,817,834</u>	<u>\$ 584,760</u>	<u>\$ 3,486,872</u>	<u>\$ 9,583,929</u>	<u>\$ 38,970,306</u>

**CITY OF ANOKA, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total governmental fund balances (page 33)	\$ 9,640,835
Amounts reported for governmental activities in the statement of net position (page 31) are different because:	
Capital assets, including right to use leased assets, used in governmental activities (excluding internal service fund capital assets) are not financial resources and are not reported in the funds	129,589,697
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.	2,852,636
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 governmental funds.	(844,357)
Long-term liabilities, bonds payable and related premiums, are not due and payable in the current period and therefore are not reported in the funds	(35,086,238)
Long-term leases payable are not due and payable in the current period and therefore are not reported in the funds	(366,015)
Governmental funds do not report a liability for accrued interest until due and payable.	(448,828)
The net pension liability and related deferred inflows and deferred outflows are recorded only in the government-wide statement of net position.	(6,884,644)
Deferred inflows are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,194,481
Net position of the governmental activities	\$ 100,647,567

CITY OF ANOKA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	<u>General</u>	<u>Building Capital</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	\$ 7,542,274	\$ -	\$ -	\$ -	\$ 276,997	\$ 256,822	\$ 878,032	\$ 8,954,125
Special assessments	-	-	-	570,086	-	-	118,914	689,000
Franchise fees	934,830	-	-	420,933	-	-	-	1,355,763
Licenses and permits	913,560	-	-	22,865	-	-	42,320	978,745
Intergovernmental	2,939,114	199,590	20,378,171	-	-	-	1,143,596	24,660,471
Charges for current services	1,194,342	-	-	-	-	-	270,706	1,465,048
Fines and forfeitures	63,963	-	-	-	-	-	45,012	108,975
Investment income	125,768	27,889	-	-	-	-	123,012	276,669
Net increase in fair value of investments	109,037	30,680	-	-	-	-	33,902	173,619
Miscellaneous	248,423	14,734	-	-	-	28,498	209,094	500,749
Total revenues	<u>14,071,311</u>	<u>272,893</u>	<u>20,378,171</u>	<u>1,013,884</u>	<u>276,997</u>	<u>285,320</u>	<u>2,864,588</u>	<u>39,163,164</u>
Expenditures:								
Current:								
General government	1,997,827	-	-	-	14,476	3,970	208,737	2,225,010
Public safety	8,279,939	-	-	-	-	-	124,445	8,404,384
Public works	1,631,568	104	23,504,030	6,986	-	-	106,012	25,248,700
Parks and recreation	2,728,257	-	-	-	-	-	58,589	2,786,846
Capital outlay	1,229,803	760,053	-	1,509,409	-	12,730	880,355	4,392,350
Capital outlay, Present value of new lease	180,340	-	-	-	-	-	-	180,340
Debt service:								
Principal retirement	217,281	-	1,184,025	-	-	-	1,045,000	2,446,306
Interest and fiscal charges	18,479	-	-	-	107,800	150,369	610,824	887,472
Bond issuance costs	-	135,372	-	77,189	-	-	-	212,561
Total expenditures	<u>16,283,494</u>	<u>895,529</u>	<u>24,688,055</u>	<u>1,593,584</u>	<u>122,276</u>	<u>167,069</u>	<u>3,033,962</u>	<u>46,783,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,212,183)</u>	<u>(622,636)</u>	<u>(4,309,884)</u>	<u>(579,700)</u>	<u>154,721</u>	<u>118,251</u>	<u>(169,374)</u>	<u>(7,620,805)</u>
Other financing sources (uses) including transfers:								
Bond offering	-	10,765,000	-	3,085,000	-	-	-	13,850,000
Bond premium	-	-	-	98,062	-	-	-	98,062
Transfer in	700,000	75,000	-	-	-	-	1,952,903	2,727,903
Transfer out	-	(1,025,351)	-	(570,022)	-	-	(317,530)	(1,912,903)
Lease liability issued	180,340	-	-	-	-	-	-	180,340
Total other financing sources (uses)	<u>880,340</u>	<u>9,814,649</u>	<u>-</u>	<u>2,613,040</u>	<u>-</u>	<u>-</u>	<u>1,635,373</u>	<u>14,943,402</u>
Net changes in fund balances	(1,331,843)	9,192,013	(4,309,884)	2,033,340	154,721	118,251	1,465,999	7,322,597
Fund balances(deficits)at beginning of year	6,167,105	1,652,981	1,337,432	(3,135,621)	(2,679,967)	(5,943,680)	4,919,988	2,318,238
Fund balances (deficits) at end of year	<u>\$ 4,835,262</u>	<u>\$ 10,844,994</u>	<u>\$ (2,972,452)</u>	<u>\$ (1,102,281)</u>	<u>\$ (2,525,246)</u>	<u>\$ (5,825,429)</u>	<u>\$ 6,385,987</u>	<u>\$ 9,640,835</u>

**CITY OF ANOKA, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - Total governmental funds (page 35) \$ 7,322,597

Amounts reported for government activities in the statement of activities (page 32) are different because:

Governmental funds report capital and lease outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays and right to use leased asset outlays exceeded depreciation/amortization in the current period 372,935

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. (25,426)

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. (65,376)

The issuance of long-term debt and leases provide current financial resources to governmental funds, while the repayment of the principal of long-term debt and leases consume 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. (11,584,034)

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 (243,764)

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. (929,421)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 39,471

Change in net position of governmental activities \$ (5,113,018)

CITY OF ANOKA, MINNESOTA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental
	Electric	Water	Sewer	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Assets:							
Current assets:							
Cash and cash equivalents	\$ 1,263,336	\$ 6,189,296	\$ 2,369,595	\$ 2,104,104	\$ 1,187,119	\$ 13,113,450	\$ 2,500,327
Receivables, net:							
Special assessments	7,770	-	-	-	-	7,770	-
Accounts receivable	4,097,168	209,121	363,830	107,180	83,533	4,860,832	-
Accrued interest	2,907	1,645	660	695	290	6,197	614
Due from other funds	10,500,000	-	-	-	-	10,500,000	-
Inventory	1,983,826	-	-	-	398,818	2,382,644	31,508
Prepaid items	13,529	400	167,190	-	2,538	183,657	240,637
Current portion of lease receivable	66,900	64,529	-	-	-	131,429	-
Current portion of advance to other funds	338,625	-	-	-	-	338,625	-
Total current assets	<u>18,274,061</u>	<u>6,464,991</u>	<u>2,901,275</u>	<u>2,211,979</u>	<u>1,672,298</u>	<u>31,524,604</u>	<u>2,773,086</u>
Noncurrent assets:							
Advance to other funds	7,480,784	-	-	-	-	7,480,784	-
Lease receivable	1,271,776	1,166,190	-	-	-	2,437,966	-
Land and improvements	806,266	-	13,383	-	1,356,828	2,176,477	-
Construction in progress	442,095	4,437,745	-	34,197	41,605	4,955,642	-
Buildings and structures	2,415,647	1,124,314	150,000	-	1,775,627	5,465,588	50,000
Furniture and equipment	656,396	-	-	-	382,620	1,039,016	582,026
Machinery and automotive equipment	5,011,959	961,712	972,568	-	1,094,478	8,040,717	4,791,770
Distribution system	55,801,301	21,489,024	10,816,959	9,942,622	-	98,049,906	-
Other improvements	-	-	-	-	2,726,073	2,726,073	-
Total noncurrent assets	<u>73,886,224</u>	<u>29,178,985</u>	<u>11,952,910</u>	<u>9,976,819</u>	<u>7,377,231</u>	<u>132,372,169</u>	<u>5,423,796</u>
Accumulated depreciation	(35,046,971)	(12,134,933)	(5,720,695)	(1,771,216)	(4,798,094)	(59,471,909)	(4,101,762)
Total noncurrent assets	<u>38,839,253</u>	<u>17,044,052</u>	<u>6,232,215</u>	<u>8,205,603</u>	<u>2,579,137</u>	<u>72,900,260</u>	<u>1,322,034</u>
Total assets	<u>57,113,314</u>	<u>23,509,043</u>	<u>9,133,490</u>	<u>10,417,582</u>	<u>4,251,435</u>	<u>104,424,864</u>	<u>4,095,120</u>
Deferred outflows of resources:							
Deferred pension resources	430,111	64,710	65,712	-	192,049	752,582	-
Total assets and deferred outflows of resources	<u>\$ 57,543,425</u>	<u>\$ 23,573,753</u>	<u>\$ 9,199,202</u>	<u>\$ 10,417,582</u>	<u>\$ 4,443,484</u>	<u>\$ 105,177,446</u>	<u>\$ 4,095,120</u>

CITY OF ANOKA, MINNESOTA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Sewer	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	
Liabilities:							
Current liabilities:							
Accounts payable	\$ 2,187,794	\$ 168,858	\$ 19,176	\$ 22,736	\$ 67,121	\$ 2,465,685	\$ 84,241
Accrued wages payable	44,511	6,584	5,309	-	19,901	76,305	2,868
Accrued interest payable	-	116,810	25,627	68,746	-	211,183	-
Claims payable	-	-	-	-	-	-	45,000
Current portion of compensated absences	60,000	-	-	-	-	60,000	20,000
Current portion of advance from other funds	-	-	-	-	43,625	43,625	-
Current portion of bonds payable	-	246,968	44,247	165,368	-	456,583	-
Deposits	1,126,427	-	-	-	98,311	1,224,738	-
Unearned revenue	66,081	22,479	-	-	-	88,560	-
Total current liabilities	<u>3,484,813</u>	<u>561,699</u>	<u>94,359</u>	<u>256,850</u>	<u>228,958</u>	<u>4,626,679</u>	<u>152,109</u>
Noncurrent liabilities:							
Compensated absences payable	171,572	65,485	27,173	-	142,161	406,391	1,100,190
Advance from other funds	-	-	-	-	35,784	35,784	-
Bonds payable	-	7,586,242	1,720,401	4,250,422	-	13,557,065	-
Net pension liability	1,646,655	247,736	251,574	-	735,246	2,881,211	-
Total noncurrent liabilities	<u>1,818,227</u>	<u>7,899,463</u>	<u>1,999,148</u>	<u>4,250,422</u>	<u>913,191</u>	<u>16,880,451</u>	<u>1,100,190</u>
Total liabilities	<u>5,303,040</u>	<u>8,461,162</u>	<u>2,093,507</u>	<u>4,507,272</u>	<u>1,142,149</u>	<u>21,507,130</u>	<u>1,252,299</u>
Deferred inflows of resources:							
Deferred lease revenue	1,271,776	1,176,399	-	-	-	2,448,175	-
Deferred pension resources	509,502	76,654	77,841	-	227,498	891,495	-
Total deferred inflows of resources	<u>1,781,278</u>	<u>1,253,053</u>	<u>77,841</u>	<u>-</u>	<u>227,498</u>	<u>3,339,670</u>	<u>-</u>
Net position:							
Net investment in capital assets	30,086,693	10,128,782	4,897,868	4,493,176	2,579,137	52,185,656	1,322,034
Unrestricted	20,372,414	3,730,756	2,129,986	1,417,134	494,700	28,144,990	1,520,787
Total net position	<u>50,459,107</u>	<u>13,859,538</u>	<u>7,027,854</u>	<u>5,910,310</u>	<u>3,073,837</u>	<u>80,330,646</u>	<u>2,842,821</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 57,543,425</u>	<u>\$ 23,573,753</u>	<u>\$ 9,199,202</u>	<u>\$ 10,417,582</u>	<u>\$ 4,443,484</u>	<u>\$ 105,177,446</u>	<u>\$ 4,095,120</u>

**CITY OF ANOKA, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET OF THE PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Net position - Total enterprise funds (page 38) \$ 80,330,646

Amounts reported for proprietary activities in the statement of net position (page 31)
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.

(9,815)

Net position of the business-type activities

\$ 80,320,831

CITY OF ANOKA, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental
	Electric	Water	Sewer	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Operating revenues:							
Charges for sales and services:							
Electric utility sales	\$ 35,314,008	\$ -	\$ -	\$ -	\$ -	\$ 35,314,008	\$ -
Water utility sales	-	2,085,639	-	-	-	2,085,639	-
Sewer	-	-	2,979,974	-	-	2,979,974	-
Liquor sales	-	-	-	-	2,447,817	2,447,817	-
Golf	-	-	-	-	1,561,660	1,561,660	-
Storm water	-	-	-	790,706	-	790,706	-
Recycling	-	-	-	-	403,472	403,472	-
Intergovernmental	-	-	-	-	124,012	124,012	378,094
Other	135,002	3,040	-	-	-	138,042	2,012,580
Total operating revenues	<u>35,449,010</u>	<u>2,088,679</u>	<u>2,979,974</u>	<u>790,706</u>	<u>4,536,961</u>	<u>45,845,330</u>	<u>2,390,674</u>
Operating expenses:							
Personal services	1,740,458	574,168	548,138	53,600	1,564,933	4,481,297	353,898
Supplies	119,910	166,609	11,532	-	191,581	489,632	468,710
Professional services	1,219,462	368,140	126,655	85,489	494,381	2,294,127	1,333,566
Contractual services	474,982	94,224	25,267	142,460	115,280	852,213	173,518
Purchased power	25,403,285	-	-	-	-	25,403,285	-
Disposal	-	-	1,824,175	-	327,675	2,151,850	-
Franchise fee	915,442	-	-	-	-	915,442	-
Cost of goods sold	-	-	-	-	1,945,660	1,945,660	-
Depreciation	1,942,972	564,735	281,392	212,109	188,630	3,189,838	293,178
Total operating expenses	<u>31,816,511</u>	<u>1,767,876</u>	<u>2,817,159</u>	<u>493,658</u>	<u>4,828,140</u>	<u>41,723,344</u>	<u>2,622,870</u>
Operating income (loss)	<u>3,632,499</u>	<u>320,803</u>	<u>162,815</u>	<u>297,048</u>	<u>(291,179)</u>	<u>4,121,986</u>	<u>(232,196)</u>

CITY OF ANOKA, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS (CONTINUED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental
	Electric	Water	Sewer	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Nonoperating revenues (expenses):							
Interest income	238,551	134,524	50,707	50,096	26,492	500,370	53,772
Internal interest income	282,141	-	-	-	-	282,141	-
Net increase fair value of investments	89,505	72,244	8,766	2,745	5,425	178,685	33,238
Interest and fiscal charges expense	(6,053)	(240,505)	(36,420)	(94,263)	(3,103)	(380,344)	-
Gain on sale of capital assets	30,980	-	8,943	-	1,069	40,992	26,665
Other income	494,541	302,926	89,099	297	2,300	889,163	55,050
Total nonoperating revenues (expenses)	<u>1,129,665</u>	<u>269,189</u>	<u>121,095</u>	<u>(41,125)</u>	<u>32,183</u>	<u>1,511,007</u>	<u>168,725</u>
Income (loss) before transfers	<u>4,762,164</u>	<u>589,992</u>	<u>283,910</u>	<u>255,923</u>	<u>(258,996)</u>	<u>5,632,993</u>	<u>(63,471)</u>
Transfers:							
Transfer out	(775,000)	-	-	-	(40,000)	(815,000)	-
Total transfers	<u>(775,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>(815,000)</u>	<u>-</u>
Change in net position	3,987,164	589,992	283,910	255,923	(298,996)	4,817,993	(63,471)
Net position - Beginning of year	<u>46,471,943</u>	<u>13,269,546</u>	<u>6,743,944</u>	<u>5,654,387</u>	<u>1,922,902</u>	<u>75,512,653</u>	<u>2,906,292</u>
Net position - Ending of year	<u><u>\$ 50,459,107</u></u>	<u><u>\$ 13,859,538</u></u>	<u><u>\$ 7,027,854</u></u>	<u><u>\$ 5,910,310</u></u>	<u><u>\$ 1,623,906</u></u>	<u><u>\$ 80,330,646</u></u>	<u><u>\$ 2,842,821</u></u>

CITY OF ANOKA, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OF THE PROPRIETARY FUNDS TO THE STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

Change in net position - Total enterprise funds (page 41) \$ 4,817,993

Amounts reported for proprietary activities in the statement of activities (page 32) 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.

(38,045)

Change in net position of business-type activities:

\$ 4,779,948

CITY OF ANOKA, MINNESOTA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental
	Electric	Water	Sewer	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Cash flows from operating activities:							
Received from customers	\$ 36,008,316	\$ 2,366,907	\$ 3,087,242	\$ 785,898	\$ 4,513,478	\$ 46,761,841	\$ -
Received from interfund services provided	282,141	-	-	-	-	282,141	2,410,674
Reimbursement from insurance	-	-	-	-	-	-	35,050
Payments to suppliers for goods and service	(27,493,547)	(1,380,773)	(173,336)	(205,346)	(2,400,939)	(31,653,941)	(1,972,094)
Payments to employees for services	(1,645,460)	(533,203)	(526,829)	(53,600)	(1,517,695)	(4,276,787)	(308,016)
Payments to other funds for franchise fee	(915,442)	-	-	-	-	(915,442)	-
Disposal charges	-	-	(1,824,175)	-	(327,675)	(2,151,850)	-
Deposits charged	2,565	-	-	-	4,013	6,578	-
Net cash provided by operating activities	6,238,573	452,931	562,902	526,952	271,182	8,052,540	165,614
Cash flows from noncapital financing activity:							
(Increase)/decrease from other funds	(4,146,375)	4,000,000	500,000	500,000	(43,625)	810,000	-
(Increase)/decrease from lease activity	(39,888)	(39,212)	-	-	-	(79,100)	-
Transfer to other funds	(775,000)	-	-	-	(40,000)	(815,000)	-
Net cash provided by (used in) noncapital financing activities	(4,961,263)	3,960,788	500,000	500,000	(83,625)	(84,100)	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(4,504,465)	(1,680,164)	(413,613)	(790,834)	(80,408)	(7,469,484)	(630,742)
Principal paid on bonds and leases	-	(25,000)	(40,000)	(150,000)	-	(215,000)	-
Interest and other payments	(6,054)	(253,118)	(25,157)	(76,332)	(3,103)	(363,764)	-
Proceeds from sale of bonds	-	1,023,810	807,717	1,502,345	-	3,333,872	-
Proceeds from sale of capital assets	30,980	-	8,943	-	1,069	40,992	26,665
Net cash used in (provided by) capital and related financing activities	(4,479,539)	(934,472)	337,890	485,179	(82,442)	(4,673,384)	(604,077)
Cash flows from investing activities:							
Investment earnings (loss)	342,893	227,943	59,195	52,468	31,815	714,314	87,060

CITY OF ANOKA, MINNESOTA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds						Governmental
	Electric	Water	Sewer	Storm Drainage	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Net increase in cash and cash equivalents	(2,859,336)	3,707,190	1,459,987	1,564,599	136,930	4,009,370	(351,403)
Cash and cash equivalents at beginning of year	4,122,672	2,482,106	909,608	539,505	1,050,189	9,104,080	2,851,730
Cash and cash equivalents at end of year	<u>\$ 1,263,336</u>	<u>\$ 6,189,296</u>	<u>\$ 2,369,595</u>	<u>\$ 2,104,104</u>	<u>\$ 1,187,119</u>	<u>\$ 13,113,450</u>	<u>\$ 2,500,327</u>
Reconciliation of operating income (loss) to net cash provided by operating activities							
Operating income (loss)	<u>\$ 3,632,499</u>	<u>\$ 320,803</u>	<u>\$ 162,815</u>	<u>\$ 297,048</u>	<u>\$ (291,179)</u>	<u>\$ 4,121,986</u>	<u>\$ (232,196)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation	1,942,972	564,735	281,392	212,109	188,630	3,189,838	293,178
Other income	776,682	302,926	89,099	297	2,300	1,171,304	55,050
Changes in assets and deferred outflows and liabilities and deferred inflows:							
Accounts receivable	73,447	(26,425)	18,169	(5,105)	(25,283)	34,803	-
Inventory	425,241	-	-	-	338,264	763,505	34,209
Prepaid items	(1,504)	725	(15,627)	-	3,936	(12,470)	(49,207)
Claims payable	-	-	-	-	-	-	(6,535)
Net pension liability	(762,032)	(74,668)	(104,960)	-	(347,767)	(1,289,427)	-
Deferred outflows - Pensions	349,517	39,644	49,688	-	158,493	597,342	-
Deferred inflows - Pensions	475,326	72,079	72,782	-	212,132	832,319	-
Accounts payable	(699,645)	(752,525)	5,745	22,603	3,263	(1,420,559)	25,233
Accrued wages payable	8,604	(12)	(848)	-	2,166	9,910	429
Compensated absences payable	23,583	3,922	4,647	-	22,214	54,366	45,453
Deposits	2,565	-	-	-	4,013	6,578	-
Unearned revenues	(8,682)	1,727	-	-	-	(6,955)	-
Total adjustments	<u>2,606,074</u>	<u>132,128</u>	<u>400,087</u>	<u>229,904</u>	<u>562,361</u>	<u>3,930,554</u>	<u>397,810</u>
Net cash provided by operating activities	<u>\$ 6,238,573</u>	<u>\$ 452,931</u>	<u>\$ 562,902</u>	<u>\$ 526,952</u>	<u>\$ 271,182</u>	<u>\$ 8,052,540</u>	<u>\$ 165,614</u>

CITY OF ANOKA, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND
DECEMBER 31, 2023

Assets	
Cash and investments	\$ 72,419
Accounts receivable	5,367
Accrued interest receivable	<u>18</u>
Total assets	<u><u>\$ 77,804</u></u>
Liabilities	
Liabilities:	
Accounts payable	<u>\$ -</u>
Net Position	
Restricted for:	
Downtown District	<u>77,804</u>
Total net position	<u>77,804</u>
Total liabilities and net position	<u><u>\$ 77,804</u></u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Additions	
Donations and contributions	\$ 71,551
Investment income	1,442
Increase in fair value of investments	<u>626</u>
Total additions	<u>73,619</u>
Deductions	
Professional services	66,712
Contractual services	<u>54</u>
Total deductions	<u>66,766</u>
Net increase in fiduciary net position	<u>6,853</u>
Net position - beginning of year	<u>70,951</u>
Net position - ending of year	<u><u>\$ 77,804</u></u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

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.

