



CITY OF ANOKA

Popular Annual Financial Report

To The Community

FOR THE YEAR ENDED DECEMBER 31, 2015

CITY OF ANOKA
2015 1ST AVE N
ANOKA, MN 55303
763-576-2700
www.ci.anoka.mn.us

ELECTED OFFICIALS:

MAYOR:
PHIL RICE

CITY COUNCIL :
CARL ANDERSON
MARK FREEBURG
STEVE SCHMIDT
JEFF WEAVER

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Dear Anoka Resident,

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

Information in this report comes from Anoka's 2015 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformity with Generally Accepted Accounting Principles (GAAP), was audited by WIPFLI LLP, and received an unqualified opinion, which is the best audit opinion possible.

In order for Anoka to manage the community finances smoothly, it divides various activities into several different funds. Governmental funds account for tax-supported activities and include:

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



The City of Anoka full of diversity and history

- **Special Revenue Funds** account for activities restricted to *specific purposes* like the Round Up for Change program or parking.
- **Debt Service Funds** track revenues and expenses related to *repayment of long term debt*.

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

Proprietary Funds account for activities that operate as a *public enterprise* which are paid for by user fees, i.e., water, sanitary sewer, storm water management, City owned liquor stores, Green Haven Golf Course and recycling administration.

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

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

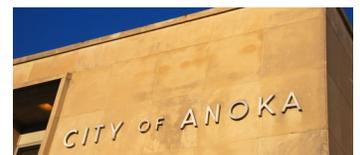
For more information, visit the City's website at www.ci.anoka.mn.us or contact the Finance Department at (763)576-2700.

Dividing Up Your Property Tax Dollar



CITY OF ANOKA	ANOKA COUNTY	SCHOOL DISTRICT	OTHER
41.82%	35.41%	20.21%	2.56%

Your tax dollar is divided up into several governmental entities. Anoka collects 42 cents of every tax dollar for City services. The remaining portions are divided among Anoka County, the school district and other agencies. (These tax rates are based on a residential home valued at \$171,900).

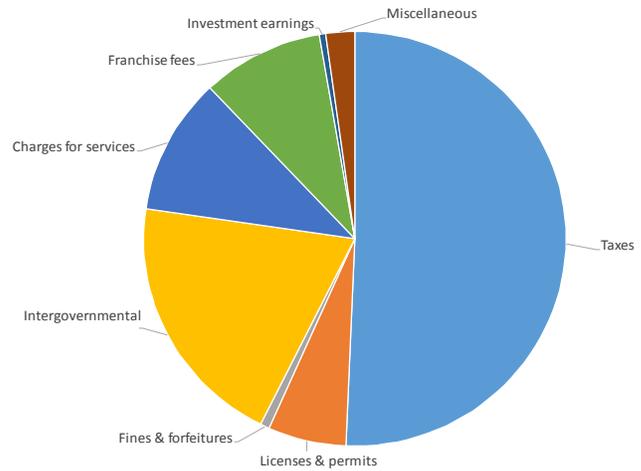




Anoka Public Safety Building which houses the Police and Fire.

