



REAL. CLASSIC.TM



City of Anoka, Minnesota

Comprehensive Annual Financial Report For Year Ended December 31, 2014





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CITY OF ANOKA, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended December 31, 2014

Prepared by the Finance Department

Lori Yager, Director



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CITY OF ANOKA, MINNESOTA

Comprehensive Annual Financial Report

Year ended December 31, 2014

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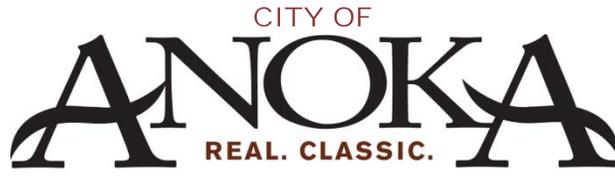
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June 10, 2015

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 fiscal year. State law also requires that these statements be submitted to the Mayor and council members within 210 days after the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Anoka for the fiscal year ended December 31, 2014.

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 (GAAP) in the U.S. Because the cost of internal controls should not outweigh their benefits, the City of Anoka's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Anoka's financial statements have been audited by Wipfli LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Anoka for the fiscal year ended December 31, 2014, are free of 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, 2014, 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 a 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.



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www.ci.anoka.mn.us

Profile of the Government

The City of Anoka, incorporated on March 2, 1878, is the county seat of Anoka County, Minnesota, and approximately 20 miles northwest of Minneapolis-St. Paul. The City is comprised of an area of 7.13 square miles and serves a population of 17,345. 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, for overseeing the day-to-day operations of the city government, and for 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 72. Special revenue fund budgetary comparisons start on page 81.

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 has an employed labor force of approximately 13,910, which compares favorably to the 7,214 housing units located within the corporate boundaries.

Because of the fully developed nature of the community, the opportunity for new and expanded housing is limited. The City's emphasis has been, in recent years, on assisting homeowners to redevelop and remodel the current available housing so that as the change-over from older residents occurs younger families will continue to be attracted to the City of Anoka. The City is focusing on redeveloping the central business district to include senior condominiums, loft units, and cooperative living units. Completion of this project will bring additional residential and commercial property to the City. The city is also focused on developing 14 acres in the northeast corner of the city. This is one of the last remaining undeveloped tracts of land in the city. The planned development is for commercial development.

Long-term financial planning. The City is currently in the redevelopment stage of an area north of downtown. This area is a hub for the North Star Commuter Rail System, which was completed in late 2009. In preparation for a commuter rail transit village, the City purchased land from the State of Minnesota in 2004. The City received \$8,844,000 in grant funds in 2013 and 2014 which helped pay for building the Anoka Station Parking Ramp. All of the redevelopment and development happening in the City of Anoka increases the City's tax base and helps keep tax rates low or level. The City continues to increase the density in the downtown area to keep it a vibrant economic gem.

The City is working closely with state, federal, and neighboring communities to improve the area's state and county transportation network, which includes upgraded highways and well-placed pathways. Funding for most of the transportation improvements will need to come from state, county and federal sources, with some minor portion supported by the local taxpayers. The City continues to work on local street improvement projects by reconstructing and resurfacing one and a half miles of city streets every year. The annual cost of reconstruction and resurface improvements are built into the City's capital improvement planning.

Budget policies and practices. The City charter allows the council to increase a budget to the extent that actual revenues exceed budgeted revenues or within budgeted funds. In 2014, this ability made it possible for the City to increase services provided to the Metro State Hospital through increased revenues. It also allowed flexibility among general fund departments to move budget to cover additional expenditures in certain areas of services.

Major initiatives. In 2014, the City received additional aid from the State as a result of improved overall economic conditions throughout the state. The additional state aid helped the city council meet objectives for 2014, which included maintaining core services without increasing the tax levy. Other objectives for 2014 included continued investment in infrastructure. To accomplish this, the council used fund balance for transfers to capital project funds to complete desired capital improvements. The council was able to decrease the overall levy for property owners in 2014.



Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anoka for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This was the 33rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The GFOA awarded the Distinguished Budget Presentation Award to the City of Anoka for its 2014 Budget. This was the 8th consecutive year that the City has received this prestigious award. In order to be awarded a Distinguished Budget Presentation Award, the government published an easily readable and efficiently organized Budget. This report satisfied the generally accepted budgeting practices as pronounced by the GFOA and GAAP for governmental accounting.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 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 and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Anoka's finances.

Respectfully submitted



Lori Yager
Finance Director



CITY OF ANOKA, MINNESOTA

Elected and Appointed Officials

December 31, 2014



City Council

Phil Rice, Mayor Term
Expires 12/31/16

Mark Freeburg, Councilmember
Term Expires 12/31/16

Jeff Weaver, Councilmember
Term Expires 12/31/18

Carl Anderson, Councilmember
Term Expires 12/31/18

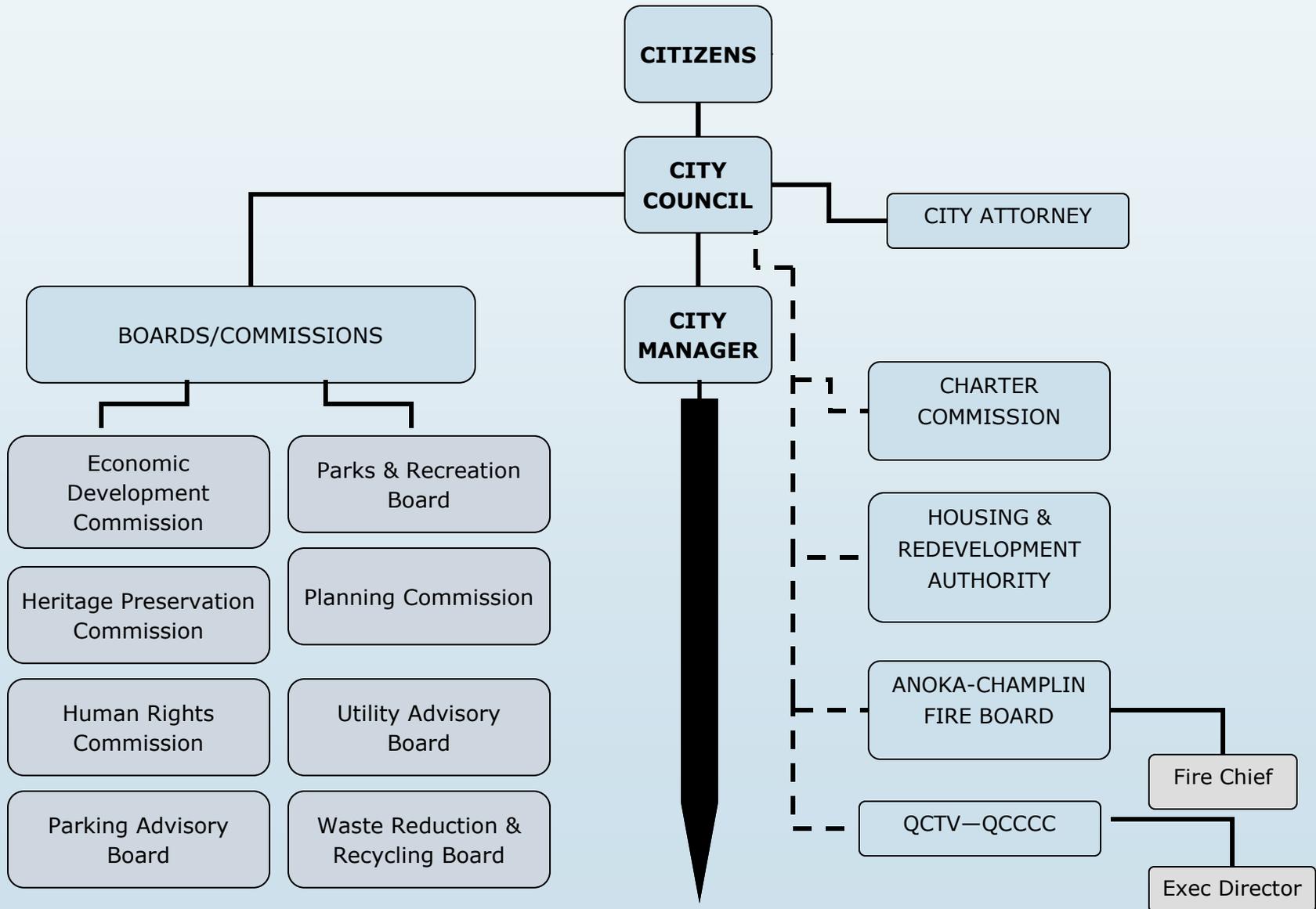
Steve Schmidt, Councilmember
Term Expires 12/31/16

City Managerial Staff

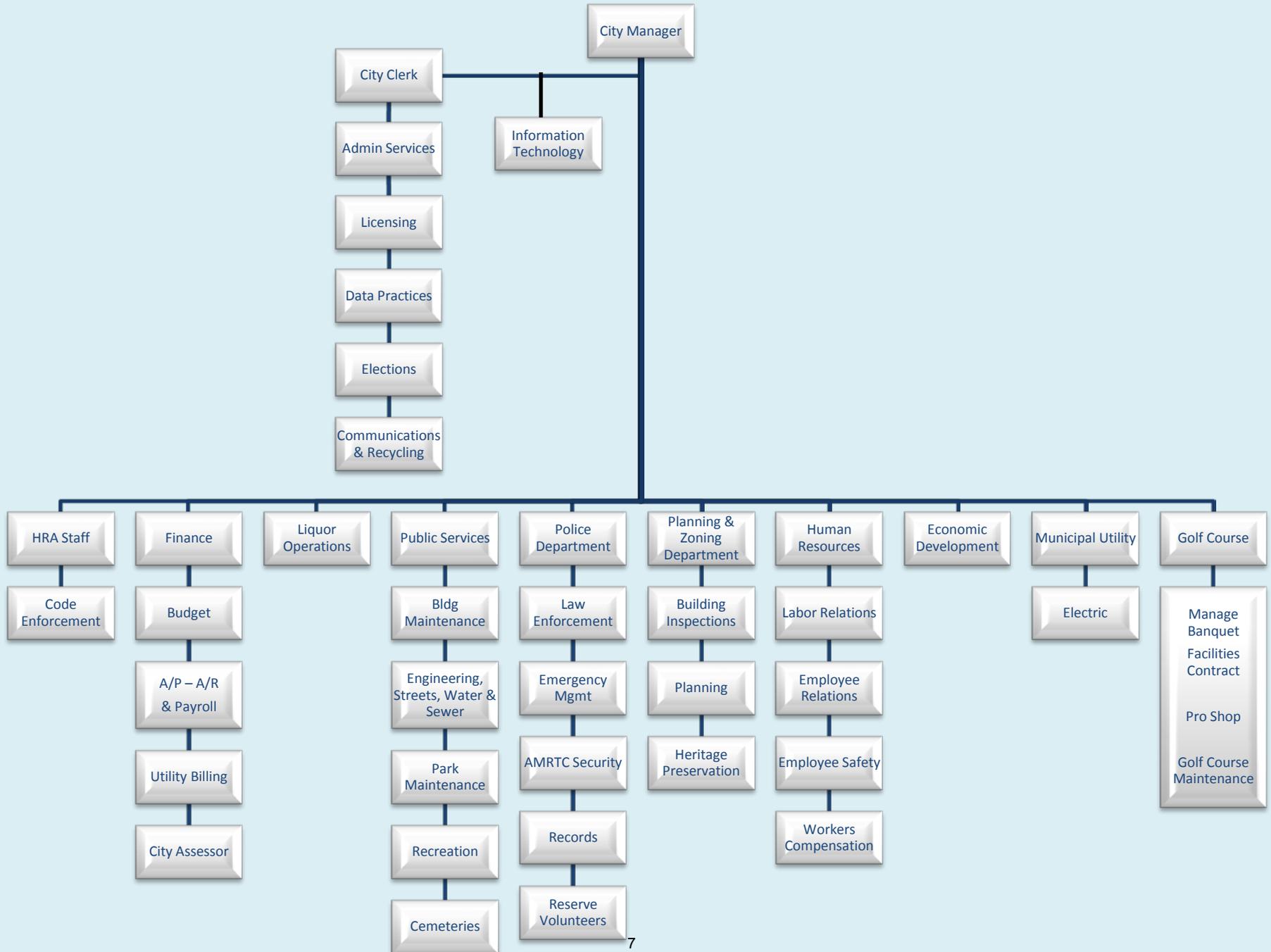
<u>Employee</u>	<u>Position</u>
Tim Cruikshank	City Manager
Scott Baumgartner	Attorney
Erik Thorvig	Community Development
Dan Voss	Electric Utility Director
Lori Yager	Finance Director
Charlie Thompson	Fire Chief
Deb Erar	Human Resources Director
Carolyn Braun	Planning Director
Phil Johanson	Police Chief
Greg Lee	Public Services Director

CITY OF ANOKA, MINNESOTA

City of Anoka—Organizational Chart



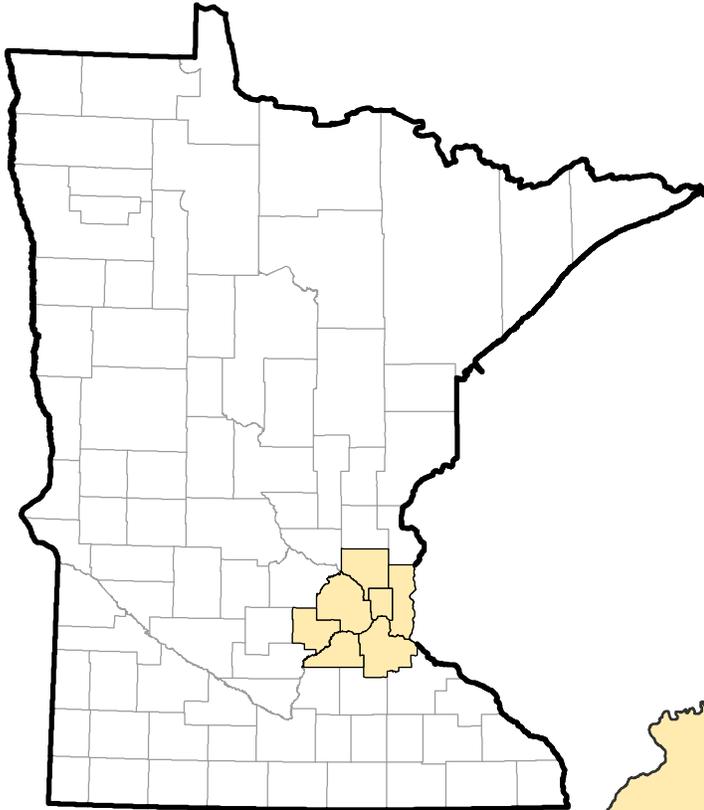
CITY OF ANOKA – ORGANIZATIONAL CHART



City of Anoka

Geographical Location

ANOKA
REAL. CLASSIC.





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Anoka
Minnesota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



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Independent Auditor's Report

City Council
City of Anoka
Anoka, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Anoka, Minnesota, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Anoka, Minnesota's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Anoka, Minnesota, as of December 31, 2014, 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the beginning fund balance of the Commuter Rail Transit Village Tax Increment fund and Other Governmental Funds and net position in the governmental activities have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that management's discussion and analysis and budgetary comparison information on pages 15-25 and 69-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Anoka, Minnesota's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, the combining internal service fund statements and supplementary financial schedule, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the combining internal service fund statements, and supplemental financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the combining internal service fund statements, and supplemental financial schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2015, on our consideration of the City of Anoka, Minnesota's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the 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 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 of Anoka, Minnesota's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
Minneapolis, Minnesota
June 10, 2015



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Management's 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, 2014. 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 1-4 of this report.

Financial Highlights

- The assets of the City of Anoka exceeded its liabilities at the close of the most recent fiscal year by \$141,648,158 (net position). Of this amount, \$30,503,839 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$7,552,554, or 5.63%.
- As of the close of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$19,548,304, an increase of \$4,739,071. The crossover refunding bonds were the primary cause of the increase (see Note 8).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,814,642, or 49% percent of total general fund expenditures.
- The City of Anoka's total bonded debt increased by \$5,370,000 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

storm drainage, refuse, and recycling. The government-wide financial statements can be found on pages 26 and 27 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 fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Anoka maintains seven 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, Debt Service Fund, Street Renewal Fund, State Aid Construction Fund, Enterprise Park Tax Increment Fund, Commuter Rail Transit Village Tax Increment Fund, and the Greens of Anoka Tax Increment Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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, except for the Police Forfeiture Fund. A budgetary comparison statement has been provided for budgeted funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-31 of this report.

Proprietary funds. The City of Anoka maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City of Anoka uses enterprise funds to account for its electric, water, sewer, liquor, golf, storm drainage, refuse, and recycling. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City of Anoka's various functions. The City of Anoka uses internal service funds to account for its data processing, 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, liquor, golf, and sewer operations, which are considered to be major funds of the City of Anoka. Storm drainage, refuse, and recycling are considered nonmajor funds and are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds are 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 32-39 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary 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 accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 40 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 41 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor 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 77 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, assets exceeded liabilities by \$141,648,158 at the close of the most recent fiscal year.

The largest portion of the City of Anoka's net position (75% percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Anoka uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Anoka's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Anoka Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other assets	\$ 24,590,043	\$ 20,815,927	\$ 23,935,532	\$ 26,195,891	\$ 48,525,575	\$ 47,011,818
Capital assets	80,191,075	73,616,858	40,268,505	36,546,800	120,459,580	110,163,658
Total Assets	104,781,118	94,432,785	64,204,037	62,742,691	168,985,155	157,175,476
Current liabilities	8,905,237	2,659,649	3,805,994	4,144,428	12,711,231	6,804,077
Long-term liabilities	13,113,149	14,517,452	1,512,617	1,758,343	14,625,766	16,275,795
Total liabilities	22,018,386	17,177,101	5,318,611	5,902,771	27,336,997	23,079,872
Net Position	\$ 82,762,732	\$ 77,255,684	\$ 58,885,426	\$ 56,839,920	\$ 141,648,158	\$ 134,095,604
Net investment in Restricted:	\$ 66,844,241	\$ 62,009,558	\$ 38,846,655	\$ 34,879,100	\$ 105,690,896	\$ 96,888,658
Debt	1,109,803	282,598	256,330	248,258	1,366,133	530,856
Tax	4,087,290	3,765,263	-	-	4,087,290	3,765,263
Public Safety	-	562,438	-	-	-	562,438
Unrestricted	10,721,398	10,635,827	19,782,441	21,712,562	30,503,839	32,348,389
Total net position	\$ 82,762,732	\$ 77,255,684	\$ 58,885,426	\$ 56,839,920	\$ 141,648,158	\$ 134,095,604

The net position of the City of Anoka increased by \$7,552,554. The primary reasons for the increase in net position are the crossover refunding debt and investment in capital assets. The City continues to pay off internal borrowing with tax increment revenue collections, also increasing net position. Another important factor is the continued profitability of the majority of the City's enterprise activities. A small portion of the City of Anoka's net position, 3.9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$30,503,839 may be used to meet the City's ongoing obligations to citizens and creditors. As a result of investments in capital assets, unrestricted net position decreased by \$(1,844,550), or 6%. Net investment in capital assets increased by \$8,802,238, or 9.1%. The City used a combination of available funds and grants for investment in capital assets. Net position restricted for various purposes increased \$594,866, in both restricted for debt service tax increments, and public safety.

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 as well as for its separate governmental and business-type activities.

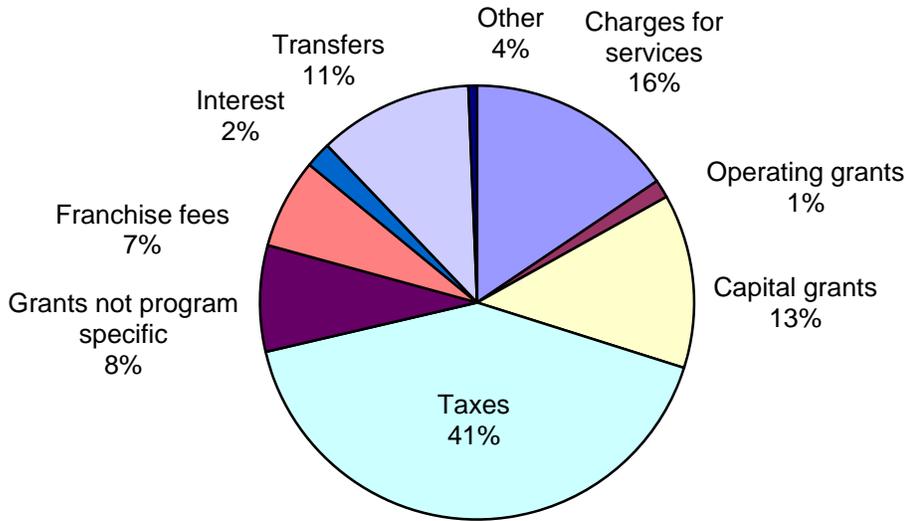
Governmental Activities

Governmental activities account for almost 58% of the City of Anoka's net position. The total increase in net position for governmental activities is \$5,507,048 for the year ended December 31, 2014. Total revenues for governmental activities amounted to \$17,782,394; transfers in were \$2,285,000. Total expenses were \$13,556,891; transfers of operations were \$589,849. Key elements of the increase in net position are as follows.

