



**Anoka County**  
MINNESOTA

Respectful, Innovative, Fiscally Responsible

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# **Comprehensive Annual Financial Report**

**Year Ended December 31, 2017**

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Prepared by Finance & Central Services Division of Anoka County, Minnesota  
Cory Kampf, Division Manager



# Anoka County

FINANCE & CENTRAL SERVICES DIVISION

Enriching Community | Quality Service | Financial Integrity

Finance

Central Services

General Operations

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

### ANOKA COUNTY, MINNESOTA

PREPARED BY

THE  
FINANCE AND CENTRAL SERVICES DIVISION OF ANOKA COUNTY  
CORY KAMPF, DIVISION MANAGER

YEAR ENDED DECEMBER 31, 2017  
Issued June 2018

**To the Honorable Board of County Commissioners:**

**I herewith submit to you a full and accurate statement of revenues and expenditures for the year 2017, together with an accurate statement of financial position of the County on December 31, 2017, including debts and liabilities, and the assets to discharge the same.**

**Respectfully submitted,**

A handwritten signature in black ink, appearing to read "Jerry Soma". The signature is fluid and cursive, with a large initial "J" and "S".

**Jerry Soma  
County Administrator**

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**ANOKA COUNTY  
ANOKA, MINNESOTA**

**INTRODUCTORY SECTION**



# Anoka County

## FINANCE & CENTRAL SERVICES DIVISION

Enriching Community | Quality Service | Financial Integrity

Finance

Central Services

General Operations

June 19, 2018

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, 2017. This report has been produced in compliance with Governmental Accounting Standards Board, Statement No. 34, as amended. The County's Finance and Central Services Division prepared this report in conformity with accounting principles generally accepted in the United States of America (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](http://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, Transportation, Finance and Capital Improvements, Public Safety, Information Technology, Human Services, Parks and Community Services, Intergovernmental and Community Relations, Property Records and Taxation, Recycling and Resources Solutions Committee, and Solid Waste Advisory Committee.

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, five divisions and several departments. During 2017, 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 mandated by state statute. This includes public safety, recreation, public works, health services, judicial, cultural, human services, vital statistics, tax assessment and tax 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 (GASB), "The Financial Reporting Entity," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34."

### **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 performance and 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**

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

## **GENERAL INFORMATION CONCERNING THE COUNTY**

Anoka County, established May 23, 1857, is located in the northwestern portion of the Minneapolis/Saint Paul metropolitan area. It encompasses more than 440 square miles (approximately 272,960 useable acres) and includes all or portions of 20 cities and one township. Anoka County is Minnesota's fourth most populous county with a 2017 U.S. Census population estimate of 352,266.

## **INDUSTRY LEADERS IN EMERGING TECHNOLOGIES AND INNOVATION**

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 Corporation, Infinite Campus, Vista Outdoor Sporting (Federal Premium Ammunition), BAE Systems, Honeywell Commercial Flight Systems, Aveda Corporation, Onan Corporation, and Pentair Technical Products.

The County's emphasis on attracting technology-based companies has resulted in new companies locating in the area's business development centers. Two of these centers, the Minnesota Medical Enterprise Park in the City of Coon Rapids and the Development Center in the City of Columbia Heights, have focused on attracting and assisting developing medical and high technology companies to the County. Technology based companies located in the County include SarTec, Infinite Campus, Parametric Technology, N.T. International, Dymedix, Comedicus, Visual Circuits, Bioenergy, Inc., and BioVest International.

The Medtronic facility, located adjacent to Anoka County at the juncture of Highway 10 and I-35W, is Medtronic's largest campus encompassing 1.5 million square feet on 85 acres. The facility employs approximately 11,000 people and consolidates the Cardiac Rhythm and Heart Failure division.

Taking advantage of the favorable business climate in Anoka County are several growing businesses located along the Highway 10 and Highway 65 corridors. RMS Company, located in Coon Rapids recently expanded their manufacturing space by 60,000 square feet. Specializing in the manufacture of technical components used in medical devices, as well as the aerospace industries, RMS currently employs 711 individuals making them the largest private employer in Coon Rapids. Within two years of the completion of the additional manufacturing space, RMS plans on adding 100 new jobs. One of the largest orthopedic practices in the country, Twin Cities Orthopedics, is scheduled to open a new three-level, 50,000 square foot medical office in Blaine in the summer of 2018. Northern Stacks of Fridley is in the process of redeveloping 1.6 million square feet of the property located along the East River Road in Fridley into multiple office/industrial buildings. Defense contractor BAE Systems will continue to occupy one of the buildings on site, in which they will house their highly-technical engineering divisions. With flexible zoning to accommodate a wide variety of industrial uses, and close proximity to the region's major transportation networks, Northern Stacks is becoming recognized as one of the Twin Cities' premier business parks.

## **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.

Greater MSP, a regional economic development organization, is a proven partner in growing businesses in Anoka County. To date the partnership with Greater MSP has attracted 37.4 million in new business investments and expansions, as well as the addition of 1,400 new jobs. A talent attraction initiative launched in 2015 is helping to attract young professionals from across the country to the region. In an effort to capitalize on the unique attributes that Anoka County has to offer potential businesses, the County has created an Economic Development Specialist position. When filled, this position will be responsible for leading development, implementation, and promotion of economic development strategies for the County. It is one of the goals of the County to develop strong working relationships with cities, chambers, businesses and regional economic development partners in effective marketing and branding initiatives that will position Anoka County as a great environment to start and expand businesses.

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.

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 98.7 percent of the time and ridership continues to grow with nearly 794,000



rides provided in 2017; a 12% increase from 2016. Northstar carries passengers between Big Lake in Sherburne County and downtown Minneapolis, with stops in Elk River, Ramsey, Anoka, Coon Rapids, and Fridley.

Anoka County, through an agreement with the Metropolitan Airports Commission (MAC), has made over \$16 million of improvements at the Anoka County (Janes Field) Airport located in the City of Blaine. Under the Agreement, the MAC turned over control of the Northwest Quadrant of the airport to the County in exchange for the improvements. The County has sub-leased the site to a private development group, the Anoka Airport LLC, which has partnered with LYNX FBO Anoka, LLC, a large private equity firm, which owns and manages aircraft fleets. The Northwest Quadrant has a first class fixed-based operation (FBO), hangars for corporate and private jets, and ramp space for jet parking. The County receives lease payments for hangars and ramp space from the facility's management organization, LYNX FBO Anoka, LLC, and its tenants.

The development of creative partnerships has been a key component of Anoka County's success. The Anoka County Sheriff's Office and the Midwest 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 twenty-two 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 in the City of Blaine is featured in the Guinness Book of World Records as the world's largest indoor hockey facility with eight indoor ice rinks, the Herb Brooks Training Facility/Hall of Fame, and a dry floor training facility for figure skating. Additionally, the Schwan's Super Rink has become the largest skating venue in the world. The National Sports Center is the home training center for the USA Women's Olympic Hockey team and hosts the world's largest soccer tournament, the Schwan's USA Cup. In 2012, the National Sports Center completed construction of a convention and exhibition center providing the region with top notch meeting and exhibition areas. The Center attracts more than four million visitors each year.

### **FUTURE PROJECTS, CAPITAL IMPROVEMENTS FUNDING**

Anoka County's 2018 Capital Improvement Budget (CIB) encompasses a wide array of construction and maintenance projects. These projects are planned at improving the functionality, and longevity of the County Buildings, Library System, Roads, Information Management Systems, and Parks. The overarching goal of these projects is to better serve the constituents and visitors of Anoka County.

The 2018 Capital Improvement Budget includes several building maintenance projects designed to keep Anoka County buildings in respectable condition, therefore avoiding any unexpected, significant repairs in the future. \$525,000 is planned for updating the East Central Regional Juvenile Center to come into compliance with the Prison Rape Elimination Act (PREA). This includes upgrading surveillance to a digital format, as well as adding additional camera coverage. The Rum River Human Services Campus location has been allocated \$500,000 to replace the central heating plant and domestic water delivery systems from one unit for all buildings on the campus, to individual systems for each building. The remaining \$2.2 million covers 11 other building and equipment projects covered in management's long-range plan.

Located in Circle Pines, Centennial Library has been allocated \$5.4 million in 2018 for a multi-year renovation project aimed at expanding the size of the library. This expansion will allow for more space for creativity and collaboration, and make for a welcoming setting for all Anoka County residents.

Road and Bridge projects for 2018 are led by the CSAH 78 (Hanson Blvd) 139<sup>th</sup> to Crosstown budgeted at \$12.4 million. The result of this project will be to turn Hanson Blvd in Andover from a two-lane, rural section to a four-lane, urban divided section; ultimately improving mobility and safety along the CSAH 78 corridor. The County's Annual Road and Bridge Preservation Program has \$8 million budgeted to maintain and repair the existing road and bridge infrastructure within the county. The remaining \$7.5 million is allocated to 11 other projects designed to improve the safety and functionality of the roads and bridges for the constituents of Anoka County. Of the \$28 million budgeted for Road and Bridge projects for 2018, 87% of the total costs are funded through Federal, State, City, County Transportation Tax and other funds.

Leading the Information Management projects is the upgrading of the County's 800MHz communication equipment which has been allocated \$1 million. This upgrade is necessary to keep communication equipment current with Motorola's planned system upgrades. Upgrading the County's communication equipment to 800MHz is pertinent in allowing the citizens and employees of Anoka County better information and service. This is a multi-year project with an additional \$2.5 million allocated over the next four years. Another \$1.3 million will be allocated between IT Server/Storage Infrastructure, and the utilization of Microsoft's core technologies. By implementing these core technologies, such as SharePoint and Project, will allow for greater collaboration both in, and across departments. These Information Management projects will ultimately help to keep Anoka County operating with 21<sup>st</sup> century information technology.

Parks and Recreation included seven projects totaling \$2.5 million to improve and maintain the facilities at Anoka County Parks. Mississippi West Regional Park is budgeted to receive \$615,000 to improve access with the addition of a newer entrance road. This new entrance road will connect to the existing boat launch, allowing for easier access into the park, increasing user opportunities and overall enjoyment. The majority of these park upgrade projects have been funded with State and Met Council funds.

## **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. Transportation infrastructure improvements will be funded by federal, state and local government dollars.

The other project related to high priority initiatives is the Sheriff's Office and the Midwest 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 increased slightly from 5.4 FTE in 2016, to 5.6 FTE in 2017. This slight increase in FTE's can be attributed to the temporary to regular employee conversion that took place in 2017.

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 3.1 percent for 2017, compared to the State of Minnesota rate of 3.1 percent and United States rate of 4.1 percent. The County's unemployment has been at or below both the State and Federal rates for six of the last ten years, and has decreased .7 percent from 2016. Over the last few years, the County's market values have been rebounding steadily. Since 2013, the County experienced a total increase in estimated market value of just over 34.3 percent, an increase of 10.8 percent. 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 full 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 May of each year. In preparation of the request, each division/department performs a priority based service analysis to determine what services are being provided and assess any needed adjustments based on resources, laws and County policy. The budget priorities are presented to the Committees of Jurisdiction for approval in advance of the presentation to the Board of 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 meeting 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 special revenue funds is included in the Required Supplementary Information section of this report.

**BUDGET FACTORS**

For the 2017 budget, Anoka County took several steps to offset the cost of doing business: (1) Continue to manage infrastructure costs with annual levies committed to buildings and technology, thereby reducing debt service levies currently and in the future by paying cash instead of bonding for projects, (2) a voluntary separation incentive for higher paid, long term employees, and (3) looking for efficiencies to make current budgets more effective and improving services.

