



ANOKA COUNTY

**Comprehensive
Annual
Financial
Report**

Year Ended December 31, 2012

**ANOKA
COUNTY**



COUNTY OF ANOKA

FINANCE AND CENTRAL SERVICES DIVISION

GOVERNMENT CENTER • 2100 3rd AVENUE • ANOKA, MN 55303

(763) 323-5300 • Fax (763) 422-7505

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Accounting and Budget

Facilities Management

Central Services

Financial Management

Telemanagement

Information Technology

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

**ANOKA COUNTY,
MINNESOTA**

PREPARED BY

THE

FINANCE AND CENTRAL SERVICES DIVISION OF ANOKA COUNTY
CEVIN PETERSEN, DIVISION MANAGER

YEAR ENDED DECEMBER 31, 2012

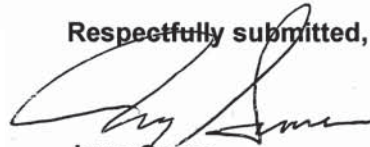
Issued June 2013

Affirmative Action / Equal Opportunity Employer

To the Honorable Board of County Commissioners:

I herewith submit to you a full and accurate statement of revenues and expenditures for the year 2012, together with an accurate statement of financial position of the county on December 31, 2012, including debts and liabilities, and the assets to discharge the same.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jerry Soma", written in a cursive style.

**Jerry Soma
County Administrator**

**ANOKA COUNTY
ANOKA, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

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**ANOKA COUNTY
ANOKA, MINNESOTA**

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**ANOKA COUNTY
ANOKA, MINNESOTA**

INTRODUCTORY SECTION



COUNTY OF ANOKA

FINANCE AND CENTRAL SERVICES DIVISION

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June 21, 2013

The Citizens of Anoka County
The Honorable Chair and Commissioners
Anoka County Board of Commissioners
Anoka County Government Center
2100 Third Avenue
Anoka, Minnesota 55303

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of Anoka County is herewith submitted for the fiscal year ended December 31, 2012. This report has been produced in compliance with Governmental Accounting Standards Board, Statement No. 34. The County's Finance and Central Services Division prepared this report in conformity with generally accepted accounting principles (GAAP). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

Copies of this report will be sent to elected officials, County management, bond rating agencies, financial institutions, and others who have expressed an interest in Anoka County's financial affairs. The report is also available on the Anoka County web site at www.anokacounty.us.

GOVERNMENTAL ORGANIZATION AND SERVICES

The Anoka County Board of Commissioners consists of seven commissioners elected from the seven districts in the County. All commissioners serve overlapping four-year terms of office. Each member of the County Board serves on various committees. The major committees are Management, Public Works, Finance and Capital Improvements, Public Safety, Information Technology, Human Services, Parks and Recreation, Intergovernmental and Community Relations, and Waste Management and Energy.

The Board appoints the County Administrator who is the chief administrative officer of the County. Duties include responsibility for the administration of Board policy and for the management of the various County divisions and departments.

The County's functions and employees are divided among statutory offices, four divisions and several departments. During 2012, the elected County Attorney and County Sheriff managed their respective statutory offices. The division managers and remaining department heads and other County officials (such as Medical Examiner) are appointed by the County Board, with the exception of the Cooperative Extension Agent, who is appointed by the University of Minnesota.

The County provides a full range of services contemplated by statute. This includes public safety, recreation, public works, health services, cultural, human services, vital statistics, and tax assessment and collection.

THE FINANCIAL REPORTING ENTITY

This report includes Anoka County and its component units, the Anoka County Regional Railroad Authority and the Anoka County Housing and Redevelopment Authority. The criteria used in determining the financial reporting entity are consistent with Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity."

FINANCIAL MANAGEMENT

Anoka County's strong financial position continues to offer the people of the County very positive financial benefits. Several initiatives, which are designed to maintain or enhance the County's strong financial position, include:

1. Investing funds not immediately needed for expenditures to maximize non-tax revenue;
2. Using advice and recommendations from the general public to improve productivity in the delivery of County services;
3. Allocating County resources to those areas that meet community needs as determined by the Board of County Commissioners; and
4. Closely monitoring expenditures to ensure that functions are carried out within authorized levels.

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the Financial Statements, presented in the Financial Section, are an integral part of this Comprehensive Annual Financial Report and should be read for a more complete understanding of the statements and information presented herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Anoka County's MD&A can be found immediately following the report of the independent auditors.

GENERAL INFORMATION CONCERNING THE COUNTY

Anoka County was established May 23, 1857, and is located in the northwestern portion of the Minneapolis/Saint Paul seven-county metropolitan area. The County encompasses an area of 440 square miles (approximately 272,960 useable acres) and contains all or portions of 20 cities and 1 town. Anoka County is Minnesota's fourth most populous County. The County's 2010 U.S. Census population count of 330,884 was 11 percent greater than its 2000 count of 298,084. The 2010 U.S. Census of housing showed a 16.1 percent increase in the number of housing units in the County from 108,091 in 2000 to 125,525 in 2010.

MAJOR INDUSTRIES WITHIN THE COUNTY

For more than 150 years, Anoka County has taken great care to foster its abundance of economic, cultural and natural resources. Anoka County is home to well-recognized industry leaders such as Medtronic, ATK's Federal Premium, Honeywell Flight Systems, Aveda, Onan Corporation, Pentair Technical Products, and many more.

The County's emphasis on attracting technology based companies has caused many new promising companies to locate in the area's business development centers. Three of these centers, the Minnesota Medical Enterprise Park in Coon Rapids, Pheasant Ridge Business Park in Blaine, and the Development Center in Columbia Heights, have focused on attracting and assisting developing medical and high technology companies to Anoka County and providing them with access to the assistance they need to be successful. Such pioneering companies as SarTec, Infinite Campus, Parametric Technology, N.T. International, Dymedix, Comedicus, Visual Circuits, Bioenergy, Inc., and others have located in the County.

ANOKA COUNTY COLLABORATION & VISION

Anoka County, Minnesota, located north of the Twin Cities metropolitan area, is comprised of 21 municipalities. Here you'll find a unique blend of urban amenities in a friendly, small town atmosphere. Despite today's challenging economic times, Anoka County continues to be a great place to live, work, play, and do business. With award-winning schools and several post-secondary educational institutions, Anoka County residents are well-educated and take pride in their work and community. The County has numerous commercial and industrial sites available for development including several hundred acres zoned industrial within the Metropolitan Urban Service Area (MUSA) 20 minutes from downtown Minneapolis and St. Paul.

Connect Anoka County, a cooperative project between Anoka County and Zayo Bandwidth, of Louisville, Colorado, has received a \$13.4 million grant from the America Recovery and Reinvestment Act (ARRA), to expand fiber broadband connectivity across the County. This project links 145 public entities with three core rings, creating a 286-mile fiber optic backbone. This backbone connects police, fire, city and town halls, and County buildings. This network will also provide a direct advantage to local businesses, passing through the County's key business districts and economic development areas. Connect Anoka County is scheduled for completion in the fall of 2013. The countywide fiber network will be owned and operated by Zayo Bandwidth, a private company, allowing service to local businesses and secondary service providers of residential service.

Transportation is a priority in Anoka County. Infrastructure such as railroads, airports, and freeways has a significant impact on economic growth. The County is served by three interstate highways: I-35W from downtown Minneapolis, I-35E from downtown St. Paul, and I-694 connecting the north metro. Other highways serving the County are U.S. Highways 10, 169, and 610, and State Highways 65 and 47. U.S. Highway 10 provides a nonstop freeway from the city of Anoka to both downtown Minneapolis and St. Paul. U.S. Highway 610, in conjunction with State Highway 252, links I-35W to I-94.

Anoka County has taken a leadership role in the region's mass transit initiatives. Northstar, the state's first commuter rail line, became operational in November 2009. A service designed almost exclusively to take people to and from work, Northstar trains were on time 96 percent of the time and ridership continues to grow. Northstar carries passengers between Big Lake in Sherburne County and downtown Minneapolis, with stops in Elk River, Anoka, Coon Rapids, and Fridley. A new stop in Ramsey became operational in the fall of 2012.

The Anoka County-Blaine Airport boasts a first class, fixed-based operation, hangars for corporate and private jets, and additional ramp space for jet parking. The County receives lease payments for hangars and ramp space from the facility's management organization, Key Air Executive Charter and Aircraft Management, and its tenants.

The development of creative partnerships has been a key component of Anoka County's success. Anoka County Sheriff's Office and Tri-County Regional Forensic Laboratory consolidates the majority of the Sheriff's Office operations, allowing officers to respond to emergencies more quickly and resulting in communication that is more efficient and streamlined. The state of the art forensic laboratory was made possible by a joint powers agreement between Anoka, Wright, and Sherburne Counties. The facility also features a unique agreement with Hamline University in St. Paul to offer practical experience and internships to students studying forensic science.

The Anoka County Midwest Medical Examiner's Office is another example of how Anoka County achieves results with innovative cooperative initiatives. The facility serves and shares costs with more than a dozen Minnesota counties and three Wisconsin counties. It incorporates the latest scientific death investigation methods and tools while compassionately helping families and survivors learn the circumstances surrounding the death of their loved one.

The National Sports Center (NSC) in Blaine boasts the largest indoor ice skating and outdoor soccer venue in the world and attracts more than four million visitors each year. The NSC is the home training center for the USA Women's Olympic Hockey team and also hosts the world's largest international soccer tournament, the Schwan's USA Cup. It is also considering a youth baseball complex in partnership with Major League baseball's Minnesota Twins.

FUTURE PROJECTS, CAPITAL IMPROVEMENTS FUNDING

Several important maintenance projects and building and equipment upgrades are included in Anoka County's 2013 Capital Improvements Budget (CIB). The Government Center elevators will receive a \$450,000 upgrade in addition to nearly \$360,000 for security enhancements while the jail will receive a \$760,000 chiller system.

The 2013 CIB includes several highway projects totaling \$23.8 million: \$10 million for the TH 10 interchange at CSAH 83 intersection improvement; \$3.5 million for the annual pavement rehabilitation program; \$2.9 million for CSAH 51 (University Ave.) expansion to four lane divided highway; \$2.1 million for the Highway Safety Improvement Program (HSIP); \$2.0 million for CSAH 11 (Foley Blvd.) rebuilding to four lane divided highway; \$1.5 million for CSAH 116 (Bunker Lake Blvd.) rebuilding to a four lane divided highway; and \$1.8 million for several smaller projects.

Anoka County will fund library improvements totaling nearly \$967,000 which includes improvements to the Northtown library and parking lot rehabilitation for all library locations in the 2013 CIB.

Anoka County will fund eight major Information Technology projects totaling \$3.2 million in the 2013 CIB.

The Parks and Recreation Department will use \$344,000 to acquire property around Columbus Lake and Rice Creek.

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 Anoka County Government operates. Along with the previous discussion about major industries and future development in the County, it is important to look at the impact of changes in population, employment and market value within the County.

Over the last few years, the Anoka County Board has taken an increasing interest in the area's development and is taking on the role of a responsible partner to the communities within the County. Growth has become a consistent condition with a variety of challenges and possibilities and Anoka County is actively seeking opportunities to partner with local governments and those interested in locating and developing in the area.

The growth pattern of the County has brought other pressures to bear on the County and its communities. The influx of residents has brought a variety of demands: more houses and more people mean more services and more infrastructure. Today's Anoka County residents have high expectations of their government and its ability to provide for their needs.

A growing Anoka County citizenry, and by extension, its elected County Board members, have a keen and vested interest in transportation and public safety, assigning these two key issues their highest priorities. In an effort to provide a broader base as well as an equitable funding mechanism to support transportation infrastructure, the County Board in July of 2006 approved a County wheelage tax which will help fund County highway improvements. Additional transportation infrastructure improvements will be funded by the State and Federal Government and through issuance of County road bonds.

The other project related to high priority initiatives is the Sheriff's Office and Tri-County Regional Forensics Laboratory.

Still these critical initiatives are planned with fiscal control. Anoka County continues budget restraint, maintaining a moderate level of debt, and control over the number of County employees. The number of full-time equivalents (FTE) employed by Anoka County government per 1,000 residents has decreased by nearly 1 FTE over the last ten years from 6.1 FTE to 5.2 FTE.

When looking at the employment within the County, the average number of employees has remained level in the ten-year comparison. Anoka County's unemployment rate is 5.6 percent for 2012, compared to the State of Minnesota rate of 5.4 percent and United States rate of 7.6 percent. The County's unemployment has been at or below both the State and Federal rates for six of the last ten years. Total estimated market value had been increasing steadily until 2008 when the County experienced a decline averaging 7 percent a year. The changes in market home values and the elimination of the market value tax credit resulted in an \$8 million decline since 2008 of total estimated market value. The Statistical Section of this financial report provides more detailed ten-year data on unemployment, market value in the County, demographics, employment and estimated payroll by industry.

ACCOUNTING SYSTEM, INTERNAL AND BUDGETARY CONTROL

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: the safeguarding of assets against loss from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper authorization and recording of financial transactions.

The County's system of internal controls is supported by written policies and procedures and is continually reviewed, evaluated, and modified to meet current needs. The County Board authorized funding in the 1993 budget and for each year since for the creation of an Internal Auditor position, which will further ensure that internal control is adequate to safeguard assets and provide reasonable assurance of proper authorization and recording of financial transactions.

The County's accounting system is organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures/expenses. The basic accounting period is the month, in that various reports are issued monthly. Once each year at December 31 the books are closed.

Anoka County uses the modified accrual basis of accounting for accounting and budgeting its governmental funds, which means that the determining factor for recording expenditures is when the service or material has been delivered and the County has incurred a liability for payment. Revenues are recorded when received or when measurable and available to pay liabilities of the current period. The Fund Financial Statements report these activities of the governmental funds. The Government-wide Financial Statements are reported using the accrual basis of accounting. This means that revenues are recorded when earned and expenses are recorded when a liability is incurred.

The annual budgeting process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided, given the anticipated level of available resources. The county utilizes a "priority based" service level approach to resource allocation. Each program will prioritize services and allocate resources according to highest priority and greatest need. The county will attempt to maintain its present service level for all priority and essential services within available revenues. The budgeting process integrates and authorizes, for a given year, the decisions of the Board of Commissioners, management and the County's Capital Improvement Budget. The legal level of budgetary control is at the fund level, pursuant to Minnesota Statutes. However, Anoka County's financial policies provide that budgetary control is to be maintained at the program level, and further monitored within each program by the major account groupings of personal services, operating expenses, program expenses, and capital outlay. Orders for services or materials in the form of purchase orders are considered obligated, for management and budget control purposes, against the budget at the time of issue of the purchase order. This recording of the obligation reserves that portion of the applicable appropriation and thereby maintains the integrity of the current year budget and subsequent budgets.

All departments and divisions submit budget requests in June of each year. The requests are reviewed and adjusted for presentation to the County Commissioners in August. There is a discretionary period in which the departments/divisions may adjust their budgets prior to the County Board's adoption of the proposed budget and certification of proposed tax levy in September. The County Board conducts a public hearing in early December, after which the final budget is adopted for the subsequent calendar year.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. This comparison for the General Fund and Anoka County's major governmental funds is included in the Required Supplementary Information section of this report.

REVENUE LIMITATIONS

For the 2012 budget, the State Legislature imposed a levy limit, which Anoka County met, with a certified levy decrease of 5.2 percent. The County Board of Commissioners is committed to holding down the County portion of taxes while continuing to provide the programs and improvements so necessary to our growing population.

CASH MANAGEMENT

The County-appointed Treasury Manager, under the direction of the Finance and Central Services Division Manager, is responsible for investing County funds. All funds were invested in securities in accordance with requirements set forth in Minnesota statutes. After adjustments in fair market value, the County had investment income in all governmental and proprietary funds of \$2,921,126 in 2012.

All cash and investments are deposited or invested in accordance with applicable statutes governing safekeeping options and requirements. The average rate of return for the past several years can be found in the Statistical Section, Table 19.

DEBT ADMINISTRATION

The ratio of net bonded debt to tax capacity and to market value and the amount of bonded debt per capita are useful indicators of the County's debt position. These indicators for the County at the end of the 2012 fiscal year were:

<u>Net Bonded Debt Amount</u>	<u>Net Bonded Debt Per Capita</u>	<u>Ratio of Net Bonded Debt to Market Value</u>	<u>Ratio of Net Bonded Debt to Tax Capacity</u>
\$ 206,070,940	\$ 611	0.85%	64.6%

Outstanding bonds and notes payable at December 31, 2012, totaled \$224,189,655 of which \$183,899,655 is considered to be gross direct tax supported debt. The amount available in debt service and capital projects funds applicable to this debt is \$18,118,713, which leaves a net direct bonded debt of \$165,780,942, which is approximately 22.9 percent of the County's statutory legal debt limit of \$724,495,937.

The County's recent general obligation bond issues and refunding issues have been rated AAA by Standard and Poor's.

INSURANCE

Anoka County has insurance coverage(s) in place to insure County property and assets against loss. In addition, the County self-insures against possible losses for general liability and workers' compensation. Table 21 in the Statistical Section provides detailed information on the levels and types of coverage in place.

CAPITAL PROJECTS FUND

The County's capital projects are financed with grants from the Metropolitan Council, federal and state grant funds, general obligation bond proceeds, and County tax levy. Completed projects and uncompleted construction in progress at year-end are capitalized. Additionally, funds in the Capital Projects Fund may be appropriated for general County building projects and other capital improvements and/or equipment.

INDEPENDENT AUDIT

Minnesota state law requires an annual examination of the books of account, financial records and transactions of the County by the State Auditor. This requirement has been complied with and the Auditor's report is included in the Financial Section of this report.

The State Auditor's Office will issue a management and compliance letter covering the review, made as a part of its examination of the County's system of internal control and compliance with applicable legal provisions. The management and compliance letter will not modify or affect, in any way, this Comprehensive Annual Financial Report.

SINGLE AUDIT

As a recipient of federal, state and local financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the internal staff of the County.

Office of Management and Budget (OMB) Circular A-133 sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal laws and regulations. The requirements have been established to ensure that audits are made on an organizational wide basis rather than a grant-by-grant basis. The grants for which these requirements applied are identified in the Schedule of Expenditures of Federal Awards.

As a part of the government's single audit, tests are performed to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Anoka County for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. This is the 25th consecutive year that the County has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this report for 2012 continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration.

Additionally, the GFOA presented an award of Distinguished Budget Presentation to Anoka County for its annual budget for the year 2012. This is the 15th year Anoka County has received this important award.

ACKNOWLEDGMENTS

I wish to acknowledge the professional contribution and hard work put forth by the entire Accounting and Budget staff and others in the Finance and Central Services Division throughout the year and during the preparation of this report. I also would like to thank the County Board of Commissioners for its interest and support in planning and conducting the financial activities of Anoka County in a responsible and progressive manner. The County's excellent financial status is a tribute to that involvement.

Respectfully submitted,

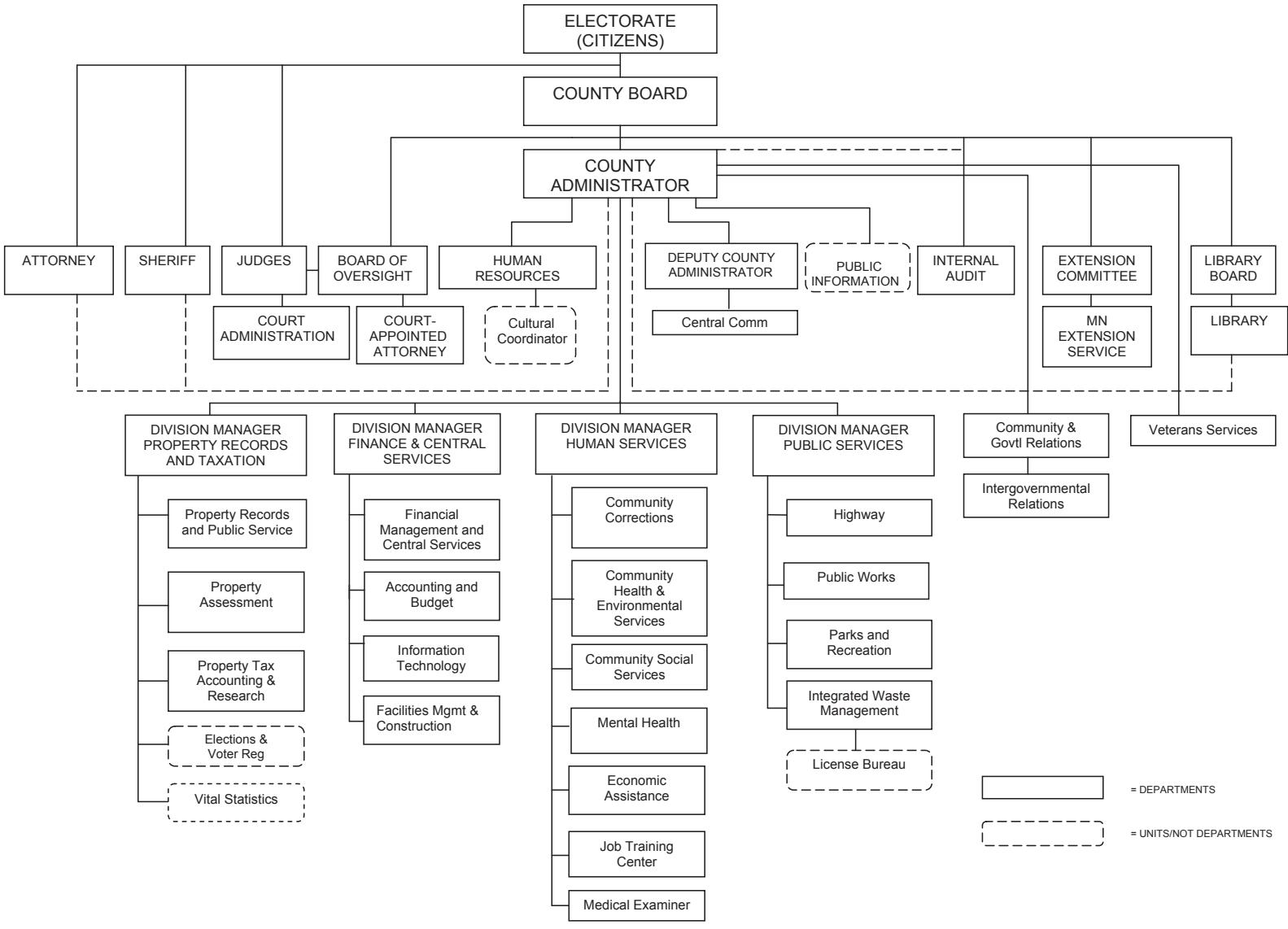
A handwritten signature in blue ink that reads "Cevin Petersen". The signature is fluid and cursive, with the first name "Cevin" and the last name "Petersen" clearly legible.

Cevin Petersen, Division Manager
Finance and Central Services Division

CP:

cc: Jerry Soma,
County Administrator

ANOKA COUNTY GOVERNMENT ORGANIZATIONAL CHART



= DEPARTMENTS
 = UNITS/NOT DEPARTMENTS

**ANOKA COUNTY
ANOKA, MINNESOTA**

**LIST OF PUBLIC OFFICIALS
2012**

<u>Office</u>	<u>Name</u>	<u>Term Expires</u>
County Board of Commissioners		
District #1	Matt Look	January 2017
District #2	Andy Westerberg	January 2013
District #2 Commissioner Elect	Julie Braastad	January 2017
District #3	Robyn West, Vice-Chair*	January 2017
District #4	Jim A. Kordiak	January 2015
District #5	Carol LeDoux	January 2015
District #6	Rhonda Sivarajah, Chair*	January 2017
District #7	Dan Erhart	January 2013
District #7 Commissioner Elect	Scott Schulte	January 2015
Elected County Officials		
Attorney	Tony Palumbo	January 2015
Sheriff	James Stuart	January 2015
Appointed County Officials		
County Administrator	Jerry Soma	Indefinite
Medical Examiner	Quinn Strobl, M.D.	December 31, 2014
Extension Service Agent **	Kim Boyce	Indefinite
Library Director	Marlene Moulton Janssen	Indefinite
Deputy County Administrator	Tim Yantos	Indefinite
Division Managers		
Finance and Central Services	Cevin Petersen	Indefinite
Human Services	Don Ilse	Indefinite
Property Records and Taxation	Larry Dalien	Indefinite
Public Services	Jon Olson	Indefinite
Human Resources Director	Melanie Ault	Indefinite

* During 2012

** Appointed by the University of Minnesota

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Anoka County
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Movill

President

Jeffrey R. Emsw

Executive Director

**ANOKA COUNTY
ANOKA, MINNESOTA**

FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County'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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of America 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 of 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 County'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 County'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, each major fund, and the aggregate remaining fund information of Anoka County as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anoka County's basic financial statements. The introductory section, the combining and individual fund financial statements, the other supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 a report dated June 21, 2013, on our consideration of Anoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anoka County's internal control over financial reporting and compliance.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 21, 2013

ANOKA COUNTY
ANOKA, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2012

(Unaudited)

As management of Anoka County, we offer readers of Anoka County's financial statements this narrative overview and analysis of the financial activities of Anoka County for the fiscal year ended December 31, 2012. 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 vi to xi of this report.

Financial Highlights

- The assets of Anoka County exceeded its liabilities at the close of the fiscal year by \$659 million (net position). Of this amount, the County has \$20.6 million in unrestricted net position.
- The County's total net position increased by \$36 million or about 6 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of \$176 million. Approximately 65 percent of this total amount, \$114 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly \$98 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was \$33.4 million or 33.8 percent of total General Fund expenditures.
- Anoka County's total debt increased by \$9.4 million (4.4 percent) during the current fiscal year. Anoka County's debt level continues to be categorized as low to moderate by Standard & Poors and manageable by Moody's Investor Services affirming their respective AAA and Aa1 ratings. Anoka County issued \$29.1 million in general obligation bonds and retired \$19.7 million debt in 2012.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Anoka County's basic financial statements, which are comprised of 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* provide readers with a broad overview of Anoka County's finances, in a manner similar to private-sector businesses.

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

The *Statement of Activities* presents information showing how Anoka County'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 compensated absences).

Both the Statement of Net Position and the Statement of Activities distinguish functions of Anoka County 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 Anoka County include general government, public safety, highways and streets, human services, sanitation, culture and recreation, including Chomonix Golf Course, conservation of natural resources and economic development. The business-type activity of Anoka County includes Bunker Beach Aquatic Center.

The government-wide financial statements can be found on pages 16 and 17 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. Anoka County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Anoka County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balance of spendable resources* available at the end of the fiscal year. In particular, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Anoka County maintains fourteen individual 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, the Road and Bridge and Human Services Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund, all of which are considered major governmental funds. Data from the other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Anoka County adopts annual appropriated budgets for the General Fund, and the Road and Bridge, Human Services, County Library, Parks and Recreation, Cooperative Extension, Law Library, Regional Railroad Authority, and Housing and Redevelopment Authority Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 to 21 of this report.

Proprietary funds. Anoka County maintains two different types of proprietary funds. *Enterprise funds* report the same functions presented as *business-type activities* in the government-wide financial statements. Anoka County uses an enterprise fund to account for its Aquatic Center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Anoka County's various functions. Anoka County uses an internal service fund to account for its pooled insurance operations. These services benefit governmental functions, and have been allocated to *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Bunker Beach Aquatic Center is considered a major proprietary fund of Anoka County.

The basic proprietary fund financial statements can be found on pages 22 to 24 of this report.

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Anoka County reports two fiduciary funds. The Other Postemployment Benefits Trust Fund is used to report contributions to an irrevocable trust fund and other postemployment benefits (OPEB) activity. The Agency Fund is used to report activity for programs that Anoka County acts as a fiscal agent. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Anoka County'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 pages 25 and 26 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 can be found on pages 27 to 56 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents other information, including: a) required supplementary information, other than Management's Discussion and Analysis (MD&A), that includes budgetary comparison schedules, which can be found on pages 58 to 61; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 67 to 74 of this report; c) the Statement of Changes in Assets and Liabilities for the Agency

Unaudited

Fund, which can be found on page 75; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 78 to 88.

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 Anoka County, assets exceeded liabilities by \$659 million at the close of the most recent fiscal year.

Anoka County Net Position
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 227,948	\$ 233,984	\$ 741	\$ 572	\$ 228,689	\$ 234,556
Capital assets	720,573	674,747	5,877	6,105	726,450	680,852
Total assets	948,521	908,731	6,618	6,677	955,139	915,408
Long-term liabilities outstanding	237,844	226,344	12	14	237,856	226,358
Other liabilities	58,578	66,307	5	16	58,583	66,323
Total liabilities	296,422	292,651	17	30	296,439	292,681
Net position:						
Net investment in capital assets	588,085	543,248	5,877	6,105	593,962	549,353
Restricted	44,102	41,068	-	-	44,102	41,068
Unrestricted	19,912	31,764	724	542	20,636	32,306
Total net position	\$ 652,099	\$ 616,080	\$ 6,601	\$ 6,647	\$ 658,700	\$ 622,727

By far the largest portion of Anoka County's net position (90.2 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. Anoka County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Anoka County'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. An additional portion of Anoka County's net position (6.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$20.6 million is unrestricted net position.

The increase in net investment in capital assets portion of net position of \$44.6 million is due to the completion of various highway projects.

There was an increase of \$3.0 million in restricted net position in connection with Anoka County's governmental activities. The majority of the increase was the result of the net activity of the recorders compliance and waste processing programs.

Additional details are outlined in the table, "Anoka County Changes in Net Position", and the discussion that follows.

Governmental activities. Governmental activities contributed \$36 million of the increase in Anoka County's total net position. Key elements of this increase are as follows:

Anoka County's capital assets increased by \$45.8 million in 2012, including construction of various highway road projects and related land acquisitions, and the ongoing construction of a highway facility.

Revenues from charges for services decreased by \$2.1 million as a result of decrease in fees collected for solid waste management.

Operating grants and contributions decreased by \$15.4 million. Highway's revenues decreased \$16.6 million due to the State turnback of CSAH 14/Main Street to Anoka County during prior year. Community Health grants decreased \$1.3 million. Regional Rail revenues increased by \$3.4 million due to state reimbursement of expenses for the Ramsey Northstar station project.

Unaudited

Capital grants and contributions increased by \$1.5 million in 2012. There was a decrease of \$3.6 million in highway planning and construction receipts due to the completion of various projects, a \$1.4 million decrease in the Parks and Recreation department due to the completion of the Rice Creek trails and other projects, while there was an increase of \$6.8 in economic development related to the construction of the Regional Rail Authority's Ramsey Northstar station.

Property tax revenue decreased by \$6 million (4.2 percent) during the year and reflects the amounts collected for debt service payments, funding the 2012 budget, and an increase in the property tax collection rate. Anoka County had planned for a decrease in levy of \$8.1 million.

Anoka County Changes in Net Position
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues						
Charges for services	\$ 39,297	\$ 41,352	\$ 1,607	\$ 1,581	\$ 40,904	\$ 42,933
Operating grants and contributions	90,929	106,337	-	-	90,929	106,337
Capital grants and contributions	16,619	15,104	-	-	16,619	15,104
General revenues:						
Property and wheelage taxes	138,177	144,193	-	-	138,177	144,193
Other	8,800	10,724	-	-	8,800	10,724
Total revenues	293,822	317,710	1,607	1,581	295,429	319,291
Expenses:						
General government	37,773	42,211	-	-	37,773	42,211
Public safety	59,024	60,178	-	-	59,024	60,178
Highway and streets	34,442	32,159	-	-	34,442	32,159
Human services	78,798	75,891	-	-	78,798	75,891
Sanitation	4,521	4,733	-	-	4,521	4,733
Culture and recreation	15,784	14,333	1,206	1,260	16,990	15,593
Conservation of natural resources	573	588	-	-	573	588
Economic development	18,182	11,421	-	-	18,182	11,421
Interest on long-term debt	9,153	9,243	-	-	9,153	9,243
Total expenses	258,250	250,757	1,206	1,260	259,456	252,017
Increase (Decrease) in net position before transfers	35,572	66,953	401	321	35,973	67,274
Transfers	447	479	(447)	(479)	-	-
Increase (Decrease) in net position	36,019	67,432	(46)	(158)	35,973	67,274
Net position - January 1	616,080	548,648	6,647	6,805	622,727	555,453
Net position -December 31	\$ 652,099	\$ 616,080	\$ 6,601	\$ 6,647	\$ 658,700	\$ 622,727

In 2007 Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. During 2012, the net Other Postemployment Benefits (OPEB) obligation was increased by \$1.7 million. That increase was allocated among various functions of governmental activities. General government, public safety and human services each averaged a \$470 thousand increase in OPEB expenses for 2012.

The decrease in general government expenses (excluding annual OPEB costs) of \$4.1 million reflects the transfer of a building for use by human services as well as the Voluntary Separation Program (VSP) offered to County employees. The VSP required vacant positions to stay open for two months, creating sizeable salary savings.

Public safety expenses (excluding OPEB) were down \$851 thousand primarily due to the results of the Voluntary Separation Program (VSP) offered to County employees.

Unaudited

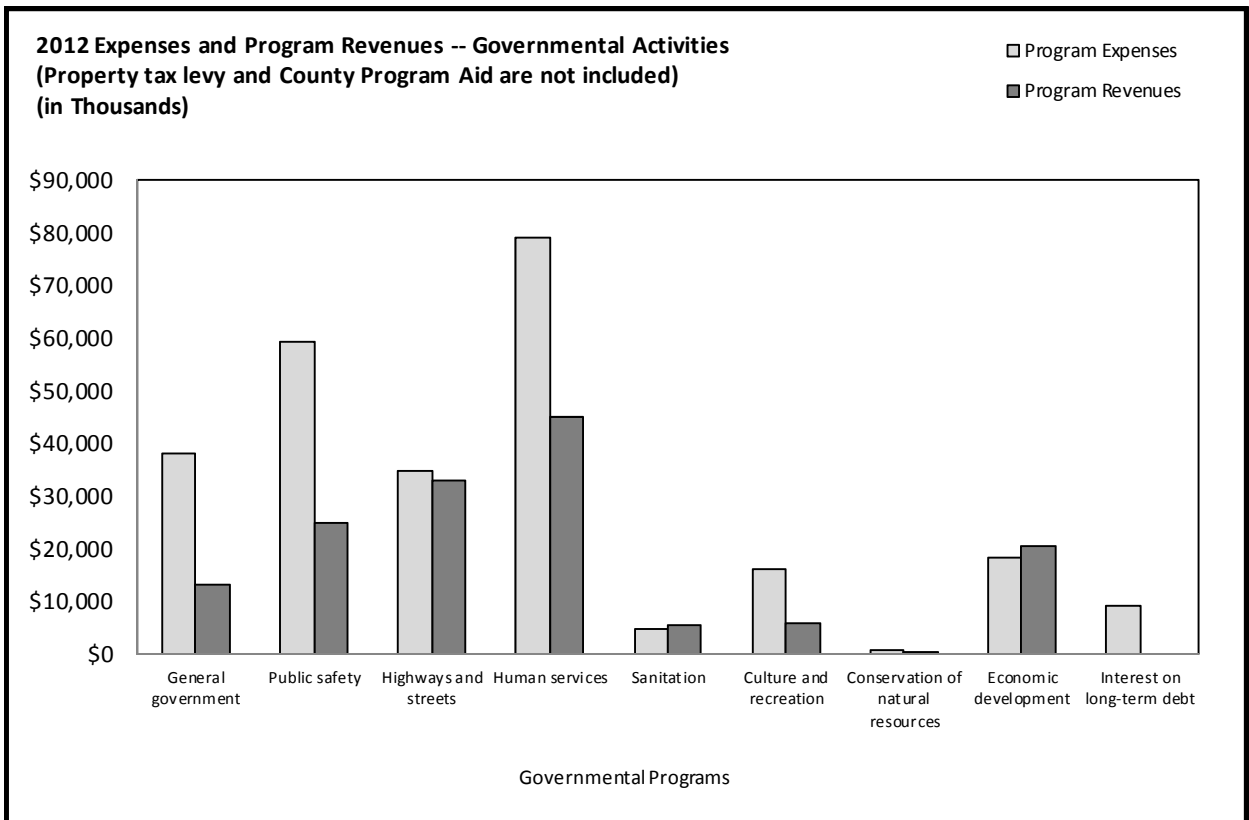
Highway expenses (excluding OPEB) increased \$2.4 million primarily due to the planned expansion of several CSAH's into four lane divided highways.

Expenses for human services (excluding OPEB) increased \$3.3 million as the result of a building transferred from general government for use by human service functions.