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

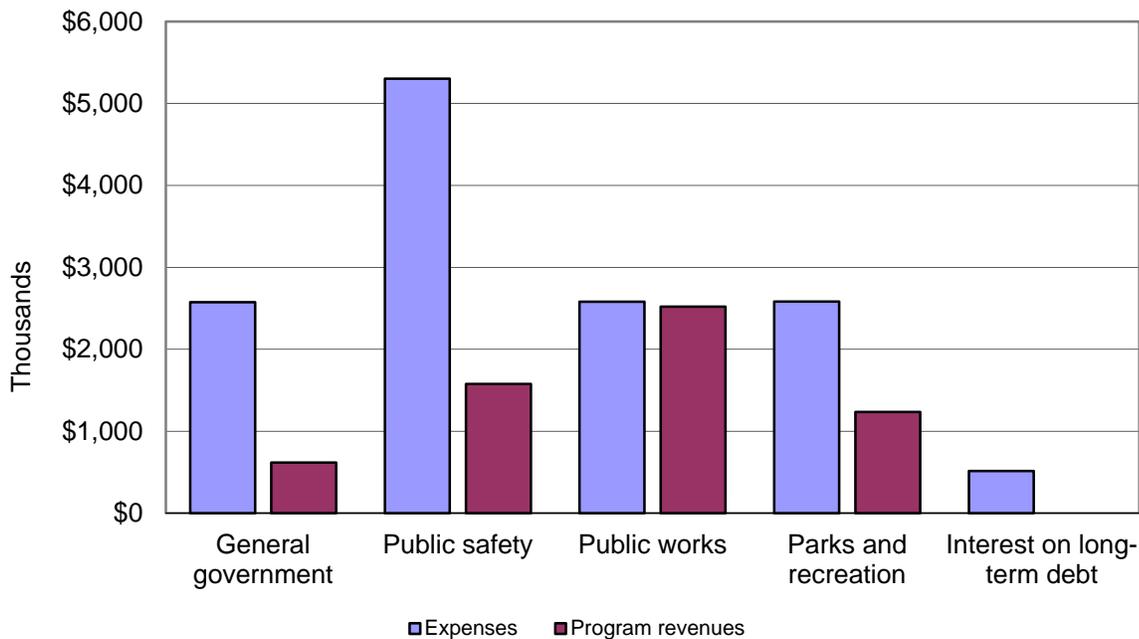
	City of Anoka's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,093,900	\$ 2,267,825	\$ 36,883,349	\$ 35,271,728	\$ 39,977,249	\$ 37,539,553
Operating grants and contributions	268,999	1,120,052	21,049	-	290,048	1,120,052
Capital grants and contributions	2,584,266	7,932,979	-	-	2,584,266	7,932,979
General revenues:						
Property taxes	8,257,509	8,395,001	-	-	8,257,509	8,395,001
Franchise taxes	1,331,955	1,340,379	-	-	1,331,955	1,340,379
Grants and contributions not restricted to specific programs	1,575,982	929,604	-	-	1,575,982	929,604
Investment gain (loss)	383,830	(210,377)	588,632	(161,677)	972,462	(372,054)
Other	285,953	835,177	640,871	439,424	926,824	1,274,601
Total revenues	17,782,394	22,610,640	38,133,901	35,549,475	55,916,295	58,160,115
Expenses:						
General government	2,575,107	2,352,739	-	-	2,575,107	2,352,739
Public safety	5,303,656	5,280,686	-	-	5,303,656	5,280,686
Public works	2,580,990	2,446,436	-	-	2,580,990	2,446,436
Park and recreation	2,582,244	2,109,080	-	-	2,582,244	2,109,080
Interest on debt	514,894	490,008	-	-	514,894	490,008
Electric	-	-	24,728,393	24,533,255	24,728,393	24,533,255
Water	-	-	1,423,583	1,430,439	1,423,583	1,430,439
Sewer	-	-	2,113,023	1,967,585	2,113,023	1,967,585
Liquor	-	-	4,007,571	3,857,645	4,007,571	3,857,645
Golf	-	-	939,188	1,088,903	939,188	1,088,903
Storm drainage	-	-	184,749	198,447	184,749	198,447
Refuse	-	-	135,444	161,493	135,444	161,493
Recycling	-	-	271,444	271,358	271,444	271,358
Total expenses	13,556,891	12,678,949	33,803,395	33,509,125	47,360,286	46,188,074
Loss on disposal of capital assets	(413,606)	-	-	-	(413,606)	-
Increase in net position before transfers and contributed capital	3,811,897	9,931,691	4,330,506	2,040,350	8,142,403	11,972,041
Transfers	2,285,000	150,000	(2,285,000)	(150,000)	-	-
Transfer of operations	(589,849)	-	-	-	(589,849)	-
Contributed capital	-	949,670	-	(949,670)	-	-
Increase in net position	5,507,048	11,031,361	2,045,506	940,680	7,552,554	11,972,041
Net assets on Jan. 1	77,255,684	66,224,323	56,839,920	55,899,240	134,095,604	122,123,563
Net position on Dec. 31	\$ 82,762,732	\$ 77,255,684	\$ 58,885,426	\$ 56,839,920	\$ 141,648,158	\$ 134,095,604

Revenue Sources - Governmental Activities



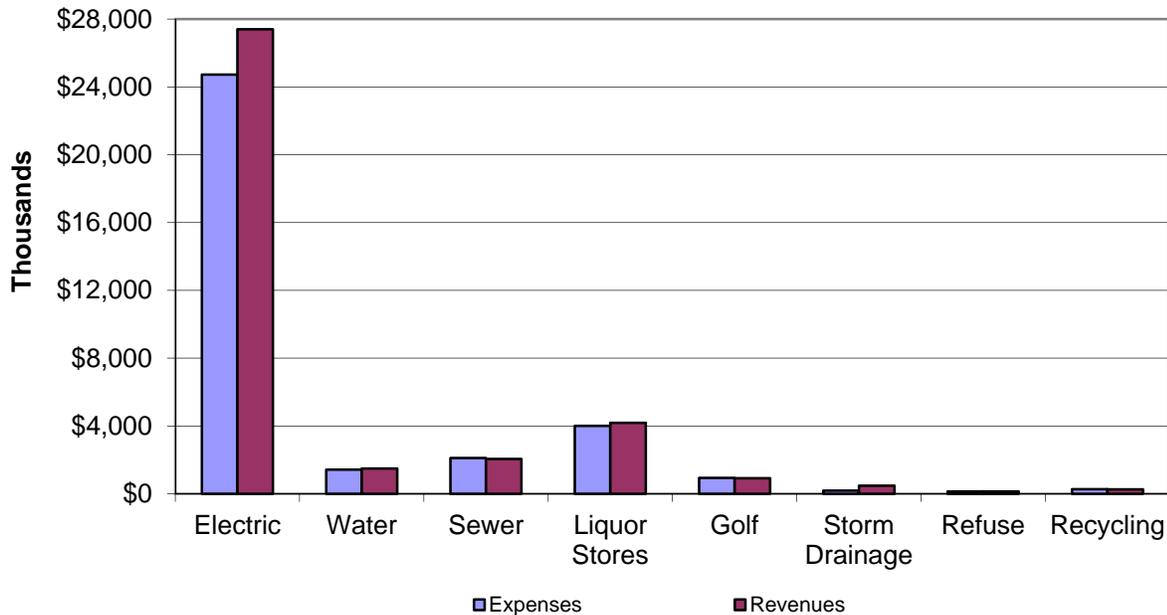
- Total property taxes decreased by \$(137,492) during the year. The City Council decreased the levy in 2014 by \$(143,840).
- Charges for service increased by \$826,075. Charges for services vary every year because they are based on projects occurring throughout the city. The large increase this year was primarily a result of fees charged to developers for construction of roads.
- Capital grants and contributions decreased substantially by \$(6,199,766), as a result of less federal and local grants than what were provided in 2013 during construction of a regional parking ramp.
- Interest and investment earnings increased \$594,207 because of the unusual market value adjustment from 2013. The current economic environment continues to result in a lower return on investments.
- All governmental expenses, except interest on long-term debt, are supported with general revenues to a varying extent.

Expenses and Program Revenues - Governmental Activities



Business-type activities. Business-type net position increased by \$2,045,506. The increase is primarily associated with electric utility operations. Below is a graph showing the business-type activities revenue and expense comparisons.

Expenses and Program Revenues - Business-Type Activities



- Charges for services for business-type activities totaled \$36,883,349. The electric public utility accounts for 74% of the total. Overall business-type charges for services increased by \$1,611,621 when compared to 2013. There were changes in rate structure in Electric and Sewer Funds in 2014. The Electric Fund added a purchase power adjustment to the rate as power costs continued to rise. The Sewer Fund had a planned increase to cover continued infrastructure investments.
- Investment income increased in business-type activities by \$750,309 as a result of the timing of market value at the end of 2013 and the current economic environment.
- Operating expenses increased by \$294,270. The purchase of electric power makes up 72% of the total increase in operating expenses. Electric power consumption actually decreased in 2014.

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 \$19,548,304, an increase of \$4,739,071. The increase is the result of bond proceeds from a crossover refunding of existing debt to be extinguished in February 2015. Of the total governmental fund balance, \$8,194,098 is nonspendable to indicate that it is not available for new spending because it has already been spent on inventory, land held for resale and premiums for

January 2015 health insurance. The restricted fund balance also indicates that it is not available for new spending because it has outside restrictions for debt service (\$7,661,468) and tax increment (\$70,262).

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 \$4,814,642, while total fund balance was \$4,880,833. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 49% of total General Fund expenditures.

The fund balance of the City's General Fund decreased by \$(991,163) during the current year. One item of special note was a transfer of operations of the Fire Department. The Fire Department is still a joint powers entity between the City of Anoka and the City of Champlin, it is now operating as its own separate entity. The transfer of operations reduced the General Fund balance by \$(589,849). Actual revenues in the General Fund were over budgeted revenues by \$362,838. Revenues exceeded the budget as a result of unbudgeted charges for services that resulted from new development activity during 2014 and the net increase in fair value of investments. Actual expenditures were under budget by \$470,648. The economy continued to impact operations in 2014; with constraints on spending, departments worked hard to keep expenditures down by working with reduced staff sizes and not filling some open positions. Departments continue to create better efficiencies through new technological uses and streamlining processes. Key factors are as follows:

- The General Fund tax levy for 2014 decreased (\$135,840) from the tax levy in 2013. Actual tax revenues in 2013 were down \$(177,438) compared to 2013.
- The City's licenses and permits revenues increased by \$84,004 when compared to 2013. There were new developments that occurred within the City in 2014 that generated permit revenues and additional charges for services. Intergovernmental revenue is up \$576,221 compared to 2013. This was a result of increased local government aid from the state.
- The General Fund experienced a gain on fair market value of investments of \$104,756.
- Expenditures were \$105,738 higher than 2013 because of increases in all categories except supplies and capital. Contractual services expenditures increased the most as a result of the fire department now being reflected as all contractual services instead of salaries, supplies, and professional services. The total increase for contractual services is \$381,234. There was a large decrease in capital expenditures, \$(309,401). Last year the fire department purchased a fire truck.

The Debt Service Fund balance is \$7,661,468 as a result of issuance of crossover refunding bonds and transfers in. The Street Renewal Fund balance is \$(791,125) a decrease of \$(973,935). This was used on road improvements throughout the city. The State Aid Construction Fund balance is up by \$371,351 to \$3,177,027 as a result of state aid received for a road construction project. The Enterprise Park Tax Increment Fund balance is \$3,783,203, an increase of \$667,749. The increase is a result of tax increment revenues. The Commuter Rail Transit Village Tax Increment Fund balance is \$(1,166,627). This fund will see additional tax revenues generated in the future to pay for internal loans and infrastructure projects. The Greens of Anoka Tax Increment Fund balance is \$(812,290). This fund will also see tax revenues generated in 2016 and beyond to pay the internal loan for a road project in this district.

Proprietary funds. The City of Anoka's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position in the respective major proprietary funds are Electric - \$14,582,321, Water - \$1,625,079, Liquor - \$1,441,722, Golf - \$357,069, and Sewer - \$1,275,548. All propriety funds had increases in net position in 2014, with the exception of the Liquor, Golf, and Recycling funds. Golf had an operating loss of \$(31,096), which is the cause of decrease in net position. An operating loss in the Recycling fund of \$(14,441) caused the decrease in net position. Recycling grant revenue was lower in 2014, while operating costs remained the same. The Liquor funds decrease in net position is a result of the transfer out to the Park Capital fund.

Budgetary Highlights

General Fund

The amendments to the original budget for the General Fund in 2014 were both between departments within the fund and an overall increase in both revenue and expenditure budgets. The revenue budget increased \$100,000, and the expenditure budget increased \$200. Total revenues and other financing sources came in over the final budget by \$362,838 as a result of increased revenues derived from development activity and an increase in fair value of investments. Expenditures were \$470,648 under the final budget. There were unfilled positions, early retirements, and lower than expected overall expenditures, which reduced costs. Highlights of expenditure variances from the 2014 budget are summarized as follows:

- General government activities under budget by \$161,717
- Public safety activities under budget by \$145,665
- Public works activities under budget by \$80,120
- Parks and recreation under budget by \$83,064
- Miscellaneous contingency under budget by \$82

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, 2014, amounts to \$120,459,580 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, furniture, machinery, and equipment. The total increase in the City of Anoka's net investment in capital assets for the current fiscal year was 9.4%, or \$10,295,923. There is a 8.9% increase in governmental activities net investment in capital assets and a 10.2% increase for business-type activities net investment in capital assets.

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

- \$9.2 million of infrastructure improvements for roads and parks completed
- \$4.9 million in electric infrastructure improvements

The capital assets note (See Note 6) to the financial statements, which begins on page 57 of this report, provides more detailed information on capital asset activity.

City of Anoka's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,892,629	\$ 5,735,022	\$ 1,032,784	\$ 298,332	\$ 6,925,413	\$ 6,033,354
Construction in progress	5,167,238	11,673,110	65,620	42,949	5,232,858	11,716,059
Buildings and structures	21,165,497	21,259,055	1,760,123	1,894,504	22,925,620	23,153,559
Machinery and equipment	2,754,663	3,803,450	799,844	816,619	3,554,507	4,620,069
Infrastructure	45,091,570	31,036,208	35,472,374	32,352,767	80,563,944	63,388,975
Furniture and equipment	119,478	110,013	46,093	18,786	165,571	128,799
Other improvements	-	-	1,091,667	1,122,843	1,091,667	1,122,843
Total capital assets, net	\$ 80,191,075	\$ 73,616,858	\$ 40,268,505	\$ 36,546,800	\$ 120,459,580	\$ 110,163,658

Long-term debt. At the end of the current fiscal year, the City of Anoka had total long-term debt outstanding of \$11,310,000. The City also has a short-term obligation from a crossover refunding bond for tax increment debt in the amount of \$7,335,000. The City has \$9,888,150 of long-term debt for tax increment, public safety, and parks buildings. Fifty-seven percent, or \$1,023,150, of the public facility revenue bonds were for HVAC system upgrades at the Green Haven Community Event Center. In addition, \$2,502,460 due to the Met Council for purchasing property for a future Highway Ten improvement project is also included as governmental activity debt. The City has business-type activity long-term debt in the amount of \$650,000 in the Water Fund for a water tower and treatment plant improvements, and the balance remaining in the Golf Fund of \$771,850 was issued for replacement of the irrigation system.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 16,200,000	\$ 10,530,000	\$ -	\$ -	\$ 16,200,000	\$ 10,530,000
Revenue bonds	1,023,150	1,077,300	1,421,850	1,667,700	2,445,000	2,745,000
Met Council loan	2,502,460	2,502,460	-	-	2,502,460	2,502,460
Total outstanding debt	\$ 19,725,610	\$ 14,109,760	\$ 1,421,850	\$ 1,667,700	\$ 21,147,460	\$ 15,777,460

The City of Anoka's total debt increased by \$5,370,000 during the current year. The City issued crossover refunding debt in the amount of \$6,115,000 to extinguish the existing tax increment debt. The City also has long-term debt payable to the Met Council. This debt is considered long term since it is unknown when improvements will be made to Highway Ten. The City of Anoka maintains an Aa2 rating from Moody's Investor Service for general obligation and revenue bond debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total estimated market value. The current debt limitation for the City of Anoka is \$31,101,339. The City's current outstanding debt that applies to the limitation is \$17,223,150, and only \$3,413,858 of this amount outstanding is counted within the statutory limitation since the other debt is either wholly or partially financed by revenues or sources other than a general tax levy. Additional information on the City of Anoka's long-term debt can be found in Note 8 starting on page 58 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the Anoka County is currently estimated at 4.3% compared with 5.1% a year ago. Overall, unemployment in the state of Minnesota is estimated at 4.5% and for the United States at 5.6%.
- The occupancy rate for industrial properties city-wide is 97.8%. The City's industrial park district is maintaining about a 96.5% occupancy rate.

These factors and other factors were considered when the City of Anoka prepared its 2015 budget. At the end of 2014, total unassigned fund balance in the General Fund is \$4,814,642. The nonspendable fund balance of \$66,191 is for inventories and prepaid items. The City's 2015 tax levy stayed the same when compared to 2014. Increases were budgeted in intergovernmental revenues as a result of the legislative session in 2014. The General Fund budgeted revenues (excluding uses of fund balance) are increasing by a total of 3.2% in 2015. Total general fund budgeted expenditures did decrease by (6.3)% in 2015. There is a 1.1% increase in salary and benefit expenditures as compared to 2014. The use fund balance for transfers out decreased by \$(1,006,000) for park improvements and \$55,000 for contingencies within the General Fund. Maintenance and capital outlay have the largest increases, \$90,210 and 153,600, respectively. General Fund operating expenditures have, on average, stayed about the same over the last five years.

The water utility rate will increase in 2015 by 5.5% to help offset infrastructure costs in the 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, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	HRA
Assets				
Current assets:				
Cash and investments	\$ 13,126,100	\$ 14,497,760	\$ 27,623,860	\$ 794,606
Taxes receivable	190,575	-	190,575	8,914
Accounts receivable	317,220	3,697,245	4,014,465	269,639
Special assessments receivable	-	12,048	12,048	-
Accrued interest receivable	42,171	44,386	86,557	2,462
Internal balances	(4,006,524)	4,006,524	-	-
Due from other governmental units	138,333	-	138,333	-
Inventories	61,346	1,383,206	1,444,552	-
Prepaid items	184,344	18,325	202,669	-
Land held for resale	5,757,907	-	5,757,907	1,747,291
Restricted cash and investments	7,302,176	276,038	7,578,214	-
Total current assets	23,113,648	23,935,532	47,049,180	2,822,912
Noncurrent assets:				
Special assessments receivable	1,476,395	-	1,476,395	-
Nondepreciable capital assets	11,059,867	1,098,404	12,158,271	237,059
Capital assets - Net of depreciation:				
Infrastructure	45,091,570	35,472,374	80,563,944	-
Buildings and structures	21,165,497	1,760,123	22,925,620	-
Machinery, vehicles, and equipment	2,754,663	799,844	3,554,507	-
Furniture and equipment	119,478	46,093	165,571	-
Other improvements	-	1,091,667	1,091,667	-
Total noncurrent assets	81,667,470	40,268,505	121,935,975	237,059
Total assets	104,781,118	64,204,037	168,985,155	3,059,971
Liabilities				
Current liabilities:				
Accounts payable	724,844	2,312,980	3,037,824	51,544
Accrued wages payable	222,258	36,231	258,489	660
Due to other governments	1,546	-	1,546	-
Accrued interest payable	172,889	19,708	192,597	-
Deposits	-	1,186,225	1,186,225	-
Deferred revenue	56,550	-	56,550	-
Current portion of long-term liabilities	7,727,150	271,350	7,998,500	-
Total current liabilities	8,905,237	3,826,494	12,731,731	52,204
Noncurrent liabilities:				
Compensated absences payable	702,261	321,117	1,023,378	1,400
Net other postemployment benefit obligation	130,652	-	130,652	-
Long-term portion of long-term liabilities	12,280,236	1,171,000	13,451,236	-
Total noncurrent liabilities	13,113,149	1,492,117	14,605,266	1,400
Total liabilities	22,018,386	5,318,611	27,336,997	53,604
Net Position				
Net investment in capital assets	66,844,241	38,846,655	105,690,896	237,059
Restricted for Debt Service	1,109,803	256,330	1,366,133	-
Restricted for Tax Increment	4,087,290	-	4,087,290	-
Unrestricted	10,721,398	19,782,441	30,503,839	2,769,308
Total net position	\$ 82,762,732	\$ 58,885,426	\$ 141,648,158	\$ 3,006,367

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

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	Primary Government			
					Governmental Activities	Business - Type Activities	Total	HRA
Primary government:								
Governmental activities:								
General government	\$ 2,575,107	\$ 132,467	\$ -	\$ 484,873	\$ (1,957,767)	\$ -	\$ (1,957,767)	
Public safety	5,303,656	1,306,662	268,999	-	(3,727,995)	-	(3,727,995)	
Public works	2,580,990	1,208,335	-	1,311,420	(61,235)	-	(61,235)	
Parks and recreation	2,582,244	446,436	-	787,973	(1,347,835)	-	(1,347,835)	
Interest on long-term debt	514,894	-	-	-	(514,894)	-	(514,894)	
Total governmental activities	<u>13,556,891</u>	<u>3,093,900</u>	<u>268,999</u>	<u>2,584,266</u>	<u>(7,609,726)</u>	<u>-</u>	<u>(7,609,726)</u>	
Business-type activities:								
Electric	24,728,393	27,406,129	-	-	-	2,677,736	2,677,736	
Water	1,423,583	1,489,934	-	-	-	66,351	66,351	
Sewer	2,113,023	2,052,380	-	-	-	(60,643)	(60,643)	
Liquor Stores	4,007,571	4,179,462	-	-	-	171,891	171,891	
Golf	939,188	913,354	-	-	-	(25,834)	(25,834)	
Storm Drainage	184,749	471,678	-	-	-	286,929	286,929	
Refuse	135,444	133,959	-	-	-	(1,485)	(1,485)	
Recycling	271,444	236,453	21,049	-	-	(13,942)	(13,942)	
Total business-type activities	<u>33,803,395</u>	<u>36,883,349</u>	<u>21,049</u>	<u>-</u>	<u>-</u>	<u>3,101,003</u>	<u>3,101,003</u>	
Total primary government	<u>\$ 47,360,286</u>	<u>\$ 39,977,249</u>	<u>\$ 290,048</u>	<u>\$ 2,584,266</u>	<u>(7,609,726)</u>	<u>3,101,003</u>	<u>(4,508,723)</u>	
Component unit:								
HRA	<u>\$ 182,901</u>	<u>\$ 49,827</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (133,074)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					5,313,111	-	5,313,111	193,210
Property taxes, levied for debt service					386,417	-	386,417	-
Property taxes, levied for tax increment					2,557,981	-	2,557,981	275,905
Franchise taxes					1,331,955	-	1,331,955	-
Grants, aid, and contributions not restricted to specific programs					1,575,982	-	1,575,982	-
Net increase in fair market value					383,830	588,632	972,462	34,206
Gain (loss) on disposal of capital assets					(413,606)	60,505	(353,101)	-
Other					285,953	580,366	866,319	-
Transfers					2,285,000	(2,285,000)	-	-
Transfer of operations					(589,849)	-	(589,849)	-
Total general revenues and transfers					<u>13,116,774</u>	<u>(1,055,497)</u>	<u>12,061,277</u>	<u>503,321</u>
Change in net position					5,507,048	2,045,506	7,552,554	370,247
Net position - Beginning of year as previously stated					76,608,593	56,839,920	133,448,513	2,636,120
Prior period adjustment (See note 16)					647,091	-	647,091	-
Net position - Beginning of year as restated					<u>77,255,684</u>	<u>56,839,920</u>	<u>134,095,604</u>	<u>2,636,120</u>
Net position - Ending					<u>\$ 82,762,732</u>	<u>\$ 58,885,426</u>	<u>\$ 141,648,158</u>	<u>\$ 3,006,367</u>

See accompanying notes to financial statements

CITY OF ANOKA, MINNESOTA

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Street Renewal</u>	<u>State Aid Construction</u>	<u>Enterprise Park Tax Increment</u>	<u>Commuter Rail Transit Village Tax Increment</u>	<u>Greens of Anoka Tax Increment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS									
Cash and investments	\$ 5,079,122	\$ 454,480	\$ 13,571	\$ 649,682	\$ 1,740,297	\$ 483,186	\$ 32,710	\$ 2,368,400	\$ 10,821,448
Restricted cash	-	7,302,176	-	-	-	-	-	-	7,302,176
Receivables, net:									
Taxes	156,292	11,091	-	-	21,715	827	-	650	190,575
Special assessments	2,294	-	1,474,101	-	-	-	-	-	1,476,395
Accounts receivable	96,675	-	92,890	-	1,508	-	-	111,147	302,220
Due from other funds	30,959	-	-	-	-	-	-	417,584	448,543
Accrued interest	15,674	1,409	42	2,014	8,559	-	-	7,347	35,045
Due from other governments	-	-	-	-	-	84,873	-	53,460	138,333
Advance to other funds	-	-	-	-	2,370,000	-	-	-	2,370,000
Inventories	15,289	-	-	-	-	-	-	-	15,289
Prepaid items	50,902	-	-	-	-	-	-	-	50,902
Land held for resale	-	-	-	2,525,556	1,826,688	205,274	-	1,200,389	5,757,907
Total assets	<u>\$ 5,447,207</u>	<u>\$ 7,769,156</u>	<u>\$ 1,580,604</u>	<u>\$ 3,177,252</u>	<u>\$ 5,968,767</u>	<u>\$ 774,160</u>	<u>\$ 32,710</u>	<u>\$ 4,158,977</u>	<u>\$ 28,908,833</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 150,211	\$ -	\$ 225,606	\$ 225	\$ 15,900	\$ 42,861	\$ -	\$ 257,639	\$ 692,442
Accrued wages payable and other benefits	220,915	-	-	-	-	-	-	756	221,671
Due to other funds	20,000	99,341	676,341	-	1,484	397,584	-	1,059,767	2,254,517
Due to other governments	-	-	1,546	-	-	-	-	-	1,546
Deferred revenue	56,550	-	-	-	-	-	-	-	56,550
Advance from other funds	-	-	-	-	2,152,189	1,500,000	845,000	25,000	4,522,189
Total liabilities	<u>447,676</u>	<u>99,341</u>	<u>903,493</u>	<u>225</u>	<u>2,169,573</u>	<u>1,940,445</u>	<u>845,000</u>	<u>1,343,162</u>	<u>7,748,915</u>
Deferred inflows of resources:									
Unavailable revenue-Property taxes	118,698	8,347	-	-	15,991	342	-	-	143,378
Unavailable revenue-Special assessments	-	-	1,468,236	-	-	-	-	-	1,468,236
Total deferred inflows of resources	<u>118,698</u>	<u>8,347</u>	<u>1,468,236</u>	<u>-</u>	<u>15,991</u>	<u>342</u>	<u>-</u>	<u>-</u>	<u>1,611,614</u>
Fund balances:									
Nonspendable	66,191	-	-	2,525,556	4,196,688	205,274	-	1,200,389	8,194,098
Restricted	-	7,661,468	-	-	-	-	-	70,262	7,731,730
Committed	-	-	-	-	-	-	-	1,961,560	1,961,560
Assigned	-	-	-	651,471	-	-	-	305,712	957,183
Unassigned	4,814,642	-	(791,125)	-	(413,485)	(1,371,901)	(812,290)	(722,108)	703,733
Total fund balances	<u>4,880,833</u>	<u>7,661,468</u>	<u>(791,125)</u>	<u>3,177,027</u>	<u>3,783,203</u>	<u>(1,166,627)</u>	<u>(812,290)</u>	<u>2,815,815</u>	<u>19,548,304</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,447,207</u>	<u>\$ 7,769,156</u>	<u>\$ 1,580,604</u>	<u>\$ 3,177,252</u>	<u>\$ 5,968,767</u>	<u>\$ 774,160</u>	<u>\$ 32,710</u>	<u>\$ 4,158,977</u>	<u>\$ 28,908,833</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014**