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.

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements (Continued):

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. Fiduciary funds are organized by fund type. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City, or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities, and deferred inflow of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type,
AND
- Total assets and deferred outflows of resources, liabilities, and deferred inflow of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5% of the corresponding total for all funds combined.
- In addition, any other governmental or proprietary fund that the City believes is particularly important to the financial statement users may be reported as a major fund.

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 also use the economic resources measurement focus.

“Measurable” means the amount of the transaction can be determined. 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 receivables 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.
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.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Sewer Fund - The Sewer Fund is used to account for operating revenues and expenses of maintaining a sanitary sewer system.

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

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).

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

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.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, including special assessments; (2) operating grants and contributions; and (3) capital grants and contributions. 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/amortization 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.

Cash and Cash Equivalents

Cash balances from all funds are pooled together in official depositories and invested to the maximum extent possible. All investment transactions are accounted for in an Investment Agency Fund through a cash overdraft account. On December 31 of each year, the investments and accrued interest receivable balances are allocated from the Investment Agency account to all funds based on their relative cash balance.

On January 1 of each year, this allocation is reversed to re-create an investment pool for maximization of interest earnings. Earnings on investments are allocated to all funds based on their average monthly balances. Periodically, during the year, certain funds have a temporary cash deficit. These funds with cash deficits are charged interest (at the same rate as funds with a positive balance earn interest) when investment interest earnings are allocated.

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

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 any 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 \$2,301,823. Of this receivable, \$2,194,481 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. Proprietary fund inventories are generally used for construction, and for operation and maintenance work.

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.

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.

Right to use assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease, or the lease term of the underlying asset, whichever is shorter.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Intangible right to use assets are recorded at the value of the lease liability, plus any payments made to the lessor at or before the lease term and certain direct costs. 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/amortized 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	5-20
Other Improvements	10-50
Intangible right to use assets	Shorter of the lease term or the useful life of the underlying asset

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

A portion of fund balance related to lease receivables is nonspendable because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Deferred Outflows of Resources

In addition to assets, the statement of net position and fund financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents the consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Accordingly, the items, deferred pension and other postemployment resources, are reported only in the statement of net position. These items result from actuarial calculations and current-year pension contributions made subsequent to the measurement date.

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets 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. The City also recognizes a deferred lease receivable, which is reported under both the modified accrual and full accrual basis.

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 all unused vacation time. City employees are entitled to sick leave benefits at the rate of eight hours for each calendar month of full-time service. Employees with five or more years of service are compensated for one-third of unused sick leave, up to a maximum of 355 hours upon termination of employment. City employees are also compensated for unused holiday, personal, and comp time as allowed by the department contract or City policy. Accumulated qualified 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 an 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.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations - Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as “other than short-term leases” under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

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/amortization, 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.

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	\$ 16,662,403
Right of use leased assets	360,317
Infrastructure	85,450,477
Buildings and structures	25,756,530
Machinery, vehicles, and equipment	1,351,536
Furniture and equipment	<u>8,432</u>
Net adjustments to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$129,589,697</u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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/amortization expense." The details of this difference are as follows:

Capital outlay	\$ 4,392,350
Capital outlay, present value of lease	180,340
Depreciation expense (not including internal service)	(3,981,705)
Amortization expense (not including internal service)	<u>(218,050)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 372,935</u>

Another element of the reconciliation states that "the issuance of long-term debt and leases provide current financial resources to governmental funds, while the repayment of the principal of long-term debt and leases consume 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	\$ 1,045,000
Retirement of Met Council loan	1,184,025
Principal lease retirement	217,281
Issuance of new lease liability	(180,340)
Issuance of general obligation bonds	<u>(13,850,000)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$(11,584,034)</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity

The following funds have a negative fund balance at December 31, 2023:

1. The State Aid Construction Fund has a negative fund balance of \$2,972,452. This negative fund balance will be eliminated with County reimbursements, and transfers for the City portion of Highway 10 construction upon final completion of the project in 2024.
2. The Street Renewal Fund has a negative fund balance of \$1,102,281. This negative fund balance will be eliminated with future special assessment collections from street renewal projects.
3. The Commuter Rail Transit Village Tax Increment Fund has a negative fund balance of \$2,525,246. The negative fund balance will be eliminated with future tax increment revenue collections and sales of land held for resale.
4. The Greens of Anoka Tax Increment Fund has a negative fund balance of \$5,825,429. The negative fund balance will be eliminated with future tax increment revenue collections and sales of land held for resale.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity (continued)

5. The Parking fund has a negative fund balance of \$95,905. The negative fund balance will be eliminated by the increase in parking fee and fine assessment and collection, and a budgeted transfer from Urban Redevelopment for operating and 2024 capital needs.
6. The South Ferry Tax Increment Fund has a negative fund balance of \$1,237,032. The negative fund balance will be eliminated with future tax increment revenue collections.

4. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription Based Information Technology Agreements, or SBITA. GASB Statement No. 96 defines a SBITA, establishes that a SBITA results in a right to use intangible subscription asset and corresponding subscription liability, provides capitalization criteria for outlays in addition to subscription payments, and requires note disclosures. In fiscal year 2023 the City determined that no subscriptions met the criteria for GASB 96 and accordingly SBITA assets, liabilities, and expenses are not found in the fund statements. Future subscriptions will be reviewed to ensure compliance with the standard.

5. 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 \$72,419 and exclude petty cash of \$3,638.

(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, 2023, 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)	\$ 987,410	\$ 987,410	\$ -	\$ -
Federal Nat'l. Mtg. Assn. (FNMA)	338,333	338,333	-	-
Federal Home Loan Mtg. Corp. (Freddie Mac)	3,888,110	3,888,110	-	-
Federal Farm Credit	957,250	957,250	-	-
Treasury Notes	3,824,507	975,230	2,849,277	-
Certificates of deposit	4,000,000	4,000,000	-	-
Money market accounts	13,389,918	13,389,918	-	-
	<u>\$ 27,385,528</u>	<u>\$ 24,536,251</u>	<u>\$ 2,849,277</u>	<u>\$ -</u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

5. 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, 2023, 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 does not hold any municipal bonds as of December 31, 2023. 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, 2023, 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, 2023.

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

The HRA is a component unit of the City. The HRA follows the City's investment policy, which is designed following the state statute guidelines for investment purposes of City funds.

The state statute allows for investments in U.S. securities, state and local government general obligation securities rated "A" or better by a national bond rating agency, state and local government revenue securities rated "AA" or better by a national bond rating agency, commercial paper rated in the highest quality category by two national rating agencies and that mature in 270 days or less, certificates of deposit, banker's acceptances, and repurchase agreements.

As of December 31, 2023, the HRA had the following investments and maturities:

Money market accounts - Less than one year - \$703,117

(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, 2023:

Money market accounts - \$703,117– Not rated.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

5. CASH AND INVESTMENTS

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

(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, 2023, 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, 2023.

6. 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.

The City has the following investments valued at recurring fair value measurements at December 31, 2023:

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	\$ 13,389,918	\$ -	\$ 13,389,918	\$ -
Negotiable certificates of deposit	4,000,000	-	4,000,000	-
US governmental agency obligations	9,995,610	-	9,995,610	-
	<u>\$ 27,385,528</u>	<u>\$ -</u>	<u>\$ 27,385,528</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.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

6. FAIR VALUE MEASUREMENT (Continued)

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

Investments by Fair Value Level

Money market accounts – Significant other observable inputs (Level 2) \$703,117

7. INTERFUND ACTIVITY

The City had the following interfund receivable and payable balances as of December 31, 2023:

Fund	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
General Fund	\$ -	\$ 789,480		\$ 107,500
Building Capital Fund	1,315,000	-	-	-
State Aid Construction	-	5,500,000	-	-
Street Renewal Fund	-	1,315,000	-	-
CRTV Tax Increment	-	150,000	-	2,960,000
Greens of Anoka Tax Increment	-	5,000,000	-	4,210,000
Non-major governmental funds	1,359,480	420,000	742,500	1,205,000
Electric Utility	10,500,000	-	7,819,409	-
Non-major business-type funds				79,409
Totals	\$ 13,174,480	\$ 13,174,480	\$ 8,561,909	\$ 8,561,909

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 to 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:

Fund	General Fund	Building Capital	Park Capital	Non-major governmental funds	Total Out
Building Capital Fund	\$ -	\$ -	\$ -	\$ 1,025,351	\$ 1,025,351
Street Renewal Fund	-	-	-	570,022	570,022
Non-major governmental funds	-	-	-	317,530	317,530
Electric Utility	700,000	75,000	-	-	775,000
Non-major business-type funds	-	-	40,000	-	40,000
Total In	\$ 700,000	\$ 75,000	\$ 40,000	\$ 1,912,903	\$ 2,727,903

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

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

8. CAPITAL ASSETS

Governmental capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,014,410	\$ -	\$ -	\$ -	\$ 9,014,410
Construction in progress	12,373,744	2,511,486	-	(7,237,237)	7,647,993
Total capital assets not being depreciated	<u>21,388,154</u>	<u>2,511,486</u>	<u>-</u>	<u>(7,237,237)</u>	<u>16,662,403</u>
Capital assets being depreciated or amortized:					
Infrastructure	110,769,279	1,298,250	-	2,176,889	114,244,418
Building and structures	39,744,292	421,913	22,189	5,060,348	45,204,364
Machinery and equipment	10,212,468	645,296	509,701	-	10,348,063
Furniture and equipment	1,175,905	146,149	121,748	-	1,200,306
Leased intangible right to use	593,264	188,231	7,891	-	773,604
Total capital assets being depreciated or amortized	<u>162,495,208</u>	<u>2,511,608</u>	<u>653,638</u>	<u>7,237,237</u>	<u>171,770,755</u>
Less accumulated depreciation or amortization for:					
Infrastructure	26,075,163	2,718,778	-	-	28,793,941
Building and structures	18,400,816	1,069,206	22,188	-	19,447,834
Machinery and equipment	7,926,528	430,684	509,702	-	7,847,510
Furniture and equipment	1,084,389	56,215	121,748	-	1,018,856
Leased intangible right to use	195,237	218,050	-	-	413,287
Total accumulated depreciation or amortization	<u>53,682,133</u>	<u>4,492,933</u>	<u>653,638</u>	<u>-</u>	<u>57,521,428</u>
Total capital assets being depreciated or amortized, net	<u>108,813,075</u>	<u>(1,981,325)</u>	<u>-</u>	<u>7,237,237</u>	<u>114,249,327</u>
Governmental activities capital assets, net	<u>\$ 130,201,229</u>	<u>\$ 530,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,911,730</u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

8. CAPITAL ASSETS (Continued)

Business-type capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 1,322,349	\$ -	\$ -	\$ 854,128	\$ 2,176,477
Construction in progress	4,690,765	1,119,005	-	(854,128)	4,955,642
Total capital assets not being depreciated	<u>6,013,114</u>	<u>1,119,005</u>	<u>-</u>	<u>-</u>	<u>7,132,119</u>
Capital assets being depreciated or amortized:					
Infrastructure	92,411,885	5,692,660	54,639	-	98,049,906
Building and structures	5,465,588	-	-	-	5,465,588
Machinery and equipment	7,710,361	657,819	327,463	-	8,040,717
Furniture and equipment	1,039,016	-	-	-	1,039,016
Other improvements	2,726,073	-	-	-	2,726,073
Total capital assets being depreciated or amortized	<u>109,352,923</u>	<u>6,350,479</u>	<u>382,102</u>	<u>-</u>	<u>115,321,300</u>
Less accumulated depreciation or amortization for:					
Infrastructure	43,457,149	2,661,565	54,639	-	46,064,075
Building and structures	4,123,850	77,614	-	-	4,201,464
Machinery and equipment	5,939,291	382,452	327,463	-	5,994,280
Furniture and equipment	1,036,129	487	-	-	1,036,616
Other improvements	2,107,754	67,720	-	-	2,175,474
Total accumulated depreciation or amortization	<u>56,664,173</u>	<u>3,189,838</u>	<u>382,102</u>	<u>-</u>	<u>59,471,909</u>
Total capital assets being depreciated, net	<u>52,688,750</u>	<u>3,160,641</u>	<u>-</u>	<u>-</u>	<u>55,849,391</u>
Business-type activities capital assets, net	<u>\$ 58,701,864</u>	<u>\$ 4,279,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,981,510</u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

8. CAPITAL ASSETS (Continued)

Depreciation and amortization expense (including internal service fund depreciation) was charged to functions/programs of the City as follows:

Governmental activities:	
General Government	\$ 944,046
Public Safety	451,058
Streets and Highways (including depreciation/amortization of infrastructure)	2,099,434
Parks and Recreation	998,395
Total depreciation/amortization of expense - Governmental activities	\$ 4,492,933
Business-type activities:	
Electric	\$ 1,942,972
Water	564,735
Sewer	281,392
Storm Drainage	212,109
Liquor	11,392
Golf	177,238
Total depreciation of expense - Business-type activities	\$ 3,189,838

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 2022 and 2023 were as follows:

	2022	2023
Unpaid claims at beginning of year	\$ 18,919	\$ 51,535
Current-year claims	119,556	258,121
Claim payments	(86,940)	(264,656)
Balance at end of year	\$ 51,535	\$ 45,000

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

10. LONG-TERM DEBT

A. City of Anoka

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. A portion of the 2020 and 2023 issues of general obligation bonds are paid from utility revenues and are reported in business type activities.

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.

Temporary abatement bonds – The bonds were issued for acquisition and demolition of an industrial warehouse facility for redevelopment. The City anticipates selling the land for private development and will refinance the bonds for up to one more temporary period if the land has not sold upon maturation. Any bonds will be reduced by sale proceeds received. The principal will be paid with tax abatement revenues and interest will be paid with ad valorem property taxes.

Governmental loan – The loan with the Met Council is for purchasing property or right of way in advance of reconstruction. This loan was partially repaid in 2023 with right-of-way acquisition (RALF) funds received, and the remainder is due when any remaining land is sold after project completion. The balance is \$1,124,112 and there are no scheduled payments and there is no interest charged.

The City has entered into agreements to lease certain equipment. The lease agreements qualify as “other than short-term leases” under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Leases payable at December 31, 2023, are summarized as follows:

	<u>Maturities</u>	<u>Rate</u>	<u>Balance</u>	
Copier Lease	Aug-27	3.15%	\$ 98,694	
Police Vehicles:				
236D9R	Sept-24	4.42	4,750	
236DCS	Apr-24	7.31	3,411	
236DCH	Sept-24	4.42	4,750	
236DCZ	Aug-24	4.84	4,861	
236DD4	Sept-24	4.42	6,634	
236DCQ	Jul-24	8.14	5,941	
236DCW	Jun-24	7.54	5,317	
236DCN	Apr-24	7.31	3,371	
23GQN5	Aug-25	3.60	9,858	
23GQMR	May-25	4.30	8,612	
23GQMK	Jun-25	4.30	9,177	
23GQMB	Jun-25	4.30	9,114	
23GQM4	May-25	4.30	8,548	
23GQN9	Aug-25	3.60	10,625	
23GQP6	Feb-24	3.19	1,949	
23GQP9	Jan-24	3.17	1,038	
23LQTP	May-24	3.35	5,802	
23LRFM	Dec-24	3.99	16,506	
23LQTX	Mar-24	3.30	3,083	Continued on next page

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

10. LONG-TERM DEBT

A. City of Anoka

Descriptions of Long-Term Debt (continued)

Leases payable at December 31, 2023, continue as follow:

	Maturities	Rate	Balance
23LQTF	Mar-24	3.30	3,358
27258N	Sept-28	8.04	46,915
272RJX	Sept-28	8.35	47,011
272RMX	Sept-28	8.35	46,690
			\$ 366,015

The scheduled annual principal and interest payments of the City's leases payable as of December 31, 2023, are the following:

	Principal	Interest	Total
2024	\$ 162,365	\$ 15,105	\$ 177,470
2025	75,935	10,506	86,441
2026	57,061	9,409	66,470
2027	48,451	8,468	56,919
2028	22,203	6,160	28,363
	\$ 366,015	\$ 49,648	\$ 415,663

Details of the leases are as follow:

Sharp Copiers - Lease agreement dated August 24, 2022, in the original principal amount of \$132,751 (from implementation date), due in monthly installments of \$2,388, including imputed interest at 3.15%, through August 2027.

Police Vehicles:

102 - 236D9R - Lease agreement dated January 01, 2022, in the original principal amount of \$16,735 (from implementation date), due in monthly installments of \$538, including interest of 4.42%, through September 2024.

103 - 236DCS - Lease agreement extension dated April 1, 2023, in the additional principal amount of \$10,234 due in monthly installments of \$900, including interest of 7.31%, through April 30, 2024.

104 - 236DCH - Lease agreement dated January 01, 2022, in the original principal amount of \$16,735 (from implementation date), due in monthly installments of \$538, including interest of 4.42%, through September 2024.

105 - 236DCZ - Lease agreement dated January 01, 2022, in the original principal amount of \$19,373 (from implementation date), due in monthly installments of \$689, including interest of 4.84%, through August 2024.

106 - 236DD4 - Lease agreement dated January 01, 2022, in the original principal amount of \$23,373 (from implementation date), due in monthly installments of \$751, including interest of 4.42%, through September 2024.

107 - 236DCQ - Lease agreement extension dated July 1, 2023, in the additional principal amount of \$10,184, due in monthly installments of, including interest of 8.14%, through July 2024.

108 - 236DCW - Lease agreement extension dated June 1, 2023, in the additional principal amount of \$10,635, due in monthly installments of \$934, including interest of 7.54%, through June 2024.

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

10. LONG-TERM DEBT

A. City of Anoka

Descriptions of Long-Term Debt (continued)

109 - 236DCN - Lease agreement extension dated April 1, 2024, in the additional principal amount of \$8,268, due in monthly installments of \$890, including interest of 7.31%, through April 2024.

110 - 23GQN5 - Lease agreement dated January 01, 2022, in the original principal amount of \$20,997 (from implementation date), due in monthly installments of \$509, including interest of 3.60%, through August 2025.

111 - 23GQMR - Lease agreement dated January 01, 2022, in the original principal amount of \$19,984 (from implementation date), due in monthly installments of \$523, including interest of 4.30%, through May 2025.

112 - 23GQMK - Lease agreement dated January 01, 2022, in the original principal amount of \$20,603 (from implementation date), due in monthly installments of \$527, including interest of 4.30%, through June 2025.

113 - 23GQMB - Lease agreement dated January 01, 2022, in the original principal amount of \$20,460 (from implementation date), due in monthly installments of \$524, including imputed interest at 4.30%, through June 2025.

114 - 23GQM4 - Lease agreement dated January 01, 2022, in the original principal amount of \$19,834 (from implementation date), due in monthly installments of \$519, including imputed interest of 4.30%, through May 2025.

115 - 23GQN9 - Lease agreement dated January 01, 2022, in the original principal amount of \$22,630 (from implementation date), due in monthly installments of \$548, including interest of 3.60%, through August 2025.

116 - 23GQP6 - Lease agreement dated January 01, 2022, in the original principal amount of \$24,610 (from implementation date), due in monthly installments of \$978, including interest 3.19%, through February 2024.

117 - 23GQP9 - Lease agreement dated January 01, 2022, in the original principal amount of \$25,210 (from implementation date), due in monthly installments of \$1,041, including interest of 3.17%, through January 2024.

118 - 23LQTP - Lease agreement dated January 01, 2022, in the original principal amount of \$32,642 (from implementation date), due in monthly installments of \$1,170, including imputed interest at 3.35%, through May 2024.

119 - 23LRFM - Lease agreement dated January 01, 2022, in the original principal amount of \$47,767 (from implementation date), due in monthly installments of \$1,405, including interest of 3.99%, through December 2024.

120 - 23LQTX - Lease agreement dated January 01, 2022, in the original principal amount of \$26,927 (from implementation date), due in monthly installments of \$1,033, including interest of 3.30%, through March 2024.

121 - 23LQTX - Lease agreement dated January 01, 2022, in the original principal amount of \$29,330 (from implementation date), due in monthly installments of \$1,126, including interest of 3.30%, through March 2024.

122 - 27258N - Lease agreement dated October 1, 2023, in the original principal amount of \$49,934. due in monthly installments of \$1,046, including interest of 8.04%, through September 2028.

123 - 272RJX - Lease agreement dated October 1, 2023, in the original principal amount of \$49,658. due in monthly installments of \$1,056, including interest of 8.35%, through September 2028.

