



**REAL. CLASSIC.<sup>TM</sup>**

***City of Anoka,  
Minnesota***

**Comprehensive Annual  
Financial Report  
For Year Ended December 31st, 2015**



This page intentionally left blank

# **CITY OF ANOKA, MINNESOTA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the Year Ended December 31, 2015**

**Prepared by the Finance Department**

**Lori Yager, Director**



This page intentionally left blank

# CITY OF ANOKA, MINNESOTA

## Comprehensive Annual Financial Report

Year ended December 31, 2015

### TABLE OF CONTENTS

<b>PART I - INTRODUCTORY SECTION</b>	<b>Page</b>
Letter of Transmittal	1
Elected and Appointed Officials	5
Organizational Charts	6
Geographical Location	8
Certificate of Achievement for Excellence in Financial Reporting	9
<b>PART II - FINANCIAL SECTION</b>	
Independent Auditors' Report	11
Management's Discussion and Analysis	15
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet-Governmental Funds	28
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Net Position-Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Funds	34
Statement of Cash Flows-Proprietary Funds	36
Statement of Fiduciary Net Position-Fiduciary Funds	38
Notes to Financial Statements	39

# CITY OF ANOKA, MINNESOTA

## TABLE OF CONTENTS

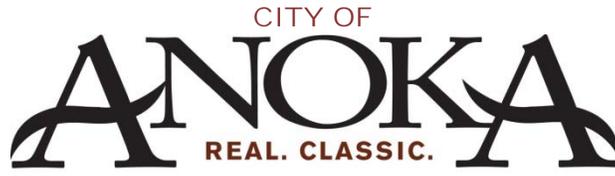
<b>PART II – FINANCIAL SECTION (Continued)</b>	<b>Page</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress	74
Schedule of Contributions	75
Schedule of Proportionate Share of Net Pension Liability	77
Budgetary Comparison Schedule-General Fund	79
Notes to Required Supplementary Information	80
<b>COMBINING NONMAJOR FUND STATEMENTS</b>	
Combining Balance Sheet-Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Nonmajor Governmental Funds	86
Budgetary Comparison Schedule-Special Revenue Funds	88
Combining Statement of Net Position-Nonmajor Proprietary Funds	91
Combining Statement of Revenues, Expenditures, and Changes in Net Position-Nonmajor Proprietary Funds	92
Combining Statement of Cash Flows-Nonmajor Proprietary Funds	93
<b>COMBINING INTERNAL SERVICE FUNDS</b>	
Combining Statement of Net Position-Internal Service Funds	95
Combining Statement of Revenues, Expenses, and Changes in Net Position-Internal Service Funds	96
Combining Statement of Cash Flows-Internal Service Funds	97
<b>SUPPLEMENTAL FINANCIAL SCHEDULES</b>	
Schedule of Revenues and Other Financing Sources Budget and Actual-General Fund	98
Schedule of Expenditures and Other Financing Uses Budget and Actual-General Fund	100
Combined Schedule of Indebtedness	106
Schedule of Bond Maturities	108
Schedule of Debt Service Requirements	110
Combining Statement of Net Position-Fiduciary Funds	111
Combining Statement of Changes in Assets and Liabilities-Fiduciary Funds	112
Balance Sheet-Component Unit	114
Statement of Revenues, Expenditures, and Changes in Fund Balances-Component Unit	115

**PART III – STATISTICAL SECTION (UNAUDITED)**

Net Position by Component-Last Ten Fiscal Years	118
Changes in Net Position-Last Ten Fiscal Years	120
Combining Fund Balances of Governmental Funds-Last Ten Fiscal Years	124
Changes in Fund Balances of Governmental Funds-Last Ten Fiscal Years	126
Estimated Actual and Taxable Value of Taxable Properties-Last Ten Years	128
Property Tax Rates, Direct and Overlapping Governments-Last Ten Years	129
Principal Taxpayers-December 31, 2015	130
Building Permit Values and Real Property Values-Last Ten Years	131
Property Tax Levies and Collections-Last Ten Years	132
Outstanding Debt by Type-Last Ten Years	133
Ratios of Net General Obligation Bonded Debt Outstanding-Last Ten Years	134
Direct and Overlapping General Obligation Bonded Debt-December 31, 2015	135
Legal Debt Margin Information-Last Ten Years	136
Pledged Revenue Coverage-Last Ten Years	138
Demographic and Economic Statistics-Last Ten Years	139
Principal Employers-December 31, 2015	140
Full-Time Equivalent Employees by Function-Last Ten Years	141
Operating Indicators by Function-Last Ten Years	143
Capital Asset Statistics by Function-Last Ten Years	144



This page intentionally left blank



June 15 2016

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, 2015.

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, 2015, 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, 2015, 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.



2015 FIRST AVE NORTH • ANOKA, MINNESOTA 55303-2270  
PHONE (763)576-2750 • TTY (763)422-0422 • FAX (763)576-2777  
[www.ci.anoka.mn.us](http://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 79. Special revenue fund budgetary comparisons start on page 88.

## **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 14,259, which compares favorably to the 7,247 housing units located within the corporate boundaries. The city's current tax base consists of 63% residential, 18% commercial-industrial and 19% exempt properties.

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 continues to focus on redeveloping the central business district to include cooperative living units, a restaurant and additional residential units. The city is also focused on developing 11 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 west of downtown. This area is next to the industrial park but is also located next to the golf course. In preparation for new roads and housing, the City will proceed with purchasing land necessary to complete the parkway and housing plans. 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 also 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 2015, this ability made it possible for the City to increase security services provided to the downtown area. It also allowed flexibility among general fund departments to move budget to cover additional expenditures in other areas of services.

**Major initiatives.** In 2015, the City received a slight increase in 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 2015, which included maintaining core services without increasing the tax levy. Other objectives for 2015 included continued investment in infrastructure. To accomplish this, the council transferred funds from enterprise funds to capital project funds to complete desired capital improvements.



## 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, 2014. This was the 34<sup>th</sup> 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 2015 Budget. This was the 9<sup>th</sup> 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, 2015



### 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

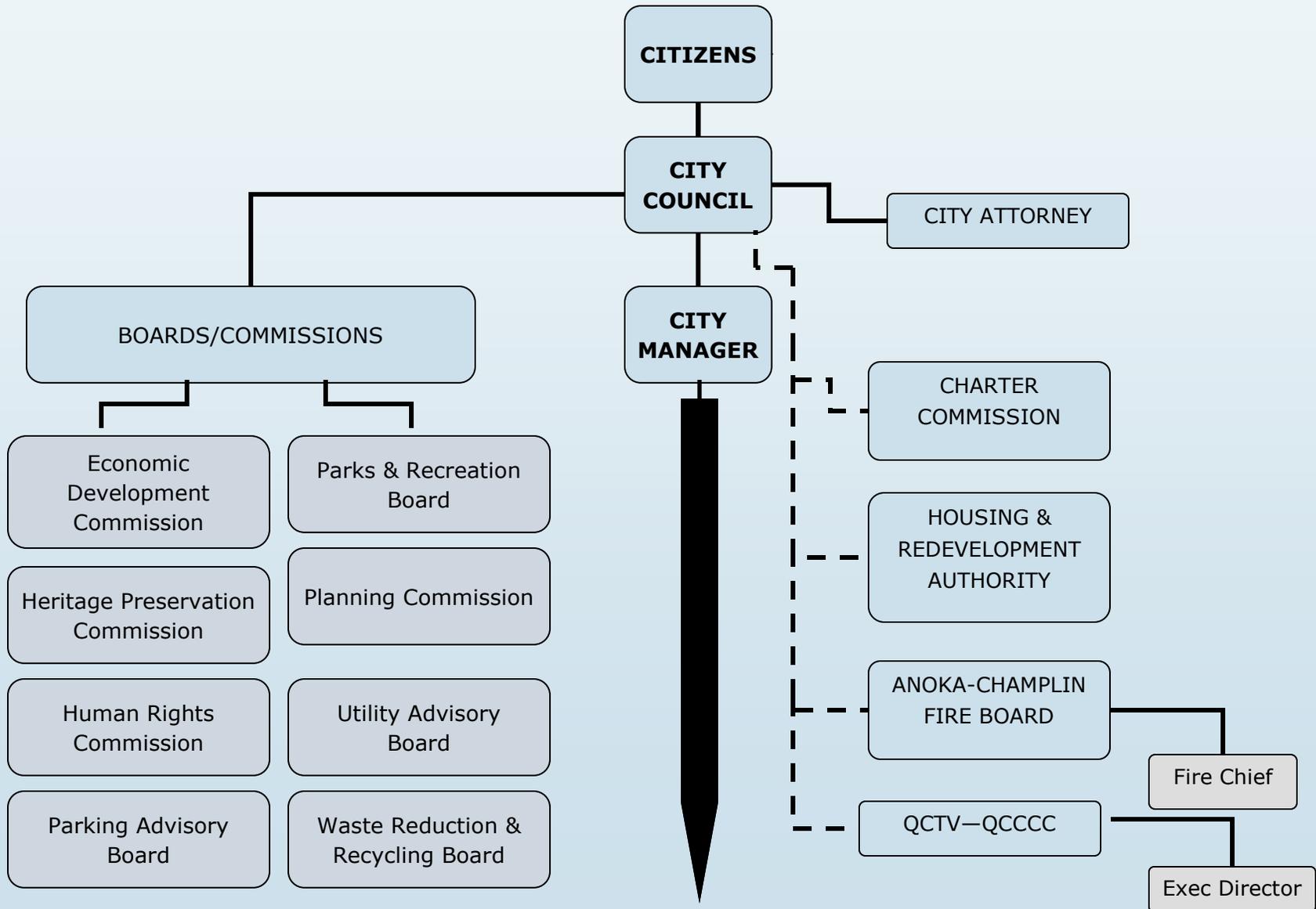
Steve Schmidt, Councilmember  
Term Expires 12/31/16

### City Managerial Staff

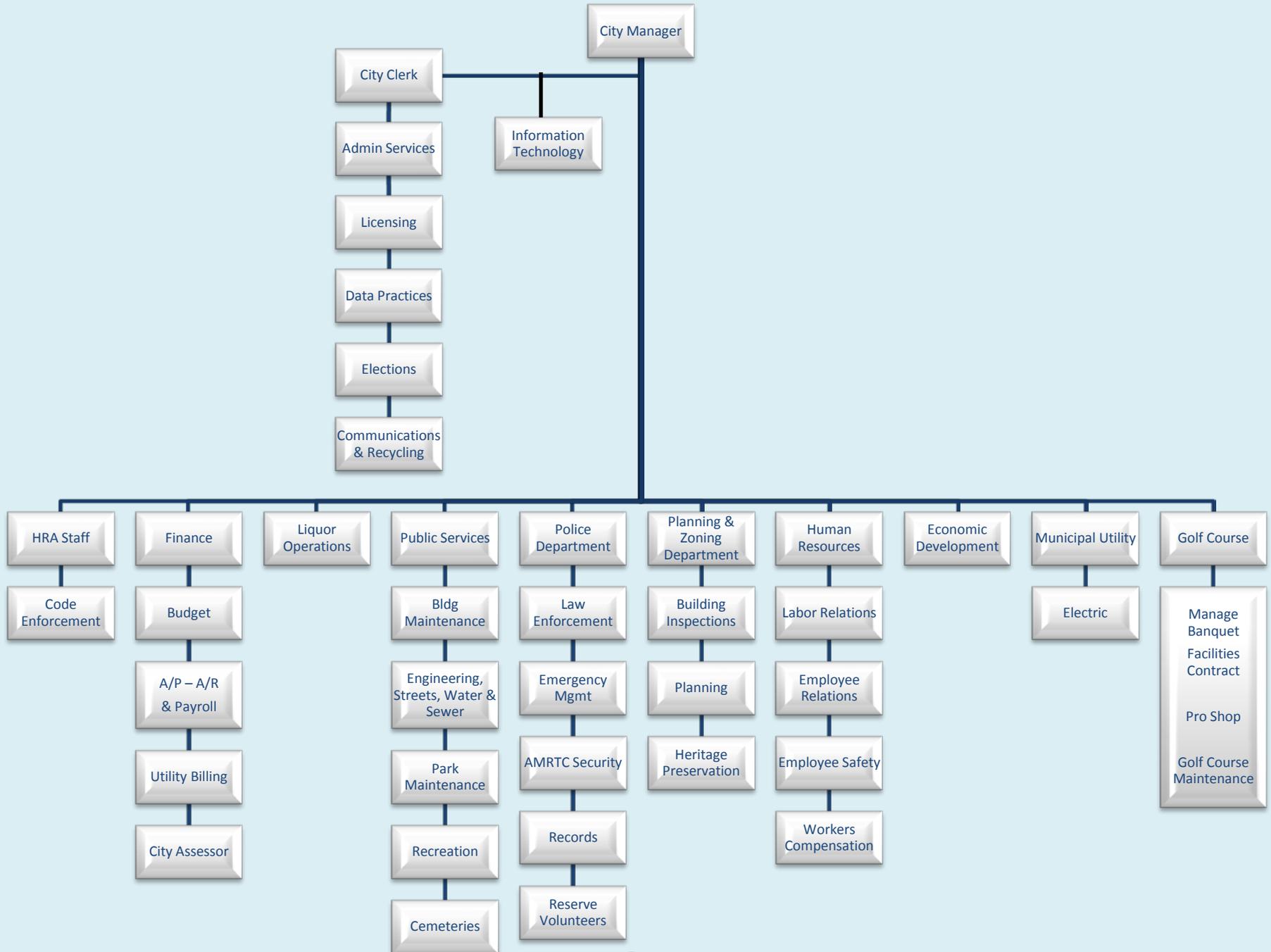
<u>Employee</u>	<u>Position</u>
Greg Lee	City Manager
Scott Baumgartner	Attorney
Dan Voss	Electric Utility Director
Lori Yager	Finance Director
Charlie Thompson	Fire Chief
Larry Norland	Golf
Deb Erar	Human Resources Director
Dave Duwenhoegger	Liquor Stores
Carolyn Braun	Planning Director
Phil Johanson	Police Chief

CITY OF ANOKA, MINNESOTA

# City of Anoka—Organizational Chart



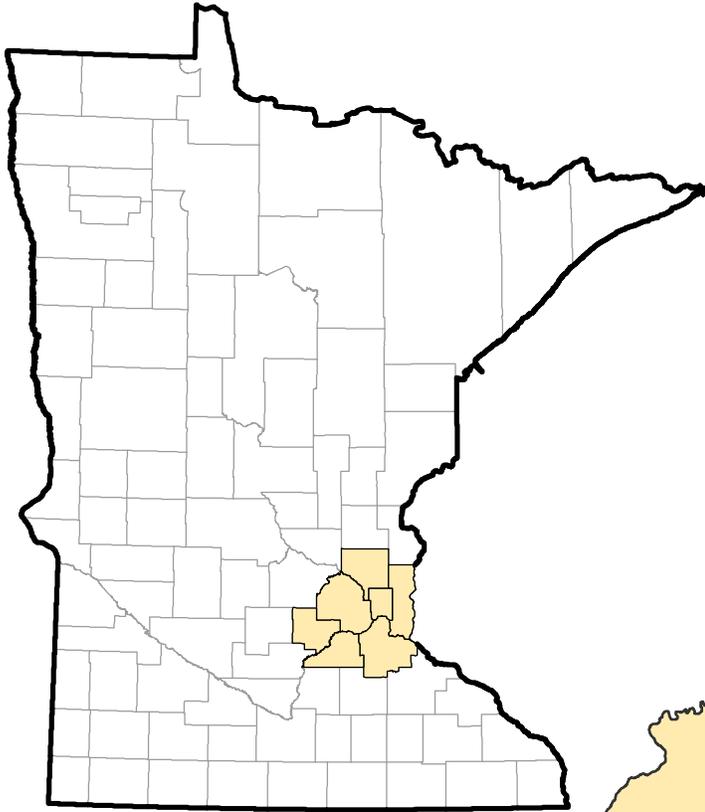
# CITY OF ANOKA – ORGANIZATIONAL CHART



# *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, 2014**

Executive Director/CEO



This page intentionally left blank



## **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, (the "City") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City'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, 2015, 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 City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during 2015. Our opinions are 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 on page 15-25, information about the City's net pension liability on pages 74-78, and budgetary comparison information on pages 79-80, 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, 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'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. 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 15, 2016, on our consideration of the City'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's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

Minneapolis, Minnesota

June 15, 2016



This page intentionally left blank

# 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, 2015. 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 \$142,300,532 (net position). Of this amount, \$23,783,037 (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 \$652,374 or .46%.
- As of the close of the current fiscal year, the City of Anoka's governmental funds reported combined ending fund balances of \$13,823,220, a decrease of \$5,725,084. The retirement of bonded debt was the primary cause of the decrease.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,647,410, or 57% percent of total general fund expenditures.
- The City of Anoka's total bonded debt decreased by \$7,960,000 during the current fiscal year.
- The net position of the City was negatively impacted due to the required implementation of GASB Statement No. 68 and 71, which related to the accounting treatment of defined benefit pension plans; specifically the Public Employees Retirement Association of Minnesota (PERA). This is a result of a change in an accounting principle and does not affect the City's obligation requirements as set by Minnesota statute. While the accounting standard changed, the City will continue to fund the pension plan based on the required contribution rates as set by Minnesota statute.

## Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Anoka that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Anoka include general government, public safety, public works, 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 non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City of Anoka adopts an annual appropriated budget for its general and special revenue funds, 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 and liquor operations, which are considered to be major funds of the City of Anoka. Sewer, golf, storm drainage, refuse, and recycling are considered non-major funds and are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for these funds 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 32-37 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 38 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 39 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, and internal service funds and the component unit are presented immediately following the required basic financial statements and required supplementary information. Combining and individual fund statements and schedules can be found starting on page 84 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 \$142,300,532 at the close of the most recent fiscal year.

The largest portion of the City of Anoka's net position (79% 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 17,072,674	\$ 23,113,648	\$ 23,879,565	\$ 23,935,532	\$ 40,952,239	\$ 47,049,180
Capital assets	86,115,727	81,667,470	41,566,103	40,268,505	127,681,830	121,935,975
<b>Total Assets</b>	<b>103,188,401</b>	<b>104,781,118</b>	<b>65,445,668</b>	<b>64,204,037</b>	<b>168,634,069</b>	<b>168,985,155</b>
Deferred outflows of resources	991,772	-	325,477	-	1,317,249	-
Current liabilities	1,632,619	8,905,237	3,627,010	3,805,994	5,259,629	12,711,231
Long-term liabilities	18,300,819	13,113,149	2,881,576	1,512,617	21,182,395	14,625,766
<b>Total liabilities</b>	<b>19,933,438</b>	<b>22,018,386</b>	<b>6,508,586</b>	<b>5,318,611</b>	<b>26,442,024</b>	<b>27,336,997</b>
Deferred inflows of resources	933,472	-	275,290	-	1,208,762	-
<b>Net Position</b>	<b>83,313,263</b>	<b>82,762,732</b>	<b>58,987,269</b>	<b>58,885,426</b>	<b>142,300,532</b>	<b>141,648,158</b>
Net investment in capital assets	\$ 71,334,409	\$ 66,844,241	\$ 41,126,103	\$ 38,846,655	\$ 112,460,512	\$ 105,690,896
Restricted:						
Debt	99,949	1,109,803	228,725	256,330	328,674	1,366,133
Tax	5,728,309	4,087,290	-	-	5,728,309	4,087,290
Unrestricted	6,150,596	10,721,398	17,632,441	19,782,441	23,783,037	30,503,839
<b>Total net position</b>	<b>\$ 83,313,263</b>	<b>\$ 82,762,732</b>	<b>\$ 58,987,269</b>	<b>\$ 58,885,426</b>	<b>\$ 142,300,532</b>	<b>\$ 141,648,158</b>

The net position of the City of Anoka increased by \$652,374. The primary reason for the small increase in net position is the implementation of GASB 68 which decreased unrestricted net position. The City's enterprise activities continue to be profitable. A small portion of the City of Anoka's net position, 4.6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$23,783,037 may be used to meet the City's ongoing obligations to citizens and creditors. As a result of implementation of GASB 68, unrestricted net position decreased by \$(6,720,802), or 22%. Net investment in capital assets increased by \$6,769,616, or 6.4%. The City used a combination of available funds and grants for investment in capital assets. Net position restricted for debt service decreased (\$1,037,459) and net position restricted for tax increments increased by \$1,641,019, for a net increase in restricted net position of \$603,560.

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.

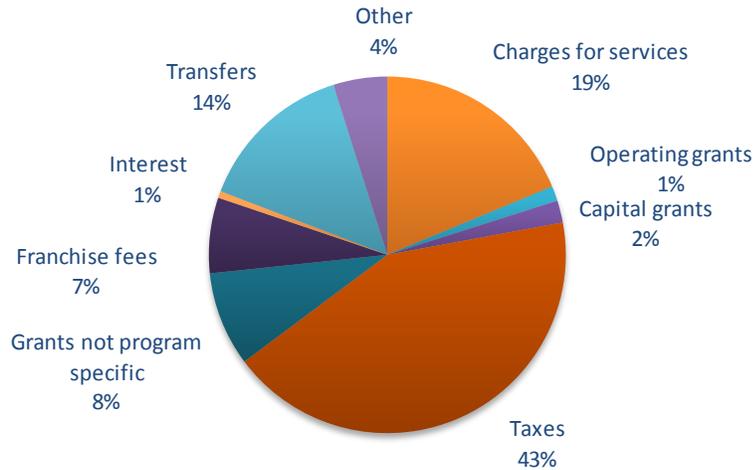
## Governmental Activities

Governmental activities account for almost 59% of the City of Anoka's net position. The total increase in net position for governmental activities is \$550,531 for the year ended December 31, 2015. Total revenues for governmental activities amounted to \$16,472,480; transfers in were \$2,808,000. Total expenses were \$13,503,259; contributed capital was \$731,000. Key elements of the increase in net position are as follows.