**CASH MANAGEMENT**

The County-appointed 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 \$3,956,066 in 2017. This is a result of Governmental Accounting Standards Board (GASB), Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" which requires reporting the fair value of investments as opposed to the book value. The variance between fair value and book value of investments held on December 31, 2017 was (\$494,036), which must be recognized in the financial statements.

All cash and investments are deposited or invested in accordance with applicable statutes governing safekeeping options and requirements.

**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 2017 fiscal year were (see Table 10 in the Statistical Section of this report):

Net Bonded Debt Amount	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Market Value	Ratio of Net Bonded Debt to Tax Capacity
\$ 117,917,716	\$ 335	0.37%	34.03%

Outstanding bonds and notes payable at December 31, 2017, totaled \$160,736,838 of which \$114,268,352 is G. O. Bonds and Notes supported by Anoka County tax levy, \$24,862,800 Limited Tax bonds supported by Anoka Regional Rail Authority levy, \$2,646,930 Lease Revenue Obligations and \$18,958,756 G.O. Bonds Supported by Revenue for which there is no County tax levy. The amount available in debt service funds applicable to this debt is \$40,172,192, which leaves a net direct bonded debt, excluding the Lease Revenue Obligations, of \$117,917,716 (see Table 10 in the Statistical Section of this report).

Total bonded debt applicable to debt limit is \$133,925,000 less amounts available in funds of \$39,206,517 which leaves a net debt applicable to debt limit of \$94,718,483, which is approximately 9.91 percent of the County's statutory legal debt limit of \$962,093,093 (see Table 12 in the Statistical Section of this report).

**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 20 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, 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.

Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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, 2016. This is the 30th 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 2017 continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration.

### **ACKNOWLEDGMENTS**

I wish to acknowledge the professional contribution and hard work put forth by the entire Finance 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,

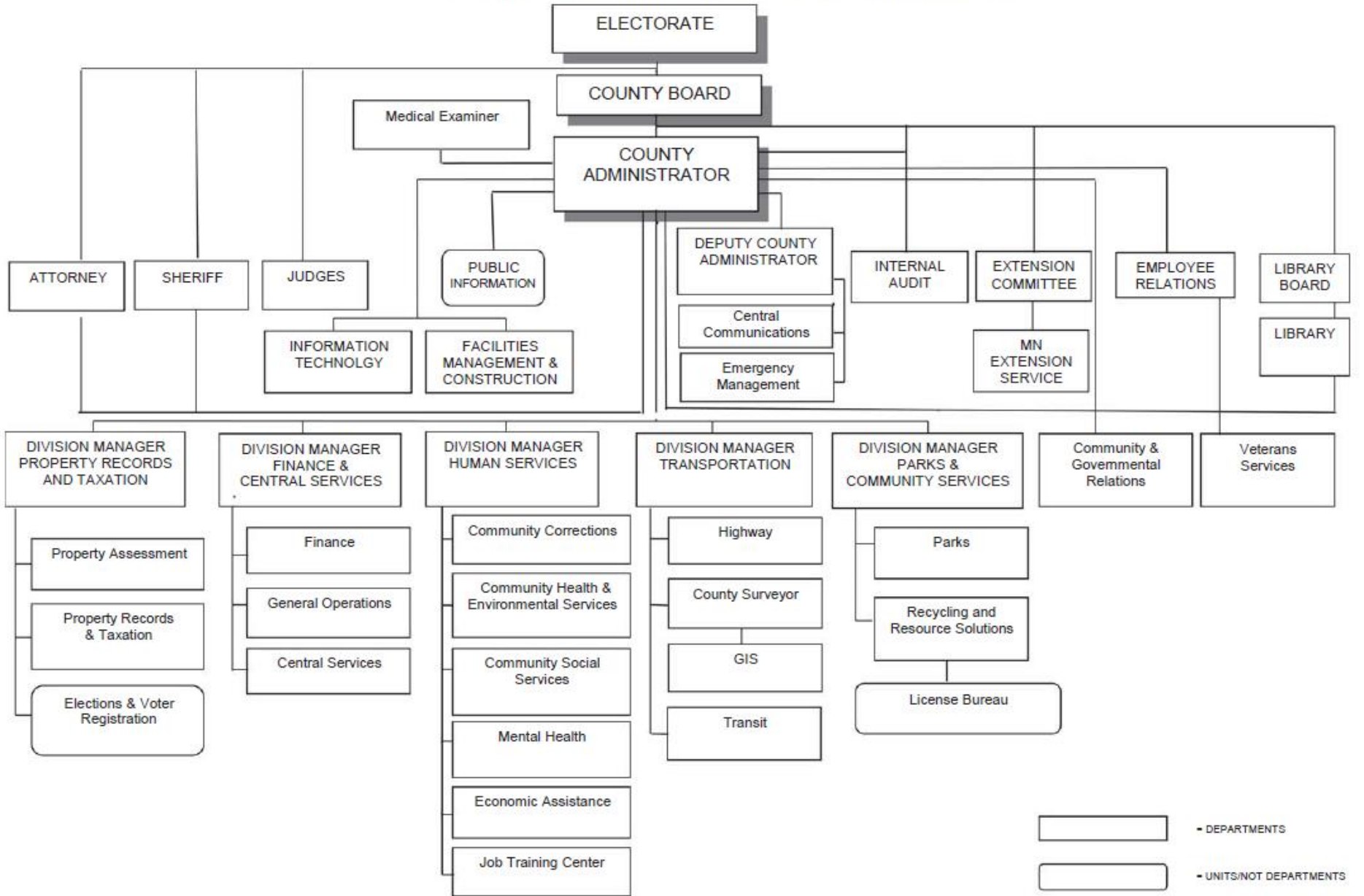


Cory Kampf, Division Manager  
Finance and Central Services Division

CK:

cc: Jerry Soma,  
County Administrator

# ANOKA COUNTY GOVERNMENT ORGANIZATIONAL CHART



**ANOKA COUNTY  
ANOKA, MINNESOTA**

**LIST OF PUBLIC OFFICIALS  
2017**

<b>Office</b>	<b>Name</b>	<b>Term Expires</b>
<b>County Board of Commissioners</b>		
District #1	Matt Look	January 2021
District #2	Julie Braastad	January 2021
District #3	Robyn West	January 2021
District #4	Jim A. Kordiak	January 2019
District #5	Mike Gamache	January 2019
District #6	Rhonda Sivarajah, Chair*	January 2021
District #7	Scott Schulte, Vice Chair*	January 2019
<b>Elected County Officials</b>		
Attorney	Tony Palumbo	January 2019
Sheriff	James Stuart	January 2019
<b>Appointed County Officials</b>		
County Administrator	Jerry Soma	Indefinite
Medical Examiner	Quinn Strobl, M.D.	December 31, 2018
Extension Service Agent **	Sarah Chur	Indefinite
Library Director	Maggie Snow	Indefinite
Deputy County Administrator	Dee Guthman	Indefinite
<b>Division Managers</b>		
Finance and Central Services	Cory Kampf	Indefinite
Human Services	Cindy Cesare	Indefinite
Property Records and Taxation	Jonell Sawyer	Indefinite
Parks and Community Service	John VonDeLinde	Indefinite
Transportation	Doug Fischer	Indefinite
Employee Relations Director	Mike Roff	Indefinite

\* During 2017

\*\* Appointed by the University of Minnesota



Government Finance Officers Association

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, 2016**

*Christopher P. Morill*

Executive Director/CEO

**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  
Anoka, Minnesota

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2017, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, each major fund, and the aggregate remaining fund information of Anoka County as of December 31, 2017, 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.

### ***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 2.D. to the financial statements, in 2017, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which represents a change in accounting principles. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 GASB, 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 as listed in the table of contents 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 our report dated June 19, 2018, 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, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Anoka County’s 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 19, 2018

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2017  
(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, 2017. 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 and deferred outflows of resources of Anoka County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$763.2 million (net position). Of this amount, the County has (\$49.8) million in unrestricted net position.
- The County's total net position increased by \$45.0 million or about 6.3 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of \$221.3 million. Approximately 63.2 percent of this total amount, \$139.9 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly \$106.2 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was \$39.3 million or 36.1 percent of total General Fund expenditures.
- Anoka County's bonded debt decreased by \$33 million (17.7 percent) during the current fiscal year, as a result of scheduled debt service payments and the early defeasance of a general obligation bond issue and two refunding bond issues totaling \$49.9 million.
- The County issued a \$15.9 million refunding bond during the year for a reduction of future total debt service payments of \$2.4 million.

**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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 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*). The governmental activities of Anoka County include general government, public safety, highways and streets, human services, sanitation, culture and recreation, including Chomonix Golf Course and Bunker Beach Aquatic Center, conservation of natural resources and economic development.

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 sixteen 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 eleven 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, Medical Examiner, 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 one type of proprietary fund being the *internal service fund*. 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 and central fleet operations. These services benefit governmental functions, and have been allocated to *governmental activities* in the government-wide financial statements.

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 statements 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 69 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 72 to 84; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 87 to 95 of this report; c) the Statement of Changes in Assets

and Liabilities for the Agency Fund, which can be found on page 101; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 103 to 114.

### 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$763.2 million at the close of the most recent fiscal year.

#### Anoka County Net Position (in Thousands)

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 268,383	\$ 254,021	\$ -	\$ 1,219	\$ 268,383	\$ 255,240
Capital assets	845,758	819,037	-	5,360	845,758	824,397
<b>Total assets</b>	<b>1,114,141</b>	<b>1,073,058</b>	<b>-</b>	<b>6,579</b>	<b>1,114,141</b>	<b>1,079,637</b>
Deferred outflows of resources	57,137	96,451	-	105	57,137	96,556
Long-term liabilities outstanding	304,364	391,006	-	265	304,364	391,271
Other liabilities	45,632	44,015	-	7	45,632	44,022
<b>Total liabilities</b>	<b>349,996</b>	<b>435,021</b>	<b>-</b>	<b>272</b>	<b>349,996</b>	<b>435,293</b>
Deferred inflows of resources	58,051	21,533	-	32	58,051	21,565
Net position:						
Net investment in capital assets	736,625	713,874	-	5,359	736,625	719,233
Restricted	76,434	59,798	-	-	76,434	59,798
Unrestricted	(49,828)	(60,717)	-	1,021	(49,828)	(59,696)
<b>Total net position, as reported</b>	<b>\$ 763,231</b>	<b>712,955</b>	<b>\$ -</b>	<b>\$ 6,380</b>	<b>\$ 763,231</b>	<b>\$ 719,335</b>
Change in accounting principles*		(1,123)		-		(1,123)
Reclassification of fund**		6,380		(6,380)		-
<b>Total net position, as restated</b>	<b>\$ 763,231</b>	<b>\$ 718,212</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 763,231</b>	<b>\$ 718,212</b>

\*This is the first year the County implemented the new other postemployment benefits accounting and financial reporting standards, GASB Statements No. 74 and No. 75. The County had to make a prior year change in accounting principles to adjust the County's OPEB liability and related deferred inflows of resources.

\*\* On January 1, 2017 the activity in the Aquatic Center Enterprise Fund is now reported in the Parks and Recreation Special Revenue Fund.

By far the largest portion of Anoka County's net position, \$736.6 million, 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 of \$76.4 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$49.8) million is unrestricted net position.