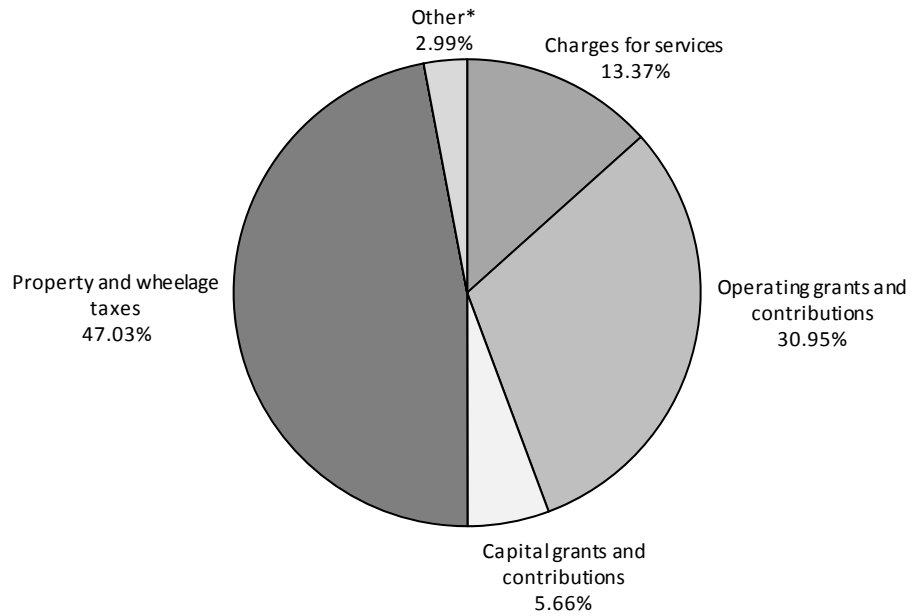
Culture and recreation expenses increased by \$1.5 million due to the capitalization of several assets during 2011 which reduced the functional expenses for that year.

Economic development expenses increased by \$6.8 million in 2012 due to the construction of the Ramsey Northstar rail station. Related grant revenues also increased.

The graph below reflects the program expenses and program revenues. Property tax levy and County Program Aid are not exhibited at the program level, but rather as general revenues, which are not displayed in this graph. General revenues are a significant portion of general government, public safety, and interest on long-term debt, therefore the gap between the program expenses and revenues for those functions are greater than the gap between expenses and revenues for economic development and culture and recreation. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Sanitation and economic development received more outside revenue in 2012 than program expenses. These funds are used in future years for various capital projects.

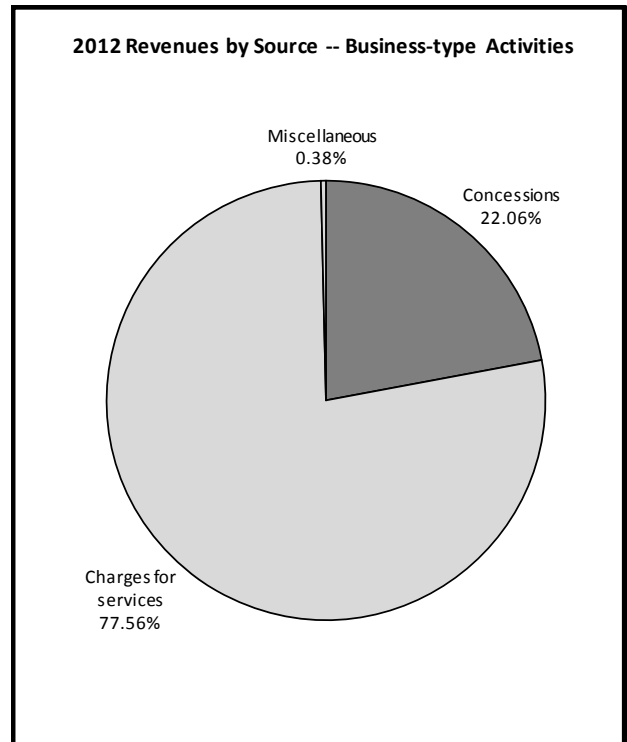
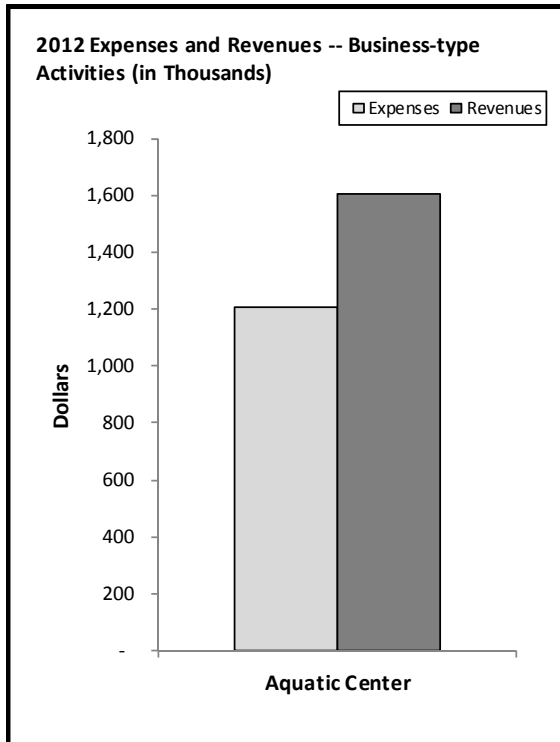


2012 Revenues by Source -- Governmental Activities



* Other includes grants and contributions not restricted to specific programs.

Business-type activities. Business-type activities decreased Anoka County's net position by \$46.2 thousand. The cooler than average summer of 2011 followed by a hotter than average summer in 2012 created a significant increase in operating income (\$72 thousand) at the Aquatic Center. That increase was offset by required debt service transfers to other funds.



Financial Analysis of the Government's Funds

As noted earlier, Anoka County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Anoka County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Anoka County's financing requirements. In particular, *committed, assigned, and unassigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2012, Anoka County's governmental funds reported combined ending fund balances of \$175.7 million. This is a \$2.5 million increase from 2011. The operating funds, excluding capital projects and debt service funds, for the County reflect a \$15.5 million decrease in fund balances. Approximately 65 percent, or \$114 million of the combined fund balance total, represents a combination of *committed, assigned* and *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable* or *restricted* to indicate that it is not available for new spending because it has already been committed: a) to cover inventories and prepaid items (\$2.6 million); b) for amounts held by escrow agents, including highway right-of-way (\$25.4 million); c) for funds held in an OPEB revocable trust account (\$288 thousand); d) for grants, donations, and revolving loans received but not yet fully expended (\$1.3 million); e) for debt service (\$17.6 million); and f) for a variety of other statutorily restricted purposes (\$14.0 million).

The General Fund is the chief operating fund of Anoka County. At the end of the current fiscal year, combined assigned and unassigned fund balance of the General Fund was \$33.4 million, while total fund balance was \$47.2 million. As a measure of the General Fund's liquidity, it may be useful to compare assigned and unassigned fund balance to total fund expenditures. Combined assigned and unassigned fund balance represents 33.8 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by \$55.6 thousand as a result of planned actions of the County. The key factors contributing to this change in fund balance are as follows:

- In anticipation of possible reductions in County Program Aid and market value tax credits from the State of Minnesota all County departments completed an exercise identifying potential budget cuts to offset future state changes.
- Fund balance in the General Fund remained level. Revenues came in better than budgeted for both grants and charges for services. Public safety revenues were higher than budgeted for both bed space at the juvenile center and for federal prisoners. Property tax recording fees came in higher than the budgeted amount due to the increased number of documents processed for property sales. Corrections closed Pines school during 2012 resulting in \$2.2 million budget savings in expenditures. Transfers out were made to other funds for future capital projects.
- The Road and Bridge Fund showed a \$19.2 million decrease in fund balance due to the spending of intergovernmental grant funds that were received during the prior year for the CSAH 14/Main Street project.
- Human Services' fund balance also remained level with budget savings transferred to other funds for future capital projects. The Debt Service Fund balance increased by \$12.6 million due to the issuance of refunding bonds.
- Fund balance in the Capital Projects Fund increased by \$5.4 million due to transfers from other funds for anticipated capital projects in future years and the issuance of bonds (\$13.88 million).

The 2012 variance between the final budget and actual expenditures in the General Fund was a positive \$2.0 million due to prudent spending in all areas of the budget.

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

Unrestricted net position of the Aquatic Center Enterprise Fund at the end of the current year were \$724 thousand. The Pooled Insurance Internal Service Fund has unrestricted net position of \$1.8 million.

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was an approximate \$2.1 million increase, due to additional grant funding received.

Unaudited

Capital Asset and Debt Administration

Capital assets. The total increase in Anoka County's capital assets, net of depreciation, for the current fiscal year was \$45.6 million. Investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, bridges, and software. The total increase in Anoka County's investment in capital assets for the current fiscal year was 6.7 percent.

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

- There were land purchases of \$3.8 million for infrastructure.
- Infrastructure values increased by \$1.7 million resulting from the completion of several highway reconstruction projects.
- The \$41.9 million increase in construction in progress reflects the current spending for a segment of the CSAH 14/Main Street infrastructure project and the highway facility construction.

Anoka County Capital Assets (net of depreciation, in thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 194,081	\$ 190,261	\$ -	\$ -	\$ 194,081	\$ 190,261
Buildings and structures	148,716	149,915	4,451	4,560	153,167	154,475
Improvements other than buildings	12,321	11,463	775	845	13,096	12,308
Machinery and equipment	18,094	18,941	651	700	18,745	19,641
Infrastructure	232,775	231,069	-	-	232,775	231,069
Software	3,673	4,055	-	-	3,673	4,055
Construction in progress	110,913	69,043	-	-	110,913	69,043
Total	\$ 720,573	\$ 674,747	\$ 5,877	\$ 6,105	\$ 726,450	\$ 680,852

Additional information on Anoka County's capital assets can be found in note 3.A.3 on pages 37 and 38 of this report.

Long-term debt. At the end of the current fiscal year, Anoka County had total bonded debt outstanding of \$224.2 million. Of this amount, \$183.9 million comprises debt backed by the full faith and credit of the County and \$40.3 million represents bonds secured solely by specified revenue sources, which are currently general obligations bonds supported by revenues.

Anoka County Outstanding Debt General Obligation and Revenue Bonds (in Thousands)

	Governmental activities	
	2012	2011
General obligation bonds and notes	\$ 173,750	\$ 173,460
Lease purchase obligations	10,150	10,874
General obligation bonds supported by revenues	40,290	30,475
Total	\$ 224,190	\$ 214,809

Unaudited

Anoka County's total debt increased by \$9.4 million (4.4 percent) during the current fiscal year. This is the net result of debt retirements totaling \$19.7 million, including partial defeasance of three bonds (\$5.7 million), and new debt issuances of \$29.1 million. New general obligation debt includes bonds for \$18.2 million. The bonds supported highway projects for CSAH 17, CSAH 116, and the highway facility expansion. New lease revenue obligation bonds of \$10.9 million refund debt for the ice arena facility.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total estimated market value. The current debt limitation for Anoka County is \$724.5 million. The current general debt obligation is \$165.8 million, or approximately 22.9 percent of the general obligation debt limit allowed.

Additional information on Anoka County's long-term debt can be found in the Notes to the Financial Statements, note 3.C.6 on pages 44 to 49 of this report.

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.
- Anoka County ranks fourth in size of Minnesota Counties.

These and other factors were considered in preparing Anoka County's budget for the 2013 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by \$55.7 thousand. Debt service and capital project funds comprise \$77.2 million of the total spendable fund balance to be used for future debt payments and completion of current capital projects. It is likely the Minnesota State Legislature will make further cuts to County Program Aid and several programs and services the County provides. The Anoka County Financial Policies delegate authority to the Division Manager of Finance and Central Services to assign fund balance for a specific purpose to be spent in future years.

Request for Information

This financial report is designed to provide a general overview of Anoka County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Cevin Petersen, Division Manager, Finance and Central Services, Anoka County, 2100 3rd Avenue, Suite 300, Anoka, MN 55303. You may also contact us via email at finance@co.anoka.mn.us or visit our website at www.anokacounty.us.

**ANOKA COUNTY
ANOKA, MINNESOTA**

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BASIC FINANCIAL STATEMENTS

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 1

STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents, and pooled investments	\$ 161,809,063	\$ 740,560	\$ 162,549,623
Cash and investments with escrow agents	25,447,093	-	25,447,093
Investments with trust account	288,080	-	288,080
Delinquent taxes receivable	3,782,411	-	3,782,411
Accounts receivable, net of allowance for doubtful accounts	2,512,733	-	2,512,733
Accrued interest receivable	594,130	-	594,130
Land held for resale	558,440	-	558,440
Loan receivable			
Due within one year	88,901	-	88,901
Due in more than one year	3,032,325	-	3,032,325
Leases receivable			
Due within one year	1,179,943	-	1,179,943
Due in more than one year	12,321,074	-	12,321,074
Due from other governments	10,605,079	-	10,605,079
Inventories	2,508,015	-	2,508,015
Prepaid items	122,498	-	122,498
Deferred charges	3,098,476	-	3,098,476
Capital assets not being depreciated:			
Land	194,080,612	-	194,080,612
Construction in progress	110,912,807	-	110,912,807
Capital assets, net of accumulated depreciation:			
Buildings and structures	148,716,238	4,451,041	153,167,279
Improvements other than buildings	12,321,481	775,555	13,097,036
Machinery and equipment	18,094,276	650,717	18,744,993
Infrastructure	232,774,564	-	232,774,564
Software	3,673,258	-	3,673,258
Total Assets	948,521,497	6,617,873	955,139,370
Liabilities			
Accounts payable	5,987,907	104	5,988,011
Salaries payable	5,857,853	4,750	5,862,603
Contracts payable	4,854,513	-	4,854,513
Due to other governments	2,736,914	-	2,736,914
Advances from other governments	1,888,320	-	1,888,320
Matured interest payable	3,520,331	-	3,520,331
Unearned revenue	16,555,198	-	16,555,198
Noncurrent Liabilities:			
Due within one year			
Bonds and notes payable	16,473,997	-	16,473,997
Compensated absences	421,420	583	422,003
Outstanding claims payable	257,626	-	257,626
Capital leases payable	23,875	-	23,875
Due in more than one year			
Bonds and notes payable	212,059,637	-	212,059,637
Compensated absences	8,006,978	11,082	8,018,060
Outstanding claims payable	805,338	-	805,338
Capital leases payable	29,091	-	29,091
Other postemployment benefits (OPEB) liability	16,943,102	-	16,943,102
Total Liabilities	296,422,100	16,519	296,438,619
Net Position			
Net investment in capital assets	588,085,098	5,877,313	593,962,411
Restricted for:			
Capital projects	328,249	-	328,249
Debt service	24,817,693	-	24,817,693
General government	5,964,412	-	5,964,412
Public safety	1,367,378	-	1,367,378
Highway	3,461,023	-	3,461,023
Sanitation	6,747,120	-	6,747,120
Culture and recreation	332,177	-	332,177
Conservation of natural resources	54,766	-	54,766
Economic development	1,029,513	-	1,029,513
Unrestricted	19,911,968	724,041	20,636,009
Total net position	\$ 652,099,397	\$ 6,601,354	\$ 658,700,751

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 37,772,485	\$ 9,067,757	\$ 4,121,144	\$ -	\$ (24,583,584)	\$ -	\$ (24,583,584)
Public safety	59,024,039	16,277,648	8,377,235	-	(34,369,156)	-	(34,369,156)
Highways and streets	34,442,191	235,456	24,869,031	7,821,480	(1,516,224)	-	(1,516,224)
Human services	78,798,325	4,746,215	40,144,544	-	(33,907,566)	-	(33,907,566)
Sanitation	4,521,419	4,211,448	1,091,171	-	781,200	-	781,200
Culture and recreation	15,783,949	2,460,210	1,098,690	1,988,678	(10,236,371)	-	(10,236,371)
Conservation of natural resources	573,117	47,127	12,000	-	(513,990)	-	(513,990)
Economic development	18,181,810	2,250,985	11,214,814	6,808,889	2,092,878	-	2,092,878
Interest expense and fiscal charges on long-term debt	9,152,835	-	-	-	(9,152,835)	-	(9,152,835)
Total governmental activities	258,250,170	39,296,846	90,928,629	16,619,047	(111,405,648)	-	(111,405,648)
Business-type activities:							
Aquatic center	1,206,089	1,607,431	-	-	-	401,342	401,342
Total primary government	<u>\$ 259,456,259</u>	<u>\$ 40,904,277</u>	<u>\$ 90,928,629</u>	<u>\$ 16,619,047</u>			
General Revenues:							
Property taxes collected for general purposes					117,023,562	-	117,023,562
Property taxes collected for debt service					19,765,144	-	19,765,144
Wheelage tax collected for highways and streets					1,388,677	-	1,388,677
Unrestricted investment earnings					3,242,169	-	3,242,169
Miscellaneous					5,557,569	-	5,557,569
Transfers					447,517	(447,517)	-
Total general revenues and transfers					147,424,638	(447,517)	146,977,121
Change in net position					36,018,990	(46,175)	35,972,815
Net position--January 1					616,080,407	6,647,529	622,727,936
Net position--December 31					<u>\$ 652,099,397</u>	<u>\$ 6,601,354</u>	<u>\$ 658,700,751</u>

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	\$ 45,225,669	\$ 6,556	\$ 28,318,563	\$ 17,300,368	\$ 40,015,052	\$ 28,117,613	\$ 158,983,821
Cash and investments with escrow agents	-	3,461,023	-	21,545,439	-	440,631	25,447,093
Investments with trust account	288,080	-	-	-	-	-	288,080
Delinquent taxes receivable	1,511,368	269,234	919,773	600,966	55,108	425,962	3,782,411
Accounts receivable, net of allowance for doubtful accounts	1,149,357	175,801	329,842	289,657	-	567,454	2,512,111
Accrued interest receivable	504,045	-	-	90,085	-	-	594,130
Land held for resale	-	-	-	-	-	558,440	558,440
Loan receivable	330,039	-	-	-	-	2,791,187	3,121,226
Leases receivable	13,501,017	-	-	-	-	-	13,501,017
Due from other funds	6,057,000	-	-	-	-	-	6,057,000
Due from other governments	2,818,692	407,133	5,408,084	-	-	1,971,170	10,605,079
Advances to other funds	-	-	-	-	210,000	-	210,000
Inventories	-	2,474,207	-	-	-	33,808	2,508,015
Prepaid items	115,221	-	7,277	-	-	-	122,498
Total Assets	71,500,488	6,793,954	34,983,539	39,826,515	40,280,160	34,906,265	228,290,921
Liabilities and Fund Balances							
Liabilities							
Accounts payable	2,727,347	466,390	2,077,785	2,525	14,392	698,515	5,986,954
Salaries payable	3,725,191	306,736	1,511,126	-	-	314,800	5,857,853
Contracts payable	238,647	1,958,460	-	-	1,895,891	761,515	4,854,513
Due to other funds	-	6,025,000	-	-	-	32,000	6,057,000
Due to other governments	1,018,493	1,518,500	69,168	-	36,449	83,112	2,725,722
Advances from other funds	-	-	-	-	-	210,000	210,000
Advances from other governments	-	1,888,320	-	-	-	-	1,888,320
Matured interest payable	-	-	-	99,611	-	-	99,611
Deferred revenue	16,621,744	522,827	1,795,637	600,966	59,351	5,359,948	24,960,473
Total Liabilities	24,331,422	12,686,233	5,453,716	703,102	2,006,083	7,459,890	52,640,446
Fund Balances							
Nonspendable in (Note 3.D.):							
General Fund	115,221	-	-	-	-	-	115,221
Special revenue funds	-	2,474,207	7,277	-	-	33,808	2,515,292
Capital Projects Fund	-	-	-	-	210,000	-	210,000
Restricted in (Note 3.D.):							
General Fund	13,689,641	-	-	-	-	-	13,689,641
Special revenue funds	-	3,461,023	-	-	-	1,805,725	5,266,748
Debt Service Fund	-	-	-	39,123,413	-	-	39,123,413
Capital Projects Fund	-	-	-	-	328,249	-	328,249
Committed in (Note 3.D.):							
Special revenue funds	-	-	-	-	-	6,722,520	6,722,520
Assigned in (Note 3.D.):							
General Fund	4,659,222	-	-	-	-	-	4,659,222
Special revenue funds	-	-	29,522,546	-	-	18,884,322	48,406,868
Capital Projects Fund	-	-	-	-	37,735,828	-	37,735,828
Unassigned	28,704,982	(11,827,509)	-	-	-	-	16,877,473
Total Fund Balances	47,169,066	(5,892,279)	29,529,823	39,123,413	38,274,077	27,446,375	175,650,475
Total Liabilities and Fund Balances	\$ 71,500,488	\$ 6,793,954	\$ 34,983,539	\$ 39,826,515	\$ 40,280,160	\$ 34,906,265	\$ 228,290,921

The notes to the financial statements are an integral part of this statement.

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012**

Total fund balances for governmental funds (Exhibit 3)	\$	175,650,475
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		720,573,236
Deferred charges are not available to pay current expenditures and, therefore, are not deferred in the funds.		3,098,476
An internal service fund is used by the County to charge the cost of insurance to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,750,755
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.		
Bonds and notes payable - net of premium and discount	\$ (228,533,634)	
Compensated absences	(8,428,398)	
Other postemployment benefits	(16,943,102)	
Capital leases payable	<u>(52,966)</u>	
Total long term liabilities		(253,958,100)
Matured interest payable is not due and payable in the current period and therefore, is not reported on the fund statements.		
Matured interest payable reported on Exhibit 1	\$ (3,520,331)	
Matured interest payable reported on Exhibit 3	<u>99,611</u>	
		(3,420,720)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		<u>8,405,275</u>
Net position of governmental activities (Exhibit 1)	\$	<u><u>652,099,397</u></u>

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 50,675,280	\$ 8,502,578	\$ 30,314,003	\$ 19,785,333	\$ 2,779,754	\$ 13,480,605	\$ 125,537,553
Licenses and permits	239,855	72,982	969,904	-	-	2,475	1,285,216
Intergovernmental	20,380,831	33,739,222	42,848,850	169,067	155,835	20,173,570	117,467,375
Charges for services	28,357,490	73,235	2,191,974	-	-	1,852,748	32,475,447
Fines and forfeits	4,458	-	-	-	-	667,248	671,706
Investment income	2,769,767	25,346	16,868	62,430	16,775	29,902	2,921,088
Miscellaneous	5,187,702	298,430	2,938,494	1,203,510	125,314	4,425,631	14,179,081
Total Revenues	107,615,383	42,711,793	79,280,093	21,220,340	3,077,678	40,632,179	294,537,466
Expenditures							
Current							
General government	37,374,415	-	-	-	2,667,251	395,870	40,437,536
Public safety	56,277,147	-	-	-	92,625	8,305	56,378,077
Highways and streets	-	63,455,600	-	-	5,763	-	63,461,363
Human services	343,567	-	73,902,713	-	55,842	-	74,302,122
Sanitation	4,509,247	-	-	-	-	-	4,509,247
Culture and recreation	194,255	-	-	-	-	15,119,957	15,314,212
Conservation of natural resources	148,992	-	-	-	-	421,294	570,286
Economic development	-	-	-	-	-	17,733,747	17,733,747
Debt Service							
Principal retirement	-	-	-	19,703,850	-	22,916	19,726,766
Interest	-	-	-	8,516,865	-	2,949	8,519,814
Bond issuance costs	-	-	-	233,014	198,722	-	431,736
Administrative charges	-	-	-	56,333	750	-	57,083
Capital Outlay							
General government	-	-	-	-	3,115,423	-	3,115,423
Public safety	-	-	-	-	382,493	-	382,493
Highways and streets	-	-	-	-	16,878,884	-	16,878,884
Human services	-	-	-	-	227,186	-	227,186
Culture and recreation	-	-	-	-	187,438	-	187,438
Intergovernmental							
Highways and streets	-	27,344	-	-	-	-	27,344
Economic development	-	-	-	-	-	68,981	68,981
Total Expenditures	98,847,623	63,482,944	73,902,713	28,510,062	23,812,377	33,774,019	322,329,738
Excess of Revenues Over (Under) Expenditures	8,767,760	(20,771,151)	5,377,380	(7,289,722)	(20,734,699)	6,858,160	(27,792,272)
Other Financing Sources (Uses)							
Transfers in	694,934	1,700,000	50,002	4,425,321	10,902,890	551,089	18,324,236
Transfers out	(8,893,937)	(82,000)	(4,763,948)	-	(192,865)	(4,943,969)	(18,876,719)
Bonds issued	-	-	-	-	13,880,000	-	13,880,000
Refunding bonds issued	-	-	-	15,205,000	-	-	15,205,000
Premium on bonds	-	-	-	228,808	1,515,351	-	1,744,159
Total Other Financing Sources (Uses)	(8,199,003)	1,618,000	(4,713,946)	19,859,129	26,105,376	(4,392,880)	30,276,676
Net Change in Fund Balances	568,757	(19,153,151)	663,434	12,569,407	5,370,677	2,465,280	2,484,404
Fund Balances - January 1	46,600,309	13,224,424	28,866,389	26,554,006	32,903,400	24,985,823	173,134,351
Increase (decrease) in inventories	-	36,448	-	-	-	(4,728)	31,720
Fund Balances - December 31	\$ 47,169,066	\$ (5,892,279)	\$ 29,529,823	\$ 39,123,413	\$ 38,274,077	\$ 27,446,375	\$ 175,650,475

The notes to the financial statements are an integral part of this statement.

**ANOKA COUNTY
ANOKA, MINNESOTA**

EXHIBIT 6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (Exhibit 5) \$ 2,484,404

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	\$ 63,187,714	
Current year depreciation	<u>(15,900,158)</u>	
		47,287,556

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:		
Refunding general obligation (GO) bonds supported by revenues	\$ (10,885,000)	
General obligation (GO) bonds and notes	(13,880,000)	
Refunding general obligation (GO) bonds	(4,320,000)	
Principal repayments:		
Debt service principal retirement	19,726,766	
Issuance costs, discounts, and premiums	(1,312,423)	
Current year amortization of issuance costs, discounts, and premiums	<u>105,294</u>	
		(10,565,363)

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position. (1,461,735)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Earned but unavailable portion of deferred revenue reported in the governmental funds net of current year delinquent tax collections.

Deferred revenue - unavailable - December 31	\$ 8,405,275	
Deferred revenue - unavailable - January 1	<u>(9,526,990)</u>	
		(1,121,715)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in compensated absences (\$218,150), change in interest payable (-\$229,988), and changes in inventories (\$31,720). 19,882

Current year net change in other postemployment benefits (OPEB) obligation. (1,699,817)

An internal service fund is used to charge the insurance costs to the individual funds. The increase in net position of the internal service fund is reported in the government-wide statement of activities. 1,075,778

Changes in net position of governmental activities (Exhibit 2) \$ 36,018,990

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
<u>Assets</u>		
Current Assets:		
Cash, cash equivalents, and pooled investments	\$ 740,560	\$ 2,825,242
Accounts receivable	-	622
Total current assets	740,560	2,825,864
Noncurrent Assets:		
Capital assets	8,149,779	-
Less: accumulated depreciation	(2,272,466)	-
Total capital assets (net of accumulated depreciation)	5,877,313	-
Total noncurrent assets	5,877,313	-
Total Assets	6,617,873	2,825,864
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	104	953
Salaries payable	4,750	-
Due to other governments	-	11,192
Compensated absences	583	-
Outstanding claims payable	-	257,626
Total current liabilities	5,437	269,771
Noncurrent Liabilities:		
Compensated absences	11,082	-
Outstanding claims payable	-	805,338
Total noncurrent liabilities	11,082	805,338
Total Liabilities	16,519	1,075,109
<u>Net Position</u>		
Investment in capital assets	5,877,313	-
Unrestricted (deficit)	724,041	1,750,755
Total Net Position	\$ 6,601,354	\$ 1,750,755

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Aquatic Center Enterprise Fund</u>	<u>Pooled Insurance Internal Service Fund</u>
<u>Operating Revenues</u>		
Charges for services	\$ 1,246,867	\$ -
Concessions	354,532	-
Insurance fees	-	642,358
Miscellaneous	6,032	7,129
Total Operating Revenues	1,607,431	649,487
<u>Operating Expenses</u>		
Personal services	526,857	-
Other services and charges	229,356	-
Supplies	214,660	-
Professional services	-	36,825
Insurance	-	536,922
Depreciation	233,256	-
Total Operating Expenses	1,204,129	573,747
Operating Income (Loss)	403,302	75,740
<u>Nonoperating Revenues (Expenses)</u>		
Investment income	-	38
Loss on disposal of capital assets	(1,960)	-
Total Nonoperating Revenues (Expenses)	(1,960)	38
Net Income (Loss) Before Transfers and Contributions	401,342	75,778
<u>Transfers and Contributions</u>		
Transfers in	7,483	1,000,000
Transfers out	(455,000)	-
Increase (Decrease) in Net Position	(46,175)	1,075,778
Net position - January 1	6,647,529	674,977
Net position - December 31	\$ 6,601,354	\$ 1,750,755

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
Increase (Decrease) in Cash and Cash Equivalents

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 1,610,286	\$ 648,865
Payments to suppliers	(455,714)	(535,468)
Payments to employees	(527,861)	-
Net cash provided (used) by operating activities	626,711	113,397
Cash Flows from Noncapital Financing Activities:		
Transfer from other funds	7,483	1,000,000
Transfer to other funds	(455,000)	-
Net cash provided (used) by noncapital and related financing activities	(447,517)	1,000,000
Cash Flows from Capital and Related Financing Activities:		
Purchases of capital assets	(7,481)	-
Cash Flows from Investing Activities:		
Interest received	-	38
Net increase (decrease) in cash and cash equivalents	171,713	1,113,435
Cash and cash equivalents, January 1	568,847	1,711,807
Cash and cash equivalents, December 31	\$ 740,560	\$ 2,825,242
Reconciliation of operating income to net cash provided (used) by operating activities:		
Net operating income (loss)	\$ 403,302	\$ 75,740
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	233,256	-
(Increase) decrease in Accounts receivable	2,855	(622)
Increase (decrease) in Accounts payable	(96)	928
Increase (decrease) in Salaries payable	360	-
Increase (decrease) in Contracts payable	(10,000)	-
Increase (decrease) in Due to other governments	(1,602)	4,244
Increase (decrease) in Compensated absences	(1,364)	-
Increase (decrease) in Outstanding claims payable	-	33,107
Total adjustments	223,409	37,657
Net cash provided (used) by operating activities	\$ 626,711	\$ 113,397

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 10

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	<u>Other Postemployment Benefits Trust Fund</u>	<u>Agency Fund</u>
<u>Assets</u>		
Cash and pooled investments	\$ -	\$ 8,485,759
Investments, at fair value		
Index Funds	34,319,064	-
Accounts receivable	900,000	6,382
Due from other governments	-	990,100
	<u> </u>	<u> </u>
Total Assets	<u>35,219,064</u>	<u>9,482,241</u>
 <u>Liabilities</u>		
Accounts payable	-	1,743,775
Due to other governments	-	7,738,466
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>\$ 9,482,241</u>
 <u>Net Position</u>		
Held in trust for postemployment benefits	<u>\$ 35,219,064</u>	

The notes to the financial statements are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

EXHIBIT 11

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Other Postemployment Benefits Trust Fund</u>
<u>Additions</u>	
Employer contributions	\$ 1,270,000
Investment earnings	4,661,563
Less investment expense	2,856
Net investment earnings	<u>4,658,707</u>
Total Additions	<u>5,928,707</u>
Change in net position	5,928,707
Net position - January 1	<u>29,290,357</u>
Net position - December 31	<u><u>\$ 35,219,064</u></u>

The notes to the financial statements are an integral part of this statement.

**ANOKA COUNTY
ANOKA, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

1. Summary of Significant Accounting Policies

Anoka County was established May 23, 1857, and is an organized county having the powers, duties and privileges granted counties by Minn. Stat. ch. 373. Anoka County is governed by a seven-member board of commissioners elected from districts within the County for four-year terms. The Board is organized with a chair and vice-chair elected at the organizational meeting in January of each year. The County Board appoints the County Administrator for an indefinite term. The County Administrator has no vote in the decisions of the County Board.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

For financial reporting purposes, Anoka County has included all funds, organizations, agencies, boards, commissions, and authorities, and has considered all potential component units for which the County is financially accountable, and other organizations whose nature and the significance of their relationship with the County are such that exclusion would cause Anoka County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

As required by generally accepted accounting principles, these financial statements present Anoka County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

See Note 4.B. for the description of a related organization.

Blended Component Units

Blended component units are entities, which are legally separate from the County, but are so intertwined that they are, in substance, the same as the County. They are reported as part of the primary government.

The **ANOKA COUNTY REGIONAL RAILROAD AUTHORITY** is governed by a seven-member board consisting of the Anoka County Commissioners, and has the power to levy taxes, issue bonds, and enter into contracts. The Authority was established for the preservation and improvement of local rail service. Although it is legally separate from the County, the activity of the Regional Railroad Authority is included in the Anoka County reporting entity as the Regional Railroad Authority Special Revenue Fund and the Regional Railroad Authority Bond Debt Service Fund because the Authority's governing body is substantively the same as the governing body of Anoka County. Separate financial statements are not available for the Anoka County Regional Railroad Authority.

The **ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY** is governed by a seven-member board consisting of four of the seven Anoka County Commissioners and three appointed members, one of which is a former Anoka County Board member. The Authority has the power to levy taxes, issue bonds, and enter into contracts. The Authority was established to assist with the implementation of a redevelopment plan to promote economic development within Anoka County. Although it is legally separate from the County, the activity of the Housing and Redevelopment Authority is included in the Anoka County reporting entity as the Housing and Redevelopment Authority Special Revenue Fund and the Housing and Redevelopment Authority Bonds Debt Service Fund, because the Authority's governing body is substantively the same as the governing body of Anoka County. Separate financial statements are not available for the Anoka County Housing and Redevelopment Authority.

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These activities are not eliminated in the process of consolidation. 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 to external parties for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

**ANOKA COUNTY
ANOKA, MINNESOTA**

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities and business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

Operating expenses for enterprise funds and internal service funds include services, supplies, insurance, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

The Road and Bridge Special Revenue Fund accounts for operations of the County Highway Department, which constructs and maintains roads, bridges, road signals and signs, and other projects affecting the roadways. Financing comes primarily from intergovernmental revenue from the State and Federal Governments and an annual property tax levy.

The Human Services Special Revenue Fund accounts for all costs of human services. This includes the cost of Economic Assistance programs, social and mental health services provided by the Human Services Division or purchased through contract, and the County's support to the Community Action Program. Financing comes primarily from an annual property tax levy and intergovernmental revenue from the State and Federal Governments.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term debt.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvement of major capital facilities (other than those financed by Proprietary Funds).

The County reports the following major enterprise fund:

The Aquatic Center Fund is used to account for the operation and maintenance of the Bunker Beach Aquatic Center.

Additionally, the County reports the following fund types:

The Pooled Insurance Internal Service Fund accounts for the County's self-insurance activities.

The Trust Fund accounts for an irrevocable trust established for funding other postemployment benefits for eligible retired employees under a single employer defined benefit plan.

The Agency Fund is used to account for assets held by the County as a trustee or agent for individuals, private organizations, other governments, or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

**ANOKA COUNTY
ANOKA, MINNESOTA**

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Shared revenues are generally recognized in the period the appropriation goes into effect. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Anoka County considers all revenues to be *available* if they are collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants for which the period is 120 days. Property and other taxes, shared revenues, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

Anoka County maintains a cash and investment pool that is used essentially as a demand deposit account. This pool is available for use by all funds of the County and each fund type's portion of this pool is displayed on the Statement of Net Position within "Cash, cash equivalents, and pooled investments."

Cash and cash equivalents are identified only for the purpose of the Statement of Cash Flows reporting by the proprietary funds. Pooled investments, which have the characteristics of demand deposits, are considered to be cash and cash equivalents on the Statement of Cash Flows.

Pooled (in lieu of cash) investments are stated at fair value. Investment earnings are allocated to the Road and Bridge, Human Services, Job Training Center, and Regional Railroad Authority Special Revenue Funds, and to the Capital Projects Fund, based on cash balances set aside for specific purposes within those funds. Pursuant to Minn. Stat. § 385.07, investment earnings on unallocated cash and pooled investments are credited to the General Fund. Pooled investment earnings in the governmental funds, for 2012 were \$2,921,088. (See Note 3.A.)

Investments with escrow agents and trust accounts are stated at fair value. Investment earnings on cash and investments with escrow agents and investments in trust accounts are credited to the funds in which they are held.

Anoka County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the SEC, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. The investment in the pool is measured at the net asset value per share provided by the pool.

Minn. Stat. § 118A.04 and 118A.05 authorize the following types of investments that are available to the County:

- a. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6.
- b. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.
- c. General obligations of the State of Minnesota and its municipalities; and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service.
- d. Bankers' acceptances issued by United States banks.
- e. Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized ratings agencies and matures in 270 days or less.
- f. With certain restrictions, as identified by statutes, repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

**ANOKA COUNTY
ANOKA, MINNESOTA**

1. Summary of Significant Accounting Policies

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables, including those of the blended component units are shown net of an allowance for doubtful accounts.