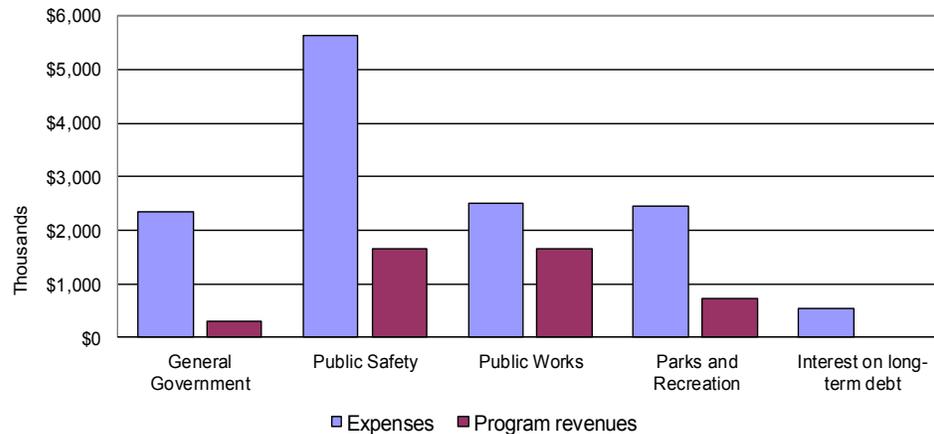
General Fund Revenues

The General Fund revenues (not including transfers) for 2015 were \$10,513,694. Property taxes were the largest revenue of the General Fund at \$5,329,192. The General Fund, which is a Governmental fund, accounts for services such as public safety, administration, human resources, finance, and parks & street maintenance.



General Fund Expenses

The City's General Fund expenditures for 2015 were \$9,996,014 which is an increase of \$229,607 or 2.29% from 2014. Public Safety and Public Works had the largest portion of the increase.



"The strength of the team is each individual member. The strength of each member is the team."
 ~ Phil Jackson

Public Works dept lighting the beautiful Christmas tree.



City Departments:

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

Finance: This department conducts the financial affairs of the City of Anoka in accordance with the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principals (GAAP).

Planning & Community Development: This department is responsible for ensuring that laws, ordinances, and zoning codes are enforced. It is also responsible for Economic Development within the City.

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

Parks & Recreation: This department is responsible to provide recreation activities in the City and maintain the City's parks and trails.

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

Fire: This department is responsible minimizing loss of life & property from fires, natural disasters, life threatening situations and to assist other emergency agencies.

Special Revenue Funds

Special Revenue Funds are used to account for general government financial resources that are

RESTRICTED by law or contractual agreement to specific purposes other than debt service or major capital projects. The City of Anoka has the following Special Revenue Funds:

- **Round Up for Change** - This program allows customers to round up their utility bill to the next highest dollar. The funds go to community organizations such as ACBC,



Round up for Change benefits community kids and families!

CEAP, CROSS food shelves, the Alexandra House and Youth First Community of Promise, just to name a few.

- **Cemetery Maintenance** - These funds are used for upkeep and maintenance of the City's public cemeteries. The City currently maintains two cemeteries; Forest Hill (2400 Forest Ave)

and Oakwood (479 West Main St).

- **Parking** - Two ramps and several parking lots are located in the downtown area. The fund also covers parking enforcement.
- **Lodging Tax** - The State of Minnesota charges Hotels and Lodging facilities tax of 3% on short-term lodging. This supports tourism in Anoka.

** Please note that Urban Redevelopment and Police Forfeiture are not recognized in this report, but are included in the CAFR.*

“Together our community has the ability to make a difference with a little spare change!”

Long Term Debt

Anoka received a “AA+” rating from Standard and Poor’s Global.

This is the second highest possible rating you can receive. A high bond rating translates into lower future borrowing costs. This rating is based on the City’s:

- Moderately-sized tax base with recent improvement in its valuation after a trend decline.
- Sound financial position

characterized by healthy reserves.

- Average debt burden with slow principal amortization.
- Favorably located in the Twin Cities metropolitan area.

The City refunded \$6.4 million of its Series 2015A General Obligation Tax Increment Bonds, which will result in a Net Present Value savings of \$1.7 million over the life

of the bonds. Refunding a bond is comparable to

refinancing your mortgage for a lower interest rate.

Once again the City received the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association for the City’s Comprehensive Annual Financial Report (CAFR) and the Distinguished Budget Award.



Internal Service Funds

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

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

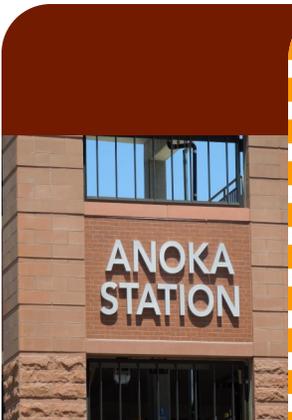
Revenue—\$ 1,345,913

Expenses—\$ 1,346,462

Net Position—\$2,724,142



Mechanics work hard to maintain the City’s equipment



Anoka Station was completed in 2014 along the Commuter Rail Line.