The increase in net investment in capital assets portion of net position of \$17.4 million is primarily due to the continuing work of CSAH 116 from Crane St. to VanBuren St. (\$11.8 million) and CSAH 17 from CSAH 14 to CSAH 116 (\$7 million).

There was an increase of \$16.6 million in restricted net position in connection with Anoka County's governmental activities due to the spending of the unspent bond proceeds from 2016 and a 2017 debt refunding issuance.

The County is reporting a decrease of \$53.9 million in net pension liability (NPL) for a total NPL of \$126.6 million due to a difference in projected and actual investment earnings and adjusted actuarial assumptions. In addition to the NPL, the County is reporting deferred pension outflows of \$57.1 million and deferred pension inflows of \$48.0 million. For additional information, see Note 3.E on page 59 to 65.

Anoka County implemented Governmental Accounting Standards Board (GASB) Statements No. 74 *Financial Reporting by Employers for Postemployment Benefits Other than Pension Plans* and No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, in 2017, which required a change of reporting to the OPEB liability that includes the results of any changes to actuarial assumptions. As a result, Anoka County had a decrease in its OPEB liability of \$5.8 million in 2017.

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

**Governmental activities.** Anoka County's governmental activities' net position increased \$45.0 million in 2017. Key elements of this increase are as follows:

Revenues from charges for services increased by \$2.4 million (5.7 percent) in 2017. The most significant change occurred due to a restatement of the Aquatic Center changing from a business activity to a governmental activity (\$1.6 million) within the culture and recreation function. The remaining amount that of the increase was \$808 thousand, which is a 1.8 percent change from the previous year.

Operating grants and contributions decreased by \$8.5 million (7.8 percent) in 2017. The most significant changes occurred with a \$6.5 million decrease in Highway's revenues for funding of various road projects that were completed in the previous year and reimbursed in 2016, and a decrease of \$2.0 million in Human Services revenues primarily due to receiving \$994 thousand less in for the Vulnerable Children and Adults Act Allocation and \$500 thousand less in adult mental health grant funding. Medical assistance billing and reimbursements also decreased by \$557 thousand in 2017.

Capital grants and contributions increased by \$21.7 million (185.5 percent) in 2017. There was a \$21.2 million increase in Highways and Streets due to several major road projects, and an increase of \$622 thousand in Culture and Recreation for park improvements.

Property tax revenue increased by \$3.7 million (3 percent) during the year and reflects the amounts collected for debt service payments and an increase in the property tax collection rate of the current year levy. Anoka County had planned for an increase in levy of \$3 million.

Other revenues increased by \$3.1 million (39.5 percent) primarily due to the effect of an increase in investment income of \$1.5 million and an increase in forfeited tax sales of \$1.2 million and various other refunds and reimbursements.

**Anoka County Changes in Net Position**  
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$ 44,943	\$ 42,513	\$ -	\$ 1,622	\$ 44,943	\$ 44,135
Operating grants and contributions	100,505	109,016	-	-	100,505	109,016
Capital grants and contributions	33,393	11,698	-	-	33,393	11,698
<b>General revenues:</b>						
Property and wheelage taxes	131,835	128,053	-	-	131,835	128,053
Grants and contributions not restricted to specific programs	17,159	17,211	-	-	17,159	17,211
Other	11,131	7,982	-	-	11,131	7,982
Total revenues	338,966	316,473	-	1,622	338,966	318,095
<b>Expenses:</b>						
General government	57,115	48,704	-	-	57,115	48,704
Public safety	72,692	73,736	-	-	72,692	73,736
Highway and streets	34,549	34,428	-	-	34,549	34,428
Human services	89,935	89,077	-	-	89,935	89,077
Sanitation	4,538	3,917	-	-	4,538	3,917
Culture and recreation	18,815	17,917	-	1,336	18,815	19,253
Conservation of natural resources	645	743	-	-	645	743
Economic development	9,407	9,127	-	-	9,407	9,127
Interest on long-term debt	6,251	6,995	-	-	6,251	6,995
Total expenses	293,947	284,644	-	1,336	293,947	285,980
Increase (Decrease) in net position before transfers	45,019	31,829	-	286	45,019	32,115
Transfers	-	466	-	(466)	-	-
Increase (Decrease) in net position	45,019	32,295	-	(180)	45,019	32,115
Net position - January 1, as restated (Note 2.D.)	718,212	680,660	-	6,560	718,212	687,220
Net position - December 31	\$ 763,231	\$ 712,955	\$ -	\$ 6,380	\$ 763,231	\$ 719,335

In 2017, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. During 2017, the net other postemployment benefits (OPEB) obligation was decreased by \$5.8 million. That decrease was allocated among various functions of governmental activities. General government, public safety and human services each averaged an \$86 thousand increase in OPEB expenses for 2017.

In 2015, Anoka County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*. The related pension expense for 2017 was \$13 million and was allocated among the various functions of governmental activities. General government, public safety and human services each averaged \$3.8 million in pension expenses for 2017.

General government expenses (excluding annual OPEB and pension costs) increased \$9.4 million in 2017. \$4.2 million of that increase was a loss on sale of assets as follows: \$2.2 million accounted for as a return of the Head Start facility back to Anoka County Community Action Program (ACCAP) due to satisfaction of the lease revenue obligation, a loss of \$940 thousand for Anoka County Regional Rail Authority sale of land for development, and disposal of several pieces of large equipment resulting in a loss of sale of assets (\$1.1 million); \$1.6 million increase to salaries due to a 3.0 percent budgeted increase of wage rates plus the conversion of temporary employees to regular employees, \$1.6 million increase in professional services related to the courtroom remodel, and \$1.8 million increase for information technology due to new projects and upgrades.

Public safety expenses increased \$532 thousand (excluding annual OPEB and pension costs) due to a 2.0 percent merit increase and annual maintenance costs associated with the recently implemented public safety data system.

Highway and streets expenses (excluding OPEB and pension costs) decreased \$342 thousand primarily due to the completion of various projects.



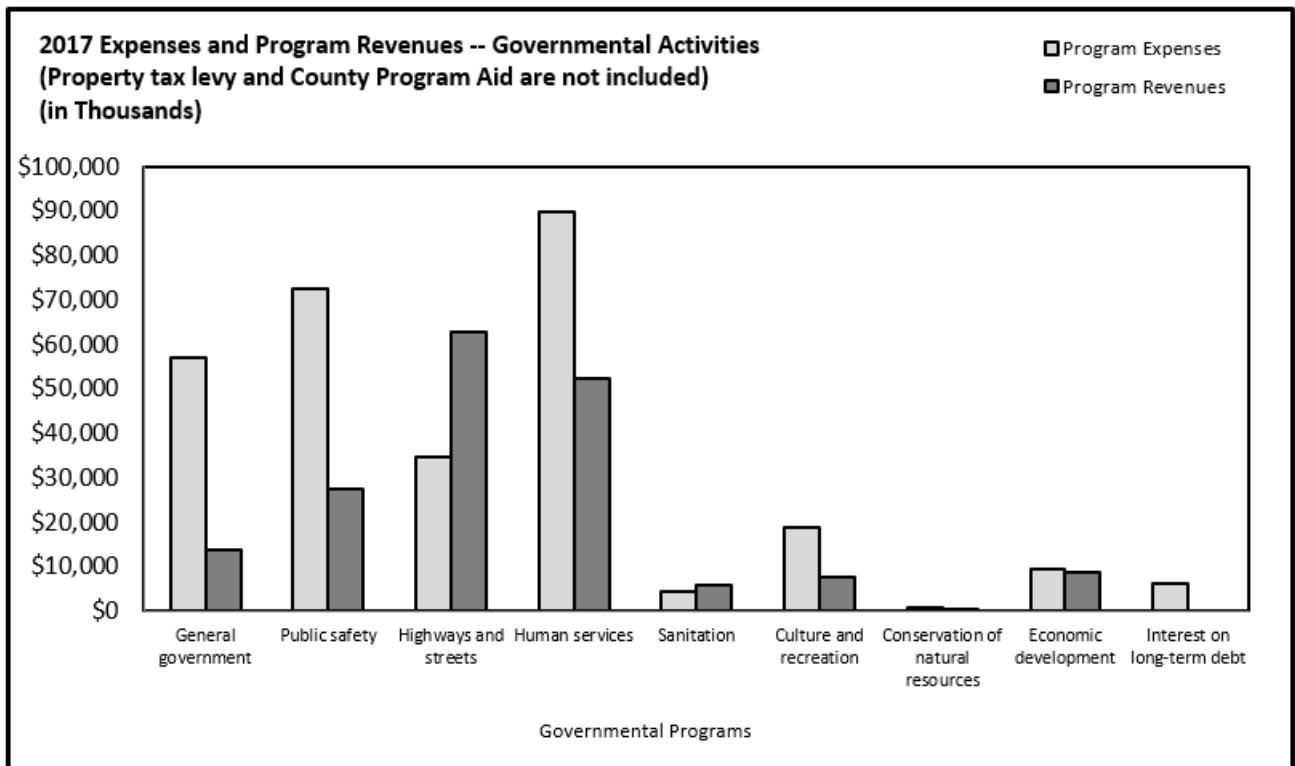
There was a \$2.2 million increase in human service expenses (excluding OPEB and pension costs) largely due to a 3.0 percent budgeted increase of wage rates plus the temporary employee to regular employee conversion and related personnel costs (\$1.3 million), and the remodeled space for the child protection program of \$218 thousand, placement services of \$608 thousand and \$200 thousand for other services for clients.

Sanitation expenses increased by \$645 thousand (excluding OPEB and pension costs) primarily due a reduction in reimbursements to cities and municipalities for recycling initiatives.

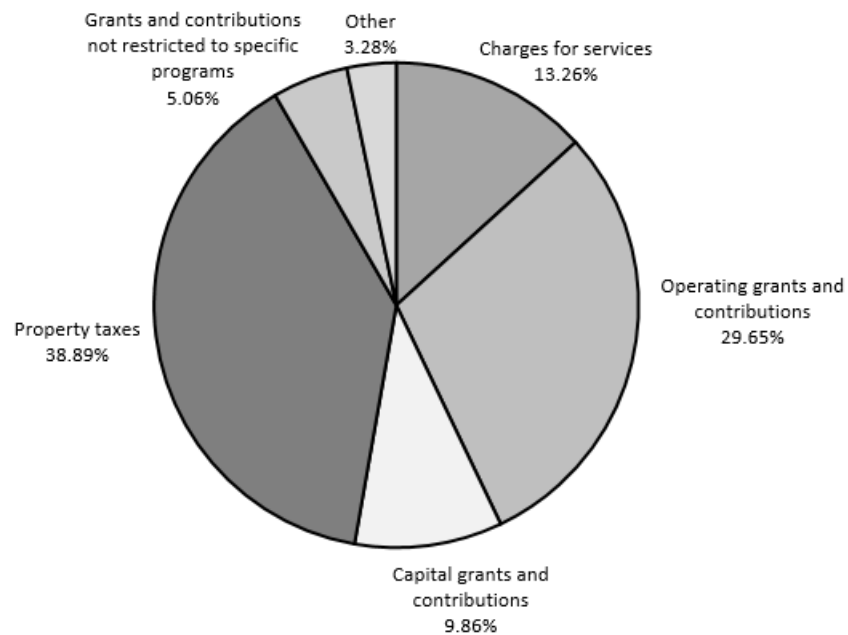
Culture and recreation increased by \$1.2 million (excluding OPEB and pension costs) primarily due to expenses associated with the reclassification of the Aquatic Center from business-type activities to governmental activities and restoration projects in various parks.