Property Taxes

Property tax levies are set by the County Board in December each year following a public "truth in taxation" hearing. The levy is reduced by State paid aids referred to as County Program Aid. The remaining net levy is spread on all taxable real and personal property. Taxes which remain unpaid at December 31 are delinquent. Such taxes become a lien on January 1 and are recorded as receivables by the County at that date. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Property taxes are payable in two installments for real estate and one payment for personal property. The dates are listed below:

Real Estate	- first half	- May 15
	- second half	- October 15
Personal Property	- one payment	- May 15

Loans

Loans may be made to private enterprises or individuals as per the parameters of the specific programs. The Community Development Block Grant Special Revenue Fund provides rehabilitation loans to individuals. The General Fund has forfeited tax sale contracts for repurchase and a loan for temporary delay of rental revenues.

Leases

The County has issued lease revenue obligation debt for organizations. A long term lease exists between the County and the organization which matches the term of the debt.

3. Land Held for Resale

Property is acquired by the Community Development Block Grant (CDBG) for subsequent resale for redevelopment purposes and not as an investment program. In order to encourage development, the land is often resold at prices substantially lower than CDBG's cost and cannot be sold for more than expended. Land Held for Resale is reported as an asset at the lower of cost or net realizable value in the fund that acquired it. Deferred revenue of an equal amount is also reported on the respective governmental fund balance sheet. In governmental funds, in order to satisfy federal grant reporting requirements, land acquired is reported as an expenditure in the amount of the acquisition cost and as federal revenue for the same amount. When the land is subsequently sold, miscellaneous program income is recognized for the sale amount. Future drawdowns from the federal government for reimbursement of expenditures incurred are adjusted by program income available at that date.

4. Inventories and Prepaid Items

Inventory: Inventory is valued at cost, using the first-in, first-out (FIFO) method. The inventory in the Road and Bridge Special Revenue Fund consists of expendable supplies held for consumption. The inventory in the Parks and Recreation Special Revenue Fund consists of items held for resale. The cost of the inventory is recorded as an expenditure in the governmental fund statements at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources."

Inventories at the government-wide level are recorded as expenses when consumed.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources."

Prepaid items are expensed using the consumption method for both the government-wide and fund financial statements.

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, excluding infrastructure, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Infrastructure assets are capitalized when the cost of the individual items or projects are greater than \$100,000. 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 at 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.

**ANOKA COUNTY
ANOKA, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Position or Equity

5. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current period, the County did not have any capitalized interest.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 years
Infrastructure	50 years
Land improvements	20 years
Furniture and fixtures	20 years
Machinery and tools	15 years
Intangible assets	12 years
Office machines and equipment	10 years
Licensed vehicles	8 years
Unmarked vehicles	5 years
Marked vehicles	3 years
Information and technology management equipment	5 years

6. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual vacation and sick leave and flexible time off balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Deferred Revenue / Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and government-wide financial statements defer revenue recognition in connection with resources that have been received, but not yet earned.

8. 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 obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received and discounts taken on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Because the rates of interest paid on tax exempt debt are normally lower than those paid on taxable securities, it is sometimes possible for state and local governments to profit from this disparity in interest rates by temporarily reinvesting unexpended proceeds of lower interest tax exempt borrowings in higher yielding taxable securities. When the proceeds of tax-exempt debt are reinvested in this manner, the profits realized are referred to as "arbitrage earnings", which must be rebated to the federal government.

9. Fund Equity

Classification of Net Position

Net position in the government-wide and proprietary fund financial statements are classified in the following categories:

1. Net investment in capital assets: the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.
2. Restricted net position: the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position: the amount of net position that does not meet the definition of restricted or net investment in capital assets.

**ANOKA COUNTY
ANOKA, MINNESOTA**

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Position or Equity

9. Fund Equity (Continued)

Classification of Fund Balances

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 "Fund Balance Reporting and Government Fund Type Definitions." The new standard has no effect on the total amount reported as fund balances; however it alters the categories and terminology used to present the amounts on the governmental fund balance sheet. The statement establishes an initial distinction between what is considered nonspendable and what is spendable. The statement also provides for additional classifications for spendable items. These classifications are based upon the relative strength of the constraints that control how specific amounts can be spent.

1. Nonspendable: Fund balances classified as nonspendable include assets that will never convert to cash, such as prepaid items and inventories of supplies.
2. Spendable: All fund balances that are not classified as nonspendable are deemed spendable. The statement provides for classifications within the spendable category based upon the relative strength of the constraints that control how specific amounts can be spent. Those classifications are as follows:
 - a. Restricted: Net fund resources that are subject to externally enforceable legal restrictions are deemed to be restricted. These restrictions are either 1) externally imposed by creditors (via bond or loan covenants), grantors, contributors or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.
 - b. Committed: Net fund balances that represent resources that can be used only for the specific purposes determined by formal action of the Board are deemed to be committed. The County's formal actions, or board resolutions, are the highest decision making level and remain binding unless removed in the same manner. Additionally, any Board action, either binding or unbinding, need be taken prior to the end of the calendar year.
 - c. Assigned: Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. All assigned items are approved by the Finance and Central Services Division Manager.
 - d. Unassigned: The residual classification of the County's General Fund not contained in the other classifications is deemed to be unassigned. In other governmental funds, the unassigned classification is used only to report deficit balances resulting from overspending for specific purposes for which amounts had been restricted or committed.

It is the policy of the County to spend fund balance in the following order: *restricted, committed, assigned* and then *unassigned*.

Minimum Fund Balance Policy

Anoka County has adopted a minimum fund balance policy to address cash flow or working capital needs and contingencies in the General Fund, which is heavily reliant on property tax revenues to fund current operations. However, current property tax revenues are not available for distribution until June. Therefore, the County Board has determined they need to maintain an unassigned fund balance in the General Fund equaling 35-50% of the next year's operations, which is calculated as total budgeted operating expenditures less total budgeted operating (non-tax) revenues.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

2. Stewardship, Compliance, and Accountability

Deficit Fund Balance

At December 31, 2012 the Road and Bridge Special Revenue Fund had a deficit fund balance of \$5,892,279. The deficit will be eliminated with future State Aid highway allotments.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits

Minn. Stat. Sec. 118A.02 and 118A.04 authorize the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Board. Minnesota Statute 118A.03 requires that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rate "A" or better, revenue obligations rated "AA" or better, irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. County policy requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank irrevocable letters of credit may be substituted for qualifying government securities at some institutions. Depository balances are monitored as necessary, to assure the coverage in place, meets or exceeds statutory requirements as specified in Minn. Stat. 118A.03. As of December 31, 2012, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value. The following is a summary of the fair values of the County's investments, at December 31, 2012:

Primary government	
Cash, cash equivalents and pooled investments	\$ 162,549,623
Cash and investments with escrow agents	25,447,093
Investments with trust account	288,080
Fiduciary funds	
Cash, cash equivalents and pooled investments	
Agency Fund	8,485,759
Investments	
Trust Fund	<u>34,319,064</u>
Total cash and investments	<u>\$ 231,089,619</u>

Minn. Stat. § 118A.06 authorizes the following safekeeping options for the County's investments:

- (1) Any federal reserve bank.
- (2) Any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including but not limited to the bank from which the investment is purchased.
- (3) A primary reporting dealer in United States government securities to the Federal Reserve Bank of New York.
- (4) A securities broker-dealer, registered under Minn. Stat. ch. 80A, regulated by the Securities and Exchange Commission and maintaining SIPC insurance and excess SIPC insurance on the value of County securities held.

The County's ownership of all securities must be evidenced by written acknowledgements identifying the securities by the names of issuers, maturity dates, interest rates, CUSIP numbers, or other distinguishing marks.

Anoka County contracts with an authorized third party institution for safekeeping. All County investment securities were properly safe kept, at December 31, 2012.

Interest Rate Risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The County minimizes their exposure to interest rate risk by investing in both shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. County policy limits maximum maturity/average life to fifteen years for individual investments and ten years for the total portfolio.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

Credit Risk. Generally credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the County's policy to invest only in securities that meet the ratings requirements set by State Statute. Minnesota State Statute permits the following investments: United States securities; state or local government general obligation securities rated "A" or better; state or local government revenue obligation securities rated "AA" or better; Minnesota Housing Finance Agency general obligation securities rated "A" or better; highest rated commercial paper issued by United States corporations; time deposits insured by Federal Deposit Insurance Corporation (FDIC); specified mortgage-backed securities; and temporary general bonds.

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's policy states all investment securities purchased by the County shall be held in safekeeping by a third-party designated institution as agency for the County. As of December 31, 2012, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss to the portfolio related to the volume/quantity of the investments with a single issuer should that issuer fail. The investment policy of Anoka County limits concentration by security type to encourage a properly diversified portfolio.

Investments in any one issuer that represent 5% or more of the County's investments are as follows:

<u>Issuer</u>	<u>Reported Amount</u>
Federal Home Loan Bank (FHLB)	\$ 48,586,871
Federal National Mortgage Association Note (FNMA)	41,701,616
U.S. Treasury securities (UST)	28,196,425

The primary objective of the County investment policy is capital preservation and liquidity. To achieve this goal, while enhancing returns and improving diversification, the portfolio is divided into multiple liquidity pools consisting of short, medium and core investment portfolios. The pools are assigned differing maturity and duration requirements, with the most liquid portions of the portfolio administered in-house and the core reserve portfolio assigned to select asset managers.

- (1) The core reserve portfolio pool will have a longer time horizon and will not be needed to fund current operations. The funds in this pool are comprised of reserve funds, which are managed on a total return basis.
- (2) The liquidity reserve portfolio is a pool comprised of investments of shorter maturities, which may be needed to fund temporary shortfalls in operating cashflows. The pool size is varied to meet changing liquidity circumstances and laddered to assure even maturities over time to supplement short liquidity positions.
- (3) The current cash flow or liquidity portion of the portfolio is intended to balance cash flow timing with current and statutory payment obligations. Investment maturities are matched with current liabilities and payables.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The following table presents the County's investment balances at December 31, 2012, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Fair Value	Interest Rate Risk
Core Reserve Pool						
U.S. Government Agency securities						
Federal Farm Credit Bank (FFCB)	Aaa/AA+	S&P, M	Custody	1.00%	\$ 2,063,767	2.26
Federal Home Loan Bank (FHLB)	Aaa/AA+	S&P, M	Custody	2.04%	4,203,726	3.70
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	S&P, M	Custody	3.20%	6,573,322	3.45
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	S&P, M	Custody	8.11%	16,668,506	2.29
Small Business Association (SBA)	NR	-	Custody	0.47%	974,868	4.41
National Credit Union Association (NCUA)	NR	-	Custody	0.06%	117,642	2.40
Veterans Administration Vendee Mortgage	NR	-	Custody	0.09%	184,402	2.42
U.S. Treasury Securities (UST)	Aaa/AA+	S&P, M	Custody	13.72%	28,196,425	3.04
Municipal securities						
State of Minnesota	Aa1/AA+	S&P, M	Custody	0.10%	200,283	0.58
State of Mississippi	Aa2/AA	S&P, M	Custody	0.32%	647,958	4.15
State of New York	Aa2/AA	S&P, M	Custody	0.11%	220,764	3.88
State of Ohio	Aa1/AA+	S&P, M	Custody	0.11%	232,936	1.30
State of Ohio	Aa1/AA+	S&P, M	Custody	0.18%	374,034	4.23
State of Oregon	Aa1/AA+	S&P, M	Custody	0.16%	318,762	1.67
State of Texas	Aaa/AA+	S&P, M	Custody	0.09%	182,156	4.43
State of Washington	Aa1/AA+	S&P, M	Custody	0.23%	475,223	0.58
Baltimore County, Maryland	Aaa/AAA	S&P, M	Custody	0.12%	250,270	2.51
King County, Washington	Aa1/AAA	S&P, M	Custody	0.09%	186,403	6.90
Lyon County, Nevada	NA/AAA	S&P, M	Custody	0.19%	381,216	4.49
City and County of Honolulu, Hawaii	Aa1/NA	S&P, M	Custody	0.21%	425,616	3.76
City and County of San Francisco, California	Aa2/AA	S&P, M	Custody	0.12%	246,258	2.34
City of Columbus, Ohio	Aaa/AAA	S&P, M	Custody	0.15%	300,309	3.55
City of Columbus, Ohio	Aaa/AAA	S&P, M	Custody	0.12%	244,343	3.80
City of Fond Du Lac, Wisconsin	Aa2/NA	S&P, M	Custody	0.11%	227,455	2.21
City of Kenosha, Wisconsin	Aa2/AA	S&P, M	Custody	0.11%	220,778	3.00
City of Kirkwood, Iowa	Aa2/AA-	S&P, M	Custody	0.12%	250,495	0.41
City of Moline, Illinois	Aa2/NA	S&P, M	Custody	0.11%	230,021	3.25
City of Olentangy, Ohio	Aa1/AA+	S&P, M	Custody	0.10%	215,164	3.72
City of Roanoke, Virginia	NA/AA	S&P, M	Custody	0.12%	252,389	2.43
City of Richmond, Virginia	Aa2/AA	S&P, M	Custody	0.07%	135,734	3.44
City of Westerville, Ohio	Aa2/AA-	S&P, M	Custody	0.15%	301,035	2.88
Crosby Ironton School District (MN)	NA/AA+	S&P, M	Custody	0.12%	241,201	2.85
Eden Prairie School District (MN)	Aa2/NA	S&P, M	Custody	0.13%	262,782	2.82
Sioux Falls School District (SD)	NA/AA	S&P, M	Custody	0.11%	223,826	3.00
Redford School District (MI)	Aa2/AA-	S&P, M	Custody	0.10%	212,242	1.28
Las Vegas Valley, Nevada, Water District	Aa2/AA+	S&P, M	Custody	0.10%	210,940	4.08
Metropolitan Council, Minnesota	Aaa/AAA	S&P, M	Custody	0.15%	308,331	4.50
Metropolitan Government of Nashville, Tennessee	Aa1/AA	S&P, M	Custody	0.12%	255,398	4.37
Tennessee Valley Authority	NR	-	Custody	0.07%	139,254	7.12
Index Fund						
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	16.83%	34,607,143	
Core Reserve Pool Total				49.61%	101,963,377	
Liquidity Reserve Pool						
U.S. Government Agency securities						
Federal Home Loan Bank (FHLB)	Aaa/AA+	S&P, M	Custody	14.28%	\$ 29,375,086	< 3 months
Federal National Mortgage Association (FNMA)	Aaa/AA+	S&P, M	Custody	0.49%	1,001,600	< 3 months
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	S&P, M	Custody	3.41%	7,005,440	< 3 months
Federal Home Loan Bank (FHLB)	Aaa+/AA	S&P, M	Custody	4.86%	9,993,370	3-6 months
Federal National Mortgage Association Note (FNMA)	Aaa+/AA	S&P, M	Custody	2.92%	6,004,560	3-6 months
Federal National Mortgage Association (FNMA)	Aaa+/AA	S&P, M	Custody	0.97%	2,003,530	3-6 months
Federal National Mortgage Association Note (FNMA)	Aaa+/AA	S&P, M	Custody	0.49%	1,004,080	3-6 months
Federal Home Loan Bank (FHLB)	Aaa/AA+	S&P, M	Custody	2.44%	5,014,689	6-9 months
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	S&P, M	Custody	3.90%	8,016,600	6-9 months
Federal National Mortgage Association (FNMA)	Aaa/AA+	S&P, M	Custody	0.49%	1,004,730	6-9 months
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	S&P, M	Custody	1.46%	3,002,430	9-12 months
Certificates of Deposit	NA	-	Collateralized	0.04%	90,000	< 3 months
Liquidity Reserve Pool Total				35.75%	73,516,115	
Current Cashflow Pool						
Repurchase Agreement	NR		Custody	2.23%	4,575,623	< 3 months
Money Market Funds	NA		Held in County Name	13.09%	26,903,382	Daily Availability
Depositories	-		FDIC/Collateralized	1.21%	2,481,564	Daily Availability
In Transit Items	-			-0.10%	(204,550)	Daily Availability
Outstanding Checks	-			-1.78%	(3,660,205)	Daily Availability
Current Cashflow Pool Total				14.65%	30,095,814	
Portfolio Total				100.01%	205,575,306	
Cash on Hand						
Petty cash					28,915	
Departmental cash					9,915	
Custodial accounts					28,390	
Cash on Hand Total					67,220	
Cash and Investment Total					\$ 205,642,526	

Rating Agency:
M - Moody's
S&P - Standard & Poor's

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets (Continued)

2. Receivables

a. Property Tax Receivable

Taxes which remain unpaid at December 31 are delinquent. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

Current property tax collections for the year ended December 31, 2012, were 98.83 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2012 budget. Each year, the County tax levy for debt service on bonded indebtedness is set at 105 percent of the debt service required for that year, less available debt service reserves.

b. Accounts Receivable

Accounts receivable include an allowance for doubtful accounts. Total accounts receivable for the year ended December 31, 2012, were \$2,689,343 and the allowance for doubtful accounts was \$176,610 resulting in a net effect of \$2,512,733.

c. Loans Receivable

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2012:

	Original Loan Amount	Balance Repaid at December 31, 2012	Outstanding Balance - December 31, 2012	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	\$ 209,392	\$ 9,502	\$ 199,890	20	5.00
Various forfeited tax sale contracts for repurchase	205,238	75,089	130,149	Various	Various
Total General Fund	414,630	84,591	330,039		
Special Revenue Funds					
Community Development Block Grant					
Various home rehabilitation loans	3,463,535	672,348	2,791,187	Various	Various
Total Loan Receivable	<u>\$ 3,878,165</u>	<u>\$ 756,939</u>	<u>\$ 3,121,226</u>		
Due within one year			<u>\$ 88,901</u>		

d. Leases Receivable

Anoka County has leased portions of the Anoka County Human Service Center to the State of Minnesota and various community-based non-profit organizations to be used for office space. There are six lease agreements, which expire June 30, 2013. Tenants pay rent in monthly installments, in advance, on the first day of every month during the term of their lease. Rent is recorded as revenue when received.

Anoka County has subleased portions of the Northwest Building Area at the Anoka County/Blaine Airport from the Metropolitan Airports Commission (MAC). There are several lease agreements, with various expiration dates at a rate determined by MAC. Rent is recorded as revenue when received.

Anoka County has leased the Head Start Facility to the Anoka County Community Action Program, Incorporated, (ACCAP) for approximately twenty-five years starting October 1, 1993, and ending June 1, 2018. ACCAP pays annual lease amounts that equal the annual debt service (principal plus interest) for the certificates of participation less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses incurred.

Anoka County has leased the Ice Arena to the National Sports Center Foundation (NSCF) for twenty years starting March 15, 2006, and ending March 15, 2026. NSCF pays annual lease amounts that equal the annual debt service (principal plus interest) for the lease revenue bonds less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses incurred, and an annual payment to a repair and replacement fund, directly to the trustee. Taxes and other governmentally imposed fees or charges imposed on the leased property are paid to the County as assessed.

Anoka County has leased the Metropolitan Mosquito Control District Project to the Metropolitan Mosquito Control District (MMCD) for approximately fifteen years starting November 27, 2007, and ending February 1, 2023. MMCD pays annual lease amounts that equal the annual debt service (principal plus interest) for the certificates of participation less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses, rebate fees and payments, taxes or other charges, and fees for any administrative costs incurred.

Anoka County has leased the ACCAP residences to the Anoka County Community Action Program, Incorporated, (ACCAP) for eighteen years starting July 1, 2010, and ending June 1, 2028. ACCAP pays annual lease amounts that equal the annual debt service (principal plus interest) for the certificates of participation less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses incurred.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

2. Receivables

d. Leases Receivable (Continued)

Amounts due under the Head Start Facility, Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and deferred revenue in the General Fund at December 31, 2012. The amounts for 2013 are considered current and due within one year. Amounts remaining to be paid are as follows:

<u>Year Due</u>	<u>Head Start Facility</u>	<u>Ice Arena</u>	<u>MMCD Project</u>	<u>ACCAP Residences</u>	<u>Total</u>
2013	\$ 267,115	\$ 500,752	\$ 249,713	\$ 162,363	\$ 1,179,943
2014	150,074	504,453	247,806	165,120	1,067,453
2015	150,074	502,652	245,688	162,493	1,060,907
2016	150,074	500,453	248,250	164,465	1,063,242
2017	150,074	502,265	245,494	160,996	1,058,829
2018-2022	75,037	2,499,952	1,227,981	814,465	4,617,435
2023-2027	-	2,237,586	245,400	810,828	3,293,814
2028	-	-	-	159,394	159,394
Total	<u>\$ 942,448</u>	<u>\$ 7,248,113</u>	<u>\$ 2,710,332</u>	<u>\$ 2,600,124</u>	<u>\$ 13,501,017</u>
Due within one year	<u>\$ 267,115</u>	<u>\$ 500,752</u>	<u>\$ 249,713</u>	<u>\$ 162,363</u>	<u>\$ 1,179,943</u>

3. Capital Assets

Capital asset activity for the year ended December 31, 2012, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 190,260,545	\$ 3,820,067	\$ -	\$ 194,080,612
Construction in progress	69,043,394	54,392,561	(12,523,148)	110,912,807
Total capital assets, not being depreciated	<u>259,303,939</u>	<u>58,212,628</u>	<u>(12,523,148)</u>	<u>304,993,419</u>
Capital assets, being depreciated:				
Buildings and structures	205,167,739	3,028,277	(169,934)	208,026,082
Improvements other than buildings	21,231,620	1,844,153	-	23,075,773
Machinery and equipment	40,780,268	3,295,194	(1,762,047)	42,313,415
Infrastructure	325,970,906	9,330,610	(1,988,772)	333,312,744
Software	5,366,034	-	-	5,366,034
Total capital assets being depreciated	<u>598,516,567</u>	<u>17,498,234</u>	<u>(3,920,753)</u>	<u>612,094,048</u>
Less accumulated depreciation for:				
Buildings and structures	(55,252,771)	(4,113,322)	56,249	(59,309,844)
Improvements other than buildings	(9,768,101)	(986,191)	-	(10,754,292)
Machinery and equipment	(21,838,922)	(3,899,830)	1,519,613	(24,219,139)
Infrastructure	(94,901,918)	(6,519,418)	883,156	(100,538,180)
Software	(1,311,379)	(381,397)	-	(1,692,776)
Total accumulated depreciation	<u>(183,073,091)</u>	<u>(15,900,158)</u>	<u>2,459,018</u>	<u>(196,514,231)</u>
Total capital assets, being depreciated, net	<u>415,443,476</u>	<u>1,598,076</u>	<u>(1,461,735)</u>	<u>415,579,817</u>
Governmental activities capital assets, net	<u>\$ 674,747,415</u>	<u>\$ 59,810,704</u>	<u>\$ (13,984,883)</u>	<u>\$ 720,573,236</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activity:				
Capital assets, being depreciated:				
Buildings and structures	\$ 5,429,337	\$ -	\$ -	\$ 5,429,337
Improvements other than buildings	1,499,672	-	-	1,499,672
Machinery and equipment	1,219,204	8,983	(7,417)	1,220,770
Total capital assets being depreciated	8,148,213	8,983	(7,417)	8,149,779
Less accumulated depreciation for:				
Buildings and structures	(869,709)	(108,587)	-	(978,296)
Improvements other than buildings	(654,531)	(69,586)	-	(724,117)
Machinery and equipment	(518,925)	(55,083)	3,955	(570,053)
Total accumulated depreciation	(2,043,165)	(233,256)	3,955	(2,272,466)
Business-type activity capital assets, net	\$ 6,105,048	\$ (224,273)	\$ (3,462)	\$ 5,877,313

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 2,874,966
Public safety	3,070,000
Highways and streets, including depreciation of general infrastructure assets	7,597,342
Human services	163,501
Sanitation	10,280
Culture and Recreation	1,860,895
Economic development	323,174
Total depreciation expense-governmental activities	\$ 15,900,158

Business-type activity:

Aquatic Center	\$ 233,256
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Construction in progress at December 31, 2012, comprises the to-date costs of the following projects:

Highway infrastructure	\$ 93,035,786
Highway facility	11,402,416
Broadband project	2,335,162
Park improvement projects	1,532,946
Sungard financial system	653,283
Library improvements	610,670
Government Center wireless network	530,999
Miscellaneous improvements	288,179
Roof, ramp and lot improvements	210,293
Security enhancements	183,315
Auto matrix	129,758
Total	\$ 110,912,807

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2012, is as follows:

1. Due From and To Other Funds

	<u>Receivable</u>	<u>Payable</u>	<u>Description</u>
Major Governmental Funds			
General Fund	\$ 6,057,000	\$ -	Short term loan
Road and Bridge	-	6,025,000	Short term loan
Total Major Governmental Funds	6,057,000	6,025,000	
Nonmajor Governmental Funds			
Special Revenue Funds			
Job Training Center	-	32,000	Short term loan
Total Governmental Funds	6,057,000	6,057,000	
Total Due From and To Other Funds	<u>\$ 6,057,000</u>	<u>\$ 6,057,000</u>	

2. Advances To and From Other Funds

Advances to the Parks and Recreation Special Revenue Fund include loans for golf course operations.

	<u>Advances To</u>	<u>Advances From</u>
Capital Projects Fund	\$ 210,000	\$ -
Parks and Recreation Special Revenue Fund	-	210,000
Total Advances To and From Other Funds	<u>\$ 210,000</u>	<u>\$ 210,000</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2012, consisted of the following:

	<u>Transfers in</u>	<u>Description</u>
Major Governmental Funds		
Transfers to General Fund from:		
Road and Bridge	\$ 7,500	Vehicle purchase
Road and Bridge	74,500	Voluntary separation program
Human Services	105,000	Approved use of reserves
Human Services	287,186	Voluntary separation program
Job Training Center	86,639	Voluntary separation program
County Library	93,609	Voluntary separation program
Parks and Recreation	40,500	Voluntary separation program
Total General Fund	<u>694,934</u>	
Transfers to Road and Bridge Fund from:		
Regional Rail Authority	<u>1,700,000</u>	Roadway development
Transfers to Human Services Fund from:		
Capital Projects	<u>50,002</u>	Capital expenditure
Transfers to Debt Service Fund from:		
General Fund	1,199,720	Lease revenue debt payments
General Fund	167,000	Correction bond payments
Regional Railroad Authority	1,832,760	Transfer for debt service
Housing and Redevelopment Authority	1,082,978	Debt service allocation from operations
Capital Projects	142,863	Transfer for debt service
Total Debt Service Fund	<u>4,425,321</u>	
Transfers to Capital Projects Fund from:		
General Fund	44,998	Vehicle purchase
General Fund	514,500	Approved use of reserves
General Fund	771,630	Recorder compliance fee
General Fund	4,100,000	Building projects
General Fund	1,000,000	Information Technology projects
Human Services	3,000,000	Building projects
Human Services	1,286,762	Information Technology projects
Human Services	85,000	Approved use of reserves
Regional Rail Authority	100,000	CIP projects
Total Capital Projects Fund	<u>10,902,890</u>	
Transfers to other governmental funds from:		
Various funds	<u>551,089</u>	Miscellaneous
Total Transfers In: Governmental Funds	<u>\$ 18,324,236</u>	
Proprietary Funds		
Transfers to Aquatic Center Fund from:		
Parks and Recreation	\$ 7,483	Transfer asset
Transfers to Pooled Insurance Fund from:		
General Fund	<u>1,000,000</u>	Pooled Insurance contribution
Total Transfers In: Proprietary Funds	<u>\$ 1,007,483</u>	

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds (Continued)

C. Liabilities

1. Payables

Payables at December 31, 2012, were as follows:

	Governmental Activities	Business-type Activities
Accounts	\$ 5,987,907	\$ 104
Salaries	5,857,853	4,750
Contracts	4,854,513	-
Due to other governments	2,736,914	-
	<hr/>	<hr/>
Total payables	<u>\$ 19,437,187</u>	<u>\$ 4,854</u>

2. Deferred Revenue

Deferred revenues consist of taxes receivable that are not collected soon enough after year-end to pay liabilities of the current year, state and federal grants received but not yet earned, installment loans, leases, and other items. Deferred revenue, at December 31, 2012, is summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Other	Total
Major Governmental Funds						
General	\$ 1,511,368	\$ 615,449	\$ 330,039	\$ 13,501,017	\$ 663,871	\$ 16,621,744
Road and Bridge	269,234	-	-	-	253,593	522,827
Human Services	919,773	478,601	-	-	397,263	1,795,637
Debt Service	600,966	-	-	-	-	600,966
Capital Projects	55,108	-	-	-	4,243	59,351
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Major Governmental Funds	3,356,449	1,094,050	330,039	13,501,017	1,318,970	19,600,525
Nonmajor Governmental Funds						
	425,962	1,556,326	2,791,187	-	586,473	5,359,948
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total All Funds	<u>\$ 3,782,411</u>	<u>\$ 2,650,376</u>	<u>\$ 3,121,226</u>	<u>\$ 13,501,017</u>	<u>\$ 1,905,443</u>	<u>\$ 24,960,473</u>
Deferred revenue:						
Unearned	\$ -	\$ 1,815,718	\$ -	\$ 13,501,017	\$ 1,238,463	\$ 16,555,198
Unavailable	3,782,411	834,658	3,121,226	-	666,980	8,405,275
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 3,782,411</u>	<u>\$ 2,650,376</u>	<u>\$ 3,121,226</u>	<u>\$ 13,501,017</u>	<u>\$ 1,905,443</u>	<u>\$ 24,960,473</u>

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2012. Following is a list of these projects and the corresponding amounts to be completed:

Major Governmental Funds

Special Revenue Funds

Road and Bridge

Various road projects \$ 8,414,793

Capital Projects Fund

Integrated case management 125,000

Library improvements 8,205

Elevator upgrades 692,067

Property management maintenance management system 14,005

Building projects 879,807

Information Technology projects 10,310

Total Capital Projects Fund 1,729,394

Total All Funds \$ 10,144,187

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

In addition to providing a pension benefits plan, the County provides postemployment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the County Commissioners and can be amended by the County through its personnel manual and union contracts. The plan is accounted for as an irrevocable trust fund. A separate, audited GAAP basis benefits plan report is not issued. The activity of the plan is not reported in the government-wide financial statements.

Benefits Provided

Pursuant to Minn. Stat. Sec 471.61, subd 2a, Anoka County provides postemployment health care and life insurance benefits to retired employees, disabled retirees or survivors of deceased employees who were hired prior to January 6, 2007. To be eligible for benefits, a participant must qualify for retirement under the County's retirement plan. The County contribution is graduated based on the employee's years of service. The minimum contribution is based on ten years of service and the maximum contribution is achieved at more than 30 years of service.

All medical health care benefits are provided through the County's health insurance provider and are the same as those afforded to active employees. Benefits include medical services and prescriptions. A \$2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County.

Participants

Participants of the plan consisted of the following at December 31, 2011, the date of the actuarial valuation:

Active employees	1,599
Retired employees and spouses	<u>672</u>
	<u><u>2,271</u></u>

Trust Fund

Anoka County established both an OPEB revocable trust and an irrevocable trust, pursuant to MN statutes, ch. 471.6175, to prefund a portion of the OPEB liability. Public Employees Retirement Association (PERA) serves as the trust administrator for both of the trust accounts.

The OPEB revocable trust is reported in the General Fund as investments with trust account, using the modified accrual basis of accounting. The irrevocable trust is reported in the Statement of Fiduciary Net Position, Other Postemployment Benefits Trust Fund. This financial statement is prepared using the accrual basis of accounting.

Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions. The fair value of investments for both trusts are determined by the Minnesota State Board of Investment.

Funding Policy and Contributions

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus \$2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2012, the retirees contributed \$1,292,131 toward the cost of their healthcare coverage

Contributions of \$1,270,000 were made to the irrevocable trust in 2012.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 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 actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2012, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	\$ 5,905,879
Interest on net OPEB obligations	1,295,679
Adjustments to ARC	<u>(1,418,436)</u>
Annual OPEB Cost	5,783,122
Contributions to medical and life insurance on behalf of retirees	(2,813,305)
Contributions to irrevocable trust	<u>(1,270,000)</u>
Increase (decrease) in net OPEB obligation	1,699,817
Net OPEB beginning of year	15,243,285
Net OPEB end of year	<u><u>\$ 16,943,102</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the years ended December 31, 2008 through 2012 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 13,022,150	\$ 1,812,224	13.92%	\$ 20,531,615
12/31/09	12,847,081	22,351,676	173.98%	11,027,020
12/31/10	6,445,256	5,050,487	78.36%	12,421,789
12/31/11	6,461,225	3,639,729	56.33%	15,243,285
12/31/12	5,783,122	4,083,305	70.61%	16,943,102

Funding Status

The County issued bonds in September 2009, for the purpose of partially funding its OPEB liability. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the December 31, 2011 actuarial valuation.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2007	\$ -	\$ 129,648,121	\$ 129,648,121	0.00%	\$ 100,641,903	128.82%
12/31/2007	-	129,648,121	129,648,121	0.00%	103,373,137	125.42%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,653,890	48.35%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,014,943	48.65%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	106,208,139	37.98%

Actuarial Methods and Assumptions

Actuarial valuations 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 healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included an 8.5% discount rate, which is based on the estimated long-term investment yield on the general assets of the County. An inflation rate of 3.0% is an implicit assumption within the report. The report states health care costs rates are trending down from 9.0% in 2014 to 4.5% in 2023. The unfunded actuarial accrued liability is amortized as a level dollar amount with an open 30 year amortization period.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

4. Employment and Other Postemployment Benefits (Continued)

b. Vacation and Sick Leave

County employees represented by bargaining units are granted vacation, in varying amounts, depending on contractual agreement and length of service. All union employees accumulate one day of sick leave per month.

Unused accumulated vacation and vested sick leave are paid to employees upon termination. Unvested sick leave, valued at \$951,459 at December 31, 2012, is available to union employees in the event of illness-related absences, and is not paid to them at termination.

c. Flexible Time Off and Extended Medical Benefit

Non-organized employees vacation and sick time was converted to Flexible Time Off (FTO), and Extended Medical Benefit (EMB) hours as part of the October 2001 implementation of the Anoka County Preferred Benefit Plan.

Vacation hours were converted to FTO hours and are vested. The amount of FTO hours a full time employee earns ranges from 24 to 33 days per year depending on years of service performed. Part time employees are pro-rated based on their scheduled hours and years of service.

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at \$18,492,826 on December 31, 2012. EMB hours are available for use in times of illness, after using 40 FTO or leave without pay hours. Full time employees accrue eight days of EMB per year, and part time employees receive a pro-rated amount based on their schedule.

5. Operating Leases

The County currently has 14 operating leases. The County made operating lease payments totaling \$369,028 in 2012. The following is a schedule of future minimum operating lease payments:

<u>Year Due</u>	<u>Lease Payments</u>
2013	\$ 333,372
2014	338,301
2015	284,210
2016	209,330
2017	123,662
2018-2022	123,447
2023-2027	15
Total	<u>\$ 1,412,337</u>

6. Long-Term Debt - Bonds and Notes

The following is a summary of Anoka County's long-term bonded debt transactions for its governmental activities for the year ended December 31, 2012:

	<u>Lease Revenue Obligations</u>	<u>General Obligation Bonds and Notes</u>	<u>General Obligation Bonds Supported By Revenue</u>	<u>Total</u>
Payable January 1	\$ 10,873,505	\$ 173,460,000	\$ 30,475,000	\$ 214,808,505
Additions (Deductions)				
Debt issued	-	18,200,000	10,885,000	29,085,000
Debt retired	<u>(723,850)</u>	<u>(17,910,000)</u>	<u>(1,070,000)</u>	<u>(19,703,850)</u>
Payable December 31	\$ 10,149,655	\$ 173,750,000	\$ 40,290,000	\$ 224,189,655
December 31 balance of:				
Issuance premiums	30,568	4,475,868	84,719	4,591,155
Issuance discounts	<u>-</u>	<u>(215,032)</u>	<u>(32,144)</u>	<u>(247,176)</u>
Payable December 31	<u>\$ 10,180,223</u>	<u>\$ 178,010,836</u>	<u>\$ 40,342,575</u>	<u>\$ 228,533,634</u>
Due within one year	<u>\$ 748,997</u>	<u>\$ 14,600,000</u>	<u>\$ 1,125,000</u>	<u>\$ 16,473,997</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes (Continued)

Refunding Bond Note Disclosures

On February 23, 2012, the County issued \$4,320,000 General Obligation Refunding Bonds, Series 2012B; with an average interest rate of 2.10 percent to refund \$1,630,000 of outstanding General Obligation Capital Improvement Bonds, Series 2004A, \$1,145,000 of General Obligation Capital Improvement Bonds, Series 2005A, and \$1,605,000 of General Obligation Library Refunding Bonds, Series 2005D with average interest rates of 3.85, 3.63 and 3.64 percent, respectively. The net proceeds of the 2012B bonds were used to current refund the 2004A, 2005A and 2005D bonds on March 2, 2012. The County refunded the bonds to reduce its total debt service payments by \$279,550 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$270,474.