124- 272RMX - Lease agreement dated October 1, 2023, in the original principal amount of \$49,319. due in monthly installments of \$1,049, including interest of 8.35%, through September 2028.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

10. LONG-TERM DEBT

A. City of Anoka

Descriptions of Long-Term Debt (continued)

Bonds payable at December 31, 2023, are summarized as follows:

	<u>Maturities</u>	<u>Rate</u>	<u>Balance</u>
Governmental activities:			
General obligation bonds:			
G.O. Public facilities crossover refunding	2028	2.00-2.00%	\$ 735,000
G.O. Tax increment crossover refunding	2033	3.00-4.00%	4,430,000
G.O. Road improvement bonds	2041	2.00-4.00%	4,500,000
G.O. Capital improvement bonds	2042	1.00-2.00%	5,750,000
G.O. Capital improvement bonds	2043	2.00-4.00%	3,850,000
G.O. Taxable temp abatement bonds	2026	5.05%	10,765,000
G.O. Road improvement bonds	2043	3.00-4.00%	3,085,000
Business-type activities:			
General obligation bonds:			
Utility storm water bonds	2041	2.00-4.00%	1,600,000
Utility water bonds	2041	2.00-4.00%	525,000
Utility sewer bonds	2041	2.00-4.00%	910,000
Utility storm water bonds	2043	3.00-4.00%	1,460,000
Utility water bonds	2043	3.00-4.00%	995,000
Utility sewer bonds	2043	3.00-4.00%	785,000
General obligation revenue bonds			
Utility storm water revenue bonds	2036	2.00-3.00%	1,200,000
Utility water revenue bonds	2043	3.00-4.00%	6,000,000
			<u><u>\$ 46,590,000</u></u>

The scheduled annual principal and interest payments on the City's bonded indebtedness as of December 31, 2023, are the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,225,000	\$ 1,126,905	\$ 425,000	\$ 441,350	\$ 3,218,255
2025	1,475,000	1,125,931	605,000	424,198	3,630,129
2026	12,230,000	805,215	620,000	401,398	14,056,613
2027	1,360,000	488,874	645,000	377,898	2,871,771
2028	1,510,000	444,299	680,000	352,923	2,987,221
2029-2033	6,935,000	1,584,017	3,710,000	1,387,163	13,616,180
2034-2038	4,785,000	817,656	4,105,000	790,614	10,498,270
2039-2043	3,595,000	213,076	2,685,000	217,760	6,710,836
	<u><u>\$ 33,115,000</u></u>	<u><u>\$ 6,605,973</u></u>	<u><u>\$ 13,475,000</u></u>	<u><u>\$ 4,393,302</u></u>	<u><u>\$ 57,589,275</u></u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

10. LONG-TERM DEBT

A. City of Anoka

Descriptions of Long-Term Debt (continued)

The City has pledged future water, sewer, and storm water customer revenues, net of specified operating expense, to repay general obligation revenue bonds issue 2016B and 2022B and portions of 2020A and 2023A general obligation public improvement bonds. Proceeds from the bonds provided for financing for the construction of capital assets used in collection and treatment, activities which are accounted for in the enterprise funds of the City. These bonds are payable through 2043. Total principal and interest remaining to be paid on these bonds is \$17,868,302. Total principal and interest paid, and total revenues pledged for the repayment of these bonds for the current year are \$585,213 and \$1,781,297 respectively.

Principal and interest payments on governmental general obligation bonds are financed by the Debt Service Funds, which received tax levy revenue, special assessment revenue, and transfers from the Building Capital Fund, Street Renewal Fund, and HRRD Tax Increment Fund.

Changes in long-term liabilities during 2023 are summarized as follows:

	1/01/2023	Issued	Retired	12/31/2023	Due in One Year
Governmental activities:					
General obligation bonds	\$ 20,310,000	\$ 13,850,000	\$ 1,045,000	\$ 33,115,000	\$ 1,225,000
Premium on bonds	805,173	98,064	56,111	847,126	-
Other liabilities					
GERF pension liability	3,540,059	238,957	1,220,875	2,558,141	-
PEPFF pension liability	11,170,570	711,413	7,442,201	4,439,782	-
Compensated absences	1,074,737	636,980	591,527	1,120,190	20,000
OPEB	766,628	329,023	179,480	916,171	-
Lease Payable	402,955	188,231	225,171	366,015	166,778
Met Council loan	2,308,137	-	1,184,025	1,124,112	-
Total governmental activities	40,378,259	16,052,668	11,944,390	44,486,537	1,411,778
Business-type activities:					
Revenue bonds	7,285,000	-	85,000	7,200,000	290,000
General obligation bonds	3,165,000	3,240,000	130,000	6,275,000	135,000
Premium on bonds	473,468	93,872	28,692	538,648	31,583
Other liabilities:					
GERF pension liability	4,170,639	142,422	1,431,850	2,881,211	-
Compensated absences	412,025	295,976	241,610	466,391	60,000
Total business-type activities	15,506,132	3,772,270	1,917,152	17,361,250	516,583
Total long-term debt	\$ 55,884,391	\$ 19,824,938	\$ 13,861,542	\$ 61,847,787	\$ 1,928,361

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. Leases are liquidated from the General Fund. The Met Council loan is payable with the sale of land held for resale when the State of Minnesota completes reconstruction of Highway Ten.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

10. LONG-TERM DEBT

A. City of Anoka

Descriptions of Long-Term Debt (continued)

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.

At December 31, 2023, the legal debt margin was calculated as follows:

Market value of taxable property	\$	2,229,586,600
Debt limit, 3.0% of market value	\$	66,887,598
Less amount of debt (applicable to debt limit)		19,048,908
Legal debt margin	\$	47,838,690

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, 2023, there are four series of health care facility revenue bonds outstanding with an aggregate principal amount payable of \$22,560,000 (2011A) \$9,560,000 (2011B), \$21,040,000 (2014A), and \$37,365,000 (2017A). One series of senior housing and healthcare revenue bonds outstanding with an aggregate principal amount payable of \$13,805,000 (2015A). One series of Sports Facility Revenue Bonds with an aggregate principal amount payable of \$3,555,098 (2021A).

B. Component Unit – HRA

Bonds payable at December 31, 2023, are summarized as follows:

	<u>Maturities</u>	<u>Rate</u>	<u>Balance</u>
General obligation bonds:			
HRA GO TIF Bonds of 2019A	2043	2.00-3.00%	\$ 1,640,000
			<u>\$ 1,640,000</u>

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 fund revenues.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

10. LONG-TERM DEBT

B. Component Unit - HRA

Descriptions of Long-Term Debt (continued)

Changes in long-term liabilities during 2023 are summarized as follows:

	1/01/2023	Issued	Retired	12/31/2023	Due in One Year
General obligation bonds	\$ 1,665,000	\$ -	\$ 25,000	\$ 1,640,000	\$ 60,000
Premium on bonds	6,558	-	384	6,174	-
Compensated absences	1,231	9,879	10,323	787	-
GERF pension liability	106,378	10,299	36,834	79,843	-
Total long-term debt	\$ 1,779,167	\$ 20,178	\$ 72,541	\$ 1,726,804	\$ 60,000

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, 2023, are the following:

	Principal	Interest
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
2029-2033	370,000	155,700
2034-2038	435,000	104,872
2039-2043	525,000	38,784
	\$ 1,640,000	\$ 493,564

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

11. FUND BALANCE

A. Net Investment in Capital Assets

The government-wide statement of net position at December 31, 2023, includes the City's net investment in capital assets, calculated as follows:

	Governmental	Business-Type	HRA
Nondepreciable	\$ 16,662,403	\$ 7,132,119	\$ 237,058
Depreciable, net of accumulated depreciation	113,889,010	55,849,391	729,458
Right to use assets, net of accumulated amortization	360,317	-	-
Less capital/lease related long-term debt outstanding	(24,687,253)	(14,013,648)	-
Unspent bond proceeds	-	3,217,793	-
	\$ 106,224,477	\$ 52,185,655	\$ 966,516

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

11. FUND BALANCE (Continued)

B. Classifications

At December 31, 2023, a summary of the governmental fund balance classifications is as follows:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
General Fund:						
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ 4,669,677	\$ 4,669,677
Inventories	15,516	-	-	-	-	15,516
Leases	4,094	-	-	-	-	4,094
Prepaid items	145,975	-	-	-	-	145,975
Total General Fund	165,585	-	-	-	4,669,677	4,835,262
Building Capital	-	9,604,277	-	1,240,717	-	10,844,994
State Aid Construction	-	-	-	-	(2,972,452)	(2,972,452)
Street Renewal	-	-	-	-	(1,102,281)	(1,102,281)
Commuter Rail Tax Increment Fund:						
Redevelopment in district	-	-	-	-	(3,105,873)	(3,105,873)
Land held for resale	-	580,627	-	-	-	580,627
Total Commuter Rail Fund	-	580,627	-	-	(3,105,873)	(2,525,246)
Greens of Anoka Tax Increment Fund:						
Redevelopment in district	-	-	-	-	(9,122,792)	(9,122,792)
Land held for resale	-	3,297,363	-	-	-	3,297,363
Total Greens of Anoka Fund	-	3,297,363	-	-	(9,122,792)	(5,825,429)
Non-major Governmental Funds:						
Urban redevelopment	-	-	1,450,516	-	-	1,450,516
Food shelves	-	-	4,837	-	-	4,837
Police	-	807,528	-	-	-	807,528
Cemetery operations	1,200	-	404,895	-	-	406,095
Parking operations	-	-	-	-	(95,905)	(95,905)
Lodging and tourism	-	-	24,930	-	-	24,930
Debt Service	-	2,051,092	-	-	-	2,051,092
Parks	-	359,357	-	168,029	-	527,386
Tax increment	-	2,446,540	-	-	(1,237,032)	1,209,508
Total Nonmajor Funds	1,200	5,664,517	1,885,178	168,029	(1,332,937)	6,385,987
Total Governmental Fund Balances	\$ 166,785	\$ 19,146,784	\$ 1,885,178	\$ 1,408,746	\$ (12,966,658)	\$ 9,640,835

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

12. 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 them 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 measurement date (census) of December 31, 2022, for reporting date December 31, 2023, the following employees were covered by the benefit terms:

1.	Active employees electing coverage	82
2.	Active employees waiving coverage	30
3.	Retirees electing medical coverage	7
4.	Retirees with only non-medical OPEB coverage	0
	Total	119

C. Funding Policy

The funding policy is pay-as-you-go method under which any required contributions to the plan are generally made at the same time and in the same amount as retiree benefits and expenses come become due. The benefit to City of Anoka retirees is implicit and there is no actual contribution made.

D. OPEB Liability

The City's total OPEB liability as of December 31, 2023, was \$916,171. The total liability was measured as of December 31, 2022, and was determined by an actuarial valuation. The actuarial valuation was based on December 31, 2022, census data provided by the City.

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	4.05%
Inflation Rate	2.50%
Mortality Rate	From the July 1, 2022 PERA General Employees Retirement Plan and Police & Fire Retirement Plan actuarial valuations, mortality rates were based on Pub-2010 mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments
Health care cost trend rate	6.3% for FY2023, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2075 and later years.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

12. OTHER POSTEMPLOYMENT BENEFITS

E. Actuarial Assumptions (continued)

Current retirees are assumed to continue coverage until Medicare eligible (age 65), at their current plan, and then discontinue coverage. Future retirees are assumed to elect coverage at retirement at a rate of 40%, except for disabled retirees, which are assumed at 100%. 15% of future retirees electing coverage are assumed to cover a spouse at retirement. 100% of current and future retirees under age 65 are assumed to become Medicare eligible at the later of age 65 or retirement. And are assumed to discontinue coverage upon Medicare eligibility.

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, 2022, 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	3.05%	\$ 972,006
Current Discount Rate	4.05%	916,171
1% increase in Discount Rate	5.05%	861,641

Sensitivity of OPEB Liability at Current Trend Rate		
1% decrease in Trend Rates	5.30%	\$ 825,307
Current Trend Rates	6.30%	916,171
1% increase in Trend Rates	7.30%	1,021,622

G. Changes to the Total OPEB liability

Changes in the total OPEB liability for the year ended December 31, 2023, are as follows:

Balance at December 31, 2022	\$	766,628
Changes for the year		
Service cost		84,166
Interest		15,247
Difference between expected and actual experience		229,610
Changes of assumption		(135,224)
Benefit payments (implicit subsidy)		(44,256)
Balance at December 31, 2023	\$	916,171

H. OPEB Cost

For the year ended December 31, 2023, the City recognized an actuarially determined OPEB expense of \$109,632.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

12. OTHER POSTEMPLOYMENT BENEFITS

H. OPEB Cost (continued)

As of December 31, 2023, the City of Anoka reported deferred outflows of resources and deferred inflow 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	\$ 201,711	\$ 72,573
B. Change of assumptions	61,469	118,793
C. Net difference between projected and actual investment earnings	-	-
D. Contributions between measurement date and reporting date	-	-
E. Total	<u>\$ 263,180</u>	<u>\$ 191,366</u>

The City does not recognize any deferred amount for contributions after the measurement date for the OPEB plan, as the contributions are actuarially calculated implicit subsidies and not benefit payments. 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>OPEB Expense</u>
2024	10,219
2025	9,810
2026	8,362
2027	9,840
2028	8,227
Thereafter	<u>25,356</u>
	<u>\$ 71,814</u>

13. 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, excluding those covered by Police and Fire and including HRA employees, 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.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

13. DEFINED BENEFIT PENSION PLANS

B. Benefits Provided (continued)

(a) General Employees Retirement 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 equals 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. 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. 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. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

(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 the 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 equals at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is 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. 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

(a) General Employees Retirement Plan Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City of Anoka was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions were equal to the required contributions as set by state statute.

The City's contributions to the General Employees Plan for the year ended December 31, 2023, were as follows:

City of Anoka	\$ 559,683
Component Unit - Housing and Redevelopment Authority (HRA)	<u>8,235</u>
Total contributions to General Employees Plan	\$ 567,918

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

13. DEFINED BENEFIT PENSION PLANS

C. Contributions

(b) Police and Fire Plan Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and the City of Anoka was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions were equal to the required contributions as set by state statute.

The City's contributions to the Police and Fire Plan for the year ended December 31, 2023, were \$594,683.

D. Pension Costs

(a) General Employees Retirement Plan Pension Costs

At December 31, 2023, the City of Anoka reported a liability for its proportionate share of the General Employees Plan'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 \$152,114.

The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .0987 percent at the beginning of the measurement period and did not change, ending at .0987 percent.

City of Anoka proportionate share of the net pension liability	\$5,439,350
Component Unit - Housing and Redevelopment Authority (HRA) share	<u>79,843</u>
Total proportionate share of General Employees Plan liability	\$5,519,193
State of Minnesota's proportionate share of the net pension liability associated with the City of Anoka	<u>152,114</u>
Total	<u>\$5,671,307</u>

There were no provision changes during the measurement period.

For the year ended December 31, 2023, the City of Anoka recognized pension expense for its proportionate share of the General Employees Plan's pension expense as shown.

City of Anoka pension expense	\$ 143,256
Component Unit - Housing and Redevelopment Authority (HRA)	<u>2,108</u>
Total General Employees Plan recognized pension expense	\$ 145,364

In addition, the City of Anoka recognized an additional pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Plan as shown.

City of Anoka share of State of Minnesota contribution	\$ 674
Component Unit - Housing and Redevelopment Authority (HRA)	<u>10</u>
Total additional expense (and revenue) for proportionate share of contribution	\$ 684

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

13. DEFINED BENEFIT PENSION PLANS

D. Pension Costs

(a) General Employees Retirement Plan Pension Costs (continued)

At December 31, 2023, the City of Anoka reported proportionate share of the General Employee Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	City of Anoka	Anoka HRA	Total	City of Anoka	Anoka HRA	Total
Differences between expected and actual economic experience	178,624	2,628	181,252	36,407	536	36,943
Changes in actuarial assumptions	856,590	12,555	869,145	1,490,888	21,878	1,512,766
Net difference between projected and actual investment earnings	-	-	-	155,731	2,291	158,022
Changes in proportion	100,281	1,475	101,756	-	-	-
Contributions paid to PERA subsequent to the measurement date	281,148	4,137	285,285	-	-	-
Total	1,416,643	20,795	1,437,438	1,683,026	24,705	1,707,731

The \$281,148 and \$4,137 reported as deferred outflows of resources related to pensions resulting from City of Anoka and Anoka Housing and Rehabilitation Authority (HRA) contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount		
	City of Anoka	Anoka HRA	Total
2024	\$ 201,381	\$ 2,963	\$ 204,344
2025	(757,899)	(11,151)	(769,050)
2026	126,991	1,868	128,859
2027	(117,994)	(1,736)	(119,730)
Total	\$ (547,521)	\$ (8,056)	\$ (555,577)

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

13. DEFINED BENEFIT PENSION PLANS

D. Pension Costs

(b) Police and Fire Plan Pension Costs

At December 31, 2023, the City of Anoka reported a liability of \$4,439,783 for its proportionate share of the Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .2567 percent at the beginning of the measurement period and .2571 percent at the end of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. 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 supplemental 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. The State of Minnesota's proportionate share of the net pension liability associated with the [entity] totaled \$178,867.

City of Anoka proportionate share of the net pension liability	\$4,439,783
State of Minnesota's proportionate share of the net pension liability associated with the City of Anoka	<u>178,867</u>
Total	<u>\$4,618,650</u>

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 \$9 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 June 30, 2023, City of Anoka recognized pension expense of (\$116,384) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$10,773 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 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 supplemental state aid. The City of Anoka recognized \$23,139 for the year ended December 31, 2023, 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.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,219,495	\$ -
Changes in actuarial assumptions	5,105,192	6,242,222
Net difference between projected and actual investment earnings	-	169,659
Changes in proportion	59,824	43,853
Contributions paid to PERA subsequent to the measurement date	311,972	-
Total	<u>\$ 6,696,483</u>	<u>\$ 6,455,734</u>

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

13. DEFINED BENEFIT PENSION PLANS

D. Pension Costs

(b) Police and Fire Plan Pension Costs (continued)

The \$311,972 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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2024	\$ 203,844
2025	45,574
2026	1,065,816
2027	(287,821)
2028	(1,098,636)
Total	\$ (71,233)

The aggregate pension expense (and revenue) recognized for the year ended December 31, 2023, for the City's proportionate share of both plans pension expenses is as follows:

City of Anoka General Employees Plan	\$ 143,930
Component Unit - (HRA) General Employees Plan	2,118
City of Anoka Police and Fire Plan	(104,018)
Total recognized pension expense for proportionate share of General Employee and Police and Fire Plans	\$ 42,030

E. Long-Term Expected Return on Investment

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 weighing the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

13. DEFINED BENEFIT PENSION PLANS

F. Actuarial Methods and Assumptions (continued)

Inflation is assumed to be 2.25 percent for the General Employees Plan and Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions:

- Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

13. DEFINED BENEFIT PENSION PLANS

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 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 position of the General Employees, Police and Fire and Correctional Plans 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.

H. 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:

Sensitivity Analysis					
<i>Net Pension Liability (Asset) at Different Discount Rates</i>					
	General Employees Plan			Police and Fire Plan	
	City of Anoka		HRA		
1% Lower	6.00%	\$9,622,320	\$141,577	6.00%	\$8,809,058
Current Discount Rate	7.00%	5,439,165	80,028	7.00%	4,439,783
1% Higher	8.00%	1,998,361	29,403	8.00%	847,654

I. 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.

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

Four 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. 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 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$1,584	\$1,584	5%	5%	5%

CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023

14. 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 December 31, 2060.

15. LEASES RECEIVABLE

The City, as a lessor, has entered into lease agreements as defined by GASB 87 involving building space. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$85,110 for governmental funds and \$312,695 for business-type funds. This total includes \$49,680 of variable payments for the governmental lease not previously included in the measurement of the lease receivable.

Event Center –The City leases the restaurant and banquet facilities at Greenhaven Golf and Event Center. Under the lease the vendor pays the City \$3,000 a month, plus a variable amount equal to 1/12th of the previous year's tenant area maintenance expenses, through December 31, 2025. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

Water Tower lease #201: The City leases approximately 200 square feet of ground and air space as necessary for a communications installation. Under the lease the vendor pays the City \$25,247 per year through December 31, 2026, when the term will be extended for 60 months, and the rate will increase 15%. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

Water Tower lease #202: The City leases approximately 357 square feet of ground and air space as necessary for a communications installation. Under the lease the vendor pays the City \$23,726 per year through December 31, 2025, when the term will be extended for 60 months, and the rate will increase 15%. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

Water Tower lease #204: The City leases approximately 1600 square feet of ground space as necessary for a communications tower and easements for utility lines and cable. The vendor pays the City \$21,824 per year plus an annual 3% increase through December 31, 2027, when the term will be extended for 60 months at the same annual rate increase. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

Water Tower lease #205: The City leases approximately 162 square feet of interior water tower space and 280 square feet of exterior land space, and space on the water tower at the 158-foot centerline for transmission and reception of radio communication signals. Under the lease the vendor pays the City \$2,460 per month plus an annual 3% increase through December 31, 2024, when the term can be extended for up to (4) five year terms. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

Electric Tower lease #207: The City leases approximately 1600 square feet of ground space as necessary for a communications tower and easements for utility lines and cable. Under the lease the vendor pays the City \$20,838 plus an annual 3% increase through December 31, 2023, when the term will be extended for 60 months at the same annual rate increase. This lease site has two subleases, #206 and #208. Under sublease #206 the vendor pays the City an additional \$2460 per month and under sublease #208 the vendor pays the City an additional \$267 per month. Both subleases follow the same terms, including the 3% annual increase. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

15. LEASES RECEIVABLE (Continued)

Electric Tower lease #209: The City leases approximately 700 square feet of land on which to construct a communications tower and locate broadcast facilities equipment. Under the lease the vendor pays the City \$20,148 plus an annual 3% increase per year through December 31, 2025, when the term will be extended for 72 months. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.15%.

As of December 31, 2023, the City had the following lease receivables:

Governmental activities					
Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Other Payments Received	Balance at Year-end
Event Center food and beverage	08/01/2018	3.15%	\$ 35,730	\$ 49,680	\$ 69,305
Business-type activities					
Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Other Payments Received	Balance at Year-end
Water tower	01/01/2022	3.15%	\$ 30,193	-	\$ 191,842
Water tower	01/01/2021	3.15%	30,834	-	180,285
Water tower	01/01/2018	3.15%	27,646	-	194,993
Water tower	08/01/2014	3.15%	52,117	-	663,599
Electric tower	01/01/2019	3.15%	69,289	-	539,574
Electric tower	01/01/2020	3.15%	25,682	-	164,934
Electric tower	08/01/2014	3.15%	49,936	-	634,169
Total business type			285,697	-	2,569,396
Total lease receivables			\$ 321,427	\$ 49,680	\$ 2,638,701

16. 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, with the exception of two, 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. One ongoing case is currently in the appeal process with the 8th circuit courts. On September 21, 2022, the court entered judgment in favor of the plaintiffs and against the city, the city appealed the judgement. On March 9, 2023, the city sent an appeal bond payment in the amount of \$376,575 to be held by the court while working through the appeal process. The case is expected to settle in 2024 for \$450,000 with an estimated loss to the City of \$267,000. An ongoing case in which the City is a defendant reached a settlement of \$175,000 which may result in no loss to the City.

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.

**CITY OF ANOKA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED DECEMBER 31, 2023**

17. 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, 2023, the City abated property taxes totaling \$6,266 to a manufacturer for purchase and redevelopment of existing commercial property. This abatement agreement began with taxes payable in 2014 and 2023 was the final year.