	City of Anoka's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3,679,240	\$ 3,093,900	\$ 37,598,145	\$ 36,883,349	\$ 41,277,385	\$ 39,977,249
Operating grants and contributions	264,399	268,999	50,739	21,049	315,138	290,048
Capital grants and contributions	393,326	2,584,266	-	-	393,326	2,584,266
General revenues:						
Property taxes	8,376,139	8,257,509	-	-	8,376,139	8,257,509
Franchise taxes	1,344,354	1,331,955	-	-	1,344,354	1,331,955
Grants and contributions not restricted to specific programs	1,678,395	1,575,982	-	-	1,678,395	1,575,982
Investment gain (loss)	122,552	383,830	268,561	588,632	391,113	972,462
Other	614,075	285,953	563,698	640,871	1,177,773	926,824
Total revenues	16,472,480	17,782,394	38,481,143	38,133,901	54,953,623	55,916,295
Expenses:						
General government	2,354,218	2,575,107	-	-	2,354,218	2,575,107
Public safety	5,630,639	5,303,656	-	-	5,630,639	5,303,656
Public works	2,505,957	2,580,990	-	-	2,505,957	2,580,990
Park and recreation	2,462,522	2,582,244	-	-	2,462,522	2,582,244
Interest on debt	549,923	514,894	-	-	549,923	514,894
Electric	-	-	25,074,193	24,728,393	25,074,193	24,728,393
Water	-	-	1,362,189	1,423,583	1,362,189	1,423,583
Sewer	-	-	2,018,953	2,113,023	2,018,953	2,113,023
Liquor	-	-	3,977,014	4,007,571	3,977,014	4,007,571
Golf	-	-	1,019,747	939,188	1,019,747	939,188
Storm drainage	-	-	209,167	184,749	209,167	184,749
Refuse	-	-	124,159	135,444	124,159	135,444
Recycling	-	-	284,608	271,444	284,608	271,444
Total expenses	13,503,259	13,556,891	34,070,030	33,803,395	47,573,289	47,360,286
Gain(Loss) on disposal of capital assets	343,103	(413,606)	21,999	-	365,102	(413,606)
Increase in net position before transfers and contributed capital	3,312,324	3,811,897	4,433,112	4,330,506	7,745,436	8,142,403
Transfers	2,808,000	2,285,000	(2,808,000)	(2,285,000)	-	-
Transfer of operations	-	(589,849)	-	-	-	(589,849)
Contributed capital	(731,000)	-	731,000	-	-	-
Change in net position	5,389,324	5,507,048	2,356,112	2,045,506	7,745,436	7,552,554
Net assets on Jan. 1	82,762,732	77,255,684	58,885,426	56,839,920	141,648,158	134,095,604
Prior period adjustment (pension)	(4,838,793)	-	(2,254,269)	-	(7,093,062)	-
Net assets on Jan. 1 restated	77,923,939	-	56,631,157	-	134,555,096	-
Net position on Dec. 31	\$ 83,313,263	\$ 82,762,732	\$ 58,987,269	\$ 58,885,426	\$ 142,300,532	\$ 141,648,158

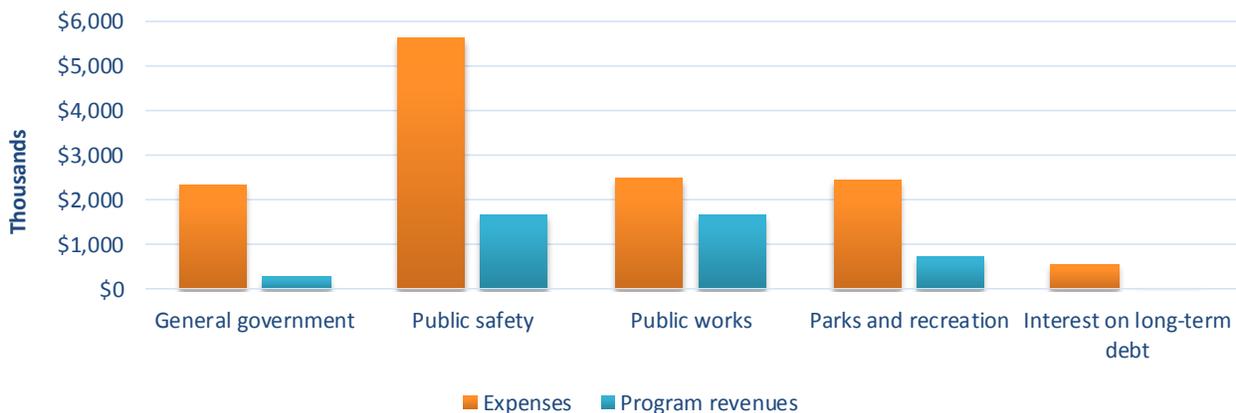
Following are specific graphs that provide comparisons of the governmental activities revenues and expenses.

### Revenue Sources - Governmental Activities

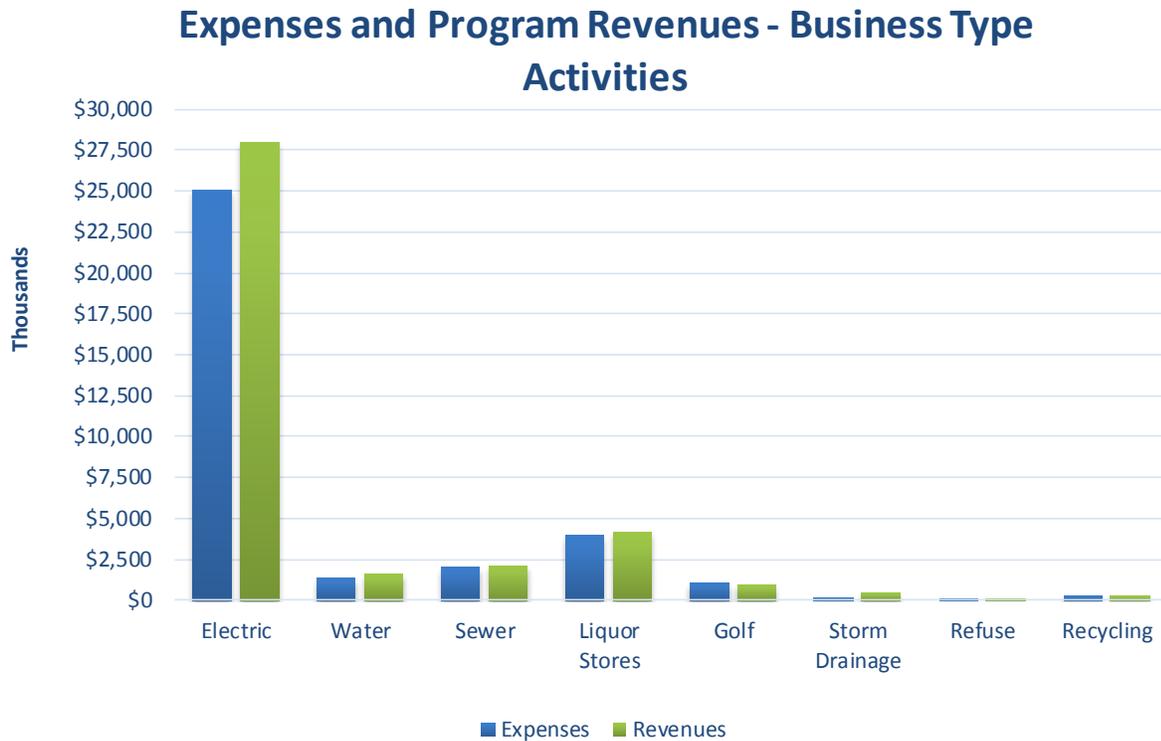


- Total property taxes increased by \$118,630 during the year. The City Council made no change to the levy in 2015 compared to 2014.
- Charges for service increased by \$585,340. Charges for services vary every year because they are based on projects occurring throughout the city. The large increase this year was primarily a result of fees and assessments charged for construction and renewal of roads.
- Capital grants and contributions decreased substantially by \$(2,190,940), as a result of less federal and local grants than what were provided in 2014 during completion of a regional parking ramp and state assisted parks and road projects.
- Interest and investment earnings decreased (\$261,278) because of the market value adjustment. 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 \$101,843. The increase is primarily associated with electric utility operations. Below is a graph showing the business-type activities revenue and expense comparisons.



- Charges for services for business-type activities totaled \$37,598,145. The electric public utility accounts for 74% of the total. Overall business-type charges for services increased by \$714,796 when compared to 2014. There were changes in rate structure in the Water Fund in 2015. The Electric Fund continued the purchase power adjustment to the rate to cover power costs and operations.
- Investment income decreased in business-type activities by (\$320,071) as a result of the timing of market value at the end of 2014 and the current economic environment.
- Operating expenses increased by \$266,635. The increase in personal service costs makes up 85% of the total increase in operating expenses. Electric power consumption had only a slight increase over 2014, of about 1%.

## 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 \$13,823,220, a decrease of \$5,725,084. The decrease is the result of bond retirement in February 2015. Of the total governmental fund balance, \$8,221,657 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 2016 health insurance. The restricted fund balance also indicates that it is not available for new spending because it has outside restrictions for debt service (\$459,205) and tax increment (\$86,923).

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 \$5,647,410, while total fund balance was \$5,669,513. 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 57% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$788,680 during the current year. Actual revenues in the General Fund were over budgeted revenues by \$431,229. Revenues exceeded the budget largely as a result of higher than projected charges for services, primarily resulting from new development activity during 2015. Actual expenditures were under budget by \$328,736. With improvements in the economy the city strives to stay competitive to retain and attract new employees. The majority of the expenditures under budget occurred as a result of employees leaving and unfilled 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 2015 only increased \$415 from the tax levy in 2014. Actual tax revenues in 2015 were up \$31,091 compared to 2014.
- The City's licenses and permits revenues increased by \$198,587 when compared to 2014. There were new developments that occurred within the City in 2015 that generated permit revenues. Local governmental aid from the state increased \$102,413 over 2014.
- Expenditures were \$229,607 higher than 2014 due to increases in contractual services and capital outlay. There was a large increase in capital expenditures, \$209,265 which is mainly due to \$169,973 spent on improvements to parking lots, alleys, and municipal buildings.

The Debt Service Fund balance is \$459,205 as a result of extinguishment of bond debt using crossover refunding bonds generated in 2014. The Street Renewal Fund balance is \$277,809, an increase of \$1,068,934. The fund experienced lower costs relating to road construction in 2015, and received funds relating to the sale of Rum River Shores North as well as a transfer from the State Aid Fund. The State Aid Construction Fund balance is down by \$(417,620) to \$2,759,407 as a result of a transfer to the Street Renewal Fund. The Enterprise Park Tax Increment Fund balance is \$5,407,561, an increase of \$1,624,358. The increase is a result of tax increment revenues. The Commuter Rail Transit Village Tax Increment Fund deficit is \$(2,017,154). 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 deficit is \$(1,097,010). 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 - \$14,025,435, Water - \$1,298,289 and Liquor - \$1,139,928. All propriety funds had increases in net position in 2015, with the exception of the Refuse fund. Golf had an operating loss of \$(104,669), which is offset with contributed capital of \$731,000 for a transfer of debt to governmental funds, creating an increase in net position in the Golf fund. An operating loss in the Refuse fund of \$(12,241) caused the decrease in net position.

The net position of the proprietary funds was negatively impacted by \$(2,254,269) due to the required implementation of GASB Statement No. 68, which related to the accounting treatment of defined benefit pension plans; specifically the Public Employees Retirement Association of Minnesota (PERA).

## Budgetary Highlights

### General Fund

The amendments to the original budget for the General Fund in 2015 were both between departments within the fund and an overall increase in expenditure budgets. The expenditure budget decreased \$199,700. Total revenues and other financing sources came in over the final budget by \$431,229 as a result of increased revenues derived from development activity. Expenditures were \$328,736 under the final budget. There were unfilled positions, employee departures, and lower than expected overall expenditures, which reduced costs. Highlights of expenditure variances from the 2015 budget are summarized as follows:

- General government activities under budget by \$61,313
- Public safety activities under budget by \$77,159
- Public works activities under budget by \$107,229
- Parks and recreation under budget by \$83,035

### 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, 2015, amounts to \$125,897,161 (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 4.5%, or \$5,437,581. There is a 5.2% increase in governmental activities net investment in capital assets and a 3.2% increase for business-type activities net investment in capital assets.

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

- \$6.5 million of improvements for city roads, parks and buildings
- \$1.2 million in electric infrastructure improvements
- \$929,000 in water infrastructure improvements

The capital assets note (see Note 7) to the financial statements, which begins on page 56 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	
	2015	2014	2015	2014	2015	2014
Land	\$ 5,892,629	\$ 5,892,629	\$ 1,032,784	\$ 1,032,784	\$ 6,925,413	\$ 6,925,413
Construction in progress	3,930,617	5,167,238	73,130	65,620	4,003,747	5,232,858
Buildings and structures	21,687,531	21,165,497	1,646,254	1,760,123	23,333,785	22,925,620
Machinery and equipment	2,945,302	2,754,663	956,188	799,844	3,901,490	3,554,507
Infrastructure	49,674,703	45,091,570	36,751,359	35,472,374	86,426,062	80,563,944
Furniture and equipment	200,276	119,478	88,623	46,093	288,899	165,571
Other improvements	-	-	1,017,765	1,091,667	1,017,765	1,091,667
Total capital assets, net	<u>\$ 84,331,058</u>	<u>\$ 80,191,075</u>	<u>\$ 41,566,103</u>	<u>\$ 40,268,505</u>	<u>\$ 125,897,161</u>	<u>\$ 120,459,580</u>

**Long-term debt.** At the end of the current fiscal year, the City of Anoka had total long-term debt outstanding of \$10,685,000. The City has \$10,285,000 of long-term debt for tax increment, public safety buildings and public facilities. 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 \$440,000 in the Water Fund for a water tower and treatment plant improvements.

The City of Anoka's total debt decreased by \$7,960,000 during the current year. The City extinguished the tax increment debt in the amount of \$7,335,000. The City 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.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 8,545,000	\$16,200,000	\$ -	\$ -	\$ 8,545,000	\$16,200,000
Revenue bonds	1,700,000	1,023,150	440,000	1,421,850	2,140,000	2,445,000
Met Council loan	2,502,460	2,502,460	-	-	2,502,460	2,502,460
Total outstanding debt	<u>\$12,747,460</u>	<u>\$19,725,610</u>	<u>\$ 440,000</u>	<u>\$ 1,421,850</u>	<u>\$13,187,460</u>	<u>\$21,147,460</u>

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 \$35,658,084. The City's current outstanding debt that applies to the limitation is \$13,187,460 and only \$3,670,795 of this amount is counted within the statutory limitation since the other debt is either wholly or partially financed by revenues or sources other than a general tax levy. Additional information on the City of Anoka's long-term debt can be found in Note 8 starting on page 57 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate in the Anoka County is currently estimated at 3.3% compared with 3.4% a year ago. Overall, unemployment in the state of Minnesota is estimated at 3.7% and for the United States at 4.8%.
- 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 2016 budget. At the end of 2015, total unassigned fund balance in the General Fund is \$5,647,410. The nonspendable fund balance of \$22,103 is for inventories and prepaid items. The City's 2016 total tax levy increased \$741,210 or 12.98% over 2015. The city was able to increase the tax levy in 2016 without impacting property tax payers as a result of the decertification of Anoka's largest tax increment district. This is the first levy increase in six years. The General Fund budgeted revenues (excluding uses of fund balance) are increasing by a total of 9.4% in 2016. Total general fund budgeted expenditures increased 24.4% in 2016. Transfers out to other funds is the largest increase at \$1,930,650. The transfers are to central garage, park capital, debt service and building capital. General Fund operating expenditures have, on average, stayed about the same the prior five years.

The water utility rate will increase in 2016 by 9.7%, and the storm drainage utility rate will increase by approximately 4% 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 1<sup>st</sup> Avenue, Anoka, MN 55303.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2015**

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

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

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		HRA	
					Governmental Activities	Business - Type Activities		Total
Primary government:								
Governmental activities:								
General government	\$ 2,354,218	\$ 295,002	\$ -	\$ -	\$ (2,059,216)	\$ -	\$ (2,059,216)	
Public safety	5,630,639	1,389,495	264,399	-	(3,976,745)	-	(3,976,745)	
Public works	2,505,957	1,482,100	-	177,625	(846,232)	-	(846,232)	
Parks and recreation	2,462,522	512,643	-	215,701	(1,734,178)	-	(1,734,178)	
Interest on long-term debt	549,923	-	-	-	(549,923)	-	(549,923)	
Total governmental activities	<u>13,503,259</u>	<u>3,679,240</u>	<u>264,399</u>	<u>393,326</u>	<u>(9,166,294)</u>	<u>-</u>	<u>(9,166,294)</u>	
Business-type activities:								
Electric	25,074,193	27,968,233	-	-	-	2,894,040	2,894,040	
Water	1,362,189	1,606,698	-	-	-	244,509	244,509	
Sewer	2,018,953	2,097,836	-	-	-	78,883	78,883	
Liquor Stores	3,977,014	4,174,041	-	-	-	197,027	197,027	
Golf	1,019,747	931,322	-	-	-	(88,425)	(88,425)	
Storm Drainage	209,167	472,283	-	-	-	263,116	263,116	
Refuse	124,159	111,711	-	-	-	(12,448)	(12,448)	
Recycling	284,608	50,739	236,021	-	-	2,152	2,152	
Total business-type activities	<u>34,070,030</u>	<u>37,412,863</u>	<u>236,021</u>	<u>-</u>	<u>-</u>	<u>3,578,854</u>	<u>3,578,854</u>	
Total primary government	<u>\$ 47,573,289</u>	<u>\$ 41,092,103</u>	<u>\$ 500,420</u>	<u>\$ 393,326</u>	<u>(9,166,294)</u>	<u>3,578,854</u>	<u>(5,587,440)</u>	
Component unit:								
HRA	\$ 622,309	\$ 243,235	\$ -	\$ -				\$ (379,074)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					5,328,549	-	5,328,549	191,184
Property taxes, levied for debt service					387,269	-	387,269	-
Property taxes, levied for tax increment					2,660,321	-	2,660,321	292,846
Franchise taxes					1,344,354	-	1,344,354	-
Grants, aid, and contributions not restricted to specific programs					1,678,395	-	1,678,395	-
Net increase in fair market value					122,552	268,561	391,113	9,806
Gain (loss) on disposal of capital assets					343,103	21,999	365,102	(567,655)
Other					614,075	563,698	1,177,773	75,000
Transfers					2,808,000	(2,808,000)	-	-
Contributed Capital					(731,000)	731,000	-	-
Total general revenues and transfers					<u>14,555,618</u>	<u>(1,222,742)</u>	<u>13,332,876</u>	<u>1,181</u>
Change in net position					<u>5,389,324</u>	<u>2,356,112</u>	<u>7,745,436</u>	<u>(377,893)</u>
Net position - Beginning of year as previously stated					82,762,732	58,885,426	141,648,158	3,006,367
Prior period adjustment (See note 16)					(4,838,793)	(2,254,269)	(7,093,062)	(35,031)
Net position - Beginning of year as restated					<u>77,923,939</u>	<u>56,631,157</u>	<u>134,555,096</u>	<u>2,971,336</u>
Net position - Ending					<u>\$ 83,313,263</u>	<u>\$ 58,987,269</u>	<u>\$ 142,300,532</u>	<u>\$ 2,593,443</u>

See accompanying notes to financial statements

**CITY OF ANOKA, MINNESOTA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

	General	Debt Service	Street Renewal	State Aid Construction	Enterprise Park Tax Increment	Commuter Rail Transit Village Tax Increment	Greens of Anoka Tax Increment	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and investments	\$ 6,006,419	\$ 553,209	\$ 266,541	\$ 233,098	\$ 1,649,039	\$ 10,169	\$ 25,056	\$ 2,566,891	\$ 11,310,422
Receivables, net:									
Taxes	166,603	11,889	-	-	67,393	1,786	114	-	247,785
Special assessments	2,154	-	1,782,515	-	-	-	-	-	1,784,669
Accounts receivable	68,366	-	68,880	-	3,285	-	-	100,792	241,323
Due from other funds	100,000	-	-	-	-	-	-	-	100,000
Accrued interest	19,254	1,788	1,152	753	2,304	-	-	8,248	33,499
Advance to other funds	-	-	-	-	2,557,500	-	-	-	2,557,500
Inventories	15,221	-	-	-	-	-	-	-	15,221
Prepaid items	6,882	-	-	-	-	-	-	3,137	10,019
Land held for resale	-	-	-	2,525,556	2,208,421	432,331	-	475,746	5,642,054
Total assets	<u>\$ 6,384,899</u>	<u>\$ 566,886</u>	<u>\$ 2,119,088</u>	<u>\$ 2,759,407</u>	<u>\$ 6,487,942</u>	<u>\$ 444,286</u>	<u>\$ 25,170</u>	<u>\$ 3,154,814</u>	<u>\$ 21,942,492</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 244,933	\$ -	\$ 66,805	\$ -	\$ 31,122	\$ 5,982	\$ 57,180	\$ 84,792	\$ 490,814
Accrued wages payable and other benefits	268,077	-	-	-	-	-	-	2,380	270,457
Due to other funds	-	100,000	-	-	-	-	-	676,068	776,068
Due to other governments	-	-	537	-	-	-	-	-	537
Deferred revenue	94,413	-	-	-	-	-	-	5,185	99,598
Advance from other funds	-	-	-	-	1,017,674	2,455,000	1,065,000	22,500	4,560,174
Total liabilities	<u>607,423</u>	<u>100,000</u>	<u>67,342</u>	<u>-</u>	<u>1,048,796</u>	<u>2,460,982</u>	<u>1,122,180</u>	<u>790,925</u>	<u>6,197,648</u>
Deferred inflows of resources:									
Unavailable revenue-Property taxes	107,963	7,681	-	-	31,585	458	-	-	147,687
Unavailable revenue-Special assessments	-	-	1,773,937	-	-	-	-	-	1,773,937
Total deferred inflows of resources	<u>107,963</u>	<u>7,681</u>	<u>1,773,937</u>	<u>-</u>	<u>31,585</u>	<u>458</u>	<u>-</u>	<u>-</u>	<u>1,921,624</u>
Fund balances:									
Nonspendable	22,103	-	-	2,525,556	4,765,921	432,331	-	475,746	8,221,657
Restricted	-	459,205	-	-	-	-	-	86,923	546,128
Committed	-	-	-	-	-	-	-	2,093,916	2,093,916
Assigned	-	-	277,809	233,851	641,640	-	-	367,711	1,521,011
Unassigned	5,647,410	-	-	-	-	(2,449,485)	(1,097,010)	(660,407)	1,440,508
Total fund balances	<u>5,669,513</u>	<u>459,205</u>	<u>277,809</u>	<u>2,759,407</u>	<u>5,407,561</u>	<u>(2,017,154)</u>	<u>(1,097,010)</u>	<u>2,363,889</u>	<u>13,823,220</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,384,899</u>	<u>\$ 566,886</u>	<u>\$ 2,119,088</u>	<u>\$ 2,759,407</u>	<u>\$ 6,487,942</u>	<u>\$ 444,286</u>	<u>\$ 25,170</u>	<u>\$ 3,154,814</u>	<u>\$ 21,942,492</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, 2015**

Total governmental fund balances	\$ 13,823,220
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.	83,121,130
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	(18,123,137)
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.	2,622,193
The net pension liability and the deferred outflow of resources and inflow of resources related to pensions are only reported in the statement of net position.	991,772
Governmental funds do not report a liability for accrued interest until due and payable	(110,067)
Long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>988,152</u>
Net position of the governmental activities	<u><u>\$ 83,313,263</u></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, 2015**