On December 27, 2012 the County issued \$5,230,000 Taxable General Obligation Refunding Bonds, Series 2012A; with an average interest rate of 1.93 percent to refund \$5,285,000 of outstanding Ice Arena Revenue Refunding Bonds, Series 2005 with an average interest rate of 4.57 percent. The refunding of the 2005 bonds will be conducted by means of a crossover refunding mechanism. The County will continue to make principal and interest payments on the Series 2005 bonds through the call date of February 1, 2014. The County refunded the bonds to reduce its total debt service payments by \$353,359 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$323,473.

On December 27, 2012 the County issued \$5,655,000 Lease Revenue Refunding Bonds, Series 2012B; with an average interest rate of 1.71 percent to refund \$5,375,000 of outstanding Ice Arena Lease Revenue Bonds, Series 2006A with an average interest rate of 4.55 percent. The refunding of the 2006A bonds will be conducted by means of a crossover refunding mechanism. The County will continue to make principal and interest payments on the Series 2006A bonds through the call date of March 15, 2015. The County refunded the bonds to reduce its total debt service payments by \$603,428 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$545,748.

Bonds and notes payable at December 31, 2012 comprise the following individual issues:

a. Lease Revenue Obligations:

<p>\$1,130,000 May 1, 2003 Anoka County Community Action Program Refunding Certificates of Participation (Anoka County Installment Contract Obligations). These certificates mature in amounts ranging from \$110,000 to \$115,000 each June 1 in the years 2004 to 2013 with interest due each June 1 and December 1 at rates from 2.00 to 3.55 percent. Certificates maturing on or after June 1, 2010, are subject to redemption on June 1, 2010, and on any date thereafter at a price of par plus accrued interest.</p>	\$ 115,000
<p>\$6,600,000 March 21, 2006 Ice Arena Lease Revenue Bonds: serial bonds maturing in amounts ranging from \$225,000 to \$730,000 each March 15 in the years 2009 to 2026 with interest due each March 15 and September 15 at rates from 4.00 to 4.45 percent. Bonds maturing March 15, 2006, and thereafter are subject to redemption on March 15, 2015, and on any date thereafter at a price of par.</p>	5,375,000
<p>\$2,705,000 November 28, 2007 Metropolitan Mosquito Control District Project Certificates of Participation. These certificates mature in amounts ranging from \$115,000 to \$240,000 each February 1 in the years 2010 to 2023 with interest due each February 1 and August 1 at rates from 4.25 to 4.50 percent. Certificates maturing on or after February 1, 2018 are subject to redemption on February 1, 2017, and on any date thereafter at a price of par plus accrued interest.</p>	2,155,000
<p>\$1,205,000 July 8, 2008 Anoka County Community Action Program Annual Appropriation Lease and Refunding of Certificates of Participation. These certificates mature in amounts ranging from \$49,304 to \$73,396 each June 1 and December 1 in the years 2009 to 2018 with interest due each June 1 and December 1 at a rate of 4.47 percent.</p>	724,655
<p>\$1,930,000 July 22, 2010 Taxable Refunding Certificates of Participation. These certificates mature in amounts ranging from \$70,000 to \$155,000 each June 1 in the years 2011 to 2028 with interest due each June 1 and December 1 at rates from 1.72 to 5.67 percent. Certificates maturing on or after June 1, 2018, are subject to redemption on June 1, 2019, and on any day thereafter at a price of par plus accrued interest.</p>	1,780,000
Total Lease Revenue Obligations	\$ 10,149,655

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes (Continued)

b. General Obligation Bonds and Notes:

<p>\$10,500,000 November 1, 2002 General Obligation Public Safety Radio System Bonds: serial bonds maturing in amounts ranging from \$850,000 to \$1,225,000 each February 1 in the years 2004 to 2013 with interest due each February 1 and August 1 at rates from 1.95 to 3.95 percent. No redemption option available.</p>	<p>\$ 1,225,000</p>
<p>\$13,000,000 September 30, 2005 General Obligation Airport Improvement Bonds: serial bonds maturing in amounts ranging from \$475,000 to \$970,000 each February 1 in the years 2015 to 2033 with interest due each February 1 and August 1 at rates from 4.00 to 4.40 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any date thereafter at a price of par plus accrued interest.</p>	<p>11,260,000</p>
<p>\$4,285,000 February 15, 2006 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$370,000 to \$500,000 each February 1 in the years 2007 to 2016 with interest due each February 1 and August 1 at rates from 3.25 to 4.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any day thereafter at a price of par plus accrued interest.</p>	<p>1,895,000</p>
<p>\$3,385,000 February 15, 2006 General Obligation Airport Improvement Bonds: serial bonds maturing in amounts ranging from \$75,000 to \$225,000 each February 1 in the years 2010 to 2033 with interest due each February 1 and August 1 at rates from 4.00 to 5.00 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any day thereafter at a price of par plus accrued interest.</p>	<p>3,065,000</p>
<p>\$7,030,000 September 28, 2006 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$270,000 to \$615,000 each February 1 in the years 2009 to 2022 with interest due each February 1 and August 1 at rates from 3.60 to 4.25 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any day thereafter at a price of par plus accrued interest.</p>	<p>5,180,000</p>
<p>\$7,675,000 February 15, 2007 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$430,000 to \$670,000 each February 1 in the years 2010 to 2022 with interest due each February 1 and August 1 at rates from 4.00 to 4.35 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any day thereafter at a price of par plus accrued interest.</p>	<p>5,850,000</p>
<p>\$3,245,000 February 15, 2007 General Obligation Library Bonds: serial bonds maturing in amounts ranging from \$165,000 to \$280,000 each February 1 in the years 2009 to 2022 with interest due each February 1 and August 1 at a rate of 4.00 to 4.35 percent. Bonds maturing on or after February 1, 2016 are subject to redemption on February 1, 2015, and on any day thereafter at a price of par accrued interest.</p>	<p>2,365,000</p>
<p>\$12,255,000 July 16, 2007 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$360,000 to \$905,000 each February 1 in the years 2010 to 2029 with interest due each February 1 and August 1 at a rate of 4.25 to 5.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest.</p>	<p>10,685,000</p>
<p>\$32,510,000 January 16, 2007 Limited Tax Bonds: serial bonds maturing in amounts ranging from \$715,000 to \$2,065,000 each February 1 in the years 2009 to 2032 with interest due each February 1 and August 1 at a rate of 4.00 to 4.50 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest.</p>	<p>28,380,000</p>
<p>\$16,505,000 February 28, 2008 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$380,000 to \$1,220,000 each February 1 in the years 2010 to 2028 with interest due each February 1 and August 1 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest.</p>	<p>\$ 14,035,000</p>

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

<p>\$3,745,000 July 17, 2008 General Obligation Capital Improvement Notes: serial notes maturing in amounts ranging from \$690,000 to \$810,000 each February 1 in the years 2010 to 2014 with interest due each February 1 and August 1 at a rate of 4.00 percent. The notes will not be subject to payment in advance of their respective stated maturity dates.</p>	<p>\$ 1,585,000</p>
<p>\$13,195,000 July 17, 2008 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$435,000 to \$980,000 each February 1 in the years 2011 to 2030 with interest due each February 1 and August 1 at a rate of 4.00 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest.</p>	<p>12,310,000</p>
<p>\$1,395,000 July 17, 2008 General Obligation Airport Improvement Bonds (AMT); serial bonds maturing in amounts ranging from \$65,000 to \$125,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 4.50 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest.</p>	<p>995,000</p>
<p>\$18,310,000 February 19, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$1,000,000 to \$1,620,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest.</p>	<p>15,310,000</p>
<p>\$3,000,000 July 9, 2009 General Obligation Capital Notes: serial notes maturing in amounts ranging from \$585,000 to \$615,000 each February 1 in the years 2010 to 2014 with interest due each February 1 and August 1 at a rate of 3.50 to 4.00 percent. No redemption option is available.</p>	<p>1,220,000</p>
<p>\$3,000,000 July 9, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$280,000 to \$330,000 each February 1 in the years 2010 to 2019 with interest due each February 1 and August 1 at a rate of 3.50 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest.</p>	<p>2,135,000</p>
<p>\$20,000,000 September 22, 2009 Taxable General Obligation OPEB Bonds: serial bonds maturing in amounts ranging from \$1,430,000 to \$2,235,000 each February 1, in the years 2011 to 2021 with interest due each February 1 and August 1 at a rate of 1.25 to 4.81 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest.</p>	<p>16,985,000</p>
<p>\$740,000 December 9, 2009 General Obligation Capital Notes: serial notes maturing in amount ranging from \$145,000 to \$155,000 each August 1 in the years 2010 to 2014 with interest due each February 1 and August 1 at a rate of 3.00 percent. No redemption option is available.</p>	<p>305,000</p>
<p>\$6,680,000 December 9, 2009 General Obligation Bonds: serial bonds maturing in amounts ranging from \$405,000 to \$495,000 each August 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after August 1, 2018, are subject to redemption on August 1, 2017, and on any day thereafter at a price of par plus accrued interest.</p>	<p>5,400,000</p>
<p>\$1,485,000 December 9, 2009 General Obligation Recreational Refunding Bonds: serial bonds maturing in amounts ranging from \$105,000 to \$145,000 each February 1 in the years 2012 to 2023 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest.</p>	<p>1,380,000</p>
<p>\$3,430,000 July 14, 2010 General Obligation Capital Notes: serial bonds maturing in amounts ranging from \$685,000 to \$705,000 each February 1 in the years 2011 to 2015 with interest due each February 1 and August 1 at a rate of 2.00 percent. No redemption option is available.</p>	<p>\$ 2,075,000</p>

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

\$4,030,000 July 14, 2010 General Obligation Bonds: serial bonds maturing in amounts ranging from \$250,000 to \$560,000 each February 1 in the years 2011 to 2020 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest.

\$ 2,935,000

\$8,180,000 September 29, 2011 General Obligation Bonds: serial bonds maturing in amounts ranging from \$370,000 to \$680,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 3.125 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.

8,180,000

\$795,000 September 29, 2011 General Obligation Capital Notes: serial bonds maturing in amounts ranging from \$145,000 to \$170,000 each February 1 in the years 2013 to 2017 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.

795,000

\$13,880,000 February 23, 2012 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$785,000 to \$1,155,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.

13,880,000

\$4,320,000 February 23, 2012 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$195,000 to \$1,235,000 each February 1 in the years 2013 to 2018 with interest due each February 1 and August 1 at a rate of 2.00 to 2.50 percent. No redemption option is available.

4,320,000

Total General Obligation Bonds and Notes 173,750,000

c. General Obligation Bonds Supported by Revenue:

\$5,985,000 April 1, 2004 City of Oak Grove Senior Housing Bonds: serial bonds maturing in amounts from \$90,000 to \$375,000 each February 1 in the years 2007 to 2034 with interest due each February 1 and August 1 at rates from 1.90 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.

5,355,000

\$3,075,000 April 1, 2004 City of Centerville - Phase II Senior Housing Bonds: serial bonds maturing in amounts ranging from \$30,000 to \$295,000 each February 1 in the years 2007 to 2034 with interest due each February 1 and August 1 at rates from 1.90 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.

2,865,000

\$1,320,000 April 1, 2004 City of Centerville Housing Development Revenue Refunding Bonds: serial bonds maturing in amounts ranging from \$35,000 to \$85,000 each February 1 in the years 2005 to 2026 with interest due each February 1 and August 1 at rates from 1.25 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.

970,000

\$7,500,000 March 30, 2005 Ice Arena Revenue Refunding Bonds: serial bonds maturing in amounts ranging from \$140,000 to \$585,000 each February 1 in the years 2006 to 2023 with interest due each February 1 and August 1 at rates from 2.55 to 4.45 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.

\$ 5,285,000

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

c. General Obligation Bonds Supported by Revenue: (Continued)

<p>\$1,600,000 June 28, 2005 General Obligation Revenue Refunding Bonds: serial bonds maturing in amounts ranging from \$135,000 to \$190,000 each December 1 in the years 2009 to 2017 with interest due each June 1 and December 1 at rates from 3.00 to 4.00 percent. Bonds maturing on or after December 1, 2014, are subject to redemption on December 1, 2013, and on any date thereafter at a price of par plus accrued interest.</p>	<p>\$ 875,000</p>
<p>\$2,770,000 September 29, 2008 Ham Lake Senior Housing Refunding Bonds: serial bonds maturing in amounts ranging from \$40,000 to \$200,000 each January 1 in the years 2010 to 2024 with interest due each January 1 and July 1 at rates from 4.00 to 4.50 percent. Bonds maturing January 1, 2019, and thereafter are subject to redemption on January 1, 2018, and on any date thereafter at a price of par.</p>	<p>2,370,000</p>
<p>\$3,200,000 February 25, 2009, Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from \$105,000 to \$230,000 each January 1 in the years 2010 to 2028 with interest due each January 1 and July 1 at a rate of 2.00 to 4.20 percent. No redemption option is available.</p>	<p>2,825,000</p>
<p>\$5,750,000 October 27, 2011, Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from \$30,000 to \$405,000 each February 1 in the years 2012 to 2036 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par.</p>	<p>5,720,000</p>
<p>\$3,170,000 October 27, 2011, Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from \$30,000 to \$285,000 each February 1 in the years 2012 to 2034 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par.</p>	<p>3,140,000</p>
<p>\$5,230,000 December 27, 2012, Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$530,000 to \$560,000 each February 1 in the years 2014 to 2023 with interest due each February 1 and August 1 at a rate of 0.50 to 2.60 percent. No redemption option is available.</p>	<p>5,230,000</p>
<p>\$5,655,000 December 27, 2012, Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$420,000 to \$720,000 each February 1 in the years 2014 to 2026 with interest due each February 1 and August 1 at a rate of 1.00 to 2.00 percent. Bonds maturing February 1, 2022, and thereafter are subject to redemption on February 1, 2021, and on any date thereafter at a price of par.</p>	<p><u>5,655,000</u></p>
<p>Total General Obligation Bonds Supported by Revenue</p>	<p><u>40,290,000</u></p>
<p>Total Bonds and Notes Payable</p>	<p><u><u>\$ 224,189,655</u></u></p>

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

7. Debt Service Requirements

Year Due	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Total	
				Principal	Interest
2013	\$ 1,179,945	\$ 21,382,493	\$ 2,358,139	\$ 16,473,997	\$ 8,446,580
2014	1,067,452	20,127,905	15,413,920	28,904,376	7,704,902
2015	5,472,581	18,883,825	2,315,002	19,859,997	6,811,410
2016	562,789	16,751,359	2,312,832	13,395,873	6,231,107
2017	556,564	16,221,535	2,323,311	13,352,014	5,749,396
2018-2022	2,117,483	74,579,018	10,581,817	66,398,398	20,879,920
2023-2027	1,056,228	42,824,554	7,860,103	42,525,000	9,215,885
2028-2032	159,394	19,948,651	3,442,865	21,050,000	2,500,910
2033-2037	-	230,625	2,138,478	2,230,000	139,103
Total payments	12,172,436	230,949,965	48,746,467		
less interest	(2,022,781)	(57,199,965)	(8,456,467)		\$ 67,679,213
Total principal due	\$ 10,149,655	\$ 173,750,000	\$ 40,290,000	\$ 224,189,655	

8. Long-Term Obligations – Other

Prior years compensated absence liabilities were paid from the General Fund, Special Revenue Funds and the Enterprise Fund. Changes in long-term obligations, other than bonds, for the year ended December 31, 2012, are summarized as follows:

	Long-Term Obligations		
	Governmental Activities		Business-Type Activities
	Capital Leases	Compensated Absences	Compensated Absences
Payable, January 1	\$ 75,882	\$ 8,646,548	\$ 13,029
Additions	-	12,563,137	-
Deletions	(22,916)	(12,781,287)	(1,364)
Payable, December 31	\$ 52,966	\$ 8,428,398	\$ 11,665
Due within one year	\$ 23,875	\$ 421,420	\$ 583

Capital Leases

The County currently has a capital lease-to-purchase agreement for 70 golf carts at Chomonix Golf Course. The golf carts are less than the County's threshold for capitalization and therefore are not in the capital assets. The County financed a total of \$97,148 at 4.25 percent interest.

The following is a schedule of future minimum lease payments with the present value of the net minimum lease payments:

Year Due	Golf Carts
2013	\$ 25,864
2014	25,865
2015	4,312
Total payments	56,041
Less interest	(3,075)
Present Value of Net Minimum Payments	\$ 52,966

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

C. Liabilities (Continued)

9. HRA Recovery Zone Economic Development Bonds

The Housing and Redevelopment Authority (HRA) has issued Recovery Zone Economic Development Bonds to facilitate the development of both healthcare and medical facilities. The bonds are secured by the financed property and are payable solely from the revenues of the healthcare facility or medical center.

The bonds do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property or funds of the HRA, nor is the HRA subject to any liability thereon. Accordingly the bonds are not reported as a liability in the accompanying financial statements.

The recovery zone bonds have an outstanding principal balance of \$14,845,000 at December 31, 2012. There were four recovery zone bond issuances at December 31, 2012:

	<u>Issue</u>	<u>Principal Balance</u>
Fridley Medical Center Project	2010A	\$ 10,925,000
Fridley Medical Center Project	2010B	775,000
Park River Estate Care Center	2010D	2,915,000
Park River Estate Care Center	2010E	230,000
		<u>\$ 14,845,000</u>

D. Fund Balances

The summary of fund balance classifications is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable for:					
Advances to other funds	\$ -	\$ -	\$ -	\$ 210,000	\$ 210,000
Inventories	-	2,508,015	-	-	2,508,015
Prepaid items	115,221	7,277	-	-	122,498
Total Nonspendable	\$ 115,221	\$ 2,515,292	\$ -	\$ 210,000	\$ 2,840,513
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Restricted for:					
Recorders compliance	\$ 5,396,153	\$ -	\$ -	\$ -	\$ 5,396,153
911 capital expenditures	845,459	-	-	-	845,459
Conceal and Carry law	399,111	-	-	-	399,111
Investments with trust account	288,080	-	-	-	288,080
Narcotics program	5,000	-	-	-	5,000
Solid waste abatement (recycling)	500,000	-	-	-	500,000
Household Hazardous Waste program	500,000	-	-	-	500,000
SCORE program	815,000	-	-	-	815,000
Solid waste cleanup	692,700	-	-	-	692,700
Waste processing	3,739,420	-	-	-	3,739,420
Solid waste	500,000	-	-	-	500,000
Dedicated donations	8,718	8,778	-	-	17,496
Drug and narcotics enforcement	-	24,590	-	-	24,590
Economic development grants	-	438,882	-	-	438,882
Revolving loans	-	150,000	-	-	150,000
Edith P. Wargo estate	-	323,399	-	-	323,399
Ag Preservation programs	-	54,766	-	-	54,766
Law library	-	280,179	-	-	280,179
Law enforcement	-	84,500	-	-	84,500
Amounts with escrow agents	-	3,901,654	21,545,439	-	25,447,093
Debt service	-	-	17,577,974	-	17,577,974
Help America Vote Act (HAVA) Grant	-	-	-	328,249	328,249
Total Restricted	\$ 13,689,641	\$ 5,266,748	\$ 39,123,413	\$ 328,249	\$ 58,408,051
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Committed for:					
Library	\$ -	\$ 6,506,978	\$ -	\$ -	\$ 6,506,978
Cooperative Extension programs	-	215,542	-	-	215,542
Total Committed	\$ -	\$ 6,722,520	\$ -	\$ -	\$ 6,722,520
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assigned for:					
Self insurance liabilities	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Secured juvenile facility	477,491	-	-	-	477,491
Operating insurance	250,000	-	-	-	250,000
Health insurance	\$ 749,561	\$ -	\$ -	\$ -	\$ 749,561

(Continued)

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

D. Fund Balances (Continued)

	General	Special Revenue	Debt Service	Capital Projects	Total
Assigned for:					
Mega projects	\$ 131,714	\$ -	\$ -	\$ -	\$ 131,714
Jail and corrections medical expense	100,000	-	-	-	100,000
Energy response fund	200,000	-	-	-	200,000
Court appointed attorneys	24,000	-	-	-	24,000
Copier replacement	36,578	-	-	-	36,578
Deferred compensation program for new hires	5,000	-	-	-	5,000
Alternative hearing and mediation program	25,000	-	-	-	25,000
Virtual blade server	175,438	-	-	-	175,438
Exceptional service pay	5,000	-	-	-	5,000
Other Post Employment Benefits (OPEB)	900,000	-	-	-	900,000
Drug and narcotics enforcement	104,913	-	-	-	104,913
Transit operations	125,000	-	-	-	125,000
Medical examiner operations and building	304,527	400,000	-	-	704,527
County Kaizen and process improvement	45,000	50,000	-	-	95,000
Affordable Care Act staffing	-	1,500,000	-	-	1,500,000
Psychological sexual holds	-	150,000	-	-	150,000
Early Neutral Evaluation	-	25,000	-	-	25,000
CHIPS petition processing	-	20,000	-	-	20,000
Workhouse van	-	30,000	-	-	30,000
Enhanced treatment program	-	150,000	-	-	150,000
Partnership for Family Success	-	250,000	-	-	250,000
Family Unification Program (FUP)	-	50,000	-	-	50,000
Community emergency needs	-	200,000	-	-	200,000
Veterans services	-	40,000	-	-	40,000
Neighborhood center remodeling	-	30,000	-	-	30,000
Computer system upgrades	-	50,900	-	-	50,900
Economic Assistance automation project	-	25,547	-	-	25,547
Human service programs	-	26,301,099	-	-	26,301,099
Economic development	-	7,996,680	-	-	7,996,680
Parks	-	1,910,298	-	-	1,910,298
Future capital improvements	-	8,226,563	-	-	8,226,563
Willows operations	-	245,234	-	-	245,234
Chauncey-Barett Gardens operations	-	17,043	-	-	17,043
Savannah Oaks operations	-	349,728	-	-	349,728
Oaks of Lake George operations	-	138,776	-	-	138,776
Office furniture and equipment	-	250,000	-	70,000	320,000
One time funding	-	-	-	142,314	142,314
Financial system projects	-	-	-	2,184,022	2,184,022
Parking lot and parking ramp improvements	-	-	-	528,593	528,593
Board room chairs and agenda software	-	-	-	70,000	70,000
License center lobbies	-	-	-	35,000	35,000
Government center roof replacement	-	-	-	386,263	386,263
Jail and security systems	-	-	-	1,880,526	1,880,526
Computer replacement	-	-	-	400,000	400,000
Training software	-	-	-	100,000	100,000
Citrix project	-	-	-	400,000	400,000
Public Health information management system	-	-	-	899,471	899,471
Information technology (IT) projects	-	-	-	2,090,042	2,090,042
IT server room mechanical upgrades	-	-	-	1,230,000	1,230,000
Recorder technology	-	-	-	512,170	512,170
Share Point	-	-	-	50,000	50,000
WAN and disaster recovery	-	-	-	368,996	368,996
Public information technology	-	-	-	6,976	6,976
Asset preservation	-	-	-	5,536,578	5,536,578
Capital improvements	-	-	-	4,242,840	4,242,840
Library projects	-	-	-	266,085	266,085
Squad car purchase	-	-	-	61,881	61,881
Human service imaging	-	-	-	392,352	392,352
Government center re-carpeting	-	-	-	92,121	92,121
Network management	-	-	-	576,416	576,416
Fixed asset assessment	-	-	-	30,000	30,000
Rum River Human Service Center and Cronin Building	-	-	-	809,656	809,656
Sheriff forensic lab	-	-	-	498,858	498,858
Fire paging equipment	-	-	-	5,600	5,600
Corrections surveillance and safety equipment	-	-	-	29,000	29,000
Corrections caged vehicle	-	-	-	24,000	24,000
800 MHz channel addition	-	-	-	49,750	49,750
Elevator upgrade	-	-	-	1,049,958	1,049,958
Criminal justice hub	-	-	-	425,640	425,640
Recycling dumpster move to government center	-	-	-	25,439	25,439
Building updates	-	-	-	80,592	80,592
Law enforcement range	-	-	-	824,076	824,076
Courts remodel	-	-	-	685,246	685,246
Highway building reconfiguration	-	-	-	531,927	531,927
Highway facility computer hardware/software	-	-	-	40,989	40,989
Highway road construction	-	-	-	1,793,508	1,793,508
Household hazardous waste projects	-	-	-	7,306,689	7,306,689
Connect Anoka County broadband	-	-	-	964,666	964,666
Master condition assessment	-	-	-	37,588	37,588
Total Assigned	\$ 4,659,222	\$ 48,406,868	\$ -	\$ 37,735,828	\$ 90,801,918

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds (Continued)

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

a. Plan Description

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

General Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan and benefits vest after three years of credited service (five years for those first eligible for membership after June 30, 2010).

All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailer/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates, are covered by the Public Employees Correctional Fund. For members first eligible for membership after June 30, 2010, benefits vest on a graduated schedule starting with 50 percent after five years and increasing 10 percent for each year of service until fully vested after ten years. Members eligible for membership before July 1, 2010, are fully vested after three years of service.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute. Defined retirement benefits are based on a member's average yearly salary for the five highest-paid consecutive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for General Employees Retirement Fund Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each year thereafter. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all General Employees Retirement Fund members hired prior to July 1, 1989, whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for Public Employees Police and Fire Fund members and Public Employees Correctional Fund members, and either 65 or 66 (depending on date hired) for General Employees Retirement Fund members. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

b. Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. Ch. 353. These statutes are established and amended by the State Legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. General Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.10 and 6.25 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 9.60 percent. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

The County is required to contribute the following percentages of annual covered payroll in 2012 and 2013:

	2012	2013
General Employees Retirement Fund		
Basic Plan members	11.78%	11.78%
Coordinated Plan members	7.25	7.25
Public Employees Police and Fire Fund	14.40	14.40
Public Employees Correctional Fund	8.75	8.75

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

b. Funding Policy (Continued)

The County's contributions for the years ending December 31, 2012, 2011, 2010, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2012	2011	2010
General Employees Retirement Fund	\$ 6,218,521	\$ 6,442,401	\$ 6,361,775
Public Employees Police and Fire Fund	1,373,778	1,340,689	1,324,302
Public Employees Correctional Fund	874,101	872,275	875,471

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution Plan

Five employees of Anoka County are covered by the Public Employees Defined Contribution Plan, a multiple-employer, deferred compensation plan administered by PERA. The plan is established and administered in accordance with Minn. Stat. Ch. 353D, which may be amended by the State Legislature. The plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code, and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Ch. 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.0 percent of salary, which is matched by the employer. Employees may elect to make member contributions in an amount not to exceed the employer share. Employee and employer 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 2.0 percent of employer contributions and 0.25 percent of the assets in each member account annually.

The employee and employer contributions were \$25,479 each during the year ended December 31, 2012. This was equal to the required 5.0 percent contribution rate of covered payroll.

F. Risk Management

The County is exposed to various losses resulting from tort related claims, theft, damage and destruction of assets; and injuries to employees, for which the County self-funds for losses or purchases commercial insurance to cover the risk exposures. There were no significant reductions in insurance from the prior year. Settled claims from these risks have not exceeded available commercial insurance coverage for the past three years.

Property Insurance: Real and personal property are insured under a blanket property insurance policy. The property insurance includes structure, contents, boiler and machinery, business interruptions, extra expense, electrical data processing equipment, electrical/portable equipment, machinery and media for losses, including earthquake and flood damage.

Automobile: All automobiles are insured under blanket policy for liability, collision and physical damage.

Workers' Compensation: In 2002, the County became self-insured for workers' compensation exposure and contracted with RTW, Inc. to administer its workers' compensation claims. The means for establishing liabilities are based on the nature of the injury, occupational wage and duration of the injuries. Risk Management reports liabilities that have occurred by developing incurred loss for the year using factors established by the International Risk Management Institute and subtracts actual claims paid from the developed incurred loss amount. The difference for each of the years is added together to get the total required reserve amount. Changes in the balances of claim liabilities for the past two years are:

	2012	2011
Unpaid claims, January 1	\$ 1,029,857	\$ 2,107,837
Self-funded claims	351,105	226,438
Adjustments	125,975	(1,235,473)
Claim payments	(443,973)	(68,945)
Unpaid claims, December 31	\$ 1,062,964	\$ 1,029,857
Due within one year	\$ 257,626	

Adjustments include differences between the estimated claim liability of unpaid claims at the beginning of the year and actual claim payments made.

Anoka County has elected lower self-insurance retention since becoming self-insured in 2002. The self-insurance retention limit for 2012 workers' compensation claims is \$460,000 per occurrence for all claims occurring in 2012.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

F. Risk Management (Continued)

Liability: Anoka County has been self-insured for General Liability (including law enforcement, public officials and errors and omissions liability) since September 1, 1986. The County Attorney's Office and the Risk Management department administer all liability claims internally. Risk Management pays out all claims from the Pooled Insurance Internal Service Fund dedicated to liability claims. Risk Management allocated costs to each division based on modified exposure and experience rating plan. Anoka County fully utilizes Minn. Stat. Sec. 466.04 maximum liability and thus does not purchase any excess insurance.

Minn. Stat. Sec. 466.04 limits the tort exposure to:

	Per Person	Per Occurrence
All claims before 01/01/1998	\$ 200,000	\$ 600,000
Claims from 01/01/1998 to 12/31/1999	300,000	750,000
Claims from 01/01/2000 to 12/31/2007	300,000	1,000,000
Claims from 01/01/2008 to 07/01/2009	400,000	1,200,000
Claims on or after 07/01/2009	500,000	1,500,000

Health and Dental: The County fully insures medical insurance through either Medica or HealthPartners. The County fully insures dental insurance through HealthPartners.

G. Joint Ventures

Anoka County, in conjunction with other governmental entities, has formed the joint ventures listed below:

1. Metropolitan Emergency Services Board. Anoka County entered into a joint powers agreement with the Counties of Anoka, Carver, Chisago, Dakota, Isanti, Hennepin, Ramsey, Scott and Washington, pursuant to Minnesota Statutes section 471.59 to comply with the mandate of Minnesota Statutes, Chapter 403, for the implementation and administration of a regional 911 system, encourage the development of new resources and the coordination of emergency medical services. Anoka County paid annual dues of \$123,052 in 2012. Except for annual dues the County has no other financial obligations. Current financial statements are available at the 911 Board Office, 2099 University Avenue, West St. Paul, MN 55104-3431.
2. Metropolitan Library Service Agency (MELSA). Anoka County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of St. Paul and Minneapolis to improve public library services within the various jurisdictions. One member of each entity comprises the Board of Directors of MELSA. Financing is provided by gifts, grants and programs of the federal government, the State of Minnesota, and other governmental and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, MN 55104-6276.
3. Northstar Corridor Development Authority (NCDA). Anoka County entered into a joint powers agreement with 24 counties, regional rail authorities, cities and townships along the Northstar Corridor to create the Northstar Corridor Development Authority, in May 1997. The joint powers board consists of one elected official each from the member governmental units.

The NCDA was created to develop the Northstar commuter rail project from St. Cloud, Minnesota to Minneapolis, Minnesota. Grant monies, member county contributions and the regional railroad authorities' agreement to allocate the initial contributions of capital has provided funding for the NCDA. Members pay annual dues to NCDA. In 2012 Anoka County paid dues of \$75,365 to the NCDA, which is reflected as an expenditure in the Regional Railroad Authority Special Revenue Fund. The dues for 2013 are anticipated to be \$71,310.

The NCDA Board has the authority to make all administrative decisions regarding the Northstar Commuter Rail. The NCDA does not have the authority to levy taxes nor issue bonds. The NCDA does have the authority to enter into contracts, acquire, hold and dispose of real and personal property. Upon termination of the joint powers agreement, NCDA has the authority to dispose of any property. The joint powers agreement does not authorize the NCDA to operate or finance the operations of the Northstar commuter rail.

Sherburne County, in an agency capacity, reports the cash transactions of the NCDA in an agency fund on its financial statements. Current financial statements are available from the NCDA office, 13880 Business Center Dr. NW, Elk River, MN 55330.

4. Metropolitan Airports Commission (MAC). In August 2005, Anoka County entered into a joint powers agreement with the Metropolitan Airports Commission (MAC) relating to improvements at the Anoka County/Blaine airport (Jane's Field) Northwest Building Area. The joint powers board is named "Anoka County/Blaine Airport (Jane's Field) Northwest Building Area Joint Powers Board", pursuant to Section 360.042 of the Act.

The governing body of the Board has two members, one each from Anoka County and MAC. MAC owns and operates the airport, and the agreement sets forth rights, proportionate interests, duties and payment obligations.

During 2005, the County issued \$15.715 million in general obligation airport improvement bonds for the project and the County's share of those bonds is 100%. The bonds are reflected in the long-term debt of Anoka County and reported in the County's financial statement. The County's share with respect to capital improvement expenditures is equal to the principal amount of the bonds. Those expenditures are reported in Anoka County's Capital Projects Fund. The County will levy property taxes to repay the bonds. MAC's share of the bonds is 0%, and their share of the capital improvement expenditures is equal to the amount of federal funds that MAC receives, plus any unreimbursed costs incurred by MAC. The federal funds will be used by MAC for capital improvements and will not be transferred to the County, nor pledged for payment of the bonds. MAC is not obligated to contribute funds or property from the operation of the airport for payment of the bonds.

**ANOKA COUNTY
ANOKA, MINNESOTA**

3. Detailed Notes on All Funds

G. Joint Ventures

4. Metropolitan Airports Commission (MAC) (Continued)

In consideration of the County for issuing bonds, MAC has agreed to allow the County the right to sublease the Northwest Building Area and the County will use lease revenues to offset the cost of County issued general obligation bonds for capital improvements at the airport.

5. Rush Line Corridor Task Force. In April 2007, Anoka County entered into a joint powers agreement with three regional rail authorities, 13 cities, and five townships to analyze the feasibility and environmental impacts of transportation improvements along the Rush Line Corridor. Each governmental unit appoints one member having one vote.

Funding for the Rush Line Corridor Task Force is with federal and state grant monies and contributions from the member organizations.

6. Counties Transit Improvement Board (CTIB). CTIB was created on April 1, 2008, as required by Minn. Statute Section 297A.992, by joint powers agreement between the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington. Its purpose is to receive and distribute a ¼ cent transit sales tax for the development, construction and operation of transit ways serving the five-county area. Hennepin County is the fiscal agent. Financial statements are available from Hennepin County, Department of Finance, 300 South Sixth Street, A-2301 Government Center, Minneapolis, Minnesota 55487.

4. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

Anoka County, in connection with the normal conduct of its affairs, is involved in various claims, judgments, and litigation. The County Attorney estimates that the potential claims against the County not covered by insurance resulting from such litigation would not materially affect the financial position of the County.

Based on the information that Anoka County presently has, the County's total exposure for these cases would not exceed the statutory limit, with the evaluation of an unfavorable outcome varying with each case. Accordingly, in the remote case of an unfavorable outcome, the provision for loss in the financial statements for resolution of these matters may require an adjustment to the financial statements.

B. Related Organization

The Coon Creek Watershed District is governed by a Watershed District Board appointed by the Anoka County Board of Commissioners from a given list of nominees. A watershed district is comprised of a geographic area, which is affected by the watershed from a particular source. The Watershed District Board in each district is responsible for initiating and overseeing certain actions such as ditching, ditch maintenance, engineering, and ditch repair. The costs of these actions, plus the associated administrative costs, must be borne by the "benefited" property owners within each district, through a special assessment against the benefited property. There is no corresponding financial accountability necessary for including this organization as a component unit of Anoka County. Financial statements are available upon request at the Coon Creek Watershed District Office, 12301 Central Avenue Northeast, Suite 100, Blaine, Minnesota 55434.

C. Subsequent Event

On February 5, 2013, the County Board issued \$20,145,000 General Obligation Refunding Bonds, Series 2013A.