18. SUBSEQUENT EVENTS

- On January 19th, 2024, the City purchased property in Anoka for \$345,829 for redevelopment. Two other properties in the same area are under consideration for inclusion in the redevelopment area.
- On March 4th, 2024, the City held a public hearing on the Continuation of the Municipal Liquor Operations in the City of Anoka and approved the resolution to continue operations as required by Minnesota Statute 340A.602
- On April 1st, 2024, the City approved bids and awarded a construction contract for the 2024 Street Renewal Project for Franklin Area Phase II.

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

Fiscal Year Ending	Contributions required by contracts	Contributions in Relation to the Contributions required by contracts	Contribution Deficiency (Excess)	Covered-employee Payroll	Contributions as a Percentage of Covered Payroll
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	37,091	37,091	-	9,058,286	0.41%
December 31, 2022	35,587	35,587	-	9,834,598	0.36%
December 31, 2023	44,256	44,256	-	10,075,414	0.44%
December 31, 2024	-	-	-	-	-
December 31, 2025	-	-	-	-	-
December 31, 2026	-	-	-	-	-
December 31, 2027	-	-	-	-	-

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

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

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Service cost	\$ 57,928	\$ 66,040	\$ 64,363	\$ 75,746	\$ 79,692	\$ 84,166				
Interest	20,309	20,233	24,150	20,275	15,273	15,247				
Difference between expected and actual experience	-	(21,360)	-	(99,436)	(1,318)	229,610				
Changes in assumptions	14,447	5,504	22,023	62,193	6,822	(135,224)				
Benefit payments	(21,162)	(23,996)	(34,112)	(37,091)	(35,587)	(44,256)				
Net change	71,522	46,421	76,424	21,687	64,882	149,543				
Total - beginning	485,692	557,214	603,635	680,059	701,746	766,628				
Total - ending	\$ 557,214	\$ 603,635	\$ 680,059	\$ 701,746	\$ 766,628	\$ 916,171				
OPEB-eligible payroll for the measurement period	\$ 8,300,130	\$ 8,020,865	\$ 8,851,743	\$ 9,002,190	\$ 9,209,623	\$ 9,924,657				
Total OPEB liability as a percentage of covered-employee payroll	6.7%	7.5%	7.7%	7.8%	8.3%	9.2%				

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**CITY OF ANOKA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS*)**

Fiscal Year Ending	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2015	\$ 390,382	\$ 390,382	\$ -	\$ 5,205,096	7.50%
December 31, 2016	423,692	423,692	-	5,649,231	7.50%
December 31, 2017	447,978	447,978	-	5,973,037	7.50%
December 31, 2018	456,350	456,350	-	6,084,667	7.50%
December 31, 2019	482,720	482,720	-	6,436,267	7.50%
December 31, 2020	509,790	509,790	-	6,797,200	7.50%
December 31, 2021	534,579	534,579	-	7,127,720	7.50%
December 31, 2022	595,835	595,835	-	7,944,468	7.50%
December 31, 2023	567,918	567,918	-	7,572,238	7.50%
December 31, 2024	-	-	-	-	-

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

**CITY OF ANOKA, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS (LAST TEN YEARS*)**

Fiscal Year Ending	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2015	\$ 380,161	\$ 380,161	\$ -	\$ 2,346,673	16.20%
December 31, 2016	403,245	403,245	-	2,489,167	16.20%
December 31, 2017	421,476	421,476	-	2,601,703	16.20%
December 31, 2018	437,636	437,636	-	2,701,457	16.20%
December 31, 2019	479,925	479,925	-	2,831,416	16.95%
December 31, 2020	508,902	508,902	-	2,875,153	17.70%
December 31, 2021	544,869	544,869	-	3,078,356	17.70%
December 31, 2022	562,253	562,253	-	3,176,573	17.70%
December 31, 2023	594,683	594,683	-	3,359,791	17.70%
December 31, 2024	-	-	-	-	-

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

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

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability	Employer's Covered Payroll**	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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	0.0959%	4,095,360	6,901,987	59.34%	87.00%
December 31, 2022	0.0987%	7,817,073	7,391,601	105.76%	76.67%
December 31, 2023	0.0987%	5,519,193	7,948,080	69.44%	83.10%
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
REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT FUND
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (LAST TEN YEARS*)**

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability	Employer's Covered Payroll**	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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	0.2510%	1,937,454	2,966,887	65%	93.66%
December 31, 2022	0.2567%	11,170,570	3,118,065	358%	70.53%
December 31, 2022	0.2571%	4,439,783	3,255,282	136%	86.47%
December 31, 2023		-	-		

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

** The year reported for this schedule coincides with the measurement date used for the NPL.

**CITY OF ANOKA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>			Variance From
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,562,372	\$ 7,562,372	\$ 7,542,274	\$ (20,098)
Licenses and permits	528,000	928,000	913,560	(14,440)
Fines and forfeitures	65,300	65,300	63,963	(1,337)
Intergovernmental	4,048,624	4,048,624	2,939,114	(1,109,510)
Charges for current services	815,800	815,800	1,194,342	378,542
Franchise fees	940,000	940,000	934,830	(5,170)
Investment earnings	20,000	20,000	125,768	105,768
Net decrease in fair value of investments	-	-	109,037	109,037
Miscellaneous	213,130	213,130	248,423	35,293
Total revenues	<u>14,193,226</u>	<u>14,593,226</u>	<u>14,071,311</u>	<u>(521,915)</u>
Expenditures:				
General government	2,195,480	2,045,480	2,026,478	19,002
Public safety	7,380,958	8,780,958	8,715,675	65,283
Public works	2,576,420	2,821,420	2,754,594	66,826
Parks and recreation	3,320,368	2,870,368	2,786,747	83,621
Total expenditures	<u>15,473,226</u>	<u>16,518,226</u>	<u>16,283,494</u>	<u>234,732</u>
Deficiency of revenue under expenditures	<u>(1,280,000)</u>	<u>(1,925,000)</u>	<u>(2,212,183)</u>	<u>(287,183)</u>
Other financing sources (uses):				
Transfer in	700,000	700,000	700,000	-
Lease proceeds, Present value of new leas	-	-	180,340	180,340
Total other financing sources	<u>700,000</u>	<u>700,000</u>	<u>880,340</u>	<u>180,340</u>
Net changes in fund balance	<u>\$ (580,000)</u>	<u>\$ (1,225,000)</u>	(1,331,843)	<u>\$ (106,843)</u>
Fund balance at beginning of year			<u>6,167,105</u>	
Fund balance at end of year			<u>\$ 4,835,262</u>	

See Independent Auditor's Report.

See accompanying note to required supplementary information.

CITY OF ANOKA, MINNESOTA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2023

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 28, 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

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provision

- An additional one-time direct state aid contribution of 19.4 million will be contributed to the plan on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023.0 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

**CITY OF ANOKA, MINNESOTA
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 nonmajor special revenue funds:

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

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

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

Police - 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. This fund also accounts for special grant or aid revenue that the City has State mandated restrictions for use.

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
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 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.

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.

Historic Rum River District Tax Increment (HRRD) - This fund was established to account for the redevelopment of the City's downtown business district.

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
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

Special Revenue

	Parking	Lodging	Cemetery	Police	Round Up	Urban Redevelopment	Total Nonmajor Special Revenue Funds
Assets							
Cash and investments	\$ 1,400	\$ 27,371	\$ 409,869	\$ 18,483	\$ 2,206	\$ 836,935	\$ 1,296,264
Receivables, net:							
Accounts receivable	4,839	1,527	813		2,630	57,334	67,143
Due from other funds	10,000	-	-	789,480	-	505,000	1,304,480
Accrued interest	2	7	100	5	1	326	441
Advance to other funds	-	-	-	-	-	107,500	107,500
Prepaid items	-	-	1,200	-	-	-	1,200
Total assets	\$ 16,241	\$ 28,905	\$ 411,982	\$ 807,968	\$ 4,837	\$ 1,507,095	\$ 2,777,028
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 5,376	\$ 3,975	\$ 5,581	\$ 440	\$ -	\$ 27,335	\$ 42,707
Accrued wages payable	1,198	-	306	-	-	-	1,504
Due to other funds	100,000	-	-	-	-	-	100,000
Unearned revenue	5,572	-	-	-	-	29,244	34,816
Total liabilities	112,146	3,975	5,887	440	-	56,579	179,027
Fund balance:							
Nonspendable	-	-	1,200	-	-	-	1,200
Restricted	-	-	-	807,528	-	-	807,528
Committed	-	24,930	404,895	-	4,837	1,450,516	1,885,178
Unassigned	(95,905)	-	-	-	-	-	(95,905)
Total fund balance	(95,905)	24,930	406,095	807,528	4,837	1,450,516	2,598,001
Total liabilities and fund balance	\$ 16,241	\$ 28,905	\$ 411,982	\$ 807,968	\$ 4,837	\$ 1,507,095	\$ 2,777,028

**CITY OF ANOKA, MINNESOTA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
DECEMBER 31, 2023**

	<u>Capital Projects</u>					Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Debt Service	Parks	Enterprise Park Tax Increment	HRRD Tax Increment	South Ferry Tax Increment		
Assets							
Cash and investments	\$ 2,041,181	\$ 584,953	\$ 4,748	\$ 4,899	\$ 2,987	\$ 597,587	\$ 3,935,032
Receivables, net:							
Taxes	15,218	-	-	3,567	-	3,567	18,785
Special assessments	633,612	-	-	-	-	-	633,612
Accounts receivable	-	-	797,136	-	-	797,136	864,279
Due from other funds	55,000	-	-	-	-	-	1,359,480
Accrued interest	-	156	-	-	-	156	597
Advance to other funds	-	-	635,000	-	-	635,000	742,500
Prepaid items	-	-	-	-	-	-	1,200
Land held for resale	-	-	1,531,688	496,756	-	2,028,444	2,028,444
	<u>\$ 2,745,011</u>	<u>\$ 585,109</u>	<u>\$ 2,968,572</u>	<u>\$ 505,222</u>	<u>\$ 2,987</u>	<u>\$ 4,061,890</u>	<u>\$ 9,583,929</u>
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ -	\$ 57,723	\$ 59	\$ 59	\$ 19	\$ 57,860	\$ 100,567
Accrued wages payable	-	-	-	-	-	-	1,504
Due to other funds	55,000	-	210,000	20,000	35,000	265,000	420,000
Unearned revenue	-	-	797,136	-	-	797,136	831,952
Advance from other funds	-	-	-	-	1,205,000	1,205,000	1,205,000
	<u>55,000</u>	<u>57,723</u>	<u>1,007,195</u>	<u>20,059</u>	<u>1,240,019</u>	<u>2,324,996</u>	<u>2,559,023</u>
Deferred inflows of resources:							
Unavailable revenue-Property taxes	5,307	-	-	-	-	-	5,307
Unavailable revenue-Special assessment	633,612	-	-	-	-	-	633,612
Total deferred inflows of resources	<u>638,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,919</u>
Fund balance:							
Nonspendable	-	-	-	-	-	-	1,200
Restricted	2,051,092	359,357	1,961,377	485,163	-	2,805,897	5,664,517
Committed	-	-	-	-	-	-	1,885,178
Assigned	-	168,029	-	-	-	168,029	168,029
Unassigned	-	-	-	-	(1,237,032)	(1,237,032)	(1,332,937)
	<u>2,051,092</u>	<u>527,386</u>	<u>1,961,377</u>	<u>485,163</u>	<u>(1,237,032)</u>	<u>1,736,894</u>	<u>6,385,987</u>
Total fund balance (deficit)	<u>2,051,092</u>	<u>527,386</u>	<u>1,961,377</u>	<u>485,163</u>	<u>(1,237,032)</u>	<u>1,736,894</u>	<u>6,385,987</u>
Total liabilities and fund balance	<u>\$ 2,745,011</u>	<u>\$ 585,109</u>	<u>\$ 2,968,572</u>	<u>\$ 505,222</u>	<u>\$ 2,987</u>	<u>\$ 4,061,890</u>	<u>\$ 9,583,929</u>

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

Special Revenue

	Special Revenue						Total Nonmajor Special Revenue Funds
Revenues:	Parking	Lodging	Cemetery	Police Forfeiture	Round Up	Urban Redevelopment	
Taxes	\$ -	\$ 848	\$ -	\$ -	\$ -	\$ -	\$ 848
Licenses and permits	42,320	-	-	-	-	-	42,320
Fines and forfeitures	38,823	-	-	6,189	-	-	45,012
Intergovernmental	13,220	-	-	789,480	-	-	802,700
Charges for current services	-	-	58,488	-	-	212,218	270,706
Investment income	119	605	8,651	(142)	225	32,876	42,334
Net increase in fair value of investments	5	214	3,871	349	267	12,445	17,151
Miscellaneous	11,057	6,500	210	-	34,175	-	51,942
Total revenues	105,544	8,167	71,220	795,876	34,667	257,539	1,273,013
Expenditures:							
Current:							
General government	-	4,506	-	-	-	199,672	204,178
Public safety	73,471	-	-	15,894	35,080	-	124,445
Public works	106,012	-	-	-	-	-	106,012
Parks and recreation	-	-	58,589	-	-	-	58,589
Total expenditures	179,483	4,506	58,589	15,894	35,080	199,672	493,224
Excess (deficiency) of revenues over (under) expenditures	(73,939)	3,661	12,631	779,982	(413)	57,867	779,789
Fund balances at beginning of year	(21,966)	21,269	393,464	27,546	5,250	1,392,649	1,818,212
Fund balances at end of year	<u>\$ (95,905)</u>	<u>\$ 24,930</u>	<u>\$ 406,095</u>	<u>\$ 807,528</u>	<u>\$ 4,837</u>	<u>\$ 1,450,516</u>	<u>\$ 2,598,001</u>

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	<u>Capital Projects</u>					Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Debt Service	Parks	Enterprise Park Tax Increment	HRRD Tax Increment	South Ferry Tax Increment		
Revenues:							
Taxes	\$ 731,660	\$ -	\$ -	\$ 124,458	\$ 21,066	\$ 145,524	\$ 878,032
Special assessments	118,914	-	-	-	-	-	118,914
Licenses and permits	-	-	-	-	-	-	42,320
Intergovernmental	-	340,896	-	-	-	340,896	1,143,596
Charges for current services	-	-	-	-	-	-	270,706
Fines and forfeitures	-	-	-	-	-	-	45,012
Investment income	-	16,439	63,860	165	214	80,678	123,012
Net increase in fair value of investments	-	9,782	6,657	-	312	16,751	33,902
Miscellaneous	-	157,152	-	-	-	157,152	209,094
Total revenues	<u>850,574</u>	<u>524,269</u>	<u>70,517</u>	<u>124,623</u>	<u>21,592</u>	<u>741,001</u>	<u>2,864,588</u>
Expenditures:							
Current:							
General government	1,000	-	215	2,614	730	3,559	208,737
Public safety	-	-	-	-	-	-	124,445
Public works	-	-	-	-	-	-	106,012
Parks and recreation	-	-	-	-	-	-	58,589
Capital outlay	-	880,355	-	-	-	880,355	880,355
Debt service:							
Principal retirement	1,045,000	-	-	-	-	-	1,045,000
Interest and fiscal charges	566,155	-	-	-	44,669	44,669	610,824
Total expenditures	<u>1,612,155</u>	<u>880,355</u>	<u>215</u>	<u>2,614</u>	<u>45,399</u>	<u>928,583</u>	<u>3,033,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(761,581)</u>	<u>(356,086)</u>	<u>70,302</u>	<u>122,009</u>	<u>(23,807)</u>	<u>(187,582)</u>	<u>(169,374)</u>
Other financing sources (uses):							
Transfer in	1,842,903	40,000	-	-	70,000	110,000	1,952,903
Transfer out	(17,530)	-	(150,000)	(150,000)	-	(300,000)	(317,530)
Total other financing sources (uses)	<u>1,825,373</u>	<u>40,000</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>70,000</u>	<u>(190,000)</u>	<u>1,635,373</u>
Net changes in fund balances	1,063,792	(316,086)	(79,698)	(27,991)	46,193	(377,582)	1,465,999
Fund balances (deficits) at beginning of year	987,300	843,472	2,041,075	513,154	(1,283,225)	2,114,476	4,919,988
Fund balances (deficits) at end of year	<u>\$ 2,051,092</u>	<u>\$ 527,386</u>	<u>\$ 1,961,377</u>	<u>\$ 485,163</u>	<u>\$ (1,237,032)</u>	<u>\$ 1,736,894</u>	<u>\$ 6,385,987</u>

CITY OF ANOKA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Parking fund:				
Revenues:				
Licenses and permits	\$ 40,000	\$ 40,000	\$ 42,320	\$ 2,320
Fines and forfeitures	45,000	45,000	38,823	(6,177)
Intergovernmental	60,000	60,000	13,220	(46,780)
Miscellaneous	1,300	1,300	11,057	9,757
Interest income	2,000	2,000	119	(1,881)
Net increase in fair value of investments	-	-	5	5
Total revenues	<u>148,300</u>	<u>148,300</u>	<u>105,544</u>	<u>(42,756)</u>
Expenditures:				
Personal services	58,160	58,160	73,471	(15,311)
Professional services	46,020	46,020	47,747	(1,727)
Contractual services	30,000	30,000	58,265	(28,265)
Capital outlay	60,000	60,000	-	60,000
Total expenditures	<u>194,180</u>	<u>194,180</u>	<u>179,483</u>	<u>14,697</u>
Deficiency of revenue under expenditures	<u>\$ (45,880)</u>	<u>\$ (45,880)</u>	<u>\$ (73,939)</u>	<u>\$ (28,059)</u>
Fund balance at beginning of year			<u>(21,966)</u>	
Fund balance at end of year			<u>\$ (95,905)</u>	
Lodging fund:				
Revenues:				
Taxes	\$ 800	\$ 800	\$ 848	\$ 48
Miscellaneous	3,290	3,290	6,500	3,210
Interest income	60	60	605	545
Net decrease in fair value of investments	-	-	214	214
Total revenues	<u>4,150</u>	<u>4,150</u>	<u>8,167</u>	<u>4,017</u>
Expenditures:				
Personal services	800	800	800	-
Professional services	3,350	3,350	3,706	(356)
Total expenditures	<u>4,150</u>	<u>4,150</u>	<u>4,506</u>	<u>(356)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,661</u>	<u>\$ 3,661</u>
Fund balance at beginning of year			<u>21,269</u>	
Fund balance at end of year			<u>\$ 24,930</u>	

CITY OF ANOKA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS CONTINUED
YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Cemetery fund:				
Revenues:				
Charges for services	\$ 82,000	\$ 82,000	\$ 58,488	\$ (23,512)
Miscellaneous	250	250	210	(40)
Interest income	5,000	5,000	8,651	3,651
Net decrease in fair value of investments	-	-	3,871	3,871
Total revenues	<u>87,250</u>	<u>87,250</u>	<u>71,220</u>	<u>(16,030)</u>
Expenditures:				
Personal services	44,780	44,780	26,652	18,128
Supplies	2,400	2,400	2,095	305
Professional services	11,320	11,320	11,342	(22)
Contractual services	15,000	15,000	18,500	(3,500)
Capital outlay	25,000	25,000	-	25,000
Total expenditures	<u>98,500</u>	<u>98,500</u>	<u>58,589</u>	<u>39,911</u>
Excess of revenue over expenditures	<u>\$ (11,250)</u>	<u>\$ (11,250)</u>	\$ 12,631	<u>\$ 23,881</u>
Fund balance at beginning of year			<u>393,464</u>	
Fund balance at end of year			<u>\$ 406,095</u>	
Urban Redevelopment fund:				
Revenues:				
Charges for services	\$ 265,000	\$ 265,000	\$ 212,218	\$ (52,782)
Interest income	26,500	26,500	32,876	6,376
Net decrease in fair value of investments	-	-	12,445	12,445
Total revenues	<u>291,500</u>	<u>291,500</u>	<u>257,539</u>	<u>(33,961)</u>
Expenditures:				
Personal services	400	400	400	-
Professional services	265,000	265,000	199,272	65,728
Total expenditures	<u>265,400</u>	<u>265,400</u>	<u>199,672</u>	<u>65,728</u>
Excess of revenue over expenditures	<u>\$ 26,100</u>	<u>\$ 26,100</u>	\$ 57,867	<u>\$ 31,767</u>
Fund balance at beginning of year			<u>1,392,649</u>	
Fund balance at end of year			<u>\$ 1,450,516</u>	

CITY OF ANOKA, MINNESOTA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS CONTINUED
YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance From Final Budget Positive (Negative)</u>
Round Up:				
Revenues:				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 34,175	\$ 4,175
Interest income	50	50	225	175
Net decrease in fair value of investments	-	-	267	267
Total revenues	<u>30,050</u>	<u>30,050</u>	<u>34,667</u>	<u>4,617</u>
Expenditures:				
Professional services	30,050	30,050	35,000	(4,950)
Contractual services	-	-	80	(80)
Total expenditures	<u>30,050</u>	<u>30,050</u>	<u>35,080</u>	<u>(5,030)</u>
Deficiency of revenue under expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ (413)	<u>\$ (413)</u>
Fund balance at beginning of year			<u>5,250</u>	
Fund balance at end of year			<u>\$ 4,837</u>	
Police Special Revenue				
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 6,189	\$ 6,189
Intergovernmental	-	-	789,480	789,480
Interest income	-	-	(142)	(142)
Net decrease in fair value of investments	-	-	349	349
Total revenues	<u>-</u>	<u>-</u>	<u>795,876</u>	<u>795,876</u>
Expenditures:				
Professional services	-	-	15,894	(15,894)
Total expenditures	<u>-</u>	<u>-</u>	<u>15,894</u>	<u>(15,894)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ 779,982	<u>\$ 779,982</u>
Fund balance at beginning of year			<u>27,546</u>	
Fund balance at end of year			<u>\$ 807,528</u>	

**CITY OF ANOKA, MINNESOTA
NONMAJOR PROPRIETARY FUNDS**

ENTERPRISE FUNDS

Liquor - This fund was established to account for revenues and expenses of operating the two municipal liquor stores within City boundaries.

Golf - This fund was established to account for operating revenues and expenses of operating a golf course.