	<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	\$ 5,329,192	\$ 387,936	\$ -	\$ -	\$ 2,276,602	\$ 61,458	\$ 202,206	\$ 114,435	\$ 8,371,829
Special assessments	-	-	779,143	-	-	-	-	-	779,143
Licenses and permits	626,408	-	12,875	-	-	-	-	31,466	670,749
Fines and forfeitures	76,072	-	-	-	-	-	-	48,127	124,199
Intergovernmental	2,098,278	-	-	-	-	-	-	215,701	2,313,979
Charges for current services	1,120,363	-	-	-	110,141	-	-	530,261	1,760,765
Franchise fees	979,433	-	364,921	-	-	-	-	-	1,344,354
Investment income	46,831	2,873	4,014	7,159	12,773	-	-	18,763	92,413
Net increase (loss) in fair value of investments	4,324	136	(2,506)	4,313	20,372	-	-	2,962	29,601
Miscellaneous	232,793	-	68,505	-	16,800	286,943	-	48,256	653,297
Total revenues	<u>10,513,694</u>	<u>390,945</u>	<u>1,226,952</u>	<u>11,472</u>	<u>2,436,688</u>	<u>348,401</u>	<u>202,206</u>	<u>1,009,971</u>	<u>16,140,329</u>
Expenditures									
Current:									
General government	1,693,880	-	51,297	-	22,956	5,505	9,943	32,005	1,815,586
Public safety	5,169,143	-	-	-	-	-	-	122,872	5,292,015
Public works	1,100,665	-	-	-	-	-	-	106,014	1,206,679
Parks and recreation	1,741,748	-	-	-	-	-	-	94,726	1,836,474
Capital outlay	290,578	-	3,283,773	65,039	313,888	1,141,185	419,933	1,014,884	6,529,280
Debt service:									
Principal retirement	-	7,709,150	-	-	-	-	-	-	7,709,150
Interest and fiscal charges	-	452,558	-	-	65,486	52,238	57,050	-	627,332
Total expenditures	<u>9,996,014</u>	<u>8,161,708</u>	<u>3,335,070</u>	<u>65,039</u>	<u>402,330</u>	<u>1,198,928</u>	<u>486,926</u>	<u>1,370,501</u>	<u>25,016,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>517,680</u>	<u>(7,770,763)</u>	<u>(2,108,118)</u>	<u>(53,567)</u>	<u>2,034,358</u>	<u>(850,527)</u>	<u>(284,720)</u>	<u>(360,530)</u>	<u>(8,876,187)</u>
Other financing sources (uses) including transfers:									
Transfer in	365,000	568,500	2,532,053	-	-	-	-	685,000	4,150,553
Transfer out	(94,000)	-	-	(364,053)	(410,000)	-	-	(474,500)	(1,342,553)
Proceeds (loss) from sale of asset	-	-	644,999	-	-	-	-	(301,896)	343,103
Total other financing sources (uses)	<u>271,000</u>	<u>568,500</u>	<u>3,177,052</u>	<u>(364,053)</u>	<u>(410,000)</u>	<u>-</u>	<u>-</u>	<u>(91,396)</u>	<u>3,151,103</u>
Net changes in fund balances	788,680	(7,202,263)	1,068,934	(417,620)	1,624,358	(850,527)	(284,720)	(451,926)	(5,725,084)
Fund balances (deficits) at beginning 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>
Fund balances (deficits) at end of year	<u>\$ 5,669,513</u>	<u>\$ 459,205</u>	<u>\$ 277,809</u>	<u>\$ 2,759,407</u>	<u>\$ 5,407,561</u>	<u>\$ (2,017,154)</u>	<u>\$ (1,097,010)</u>	<u>\$ 2,363,889</u>	<u>\$ 13,823,220</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, 2015

Net change in fund balances - Total governmental funds (page 30)	\$ (5,725,084)
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.	3,847,409
Debt associated with the golf fund transferred into governmental funds equals contributed capital which is not reflected.	(731,000)
Net pension obligations reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due.	(91,681)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	310,009
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.	7,709,150
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.	77,410
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.	(7,063)
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.	174
Change in net position of governmental activities (page 27)	<u>\$ 5,389,324</u>

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015**

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

<b>Assets</b>	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Current assets:</b>						
Cash and cash equivalents	\$ 11,459,648	\$ 1,420,568	\$ 1,159,736	\$ 1,644,245	\$ 15,684,197	\$ 2,212,343
Restricted cash	-	234,225	-	-	234,225	-
Receivables, net:						
Special assessments	5,325	-	-	-	5,325	-
Accounts receivable	3,151,864	157,939	-	371,178	3,680,981	-
Accrued interest	41,087	5,252	3,736	4,402	54,477	7,149
Due from other funds	676,068	-	-	-	676,068	-
Due from other governments	-	-	-	-	-	-
Inventory	643,734	-	736,109	42,708	1,422,551	26,379
Prepaid items	-	-	-	17,118	17,118	107,171
Deferred charges	-	-	-	-	-	-
Advance to other funds	2,277,674	-	-	-	2,277,674	-
<b>Total current assets</b>	<b>18,255,400</b>	<b>1,817,984</b>	<b>1,899,581</b>	<b>2,079,651</b>	<b>24,052,616</b>	<b>2,353,042</b>
<b>Noncurrent assets:</b>						
Land and improvements	806,266	73,130	55,082	171,436	1,105,914	-
Buildings and structures	2,415,647	1,124,314	1,128,264	407,895	5,076,120	50,000
Furniture and equipment	656,396	-	223,052	169,564	1,049,012	570,122
Machinery and automotive equipment	3,355,312	735,807	14,806	1,386,723	5,492,648	4,146,443
Distribution system	38,978,897	14,977,998	-	11,152,301	65,109,196	-
Other improvements	-	-	-	2,667,323	2,667,323	-
<b>Total property</b>	<b>46,212,518</b>	<b>16,911,249</b>	<b>1,421,204</b>	<b>15,955,242</b>	<b>80,500,213</b>	<b>4,766,565</b>
Accumulated depreciation	(22,946,310)	(7,999,990)	(1,162,036)	(6,825,774)	(38,934,110)	(3,556,637)
<b>Total noncurrent assets</b>	<b>23,266,208</b>	<b>8,911,259</b>	<b>259,168</b>	<b>9,129,468</b>	<b>41,566,103</b>	<b>1,209,928</b>
<b>Total assets</b>	<b>41,521,608</b>	<b>10,729,243</b>	<b>2,158,749</b>	<b>11,209,119</b>	<b>65,618,719</b>	<b>3,562,970</b>
<b>Deferred outflows of resources:</b>						
Deferred pension resources	170,958	31,738	52,602	70,179	325,477	-
<b>Total assets and deferred     outflows of resources</b>	<b>\$ 41,692,566</b>	<b>\$ 10,760,981</b>	<b>\$ 2,211,351</b>	<b>\$ 11,279,298</b>	<b>\$ 65,944,196</b>	<b>\$ 3,562,970</b>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 1,643,353	\$ 30,461	\$ 319,307	\$ 98,758	\$ 2,091,879	\$ 101,582
Accrued wages payable	22,737	3,288	7,652	10,578	44,255	1,564
Accrued interest payable	-	5,500	-	-	5,500	-
Due to other funds	-	-	-	275,000	275,000	-
Current portion of compensated absences payable	20,500	-	-	-	20,500	18,000
Current portion of bonds payable	-	215,000	-	-	215,000	-
Deposits	1,181,389	3,427	3,382	56,678	1,244,876	-
<b>Total current liabilities</b>	<b>2,867,979</b>	<b>257,676</b>	<b>330,341</b>	<b>441,014</b>	<b>3,897,010</b>	<b>121,146</b>
Compensated absences payable	145,347	22,423	54,961	72,364	295,095	717,682
Bonds payable	-	225,000	-	-	225,000	-
Long-term capital lease	-	-	-	-	-	-
Net pension liability	1,243,000	230,764	382,462	510,255	2,366,481	-
<b>Total liabilities</b>	<b>4,256,326</b>	<b>735,863</b>	<b>767,764</b>	<b>1,023,633</b>	<b>6,783,586</b>	<b>838,828</b>
<b>Deferred inflows of resources:</b>						
Deferred pension resources	144,597	26,845	44,491	59,357	275,290	-
<b>Net position:</b>						
Net investment in capital assets	23,266,208	8,471,259	259,168	9,129,468	41,126,103	1,209,928
Restricted for debt service	-	228,725	-	-	228,725	-
Unrestricted	14,025,435	1,298,289	1,139,928	1,066,840	17,530,492	1,514,214
<b>Total net position</b>	<b>37,291,643</b>	<b>9,998,273</b>	<b>1,399,096</b>	<b>10,196,308</b>	<b>58,885,320</b>	<b>2,724,142</b>
<b>Total liabilities, deferred inflows     of resources, and net position</b>	<b>\$ 41,692,566</b>	<b>\$ 10,760,981</b>	<b>\$ 2,211,351</b>	<b>\$ 11,279,298</b>	<b>\$ 65,944,196</b>	<b>\$ 3,562,970</b>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**RECONCILIATION TO THE BALANCE SHEET OF THE PROPRIETARY FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR FISCAL YEAR ENDED DECEMBER 31, 2015**

Total proprietary fund balances	\$ 58,885,320
Amounts reported for proprietary activities in the statement of net position (page 26) are different because	
Internal service funds are used by management to charge the costs of fleet management, payroll benefits, insurance, and management information systems to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position.	<u>101,949</u>
Net position of the proprietary activities (page 27)	<u><u>\$ 58,987,269</u></u>

## CITY OF ANOKA, MINNESOTA

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					Governmental Activities - Internal Service Funds
	Electric	Water	Liquor	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:						
Charges for sales and services:						
Electric utility sales	\$ 27,846,793	\$ -	\$ -	\$ -	\$ 27,846,793	\$ -
Water utility sales	-	1,595,297	-	-	1,595,297	-
Liquor sales	-	-	4,174,041	-	4,174,041	-
Sewer	-	-	-	2,097,836	2,097,836	-
Golf	-	-	-	851,726	851,726	-
Storm sewer	-	-	-	472,283	472,283	-
Refuse	-	-	-	111,711	111,711	-
Recycling	-	-	-	236,021	236,021	-
Other	121,440	11,401	-	130,335	263,176	1,345,913
Total operating revenues	27,968,233	1,606,698	4,174,041	3,899,912	37,648,884	1,345,913
Operating expenses:						
Personal services	1,222,866	427,005	546,107	1,006,642	3,202,620	177,637
Supplies	398,024	117,686	15,196	151,752	682,658	284,615
Professional services	1,081,267	302,252	213,399	254,996	1,851,914	540,048
Contractual services	150,304	43,363	9,146	1,776,919	1,979,732	81,484
Purchased power	19,903,451	-	-	-	19,903,451	-
Franchise fee	960,113	-	-	-	960,113	-
Cost of sales	-	-	3,157,252	62,733	3,219,985	-
Depreciation	1,389,818	475,261	44,511	413,555	2,323,145	262,678
Total operating expenses	25,105,843	1,365,567	3,985,611	3,666,597	34,123,618	1,346,462
Operating income (loss)	2,862,390	241,131	188,430	233,315	3,525,266	(549)
Nonoperating revenues (expenses):						
Interest income	138,648	19,848	12,395	21,114	192,005	26,020
Internal interest income	65,745	-	-	2,291	68,036	-
Net increase (loss) in fair value of investments	(4,905)	4,580	1,770	7,075	8,520	5,014
Interest expense	(1,117)	(14,088)	-	(16,410)	(31,615)	-
Gain on sale of capital assets	21,999	-	-	-	21,999	23,260
Other income	145,457	322,502	4,154	123,200	595,313	17
Total nonoperating revenues (expenses)	365,827	332,842	18,319	137,270	854,258	54,311
Income (loss) before transfers	3,228,217	573,973	206,749	370,585	4,379,524	53,762
Other transfers						
Transfer in	-	-	-	-	-	-
Transfer out	(2,658,000)	-	(150,000)	-	(2,808,000)	-
Contributed Capital	-	-	-	731,000	731,000	-
Total transfers	(2,658,000)	-	(150,000)	731,000	(2,077,000)	-
Change in net position	570,217	573,973	56,749	1,101,585	2,302,524	53,762
Net position - Beginning of year as previously stated	37,905,486	9,644,122	1,706,674	9,580,783	58,837,065	2,670,380
Prior period adjustment (See note 16)	(1,184,060)	(219,822)	(364,327)	(486,060)	(2,254,269)	-
Net position - Beginning of year as restated	36,721,426	9,424,300	1,342,347	9,094,723	56,582,796	2,670,380
Net position - Ending of year	\$ 37,291,643	\$ 9,998,273	\$ 1,399,096	\$ 10,196,308	\$ 58,885,320	\$ 2,724,142

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**RECONCILIATION OF THE STATE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF THE PROPRIETARY FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED DECEMBER 31, 2015**

Net change in fund balances - Total proprietary funds (page 34)	\$ 2,302,524
Amounts reported for proprietary activities in the statement of activities (page 27) are different because:	
Internal service funds are used by management to charge the costs of fleet management, payroll benefits, insurance, and management information systems to individual funds.	
The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>53,588</u>
Change in net position of the proprietary activities:	<u>\$ 2,356,112</u>

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED DECEMBER 31, 2015**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>Governmental</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Activities - Internal Service Funds</b>
Cash flows from operating activities:						
Received from customers	\$ 28,108,824	\$ 1,929,122	\$ 4,178,195	\$ 4,033,924	\$ 38,250,065	\$ -
Received from interfund services provided	65,745	-	-	2,291	68,036	1,345,913
Reimbursement from insurance carrier	-	-	-	-	-	93,330
Payments to suppliers for goods and services	(21,738,084)	(514,862)	(3,426,461)	(643,533)	(26,322,940)	(884,348)
Payments to employees for services	(1,227,977)	(415,766)	(531,379)	(983,471)	(3,158,593)	(161,239)
Payments to other funds for franchise fee	(960,113)	-	-	-	(960,113)	-
Disposal charges	-	-	-	(1,556,921)	(1,556,921)	-
Deposits received	56,081	3,427	382	(1,239)	58,651	-
Net cash provided by operating activities	<u>4,304,476</u>	<u>1,001,921</u>	<u>220,737</u>	<u>851,051</u>	<u>6,378,185</u>	<u>393,656</u>
Cash flows from noncapital financing activities:						
(Increase)/decrease from other funds	921,388	159	-	357,874	1,279,421	-
Transfer (to) from other funds	(2,658,000)	-	(150,000)	-	(2,808,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(1,736,612)</u>	<u>159</u>	<u>(150,000)</u>	<u>357,874</u>	<u>(1,528,579)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(1,198,570)	(929,014)	(38,727)	(1,320,138)	(3,486,449)	(555,254)
Principal paid on bonds and leases	-	(210,000)	-	(40,850)	(250,850)	-
Interest paid	(1,117)	(16,275)	-	(28,431)	(45,823)	-
Cost of disposing of equipment	(3,245)	-	-	-	(3,245)	-
Grants for capital assets	-	-	-	-	-	-
Proceeds from sale of capital assets	21,999	-	-	-	21,999	38,277
Net cash used in capital and related financing activities	<u>(1,180,933)</u>	<u>(1,155,289)</u>	<u>(38,727)</u>	<u>(1,389,419)</u>	<u>(3,764,368)</u>	<u>(516,977)</u>
Cash flows from investing activities:						
Investment earnings	122,349	24,710	13,868	29,505	190,432	31,012
Net (decrease) increase in cash and cash equivalents	1,509,280	(128,499)	45,878	(150,989)	1,275,670	(92,309)
Cash and cash equivalents at beginning of year	10,081,414	1,783,292	1,113,858	1,795,234	14,773,798	2,304,652
Cash and cash equivalents at end of year	<u>\$11,590,694</u>	<u>\$ 1,654,793</u>	<u>\$ 1,159,736</u>	<u>\$ 1,644,245</u>	<u>\$ 16,049,468</u>	<u>\$ 2,212,343</u>
Cash components:						
Cash and cash equivalents	\$ 11,459,648	\$ 1,420,568	\$ 1,159,736	\$ 1,644,245	\$ 15,684,197	\$ 2,212,343
Restricted cash	-	234,225	-	-	234,225	-
Cash and cash equivalents at end of year	<u>\$11,459,648</u>	<u>\$ 1,654,793</u>	<u>\$ 1,159,736</u>	<u>\$ 1,644,245</u>	<u>\$ 15,918,422</u>	<u>\$ 2,212,343</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**STATEMENT OF CASH FLOWS (CONTINUED)  
 PROPRIETARY FUNDS  
 FOR FISCAL YEAR ENDED DECEMBER 31, 2015**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Electric</b>	<b>Water</b>	<b>Liquor</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 2,862,390	\$ 241,131	\$ 188,430	\$ 233,315	\$ 3,525,266	\$ (549)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	1,389,818	475,261	44,511	413,555	2,323,145	262,678
Other income	211,202	322,502	4,154	125,491	663,349	-
Changes in assets and liabilities:						
Accounts receivable	(4,866)	(77)	-	27,930	22,987	-
Inventory	(42,516)	-	7,762	(4,591)	(39,345)	19,678
Prepaid items	18,325	-	-	(17,118)	1,207	26,271
Deferred pension expense	32,579	6,048	10,024	13,373	62,024	-
Accounts payable	(180,847)	(51,561)	(39,230)	50,537	(221,101)	69,180
Accrued wages payable	(3,453)	1,330	4,167	5,980	8,024	977
Compensated absences payable	(34,237)	3,860	537	3,818	(26,022)	15,421
Deposits	56,081	3,427	382	(1,239)	58,651	-
Total adjustments	1,442,086	760,790	32,307	617,736	2,852,919	394,205
Net cash provided by operating activities	\$ 4,304,476	\$ 1,001,921	\$ 220,737	\$ 851,051	\$ 6,378,185	\$ 393,656

See accompanying notes to financial statements.

# CITY OF ANOKA, MINNESOTA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS DECEMBER 31, 2015

	<u>Agency</u>
<b>Assets</b>	
Cash and investments	\$ 499,135
Accounts receivable	6,735
Accrued interest receivable	<u>1,605</u>
Total assets	<u>\$ 507,475</u>
<b>Liabilities</b>	
Liabilities:	
Deposits payable	\$ 208,397
Due to other organizations	<u>299,078</u>
Total liabilities	<u>\$ 507,475</u>

See accompanying notes to financial statements.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Accounting Policies of the City of Anoka, Minnesota (the City), conform to accounting principles generally accepted in the United States (GAAP) as applicable to governmental units. The following is a summary of the more significant accounting policies:

**A. Financial Reporting Entity**

The criteria used to determine the financial reporting entity were in conformance with GAAP and includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. For financial reporting purposes, the City's financial statements include all funds, departments, agencies, boards, commissions, and other organizations for which the City is considered to be financially accountable.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or levels of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

As a result of applying the criteria above, the financial statements of the reporting entity include those of the City of Anoka and its component unit. In conformity with GAAP the financial statements of the City of Anoka Housing and Redevelopment Authority (HRA) have been included in the City's reporting entity as a discretely presented component unit.

The discretely presented component unit is reported in a separate column to emphasize that it is legally separate from the City. The HRA was created by the City to carry out certain development projects within the City's HRA tax increment districts. The governing board is appointed by the City Council. The HRA can give, sell, buy, and transfer property; provide grants, loans, leases, and abatements; and raise funds. The HRA may levy a special property tax to fund housing improvement plans within the City. The levy is separate from the City's general fund levy. The HRA annually submits a budget to the City Council, which has the final authority to approve the HRA levy each year. Separate financial statements of the component unit are not prepared but are included in the supplemental section of this document.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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, 2015**

**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, 2015**

**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, 2015**

**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.

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.

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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The City reports the following internal service funds (continued):

**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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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, deferred outflows of resources, liabilities, deferred inflow of resources, and net position/fund balances**

**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.

**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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position/fund balances**

**Property Taxes (continued):**

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 \$2,032,454. Of this receivable \$1,921,624 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 three 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**D. Assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position/fund balances**

**Capital Assets (continued):**

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 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. The City has only one item that qualifies for reporting in this category. Accordingly the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

**Deferred Inflows of Resources**

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 of resources (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 three sources: property taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow or resources in the period that the amounts become available. The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position/fund balances (continued):**

**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, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Assets, deferred outflows of resources, liabilities, deferred inflow of resources, and net position/fund balances (continued):**

**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 and pension liability, 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, 2015**

**2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(continued):**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of activities**

Bonds and loans payable	\$12,996,649
Pension liability	4,988,773
Other postemployment benefits	<u>137,715</u>
Net adjustment to reduce fund balance-Total governmental funds to arrive at net position-Governmental activities	<u>\$18,123,137</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	\$9,823,246
Infrastructure	49,674,703
Buildings and structures	21,675,059
Machinery, vehicles, and equipment	1,857,155
Furniture and equipment	<u>90,967</u>
Net adjustment to increase fund balance-Total governmental funds to arrive at net position-Governmental activities	<u>\$ 83,121,130</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	\$ 6,529,281
Depreciation expense	<u>(2,681,872)</u>
Net adjustment to increase net changes in fund balances-Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,847,409</u>

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**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	<u>\$ 7,709,150</u>
Net adjustment to decrease net changes in fund balances-Total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 7,709,150</u>

**3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Equity**

The following funds have a negative fund balance at December 31, 2015:

1. The Commuter Rail Transit Village Tax Increment Fund has a negative fund balance of \$2,017,154. The negative fund balance will be eliminated with future tax increment revenue collections.
2. The Greens of Anoka Tax Increment Fund has a negative fund balance of \$1,097,010. The negative fund balance will be eliminated with future tax increment revenue collections.
3. The South Ferry Tax Increment Fund has a negative fund balance of \$7,093. The negative fund balance will be eliminated with future tax increment revenue collections.
4. The Building Fund has a negative fund balance of \$411,393. The negative fund balance will be eliminated with the sale of property held for resale and future transfers from the general fund.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**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 \$499,135 and exclude petty cash of \$4,875.