Total governmental fund balances	\$ 19,548,304
Amounts reported for governmental activities in the statement of net position (page 26) 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.	79,273,722
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources.	1,611,614
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.	2,622,019
Net other postemployment benefit obligations reported in the statement of net position do not require the use of current financial resources and are not reported as liabilities in governmental funds until actually due.	(130,652)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(20,162,275)</u>
Net position of the governmental activities	<u>\$ 82,762,732</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Street Renewal</u>	<u>State Aid Construction</u>	<u>Enterprise Park Tax Increment</u>	<u>Commuter Rail Transit Village Tax Increment</u>	<u>Greens of Anoka Tax Increment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:									
Taxes	\$ 5,298,101	\$ 386,018	\$ -	\$ -	\$ 2,434,201	\$ 51,009	\$ -	\$ 82,978	\$ 8,252,307
Special assessments	-	-	406,265	-	-	-	-	-	406,265
Licenses and permits	427,821	-	7,645	-	-	-	-	32,147	467,613
Fines and forfeitures	85,154	-	-	-	-	-	-	58,153	143,307
Intergovernmental	2,008,829	-	5,572	1,142,000	-	484,873	-	787,973	4,429,247
Charges for current services	1,224,658	-	-	-	-	-	-	467,670	1,692,328
Franchise fees	967,141	-	364,815	-	-	-	-	-	1,331,956
Investment income	37,396	583	16,025	2,686	18,765	-	-	18,366	93,821
Net increase in fair value of investments	104,756	9,518	8,846	2,715	94,126	-	-	70,047	290,008
Miscellaneous	71,237	-	421,087	-	4,800	-	-	46,913	544,037
Total revenues	<u>10,225,093</u>	<u>396,119</u>	<u>1,230,255</u>	<u>1,147,401</u>	<u>2,551,892</u>	<u>535,882</u>	<u>-</u>	<u>1,564,247</u>	<u>17,650,889</u>
Expenditures									
Current:									
General government	1,751,999	81,089	-	-	39,456	28,599	28,996	20,471	1,950,610
Public safety	5,023,410	-	-	-	-	-	-	119,030	5,142,440
Public works	1,215,500	-	8,533	-	-	-	-	94,342	1,318,375
Parks and recreation	1,690,950	-	-	-	-	-	-	90,596	1,781,546
Capital outlay	84,548	-	4,461,657	776,050	618,467	1,700,443	-	2,465,422	10,106,587
Debt service:									
Principal retirement	-	499,150	-	-	-	-	-	-	499,150
Interest and fiscal charges	-	421,218	-	-	86,220	-	-	-	507,438
Total expenditures	<u>9,766,407</u>	<u>1,001,457</u>	<u>4,470,190</u>	<u>776,050</u>	<u>744,143</u>	<u>1,729,042</u>	<u>28,996</u>	<u>2,789,861</u>	<u>21,306,146</u>
Excess (deficiency) of revenues over (under) expenditures	458,686	(605,338)	(3,239,935)	371,351	1,807,749	(1,193,160)	(28,996)	(1,225,614)	(3,655,257)
Other financing sources (uses) including transfers:									
Crossover refunding of bonds	-	6,115,000	-	-	-	-	-	-	6,115,000
Premium on crossover refunding of bonds	-	268,638	-	-	-	-	-	-	268,638
Transfer in	360,000	1,440,000	2,266,000	-	-	-	-	1,635,000	5,701,000
Transfer out	(1,220,000)	-	-	-	(1,140,000)	-	-	(1,106,000)	(3,466,000)
Proceeds from sale of asset	-	-	-	-	-	-	-	365,539	365,539
Total other financing sources (uses)	<u>(860,000)</u>	<u>7,823,638</u>	<u>2,266,000</u>	<u>-</u>	<u>(1,140,000)</u>	<u>-</u>	<u>-</u>	<u>894,539</u>	<u>8,984,177</u>
Special item - Transfer of operations	(589,849)	-	-	-	-	-	-	-	(589,849)
Net changes in fund balances	(991,163)	7,218,300	(973,935)	371,351	667,749	(1,193,160)	(28,996)	(331,075)	4,739,071
Fund balances (deficits) at beginning of year as previously stated	5,871,996	443,168	182,810	2,805,676	3,115,454	(245,756)	(783,294)	2,772,088	14,162,142
Prior period adjustment (see Note 16)	-	-	-	-	-	272,289	-	374,802	647,091
Fund balances (deficits) at beginning of year restated	<u>5,871,996</u>	<u>443,168</u>	<u>182,810</u>	<u>2,805,676</u>	<u>3,115,454</u>	<u>26,533</u>	<u>(783,294)</u>	<u>3,146,890</u>	<u>14,809,233</u>
Fund balances (deficits) at end of year	<u>\$ 4,880,833</u>	<u>\$ 7,661,468</u>	<u>\$ (791,125)</u>	<u>\$ 3,177,027</u>	<u>\$ 3,783,203</u>	<u>\$ (1,166,627)</u>	<u>\$ (812,290)</u>	<u>\$ 2,815,815</u>	<u>\$ 19,548,304</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

FOR FISCAL YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - Total governmental funds (page 30)	\$ 4,739,071
Amounts reported for government activities in the statement of activities 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.	7,233,324
The fire department operations were transferred out in 2014 along with the assets associated with that department. The loss on the transfer of assets is not reflected in the governmental funds.	(779,145)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	131,506
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. 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. This amount is the net effect of these differences in the treatment of long-term debt-related items.	(5,884,488)
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.	(7,456)
Net other postemployment benefit obligation 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.	(201)
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.	<u>74,437</u>
Change in net position of governmental activities (page 27)	<u>\$ 5,507,048</u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2014

BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUNDS

Assets	<u>Electric</u>	<u>Water</u>	<u>Liquor</u>	<u>Golf</u>
Current assets:				
Cash and cash equivalents	\$ 10,081,414	\$ 1,564,067	\$ 1,113,858	\$ 361,188
Restricted cash	-	219,225	-	56,813
Receivables, net:				
Special assessments	4,899	3,556	-	-
Accounts receivable	3,147,424	154,306	-	2,301
Accrued interest	29,693	5,534	3,439	1,451
Due from other funds	1,722,941	159	-	74,341
Inventory	601,218	-	743,871	38,117
Prepaid items	18,325	-	-	-
Advance to other funds	2,152,189	-	-	-
Total current assets	<u>17,758,103</u>	<u>1,946,847</u>	<u>1,861,168</u>	<u>534,211</u>
Noncurrent assets:				
Land and improvements	806,266	65,620	55,082	158,053
Buildings and structures	2,415,647	1,124,314	1,123,414	257,895
Furniture and equipment	636,046	-	189,176	169,564
Machinery and automotive equipment	3,300,898	735,807	14,806	632,963
Distribution system	37,836,545	14,056,494	-	-
Other improvements	-	-	-	2,667,323
Total property	<u>44,995,402</u>	<u>15,982,235</u>	<u>1,382,478</u>	<u>3,885,798</u>
Accumulated depreciation	<u>(21,672,237)</u>	<u>(7,524,730)</u>	<u>(1,117,526)</u>	<u>(2,415,539)</u>
Total noncurrent assets	<u>23,323,165</u>	<u>8,457,505</u>	<u>264,952</u>	<u>1,470,259</u>
Total assets	<u>\$ 41,081,268</u>	<u>\$ 10,404,352</u>	<u>\$ 2,126,120</u>	<u>\$ 2,004,470</u>
Liabilities and net position				
Current liabilities:				
Accounts payable	\$ 1,824,200	\$ 82,022	\$ 358,537	\$ 13,938
Accrued wages payable	26,190	1,958	3,485	2,390
Accrued interest payable	-	7,687	-	12,021
Current portion of compensated absences payable	20,500	-	-	-
Current portion of bonds payable	-	210,000	-	40,850
Deposits	1,125,308	-	3,000	57,917
Total current liabilities	<u>2,996,198</u>	<u>301,667</u>	<u>365,022</u>	<u>127,116</u>
Compensated absences payable	179,584	18,563	54,424	46,084
Bonds payable	-	440,000	-	731,000
Total liabilities	<u>3,175,782</u>	<u>760,230</u>	<u>419,446</u>	<u>904,200</u>
Net position:				
Net investment in capital assets	23,323,165	7,807,505	264,952	698,409
Restricted for debt service	-	211,538	-	44,792
Unrestricted	14,582,321	1,625,079	1,441,722	357,069
Total net position	<u>\$ 37,905,486</u>	<u>\$ 9,644,122</u>	<u>\$ 1,706,674</u>	<u>\$ 1,100,270</u>

See accompanying notes to financial statements.

	Sewer	Other Proprietary Funds	Total Proprietary Funds	Governmental Activities - Internal Service Funds
\$	1,004,965	\$ 372,268	\$ 14,497,760	\$ 2,304,652
	-	-	276,038	-
	3,593	-	12,048	-
	288,151	105,063	3,697,245	15,000
	3,115	1,154	44,386	7,126
	8,533	-	1,805,974	-
	-	-	1,383,206	46,057
	-	-	18,325	133,442
	-	-	2,152,189	-
	<u>1,308,357</u>	<u>478,485</u>	<u>23,887,171</u>	<u>2,506,277</u>
	13,383	-	1,098,404	-
	150,000	-	5,071,270	50,000
	-	-	994,786	509,567
	698,508	-	5,382,982	3,754,418
	6,973,609	2,913,807	61,780,455	-
	-	-	2,667,323	-
	<u>7,835,500</u>	<u>2,913,807</u>	<u>76,995,220</u>	<u>4,313,985</u>
	<u>(3,628,754)</u>	<u>(367,929)</u>	<u>(36,726,715)</u>	<u>(3,396,632)</u>
	<u>4,206,746</u>	<u>2,545,878</u>	<u>40,268,505</u>	<u>917,353</u>
\$	<u>5,515,103</u>	<u>\$ 3,024,363</u>	<u>\$ 64,155,676</u>	<u>\$ 3,423,630</u>
\$	12,243	\$ 22,040	\$ 2,312,980	\$ 32,402
	2,003	205	36,231	587
	-	-	19,708	-
	-	-	20,500	18,000
	-	-	250,850	-
	-	-	1,186,225	-
	<u>14,246</u>	<u>22,245</u>	<u>3,826,494</u>	<u>50,989</u>
	18,563	3,899	321,117	702,261
	-	-	1,171,000	-
	<u>32,809</u>	<u>26,144</u>	<u>5,318,611</u>	<u>753,250</u>
	4,206,746	2,545,878	38,846,655	917,353
	-	-	256,330	-
	<u>1,275,548</u>	<u>452,341</u>	<u>19,734,080</u>	<u>1,753,027</u>
\$	<u>5,482,294</u>	<u>\$ 2,998,219</u>	<u>\$ 58,837,065</u>	<u>\$ 2,670,380</u>

CITY OF ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2014

BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUNDS

	<u>Electric</u>	<u>Water</u>	<u>Liquor</u>	<u>Golf</u>
Operating revenues:				
Charges for sales and services:				
Electric utility sales	\$ 26,709,790	\$ -	\$ -	\$ -
Water utility sales	-	1,471,049	-	-
Liquor sales	-	-	4,179,462	-
Sewer	-	-	-	-
Golf	-	-	-	826,168
Storm water	-	-	-	-
Refuse	-	-	-	-
Recycling	-	-	-	-
Other	696,339	18,885	-	87,186
Total operating revenues	<u>27,406,129</u>	<u>1,489,934</u>	<u>4,179,462</u>	<u>913,354</u>
Operating expenses:				
Personal services	1,162,285	415,644	486,491	457,679
Supplies	410,310	149,317	14,208	128,656
Professional services	981,599	325,617	210,579	101,821
Contractual services	243,336	56,795	8,661	74,929
Purchased power	19,814,739	-	-	-
Franchise fee	946,125	-	-	-
Cost of sales	-	-	3,253,385	79,590
Depreciation	1,196,838	478,293	43,448	101,775
Total operating expenses	<u>24,755,232</u>	<u>1,425,666</u>	<u>4,016,772</u>	<u>944,450</u>
Operating income (loss)	<u>2,650,897</u>	<u>64,268</u>	<u>162,690</u>	<u>(31,096)</u>
Nonoperating revenues (expenses):				
Interest income	62,700	9,132	7,634	2,122
Internal interest income	86,446	-	-	-
Net increase in fair value of investments	319,266	34,358	25,082	8,878
Interest expense	(2,097)	(19,329)	-	(12,655)
Gain on sale of capital assets	60,505	-	-	-
Other income	238,935	273,362	5,100	-
Total nonoperating revenues (expenses)	<u>765,755</u>	<u>297,523</u>	<u>37,816</u>	<u>(1,655)</u>
Income (loss) before transfers	3,416,652	361,791	200,506	(32,751)
Other transfers				
Transfer in	-	-	-	-
Transfer out	(1,985,000)	-	(300,000)	-
Total transfers	<u>(1,985,000)</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Change in net position	1,431,652	361,791	(99,494)	(32,751)
Net position - Beginning of year	<u>36,473,834</u>	<u>9,282,331</u>	<u>1,806,168</u>	<u>1,133,021</u>
Net position - Ending of year	<u>\$ 37,905,486</u>	<u>\$ 9,644,122</u>	<u>\$ 1,706,674</u>	<u>\$ 1,100,270</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business-type activities (page 27).

See accompanying notes to financial statements.

<u>Sewer</u>	<u>Other Proprietary Funds</u>	<u>Total Proprietary Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ -	\$ -	\$ 26,709,790	\$ -
-	-	1,471,049	-
-	-	4,179,462	-
2,052,380	-	2,052,380	-
-	-	826,168	-
-	471,678	471,678	-
-	133,959	133,959	-
-	257,502	257,502	-
-	-	802,410	1,286,809
<u>2,052,380</u>	<u>863,139</u>	<u>36,904,398</u>	<u>1,286,809</u>
360,581	94,683	2,977,363	75,382
26,653	2,742	731,886	403,288
81,856	71,756	1,773,228	563,689
1,297,385	353,367	2,034,473	86,434
-	-	19,814,739	-
-	-	946,125	-
-	-	3,332,975	-
348,196	72,417	2,240,967	218,192
<u>2,114,671</u>	<u>594,965</u>	<u>33,851,756</u>	<u>1,346,985</u>
<u>(62,291)</u>	<u>268,174</u>	<u>3,052,642</u>	<u>(60,176)</u>
5,855	2,086	89,529	15,222
5,885	-	92,331	-
10,072	9,116	406,772	55,057
-	-	(34,081)	-
-	-	60,505	19,235
97,050	-	614,447	43,461
<u>118,862</u>	<u>11,202</u>	<u>1,229,503</u>	<u>132,975</u>
56,571	279,376	4,282,145	72,799
-	-	-	50,000
-	-	(2,285,000)	-
-	-	(2,285,000)	50,000
56,571	279,376	1,997,145	122,799
<u>5,425,723</u>	<u>2,718,843</u>	<u>56,839,920</u>	<u>2,547,581</u>
<u>\$ 5,482,294</u>	<u>\$ 2,998,219</u>	<u>\$ 58,837,065</u>	<u>\$ 2,670,380</u>
		48,361	
		<u>\$ 58,885,426</u>	

CITY OF ANOKA, MINNESOTA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2014

BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUNDS

	<u>Electric</u>	<u>Water</u>	<u>Liquor</u>	<u>Golf</u>
Cash flows from operating activities:				
Received from customers	\$ 27,678,465	\$ 1,786,163	\$ 4,184,562	\$ 926,999
Received from interfund services provided	86,446	-	-	-
Reimbursement from insurance carrier	-	-	-	-
Payments to suppliers for goods and services	(21,766,221)	(521,662)	(3,385,816)	(380,006)
Payments to employees for services	(1,169,456)	(420,511)	(491,483)	(467,645)
Payments to other funds for franchise fee	(946,125)	-	-	-
Disposal charges	-	-	-	-
Deposits received	(34,146)	-	265	8,370
Net cash provided by operating activities	<u>3,848,963</u>	<u>843,990</u>	<u>307,528</u>	<u>87,718</u>
Cash flows from noncapital financing activities:				
(Increase)/decrease from other funds	(950,442)	5,687	(4)	(33,151)
Transfer (to) from other funds	(1,985,000)	-	(300,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(2,935,442)</u>	<u>5,687</u>	<u>(300,004)</u>	<u>(33,151)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(4,905,016)	(509,825)	(59,687)	0
Principal paid on bonds and leases	-	(205,000)	-	(40,850)
Interest paid	(2,097)	(21,206)	-	(29,657)
Cost of disposing of equipment	(8,832)	-	-	-
Grants for capital assets	-	-	-	-
Proceeds from sale of capital assets	60,505	-	-	-
Net cash used in capital and related financing activities	<u>(4,855,440)</u>	<u>(736,031)</u>	<u>(59,687)</u>	<u>(70,507)</u>
Cash flows from investing activities:				
Investment earnings	398,196	43,686	33,257	11,037
Net (decrease) increase in cash and cash equivalents	(3,543,723)	157,332	(18,906)	(4,903)
Cash and cash equivalents at beginning of year				
	<u>13,625,137</u>	<u>1,625,960</u>	<u>1,132,764</u>	<u>422,904</u>
Cash and cash equivalents at end of year				
	<u>\$ 10,081,414</u>	<u>\$ 1,783,292</u>	<u>\$ 1,113,858</u>	<u>\$ 418,001</u>
Cash components:				
Cash and cash equivalents	\$ 10,081,414	\$ 1,564,067	\$ 1,113,858	\$ 361,188
Restricted cash	-	219,225	-	56,813
Cash and cash equivalents at end of year	<u>\$ 10,081,414</u>	<u>\$ 1,783,292</u>	<u>\$ 1,113,858</u>	<u>\$ 418,001</u>

See accompanying notes to financial statements.

<u>Sewer</u>	<u>Other Proprietary Funds</u>	<u>Total Proprietary Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 2,180,378	\$ 893,312	\$ 37,649,879	\$ -
5,885	-	92,331	1,286,809
-	-	-	60,085
(131,855)	(126,521)	(26,312,081)	(1,181,574)
(363,238)	(95,414)	(3,007,747)	(132,758)
0	-	(946,125)	-
(1,270,580)	(319,649)	(1,590,229)	-
-	-	(25,511)	-
<u>420,590</u>	<u>351,728</u>	<u>5,860,517</u>	<u>32,562</u>
37,495	-	(940,415)	(979)
-	-	(2,285,000)	50,000
<u>37,495</u>	<u>-</u>	<u>(3,225,415)</u>	<u>49,021</u>
(87,145)	(392,168)	(5,953,841)	(338,229)
-	-	(245,850)	-
-	-	(52,960)	-
-	-	(8,832)	-
-	-	-	43,461
-	-	60,505	4,235
<u>(87,145)</u>	<u>(392,168)</u>	<u>(6,200,978)</u>	<u>(290,533)</u>
<u>14,994</u>	<u>11,464</u>	<u>512,634</u>	<u>71,748</u>
385,934	(28,976)	(3,053,242)	(137,202)
<u>619,031</u>	<u>401,244</u>	<u>17,827,040</u>	<u>2,441,854</u>
<u>\$ 1,004,965</u>	<u>\$ 372,268</u>	<u>\$ 14,773,798</u>	<u>\$ 2,304,652</u>
\$ 1,004,965	\$ 372,268	\$ 14,497,760	\$ 2,304,652
-	-	276,038	-
<u>\$ 1,004,965</u>	<u>\$ 372,268</u>	<u>\$ 14,773,798</u>	<u>\$ 2,304,652</u>

CITY OF ANOKA, MINNESOTA

**STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 FOR FISCAL YEAR ENDED DECEMBER 31, 2014**

BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUNDS

	<u>Electric</u>	<u>Water</u>	<u>Liquor</u>	<u>Golf</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,650,897	\$ 64,268	\$ 162,690	\$ (31,096)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,196,838	478,293	43,448	101,775
Other income	325,381	273,362	5,100	-
Changes in assets and liabilities:				
Accounts receivable	33,401	22,867	-	13,645
Inventory	51,822	-	(125)	15,155
Prepaid items	(18,325)	-	-	-
Accounts payable	(349,734)	10,067	101,142	(10,165)
Accrued wages payable	(14,039)	(4,902)	(7,553)	(4,908)
Compensated absences payable	6,868	35	2,561	(5,058)
Deposits	(34,146)	-	265	8,370
Total adjustments	<u>1,198,066</u>	<u>779,722</u>	<u>144,838</u>	<u>118,814</u>
Net cash provided by operating activities	<u>\$ 3,848,963</u>	<u>\$ 843,990</u>	<u>\$ 307,528</u>	<u>\$ 87,718</u>

See accompanying notes to financial statements.

<u>Sewer</u>	<u>Other Proprietary Funds</u>	<u>Total Proprietary Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ (62,291)	\$ 268,174	\$ 3,052,642	\$ (60,176)
348,196	72,417	2,240,967	218,192
102,935	-	706,778	(15,000)
30,948	30,173	131,034	15,000
-	-	66,852	11,600
-	-	(18,325)	(77,121)
3,459	(18,305)	(263,536)	(2,557)
(2,692)	(1,414)	(35,508)	(1,246)
35	683	5,124	(56,130)
-	-	(25,511)	-
<u>482,881</u>	<u>83,554</u>	<u>2,807,875</u>	<u>92,738</u>
<u>\$ 420,590</u>	<u>\$ 351,728</u>	<u>\$ 5,860,517</u>	<u>\$ 32,562</u>

CITY OF ANOKA, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2014

	<u>Agency</u>
Assets	
Cash and investments	\$ 548,957
Accounts receivable	6,603
Accrued interest receivable	<u>1,651</u>
Total assets	<u><u>\$ 557,211</u></u>
Liabilities	
Liabilities:	
Deposits payable	\$ 239,330
Due to other organizations	<u>317,881</u>
Total liabilities	<u><u>\$ 557,211</u></u>

See accompanying notes to financial statements.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

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 Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61. 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 nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that 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 fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The fiduciary fund financial statements have no measurement focus.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Revenues are recorded when received, except for the following items for which receivables have been recorded:

1. Property tax revenue is recorded when it becomes measurable and available to finance expenditures of the current fiscal year. All delinquent taxes receivable are completely offset by deferred inflows of resources. Taxes due from Anoka County on December 31 have been accrued by the City because they will be transmitted to the City in January.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2. Special assessment revenue is recorded when it becomes measurable and available to finance expenditures of the current fiscal year. All special assessments receivable in the Governmental Funds are completely offset by deferred inflows of resources. Special assessments due from the County on December 31 have been accrued as revenue because they will be transmitted to the City in January.
3. Investment earnings are recorded as revenues in the year when earned.
4. Certain grants and state aid received by the City require that eligible expenditures be made in order to earn the grant or aid. Revenue for these grants or state aid is recorded for the period in which eligible expenditures are made.

The City reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is 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.

Street Renewal Fund - The revolving 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.

State Aid Construction Fund - The State Aid Construction Capital Project Fund is used to account for the City's allocation of the state-collected highway user tax. The allocation is based on population and need for construction of designated state aid streets in the City.

Enterprise Park Tax Increment Fund - The Enterprise Park Tax Increment Fund is used to account for the financial resources and expenditures in the City's primary industrial park.

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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City reports the following major governmental funds (continued):

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.

Liquor Fund - The Liquor Fund accounts for the revenues and expenses related to operation of the two municipal liquor stores.

Golf Fund - The Golf Fund accounts for the revenues and expenses related to the operation of the municipal golf course only. The revenues and expenses related to the operation of the community event center are now included in the General Fund to reflect the nature of the center.

Sewer Fund - The Sewer Fund is used to account for the revenues and expenditures related to the disposal of wastewater for properties in the city.

The City reports the following agency funds:

Escrow – The Escrow Fund accounts for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. The City's agency funds are custodial in nature and do not involve measurement of results of operations.

Youth First – The Youth First Fund accounts for assets held by the City as an agent for the organization Youth First. The City's agency funds are custodial in nature and do not involve measurement of results of operations.

Downtown District – The Downtown District Fund accounts for assets held by the City as an agent for the organization Street Lighting District. The City's agency funds are custodial in nature and do not involve measurement of results of operations.

Castle Field – The Castle Field Fund accounts for assets held by the City as an agent for the organization Castle Field Association. The City's agency funds are custodial in nature and do not involve measurement of results of operations.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City reports the following internal service funds:

Information Systems Fund – The Information Systems Fund accounts for the cost of providing computer services to other departments.

Insurance Fund – The Insurance Fund accounts for the cost of insurance coverage, claims filed against the City, damages incurred to City property, and related reimbursements including deductibles.

Employee Benefits Fund – The Employee Benefits Fund accounts for the accrual of vacation, holiday, and sick pay for employees of the City. The fund also pays for those benefits when they are actually used.

Central Garage Fund – The Central Garage Fund accounts for vehicles and equipment used by the City departments and the related costs to maintain and replace such equipment.

Additionally, 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.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or major purchases of equipment (other than those financed by Proprietary Funds).

Enterprise Funds - Enterprise Funds are maintained to account for the operation of City service enterprises that are self-supporting and financed by user charges.

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, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities, and Net Position or Equity

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) when investment interest earnings are allocated.

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

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities, and Net Position or Equity (continued):

Property Taxes

Property tax levies are set by the City Council in December of each year and are certified to Anoka County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The tax levy notice is mailed in March, with the first half-payment due on May 15 and the second half-payment due on October 15.