REQUIRED SUPPLEMENTARY INFORMATION

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 51,007,336	\$ 51,007,336	\$ 50,675,280	\$ (332,056)
Licenses and permits	1,660	162,855	239,855	77,000
Intergovernmental	19,380,786	19,997,023	20,380,831	383,808
Charges for services	27,307,908	27,496,764	28,357,490	860,726
Fines and forfeits	9,000	9,000	4,458	(4,542)
Investment income	3,145,000	3,145,000	2,769,767	(375,233)
Miscellaneous	3,071,795	4,486,691	5,187,702	701,011
Total Revenues	103,923,485	106,304,669	107,615,383	1,310,714
Expenditures				
Current				
General government				
Management appropriations	862,562	862,562	796,933	65,629
Information technology	3,091,202	2,945,709	2,651,448	294,261
Intergovernmental relations	188,980	204,440	204,152	288
Regional associations	195,000	195,000	194,379	621
County administration	897,823	890,823	833,234	57,589
Human resources	1,241,992	1,242,337	1,118,758	123,579
Property tax administration and collection	6,387,358	6,597,874	5,909,900	687,974
License bureau	2,846,022	2,635,506	2,483,029	152,477
Internal audit and compliance	242,297	242,297	217,702	24,595
Election services	390,805	546,805	546,713	92
Attorney	7,953,255	7,924,755	7,885,264	39,491
Public services	518,815	570,815	508,047	62,768
Surveyor	985,079	1,019,079	992,200	26,879
Facilities management and construction	178,521	619,901	585,912	33,989
Veterans services	426,144	521,226	484,888	36,338
Geographic information system	213,019	213,939	213,899	40
Transit and volunteer transportation	3,407,399	3,482,399	3,468,611	13,788
Accounting and central services	2,793,893	3,051,595	2,853,274	198,321
Courts administration	1,384,389	1,410,389	1,410,118	271
Public information	462,792	476,335	475,107	1,228
Government services	217,558	217,558	181,730	35,828
Miscellaneous	449,259	449,259	3,359,117	(2,909,858)
Total general government	35,334,164	36,320,603	37,374,415	(1,053,812)
Public safety				
Sheriff	28,045,913	28,636,121	28,620,548	15,573
Central communications	\$ 3,583,323	\$ 3,568,323	\$ 3,514,270	\$ 54,053

(Continued)

The notes to the required supplementary information are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 1
(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Public safety (Continued)				
Emergency management	\$ 232,377	\$ 668,953	\$ 668,953	\$ -
Corrections	23,611,723	23,693,685	21,454,553	2,239,132
Medical examiner	2,153,202	2,153,202	2,018,823	134,379
Total public safety	57,626,538	58,720,284	56,277,147	2,443,137
Human services				
Community action program	343,567	343,567	343,567	-
Sanitation				
Solid waste	2,625,824	2,667,929	2,390,853	277,076
R.D.F. administration	2,466,947	2,466,947	2,118,394	348,553
Total sanitation	5,092,771	5,134,876	4,509,247	625,629
Culture and recreation				
Historical society	209,255	209,255	194,255	15,000
Conservation of natural resources				
Soil and water conservation district	151,492	151,492	148,992	2,500
Total Expenditures	98,757,787	100,880,077	98,847,623	2,032,454
Excess of Revenues Over (Under)				
Expenditures	5,165,698	5,424,592	8,767,760	3,343,168
Other Financing Sources (Uses)				
Transfers in	58,804	721,238	694,934	(26,304)
Transfers out	(1,717,539)	(9,204,899)	(8,893,937)	310,962
Total Other Financing Sources (Uses)	(1,658,735)	(8,483,661)	(8,199,003)	284,658
Net Change in Fund Balance	3,506,963	(3,059,069)	568,757	3,627,826
Fund Balance - January 1	46,600,309	46,600,309	46,600,309	-
Fund Balance - December 31	\$ 50,107,272	\$ 43,541,240	\$ 47,169,066	\$ 3,627,826

The notes to the required supplementary information are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 8,506,889	\$ 8,506,889	\$ 8,502,578	\$ (4,311)
Licenses and permits	50,600	50,600	72,982	22,382
Intergovernmental	60,580,409	60,580,409	33,739,222	(26,841,187)
Charges for services	1,100	1,100	73,235	72,135
Investment income	30,000	30,000	25,346	(4,654)
Miscellaneous	141,600	141,600	298,430	156,830
Total Revenues	69,310,598	69,310,598	42,711,793	(26,598,805)
<u>Expenditures</u>				
Current				
Highways and streets				
Administration	1,215,112	1,280,112	990,602	289,510
Maintenance	8,406,858	8,427,719	7,556,892	870,827
Construction	69,987,018	71,687,018	52,339,531	19,347,487
Equipment maintenance and shops	2,591,251	2,591,251	2,568,575	22,676
Intergovernmental				
Highways and streets	-	-	27,344	(27,344)
Total Expenditures	82,200,239	83,986,100	63,482,944	20,503,156
Excess of Revenues Over (Under) Expenditures	(12,889,641)	(14,675,502)	(20,771,151)	(6,095,649)
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	1,700,000	1,700,000	-
Transfers out	-	(74,500)	(82,000)	(7,500)
Total Other Financing Sources (Uses)	-	1,625,500	1,618,000	(7,500)
Net Change in Fund Balance	(12,889,641)	(13,050,002)	(19,153,151)	(6,103,149)
Fund Balance - January 1	13,224,424	13,224,424	13,224,424	-
Increase (decrease) in inventories	-	-	36,448	36,448
Fund Balance - December 31	\$ 334,783	\$ 174,422	\$ (5,892,279)	\$ (6,066,701)

The notes to the required supplementary information are an integral part of this statement.

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HUMAN SERVICES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 30,886,949	\$ 30,886,949	\$ 30,314,003	\$ (572,946)
Licenses and permits	962,751	962,751	969,904	7,153
Intergovernmental	42,620,086	42,784,715	42,848,850	64,135
Charges for services	2,246,714	2,246,714	2,191,974	(54,740)
Investment income	9,000	9,000	16,868	7,868
Miscellaneous	2,601,891	2,601,891	2,938,494	336,603
Total Revenues	79,327,391	79,492,020	79,280,093	(211,927)
Expenditures				
Current				
Human services				
Economic assistance	25,300,595	25,617,960	24,978,671	639,289
Social services	32,019,156	32,081,253	29,347,876	2,733,377
Mental health	10,544,425	10,546,133	9,652,317	893,816
Community health	10,660,122	10,667,452	9,923,849	743,603
Total Expenditures	78,524,298	78,912,798	73,902,713	5,010,085
Excess of Revenues Over (Under) Expenditures	803,093	579,222	5,377,380	4,798,158
Other Financing Sources (Uses)				
Transfers in	-	50,002	50,002	-
Transfers out	-	(4,763,948)	(4,763,948)	-
Total Other Financing Sources (Uses)	-	(4,713,946)	(4,713,946)	-
Net Change in Fund Balance	803,093	(4,134,724)	663,434	4,798,158
Fund Balance - January 1	28,866,389	28,866,389	28,866,389	-
Fund Balance - December 31	\$ 29,669,482	\$ 24,731,665	\$ 29,529,823	\$ 4,798,158

The notes to the required supplementary information are an integral part of this statement.

**ANOKA COUNTY
ANOKA, MINNESOTA**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2012

1. Budgetary Information

General Budget Policies: The County Board adopts calendar-year budgets for the General and Special Revenue Funds by the final County Board meeting in December of the previous year. The Community Development Block Grant Fund and the Job Training Center Fund, for which expenditures are 100 percent reimbursed from the State or Federal government, are not budgeted. For these exceptions, program changes and the resulting expenditures cannot be determined on an annual basis. Similarly, a budget is not adopted for the Forfeiture Funds Special Revenue Fund because it accounts for the proceeds from forfeited property, which cannot be determined on an annual basis.

Each appropriation lapses at the close of the fiscal year to the extent it has not been expended. The County maintains a budgetary control system that compares actual revenues and expenditures to budgeted amounts by division/department. Appropriations are monitored at the major account code level within each division/department. Minnesota County Financial Accounting and Reporting Standards require the County to report the revenues and expenditures by function, without regard to the budgeted division/department adopted by the County Board. One division/department may have budget and actual expenditures in various functions and on various lines of the financial statement. County Board authorization is required for budget adjustments or transfers, which increase the division/department's adopted net (appropriations less non-tax revenues) budget.

Budget Basis of Accounting: Budgets are adopted on a basis consistent with generally accepted accounting principles.

Encumbrances: Encumbrance accounting, under which commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the governmental funds. Encumbrances lapse at year-end and are re-budgeted the following year.

2. Excess of Expenditures Over Budget

The following departments/divisions have expenditures in excess of budget for the year ended December 31, 2012:

	Expenditures		
	Final Budget	Actual	Excess
<u>Major Governmental Funds</u>			
General Fund			
Current			
General Government			
Miscellaneous	\$ 449,259	\$ 3,359,117	\$ 2,909,858

3. Other Postemployment Benefits Funding Status

Beginning in 2007, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. In 2009, the County established both a revocable and an irrevocable trust, pursuant to MN statutes, ch. 471.6175, to prefund a portion of the liability of the plan. The County issued bonds in September 2009, for the purpose of partially funding its OPEB liability. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the December 31, 2011, actuarial valuation.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2007	\$ -	\$ 129,648,121	\$ 129,648,121	0.00%	\$ 100,641,903	128.82%
12/31/2007	-	129,648,121	129,648,121	0.00%	103,373,137	125.42%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,653,890	48.35%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,014,943	48.65%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	106,208,139	37.98%

**ANOKA COUNTY
ANOKA, MINNESOTA**

4. Employer Contributions to Other Postemployment Benefits

For 2012, employer contributions include \$1.2 million to an irrevocable OPEB trust, and \$2.8 million in direct payments to insurance carriers for benefits.

<u>Year Ended December 31</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2008	\$ 1,812,224	\$ 13,167,730	13.76%
2009	22,351,676	13,167,730	169.75%
2010	5,050,487	6,249,243	80.82%
2011	3,639,729	6,251,726	58.22%
2012	4,083,305	5,905,879	69.14%

**ANOKA COUNTY
ANOKA, MINNESOTA**

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

**ANOKA COUNTY
ANOKA, MINNESOTA**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes.

Job Training Center – to account for the financial transactions pertaining to job training and employment opportunities as financed by federal and state governments for economically disadvantaged, under-employed and unemployed persons, and youthful persons in both the private and public sectors. This activity was authorized by the Job Training Partnership Act (JTPA) and Workforce Investment Act (WIA).

County Library – to account for costs associated with providing library services to Anoka County residents. Financing comes primarily from an annual property tax levy and intergovernmental revenue from the State Government.

Parks and Recreation – to account for the cost of constructing, improving and maintaining the county parks in Anoka County, and operation of Chomonix Golf Course. Financing comes primarily from an annual property tax levy, intergovernmental revenue from local, State and Federal Governments, and user fees.

Cooperative Extension – to account for financial transactions pertaining to educational programs which emphasize decision making skills for individuals, families, and youth through home economics, horticulture, 4-H youth development, and agriculture. Cooperative Extension is the County's link to research-based information from the University of Minnesota. Financing comes primarily from an annual property tax levy and intergovernmental revenue from the State Government.

Law Library – to account for the operations and finances of the law library. Revenues are derived from fees collected from certain litigants, and expenditures are primarily law books and administrative and personal service costs.

Community Development Block Grant (CDBG) – to account for the financial operations of federal grants for public building projects, environment improvement, housing rehabilitation, business and individual economic development, and other public purposes. Financing comes primarily from intergovernmental revenues from the State and Federal Governments.

Regional Railroad Authority – to account for the revenues and expenditures resulting from the creation of a Commuter Rail Transit System within the County. The Regional Railroad Authority is governed by a seven-member board and has independent taxing authority.

Housing and Redevelopment Authority – to account for the revenues and expenditures resulting from the implementation of a redevelopment plan to promote economic development within Anoka County. The Housing and Redevelopment Authority is governed by a seven-member board and has independent taxing authority.

Forfeiture Funds – to account for the proceeds from forfeited property, which is used by the County Attorney and the Sheriff's Department for the purpose of prosecution and narcotics enforcement.

ANOKA COUNTY
ANOKA, MINNESOTA

Statement 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue								Total Nonmajor Governmental Funds	
	Job Training Center	County Library	Parks and Recreation	Cooperative Extension	Law Library	Community Development Block Grant	Regional Railroad Authority	Housing and Redevelopment Authority		Forfeiture Funds
Assets										
Cash and pooled investments	\$ 3,240	\$ 7,108,595	\$ 2,436,235	\$ 318,515	\$ 277,789	\$ 447,217	\$ 8,510,085	\$ 8,913,624	\$ 102,313	\$ 28,117,613
Cash and investments with escrow agents	-	-	-	-	-	-	-	440,631	-	440,631
Delinquent taxes receivable	-	210,687	76,005	9,286	-	-	102,870	27,114	-	425,962
Accounts receivable, net	9,928	250,934	116,733	-	-	29,048	-	154,395	6,416	567,454
Land held for resale	-	-	-	-	-	558,440	-	-	-	558,440
Loan receivable	-	-	-	-	-	2,791,187	-	-	-	2,791,187
Due from other governments	56,035	3,733	1,467,866	5,571	24,274	412,688	-	-	1,003	1,971,170
Inventories	-	-	33,808	-	-	-	-	-	-	33,808
Total Assets	69,203	7,573,949	4,130,647	333,372	302,063	4,238,580	8,612,955	9,535,764	109,732	34,906,265
Liabilities and Fund Balances										
Liabilities										
Accounts payable	-	204,395	79,985	1,423	14,866	88,838	3,993	305,015	-	698,515
Salaries payable	-	182,757	114,898	4,491	7,018	-	1,830	3,806	-	314,800
Contracts payable	-	-	483,816	-	-	-	277,699	-	-	761,515
Due to other funds	32,000	-	-	-	-	-	-	-	-	32,000
Due to other governments	-	14,080	2,309	47,864	-	94	-	18,123	642	83,112
Advances from other funds	-	-	210,000	-	-	-	-	-	-	210,000
Deferred revenue	30,817	665,739	963,356	9,286	-	3,560,766	102,870	27,114	-	5,359,948
Total Liabilities	62,817	1,066,971	1,854,364	63,064	21,884	3,649,698	386,392	354,058	642	7,459,890
Fund Balances										
Nonspendable	-	-	33,808	-	-	-	-	-	-	33,808
Restricted	-	-	332,177	54,766	280,179	588,882	-	440,631	109,090	1,805,725
Committed	-	6,506,978	-	215,542	-	-	-	-	-	6,722,520
Assigned	6,386	-	1,910,298	-	-	-	8,226,563	8,741,075	-	18,884,322
Total Fund Balances	6,386	6,506,978	2,276,283	270,308	280,179	588,882	8,226,563	9,181,706	109,090	27,446,375
Total Liabilities and Fund Balances	\$ 69,203	\$ 7,573,949	\$ 4,130,647	\$ 333,372	\$ 302,063	\$ 4,238,580	\$ 8,612,955	\$ 9,535,764	\$ 109,732	\$ 34,906,265

ANOKA COUNTY
ANOKA, MINNESOTA

Statement 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue								Total Nonmajor Governmental Funds	
	Job Training Center	County Library	Parks and Recreation	Cooperative Extension	Law Library	Community Development Block Grant	Regional Railroad Authority	Housing and Redevelopment Authority		Forfeiture Funds
Revenues										
Taxes	\$ -	\$ 7,040,174	\$ 2,350,200	\$ 297,521	\$ -	\$ -	\$ 2,264,985	\$ 1,527,725	\$ -	\$ 13,480,605
Licenses and permits	-	-	2,475	-	-	-	-	-	-	2,475
Intergovernmental	3,189,885	1,129,243	2,662,777	39,972	-	2,918,607	10,231,636	1,450	-	20,173,570
Charges for services	103,713	96,619	1,606,620	45,796	-	-	-	-	-	1,852,748
Fines and forfeits	-	244,247	-	-	378,089	-	-	-	44,912	667,248
Investment income	-	-	3,934	-	-	-	14,984	10,984	-	29,902
Miscellaneous	38,595	117,980	526,846	13,331	553	1,608,645	6,235	2,113,446	-	4,425,631
Total Revenues	3,332,193	8,628,263	7,152,852	396,620	378,642	4,527,252	12,517,840	3,653,605	44,912	40,632,179
Expenditures										
Current										
General government	-	-	-	-	389,777	-	-	-	6,093	395,870
Public safety	-	-	-	-	-	-	-	-	8,305	8,305
Culture and recreation	-	7,221,251	7,898,706	-	-	-	-	-	-	15,119,957
Conservation of natural resources	-	-	-	421,294	-	-	-	-	-	421,294
Economic development	3,262,322	-	-	-	-	4,267,350	8,379,175	1,824,900	-	17,733,747
Debt service										
Principal retirement	-	-	22,916	-	-	-	-	-	-	22,916
Interest and fiscal charges	-	-	2,949	-	-	-	-	-	-	2,949
Intergovernmental										
Economic development	-	-	-	-	-	-	-	68,981	-	68,981
Total Expenditures	3,262,322	7,221,251	7,924,571	421,294	389,777	4,267,350	8,379,175	1,893,881	14,398	33,774,019
Excess of Revenues Over (Under) Expenditures	69,871	1,407,012	(771,719)	(24,674)	(11,135)	259,902	4,138,665	1,759,724	30,514	6,858,160
Other Financing Sources (Uses)										
Transfers in	-	-	512,300	38,789	-	-	-	-	-	551,089
Transfers out	(86,639)	(93,609)	(47,983)	-	-	-	(3,632,760)	(1,082,978)	-	(4,943,969)
Total Other Financing Sources (Uses)	(86,639)	(93,609)	464,317	38,789	-	-	(3,632,760)	(1,082,978)	-	(4,392,880)
Net Change in Fund Balances	(16,768)	1,313,403	(307,402)	14,115	(11,135)	259,902	505,905	676,746	30,514	2,465,280
Fund Balances - January 1	23,154	5,193,575	2,588,413	256,193	291,314	328,980	7,720,658	8,504,960	78,576	24,985,823
Increase (decrease) in inventories	-	-	(4,728)	-	-	-	-	-	-	(4,728)
Fund Balances - December 31	\$ 6,386	\$ 6,506,978	\$ 2,276,283	\$ 270,308	\$ 280,179	\$ 588,882	\$ 8,226,563	\$ 9,181,706	\$ 109,090	\$ 27,446,375

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 4

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY LIBRARY
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 6,286,908	\$ 6,286,908	\$ 7,040,174	\$ 753,266
Intergovernmental	984,524	984,524	1,129,243	144,719
Charges for services	114,500	114,500	96,619	(17,881)
Fines and forfeits	261,500	261,500	244,247	(17,253)
Miscellaneous	110,840	110,840	117,980	7,140
Total Revenues	7,758,272	7,758,272	8,628,263	869,991
<u>Expenditures</u>				
Current				
Culture and recreation	7,574,835	7,581,035	7,221,251	359,784
Excess of Revenues Over (Under) Expenditures	183,437	177,237	1,407,012	1,229,775
<u>Other Financing Sources (Uses)</u>				
Transfers out	-	(93,609)	(93,609)	-
Net Change in Fund Balance	183,437	83,628	1,313,403	1,229,775
Fund Balance - January 1	5,193,575	5,193,575	5,193,575	-
Fund Balance - December 31	\$ 5,377,012	\$ 5,277,203	\$ 6,506,978	\$ 1,229,775

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 5

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKS AND RECREATION
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 2,381,566	\$ 2,381,566	\$ 2,350,200	\$ (31,366)
Licenses and permits	1,500	1,500	2,475	975
Intergovernmental	593,025	3,175,116	2,662,777	(512,339)
Charges for services	1,644,116	1,644,116	1,606,620	(37,496)
Investment income	-	-	3,934	3,934
Miscellaneous	440,950	459,982	526,846	66,864
Total Revenues	5,061,157	7,662,280	7,152,852	(509,428)
<u>Expenditures</u>				
Current				
Culture and recreation	5,203,690	7,852,260	7,898,706	(46,446)
Debt Service				
Principal retirement	143,490	143,490	22,916	120,574
Interest and fiscal charges	48,010	48,010	2,949	45,061
Total Expenditures	5,395,190	8,043,760	7,924,571	119,189
Excess of Revenues Over (Under) Expenditures	(334,033)	(381,480)	(771,719)	(390,239)
<u>Other Financing Sources (Uses)</u>				
Transfers in	530,000	587,300	512,300	(75,000)
Transfers out	(81,000)	(203,504)	(47,983)	155,521
Total Other Financing Sources (Uses)	449,000	383,796	464,317	80,521
Net Change in Fund Balance	114,967	2,316	(307,402)	(309,718)
Fund Balance - January 1	2,588,413	2,588,413	2,588,413	-
Increase (decrease) in inventories	-	-	(4,728)	(4,728)
Fund Balance - December 31	\$ 2,703,380	\$ 2,590,729	\$ 2,276,283	\$ (314,446)

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 6

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COOPERATIVE EXTENSION
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 303,044	\$ 303,044	\$ 297,521	\$ (5,523)
Intergovernmental	40,862	40,862	39,972	(890)
Charges for services	5,000	40,795	45,796	5,001
Miscellaneous	12,000	12,000	13,331	1,331
Total Revenues	360,906	396,701	396,620	(81)
<u>Expenditures</u>				
Current				
Conservation of natural resources	348,535	423,119	421,294	1,825
Excess of Revenues Over (Under) Expenditures	12,371	(26,418)	(24,674)	1,744
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	38,789	38,789	-
Net Change in Fund Balance	12,371	12,371	14,115	1,744
Fund Balance - January 1	256,193	256,193	256,193	-
Fund Balance - December 31	\$ 268,564	\$ 268,564	\$ 270,308	\$ 1,744

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 7

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LAW LIBRARY
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and forfeits	\$ 402,296	\$ 402,296	\$ 378,089	\$ (24,207)
Miscellaneous	900	900	553	(347)
Total Revenues	403,196	403,196	378,642	(24,554)
<u>Expenditures</u>				
Current				
General government	<u>403,983</u>	<u>403,983</u>	<u>389,777</u>	<u>14,206</u>
Net Change in Fund Balance	(787)	(787)	(11,135)	(10,348)
Fund Balance - January 1	<u>291,314</u>	<u>291,314</u>	<u>291,314</u>	<u>-</u>
Fund Balance - December 31	<u><u>\$ 290,527</u></u>	<u><u>\$ 290,527</u></u>	<u><u>\$ 280,179</u></u>	<u><u>\$ (10,348)</u></u>

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 8

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
REGIONAL RAILROAD AUTHORITY
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 2,247,751	\$ 2,247,751	\$ 2,264,985	\$ 17,234
Intergovernmental	-	7,664,669	10,231,636	2,566,967
Investment income	-	-	14,984	14,984
Miscellaneous	-	-	6,235	6,235
Total Revenues	2,247,751	9,912,420	12,517,840	2,605,420
<u>Expenditures</u>				
Current				
Economic development	<u>729,757</u>	<u>8,394,426</u>	<u>8,379,175</u>	<u>15,251</u>
Excess of Revenues Over (Under) Expenditures	1,517,994	1,517,994	4,138,665	2,620,671
<u>Other Financing Sources (Uses)</u>				
Transfers out	<u>(2,158,251)</u>	<u>(3,858,251)</u>	<u>(3,632,760)</u>	<u>225,491</u>
Net Change in Fund Balance	(640,257)	(2,340,257)	505,905	2,846,162
Fund Balance - January 1	<u>7,720,658</u>	<u>7,720,658</u>	<u>7,720,658</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 7,080,401</u>	<u>\$ 5,380,401</u>	<u>\$ 8,226,563</u>	<u>\$ 2,846,162</u>

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING AND REDEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 1,519,767	\$ 1,519,767	\$ 1,527,725	\$ 7,958
Intergovernmental	1,450	1,450	1,450	-
Investment income	12,365	12,365	10,984	(1,381)
Miscellaneous	2,061,706	2,061,706	2,113,446	51,740
Total Revenues	3,595,288	3,595,288	3,653,605	58,317
<u>Expenditures</u>				
Current				
Economic development				
County	600,908	600,908	524,057	76,851
Cities	1,018,146	1,018,146	141,948	876,198
Willows Senior Housing	199,966	199,966	240,565	(40,599)
Chauncey-Barett Gardens Senior Housing	209,114	209,114	228,862	(19,748)
Savannah Oaks Senior Housing	247,294	247,294	264,228	(16,934)
Oaks of Lake George Senior Housing	276,785	276,785	301,240	(24,455)
Ice Arena	-	-	124,000	(124,000)
Intergovernmental				
Economic development	54,547	54,547	68,981	(14,434)
Total Expenditures	2,606,760	2,606,760	1,893,881	712,879
Excess of Revenues Over (Under) Expenditures	988,528	988,528	1,759,724	771,196
<u>Other Financing Sources (Uses)</u>				
Transfers out	(1,141,648)	(1,141,648)	(1,082,978)	58,670
Net Change in Fund Balance	(153,120)	(153,120)	676,746	829,866
Fund Balance - January 1	8,504,960	8,504,960	8,504,960	-
Fund Balance - December 31	\$ 8,351,840	\$ 8,351,840	\$ 9,181,706	\$ 829,866

ANOKA COUNTY
ANOKA, MINNESOTA

Statement 3

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<u>Assets</u>				
Cash and pooled investments	\$ 8,367,215	\$ 327,646,281	\$ 327,527,737	\$ 8,485,759
Accounts receivable	-	6,382	-	6,382
Due from other governments	1,036,124	300,421	346,445	990,100
Prepaid items	54,673	-	54,673	-
Total Assets	<u>9,458,012</u>	<u>327,953,084</u>	<u>327,928,855</u>	<u>9,482,241</u>
<u>Liabilities</u>				
Accounts payable	1,462,083	4,558,458	4,276,766	1,743,775
Contracts payable	80,636	-	80,636	-
Salaries payable	130,584	-	130,584	-
Due to other governments	7,784,709	323,394,626	323,440,869	7,738,466
Total Liabilities	<u>\$ 9,458,012</u>	<u>\$ 327,953,084</u>	<u>\$ 327,928,855</u>	<u>\$ 9,482,241</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

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OTHER SUPPLEMENTARY INFORMATION

**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 10

**SCHEDULE OF DEPOSITS AND INVESTMENTS
DECEMBER 31, 2012**

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Pooled Deposits and Investments			
Checking Accounts			
Non-Interest Bearing			
Wells Fargo Bank			\$ (2,361,821)
US Bank			380,357
Northeast State Bank			37,837
Village Bank			132,562
21st Century Bank			173,908
US Bank			19,953
Bank of the West			122,864
Interest Bearing			
US Bank	Varies		10,395
Total Checking Accounts			<u>(1,483,945)</u>
Savings Accounts			
Northeast State Bank	0.11%		11,489
Community Pride Bank	0.10%		10,493
Village Bank	0.05%		25,693
21st Century Bank	0.10%		17,394
US Bank	Varies		16,854
Bank of the West	Varies		18,831
Wells Fargo Bank - escrow	Varies		3,461,023
Total Savings Accounts			<u>3,561,777</u>
Money Market Accounts with Brokers			
US Bank Institutional Custody	Varies	Various	1,188,581
US Bank Cash Portal	Varies		19,302,158
Wells Fargo Bank Brokerage Services, LLC	Varies		5,004,121
Total Money Market Accounts with Brokers			<u>25,494,860</u>
MAGIC Funds			
PFM Asset Management, LLC	Varies		<u>1,408,522</u>
Certificates of Deposit			
Community Pride Bank	0.25%	01/17/2013	<u>90,000</u>
U.S. Government Securities			
US Bank - County Treasury	Varies	Various	73,426,115
US Bank - Voyageur	Varies	Various	33,564,158
US Bank - FAF Nuveen	Varies	Various	33,792,076
US Bank - Institutional Trust	Varies	Various	21,309,763
Wells Fargo Bank Trust Escrow	Varies	Various	676,307
Total U.S. Government Securities			<u>162,768,419</u>
Repurchase Agreements			
Wells Fargo Bank	Varies	Various	<u>4,575,623</u>
Total Pooled Deposits and Investments			196,415,256
Fund Investments			
Irrevocable and Revocable Trust			
Public Employees Retirement Account (PERA) - Other Postemployment Benefits (OPEB) Trust Account	Varies	Various	<u>34,607,143</u>
Total Deposits and Investments			<u>\$ 231,022,399</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 11

**COMBINED SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General Fund	Special Revenue Funds Schedule 12	Debt Service Fund	Capital Projects Fund	Total All Funds
Shared Revenue					
State					
Highway users tax	\$ -	\$ 24,438,614	\$ -	\$ -	\$ 24,438,614
Market value credit - agriculture	19,791	20,517	7,521	1,110	48,939
Market value credit - mobile home	13,076	13,096	-	734	26,906
County program aid	6,662,824	6,720,378	-	103,991	13,487,193
Temporary maintenance of effort aid	73,259	-	-	-	73,259
Disparity reduction credit aid	126	-	-	-	126
Police state aid	783,715	-	-	-	783,715
Enhanced 911 aid	492,449	-	-	-	492,449
Local Performance Aid	-	-	-	50,000	50,000
PERA aid	406,581	-	-	-	406,581
Payments in lieu of tax	111,807	-	-	-	111,807
Total Shared Revenue	8,563,628	31,192,605	7,521	155,835	39,919,589
Reimbursement for Services					
State					
Human Services	14,465	5,682,488	-	-	5,696,953
Grants					
State					
Agriculture	5,242	-	-	-	5,242
Commerce	10,574	-	-	-	10,574
Health	-	1,322,339	-	-	1,322,339
Public Safety	258,723	-	-	-	258,723
Employment and Economic Development	-	1,629,989	-	-	1,629,989
Natural Resources	50,427	70,631	-	-	121,058
Transportation	-	713,172	-	-	713,172
Human Services	735	11,169,207	-	-	11,169,942
Housing Finance	-	377,590	-	-	377,590
Corrections	4,886,696	-	-	-	4,886,696
Education	4,420	-	-	-	4,420
Pollution Control Agency	1,085,929	-	-	-	1,085,929
Veterans Affairs	10,000	-	-	-	10,000
Miscellaneous Boards	42,840	11,166	-	-	54,006
Total State	6,355,586	15,294,094	-	-	21,649,680
Federal Department / Agency					
Agriculture	260,068	3,009,612	-	-	3,269,680
Housing and Urban Development	-	2,545,403	-	-	2,545,403
Justice	291,064	-	-	-	291,064
Labor	-	1,439,790	-	-	1,439,790
Transportation	55,939	9,155,893	-	-	9,211,832
Institute of Museum and Library Services	-	44,744	-	-	44,744
Education	434,057	54,347	-	-	488,404
Health and Human Services	561,652	17,479,428	-	-	18,041,080
Corporation for National and Community Service	-	37,265	-	-	37,265
Homeland Security	597,305	17,144	-	-	614,449
Total Federal	2,200,085	33,783,626	-	-	35,983,711
Local					
Other	-	28,930	-	-	28,930
Cities / Counties	406,830	5,338,162	161,546	-	5,906,538
Counties Transit Improvement Board	-	3,000,000	-	-	3,000,000
Metropolitan Council	2,840,237	2,244,340	-	-	5,084,577
Metropolitan Library Service Agency (MELSA)	-	197,397	-	-	197,397
Total Local	3,247,067	10,808,829	161,546	-	14,217,442
Total Grants	11,802,738	59,886,549	161,546	-	71,850,833
Total Intergovernmental Revenue	\$ 20,380,831	\$ 96,761,642	\$ 169,067	\$ 155,835	\$ 117,467,375

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 12

COMBINING SCHEDULE OF INTERGOVERNMENTAL REVENUE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Major Governmental Funds		Nonmajor Governmental Funds							Total
	Road and Bridge	Human Services	Job Training Center	County Library	Parks and Recreation	Cooperative Extension	Community Development Block Grant	Regional Railroad Authority	Housing and Redevelopment Authority	
Shared Revenue										
State										
Highway users tax	\$ 24,438,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,438,614
Market value credit - agriculture	2,815	12,075	-	2,457	931	117	-	1,061	1,061	20,517
Market value credit - mobile home	1,860	7,973	-	1,772	615	78	-	409	389	13,096
County program aid	1,365,184	4,091,355	-	882,873	341,189	39,777	-	-	-	6,720,378
Total Shared Revenue	25,808,473	4,111,403	-	887,102	342,735	39,972	-	1,470	1,450	31,192,605
Reimbursement for Services										
State										
Human Services	-	5,682,488	-	-	-	-	-	-	-	5,682,488
Grants										
State										
Health	-	1,322,339	-	-	-	-	-	-	-	1,322,339
Employment and Economic Development	-	-	1,629,989	-	-	-	-	-	-	1,629,989
Natural Resources	-	-	-	-	70,631	-	-	-	-	70,631
Transportation	713,172	-	-	-	-	-	-	-	-	713,172
Human Services	-	11,169,207	-	-	-	-	-	-	-	11,169,207
Housing Finance	-	-	-	-	-	-	377,590	-	-	377,590
Miscellaneous Boards	-	11,166	-	-	-	-	-	-	-	11,166
Total State	713,172	12,502,712	1,629,989	-	70,631	-	377,590	-	-	15,294,094
Federal Department / Agency										
Agriculture	-	3,009,612	-	-	-	-	-	-	-	3,009,612
Housing and Urban Development	-	4,386	-	-	-	-	2,541,017	-	-	2,545,403
Labor	-	-	1,439,790	-	-	-	-	-	-	1,439,790
Transportation	5,668,858	-	65,759	-	-	-	-	3,421,276	-	9,155,893
Institute of Museum and Library Services	-	-	-	44,744	-	-	-	-	-	44,744
Education	-	-	54,347	-	-	-	-	-	-	54,347
Health and Human Services	-	17,479,428	-	-	-	-	-	-	-	17,479,428
Corporation for National and Community Service	-	37,265	-	-	-	-	-	-	-	37,265
Homeland Security	12,073	-	-	-	5,071	-	-	-	-	17,144
Total Federal	5,680,931	20,530,691	1,559,896	44,744	5,071	-	2,541,017	3,421,276	-	33,783,626
Local										
Other	7,374	21,556	-	-	-	-	-	-	-	28,930
Cities / Counties	1,529,272	-	-	-	-	-	-	3,808,890	-	5,338,162
Counties Transit Improvement Board	-	-	-	-	-	-	-	3,000,000	-	3,000,000
Metropolitan Council	-	-	-	-	2,244,340	-	-	-	-	2,244,340
Metropolitan Library Service Agency (MELSA)	-	-	-	197,397	-	-	-	-	-	197,397
Total Local	1,536,646	21,556	-	197,397	2,244,340	-	-	6,808,890	-	10,808,829
Total Grants	7,930,749	33,054,959	3,189,885	242,141	2,320,042	-	2,918,607	10,230,166	-	59,886,549
Total Intergovernmental Revenue	\$ 33,739,222	\$ 42,848,850	\$ 3,189,885	\$ 1,129,243	\$ 2,662,777	\$ 39,972	\$ 2,918,607	\$ 10,231,636	\$ 1,450	\$ 96,761,642

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA/Project Number	Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education:		
Child Nutrition Cluster		
School Breakfast Program	10.553	\$ 51,828
National School Lunch Program	10.555	83,707
Passed through Minnesota Department of Health:		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,232,104
Passed through Minnesota Department of Human Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1,902,041
Total U.S. Department of Agriculture		3,269,680
U.S. Department of Housing and Urban Development		
Direct:		
Community Development Block Grants - Entitlement Grants	14.218	2,085,092
Passed through Dakota County Community Development Agency:		
Home Investment Partnerships Program	14.239	508,865
Passed through Minnesota Department of Health:		
Asthma Interventions in Public and Assisted Multifamily Housing	14.914	4,386
Total U.S. Department of Housing and Urban Development		2,598,343
U.S. Department of Justice		
Direct:		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	189,735
State Criminal Alien Assistance Program	16.606	18,990
Bulletproof Vest Partnership Program	16.607	8,484
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants To Units Of Local Government - ARRA	16.804	34,239
Passed through Minnesota Department of Public Safety:		
Juvenile Accountability Block Grants	16.523	33,479
Public Safety Partnership and Community Policing Grants - ARRA	16.710	6,137
Total U.S. Department of Justice		291,064
U.S. Department of Labor		
Passed through Minnesota Department of Employment and Economic Development:		
Senior Community Service Employment Program	17.235	137,851
Workforce Investment Act (WIA) Cluster		
WIA Adult Program	17.258	374,968
WIA Youth Activities	17.259	367,025
WIA Dislocated Workers Formula Grants	17.278	502,692
Incentive Grants - WIA Section 503	17.267	25,368
Passed through Senior Service America Inc.:		
Senior Community Service Employment Program	17.235	24,668
Passed through Dakota County:		
Workforce Investment Act (WIA) Cluster		
WIA National Emergency Grant - ARRA	17.277	7,218
Total U.S. Department of Labor		1,439,790
U.S. Department of Transportation		
Passed through Minnesota Department of Transportation:		
Highway Planning and Construction	20.205	5,486,353
Passed through Metropolitan Council:		
Federal Transit - Formula Grants	20.507	182,504
Job Access - Reverse Commute Program	20.516	65,759
Passed through the City of Coon Rapids:		
Highway Safety Cluster		
State and Community Highway Safety	20.600	2,127
Occupant Protection Incentive Grants	20.602	9,076
Safety Belt Performance Grants	20.609	4,100
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	40,637
Total U.S. Department of Transportation		5,790,556
Institute of Museum and Library Services		
Passed through Minnesota Department of Education:		
Grants to States	45.310	\$ 41,040

(Continued)

The notes to the Schedule of Expenditure of Federal Awards are an integral part of this schedule.