As of December 31, 2015, 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)	\$ 2,656,962	\$ -	\$ 1,238,288	\$ 1,418,674
Federal Nat'l. Mtg. Assn. (FNMA)	2,479,489	-	1,749,889	729,600
Federal Home Loan Mtg. Corp. (Freddie Mac)	1,238,863	-	749,623	489,240
Federal farm credit	2,776,377	-	743,678	2,032,699
Municipal bonds	3,891,885	501,295	2,871,080	519,510
Certificates of deposit	10,525,389	8,668,178	1,857,211	-
Bankers acceptance	2,237,291	2,237,291	-	-
Money market accounts	4,129,191	4,129,191	-	-
Totals	\$ 29,935,447	\$ 15,535,955	\$ 9,209,769	\$ 5,189,723

(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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**4. CASH AND INVESTMENTS**

**City of Anoka (continued):**

(b) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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 City's investments as of December 31, 2015:

	Fair Value	AA	Not Rated
Federal Home Loan Bk. (FHLB)	\$ 2,656,962	\$ 2,656,962	\$ -
Federal Nat'l. Mtg. Assn. (FNMA)	2,479,489	2,479,489	-
Federal Home Loan Mtg. Corp. (Freddie Mac)	1,238,863	1,238,863	-
Federal farm credit	2,776,377	2,776,377	-
Municipal bonds	3,891,885	3,891,885	-
Certificates of deposit	10,525,389	-	10,525,389
Bankers acceptance	2,237,291	-	2,237,291
Money market accounts	4,129,191	-	4,129,191
<b>Totals</b>	<b>\$ 29,935,447</b>	<b>\$ 13,043,576</b>	<b>\$ 16,891,871</b>

(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, 2015, all of the City's investments are insured and registered and are held by the counterparty's agent in the City's name.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**4. CASH AND INVESTMENTS**

**City of Anoka (continued):**

(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, 2015, the concentration of the City’s investments that exceed 5% of the portfolio were as follows:

Federal Home Loan Bk. (FHLB)	9%
Federal Nat’l. Mtg. Assn. (FNMA)	8%
US treasury obligations-state and local government series	57%
US Bank bankers acceptance	8%

**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.

As of December 31, 2015, the HRA had the following investments and maturities:

Investment type:	Investment Maturities (in years)		
	Fair Value	Less than one	1 - 5
Certificates of deposit	\$ 706,546	\$ 493,416	\$ 213,130
Bankers acceptance	249,817	249,817	-
Money market accounts	40,970	40,970	-
Totals	\$ 997,333	\$ 784,203	\$ 213,130

(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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**4. CASH AND INVESTMENTS**

**Component Unit - Housing and Redevelopment Authority (HRA) (continued):**

(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, 2015:

Investment type:	Fair Value	Quality Ratings	
			Not Rated
Certificates of deposit	\$ 706,546	\$	706,546
Bankers acceptance	249,817		249,817
Money market accounts	40,970		40,970
Totals	<u>\$ 997,333</u>	<u>\$</u>	<u>997,333</u>

(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, 2015, 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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**5. INTERFUND RECEIVABLES/PAYABLES**

The City had the following interfund receivable and payable balances as of December 31, 2015:

Fund	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
General	100,000	-	-	-
Debt service fund	-	100,000	-	-
Enterprise Park Tax Increment	-	-	2,557,500	1,017,674
CRTV Tax Increment	-	-	-	2,455,000
Greens of Anoka Tax Increment	-	-	-	1,065,000
Electric Utility	676,068	-	2,277,674	-
South Ferry Tax Increment	-	-	-	22,500
Building Improvement	\$ -	\$ 676,068	\$ -	\$ -
Storm Drainage	-	-	-	275,000
<b>Total</b>	<b>\$ 776,068</b>	<b>\$ 776,068</b>	<b>\$ 4,835,174</b>	<b>\$ 4,835,174</b>

The interfund receivables and payables are used to borrow funds internally for special projects and year-end adjustments. The \$676,068 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.

**6. TRANSFERS**

A summary of transfers by fund type is as follows:

	Transfer in:				
	General Fund	Debt	Street Renewal	Non Major Gov	Total out
<b>Transfer Out:</b>					
General Fund	\$ -	\$ 94,000	\$ -	\$ -	\$ 94,000
Ent Park TIF	-	-	-	410,000	410,000
Non Major Gov	-	474,500	-	-	474,500
Electric	365,000	-	2,168,000	125,000	2,658,000
Liquor	-	-	-	150,000	150,000
State Aid	-	-	364,053	-	364,053
<b>Total in</b>	<b>\$ 365,000</b>	<b>\$ 568,500</b>	<b>\$ 2,532,053</b>	<b>\$ 685,000</b>	<b>\$ 4,150,553</b>

The purpose of the transfers into the debt service fund is to pay for general obligation debt being called. The purpose of the transfers into the street renewal and non-major governmental funds is to pay for capital projects.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**7. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 5,892,629	\$ -	\$ -	\$ 5,892,629
Construction in progress	5,167,238	5,359,514	6,596,135	3,930,617
Total capital assets not being depreciated	<u>11,059,867</u>	<u>5,359,514</u>	<u>6,596,135</u>	<u>9,823,246</u>
Capital assets being depreciated:				
Building and structures	33,095,948	1,447,369	-	34,543,317
Furniture and equipment	1,052,332	122,760	-	1,175,092
Machinery and equipment	8,557,264	597,876	102,674	9,052,466
Infrastructure	54,989,933	6,153,149	-	61,143,082
Total capital assets being depreciated	<u>97,695,477</u>	<u>8,321,154</u>	<u>102,674</u>	<u>105,913,957</u>
Less accumulated depreciation for:				
Building and structures	11,930,451	925,335	-	12,855,786
Furniture and equipment	932,854	41,962	-	974,816
Machinery and equipment	5,802,601	407,237	102,674	6,107,164
Infrastructure	9,898,363	1,570,016	-	11,468,379
Total accumulated depreciation	<u>28,564,269</u>	<u>2,944,550</u>	<u>102,674</u>	<u>31,406,145</u>
Total capital assets being depreciated, net	<u>69,131,208</u>	<u>5,376,604</u>	<u>-</u>	<u>74,507,812</u>
Governmental activities capital assets, net	<u>\$ 80,191,075</u>	<u>\$ 10,736,118</u>	<u>\$ 6,596,135</u>	<u>\$ 84,331,058</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land and improvements	\$ 1,032,784	\$ -	\$ -	\$ 1,032,784
Construction in progress	65,620	7,510	-	73,130
Total capital assets not being depreciated	<u>1,098,404</u>	<u>7,510</u>	<u>-</u>	<u>1,105,914</u>
Capital assets being depreciated:				
Building and structures	5,935,655	4,850	-	5,940,505
Furniture and equipment	1,028,892	54,227	-	1,083,119
Other improvements	1,742,630	-	-	1,742,630
Machinery and equipment	5,409,184	287,545	-	5,696,729
Infrastructure	61,780,456	3,263,366	112,500	64,931,322
Total capital assets being depreciated	<u>75,896,817</u>	<u>3,609,988</u>	<u>112,500</u>	<u>79,394,305</u>
Less accumulated depreciation for:				
Building and structures	4,175,531	118,720	-	4,294,251
Furniture and equipment	982,800	11,696	-	994,496
Other improvements	650,963	73,902	-	724,865
Machinery and equipment	4,609,340	131,201	-	4,740,541
Infrastructure	26,308,082	1,987,626	115,745	28,179,963
Total accumulated depreciation	<u>36,726,716</u>	<u>2,323,145</u>	<u>115,745</u>	<u>38,934,116</u>
Total capital assets being depreciated, net	<u>39,170,101</u>	<u>1,286,843</u>	<u>(3,245)</u>	<u>40,460,189</u>
Business-type activities capital assets, net	<u>\$ 40,268,505</u>	<u>\$ 1,294,353</u>	<u>\$ (3,245)</u>	<u>\$ 41,566,103</u>

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**7. CAPITAL ASSETS (continued):**

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

Governmental activities:	
General Government	\$ 609,670
Public Safety	260,742
Streets and Highways (including depreciation of infrastructure)	1,427,706
Parks and Recreation	646,432
Total depreciation of expense - Governmental activities	\$ 2,944,550
Business-type activities:	
Electric	\$ 1,389,818
Water	475,261
Liquor	44,511
Golf	107,245
Sewer	231,565
Storm Drainage	74,745
Total depreciation of expense - Business-type activities	\$ 2,323,145

**8. LONG-TERM DEBT**

Bonds payable at December 31, 2015, are summarized as follows:

	Maturities	Rate	Balance
Governmental activities:			
Bond payable:			
G.O. Public facilities refunding	2022	1.75-3.15%	\$ 2,430,000
G.O. Tax increment crossover refunding	2033	.5-4.0%	6,115,000
G.O. Public facilities revenue bonds	2028	3.10-4.0%	1,700,000
Business-type activities:			
Bond payable:			
Water refunding revenue bonds	2017	2.5-3.00%	440,000
			\$ 10,685,000

The Met Council loan payable at December 31, 2015, is \$2,502,460. There is no scheduled payback for this loan, nor is there any interest charged.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**8. LONG-TERM DEBT (continued):**

**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.

Changes in long-term debt during 2015 are summarized as follows:

	12/31/2014	Issued	Retired	12/31/2015	Due in One Year
Governmental activities:					
General obligation bonds	\$ 17,995,000	\$ -	\$ 7,750,000	\$ 10,245,000	\$ 540,000
Premium on bonds	263,776	-	14,587	249,189	-
Other liabilities					
GERF pension liability*	-	2,681,191	487,552	2,193,639	-
PEPPF pension liability*	-	3,895,585	1,100,451	2,795,134	-
Compensated absences	720,261	394,321	378,900	735,682	18,000
OPEB	130,652	28,910	21,847	137,715	-
Met Council loan	2,502,460	-	-	2,502,460	-
Total Governmental activities	<u>21,612,149</u>	<u>7,000,007</u>	<u>9,753,337</u>	<u>18,858,819</u>	<u>558,000</u>
Business-type activities					
Revenue bonds	650,000	-	210,000	440,000	215,000
Other liabilities					
GERF pension liability*	-	2,892,449	525,968	2,366,481	-
Compensated absences	341,617	207,524	233,546	315,595	20,500
Total Business-type activities	<u>991,617</u>	<u>3,099,973</u>	<u>969,514</u>	<u>3,122,076</u>	<u>235,500</u>
Total long-term debt	<u>\$ 22,603,766</u>	<u>\$ 10,099,980</u>	<u>\$ 10,722,851</u>	<u>\$ 21,980,895</u>	<u>\$ 793,500</u>

\* Includes January 1, 2015 pension liability balance related to GASB Statement No. 68 implementation

Compensated absences are liquidated through proprietary funds and internal service funds. OPEB and pension 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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**8. LONG-TERM DEBT**

**Descriptions of Long-Term Debt (continued)**

The scheduled annual principal and interest payments on the City's indebtedness as of December 31, 2015, are the following:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total
	Principal	Interest	Principal	Interest	
2016	540,000	323,911	215,000	9,975	1,088,886
2017	610,000	311,760	225,000	3,375	1,150,135
2018	665,000	295,220	-	-	960,220
2019	670,000	276,740	-	-	946,740
2020	690,000	256,448	-	-	946,448
2021-2025	2,815,000	956,934	-	-	3,771,934
2026-2030	2,645,000	490,324	-	-	3,135,324
2031-2033	1,610,000	83,300	-	-	1,693,300
	<u>\$ 10,245,000</u>	<u>\$ 2,994,637</u>	<u>\$ 440,000</u>	<u>\$ 13,350</u>	<u>\$ 13,692,987</u>

The City has pledged future water, net of specified operating expense, to repay the water refunding bonds. Proceeds from the bonds provided for financing for the construction or acquisition of capital assets benefiting the water operations. The total principal and interest remaining to be paid on the water bonds is \$453,350.

*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, 2015, the legal debt margin was calculated as follows:

Market value of taxable property	<u>\$ 1,188,602,800</u>
Debt limit, 3.0% of market value	\$ 35,658,084
Less amount of debt (applicable to debt limit)	<u>(3,670,795)</u>
Legal debt margin	<u>\$ 31,987,289</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

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**8. LONG-TERM DEBT**

**Descriptions of Long-Term Debt (continued)**

thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2015, there are two series of health care facility revenue bonds outstanding with an aggregate principal amount payable of \$22,560,000 and \$22,235,000, one series of senior housing facility revenue bonds outstanding with an aggregate principal amount payable of \$11,795,000, one series of taxable revenue bonds outstanding with an aggregate principal amount payable of \$240,000, one series of senior housing and healthcare revenue bonds outstanding with an aggregate principal amount payable of \$13,935,000, and one series of taxable senior housing and healthcare revenue bonds with an aggregate principal amount payable of \$1,065,000.

**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 2014 and 2015 were as follows:

	<u>2014</u>	<u>2015</u>
Unpaid claims at beginning of year	\$ 17,149	\$ 1,747
Current-year claims	399,240	368,089
Claim payments	<u>(414,642)</u>	<u>(369,836)</u>
Balance at end of year	<u>\$ 1,747</u>	<u>\$ -</u>

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**10. COMMITMENTS**

There are outstanding construction contract commitments at the end of 2015. These include completion of the Mississippi Park Regional Trail of \$37,859 and completion of the Slabtown street renewal project \$59,383. These projects are projected to be completed in 2016.

**11. FUND BALANCE/NET POSITION**

**Classifications**

At December 31, 2015, a summary of the governmental fund balance classifications are as follows:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$ 5,647,410	\$ -	\$ -	\$ -	\$ -	\$ 5,647,410
Inventories	15,221	15,221	-	-	-	-
Prepaid items	6,882	6,882	-	-	-	-
<b>Total General Fund</b>	<b>5,669,513</b>	<b>22,103</b>	-	-	-	<b>5,647,410</b>
<b>Debt Service</b>	<b>459,205</b>	-	<b>459,205</b>	-	-	-
<b>Street Renewal</b>	<b>277,809</b>	-	-	-	<b>277,809</b>	-
State Aid Construction						
Land held for resale	2,525,556	2,525,556	-	-	-	-
Street improvements	233,851	-	-	-	233,851	-
<b>Total State Aid Construction</b>	<b>2,759,407</b>	<b>2,525,556</b>	-	-	<b>233,851</b>	-
Enterprise Park Tax Increment						
Redevelopment in district	3,199,140	2,557,500	-	-	641,640	-
Land held for resale	2,208,421	2,208,421	-	-	-	-
<b>Total Ent. Park Tax Increment</b>	<b>5,407,561</b>	<b>4,765,921</b>	-	-	<b>641,640</b>	-
Commuter Rail Tax Increment						
Redevelopment in district	(2,449,485)	-	-	-	-	(2,449,485)
Land held for resale	432,331	432,331	-	-	-	-
<b>Total Commuter Rail Tax Increment</b>	<b>(2,017,154)</b>	<b>432,331</b>	-	-	-	<b>(2,449,485)</b>
<b>Greens of Anoka</b>	<b>(1,097,010)</b>	-	-	-	-	<b>(1,097,010)</b>
Nonmajor Governmental Funds						
Parking operations and improvements	746,523	-	-	746,523	-	-
Lodging and tourism marketing	14,013	-	-	14,013	-	-
Cemetery operations and improvements	396,598	-	-	396,598	-	-
Police supplies and equipment	7,429	-	-	7,429	-	-
Food shelves	6,549	-	-	6,549	-	-
Urban redevelopment	922,804	-	-	922,804	-	-
Parks	298,332	-	-	-	298,332	-
Tax increment	313,655	233,825	86,923	-	-	(7,093)
Building improvements	(411,393)	241,921	-	-	-	(653,314)
Cemetery construction	69,379	-	-	-	69,379	-
<b>Total Nonmajor Funds</b>	<b>2,363,889</b>	<b>475,746</b>	<b>86,923</b>	<b>2,093,916</b>	<b>367,711</b>	<b>(660,407)</b>
Total Fund Balances	\$ 13,823,220	\$ 8,221,657	\$ 546,128	\$ 2,093,916	\$ 1,521,011	\$ 1,440,508

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**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.

**(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, 2015:

Annual OPEB cost	
Annual required contribution	\$ 31,240
Interest on net OPEB obligation	5,226
Adjust to ARC	<u>(7,556)</u>
Total annual OPEB	28,910
Contributions made	<u>(21,847)</u>
Increase in net OPEB obligation	7,063
Net OPEB obligation, beginning of year	<u>130,652</u>
Net OPEB obligation, end of year	<u>\$ 137,715</u>

CITY OF ANOKA, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED DECEMBER 31, 2015

12. OTHER POSTEMPLOYMENT BENEFITS (continued)

(d) Three-Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost	Net OPEB Obligation
12/31/2015	\$ 28,910	75.6%	\$ 137,715
12/31/2014	\$ 29,113	99.3%	\$ 130,652
12/31/2013	\$ 50,530	73.0%	\$ 130,451

(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, 2015**

**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**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**A. Defined Benefit Pension Plans - Statewide Employees Plan**

**Plan Description**

The City of Anoka participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

**(a) General Employees Retirement Fund (GERF)**

All full-time and certain part-time employees of the City of Anoka are covered by the General Employees Retirement Fund (GERF). 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. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan**

**Plan Description (continued):**

(b) Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

**Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

(a) GERS Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated 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% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan**

**Benefits Provided (continued):**

(b) PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

**Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

(a) GERP Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2015. The City of Anoka was required to contribute 7.50% for Coordinated Plan members in calendar year 2015. The City of Anoka's contributions to the GERP for the year ended December 31, 2015, were \$390,382. The City's contributions were equal to the required contributions as set by state statute.

(b) PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2015. The City of Anoka was required to contribute 16.20% of pay for PEPFF members in calendar year 2015. The City of Anoka's regular contributions to the PEPFF for the year ended December 31, 2015, were \$380,161. The City's contributions were equal to the required contributions as set by state statute.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan (continued):**

**Pension Costs**

(a) GERP Pension Costs

As of December 31, 2015, the City of Anoka reported a liability of \$4,596,894 for its proportionate share of the GERP's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Anoka's proportion of the net pension liability was based on the City of Anoka's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City of Anoka's proportion share was 0.0887 % which was a decrease of 0.0086 % from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City of Anoka recognized pension expense of \$510,863 for its proportionate share of the GERP's pension expense.

As of December 31, 2015, the City of Anoka reported its proportionate share of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 0.00	\$ 231,762
Changes in actuarial assumptions	0.00	0.00
Difference between projected and actual investment earnings	435,167	0.00
Changes in proportion	0.00	302,989
Contributions paid to PERA subsequent to the measurement date	197,073	0.00
Total	\$ 632,240	\$ 534,751

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan**

**Pension Costs (continued):**

\$197,073 reported as deferred outflows of resources related to pensions resulting from City of Anoka contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	\$ (69,458)
2017	(69,458)
2018	(69,458)
2019	108,792
2020	0.00
Thereafter	0.00

**(b) GERS Pension Costs**

As of December 31, 2015, the City of Anoka reported a liability of \$2,795,136 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Anoka's proportion of the net pension liability was based on the City of Anoka's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City of Anoka's proportion was 0.246 % which was a decrease of 0.025 % from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City of Anoka recognized pension expense of \$436,488 for its proportionate share of the PEPFF's pension expense. The City of Anoka also recognized \$22,140 for the year ended December 31, 2015, as revenue for its proportionate share of the State of Minnesota's on behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan**

**Pension Costs (continued):**

As of December 31, 2015, the City of Anoka reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 0.00	\$ 453,280
Changes in actuarial assumptions	0.00	0.00
Difference between projected and actual investment earnings	487,006	0.00
Changes in proportion	0.00	225,009
Contributions paid to PERA subsequent to the measurement date	203,061	0.00
Total	\$ 690,067	\$ 678,289

\$203,061 reported as deferred outflows of resources related to pensions resulting from the City of Anoka's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	\$ (13,906)
2017	(13,906)
2018	(13,906)
2019	(13,906)
2020	(135,658)
Thereafter	0.00

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan (continued):**

**Actuarial Assumptions**

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active Member Payroll Growth	3.50% per year
Investment Rate of Return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1% effective every January 1<sup>st</sup> until 2035, then 2.5% for GERP, and 1% effective every January 1<sup>st</sup> until 2037, then 2.5% for PEPFF.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. The experience study for PEPFF was for the period July 1, 2004, through June 30, 2009. There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Unallocated Cash	2%	0.50%

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS**

**A. Defined Benefit Pension Plans - Statewide Employees Plan (continued):**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Liability Sensitivity**

The following presents the City of Anoka's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City of Anoka's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
City of Anoka's Proportionate Share of the GERF Net Pension Liability:	\$7,227,952	\$4,596,894	\$2,424,045
City of Anoka's Proportionate Share of the PEPFF Net Pension Liability:	\$5,447,749	\$2,795,136	\$603,615

**Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**13. PENSION PLAN OBLIGATIONS (continued):**

**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 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.

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 5% 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 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 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Total contributions made by the City of Anoka for the last three fiscal years were:

	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
For the Year Ended:					
December 31, 2015	\$ 1,071	\$ 1,071	5%	5%	5%
December 31, 2014	\$ 1,071	\$ 1,071	5%	5%	5%
December 31, 2013	\$ 1,071	\$ 1,071	5%	5%	5%

**14. 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.

**CITY OF ANOKA, MINNESOTA**

**NOTES TO FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED DECEMBER 31, 2015**

**15. CONTINGENT LIABILITES**

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.

**16. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS**

During 2015, the City implemented several new accounting pronouncements issued by the Governmental Accounting Standards Board (GASB), including Statement No. 68, *Accounting and Financial Reporting for Pensions – and Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, for the year ended December 31, 2015. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the December 31, 2014 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 13. As a result of the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2014 balances to the December 31, 2015 financial statements.