All property tax receivables are shown net of an allowance for uncollectibles. Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. Taxes and special assessments receivable currently total \$1,666,970. Of this receivable \$1,611,614 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 where 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 the lower of cost (determined on the first-in, first-out basis, except for the Liquor Fund, which is on an average cost basis) or market value. Inventory in the General Fund is for fuel supplies and is equally offset by nonspendable fund balance. The cost of inventory is recorded as an expense when consumed (i.e., consumption method) in the General Fund and Proprietary Fund types.

Certain payments to vendors for insurance reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund accounting statements.

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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities, and Net Position or Equity

Capital Assets (continued):

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, are depreciated on an item basis. Noncurrent capital assets in the Electric Utility Fund are grouped into common or like-kind assets and depreciated on a composite basis using straight-line depreciation. When Electric Utility Fund capital assets are retired, the original cost is removed from the accounts and charged, together with any cost of removal, to accumulated depreciation. Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	5-50
Equipment and vehicles	3-30
Streets and public infrastructure	15-60
Utility distribution systems	15-60

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the term, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental fund reports unavailable revenues from property taxes and special assessments.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities, and Net Position or Equity

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. The City compensates all employees upon termination for unused vacation, holiday, and compensatory time. City employees are entitled to sick leave benefits at the rate of eight hours for each calendar month of full-time service.

Employees hired prior to January 1, 1981 (February 1, 1987, for police patrol), and retiring employees who meet the PERA age and years of service requirements are compensated for one-third of unused sick leave, up to a maximum of 350 hours upon termination of employment. Accumulated vacation and sick leave is reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements. The employee benefits internal service fund reports the government funds' liability for compensated absences on the accrual basis.

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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond issue costs are recognized when they are incurred. Interest is reported as an expenditure in the period in which the related payment is made.

Net Position/Fund Equity

Net position represents the difference between assets and liabilities in the government-wide financial statements. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities, and Net Position or Equity

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% of budgeted operating expenditures.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." Details of this difference are as follows.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

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

Bonds and loans payable	\$19,989,386
Accrued interest payable	<u>172,889</u>
Net adjustment to reduce fund balance-Total governmental funds to arrive at net position-Governmental activities	<u>\$ 20,162,275</u>

Another element of that 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	\$ 11,059,867
Infrastructure	45,091,570
Buildings and structures	21,165,497
Machinery, vehicles, and equipment	1,907,734
Furniture and equipment	<u>49,054</u>
Net adjustment to increase fund balance-Total governmental funds to arrive at net position-Governmental activities	<u>\$ 79,273,722</u>

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 total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 10,106,587
Depreciation expense	<u>(2,873,263)</u>
Net adjustment to increase net changes in fund balances-Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 7,233,324</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued):

Another element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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.” The details of this difference are as follows:

Retirement of general obligation bonds	\$ 499,150
Issuance of crossover refunding debt	(6,115,000)
Premium on crossover refunding debt	<u>(268,638)</u>
Net adjustment to decrease net changes in fund balances-Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (5,884,488)</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

The following funds have a negative fund balance at December 31, 2014:

1. The Street Renewal Fund has a negative fund balance of \$791,125. The negative fund balance will be eliminated in 2015 with a transfer of funds from Capital Improvements and Electric.
2. The Commuter Rail Transit Village Tax Increment Fund has a negative fund balance of \$1,166,627. The negative fund balance will be eliminated with future tax increment revenue collections.
3. The Greens of Anoka Tax Increment Fund has a negative fund balance of \$812,290. The negative fund balance will be eliminated with future tax increment revenue collections.
4. The South Ferry Tax Increment Fund has a negative fund balance of \$20,032. The negative fund balance will be eliminated with future tax increment revenue collections.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

4. CASH AND INVESTMENTS

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, 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 acceptance and repurchase agreements. In addition to the limitations described in the 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 fiduciary funds of \$548,957 and exclude petty cash of \$4,875.

(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. The City does not have a formal investment policy related to interest rate risk. As of December 31, 2014, the City had the following investments and maturities (in years):

Investment type:	Fair Value	Investment Maturities (in years)		
		Less Than One	1-5	6-10
Federal Home Loan Bk. (FHLB)	\$ 4,649,030	\$ -	\$ -	\$ 4,649,030
Federal Nat'l. Mtg. Assn. (FNMA)	2,694,788	-	1,482,580	1,212,208
Federal Home Loan Mtg. Corp. (Freddie Mac)	494,760	-	-	494,760
Federal farm credit	1,503,084	-	-	1,503,084
Municipal bonds	4,774,786	780,756	3,473,990	520,040
US treasury obligations-state and local government series	7,302,176	7,302,176	-	-
Certificates of deposit	9,474,010	7,997,189	1,234,756	242,065
Bankers acceptance	4,266,014	4,266,014	-	-
Money market accounts	587,508	587,508	-	-
Totals	\$ 35,746,156	\$ 20,933,643	\$ 6,191,326	\$ 8,621,187

(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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

4. CASH AND INVESTMENTS

City of Anoka:

(b) Credit Risk (continued):

The following table lists the credit quality ratings per Moody's and/or Standard & Poor's of the City's investments as of December 31, 2014:

Investment type:	Fair Value	Quality Ratings		
		AAA	AA	Not Rated
Federal Home Loan Bk. (FHLB)	\$ 4,649,030	\$ -	\$ 4,649,030	\$ -
Federal Nat'l. Mtg. Assn. (FNMA)	2,694,788	-	2,694,788	-
Federal Home Loan Mtg. Corp. (Freddie Mac)	494,760	-	494,760	-
Federal farm credit	1,503,084	-	1,503,084	-
Municipal bonds	4,774,786	544,285	4,209,501	21,000
US treasury obligations-state and local government series	7,302,176	-	-	7,302,176
Certificates of deposit	9,474,010	-	-	9,474,010
Bankers acceptance	4,266,014	-	-	4,266,014
Money market accounts	587,508	-	-	587,508
Totals	\$ 35,746,156	\$ 544,285	\$ 13,551,163	\$ 21,650,708

(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 does not have a formal policy related to custodial credit risk of investments or deposits. At December 31, 2014, all of the City's investments are insured and registered and are held by the counterparty's agent in the City's name.

(d) Concentration of Credit Risk

The City's investment policy provides that the investment pool should be diversified by security type and institution so that no more than 60% of the portfolio is with any one financial institution or broker/dealer. At December 31, 2014, the concentration of the City's investments that exceed 5% of the portfolio were as follows:

Federal Home Loan Bk. (FHLB)	13%
Federal Nat'l. Mtg. Assn. (FNMA)	8%
US treasury obligations-state and local government series	20%
US Bank bankers acceptance	12%

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

4. CASH AND INVESTMENTS

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 united states 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.

(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. The HRA does not have a formal investment policy related to interest rate risk.

As of December 31, 2014, the HRA had the following investments and maturities:

Investment type:	Investment Maturities (in years)		
	Fair Value	Less than one	1 - 5
Certificates of deposit	\$ 498,707	\$ -	\$ 498,707
Bankers acceptance	215,433	215,433	-
Money market accounts	80,466	80,466	-
Totals	\$ 794,606	\$ 295,899	\$ 498,707

(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 table lists the credit quality ratings per Moody’s and/or Standard & Poor’s of the HRA’s investments as of December 31, 2014:

Investment type:	Fair Value	Quality Ratings
		Not Rated
Certificates of deposit	\$ 498,707	\$ 498,707
Bankers acceptance	215,433	215,433
Money market accounts	80,466	80,466
Totals	\$ 794,606	\$ 794,606

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

4. CASH AND INVESTMENTS

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, 2014, all of the HRA's investments are insured and registered and are held by the counterparty's agent in the City's name.

(d) Concentration of Credit Risk

The City's investment policy, therefore the HRA's investment policy, provides that the investment pool should be diversified by security type and institution so that no more than 60% of the portfolio is with any one financial institution or broker/dealer.

5. INTERFUND RECEIVABLES/PAYABLES

The City had the following interfund receivable and payable balances as of December 31, 2014:

Fund	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
Building Improvement	\$ -	\$ 576,068	\$ -	\$ -
CRTV Tax Increment	-	397,584	-	1,500,000
Electric Utility	1,722,941	-	2,152,189	-
Enterprise Park Tax Increment	-	1,484	2,370,000	2,152,189
General	30,959	20,000	-	-
Golf	74,341	-	-	-
Greens of Anoka Tax Increment	-	-	-	845,000
Parks	417,584	483,699	-	-
Public Improvement 2008A	-	99,341	-	-
Sewer	8,533	-	-	-
South Ferry Tax Increment	-	-	-	25,000
Street Renewal	-	676,341	-	-
Water	159	-	-	-
Total	\$ 2,254,517	\$ 2,254,517	\$ 4,522,189	\$ 4,522,189

The interfund receivables and payables are used to borrow funds internally for special projects and year-end adjustments. The \$576,068 due to other funds in the Building Improvement fund will not be repaid within one year. Advances to and from other funds are longer term commitments.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,735,022	\$ 157,607	\$ -	\$ 5,892,629
Construction in progress	11,673,110	9,976,741	16,482,613	5,167,238
Total capital assets not being depreciated	<u>17,408,132</u>	<u>10,134,348</u>	<u>16,482,613</u>	<u>11,059,867</u>
Capital assets being depreciated:				
Building and structures	32,313,279	782,669	-	33,095,948
Furniture and equipment	1,007,124	47,814	2,606	1,052,332
Machinery and equipment	10,444,676	441,495	2,328,907	8,557,264
Infrastructure	39,468,829	15,521,104	-	54,989,933
Total capital assets being depreciated	<u>83,233,908</u>	<u>16,793,082</u>	<u>2,331,513</u>	<u>97,695,477</u>
Less accumulated depreciation for:				
Building and structures	11,054,224	876,227	-	11,930,451
Furniture and equipment	897,111	38,349	2,606	932,854
Machinery and equipment	6,641,226	711,137	1,549,762	5,802,601
Infrastructure	8,432,621	1,465,742	-	9,898,363
Total accumulated depreciation	<u>27,025,182</u>	<u>3,091,455</u>	<u>1,552,368</u>	<u>28,564,269</u>
Total capital assets being depreciated, net	<u>56,208,726</u>	<u>13,701,627</u>	<u>779,145</u>	<u>69,131,208</u>
Governmental activities capital assets, net	<u>\$ 73,616,858</u>	<u>\$ 23,835,975</u>	<u>\$ 17,261,758</u>	<u>\$ 80,191,075</u>
Business-type activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 298,332	\$ 734,452	\$ -	\$ 1,032,784
Construction in progress	42,949	891,638	868,967	65,620
Total capital assets not being depreciated	<u>341,281</u>	<u>1,626,090</u>	<u>868,967</u>	<u>1,098,404</u>
Capital assets being depreciated:				
Building and structures	5,907,681	27,974	-	5,935,655
Furniture and equipment	994,787	34,105	-	1,028,892
Other improvements	1,742,630	-	-	1,742,630
Machinery and equipment	5,303,630	105,554	-	5,409,184
Infrastructure	56,976,342	5,029,085	224,971	61,780,456
Total capital assets being depreciated	<u>70,925,070</u>	<u>5,196,718</u>	<u>224,971</u>	<u>75,896,817</u>
Less accumulated depreciation for:				
Building and structures	4,013,177	162,354	-	4,175,531
Furniture and equipment	976,001	6,799	-	982,800
Other improvements	619,787	31,176	-	650,963
Machinery and equipment	4,487,011	122,329	-	4,609,340
Infrastructure	24,623,575	1,918,311	233,804	26,308,082
Total accumulated depreciation	<u>34,719,551</u>	<u>2,240,969</u>	<u>233,804</u>	<u>36,726,716</u>
Total capital assets being depreciated, net	<u>36,205,519</u>	<u>2,955,749</u>	<u>(8,833)</u>	<u>39,170,101</u>
Business-type activities capital assets, net	<u>\$ 36,546,800</u>	<u>\$ 4,581,839</u>	<u>\$ 860,134</u>	<u>\$ 40,268,505</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

6. CAPITAL ASSETS

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

Governmental activities:	
General Government	\$ 695,415
Public Safety	259,415
Streets and Highways (including depreciation of infrastructure)	1,310,088
Parks and Recreation	826,537
Total depreciation of expense - Governmental activities	<u>\$ 3,091,455</u>
Business-type activities:	
Electric	\$ 1,196,840
Water	478,293
Liquor	43,448
Golf	101,774
Sewer	348,196
Storm Drainage	72,417
Total depreciation of expense - Business-type activities	<u>\$ 2,240,968</u>

7. TRANSFERS

A summary of transfers by fund type is as follows:

	General				Internal		
	Fund	Debt	Street Renewal	Non Major Gov	Service	Total out	
General Fund	\$ -	\$ -	\$ 100,000	\$ 1,070,000	\$ 50,000	\$ 1,220,000	
Ent Park TIF	-	1,000,000		140,000	-	1,140,000	
Non Major Gov	-	440,000	666,000	-	-	1,106,000	
Electric	360,000	-	1,500,000	125,000	-	1,985,000	
Liquor	-	-		300,000	-	300,000	
Total in	<u>\$ 360,000</u>	<u>\$ 1,440,000</u>	<u>\$ 2,266,000</u>	<u>\$ 1,635,000</u>	<u>\$ 50,000</u>	<u>\$ 5,751,000</u>	

The purpose of the transfers into the debt service fund is to pay for general obligation debt being called on February 1, 2015. The purpose of the transfers into the street renewal and nonmajor governmental funds is to pay for capital projects. The transfer to the Internal Service fund is to pay for necessary equipment and software.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

8. LONG-TERM DEBT

Bonds payable at December 31, 2014, are summarized as follows:

	Maturities	Rate	Balance
Governmental activities:			
Bond payable:			
G.O. Public facilities refunding	2022	1.45-3.15%	\$ 2,750,000
G.O. Tax increment	2015	4%	7,335,000
G.O. Tax increment crossover refunding	2033	.5-3.40%	6,115,000
G.O. Public facilities revenue bonds	2028	3.00-4.10%	1,023,150
Business-type activities:			
Bond payable:			
Water refunding revenue bonds	2017	2.25-3.00%	650,000
G. O. Public facilities revenue bonds	2028	3.00-4.10%	771,850
			\$ 18,645,000

The Met Council loan payable at December 31, 2014, is \$2,502,460. There is no scheduled payback for this loan, nor is there any interest charged.

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.

General obligation refunding bonds – The bonds were issued to refund previously issued general obligation debt, at a savings for the City.

Revenue bonds – The bonds were issued for improvements or projects that primarily benefited a particular business-type activity and are, therefore, *primarily* repaid from charges for services within that activity.

Governmental loan – The loan with the Met Council is for purchasing property or right of way in advance of reconstruction. This loan will be repaid when Minnesota Department of Transportation uses the right-of-way property for reconstruction of Highway Ten.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

8. LONG-TERM DEBT

Descriptions of Long-Term Debt (continued)

Changes in long-term debt during 2014 are summarized as follows:

	<u>12/31/2013</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2014</u>	<u>Due in One Year</u>
Governmental activities:					
General obligation bonds	\$ 11,607,300	\$ 6,115,000	\$ 499,150	\$ 17,223,150	\$ 7,709,150
Premium	-	268,638	4,862	263,776	-
Other liabilities					
Compensated absences	776,391	52,813	108,943	720,261	18,000
OPEB	130,451	29,113	28,912	130,652	-
Met Council loan	2,502,460	-	-	2,502,460	-
Total Governmental activities	<u>15,016,602</u>	<u>6,465,564</u>	<u>641,867</u>	<u>20,840,299</u>	<u>7,727,150</u>
Business-type activities					
General obligation bonds	812,700	-	40,850	771,850	40,850
Revenue bonds	855,000	-	205,000	650,000	210,000
Other liabilities					
Compensated absences	336,493	10,182	5,058	341,617	20,500
Total Business-type activities	<u>2,004,193</u>	<u>10,182</u>	<u>250,908</u>	<u>1,763,467</u>	<u>271,350</u>
Total long-term debt	<u>\$ 17,020,795</u>	<u>\$ 6,475,746</u>	<u>\$ 892,775</u>	<u>\$ 22,603,766</u>	<u>\$ 7,998,500</u>

Compensated absences are liquidated through proprietary funds and internal service funds. OPEB liabilities are unfunded. The Met Council loan is payable with the sale of land held for resale when the State of Minnesota reconstructs Highway Ten.

The scheduled annual principal and interest payments on the City's indebtedness as of December 31, 2014, 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>	
2015	\$ 7,709,150	\$ 451,401	\$ 250,850	\$ 44,063	\$ 8,455,464
2016	497,000	296,952	258,000	36,934	1,088,886
2017	564,850	286,213	270,150	28,922	1,150,135
2018	617,700	271,222	47,300	23,998	960,220
2019	620,550	254,411	49,450	22,329	946,740
2020-2024	2,752,650	978,954	277,350	82,522	4,091,476
2025-2029	2,361,250	556,643	268,750	22,579	3,209,222
2030-2033	2,100,000	146,309	-	-	2,246,309
	<u>\$ 17,223,150</u>	<u>\$ 3,242,105</u>	<u>\$ 1,421,850</u>	<u>\$ 261,347</u>	<u>\$ 22,148,452</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

8. LONG-TERM DEBT

Descriptions of Long-Term Debt (continued)

The City has pledged future water and golf revenues, net of specified operating expense, to repay the water and 43% of the G.O. public facility bonds. Proceeds from the bonds provided for financing for the construction or acquisition of capital assets benefiting the water and golf operations. The total principal and interest remaining to be paid on the water bonds is \$679,175. The share of G.O public facility bond principal and interest remaining to be paid from golf is \$1,004,022. The other 57% of the G.O. public facility bonds are included in governmental activities and are related to facilities for the general public, paid with tax levy revenues.

Principal and interest payments on general obligation bonds are financed by the Debt Service Funds, which receives tax levy revenue and transfers from the Enterprise and HRRD Tax Increment funds. All bonds are backed by the full faith and credit of the City. Related to the bonds, \$7,302,176 is restricted cash held in an escrow account to pay the majority of the principal plus interest due on the callable G.O. tax increment bonds on February 1, 2015. The City issued crossover refunding debt in 2014 to pay off the callable bonds on February 1, 2015. The original G.O. tax increment bonds have been defeased as of February 1, 2015.

State of Minnesota Statutes, Chapter 475, provides that the City shall not incur or be subject to a net debt in excess of 3% of the market value of taxable property.

At December 31, 2014, the legal debt margin was calculated as follows:

Market value of taxable property	<u>\$ 1,036,711,300</u>
Debt limit, 3.0% of market value	\$ 31,101,339
Less amount of debt (applicable to debt limit)	<u>(3,413,858)</u>
Legal debt margin	<u>\$ 27,687,481</u>

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. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

8. LONG-TERM DEBT

Descriptions of Long-term Debt (continued)

As of December 31, 2014, there is one series of health care facility revenue bonds outstanding with an aggregate principal amount payable of \$22,560,000, one series of senior housing facility revenue bonds outstanding with an aggregate principal amount payable of \$11,915,000, one series of taxable revenue bonds outstanding with an aggregate principal amount payable of \$465,000, and one series of health care and housing facility revenue bonds outstanding with an aggregate principal amount payable of \$22,235,000.

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 2013, and 2014 were as follows:

	2013	2014
Unpaid claims at beginning of year	\$ 188	\$ 17,149
Current-year claims	477,071	399,240
Claim payments	(460,110)	(414,642)
Balance at end of year	<u>\$ 17,149</u>	<u>\$ 1,747</u>

10. COMMITMENTS

There are outstanding construction contract commitments at the end of 2014. These include completion of the Anoka Station Ramp of \$51,925 and completion of the Mississippi Park Regional Trail of \$1,052,096. These projects are projected to be completed in 2015.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

11. FUND BALANCE/NET POSITION

Classifications

At December 31, 2014, a summary of the governmental fund balance classifications are as follows:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$ 4,814,642	\$ -	\$ -	\$ -	\$ -	\$ 4,814,642
Inventories	15,289	15,289	-	-	-	-
Prepaid items	50,902	50,902	-	-	-	-
Total General Fund	4,880,833	66,191	-	-	-	4,814,642
Debt Service	7,661,468	-	7,661,468	-	-	-
Street Renewal	(791,125)	-	-	-	-	(791,125)
State Aid Construction						
Land held for resale	2,525,556	2,525,556	-	-	-	-
Street improvements	651,471	-	-	-	651,471	-
Total State Aid Construction	3,177,027	2,525,556	-	-	651,471	-
Enterprise Park Tax Increment						
Redevelopment in district	1,956,515	2,370,000	-	-	-	(413,485)
Land held for resale	1,826,688	1,826,688	-	-	-	-
Total Ent. Park Tax Increment	3,783,203	4,196,688	-	-	-	(413,485)
Commuter Rail Tax Increment						
Redevelopment in district	(1,371,901)	-	-	-	-	(1,371,901)
Land held for resale	205,274	205,274	-	-	-	-
Increment	(1,166,627)	205,274	-	-	-	(1,371,901)
Greens of Anoka	(812,290)	-	-	-	-	(812,290)
Nonmajor Governmental Funds						
Parking operations and improvements	841,878	-	-	841,878	-	-
Lodging and tourism marketing	13,029	-	-	13,029	-	-
Cemetery operations and improvements	441,899	-	-	441,899	-	-
Police supplies and equipment	23,433	-	-	23,433	-	-
Food shelves	5,814	-	-	5,814	-	-
Urban redevelopment	635,507	-	-	635,507	-	-
Parks	237,248	-	-	-	237,248	-
Tax increment	284,055	233,825	70,262	-	-	(20,032)
Building improvements	264,488	966,564	-	-	-	(702,076)
Cemetery construction	68,464	-	-	-	68,464	-
Total Nonmajor Funds	2,815,815	1,200,389	70,262	1,961,560	305,712	(722,108)
Total Fund Balances	\$ 19,548,304	\$ 8,194,098	\$ 7,731,730	\$ 1,961,560	\$ 957,183	\$ 703,733

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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

12. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Description

The City provides postemployment health care benefits as required by Minnesota Statute 471.61 subdivision 2b. 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 coverage similar to that herein described will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the City health benefits program indefinitely. Retirees are required to pay 100% of the total group rate. 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 City has used the actuarial valuation method set forth in GASB Statement No. 45 to determine the materiality of other postemployment benefits (OPEB).

(b) Funding Policy

The required contribution is based on a projected pay-as-you-go financing requirement.

(c) Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit cost (expense) is calculated based on the implicit rate "subsidy" annual required cost (ARC) of the employer, an amount determined by the actuarial valuation method set forth in the parameter of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed 30 years. The City's cost for the current year and the related information is as follows at December 31, 2014:

Annual OPEB cost	
Annual required contribution	\$ 31,439
Interest on net OPEB obligation	5,218
Adjust to ARC	<u>(7,544)</u>
Total annual OPEB	29,113
Contributions made	<u>(28,912)</u>
Increase in net OPEB obligation	201
Net OPEB obligation, beginning of year	130,451
Net OPEB obligation, end of year	<u><u>\$ 130,652</u></u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

12. OTHER POSTEMPLOYMENT BENEFITS

(d) Three-Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost	Net OPEB Obligation
12/31/2014	\$ 29,113	99.3%	\$ 130,652
12/31/2013	\$ 28,910	75.6%	\$ 137,715
12/31/2012	\$ 28,994	45.9%	\$ 153,407

(e) Funding Status and Funding Progress

As of January 1 2014, the most recent actuarial valuation date, the plan was not funded. Typically, funding for the prior year, net other postemployment benefit obligations, occurs within the same fund the retiree was originally expensed. The actuarial accrued liability for benefits was \$302,881, resulting in an unfunded accrued liability of \$302,881. The covered payroll (annual payroll of active employees eligible for health benefits) was \$7,764,484, and the ratio of unfunded accrued liability to covered payroll was 3.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual cost of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(f) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in AAL and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

12. OTHER POSTEMPLOYMENT BENEFITS

(f) Actuarial Methods and Assumptions (continued)

In the January 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% discount rate for liabilities and annual health care cost trend rate of 7.5% in 2014, reduced by .31% each year until it reaches an annual rate of 5% in 2022. The assumed inflation rate is 3%. The unfunded actuarial accrued liability (UAAL) is amortized over a 30-year period on an open basis. The remaining amortization period as of December 31, 2014, is 30 years. The City has chosen to amortize the entire UAAL as a level dollar over a 30-year open period. This method will re-amortize the UAAL each year over 30 years.

13. PENSION PLAN OBLIGATIONS

A. Defined Benefit Pension Plans - Statewide Employees Plan

Plan Description

All full-time and certain part-time employees of the City of Anoka are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), and the Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the PEPFF. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or a supervisor of correctional guards or officers or of joint jailers/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates are covered by the PECF.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after five years of credited service. The defined retirement 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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

13. PENSION PLAN OBLIGATIONS

A. Defined Benefit Pension Plans - Statewide Employees Plan

Plan Description (continued)

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. The annuity accrual rate is 1.9 percent for each year of service for PECF members. For all PEPFF members, PECF members, and GERF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and PECF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree; no survivor annuity is payable. There are also various types of joint and survivor annuity options available that will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF, PEPFF, and PECF. That report may be obtained on the Internet at www.mnpera.org by writing to PERA at 60 Empire Drive, #200, St. Paul, MN 55103-2088 or by calling 651.296.7460 or 1.800.652.9026.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

13. PENSION PLAN OBLIGATIONS

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. In 2014, the City of Anoka was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERP members, 7.25% for Coordinated Plan GERP members, and 15.3% for PEPFF members. Contribution rates will increase on January 1, 2015, in the Coordinated Plan (6.5% for members and 7.5% for employers) and the Police and Fire Fund (10.8% for members and 16.2% for employers).