Economic development expenses decreased by \$407 thousand (excluding OPEB and pension costs) primarily due to a reduction in subsidies for single family housing.

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, human services, culture and recreation 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. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Highways and streets received more outside revenue in 2017 than program expenses. Infrastructure capital asset additions, which are funded in large part by grant revenues, are not included as expenses but are instead capitalized on the statement of net position. Sanitation also received more outside revenue in 2017 than program expenses. These funds are used in future years for various projects.



## 2017 Revenues by Source -- Governmental Activities



### 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 2017, Anoka County's governmental funds reported combined ending fund balances of \$221.3 million. This is a \$7.5 million increase (3.5 percent) from 2016. The operating funds, excluding capital projects and debt service funds, for the County reflect a \$9.9 million increase (8.6 percent) in fund balances. Approximately 63.2 percent, or \$139.9 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 dedicated: a) to cover inventories and prepaid items (\$2.7 million); b) for amounts held by escrow agents, including highway right-of-way (\$25.2 million); c) for grants, donations, and revolving loans received but not yet fully expended (\$2.1 million); d) for debt service (\$20.0 million); e) for recorder's compliance (\$6.1 million); f) for sanitation (\$21.0 million); and g) for a variety of other statutorily restricted purposes.

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 \$39.3 million, while total fund balance was \$50.8 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 36.1 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by \$2.2 million as a result of planned actions of the County. The key factors contributing to this change in fund balance are as follows:

- Fund balance in the General Fund increased by \$2.1 million and most revenue categories came in better than budget. Due to a favorable interest rate environment and continued execution of the County's investment program, investment income came in over budget by \$2.0 million. Current year tax collections and collection of delinquent taxes came in over budget by \$900 thousand. The effect of

Governmental Accounting Standards Board (GASB), Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires reporting the fair value of investments as opposed to the book value decreased total revenues with a loss of \$587 thousand. This amount is required to be recognized in the financial statements. General government expenditures came in under budget by \$1.4 million due to prudent spending. Sanitation had actual expenditures of \$933 thousand less than budget, due to a delay in implementing various planned recycling programs. There was also a transfer of \$2.3 million to asset preservation for future capital projects.

- The Road and Bridge Fund showed a \$2.2 million increase in fund balance due to reimbursement of various project expenditures from the Capital Projects Fund.
- The Human Services Fund has experienced a shift in State funding that has reduced revenues from the prior year. Expenditures have continued to increase due to the conversion of temporary to regular staff causing higher personnel costs and an increase in program needs. With this being stated, revenues still exceeded expenditures by \$3.3 million prior to a transfer of \$3 million to asset preservation for future capital projects leaving a \$305.4 thousand increase in fund balance for 2017.
- The Debt Service Funds' fund balance decreased by \$14.3 million due to regularly scheduled debt service payments and the early defeasance of a general obligation bond and two refunding bond issues in the amount of \$49.9 million. Anoka County also issued a new refunding bond issue in 2017 in the amount of \$15.9 million with a \$2.1 million premium on the bond.
- Fund balance in the Capital Projects Fund increased by \$12.0 million due to budget savings transferred from operating funds from the General Fund (\$3.4 million), Human Services Fund (\$3.0 million), and Library Fund (\$750 thousand), and proceeds of the capital lease (\$3.5 million), new transportation tax (\$1.8 million) and the dissolution of the Counties Transit Improvement Board (CTIB).

The 2017 variance between the final budget and actual expenditures in the General Fund was a positive \$1.4 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.

### **General Fund Budgetary Highlights**

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was \$358 thousand which reflects changes to additional grant funding received for public safety and a change in budget philosophy for centralized countywide initiatives.

### **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 \$21.4 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 2.6 percent.

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

- Land values increased in the amount of \$1.9 million due to the purchase of \$4.2 million in land and the selling of a parcel in the amount of \$2.6 million for development near the Northstar Station.
- Buildings and structures increased by \$5.1 million due to the court room remodel completion (\$7 million) and the return of the Head Start building to ACCAP (\$3.7 million) and various other remodel projects.
- Machinery and equipment had an increase of \$2.9 million primarily due to unified communications (\$2.5 million).
- Infrastructure values (net of depreciation) increased by \$19.7 million resulting from the completion of several highway reconstruction projects including the reconstruction of the roundabouts on CSAH 24 and the reconstruction of CSAH 51.
- The \$3.5 million decrease in construction in progress is due to the completion of several projects including the courthouse remodel.

**Anoka County Capital Assets**  
(Net of Depreciation, in Thousands)

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 218,433	\$ 216,520	\$ -	\$ -	\$ 218,433	\$ 216,520
Buildings and structures	159,000	153,431	-	4,025	159,000	157,456
Improvements other than buildings	15,304	13,807	-	831	15,304	14,638
Machinery and equipment	23,218	21,037	-	504	23,218	21,541
Infrastructure	361,919	342,266	-	-	361,919	342,266
Software	3,560	4,152	-	-	3,560	4,152
Construction in progress	64,323	67,824	-	-	64,323	67,824
Total	\$ 845,757	\$ 819,037	\$ -	\$ 5,360	\$ 845,757	\$ 824,397

Additional information on Anoka County's capital assets can be found in Note 3.A.3. on page 41 of this report.

**Long-term debt.** At the end of the current fiscal year, Anoka County had total bonded debt outstanding of \$153.6 million. Of this amount, \$134.6 million comprises debt backed by the full faith and credit of the County and \$19 million represents bonds secured solely by specified revenue sources, which are currently general obligation bonds supported by revenues.

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

	Governmental activities	
	2017	2016
General obligation bonds and notes	\$ 107,620	\$ 112,790
Lease revenue obligations	2,645	3,135
General obligation bonds supported by revenues	18,970	20,645
Limited tax bonds	24,310	49,985
Total	\$ 153,545	\$ 186,555

Anoka County's total bonded debt decreased by \$33 million (17.7 percent) during the current fiscal year, due to scheduled debt service payments and the early defeasance of a general obligation bond issue and two refunding bond issues which totaled \$49.9 million. Anoka County also had a refunding bond issuance in 2017 in the amount of \$15.9 million.

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 \$962.1 million. The current general debt obligation is \$133.9 million, or approximately 14 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, notes 3.C.6 through 3.C.8 on pages 50 to 57 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 2018 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by \$2.2 million. Debt service and capital project funds comprise \$97.1 million of the total fund balance to be used for future debt payments and completion of current capital projects. 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 the Division Manager, Finance and Central Services, Anoka County, 2100 3rd Avenue, Suite 300, Anoka, Minnesota 55303. You may also contact us via email at [finance@co.anoka.mn.us](mailto:finance@co.anoka.mn.us) or visit our website at [www.anokacounty.us](http://www.anokacounty.us).

**BASIC FINANCIAL STATEMENTS**

**ANOKA COUNTY  
ANOKA, MINNESOTA**  
**STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

**EXHIBIT 1**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b><u>Assets</u></b>	
Cash, cash equivalents, and pooled investments	\$ 202,428,222
Cash and investments with escrow agents	21,091,398
Funds held with courts	4,099,663
Delinquent taxes receivable	1,777,849
Accounts receivable, net of allowance for doubtful accounts	2,048,971
Accrued interest receivable	1,032,723
Land held for resale	648,000
Loans receivable, net of allowance for doubtful accounts	
Due within one year	533,927
Due in more than one year	2,993,340
Leases receivable	
Due within one year	876,484
Due in more than one year	6,809,559
Due from other governments	20,897,475
Inventories	2,965,002
Prepaid items	180,371
Capital assets not being depreciated	
Land	218,433,153
Construction in progress	64,323,052
Capital assets, net of accumulated depreciation:	
Buildings and structures	159,000,487
Improvements other than buildings	15,303,669
Machinery and equipment	23,218,183
Infrastructure	361,919,461
Software	3,559,836
	<b>1,114,140,825</b>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred pension outflows	<b>57,136,903</b>
<b><u>Liabilities</u></b>	
Accounts payable	3,803,311
Salaries payable	3,661,184
Contracts payable	4,787,197
Due to other governments	5,410,698
Matured interest payable	2,345,467
Unearned revenue	10,583,102
Noncurrent Liabilities:	
Due within one year	
Bonds and notes payable	13,315,000
Compensated absences	507,510
Outstanding claims payable	211,393
Capital leases payable	687,479
Loans payable	319,483
Due in more than one year	
Bonds and notes payable	147,421,838
Compensated absences	9,642,688
Outstanding claims payable	2,549,613
Capital lease payable	2,032,412
Loans payable	1,289,429
Net pension liability	126,554,919
Other postemployment benefits (OPEB) liability	14,872,967
	<b>349,995,690</b>
<b><u>Deferred Inflows of Resources</u></b>	
Prepaid taxes	3,486,990
Deferred pension inflows	48,036,999
Deferred OPEB inflows	6,526,976
	<b>58,050,965</b>
<b><u>Net Position</u></b>	
Net investment in capital assets	736,625,223
Restricted for:	
Debt service	42,002,450
General government	6,355,615
Public safety	3,050,088
Human services	339,402
Sanitation	21,045,124
Culture and recreation	263,599
Conservation of natural resources	43,563
Economic development	2,672,320
Capital projects	661,921
Unrestricted (deficit)	(49,828,232)
	<b>\$ 763,231,073</b>

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, 2017**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Primary Government</b>				
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Primary Government:					
Governmental activities:					
General government	\$ 57,115,260	\$ 9,635,852	\$ 4,000,353	\$ 80,883	\$ (43,398,172)
Public safety	72,691,622	18,905,455	8,728,878	-	(45,057,289)
Highways and streets	34,549,187	1,050,175	31,075,073	30,671,615	28,247,676
Human services	89,935,397	3,935,783	48,525,435	-	(37,474,179)
Sanitation	4,537,941	4,434,066	1,462,009	-	1,358,134
Culture and recreation	18,814,621	4,236,563	739,612	2,640,425	(11,198,021)
Conservation of natural resources	644,886	55,151	40,026	-	(549,709)
Economic development	9,407,052	2,689,734	5,933,418	-	(783,900)
Interest expense and fiscal charges on long-term debt	6,250,961	-	-	-	(6,250,961)
Total governmental activities	\$ 293,946,927	\$ 44,942,779	\$ 100,504,804	\$ 33,392,923	\$ (115,106,421)
General Revenues:					
Property taxes collected for general purposes					114,159,436
Property taxes collected for debt service					15,861,466
Transportation taxes collected for transportation					1,814,402
Wheelage tax collected for highways and streets					55
Grants and contributions not restricted to specific programs					17,158,882
Unrestricted investment earnings					4,670,216
Miscellaneous					6,461,324
Total general revenues					160,125,781
Change in net position					45,019,360
Net position-January 1, as restated (Note 2.D.)					718,211,713
Net position-December 31					\$ 763,231,073