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

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2023

	<u>Liquor</u>	<u>Golf</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 289,042	\$ 593,850	\$ 304,227	\$ 1,187,119
Receivables, net:				
Accounts receivable	-	1,410	82,123	83,533
Accrued interest	71	145	74	290
Inventory	358,624	40,194	-	398,818
Prepaid items	935	1,103	500	2,538
Total current assets	<u>648,672</u>	<u>636,702</u>	<u>386,924</u>	<u>1,672,298</u>
Noncurrent assets:				
Land and improvements	311,392	1,045,436	-	1,356,828
Construction in progress	-	41,605	-	41,605
Buildings and structures	1,365,989	409,638	-	1,775,627
Furniture and equipment	213,056	169,564	-	382,620
Machinery and automotive equipment	14,806	1,079,672	-	1,094,478
Other improvements	-	2,726,073	-	2,726,073
Total property	<u>1,905,243</u>	<u>5,471,988</u>	<u>-</u>	<u>7,377,231</u>
Accumulated depreciation	<u>(1,378,969)</u>	<u>(3,419,125)</u>	<u>-</u>	<u>(4,798,094)</u>
Net noncurrent assets	<u>526,274</u>	<u>2,052,863</u>	<u>-</u>	<u>2,579,137</u>
Total assets	<u>1,174,946</u>	<u>2,689,565</u>	<u>386,924</u>	<u>4,251,435</u>
Deferred outflows of resources:				
Deferred pension resources	<u>100,468</u>	<u>83,890</u>	<u>7,691</u>	<u>192,049</u>
Total assets and deferred outflows of resources	<u>\$ 1,275,414</u>	<u>\$ 2,773,455</u>	<u>\$ 394,615</u>	<u>\$ 4,443,484</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 59,599	\$ 7,218	\$ 304	\$ 67,121
Accrued wages payable	9,823	9,317	761	19,901
Current portion of advance to other funds	-	43,625	-	43,625
Deposits	6,478	91,833	-	98,311
Total current liabilities	<u>75,900</u>	<u>151,993</u>	<u>1,065</u>	<u>228,958</u>
Noncurrent liabilities:				
Compensated absences payable	51,765	90,396	-	142,161
Advance to other funds	-	35,784	-	35,784
Net pension liability	384,636	321,166	29,444	735,246
Total noncurrent liabilities	<u>436,401</u>	<u>447,346</u>	<u>29,444</u>	<u>913,191</u>
Total liabilities	<u>512,301</u>	<u>599,339</u>	<u>30,509</u>	<u>1,142,149</u>
Deferred inflows of resources:				
Deferred pension resources	<u>119,013</u>	<u>99,374</u>	<u>9,111</u>	<u>227,498</u>
Net position:				
Net investment in capital assets	526,274	2,052,863	-	2,579,137
Unrestricted	117,826	21,879	354,995	494,700
Total net position	<u>644,100</u>	<u>2,074,742</u>	<u>354,995</u>	<u>3,073,837</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,275,414</u>	<u>\$ 2,773,455</u>	<u>\$ 394,615</u>	<u>\$ 4,443,484</u>

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
NONMAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	<u>Liquor</u>	<u>Golf</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Operating revenues:				
Charges for sales and services:				
Liquor Sales	\$ 2,447,817	\$ -	\$ -	\$ 2,447,817
Golf	-	1,561,660	-	1,561,660
Recycling billings	-	-	403,472	403,472
Intergovernmental	-	-	124,012	124,012
Total operating revenues	<u>2,447,817</u>	<u>1,561,660</u>	<u>527,484</u>	<u>4,536,961</u>
Operating expenses:				
Personal services	656,668	842,428	65,837	1,564,933
Supplies	5,275	185,454	852	191,581
Professional services	262,545	186,370	45,466	494,381
Contractual services	13,420	93,966	7,894	115,280
Disposal charges	-	-	327,675	327,675
Cost of goods sold	1,850,385	95,275	-	1,945,660
Depreciation	11,392	177,238	-	188,630
Total operating expenses	<u>2,799,685</u>	<u>1,580,731</u>	<u>447,724</u>	<u>4,828,140</u>
Operating income (and loss)	<u>(351,868)</u>	<u>(19,071)</u>	<u>79,760</u>	<u>(291,179)</u>
Nonoperating revenues (expenses):				
Interest income	7,591	12,625	6,276	26,492
Interest expense	-	(3,103)	-	(3,103)
Net increase (decrease) in fair value of investment	(999)	4,456	1,968	5,425
Gain on sale of fixed asset	-	1,069	-	1,069
Other income	2,300	-	-	2,300
Total nonoperating revenues (loss)	<u>8,892</u>	<u>15,047</u>	<u>8,244</u>	<u>32,183</u>
Income (loss) before transfers	(342,976)	(4,024)	88,004	(258,996)
Other transfers:				
Transfer out	(40,000)	-	-	(40,000)
Change in net position	(382,976)	(4,024)	88,004	(298,996)
Net position - Beginning of year	<u>1,027,076</u>	<u>2,078,766</u>	<u>266,991</u>	<u>3,372,833</u>
Net position - End of year	<u>\$ 644,100</u>	<u>\$ 2,074,742</u>	<u>\$ 354,995</u>	<u>\$ 3,073,837</u>

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	Liquor	Golf	Recycling	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Received from customers	\$ 2,450,117	\$ 1,562,705	\$ 500,656	\$ 4,513,478
Payments to suppliers for goods and services	(1,777,877)	(568,862)	(54,200)	(2,400,939)
Payments to employees for services	(656,630)	(799,766)	(61,299)	(1,517,695)
Disposal charges	-	-	(327,675)	(327,675)
Increase in deposits	(1,819)	5,832	-	4,013
Net cash provided by operating activities	<u>13,791</u>	<u>199,909</u>	<u>57,482</u>	<u>271,182</u>
Cash flows from noncapital financing activities:				
Cash flow to other funds	-	(43,625)	-	(43,625)
Transfer to other funds	(40,000)	-	-	(40,000)
Net cash used by noncapital financing	<u>(40,000)</u>	<u>(43,625)</u>	<u>-</u>	<u>(83,625)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(80,408)	-	(80,408)
Interest paid	-	(3,103)	-	(3,103)
Proceeds from sale of capital assets	-	1,069	-	1,069
Net cash provided (used) by capital activity	<u>-</u>	<u>(82,442)</u>	<u>-</u>	<u>(82,442)</u>
Cash flows from investing activities:				
Investment earnings	<u>6,539</u>	<u>17,051</u>	<u>8,225</u>	<u>31,815</u>
Net increase in cash and cash equivalents	(19,670)	90,893	65,707	136,930
Cash and cash equivalents at beginning of year	<u>308,712</u>	<u>502,957</u>	<u>238,520</u>	<u>1,050,189</u>
Cash and cash equivalents at end of year	<u>\$ 289,042</u>	<u>\$ 593,850</u>	<u>\$ 304,227</u>	<u>\$ 1,187,119</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income	<u>\$ (351,868)</u>	<u>\$ (19,071)</u>	<u>\$ 79,760</u>	<u>\$ (291,179)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	11,392	177,238	-	188,630
Other income	2,300	-	-	2,300
Change in assets and liabilities:				
Accounts receivable	-	1,045	(26,328)	(25,283)
Inventory	349,222	(10,958)	-	338,264
Prepaid items	1,765	2,671	(500)	3,936
Net pension liability	(204,316)	(134,602)	(8,849)	(347,767)
Deferred outflows	90,160	63,630	4,703	158,493
Deferred inflows	110,657	92,907	8,568	212,132
Accounts payable	2,761	490	12	3,263
Accrued wages payable	(221)	2,271	116	2,166
Compensated absences payable	3,758	18,456	-	22,214
Deposits	(1,819)	5,832	-	4,013
Unearned revenue	-	-	-	-
Total adjustments	<u>365,659</u>	<u>218,980</u>	<u>(22,278)</u>	<u>562,361</u>
Net cash provided by operating activities	<u>\$ 13,791</u>	<u>\$ 199,909</u>	<u>\$ 57,482</u>	<u>\$ 271,182</u>

**CITY OF ANOKA, MINNESOTA
NONMAJOR PROPRIETARY FUNDS**

INTERNAL SERVICE FUNDS

An Internal Service Fund is defined as a fund to account for the financing of goods or services by one department to other departments of the City, or to other governmental units, on a cost-reimbursement basis. The City of Anoka has the following Internal Service Funds:

Information Systems – This fund accounts for the maintenance, repairs, and operation of the City’s computer hardware and software. These operating expenses are used as a basis to charge departments for the use of the data processing system.

Insurance - This fund was established to account for all of the property and liability insurance premiums and claims.

Employee Benefits – This fund was established to account for all of the compensated absences benefits (except proprietary funds).

Central Garage - This fund was established to account for all of the operating expenses of all City vehicles and major pieces of equipment (except proprietary fund equipment). These operating expenses are used as a basis to establish rental rates that are charged to the departments using the vehicles.

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
DECEMBER 31, 2023

Assets	Information Systems	Insurance	Employee Benefits	Central Garage	Total
Current assets:					
Cash and cash equivalents	\$ 228,900	\$ 567,049	\$ 990,103	\$ 714,275	\$ 2,500,327
Accrued interest	58	138	244	174	614
Inventory	-	-	-	31,508	31,508
Prepaid items	53,688	186,949	-	-	240,637
Total current assets	<u>282,646</u>	<u>754,136</u>	<u>990,347</u>	<u>745,957</u>	<u>2,773,086</u>
Noncurrent assets:					
Capital assets:					
Buildings and structures	50,000	-	-	-	50,000
Furniture and equipment	582,026	-	-	-	582,026
Machinery and automotive equipment	-	-	-	4,791,770	4,791,770
Total property	<u>632,026</u>	<u>-</u>	<u>-</u>	<u>4,791,770</u>	<u>5,423,796</u>
Accumulated depreciation	<u>(459,008)</u>	<u>-</u>	<u>-</u>	<u>(3,642,754)</u>	<u>(4,101,762)</u>
Net noncurrent assets	<u>173,018</u>	<u>-</u>	<u>-</u>	<u>1,149,016</u>	<u>1,322,034</u>
Total assets	<u>\$ 455,664</u>	<u>\$ 754,136</u>	<u>\$ 990,347</u>	<u>\$ 1,894,973</u>	<u>\$ 4,095,120</u>
Liabilities and Net Position					
Current liabilities:					
Accounts payable	\$ 12,544	\$ 51,637	\$ -	\$ 20,060	\$ 84,241
Accrued wages payable	-	-	-	2,868	2,868
Claims payable	-	45,000	-	-	45,000
Current portion of compen absences payable	-	-	20,000	-	20,000
Total current liabilities	<u>12,544</u>	<u>96,637</u>	<u>20,000</u>	<u>22,928</u>	<u>152,109</u>
Noncurrent liabilities:					
Compensated absences payable	-	-	1,074,036	26,154	1,100,190
Total liabilities	<u>12,544</u>	<u>96,637</u>	<u>1,094,036</u>	<u>49,082</u>	<u>1,252,299</u>
Net position:					
Net investment in capital assets	173,018	-	-	1,149,016	1,322,034
Unrestricted	270,102	657,499	(103,689)	696,875	1,520,787
Total net position (deficit)	<u>443,120</u>	<u>657,499</u>	<u>(103,689)</u>	<u>1,845,891</u>	<u>2,842,821</u>
Total liabilities and net position	<u>\$ 455,664</u>	<u>\$ 754,136</u>	<u>\$ 990,347</u>	<u>\$ 1,894,973</u>	<u>\$ 4,095,120</u>

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
INTERNAL SERVICE FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 698,180	\$ 670,200	\$ 75,000	\$ 569,200	\$ 2,012,580
Intergovernmental	-	-	-	378,094	378,094
	<u>698,180</u>	<u>670,200</u>	<u>75,000</u>	<u>947,294</u>	<u>2,390,674</u>
Operating expenses:					
Personal services	27,400	13,200	128,357	184,941	353,898
Supplies	18,124	-	-	450,586	468,710
Professional services	514,568	785,279	-	33,719	1,333,566
Contractual services	137,084	-	-	36,434	173,518
Depreciation	48,272	-	-	244,906	293,178
Total operating expenses	<u>745,448</u>	<u>798,479</u>	<u>128,357</u>	<u>950,586</u>	<u>2,622,870</u>
Operating income (loss)	<u>(47,268)</u>	<u>(128,279)</u>	<u>(53,357)</u>	<u>(3,292)</u>	<u>(232,196)</u>
Nonoperating revenues:					
Interest income	4,917	11,974	21,026	15,855	53,772
Net increase in fair value of investments	3,941	7,465	10,548	11,284	33,238
Gain on sale of fixed assets	1,200	-	-	25,465	26,665
Other income	20,000	35,050	-	-	55,050
Total nonoperating revenues	<u>30,058</u>	<u>54,489</u>	<u>31,574</u>	<u>52,604</u>	<u>168,725</u>
Change in net position	(17,210)	(73,790)	(21,783)	49,312	(63,471)
Net position - Beginning of year	<u>460,330</u>	<u>731,289</u>	<u>(81,906)</u>	<u>1,796,579</u>	<u>2,906,292</u>
Net position (deficit) - End of year	<u>\$ 443,120</u>	<u>\$ 657,499</u>	<u>\$ (103,689)</u>	<u>\$ 1,845,891</u>	<u>\$ 2,842,821</u>

CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

	<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	\$ 718,180	\$ 670,200	\$ 75,000	\$ 947,294	\$ 2,410,674
Reimbursement from insurance carrier	-	35,050	-	-	35,050
Payments to suppliers for goods and services	(666,374)	(785,903)	-	(519,817)	(1,972,094)
Payments to employees for services	(27,400)	(13,200)	(79,286)	(188,130)	(308,016)
Net cash provided by (used in) operating activities	<u>24,406</u>	<u>(93,853)</u>	<u>(4,286)</u>	<u>239,347</u>	<u>165,614</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(146,149)	-	-	(484,593)	(630,742)
Proceeds from sale of capital assets	1,200	-	-	25,465	26,665
Net cash used in capital and related financing activities	<u>(144,949)</u>	<u>-</u>	<u>-</u>	<u>(459,128)</u>	<u>(604,077)</u>
Cash flows from investing activities:					
Investment earnings	<u>8,872</u>	<u>19,450</u>	<u>31,561</u>	<u>27,177</u>	<u>87,060</u>
Net increase (decrease) in cash and cash equivalents	(111,671)	(74,403)	27,275	(192,604)	(351,403)
Cash and cash equivalents at beginning of year	<u>340,571</u>	<u>641,452</u>	<u>962,828</u>	<u>906,879</u>	<u>2,851,730</u>
Cash and cash equivalents end of year	<u>\$ 228,900</u>	<u>\$ 567,049</u>	<u>\$ 990,103</u>	<u>\$ 714,275</u>	<u>\$ 2,500,327</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ (47,268)</u>	<u>\$ (128,279)</u>	<u>\$ (53,357)</u>	<u>\$ (3,292)</u>	<u>\$ (232,196)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	48,272	-	-	244,906	293,178
Other income	20,000	35,050	-	-	55,050
Change in assets and liabilities:					
Inventory	-	-	-	34,209	34,209
Prepaid expense	(6,988)	(42,219)	-	-	(49,207)
Claims payable	-	(6,535)	-	-	(6,535)
Accounts payable	10,390	48,130	-	(33,287)	25,233
Accrued wages payable	-	-	-	429	429
Compensated absences payable	-	-	49,071	(3,618)	45,453
Total adjustments	<u>71,674</u>	<u>34,426</u>	<u>49,071</u>	<u>242,639</u>	<u>397,810</u>
Net cash provided by (used in) operating activities	<u>\$ 24,406</u>	<u>\$ (93,853)</u>	<u>\$ (4,286)</u>	<u>\$ 239,347</u>	<u>\$ 165,614</u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Final Budget	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 7,559,372	\$ 7,542,701	\$ (16,671)
Penalties and interest	3,000	(427)	(3,427)
Total taxes	<u>7,562,372</u>	<u>7,542,274</u>	<u>(20,098)</u>
Franchise fees	<u>940,000</u>	<u>934,830</u>	<u>(5,170)</u>
Licenses and permits:			
Licenses	137,500	185,578	48,078
Permits	790,500	727,982	(62,518)
Total licenses and permits	<u>928,000</u>	<u>913,560</u>	<u>(14,440)</u>
Intergovernmental:			
Local government aid	2,089,456	2,089,456	-
Federal Grants - ARPA	554,000	21,156	(532,844)
State aid maintenance	209,000	228,844	19,844
Police aid	265,000	313,071	48,071
Other	931,168	286,587	(644,581)
Total intergovernmental	<u>4,048,624</u>	<u>2,939,114</u>	<u>(1,109,510)</u>
Charges for current services:			
Swimming pool	315,700	413,135	97,435
Parks and recreation	40,000	80,595	40,595
Senior Center	36,500	30,192	(6,308)
Police services	310,100	253,775	(56,325)
Planning and inspection services	88,500	276,884	188,384
Public works	1,500	116,301	114,801
Finance	23,500	23,460	(40)
Total charges for current services	<u>815,800</u>	<u>1,194,342</u>	<u>378,542</u>
Fines and forfeitures:			
Court fines	50,000	40,211	(9,789)
Code violations	15,000	23,528	8,528
Other	300	224	(76)
Total fines and forfeitures	<u>65,300</u>	<u>63,963</u>	<u>(1,337)</u>
Interest earnings	<u>20,000</u>	<u>125,768</u>	<u>105,768</u>
Miscellaneous:			
Other	213,130	248,423	35,293
Net increase in fair value of investments	-	109,037	109,037
Total Miscellaneous	<u>213,130</u>	<u>357,460</u>	<u>144,330</u>
Total revenues	<u>14,593,226</u>	<u>14,071,311</u>	<u>(521,915)</u>
Other financing sources:			
Transfers in	700,000	700,000	-
Lease proceeds, present value of lease	-	180,340	180,340
Total other financing sources	<u>700,000</u>	<u>880,340</u>	<u>180,340</u>
Total revenues and other financing sources	<u><u>\$ 15,293,226</u></u>	<u><u>\$ 14,951,651</u></u>	<u><u>\$ (341,575)</u></u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government:			
Mayor and council:			
Personal services	\$ 46,200	\$ 46,120	\$ 80
Supplies	100	45	55
Professional services	63,750	71,164	(7,414)
Totals	<u>110,050</u>	<u>117,329</u>	<u>(7,279)</u>
City administration			
Personal services	362,700	384,563	(21,863)
Supplies	1,500	4,328	(2,828)
Professional services	101,810	89,705	12,105
Contractual services	8,500	7,624	876
Totals	<u>474,510</u>	<u>486,220</u>	<u>(11,710)</u>
Elections:			
Personal services	2,400	-	2,400
Contractual services	4,000	3,943	57
Totals	<u>6,400</u>	<u>3,943</u>	<u>2,457</u>
Finance:			
Personal services	304,720	300,487	4,233
Supplies	2,500	2,643	(143)
Professional services	88,370	85,596	2,774
Contractual services	2,000	3,462	(1,462)
Totals	<u>397,590</u>	<u>392,188</u>	<u>5,402</u>
Assessing:			
Personal services	181,690	172,345	9,345
Supplies	100	118	(18)
Professional services	20,280	20,198	82
Contractual services	7,308	7,308	-
Totals	<u>209,378</u>	<u>199,969</u>	<u>9,409</u>
Miscellaneous:			
Professional services	31,700	23,217	8,483
Contractual services	71,500	23,498	48,002
Lease expense, principal	-	24,985	(24,985)
Lease expense, interest	-	3,666	(3,666)
Totals	<u>103,200</u>	<u>75,366</u>	<u>27,834</u>
Attorney:			
Professional services	260,000	282,973	(22,973)
Totals	<u>\$ 260,000</u>	<u>\$ 282,973</u>	<u>\$ (22,973)</u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government (Continued):			
Planning, Community Development:			
Personal services	\$ 404,092	\$ 384,889	\$ 19,203
Supplies	1,500	1,713	(213)
Professional services	74,760	81,888	(7,128)
Contractual services	4,000	-	4,000
Totals	<u>484,352</u>	<u>468,490</u>	<u>15,862</u>
Total general government	<u>2,045,480</u>	<u>2,026,478</u>	<u>19,002</u>
Public safety:			
Police department:			
Personal services	4,441,000	4,411,534	29,466
Supplies	125,500	215,412	(89,912)
Professional services	504,260	520,800	(16,540)
Contractual services	428,400	230,710	197,690
Capital outlay, present value new lease	200,000	180,340	19,660
Capital outlay	-	51,662	(51,662)
Lease expense, principal	200,000	192,296	7,704
Lease expense, interest	-	11,438	(11,438)
Totals	<u>5,899,160</u>	<u>5,814,192</u>	<u>84,968</u>
High school security, liason, and security:			
Personal services	971,340	1,017,119	(45,779)
Supplies	200	1,068	(868)
Professional services	64,370	68,683	(4,313)
Contractual services	3,000	12,389	(9,389)
Totals	<u>1,038,910</u>	<u>1,099,259</u>	<u>(60,349)</u>
Fire protection:			
Contractual services	<u>765,556</u>	<u>785,385</u>	<u>(19,829)</u>
Emergency services:			
Supplies	500	-	500
Professional services	950	-	950
Contractual services	2,500	-	2,500
Totals	<u>3,950</u>	<u>-</u>	<u>3,950</u>
Building Inspections:			
Personal services	203,010	132,487	70,523
Supplies	400	108	292
Professional services	856,060	866,408	(10,348)
Contractual services	13,912	17,836	(3,924)
Totals	<u>1,073,382</u>	<u>1,016,839</u>	<u>56,543</u>
Total public safety	<u>\$ 8,780,958</u>	<u>\$ 8,715,675</u>	<u>\$ 65,283</u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public works:			
General government buildings:			
Personal services	\$ 86,150	\$ 26,659	\$ 59,491
Supplies	4,700	2,217	2,483
Professional services	45,110	84,466	(39,356)
Contractual services	64,300	61,154	3,146
Capital outlay	-	-	-
Totals	<u>200,260</u>	<u>174,496</u>	<u>25,764</u>
Building maintenance:			
Personal services	104,640	63,016	41,624
Supplies	9,100	5,793	3,307
Professional services	13,850	16,035	(2,185)
Contractual services	50,500	27,831	22,669
Capital outlay	298,000	-	298,000
Totals	<u>476,090</u>	<u>112,675</u>	<u>363,415</u>
Engineering:			
Personal services	59,020	60,873	(1,853)
Supplies	4,500	2,031	2,469
Professional services	52,090	61,401	(9,311)
Contractual services	2,500	-	2,500
Capital outlay	-	-	-
Totals	<u>118,110</u>	<u>124,305</u>	<u>(6,195)</u>
Streets:			
Personal services	738,470	814,604	(76,134)
Supplies	7,900	8,195	(295)
Professional services	97,310	104,539	(7,229)
Contractual services	955,280	292,754	662,526
Capital outlay	228,000	1,123,026	(895,026)
Totals	<u>2,026,960</u>	<u>2,343,118</u>	<u>(316,158)</u>
Total public works	<u>2,821,420</u>	<u>2,754,594</u>	<u>66,826</u>
Parks and recreation:			
Community programs and event center			
Personal services	82,550	90,646	(8,096)
Supplies	12,000	28,806	(16,806)
Professional services	142,720	216,656	(73,936)
Contractual services	62,000	66,600	(4,600)
Capital outlay	-	-	-
Totals	<u>299,270</u>	<u>402,708</u>	<u>(103,438)</u>
Recreation			
Personal services	168,290	131,678	36,612
Supplies	28,700	14,413	14,287
Professional services	29,860	46,339	(16,479)
Contractual services	68,000	39,214	28,786
Capital outlay	16,000	16,415	(415)
Interest expense	-	3,375	(3,375)
Totals	<u>\$ 310,850</u>	<u>\$ 251,434</u>	<u>\$ 59,416</u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Parks and recreation (Continued):			
Aquatic center:			
Personal services	\$ 298,890	\$ 310,665	\$ (11,775)
Supplies	53,000	73,369	(20,369)
Professional services	73,880	66,765	7,115
Contractual services	18,000	14,094	3,906
Capital outlay	95,168	38,700	56,468
Totals	<u>538,938</u>	<u>503,593</u>	<u>35,345</u>
Senior center:			
Personal services	144,800	137,835	6,965
Supplies	9,500	5,253	4,247
Professional services	58,740	53,033	5,707
Contractual services	48,900	58,802	(9,902)
Totals	<u>261,940</u>	<u>254,923</u>	<u>7,017</u>
Municipal parks:			
Personal services	753,160	634,699	118,461
Supplies	39,500	65,353	(25,853)
Professional services	81,660	91,533	(9,873)
Contractual services	341,100	471,406	(130,306)
Capital outlay	40,000	-	40,000
Totals	<u>1,255,420</u>	<u>1,262,991</u>	<u>(7,571)</u>
City beautification:			
Personal services	3,420	36,683	(33,263)
Supplies	21,700	19,616	2,084
Professional services	8,830	8,936	(106)
Contractual services	40,000	45,863	(5,863)
Capital outlay	130,000	-	130,000
Totals	<u>203,950</u>	<u>111,098</u>	<u>92,852</u>
Total parks and recreation	<u>2,870,368</u>	<u>2,786,747</u>	<u>83,621</u>
Total expenditures	<u>\$ 16,518,226</u>	<u>\$ 16,283,494</u>	<u>\$ 234,732</u>