The City's contributions to GERP and PEPFF for the years ended December 31, 2014, 2013, and 2012, were equal to the contractually required contributions for each year as set by state statute, as follows:

	December 31		
	2014	2013	2012
GERP:			
Coordinated	\$ 374,480	\$ 366,881	\$ 358,963
PEPFF	349,558	357,522	366,118

13. PENSION PLAN OBLIGATIONS

B. Defined Contribution Plan

Three council members of the City of Anoka are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP 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.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

13. PENSION PLAN OBLIGATIONS

B. Defined Contribution Plan (continued)

Plan benefits depend solely on amounts contributed to the plan, plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary, which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City of Anoka during fiscal year 2014 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required</u>
Employee	Employer	Employee	Employer	Rates
\$ 1,071	\$ 1,071	5%	5%	5%

14. SPECIAL ITEM TRANSFER OF OPERATION

The City moved its equity and responsibility for administration and daily operations of the Fire Department to the Joint Anoka/Champlin Fire Department in care of the City of Champlin. The Joint Anoka/Champlin Fire Department changed the joint powers agreement to have independent and separate financial responsibility for the cost of the fire department operations.

The City previously reported its share of equity in this joint venture in its Governmental Activities fund. This has been moved to the Joint Fire Department, with the City of Champlin assisting with administration duties. The City of Anoka records expenditures for the joint venture of fire operations in the Governmental Activities fund. Separate financial statements of the joint venture are available from the City of Champlin at 11955 Champlin Drive, Champlin, MN, 55316.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2014

15. JOINTLY GOVERNED ORGANIZATION

The City of Anoka, in conjunction with 10 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 11 governmental entities that operate distribution systems. The MMPA board is composed of one member from each participating entity. All members of MMPA have exclusive agreements to purchase power only from the agency for distribution. The City of Anoka is under contract to purchase power from the agency until October 31, 2040.

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 are either covered by insurance or fully reserved for by the City, or the cases are in the early stages of discovery, and accordingly the ultimate outcome cannot presently be determined. It is the opinion of City management that in each case the possibility of material loss, net of amounts reserved, is remote.

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

17. PRIOR PERIOD ADJUSTMENT

On the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds is a prior period adjustment correcting an understatement of revenue in 2013 for capital grants received in 2014 for 2013 expenditures. The Commuter Rail Transit Village Tax Increment Fund was adjusted \$272,289 for prior years understatement of grant revenue. The Park Capital Fund was adjusted \$374,802 for prior years understatement of grant revenue.

CITY OF ANOKA, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2014

**OTHER POST-EMPLOYMENT BENEFITS
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Assets Less Than AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1/1/2014	-	\$ 302,881	\$ 302,881	0.0%	\$ 7,764,484	3.9%
1/1/2011	-	\$ 457,869	\$ 457,869	0.0%	\$ 8,334,393	5.5%
1/1/2008	-	\$ 685,898	\$ 685,898	0.0%	\$ 8,676,564	7.9%

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>			Variance From Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 5,329,265	\$ 5,329,265	\$ 5,298,101	\$ (31,164)
Licenses and permits	343,450	343,450	427,821	84,371
Fines and forfeitures	92,000	92,000	85,154	(6,846)
Intergovernmental	1,943,940	1,943,940	2,008,829	64,889
Charges for current services	940,350	1,039,100	1,224,658	185,558
Franchise fees	930,000	930,000	967,141	37,141
Investment earnings	52,500	52,500	37,396	(15,104)
Net increase in fair value of investments	-	-	104,756	104,756
Miscellaneous	130,750	132,000	71,237	(60,763)
Total revenues	<u>9,762,255</u>	<u>9,862,255</u>	<u>10,225,093</u>	<u>362,838</u>
Expenditures:				
General government	1,715,470	1,928,005	1,766,206	161,799
Public safety	5,086,775	5,169,075	5,023,410	145,665
Public works	1,626,390	1,298,855	1,218,735	80,120
Parks and recreation	1,808,620	1,841,120	1,758,056	83,064
Total expenditures	<u>10,237,255</u>	<u>10,237,055</u>	<u>9,766,407</u>	<u>470,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(475,000)</u>	<u>(374,800)</u>	<u>458,686</u>	<u>833,486</u>
Other financing sources (uses):				
Transfer in	360,000	360,000	360,000	-
Transfer out	(1,100,000)	(1,050,000)	(1,220,000)	(170,000)
Total other financing sources (uses)	<u>(740,000)</u>	<u>(690,000)</u>	<u>(860,000)</u>	<u>(170,000)</u>
Special item - transfer of operations	-	-	(589,849)	(589,849)
Net changes in fund balance	<u>\$ (1,215,000)</u>	<u>\$ (1,064,800)</u>	(991,163)	<u>\$ 73,637</u>
Fund balance at beginning of year			<u>5,871,996</u>	
Fund balance at end of year			<u>\$ 4,880,833</u>	

See Independent Auditor's Report
See accompanying note to required supplementary information.

CITY OF ANOKA, MINNESOTA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2014

A. Budgetary accounting

The City legally adopts annual budgets for the General and Special Revenue Funds (excluding the Police Forfeiture Fund). 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 upon 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 that a budget may be prepared. At the first council meeting in August, the proposed budget is presented to the city council for review and approval. By September 15, the proposed budget and tax levy must be submitted to the county auditor. The council holds public hearings and a final budget and tax levy must be prepared, adopted and submitted to the county auditor, no later than December 28.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between department and funds require the approval of the Council. The Legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level.



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

Capital Project Funds

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

Parks Capital Fund - The Parks Capital Project Fund is used to account for money received from state and federal grants, contributions from developers, amounts committed by the City, etc., which is expended for the acquisition, improvement, and development of park land.

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

South Ferry Tax Increment - This fund was established to account for the redevelopment of South Ferry Street.

Building Improvements - This fund is used to account for money received from state and federal grants and contributions from developers, etc., which is expended for the acquisition and development of park land.

Cemetery Construction - This fund is used to account for the construction costs of the cemetery.

CITY OF ANOKA, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2014

Assets	Special Revenue							Total Nonmajor Special Revenue Funds
	Parking	Lodging	Cemetery	Police Forefeiture	Round Up	Urban Redevel- opment		
Cash and investments	\$ 844,637	\$ 14,008	\$ 438,844	\$ 23,360	\$ 17,072	\$ 531,075	\$ 1,868,996	
Receivables, net:								
Taxes	-	-	-	-	-	-	-	
Accounts receivable	517	-	4,735	-	3,109	102,786	111,147	
Due from other funds	-	-	-	-	-	-	-	
Accrued interest	2,617	43	1,360	73	75	1,646	5,814	
Due from other governments	-	-	-	-	-	-	-	
Land held for resale	-	-	-	-	-	-	-	
Total assets	<u>\$ 847,771</u>	<u>\$ 14,051</u>	<u>\$ 444,939</u>	<u>\$ 23,433</u>	<u>\$ 20,256</u>	<u>\$ 635,507</u>	<u>\$ 1,985,957</u>	
Liabilities and Fund balance								
Liabilities:								
Accounts payable	\$ 5,401	\$ 1,022	\$ 2,776	\$ -	\$ 14,442	\$ -	\$ 23,641	
Accrued wages payable	492	-	264	-	-	-	756	
Due to other funds	-	-	-	-	-	-	-	
Advance from other funds	-	-	-	-	-	-	-	
Total liabilities	<u>5,893</u>	<u>1,022</u>	<u>3,040</u>	<u>-</u>	<u>14,442</u>	<u>-</u>	<u>24,397</u>	
Fund balance:								
Nonspendable	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	
Committed	841,878	13,029	441,899	23,433	5,814	635,507	1,961,560	
Assigned	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	
Total fund balance (deficit)	<u>841,878</u>	<u>13,029</u>	<u>441,899</u>	<u>23,433</u>	<u>5,814</u>	<u>635,507</u>	<u>1,961,560</u>	
Total liabilities and fund balance	<u>\$ 847,771</u>	<u>\$ 14,051</u>	<u>\$ 444,939</u>	<u>\$ 23,433</u>	<u>\$ 20,256</u>	<u>\$ 635,507</u>	<u>\$ 1,985,957</u>	

See Independent Auditor's Report.

Assets	Capital Projects						Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	Parks	HRRD Tax Increment	South Ferry Tax Increment	Building Improvement	Cemetery Construction			
Cash and investments	\$ 348,214	\$ 69,517	\$ 4,848	\$ 8,572	\$ 68,253	\$ 499,404	\$ 2,368,400	
Receivables, net:								
Taxes	-	530	120	-	-	650	650	
Accounts receivable	-	-	-	-	-	-	111,147	
Due from other funds	417,584	-	-	-	-	417,584	417,584	
Accrued interest	1,080	215	-	27	211	1,533	7,347	
Due from other governments	53,460	-	-	-	-	53,460	53,460	
Land held for resale	-	233,825	-	966,564	-	1,200,389	1,200,389	
Total assets	<u>\$ 820,338</u>	<u>\$ 304,087</u>	<u>\$ 4,968</u>	<u>\$ 975,163</u>	<u>\$ 68,464</u>	<u>\$ 2,173,020</u>	<u>\$ 4,158,977</u>	
Liabilities and Fund balance								
Liabilities:								
Accounts payable	\$ 99,391	\$ -	\$ -	\$ 134,607	\$ -	\$ 233,998	\$ 257,639	
Accrued wages payable	-	-	-	-	-	-	756	
Due to other funds	483,699	-	-	576,068	-	1,059,767	1,059,767	
Advance from other funds	-	-	25,000	-	-	25,000	25,000	
Total liabilities	<u>583,090</u>	<u>-</u>	<u>25,000</u>	<u>710,675</u>	<u>-</u>	<u>1,318,765</u>	<u>1,343,162</u>	
Fund balance:								
Nonspendable	-	233,825	-	966,564	-	1,200,389	1,200,389	
Restricted	-	70,262	-	-	-	70,262	70,262	
Committed	-	-	-	-	-	-	1,961,560	
Assigned	237,248	-	-	-	68,464	305,712	305,712	
Unassigned	-	-	(20,032)	(702,076)	-	(722,108)	(722,108)	
Total fund balance (deficit)	<u>237,248</u>	<u>304,087</u>	<u>(20,032)</u>	<u>264,488</u>	<u>68,464</u>	<u>854,255</u>	<u>2,815,815</u>	
Total liabilities and fund balance	<u>\$ 820,338</u>	<u>\$ 304,087</u>	<u>\$ 4,968</u>	<u>\$ 975,163</u>	<u>\$ 68,464</u>	<u>\$ 2,173,020</u>	<u>\$ 4,158,977</u>	

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Special Revenue</u>						<u>Total Nonmajor Special Revenue Funds</u>
	<u>Parking</u>	<u>Lodging</u>	<u>Cemetery</u>	<u>Police Forfeiture</u>	<u>Round Up</u>	<u>Urban Redevel- opment</u>	
Revenues:							
Taxes	\$ -	\$ 8,886	\$ -	\$ -	\$ -	\$ -	\$ 8,886
Licenses and permits	32,147	-	-	-	-	-	32,147
Fines and forfeitures	42,214	-	-	15,939	-	-	58,153
Intergovernmental	-	-	-	-	-	-	-
Charges for current services	6,767	-	69,029	-	-	206,255	282,051
Investment income	5,685	88	2,971	(19)	123	3,831	12,679
Net increase in fair value of investments	20,795	268	10,314	69	52	7,810	39,308
Miscellaneous	-	3,528	145	-	41,432	1,808	46,913
Total revenues	107,608	12,770	82,459	15,989	41,607	219,704	480,137
Expenditures							
Current:							
General government	-	12,039	-	-	-	3,553	15,592
Public safety	75,809	-	-	1,627	41,594	-	119,030
Public works	94,342	-	-	-	-	-	94,342
Parks	-	-	90,596	-	-	-	90,596
Capital outlay	3,764	-	8,588	-	-	-	12,352
Total expenditures	173,915	12,039	99,184	1,627	41,594	3,553	331,912
Excess (deficiency) of revenues over (under) expenditures	(66,307)	731	(16,725)	14,362	13	216,151	148,225
Other financing sources (uses):							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Proceeds from sale of asset	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net changes in fund balances	(66,307)	731	(16,725)	14,362	13	216,151	148,225
Fund balances (deficits) at beginning of year as previously stated	908,185	12,298	458,624	9,071	5,801	419,356	1,813,335
Prior period adjustment (see note 16)	-	-	-	-	-	-	-
Fund balances (deficits) at beginning of year restated	908,185	12,298	458,624	9,071	5,801	419,356	1,813,335
Fund balances (deficits) at end of year	\$ 841,878	\$ 13,029	\$ 441,899	\$ 23,433	\$ 5,814	\$ 635,507	\$ 1,961,560

Capital Projects

	Parks	HRRD Tax Increment	South Ferry Tax Increment	Building Improvement	Cemetery Construction	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:							
Taxes	\$ -	\$ 68,151	\$ 5,941	\$ -	\$ -	\$ 74,092	\$ 82,978
Licenses and permits	-	-	-	-	-	-	32,147
Fines and forfeitures	-	-	-	-	-	-	58,153
Intergovernmental	787,973	-	-	-	-	787,973	787,973
Charges for current services	185,619	-	-	-	-	185,619	467,670
Investment income	5,085	(223)	-	378	447	5,687	18,366
Net increase in fair value of investments	12,081	8,722	-	8,491	1,445	30,739	70,047
Miscellaneous	-	-	-	-	-	-	46,913
Total revenues	990,758	76,650	5,941	8,869	1,892	1,084,110	1,564,247
Expenditures							
Current:							
General government	-	4,709	170	-	-	4,879	20,471
Public safety	-	-	-	-	-	-	119,030
Public works	-	-	-	-	-	-	94,342
Parks	-	-	-	-	-	-	90,596
Capital outlay	2,210,491	-	-	242,579	-	2,453,070	2,465,422
Total expenditures	2,210,491	4,709	170	242,579	-	2,457,949	2,789,861
Excess (deficiency) of revenues over (under) expenditures	(1,219,733)	71,941	5,771	(233,710)	1,892	(1,373,839)	(1,225,614)
Other financing sources (uses):							
Transfer in	1,370,000	140,000	-	125,000	-	1,635,000	1,635,000
Transfer out	-	(440,000)	-	(666,000)	-	(1,106,000)	(1,106,000)
Proceeds from sale of asset	-	-	-	365,539	-	365,539	365,539
Total other financing sources (uses)	1,370,000	(300,000)	-	(175,461)	-	894,539	894,539
Net changes in fund balances	150,267	(228,059)	5,771	(409,171)	1,892	(479,300)	(331,075)
Fund balances (deficits) at beginning of year as previously stated	(287,821)	532,146	(25,803)	673,659	66,572	958,753	2,772,088
Prior period adjustment (see note 16)	374,802	-	-	-	-	374,802	374,802
Fund balances (deficits) at beginning of year restated	86,981	532,146	(25,803)	673,659	66,572	1,333,555	3,146,890
Fund balances (deficits) at end of year	\$ 237,248	\$ 304,087	\$ (20,032)	\$ 264,488	\$ 68,464	\$ 854,255	\$ 2,815,815

CITY OF ANOKA, MINNESOTA

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2014

	Original and Final Budget	Actual	Variance From Final Budget Positive (Negative)
Parking fund:			
Revenues:			
Licenses and permits	\$ 39,800	\$ 32,147	\$ (7,653)
Fines and forfeitures	60,000	42,214	(17,786)
Charges for services	-	6,767	6,767
Interest income	14,800	5,685	(9,115)
Net increase in fair value of investments	-	20,795	20,795
Total revenues	114,600	107,608	(6,992)
Expenditures:			
Personal services	76,295	75,809	486
Supplies	1,150	743	407
Professional services	57,870	58,330	(460)
Contractual services	43,840	35,269	8,571
Capital outlay	4,000	3,764	236
Total expenditures	183,155	173,915	9,240
Excess (deficiency) of revenues over (under) expenditures	\$ (68,555)	(66,307)	\$ 2,248
Fund balance at beginning of year		908,185	
Fund balance at end of year		\$ 841,878	
Lodging fund:			
Revenues:			
Taxes	\$ 9,200	\$ 8,886	\$ (314)
Miscellaneous	3,500	3,528	28
Interest income	150	88	(62)
Net increase in fair value of investments	-	268	268
Total revenues	12,850	12,770	(80)
Expenditures:			
Personal services	85	64	21
Professional services	12,070	11,975	95
Total expenditures	12,155	12,039	116
Excess (deficiency) of revenues over (under) expenditures	\$ 695	731	\$ (36)
Fund balance at beginning of year		12,298	
Fund balance at end of year		\$ 13,029	

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
Cemetery fund:			
Revenues:			
Charges for services	\$ 66,000	\$ 69,029	\$ 3,029
Miscellaneous	-	145	145
Interest income	7,000	2,971	(4,029)
Net increase in fair value of investments	-	10,314	10,314
Total revenues	73,000	82,459	9,459
Expenditures:			
Personal services	73,955	69,650	4,305
Supplies	2,900	1,670	1,230
Professional services	8,400	8,526	(126)
Contractual services	19,940	10,750	9,190
Capital outlay	10,000	8,588	1,412
Total expenditures	115,195	99,184	16,011
Excess (deficiency) of revenues over (under) expenditures	(42,195)	(16,725)	25,470
Net changes in fund balance	\$ (42,195)	(16,725)	\$ 25,470
Fund balance at beginning of year		458,624	
Fund balance at end of year		\$ 441,899	
Urban Redevelopment fund:			
Revenues:			
Charges for services	\$ 50,000	\$ 206,255	\$ 156,255
Interest income	4,000	3,831	(169)
Net increase in fair value of investments	-	7,810	7,810
Miscellaneous	-	1,808	1,808
Total revenues	54,000	219,704	165,704
Expenditures:			
Personal services	3,770	2,255	1,515
Professional services	450	488	(38)
Contractual services	810	810	-
Total expenditures	5,030	3,553	1,477
Excess (deficiency) of revenues over (under) expenditures	\$ 48,970	216,151	\$ 167,181
Fund balance at beginning of year		419,356	
Fund balance at end of year		\$ 635,507	

CITY OF ANOKA, MINNESOTA
NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Storm Drainage - This fund was established to account for operating revenues and expenses of maintaining a storm sewer system.

Refuse - This fund was established to account for user fees charged for garbage collection.

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, 2014

Assets	<u>Storm Drainage</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Current assets:				
Cash and cash equivalents	\$ 134,000	\$ 135,057	\$ 103,211	\$ 372,268
Receivables, net:				
Accounts receivable	57,600	16,946	30,517	105,063
Accrued interest	415	419	320	1,154
Total current assets	<u>192,015</u>	<u>152,422</u>	<u>134,048</u>	<u>478,485</u>
Noncurrent assets:				
Distribution system	2,913,807	-	-	2,913,807
Total property	<u>2,913,807</u>	<u>-</u>	<u>-</u>	<u>2,913,807</u>
Accumulated depreciation	(367,929)	-	-	(367,929)
Net noncurrent assets	<u>2,545,878</u>	<u>-</u>	<u>-</u>	<u>2,545,878</u>
Total assets	<u>\$ 2,737,893</u>	<u>\$ 152,422</u>	<u>\$ 134,048</u>	<u>\$ 3,024,363</u>
Liabilities and Net Position				
Current liabilities:				
Accounts payable	10,555	10,553	932	22,040
Accrued wages payable	-	-	205	205
Total current liabilities	<u>10,555</u>	<u>10,553</u>	<u>1,137</u>	<u>22,245</u>
Compensated absences payable	-	-	3,899	3,899
Total liabilities	<u>10,555</u>	<u>10,553</u>	<u>5,036</u>	<u>26,144</u>
Net position:				
Net investment in capital assets	2,545,878	-	-	2,545,878
Unrestricted	181,460	141,869	129,012	452,341
Total net position	<u>\$ 2,727,338</u>	<u>\$ 141,869</u>	<u>\$ 129,012</u>	<u>\$ 2,998,219</u>

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION NONMAJOR PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2014

	<u>Storm Drainage</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Operating revenues:				
Charges for sales and services:				
Storm sewer billings	\$ 471,678	\$ -	\$ -	\$ 471,678
Refuge billings	-	133,959	-	133,959
Recycling billings	-	-	236,453	236,453
Other	-	-	21,049	21,049
Total operating revenues	<u>471,678</u>	<u>133,959</u>	<u>257,502</u>	<u>863,139</u>
Operating expenses:				
Personal services	43,870	9,599	41,214	94,683
Supplies	-	-	2,742	2,742
Professional services	38,036	7,825	25,895	71,756
Contractual services	31,380	(46)	2,384	33,718
Disposal charges	-	119,941	199,708	319,649
Depreciation	72,417	-	-	72,417
Total operating expenses	<u>185,703</u>	<u>137,319</u>	<u>271,943</u>	<u>594,965</u>
Operating income (loss)	<u>285,975</u>	<u>(3,360)</u>	<u>(14,441)</u>	<u>268,174</u>
Nonoperating revenues:				
Interest income	509	884	693	2,086
Net increase in fair value of investments	4,344	2,897	1,875	9,116
Total nonoperating revenues	<u>4,853</u>	<u>3,781</u>	<u>2,568</u>	<u>11,202</u>
Change in net position	290,828	421	(11,873)	279,376
Net position - Beginning	<u>2,436,510</u>	<u>141,448</u>	<u>140,885</u>	<u>2,718,843</u>
Net position - Ending	<u>\$ 2,727,338</u>	<u>\$ 141,869</u>	<u>\$ 129,012</u>	<u>\$ 2,998,219</u>

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Storm Drainage</u>	<u>Refuse</u>	<u>Recycling</u>	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Received from customers	\$ 473,122	\$ 137,627	\$ 282,563	\$ 893,312
Payments to suppliers for goods and services	(86,506)	(9,319)	(30,696)	(126,521)
Payments to employees for services	(43,870)	(9,599)	(41,945)	(95,414)
Disposal charges	-	(119,941)	(199,708)	(319,649)
Net cash provided by (used in) operating activities	<u>342,746</u>	<u>(1,232)</u>	<u>10,214</u>	<u>351,728</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	<u>(392,168)</u>	<u>-</u>	<u>-</u>	<u>(392,168)</u>
Cash flows from investing activities:				
Investment earnings	<u>5,068</u>	<u>3,829</u>	<u>2,567</u>	<u>11,464</u>
Net increase (decrease) in cash and cash equivalents	(44,354)	2,597	12,781	(28,976)
Cash and cash equivalents at beginning of year	<u>178,354</u>	<u>132,460</u>	<u>90,430</u>	<u>401,244</u>
Cash and cash equivalents at end of year	<u>\$ 134,000</u>	<u>\$ 135,057</u>	<u>\$ 103,211</u>	<u>\$ 372,268</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 285,975	\$ (3,360)	\$ (14,441)	\$ 268,174
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	72,417	-	-	72,417
Change in assets and liabilities:				
Accounts receivable	1,444	3,668	25,061	30,173
Accounts payable	(17,090)	(1,540)	325	(18,305)
Accrued wages payable	-	-	(1,414)	(1,414)
Compensated absences payable	-	-	683	683
Total adjustments	<u>56,771</u>	<u>2,128</u>	<u>24,655</u>	<u>83,554</u>
Net cash provided by (used in) operating activities	<u>\$ 342,746</u>	<u>\$ (1,232)</u>	<u>\$ 10,214</u>	<u>\$ 351,728</u>



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CITY OF ANOKA, MINNESOTA

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 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, 2014