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, 2017

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and pooled investments	\$ 53,238,376	\$ 2,645,710	\$ 31,728,106	\$ 20,456,014	\$ 56,445,899	\$ 31,878,419	\$ 196,392,524
Cash and investments with escrow agents	-	-	-	20,141,695	-	949,703	21,091,398
Funds held with courts	-	4,099,663	-	-	-	-	4,099,663
Delinquent taxes receivable	772,275	136,653	437,971	226,118	3,086	201,746	1,777,849
Accounts receivable, net of allowance for doubtful accounts	461,357	17,853	1,355,545	-	5,479	207,781	2,048,015
Accrued interest receivable	977,142	-	-	55,581	-	-	1,032,723
Land held for resale	-	-	-	-	-	648,000	648,000
Loans receivable	647,457	-	-	-	-	2,879,810	3,527,267
Leases receivable	7,686,043	-	-	-	-	-	7,686,043
Due from other funds	708,000	-	-	-	-	-	708,000
Due from other governments	4,552,088	4,230,996	8,669,775	-	1,068,177	2,375,718	20,896,754
Advances to other funds	-	-	-	-	1,249,066	-	1,249,066
Inventories	-	2,540,891	-	-	-	19,731	2,560,622
Prepaid items	159,713	-	20,658	-	-	-	180,371
<b>Total Assets</b>	<b>69,202,451</b>	<b>13,671,766</b>	<b>42,212,055</b>	<b>40,879,408</b>	<b>58,771,707</b>	<b>39,160,908</b>	<b>263,898,295</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	1,300,597	824,580	833,851	3,551	286,582	468,575	3,717,736
Salaries payable	2,541,979	139,190	783,444	-	-	196,571	3,661,184
Contracts payable	314,270	1,772,667	706,565	-	1,568,738	424,957	4,787,197
Due to other funds	-	-	-	-	-	498,000	498,000
Due to other governments	2,005,159	1,308,911	1,765,365	-	-	317,336	5,396,771
Advances from other funds	311,261	-	-	-	-	937,805	1,249,066
Matured interest payable	-	-	-	76,061	-	-	76,061
Unearned revenues	8,806,054	10,557	701,540	-	4,685	1,060,266	10,583,102
<b>Total Liabilities</b>	<b>15,279,320</b>	<b>4,055,905</b>	<b>4,790,765</b>	<b>79,612</b>	<b>1,860,005</b>	<b>3,903,510</b>	<b>29,969,117</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	1,517,735	3,393,210	437,971	226,117	3,086	3,551,900	9,130,019
Prepaid taxes	1,634,627	197,938	881,122	401,487	-	371,816	3,486,990
<b>Total Deferred Inflows of Resources</b>	<b>3,152,362</b>	<b>3,591,148</b>	<b>1,319,093</b>	<b>627,604</b>	<b>3,086</b>	<b>3,923,716</b>	<b>12,617,009</b>
<b>Fund Balances</b>							
Nonspendable in (Note 3.D.)							
General Fund	159,713	-	-	-	-	-	159,713
Special revenue funds	-	2,540,891	20,658	-	-	19,731	2,581,280
Restricted in (Note 3.D.)							
General Fund	11,261,254	-	-	-	-	-	11,261,254
Special revenue funds	-	4,099,663	339,402	-	-	3,628,853	8,067,918
Debt Service Fund	-	-	-	40,172,192	-	-	40,172,192
R Capital Projects Fund	-	-	-	-	19,202,122	-	19,202,122
Committed in (Note 3.D.)							
Special revenue funds	-	-	-	-	-	3,832,188	3,832,188
Assigned in (Note 3.D.)							
General Fund	5,014,968	-	-	-	-	-	5,014,968
Special revenue funds	-	-	35,742,137	-	-	23,927,254	59,669,391
Capital Projects Fund	-	-	-	-	37,706,494	-	37,706,494
Unassigned	34,334,834	(615,841)	-	-	-	(74,344)	33,644,649
<b>Total Fund Balances</b>	<b>50,770,769</b>	<b>6,024,713</b>	<b>36,102,197</b>	<b>40,172,192</b>	<b>56,908,616</b>	<b>31,333,682</b>	<b>221,312,169</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 69,202,451</b>	<b>\$ 13,671,766</b>	<b>\$ 42,212,055</b>	<b>\$ 40,879,408</b>	<b>\$ 58,771,707</b>	<b>\$ 39,160,908</b>	<b>\$ 263,898,295</b>

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, 2017**

Total fund balances for governmental funds (Exhibit 3)	\$	221,312,169
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.		845,757,841
Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.		57,136,903
Internal service funds are used by the County to charge the cost of insurance (\$3,211,460) to the individual funds as well as cost of maintenance and fuel for the County vehicles and large equipment (\$159,787). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		3,371,247
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	\$	(160,736,838)
Compensated absences		(10,150,198)
Capital leases payable		(2,719,891)
Loans payable		(1,608,912)
Net pension liability		(126,554,919)
Other postemployment benefits liability		<u>(14,872,967)</u>
Total long term liabilities		(316,643,725)
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	\$	(2,345,467)
Matured interest payable reported on Exhibit 3		<u>76,061</u>
		(2,269,406)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		9,130,019
Deferred inflows resulting from pension obligations (\$48,036,999) and OPEB obligations (\$6,526,976) are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(54,563,975)</u>
Net position of governmental activities (Exhibit 1)	<b>\$</b>	<b><u>763,231,073</u></b>

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, 2017

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 60,636,255	\$ 9,487,757	\$ 32,384,494	\$ 16,159,713	\$ 1,815,553	\$ 13,904,334	\$ 134,388,106
Licenses and permits	300,064	103,160	1,068,654	-	-	1,035	1,472,913
Intergovernmental	21,396,067	46,400,699	51,837,467	6,677	18,863,308	9,250,288	147,754,506
Charges for services	27,898,972	-	2,939,513	-	-	6,160,500	36,998,985
Fines and forfeitures	8,182	-	-	-	-	639,997	648,179
Investment income	3,547,596	47,252	-	75,068	29,425	256,725	3,956,066
Net change in fair value of investments	(586,976)	-	-	92,940	-	-	(494,036)
Miscellaneous	4,538,819	997,848	519,265	1,987,631	261,079	5,532,261	13,836,903
<b>Total Revenues</b>	<b>117,738,979</b>	<b>57,036,716</b>	<b>88,749,393</b>	<b>18,322,029</b>	<b>20,969,365</b>	<b>35,745,140</b>	<b>338,561,622</b>
<b>Expenditures</b>							
<b>Current</b>							
General government	39,327,805	-	-	-	5,361,230	3,732,163	48,421,198
Public safety	64,086,566	-	-	-	1,449,575	4,771	65,540,912
Highways and streets	-	59,255,431	-	-	1,737	-	59,257,168
Human services	418,567	-	85,443,974	-	199,190	-	86,061,731
Sanitation	4,810,451	-	-	-	-	-	4,810,451
Culture and recreation	244,043	-	-	-	125,185	17,598,355	17,967,583
Conservation of natural resources	166,992	-	-	-	-	470,082	637,074
Economic development	-	-	-	-	-	8,804,463	8,804,463
<b>Debt Service</b>							
Principal retirement	-	-	-	48,900,411	695,117	265,551	49,861,079
Interest	-	-	-	6,273,498	12,252	13,235	6,298,985
Bond issuance costs	-	-	-	154,378	-	-	154,378
Administrative charges	-	-	-	57,630	-	-	57,630
<b>Capital Outlay</b>							
General government	-	-	-	-	6,375,013	-	6,375,013
Public safety	-	-	-	-	347,251	-	347,251
Culture and recreation	-	-	-	-	892,026	-	892,026
<b>Intergovernmental</b>							
Highways and streets	-	150,830	-	-	-	-	150,830
<b>Total Expenditures</b>	<b>109,054,424</b>	<b>59,406,261</b>	<b>85,443,974</b>	<b>55,385,917</b>	<b>15,458,576</b>	<b>30,888,620</b>	<b>355,637,772</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>8,684,555</b>	<b>(2,369,545)</b>	<b>3,305,419</b>	<b>(37,063,888)</b>	<b>5,510,789</b>	<b>4,856,520</b>	<b>(17,076,150)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	48,433	4,374,056	-	4,668,037	7,328,144	915,437	17,334,107
Transfers out	(6,628,017)	(404,380)	(3,000,000)	-	(4,424,311)	(3,498,872)	(17,955,580)
Refunding bonds issued	-	-	-	15,890,000	-	-	15,890,000
Premium on bonds	-	-	-	2,176,128	-	-	2,176,128
Capital leases	-	-	-	-	3,536,846	-	3,536,846
Proceeds from land sales	-	296,000	-	-	-	1,757,875	2,053,875
<b>Total Other Financing Sources (Uses)</b>	<b>(6,579,584)</b>	<b>4,265,676</b>	<b>(3,000,000)</b>	<b>22,734,165</b>	<b>6,440,679</b>	<b>(825,560)</b>	<b>23,035,376</b>
<b>Net Change in Fund Balances</b>	<b>2,104,971</b>	<b>1,896,131</b>	<b>305,419</b>	<b>(14,329,723)</b>	<b>11,951,468</b>	<b>4,030,960</b>	<b>5,959,226</b>
<b>Fund Balances - January 1, as restated (Note 2.D.)</b>	<b>48,665,798</b>	<b>3,815,298</b>	<b>35,796,778</b>	<b>54,501,915</b>	<b>44,957,148</b>	<b>27,304,016</b>	<b>215,040,953</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>313,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,294)</b>	<b>311,990</b>
<b>Fund Balances - December 31</b>	<b>\$ 50,770,769</b>	<b>\$ 6,024,713</b>	<b>\$ 36,102,197</b>	<b>\$ 40,172,192</b>	<b>\$ 56,908,616</b>	<b>\$ 31,333,682</b>	<b>\$ 221,312,169</b>

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, 2017**

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

Net change in fund balances - total governmental funds (Exhibit 5) \$ 5,959,226

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	\$ 49,509,182	
Current year depreciation	<u>(21,369,398)</u>	
		28,139,784

The issuance of long-term debt (e.g., bonds) provides current financial resources and capital lease arrangements are considered a source of financing 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 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 bonds and notes	\$ (15,890,000)	
Capital lease	(3,536,846)	
Loans	(625,654)	
Discounts and premiums	(2,176,128)	
Principal repayments:		
Debt service principal retirement	50,012,061	
Current year amortization of discounts and premiums	<u>774,692</u>	
		28,558,125

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position. (6,778,086)

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

Unavailable revenue - December 31	\$ 9,130,019	
Unavailable revenue - January 1	<u>(9,309,900)</u>	
		(179,881)

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 (-\$725,025), change in interest payable (\$415,555), and changes in inventories (\$311,990). 2,520

Current year net change in other postemployment benefits (OPEB) liability and deferred OPEB inflows. 396,124

Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows. (13,124,165)

The internal service funds are used to accumulate and allocate costs from the central fleet internal service fund and pooled insurance fund to the individual funds within Anoka County. The increase in net position of the internal service funds are reported in the government-wide statement of activities. 2,045,713

Changes in net position of governmental activities (Exhibit 2) **\$ 45,019,360**

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, 2017

		<b>Governmental Activities - Internal Service Funds</b>
<b><u>Assets</u></b>		
<b>Current Assets:</b>		
Cash and pooled investments	\$	6,035,698
Accounts receivable		956
Due from other governments		721
Inventory		404,380
		404,380
<b>Total Assets</b>		<b>6,441,755</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities:</b>		
Account payable		85,575
Due to other governments		13,927
Due to other funds		210,000
Outstanding claims payable		211,393
		211,393
<b>Total current liabilities</b>		<b>520,895</b>
<b>Noncurrent Liabilities:</b>		
Outstanding claims payable		2,549,613
		2,549,613
<b>Total Liabilities</b>		<b>3,070,508</b>
<b><u>Net Position</u></b>		
Unrestricted		3,371,247
		3,371,247
<b>Total Net Position</b>	<b>\$</b>	<b>3,371,247</b>