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 13
(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA/Project Number	Expenditures
U.S. Department of Education		
Passed through Centennial School District: Title I Grants to Local Educational Agencies	84.010	\$ 254,374
Passed through Minnesota Department of Employment and Economic Development: Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	54,347
Total U.S. Department of Education		308,721
U.S. Department of Health and Human Services		
Passed through Metropolitan Area Agency on Aging: National Family Caregiver Support, Title III, Part E	93.052	60,000
Passed through Minnesota Secretary of State: Voting Access for Individuals with Disabilities - Grants to States	93.617	4,000
Passed through Minnesota Department of Human Services: Projects for Assistance in Transition from Homelessness (PATH) Promoting Safe and Stable Families Temporary Assistance for Needy Families (TANF) Cluster Temporary Assistance for Needy Families Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program - ARRA Child Support Enforcement Refugee and Entrant Assistance - State Administered Program Child Care and Development Block Grant Community-Based Child Abuse Prevention Grants Adoption Incentive Payments Stephanie Tubbs Jones Child Welfare Services Program Foster Care - Title IV-E Social Service Block Grant Chafee Foster Care Independence Program Medical Assistance Program	93.150 93.556 93.558 93.714 93.563 93.566 93.575 93.590 93.603 93.645 93.658 93.667 93.674 93.778	21,828 205,225 3,470,186 221,438 6,381,732 432 346,956 47,903 2,784 13,498 736,273 1,418,774 28,753 4,158,743
Passed through Minnesota Department of Health: Public Health Emergency Preparedness Project Grants and Cooperative Agreements for Tuberculosis Control Programs Universal Newborn Hearing Screening Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program Immunization Cooperative Agreements Centers for Disease Control and Prevention - Investigations and Technical Assistance Temporary Assistance for Needy Families (TANF) Cluster Temporary Assistance for Needy Families Refugee and Entrant Assistance - Discretionary Grants Maternal and Child Health Services Block Grant to the States	93.069 93.116 93.251 93.505 93.268 93.283 93.558 93.576 93.994	240,624 2,000 2,625 30,142 27,267 6,125 342,355 3,000 268,417
Total U.S. Department of Health and Human Services		18,041,080
Corporation for National and Community Service		
Direct: Retired and Senior Volunteer Program	94.002	37,265
U.S. Department of Homeland Security		
Passed through Minnesota Department of Natural Resources: Boating Safety Financial Assistance	97.012	65,094
Passed through Minnesota Department of Public Safety: Disaster Grants - Public Assistance (Presidentially Declared Disasters) Emergency Management Performance Grants Homeland Security Grant Program	97.036 97.042 97.067	19,464 138,489 409,756
Total U.S. Department of Homeland Security		632,803
Total Federal Awards		\$ 32,450,342

The notes to the Schedule of Expenditure of Federal Awards are an integral part of this schedule.

**ANOKA COUNTY
ANOKA, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Anoka County. The County's reporting entity is defined in Note 1.A to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Anoka County under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Anoka County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Anoka County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

4. Reconciliation to Schedule of Intergovernmental Revenues

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 35,983,711
Grants received more than 120 days after year-end, deferred in 2012	
Community Development Block Grants - Entitlement Grants	52,940
Homeland Security Grant Program	206,223
Grants deferred in 2011, recognized as revenue in 2012	
Grants to States	(3,704)
Title I Grants to Local Educational Agencies	(75,646)
ARRA - Title I Grants to Local Educational Agencies	(104,037)
Homeland Security Grant Program	(187,869)
Expenditures reported during 2007-2009 and recognized as revenue in 2012	
Federal Transit Capital Investment Grants	(3,421,276)
Expenditures per Schedule of Expenditures of Federal Awards	\$ 32,450,342

5. Subrecipients

Of the expenditures presented in the schedule, Anoka County provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
14.218	Community Development Block Grants - Entitlement Grants	\$ 2,032,152
14.239	Home Investment Partnerships Program	434,311
16.804	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants To Units Of Local Government - ARRA	11,467
	Total	\$ 2,477,930

6. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009 (ARRA) requires recipients to clearly distinguish ARRA funds from non-ARRA funding. In the schedule, ARRA funds are denoted by the addition of ARRA to the program name.

7. Clusters

Clusters of programs are groupings of closely related programs that share common compliance requirements. Total expenditures by cluster are:

Child Nutrition Cluster	\$	135,535
Workforce Investment Act (WIA) Cluster		1,251,903
Highway Safety Cluster		15,303
Temporary Assistance for Needy Families (TANF) Cluster		4,033,979

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 14

SCHEDULE OF CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION
DECEMBER 31, 2012

Function	Total	Land	Buildings and Structures	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Software	Construction in Progress
General government	\$ 114,097,409	\$ 2,906,250	\$ 93,874,896	\$ 1,374,069	\$ 6,845,985	\$ -	\$ 4,766,145	\$ 4,330,064
Public safety	79,994,342	784,914	61,288,536	228,525	17,691,443	-	-	924
Highways and streets	612,931,795	156,292,718	8,014,991	702,581	10,170,558	333,312,744	-	104,438,203
Human services	4,999,780	-	3,792,033	67,932	539,926	-	599,889	-
Sanitation	938,550	403,119	514,000	-	21,431	-	-	-
Culture and recreation	82,460,269	28,137,682	24,437,712	20,702,666	7,038,593	-	-	2,143,616
Economic development	21,665,322	5,555,929	16,103,914	-	5,479	-	-	-
Total capital assets allocated to functions	\$ 917,087,467	\$ 194,080,612	\$ 208,026,082	\$ 23,075,773	\$ 42,313,415	\$ 333,312,744	\$ 5,366,034	\$ 110,912,807

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 15

SCHEDULE OF CHANGES IN CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION
DECEMBER 31, 2012

Function	Capital Assets Jan. 1, 2012	Additions	Deductions	Transfers	Capital Assets Dec. 31, 2012
General government	\$ 111,681,530	\$ 7,972,231	\$ 1,831,424	\$ (3,724,928)	\$ 114,097,409
Public safety	79,341,707	1,726,439	944,737	(129,067)	79,994,342
Highways and streets	561,980,684	62,254,715	11,375,367	71,763	612,931,795
Human services	1,175,129	42,419	-	3,782,232	4,999,780
Sanitation	938,550	-	-	-	938,550
Culture and recreation	81,037,584	3,715,058	2,292,373	-	82,460,269
Economic development	21,665,322	-	-	-	21,665,322
Total capital assets	\$ 857,820,506	\$ 75,710,862	\$ 16,443,901	\$ -	\$ 917,087,467

The transfer column reflects the reassignment of assets among governmental functions.

**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 16

**SCHEDULE OF FUND TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Description</u>
<u>General Fund</u>			
Road and Bridge	\$ 7,500	\$ -	Vehicle purchase
Road and Bridge	74,500	-	Voluntary separation program
Human Services	105,000	-	Approved use of reserves
Human Services	287,186	-	Voluntary separation program
Job Training Center	86,639	-	Voluntary separation program
County Library	93,609	-	Voluntary separation program
Parks and Recreation	40,500	-	Voluntary separation program
Parks and Recreation	-	57,300	Approved use of reserves
Cooperative Extension	-	38,789	2011 AG Preserve credit
Debt Service	-	1,199,720	Lease revenue debt payments
Debt Service	-	167,000	East Central Juvenile Center bonds
Capital Projects	-	44,998	Vehicle purchase
Capital Projects	-	514,500	Approved use of reserves
Capital Projects	-	771,630	Recorder's compliance fee
Capital Projects	-	4,100,000	Building Projects
Capital Projects	-	1,000,000	Information Technology projects
Pooled Insurance Fund	-	1,000,000	Pooled Insurance contribution
Total General Fund	694,934	8,893,937	
<u>Special Revenue Funds</u>			
Road and Bridge			
General Fund	-	7,500	Vehicle purchase
General Fund	-	74,500	Voluntary separation program
Regional Rail Authority	1,700,000	-	Roadway development
Total Road and Bridge	1,700,000	82,000	
Human Services			
General Fund	-	105,000	Approved use of reserves
General Fund	-	287,186	Voluntary separation program
Capital Projects	-	85,000	Approved use of reserves
Capital Projects	-	3,000,000	Building projects
Capital Projects	-	1,286,762	Information Technology projects
Capital Projects	50,002	-	CIP computer projects
Total Human Services	50,002	4,763,948	
Job Training Center			
General Fund	-	86,639	Voluntary separation program
County Library			
General Fund	-	93,609	Voluntary separation program
Parks and Recreation			
General Fund	57,300	-	Approved use of reserves
General Fund	-	40,500	Voluntary separation program
Aquatic Center Fund	300,000	-	Recreational facility bonds
Aquatic Center Fund	155,000	-	Coon Rapids Dam purchase
Aquatic Center Fund	-	7,483	Transfer asset
Total Parks and Recreation	512,300	47,983	
Cooperative Extension			
General Fund	38,789	-	2011 AG Preserve credit
Regional Rail Authority			
Road and Bridge	-	1,700,000	Roadway development
Debt Service	-	1,832,760	Transfer for debt service
Capital Projects	-	100,000	CIP projects
Total Regional Rail Authority	-	3,632,760	
Housing and Redevelopment Authority			
Debt Service	-	232,703	Debt service allocation from operations
Debt Service	-	274,679	Debt service allocation from operations
Debt Service	-	241,495	Debt service allocation from operations
Debt Service	-	334,101	Debt service allocation from operations
Total Housing and Redevelopment Authority	-	1,082,978	
Total Special Revenue Funds	\$ 2,301,091	\$ 9,789,917	

(Continued)

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 16
(Continued)

SCHEDULE OF FUND TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2012

Funds	Transfer In	Transfer Out	Description
<u>Debt Service Fund</u>			
General Fund	\$ 1,199,720	\$ -	Lease revenue debt payments
General Fund	167,000	-	East Central Juvenile Center bonds
Regional Rail Authority	1,832,760	-	Transfer for debt service
Housing and Redevelopment Authority	232,703	-	Debt service allocation from operations
Housing and Redevelopment Authority	274,679	-	Debt service allocation from operations
Housing and Redevelopment Authority	241,495	-	Debt service allocation from operations
Housing and Redevelopment Authority	334,101	-	Debt service allocation from operations
Capital Projects	142,863	-	Transfer for debt service
Total Debt Service Fund	4,425,321	-	
<u>Capital Projects Fund</u>			
General Fund	44,998	-	Vehicle purchase
General Fund	514,500	-	Approved use of reserves
General Fund	771,630	-	Recorder's compliance fee
General Fund	4,100,000	-	Building projects
General Fund	1,000,000	-	Information Technology projects
Human Services	3,000,000	-	Building projects
Human Services	1,286,762	-	Information Technology projects
Human Services	85,000	-	Approved use of reserves
Human Services	-	50,002	CIP computer project
Regional Rail Authority	100,000	-	CIP projects
Debt Service	-	142,863	Transfer for debt service
Total Capital Projects Fund	10,902,890	192,865	
<u>Proprietary Funds</u>			
Aquatic Center Fund			
Parks and Recreation	7,483	-	Transfer asset
Parks and Recreation	-	300,000	Recreational facility bonds
Parks and Recreation	-	155,000	Coon Rapids Dam purchase
Total Aquatic Center Fund	7,483	455,000	
Pooled Insurance Fund			
General Fund	1,000,000	-	Pooled Insurance contribution
Total Proprietary Funds	1,007,483	455,000	
Total All Funds	\$ 19,331,719	\$ 19,331,719	

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 17

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Economic Development	Willows Senior Housing	Chauncey- Barett Gardens Senior Housing	Savannah Oaks Senior Housing	Oaks of Lake George Senior Housing	Total
Revenues						
Taxes	\$ 1,527,725	\$ -	\$ -	\$ -	\$ -	\$ 1,527,725
Intergovernmental	1,450	-	-	-	-	1,450
Investment income	10,891	43	7	22	21	10,984
Miscellaneous	157,532	472,236	474,962	524,600	484,116	2,113,446
Total Revenues	1,697,598	472,279	474,969	524,622	484,137	3,653,605
Expenditures						
Salaries	92,413	46,032	43,380	49,455	41,755	273,035
Other services and charges	697,591	194,534	185,482	214,773	259,485	1,551,865
Intergovernmental	465	12,148	16,669	10,000	29,699	68,981
Total Expenditures	790,469	252,714	245,531	274,228	330,939	1,893,881
Excess of Revenues Over (Under) Expenditures	907,129	219,565	229,438	250,394	153,198	1,759,724
Other Financing Sources (Uses)						
Transfers in	154,660 *	-	33,543 *	-	80,862 *	269,065
Transfers out	(364,216) *	(232,703)	(257,486)	(241,495)	(256,143)	(1,352,043)
Total Other Financing Sources (Uses)	(209,556)	(232,703)	(223,943)	(241,495)	(175,281)	(1,082,978)
Net Change in Fund Balances	697,573	(13,138)	5,495	8,899	(22,083)	676,746
Fund Balances - January 1	7,301,308	473,549	67,843	462,819	199,441	8,504,960
Fund Balances - December 31	\$ 7,998,881	\$ 460,411	\$ 73,338	\$ 471,718	\$ 177,358	\$ 9,181,706

* Transfers between Economic Development and the senior housing projects of \$269,065 is eliminated on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.

**ANOKA COUNTY
ANOKA, MINNESOTA**

STATISTICAL SECTION

**ANOKA COUNTY
ANOKA, MINNESOTA**

**STATISTICAL SECTION
DECEMBER 31, 2012**

This part of Anoka County'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 County's overall financial health.

Contents

Tables

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

1 to 4

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

5 to 8

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

9 to 13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

14 to 16

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

17 to 21

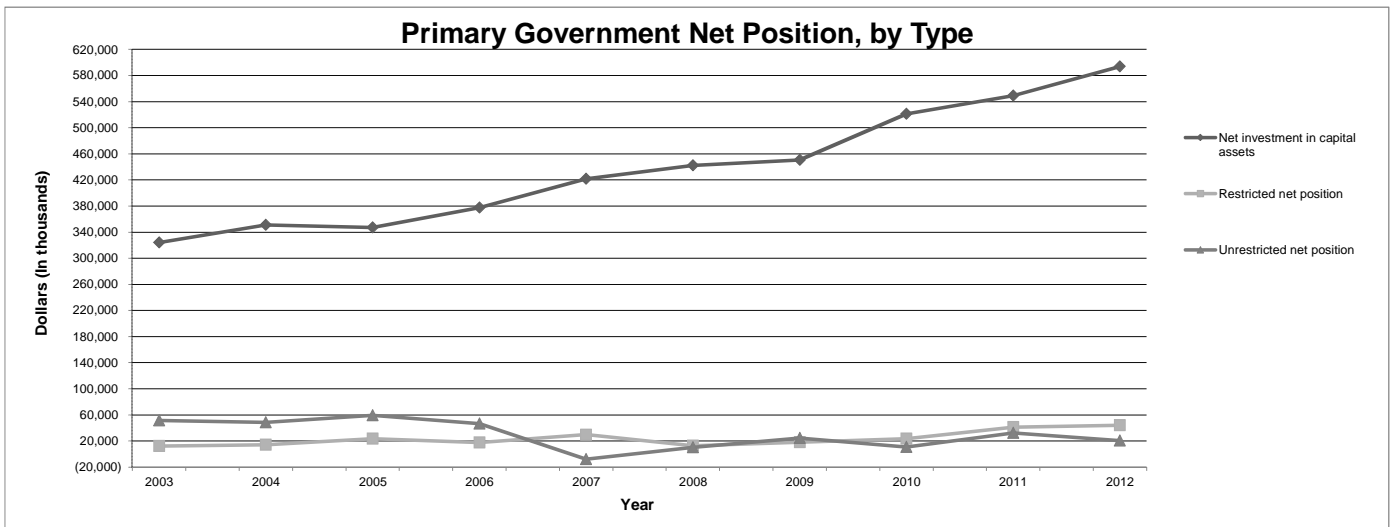
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**ANOKA COUNTY
ANOKA, MINNESOTA**

**NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

Table 1

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Net investment in capital assets	\$ 321,215,168	\$ 348,409,662	\$ 345,953,287	\$ 375,996,475	\$ 420,167,840	\$ 440,834,527	\$ 449,076,665	\$ 514,773,617	\$ 543,248,118	\$ 588,085,098
Restricted for:										
Capital projects	481,059	3,966,469	5,744,673	5,429,369	4,021,520	1,703,345	3,289,973	650,968	470,498	328,249
Debt service	5,541,010	2,685,250	8,326,867	3,575,360	2,544,937	2,177,640	3,747,431	3,726,492	23,363,273	24,817,693
General government	61,033	63,033	-	-	-	-	2,059,116	243,718	5,420,783	5,964,412
Public safety	-	-	-	-	-	-	-	-	1,030,895	1,367,378
Highway	-	1,364,893	3,159,107	7,805,980	22,322,267	8,194,081	8,196,850	17,904,466	3,714,707	3,461,023
Sanitation	5,500,000	5,500,000	5,500,000	-	-	-	-	-	5,962,323	6,747,120
Culture and recreation	-	-	-	-	90,592	318,687	335,087	339,900	321,809	332,177
Conservation of natural resources	-	-	-	-	56,181	58,613	37,992	41,659	42,201	54,766
Economic development	658,185	698,980	698,980	754,693	651,551	526,006	483,289	590,417	741,672	1,029,513
Unrestricted	51,565,881	49,037,875	58,977,104	46,366,707	(8,339,270)	9,639,978	24,125,485	10,376,493	31,764,128	19,911,968
Sub-total Governmental Activities	385,022,336	411,726,162	428,360,018	439,928,584	441,515,618	463,452,877	491,351,888	548,647,730	616,080,407	652,099,397
Change from prior year	2.20%	6.94%	4.04%	2.70%	0.36%	4.97%	6.02%	11.66%	12.29%	5.85%
Business-type Activities:										
Net investment in capital assets	3,051,473	2,798,932	1,145,731	1,471,918	1,430,365	1,364,550	1,302,721	6,287,747	6,105,048	5,877,313
Unrestricted (deficit)	(56,452)	(258,965)	584,881	337,703	474,109	593,723	577,757	517,224	542,481	724,041
Sub-total Business-type Activities	2,995,021	2,539,967	1,730,612	1,809,621	1,904,474	1,958,273	1,880,478	6,804,971	6,647,529	6,601,354
Change from prior year	-2.79%	-15.19%	-31.86%	4.57%	5.24%	2.82%	-3.97%	261.87%	-2.31%	-0.69%
Primary Government:										
Net investment in capital assets	324,266,641	351,208,594	347,099,018	377,468,393	421,598,205	442,199,077	450,379,386	521,061,364	549,353,166	593,962,411
Restricted for:										
Capital projects	481,059	3,966,469	5,744,673	5,429,369	4,021,520	1,703,345	3,289,973	650,968	470,498	328,249
Debt service	5,541,010	2,685,250	8,326,867	3,575,360	2,544,937	2,177,640	3,747,431	3,726,492	23,363,273	24,817,693
General government	61,033	63,033	-	-	-	-	2,059,116	243,718	5,420,783	5,964,412
Public safety	-	-	-	-	-	-	-	-	1,030,895	1,367,378
Highway	-	1,364,893	3,159,107	7,805,980	22,322,267	8,194,081	8,196,850	17,904,466	3,714,707	3,461,023
Sanitation	5,500,000	5,500,000	5,500,000	-	-	-	-	-	5,962,323	6,747,120
Culture and recreation	-	-	-	-	90,592	318,687	335,087	339,900	321,809	332,177
Conservation of natural resources	-	-	-	-	56,181	58,613	37,992	41,659	42,201	54,766
Economic development	658,185	698,980	698,980	754,693	651,551	526,006	483,289	590,417	741,672	1,029,513
Unrestricted	51,509,429	48,778,910	59,561,985	46,704,410	(7,865,161)	10,233,701	24,703,242	10,893,717	32,306,609	20,636,009
Total Primary Government Net Position	\$ 388,017,357	\$ 414,266,129	\$ 430,090,630	\$ 441,738,205	\$ 443,420,092	\$ 465,411,150	\$ 493,232,366	\$ 555,452,701	\$ 622,727,936	\$ 658,700,751
Change from prior year	2.16%	6.76%	3.82%	2.71%	0.38%	4.96%	5.98%	12.61%	12.11%	5.78%



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

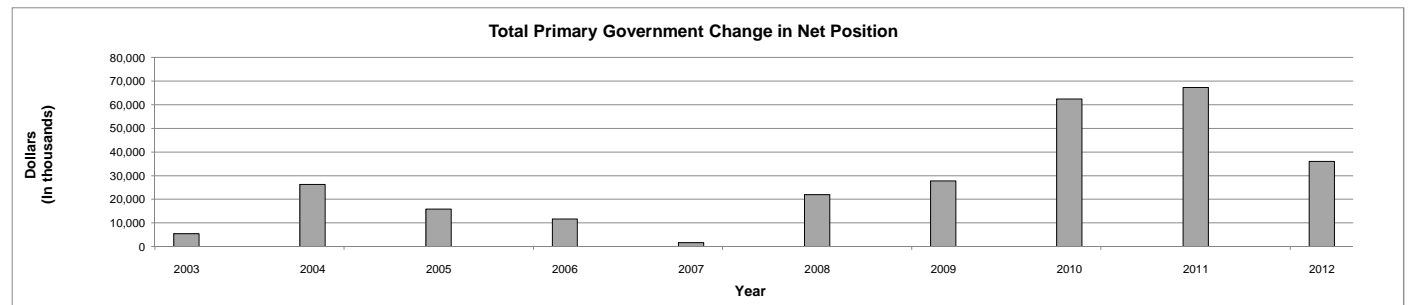
**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

Table 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 41,842,479	\$ 24,214,191	\$ 37,343,218	\$ 46,749,537	\$ 45,014,765	\$ 46,970,658	\$ 58,363,140	\$ 40,478,462	\$ 42,210,832	\$ 37,772,485
Public safety	41,709,792	46,952,371	45,712,919	49,351,317	55,820,529	60,912,629	58,371,059	63,420,581	60,178,403	59,024,039
Highways and streets	17,445,904	16,583,108	14,395,003	20,760,759	11,172,070	19,405,835	24,999,144	20,614,471	32,159,071	34,442,191
Human services	78,164,182	78,060,744	79,950,181	81,078,629	88,089,933	90,240,467	73,678,924	81,337,121	75,890,627	78,798,325
Sanitation	7,038,000	7,252,014	7,520,078	8,846,822	9,673,736	10,879,141	7,370,368	6,732,606	4,733,264	4,521,419
Culture and recreation	13,025,757	12,640,143	14,183,863	14,570,255	15,571,431	15,766,736	14,868,884	17,968,943	14,333,469	15,783,949
Conservation of natural resources	764,353	652,622	648,240	708,287	691,811	663,627	606,625	603,411	588,047	573,117
Economic development	9,408,175	10,866,174	17,920,440	14,162,861	54,391,117	11,539,310	21,073,594	16,279,216	11,420,604	18,181,810
Interest expense and fiscal charges on long-term debt	4,475,635	4,257,358	5,037,599	4,945,113	7,403,523	8,593,411	9,367,791	9,242,711	9,242,711	9,152,835
Total governmental activities expenses	<u>213,874,277</u>	<u>201,478,725</u>	<u>222,711,541</u>	<u>241,173,580</u>	<u>287,828,915</u>	<u>264,971,814</u>	<u>268,699,529</u>	<u>257,220,102</u>	<u>250,757,028</u>	<u>258,250,170</u>
Business-type activities:										
Golf Course	1,159,800	1,031,693	-	-	-	-	-	-	-	-
Aquatic Center	685,260	741,218	727,952	800,504	773,752	824,410	776,771	1,197,292	1,259,538	1,206,089
Total business-type expenses	<u>1,845,060</u>	<u>1,772,911</u>	<u>727,952</u>	<u>800,504</u>	<u>773,752</u>	<u>824,410</u>	<u>776,771</u>	<u>1,197,292</u>	<u>1,259,538</u>	<u>1,206,089</u>
Total primary government expenses	<u>215,719,337</u>	<u>203,251,636</u>	<u>223,439,493</u>	<u>241,974,084</u>	<u>288,602,667</u>	<u>265,796,224</u>	<u>269,476,300</u>	<u>258,417,394</u>	<u>252,016,566</u>	<u>259,456,259</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	11,619,141	10,128,101	10,590,990	10,418,433	9,784,110	9,011,450	7,777,575	7,462,792	8,738,662	9,067,757
Public safety	9,774,155	10,162,158	10,947,762	11,518,568	13,755,983	14,647,024	18,916,988	18,667,163	16,817,060	16,277,648
Highways and streets	248,252	251,327	389,136	397,402	339,161	382,974	381,410	208,132	198,926	235,456
Human services	1,723,102	1,926,350	2,042,647	2,090,553	2,077,820	2,007,851	3,125,660	6,266,832	4,631,539	4,746,215
Sanitation	5,372,801	5,524,743	6,072,600	6,311,284	6,975,274	8,066,733	6,826,185	6,707,706	6,357,578	4,211,448
Culture and recreation	1,138,292	1,138,143	1,892,307	2,046,073	2,291,175	2,324,714	2,329,883	2,349,598	2,372,130	2,460,210
Conservation of natural resources	29,237	14,329	21,238	20,790	29,426	32,435	21,682	40,654	55,991	47,127
Economic development	1,010,339	1,058,221	1,164,617	1,417,606	1,689,916	1,783,565	1,771,055	1,910,845	2,180,562	2,250,985
Operating grants and contributions	82,422,157	85,958,057	80,984,783	84,039,674	102,831,630	85,936,386	84,587,684	94,168,779	106,337,231	90,928,629
Capital grants and contributions	5,861,420	6,288,937	7,068,627	9,290,347	11,765,555	12,377,182	22,458,819	29,675,438	15,104,146	16,619,047
Total governmental activities program revenues	<u>119,198,896</u>	<u>122,430,366</u>	<u>121,174,707</u>	<u>127,550,730</u>	<u>151,540,050</u>	<u>136,570,314</u>	<u>148,196,941</u>	<u>167,529,939</u>	<u>162,793,825</u>	<u>146,844,522</u>
Business-type activities:										
Golf Course (1)	701,426	718,413	-	-	-	-	-	-	-	-
Aquatic Center	1,032,516	805,444	1,030,500	1,099,359	1,098,605	1,108,209	928,976	1,575,490	1,580,828	1,607,431
Total business-type revenues	<u>1,733,942</u>	<u>1,523,857</u>	<u>1,030,500</u>	<u>1,099,359</u>	<u>1,098,605</u>	<u>1,108,209</u>	<u>928,976</u>	<u>1,575,490</u>	<u>1,580,828</u>	<u>1,607,431</u>
Total primary government program revenues	<u>120,932,838</u>	<u>123,954,223</u>	<u>122,205,207</u>	<u>128,650,089</u>	<u>152,638,655</u>	<u>137,678,523</u>	<u>149,125,917</u>	<u>169,105,429</u>	<u>164,374,653</u>	<u>148,451,953</u>
Net (Expense)/Revenue										
Governmental activities	(94,675,381)	(79,048,359)	(101,536,834)	(113,622,850)	(136,288,865)	(128,401,500)	(120,502,588)	(89,690,163)	(87,963,203)	(111,405,648)
Business-type activities	(111,118)	(249,054)	302,548	298,855	324,853	283,799	152,205	378,198	321,290	401,342
Total primary government net expense	<u>(94,786,499)</u>	<u>(79,297,413)</u>	<u>(101,234,286)</u>	<u>(113,323,995)</u>	<u>(135,964,012)</u>	<u>(128,117,701)</u>	<u>(120,350,383)</u>	<u>(89,311,965)</u>	<u>(87,641,913)</u>	<u>(111,004,306)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes collected for general purposes	86,452,475	91,278,568	98,267,778	103,308,691	110,371,907	117,213,750	120,487,286	121,128,580	122,438,605	117,023,562
Property taxes collected for debt service	8,292,972	8,694,290	9,868,792	11,337,718	12,961,520	15,966,634	18,308,010	18,826,079	20,369,043	19,765,144
Wheelage tax collected for highway and streets	-	-	-	-	1,302,278	1,344,670	1,357,818	1,355,057	1,385,440	1,388,677
Grants and contributions not restricted to specific programs	136,549	11,284	5,758	-	-	-	-	-	-	-
Unrestricted investment earnings	1,794,834	1,717,999	2,586,659	5,871,018	7,877,156	7,678,758	2,308,125	3,550,062	5,108,171	3,242,169
Miscellaneous	3,577,229	3,844,044	6,329,800	4,454,143	5,133,038	7,904,947	5,710,360	6,873,710	5,615,889	5,557,569
Transfers	(25,146)	206,000	1,111,903	219,846	230,000	230,000	230,000	(4,546,295)	478,732	447,517
Total governmental activities	<u>100,228,913</u>	<u>105,752,185</u>	<u>118,170,690</u>	<u>125,191,416</u>	<u>137,875,899</u>	<u>150,338,759</u>	<u>148,401,599</u>	<u>147,187,193</u>	<u>155,395,880</u>	<u>147,424,638</u>
Business-type activities:										
Transfers	25,146	(206,000)	(1,111,903)	(219,846)	(230,000)	(230,000)	(230,000)	4,546,295	(478,732)	(447,517)
Total primary government	<u>100,254,059</u>	<u>105,546,185</u>	<u>117,058,787</u>	<u>124,971,570</u>	<u>137,645,899</u>	<u>150,108,759</u>	<u>148,171,599</u>	<u>151,733,488</u>	<u>154,917,148</u>	<u>146,977,121</u>
Change in Net Position										
Governmental activities	5,553,532	26,703,826	16,633,856	11,568,566	1,587,034	21,937,259	27,899,011	57,497,030	67,432,677	36,018,990
Business-type activities	(85,972)	(455,054)	(809,355)	79,009	94,853	53,799	(77,795)	4,924,493	(157,442)	(46,175)
Total primary government	<u>\$ 5,467,560</u>	<u>\$ 26,248,772</u>	<u>\$ 15,824,501</u>	<u>\$ 11,647,575</u>	<u>\$ 1,681,887</u>	<u>\$ 21,991,058</u>	<u>\$ 27,821,216</u>	<u>\$ 62,421,523</u>	<u>\$ 67,275,235</u>	<u>\$ 35,972,815</u>

Notes:

(1) The golf course was moved from Business-type to Governmental activities in 2005.



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**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 3

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
General Fund										
Prior to GASB #54										
Reserved	\$ 5,991,896	\$ 5,583,015	\$ 5,569,773	\$ 138,878	\$ 658,195	\$ 165,209	\$ 2,186,610	\$ 358,995	\$ -	\$ -
Unreserved	25,973,952	23,848,100	22,686,317	30,507,696	36,214,238	41,423,182	43,435,882	46,789,211	-	-
After GASB #54										
Nonspendable	-	-	-	-	-	-	-	-	106,939	115,221
Restricted	-	-	-	-	-	-	-	-	12,044,111	13,689,641
Assigned	-	-	-	-	-	-	-	-	4,903,766	4,659,222
Unassigned	-	-	-	-	-	-	-	-	29,545,493	28,704,982
Total General Fund	31,965,848	29,431,115	28,256,090	30,646,574	36,872,433	41,588,391	45,622,492	47,148,206	46,600,309	47,169,066
General Fund										
change from prior year	-3.64%	-7.93%	-3.99%	8.46%	20.32%	12.79%	9.70%	3.34%	-1.16%	1.22%
Other Governmental Funds										
Prior to GASB #54										
Reserved	13,393,635	13,036,165	20,116,627	19,747,427	31,732,562	14,977,372	18,279,740	25,589,823	-	-
Unreserved	34,708,134	39,386,437	50,480,190	46,782,691	44,410,790	60,724,334	79,479,906	72,403,556	-	-
After GASB #54										
Nonspendable	-	-	-	-	-	-	-	-	2,761,804	2,725,292
Restricted	-	-	-	-	-	-	-	-	32,214,783	44,718,410
Committed	-	-	-	-	-	-	-	-	5,407,567	6,722,520
Assigned	-	-	-	-	-	-	-	-	86,149,888	86,142,696
Unassigned	-	-	-	-	-	-	-	-	-	(11,827,509)
Total Other Governmental Funds	48,101,769	52,422,602	70,596,817	66,530,118	76,143,352	75,701,706	97,759,646	97,993,379	126,534,042	128,481,409
Other Governmental Funds										
change from prior year	-19.20%	8.98%	34.67%	-5.76%	14.45%	-0.58%	29.14%	0.24%	29.13%	1.54%
Total Governmental Funds	\$ 80,067,617	\$ 81,853,717	\$ 98,852,907	\$ 97,176,692	\$ 113,015,785	\$ 117,290,097	\$ 143,382,138	\$ 145,141,585	\$ 173,134,351	\$ 175,650,475
Total Governmental Funds										
change from prior year	-13.63%	2.23%	20.77%	-1.70%	16.30%	3.78%	22.25%	1.23%	19.29%	1.45%

Notes:

(1) The Governmental Accounting Standards Board (GASB) Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in 2011. Statement #54 reclassified fund balances going from two to five classifications with different requirements and parameters. There are no parallel classifications between categories of reserved or unreserved and the GASB #54 categories.

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**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 4

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Taxes	\$ 76,052,661	\$ 81,193,661	\$ 87,558,824	\$ 95,214,628	\$ 104,119,233	\$ 115,959,327	\$ 120,075,679	\$ 123,897,801	\$ 127,336,139	\$ 125,537,553
License and permits	786,542	837,543	944,922	1,009,689	1,044,555	1,152,990	1,148,764	1,126,284	1,164,390	1,285,216
Intergovernmental	98,653,559	102,589,208	101,989,748	104,720,502	127,888,690	109,097,320	122,186,767	138,721,917	136,159,618	117,467,375
Charges for service	28,018,548	29,409,841	32,467,202	33,522,530	36,261,786	37,692,549	36,784,476	36,600,357	34,011,575	32,475,447
Fines and forfeits	1,797,153	1,776,972	1,298,563	764,320	847,842	833,590	753,134	736,414	729,874	671,706
Investment income	1,780,011	1,673,767	2,566,232	5,848,989	7,831,741	7,504,346	1,841,812	3,077,652	4,652,354	2,921,088
Interest earned on securities lending net of related expenses (1)	7,276	4,713	7,647	3,312	15,726	76,723	5,639	-	-	-
Miscellaneous	10,247,004	11,438,323	11,388,430	10,093,846	10,846,721	11,961,067	11,514,726	14,137,678	13,925,691	14,179,081
Total revenues	<u>217,342,754</u>	<u>228,924,028</u>	<u>238,221,568</u>	<u>251,177,816</u>	<u>288,856,294</u>	<u>284,277,912</u>	<u>294,310,997</u>	<u>318,298,103</u>	<u>317,979,641</u>	<u>294,537,466</u>
Expenditures										
Current										
General government	33,041,771	34,163,488	33,060,792	32,399,985	33,359,144	35,124,467	55,669,453	39,825,483	40,000,510	40,437,536
Public safety	40,109,348	44,708,894	43,930,594	47,166,332	50,889,289	56,544,658	58,544,342	59,494,694	56,708,799	56,378,077
Highway and streets	20,502,211	27,283,767	24,793,694	30,309,288	48,151,258	32,700,169	37,545,483	46,571,830	58,934,529	63,461,363
Human services	77,769,854	77,832,158	79,371,255	81,090,205	85,003,608	85,504,869	76,262,810	80,738,615	75,773,592	74,302,122
Sanitation	7,035,246	7,238,034	8,392,028	8,852,364	9,633,816	10,816,997	7,391,853	6,720,175	4,717,810	4,509,247
Culture and recreation	12,641,202	12,321,241	14,294,819	15,129,065	14,061,962	14,374,009	15,297,073	22,350,737	15,759,477	15,314,212
Conservation of natural resources	758,799	651,815	647,525	707,607	677,288	646,070	620,866	599,602	586,757	570,286
Economic development	9,293,114	12,381,007	16,231,263	10,112,524	10,112,151	10,962,106	20,383,650	20,273,953	10,962,426	17,733,747
Capital outlay	11,644,610	14,955,597	9,721,909	27,227,881	76,009,547	37,767,206	27,979,598	17,071,301	9,842,751	20,791,424
Debt service										
Principal retirement	12,889,267	8,799,267	10,419,266	16,655,693	13,885,812	27,757,061	14,434,736	21,322,184	21,686,262	19,726,766
Interest	4,361,447	3,860,737	4,304,226	4,809,011	5,930,597	7,913,267	8,552,098	9,333,850	9,199,314	8,519,814
Bond issuance costs	91,486	294,061	822,268	409,654	1,042,033	607,404	810,141	203,316	324,185	431,736
Administrative charges	13,656	15,091	24,226	32,912	30,162	30,822	117,600	71,482	143,865	57,083
Intergovernmental	202,616	214,410	224,169	1,958,432	237,001	217,428	654,846	88,692	98,445	96,325
Total expenditures	<u>230,354,627</u>	<u>244,719,567</u>	<u>246,238,034</u>	<u>276,860,953</u>	<u>349,023,668</u>	<u>320,966,533</u>	<u>324,264,549</u>	<u>324,665,914</u>	<u>304,738,722</u>	<u>322,329,738</u>
Excess of revenues over (under) expenditures	(13,011,873)	(15,795,539)	(8,016,466)	(25,683,137)	(60,167,374)	(36,688,621)	(29,953,552)	(6,367,811)	13,240,919	(27,792,272)
Other Financing Sources (Uses)										
Transfers in	3,714,317	4,751,458	9,016,139	7,913,223	5,725,830	15,870,328	10,225,279	15,836,065	29,322,255	18,324,236
Transfers out	(3,728,463)	(4,545,458)	(12,487,033)	(7,693,377)	(5,495,830)	(15,640,328)	(9,995,279)	(15,369,865)	(28,843,523)	(18,876,719)
Bonds issued	2,435,000	15,960,000	22,695,000	22,790,000	75,515,000	35,346,127	51,730,000	7,460,000	8,975,000	13,880,000
Refunding bonds issued	1,130,000	1,320,000	13,495,000	-	-	3,468,873	4,685,000	1,930,000	8,920,000	15,205,000
Payment of refunded bonds	-	-	-	-	-	-	-	(1,845,000)	(1,430,000)	-
Payment to refunded bond escrow agent	-	-	(7,465,116)	-	-	-	(3,000,000)	-	(3,180,000)	-
Premium on debt	37,849	94,742	16,601	117,839	155,905	1,248,013	2,147,809	77,133	446,535	1,744,159
Discount on debt	-	-	(260,108)	-	-	(27,984)	-	-	(32,135)	-
Sale of capital assets	-	-	-	745,412	-	-	-	-	-	-
Capital leases	-	-	-	-	90,300	-	-	-	97,148	-
Insurance proceeds	-	-	-	-	-	753,610	-	4,752	-	-
Total other financing sources (uses)	<u>3,588,703</u>	<u>17,580,742</u>	<u>25,010,483</u>	<u>23,852,608</u>	<u>75,991,205</u>	<u>41,018,639</u>	<u>55,792,809</u>	<u>8,093,085</u>	<u>14,275,280</u>	<u>30,276,676</u>
Prior Period Adjustments	(3,094,886)	-	-	-	-	-	-	(201,188)	-	-
Increase (decrease) in inventories	(120,847)	897	5,173	154,314	15,262	(55,706)	252,784	235,361	476,567	31,720
Net change in fund balances	<u>\$ (12,638,903)</u>	<u>\$ 1,786,100</u>	<u>\$ 16,999,190</u>	<u>\$ (1,676,215)</u>	<u>\$ 15,839,093</u>	<u>\$ 4,274,312</u>	<u>\$ 26,092,041</u>	<u>\$ 1,759,447</u>	<u>\$ 27,992,766</u>	<u>\$ 2,516,124</u>
Debt service as a percentage of noncapital expenditures	8.14%	6.40%	6.60%	8.68%	7.08%	13.29%	8.21%	11.63%	12.09%	10.90%

Notes:
(1) The County had a securities lending program from 2003 to 2009.