“There are not great limits to growth because there are no limits of human intelligence, imagination and wonder.”
~ Ronald Reagan

Electric Department performing maintenance on a light pole.



Capital Funds

Building Improvement:

The City spent \$188,538 on building improvements including furniture for the Green Haven Event Center and storm water ponding at the golf course.

Street Renewal & State Aid Construction:

The City has a successful plan for maintaining the life of Anoka’s city streets. There was \$3,335,070 spent for road improvements. Some of this year’s major projects included Slabtown and over \$900,000 on street renewal reconstruction.

Park Dedication and Park Improvement:

Constructed the Anoka Nature Preserve parking lot and replaced playground equipment. Completed the Mississippi River Trail System through King’s Island which includes two bridge crossings over the oxbow at either end. Completed Phase 2 of the Castle Field Project which includes restrooms, concessions and storage.

Commuter Rail Transit Village:

Completed the Anoka Station parking ramp along the Commuter Rail Line. Also, reconstructed 6th Ave. and added 5th Ave. between Garfield St. and Grant St.

Greens of Anoka:

The City purchased property and began planning for the Greens of Anoka parkway project and the Highway 10 expansion.

** Please note that Enterprise TIF District which decertified on 12/31/15, Historic Rum River TIF District and South Ferry TIF District are not recognized in this report, but are included in the CAFR.*

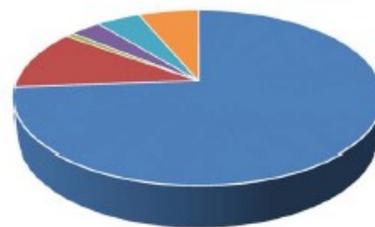
Enterprise Funds

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

Utilities: Electric

Anoka Municipal Utility (AMU) has been a community-owned, not-for-profit, electric supplier serving the City of Anoka, and portions of the cities of Ramsey, Coon Rapids, Champlin and Dayton since 1909. The citizen’s of Anoka chose to create AMU over a century ago to provide economical, reliable electric power and have local control over an essential service. In 1992, AMU and seven other cities joined together to form MMPA. AMU serves 10,650 residential, 1,400 commercial, and 15 industrial customers including several national accounts such as Pentair and Federal Cartridge (a subdivision of Alliant Tech). Annual revenues top \$27 million and close to 10% of gross revenue (more than \$2 million in 2015) was contributed to the City of Anoka. This provides funding for capital improvements throughout the city.

EXPENDITURES BY CATEGORY



- Purchased power
- Operations
- General Administration
- Franchise Fee
- Depreciation
- Transfers

Utilities: Water, Sewer and Storm Water

Water Utility and Infrastructure

Water utility accounts for the operation of the City-owned water system and maintenance and improvements to the water infrastructure.

Sewer

The City of Anoka has approximately 66 miles of sanitary sewer mains. Each year about one-fourth of the city's sanitary sewer mains are inspected and cleaned. This routine maintenance helps to prevent blockages and sewer backups.

Storm Water

The storm water utility accounts for the operation and improvement of the storm water drainage system.

2015 Operating Expenses \$1,365,567

2015 Budget \$1,466,765

Positions 3.56

Monthly Cost for Avg Home \$13.16

2015 Operating Expenses \$2,020,883

2015 Budget \$2,040,495

Positions 2.96

Monthly Cost for Avg Home \$19.01

2015 Operating Expenses \$209,973

2015 Budget \$212,090

Positions 0

Monthly Cost for Avg Home \$2.95

Liquor Store East & West



Better Values is the City's municipal liquor store.

2015 Operating Expenses \$3,985,611

2015 Budget \$4,026,780

Positions 4

The City owns and operates two municipal liquor stores. The East store is located at 847 East River Road, Anoka, west of Mercy Hospital. The West store is located at 809 West Main Street, Anoka, off of Hwy 10.