**CITY OF ANOKA, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2023**

<u>Bonded Indebtedness</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Authorized and Issued</u>	<u>Balance 12/31/2022</u>
General obligation bonds:					
2014A TIF Crossover Refunding Bonds	08/14/2014	02/01/2033	3.00-3.40%	\$ 6,115,000	\$ 4,730,000
2016A Public Facilities Crossover Refunding	04/27/2016	02/01/2028	2.00%	1,510,000	875,000
2020A Public Road Improvement Bonds	01/30/2020	02/01/2041	2.00-4.00%	8,545,000	8,020,000
2021A Capital Improvement Plan Bonds	09/09/2021	02/01/2042	1.00-2.00%	6,000,000	6,000,000
2022A Capital Improvement Plan Bonds	06/30/2022	02/01/2043	3.00-4.00%	3,850,000	3,850,000
2023A Public Road Improvement Bonds	06/08/2023	02/01/2039	3.00-4.00%	6,325,000	-
2023B GO Taxable Temp Abatement Bonds	09/12/2023	02/01/2026	5.05%	10,765,000	-
Total general obligation bonds				<u>43,110,000</u>	<u>23,475,000</u>
Revenue bonds:					
2016B Utility Storm Water Bonds	08/01/2016	02/01/2036	2.00-3.00%	1,795,000	1,285,000
2022B Utility Water Revenue Bonds	06/30/2022	02/01/2043	3.00-4.00%	6,000,000	6,000,000
Total revenue bonds				<u>7,795,000</u>	<u>7,285,000</u>
Total bonds payable				<u>\$ 50,905,000</u>	<u>\$ 30,760,000</u>
Loan Payable to Met Council				<u>\$ -</u>	<u>\$ 2,308,137</u>

**CITY OF ANOKA, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS - CONTINUED
DECEMBER 31, 2023**

<u>Bonded Indebtedness</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2023</u>	<u>Interest Payments</u>
General obligation bonds:				
2014A TIF Crossover Refunding Bonds	\$ -	\$ 300,000	\$ 4,430,000	\$ 154,927
2016A Public Facilities Crossover Refunding	-	140,000	735,000	16,100
2020A Public Road Improvement Bonds	-	485,000	7,535,000	217,406
2021A Capital Improvement Plan Bonds	-	250,000	5,750,000	105,455
2022A Capital Improvement Plan Bonds	-	-	3,850,000	153,250
2023A Public Road Improvement Bonds	6,325,000	-	6,325,000	-
2023B GO Taxable Temp Abatement Bonds	10,765,000	-	10,765,000	-
Total general obligation bonds	17,090,000	1,175,000	39,390,000	647,138
Revenue bonds:				
2016B Utility Storm Water Bonds	-	85,000	1,200,000	32,100
2022B Utility Water Revenue Bonds	-	-	6,000,000	238,076
Total revenue bonds	-	85,000	7,200,000	270,176
Total bonds payable	\$ 17,090,000	\$ 1,260,000	\$ 46,590,000	\$ 917,314
Loan Payable to Met Council	\$ -	\$ 1,184,025	\$ 1,124,112	\$ -

**CITY OF ANOKA, MINNESOTA
SCHEDULE OF BOND MATURITIES
DECEMBER 31, 2023**

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds:				
\$6,115,000 TIF Crossover Refunding Bonds, 2014A	08/14/2014	4.00%	02/01/2024	\$ 325,000
		4.00	02/01/2025	330,000
		4.00	02/01/2026	350,000
		3.00	02/01/2027	365,000
		3.00	02/01/2028	480,000
		3.00	02/01/2029	480,000
		3.25	02/01/2030	490,000
		3.38	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				<u>4,430,000</u>
\$1,510,000 Crossover Refunding Bonds, 2016A	04/27/2016	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				<u>735,000</u>
\$8,545,000 Road Improvement GO Bonds, 2020A	01/30/2020	4.00	02/01/2024	505,000
		4.00	02/01/2025	525,000
		4.00	02/01/2026	470,000
		4.00	02/01/2027	330,000
		4.00	02/01/2028	355,000
		4.00	02/01/2029	365,000
		2.00	02/01/2030	375,000
		2.00	02/01/2031	385,000
		2.00	02/01/2032	395,000
		2.00	02/01/2033	400,000
		2.00	02/01/2034	415,000
		2.05	02/01/2035	420,000
		2.10	02/01/2036	425,000
		2.15	02/01/2037	435,000
		2.20	02/01/2038	440,000
		2.25	02/01/2039	460,000
		2.30	02/01/2040	465,000
		2.35	02/01/2041	370,000
Total Road Improvement GO Bonds, 2020A				<u>7,535,000</u>
\$6,000,000 Capital Improvement Plan Bonds, 2021A	09/09/2021	2.00%	02/01/2024	255,000
		2.00	02/01/2025	260,000
		2.00	02/01/2026	265,000
		2.00	02/01/2027	275,000
		2.00	02/01/2028	280,000
		2.00	02/01/2029	285,000
		2.00	02/01/2030	290,000
		2.00	02/01/2031	295,000
		1.00	02/01/2032	300,000
		1.10	02/01/2033	300,000
		1.20	02/01/2034	305,000
		1.30	02/01/2035	310,000
		1.40	02/01/2036	315,000
		2.00	02/01/2037	320,000

CITY OF ANOKA, MINNESOTA
SCHEDULE OF BOND MATURITIES - CONTINUED
DECEMBER 31, 2023

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds (continued):				
\$6,000,000 Capital Improvement Plan Bonds, 2021A (continued)	09/09/2021	2.00%	02/01/2038	\$ 325,000
		2.00	02/01/2039	330,000
		2.00	02/01/2040	340,000
		2.00	02/01/2041	345,000
		2.00	02/01/2042	355,000
Total Capital Improvement Plan Bonds, 2021A				<u>5,750,000</u>
\$3,850,000 Capital Improvement Plan Bonds, 2022A	06/30/2022	4.00	02/01/2024	135,000
		4.00	02/01/2025	140,000
		2.00	02/01/2026	145,000
		4.00	02/01/2027	150,000
		4.00	02/01/2028	155,000
		4.00	02/01/2029	160,000
		4.00	02/01/2030	170,000
		4.00	02/01/2031	175,000
		3.00	02/01/2032	180,000
		3.00	02/01/2033	190,000
		3.00	02/01/2034	195,000
		3.00	02/01/2035	200,000
		3.00	02/01/2036	205,000
		3.00	02/01/2037	210,000
		3.75	02/01/2038	215,000
		3.75	02/01/2039	225,000
		4.00	02/01/2040	235,000
		4.00	02/01/2041	245,000
		4.00	02/01/2042	255,000
		4.00	02/01/2043	265,000
Total Capital Improvement Plan Bonds, 2021A				<u>3,850,000</u>
\$3,085,000 Road Improvement GO Bonds, 2023A	06/08/2023	4.00%	02/01/2024	-
		4.00	02/01/2025	385,000
		4.00	02/01/2026	395,000
		4.00	02/01/2027	415,000
		4.00	02/01/2028	430,000
		4.00	02/01/2029	445,000
		4.00	02/01/2030	355,000
		4.00	02/01/2031	375,000
		4.00	02/01/2032	390,000
		4.00	02/01/2033	405,000
		3.00	02/01/2034	420,000
		3.00	02/01/2035	440,000
		3.13	02/01/2036	445,000
		3.38	02/01/2037	460,000
		3.50	02/01/2038	475,000
		3.50	02/01/2039	490,000
Total Road Improvement GO Bonds of 2023A				<u>6,325,000</u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF BOND MATURITIES - CONTINUED
DECEMBER 31, 2023

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds (continued):				
\$10,765,000 GO Temp Tax Abatement Bonds, 2023B	09/12/2023		02/01/2024	\$ -
			02/01/2025	-
		5.05%	02/01/2026	10,765,000
Total GO Temp Tax Abatement Bonds 2023B				<u>10,765,000</u>
Total General Obligation Bonds Payable				<u>39,390,000</u>
Revenue bonds:				
\$1,795,000 Utility Revenue Bonds, 2016B	08/01/2016	2.00%	02/01/2024	85,000
		2.00	02/01/2025	85,000
		2.00	02/01/2026	85,000
		2.00	02/01/2027	85,000
		2.00	02/01/2028	90,000
		2.50	02/01/2029	90,000
		2.50	02/01/2030	90,000
		2.50	02/01/2031	90,000
		3.00	02/01/2032	90,000
		3.00	02/01/2033	95,000
		3.00	02/01/2034	100,000
		3.00	02/01/2035	105,000
		3.00	02/01/2036	110,000
Total Utility Revenue Bonds, 2016B				<u>1,200,000</u>
\$6,000,000 GO Revenue Bonds, 2022B	06/30/2022	4.00	02/01/2024	205,000
		4.00	02/01/2025	215,000
		4.00	02/01/2026	225,000
		4.00	02/01/2027	235,000
		4.00	02/01/2028	245,000
		4.00	02/01/2029	255,000
		4.00	02/01/2030	265,000
		4.00	02/01/2031	275,000
		3.00	02/01/2032	285,000
		3.00	02/01/2033	295,000
		3.00	02/01/2034	300,000
		3.00	02/01/2035	310,000
		3.05	02/01/2036	320,000
		3.10	02/01/2037	330,000
		3.15	02/01/2038	340,000
		4.00	02/01/2039	350,000
		4.00	02/01/2040	365,000
		4.00	02/01/2041	380,000
		4.00	02/01/2042	395,000
		4.00	02/01/2043	410,000
Total GO Revenue Bonds of 2022B				<u>6,000,000</u>
Total Revenue Bonds Payable				<u>7,200,000</u>
Total Bonds Payable				<u>\$ 46,590,000</u>

CITY OF ANOKA, MINNESOTA
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2023

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,360,000	\$ 1,322,755	\$ 290,000	\$ 245,500	\$ 1,650,000	\$ 1,568,255
2025	1,780,000	1,314,729	300,000	235,400	2,080,000	1,550,129
2026	12,540,000	981,713	310,000	224,900	12,850,000	1,206,613
2027	1,685,000	652,771	320,000	214,000	2,005,000	866,771
2028	1,855,000	594,796	335,000	202,425	2,190,000	797,221
2029	1,735,000	534,496	345,000	190,175	2,080,000	724,671
2030	1,680,000	479,028	355,000	177,525	2,035,000	656,553
2031	1,750,000	428,544	365,000	164,250	2,115,000	592,794
2032	1,800,000	378,184	375,000	151,775	2,175,000	529,959
2033	1,850,000	326,904	390,000	140,300	2,240,000	467,204
2034	1,335,000	285,011	400,000	128,450	1,735,000	413,461
2035	1,370,000	253,654	415,000	116,225	1,785,000	369,879
2036	1,390,000	219,985	430,000	103,470	1,820,000	323,455
2037	1,425,000	183,734	330,000	91,825	1,755,000	275,559
2038	1,455,000	144,561	340,000	81,355	1,795,000	225,916
2039	1,505,000	102,946	350,000	69,000	1,855,000	171,946
2040	1,040,000	66,743	365,000	54,700	1,405,000	121,443
2041	960,000	40,598	380,000	39,800	1,340,000	80,398
2042	610,000	19,250	395,000	24,300	1,005,000	43,550
2043	265,000	5,300	410,000	8,200	675,000	13,500
	<u>\$ 39,390,000</u>	<u>\$ 8,335,700</u>	<u>\$ 7,200,000</u>	<u>\$ 2,663,575</u>	<u>\$ 46,590,000</u>	<u>\$ 10,999,275</u>

**CITY OF ANOKA, MINNESOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITON - CUSTODIAL FUND
DECEMBER 31, 2023**

	Downtown District
Assets	
Cash and investments	\$ 72,419
Accounts receivable	5,367
Accrued interest receivable	18
Total assets	\$ 77,804
Liabilities	
Accounts payable	\$ -
Net Position	
Restricted for:	
Restricted for Downtown District	\$ 77,804
Total net position	\$ 77,804

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITON - CUSTODIAL FUND
DECEMBER 31, 2023**

	Downtown District
Additions	
Donations and contributions	\$ 71,551
Investment income	1,442
Increase in fair value of investments	626
Total additions	73,619
Deductions	
Professional services	66,712
Contractual services	54
Total deductions	66,766
Net increase in fiduciary net position	6,853
Net position - beginning of year	70,951
Net position - end of year	77,804

**CITY OF ANOKA, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY
BALANCE SHEET - COMPONENT UNIT
DECEMBER 31, 2023**

	<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>
ASSETS						
Cash and investments	\$ 525,896	\$ 33,314	\$ 62,163	\$ 75,086	\$ 6,658	\$ 703,117
Receivables, net:						
Taxes	7,200	-	-	-	762	7,962
Loans receivable	818,671	-	-	-	-	818,671
Due from other funds	652,500	-	1,067,280	-	-	1,719,780
Accrued interest	128	-	44	18	-	190
Land held for resale	133,954	-	246,308	-	1,768,513	2,148,775
Total assets	<u>\$ 2,138,349</u>	<u>\$ 33,314</u>	<u>\$ 1,375,795</u>	<u>\$ 75,104</u>	<u>\$ 1,775,933</u>	<u>\$ 5,398,495</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 18,277	\$ -	\$ 3	\$ 5	\$ 348	\$ 18,633
Accrued wages payable and other benefits	2,487	-	-	-	-	2,487
Due to other funds	-	-	-	85,480	1,634,300	1,719,780
Total liabilities	<u>20,764</u>	<u>-</u>	<u>3</u>	<u>85,485</u>	<u>1,634,648</u>	<u>1,740,900</u>
Deferred inflows of resources:						
Unavailable revenue property taxes	3,417	-	-	-	762	4,179
Unavailable revenue loans	818,671	-	-	-	-	818,671
Total deferred inflows of resources	<u>822,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762</u>	<u>822,850</u>
Fund balances:						
Nonspendable	133,954	-	-	-	-	133,954
Restricted	-	33,314	1,375,792	-	140,523	1,549,629
Unassigned	1,161,543	-	-	(10,381)	-	1,151,162
Total fund balances	<u>1,295,497</u>	<u>33,314</u>	<u>1,375,792</u>	<u>(10,381)</u>	<u>140,523</u>	<u>2,834,745</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,138,349</u>	<u>\$ 33,314</u>	<u>\$ 1,375,795</u>	<u>\$ 75,104</u>	<u>\$ 1,775,933</u>	<u>\$ 5,398,495</u>

**CITY OF ANOKA, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF THE COMPONENT UNIT
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Component Unit fund balances (page 120) \$ 2,834,745

Amounts reported for governmental activities in the statement of net position (page 31) 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. 966,516

Deferred inflows are not available to pay for current-period expenditures and therefore are deferred in the funds. 822,850

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 (1,646,961)

Governmental funds do not report a liability for accrued interest until due and payable. (17,857)

The net pension liability and related deferred inflows and deferred outflows are recorded only in only in the government-wide statement of net position. (83,753)

Net position of governmental activities \$ 2,875,540

**CITY OF ANOKA, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - COMPONENT UNIT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

	<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	\$ 344,842	\$ -	\$ -	\$ 54,717	\$ 128,339	\$ 527,898
Loan receivable payments	44,520	-	-	-	-	44,520
Interest income	36,700	-	37,234	1,183	9	75,126
Net increase in fair value of investments	15,166	-	410	92	-	15,668
Miscellaneous	4,408	-	-	-	-	4,408
Total revenues	<u>445,636</u>	<u>-</u>	<u>37,644</u>	<u>55,992</u>	<u>128,348</u>	<u>667,620</u>
Expenditures						
Current:						
Urban redevelopment and housing	598,033	-	10	1,397	11,598	611,038
Debt service:						
Principal retirement	-	25,000	-	-	-	25,000
Interest and fiscal charges	-	43,708	-	3,366	51,201	98,275
Total expenditures	<u>598,033</u>	<u>68,708</u>	<u>10</u>	<u>4,763</u>	<u>62,799</u>	<u>734,313</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(152,397)</u>	<u>(68,708)</u>	<u>37,634</u>	<u>51,229</u>	<u>65,549</u>	<u>(66,693)</u>
Other financing (uses) including transfers:						
Transfers in	359,000	70,000	-	-	-	429,000
Transfers out	(359,000)	-	-	-	(70,000)	(429,000)
Total other financing sources	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>-</u>
Net changes in fund balances	(152,397)	1,292	37,634	51,229	(4,451)	(66,693)
Fund balances (deficit) at beginning of year	<u>1,447,894</u>	<u>32,022</u>	<u>1,338,158</u>	<u>(61,610)</u>	<u>144,974</u>	<u>2,901,438</u>
Fund balances (deficit) at end of year	<u>\$ 1,295,497</u>	<u>\$ 33,314</u>	<u>\$ 1,375,792</u>	<u>\$ (10,381)</u>	<u>\$ 140,523</u>	<u>\$ 2,834,745</u>

**CITY OF ANOKA, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE COMPONENT UNIT
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances (page 122) \$ (66,693)

Amounts reported for government activities in the statement of activities (page 32) 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. (16,429)

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. 268,132

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. 25,000

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. 697

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. 444

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. (10,298)

Change in net position of governmental activities \$ 200,853

**CITY OF ANOKA, MINNESOTA
HOUSING AND REHABILITATION AUTHORITY
COMBINED SCHEDULE OF INDEBTEDNESS - COMPONENT UNIT
DECEMBER 31, 2023**

<u>Bonded Indebtedness</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Authorized and Issued</u>	<u>Balance 12/31/2022</u>
HRA General obligation bonds:					
2019A HRA GO TIF Revenue Bonds	09/05/2019	02/01/2043	2.10-3.00%	\$ 1,690,000	\$ 1,665,000
Total HRA bonds payable				<u>\$ 1,690,000</u>	<u>\$ 1,665,000</u>

<u>Bonded Indebtedness continued</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2023</u>	<u>Interest Payments</u>
HRA General obligation bonds:				
2019A HRA GO TIF Revenue Bonds	\$ -	\$ 25,000	\$ 1,640,000	\$ 43,232
Total general obligation revenue bonds	<u>\$ -</u>	<u>25,000</u>	<u>\$ 1,640,000</u>	<u>\$ 43,232</u>
			<u>\$ 1,640,000</u>	

**CITY OF ANOKA, MINNESOTA
HOUSING AND REDEVELOPMENT AUTHORITY
SCHEDULE OF BOND MATURITIES - COMPONENT UNIT
DECEMBER 31, 2023**

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>
General obligation bonds:				
\$1,690,000 HRA GO TIF Bonds of 2019A	09/05/2019	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>1,640,000</u>
Total General Obligation Bonds Payable				<u>\$ 1,640,000</u>

**CITY OF ANOKA, MINNESOTA
HOUSING AND REHABILITATION AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS - COMPONENT UNITS
DECEMBER 31, 2023**

Year	General Obligation Bonds	
	Principal	Interest
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
	\$ 1,640,000	\$ 493,634

CITY OF ANOKA, MINNESOTA

STATISTICAL SECTION

This part of the City of Anoka's annual comprehensive 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.