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

Table 5

ESTIMATED MARKET VALUE, TAXABLE MARKET VALUE AND NET TAX CAPACITY
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Real Estate Property							Personal Property	Total Estimated Market Value	Total Taxable Market Value	Total Net Tax Capacity Value	Total Net Tax Capacity as a Percentage of Taxable Market Value	Total Direct Tax Rate
	Residential Homestead Non-AG	Residential Non Homestead	Commercial & Residential Seasonal	Commercial & Industrial	Agricultural	Public Utility	Railroad						
2003	\$ 16,603,375	\$ 1,723,837	\$ 34,130	\$ 2,861,445	\$ 470,219	\$ 27,411	\$ 21,351	\$ 203,626	\$ 21,945,394	\$ 20,534,751	\$ 236,617	1.15%	41.137
2004	18,658,875	2,095,491	37,756	3,062,105	497,539	29,035	21,025	229,708	24,631,534	23,568,243	269,459	1.14%	38.265
2005	20,869,259	2,313,503	40,539	3,384,495	518,384	31,220	20,253	223,987	27,401,640	26,641,621	302,862	1.14%	36.450
2006	22,620,038	2,933,814	44,658	3,783,068	565,022	32,289	23,938	222,048	30,224,875	29,567,533	336,349	1.14%	35.184
2007	23,355,973	3,313,508	48,915	4,253,498	633,287	33,147	24,034	222,519	31,884,881	31,316,413	358,963	1.15%	33.688
2008	23,136,264	3,433,029	46,359	4,660,143	623,340	34,144	30,322	231,988	32,195,589	31,710,911	367,066	1.16%	35.397
2009	21,403,847	3,259,121	42,983	4,589,486	578,626	35,078	33,559	255,786	30,198,486	29,871,966	348,048	1.17%	34.969
2010	19,309,920	2,929,711	36,293	4,181,347	500,806	37,965	32,265	272,391	27,300,698	27,025,523	315,214	1.17%	38.609
2011	18,611,726	2,818,962	33,447	3,937,270	471,829	38,190	31,557	271,044	26,214,025	24,028,138	282,472	1.18%	43.492
2012	17,036,780	2,721,244	29,198	3,548,678	415,432	43,438	35,376	280,091	24,110,238	21,845,050	256,725	1.18%	43.948

Source: Anoka County Property Tax Division

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 6

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF TAX CAPACITY)
LAST TEN ASSESSMENT YEARS**

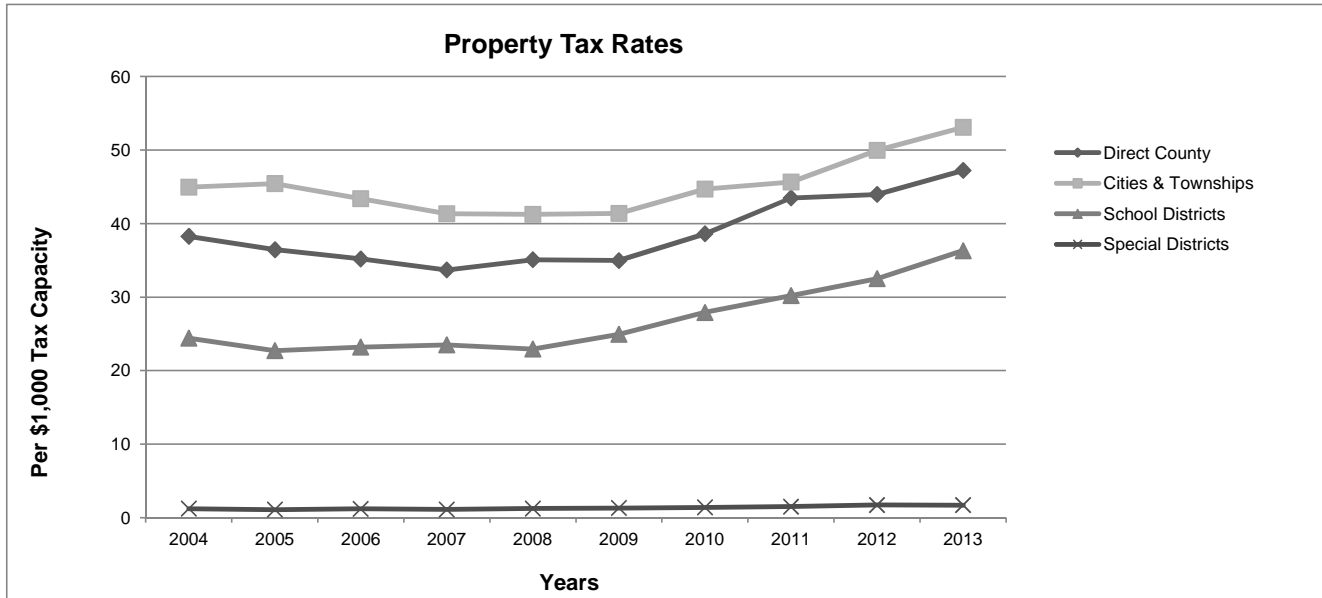
Tax Year	Anoka County						Average rates within each classification		
	General	Bonds	Regional Railroad Authority	Regional Railroad Authority Bonds	Housing and Redevelopment Authority	Total	Cities/Townships	School Districts	Special Districts
2004	32.080	3.678	1.202	0.000	1.305	38.265	44.956	24.421	1.202
2005	29.793	3.788	1.561	0.000	1.308	36.450	45.453	22.723	1.081
2006	28.644	3.899	1.326	0.000	1.315	35.184	43.403	23.201	1.190
2007	27.096	3.998	1.297	0.000	1.297	33.688	41.358	23.511	1.101
2008	26.930	4.523	2.435	0.000	1.509	35.397	41.267	22.945	1.230
2009	27.409	5.036	0.562	0.586	1.376	34.969	41.381	24.950	1.299
2010	30.170	5.404	0.767	0.514	1.754	38.609	44.710	27.922	1.393
2011	33.890	6.486	0.748	0.584	1.784	43.492	45.670	30.218	1.493
2012	35.334	6.281	0.008	0.642	1.683	43.948	49.957	32.498	1.717
2013	38.098	6.663	0.085	0.692	1.677	47.215	53.109	36.321	1.676

Tax Year 2013

Number of taxing districts	21	9	12
Minimum levy rate	27.040	22.018	0.587
Maximum levy rate	96.620	50.112	2.893

Note: Special Districts include City Housing and Redevelopment Authority, Hospitals, Watershed Districts, Mosquito Control, Regional Transit and Metropolitan Council

Source: Anoka County Property Tax Division



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 7

**TEN LARGEST TAXPAYERS
CURRENT YEAR AND NINE YEARS PRIOR**

2012 TAX CAPACITY VALUE - PAYABLE 2013

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Estimated Market Value</u>	<u>2012 Tax Capacity Value</u>	<u>Percentage of Total Tax Capacity Value</u>
Medtronic, Inc.	Manufacturing	1	\$ 97,448,300	\$ 1,946,716	0.76%
Connexus Energy	Utility	2	91,616,600	1,825,058	0.71%
Minnegasco, Inc.	Utility	3	79,886,500	1,595,458	0.62%
Northern States Power Co.	Utility	4	66,677,100	1,331,767	0.52%
Glimcher Realty Trust	Mall	5	47,275,500	944,760	0.37%
Target Corporation	Retail	6	46,583,800	927,926	0.36%
DDR MDT Riverdale Vill Outer Ring, LLC	Retail	7	42,670,900	852,668	0.33%
DDR MDT Riverdale Vill Inner Ring, LLC	Retail	8	34,749,300	692,737	0.27%
Burlington Northern	Industrial	9	33,953,200	676,985	0.26%
Great River Energy	Utility	10	32,004,100	637,946	0.25%
TOTALS			\$ 572,865,300	\$ 11,432,021	4.45%
Total Tax Capacity Value				\$ 256,724,563	

2003 TAX CAPACITY VALUE - PAYABLE 2004

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Estimated Market Value</u>	<u>2003 Tax Capacity Value</u>	<u>Percentage of Total Tax Capacity Value</u>
Medtronic, Inc.	Manufacturing	1	\$ 122,161,700	\$ 2,440,234	1.03%
Connexus Energy/Anoka Electric Cooperative	Electricity/Utility	2	80,814,400	1,607,079	0.68%
Glimcher Realty Trust	Mall	3	55,936,200	1,117,974	0.47%
Target Corporation	Retail	4	55,272,800	1,101,706	0.47%
Northern States Power Co.	Electricity/Utility	5	55,351,500	1,093,948	0.46%
CRRV Perimeter One, LLC	Retail	6	52,252,000	1,043,489	0.44%
Minnegasco, Inc.	Gas/Utility	7	43,770,600	871,080	0.37%
Shamrock Investments III, LLC	Commercial/Industrial	8	25,124,900	625,396	0.26%
Riverdale Crossing	Retail	9	29,651,400	610,778	0.26%
Rainbow Village/Robert Muir Co.	Retail	10	30,478,800	607,326	0.26%
TOTALS			\$ 550,814,300	\$ 11,119,010	4.70%
Total Tax Capacity Value				\$ 236,617,283	

Source: Anoka County Property Tax Division

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 8

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

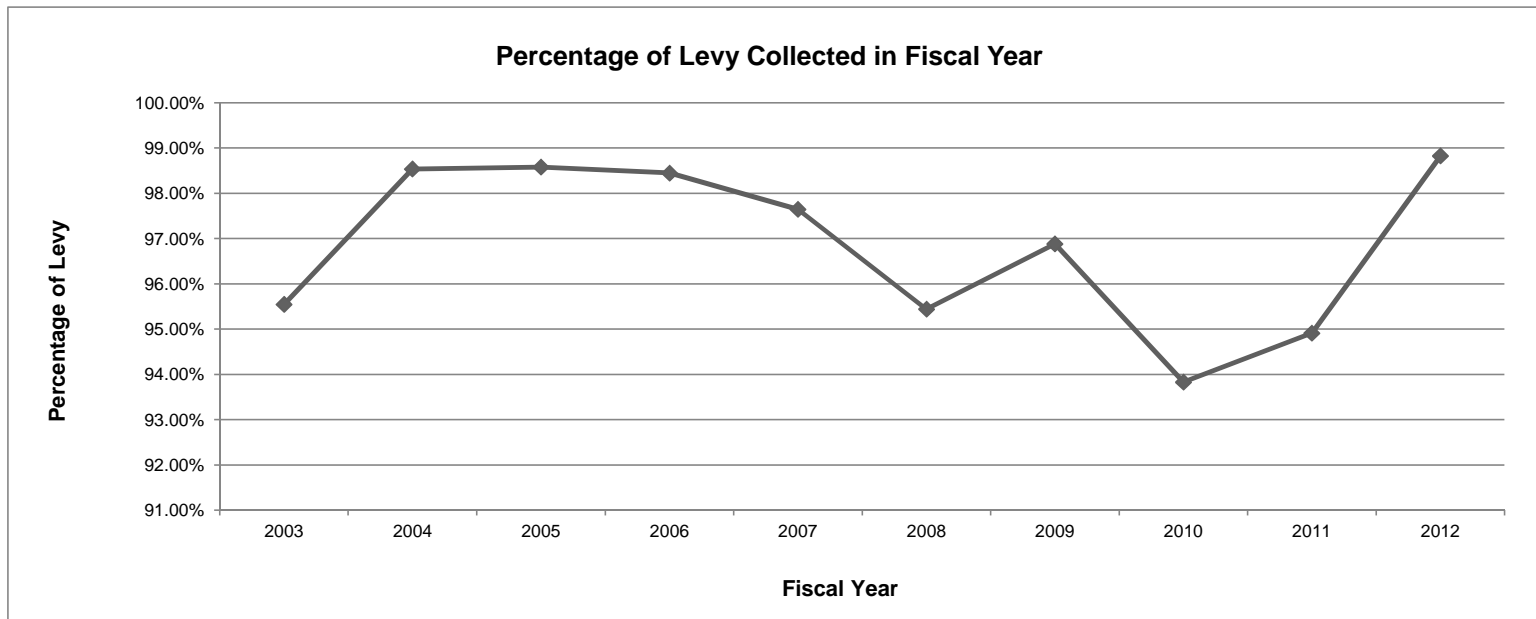
Fiscal Year	Tax Levied for the Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent (net of abatements)	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2003	\$ 96,262,641	\$ 91,973,664	95.54%	(2) \$ 1,009,740	\$ 92,983,404	96.59%	\$ 3,245	0.00%
2004	99,362,917	97,908,557	98.54%	655,147	98,563,704	99.20%	4,667	0.00%
2005	107,952,677	106,417,089	98.58%	1,085,475	107,502,564	99.58%	13,484	0.01%
2006	114,271,812	112,498,149	98.45%	1,494,536	113,992,685	99.76%	21,720	0.02%
2007	123,135,436	120,235,177	97.64%	2,029,473	122,264,650	99.29%	49,098	0.04%
2008	136,112,356	129,909,128	95.44%	(2) 2,326,793	132,235,921	97.15%	92,371	0.07%
2009	139,702,338	135,349,593	96.88%	2,169,294	137,518,887	98.44%	201,674	0.14%
2010	145,151,888	136,193,948	93.83%	(2) 1,689,578	137,883,526	94.99%	469,405	0.32%
2011	147,665,592	140,146,703	94.91%	(2) 1,145,096	141,291,799	95.68%	817,289	0.55%
2012	137,162,350	135,556,093	98.83%	-	135,556,093	98.83%	1,798,791	1.31%

Notes:

(1) Includes state paid credits.

(2) Tax Aids and Credits from the State of Minnesota were reduced significantly in an attempt to balance the State budget.

Source: Anoka County Property Tax Division
Anoka County Finance and Central Services Division



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 9

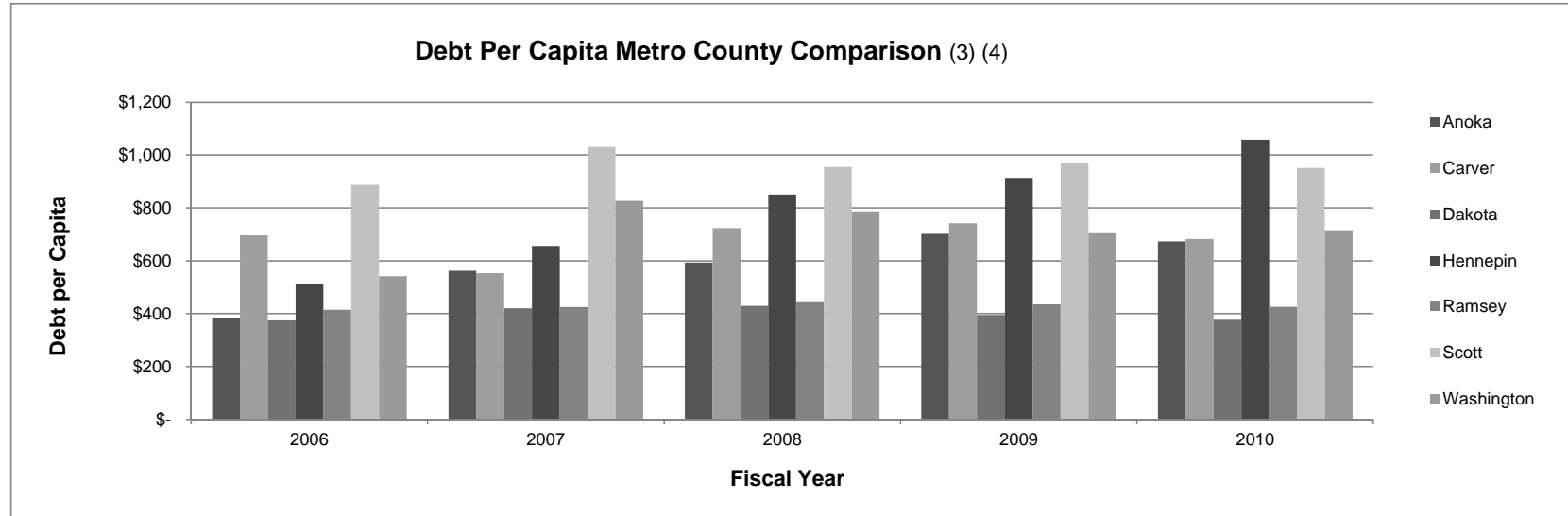
**RATIOS OF OUTSTANDING DEBT TO PERSONAL INCOME
AND DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Total Primary Government	Personal Income (1)	Ratio of Debt To Personal Income	Population (2)	Debt Per Capita
	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported by Revenue	Capital Leases	Economic Development Loan					
2003	\$ 10,335,000	\$ 64,235,000	\$ 16,805,000	\$ 929,600	\$ 110,000	\$ 92,414,600	\$ 10,265,000,000	0.90%	313,197	\$ 295
2004	9,255,000	63,815,000	26,830,000	885,333	110,000	100,895,333	10,772,000,000	0.94%	316,830	318
2005	8,140,000	82,055,000	28,340,000	841,067	110,000	119,486,067	11,109,000,000	1.08%	326,393	366
2006	13,590,000	84,245,000	26,865,000	810,374	96,162	125,606,536	11,866,000,000	1.06%	328,614	382
2007	15,105,000	146,590,000	24,685,000	849,862	-	187,229,862	12,478,000,000	1.50%	331,246	565
2008	13,891,359	159,655,000	23,935,000	806,442	-	198,287,801	12,747,000,000	1.56%	332,751	596
2009	12,771,649	200,305,000	23,435,000	756,416	-	237,268,065	12,482,593,000	1.90%	335,308	708
2010	11,567,432	188,695,000	22,525,000	703,449	-	223,490,881	12,670,461,000	1.76%	330,844	676
2011	10,873,505	173,460,000	30,475,000	75,882	-	214,884,387	13,275,546,000	1.62%	334,045	643
2012	10,149,654	173,750,000	40,290,000	52,967	-	224,242,621	*	*	337,394	665

Notes:

- (1) Source: Bureau of Economic Analysis
- (2) Source: Metropolitan Council (2012 population is an estimate based on past years' growth)
- (3) Source: Minnesota State Auditor (2010 is the most recent information available)
- (4) Graph shows the most recent five years available

* not available or estimated



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 10

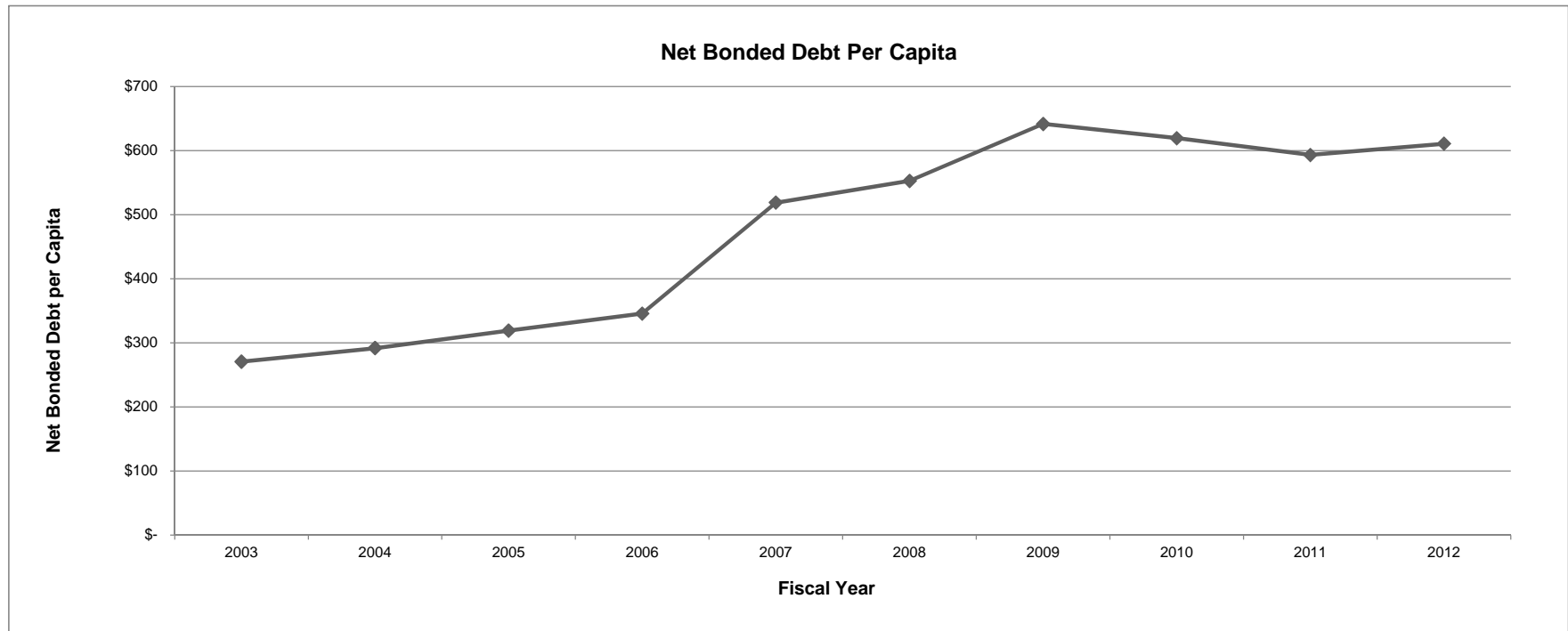
**RATIOS OF NET BONDED DEBT TO ESTIMATED MARKET VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Governmental Activities										
Fiscal Year	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported by Revenue	Total Bonded Debt	Amounts Available in Funds	Net Bonded Debt	Estimated Market Value (1)	Net Bonded Debt of Estimated Market Value	Population (2)	Net Bonded Debt Per Capita
2003	\$ 10,335,000	\$ 64,235,000	\$ 16,805,000	\$ 91,375,000	\$ 6,582,726	\$ 84,792,274	\$ 21,945,392,500	0.39%	313,197	\$ 271
2004	9,255,000	63,815,000	26,830,000	99,900,000	7,467,390	92,432,610	24,631,534,900	0.38%	316,830	292
2005	8,140,000	82,055,000	28,340,000	118,535,000	14,351,118	104,183,882	27,401,639,100	0.38%	326,393	319
2006	13,590,000	84,245,000	26,865,000	124,700,000	11,089,737	113,610,263	30,224,874,700	0.38%	328,614	346
2007	15,105,000	146,590,000	24,685,000	186,380,000	14,551,225	171,828,775	31,884,880,900	0.54%	331,246	519
2008	13,891,359	159,655,000	23,935,000	197,481,359	13,501,452	183,979,907	32,195,588,700	0.57%	332,751	553
2009	12,771,649	200,305,000	23,435,000	236,511,649	21,353,266	215,158,383	30,198,485,700	0.71%	335,308	642
2010	11,567,432	188,695,000	22,525,000	222,787,432	17,874,475	204,912,957	27,300,698,200	0.75%	330,844	619
2011	10,873,505	173,460,000	30,475,000	214,808,505	16,605,532	198,202,973	26,214,024,800	0.76%	334,045	593
2012	10,149,654	173,750,000	40,290,000	224,189,654	18,118,713	206,070,940	24,110,238,400	0.85%	337,394	611

Notes:

(1) Source: Anoka County Property Tax Division

(2) Source: Metropolitan Council (2012 population is an estimate based on previous years' growth)



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 11

**COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING
LONG-TERM DEBT
DECEMBER 31, 2012**

<u>Governmental Unit</u>	<u>Net G. O. Debt Outstanding (1)</u>	<u>Percent Applicable to County (2)</u>	<u>County's Share of Net Debt</u>
Direct:			
Anoka County	\$ 165,780,941	100.0%	\$ 165,780,941
Overlapping:			
Metropolitan Council	21,200,000	10.4%	2,204,800
Metropolitan Transit	380,605,000	13.0%	49,478,650
Underlying:			
City of Andover	24,750,000	100.0%	24,750,000
City of Anoka	11,930,000	100.0%	11,930,000
City of Bethel	415,000	100.0%	415,000
City of Blaine	29,765,000	99.1%	29,497,115
City of Centerville	8,826,500	100.0%	8,826,500
City of Circle Pines	12,085,000	100.0%	12,085,000
City of Columbia Heights	18,015,000	100.0%	18,015,000
City of Columbus	13,086,029	100.0%	13,086,029
City of Coon Rapids	19,995,000	100.0%	19,995,000
City of East Bethel	1,735,000	100.0%	1,735,000
City of Fridley	7,660,000	100.0%	7,660,000
City of Ham Lake	2,185,000	100.0%	2,185,000
City of Lexington	862,125	100.0%	862,125
City of Lino Lakes	19,946,000	100.0%	19,946,000
City of Nowthen	1,027,804	100.0%	1,027,804
City of Oak Grove	1,795,000	100.0%	1,795,000
City of Ramsey	33,920,000	100.0%	33,920,000
City of St. Francis	885,000	99.9%	884,115
City of Spring Lake Park	1,135,000	97.5%	1,106,625
School District #11	107,490,573	79.4%	85,347,515
School District #12	58,500,000	100.0%	58,500,000
School District #13	25,049,923	100.0%	25,049,923
School District #14	40,635,000	100.0%	40,635,000
School District #15	37,520,000	93.2%	34,968,640
School District #16	115,865,000	100.0%	115,865,000
School District #624	92,600,000	3.5%	3,241,000
School District #728	176,720,000	6.7%	11,840,240
School District #831	29,930,000	32.3%	9,667,390
Total Underlying	894,328,954		594,836,021
Grand Total	\$ 1,461,914,895		\$ 812,300,412

Notes:

- (1) The Net G.O. Debt Outstanding includes debt which is secured by the authority to levy taxes on real estate. The net amount is determined by deducting the amount available for debt retirement as of December 31, 2012, from total long-term debt.
- (2) Determined by the portion of the long-term debt which is secured by taxable real estate located within Anoka County.

Source: Anoka County Property Tax Division

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

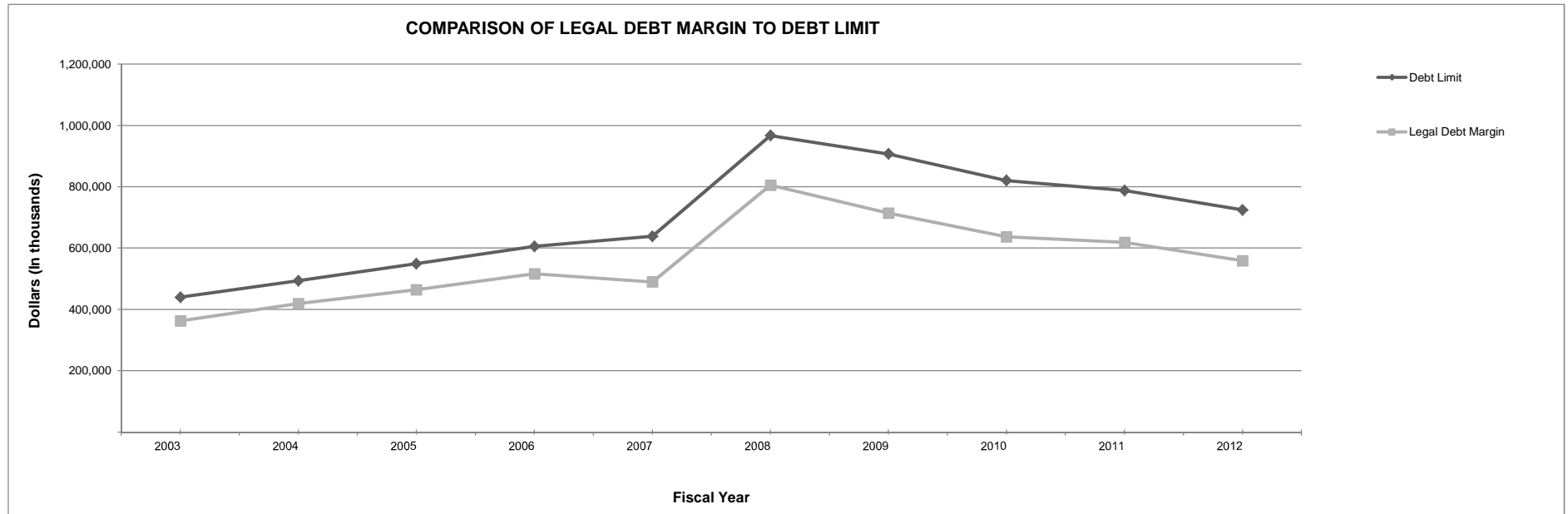
Table 12

**LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Estimated market value (EMV) (1)	\$ 21,945,392,500	\$ 24,631,534,900	\$ 27,401,639,100	\$ 30,224,874,700	\$ 31,884,880,900	\$ 32,195,588,700	\$ 30,198,485,700	\$ 27,300,698,200	\$ 26,214,025,000	\$ 24,110,238,400
Add: Estimated market value of certain property exempt from taxation at its 1966 valuation, Extra session laws 1967, Chapter 32, Article 15	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178	39,626,178
Net estimated market value (EMV)	<u>21,985,018,678</u>	<u>24,671,161,078</u>	<u>27,441,265,278</u>	<u>30,264,500,878</u>	<u>31,924,507,078</u>	<u>32,235,214,878</u>	<u>30,238,111,878</u>	<u>27,340,324,378</u>	<u>26,253,651,178</u>	<u>24,149,864,578</u>
Debt limit as a percentage of EMV (2)										
Amount of debt applicable to debt limit	439,700,374	493,423,222	548,825,306	605,290,018	638,490,142	967,056,446	907,143,356	820,209,731	787,609,535	724,495,937
Total bonded debt (3)	74,570,000	73,070,000	90,195,000	97,835,000	161,695,000	173,546,359	213,076,649	200,262,432	184,333,505	183,899,655
Less: Amount available in funds	(6,582,726)	(7,467,390)	(14,351,118)	(11,089,737)	(14,551,225)	(13,501,452)	(21,353,266)	(17,874,475)	(16,605,532)	(18,118,713)
Total debt applicable to debt limit	<u>67,987,274</u>	<u>65,602,610</u>	<u>75,843,882</u>	<u>86,745,263</u>	<u>147,143,775</u>	<u>160,044,907</u>	<u>191,723,383</u>	<u>182,387,957</u>	<u>167,727,973</u>	<u>165,780,942</u>
Legal Debt Margin	<u>\$ 371,713,100</u>	<u>\$ 427,820,612</u>	<u>\$ 472,981,424</u>	<u>\$ 518,544,755</u>	<u>\$ 491,346,367</u>	<u>\$ 807,011,539</u>	<u>\$ 715,419,973</u>	<u>\$ 637,821,774</u>	<u>\$ 619,881,562</u>	<u>\$ 558,714,996</u>
Legal debt margin as a percentage of debt limit:	84.54%	86.70%	86.18%	85.67%	76.95%	83.45%	78.87%	77.76%	78.70%	77.12%

Notes:

- (1) Source: Anoka County Property Tax Division
- (2) Minnesota Stat. Sec. 475.53, subd. 1, Limit on Net Debt: Except as otherwise provided in sections 475.51 to 475.74, no municipality except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the estimated market value (EMV), beginning in 2008. Prior to 2008, the debt limit was two percent of the EMV. The debt limit for 2008 was restated to reflect this change.
- (3) Does not include bonds supported by revenue.