Assets	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 208,016	\$ 937,814	\$ 754,827	\$ 403,995	\$ 2,304,652
Accounts receivable	-		-	15,000	15,000
Accrued interest	645	2,913	2,340	1,228	7,126
Inventory	-	-	-	46,057	46,057
Prepaid items	-	133,442	-	-	133,442
Total current assets	<u>208,661</u>	<u>1,074,169</u>	<u>757,167</u>	<u>466,280</u>	<u>2,506,277</u>
Noncurrent assets:					
Capital assets:					
Buildings and structures	50,000	-	-	-	50,000
Furniture and equipment	509,567	-	-	-	509,567
Machinery and automotive equipment	-	-	-	3,754,418	3,754,418
Total Property	<u>559,567</u>	<u>-</u>	<u>-</u>	<u>3,754,418</u>	<u>4,313,985</u>
Accumulated depreciation	<u>(489,143)</u>	<u>-</u>	<u>-</u>	<u>(2,907,489)</u>	<u>(3,396,632)</u>
Net noncurrent assets	<u>70,424</u>	<u>-</u>	<u>-</u>	<u>846,929</u>	<u>917,353</u>
Total assets	<u>\$ 279,085</u>	<u>\$ 1,074,169</u>	<u>\$ 757,167</u>	<u>\$ 1,313,209</u>	<u>\$ 3,423,630</u>
Liabilities and net position					
Current liabilities:					
Accounts payable	\$ 2,284	\$ 1,747	\$ -	\$ 28,371	\$ 32,402
Accrued wages payable	-	-	-	587	587
Current portion of compensated absences payable	-	-	18,000	-	18,000
Total current liabilities	<u>2,284</u>	<u>1,747</u>	<u>18,000</u>	<u>28,958</u>	<u>50,989</u>
Compensated absences payable	-	-	688,921	13,340	702,261
Total liabilities	<u>2,284</u>	<u>1,747</u>	<u>706,921</u>	<u>42,298</u>	<u>753,250</u>
Net position:					
Net investment in capital assets	70,424	-	-	846,929	917,353
Unrestricted	<u>206,377</u>	<u>1,072,422</u>	<u>50,246</u>	<u>423,982</u>	<u>1,753,027</u>
Total net position	<u>\$ 276,801</u>	<u>\$ 1,072,422</u>	<u>\$ 50,246</u>	<u>\$ 1,270,911</u>	<u>\$ 2,670,380</u>

See Independent Auditor's Report

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2014

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:					
Total operating revenues	\$ 339,810	\$ 408,704	\$ -	\$ 538,295	\$ 1,286,809
Operating expenses:					
Personal services	3,850	6,832	(28,864)	93,564	75,382
Supplies	61,774	-	-	341,514	403,288
Professional services	129,630	401,898	1,551	30,610	563,689
Contractual services	76,364	-	-	10,070	86,434
Depreciation	28,751	-	-	189,441	218,192
Total operating expenses	300,369	408,730	(27,313)	665,199	1,346,985
Operating income (loss)	39,441	(26)	27,313	(126,904)	(60,176)
Nonoperating revenues:					
Interest income	1,110	6,577	4,984	2,551	15,222
Net increase in fair value of investments	931	22,629	16,920	14,577	55,057
Gain on sale of fixed assets	-	-	-	19,235	19,235
Other income	43,461	-	-	-	43,461
Total nonoperating revenues	45,502	29,206	21,904	36,363	132,975
Income (loss) before transfers	84,943	29,180	49,217	(90,541)	72,799
Other transfers					
Transfer in	50,000	-	-	-	50,000
Change in net position	134,943	29,180	49,217	(90,541)	122,799
Net position - Beginning	141,858	1,043,242	1,029	1,361,452	2,547,581
Net position - Ending	\$ 276,801	\$ 1,072,422	\$ 50,246	\$ 1,270,911	\$ 2,670,380

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2014

	<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	\$ 339,810	\$ 408,704	\$ -	\$ 538,295	\$ 1,286,809
Reimbursement from insurance carrier	-	60,085	-	-	60,085
Payments to suppliers for goods and services	(266,594)	(554,506)	(1,551)	(358,923)	(1,181,574)
Payments to employees for services	(3,850)	(6,832)	(29,524)	(92,552)	(132,758)
Net cash provided by (used in) operating activities	69,366	(92,549)	(31,075)	86,820	32,562
Cash flows from noncapital financing activities:					
Cash flow from other funds	(18)	-	-	(961)	(979)
Transfer (to) from other funds	50,000	-	-	-	50,000
Net cash provided by (used in) noncapital financing activities	49,982	-	-	(961)	49,021
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(47,813)	-	-	(290,416)	(338,229)
Grant for capital assets	43,461	-	-	-	43,461
Proceeds from sale of capital assets	-	-	-	4,235	4,235
Net cash used in capital and related financing activities	(4,352)	-	-	(286,181)	(290,533)
Cash flows from investing activities:					
Investment earnings	1,718	29,820	22,256	17,954	71,748
Net increase (decrease) in cash and cash equivalents	116,714	(62,729)	(8,819)	(182,368)	(137,202)
Cash and cash equivalents at beginning of year	91,302	1,000,543	763,646	586,363	2,441,854
Cash and cash equivalents end of year	<u>\$ 208,016</u>	<u>\$ 937,814</u>	<u>\$ 754,827</u>	<u>\$ 403,995</u>	<u>\$ 2,304,652</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 39,441	\$ (26)	\$ 27,313	\$ (126,904)	\$ (60,176)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	28,751	-	-	189,441	218,192
Change in assets and liabilities:					
Inventory	-	-	-	11,600	11,600
Prepaid expense	-	(77,121)	-	-	(77,121)
Accounts receivable	-	-	-	15,000	15,000
Accounts payable	1,174	(15,402)	-	11,671	(2,557)
Accrued wages payable	-	-	-	(1,246)	(1,246)
Compensated absences payable	-	-	(58,388)	2,258	(56,130)
Total adjustments	29,925	(92,523)	(58,388)	213,724	92,738
Net cash provided by (used in) operating activities	<u>\$ 69,366</u>	<u>\$ (92,549)</u>	<u>\$ (31,075)</u>	<u>\$ 86,820</u>	<u>\$ 32,562</u>

See Independent Auditor's Report



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CITY OF ANOKA, MINNESOTA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance Positive (Negative)
Taxes:			
Property	\$ 5,323,265	\$ 5,295,795	\$ (27,470)
Penalties and interest	6,000	2,306	(3,694)
Total	5,329,265	5,298,101	(31,164)
Licenses and permits:			
Licenses	75,450	30,224	(45,226)
Permits	268,000	397,597	129,597
Total	343,450	427,821	84,371
Fines and forfeitures:			
Court fines	92,000	85,154	(6,846)
Intergovernmental:			
Local government aid	1,547,440	1,547,473	33
State aid maintenance	152,500	163,848	11,348
Police aid	175,000	203,728	28,728
PERA aid	28,500	28,509	9
Other	40,500	65,271	24,771
Total	1,943,940	2,008,829	64,889
Charges for current services:			
Swimming pool	234,600	228,539	(6,061)
Parks	34,200	143,517	109,317
Police services	697,250	735,691	38,441
Planning services	70,000	110,339	40,339
Public works	1,750	235	(1,515)
Other	1,300	6,337	5,037
Total	1,039,100	1,224,658	185,558
Franchise fees	930,000	967,141	37,141
Interest earnings	52,500	37,396	(15,104)
Miscellaneous:			
Other	132,000	71,237	(60,763)
Net increase in fair value of investments	-	104,756	104,756
Total	132,000	175,993	43,993
Total revenues	9,862,255	10,225,093	362,838

CITY OF ANOKA, MINNESOTA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources:			
Electric transfer in	\$ 360,000	\$ 360,000	\$ -
 Total revenues and transfers	<u>\$ 10,222,255</u>	<u>\$ 10,585,093</u>	<u>\$ 362,838</u>

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government:			
Mayor and council:			
Personal services	\$ 40,135	\$ 41,134	\$ (999)
Supplies	500	400	100
Professional services	55,875	53,228	2,647
Totals	<u>96,510</u>	<u>94,762</u>	<u>1,748</u>
City manager:			
Personal services	200,970	174,381	26,589
Supplies	3,500	850	2,650
Professional services	53,310	50,562	2,748
Contractual services	2,900	75	2,825
Totals	<u>260,680</u>	<u>225,868</u>	<u>34,812</u>
Elections:			
Personal services	24,525	21,455	3,070
Supplies	-	184	(184)
Professional services	-	296	(296)
Contractual services	3,800	3,413	387
Totals	<u>28,325</u>	<u>25,348</u>	<u>2,977</u>
Finance:			
Personal services	262,605	218,729	43,876
Supplies	4,300	2,265	2,035
Professional services	42,345	52,731	(10,386)
Contractual services	1,100	2,035	(935)
Totals	<u>310,350</u>	<u>275,760</u>	<u>34,590</u>
Assessing:			
Personal services	125,350	115,629	9,721
Supplies	700	50	650
Professional services	12,085	9,408	2,677
Contractual services	3,550	3,255	295
Totals	<u>141,685</u>	<u>128,342</u>	<u>13,343</u>
Miscellaneous:			
Supplies	-	578	(578)
Professional services	-	3,040	(3,040)
Contractual services	79,500	61,593	17,907
Capital outlay	-	14,207	(14,207)
Totals	<u>79,500</u>	<u>79,418</u>	<u>82</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government (continued):			
Attorney:			
Supplies	500	-	500
Professional services	211,500	174,179	37,321
Totals	<u>212,000</u>	<u>174,179</u>	<u>37,821</u>
Human resources:			
Personal services	\$ 117,265	\$ 115,065	\$ 2,200
Supplies	5,000	660	4,340
Professional services	16,575	10,632	5,943
Contractual services	1,000	-	1,000
Totals	<u>139,840</u>	<u>126,357</u>	<u>13,483</u>
Planning			
Personal services	170,400	159,921	10,479
Supplies	4,000	1,263	2,737
Professional services	22,735	20,579	2,156
Contractual services	1,800	2,869	(1,069)
Totals	<u>198,935</u>	<u>184,632</u>	<u>14,303</u>
Community development:			
Personal services	99,050	107,992	(8,942)
Supplies	4,000	655	3,345
Professional services	22,695	14,142	8,553
Contractual services	500	-	500
Totals	<u>126,245</u>	<u>122,789</u>	<u>3,456</u>
General government buildings:			
Personal services	30,250	22,573	7,677
Supplies	4,200	800	3,400
Professional services	46,930	50,011	(3,081)
Contractual services	30,020	37,104	(7,084)
Totals	<u>111,400</u>	<u>110,488</u>	<u>912</u>
Building maintenance:			
Personal services	124,675	140,973	(16,298)
Supplies	11,900	3,469	8,431
Professional services	16,685	14,360	2,325
Contractual services	59,275	59,461	(186)
Capital outlay	10,000	-	10,000
Totals	<u>222,535</u>	<u>218,263</u>	<u>4,272</u>
Total general government	<u>1,928,005</u>	<u>1,766,206</u>	<u>161,799</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public safety:			
Police department:			
Personal services	\$ 3,082,550	\$ 3,037,391	\$ 45,159
Supplies	81,500	69,610	11,890
Professional services	296,520	309,480	(12,960)
Contractual services	248,570	246,885	1,685
Totals	<u>3,709,140</u>	<u>3,663,366</u>	<u>45,774</u>
State hospital security:			
Personal services	289,885	248,278	41,607
Supplies	400	-	400
Professional services	4,740	6,654	(1,914)
Contractual services	15,665	18,936	(3,271)
Totals	<u>310,690</u>	<u>273,868</u>	<u>36,822</u>
Tech college,high school security, and liason:			
Personal Services	303,360	254,891	48,469
Supplies	700	-	700
Professional services	3,590	3,240	350
Contractual services	20,330	17,030	3,300
Totals	<u>327,980</u>	<u>275,161</u>	<u>52,819</u>
Fire protection:			
Contractual services	536,125	535,500	625
Emergency services:			
Personal services	300	-	300
Supplies	900	-	900
Professional services	420	950	(530)
Contractual services	2,200	2,058	142
Totals	<u>3,820</u>	<u>3,008</u>	<u>812</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public safety (continued):			
Inspections:			
Personal services	\$ 135,210	\$ 138,674	\$ (3,464)
Supplies	2,000	135	1,865
Professional services	44,110	39,187	4,923
Contractual services	<u>7,720</u>	<u>7,720</u>	<u>-</u>
Totals	<u>189,040</u>	<u>185,716</u>	<u>3,324</u>
Property maintenance:			
Personal services	81,350	82,107	(757)
Supplies	1,250	41	1,209
Professional services	9,480	4,643	4,837
Contractual services	<u>200</u>	<u>-</u>	<u>200</u>
Totals	<u>92,280</u>	<u>86,791</u>	<u>5,489</u>
Total public safety	<u>5,169,075</u>	<u>5,023,410</u>	<u>145,665</u>
Public works:			
Engineering:			
Personal services	122,550	122,473	77
Supplies	4,500	3,628	872
Professional services	51,665	41,780	9,885
Contractual services	<u>9,320</u>	<u>8,520</u>	<u>800</u>
Totals	<u>188,035</u>	<u>176,401</u>	<u>11,634</u>
Streets:			
Personal services	528,250	535,430	(7,180)
Supplies	29,400	20,713	8,687
Professional services	69,230	57,229	12,001
Contractual services	483,940	425,727	58,213
Capital outlay	<u>-</u>	<u>3,235</u>	<u>(3,235)</u>
Totals	<u>1,110,820</u>	<u>1,042,334</u>	<u>68,486</u>
Total public works	<u>1,298,855</u>	<u>1,218,735</u>	<u>80,120</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Parks and recreation:			
Organized recreation:			
Personal services	\$ 10,905	\$ 10,310	\$ 595
Supplies	5,000	2,404	2,596
Professional services	80,900	78,120	2,780
Contractual services	<u>120,700</u>	<u>125,037</u>	<u>(4,337)</u>
Totals	<u>217,505</u>	<u>215,871</u>	<u>1,634</u>
Playgrounds and playfields:			
Personal services	100,850	121,372	(20,522)
Supplies	27,000	17,282	9,718
Professional services	9,290	4,604	4,686
Contractual services	74,680	62,729	11,951
Capital outlay	<u>50,000</u>	<u>52,716</u>	<u>(2,716)</u>
Totals	<u>261,820</u>	<u>258,703</u>	<u>3,117</u>
Aquatic center:			
Personal services	190,700	181,869	8,831
Supplies	29,500	16,060	13,440
Professional services	61,080	51,287	9,793
Contractual services	30,120	25,931	4,189
Capital outlay	<u>10,000</u>	<u>6,442</u>	<u>3,558</u>
Totals	<u>321,400</u>	<u>281,589</u>	<u>39,811</u>
Senior citizens:			
Personal services	93,275	93,236	39
Supplies	9,500	2,631	6,869
Professional services	43,750	46,682	(2,932)
Contractual services	<u>30,535</u>	<u>31,141</u>	<u>(606)</u>
Totals	<u>177,060</u>	<u>173,690</u>	<u>3,370</u>
Skating rinks/tennis courts:			
Personal services	68,550	78,449	(9,899)
Supplies	4,550	1,402	3,148
Professional services	7,990	9,164	(1,174)
Contractual services	<u>13,000</u>	<u>-</u>	<u>13,000</u>
Totals	<u>94,090</u>	<u>89,015</u>	<u>5,075</u>
Municipal parks:			
Personal services	415,000	368,771	46,229
Supplies	57,400	69,783	(12,383)
Professional services	68,070	65,610	2,460
Contractual services	170,530	188,602	(18,072)
Capital outlay	<u>15,000</u>	<u>7,948</u>	<u>7,052</u>
Totals	<u>726,000</u>	<u>700,714</u>	<u>25,286</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance Positive (Negative)
Parks and recreation (continued):			
Shade tree beautification:			
Personal services	\$ 16,560	\$ 3,941	\$ 12,619
Supplies	1,000	48	952
Professional services	5,685	10,023	(4,338)
Contractual services	20,000	24,462	(4,462)
Totals	43,245	38,474	4,771
Total parks and recreation	1,841,120	1,758,056	83,064
Total expenditures	10,237,055	9,766,407	470,648
Transfers out:			
Park capital	1,050,000	1,050,000	-
Street renewal	120,000	120,000	-
Information systems	50,000	50,000	-
Totals	1,220,000	1,220,000	-
Total expenditures and transfers	\$ 11,457,055	\$ 10,986,407	\$ 470,648

CITY OF ANOKA, MINNESOTA

COMBINED SCHEDULE OF INDEBTEDNESS DECEMBER 31, 2014

ACCOUNT NUMBER	Bonded Indebtedness	Issue Date	Maturity Date	Interest Rates	Authorized and Issued	Balance 12/31/2013
General obligation bonds:						
302-5-4770	Public Facility Refunding Bonds of 2010A	12/27/2010	2/1/2022	1.45-3.15%	\$ 3,740,000	\$ 3,070,000
379-5-4780	2006A Tax Increment Bonds	6/29/2006	2/1/2033	4.00-4.40%	7,835,000	7,460,000
379-5-4780	2014A TIF Crossover Refunding Bonds	8/14/2014	2/1/2033	0.50-4.00%	-	-
305 and 614	2008A Public Facilities Bonds	3/13/2008	2/1/2028	3.00-4.10%	2,310,000	1,890,000
	Total general obligation bonds				<u>13,885,000</u>	<u>12,420,000</u>
Revenue bonds:						
601	Water Refunding Bonds, Series 2009A	3/18/2009	2/1/2017	2.25-3.00%	1,625,000	855,000
	Total bonds payable				<u>\$ 15,510,000</u>	<u>\$ 13,275,000</u>
410	Loan Payable to Met Council				<u>\$ -</u>	<u>\$ 2,502,460</u>

CITY OF ANOKA, MINNESOTA

COMBINED SCHEDULE OF INDEBTEDNESS (Continued) DECEMBER 31, 2014

ACCOUNT NUMBER	Bonded Indebtedness	Additions	Retirements	Balance 12/31/2014
General obligation bonds:				
302-5-4770	Public Facility Refunding Bonds of 2010A	\$ -	\$ 320,000	\$ 2,750,000
379-5-4780	2006A Tax Increment Bonds	-	125,000	7,335,000
379-5-4780	2014A TIF Crossover Refunding Bonds	6,115,000	-	6,115,000
305 and 614	2008A Public Facilities Bonds	-	95,000	1,795,000
	Total general obligation bonds	<u>6,115,000</u>	<u>540,000</u>	<u>17,995,000</u>
Revenue bonds:				
601	Water Refunding Bonds, Series 2009A	-	205,000	650,000
	Total bonds payable	<u>\$ 6,115,000</u>	<u>\$ 745,000</u>	<u>\$ 18,645,000</u>
410	Loan Payable to Met Council	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,502,460</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF BOND MATURITIES DECEMBER 31, 2014

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>
General obligation bonds:				
\$7,835,000 Tax Increment Bonds of 2006A	6/29/2006	4.00%	2/1/2015	\$ 7,335,000
\$6,115,000 TIF Crossover Refunding Bonds of 2014A	8/14/2014	0.50%	2/1/2015	-
		0.50	2/1/2016	145,000
		3.00	2/1/2017	175,000
		3.00	2/1/2018	180,000
		3.00	2/1/2019	185,000
		3.00	2/1/2020	215,000
		3.00	2/1/2021	205,000
		4.00	2/1/2022	280,000
		4.00	2/1/2023	300,000
		4.00	2/1/2024	325,000
		4.00	2/1/2025	330,000
		3.00	2/1/2026	350,000
		3.00	2/1/2027	365,000
		3.00	2/1/2028	480,000
		3.25	2/1/2029	480,000
		3.38	2/1/2030	490,000
		3.40	2/1/2031	520,000
		3.40	2/1/2032	535,000
		3.40	2/1/2033	555,000
Total Tax Increment Bonds of 2006A				<u>6,115,000</u>
\$3,740,000 G.O. Public Facility Refunding Bonds, Series 2010A	12/27/2010	1.45%	2/1/2015	320,000
		1.75	2/1/2016	295,000
		2.00	2/1/2017	330,000
		2.30	2/1/2018	375,000
		2.60	2/1/2019	370,000
		3.00	2/1/2020	360,000
		3.05	2/1/2021	350,000
		3.15	2/1/2022	350,000
Total Public Facility Refunding Bonds of 2010A				<u>2,750,000</u>

CITY OF ANOKA, MINNESOTA

SCHEDULE OF BOND MATURITIES (CONTINUED) DECEMBER 31, 2014

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds (continued):				
\$2,310,000 Public Facilities Bonds of 2008A	3/13/2008	3.00%	2/1/2015	\$ 95,000
		3.10	2/1/2016	100,000
		3.30	2/1/2017	105,000
		3.40	2/1/2018	110,000
		3.50	2/1/2019	115,000
		3.60	2/1/2020	115,000
		3.70	2/1/2021	125,000
		3.80	2/1/2022	130,000
		3.80	2/1/2023	135,000
		4.00	2/1/2024	140,000
		4.00	2/1/2025	145,000
		4.10	2/1/2026	155,000
		4.10	2/1/2027	160,000
		4.10	2/1/2028	165,000
Total Public Facilities Bonds of 2008A				<u>1,795,000</u>
Total General Obligation Bonds Payable				<u>17,995,000</u>
Revenue Bonds:				
\$1,625,000 Water Revenue Refunding Bonds, 2009A	3/18/2009	2.25%	2/1/2015	210,000
		2.50	2/1/2016	215,000
		3.00	2/1/2017	225,000
Total Water Revenue Refunding Bonds of 2009A				<u>650,000</u>
Total Bonds Payable				<u><u>\$18,645,000</u></u>

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CITY OF ANOKA, MINNESOTA

SCHEDULE OF DEBT SERVICE REQUIREMENTS DECEMBER 31, 2014

Year	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 7,750,000	\$ 479,640	\$ 210,000	\$ 15,825
2016	540,000	323,911	215,000	9,975
2017	610,000	311,760	225,000	3,375
2018	665,000	295,220		
2019	670,000	276,740		
2020	690,000	256,448		
2021	680,000	235,028		
2022	760,000	210,720		
2023	435,000	188,572		
2024	465,000	170,707		
2025	475,000	151,907		
2026	505,000	133,980		
2027	525,000	116,797		
2028	645,000	97,460		
2029	480,000	79,078		
2030	490,000	63,009		
2031	520,000	45,900		
2032	535,000	27,965		
2033	555,000	9,435		
	<u>\$17,995,000</u>	<u>\$ 3,474,277</u>	<u>\$ 650,000</u>	<u>\$ 29,175</u>

CITY OF ANOKA, MINNESOTA

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	<u>Agency</u>					<u>Agency Total</u>
	<u>Escrow Funds</u>	<u>Youth First</u>	<u>Downtown District</u>	<u>Castle Field</u>	<u>Drug Task Force</u>	
Assets						
Cash and investments	\$ 238,584	\$ 132,563	\$ 96,528	\$ 72,859	\$ 8,423	\$ 548,957
Accounts receivable	-	-	6,603	-	-	6,603
Accrued interest receivable	746	384	295	226	-	1,651
Total assets	<u>\$ 239,330</u>	<u>\$ 132,947</u>	<u>\$ 103,426</u>	<u>\$ 73,085</u>	<u>\$ 8,423</u>	<u>\$ 557,211</u>
Liabilities						
Liabilities:						
Deposits payable	\$ 239,330	\$ -	\$ -	\$ -	\$ -	\$ 239,330
Due to other organizations	-	132,947	103,426	73,085	8,423	317,881
Total liabilities	<u>\$ 239,330</u>	<u>\$ 132,947</u>	<u>\$ 103,426</u>	<u>\$ 73,085</u>	<u>\$ 8,423</u>	<u>\$ 557,211</u>

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CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FIDUCIARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2014

	Balance January 1 2014	Additions	Deductions	Balance December 31 2014
<u>Escrow Fund</u>				
Assets				
Cash and investments	\$ 347,442	\$ 158,072	\$ 266,930	\$ 238,584
Accounts receivable	50,000	-	50,000	-
Accrued interest receivable	1,326	16,871	17,451	746
Total assets	\$ 398,768	\$ 174,943	\$ 334,381	\$ 239,330
Liabilities				
Liabilities:				
Deposits payable	\$ 398,768	\$ 174,943	\$ 334,381	\$ 239,330
<u>Youth First</u>				
Assets				
Cash and investments	\$ 46,020	\$ 266,177	\$ 179,634	\$ 132,563
Accrued interest receivable	161	3,046	2,823	384
Total assets	\$ 46,181	\$ 269,223	\$ 182,457	\$ 132,947
Liabilities				
Liabilities:				
Due to other organizations	\$ 46,181	\$ 269,223	\$ 182,457	\$ 132,947
<u>Downtown District</u>				
Assets				
Cash and investments	\$ 76,149	\$ 95,477	\$ 75,098	\$ 96,528
Accounts receivable	7,147	89,439	89,983	6,603
Accrued interest receivable	266	4,165	4,136	295
Total assets	\$ 83,562	\$ 189,081	\$ 169,217	\$ 103,426
Liabilities				
Liabilities:				
Due to other organizations	\$ 83,562	\$ 189,081	\$ 169,217	\$ 103,426
<u>Castle Field</u>				
Assets				
Assets:				
Cash and investments	\$ 50,887	\$ 32,488	\$ 10,516	\$ 72,859
Accrued interest receivable	180	3,231	3,185	226
Total assets	\$ 51,067	\$ 35,719	\$ 13,701	\$ 73,085
Liabilities				
Liabilities:				
Due to other organizations	\$ 51,067	\$ 35,719	\$ 13,701	\$ 73,085
<u>Drug Task Force</u>				
Assets				
Assets:				
Cash and investments	\$ -	\$ 10,800	\$ 2,377	\$ 8,423
Liabilities				
Liabilities:				
Due to other organizations	\$ -	\$ 10,800	\$ 2,377	\$ 8,423

CITY OF ANOKA, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FIDUCIARY FUNDS (CONTINUED) FOR FISCAL YEAR ENDED DECEMBER 31, 2014

	Balance January 1 2014	Additions	Deductions	Balance December 31 2014
<u>Total Agency Fund</u>				
Assets				
Cash and investments	\$ 520,498	\$ 563,014	\$ 534,555	\$ 548,957
Accounts receivable	7,147	89,439	89,983	6,603
Accrued interest receivable	1,933	27,313	27,595	1,651
	<u>\$ 529,578</u>	<u>\$ 679,766</u>	<u>\$ 652,133</u>	<u>\$ 557,211</u>
Liabilities				
Liabilities:				
Deposits payable	\$ 398,768	\$ 174,943	\$ 334,381	\$ 239,330
Due to other organizations	180,810	504,823	367,752	317,881
	<u>\$ 579,578</u>	<u>\$ 679,766</u>	<u>\$ 702,133</u>	<u>\$ 557,211</u>

See Independent Auditor's Report.

CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY

BALANCE SHEET - COMPONENT UNIT DECEMBER 31, 2014

	HRA	Central Business Tax Increment	Business Core Tax Increment	Total HRA Funds
ASSETS				
Cash and investments	\$ 751,103	\$ 39,985	\$ 3,518	\$ 794,606
Receivables, net:				
Taxes	5,663	3,241	10	8,914
Accounts receivable	1,567	-	-	1,567
Loans receivable	268,072	-	-	268,072
Due from other funds	-	138,000	-	138,000
Accrued interest	2,327	124	11	2,462
Land held for resale	400,531	1,346,760	-	1,747,291
Total assets	\$ 1,429,263	\$ 1,528,110	\$ 3,539	\$ 2,960,912
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 25,722	\$ 25,822	\$ -	\$ 51,544
Accrued wages payable and other benefits	660	-	-	660
Due to other funds	-	-	138,000	138,000
Total liabilities	26,382	25,822	138,000	190,204
Deferred inflows of resources:				
Unavailable revenue property taxes	4,288	(353)	10	3,945
Unavailable revenue loans	247,660	-	-	247,660
Total deferred inflows of resources	251,948	(353)	10	251,605
Fund balances:				
Nonspendable	400,531	-	-	400,531
Restricted	-	1,502,641	-	1,502,641
Unassigned	750,402	-	(134,471)	615,931
Total fund balances	1,150,933	1,502,641	(134,471)	2,519,103
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,429,263	\$ 1,528,110	\$ 3,539	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in Component Unit (excluding internal service fund capital assets) are not financial resources and are not reported in the funds.				237,059
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.				251,605
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.				(1,400)
Net position of governmental activities				\$ 3,006,367

See Independent Auditor's Report.

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, 2014**

	830-835	Central Business	Business Core	Total HRA
	HRA	Tax Increment	Tax Increment	Funds
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues:				
Taxes	\$ 193,005	\$ 281,279	\$ -	\$ 474,284
Charges for current services	26,204	-	-	26,204
Investment income	4,601	2,177	20	6,798
Net increase in fair value of investments	8,436	18,852	120	27,408
Total revenues	<hr/> 232,246 <hr/>	<hr/> 302,308 <hr/>	<hr/> 140 <hr/>	<hr/> 534,694 <hr/>
Expenditures				
Current:				
Urban redevelopment and housing	167,687	15,850	27	183,564
Net changes in fund balances	64,559	286,458	113	351,130
Fund balances (deficits) at beginning of year	1,086,374	1,216,183	(134,584)	2,167,973
Fund balances (deficits) at end of year	<hr/> \$ 1,150,933 <hr/>	<hr/> \$ 1,502,641 <hr/>	<hr/> \$ (134,471) <hr/>	<hr/> \$ 2,519,103 <hr/>
Amounts reported for government activities in the statement of activities are different because:				
Net change in fund balances above				\$ 351,130
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				18,454
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.				663
Change in net position of governmental activities (page 27)				<hr/> \$ 370,247 <hr/>

See Independent Auditor's Report.



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CITY OF ANOKA, MINNESOTA

STATISTICAL SECTION

This part of the City of Anoka's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

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.

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

	2005	2006	2007	2008
Governmental activities:				
Net investment in capital assets	33,627,353	35,275,681	40,026,769	40,522,577
Restricted	1,153,915	2,061,652	660,019	605,492
Unrestricted	4,726,518	6,910,934	6,263,989	7,015,958
Total governmental activities net position	<u>39,507,786</u>	<u>44,248,267</u>	<u>46,950,777</u>	<u>48,144,027</u>
Business-type activities:				
Net investment in capital assets	27,852,901	28,869,985	33,012,196	32,164,969
Restricted	242,151	241,251	-	-
Unrestricted	17,646,715	16,992,019	12,932,575	14,695,152
Total business-type activities net position	<u>45,741,767</u>	<u>46,103,255</u>	<u>45,944,771</u>	<u>46,860,121</u>
Primary government:				
Net investment in capital assets	61,480,254	64,145,666	73,038,965	72,687,546
Restricted	1,396,066	2,302,903	660,019	605,492
Unrestricted	22,373,233	23,902,953	19,196,564	21,711,110
Total primary government net position	<u>85,249,553</u>	<u>90,351,522</u>	<u>92,895,548</u>	<u>95,004,148</u>

2009	2010	2011	2012	2013	2014
44,404,665	46,048,443	42,414,832	51,838,450	62,009,558	66,844,241
896,059	502,574	1,012,029	1,458,235	4,610,299	5,197,093
5,968,227	8,816,308	14,938,282	13,246,285	10,635,827	10,721,398
<u>51,268,951</u>	<u>55,367,325</u>	<u>58,365,143</u>	<u>66,542,970</u>	<u>77,255,684</u>	<u>82,762,732</u>
32,588,231	32,376,427	31,799,293	33,751,733	34,879,100	38,826,155
329,304	331,203	328,029	339,854	248,258	256,330
17,540,338	19,738,257	22,785,758	21,807,653	21,712,562	19,782,441
<u>50,457,873</u>	<u>52,445,887</u>	<u>54,913,080</u>	<u>55,899,240</u>	<u>56,839,920</u>	<u>58,864,926</u>
76,992,896	78,424,870	74,214,125	85,590,183	96,888,658	105,670,396
1,225,363	833,777	1,340,058	1,798,089	4,858,557	5,453,423
23,508,565	28,554,565	37,724,040	35,053,938	32,348,389	30,503,839
<u>101,726,824</u>	<u>107,813,212</u>	<u>113,278,223</u>	<u>122,442,210</u>	<u>134,095,604</u>	<u>141,627,658</u>

**CHANGES IN NET POSITION
LAST TEN YEARS**

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 1,881,306	\$ 2,056,074	\$ 1,947,947	\$ 2,268,733
Public safety	4,155,371	4,300,756	4,419,493	4,784,040
Public works	2,025,603	2,073,476	2,268,273	2,209,291
Parks and recreation	1,742,203	1,856,092	1,993,006	2,191,387
Miscellaneous	19,492	47,837	-	-
Interest on long-term debt	598,351	715,920	853,778	801,839
Total governmental activities expenses	10,422,326	11,050,155	11,482,497	12,255,290
Business-type activities:				
Electric	18,558,760	20,189,714	23,900,589	24,593,408
Water	1,331,465	1,429,972	1,494,220	1,344,620
Sewer	1,856,107	1,822,737	1,820,780	1,777,959
Liquor Stores	3,038,553	3,179,586	3,359,815	3,589,815
Golf	1,257,381	1,300,251	1,212,966	1,340,659
Storm Drainage	95,061	168,083	155,346	162,856
Refuse	442,430	410,149	409,444	373,485
Recycling	163,400	316,328	338,571	308,969
Total business-type activities expenses	26,743,157	28,816,820	32,691,731	33,491,771
Total primary government expenses	37,165,483	39,866,975	44,174,228	45,747,061
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 651,197	\$ 572,395	\$ 331,656	\$ 643,379
Public safety	635,989	609,594	679,276	758,046
Public works	1,031,515	1,026,922	811,549	483,489
Parks and recreation	327,048	300,096	316,718	304,101
Operating grants and contributions	526,705	492,402	367,420	314,799
Capital grants and contributions	892,887	1,717,853	143,731	204,897
Total governmental activities program revenues	4,065,341	4,719,262	2,650,350	2,708,711
Business-type activities:				
Charges for services				
Electric	18,851,050	20,183,314	23,277,649	24,675,276
Water	1,316,875	1,452,469	1,499,955	1,503,120
Sewer	1,951,177	1,885,994	2,001,065	2,031,169
Liquor Stores	3,189,297	3,309,362	3,496,489	3,772,938
Golf	1,020,338	1,126,298	1,089,693	1,135,669
Storm Drainage	295,909	286,028	283,721	360,573
Refuse	476,740	407,744	414,880	429,477
Recycling	136,141	289,133	290,527	258,408
Operating grants and contributions	41,433	42,906	41,464	46,782
Total business-type activities revenues	27,278,960	28,983,248	32,395,443	34,213,412
Total primary government revenues	31,344,301	33,702,510	35,045,793	36,922,123

2009	2010	2011	2012	2013	2014
\$ 2,398,175	\$ 2,365,246	\$ 2,923,429	\$ 1,973,890	\$ 2,352,739	\$ 2,575,107
5,004,364	5,320,857	4,964,088	5,200,008	5,280,686	5,303,656
2,033,195	1,396,491	2,184,103	2,097,304	2,446,436	2,580,990
2,100,057	1,840,678	1,927,287	1,928,896	2,109,080	2,582,244
-	-	-	-	-	-
766,471	701,054	572,753	526,864	490,008	514,894
<u>12,302,262</u>	<u>11,624,326</u>	<u>12,571,660</u>	<u>11,726,962</u>	<u>12,678,949</u>	<u>13,556,891</u>
19,729,760	21,291,347	22,350,480	22,862,034	24,533,255	24,728,393
1,372,374	1,299,137	1,344,164	1,291,808	1,430,439	1,423,583
1,946,558	2,004,164	1,940,882	1,842,496	1,967,585	2,113,023
3,669,135	3,481,544	3,653,495	3,758,217	3,857,645	4,007,571
1,372,763	1,356,041	1,393,724	1,319,486	1,088,903	939,188
135,671	150,370	162,570	166,886	198,447	184,749
267,873	229,266	200,494	177,847	161,493	135,444
299,333	304,284	264,232	253,912	271,358	271,444
<u>28,793,467</u>	<u>30,116,153</u>	<u>31,310,041</u>	<u>31,672,686</u>	<u>33,509,125</u>	<u>33,803,395</u>
<u>41,095,729</u>	<u>41,740,479</u>	<u>43,881,701</u>	<u>43,399,648</u>	<u>46,188,074</u>	<u>47,360,286</u>
\$ 95,124	\$ 73,135	\$ 87,718	\$ 113,277	\$ 110,399	\$ 132,467
924,027	871,206	1,049,481	1,203,307	1,075,581	1,306,662
662,257	577,894	478,204	738,468	591,786	1,208,335
319,198	402,048	559,575	361,437	490,059	446,436
502,915	301,812	304,430	289,662	472,961	268,999
1,539,997	867,036	587,413	2,886,426	7,932,979	2,584,266
<u>4,043,518</u>	<u>3,093,131</u>	<u>3,066,821</u>	<u>5,592,577</u>	<u>10,673,765</u>	<u>5,947,165</u>
22,944,335	23,723,639	24,508,858	24,506,822	25,757,858	27,406,129
1,615,116	1,607,863	1,834,611	1,726,207	1,614,435	1,489,934
1,950,490	2,159,743	2,224,510	2,045,200	2,056,585	2,052,380
3,855,281	3,589,782	3,790,973	3,970,832	4,067,548	4,179,462
998,057	1,075,509	894,487	1,009,109	848,183	913,354
398,762	419,276	419,839	420,954	471,251	471,678
255,741	217,991	191,181	169,868	154,338	133,959
243,876	271,022	264,068	238,314	301,530	236,453
46,550	40,967	-	-	-	21,049
<u>32,308,208</u>	<u>33,105,792</u>	<u>34,128,527</u>	<u>34,087,306</u>	<u>35,271,728</u>	<u>36,904,398</u>
<u>36,351,726</u>	<u>36,198,923</u>	<u>37,195,348</u>	<u>39,679,883</u>	<u>45,945,493</u>	<u>42,851,563</u>

CHANGES IN NET POSITION (CONTINUED)
LAST TEN YEARS

	2005	2006	2007	2008
Net (expense) revenue:				
Governmental activities	\$ (6,356,985)	\$ (6,330,893)	\$ (8,832,147)	\$ (9,546,579)
Business-type activities	535,803	166,428	(296,288)	721,641
Total primary government net (expense)/revenue	<u>\$ (5,821,182)</u>	<u>\$ (6,164,465)</u>	<u>\$ (9,128,435)</u>	<u>\$ (8,824,938)</u>
General Revenues and Other Sources in Net Position				
Governmental activities:				
Property taxes levied for general purpose	4,546,935	4,998,601	5,279,171	5,462,827
Property taxes levied for debt service	3,184	-	-	-
Property taxes from tax increments	1,700,981	1,839,169	1,989,473	2,148,141
Franchise taxes	923,337	929,566	1,256,761	1,298,308
Grants, aid and contributions not restricted to specific programs	1,686,450	1,779,449	1,622,293	1,002,926
Unrestricted investment income	382,716	703,544	827,086	483,402
Gain (loss) on disposal of capital assets	671	277,045	4,873	-
Other	6,148	-	-	6,225
Transfers	470,194	544,000	555,000	338,000
Transfer of operations	-	-	-	-
Contributed capital	-	-	-	-
Total governmental activities	<u>9,720,616</u>	<u>11,071,374</u>	<u>11,534,657</u>	<u>10,739,829</u>
Business-type activities				
Interest and investment earnings	533,742	611,097	653,837	532,528
Gain on sale of capital assets	9,633	18,948	(146,807)	32,818
Other	114,199	109,015	185,774	(33,637)
Transfers	(470,194)	(544,000)	(555,000)	(338,000)
Contributed capital	-	-	-	-
Total business-type activities	<u>187,380</u>	<u>195,060</u>	<u>137,804</u>	<u>193,709</u>
Total primary government	<u>9,907,996</u>	<u>11,266,434</u>	<u>11,672,461</u>	<u>10,933,538</u>
Change in Net Position				
Governmental activities	3,363,631	4,740,481	2,702,510	1,193,250
Business-type activities	723,183	361,488	(158,484)	915,350
Total primary government	<u>4,086,814</u>	<u>5,101,969</u>	<u>2,544,026</u>	<u>2,108,600</u>

2009	2010	2011	2012	2013	2014
\$ (8,258,744)	\$ (8,531,195)	\$ (9,504,839)	\$ (6,134,385)	\$ (2,005,184)	\$ (7,609,726)
3,514,741	2,989,639	2,818,486	2,414,620	1,762,603	3,101,003
<u>\$ (4,744,003)</u>	<u>\$ (5,541,556)</u>	<u>\$ (6,686,353)</u>	<u>\$ (3,719,765)</u>	<u>\$ (242,581)</u>	<u>\$ (4,508,723)</u>
5,390,456	5,397,013	5,220,518	5,455,000	5,442,963	5,313,111
294,295	400,560	393,745	406,164	393,566	386,417
2,537,536	2,696,195	2,633,140	2,577,022	2,558,472	2,557,981
1,204,563	1,236,900	1,257,715	1,298,606	1,340,379	1,331,955
1,405,552	1,006,620	1,036,760	931,996	929,604	1,575,982
231,174	324,389	278,584	89,102	(210,377)	383,830
-	-	-	1,407,516	-	(413,606)
10,096	47,829	223,246	71,810	835,177	285,953
309,996	1,584,996	1,458,949	2,074,996	150,000	2,285,000
-	-	-	-	-	(589,849)
-	-	-	-	949,670	-
<u>11,383,668</u>	<u>12,694,502</u>	<u>12,502,657</u>	<u>14,312,212</u>	<u>12,389,454</u>	<u>13,116,774</u>
392,268	508,386	468,237	257,696	(161,677)	588,632
(2,923)	6,316	411,364	31,342	6,495	60,505
3,662	68,669	228,055	357,498	432,929	580,366
(309,996)	(1,584,996)	(1,458,949)	(2,074,996)	(150,000)	(2,285,000)
-	-	-	-	(949,670)	-
<u>83,011</u>	<u>(1,001,625)</u>	<u>(351,293)</u>	<u>(1,428,460)</u>	<u>(821,923)</u>	<u>(1,055,497)</u>
<u>11,466,679</u>	<u>11,692,877</u>	<u>12,151,364</u>	<u>12,883,752</u>	<u>11,567,531</u>	<u>12,061,277</u>
3,124,924	4,163,307	2,997,818	8,177,827	10,384,270	5,507,048
3,597,752	1,988,014	2,467,193	986,160	940,680	2,045,506
<u>6,722,676</u>	<u>6,151,321</u>	<u>5,465,011</u>	<u>9,163,987</u>	<u>11,324,950</u>	<u>7,552,554</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	15,468	10,976	22,776	25,206
Unreserved	<u>5,103,058</u>	<u>5,645,285</u>	<u>5,672,831</u>	<u>5,123,628</u>
 Total general fund	 <u>5,118,526</u>	 <u>5,656,261</u>	 <u>5,695,607</u>	 <u>5,148,834</u>
All other governmental funds:				
Nonspendable:				
State Aid Construction	\$ -	\$ -	\$ -	\$ -
Enterprise Park Tax Increment	-	-	-	-
Commuter Rail Tax Increment	-	-	-	-
Nonmajor Capital Projects	-	-	-	-
Restricted:				
Debt service	-	-	-	-
State Aid Construction	-	-	-	-
Parks	-	-	-	-
Enterprise Park Tax Increment	-	-	-	-
Commuter Rail Tax Increment	-	-	-	-
Nonmajor Special Revenue	-	-	-	-
Nonmajor Capital Projects	-	-	-	-
Committed:				
Parks	-	-	-	-
Nonmajor Special Revenue	-	-	-	-
Assigned:				
State Aid Construction	-	-	-	-
Street Renewal	-	-	-	-
Nonmajor Capital Projects	-	-	-	-
Unassigned:				
Street Renewal	-	-	-	-
State Aid Construction	-	-	-	-
Parks	-	-	-	-
Enterprise Park Tax Increment	-	-	-	-
Commuter Rail Tax Increment	-	-	-	-
Greens of Anoka Tax Increment	-	-	-	-
Nonmajor Special Revenue	-	-	-	-
Nonmajor Capital Projects	-	-	-	-
Reserved	1,153,915	2,061,652	1,697,380	1,099,047
Unreserved	<u>(4,451,879)</u>	<u>(2,623,676)</u>	<u>(3,437,043)</u>	<u>(1,801,358)</u>
 Total all other governmental funds	 <u>\$ (3,297,964)</u>	 <u>\$ (562,024)</u>	 <u>\$ (1,739,663)</u>	 <u>\$ (702,311)</u>

Fund balance categories for years prior to 2011 have not been adjusted for GASB Statement No. 54.

2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ 18,361	\$ 18,361	\$ 18,059	\$ 66,191
-	-	673,271	736,344	562,438	-
-	-	500,000	750,000	1,100,000	-
-	-	4,622,827	4,668,774	4,191,499	4,814,642
24,194	18,489	-	-	-	-
4,469,350	4,845,779	-	-	-	-
<u>4,493,544</u>	<u>4,864,268</u>	<u>5,814,459</u>	<u>6,173,479</u>	<u>5,871,996</u>	<u>4,880,833</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,525,556
-	-	1,937,780	2,208,137	-	4,196,688
-	-	-	-	-	205,274
-	-	770,099	981,604	-	1,200,389
-	-	475,643	455,642	443,168	7,661,468
-	-	-	-	2,502,460	-
-	-	-	146,463	-	-
-	-	-	-	3,115,454	-
-	-	-	-	117,663	-
-	-	13,489	-	-	-
-	-	679,546	283,002	532,146	70,262
-	-	-	231,455	-	-
-	-	2,105,649	1,893,868	1,813,335	1,961,560
-	-	-	-	303,216	651,471
-	-	2,930,355	830,861	182,810	-
-	-	919,454	119,521	836,671	305,712
-	-	-	-	-	(791,125)
-	-	(1,900,554)	(1,898,345)	-	-
-	-	-	-	(287,821)	-
-	-	(1,103,177)	(338,163)	-	(413,485)
-	-	-	-	(363,419)	(1,371,901)
-	-	-	-	(783,294)	(812,290)
-	-	-	(426)	-	-
-	-	(143,209)	(60,758)	(122,243)	(722,108)
896,059	4,438,862	-	-	-	-
(1,632,865)	(158,995)	-	-	-	-
<u>\$ (736,806)</u>	<u>\$ 4,279,867</u>	<u>\$ 6,685,075</u>	<u>\$ 4,852,861</u>	<u>\$ 8,290,146</u>	<u>\$ 14,667,471</u>

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

	2005	2006	2007	2008
Revenues:				
Taxes	\$ 6,265,549	\$ 6,848,981	\$ 7,268,644	\$ 7,610,968
Special assessments	550,328	284,182	466,247	370,480
Licenses and permits	381,950	543,970	368,507	380,296
Fines and forfeitures	208,397	194,344	210,328	186,838
Intergovernmental	3,091,985	3,846,882	2,114,118	1,520,698
Charges for current services	1,088,430	866,331	900,529	931,975
Franchise fees	1,265,783	1,271,565	1,256,761	1,298,307
Investment income	382,717	683,268	827,086	483,401
Increase (decrease) in fair market value	-	-	-	-
Miscellaneous	63,854	636,564	11,318	385,873
Total revenues	13,298,993	15,176,087	13,423,538	13,168,836
Expenditures:				
General government	1,767,562	1,956,012	1,826,887	1,824,676
Public safety	3,814,068	3,970,201	4,088,024	4,432,326
Public works	1,510,550	1,434,067	1,596,371	1,473,842
Parks	1,438,857	1,544,448	1,663,389	1,820,055
Miscellaneous	19,492	47,837	2,881	135,131
Capital outlay	3,495,751	10,283,289	4,692,248	2,143,901
Debt service:				
Principal retirement	355,000	360,000	370,000	385,000
Interest and fiscal charges	601,309	685,558	877,031	801,325
Total expenditures	13,002,589	20,281,412	15,116,831	13,016,256
Excess (deficiency) of revenues over expenditures	296,404	(5,105,325)	(1,693,293)	152,580
Other Financing Sources (Uses):				
Bond proceeds/refunding of bonds	-	7,835,000	-	-
Proceeds from the sale of asset	-	-	-	-
Transfers in	1,324,000	1,992,149	1,247,500	1,044,134
Transfers out	(853,806)	(1,448,149)	(692,500)	(706,134)
Total other financing sources (uses)	470,194	8,379,000	555,000	338,000
Special item - Transfer of operations	-	-	-	-
Net change in fund balances	\$ 766,598	\$ 3,273,675	\$ (1,138,293)	\$ 490,580
Debt service as a percentage of noncapital expenditures	10.1%	10.5%	12.0%	10.9%

2009	2010	2011	2012	2013	2014
\$ 8,222,287	\$ 8,119,472	\$ 8,348,499	\$ 8,383,973	\$ 8,528,515	\$ 8,252,307
436,729	423,590	370,862	459,562	485,145	406,265
299,718	408,266	275,788	505,153	379,864	467,613
197,953	104,661	190,657	147,445	139,553	143,307
3,448,465	2,175,468	1,928,603	4,099,693	9,335,544	4,429,247
938,238	913,205	1,252,731	1,141,668	1,260,863	1,692,328
1,204,563	1,236,900	1,257,715	1,298,606	1,340,379	1,331,956
231,174	324,389	278,585	89,102	185,743	93,821
-	-	-	-	(396,120)	290,008
115,191	130,726	471,935	173,090	465,632	544,037
<u>15,094,318</u>	<u>13,836,677</u>	<u>14,375,375</u>	<u>16,298,292</u>	<u>21,725,118</u>	<u>17,650,889</u>
2,015,056	1,695,481	1,610,016	1,603,520	1,739,386	1,950,610
4,572,761	4,488,511	4,598,698	4,914,552	4,902,711	5,142,440
1,231,499	1,323,429	1,300,262	1,086,922	1,343,447	1,318,375
1,720,539	1,582,465	1,524,582	1,545,826	1,716,943	1,781,546
79,619	39,062	40,714	41,709	48,623	-
5,474,406	3,575,527	2,472,214	11,071,968	13,294,921	10,106,587
235,000	245,000	380,000	470,000	450,000	499,150
765,219	759,868	604,348	519,502	492,654	507,438
<u>16,094,099</u>	<u>13,709,343</u>	<u>12,530,834</u>	<u>21,253,999</u>	<u>23,988,685</u>	<u>21,306,146</u>
(999,781)	127,334	1,844,541	(4,955,707)	(2,263,567)	(3,655,257)
-	3,740,000	(3,995,000)	-	-	6,383,638
-	-	1,350,682	1,407,517	440,000	365,539
2,095,496	1,857,496	2,462,996	3,664,996	1,840,000	5,701,000
<u>(1,785,500)</u>	<u>(272,500)</u>	<u>(1,004,047)</u>	<u>(1,590,000)</u>	<u>(1,590,000)</u>	<u>(3,466,000)</u>
309,996	5,324,996	(1,185,369)	3,482,513	690,000	8,984,177
-	-	-	-	-	(589,849)
<u>\$ (689,785)</u>	<u>\$ 5,452,330</u>	<u>\$ 659,172</u>	<u>\$ (1,473,194)</u>	<u>\$ (1,573,567)</u>	<u>\$ 4,739,071</u>
9.4%	9.9%	9.8%	9.7%	8.8%	9.0%