**CITY OF ANOKA, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities:				
Net investment in capital assets	\$ 66,844,241	\$ 71,334,409	\$ 75,833,210	\$ 81,699,387
Restricted	5,197,093	5,828,258	5,174,912	3,356,040
Unrestricted	<u>10,721,398</u>	<u>6,150,596</u>	<u>1,313,763</u>	<u>491,185</u>
Total governmental activities net position	<u>\$ 82,762,732</u>	<u>\$ 83,313,263</u>	<u>\$ 82,321,885</u>	<u>\$ 85,546,612</u>
Business-type activities:				
Net investment in capital assets	\$ 38,846,655	\$ 41,105,603	\$ 41,570,574	\$ 43,686,972
Restricted	256,330	228,725	1,237,871	-
Unrestricted	<u>19,782,441</u>	<u>17,632,441</u>	<u>17,638,923</u>	<u>18,029,772</u>
Total business-type activities net position	<u>\$ 58,885,426</u>	<u>\$ 58,966,769</u>	<u>\$ 60,447,368</u>	<u>\$ 61,716,744</u>
Primary government:				
Net investment in capital assets	\$ 105,690,896	\$ 112,440,012	\$ 117,403,784	\$ 125,386,359
Restricted	5,453,423	6,056,983	6,412,783	3,356,040
Unrestricted	<u>30,503,839</u>	<u>23,783,037</u>	<u>18,952,686</u>	<u>18,520,957</u>
Total primary government net position	<u>\$ 141,648,158</u>	<u>\$ 142,280,032</u>	<u>\$ 142,769,253</u>	<u>\$ 147,263,356</u>

CITY OF ANOKA, MINNESOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

2018	2019	2020	2021	2022	2023
\$ 85,684,691	\$ 91,561,788	\$ 100,463,238	\$ 104,193,106	\$ 107,298,169	\$ 106,224,477
6,382,800	6,649,391	7,077,597	8,418,676	8,464,699	10,174,879
(4,594,994)	(7,532,855)	(7,968,519)	(7,759,881)	(10,002,283)	(15,751,789)
\$ 87,472,497	\$ 90,678,324	\$ 99,572,316	\$ 104,851,901	\$ 105,760,585	\$ 100,647,567
\$ 42,869,504	\$ 44,782,151	\$ 43,809,804	\$ 47,083,928	\$ 50,527,016	\$ 52,185,655
-	-	-	-	-	-
19,759,309	19,891,011	23,816,074	24,545,230	25,013,867	28,135,176
\$ 62,628,813	\$ 64,673,162	\$ 67,625,878	\$ 71,629,158	\$ 75,540,883	\$ 80,320,831
\$ 128,554,195	\$ 136,343,939	\$ 144,273,042	\$ 151,277,034	\$ 157,825,185	\$ 158,410,132
6,382,800	6,649,391	7,077,597	8,418,676	8,464,699	10,174,879
15,164,315	12,358,156	15,847,555	16,785,349	15,011,584	12,383,387
\$ 150,101,310	\$ 155,351,486	\$ 167,198,194	\$ 176,481,059	\$ 181,301,468	\$ 180,968,398

CITY OF ANOKA, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities:				
General government	\$ 2,575,107	\$ 2,354,218	\$ 2,581,670	\$ 2,606,360
Public safety	5,303,656	5,630,639	7,296,891	6,434,580
Public works	2,580,990	2,505,957	2,778,563	2,927,491
Parks and recreation	2,582,244	2,462,522	2,455,616	2,963,585
Interest on long-term debt	514,894	549,923	557,369	508,276
Total governmental activities expenses	<u>13,556,891</u>	<u>13,503,259</u>	<u>15,670,109</u>	<u>15,440,292</u>
Business-type activities:				
Electric	24,728,393	25,074,193	26,193,102	26,685,242
Water	1,423,583	1,362,189	1,408,208	1,329,635
Sewer	2,113,023	2,018,953	2,202,166	2,260,974
Storm drainage	184,749	209,167	268,033	188,734
Liquor stores	4,007,571	3,977,014	4,038,791	4,267,203
Golf	939,188	1,019,747	1,073,673	1,107,911
Refuse	135,444	124,159	116,745	112,193
Recycling	271,444	284,608	293,927	297,525
Total business-type activities expenses	<u>33,803,395</u>	<u>34,070,030</u>	<u>35,594,645</u>	<u>36,249,417</u>
Total primary government expenses	<u>\$ 47,360,286</u>	<u>\$ 47,573,289</u>	<u>\$ 51,264,754</u>	<u>\$ 51,689,709</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 132,467	\$ 295,002	\$ 269,319	\$ 251,317
Public safety	1,306,662	1,389,495	1,198,722	1,206,524
Public works	1,208,335	1,482,100	1,113,023	1,627,532
Parks and recreation	446,436	512,643	533,668	563,717
Operating grants and contributions	268,999	264,399	295,741	310,718
Capital grants and contributions	2,584,266	393,326	187,695	2,412,774
Total governmental activities program revenues	<u>5,947,165</u>	<u>4,336,965</u>	<u>3,598,168</u>	<u>6,372,582</u>
Business-type activities:				
Charges for services				
Electric	27,406,129	27,968,233	27,804,476	27,649,947
Water	1,489,934	1,606,698	1,774,756	1,887,801
Sewer	2,052,380	2,097,836	2,157,690	2,249,203
Storm drainage	471,678	472,283	491,314	559,706
Liquor stores	4,179,462	4,174,041	4,117,403	4,428,648
Golf	913,354	931,322	974,193	913,608
Refuse	133,959	111,711	114,016	106,540
Recycling	236,453	236,021	239,079	239,915
Operating grants and contributions	21,049	50,739	56,042	61,796
Total business-type activities revenues	<u>36,904,398</u>	<u>37,648,884</u>	<u>37,728,969</u>	<u>38,097,164</u>
Total primary government revenues	<u>\$ 42,851,563</u>	<u>\$ 41,985,849</u>	<u>\$ 41,327,137</u>	<u>\$ 44,469,746</u>

CITY OF ANOKA, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

2018	2019	2020	2021	2022	2023
\$ 2,583,277	\$ 2,583,603	\$ 2,882,766	\$ 2,753,083	\$ 2,979,676	\$ 3,209,025
6,667,289	6,534,566	7,059,355	6,620,998	7,953,219	9,651,002
2,778,395	3,143,535	3,499,233	3,615,589	28,833,240	27,426,808
2,756,501	3,019,196	2,816,971	3,918,949	3,833,994	3,833,783
509,195	564,216	660,070	678,737	777,873	1,033,174
15,294,657	15,845,116	16,918,395	17,587,356	44,378,002	45,153,792
27,695,950	27,797,859	27,503,734	29,048,446	32,834,098	31,838,384
1,430,534	1,396,536	1,536,990	1,522,326	1,765,283	2,010,751
2,336,214	2,397,685	2,372,326	2,313,551	2,683,510	2,858,291
222,292	244,539	283,450	344,677	280,670	588,550
4,081,459	4,100,343	4,613,761	4,391,013	3,734,381	2,810,873
1,088,099	1,103,679	1,228,152	1,392,531	1,418,965	1,586,308
101,672	-	-	-	-	-
315,252	359,105	387,069	435,717	419,740	448,576
37,271,472	37,399,746	37,925,482	39,448,261	43,136,647	42,141,733
\$ 52,566,129	\$ 53,244,862	\$ 54,843,877	\$ 57,035,617	\$ 87,514,649	\$ 87,295,525
\$ 208,264	\$ 148,888	\$ 227,542	\$ 238,499	\$ 333,671	\$ 464,927
1,099,352	756,474	905,560	1,223,724	945,074	1,267,556
1,105,052	840,771	1,414,204	896,859	846,318	1,170,991
473,000	611,299	341,053	649,013	759,343	708,353
314,285	347,271	5,348,931	267,281	606,917	1,611,164
785,219	3,740,950	3,564,068	6,336,679	27,663,547	20,378,171
3,985,172	6,445,653	11,801,358	9,612,055	31,154,870	25,601,162
29,474,681	29,084,623	29,296,536	30,831,936	36,442,857	35,449,010
1,814,740	1,658,795	1,803,882	1,909,921	1,873,192	2,088,679
2,349,392	2,497,328	2,743,766	2,755,045	2,867,567	2,979,974
627,500	674,280	756,857	797,425	783,700	790,706
4,247,545	4,263,089	4,876,807	4,607,366	3,531,627	2,447,817
873,424	959,146	1,291,034	1,422,446	1,399,177	1,561,660
94,732	36	-	-	-	-
242,651	286,459	330,045	471,648	399,776	403,472
56,611	53,415	206,482	5,363	34,299	124,012
39,781,276	39,477,171	41,305,409	42,801,150	47,332,195	45,845,330
\$ 43,766,448	\$ 45,922,824	\$ 53,106,767	\$ 52,413,205	\$ 78,487,065	\$ 71,446,492

CITY OF ANOKA, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (expense) revenue:				
Governmental activities	\$ (7,609,726)	\$ (9,166,294)	\$ (12,071,941)	\$ (9,067,710)
Business-type activities	3,101,003	3,578,854	2,134,324	1,847,747
Total primary government net (expense)/revenue	<u>\$ (4,508,723)</u>	<u>\$ (5,587,440)</u>	<u>\$ (9,937,617)</u>	<u>\$ (7,219,963)</u>
General Revenues and Other Sources in Net Position				
Governmental activities:				
Property taxes levied for general purpose	\$ 5,313,111	\$ 5,328,549	\$ 6,298,054	\$ 6,633,011
Property taxes levied for debt service	386,417	387,269	154,800	(2,006)
Property taxes from tax increments	2,557,981	2,660,321	410,817	544,134
Franchise taxes	1,331,955	1,344,354	1,334,186	1,315,417
Unrestricted grants, aid, and contributions	1,575,982	1,678,395	1,712,178	1,719,554
Unrestricted investment income	383,830	122,552	62,064	104,574
Gain (loss) on disposal of capital assets	(413,606)	343,103	(399,610)	371,287
Other	285,953	614,075	84,074	104,460
Transfers	2,285,000	2,808,000	1,424,000	1,500,000
Transfer of operations	(589,849)	-	-	-
Contributed capital	-	(731,000)	-	-
Total governmental activities	<u>13,116,774</u>	<u>14,555,618</u>	<u>11,080,563</u>	<u>12,290,431</u>
Business-type activities				
Interest and investment earnings	588,632	268,561	290,001	327,960
Gain on sale of capital assets	60,505	21,999	8,562	32,465
Other	580,366	563,698	451,212	561,204
Transfers	(2,285,000)	(2,808,000)	(1,424,000)	(1,500,000)
Contributed capital	-	731,000	-	-
Total business-type activities	<u>(1,055,497)</u>	<u>(1,222,742)</u>	<u>(674,225)</u>	<u>(578,371)</u>
Total primary government	<u>\$ 12,061,277</u>	<u>\$ 13,332,876</u>	<u>\$ 10,406,338</u>	<u>\$ 11,712,060</u>
Change in Net Position				
Governmental activities	\$ 5,507,048	\$ 5,389,324	\$ (991,378)	\$ 3,222,721
Business-type activities	2,045,506	2,356,112	1,460,099	1,269,376
Total primary government	<u>\$ 7,552,554</u>	<u>\$ 7,745,436</u>	<u>\$ 468,721</u>	<u>\$ 4,492,097</u>

CITY OF ANOKA, MINNESOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

2018	2019	2020	2021	2022	2023
\$ (11,309,485)	\$ (9,399,463)	\$ (5,117,037)	\$ (7,975,301)	\$ (13,223,132)	\$ (19,552,630)
2,509,804	2,077,425	3,379,927	3,352,889	4,195,548	3,703,597
\$ (8,799,681)	\$ (7,322,038)	\$ (1,737,110)	\$ (4,622,412)	\$ (9,027,584)	\$ (15,849,033)
\$ 6,830,816	\$ 7,023,911	\$ 7,293,631	\$ 6,703,278	\$ 7,436,193	\$ 7,517,944
(324)	-	39	750,000	377,337	731,221
573,642	620,090	653,679	611,390	610,756	679,354
1,355,374	1,315,467	1,353,488	1,403,673	1,385,067	1,355,763
1,822,734	1,829,333	1,976,993	2,039,715	2,555,322	2,664,318
122,509	250,681	37,510	18,090	(197,848)	375,009
5,515	452,706	998,780	14,722	245,173	-
423,977	80,902	303,439	401,694	494,816	301,003
2,380,000	1,032,200	1,393,470	1,312,324	1,225,000	815,000
-	-	-	-	-	-
-	-	-	-	-	-
13,514,243	12,605,290	14,011,029	13,254,886	14,131,816	14,439,612
480,225	645,719	491,638	232,854	(134,153)	961,196
1,501	16,380	23,555	1,103,229	114,362	40,992
300,539	337,025	451,066	626,632	960,968	889,163
(2,380,000)	(1,032,200)	(1,393,470)	(1,312,324)	(1,225,000)	(815,000)
-	-	-	-	-	-
(1,597,735)	(33,076)	(427,211)	650,391	(283,823)	1,076,351
\$ 11,916,508	\$ 12,572,214	\$ 13,583,818	\$ 13,905,277	\$ 13,847,993	\$ 15,515,963
\$ 2,204,758	\$ 3,205,827	\$ 8,893,992	\$ 5,279,585	\$ 908,684	\$ (5,113,018)
912,069	2,044,349	2,952,716	4,003,280	3,911,725	4,779,948
\$ 3,116,827	\$ 5,250,176	\$ 11,846,708	\$ 9,282,865	\$ 4,820,409	\$ (333,070)

CITY OF ANOKA, MINNESOTA
COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Unaudited)

	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 66,191	\$ 22,103	\$ 43,921	\$ 55,026
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	4,814,642	5,647,410	4,526,917	4,681,652
Total general fund	\$ 4,880,833	\$ 5,669,513	\$ 4,570,838	\$ 4,736,678
All other governmental funds:				
Nonspendable:				
Building Improvement	\$ 966,564	\$ 241,921	\$ -	\$ -
State Aid	2,525,556	2,525,556	-	-
Commuter Rail Tax Increment	205,274	432,331	-	-
Nonmajor Governmental Funds	4,430,513	4,999,746	-	-
Restricted:				
Building Improvement	-	-	241,921	-
Debt Service	-	-	-	-
State Aid	-	-	2,525,556	2,331,233
Commuter Rail Tax Increment	-	-	432,331	432,331
Greens of Anoka Tax Increment	-	-	472,087	639,312
Nonmajor Governmental Funds	7,731,730	546,128	6,306,736	3,737,443
Committed:				
Nonmajor Governmental Funds	1,961,560	2,093,916	2,166,383	2,171,886
Assigned:				
Building Improvement	-	-	-	241,921
State Aid	651,471	233,851	237,632	-
Street Renewal	-	277,809	852,140	230,000
Nonmajor Governmental Funds	305,712	1,009,351	556,128	536,764
Unassigned:				
Building Improvement	(702,076)	(653,314)	(469,836)	(338,029)
State Aid	-	-	-	(206,438)
Street Renewal	(791,125)	-	-	(194,181)
Commuter Rail Tax Increment	(1,371,901)	(2,449,485)	(3,506,643)	(3,417,107)
Greens of Anoka Tax Increment	(812,290)	(1,097,010)	(1,642,691)	(2,141,161)
Nonmajor Governmental Funds	(433,517)	(7,093)	(2,053,591)	(1,426,787)
Total all other governmental funds	\$ 14,667,471	\$ 8,153,707	\$ 6,118,153	\$ 2,597,187

CITY OF ANOKA, MINNESOTA
COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

2018	2019	2020	2021	2022	2023
\$ 97,755	\$ 25,233	\$ 60,756	\$ 47,977	\$ 52,459	\$ 165,585
-	-	-	-	-	-
-	-	-	-	-	-
4,865,938	5,042,915	5,533,135	5,973,420	6,114,646	4,669,677
\$ 4,963,693	\$ 5,068,148	\$ 5,593,891	\$ 6,021,397	\$ 6,167,105	\$ 4,835,262
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,325	-	1,200	-	1,200
-	-	-	1,328,360	923,205	9,604,277
-	-	-	-	-	-
2,331,233	-	-	-	-	-
432,331	580,627	580,627	580,627	580,627	580,627
2,837,536	3,185,170	3,295,471	3,297,363	3,297,363	3,297,363
3,468,334	3,214,971	3,887,735	4,087,851	4,105,858	5,664,517
2,287,781	2,390,007	2,517,248	2,436,386	1,812,632	1,885,178
-	81,951	-	241,921	729,776	1,240,717
123,339	860,641	734,431	-	1,337,432	-
-	-	529,298	-	-	-
462,073	440,968	627,468	48,864	306,689	168,029
(279,044)	-	(3,675,315)	-	-	-
(1,147,191)	-	-	(275,909)	-	(2,972,452)
-	(1,675,941)	-	(185,889)	(3,135,621)	(1,102,281)
(3,452,520)	(3,489,819)	(3,399,806)	(3,351,472)	(3,260,594)	(3,105,873)
(4,797,651)	(6,238,527)	(6,922,643)	(9,820,262)	(9,241,043)	(9,122,792)
(1,418,483)	(1,384,995)	(1,357,598)	(1,325,540)	(1,305,191)	(1,332,937)
\$ 847,738	\$ (2,029,622)	\$ (3,183,084)	\$ (2,936,500)	\$ (3,848,867)	\$ 4,805,573

CITY OF ANOKA, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Unaudited)

	2014	2015	2016	2017
Revenues:				
Taxes	\$ 8,252,307	\$ 8,371,829	\$ 6,870,080	\$ 7,222,789
Special assessments	406,265	779,143	728,197	937,857
Franchise fees	1,331,956	1,344,354	1,334,187	1,315,417
Licenses and permits	467,613	670,749	516,502	510,866
Intergovernmental	4,429,247	2,313,979	2,160,485	4,386,815
Charges for current services	1,692,328	1,760,765	1,235,983	1,341,940
Fines and forfeitures	143,307	124,199	108,694	105,221
Investment income	93,821	92,413	109,948	64,793
Increase (decrease) in fair market value	290,008	29,601	(48,495)	39,780
Miscellaneous	544,037	653,297	369,586	576,183
Total revenues	17,650,889	16,140,329	13,385,167	16,501,661
Expenditures:				
General government	1,950,610	1,815,586	1,866,244	1,970,551
Public safety	5,142,440	5,292,015	5,778,198	5,725,648
Public works	1,318,375	1,206,679	1,293,682	1,383,635
Parks and recreation	1,781,546	1,836,474	1,856,402	2,222,705
Capital outlay	10,106,587	6,529,280	6,542,355	7,561,788
Capital outlay, present value of new lease	-	-	-	-
Debt service:				
Principal retirement	499,150	7,709,150	540,000	2,299,323
Interest and fiscal charges	432,349	627,332	532,886	564,423
Bond issuance charges	75,089	-	47,830	-
Total expenditures	21,306,146	25,016,516	18,457,597	21,728,073
Deficiency of revenues over expenditures	(3,655,257)	(8,876,187)	(5,072,430)	(5,226,412)
Other Financing Sources (Uses):				
Bond proceeds/refunding of bonds	6,383,638	-	1,563,811	-
Proceeds from the sale of asset	365,539	343,103	(399,610)	371,287
Lease liability issued	-	-	-	-
Transfers in	5,701,000	4,150,553	5,075,816	2,880,000
Transfers out	(3,466,000)	(1,342,553)	(4,301,816)	(1,380,000)
Total other financing sources (uses)	8,984,177	3,151,103	1,938,201	1,871,287
Special item - Transfer of operations	(589,849)	-	-	-
Net change in fund balances	\$ 4,739,071	\$ (5,725,084)	\$ (3,134,229)	\$ (3,355,125)
Debt service as a percentage of noncapital expenditures	8.3%	45.1%	9.0%	20.2%

CITY OF ANOKA, MINNESOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

2018	2019	2020	2021	2022	2023
\$ 7,415,101	\$ 7,622,277	\$ 7,937,431	\$ 8,078,093	\$ 8,399,243	\$ 8,954,125
568,810	783,656	822,204	697,726	605,419	689,000
1,355,374	1,315,467	1,353,488	1,403,673	1,385,067	108,975
460,828	392,030	614,320	579,188	635,756	1,355,763
2,899,531	5,882,279	10,879,367	8,923,893	30,826,332	24,660,471
1,275,339	999,699	864,733	1,275,305	1,435,427	1,465,048
99,639	103,406	101,672	126,476	115,409	978,745
63,978	221,567	51,460	18,911	58,039	276,669
58,531	61,469	(4,602)	(821)	(255,887)	173,619
1,059,538	265,159	455,537	578,012	712,946	500,749
15,256,669	17,647,009	23,075,610	21,680,456	43,917,751	39,163,164
1,952,175	1,940,127	2,199,918	2,030,120	2,131,096	2,225,010
6,328,450	6,334,835	6,816,278	6,951,633	7,356,755	8,404,384
1,198,199	1,531,546	1,866,679	1,744,465	26,818,385	1,744,670
2,148,193	2,305,075	2,200,479	2,362,423	2,784,181	26,290,876
6,321,888	8,532,730	17,122,150	13,943,210	8,932,316	4,392,350
-	-	-	-	593,264	180,340
675,000	680,000	700,000	685,000	1,295,310	2,446,306
535,198	588,238	640,911	688,945	764,510	887,472
-	-	79,865	127,114	85,328	212,561
19,159,103	21,912,551	31,626,280	28,532,910	50,761,145	46,783,969
(3,902,434)	(4,265,542)	(8,550,670)	(6,852,454)	(6,843,394)	(7,620,805)
-	-	5,530,701	6,199,498	4,013,298	13,948,062
-	460,437	998,780	14,722	245,173	-
-	-	-	-	593,264	180,340
3,374,500	2,199,200	2,329,470	1,762,324	1,997,700	2,727,903
(994,500)	(1,167,000)	(936,000)	(450,000)	(772,700)	(1,912,903)
2,380,000	1,492,637	7,922,951	7,526,544	6,076,735	14,943,402
-	-	-	-	-	-
\$ (1,522,434)	\$ (2,772,905)	\$ (627,719)	\$ 674,090	\$ (766,659)	\$ 7,322,597
9.4%	9.5%	9.2%	9.4%	5.0%	7.9%