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, 2017

	Governmental Activities - Internal Service Funds
<b><u>Operating Revenues</u></b>	
Charges for services	\$ 3,120,343
Insurance recoveries	1,141,376
Miscellaneous	637,528
<b>Total Operating Revenues</b>	<b>4,899,247</b>
<b><u>Operating Expenses</u></b>	
Personal services	822,958
Other services and charges	950,318
Supplies	698,274
Insurance	1,003,457
<b>Total Operating Expenses</b>	<b>3,475,007</b>
<b>Operating Income (Loss)</b>	<b>1,424,240</b>
<b><u>Transfers</u></b>	
Transfers in	621,473
<b>Increase (Decrease) in Net Position</b>	<b>2,045,713</b>
<b>Net position - January 1</b>	<b>1,325,534</b>
<b>Net position - December 31</b>	<b>\$ 3,371,247</b>

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, 2017  
Increase (Decrease) in Cash and Cash Equivalents**

	<b>Governmental Activities</b>
	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from customers	\$ 4,902,419
Receipts from other funds for services used	210,000
Payments to suppliers	(3,872,552)
<b>Net cash provided (used) by operating activities</b>	<b>1,239,867</b>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Transfer from other funds	621,473
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,861,340</b>
<b>Cash and cash equivalents, January 1</b>	<b>4,174,358</b>
<b>Cash and cash equivalents, December 31</b>	<b>\$ 6,035,698</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Net operating income (loss)	<b>\$ 1,424,240</b>
<b>Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:</b>	
(Increase) decrease in Accounts receivable	3,893
Increase (decrease) in Due from other governments	(721)
Increase (decrease) in Inventories	(404,380)
Increase (decrease) in Accounts payable	(2,816)
Increase (decrease) in Due to other funds	210,000
Increase (decrease) in Due to other governments	8,262
Increase (decrease) in Outstanding claims payable	1,389
<b>Total adjustments</b>	<b>(184,373)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,239,867</b>

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, 2017

	<u>Other Postemployment Benefits Trust Fund</u>	<u>Agency Fund</u>
<b><u>Assets</u></b>		
Cash and pooled investments	\$ 66,385,052	\$ 12,405,296
Due from other governments	-	125,143
<b>Total Assets</b>	<b><u>66,385,052</u></b>	<b><u>12,530,439</u></b>
<b><u>Liabilities</u></b>		
Accounts payable	-	1,130,928
Contracts payable	-	8,204
Due to other governments	1,643,547	11,391,307
<b>Total Liabilities</b>	<b><u>1,643,547</u></b>	<b><u>\$ 12,530,439</u></b>
<b><u>Net Position</u></b>		
<b>Held in trust for postemployment benefits</b>	<b><u>\$ 64,741,505</u></b>	

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, 2017

	<u>Other Postemployment Benefits Trust Fund</u>
<b><u>Additions</u></b>	
Employer contributions	\$ 1,976,056
Investment earnings	11,914,287
Less: investment expense	<u>(3,937)</u>
<b>Net Investment earnings</b>	<b><u>11,910,350</u></b>
<b>Total Additions</b>	<b><u>13,886,406</u></b>
<b><u>Deductions</u></b>	
Benefits	<u>3,619,603</u>
<b>Change in net position</b>	<b>10,266,803</b>
<b>Net position - January 1</b>	<u>54,474,702</u>
<b>Net position - December 31</b>	<b><u>\$ 64,741,505</u></b>

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

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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 accounting principles generally accepted in the United States of America (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.

The County participates in several joint ventures which are described in Note 3.G.

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 because the Authority's governing body is substantively the same as the governing body of Anoka County and management of Anoka County has operational responsibility for the component unit. 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 the Anoka County Commissioners, and 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 because the Authority's governing body is substantively the same as the governing body of Anoka County and management of Anoka County has operational responsibility for the component unit. 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.

In the government-wide Statement of Net Position, the governmental activities column is 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.

## 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 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 funds, with each displayed as separate columns in the fund financial statements. All remaining governmental 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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or incidental activities.

Operating expenses for 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 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).

Additionally, the County reports the following fund types:

The Internal Service Funds are comprised of the Pooled Insurance Fund, which accounts for the County's insurance and wellness activities, and the Central Fleet Fund, which accounts for the maintenance and fuel for the County's fleet of vehicles and large equipment.

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.

### 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 *full accrual basis of accounting*. The fiduciary fund financial statements are reported using the *full 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.

1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

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 long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of 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 the unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources 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 at December 31, 2017. Investment earnings are allocated to the Regional Railroad Authority Special Revenue Fund, agency 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 income on unallocated cash and pooled investments are credited to the General Fund. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value.

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 investment in the pool is measured at the net asset value per share provided by the pool.

Additionally, the County invests funds held for post-employment benefits with the State Board of Investments. The fair value of the investment is the fair value per share of the underlying portfolio.

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.

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).

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

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

2. Receivables and Payables (Continued)

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 Special Revenue Fund provides rehabilitation loans and septic system revolving loans to individuals. An allowance for uncollectible loans, which offsets the total gross loans receivables, is recognized for the amount of loans receivable for which collection is doubtful or questionable. 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 Neighborhood Stabilization Program 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 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. Unearned 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, and the Central Fleet Internal Service 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 governmental 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 acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

5. Capital Assets (Continued)

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 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. The current portion of the compensated absences liability is calculated at five percent of the total liability.

7. Deferred Outflows/Inflows of Resources / Unearned Revenue

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. These items, deferred OPEB outflows, and deferred pension outflows are discussed below in Note 1.D.8 and 1.D.10., respectively.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four such items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting; however, the second item, prepaid taxes, arises under both the modified accrual and the full accrual basis of accounting. Unavailable revenue and the prepaid taxes are reported in the governmental funds balance sheet, while the prepaid taxes are also reported in the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third and fourth items, deferred OPEB inflows and deferred pension inflows, are discussed below in Note 1.D.8 and 1.D.10., respectively.

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

8. Postemployment Benefits Other Than Pensions (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of Anoka County OPEB benefits and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by Anoka County. For this purpose, Anoka County recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

9. 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 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.

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.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

9. Long-Term Obligations (Continued)

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. The County has no such earnings during the current year.

10. Pensions

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

Actual payments of the net pension liability are made directly from the same governmental funds that incurred the salary expenditures. Net pension liabilities were paid from the General Fund and Special Revenue Funds.

11. 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.

Classification of Fund Balances

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are as follows:

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. The Board has by resolution authorized the Finance and Central Services Division Manager to assign fund balance.
  - 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*.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

11. Fund Equity (Continued)

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.

12. 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, deferred outflows of resources, liabilities, and deferred inflows of resources; 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

A. Deficit Fund Balance

The Leasehold Properties Special Revenue Fund had a deficit fund balance of \$74,344 at December 31, 2017. This deficit will be eliminated with future lease revenues.

B. Excess of Expenditures Over Budget

The following nonmajor governmental funds have expenditures in excess of budget for the year ended December 31, 2017:

Special Revenue Fund	Expenditures		
	Final Budget	Actual	Excess
Parks			
Current			
Culture and Recreation	\$ 8,300,012	\$ 9,867,262	\$ 1,567,250
Housing and Redevelopment Authority			
Current			
Cities	-	362,894	362,894
Willows Senior Housing	300,877	304,434	3,557
Debt service	-	12,609	12,609

C. Change in Accounting Estimate

For the year ending December 31, 2017, an Allowance for Uncollectible Loans was accrued for the loans receivable reported in the Community Development Special Revenue Fund. The Community Development loans receivable include loans that are fully or partially forgivable. Management accrued the forgivable portions of these loans as Allowance for Uncollectible Loans. As of December 31, 2017, the allowance is estimated to be \$1,172,646.

D. Restatement of Fund Balance and Net Position

1. Change in Accounting Principles

During the year ended December 31, 2017, the County adopted new accounting guidance by implementing the provisions of GASB Statements 74 and 75. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, change the amount employers report as OPEB expense and defers some allocations of expenses to future years as deferred outflows or inflows of resources. These statements also require additional note disclosures and schedules in the required supplementary information. Beginning net position has been restated to reflect these changes.



2. Stewardship, Compliance, and Accountability

D. Restatement of Fund Balance and Net Position (Continued)

2. Reclassification of Fund

On January 1, 2017, the activity in the Aquatic Center Enterprise Fund is now reported in the Parks and Recreation Special Revenue Fund. The long-term assets and liabilities have been moved from the Aquatic Center Enterprise Fund/Business Type Activities to the Governmental Activities. The assets have not been disposed nor the liabilities relieved, only eliminated at the fund level and brought in at the government-wide level. Beginning fund balance/net position has been restated to reflect this change.

The effects of the change in accounting principles and the fund reclassification on the beginning fund balance and net position are as follows:

	Governmental Activities	Business-Type Activities	Parks and Recreation Special Revenue Fund	Aquatic Center Enterprise Fund
Fund Balance/Net Position, January 1, 2017, as previously reported	\$ 712,954,882	\$ 6,380,289	\$ 1,676,662	\$ 6,380,289
Change in accounting principles	(1,123,458)	-	-	-
Reclassification of Aquatic Center Enterprise Fund:				
Current assets, net of current liabilities	1,213,581	(1,213,581)	1,213,581	(1,213,581)
Capital assets, net	5,359,536	(5,359,536)	-	(5,359,536)
Deferred pension outflows and inflows, and net pension liability	(181,096)	181,096	-	181,096
Compensated absences	(11,732)	11,732	-	11,732
Fund Balance/Net Position, January 1, 2017, as restated	<u>\$ 718,211,713</u>	<u>\$ -</u>	<u>\$ 2,890,243</u>	<u>\$ -</u>

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 rated "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, 2017, 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, net asset value, or amortized cost, as appropriate. The following is a summary of the County's cash and investments, at December 31, 2017:

Primary government	
Cash, cash equivalents and pooled investments	\$ 202,428,222
Cash and investments with escrow agents	21,091,398
Funds held with courts	4,099,663
Fiduciary funds	
Cash, cash equivalents and pooled investments	
Agency Fund	12,405,296
Investments	
Trust Fund	66,385,052
Total cash and investments	<u>\$ 306,409,631</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, 2017.

*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.

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, 2017, 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>
Farmer Mac USDA (FAMC)	\$ 14,064,080

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 cash flows. 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.