<u>Fund</u>	December 31, 2015		
	Net Position Beginning of Year	Prior Period Adjustment	Net Position Beginning of Year as Restated
Governmental activities	<u>\$ 82,762,732</u>	<u>\$(4,838,793)</u>	<u>\$ 77,923,939</u>
Business-type activities	<u>58,885,426</u>	<u>(2,254,269)</u>	<u>56,631,157</u>
Business-type activities			
Electric	37,905,486	(1,184,060)	36,721,426
Water	9,644,122	(219,822)	9,424,300
Sewer	5,482,294	(179,098)	5,303,196
Storm Drainage	2,727,338	(15,326)	2,712,012
Liquor	1,706,674	(364,327)	1,342,347
Golf	1,100,270	(271,931)	828,339
Refuse	141,869	-	141,869
Recycling	<u>129,012</u>	<u>(19,705)</u>	<u>109,307</u>
Total business-type activities	<u>\$ 58,885,426</u>	<u>\$(2,254,269)</u>	<u>\$ 56,631,157</u>

**CITY OF ANOKA, MINNESOTA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**

**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**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**

**PUBLIC EMPLOYEES GENERAL RETIREMENT FUND  
Schedule of Contributions**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Contributions in Relation to the Statutorily Required Contributions (b)</b>	<b>Contribution Deficiency (Excess) (a-b)</b>	<b>Covered Payroll** (d)</b>	<b>Contributions as a Percentage of Covered Payroll (b/d)</b>
December 31, 2015	390,382	390,382	-	5,205,096	7.50%
December 31, 2016					
December 31, 2017					
December 31, 2018					
December 31, 2019					
December 31, 2020					
December 31, 2021					
December 31, 2022					
December 31, 2023					

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

**CITY OF ANOKA, MINNESOTA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**

**PUBLIC EMPLOYEES POLICE AND FIRE FUND  
Schedule of Contributions**

<b>Fiscal Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Contributions in Relation to the Statutorily Required Contributions (b)</b>	<b>Contribution Deficiency (Excess) (a-b)</b>	<b>Covered Payroll** (d)</b>	<b>Contributions as a Percentage of Covered Payroll (b/d)</b>
December 31, 2015	380,161	380,161	-	2,346,673	16.20%
December 31, 2016					
December 31, 2017					
December 31, 2018					
December 31, 2019					
December 31, 2020					
December 31, 2021					
December 31, 2022					
December 31, 2023					

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

**CITY OF ANOKA, MINNESOTA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**

**PUBLIC EMPLOYEES GENERAL RETIREMENT FUND  
Schedule of Proportionate Share of Net Pension Liability**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion (Percentage) of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</b>	<b>Employer's Covered Payroll** (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
June 30, 2015	0.0887%	4,570,667	5,222,169	87.52%	78.19%
June 30, 2016					
June 30, 2017					
June 30, 2018					
June 30, 2019					
June 30, 2020					
June 30, 2021					
June 30, 2022					
June 30, 2023					
June 30, 2024					

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

**CITY OF ANOKA, MINNESOTA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**

**PUBLIC EMPLOYEES POLICE AND FIRE FUND  
Schedule of Proportionate Share of Net Pension Liability**

<b>Fiscal Year Ending</b>	<b>Employer's Proportion (Percentage) of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)</b>	<b>Employer's Covered Payroll** (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
June 30, 2015	0.2460%	2,795,136	2,254,918	123.96%	86.61%
June 30, 2016					
June 30, 2017					
June 30, 2018					
June 30, 2019					
June 30, 2020					
June 30, 2021					
June 30, 2022					
June 30, 2023					
June 30, 2024					

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

# CITY OF ANOKA, MINNESOTA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance From Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Taxes	\$ 5,329,680	\$ 5,329,680	\$ 5,329,192	\$ (488)
Licenses and permits	365,550	365,550	626,408	260,858
Fines and forfeitures	91,500	91,500	76,072	(15,428)
Intergovernmental	2,081,885	2,081,885	2,098,278	16,393
Charges for current services	1,101,850	1,101,850	1,120,363	18,513
Franchise fees	945,000	945,000	979,433	34,433
Investment earnings	30,000	30,000	46,831	16,831
Net increase in fair value of investments	-	-	4,324	4,324
Miscellaneous	137,000	137,000	232,793	95,793
Total revenues	<u>10,082,465</u>	<u>10,082,465</u>	<u>10,513,694</u>	<u>431,229</u>
Expenditures:				
General government	1,859,840	1,818,840	1,757,527	61,313
Public safety	5,192,795	5,267,795	5,190,636	77,159
Public works	1,602,920	1,314,220	1,206,991	107,229
Parks and recreation	1,868,895	1,923,895	1,840,860	83,035
Total expenditures	<u>10,524,450</u>	<u>10,324,750</u>	<u>9,996,014</u>	<u>328,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(441,985)</u>	<u>(242,285)</u>	<u>517,680</u>	<u>759,965</u>
Other financing sources (uses):				
Transfer in	365,000	365,000	365,000	-
Transfer out	(94,000)	(94,000)	(94,000)	-
Total other financing sources (uses)	<u>271,000</u>	<u>271,000</u>	<u>271,000</u>	<u>-</u>
Net changes in fund balance	<u>\$ (170,985)</u>	<u>\$ 28,715</u>	788,680	<u>\$ 759,965</u>
Fund balance at beginning of year			<u>4,880,833</u>	
Fund balance at end of year			<u>\$ 5,669,513</u>	

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

**CITY OF ANOKA, MINNESOTA**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**

**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 on detailed budget estimates for individual expenditure accounts. The General Fund budget is by department. Budgets are also approved as needed to calculate user charges for the Enterprise and Internal Service Funds and to determine debt service levies. All unencumbered appropriations for the City's operating budget lapse at year-end.

On or before mid-July of each year, all departments and agencies of the City submit requests for appropriations to the City Manager so a budget may be prepared. At the first council meeting in August, the proposed budget is presented to the City Council for review and approval. By September 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.



This page intentionally left blank

## 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, 2015**

Assets	Special Revenue						Total Nonmajor Special Revenue Funds
	Parking	Lodging	Cemetery	Police Forefeiture	Round Up	Urban Redevel- opment	
Cash and investments	\$ 762,765	\$ 13,968	\$ 405,950	\$ 7,480	\$ 16,198	\$ 829,666	\$ 2,036,027
Receivables, net:							
Taxes	-	-	-	-	-	-	-
Accounts receivable	691	-	1,460	-	2,966	90,457	95,574
Due from other funds	-	-	-	-	-	-	-
Accrued interest	2,465	45	1,311	24	52	2,681	6,578
Due from other governments	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 765,921</u>	<u>\$ 14,013</u>	<u>\$ 408,721</u>	<u>\$ 7,504</u>	<u>\$ 19,216</u>	<u>\$ 922,804</u>	<u>\$ 2,138,179</u>
<b>Liabilities and Fund balance</b>							
Liabilities:							
Accounts payable	\$ 13,004	\$ -	\$ 10,952	\$ 75	\$ 12,667	\$ -	\$ 36,698
Accrued wages payable	1,209	-	1,171	-	-	-	2,380
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	5,185	-	-	-	-	-	5,185.0
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	<u>19,398</u>	<u>-</u>	<u>12,123</u>	<u>75</u>	<u>12,667</u>	<u>-</u>	<u>44,263</u>
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	746,523	14,013	396,598	7,429	6,549	922,804	2,093,916
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance (deficit)	<u>746,523</u>	<u>14,013</u>	<u>396,598</u>	<u>7,429</u>	<u>6,549</u>	<u>922,804</u>	<u>2,093,916</u>
Total liabilities and fund balance	<u>\$ 765,921</u>	<u>\$ 14,013</u>	<u>\$ 408,721</u>	<u>\$ 7,504</u>	<u>\$ 19,216</u>	<u>\$ 922,804</u>	<u>\$ 2,138,179</u>

See Independent Auditor's Report.

Assets	Capital Projects						Total Nonmajor Governmental Funds
	Parks	HRRD Tax Increment	South Ferry Tax Increment	Building Improvement	Cemetery Construction	Total Nonmajor Capital Project Funds	
Cash and investments	\$ 335,450	\$ 89,617	\$ 17,098	\$ 19,543	\$ 69,156	\$ 530,864	\$ 2,566,891
Receivables, net:							
Taxes	-	-	-	-	-	-	0
Accounts receivable	5,218	-	-	-	-	5,218	100,792
Due from other funds	-	-	-	-	-	-	-
Accrued interest	1,084	289	-	74	223	1,670	8,248
Due from other governments	-	-	-	-	-	-	0
Prepaid items	-	-	-	3,137	-	3,137	3,137
Land held for resale	-	233,825	-	241,921	-	475,746	475,746
Total assets	<u>\$ 341,752</u>	<u>\$ 323,731</u>	<u>\$ 17,098</u>	<u>\$ 264,675</u>	<u>\$ 69,379</u>	<u>\$ 1,016,635</u>	<u>\$ 3,154,814</u>
<b>Liabilities and Fund balance</b>							
Liabilities:							
Accounts payable	\$ 43,420	\$ 2,983	\$ 1,691	\$ -	\$ -	\$ 48,094	\$ 84,792
Accrued wages payable	-	-	-	-	-	-	2,380
Due to other funds	-	-	-	676,068	-	676,068	676,068
Due to other governments	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	5,185
Advance from other funds	-	-	22,500	-	-	22,500	22,500
Total liabilities	<u>43,420</u>	<u>2,983</u>	<u>24,191</u>	<u>676,068</u>	<u>-</u>	<u>746,662</u>	<u>790,925</u>
Fund balance:							
Nonspendable	-	233,825	-	241,921	-	475,746	475,746
Restricted	-	86,923	-	-	-	86,923	86,923
Committed	-	-	-	-	-	-	2,093,916
Assigned	298,332	-	-	-	69,379	367,711	367,711
Unassigned	-	-	(7,093)	(653,314)	-	(660,407)	(660,407)
Total fund balance (deficit)	<u>298,332</u>	<u>320,748</u>	<u>(7,093)</u>	<u>(411,393)</u>	<u>69,379</u>	<u>269,973</u>	<u>2,363,889</u>
Total liabilities and fund balance	<u>\$ 341,752</u>	<u>\$ 323,731</u>	<u>\$ 17,098</u>	<u>\$ 264,675</u>	<u>\$ 69,379</u>	<u>\$ 1,016,635</u>	<u>\$ 3,154,814</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, 2015**

	<b>Special Revenue</b>						<b>Total Nonmajor Special Revenue Funds</b>
	<b>Parking</b>	<b>Lodging</b>	<b>Cemetery</b>	<b>Police Forfeiture</b>	<b>Round Up</b>	<b>Urban Redevel- opment</b>	
Revenues:							
Taxes	\$ -	\$ 10,090	\$ -	\$ -	\$ -	\$ -	\$ 10,090
Licenses and permits	31,466	-	-	-	-	-	31,466
Fines and forfeitures	36,290	-	-	11,837	-	-	48,127
Intergovernmental	-	-	-	-	-	-	-
Charges for current services	1,187	-	75,200	-	-	275,864	352,251
Investment income	9,124	171	4,806	311	178	8,875	23,465
Net increase (loss) in fair value of investments	2,209	27	1,077	161	(94)	(1,192)	2,188
Miscellaneous	-	3,528	600	-	39,450	4,678	48,256
<b>Total revenues</b>	<b>80,276</b>	<b>13,816</b>	<b>81,683</b>	<b>12,309</b>	<b>39,534</b>	<b>288,225</b>	<b>515,843</b>
Expenditures							
Current:							
General government	-	12,832	-	-	-	928	13,760
Public safety	69,617	-	-	14,456	38,799	-	122,872
Public works	106,014	-	-	-	-	-	106,014
Parks	-	-	94,726	-	-	-	94,726
Capital outlay	-	-	32,258	13,857	-	-	46,115
<b>Total expenditures</b>	<b>175,631</b>	<b>12,832</b>	<b>126,984</b>	<b>28,313</b>	<b>38,799</b>	<b>928</b>	<b>383,487</b>
Excess (deficiency) of revenues over (under) expenditures	(95,355)	984	(45,301)	(16,004)	735	287,297	132,356
Other financing sources (uses):							
Transfer in	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-
Proceeds (loss) from sale of asset	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net changes in fund balances	(95,355)	984	(45,301)	(16,004)	735	287,297	132,356
Fund balances (deficits) at beginning of year	841,878	13,029	441,899	23,433	5,814	635,507	1,961,560
Fund balances (deficits) at end of year	\$ 746,523	\$ 14,013	\$ 396,598	\$ 7,429	\$ 6,549	\$ 922,804	\$ 2,093,916

**Capital Projects**

	<b>Parks</b>	<b>HRRD Tax Increment</b>	<b>South Ferry Tax Increment</b>	<b>Building Improvement</b>	<b>Cemetery Construction</b>	<b>Total Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
Revenues:							
Taxes	\$ -	\$ 87,658	\$ 16,687	\$ -	\$ -	\$ 104,345	\$ 114,435
Licenses and permits	-	-	-	-	-	-	31,466
Fines and forfeitures	-	-	-	-	-	-	48,127
Intergovernmental	215,701	-	-	-	-	215,701	215,701
Charges for current services	178,010	-	-	-	-	178,010	530,261
Investment income	(3,152)	626	-	(2,968)	792	(4,702)	18,763
Net increase (loss) in fair value of investments	756	(16)	-	(89)	123	774	2,962
Miscellaneous	-	-	-	-	-	-	48,256
<b>Total revenues</b>	<b>391,315</b>	<b>88,268</b>	<b>16,687</b>	<b>(3,057)</b>	<b>915</b>	<b>494,128</b>	<b>1,009,971</b>
Expenditures							
Current:							
General government	-	7,107	3,748	7,390	-	18,245	32,005
Public safety	-	-	-	-	-	-	122,872
Public works	-	-	-	-	-	-	106,014
Parks	-	-	-	-	-	-	94,726
Capital outlay	780,231	-	-	188,538	-	968,769	1,014,884
<b>Total expenditures</b>	<b>780,231</b>	<b>7,107</b>	<b>3,748</b>	<b>195,928</b>	<b>-</b>	<b>987,014</b>	<b>1,370,501</b>
Excess (deficiency) of revenues over (under) expenditures	(388,916)	81,161	12,939	(198,985)	915	(492,886)	(360,530)
Other financing sources (uses):							
Transfer in	150,000	410,000	-	125,000	-	685,000	685,000
Transfer out	-	(474,500)	-	-	-	(474,500)	(474,500)
Proceeds (loss) from sale of asset	300,000	-	-	(601,896)	-	(301,896)	(301,896)
<b>Total other financing sources (uses)</b>	<b>450,000</b>	<b>(64,500)</b>	<b>-</b>	<b>(476,896)</b>	<b>-</b>	<b>(91,396)</b>	<b>(91,396)</b>
Net changes in fund balances	61,084	16,661	12,939	(675,881)	915	(584,282)	(451,926)
Fund balances (deficits) at beginning of year	237,248	304,087	(20,032)	264,488	68,464	854,255	2,815,815
Fund balances (deficits) at end of year	<u>\$ 298,332</u>	<u>\$ 320,748</u>	<u>\$ (7,093)</u>	<u>\$ (411,393)</u>	<u>\$ 69,379</u>	<u>\$ 269,973</u>	<u>\$ 2,363,889</u>

# CITY OF ANOKA, MINNESOTA

## BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS YEAR ENDED DECEMBER 31, 2015

	Original and Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>Parking fund:</b>			
Revenues:			
Licenses and permits	\$ 37,800	\$ 31,466	\$ (6,334)
Fines and forfeitures	47,000	36,290	(10,710)
Charges for services	-	1,187	1,187
Interest income	10,900	9,124	(1,776)
Net increase in fair value of investments	-	2,209	2,209
Total revenues	95,700	80,276	(15,424)
Expenditures:			
Personal services	75,950	69,617	6,333
Supplies	900	-	900
Professional services	57,265	52,731	4,534
Contractual services	42,925	53,283	(10,358)
Capital outlay	8,000	-	8,000
Total expenditures	185,040	175,631	9,409
Excess (deficiency) of revenues over (under) expenditures	\$ (89,340)	(95,355)	\$ (6,015)
Fund balance at beginning of year		841,878	
Fund balance at end of year		\$ 746,523	
<b>Lodging fund:</b>			
Revenues:			
Taxes	\$ 9,100	\$ 10,090	\$ 990
Miscellaneous	3,500	3,528	28
Interest income	100	171	71
Net increase in fair value of investments	-	27	27
Total revenues	12,700	13,816	1,116
Expenditures:			
Personal services	60	59	1
Professional services	11,975	12,773	(798)
Total expenditures	12,035	12,832	(797)
Excess (deficiency) of revenues over (under) expenditures	\$ 665	984	\$ (319)
Fund balance at beginning of year		13,029	
Fund balance at end of year		\$ 14,013	

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUNDS (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>Cemetery fund:</b>			
Revenues:			
Charges for services	\$ 76,000	\$ 75,200	\$ (800)
Miscellaneous	-	600	600
Interest income	6,500	4,806	(1,694)
Net increase in fair value of investments	-	1,077	1,077
	<u>82,500</u>	<u>81,683</u>	<u>(817)</u>
Total revenues			
Expenditures:			
Personal services	76,235	70,449	5,786
Supplies	2,700	3,210	(510)
Professional services	7,850	5,405	2,445
Contractual services	19,375	15,662	3,713
Capital outlay	29,000	32,258	(3,258)
	<u>135,160</u>	<u>126,984</u>	<u>8,176</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(52,660)</u>	<u>(45,301)</u>	<u>7,359</u>
Net changes in fund balance	<u>\$ (52,660)</u>	<u>(45,301)</u>	<u>\$ 7,359</u>
Fund balance at beginning of year		<u>441,899</u>	
Fund balance at end of year		<u>\$ 396,598</u>	
<b>Urban Redevelopment fund:</b>			
Revenues:			
Charges for services	\$ 165,550	\$ 275,864	\$ 110,314
Interest income	10,000	8,875	(1,125)
Net increase in fair value of investments	-	(1,192)	(1,192)
Miscellaneous	-	4,678	4,678
	<u>175,550</u>	<u>288,225</u>	<u>112,675</u>
Total revenues			
Expenditures:			
Personal services	860	48	812
Professional services	70	70	-
Contractual services	810	810	-
	<u>1,740</u>	<u>928</u>	<u>812</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 173,810</u>	<u>287,297</u>	<u>\$ 113,487</u>
Fund balance at beginning of year		<u>635,507</u>	
Fund balance at end of year		<u>\$ 922,804</u>	

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

**Enterprise Funds**

**Sewer** - This fund was established to account for operating revenues and expenses of maintaining a sewersystem.

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

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

**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, 2015

Assets and Deferred Outflows of Resources	Sewer	Golf	Storm Drainage	Refuse	Recycling	Total Nonmajor Proprietary Funds
<b>Current assets:</b>						
Cash and cash equivalents	\$ 1,004,931	\$ 391,245	\$ 18,463	\$ 122,979	\$ 106,627	\$ 1,644,245
Receivables, net:						
Accounts receivable	265,277	1,044	58,307	16,129	30,421	371,178
Accrued interest	3,229	1,261	(829)	397	344	4,402
Prepaid items	-	-	-	-	17,118	17,118
Inventory	-	42,708	-	-	-	42,708
Total current assets	<u>1,273,437</u>	<u>436,258</u>	<u>75,941</u>	<u>139,505</u>	<u>154,510</u>	<u>2,079,651</u>
<b>Noncurrent assets:</b>						
Land and improvements	13,383	158,053	-	-	-	171,436
Buildings and structures	150,000	257,895	-	-	-	407,895
Furniture and equipment	-	169,564	-	-	-	169,564
Machinery and automotive equipment	698,508	688,215	-	-	-	1,386,723
Distribution system	7,511,131	-	3,641,170	-	-	11,152,301
Other improvements	-	2,667,323	-	-	-	2,667,323
Total property	<u>8,373,022</u>	<u>3,941,050</u>	<u>3,641,170</u>	<u>-</u>	<u>-</u>	<u>15,955,242</u>
Accumulated depreciation	(3,860,318)	(2,522,782)	(442,674)	-	-	(6,825,774)
Net noncurrent assets	<u>4,512,704</u>	<u>1,418,268</u>	<u>3,198,496</u>	<u>-</u>	<u>-</u>	<u>9,129,468</u>
Total assets	<u>5,786,141</u>	<u>1,854,526</u>	<u>3,274,437</u>	<u>139,505</u>	<u>154,510</u>	<u>11,209,119</u>
<b>Deferred outflows of resources:</b>						
Deferred pension resources	25,859	39,262	2,213	-	2,845	70,179
Total assets and deferred outflows of resources	<u>\$ 5,812,000</u>	<u>\$ 1,893,788</u>	<u>\$ 3,276,650</u>	<u>\$ 139,505</u>	<u>\$ 157,355</u>	<u>\$ 11,279,298</u>
<b>Liabilities, Deferred Inflows and Net Position</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 56,228	\$ 11,226	\$ 4,194	\$ 9,877	\$ 17,233	\$ 98,758
Accrued wages payable	3,325	6,803	170	-	280	10,578
Advance from other funds	-	-	275,000	-	-	275,000
Deposits	-	56,678	-	-	-	56,678
Total current liabilities	<u>59,553</u>	<u>74,707</u>	<u>279,364</u>	<u>9,877</u>	<u>17,513</u>	<u>441,014</u>
Compensated absences payable	22,423	45,736	-	-	4,205	72,364
Bonds payable	-	-	-	-	-	-
Net pension liability	188,013	285,467	16,089	-	20,686	510,255
Total liabilities	<u>269,989</u>	<u>405,910</u>	<u>295,453</u>	<u>9,877</u>	<u>42,404</u>	<u>1,023,633</u>
<b>Deferred inflows of resources:</b>						
Deferred pension resources	21,871	33,208	1,872	-	2,406	59,357
<b>Net position:</b>						
Net investment in capital assets	4,512,704	1,418,268	3,198,496	-	-	9,129,468
Unrestricted	1,007,436	36,402	(219,171)	129,628	112,545	1,066,840
Total net position	<u>5,520,140</u>	<u>1,454,670</u>	<u>2,979,325</u>	<u>129,628</u>	<u>112,545</u>	<u>10,196,308</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,812,000</u>	<u>\$ 1,893,788</u>	<u>\$ 3,276,650</u>	<u>\$ 139,505</u>	<u>\$ 157,355</u>	<u>\$ 11,279,298</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, 2015**

	<u>Sewer</u>	<u>Golf</u>	<u>Storm Drainage</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Operating revenues:						
Charges for sales and services:						
Sewer	\$ 2,097,836	\$ -	\$ -	\$ -	\$ -	\$ 2,097,836
Golf	-	851,726				851,726
Storm sewer billings	-	-	472,283	-	-	472,283
Refuge billings	-	-	-	111,711	-	111,711
Recycling billings	-	-	-	-	236,021	236,021
Other	-	79,596	-	-	50,739	130,335
Total operating revenues	<u>2,097,836</u>	<u>931,322</u>	<u>472,283</u>	<u>111,711</u>	<u>286,760</u>	<u>3,899,912</u>
Operating expenses:						
Personal services	374,514	533,222	46,412	9,532	42,962	1,006,642
Supplies	22,409	122,289	209	-	6,845	151,752
Professional services	87,350	106,677	22,690	8,926	29,353	254,996
Contractual services	59,004	92,768	65,917	16	2,293	219,998
Disposal charges	1,246,041	-	-	107,287	203,593	1,556,921
Cost of sales	-	62,733	-	-	-	62,733
Depreciation	231,565	107,245	74,745	-	-	413,555
Total operating expenses	<u>2,020,883</u>	<u>1,024,934</u>	<u>209,973</u>	<u>125,761</u>	<u>285,046</u>	<u>3,666,597</u>
Operating income (loss)	<u>76,953</u>	<u>(93,612)</u>	<u>262,310</u>	<u>(14,050)</u>	<u>1,714</u>	<u>233,315</u>
Nonoperating revenues:						
Interest income	12,546	3,888	1,864	1,463	1,353	21,114
Internal interest income	2,291	-	-	-	-	2,291
Net increase in fair value of investments	1,954	1,465	3,139	346	171	7,075
Interest expense	-	(16,410)	-	-	-	(16,410)
Other income	123,200	-	-	-	-	123,200
Total nonoperating revenues	<u>139,991</u>	<u>(11,057)</u>	<u>5,003</u>	<u>1,809</u>	<u>1,524</u>	<u>137,270</u>
Income (loss) before transfers	216,944	(104,669)	267,313	(12,241)	3,238	370,585
Other transfers						
Contributed Capital	-	731,000	-	-	-	731,000
Change in net position	216,944	626,331	267,313	(12,241)	3,238	1,101,585
Net position - Beginning of year as previously stated	5,482,294	1,100,270	2,727,338	141,869	129,012	9,580,783
Prior period adjustment (See note 16)	(179,098)	(271,931)	(15,326)	-	(19,705)	(486,060)
Net position - Beginning of year as restated	<u>5,303,196</u>	<u>828,339</u>	<u>2,712,012</u>	<u>141,869</u>	<u>109,307</u>	<u>9,094,723</u>
Net position - Ending	<u>\$ 5,520,140</u>	<u>\$ 1,454,670</u>	<u>\$ 2,979,325</u>	<u>\$ 129,628</u>	<u>\$ 112,545</u>	<u>\$ 10,196,308</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2015