CITY OF ANOKA, MINNESOTA
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					
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%
2021	20,827,528	176,779	21,004,307	1,527,248	22,531,555	34.253%	1,780,566,900	1.27%
2022	21,863,594	188,785	22,052,379	1,691,769	23,744,148	34.237%	1,869,553,900	1.27%
2023	26,309,723	207,716	26,517,439	1,189,496	27,706,935	30.796%	2,229,586,600	1.24%

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

**CITY OF ANOKA, MINNESOTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

(Unaudited)

Year Taxes Payable	City		Overlapping Rates			
	General Fund	Debt	School Dist #1	Anoka County	Special Districts	Total
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
2021	29.994	4.259	16.389	31.086	4.211	85.939
2022	32.586	1.651	16.547	29.254	3.992	84.030
2023	28.063	2.733	13.883	24.176	3.472	72.327

Special Districts includes City HRA, Met Council (Bonds, General, Livable Community and Trans Dist Bonds), Met Mosquito Control, and RR Authority (Bonds and General)

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

**CITY OF ANOKA, MINNESOTA
PRINCIPAL TAXPAYERS
DECEMBER 31, 2023**

(Unaudited)

Taxpayer	Type of Business	Rank	2023		2014	
			Individual Tax Capacity	Percent of Total Tax Capacity	Individual Tax Capacity	Percent of Total Tax Capacity
3500 Thurston LLC	Cake decorations supplier	1	\$ 461,735	1.74%		
Cutters Grove LLC	Apartments	2	454,506	1.71%	1	208,392 1.75%
Hoffman Enclosures	Electrical enclosures	3	385,943	1.45%	2	206,875 1.73%
Ad Center LLC	Ammunition warehousing	4	340,326	1.28%		
Federal Cartridge	Ammunition manufacturing	5	334,902	1.26%	4	179,252 1.50%
Walker Senior Housing	Apartments Senior Living & Care	6	331,496	1.25%		
Homestead at Anoka	Apartments Senior Living & Care	7	314,813	1.19%		
Paul & Eleanor Sade Trust	Sheet steel fabrication	8	309,360	1.17%	5	162,838 1.36%
CRW Anoka	Furniture warehousing	9	286,984	1.08%	6	156,294 1.31%
Cretex Companies	Medical device manufacturing	10	282,938	1.07%		
Graco	Fluid handling				9	131,838 1.10%
Anoka Industrial LLC	Cake decorations supplier				3	203,258 1.70%
Austin Grove LLC	Ammunition warehousing				7	143,900 1.21%
Sundquist Properties II LLC	Precision machining				8	141,024 1.18%
Rural Community Ins	Insurance				10	129,874 1.09%
			<u>\$ 3,503,003</u>	<u>13.20%</u>		<u>\$ 1,663,545</u> <u>13.93%</u>

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

CITY OF ANOKA, MINNESOTA
BUILDING PERMIT VALUES AND REAL PROPERTY VALUES
LAST TEN FISCAL YEARS

(Unaudited)

Year	Number of Permits	Residential Value	Commercial Value	Total	PROPERTY VALUE ¹			
					Commercial	Residential	Nontaxable	Total
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
2021	516	10,449,112	30,248,969	40,698,081	763,604,100	1,007,750,900	375,713,200	2,147,068,200
2022	704	11,554,307	40,734,767	52,289,074	816,358,300	1,053,195,600	393,525,100	2,263,079,000
2023	738	4,919,415	67,572,473	72,491,888	783,962,900	1,445,623,700	393,830,400	2,623,417,000

¹ Source of Data: Anoka County Department of Property Records and Taxation.

CITY OF ANOKA, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal year	Collected Within the Fiscal Year of Levy			Delinquent	Total Collections to Date	
	Total Tax Levy	Current Tax Collections	% of Current Tax Levy	Tax Collections in Subsequent Fiscal Years	Total Tax Collections	% of Total Tax Levy
2014	\$ 5,712,265	\$ 5,648,027	98.88%	\$ 64,011	\$ 5,712,038	100.0%
2015	5,707,246	5,649,416	98.99%	57,830	5,707,246	100.0%
2016	6,453,475	6,390,569	99.03%	62,906	6,453,475	100.0%
2017	6,641,230	6,593,821	99.29%	45,989	6,639,810	100.0%
2018	6,838,335	6,797,121	99.40%	29,602	6,826,724	99.8%
2019	7,028,564	6,974,745	99.23%	49,347	7,024,092	99.9%
2020	7,303,005	7,234,024	99.06%	5,704	7,239,728	99.1%
2021	7,446,100	7,383,097	99.15%	42,192	7,425,289	99.7%
2022	7,811,653	7,735,292	99.02%	69,571	7,804,864	99.9%
2023	8,295,583	8,213,744	99.01%	-	8,213,744	99.0%

Note: Includes Market Value and Homestead Credit.

**CITY OF ANOKA, MINNESOTA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Percent of	
	General Obligation Bonds	G.O. Tax Increment Bonds	G.O. Revenue Bonds	Premium on Bonds	Lease Liability	Met Council Loan	General Obligation Bonds	G.O. Revenue Bonds	Premium on Bonds		Personal Income ¹	Per Capita ¹
2014	\$2,750,000	\$13,450,000	\$1,023,150	\$ -	\$ -	\$2,502,460	\$ -	\$1,421,850	\$ -	\$21,147,460	2.43	1,224
2015	2,430,000	6,115,000	1,700,000	249,189	-	2,502,460	-	440,000	-	13,436,649	1.51	775
2016	2,135,000	5,970,000	3,110,000	285,305	-	2,502,460	-	2,020,000	60,774	16,083,539	1.74	894
2017	1,805,000	5,795,000	1,510,000	266,144	-	2,308,137	-	1,710,000	57,589	13,451,870	1.40	739
2018	1,430,000	5,615,000	1,390,000	246,983	-	2,308,137	-	1,625,000	54,404	12,669,524	1.27	682
2019	1,060,000	5,430,000	1,265,000	227,822	-	2,308,137	-	1,540,000	51,219	11,882,178	1.15	634
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	1.94	1,142
2021	11,545,000	5,010,000	1,010,000	690,873	-	2,308,137	3,295,000	1,370,000	214,585	25,443,595	2.26	1,410
2022	14,705,000	4,730,000	875,000	805,173	402,955	2,308,137	3,165,000	7,285,000	473,468	34,749,733	2.91	1,917
2023	17,185,000	4,430,000	735,000	847,126	593,264	1,124,112	6,275,000	7,200,000	538,648	38,928,150	3.16	2,148

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

¹ Population and personal income data can be found in the schedule of Demographic and Economic Statistics on [page 149](#)

CITY OF ANOKA, MINNESOTA
RATIOS OF NET GENERAL OBLIGATION
BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds ³	Net Position Restricted for Debt Service	Net Bonded Debt	Percentage of Estimated Actual Value of Property ¹	Per Capita ²
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	15,600,000	554,827	15,045,173	0.88	854
2021	20,860,000	590,325	20,269,675	1.14	1,124
2022	24,441,021	1,468,151	22,972,870	1.23	1,267
2023	29,714,822	2,241,184	27,473,638	1.23	1,516

¹ Property value data can be found in the schedule of Building Permit Values and Real Property Values schedule on [page 141](#)

² Population data can be found in the schedule of Demographic and Economic Statistics on [page 149](#)

³ Net of related premiums, discounts and adjustments

**CITY OF ANOKA, MINNESOTA
DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2023**

(Unaudited)

<u>Governmental Unit</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percent Applicable to City¹</u>	<u>Net Amount Applicable to City</u>
Direct:			
City of Anoka	\$ 24,914,502	100%	<u>\$ 24,914,502</u>
Overlapping:			
Anoka County	34,695,000	4.61%	1,599,706
Anoka-Hennepin School District #11	238,210,000	6.88%	16,393,151
Metro Council	1,694,829,000	0.45%	7,615,426
Met Council/RR Auth Special Dist	20,125,000	4.61%	<u>927,917</u>
Total Overlapping Debt			<u>26,536,200</u>
Total Direct and Overlapping Debt			<u><u>\$ 51,450,702</u></u>

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

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

CITY OF ANOKA, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Market value of taxable property	<u>\$ 1,036,711,300</u>	<u>\$ 1,188,602,800</u>	<u>\$ 1,265,845,300</u>	<u>\$ 1,362,116,000</u>
Statutory debt limit (3% of market value)	<u>31,101,339</u>	<u>35,658,084</u>	<u>37,975,359</u>	<u>40,863,480</u>
Amount of debt applicable to debt limit:				
Total bonds and notes payable	21,147,460	13,436,649	15,737,460	13,128,137
Less:				
Debt service fund balance	1,109,803	459,205	1,991,191	544,057
Met Council loan	2,502,460	2,502,460	2,502,460	2,308,137
Revenue bonds	1,421,850	440,000	2,020,000	1,710,000
Improvement bonds	<u>13,450,000</u>	<u>6,115,000</u>	<u>5,970,000</u>	<u>5,795,000</u>
	<u>2,663,347</u>	<u>3,919,984</u>	<u>3,253,809</u>	<u>2,770,943</u>
Legal debt margin	<u>\$ 28,437,992</u>	<u>\$ 31,738,100</u>	<u>\$ 34,721,550</u>	<u>\$ 38,092,537</u>
Total debt applicable to the limit as a percentage of debt limit	9%	11%	9%	7%

CITY OF ANOKA, MINNESOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>\$ 1,477,729,000</u>	<u>\$ 1,598,996,300</u>	<u>\$ 1,697,169,300</u>	<u>\$ 1,780,566,900</u>	<u>\$ 1,869,553,900</u>	<u>\$ 2,229,586,600</u>
<u>44,331,870</u>	<u>47,969,889</u>	<u>50,915,079</u>	<u>53,417,007</u>	<u>56,086,617</u>	<u>66,887,598</u>
12,368,137	11,603,137	19,363,137	24,538,137	33,068,137	47,714,112
547,394	565,981	1,241,063	1,465,850	987,300	2,051,092
2,308,137	2,308,137	2,308,137	2,308,137	2,308,137	1,124,112
1,625,000	1,540,000	1,455,000	1,370,000	7,285,000	7,200,000
<u>5,615,000</u>	<u>5,430,000</u>	<u>13,760,000</u>	<u>13,500,000</u>	<u>12,750,000</u>	<u>18,290,000</u>
<u>2,272,606</u>	<u>1,759,019</u>	<u>598,937</u>	<u>5,894,150</u>	<u>9,737,700</u>	<u>19,048,908</u>
<u>\$ 42,059,264</u>	<u>\$ 46,210,870</u>	<u>\$ 50,316,142</u>	<u>\$ 47,522,857</u>	<u>\$ 46,348,917</u>	<u>\$ 47,838,690</u>
5%	4%	1%	11%	17%	28%

**CITY OF ANOKA, MINNESOTA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

(Unaudited)

Fiscal Year	Operating Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2021	5,456,331	3,121,824	2,334,507	140,000	127,860	8.72
2022	5,520,974	3,657,220	1,863,754	215,000	122,460	5.52
2023	5,856,319	4,020,457	1,835,862	215,000	353,636	3.23

**CITY OF ANOKA, MINNESOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

(Unaudited)

Year	Population ¹	Personal Income (Amounts in Thousands) ³	City of Anoka Per Capita Income ²	County Per Capita Income ²	7-County Metro Area Per Capita Income ²	County Unemployment Rate ²	7-County Metro Area Unemployment Rate ²
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	17,615	1,039,637	59,020	57,980	71,500	4.8	4.4
2021	18,041	1,126,697	62,452	60,996	74,360	2.6	2.3
2022	18,127	1,192,394	65,780	61,568	76,856	3.0	2.7
2023	18,127	1,230,098	67,860	62,695	78,191	2.5	2.2

Sources:

¹ Met Council.

² Minnesota Department of Employment and Economic Development.

³ City per capita times population.

**CITY OF ANOKA, MINNESOTA
PRINCIPAL EMPLOYERS
DECEMBER 31, 2023**

(Unaudited)

Employer	2023			2014		
	Rank	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment
Anoka Government Center	1	2,200	15.50%	3	1,120	8.07%
Federal Premium Ammunition	2	950	6.69%	1	1,578	11.37%
Nvent Hoffman/Vista Outdoor	3	660	4.65%	2	1,564	11.27%
Anoka-Metro Treatment Center	4	630	4.44%	5	407	2.93%
Anoka-Hennepin ISD #11	5	616	4.34%	4	1,114	8.02%
Mate Precision Tool	6	350	2.47%	7	321	2.31%
Rural Insurance Group	7	300	2.11%	6	405	2.92%
Copper Sales/Firestone Metals	8	300	2.11%	8	224	1.61%
Anoka Rehab and Living Center	9	260	1.83%			
Anoka Technical College	10	200	1.41%	10	210	1.51%
DecoPac				9	214	1.54%
		6,466	45.55%		7,157	51.56%
Total City-wide employment ¹		14,194			13,882	

¹ Minnesota Department of Employment and Economic Development.
Source: Reference Solutions US Business Search

CITY OF ANOKA, MINNESOTA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

(Unaudited)

	2014	2015	2016	2017	2018
City manager	2.63	3.13	3.15	3.45	3.45
Assessing	1.00	1.00	1.00	1.00	1.00
Human resources	2.00	2.00	2.00	-	-
Finance	4.60	4.60	4.65	4.70	4.70
Community development	1.00	1.00	1.00	1.00	1.00
Planning and property maint/insp	3.40	3.15	3.25	2.80	3.05
Total general government	14.63	14.88	15.05	12.95	13.20
Building inspections	1.60	1.60	1.50	1.45	1.20
Police	30.08	30.28	34.55	35.85	29.95
Security - Regional treatment ctr	0.45	0.50	0.45	1.60	1.60
Security - Technical college	0.05	0.10	-	-	-
Security - High school	0.05	0.10	0.05	0.10	0.10
Security - Liaison officer	1.85	1.85	1.85	1.85	1.85
Downtown/Crime free housing	-	-	-	1.50	3.50
Total police	32.48	32.83	36.90	40.90	37.00
Total public safety	34.08	34.43	38.40	42.35	38.20
Building maintenance	0.95	0.75	1.75	1.60	1.48
Municipal buildings	0.48	0.35	0.33	0.45	0.43
Engineering	1.75	1.50	1.33	1.30	1.30
Streets	6.68	7.18	7.18	6.70	6.48
Total public works	9.86	9.78	10.59	10.05	9.69
Event center	-	0.40	0.50	0.40	0.38
Senior center	0.33	0.33	0.55	0.60	0.55
Aquatic center	0.28	0.28	0.28	0.55	0.40
Community programs & recreation	1.63	1.63	1.58	2.25	2.65
Municipal parks	4.08	4.08	4.73	4.50	4.50
City beautification	0.18	0.18	0.18	0.20	0.20
Total parks and recreation	6.50	6.90	7.82	8.50	8.68
Total general fund	65.07	65.99	71.86	73.85	69.77
HRA	1.00	0.75	0.75	1.00	1.00
Parking	0.85	0.80	0.85	0.85	0.85
Cemetery	0.88	0.88	1.00	0.65	0.60
Central equipment (garage)	1.05	1.45	1.55	1.55	1.55
Electric	18.40	17.40	18.35	18.30	18.30
Water	3.26	3.56	3.56	3.55	3.55
Sewer	3.26	2.96	2.96	2.95	2.95
Liquor stores	4.00	4.00	4.00	4.00	4.00
Golf course	3.12	3.25	2.55	2.95	2.95
Recycling	0.38	0.37	0.35	0.35	0.35
Total other funds	36.20	35.42	35.92	36.15	36.10
Total all funds	101.27	101.41	107.78	110.00	105.87

Source: City of Anoka departments

CITY OF ANOKA, MINNESOTA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

(Unaudited)

	2019	2020	2021	2022	2023
City manager	3.45	3.45	3.45	3.45	4.05
Assessing	1.00	1.00	1.00	1.00	1.50
Human resources	-	-	-	-	-
Finance	4.70	4.70	4.70	4.70	4.70
Community development	1.00	1.00	1.00	1.00	0.90
Planning and property maint/insp	2.80	2.80	2.80	2.80	1.85
Total general government	12.95	12.95	12.95	12.95	13.00
Building inspections	1.20	1.20	1.20	1.20	1.75
Police	33.00	31.25	32.25	32.25	34.80
Security - Regional treatment ctr	-	-	-	-	-
Security - Technical college	-	-	-	-	-
Security - High school	0.15	0.15	0.15	0.15	0.20
Security - Liaison officer	1.85	1.85	1.85	1.85	1.50
Downtown/Crime free housing	5.00	6.00	6.00	7.00	10.25
Total police	40.00	39.25	40.25	41.25	46.75
Total public safety	41.20	40.45	41.45	42.45	48.50
Building maintenance	1.50	1.50	1.50	1.50	0.90
Municipal buildings	0.45	0.45	0.45	0.45	0.85
Engineering	1.30	1.30	1.30	1.30	1.425
Streets	7.70	7.70	7.70	7.70	7.975
Total public works	10.95	10.95	10.95	10.95	11.15
Event center	0.40	0.40	0.40	0.40	0.62
Senior center	0.60	0.60	0.60	0.60	2.275
Aquatic center	0.60	0.60	0.60	0.60	0.65
Community programs & recreation	2.25	2.25	2.25	2.25	0.875
Municipal parks	6.45	5.45	5.45	5.45	6.025
City beautification	0.20	0.20	0.20	0.20	0.475
Total parks and recreation	10.50	9.50	9.50	9.50	10.92
Total general fund	75.60	73.85	74.85	75.85	83.57
HRA	1.00	1.00	1.00	1.00	1.00
Parking	0.85	0.85	0.85	0.85	0.83
Cemetery	0.65	0.65	0.65	0.65	0.20
Central equipment (garage)	1.55	1.55	1.55	1.55	1.50
Electric	18.30	18.30	18.30	18.30	22.20
Water	3.55	3.55	3.55	3.55	3.70
Sewer	2.95	2.95	2.95	2.95	2.70
Liquor stores	4.00	4.00	4.00	5.00	7.30
Golf course	2.95	3.95	3.95	3.95	4.00
Recycling	0.35	0.35	0.35	0.35	0.35
Total other funds	36.15	37.15	37.15	38.15	43.78
Total all funds	111.75	111.00	112.00	114.00	127.35

Starting with 2023 FTE calculation includes part time hours per department*

Source: City of Anoka departments

CITY OF ANOKA, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

(Unaudited)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elections										
Registered voters	10,185		11,385		10,836		11,778		11,082	
Number of voters	5,144		8,744		7,229		9,621		6,944	
Participation	51%		77%		67%		82%		63%	
Building inspections										
No. of permits issued	462	579	474	406	445	890	865	516	704	738
Total permit valuation (in thousands)	\$31,734	\$46,974	\$34,437	\$23,182	\$19,328	\$21,129	\$55,505	\$40,698	\$52,279	\$72,492
Public safety										
Police activity	20,260	20,127	20,947	21,092	21,648	23,368	22,206	22,547	23,101	24,929
Crime (excluding traffic)										
Part A crime	604	610	679	572	464	432	383	1,035	881	734
Traffic accidents	920	732	786	833	689	863	564	692	662	750
Public works										
Sidewalk repair costs	8,341	48,405	23,102	48,249	35,423	20,834	60,610	-	40,880	28,000
Parks and recreation										
Senior Center passengers	4,651	4,943	4,873	4,795	4,936	3,852	2,800	1,162	1,641	1,420
Park rentals	178	183	148	162	178	245	165	210	207	148
Swim lesson participants	1,106	1,083	1,236	1,021	1,059	1,195	787	1,235	1,410	1,333
Open swim attendance	34,804	42,140	36,366	29,937	36,925	33,389	9,039	37,478	37,578	36,661
Parking										
Parking permits issued	237	272	299	345	345	223	177	107	147	110
Electric										
Average daily electric use in kWhrs	750,133	760,161	754,067	736,580	758,189	731,524	739,738	777,102	764,679	736,442
Water										
Average daily water use in cubic feet	230,685	235,813	233,602	231,588	240,584	212,476	238,015	253,711	239,332	262,529
Golf										
Rounds of golf purchased	32,745	32,764	33,958	32,089	30,288	31,399	41,003	43,658	40,601	41,899

Source: City of Anoka departments

CITY OF ANOKA, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

(Unaudited)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	25	23	27	25	24	24	25	24	27
Public works										
Street miles	67.68	68.54	68.54	69.02	69.20	69.20	69.02	69.06	69.19	70.77
Parks and recreation										
Park acres maintained	595	595	597	597	597	597	597	597	597	597
Cemetery acres	29	29	29	29	29	29	29	29	29	29
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	13	13
Boat launches	2	2	2	2	2	2	2	2	2	2
Portable docks	4	5	5	5	5	5	4	4	6	6
Parking										
Ramps	2	2	2	2	2	2	2	2	2	2
Lots	6	4	4	4	4	4	4	4	4	4
Electric										
Overhead wire miles	147	148	140	134	134	161	156	203	182	178
Underground wire miles	191	192	199	208	208	339	342	424	468	483
Substations	3	4	4	4	4	4	4	4	4	4
Street lights	1,805	1,874	1,874	1,851	1,851	1,851	1,851	1,802	1,840	2,580
Water										
Water main miles	83.46	86.17	86.33	87.44	87.44	87.44	89.31	89.66	89.66	89.75
Wells	8	8	8	8	8	8	8	8	8	8
Sewer/storm sewer										
Sanitary sewer miles	65.67	67.15	67.28	67.67	67.67	67.67	68.30	68.48	68.49	68.50
Storm sewer miles	31.00	34.03	34.85	34.95	34.95	35.86	39.65	40.20	40.21	40.56
Liquor										
Stores	2	2	2	2	2	2	2	2	2	1
Golf										
Golf course acres	126	126	126	126	126	126	126	126	126	126

Source: City of Anoka departments