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, 2017, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Less than 1 year	1 to 5 years	More than 5 years
<b>U.S. Government Agency securities</b>							
Farmer Mac USDA (FAMC)	N/A	N/A	Custody	5.03%	\$ -	\$ 13,710,772	\$ 353,308
Federal Farm Credit Bank (FFCB)	Aaa/AA+	M, S&P	Custody	0.63%	-	1,768,862	-
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	2.51%	-	7,011,239	-
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	M, S&P	Custody	4.07%	-	10,953,606	404,622
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	M, S&P	Custody	4.58%	-	8,732,192	4,075,720
Small Business Association (SBA)	Aaa/AA+	M, S&P	Custody	0.05%	10,113	130,521	-
Financing Corporation (FICO)	Aaa/AA+	M, S&P	Custody	0.75%	126,085	1,979,811	-
Government National Mortgage Association (GNMA)	Aaa/AA+	M, S&P	Custody	0.56%	-	-	1,572,438
Tennessee Valley Authority (TVA)	Aaa/AA+	M, S&P	Custody	2.18%	2,014,900	4,078,000	-
<b>Total U.S. Government Agency Securities</b>				<b>20.37%</b>	<b>2,151,098</b>	<b>48,365,003</b>	<b>6,406,088</b>
<b>U.S. Treasury Securities (UST)</b>							
	Aaa/AA+	M, S&P	Custody	2.56%	472,682	2,846,299	3,820,724
<b>Municipal securities</b>							
State of Arkansas	NR/AA	M, S&P	Custody	0.91%	-	2,552,460	-
State of California	Aa2/AA-	M, S&P	Custody	0.10%	-	280,518	-
State of Connecticut	A1/A+	M, S&P	Custody	1.20%	-	453,721	2,912,539
State of Georgia	Aaa/AAA	M, S&P	Custody	1.61%	-	4,498,757	-
State of Hawaii	Aa1/AA+	M, S&P	Custody	0.19%	-	-	538,750
State of Massachusetts	Aa1/AA	M, S&P	Custody	0.51%	-	997,370	424,761
State of Michigan	Aa1/AA-	M, S&P	Custody	0.08%	-	212,608	-
State of Minnesota	Aa1/AA+	M, S&P	Custody	0.94%	-	1,906,991	727,625
State of Montana	Aa3/A+	M, S&P	Custody	0.16%	-	450,765	-
State of Pennsylvania	Aa3/A+	M, S&P	Custody	0.19%	-	523,100	-
State of Washington	Aa1/AA+	M, S&P	Custody	0.71%	-	1,983,140	-
State of Wisconsin	Aa2/AA-	M, S&P	Custody	0.07%	-	194,816	-
City of Baltimore, Maryland	Aa2/AA	M, S&P	Custody	0.07%	-	203,354	-
Bergin County, New Jersey	MIG1/NR	M, S&P	Custody	0.72%	-	2,000,340	-
Berkeley County ISD, South Carolina	Aa1/AA	M, S&P	Custody	0.57%	-	1,580,160	-
Port of Houston Authority of Harris County, Texas	NR/AAA	M, S&P	Custody	0.16%	-	438,420	-
Hubbard County, Minnesota	Aa3/NA	M, S&P	Custody	0.72%	-	-	2,000,121
King County, Washington	Aaa/AAA	M, S&P	Custody	0.06%	-	169,267	-
Monroe County, Michigan	NR/AA	M, S&P	Custody	0.04%	-	101,174	-
Travis County, Texas	Aaa/AAA	M, S&P	Custody	0.12%	-	348,946	-
Williamson County, Texas	NR/AAA	M, S&P	Custody	0.35%	-	-	977,120
City of Albuquerque, New Mexico	Aa2/AAA	M, S&P	Custody	0.12%	-	329,921	-
Arlington, Texas ISD	Aaa/AAA	M, S&P	Custody	0.17%	-	488,615	-
City of Becker, Minnesota	Aa1/NR	M, S&P	Custody	0.48%	-	656,890	683,453
City of Blaine, Minnesota	NR/AA+	M, S&P	Custody	0.43%	-	1,191,932	-
City of Bloomington, Illinois	Aa2/NR	M, S&P	Custody	0.13%	-	349,816	-
City of Bloomington, Minnesota	Aaa/AAA	M, S&P	Custody	0.29%	-	800,846	-
City of Boston, Massachusetts	Aaa/AAA	M, S&P	Custody	0.04%	-	104,227	-
City of Bridgewater, New Jersey	NA/AA+	M, S&P	Custody	0.10%	-	270,705	-
City of Cincinnati, Ohio	Aaa/AAA	M, S&P	Custody	0.09%	-	249,585	-
City of Columbus, Minnesota	A1/NR	M, S&P	Custody	0.35%	-	-	973,270
Columbus, Ohio ISD	Aa2/AA	M, S&P	Custody	0.16%	448,173	-	-
City of Danville, Virginia	Aa1/AA	M, S&P	Custody	0.11%	306,522	-	-
City of Desert Sands, California	Aa2/AA-	M, S&P	Custody	0.13%	-	354,144	-
City of Duluth, Minnesota	Aa2/AA	M, S&P	Custody	0.41%	-	1,151,974	-
City of Fargo, North Dakota	Aa1/NR	M, S&P	Custody	0.50%	-	881,668	505,985
City of Honolulu, Hawaii	Aa2/NR	M, S&P	Custody	0.23%	-	630,544	-
City of Houston, Texas	Aa3/NR	M, S&P	Custody	0.22%	-	-	601,980
City of Lino Lakes, Minnesota	NR/AA	M, S&P	Custody	0.68%	479,568	1,414,790	-
City of Lubbock, Texas	Aa2/AA+	M, S&P	Custody	0.15%	-	411,746	-
City of Marshfield, Wisconsin	Aa3/NR	M, S&P	Custody	0.42%	-	506,257	672,274
City of Milwaukee, Wisconsin	NR/AA	M, S&P	Custody	0.59%	822,558	836,416	-
City of Moline, Illinois	Aa2/NR	M, S&P	Custody	0.00%	-	-	-
City of Morgan Hill, California	Aa1/NR	M, S&P	Custody	0.11%	-	300,903	-
Moundsview, Minnesota ISD	NA/AA+	M, S&P	Custody	0.66%	-	-	1,830,132
Nashwauk-Keewatin ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.08%	-	233,017	-
City of New Orleans, Louisiana	A2/AA	M, S&P	Custody	0.36%	-	-	997,470
City of Owensboro Kentucky	Aa2/NR	M, S&P	Custody	0.64%	-	-	1,794,702
City of Pittsburgh, Pennsylvania	A1/A+	M, S&P	Custody	0.16%	-	434,256	-
City of Portsmouth, Virginia	Aa2/AA	M, S&P	Custody	0.73%	-	2,040,980	-
Reeths-Puffer Schools County of Muskegon, Michigan	Aa1/NR	M, S&P	Custody	0.16%	-	449,811	-
City of Seattle, Washington	Aaa/AAA	M, S&P	Custody	0.15%	-	422,688	-
City of St. Paul, Minnesota	Aa2/AA+	M, S&P	Custody	0.72%	1,000,220	1,003,810	-
City of Suffolk, Virginia	Aa1/AAA	M, S&P	Custody	0.05%	-	150,474	-
City of Sun Prairie, Wisconsin	Aa2/NR	M, S&P	Custody	0.07%	199,976	-	-
City of Windsor, Wisconsin	NR/AA	M, S&P	Custody	0.50%	-	1,407,262	-
New York City, New York	Aa1/AAA	M, S&P	Custody	0.71%	-	-	1,977,180
California University Revenue Bonds	Aa2/AA	M, S&P	Custody	0.09%	-	250,325	-
Dallas Texas Waterworks and Sewer	NR/AAA	M, S&P	Custody	0.18%	-	489,105	-
Denver Colorado City and County	Aa3/AA-	M, S&P	Custody	0.11%	-	298,272	-
Hurst Euleess Bedford Texas School District	NR/AAA	M, S&P	Custody	0.25%	-	702,940	-
Los Angeles Community College, California	Aa1/AA+	M, S&P	Custody	0.07%	-	200,696	-
Texas Tech University	Aa1/AA+	M, S&P	Custody	0.14%	-	399,128	-
East Bay Municipal Utility District, California	Aa2/AAA	M, S&P	Custody	0.12%	-	333,164	-
Upper Oconee Water District, Georgia	Aa2/NR	M, S&P	Custody	0.15%	-	406,840	-
<b>Total Municipal Securities</b>				<b>21.45%</b>	<b>3,257,017</b>	<b>\$ 39,049,654</b>	<b>\$ 17,617,362</b>
Commercial Paper				8.75%	24,437,586	-	-
Certificates of Deposits				1.05%	2,946,000	-	-
Money Market Funds				1.20%	3,351,972	-	-
Local Government Investment Pools				20.86%	58,272,529	-	-
Index Fund							
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	23.76%	66,385,052	-	-
<b>Portfolio Total</b>				<b>100.00%</b>	<b>279,379,066</b>		
Investments held in escrow						21,091,398	
<b>Total Investments</b>						<b>\$ 300,470,464</b>	
N/A - Not Applicable							
NR - Not Rated							

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2017, the County had the following recurring fair value measurements:

	December 31, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Government agencies	\$ 59,811,038	\$ -	\$ 59,457,730	\$ 353,308
U.S. Treasury securities	24,918,946	17,779,241	7,139,705	-
Money Market Funds	163,622	-	163,622	-
Municipal bonds	59,924,033	-	59,924,033	-
Total debt securities	144,817,639	17,779,241	126,685,090	353,308
Investments measured at the net asset value (NAV)				
Commercial Paper	24,437,586	-	-	-
MAGIC Certificates of Deposit	2,946,000	-	-	-
MAGIC Portfolio	28,272,529	-	-	-
MAGIC Term	30,000,000	-	-	-
Money Market Funds	3,611,658	-	-	-
State Board of Investments	66,385,052	-	-	-
Total Investments measured at NAV	155,652,825	-	-	-
Total Investments	\$ 300,470,464	\$ 17,779,241	\$ 126,685,090	\$ 353,308

Debt and equity securities classified in Level 1 are valued using a market approach quoted in active markets for those securities. Debt and equity securities classified in Level 1 are valued using the following approaches:

- (a) U.S. Treasuries, and U.S. Agencies: a market approach by utilizing prices for identical securities in markets that are not active;
- (b) Corporate and municipal bonds: a market approach using quoted prices for similar securities in active markets;
- (c) Money Market and Equity Securities: a market approach using published fair value per share (unit) for each fund;

The Minnesota Association of Governments Investing for Counties (MAGIC) is a local government investment pool which is quoted at a net asset value (NAV). The County invests in this pool for the purpose of the joint investment of the County's money with those of other counties to enhance the investment earnings accruing to each member. The MAGIC fund currently consists of the MAGIC Portfolio, MAGIC Term Series, and MAGIC Certificates of Deposit.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

MAGIC Portfolio is valued using amortized cost. Shares of the MAGIC Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the County has a sufficient number of shares to meet their redemption request. The Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

Shares of MAGIC Term Series are purchased to mature upon pre-determined maturity dates selected by the County at the time of purchase. Should the County need to redeem shares in a MAGIC Term Series prematurely they must provide notice at least 7 days prior to the premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any.

The County invests in money market funds for the benefit of liquid investments that can be readily re-invested. Money market funds held by the County seek a constant net asset value (NAV) of \$1.00 per share. The money market fund reserves the right to require three or more days' prior notice before permitting withdrawals. The County invests in commercial paper through sweep accounts. The commercial paper sweep accounts are daily liquid security funds that may be accessed at any time. These accounts are interest bearing, and the value of the investment is the balance plus any accrued interest at any point in time.

The County also holds \$66,385,052 in the Internal Equity Pool with the State Board of Investment, an external investment pool. The fair value of the investment is the fair value per share of the underlying portfolio. Pursuant to Minn. Stat. § 471.6175, the County may only redeem these funds for the use of postemployment benefits. The County invests in this pool due to the increased investment authority, historically high rate of return on investments, and the reduction of the postemployment benefit liability recorded in its financial statements.

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, 2017, were 99.51 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2017 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, 2017, were \$5,691,914 and the allowance for doubtful accounts was \$3,642,943 resulting in a net effect of \$2,048,971.

c. Loans Receivable

Loans receivable include an allowance for doubtful accounts.