**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 13

**PLEGDED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

City of Ham Lake Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Ham Lake and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2003	\$ 424,884	\$ 288,367	\$ 136,517	\$ 10,000	\$ 178,616	\$ 188,616	0.72
2004	434,617	224,761	209,856	10,000	178,100	188,100	1.12
2005	450,231	248,419	201,812	10,000	177,550	187,550	1.08
2006	454,652	277,941	176,711	10,000	177,000	187,000	0.94
2007	448,579	175,711	272,868	30,000	176,175	206,175	1.32
2008	549,184	303,911	245,273	85,000	172,928	257,928	0.95
2009	451,681	194,260	257,421	40,000	87,007	127,007	2.03
2010	470,824	233,727	237,097	115,000	112,315	227,315	1.04
2011	479,434	203,579	275,855	120,000	107,615	227,615	1.21
2012	472,279	252,714	219,565	125,000	102,715	227,715	0.96

City of Centerville Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Centerville and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2003	\$ 142,511	\$ 51,004	\$ 91,507	\$ 20,000	\$ 68,715	\$ 88,715	1.03
2004	150,986	71,045	79,941	20,000	67,795	87,795	0.91
2005	306,355	130,353	176,002	25,000	251,605	276,605	0.64
2006	473,726	207,366	266,360	25,000	210,531	235,531	1.13
2007	487,804	186,224	301,580	70,000	195,590	265,590	1.14
2008	777,617	564,345	213,272	70,000	194,120	264,120	0.81
2009	468,961	241,181	227,780	80,000	192,275	272,275	0.84
2010	462,576	278,429	184,147	85,000	189,960	274,960	0.67
2011	484,910	238,662	246,248	90,000	187,245	277,245	0.89
2012	474,969	245,531	229,438	95,000	184,024	279,024	0.82

City of Ramsey Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Ramsey and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2003	\$ 490,448	\$ 288,367	\$ 202,081	\$ -	\$ 148,332	\$ 148,332	1.36
2004	504,032	314,728	189,304	-	148,332	148,332	1.28
2005	512,256	335,454	176,802	-	148,332	148,332	1.19
2006	640,054	451,554	188,500	-	148,332	148,332	1.27
2007	490,949	348,002	142,947	-	148,332	148,332	0.96
2008	501,911	412,467	89,444	-	148,332	148,332	0.60
2009	494,617	810,397	(315,780)	-	185,610	185,610	(1.70)
2010	515,900	275,423	240,477	105,000	105,458	210,458	1.14
2011	519,944	276,011	243,933	135,000	103,058	238,058	1.02
2012	524,622	274,228	250,394	135,000	100,358	235,358	1.06

City of Oak Grove Gross Revenue Bonds							
Funding Source: Senior Housing Rental Income, Allocated Property Tax Revenue from City of Oak Grove and Interest Income from Escrow and Miscellaneous Accounts.							
Fiscal Year	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
2005	\$ -	\$ -	\$ -	\$ -	\$ 347,249	\$ 347,249	-
2006	98,042	109,211	(11,169)	-	272,353	272,353	(0.04)
2007	410,872	238,704	172,168	90,000	271,498	361,498	0.48
2008	354,497	274,336	80,161	90,000	269,608	359,608	0.22
2009	357,493	283,996	73,497	100,000	267,273	367,273	0.20
2010	425,607	280,279	145,328	110,000	264,323	374,323	0.39
2011	455,686	307,906	147,780	115,000	260,833	375,833	0.39
2012	484,137	330,939	153,198	125,000	256,649	381,649	0.40

* Coverage is the ratio of Net Available Revenues to Debt Service Total

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 14

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

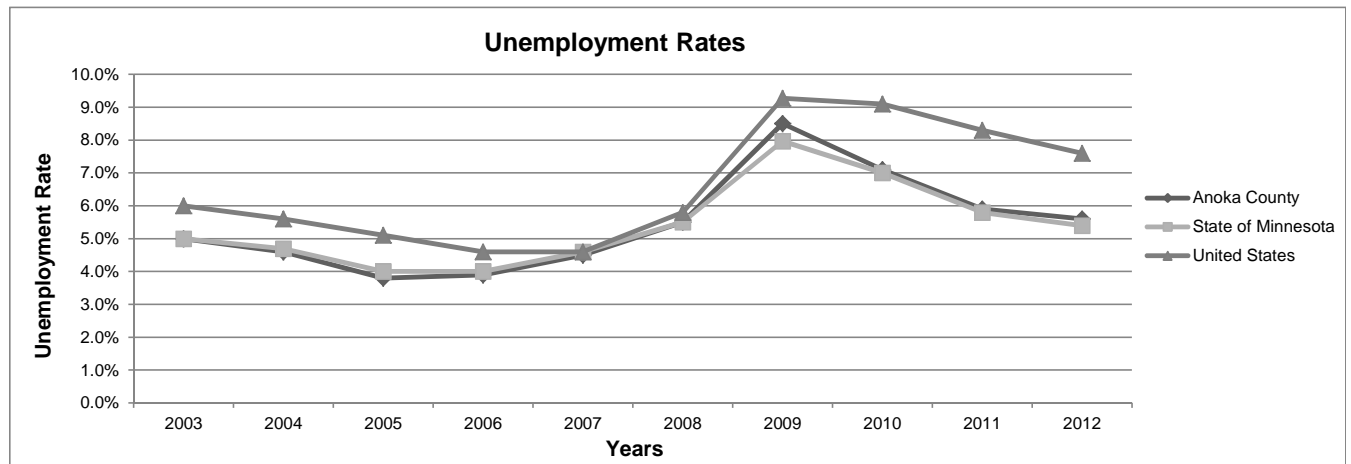
Fiscal Year	Population					Anoka County						Education Level in years of Formal Schooling (4)	School Enrollment (K thru 12) (5)
	State of Minnesota (3) (7)	Mpls.-St. Paul Metropolitan Area (1)(3)	Anoka County			Personal Income (2)	Percent of Change	Per Capita Income (9)	Percent of Change	Median Age (3)(6)			
			Population (1)	Percent of Change	Rank in Size of Minnesota Counties (7)								
2003	5,088,006	2,740,985	313,197	1.6%	4th	\$ 10,265,000,000	3.8%	\$ 32,775	2.1%	34.5	13.2	64,562	
2004	5,145,106	2,771,030	316,830	1.2%	4th	10,772,000,000	4.9%	33,999	3.7%	35.0	13.3	64,861	
2005	5,205,091	2,810,179	326,393	3.0%	4th	11,109,800,000	3.1%	34,038	0.1%	35.4	13.4	65,607	
2006	5,231,106	2,821,779	328,614	0.7%	4th	11,866,000,000	6.8%	36,109	6.1%	35.3	13.5	65,900	
2007	5,263,493	2,849,003	331,246	0.8%	4th	12,478,000,000	5.2%	37,670	4.3%	35.9	13.2	63,113	
2008	5,287,976	2,870,250	332,751	0.5%	4th	12,747,000,000	2.2%	38,308	1.7%	36.3	13.4	62,901	
2009	5,300,942	2,881,812	335,308	0.8%	4th	12,482,593,000	-2.1%	37,646	-1.7%	36.8	13.5	63,985	
2010	5,303,925	2,849,567	330,844	-1.3%	4th	12,670,461,000	1.5%	38,297	1.7%	36.8	13.5	62,372	
2011	5,344,861	2,873,444	334,045	1.0%	4th	13,275,546,000	*	*	*	37.3	13.6	62,256	
2012	*	*	337,394	1.0%	*	*	*	*	*	*	13.5	62,064	

Fiscal Year	Anoka County Employment (8)				Unemployment (8)							
	Labor Force	Percent of Change	Employment	Percent of Change	Anoka County				State of Minnesota		United States	
					Unemployment	Percent of Change	Unemployment Rate	Percent of Change	Unemployment Rate	Percent of Change	Unemployment Rate	Percent of Change
2003	189,407	-0.2%	179,965	-0.9%	9,442	14.6%	5.0%	0.7%	5.0%	0.6%	6.0%	0.2%
2004	189,740	0.2%	181,069	0.6%	8,671	-8.2%	4.6%	-0.4%	4.7%	-0.3%	5.6%	-0.4%
2005	193,188	1.8%	185,844	2.6%	7,344	-15.3%	3.8%	-0.8%	4.0%	-0.7%	5.1%	-0.5%
2006	193,461	0.1%	185,994	0.1%	7,467	1.7%	3.9%	0.1%	4.0%	0.0%	4.6%	-0.5%
2007	193,818	0.2%	185,111	-0.5%	8,707	16.6%	4.5%	0.6%	4.6%	0.6%	4.6%	0.0%
2008	191,087	-1.4%	180,630	-2.4%	10,457	20.1%	5.5%	1.0%	5.5%	0.9%	5.8%	1.2%
2009	192,530	0.8%	176,075	-2.5%	16,455	57.4%	8.5%	3.0%	8.0%	2.5%	9.3%	3.5%
2010	189,141	-1.8%	175,669	-0.2%	13,472	-18.1%	7.1%	-1.4%	7.0%	-1.0%	9.1%	-0.2%
2011	190,741	0.8%	179,527	2.2%	11,214	-16.8%	5.9%	-1.2%	5.8%	-1.2%	8.3%	-0.8%
2012	191,231	0.3%	180,551	0.6%	10,680	-4.8%	5.6%	-0.3%	5.4%	-0.4%	7.6%	-0.7%

Notes:

- (1) Source: Metropolitan Council
(2012 population is an estimate based on past years' growth)
- (2) Source: U. S. Bureau of Economic Analysis
- (3) Source: U. S. Census Bureau
- (4) Persons 25 years and over. Source: U. S. Census Bureau
- (5) Public schools only
Source: Minnesota Department of Education
- (6) The most recent data available is from the 2010 Census
Source: U. S. Census Bureau
- (7) Source: State Demographic Center at Minnesota Planning
- (8) Annual averages
Source: Minnesota Workforce Center
- (9) Calculation of Personal Income and Population

* not available or estimated



Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 15

**TEN LARGEST EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR**

2012 Employers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Approximate Employment</u>	<u>Percentage of Total Employment</u>
Medtronic Corporation	Electro-Medical Services	1	10,640 (1)	9.69%
Anoka-Hennepin Independent School District #11	Public Education	2	6,160 (2)	5.61%
Mercy Hospital and Unity Medical Center	Hospitals	3	3,200	2.91%
Target Corporation (six stores & distribution center)	Retail	4	2,000 (2)	1.82%
Cummins Power Generation	Generator and Diesel Manufacturer	5	2,000 (3)	1.82%
Anoka County	County Government	6	1,724 (2)	1.57%
Northtown Mall	Shopping Mall	7	1,625 (2)	1.48%
ATK Federal Premium Ammunition	Ammunition Manufacturing	8	1,575 (4)	1.43%
Pentair Technical Products	Electrical Products	9	1,225	1.12%
Walmart Corporation	Retail	10	850 (2)	0.77%
Total Anoka County Employment			<u>109,837</u> (5)	

Source: Telephone survey of individual employers by Bond Advisors, November 2012 and Anoka County Finance and Central Services Division

2003 Employers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Approximate Employment</u>	<u>Percentage of Total Employment</u>
Anoka-Hennepin Independent School District #11	Public Education	1	4,880 (2)	4.42%
Medtronic Corporation	Electro-Medical Services	2	4,700	4.26%
Mercy Hospital and Unity Medical Center	Hospitals	3	4,030	3.65%
Hoffman Engineering Company	Electrical Products	4	1,750	1.58%
Anoka County	County Government	5	1,687 (2)	1.53%
Onan Corporation	Generator and Diesel Manufacturer	6	1,600	1.45%
United Defense	Pumps/Naval Ordnance	7	1,400	1.27%
Target Corporation	Retail	8	1,090	0.99%
Cub Foods	Grocery Stores	9	935	0.85%
Federal Cartridge Corporation	Ammunition Manufacturer	10	800	0.72%
Total Anoka County Employment			<u>110,423</u> (6)	

Source: Minnesota Manufacturers Register

Notes:

- (1) Corporate-wide total is 45,000; 10,640 in Anoka County sites.
- (2) Includes full-time and part-time employees; excludes seasonal and temporary employees.
- (3) Former name was Onan Corporation.
- (4) Former name was Federal Cartridge Corporation.
- (5) Minnesota Department of Employment and Economic Development - NAICS, based on the average of the first two quarters of 2012.
- (6) Minnesota Department of Employment and Economic Development - NAICS.

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

Table 16

**COMPARISON OF EMPLOYMENT BY INDUSTRY
2011 AND 2002**

<u>2011</u>			
<u>Industry</u>	<u>Wages</u>	<u>Average Number of Employees</u>	<u>Percent of All Employment</u>
Natural Resources & Mining	\$ 9,025,293	348	0.3%
Construction	296,764,268	5,810	5.4%
Manufacturing	1,416,460,088	21,040	19.6%
Trade, Transportation & Utilities	874,207,998	23,299	21.7%
Financial Activities	162,307,809	3,318	3.1%
Professional & Business Services	386,829,772	8,952	8.3%
Education & Health Services	1,088,516,093	23,441	21.8%
Leisure & Hospitality	169,300,439	11,360	10.6%
Other Services Excluding Public Administration	107,919,416	4,298	4.0%
Public Administration	225,749,155	4,619	4.3%
Unclassified	37,312,461	919	0.9%
Total, all industries	\$ 4,774,392,792	107,404	100.0%

<u>2002</u>			
<u>Industry</u>	<u>Wages</u>	<u>Average Number of Employees</u>	<u>Percent of All Employment</u>
Natural Resources & Mining	\$ 8,506,588	388	0.3%
Construction	333,636,952	9,431	8.7%
Manufacturing	938,977,440	23,128	21.3%
Trade, Transportation & Utilities	384,635,311	24,460	22.5%
Information	18,086,116	1,227	1.1%
Financial Activities	97,265,026	3,921	3.6%
Education & Health Services	542,476,184	19,793	18.2%
Other Services Excluding Public Administration	58,173,026	3,790	3.5%
Public Administration	123,019,832	4,399	4.1%
Unclassified	504,678,271	18,150	16.7%
Total, all industries	\$ 3,009,454,746	108,687	100.0%

Note: 2011 is the most recent period that data is available for this table.

Source: Minnesota Workforce Center (NAICS)

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

Table 17

COUNTY FULL TIME EQUIVALENTS BY PROGRAM AREA (1)
LAST TEN FISCAL YEARS

Budget Program Area/Programs	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County General Services	92.00	87.10	90.45	89.95	94.70	95.95	95.45	97.45	96.35	97.95
Management Appropriations	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Administration	12.50	11.50	12.50	12.50	12.50	12.50	11.50	11.50	10.50	12.50
Misc. Appropriations & Allocations	-	-	-	-	-	-	-	-	-	1.00
Human Resources	13.25	12.25	12.85	13.35	13.85	13.85	13.35	13.35	12.85	12.45
Internal Auditor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cultural Coordination	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Univ. of Minnesota Ext. Service	3.75	2.85	2.60	2.60	2.60	2.60	2.60	2.60	2.00	2.00
Central Communications (5)	41.00	40.00	41.00	41.00	41.00	42.00	42.00	42.00	42.00	41.00
Emergency Management (5)	-	-	-	-	1.00	1.00	1.00	2.00	2.00	2.00
Veterans Services (5)	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	6.00	6.00
Intergovernmental Relations (5)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Community Development (5)	4.00	4.00	5.00	4.00	5.00	5.00	6.00	7.00	6.00	6.00
Public Information	4.50	3.50	3.50	3.50	4.75	5.00	5.00	5.00	5.00	5.00
Finance & Central Services	136.20	127.00	128.00	130.00	133.50	135.50	142.50	143.50	147.00	144.74
Information Technology	55.00	52.50	47.00	48.00	50.00	52.00	53.00	54.00	52.00	61.00
Leasehold Buildings	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Facility Mgmt. and Construction	42.50	38.50	38.50	39.50	41.00	37.00	41.00	41.00	42.00	44.00
Financial Mgmt. & Central Services	22.70	20.00	26.50	26.50	26.50	30.50	32.50	32.50	38.00	26.74
Accounting & Budget	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.00
Property Records & Taxation (5)	85.00	80.50	85.45	86.45	86.45	87.45	83.95	83.95	82.95	85.95
Statutory Judicial & Public Safety	384.05	384.05	314.55	318.25	337.25	348.00	347.35	350.35	350.10	342.80
County Attorney	88.95	88.95	89.45	91.15	92.15	94.90	94.25	94.25	96.00	92.70
Court Facilities	79.50	81.00	-	-	-	-	-	-	-	-
Sheriff	215.60	214.10	225.10	227.10	245.10	253.10	253.10	256.10	254.10	250.10
Public Services	221.10	214.70	214.95	215.15	213.90	220.10	214.60	214.60	213.60	207.30
Public Services Administration	9.00	7.00	7.00	6.00	5.00	7.00	6.00	6.00	6.00	6.00
Highway	104.00	104.00	105.00	106.00	106.00	108.00	108.00	108.00	107.00	107.00
Parks & Recreation	40.05	35.65	36.65	36.65	36.15	36.15	33.85	33.85	33.85	34.85
Surveyor	11.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Geographic Information System	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Transit & Volunteer Transportation	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Chomonix Golf Course	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Bunker Beach Aquatic Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
License Bureau (5)	38.05	39.05	37.30	37.50	37.75	39.20	38.00	38.00	38.00	30.70
Integrated Waste Management (5)	6.00	6.00	6.00	6.00	6.00	6.75	6.75	6.75	6.75	6.75
Human Services	881.40	785.10	798.58	782.58	820.75	835.25	820.05	830.55	810.50	812.30
Income Maintenance	204.50	201.00	205.00	203.50	202.50	206.50	207.50	211.00	210.00	210.00
Social Service	203.80	152.25	158.25	145.75	162.75	160.75	166.00	163.00	157.75	157.55
Mental Health Services	41.50	37.50	38.23	38.23	43.50	44.50	46.50	49.50	48.50	49.50
Comm. Health & Environmental Ser.	104.35	98.10	99.60	100.10	103.60	107.10	109.10	112.10	108.80	108.80
Other Misc Human Services Prog.	-	-	-	-	-	-	-	4.00	4.00	4.00
Community Corrections	243.50	219.00	221.75	219.25	221.75	221.25	202.00	204.00	198.00	199.00
Job Training Center	59.50	54.00	53.00	51.00	49.00	57.50	55.00	55.00	53.00	53.00
Medical Examiner	-	-	-	-	9.40	9.40	10.70	10.70	10.70	10.70
HSD Administration	24.25	23.25	22.75	24.75	28.25	28.25	23.25	21.25	19.75	19.75
Government Services (5)	3.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	-
Government Services Administration	3.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	-
Library Services	92.80	88.20	88.20	88.20	88.20	86.80	87.90	88.10	78.20	79.20
County Library	90.80	86.20	86.20	86.20	86.20	84.80	85.90	86.10	76.20	77.20
Law Library	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
County Totals	1,895.55	1,768.65	1,723.18	1,713.58	1,776.75	1,811.05	1,793.80	1,810.50	1,780.70	1,770.24
Non-Complement (2)	38.20	38.20	49.95	39.65	24.85	19.60	19.60	20.60	13.25	15.25
Unfunded (3)	-	84.35	68.45	94.95	76.95	65.45	47.30	47.30	56.85	10.95
Percent Change of County Totals	1.2%	-6.7%	-2.6%	-0.6%	3.7%	1.9%	-1.0%	0.9%	-1.6%	-0.6%
Population (4)	313,197	316,830	326,393	328,614	331,246	332,751	335,308	330,844	334,045	337,394
Number of FTE's per 1,000 population	6.1	5.6	5.3	5.2	5.4	5.4	5.3	5.5	5.3	5.2

Notes:

- (1) Source: Anoka County Human Resources Department and Finance & Central Services Division
- (2) Non-Complement positions are limited term and/or contingent positions that are employees of Anoka County who, in most cases, are performing duties for another governmental or non-governmental entity, and these duties would not be considered duties that are a direct responsibility of Anoka County. These employees have all the responsibilities, benefits, and rights of any other limited term or contingent employee.
- (3) Due to State and Federal funding reductions Anoka County has 10.95 unfunded positions for 2012.
- (4) Source: U.S. Census Bureau and Metropolitan Council (2011 population is based on past years' growth).
- (5) County reorganization resulted in reassignment of programs to various program areas.

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 18

**OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS AVAILABLE**

Function / program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Property Records & Taxation										
Document counts per year	143,188	178,408	126,767	117,146	99,669	83,254	68,598	77,413	71,788	62,395
Parcel accounts per year	123,116	126,983	128,388	133,483	134,718	134,954	135,079	135,342	135,460	135,373
Election Services										
Number of registered voters (* not an election year)	182,295	*	208,810	*	200,254	*	222,572	*	193,058	*
Number of votes cast (* not an election year)	140,361	*	174,258	*	133,965	*	182,559	*	131,703	*
License Bureau & Vital Statistics										
License Bureau and Vital Statistics transactions	411,671	480,555	448,595	456,606	459,862	468,686	458,174	450,252	440,160	437,345
County Attorney										
Criminal /Juvenile/Victim Witness Cases	1,740	1,919	1,960	2,258	4,651	4,458	3,880	4,179	4,702	4,363
Civil/Family Law/Protective Services Cases	3,708	3,986	4,509	4,557	4,652	4,477	4,977	5,210	5,088	5,124
Court Appointed Attorneys										
Civil Commitments filed	253	299	305	328	321	336	333	257	252	267
Paternity	221	200	181	242	235	215	347	212	206	155
Transit & Volunteer Transportation										
Passenger count	214,511	220,419	222,438	229,763	255,401	254,876	274,307	263,555	280,142	331,308
Veteran's Services										
Public safety										
Sheriff										
Calls for service	32,484	32,438	34,201	35,421	34,861	34,417	31,251	30,292	30,530	31,018
Jail bookings	11,242	11,817	12,378	13,450	13,096	12,157	11,853	11,228	10,404	9,800
Central Communications										
Calls for service	191,855	158,463	166,563	175,559	171,516	175,719	175,874	176,215	180,573	184,978
Fire calls for service	21,303	17,445	17,431	19,166	18,904	19,888	20,134	19,895	20,431	22,012
Community Corrections										
Probation caseload	14,473	20,282	19,262	18,626	19,291	19,856	20,359	20,026	18,968	15,506
Days served in institutions	100,372	109,296	113,299	126,810	130,760	119,839	109,836	91,962	98,316	76,852
Medical Examiner										
Number of death investigations performed	936	885	923	964	994	975	1,196	1,138	1,274	1,380
Highway and streets										
Vehicle miles traveled per day	7,701,356	7,926,930	8,127,398	8,179,506	8,168,273	8,355,111	8,283,744	8,171,320	8,171,919	8,188,710
Human services										
Economic Assistance										
Child support caseload	15,056	15,303	15,320	15,135	15,316	15,521	15,124	15,221	14,883	14,547
Public assistance caseload	12,038	13,550	14,625	15,685	16,275	16,605	17,127	19,024	20,745	23,348
Social Services										
Social Services Out of Home Placement Costs	8,440,915	7,777,505	7,090,847	7,406,033	6,892,756	6,927,762	6,317,023	4,322,505	4,548,695	3,707,578
Number of developmentally disabled persons receiving case management services	1,580	1,635	1,688	1,728	1,798	1,891	1,991	2,136	2,261	2,091
Mental Health Services										
Child Mental Health Out of Home Placement Costs	1,188,067	770,696	682,757	966,466	1,247,295	1,121,104	680,932	559,429	1,101,458	717,160
Requests for Civil Commitments	361	396	457	496	484	492	469	479	415	418
Community Health & Environmental Services										
Women, Infants and Children (WIC) average monthly case count	4,516	4,729	4,913	5,506	5,756	5,937	6,030	5,812	5,610	6,550
Other Misc Human Service Programs										
Senior information line - number of calls	741	812	846	1,111	840	983	769	869	881	1,087
Waivered services caseload (data is based on April of each year)	411	433	472	510	580	630	610	560	712	588
Sanitation										
Intergrated Waste Management										
Recycling processed (in tons)	138,336	141,783	140,404	144,293	146,583	145,335	138,277	136,632	137,518	141,052
Waste delivered for processing (in tons)	156,678	154,081	158,440	153,182	153,635	159,327	158,194	151,744	136,232	135,208
Waste landfilled (in tons)	69,356	69,849	51,959	57,614	68,577	61,131	50,023	48,390	58,625	57,282
Culture and recreation										
County Library										
Number of persons served	1,255,605	1,214,292	1,436,208	1,455,715	1,349,843	1,232,639	2,041,742	2,065,193	1,933,360	2,048,075
Number of items loaned	3,061,142	2,984,378	2,976,161	2,884,438	2,863,174	3,109,288	3,237,405	3,370,139	3,719,392	3,859,169
Parks and Recreation										
Regional and County Park visits	3,000,000	3,150,000	3,200,000	3,300,000	3,300,000	3,400,000	3,500,000	3,500,000	3,800,000	3,800,000
Golf Course										
Rounds of golf played	26,773	28,412	29,317	29,257	32,000	34,342	34,240	35,000	31,853	30,431
Aquatic Center										
Water Park attendance	58,000	107,000	84,000	111,000	113,000	113,000	96,000	78,000	122,000	117,000
Conservation of natural resources										
Minnesota Extension Service										
Adult Program Participants	9,577	13,538	12,222	15,593	12,961	15,068	15,217	11,210	11,100	30,446
Youth program Participants	9,715	8,577	7,044	5,964	7,898	2,233	7,296	13,059	14,000	8,974
Economic development										
Job Training Center										
Minnesota Family Investment Program (MFIP) Families using employment & training services	3,409	3,500	3,528	3,654	3,562	3,520	3,597	3,873	3,685	3,586
Community Development (data is based on fiscal year June 30)										
Households assisted with housing	59	43	144	148	121	140	140	76	49	168
People assisted	10,120	14,119	29,589	6,124	3,825	3,481	7,099	5,749	4,929	2,547
Public improvements and related activities	16	1	1	14	2	4	3	2	7	2

Source: Various County departments

Unaudited

**ANOKA COUNTY
ANOKA, MINNESOTA**

Table 19

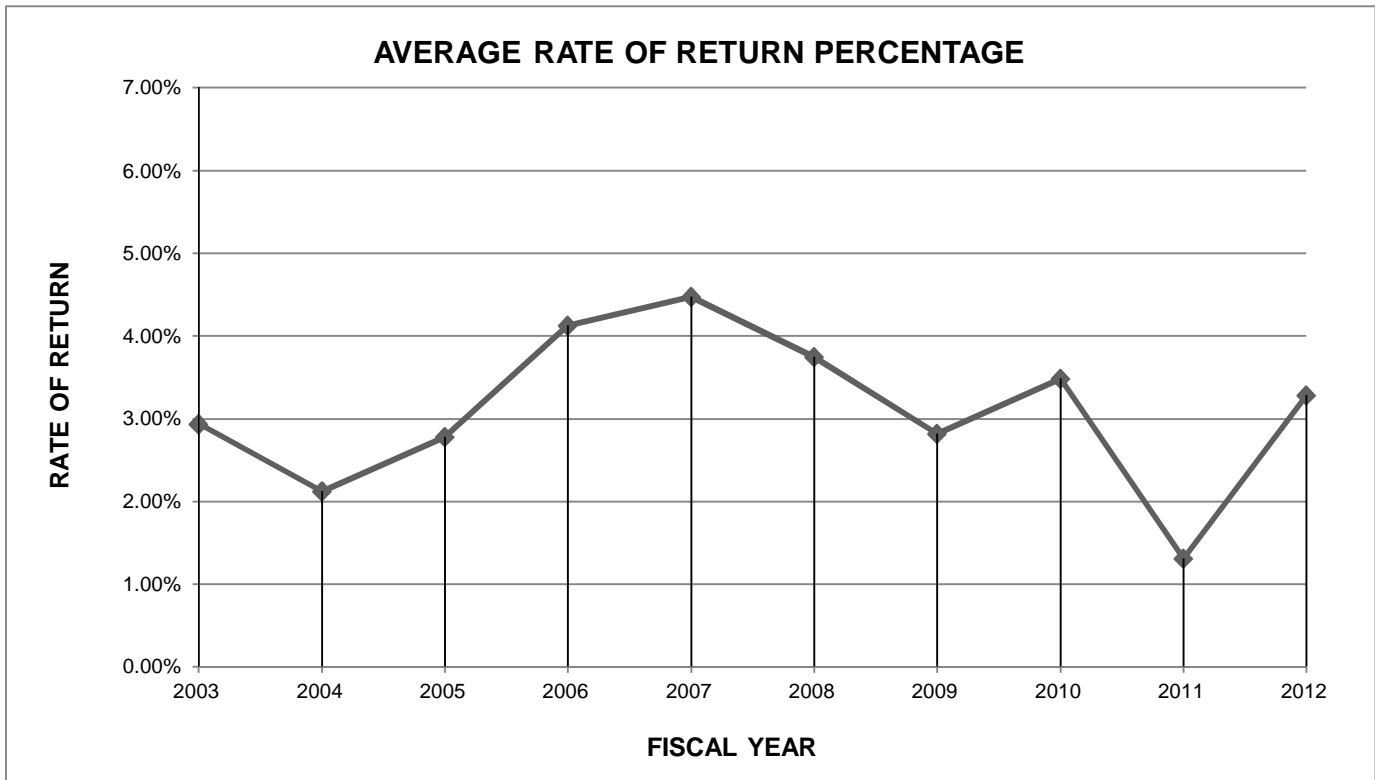
**RETURN ON INVESTMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Investment Earnings (1) & (3)	Average Rate of Return (2)
2003	\$ 3,178,296	2.94%
2004	2,378,413	2.12%
2005	3,217,480	2.78%
2006	5,158,318	4.13%
2007	6,483,889	4.48%
2008	6,042,162	3.75%
2009	4,761,461	2.82%
2010	6,843,576	3.48%
2011	2,925,285	1.31%
2012	8,033,665	3.28%

Notes:

- (1) Earnings are from investments managed by Anoka County's Treasury Manager and external Fiscal Agent Managers.
- (2) Average rate of return calculated on monthly cash balances.
- (3) Investment Earnings and resulting Average Rate of Return have been adjusted to eliminate changes in the fair value of investments that are required by Governmental Accounting Standards Board (GASB) Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

Source: Anoka County Finance and Central Services Division



Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

Table 20

CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General government										
Courthouse	1	1	1	1	1	1	1	1	1	1
Government Center	1	1	1	1	1	1	1	1	1	1
Human Service Center	1	1	1	1	1	1	1	1	1	1
License Bureau Center	1	1	1	1	1	1	1	1	1	1
Head start facility	1	1	1	1	1	1	1	1	1	0
Miscellaneous structures	3	3	3	3	3	3	3	3	3	3
Regional Treatment Center buildings	4	15	18	18	18	17	16	16	16	17
Parking ramp	1	1	1	1	1	1	1	1	1	1
Ground and maintenance equipment	7	7	9	9	9	10	12	13	13	12
Licensed vehicles/trailers	20	21	23	27	26	28	28	29	31	33
Public safety										
Adult correctional institutions	2	2	2	2	2	2	2	2	2	2
Juvenile correctional institutions	5	5	5	5	5	5	5	5	5	5
Radio repair facility, towers, and shelters	5	11	11	18	20	20	20	20	19	20
Medical Examiner building	0	0	0	0	0	0	1	1	1	1
Sheriffs Public Safety Campus	0	0	0	0	0	0	0	1	1	1
Sheriff's patrol buildings	2	2	2	2	2	2	2	2	2	1
Sheriff's rifle range buildings	6	6	6	6	6	6	6	4	4	3
Sheriff's substation buildings	3	0	0	0	0	0	0	0	0	0
Boats, motors, snowmobiles,atv	13	11	12	13	13	16	16	17	17	18
Licensed vehicles/trailers	27	26	24	24	25	24	24	23	28	26
Patrol units	77	78	85	88	90	93	94	95	92	96
Highways and streets										
Highway buildings	7	7	9	9	8	8	8	8	8	8
Contractors equipment	25	26	26	26	20	20	20	25	25	29
Licensed vehicles/trailers	71	72	74	74	76	80	83	83	92	94
Two lane (road miles)	332.74	332.74	332.74	324.92	322.96	322.21	320.64	311.81	306.37	304.81
Four plus lane (road miles)	89.36	89.36	89.36	95.43	99.61	100.36	101.93	107.09	111.53	111.54
Bridges	70	70	70	70	70	70	70	70	70	70
Human services										
Licensed vehicles	6	0	0	0	0	0	0	0	0	0
Head start facility	0	0	0	0	0	0	0	0	0	1
Sanitation										
Educational trailers	2	2	2	2	2	2	2	2	2	2
Household hazardous waste facility	0	0	1	1	1	1	1	1	1	1
Culture and recreation										
Regional parks	7	7	7	7	7	7	7	7	7	7
County parks	7	7	7	6	6	6	6	6	6	6
Regional park reserves	2	2	2	2	2	2	2	3	3	3
Regional trails	6	7	7	7	7	7	7	7	7	7
Activity center/contact stations	10	10	10	10	10	10	10	10	10	10
Anderson House	2	2	2	2	2	2	2	2	0	0
Archery range	2	2	2	2	2	2	2	2	2	2
Banfil-Locke Center for the Arts	1	1	1	1	1	1	1	1	1	1
Camp Salie	1	1	1	1	3	3	3	3	3	3
Camper cabin sites	0	0	0	0	0	0	0	0	4	4
Fairground buildings	8	8	8	8	8	8	8	8	8	8
Miscellaneous park buildings	15	15	15	15	16	16	21	20	21	21
Park shelters and restrooms	56	54	53	53	55	55	57	55	57	57
Reidel Farm Estate	1	1	1	1	1	1	1	1	1	1
Riding stable buildings	5	5	5	5	5	5	5	5	5	5
Wargo Nature Center	1	1	1	1	1	1	1	1	1	1
Chomonix Golf Course (18 hole) (1)	0	0	1	1	1	1	1	1	1	1
Ground and maintenance equipment	49	51	71	74	91	89	80	87	86	84
Licensed vehicles/trailers	48	51	54	56	51	49	47	47	47	47
Libraries										
Regional	2	2	2	2	2	2	2	2	2	2
Branch	6	6	6	5	5	5	5	5	5	5
Economic development										
Senior housing developments	3	3	3	3	4	4	4	4	4	4
Business-type activities:										
Chomonix Golf Course (18 hole) (1)	1	1	0	0	0	0	0	0	0	0
Bunker Beach Aquatic Center	1	1	1	1	1	1	1	1	1	1

Notes:
(1) Chomonix Golf Course reclassified in 2005 as a Governmental Activity.

Source: Anoka County Capital Asset Master File

Unaudited

ANOKA COUNTY
ANOKA, MINNESOTA

Table 21

SUMMARY OF INSURANCE IN FORCE
YEAR ENDED DECEMBER 31, 2012

Insurance Coverage	Company	Amounts/Limit
Property Building, Contents, Boiler and Machinery	Chubb Insurance Company	\$300,000,000
Crime & Faithful Performance Bond Computer Fraud, Money and Securities Forgery Faithful Performance Bond	American International Group	\$750,000
General Liability Public Officials Liability Professional Liability Law Enforcement Liability Bunker Beach Aquatic Center Liability	Anoka County Liability Indemnification Plan	\$500,000 per person/\$1,500,000 per occurrence
Professional Liability Environmental Services	Anoka County Liability Indemnification Plan	\$500,000 per person/\$1,500,000 per occurrence
General Liability General Liability - Joint Law Enforcement Gun Range Crime - Joint Law Enforcement Gun Range Petrofund - Joint Law Enforcement Gun Range	LMCIT LMCIT LMCIT	\$1,500,000 per occurrence \$250,000 \$250,000
General Liability PGA Special Event Golf Tournament	Philadelphia	\$1,000,000 per occurrence/\$3,000,000 aggregate
General Liability Battery of Light Artillery	The Cincinnati Specialty Underwriters	\$1,000,000 per occurrence/\$2,000,000 aggregate
General Liability Neighborhood Stabilization Program	CSU Producer Resources	\$1,000,000 per occurrence/\$2,000,000 aggregate
Property Neighborhood Stabilization Program	CSU Producer Resources	\$535,600
Automobile Liability and Physical Damage	Traveler's	\$1,500,000 CSL/\$350,000 UM/\$350,000 UIM
Professional Liability Medical Examiner	Midwest Medical Insurance	\$1,000,000 each claim/\$3,000,000 aggregate
Workers' Compensation Anoka County Employees	Anoka County Workers' Comp. Self Insured Plan	Statutory
Liquor Liability Chomonix Golf Course	Founder's	\$1,000,000 per occurrence/aggregate
General Liability and Professional East Central Regional Juvenile Center	General Star	\$2,000,000 per occurrence/aggregate
General Liability Child in Need of Protection Services (CHIPS)	Auto Owners	\$1,000,000 per occurrence \$2,000,000 aggregate
<u>Anoka County Affiliated Entities:</u>		
Anoka Conservation District Property Crime Liability Auto Equipment Workers' Compensation	LMCIT LMCIT LMCIT LMCIT LMCIT State Fund Mutual	\$591,548 \$250,000 per occurrence \$1,500,000 per occurrence \$1,200,000 CSL \$60,545 Statutory
Anoka County Historical Society Liability - Collector Vehicle Policy	Philadelphia	\$1,000,000 CSL
HRA - The Willows of Ham Lake General Liability Crime Property & Contents Sewer Backup	LMCIT LMCIT LMCIT LMCIT	\$1,500,000 per occurrence \$250,000 per occurrence \$6,630,237 Included

(Continued)

ANOKA COUNTY
ANOKA, MINNESOTA

SUMMARY OF INSURANCE IN FORCE
YEAR ENDED DECEMBER 31, 2012

Table 21
(Continued)

Insurance Coverage	Company	Amounts/Limit
HRA - Chauncey-Barrett Gardens - Bldg. I of Centerville		
General Liability	LMCIT	\$1,500,000 per occurrence
Crime	LMCIT	\$250,000 per occurrence
Property & Contents	LMCIT	\$2,527,746
Sewer Backup	LMCIT	Included
HRA - Chauncey-Barrett Gardens - Bldg. II of Centerville		
General Liability	LMCIT	\$1,500,000 per occurrence
Crime	LMCIT	\$250,000 per occurrence
Property & Contents	LMCIT	\$5,215,216
Sewer Backup	LMCIT	Included
HRA - Savannah Oaks of Ramsey		
General Liability	LMCIT	\$1,500,000 per occurrence
Crime	LMCIT	\$250,000 per occurrence
Property & Contents	LMCIT	\$7,897,153
Sewer Backup	LMCIT	Included
HRA - Oaks of Lake George		
General Liability	LMCIT	\$1,500,000 per occurrence
Crime	LMCIT	\$250,000 per occurrence
Property & Contents	LMCIT	\$8,621,454
Sewer Backup	LMCIT	Included
Minnesota Youth Program	American Compensation	Statutory
Workers' Compensation		
Job Training Center - Students	One Beacon America	\$25,000 per person
Accident Medical		
Job Training Center - SCSEP Program	RTW, Inc	Statutory
Workers' Compensation		
Minnesota Family Investment Program	State Fund Mutual	Statutory
Workers' Compensation		
Anoka-Hennepin Narcotics and Violent Crimes Task Force		
Liability	LMCIT	\$1,500,000 per occurrence/\$2,000,000 aggregate
Excess Liability	LMCIT	\$1,000,000 per occurrence/aggregate
Auto (Hired, non-owned)	LMCIT	\$1,500,000 CSL
Crime	LMCIT	\$250,000 per occurrence
Property	LMCIT	\$234,171
Northwestern Anoka Co. Community Consortium		
Liability	LMCIT	\$1,500,000 per occurrence
Property	LMCIT	\$153,796
Crime	LMCIT	\$250,000
Auto (Hired, non-owned)	LMCIT	\$1,500,000 CSL

Source: Anoka County Finance and Central Services Division

Unaudited