Better Values is open Monday thru Saturday from 8am to 10pm. All weekly specials are posted on the website www.bettervaluesliquor.com. Every Tuesday is Senior Day, customers over 55 receive a 10 % discount. **Profits from your purchases stay in the City of Anoka to help aid in maintaining and improving city parks.**

*“Keeping one’s guests supplied with liquor is the first law of hospitality.”
~ Margaret Way*

Golf Course

Green Haven Golf Course & Event Center

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

- 18 Championship Holes
- A park-like setting within easy driving distance to all major metro areas
- First class banquet facility

- Golfer’s grill and full bar service
- All carts GPS equipped
- Playable for the high handicap player while providing a solid test for the single digit handicap player



2015 Operating Expenses \$1,024,934

2015 Budget \$1,002,945

Positions 2.55

Funding Fees

Recycling



In 2015

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

- Residential recycling hauled off 1,229 tons
- City Parks removed 4.25 tons of recycling
- In two separate Drop Off Events there was 49.73 tons of recycling collected!!

HRA Component Unit

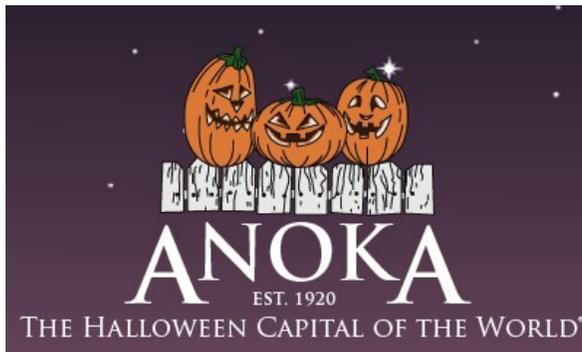
The Anoka Housing and Redevelopment Authority (HRA) is legally separate from the City. It was created by the City to carry out redevelopment projects throughout the City. The governing board is appointed by the City Council. They can give, sell, buy and transfer property; provide grants, loans, leases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

Some of the 2015 Accomplishments were:

- Established a Tax Increment Financing District (TIF) for redevelopment in the South Central Business District.
- Negotiated the sale of HRA owned land to Walker Methodist for 73 unit Walker Methodist Plaza Gardens Development.
- Provided home improvement loans to 25 single family households in the community.
- Completed \$100,000 commercial revolving loan fund projects for the renovation of It's About Sleep at 633 Main Street East.



Anoka and what it's known for!!



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

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

September of that year, a Halloween committee was organized.

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

A parade was scheduled for the evening. Participants included local and neighboring bands, drum corps, the Anoka police and fire departments, the Kiwanis Club, the Commercial Club, and the Anoka National Guard; all working together to make the evening a success. Afterward, hundreds of bags of popcorn, candy, peanuts and other treats were given away to

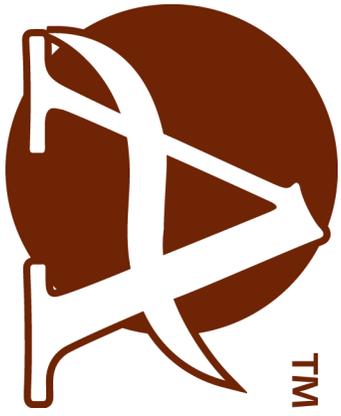
the children who marched in the parade. And, everyone was invited to a large bonfire that was staged at Bridge Square. Celebrations have been held every year since 1920 with the exception of 1942 and 1943 when the festivities were cancelled because of World War II. By the 1930s, the festivities had expanded as had the attendance at the parades. There were over 2,000 costumed children marching down Main Street. It was estimated that 20,000 spectators lined the streets to watch this night-time spectacle. In 1937, 12-year-old, Harold Blair, donning a sweater embellished with a Halloween Capital insignia, carried with him to Washington, D.C. a proclamation naming Anoka the Halloween Capital of the World.