	<u>Sewer</u>	<u>Golf</u>	<u>Storm Drainage</u>	<u>Refuse</u>	<u>Recycling</u>	<u>Total Nonmajor Proprietary Funds</u>
Cash flows from operating activities:						
Received from customers	\$ 2,247,503	\$ 932,579	\$ 471,576	\$ 112,528	\$ 269,738	\$ 4,033,924
Received from interfund services provided	2,291					2,291
Payments to suppliers for goods and services	(124,778)	(391,770)	(95,177)	(9,618)	(22,190)	(643,533)
Payments to employees for services	(364,405)	(521,675)	(45,820)	(9,532)	(42,039)	(983,471)
Disposal charges	(1,246,041)	-	-	(107,287)	(203,593)	(1,556,921)
Increase (decrease) in deposits	-	(1,239)	-	-	-	(1,239)
Net cash provided by (used in) operating activities	<u>514,570</u>	<u>17,895</u>	<u>330,579</u>	<u>(13,909)</u>	<u>1,916</u>	<u>851,051</u>
Cash flows from noncapital financing activities:						
Cash flow from (to) other funds	<u>8,533</u>	<u>74,341</u>	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>357,874</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(537,522)	(55,253)	(727,363)	-	-	(1,320,138)
Principal paid on revenue bonds	-	(40,850)	-	-	-	(40,850)
Interest paid	-	(28,431)	-	-	-	(28,431)
Net cash used for capital and related financing activities	<u>(537,522)</u>	<u>(124,534)</u>	<u>(727,363)</u>	<u>-</u>	<u>-</u>	<u>(1,389,419)</u>
Cash flows from investing activities:						
Investment earnings	<u>14,385</u>	<u>5,542</u>	<u>6,247</u>	<u>1,831</u>	<u>1,500</u>	<u>29,505</u>
Net increase (decrease) in cash and cash equivalents	(34)	(26,756)	(115,537)	(12,078)	3,416	(150,989)
Cash and cash equivalents at beginning of year	<u>1,004,965</u>	<u>418,001</u>	<u>134,000</u>	<u>135,057</u>	<u>103,211</u>	<u>1,795,234</u>
Cash and cash equivalents at end of year	<u>\$ 1,004,931</u>	<u>\$ 391,245</u>	<u>\$ 18,463</u>	<u>\$ 122,979</u>	<u>\$ 106,627</u>	<u>\$ 1,644,245</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	<u>\$ 76,953</u>	<u>\$ (93,612)</u>	<u>\$ 262,310</u>	<u>\$ (14,050)</u>	<u>\$ 1,714</u>	<u>\$ 233,315</u>
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	231,565	107,245	74,745	-	-	413,555
Other income	125,491	-	-	-	-	125,491
Change in assets and liabilities:						
Accounts receivable	26,467	1,257	(707)	817	96	27,930
Inventory	-	(4,591)	-	-	-	(4,591)
Prepaid items	-	-	-	-	(17,118)	(17,118)
Deferred pension expense	4,927	7,482	422	-	542	13,373
Accounts payable	43,985	(2,712)	(6,361)	(676)	16,301	50,537
Accrued wages payable	1,322	4,413	170	-	75	5,980
Compensated absences payable	3,860	(348)	-	-	306	3,818
Deposits	-	(1,239)	-	-	-	(1,239)
Total adjustments	<u>437,617</u>	<u>111,507</u>	<u>68,269</u>	<u>141</u>	<u>202</u>	<u>617,736</u>
Net cash provided by (used in) operating activities	<u>\$ 514,570</u>	<u>\$ 17,895</u>	<u>\$ 330,579</u>	<u>\$ (13,909)</u>	<u>\$ 1,916</u>	<u>\$ 851,051</u>

See Independent Auditor's Report.

## 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, 2015

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	\$ 252,784	\$ 1,071,986	\$ 734,332	\$ 153,241	\$ 2,212,343
Accounts receivable	-	-	-	-	-
Accrued interest	817	3,464	2,373	495	7,149
Inventory	-	-	-	26,379	26,379
Prepaid items	-	107,171	-	-	107,171
Total current assets	<u>253,601</u>	<u>1,182,621</u>	<u>736,705</u>	<u>180,115</u>	<u>2,353,042</u>
Noncurrent assets:					
Capital assets:					
Buildings and structures	50,000	-	-	-	50,000
Furniture and equipment	570,122	-	-	-	570,122
Machinery and automotive equipment	-	-	-	4,146,443	4,146,443
Total Property	<u>620,122</u>	<u>-</u>	<u>-</u>	<u>4,146,443</u>	<u>4,766,565</u>
Accumulated depreciation	<u>(512,200)</u>	<u>-</u>	<u>-</u>	<u>(3,044,437)</u>	<u>(3,556,637)</u>
Net noncurrent assets	<u>107,922</u>	<u>-</u>	<u>-</u>	<u>1,102,006</u>	<u>1,209,928</u>
Total assets	<u>\$ 361,523</u>	<u>\$ 1,182,621</u>	<u>\$ 736,705</u>	<u>\$ 1,282,121</u>	<u>\$ 3,562,970</u>
<b>Liabilities and Net Position</b>					
Current liabilities:					
Accounts payable	\$ 12,692	\$ 61,553	\$ -	\$ 27,337	\$ 101,582
Accrued wages payable	-	-	-	1,564	1,564
Current portion of compensated absences payable	-	-	18,000	-	18,000
Total current liabilities	<u>12,692</u>	<u>61,553</u>	<u>18,000</u>	<u>28,901</u>	<u>121,146</u>
Compensated absences payable	<u>-</u>	<u>-</u>	<u>704,801</u>	<u>12,881</u>	<u>717,682</u>
Total liabilities	<u>12,692</u>	<u>61,553</u>	<u>722,801</u>	<u>41,782</u>	<u>838,828</u>
Net position:					
Net investment in capital assets	107,922	-	-	1,102,006	1,209,928
Unrestricted	240,909	1,121,068	13,904	138,333	1,514,214
Total net position	<u>348,831</u>	<u>1,121,068</u>	<u>13,904</u>	<u>1,240,339</u>	<u>2,724,142</u>
Total liabilities and net position	<u>\$ 361,523</u>	<u>\$ 1,182,621</u>	<u>\$ 736,705</u>	<u>\$ 1,282,121</u>	<u>\$ 3,562,970</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, 2015

	<u>Information Systems</u>	<u>Insurance</u>	<u>Employee Benefits</u>	<u>Central Garage</u>	<u>Total</u>
Operating revenues:					
Total operating revenues	\$ 340,638	\$ 414,210	\$ -	\$ 591,065	\$ 1,345,913
Operating expenses:					
Personal services	3,218	5,613	44,199	124,607	177,637
Supplies	33,010	-	-	251,605	284,615
Professional services	136,457	372,340	2,306	28,945	540,048
Contractual services	75,587	-	-	5,897	81,484
Depreciation	23,056	-	-	239,622	262,678
Total operating expenses	271,328	377,953	46,505	650,676	1,346,462
Operating income (loss)	69,310	36,257	(46,505)	(59,611)	(549)
Nonoperating revenues:					
Interest income	2,654	11,577	8,574	3,215	26,020
Net increase in fair value of investments	66	812	1,589	2,547	5,014
Gain on sale of fixed assets	-	-	-	23,260	23,260
Other income	-	-	-	17	17
Total nonoperating revenues	2,720	12,389	10,163	29,039	54,311
Change in net position	72,030	48,646	(36,342)	(30,572)	53,762
Net position - Beginning	276,801	1,072,422	50,246	1,270,911	2,670,380
Net position - Ending	<u>\$ 348,831</u>	<u>\$ 1,121,068</u>	<u>\$ 13,904</u>	<u>\$ 1,240,339</u>	<u>\$ 2,724,142</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2015

	<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	\$ 340,638	\$ 414,210	\$ -	\$ 591,065	\$ 1,345,913
Reimbursement from insurance carrier	-	93,330	-	-	93,330
Payments to suppliers for goods and services	(234,646)	(379,593)	(2,306)	(267,803)	(884,348)
Payments to employees for services	(3,218)	(5,613)	(28,319)	(124,089)	(161,239)
Net cash provided by (used in) operating activities	<u>102,774</u>	<u>122,334</u>	<u>(30,625)</u>	<u>199,173</u>	<u>393,656</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(60,555)	-	-	(494,699)	(555,254)
Proceeds from sale of capital assets	-	-	-	38,277	38,277
Net cash used in capital and related financing activities	<u>(60,555)</u>	<u>-</u>	<u>-</u>	<u>(456,422)</u>	<u>(516,977)</u>
Cash flows from investing activities:					
Investment earnings	<u>2,549</u>	<u>11,838</u>	<u>10,130</u>	<u>6,495</u>	<u>31,012</u>
Net increase (decrease) in cash and cash equivalents	44,768	134,172	(20,495)	(250,754)	(92,309)
Cash and cash equivalents at beginning of year	<u>208,016</u>	<u>937,814</u>	<u>754,827</u>	<u>403,995</u>	<u>2,304,652</u>
Cash and cash equivalents end of year	<u>\$ 252,784</u>	<u>\$ 1,071,986</u>	<u>\$ 734,332</u>	<u>\$ 153,241</u>	<u>\$ 2,212,343</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	<u>\$ 69,310</u>	<u>\$ 36,257</u>	<u>\$ (46,505)</u>	<u>\$ (59,611)</u>	<u>\$ (549)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	23,056	-	-	239,622	262,678
Change in assets and liabilities:					
Inventory	-	-	-	19,678	19,678
Prepaid expense	-	26,271	-	-	26,271
Accounts payable	10,408	59,806	-	(1,034)	69,180
Accrued wages payable	-	-	-	977	977
Compensated absences payable	-	-	15,880	(459)	15,421
Total adjustments	<u>33,464</u>	<u>86,077</u>	<u>15,880</u>	<u>258,784</u>	<u>394,205</u>
Net cash provided by (used in) operating activities	<u>\$ 102,774</u>	<u>\$ 122,334</u>	<u>\$ (30,625)</u>	<u>\$ 199,173</u>	<u>\$ 393,656</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Taxes:			
Property	\$ 5,323,680	\$ 5,323,400	\$ (280)
Penalties and interest	6,000	5,792	(208)
Total	<u>5,329,680</u>	<u>5,329,192</u>	<u>(488)</u>
Licenses and permits:			
Licenses	97,800	72,877	(24,923)
Permits	267,750	553,531	285,781
Total	<u>365,550</u>	<u>626,408</u>	<u>260,858</u>
Fines and forfeitures:			
Court fines	91,500	76,072	(15,428)
Intergovernmental:			
Local government aid	1,649,885	1,649,886	1
State aid maintenance	164,000	177,625	13,625
Police aid	194,000	208,695	14,695
PERA aid	28,500	28,509	9
Other	45,500	33,563	(11,937)
Total	<u>2,081,885</u>	<u>2,098,278</u>	<u>16,393</u>
Charges for current services:			
Swimming pool	240,850	268,824	27,974
Parks	38,450	54,517	16,067
Police services	729,500	641,785	(87,715)
Planning services	90,000	152,757	62,757
Public works	1,750	1,419	(331)
Other	1,300	1,061	(239)
Total	<u>1,101,850</u>	<u>1,120,363</u>	<u>18,513</u>
Franchise fees	945,000	979,433	34,433
Interest earnings	30,000	46,831	16,831
Miscellaneous:			
Other	137,000	232,793	95,793
Net increase in fair value of investments	-	4,324	4,324
Total	<u>137,000</u>	<u>237,117</u>	<u>100,117</u>
Total revenues	<u>10,082,465</u>	<u>10,513,694</u>	<u>431,229</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources:			
Electric transfer in	\$ 365,000	\$ 365,000	\$ -
 Total revenues and transfers	<u>\$ 10,447,465</u>	<u>\$ 10,878,694</u>	<u>\$ 431,229</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, 2015

	Final Budget	Actual	Variance Positive (Negative)
General government:			
Mayor and council:			
Personal services	\$ 40,135	\$ 40,127	\$ 8
Supplies	500	352	148
Professional services	56,040	55,009	1,031
Totals	96,675	95,488	1,187
City manager:			
Personal services	138,410	128,097	10,313
Supplies	3,000	373	2,627
Professional services	53,440	57,523	(4,083)
Contractual services	1,000	-	1,000
Totals	195,850	185,993	9,857
Elections:			
Contractual services	3,850	3,785	65
Finance:			
Personal services	227,570	230,680	(3,110)
Supplies	4,300	1,614	2,686
Professional services	42,160	41,007	1,153
Contractual services	3,000	1,716	1,284
Totals	277,030	275,017	2,013
Assessing:			
Personal services	123,450	126,510	(3,060)
Supplies	700	447	253
Professional services	11,815	8,744	3,071
Contractual services	4,980	4,687	293
Totals	140,945	140,388	557
Miscellaneous:			
Supplies	-	189	(189)
Professional services	-	26,390	(26,390)
Contractual services	69,500	40,676	28,824
Totals	69,500	67,255	2,245

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General government (continued):			
Attorney:			
Supplies	\$ 500	\$ -	\$ 500
Professional services	208,000	187,801	20,199
Totals	<u>208,500</u>	<u>187,801</u>	<u>20,699</u>
Human resources:			
Personal services	117,925	122,298	(4,373)
Supplies	5,000	1,235	3,765
Professional services	16,305	8,973	7,332
Contractual services	1,000	194	806
Totals	<u>140,230</u>	<u>132,700</u>	<u>7,530</u>
Planning			
Personal services	136,000	135,107	893
Supplies	4,000	599	3,401
Professional services	27,385	31,910	(4,525)
Contractual services	3,600	2,339	1,261
Totals	<u>170,985</u>	<u>169,955</u>	<u>1,030</u>
Community development:			
Personal services	69,830	55,933	13,897
Supplies	4,000	68	3,932
Professional services	20,245	30,736	(10,491)
Contractual services	500	-	500
Totals	<u>94,575</u>	<u>86,737</u>	<u>7,838</u>
General government buildings:			
Personal services	59,400	25,775	33,625
Supplies	3,200	5,468	(2,268)
Professional services	42,900	34,711	8,189
Contractual services	72,760	86,554	(13,794)
Capital outlay	20,000	43,347	(23,347)
Totals	<u>198,260</u>	<u>195,855</u>	<u>2,405</u>
Building maintenance:			
Personal services	116,700	89,808	26,892
Supplies	10,900	(260)	11,160
Professional services	12,525	9,178	3,347
Contractual services	82,315	97,527	(15,212)
Capital outlay	-	20,300	(20,300)
Totals	<u>222,440</u>	<u>216,553</u>	<u>5,887</u>
Total general government	<u>1,818,840</u>	<u>1,757,527</u>	<u>61,313</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Police department:			
Personal services	\$ 3,170,100	\$ 3,187,723	\$ (17,623)
Supplies	75,500	70,910	4,590
Professional services	320,040	295,348	24,692
Contractual services	272,200	253,853	18,347
Capital outlay	-	21,493	(21,493)
Totals	3,837,840	3,829,327	8,513
State hospital security:			
Personal services	276,890	263,372	13,518
Supplies	400	-	400
Professional services	4,590	5,714	(1,124)
Contractual services	16,455	26,839	(10,384)
Totals	298,335	295,925	2,410
Tech college, high school security, and liason:			
Personal Services	273,100	237,409	35,691
Supplies	900	-	900
Professional services	4,200	3,600	600
Contractual services	19,335	16,859	2,476
Totals	297,535	257,868	39,667
Fire protection:			
Contractual services	551,460	551,459	1
Emergency services:			
Personal services	300	-	300
Supplies	900	-	900
Professional services	600	1,040	(440)
Contractual services	2,300	1,054	1,246
Totals	4,100	2,094	2,006

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public safety (continued):			
Inspections:			
Personal services	\$ 135,450	\$ 126,464	\$ 8,986
Supplies	2,000	561	1,439
Professional services	46,740	38,739	8,001
Contractual services	9,165	9,164	1
Totals	<u>193,355</u>	<u>174,928</u>	<u>18,427</u>
Property maintenance:			
Personal services	74,680	71,649	3,031
Supplies	1,250	-	1,250
Professional services	9,040	6,186	2,854
Contractual services	200	1,200	(1,000)
Totals	<u>85,170</u>	<u>79,035</u>	<u>6,135</u>
Total public safety	<u>5,267,795</u>	<u>5,190,636</u>	<u>77,159</u>
Public works:			
Engineering:			
Personal services	93,450	80,582	12,868
Supplies	4,500	6,330	(1,830)
Professional services	32,015	40,158	(8,143)
Contractual services	9,665	9,164	501
Totals	<u>139,630</u>	<u>136,234</u>	<u>3,396</u>
Streets:			
Personal services	594,000	470,220	123,780
Supplies	29,400	26,061	3,339
Professional services	65,940	67,526	(1,586)
Contractual services	375,250	400,624	(25,374)
Capital outlay	110,000	106,326	3,674
Totals	<u>1,174,590</u>	<u>1,070,757</u>	<u>103,833</u>
Total public works	<u>1,314,220</u>	<u>1,206,991</u>	<u>107,229</u>

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Parks and recreation:			
Organized recreation:			
Personal services	\$ 47,800	\$ 35,347	\$ 12,453
Supplies	5,000	2,803	2,197
Professional services	67,000	69,375	(2,375)
Contractual services	118,300	127,591	(9,291)
Totals	238,100	235,116	2,984
Playgrounds and playfields:			
Personal services	152,600	139,159	13,441
Supplies	27,000	17,976	9,024
Professional services	6,790	5,881	909
Contractual services	77,655	67,577	10,078
Capital outlay	-	27,558	(27,558)
Totals	264,045	258,151	5,894
Aquatic center:			
Personal services	199,800	188,752	11,048
Supplies	29,500	19,463	10,037
Professional services	60,050	45,856	14,194
Contractual services	30,765	20,485	10,280
Capital outlay	-	9,242	(9,242)
Totals	320,115	283,798	36,317
Senior citizens:			
Personal services	100,350	97,851	2,499
Supplies	9,500	8,016	1,484
Professional services	48,590	47,400	1,190
Contractual services	31,830	30,427	1,403
Totals	190,270	183,694	6,576
Skating rinks/River recreation:			
Personal services	40,500	70,092	(29,592)
Supplies	4,550	1,293	3,257
Professional services	7,430	6,194	1,236
Contractual services	13,000	978	12,022
Capital outlay	50,000	31,473	18,527
Totals	115,480	110,030	5,450
Municipal parks:			
Personal services	403,100	346,304	56,796
Supplies	58,400	37,846	20,554
Professional services	52,530	53,940	(1,410)
Contractual services	191,340	245,757	(54,417)
Capital outlay	33,600	30,839	2,761
Totals	738,970	714,686	24,284

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BUDGET AND ACTUAL - GENERAL FUND (CONTINUED) YEAR ENDED DECEMBER 31, 2015

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Parks and recreation (continued):			
Shade tree beautification:			
Personal services	\$ 3,950	\$ 2,808	\$ 1,142
Supplies	1,000	1,440	(440)
Professional services	4,465	4,061	404
Contractual services	47,500	47,076	424
Totals	56,915	55,385	1,530
Total parks and recreation	1,923,895	1,840,860	83,035
Total expenditures	10,324,750	9,996,014	328,736
Transfers out:			
Debt Service	94,000	94,000	-
Total expenditures and transfers	\$ 10,418,750	\$ 10,090,014	\$ 328,736

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINED SCHEDULE OF INDEBTEDNESS DECEMBER 31, 2015

ACCOUNT NUMBER	Bonded Indebtedness	Issue Date	Maturity Date	Interest Rates	Authorized and Issued	Balance 12/31/2014
<b>General obligation bonds:</b>						
302-5-4770	Public Facility Refunding Bonds of 2010A	12/27/2010	2/1/2022	1.75-3.15%	\$ 3,740,000	\$ 2,750,000
379-5-4780	2006A Tax Increment Bonds	6/29/2006	2/1/2033	4.00-4.40%	7,835,000	7,335,000
379-5-4780	2014A TIF Crossover Refunding Bonds	8/14/2014	2/1/2033	0.50-4.00%	-	6,115,000
305 and 614	2008A Public Facilities Bonds	3/13/2008	2/1/2028	3.10-4.10%	2,310,000	1,795,000
	Total general obligation bonds				13,885,000	17,995,000
<b>Revenue bonds:</b>						
601	Water Refunding Bonds, Series 2009A	3/18/2009	2/1/2017	2.5-3.00%	1,625,000	650,000
	Total bonds payable				\$ 15,510,000	\$ 18,645,000
410	Loan Payable to Met Council				\$ -	\$ 2,502,460

# CITY OF ANOKA, MINNESOTA

## COMBINED SCHEDULE OF INDEBTEDNESS (Continued) DECEMBER 31, 2015

ACCOUNT NUMBER	Bonded Indebtedness	Additions	Retirements	Balance 12/31/2015
<b>General obligation bonds:</b>				
302-5-4770	Public Facility Refunding Bonds of 2010A	\$ -	\$ 320,000	\$ 2,430,000
379-5-4780	2006A Tax Increment Bonds	-	7,335,000	-
379-5-4780	2014A TIF Crossover Refunding Bonds	-	-	6,115,000
305 and 614	2008A Public Facilities Bonds	-	95,000	1,700,000
	Total general obligation bonds	-	7,750,000	10,245,000
<b>Revenue bonds:</b>				
601	Water Refunding Bonds, Series 2009A	-	210,000	440,000
	Total bonds payable	\$ -	\$ 7,960,000	\$ 10,685,000
410	Loan Payable to Met Council	\$ -	\$ -	\$ 2,502,460

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF BOND MATURITIES DECEMBER 31, 2015

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal</u>
General obligation bonds:				
\$6,115,000 TIF Crossover Refunding Bonds of 2014A	8/14/2014	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	<u>555,000</u>
Total Tax Increment Bonds of 2006A				6,115,000
\$3,740,000 G.O. Public Facility Refunding Bonds, Series 2010A	12/27/2010	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	<u>350,000</u>
Total Public Facility Refunding Bonds of 2010A				2,430,000

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF BOND MATURITIES (CONTINUED) DECEMBER 31, 2015

	Issue Date	Interest Rate	Maturity Date	Principal
General obligation bonds (continued):				
\$2,310,000 Public Facilities Bonds of 2008A	3/13/2008	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
				1,700,000
Total Public Facilities Bonds of 2008A				
Total General Obligation Bonds Payable				10,245,000
Revenue Bonds:				
\$1,625,000 Water Revenue Refunding Bonds, 2009A	3/18/2009	2.50%	2/1/2016	215,000
		3.00	2/1/2017	225,000
				440,000
Total Water Revenue Refunding Bonds of 2009A				
Total Bonds Payable				\$ 10,685,000

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## SCHEDULE OF DEBT SERVICE REQUIREMENTS DECEMBER 31, 2015

Year	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
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>\$10,245,000</u>	<u>\$ 2,994,637</u>	<u>\$ 440,000</u>	<u>\$ 13,350</u>

**CITY OF ANOKA, MINNESOTA**

**COMBINING STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2015**

	<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>	
<b>Assets</b>						
Cash and investments	\$ 207,726	\$ 124,893	\$ 87,054	\$ 77,391	\$ 2,071	\$ 499,135
Accounts receivable	-	-	6,735	-	-	6,735
Accrued interest receivable	671	403	281	250	-	1,605
Total assets	<u>\$ 208,397</u>	<u>\$ 125,296</u>	<u>\$ 94,070</u>	<u>\$ 77,641</u>	<u>\$ 2,071</u>	<u>\$ 507,475</u>
<b>Liabilities</b>						
Liabilities:						
Deposits payable	\$ 208,397	\$ -	\$ -	\$ -	\$ -	\$ 208,397
Due to other organizations	-	125,296	94,070	77,641	2,071	299,078
Total liabilities	<u>\$ 208,397</u>	<u>\$ 125,296</u>	<u>\$ 94,070</u>	<u>\$ 77,641</u>	<u>\$ 2,071</u>	<u>\$ 507,475</u>

See Independent Auditor's Report.