**ESTIMATED ACTUAL AND TAXABLE VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

Year Taxes Payable	TAX CAPACITY VALUE			Fiscal Disparities	Adjusted Tax Capacity Value	Tax Rate	Estimated Market Value (EMV) ¹	Tax Capacity as a % of EMV
	Real Property	Personal Property	Total					
2005	\$ 13,804,532	\$ 60,956	\$ 13,865,488	\$ 957,368	\$ 14,822,856	37.539%	\$ 1,169,928,900	1.27%
2006	15,046,218	63,385	15,109,603	1,003,566	16,113,169	38.742%	1,266,301,300	1.27%
2007	16,481,648	62,833	16,544,481	947,855	17,492,336	37.330%	1,371,475,100	1.28%
2008	17,387,777	64,303	17,452,080	1,044,617	18,496,697	37.038%	1,427,785,600	1.30%
2009	17,653,197	66,127	17,719,324	1,266,687	18,986,011	37.685%	1,430,754,500	1.33%
2010	16,610,896	64,756	16,675,652	1,264,489	17,940,141	40.530%	1,343,513,500	1.34%
2011	15,180,773	76,666	15,257,439	1,324,044	16,581,483	43.020%	1,229,089,500	1.35%
2012	13,318,670	80,114	13,398,784	1,216,338	14,615,122	50.368%	1,154,467,900	1.27%
2013	11,956,088	81,521	12,037,609	1,230,432	13,268,041	54.010%	1,050,914,000	1.26%
2014	11,853,852	80,577	11,934,429	1,508,249	13,442,678	49.843%	1,036,711,300	1.30%

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

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

Year Taxes Payable	Overlapping Rates					
	City		School Dist.	Anoka	Special	Total
	General Fund	Debt	#11	County	Districts ¹	
2005	37.539	-	21.492	33.080	6.373	98.484
2006	38.742	-	20.046	32.096	5.944	96.828
2007	37.330	-	19.353	30.696	5.544	92.923
2008	37.038	-	16.983	31.078	6.554	91.653
2009	35.123	2.562	18.263	32.078	5.323	93.349
2010	37.658	2.872	19.939	35.189	5.711	101.369
2011	39.952	3.068	23.999	39.952	6.094	113.065
2012	46.895	3.473	23.325	41.146	6.074	120.913
2013	50.371	3.639	26.801	44.411	6.387	131.609
2014	46.433	3.410	28.265	43.239	6.213	127.560

Note: Tax rates per \$100 of tax capacity

¹Includes County Regional Rail, County/City Radio, Metropolitan Council (transit, mosquito control, miscellaneous), City HRA

**PRINCIPAL TAXPAYERS
DECEMBER 31, 2014**

Taxpayer	Type of Business	Rank	2014		Rank	2005	
			Individual Tax Capacity	Percent of Total Tax Capacity		Individual Tax Capacity	Percent of Total Tax Capacity
Cutters Grove Limited	Apartment Cutter's Grove	1	\$ 208,392	1.75%	2	\$ 209,938	1.51%
Hoffman Enclosures	Electrical enclosures	2	206,875	1.73%	1	224,137	1.62%
Anoka Industrial LLC	Decopac	3	203,258	1.70%	3	159,250	1.15%
Federal Cartridge	Ammunition manufacturing	4	179,252	1.50%	5	141,808	1.02%
Paul & Eleanor Sade Trust	Sheet steel fabrication	5	162,838	1.36%			
CRV Anoka	Furniture warehousing	6	156,294	1.31%	4	155,930	1.12%
Austin Grove LLC	Ammunition warehousing	7	143,900	1.21%			
Sundquist Properties II LLC	Precision machining	8	141,024	1.18%			
Graco	Fluid handling	9	131,838	1.10%			
Rural Community Ins	Insurance	10	129,874	1.09%	6	136,554	0.98%
Una-Clad Copper Sales	Sheet steel fabrication				7	129,250	0.93%
IMI Cornelius	Vending machines				8	114,338	0.82%
Melvin Gregerson	Apartment Dellwood				9	109,704	0.79%
Programmed Land	Apartment Lincoln				10	100,000	0.72%
			<u>\$1,663,545</u>	<u>13.93%</u>		<u>\$1,480,909</u>	<u>10.66%</u>

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

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

Year	Number of Permits	Residential Value	Commercial Value	Total	PROPERTY VALUE ¹			
					Commercial	Residential	Nontaxable	Total
2005	851	\$ 10,440,660	\$ 10,709,450	\$ 21,150,110	\$ 430,706,150	\$ 739,222,750	\$ 295,039,100	\$ 1,464,968,000
2006	² 3,705	22,096,482	15,128,442	37,224,924	440,693,150	783,635,600	324,557,500	1,548,886,250
2007	1,222	7,482,142	7,612,905	15,095,047	516,249,000	852,344,900	327,557,400	1,696,151,300
2008	523	2,687,076	16,362,171	19,049,247	559,715,700	867,388,400	343,134,900	1,770,239,000
2009	567	3,341,421	6,197,521	9,538,943	588,315,500	841,864,700	357,134,100	1,787,314,300
2010	478	5,623,342	5,091,596	10,714,938	567,125,300	774,574,900	346,511,700	1,688,211,900
2011	517	3,509,792	7,826,385	11,336,177	528,504,800	700,584,700	323,132,000	1,552,221,500
2012	443	2,714,375	36,089,774	38,804,149	501,849,800	652,618,100	311,383,600	1,465,851,500
2013	434	5,592,716	18,079,728	23,672,444	471,210,600	579,703,400	277,467,400	1,328,381,400
2014	462	11,669,749	20,064,521	31,734,270	477,624,300	559,087,000	282,512,900	1,319,224,200

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

CITY OF ANOKA, MINNESOTA

(Unaudited)

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

Fiscal year	Collected Within the Fiscal Year of Levy			Delinquent Tax Collections in Subsequent Fiscal Years	Total Collections to Date	
	Total Tax Levy	Current Tax Collections	% of Current Tax Levy		Total Tax Collections	% of Total Tax Levy
2005	\$ 4,884,802	\$ 4,814,673	98.6%	\$ 69,717	\$ 4,884,390	100.0%
2006	5,339,080	5,246,474	98.3%	91,567	5,338,041	100.0%
2007	5,619,640	5,506,480	98.0%	111,913	5,618,392	100.0%
2008	5,807,545	5,675,367	97.7%	129,954	5,805,321	100.0%
2009	5,982,990	5,858,918	97.9%	120,600	5,979,518	99.9%
2010	5,982,990	5,840,309	97.6%	138,705	5,979,014	99.9%
2011	5,899,105	5,800,843	98.3%	89,518	5,890,361	99.9%
2012	5,899,105	5,805,144	98.4%	83,176	5,888,320	99.8%
2013	5,856,105	5,789,072	98.9%	39,473	5,828,545	99.5%
2014	5,712,265	5,648,027	98.9%	-	5,648,027	98.9%

Note: Includes Market Value and Homestead Credit

**OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Fiscal Year	Governmental Activities				Business-Type	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	G.O. Tax Increment Bonds	G.O. Revenue Bonds	Met Council Loan	Revenue Bonds			
2005	\$ 5,845,000	\$ -	\$ -	\$ -	\$ 2,220,000	\$ 8,065,000	1.13	451
2006	5,485,000	7,835,000	-	-	2,075,000	15,395,000	2.05	852
2007	5,115,000	7,835,000	-	815,528	1,925,000	15,690,528	1.94	825
2008	4,730,000	7,835,000	-	815,528	4,080,000	17,460,528	2.15	918
2009	4,495,000	7,835,000	-	2,125,528	3,855,000	18,310,528	2.30	1,019
2010	7,990,000	7,835,000	-	2,183,813	3,585,000	21,593,813	2.61	1,260
2011	3,740,000	7,710,000	-	2,183,813	3,310,000	16,943,813	2.06	978
2012	3,395,000	7,585,000	-	2,502,460	3,035,000	16,517,460	1.94	952
2013	3,070,000	7,460,000	1,077,300	2,502,460	1,667,700	15,777,460	1.85 est	913
2014	2,750,000	13,450,000	1,023,150	2,502,460	1,421,850	21,147,460	2.42	1,219

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 134.

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

Fiscal Year	General Obligation Bonds ¹	Amounts Available in Debt Service Fund	Net Bonded Debt	Percentage of Estimated Actual Value of Property ²	Per Capita ³
2005	\$ 5,845,000	\$ 1,153,916	\$ 4,691,084	0.40	262
2006	5,485,000	2,061,652	3,423,348	0.28	189
2007	5,115,000	1,697,380	3,417,620	0.25	189
2008	4,730,000	1,099,047	3,630,953	0.25	203
2009	4,495,000	896,059	3,598,941	0.25	200
2010	7,990,000	4,438,862	3,551,138	0.26	207
2011	3,740,000	475,643	3,264,357	0.27	188
2012	3,395,000	455,642	2,939,358	0.25	169
2013	4,147,300	443,168	3,704,132	0.35	214
2014	3,773,150	359,292	3,413,858	0.33	197

¹ Amount does not include debt to be paid from special assessments, tax increment, or other revenues.

² Property value data can be found in the schedule of Building Permit Values and Real Property Values schedule on page 126.

³ Population data can be found in the schedule of Demographic and Economic Statistics on page 134.

CITY OF ANOKA, MINNESOTA

(Unaudited)

**DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2014**

<u>Governmental Unit</u>	<u>Gross General Obligation Debt Outstanding</u>	<u>Percent Applicable to City¹</u>	<u>Net Amount Applicable to City</u>
Direct:			
City of Anoka	\$ 19,725,610	100%	<u>\$ 19,725,610</u>
Overlapping:			
Anoka County	143,506,281	4.06%	5,825,624
Anoka-Hennepin School District #11	72,239,061	6.16%	4,448,360
Met Council/RR Auth Special Dist	1,533,479,856	0.34%	<u>5,281,684</u>
Total Overlapping Debt			<u>15,555,668</u>
Total Direct and Overlapping Debt			<u><u>\$ 35,281,278</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.

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Market value of taxable property	\$ 1,140,168,800	\$ 1,250,920,100	\$ 1,363,410,500	\$ 1,423,696,800
Statutory debt limit (3% of market value) ¹	22,803,376	25,018,402	27,268,210	28,473,936
Amount of debt applicable to debt limit:				
Total bonds and notes payable	8,065,000	15,395,000	15,690,528	17,460,528
Less:				
Amount available in debt service fund	1,153,916	1,185,020	1,697,380	1,099,047
Met Council loan	-	-	815,528	815,528
Revenue bonds	2,220,000	2,075,000	1,925,000	4,080,000
Improvement bonds	-	7,835,000	7,835,000	7,835,000
	<u>4,691,084</u>	<u>4,299,980</u>	<u>3,417,620</u>	<u>3,630,953</u>
Legal debt margin	<u>\$ 18,112,292</u>	<u>\$ 20,718,422</u>	<u>\$ 23,850,590</u>	<u>\$ 24,842,983</u>
Total debt applicable to the limit as a percentage of debt limit	21%	17%	13%	13%

¹Statutory debt limit prior to 2009 was 2%.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>\$ 1,425,440,200</u>	<u>\$ 1,338,735,500</u>	<u>\$ 1,224,073,500</u>	<u>\$ 1,153,576,994</u>	<u>\$ 1,050,914,000</u>	<u>\$ 1,036,711,300</u>
<u>42,763,206</u>	<u>40,162,065</u>	<u>36,722,205</u>	<u>34,607,310</u>	<u>31,527,420</u>	<u>31,101,339</u>
18,310,528	21,593,813	16,943,813	16,517,460	15,777,460	21,147,460
896,059	4,438,862	475,643	455,642	443,168	359,292
2,125,528	2,183,813	2,183,813	2,502,460	2,502,460	2,502,460
3,855,000	3,585,000	3,310,000	3,035,000	1,667,700	1,421,850
<u>7,835,000</u>	<u>7,835,000</u>	<u>7,710,000</u>	<u>7,585,000</u>	<u>7,460,000</u>	<u>13,450,000</u>
<u>3,598,941</u>	<u>3,551,138</u>	<u>3,264,357</u>	<u>2,939,358</u>	<u>3,704,132</u>	<u>3,413,858</u>
<u>\$ 39,164,265</u>	<u>\$ 36,610,927</u>	<u>\$ 33,457,848</u>	<u>\$ 31,667,952</u>	<u>\$ 27,823,288</u>	<u>\$ 27,687,481</u>
8%	9%	9%	8%	12%	11%

CITY OF ANOKA, MINNESOTA

(Unaudited)

**PLEDGED REVENUE COVERAGE
LAST TEN YEARS**

Fiscal Year	Operating Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	\$ 1,316,875	\$ 877,076	\$ 439,799	\$ 140,000	\$ 102,851	1.81
2006	1,452,469	950,914	501,555	145,000	97,151	2.07
2007	1,499,955	1,018,490	481,465	150,000	91,251	2.00
2008	1,503,120	951,839	551,281	155,000	122,894	1.98
2009	2,613,173	2,045,373	567,800	240,000	136,827	1.51
2010	2,683,372	1,917,076	766,296	270,000	115,508	1.99
2011	2,729,098	1,896,740	832,358	275,000	102,883	2.20
2012	2,735,316	1,785,344	949,972	275,000	101,049	2.53
2013	2,462,618	1,876,173	586,445	290,000	96,358	1.52

CITY OF ANOKA, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Year	Population ¹	Median Age ²	Personal Income (Amounts in Thousands) ⁴	City of Anoka Per Capita Income ³	County Per Capita Income ³	7-County Metro Area Per Capita Income ³	County Unemployment Rate ³	7-County Metro Area Unemployment Rate ³
2005	17,899	35.4	\$ 712,022	\$ 39,780	\$ 39,312	\$ 46,644	4.0	3.8
2006	18,076		750,082	41,496	40,560	48,100	4.0	3.7
2007	18,038		766,326	45,084	43,264	49,660	4.6	4.2
2008	17,849		773,921	44,512	42,120	52,364	5.4	5.0
2009	17,966		795,031	44,252	42,172	51,376	8.7	7.7
2010	17,142	37.2	826,313	48,204	43,108	52,988	7.8	7.1
2011	17,331		821,905	47,424	44,200	54,201	6.7	6.3
2012	17,345		849,627	48,984	45,656	55,952	5.9	5.5
2013	17,283		851,983	49,296	46,055	56,281	4.5	4.0
2014	17,345 est		874,581	50,423	47,233	57,633	3.4	3.1

Sources:

¹ Minnesota State Auditor

² U.S. Census Bureau

³ Minnesota Department of Employment and Economic Development

⁴ City per capita times population

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2014**

Employer	2014			2005		
	Rank	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment
Federal Cartridge	1	1,578	11.37%	4	686	5.20%
Hoffman Enclosures/Pentair Tech	2	1,564	11.27%	2	1,160	8.79%
Anoka County Government Center	3	1,120	8.07%	1	1,239	9.39%
Anoka-Hennepin ISD #11	4	1,114	8.02%	3	1,144	8.67%
Anoka-Metro Treatment Center	5	407	2.93%	5	540	4.09%
Rural Insurance Group	6	405	2.92%	9	210	1.59%
Mate Precision Tool	7	321	2.31%	7	290	2.20%
Copper Sales/Firestone Metals	8	224	1.61%	8	239	1.81%
DecoPac ¹	9	214	1.54%			
Anoka Technical College	10	210	1.51%	6	410	3.11%
Lakeland Tool				10	175	1.33%
		<u>7,157</u>	<u>51.55%</u>		<u>6,093</u>	<u>46.18%</u>
Total City-wide employment ²		13,882			13,199	

¹Not located in the City in 2004

² Minnesota Department of Employment and Economic Development

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

	2005	2006	2007	2008
City manager	2.00	2.00	2.00	2.50
Assessing	2.00	2.00	2.00	1.67
Human resources	2.00	2.00	2.00	2.00
Finance	6.00	5.60	5.60	5.14
Community development	1.63	1.80	1.50	1.50
Total general government	13.63	13.40	13.10	12.81
Building maintenance	1.80	1.80	1.60	1.67
Municipal buildings	0.20	0.20	0.40	0.40
Engineering	2.25	2.25	2.25	1.11
Streets	6.58	6.58	6.58	6.43
Total public works	10.83	10.83	10.83	9.61
Planning and inspections	5.00	5.00	5.00	5.00
Police	34.00	34.00	34.00	32.30
Fire	4.00	4.00	4.60	4.60
Total public safety	43.00	43.00	43.60	41.90
Senior center	0.25	0.25	0.25	0.25
Playgrounds and playfields	0.50	0.50	0.50	1.15
Swimming pool	0.50	0.50	0.50	0.30
Skating rinks	0.25	0.25	0.25	0.33
Municipal parks	5.50	5.25	5.75	5.58
Shade tree beautification	1.50	0.75	1.00	0.75
Cemetery	1.00	1.00	1.00	-
Total parks and recreation	9.50	8.50	9.25	8.36
Total general fund	76.96	75.73	76.78	72.68
HRA	1.04	0.88	1.13	1.05
MHRA	1.00	1.00	1.00	1.05
Parking ramps/lots	-	-	-	0.85
Walker ramp	-	-	-	0.85
Cemetery	-	-	-	1.20
Central equipment (garage)	2.00	2.10	2.10	2.20
Data processing	2.00	1.50	1.25	1.00
Electric	21.50	21.50	21.75	21.80
Water	4.05	4.00	4.00	3.86
Sewer	5.00	5.08	5.08	5.00
Liquor store	5.00	5.00	5.00	5.00
Golf course	5.50	5.50	3.75	3.42
Recycling	0.33	0.33	0.38	0.40
Total other funds	47.42	46.89	45.43	47.68
Total all funds	124.38	122.62	122.22	120.36

Note: Includes all part-time and full-time benefit earning employees. Employees are allocated to departments based on the duties they perform.

2009	2010	2011	2012	2013	2014
2.80	2.80	2.63	2.63	2.32	2.63
1.00	1.50	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
5.15	5.00	5.00	5.00	4.58	4.60
1.30	1.30	1.49	1.50	1.32	1.00
<u>12.25</u>	<u>12.60</u>	<u>12.12</u>	<u>12.13</u>	<u>11.22</u>	<u>11.23</u>
1.68	0.85	0.95	0.95	0.88	0.95
0.48	0.25	0.48	0.48	0.55	0.48
1.50	1.30	1.80	1.75	1.75	1.75
6.63	6.53	5.68	5.68	5.68	6.68
<u>10.29</u>	<u>8.93</u>	<u>8.91</u>	<u>8.86</u>	<u>8.86</u>	<u>9.86</u>
4.95	4.95	4.50	4.50	5.25	5.00
31.75	31.75	30.80	32.48	32.48	32.48
4.60	4.60	4.60	4.60	4.60	-
<u>41.30</u>	<u>41.30</u>	<u>39.90</u>	<u>41.58</u>	<u>42.33</u>	<u>37.48</u>
0.40	0.40	0.33	0.33	0.33	0.33
1.15	0.90	1.38	1.38	1.38	1.38
0.35	0.35	0.28	0.28	0.28	0.28
0.66	0.66	0.38	0.20	0.20	0.25
5.49	4.87	4.03	4.08	4.08	4.08
0.75	0.50	0.28	0.28	0.28	0.18
-	-	-	-	-	-
<u>8.80</u>	<u>7.68</u>	<u>6.68</u>	<u>6.55</u>	<u>6.55</u>	<u>6.50</u>
<u>72.64</u>	<u>70.51</u>	<u>67.61</u>	<u>69.12</u>	<u>68.96</u>	<u>65.07</u>
1.05	1.05	1.11	1.50	1.50	1.00
1.05	1.05	1.40	-	-	-
0.85	0.85	2.15	1.15	1.15	0.85
1.30	1.30	-	-	-	-
0.90	0.65	1.03	0.93	0.93	0.88
2.15	2.05	2.05	2.05	2.05	1.05
1.05	1.05	0.60	0.48	-	-
19.80	19.85	17.90	17.90	18.00	18.40
3.86	3.76	3.76	3.26	3.26	3.26
3.86	3.76	3.76	3.26	3.26	3.26
4.00	4.00	4.00	4.00	4.00	4.00
3.67	3.17	3.17	3.17	3.17	3.12
0.40	0.40	0.51	0.38	0.38	0.38
<u>43.94</u>	<u>42.94</u>	<u>41.44</u>	<u>38.08</u>	<u>37.70</u>	<u>36.20</u>
<u>116.58</u>	<u>113.45</u>	<u>109.05</u>	<u>107.20</u>	<u>106.66</u>	<u>101.27</u>

CITY OF ANOKA, MINNESOTA

(Unaudited)

**OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS**

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elections										
Number of registered voters		10,499		11,634		10,049		11,727		10,185
% participation in general election		63%		77%		65%		76%		54%
Building inspections										
No. of permits issued	851	3,705	1,222	523	567	478	517	443	434	462
Total permit valuation (in thousands)	\$ 21,150	\$ 37,225	\$ 15,095	\$ 19,049	\$ 9,539	\$ 10,715	\$ 11,336	\$ 38,804	\$ 23,672	\$ 31,734
Public safety										
Police										
Police activity	19,743	19,474	18,785	18,688	19,580	18,451	20,148	21,299	20,087	20,260
Part 1 crime	N/A	865	848	854	770	782	869	766	619	604
Traffic accidents	676	590	789	766	716	762	698	648	727	920
Public works										
Snow removal hours	712	1,108	1,894	1,200	987	2,734	1,868	389	3,581	2,816
Parks and recreation										
Snow removal hours	85	72	568	353	595	235	179	N/A	N/A	1,308
Mowing hours (includes cemetery)	2,648	3,354	3,284	3,295	2,801	3,739	1,489	1,674	1,500	1,733
Picnic shelter reservations	133	115	127	135	143	150	190	212	158	178
Swim lesson participants	1,052	840	820	758	850	978	1,028	1,103	1,072	1,106
Open swim attendance	42,662	37,684	38,959	39,193	31,266	42,567	44,000	47,000	39,407	34,804
Parking										
Parking permits issued	115	86	60	71	91	75	66	71	113	168
Parking ramp permits issued	66	75	76	46	41	41	58	91	61	69
Electric										
Avg KWHRS consumption daily	726,935	732,807	758,133	741,132	688,041	726,330	727,926	738,266	760,714	750,133
Water										
Avg daily consumption in cubic feet	279,790	307,521	310,939	287,443	277,528	259,548	249,198	262,148	227,385	230,685
Golf										
Rounds of golf purchased	31,211	32,921	32,000	33,288	33,054	33,344	29,614	33,776	28,486	32,745

CITY OF ANOKA, MINNESOTA

(Unaudited)

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	23	26	24
Public works										
Street miles	67 1/5	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	81 1/9	81 1/2
Parks and recreation										
City park acres	783	783	729	729	729	729	729	729	729	729
Cemetery acres	29	29	29	29	29	29	29	29	29	29
Libraries	-	-	-	-	-	-	-	-	-	-
Trail miles	7	7	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Outdoor pools	1	1	1	1	1	1	1	1	1	1
Outdoor skate parks	2	1	1	1	1	1	1	1	1	1
Picnic shelters	13	13	12	12	12	12	12	12	12	12
Boat launches	2	1	1	1	1	1	1	1	1	2
Portable docks	5	5	5	5	5	5	5	6	6	4
Parking										
Ramps	1	2	2	2	2	2	2	2	2	2
Lots	6	6	6	6	6	6	6	6	6	6
Electric										
Overhead wire miles	N/A	120 1/2	170 1/3	162 5/6	162 5/6	163	159	159	154	147
Underground wire miles	N/A	156 1/5	159 1/2	155 5/7	155 5/7	162	162	162	182	191
Substations	3	3	3	3	3	3	3	3	3	3
Street lights	1,330	1,335	1,774	1,792	1,795	1,795	1,795	1,795	1,795	1,805
Water										
Water main miles	81 7/9	82 1/2	82 1/2	82 1/2	82 1/2	82 1/2	82 1/2	82 1/2	83 4/9	83 1/2
Wells	8	8	8	8	8	8	8	8	8	8
Sewer/storm sewer										
Sanitary sewer miles	64 1/2	65	65	65	65	65	65	65	65 2/3	65 2/3
Storm sewer miles	28 7/9	29	29	29	29	29	29	29	30 1/4	31 1/9
Liquor										
Stores	2	2	2	2	2	2	2	2	2	2
Golf										
Golf course acres	126	126	126	126	126	126	126	126	126	126