CITY OF ANOKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	HRA
Assets and Deferred Outflows of Resources				
Current assets:				
Cash and investments	\$ 13,522,765	\$ 15,684,197	\$ 29,206,962	\$ 997,334
Taxes receivable	247,785	-	247,785	7,662
Accounts receivable	241,323	3,680,981	3,922,304	412,544
Special assessments receivable	-	5,325	5,325	-
Accrued interest receivable	40,648	54,477	95,125	3,222
Internal balances	(2,780,691)	2,780,691	-	-
Inventories	41,600	1,422,551	1,464,151	-
Prepaid items	117,190	17,118	134,308	-
Land held for resale	5,642,054	-	5,642,054	980,686
Restricted cash and investments	-	234,225	234,225	-
Total current assets	<u>17,072,674</u>	<u>23,879,565</u>	<u>40,952,239</u>	<u>2,401,448</u>
Noncurrent assets:				
Special assessments receivable	1,784,669	-	1,784,669	-
Nondepreciable capital assets	9,823,246	1,105,914	10,929,160	237,059
Capital assets - Net of depreciation:				
Infrastructure	49,674,703	36,751,359	86,426,062	-
Buildings and structures	21,675,059	1,646,254	23,321,313	-
Machinery, vehicles, and equipment	2,959,161	956,188	3,915,349	-
Furniture and equipment	198,889	88,622	287,511	-
Other improvements	-	1,017,766	1,017,766	-
Total noncurrent assets	<u>86,115,727</u>	<u>41,566,103</u>	<u>127,681,830</u>	<u>237,059</u>
Total assets	<u>103,188,401</u>	<u>65,445,668</u>	<u>168,634,069</u>	<u>2,638,507</u>
Deferred outflows of resources:				
Deferred pension resources	991,772	325,477	1,317,249	5,058
Total assets and deferred outflows of resources	<u>\$ 104,180,173</u>	<u>\$ 65,771,145</u>	<u>\$ 169,951,318</u>	<u>\$ 2,643,565</u>
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities:				
Accounts payable	\$ 592,396	\$ 2,091,879	\$ 2,684,275	\$ 7,366
Accrued wages payable	272,021	44,255	316,276	43
Due to other governments	537	-	537	-
Accrued interest payable	110,067	5,500	115,567	-
Deposits	-	1,244,876	1,244,876	-
Deferred revenue	99,598	-	99,598	-
Current portion of long-term liabilities	558,000	235,500	793,500	-
Total current liabilities	<u>1,632,619</u>	<u>3,622,010</u>	<u>5,254,629</u>	<u>7,409</u>
Noncurrent liabilities:				
Compensated absences payable	717,682	295,095	1,012,777	1,660
Net other postemployment benefit obligation	137,715	-	137,715	-
Long-term portion of long-term liabilities	12,456,649	225,000	12,681,649	-
Net pension liability	4,988,773	2,366,481	7,355,254	36,775
Total noncurrent liabilities	<u>18,300,819</u>	<u>2,886,576</u>	<u>21,187,395</u>	<u>38,435</u>
Total liabilities	<u>19,933,438</u>	<u>6,508,586</u>	<u>26,442,024</u>	<u>45,844</u>
Deferred inflows of resources:				
Deferred pension resources	933,472	275,290	1,208,762	4,278
Net Position				
Net investment in capital assets	71,334,409	41,105,603	112,440,012	237,059
Restricted for Debt Service	99,949	228,725	328,674	-
Restricted for Tax Increment	5,728,309	-	5,728,309	-
Unrestricted	6,150,596	17,652,941	23,803,537	2,356,384
Total net position	<u>83,313,263</u>	<u>58,987,269</u>	<u>142,300,532</u>	<u>2,593,443</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 104,180,173</u>	<u>\$ 65,771,145</u>	<u>\$ 169,951,318</u>	<u>\$ 2,643,565</u>

See accompanying notes to financial statements.



CITY OF ANOKA
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