# CITY OF ANOKA, MINNESOTA

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FIDUCIARY FUNDS FOR FISCAL YEAR ENDED DECEMBER 31, 2015

	Balance January 1 2015	Additions	Deductions	Balance December 31 2015
<u>Escrow Fund</u>				
<b>Assets</b>				
Cash and investments	\$ 238,584	\$ 87,224	\$ 118,082	\$ 207,726
Accounts receivable	-	-	-	-
Accrued interest receivable	746	9,871	9,946	671
Total assets	\$ 239,330	\$ 97,095	\$ 128,028	\$ 208,397
<b>Liabilities</b>				
Liabilities:				
Deposits payable	\$ 239,330	\$ 97,095	\$ 128,028	\$ 208,397
<u>Youth First</u>				
<b>Assets</b>				
Cash and investments	\$ 132,563	\$ 188,282	\$ 195,952	\$ 124,893
Accrued interest receivable	384	5,494	5,475	403
Total assets	\$ 132,947	\$ 193,776	\$ 201,427	\$ 125,296
<b>Liabilities</b>				
Liabilities:				
Due to other organizations	\$ 132,947	\$ 193,776	\$ 201,427	\$ 125,296
<u>Downtown District</u>				
<b>Assets</b>				
Cash and investments	\$ 96,529	\$ 91,218	\$ 100,693	\$ 87,054
Accounts receivable	6,602	89,439	89,306	6,735
Accrued interest receivable	295	4,360	4,374	281
Total assets	\$ 103,426	\$ 185,017	\$ 194,373	\$ 94,070
<b>Liabilities</b>				
Liabilities:				
Due to other organizations	\$ 103,426	\$ 185,017	\$ 194,373	\$ 94,070
<u>Castle Field</u>				
<b>Assets</b>				
Assets:				
Cash and investments	\$ 72,859	\$ 5,201	\$ 669	\$ 77,391
Accrued interest receivable	226	3,401	3,377	250
Total assets	\$ 73,085	\$ 8,602	\$ 4,046	\$ 77,641
<b>Liabilities</b>				
Liabilities:				
Due to other organizations	\$ 73,085	\$ 8,602	\$ 4,046	\$ 77,641
<u>Drug Task Force</u>				
<b>Assets</b>				
Assets:				
Cash and investments	\$ 8,423	\$ 20,574	\$ 26,926	\$ 2,071
<b>Liabilities</b>				
Liabilities:				
Due to other organizations	\$ 8,423	\$ 20,574	\$ 26,926	\$ 2,071

**CITY OF ANOKA, MINNESOTA**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS (CONTINUED)  
FOR FISCAL YEAR ENDED DECEMBER 31, 2015**

	Balance January 1 2015	Additions	Deductions	Balance December 31 2015
	<u>2015</u>	<u>          </u>	<u>          </u>	<u>2015</u>
<u>Total Agency Fund</u>				
<b>Assets</b>				
Cash and investments	\$ 548,958	\$ 392,499	\$ 442,322	\$ 499,135
Accounts receivable	6,602	89,439	89,306	6,735
Accrued interest receivable	1,651	23,126	23,172	1,605
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 557,211</u>	<u>\$ 505,064</u>	<u>\$ 554,800</u>	<u>\$ 507,475</u>
<b>Liabilities</b>				
Liabilities:				
Deposits payable	\$ 239,330	\$ 97,095	\$ 128,028	\$ 208,397
Due to other organizations	317,881	407,969	426,772	299,078
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 557,211</u>	<u>\$ 505,064</u>	<u>\$ 554,800</u>	<u>\$ 507,475</u>

See Independent Auditor's Report.

**CITY OF ANOKA, MINNESOTA, HOUSING AND REDEVELOPMENT AUTHORITY**

**BALANCE SHEET - COMPONENT UNIT  
DECEMBER 31, 2015**

	<u>HRA</u>	<u>Central Business Tax Increment</u>	<u>Business Core Tax Increment</u>	<u>South Business Tax Increment</u>	<u>Total HRA Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 691,065	\$ 280,575	\$ 5,840	\$ 19,854	\$ 997,334
Receivables, net:					
Taxes	5,950	1,712	-	-	7,662
Accounts receivable	-	-	-	-	-
Loans receivable	412,544	-	-	-	412,544
Due from other funds	-	438,000	-	-	438,000
Accrued interest	2,232	1,068	(78)	-	3,222
Land held for resale	400,531	580,155	-	-	980,686
Total assets	<u>\$ 1,512,322</u>	<u>\$ 1,301,510</u>	<u>\$ 5,762</u>	<u>\$ 19,854</u>	<u>\$ 2,839,448</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 1,054	\$ 3,221	\$ 1,797	\$ 1,294	\$ 7,366
Accrued wages payable and other benefits	43	-	-	-	43
Due to other funds	-	-	168,000	270,000	438,000
Total liabilities	<u>1,097</u>	<u>3,221</u>	<u>169,797</u>	<u>271,294</u>	<u>445,409</u>
Deferred inflows of resources:					
Unavailable revenue property taxes	3,877	569	-	-	4,446
Unavailable revenue loans	412,544	-	-	-	412,544
Total deferred inflows of resources	<u>416,421</u>	<u>569</u>	<u>-</u>	<u>-</u>	<u>416,990</u>
Fund balances:					
Nonspendable	400,531	-	-	-	400,531
Restricted	-	1,297,720	-	-	1,297,720
Committed	-	-	-	-	-
Unassigned	694,273	-	(164,035)	(251,440)	278,798
Total fund balances	<u>1,094,804</u>	<u>1,297,720</u>	<u>(164,035)</u>	<u>(251,440)</u>	<u>1,977,049</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,512,322</u>	<u>\$ 1,301,510</u>	<u>\$ 5,762</u>	<u>\$ 19,854</u>	
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 inflows of resources.					412,712
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.					(38,435)
Other long-term liabilities are not due and payable in the current period and therefore are deferred outflows of resources					5,058
Net position of governmental activities					<u>\$ 2,593,443</u>

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, 2015

	830-835 HRA	Central Business Tax Increment	Business Core Tax Increment	South Business Tax Increment	Total HRA Funds
Revenues:					
Taxes	\$ 191,595	\$ 291,924	\$ 10	\$ -	\$ 483,529
Charges for current services	52,171	26,180	-	-	78,351
Investment income	8,221	1,610	(36)	-	9,795
Net increase in fair value of investments	1,867	(2,067)	211	-	11
Miscellaneous	-	75,000	-	-	75,000
Total revenues	253,854	392,647	185	-	646,686
Expenditures					
Current:					
Urban redevelopment and housing	309,983	29,913	29,749	251,440	621,085
Excess (deficiency) of revenues over (under) expenditures	(56,129)	362,734	(29,564)	(251,440)	25,601
Other financing (uses) including transfers:					
(Loss) from sale of land held for resale	-	(567,655)	-	-	(567,655)
Net changes in fund balances	(56,129)	(204,921)	(29,564)	(251,440)	(542,054)
Fund balances (deficits) at beginning of year	1,150,933	1,502,641	(134,471)	-	2,519,103
Fund balances (deficits) at end of year	\$ 1,094,804	\$ 1,297,720	\$ (164,035)	\$ (251,440)	\$ 1,977,049
Amounts reported for government activities in the statement of activities are different because:					
Net change in fund balances above					\$ (542,054)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.					165,385
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.					(260)
Net pension obligations 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.					(964)
Change in net position of governmental activities (page 27)					\$ (377,893)

See Independent Auditor's Report.



This page intentionally left blank

# 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**

	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	35,275,681	40,026,769	40,522,577	44,404,665
Restricted	2,061,652	660,019	605,492	896,059
Unrestricted	6,910,934	6,263,989	7,015,958	5,968,227
Total governmental activities net position	<u>44,248,267</u>	<u>46,950,777</u>	<u>48,144,027</u>	<u>51,268,951</u>
Business-type activities:				
Net investment in capital assets	28,869,985	33,012,196	32,164,969	32,588,231
Restricted	241,251	-	-	329,304
Unrestricted	16,992,019	12,932,575	14,695,152	17,540,338
Total business-type activities net position	<u>46,103,255</u>	<u>45,944,771</u>	<u>46,860,121</u>	<u>50,457,873</u>
Primary government:				
Net investment in capital assets	64,145,666	73,038,965	72,687,546	76,992,896
Restricted	2,302,903	660,019	605,492	1,225,363
Unrestricted	23,902,953	19,196,564	21,711,110	23,508,565
Total primary government net position	<u>90,351,522</u>	<u>92,895,548</u>	<u>95,004,148</u>	<u>101,726,824</u>

2010	2011	2012	2013	2014	2015
46,048,443	42,414,832	51,838,450	62,009,558	66,844,241	71,334,409
502,574	1,012,029	1,458,235	4,610,299	5,197,093	5,828,258
8,816,308	14,938,282	13,246,285	10,635,827	10,721,398	6,150,596
<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>	<u>83,313,263</u>
32,376,427	31,799,293	33,751,733	34,879,100	38,826,155	41,126,103
331,203	328,029	339,854	248,258	256,330	228,725
19,738,257	22,785,758	21,807,653	21,712,562	19,782,441	17,632,441
<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>	<u>58,987,269</u>
78,424,870	74,214,125	85,590,183	96,888,658	105,670,396	112,460,512
833,777	1,340,058	1,798,089	4,858,557	5,453,423	6,056,983
28,554,565	37,724,040	35,053,938	32,348,389	30,503,839	23,783,037
<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>	<u>142,300,532</u>

**CHANGES IN NET POSITION  
LAST TEN YEARS**

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,056,074	\$ 1,947,947	\$ 2,268,733	\$ 2,398,175
Public safety	4,300,756	4,419,493	4,784,040	5,004,364
Public works	2,073,476	2,268,273	2,209,291	2,033,195
Parks and recreation	1,856,092	1,993,006	2,191,387	2,100,057
Miscellaneous	47,837	-	-	-
Interest on long-term debt	715,920	853,778	801,839	766,471
Total governmental activities expenses	<u>11,050,155</u>	<u>11,482,497</u>	<u>12,255,290</u>	<u>12,302,262</u>
Business-type activities:				
Electric	20,189,714	23,900,589	24,593,408	19,729,760
Water	1,429,972	1,494,220	1,344,620	1,372,374
Sewer	1,822,737	1,820,780	1,777,959	1,946,558
Liquor Stores	3,179,586	3,359,815	3,589,815	3,669,135
Golf	1,300,251	1,212,966	1,340,659	1,372,763
Storm Drainage	168,083	155,346	162,856	135,671
Refuse	410,149	409,444	373,485	267,873
Recycling	316,328	338,571	308,969	299,333
Total business-type activities expenses	<u>28,816,820</u>	<u>32,691,731</u>	<u>33,491,771</u>	<u>28,793,467</u>
Total primary government expenses	<u>\$ 39,866,975</u>	<u>\$ 44,174,228</u>	<u>\$ 45,747,061</u>	<u>\$ 41,095,729</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 572,395	\$ 331,656	\$ 643,379	\$ 95,124
Public safety	609,594	679,276	758,046	924,027
Public works	1,026,922	811,549	483,489	662,257
Parks and recreation	300,096	316,718	304,101	319,198
Operating grants and contributions	492,402	367,420	314,799	502,915
Capital grants and contributions	1,717,853	143,731	204,897	1,539,997
Total governmental activities program revenues	<u>4,719,262</u>	<u>2,650,350</u>	<u>2,708,711</u>	<u>4,043,518</u>
Business-type activities:				
Charges for services				
Electric	20,183,314	23,277,649	24,675,276	22,944,335
Water	1,452,469	1,499,955	1,503,120	1,615,116
Sewer	1,885,994	2,001,065	2,031,169	1,950,490
Liquor Stores	3,309,362	3,496,489	3,772,938	3,855,281
Golf	1,126,298	1,089,693	1,135,669	998,057
Storm Drainage	286,028	283,721	360,573	398,762
Refuse	407,744	414,880	429,477	255,741
Recycling	289,133	290,527	258,408	243,876
Operating grants and contributions	42,906	41,464	46,782	46,550
Total business-type activities revenues	<u>28,983,248</u>	<u>32,395,443</u>	<u>34,213,412</u>	<u>32,308,208</u>
Total primary government revenues	<u>\$ 33,702,510</u>	<u>\$ 35,045,793</u>	<u>\$ 36,922,123</u>	<u>\$ 36,351,726</u>

2010	2011	2012	2013	2014	2015
\$ 2,365,246	\$ 2,923,429	\$ 1,973,890	\$ 2,352,739	\$ 2,575,107	\$ 2,354,218
5,320,857	4,964,088	5,200,008	5,280,686	5,303,656	5,630,639
1,396,491	2,184,103	2,097,304	2,446,436	2,580,990	2,505,957
1,840,678	1,927,287	1,928,896	2,109,080	2,582,244	2,462,522
-	-	-	-	-	-
701,054	572,753	526,864	490,008	514,894	549,923
<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>	<u>13,503,259</u>
21,291,347	22,350,480	22,862,034	24,533,255	24,728,393	25,074,193
1,299,137	1,344,164	1,291,808	1,430,439	1,423,583	1,362,189
2,004,164	1,940,882	1,842,496	1,967,585	2,113,023	2,018,953
3,481,544	3,653,495	3,758,217	3,857,645	4,007,571	3,977,014
1,356,041	1,393,724	1,319,486	1,088,903	939,188	1,019,747
150,370	162,570	166,886	198,447	184,749	209,167
229,266	200,494	177,847	161,493	135,444	124,159
304,284	264,232	253,912	271,358	271,444	284,608
<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>34,070,030</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>	<u>\$ 47,573,289</u>
\$ 73,135	\$ 87,718	\$ 113,277	\$ 110,399	\$ 132,467	\$ 295,002
871,206	1,049,481	1,203,307	1,075,581	1,306,662	1,389,495
577,894	478,204	738,468	591,786	1,208,335	1,482,100
402,048	559,575	361,437	490,059	446,436	512,643
301,812	304,430	289,662	472,961	268,999	264,399
867,036	587,413	2,886,426	7,932,979	2,584,266	393,326
<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>	<u>4,336,965</u>
23,723,639	24,508,858	24,506,822	25,757,858	27,406,129	27,968,233
1,607,863	1,834,611	1,726,207	1,614,435	1,489,934	1,606,698
2,159,743	2,224,510	2,045,200	2,056,585	2,052,380	2,097,836
3,589,782	3,790,973	3,970,832	4,067,548	4,179,462	4,174,041
1,075,509	894,487	1,009,109	848,183	913,354	931,322
419,276	419,839	420,954	471,251	471,678	472,283
217,991	191,181	169,868	154,338	133,959	111,711
271,022	264,068	238,314	301,530	236,453	236,021
40,967	-	-	-	21,049	50,739
<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>37,648,884</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>	<u>\$ 41,985,849</u>

**CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN YEARS**

	2006	2007	2008	2009
Net (expense) revenue:				
Governmental activities	\$ (6,330,893)	\$ (8,832,147)	\$ (9,546,579)	\$ (8,258,744)
Business-type activities	166,428	(296,288)	721,641	3,514,741
Total primary government net (expense)/revenue	<u>\$ (6,164,465)</u>	<u>\$ (9,128,435)</u>	<u>\$ (8,824,938)</u>	<u>\$ (4,744,003)</u>
<b>General Revenues and Other Sources in Net Position</b>				
Governmental activities:				
Property taxes levied for general purpose	\$ 4,998,601	\$ 5,279,171	\$ 5,462,827	\$ 5,390,456
Property taxes levied for debt service	-	-	-	294,295
Property taxes from tax increments	1,839,169	1,989,473	2,148,141	2,537,536
Franchise taxes	929,566	1,256,761	1,298,308	1,204,563
Grants, aid and contributions not restricted to specific programs	1,779,449	1,622,293	1,002,926	1,405,552
Unrestricted investment income	703,544	827,086	483,402	231,174
Gain (loss) on disposal of capital assets	277,045	4,873	-	-
Other	-	-	6,225	10,096
Transfers	544,000	555,000	338,000	309,996
Transfer of operations	-	-	-	-
Contributed capital	-	-	-	-
Total governmental activities	<u>11,071,374</u>	<u>11,534,657</u>	<u>10,739,829</u>	<u>11,383,668</u>
Business-type activities				
Interest and investment earnings	611,097	653,837	532,528	392,268
Gain on sale of capital assets	18,948	(146,807)	32,818	(2,923)
Other	109,015	185,774	(33,637)	3,662
Transfers	(544,000)	(555,000)	(338,000)	(309,996)
Contributed capital	-	-	-	-
Total business-type activities	<u>195,060</u>	<u>137,804</u>	<u>193,709</u>	<u>83,011</u>
Total primary government	<u>\$ 11,266,434</u>	<u>\$ 11,672,461</u>	<u>\$ 10,933,538</u>	<u>\$ 11,466,679</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 4,740,481	\$ 2,702,510	\$ 1,193,250	\$ 3,124,924
Business-type activities	361,488	(158,484)	915,350	3,597,752
Total primary government	<u>\$ 5,101,969</u>	<u>\$ 2,544,026</u>	<u>\$ 2,108,600</u>	<u>\$ 6,722,676</u>

2010	2011	2012	2013	2014	2015
\$ (8,531,195)	\$ (9,504,839)	\$ (6,134,385)	\$ (2,005,184)	\$ (7,609,726)	\$ (9,166,294)
2,989,639	2,818,486	2,414,620	1,762,603	3,101,003	3,578,854
<u>\$ (5,541,556)</u>	<u>\$ (6,686,353)</u>	<u>\$ (3,719,765)</u>	<u>\$ (242,581)</u>	<u>\$ (4,508,723)</u>	<u>\$ (5,587,440)</u>
\$ 5,397,013	\$ 5,220,518	\$ 5,455,000	\$ 5,442,963	\$ 5,313,111	\$ 5,328,549
400,560	393,745	406,164	393,566	386,417	387,269
2,696,195	2,633,140	2,577,022	2,558,472	2,557,981	2,660,321
1,236,900	1,257,715	1,298,606	1,340,379	1,331,955	1,344,354
1,006,620	1,036,760	931,996	929,604	1,575,982	1,678,395
324,389	278,584	89,102	(210,377)	383,830	122,552
-	-	1,407,516	-	(413,606)	343,103
47,829	223,246	71,810	835,177	285,953	614,075
1,584,996	1,458,949	2,074,996	150,000	2,285,000	2,808,000
-	-	-	-	(589,849)	-
-	-	-	949,670	-	(731,000)
<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>	<u>14,555,618</u>
508,386	468,237	257,696	(161,677)	588,632	268,561
6,316	411,364	31,342	6,495	60,505	21,999
68,669	228,055	357,498	432,929	580,366	563,698
(1,584,996)	(1,458,949)	(2,074,996)	(150,000)	(2,285,000)	(2,808,000)
-	-	-	(949,670)	-	731,000
<u>(1,001,625)</u>	<u>(351,293)</u>	<u>(1,428,460)</u>	<u>(821,923)</u>	<u>(1,055,497)</u>	<u>(1,222,742)</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>	<u>\$ 13,332,876</u>
\$ 4,163,307	\$ 2,997,818	\$ 8,177,827	\$ 10,384,270	\$ 5,507,048	\$ 5,389,324
1,988,014	2,467,193	986,160	940,680	2,045,506	2,356,112
<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>	<u>\$ 7,745,436</u>

COMBINING FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Reserved	10,976	22,776	25,206	24,194
Unreserved	5,645,285	5,672,831	5,123,628	4,469,350
Total general fund	<u>\$ 5,656,261</u>	<u>\$ 5,695,607</u>	<u>\$ 5,148,834</u>	<u>\$ 4,493,544</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	-	-	-	-
Enterprise Park Tax Increment	-	-	-	-
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	2,061,652	1,697,380	1,099,047	896,059
Unreserved	(2,623,676)	(3,437,043)	(1,801,358)	(1,632,865)
Total all other governmental funds	<u>\$ (562,024)</u>	<u>\$ (1,739,663)</u>	<u>\$ (702,311)</u>	<u>\$ (736,806)</u>

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

2010	2011	2012	2013	2014	2015
\$ -	\$ 18,361	\$ 18,361	\$ 18,059	\$ 66,191	\$ 22,103
-	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	5,647,410
18,489	-	-	-	-	-
4,845,779	-	-	-	-	-
<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>	<u>\$ 5,669,513</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,525,556	\$ 2,525,556
-	1,937,780	2,208,137	-	4,196,688	4,765,921
-	-	-	-	205,274	432,331
-	770,099	981,604	-	1,200,389	475,746
-	475,643	455,642	443,168	7,661,468	459,205
-	-	-	2,502,460	-	-
-	-	146,463	-	-	-
-	-	-	3,115,454	-	-
-	-	-	117,663	-	-
-	13,489	-	-	-	-
-	679,546	283,002	532,146	70,262	86,923
-	-	231,455	-	-	-
-	2,105,649	1,893,868	1,813,335	1,961,560	2,093,916
-	-	-	303,216	651,471	233,851
-	2,930,355	830,861	182,810	-	277,809
-	-	-	-	-	641,640
-	919,454	119,521	836,671	305,712	367,711
-	-	-	-	(791,125)	-
-	(1,900,554)	(1,898,345)	-	-	-
-	-	-	(287,821)	-	-
-	(1,103,177)	(338,163)	-	(413,485)	-
-	-	-	(363,419)	(1,371,901)	(2,449,485)
-	-	-	(783,294)	(812,290)	(1,097,010)
-	-	(426)	-	-	-
-	(143,209)	(60,758)	(122,243)	(722,108)	(660,407)
4,438,862	-	-	-	-	-
(158,995)	-	-	-	-	-
<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>	<u>\$ 8,153,707</u>

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Taxes	\$ 6,848,981	\$ 7,268,644	\$ 7,610,968	\$ 8,222,287
Special assessments	284,182	466,247	370,480	436,729
Licenses and permits	543,970	368,507	380,296	299,718
Fines and forfeitures	194,344	210,328	186,838	197,953
Intergovernmental	3,846,882	2,114,118	1,520,698	3,448,465
Charges for current services	866,331	900,529	931,975	938,238
Franchise fees	1,271,565	1,256,761	1,298,307	1,204,563
Investment income	683,268	827,086	483,401	231,174
Increase (decrease) in fair market value	-	-	-	-
Miscellaneous	636,564	11,318	385,873	115,191
<b>Total revenues</b>	<b>15,176,087</b>	<b>13,423,538</b>	<b>13,168,836</b>	<b>15,094,318</b>
<b>Expenditures:</b>				
General government	1,956,012	1,826,887	1,824,676	2,015,056
Public safety	3,970,201	4,088,024	4,432,326	4,572,761
Public works	1,434,067	1,596,371	1,473,842	1,231,499
Parks	1,544,448	1,663,389	1,820,055	1,720,539
Miscellaneous	47,837	2,881	135,131	79,619
Capital outlay	10,283,289	4,692,248	2,143,901	5,474,406
Debt service:				
Principal retirement	360,000	370,000	385,000	235,000
Interest and fiscal charges	685,558	877,031	801,325	765,219
<b>Total expenditures</b>	<b>20,281,412</b>	<b>15,116,831</b>	<b>13,016,256</b>	<b>16,094,099</b>
Excess (deficiency) of revenues over expenditures	(5,105,325)	(1,693,293)	152,580	(999,781)
<b>Other Financing Sources (Uses):</b>				
Bond proceeds/refunding of bonds	7,835,000	-	-	-
Proceeds from the sale of asset	-	-	-	-
Transfers in	1,992,149	1,247,500	1,044,134	2,095,496
Transfers out	(1,448,149)	(692,500)	(706,134)	(1,785,500)
<b>Total other financing sources (uses)</b>	<b>8,379,000</b>	<b>555,000</b>	<b>338,000</b>	<b>309,996</b>
Special item - Transfer of operations	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 3,273,675</b>	<b>\$ (1,138,293)</b>	<b>\$ 490,580</b>	<b>\$ (689,785)</b>
Debt service as a percentage of noncapital expenditures	10.5%	12.0%	10.9%	9.4%

	2010	2011	2012	2013	2014	2015
\$	8,119,472	\$ 8,348,499	\$ 8,383,973	\$ 8,528,515	\$ 8,252,307	\$ 8,371,829
	423,590	370,862	459,562	485,145	406,265	779,143
	408,266	275,788	505,153	379,864	467,613	670,749
	104,661	190,657	147,445	139,553	143,307	124,199
	2,175,468	1,928,603	4,099,693	9,335,544	4,429,247	2,313,979
	913,205	1,252,731	1,141,668	1,260,863	1,692,328	1,760,765
	1,236,900	1,257,715	1,298,606	1,340,379	1,331,956	1,344,354
	324,389	278,585	89,102	185,743	93,821	92,413
	-	-	-	(396,120)	290,008	29,601
	130,726	471,935	173,090	465,632	544,037	653,297
	<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>	<u>16,140,329</u>
	1,695,481	1,610,016	1,603,520	1,739,386	1,950,610	1,815,586
	4,488,511	4,598,698	4,914,552	4,902,711	5,142,440	5,292,015
	1,323,429	1,300,262	1,086,922	1,343,447	1,318,375	1,206,679
	1,582,465	1,524,582	1,545,826	1,716,943	1,781,546	1,836,474
	39,062	40,714	41,709	48,623	-	-
	3,575,527	2,472,214	11,071,968	13,294,921	10,106,587	6,529,280
	245,000	380,000	470,000	450,000	499,150	7,709,150
	759,868	604,348	519,502	492,654	507,438	627,332
	<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>	<u>25,016,516</u>
	127,334	1,844,541	(4,955,707)	(2,263,567)	(3,655,257)	(8,876,187)
	3,740,000	(3,995,000)	-	-	6,383,638	-
	-	1,350,682	1,407,517	440,000	365,539	343,103
	1,857,496	2,462,996	3,664,996	1,840,000	5,701,000	4,150,553
	(272,500)	(1,004,047)	(1,590,000)	(1,590,000)	(3,466,000)	(1,342,553)
	<u>5,324,996</u>	<u>(1,185,369)</u>	<u>3,482,513</u>	<u>690,000</u>	<u>8,984,177</u>	<u>3,151,103</u>
	-	-	-	-	(589,849)	-
\$	<u>5,452,330</u>	<u>\$ 659,172</u>	<u>\$ (1,473,194)</u>	<u>\$ (1,573,567)</u>	<u>\$ 4,739,071</u>	<u>\$ (5,725,084)</u>
	9.9%	9.8%	9.7%	8.8%	9.0%	45.1%

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**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) <sup>1</sup>	Tax Capacity as a % of EMV
	Real Property	Personal Property	Total					
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%
2015	13,614,589	94,882	13,709,471	1,334,023	15,043,494	45.014%	1,188,602,800	1.27%

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

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**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 <sup>1</sup>	
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
2015	41.958	3.056	22.482	38.123	5.605	111.224

Note: Tax rates per \$100 of tax capacity

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

**PRINCIPAL TAXPAYERS  
DECEMBER 31, 2015**

Taxpayer	Type of Business	Rank	2015		Rank	2006	
			Individual Tax Capacity	Percent of Total Tax Capacity		Individual Tax Capacity	Percent of Total Tax Capacity
Hoffman Enclosures	Electrical enclosures	1	\$ 284,002	2.07%	1	\$ 231,928	1.45%
Federal Cartridge	Ammunition manufacturing	2	245,172	1.79%	4	174,040	1.09%
Cutters Grove Limited	Apartment Cutter's Grove	3	229,247	1.67%	2	229,957	1.43%
Anoka Industrial LLC	Decopac	4	208,714	1.52%	3	176,266	1.10%
Healthpartners	Healthcare	5	206,886	1.51%			
Paul & Eleanor Sade Trust	Sheet steel fabrication	6	168,032	1.23%			
CRV Anoka	Furniture warehousing	7	159,912	1.17%	5	157,800	0.98%
Sundquist Properties II LLC	Precision machining	8	150,486	1.10%			
Graco	Fluid handling	9	142,836	1.04%			
Rural Community Ins	Insurance	10	134,700	0.98%	6	146,408	0.91%
Una-Clad Copper Sales	Sheet steel fabrication				7	138,972	0.87%
IMI Cornelius	Vending machines				8	123,130	0.77%
Mate Tool	Precision machining				9	113,868	0.71%
Programmed Land	Apartment Lincoln				10	112,972	0.70%
			<u>\$ 1,929,987</u>	<u>14.07%</u>		<u>\$ 1,199,373</u>	<u>7.46%</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 <sup>1</sup>			
					Commercial	Residential	Nontaxable	Total
2006	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
2015	579	10,796,847	36,177,558	46,974,405	522,304,800	666,298,000	295,650,700	1,484,253,500

<sup>1</sup> 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
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	5,618,393	100.0%
2008	5,807,545	5,675,366	97.7%	130,644	5,806,011	100.0%
2009	5,982,990	5,858,918	97.9%	122,270	5,981,187	100.0%
2010	5,982,990	5,840,310	97.6%	139,709	5,980,019	100.0%
2011	5,576,597	5,478,335	98.2%	91,936	5,570,271	99.9%
2012	5,899,105	5,805,144	98.4%	86,425	5,891,569	99.9%
2013	5,856,105	5,789,071	98.9%	52,151	5,841,222	99.7%
2014	5,712,265	5,648,027	98.9%	44,141	5,692,168	99.6%
2015	5,707,246	5,649,416	99.0%	-	5,649,416	99.0%

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 <sup>1</sup>	Per Capita <sup>1</sup>
	General	G.O. Tax	G.O.	Met Council	Activites			
	Obligation Bonds	Increment Bonds	Revenue Bonds	Loan	Revenue Bonds			
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	2.08	988
2012	3,395,000	7,585,000	-	2,502,460	3,035,000	16,517,460	1.96	958
2013	3,070,000	7,460,000	1,077,300	2,502,460	1,667,700	15,777,460	1.81 est	915
2014	2,750,000	13,450,000	1,023,150	2,502,460	1,421,850	21,147,460	2.43	1,224
2015	2,430,000	6,115,000	1,700,000	2,502,460	440,000	13,187,460	1.48	760

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

<sup>1</sup> Population and personal income data can be found in the schedule of Demographic and Economic Statistics on page 139.

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

Fiscal Year	General Obligation	Amounts Available in Debt	Net Bonded Debt	Percentage of Estimated Actual Value of Property <sup>2</sup>	Per Capita <sup>3</sup>
	Bonds <sup>1</sup>	Service Fund			
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	215
2014	3,773,150	359,292	3,413,858	0.33	198
2015	4,130,000	459,205	3,670,795	0.31	212

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

<sup>2</sup> Property value data can be found in the schedule of Building Permit Values and Real Property Values schedule on page 131.

<sup>3</sup> Population data can be found in the schedule of Demographic and Economic Statistics on page 139.

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**DIRECT AND OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT  
DECEMBER 31, 2015**

<u>Governmental Unit</u>	<u>Gross General Obligation Debt Outstanding</u>	<u>Percent Applicable to City<sup>1</sup></u>	<u>Net Amount Applicable to City</u>
Direct:			
City of Anoka	\$ 12,747,460	100%	<u>\$ 12,747,460</u>
Overlapping:			
Anoka County	118,321,284	4.82%	5,708,661
Anoka-Hennepin School District #11	58,620,000	9.13%	5,354,530
Met Council/RR Auth Special Dist	1,472,491,649	0.40%	<u>5,929,319</u>
Total Overlapping Debt			<u>16,992,510</u>
Total Direct and Overlapping Debt			<u><u>\$ 29,739,970</u></u>

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

<sup>1</sup> 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 FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Market value of taxable property	\$ 1,250,920,100	\$ 1,363,410,500	\$ 1,423,696,800	\$ 1,425,440,200
Statutory debt limit (3% of market value) <sup>1</sup>	<u>25,018,402</u>	<u>27,268,210</u>	<u>28,473,936</u>	<u>42,763,206</u>
Amount of debt applicable to debt limit:				
Total bonds and notes payable	15,395,000	15,690,528	17,460,528	18,310,528
Less:				
Amount available in debt service fund	1,185,020	1,697,380	1,099,047	896,059
Met Council loan	-	815,528	815,528	2,125,528
Revenue bonds	2,075,000	1,925,000	4,080,000	3,855,000
Improvement bonds	<u>7,835,000</u>	<u>7,835,000</u>	<u>7,835,000</u>	<u>7,835,000</u>
	<u>4,299,980</u>	<u>3,417,620</u>	<u>3,630,953</u>	<u>3,598,941</u>
Legal debt margin	<u>\$ 20,718,422</u>	<u>\$ 23,850,590</u>	<u>\$ 24,842,983</u>	<u>\$ 39,164,265</u>
Total debt applicable to the limit as a percentage of debt limit	17%	13%	13%	8%

<sup>1</sup>Statutory debt limit prior to 2009 was 2%.

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 1,338,735,500	\$ 1,224,073,500	\$ 1,153,576,994	\$ 1,050,914,000	\$ 1,036,711,300	\$ 1,188,602,800
40,162,065	36,722,205	34,607,310	31,527,420	31,101,339	35,658,084
21,593,813	16,943,813	16,517,460	15,777,460	21,147,460	13,187,460
4,438,862	475,643	455,642	443,168	359,292	459,205
2,183,813	2,183,813	2,502,460	2,502,460	2,502,460	2,502,460
3,585,000	3,310,000	3,035,000	1,667,700	1,421,850	440,000
7,835,000	7,710,000	7,585,000	7,460,000	13,450,000	6,115,000
3,551,138	3,264,357	2,939,358	3,704,132	3,413,858	3,670,795
\$ 36,610,927	\$ 33,457,848	\$ 31,667,952	\$ 27,823,288	\$ 27,687,481	\$ 31,987,289
9%	9%	8%	12%	11%	10%

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

**PLEDGED REVENUE COVERAGE  
LAST TEN YEARS**

Fiscal Year	Operating Revenue	Less	Net	Debt Service		Coverage
		Operating Expense	Available Revenue	Principal	Interest	
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
2014	2,403,288	1,790,048	613,240	245,850	31,984	2.21
2015	2,538,020	1,807,995	730,025	250,850	30,498	2.59

## CITY OF ANOKA, MINNESOTA

### DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Year	Population <sup>1</sup>	Median Age <sup>1</sup>	Personal Income (Amounts in Thousands) <sup>3</sup>	City of Anoka Per Capita Income <sup>2</sup>	County Per Capita Income <sup>2</sup>	7-County Metro Area Per Capita Income <sup>2</sup>	County Unemployment Rate <sup>2</sup>	7-County Metro Area Unemployment Rate <sup>2</sup>
2006	18,076		750,082	41,496	40,560	48,100	5.0	3.6
2007	18,038		766,326	45,084	43,264	49,660	4.7	4.2
2008	17,849		773,921	44,512	42,120	52,364	6.7	6.0
2009	17,966		795,031	44,252	42,172	51,376	8.0	7.1
2010	17,142	37.2	826,313	48,204	43,108	52,988	7.7	6.6
2011	17,155		813,559	47,424	44,200	54,201	5.9	5.3
2012	17,233		844,141	48,984	45,656	55,952	5.4	4.9
2013	17,248		873,577	50,648	45,604	59,852	4.4	4.0
2014	17,276		869,605	50,336	47,736	57,772	3.4	3.1
2015	17,345 est		888,110	51,203	48,603	59,557	3.3	2.9

## Sources:

<sup>1</sup> U.S. Census Bureau<sup>2</sup> Minnesota Department of Employment and Economic Development<sup>3</sup> City per capita times population

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2015**

Employer	2015			2006		
	Rank	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment
Federal Cartridge	1	1,799	12.62%	4	903	6.74%
Anoka County Government Center	2	1,723	12.08%	2	1,191	8.89%
Hoffman Enclosures/Pentair Tech	3	1,200	8.42%	3	1,170	8.74%
Anoka-Hennepin ISD #11	4	892	6.26%	1	1,217	9.09%
Rural Insurance Group	5	405	2.84%	8	289	2.16%
Anoka-Metro Treatment Center	6	366	2.57%	5	550	4.11%
Mate Precision Tool	7	300	2.10%	7	343	2.56%
DecoPac	8	214	1.50%	10	200	1.49%
Health Partners	9	135	0.95%			
Copper Sales/Firestone Metals	10	130	0.91%	9	235	1.75%
Anoka Technical College				6	344	2.57%
		<u>7,164</u>	<u>50.24%</u>		<u>6,442</u>	<u>48.10%</u>
Total City-wide employment <sup>1</sup>		14,259			13,393	

<sup>1</sup> Minnesota Department of Employment and Economic Development

**CITY OF ANOKA, MINNESOTA**

(Unaudited)

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

	2006	2007	2008	2009
City manager	2.00	2.00	2.50	2.80
Assessing	2.00	2.00	1.67	1.00
Human resources	2.00	2.00	2.00	2.00
Finance	5.60	5.60	5.14	5.15
Community development	1.80	1.50	1.50	1.30
Total general government	13.40	13.10	12.81	12.25
Building maintenance	1.80	1.60	1.67	1.68
Municipal buildings	0.20	0.40	0.40	0.48
Engineering	2.25	2.25	1.11	1.50
Streets	6.58	6.58	6.43	6.63
Total public works	10.83	10.83	9.61	10.29
Planning and inspections	5.00	5.00	5.00	4.95
Police	34.00	34.00	32.30	31.75
Fire	4.00	4.60	4.60	4.60
Total public safety	43.00	43.60	41.90	41.30
Senior center	0.25	0.25	0.25	0.40
Playgrounds and playfields	0.50	0.50	1.15	1.15
Swimming pool	0.50	0.50	0.30	0.35
Skating rinks	0.25	0.25	0.33	0.66
Municipal parks	5.25	5.75	5.58	5.49
Shade tree beautification	0.75	1.00	0.75	0.75
Community Programs	-	-	-	-
Cemetery	1.00	1.00	-	-
Total parks and recreation	8.50	9.25	8.36	8.80
Total general fund	75.73	76.78	72.68	72.64
HRA	0.88	1.13	1.05	1.05
MHRA	1.00	1.00	1.05	1.05
Parking ramps/lots	-	-	0.85	0.85
Walker ramp	-	-	0.85	1.30
Cemetery	-	-	1.20	0.90
Central equipment (garage)	2.10	2.10	2.20	2.15
Data processing	1.50	1.25	1.00	1.05
Electric	21.50	21.75	21.80	19.80
Water	4.00	4.00	3.86	3.86
Sewer	5.08	5.08	5.00	3.86
Liquor store	5.00	5.00	5.00	4.00
Golf course	5.50	3.75	3.42	3.67
Recycling	0.33	0.38	0.40	0.40
Total other funds	46.89	45.43	47.68	43.94
Total all funds	122.62	122.22	120.36	116.58

2010	2011	2012	2013	2014	2015
2.80	2.63	2.63	2.32	2.63	3.13
1.50	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
5.00	5.00	5.00	4.58	4.60	4.60
1.30	1.49	1.50	1.32	1.00	1.00
12.60	12.12	12.13	11.22	11.23	11.73
0.85	0.95	0.95	0.88	0.95	0.75
0.25	0.48	0.48	0.55	0.48	0.35
1.30	1.80	1.75	1.75	1.75	1.50
6.53	5.68	5.68	5.68	6.68	7.18
8.93	8.91	8.86	8.86	9.86	9.78
4.95	4.50	4.50	5.25	5.00	4.75
31.75	30.80	32.48	32.48	32.48	35.90
4.60	4.60	4.60	4.60	-	-
41.30	39.90	41.58	42.33	37.48	40.65
0.40	0.33	0.33	0.33	0.33	0.33
0.90	1.38	1.38	1.38	1.38	1.38
0.35	0.28	0.28	0.28	0.28	0.28
0.66	0.38	0.20	0.20	0.25	0.20
4.87	4.03	4.08	4.08	4.08	4.73
0.50	0.28	0.28	0.28	0.18	0.18
-	-	-	-	-	0.50
-	-	-	-	-	-
7.68	6.68	6.55	6.55	6.50	7.58
70.51	67.61	69.12	68.96	65.07	69.74
1.05	1.11	1.50	1.50	1.00	0.75
1.05	1.40	-	-	-	-
0.85	2.15	1.15	1.15	0.85	0.85
1.30	-	-	-	-	-
0.65	1.03	0.93	0.93	0.88	1.03
2.05	2.05	2.05	2.05	1.05	1.55
1.05	0.60	0.48	-	-	-
19.85	17.90	17.90	18.00	18.40	17.40
3.76	3.76	3.26	3.26	3.26	3.56
3.76	3.76	3.26	3.26	3.26	2.96
4.00	4.00	4.00	4.00	4.00	4.00
3.17	3.17	3.17	3.17	3.12	2.55
0.40	0.51	0.38	0.38	0.38	0.37
42.94	41.44	38.08	37.70	36.20	35.02
113.45	109.05	107.20	106.66	101.27	104.75

CITY OF ANOKA, MINNESOTA

(Unaudited)

OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Elections</b>										
Number of registered voters	10,499		11,634		10,049		11,727		10,185	
% participation in general election	63%		77%		65%		76%		54%	
<b>Building inspections</b>										
No. of permits issued	3,705	1,222	523	567	478	517	443	434	462	579
Total permit valuation (in thousands)	\$ 37,225	\$ 15,095	\$ 19,049	\$ 9,539	\$ 10,715	\$ 11,336	\$ 38,804	\$ 23,672	\$ 31,734	\$ 46,974
<b>Public safety</b>										
<b>Police</b>										
Police activity	19,474	18,785	18,688	19,580	18,451	20,148	21,299	20,087	20,260	20,127
Part 1 crime	865	848	854	770	782	869	766	619	604	610
Traffic accidents	590	789	766	716	762	698	648	727	920	732
<b>Public works</b>										
Snow removal hours	1,108	1,894	1,200	987	2,734	1,868	389	3,581	4,124	1,473
<b>Parks and recreation</b>										
Snow removal hours	72	568	353	595	235	179	N/A	N/A	N/A	N/A
Mowing hours (includes cemetery)	3,354	3,284	3,295	2,801	3,739	1,489	1,674	1,500	1,980	2,270
Picnic shelter reservations	115	127	135	143	150	190	212	158	178	183
Swim lesson participants	840	820	758	850	978	1,028	1,103	1,072	1,106	1,083
Open swim attendance	37,684	38,959	39,193	31,266	42,567	44,000	47,000	39,407	34,804	42,140
<b>Parking</b>										
Parking permits issued	86	60	71	91	75	66	71	113	168	186
Parking ramp permits issued	75	76	46	41	41	58	91	61	69	86
<b>Electric</b>										
Avg KWHRS consumption daily	732,807	758,133	741,132	688,041	726,330	727,926	738,266	760,714	750,133	760,161
<b>Water</b>										
Avg daily consumption in cubic feet	307,521	310,939	287,443	277,528	259,548	249,198	262,148	227,385	230,685	235,813
<b>Golf</b>										
Rounds of golf purchased	32,921	32,000	33,288	33,054	33,344	29,614	33,776	28,486	32,745	32,764

CITY OF ANOKA, MINNESOTA

(Unaudited)

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN YEARS**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	23	23	23	23	23	23	26	24	25
Public works										
Street miles	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/7	67 2/3	68 1/2
Parks and recreation										
City park acres	783	729	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 1/2	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	1	1	1	1	1	1	1	1	1	1
Picnic shelters	13	12	12	12	12	12	12	12	12	12
Boat launches	1	1	1	1	1	1	1	1	2	2
Portable docks	5	5	5	5	5	5	6	6	4	5
Parking										
Ramps	2	2	2	2	2	2	2	2	2	2
Lots	6	6	6	6	6	6	6	6	6	4
Electric										
Overhead wire miles	120 1/2	170 1/3	162 5/6	162 5/6	163	159	159	154	147	97
Underground wire miles	156 1/5	159 1/2	155 5/7	155 5/7	162	162	162	182	191	202
Substations	3	3	3	3	3	3	3	3	3	4
Street lights	1,335	1,774	1,792	1,795	1,795	1,795	1,795	1,795	1,805	1,874
Water										
Water main miles	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	86 1/6
Wells	8	8	8	8	8	8	8	8	8	8
Sewer/storm sewer										
Sanitary sewer miles	65	65	65	65	65	65	65	65 2/3	65 2/3	67 1/7
Storm sewer miles	29	29	29	29	29	29	29	30	31	34
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