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2017:

	Original Loan Amount	Balance Repaid at December 31, 2017	Outstanding Balance - December 31, 2017	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	\$ 209,392	\$ 46,839	\$ 162,553	20	5.00
Various forfeited tax sale contracts for repurchase	890,206	405,302	484,904	Various	Various
Total General Fund	<u>1,099,598</u>	<u>452,141</u>	<u>647,457</u>		
Special Revenue Funds					
Community Development					
Loan programs	5,225,540	1,173,084	4,052,456	Various	Various
Less: Allowance for uncollectible loans	-	1,172,646	(1,172,646)		
Total Community Development, net of allowance	<u>5,225,540</u>	<u>2,345,730</u>	<u>2,879,810</u>		
Total Loans Receivable	<u>\$ 6,325,138</u>	<u>\$ 2,797,871</u>	<u>\$ 3,527,267</u>		
Due within one year			<u>\$ 533,927</u>		

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

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 expired June 30, 2017, with an automatic 2-year extension. 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 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, 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.

Amounts due under the Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and unearned revenue in the General Fund at December 31, 2017. The amounts for 2018 are considered current and due within one year. Amounts remaining to be paid are as follows:

<u>Year Due</u>	<u>Ice Arena</u>	<u>MMCD Project</u>	<u>ACCAP Residences</u>	<u>Total</u>
2018	\$ 467,000	\$ 247,419	\$ 162,065	\$ 876,484
2019	466,963	243,975	162,836	873,774
2020	460,887	245,081	163,253	869,221
2021	459,775	245,675	163,311	868,761
2022	463,550	245,831	163,000	872,381
2023-2027	2,109,800	245,400	810,828	3,166,028
2028	-	-	159,394	159,394
Total	<u>\$ 4,427,975</u>	<u>\$ 1,473,381</u>	<u>\$ 1,784,687</u>	<u>\$ 7,686,043</u>
Due within one year	<u>\$ 467,000</u>	<u>\$ 247,419</u>	<u>\$ 162,065</u>	<u>\$ 876,484</u>

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

**Primary Government**

	Beginning Balance, as restated (Note 2.D.)	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 216,519,851	\$ 4,608,198	\$ (2,694,896)	\$ 218,433,153
Construction in progress	67,824,061	43,549,767	(47,050,776)	64,323,052
Total capital assets, not being depreciated	<u>284,343,912</u>	<u>48,157,965</u>	<u>(49,745,672)</u>	<u>282,756,205</u>
Capital assets, being depreciated:				
Buildings and structures	235,943,517	8,891,803	(3,719,962)	241,115,358
Improvements other than buildings	30,615,622	2,080,701	(124,081)	32,572,242
Machinery and equipment	57,762,337	7,150,888	(4,207,624)	60,705,601
Infrastructure	470,379,542	30,278,601	(2,213,178)	498,444,965
Software	7,898,120	-	-	7,898,120
Total capital assets being depreciated	<u>802,599,138</u>	<u>48,401,993</u>	<u>(10,264,845)</u>	<u>840,736,286</u>
Less accumulated depreciation for:				
Buildings and structures	(78,487,302)	(5,118,957)	1,491,388	(82,114,871)
Improvements other than buildings	(15,978,068)	(1,385,057)	94,552	(17,268,573)
Machinery and equipment	(36,222,030)	(4,865,389)	3,600,001	(37,487,418)
Infrastructure	(128,113,627)	(9,407,591)	995,714	(136,525,504)
Software	(3,745,880)	(592,404)	-	(4,338,284)
Total accumulated depreciation	<u>(262,546,907)</u>	<u>(21,369,398)</u>	<u>6,181,655</u>	<u>(277,734,650)</u>
Total capital assets, being depreciated, net	<u>540,052,231</u>	<u>27,032,595</u>	<u>(4,083,190)</u>	<u>563,001,636</u>
Governmental activities capital assets, net	<u>\$ 824,396,143</u>	<u>\$ 75,190,560</u>	<u>\$ (53,828,862)</u>	<u>\$ 845,757,841</u>

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

<b>Governmental activities:</b>	
General government	\$ 4,140,655
Public safety	2,933,814
Highways and streets, including depreciation of general infrastructure assets	11,156,490
Human services	188,461
Sanitation	15,234
Culture and recreation	2,612,666
Economic development	322,078
Total depreciation expense - governmental activities	<u>\$ 21,369,398</u>

Construction in progress at December 31, 2017, comprises the to-date costs of the following projects:

Highway infrastructure	\$ 60,017,025
Parks/Library improvement projects	2,279,464
Courtroom remodel	433,423
Tri-Tech jail management system	1,241,974
Miscellaneous building remodels	351,166
Total construction in progress	<u>\$ 64,323,052</u>



3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2017, was as follows:

1. Due From and To Other Funds

	<u>Receivable</u>	<u>Payable</u>	<u>Description</u>
Major Governmental Funds			
General Fund	\$ 708,000	\$ -	Short term loan
Nonmajor Governmental Funds			
Special Revenue Funds			
Job Training Center	-	425,000	Short term loan
Leasehold Properties	-	73,000	Short term loan
Total Nonmajor Governmental Funds	-	498,000	
Internal Service Funds			
Central Fleet	-	210,000	Short term loan
Total Due From and To Other Funds	<u>\$ 708,000</u>	<u>\$ 708,000</u>	

2. Advances To and From Other Funds

Advances to the Parks and Recreation Special Revenue Fund include loans for golf course operations and a land purchase. Advances to the General Fund include the purchase of voting equipment for the Elections department. Advances to the Housing and Redevelopment Authority Fund include loans as part of a debt restructure. Departments repay these advances annually as part of their operating budget at a specified interest rate and term.

	<u>Advances To</u>	<u>Advances From</u>
Capital Projects Fund	\$ 1,249,066	\$ -
General Fund	-	311,261
Special Revenue Funds		
Housing and Redevelopment Authority	-	609,194
Parks and Recreation	-	328,611
Total Advances To and From Other Funds	<u>\$ 1,249,066</u>	<u>\$ 1,249,066</u>

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2017, consisted of the following:

	<u>Transfers in</u>	<u>Description</u>
<b>Major Governmental Funds</b>		
Transfers to General Fund from:		
Capital Projects	\$ 48,433	Vehicle purchase
Transfers to Road and Bridge Fund from:		
General Fund	12,400	Equipment purchase
Capital Projects	4,361,656	Roadway development
Total Road and Bridge Fund	<u>4,374,056</u>	
Transfers to Debt Service Fund from:		
General Fund	1,735,582	Lease revenue debt payments
General Fund	16,583	Lease revenue debt payments
General Fund	167,000	East Central Juvenile Center bonds
Regional Railroad Authority	1,765,089	Regional Railroad bonds
Housing and Redevelopment Authority	229,715	Debt service allocation from operations
Housing and Redevelopment Authority	200,163	Debt service allocation from operations
Housing and Redevelopment Authority	242,719	Debt service allocation from operations
Housing and Redevelopment Authority	311,186	Debt service allocation from operations
Total Debt Service Fund	<u>4,668,037</u>	
Transfers to Capital Projects Fund from:		
General Fund	1,238,440	Recorder's technology and compliance fees
General Fund	880,177	Future capital projects
General Fund	1,459,527	Future capital projects
Human Services	3,000,000	Future capital projects
County Library	750,000	Future capital projects
Total Capital Projects Fund	<u>7,328,144</u>	
Transfers to other governmental funds from:		
Various funds	915,437	Miscellaneous
Total Transfers In: Governmental Funds	<u>17,334,107</u>	
<b>Proprietary Funds</b>		
Transfers to Central Fleet Internal Service Fund from:		
General Fund	217,093	Base support for Internal Service Fund
Road and Bridge	404,380	Transfer inventory
Total Transfers In: Internal Service Fund	<u>621,473</u>	
Total Transfer In: All Funds	<u>\$ 17,955,580</u>	

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2017, were as follows:

	<u>Governmental Activities</u>
Accounts	\$ 3,803,311
Salaries	3,661,184
Contracts	4,787,197
Due to other governments	5,410,698
Matured interest payable	<u>2,345,467</u>
 Total payables	 <u>\$ 20,007,857</u>

2. Unearned Revenues/Deferred Inflows of Resources

Unearned revenues and deferred inflows of resources consist of unavailable revenue arising from taxes receivable, state and federal grants, installment loans and other items that are not collected soon enough after year-end to pay liabilities of the current year as well as state and federal grants, leases, and other items that have been received but not yet earned. Unearned revenues and deferred inflows of resources at December 31, 2017, are summarized below by fund:

	<u>Taxes</u>	<u>Grants</u>	<u>Installment Loans</u>	<u>Leases</u>	<u>Other</u>	<u>Total</u>
Major Governmental Funds						
General	\$ 2,488,677	\$ 33,879	\$ 647,457	\$ 7,686,043	\$ 1,102,360	\$ 11,958,416
Road and Bridge	334,591	-	-	-	3,267,114	3,601,705
Human Services	1,319,093	293,045	-	-	408,495	2,020,633
Debt Service	627,604	-	-	-	-	627,604
Capital Projects	3,086	-	-	-	4,685	7,771
Total Major Governmental Funds	<u>4,773,051</u>	<u>326,924</u>	<u>647,457</u>	<u>7,686,043</u>	<u>4,782,654</u>	<u>18,216,129</u>
Nonmajor Governmental Funds	<u>573,562</u>	<u>1,242,730</u>	<u>2,879,810</u>	<u>-</u>	<u>287,880</u>	<u>4,983,982</u>
Total All Funds	<u>\$ 5,346,613</u>	<u>\$ 1,569,654</u>	<u>\$ 3,527,267</u>	<u>\$ 7,686,043</u>	<u>\$ 5,070,534</u>	<u>\$ 23,200,111</u>
Liability						
Unearned revenue	\$ -	\$ 1,083,082	\$ -	\$ 7,686,043	\$ 1,813,977	\$ 10,583,102
Deferred Inflows of Resources						
Prepaid taxes	3,486,990	-	-	-	-	3,486,990
Unavailable revenue	1,859,623	486,572	3,527,267	-	3,256,557	9,130,019
Total Deferred Inflows of Resources	<u>5,346,613</u>	<u>486,572</u>	<u>3,527,267</u>	<u>-</u>	<u>3,256,557</u>	<u>12,617,009</u>
Totals	<u>\$ 5,346,613</u>	<u>\$ 1,569,654</u>	<u>\$ 3,527,267</u>	<u>\$ 7,686,043</u>	<u>\$ 5,070,534</u>	<u>\$ 23,200,111</u>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2017. 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	\$ 3,973,808
Capital Projects Fund	
Building projects	1,519,463
Elevators	4,946
Financial system projects	131,295
Security systems	25,406
Public Safety Data System	1,500,387
System projects	8,531,521
Total Capital Projects Fund	11,713,018
Total All Funds	\$ 15,686,826

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 Anoka County Board of Commissioners consists of seven elected commissioners from the seven districts in the County and one appointed County Administrator. The plan is accounted for as an irrevocable trust fund. A separate report is not issued for the plan.

Anoka County established an OPEB irrevocable trust, pursuant to MN Statutes, Sec. 471.6175, to prefund a portion of the OPEB liability. The Public Employees Retirement Association (PERA) serves as the trust administrator for the irrevocable trust account.

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 is determined by the Minnesota State Board of Investment.

Participants or Plan Membership

Participants of the plan consisted of the following at December 31, 2015, the date of the actuarial valuation:

Inactive employees and spouses currently receiving benefit payments	802
Inactive employees and spouses entitled to but not currently receiving benefit payments	76
Active employees	1,603
	<u>2,481</u>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

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. Employees first hired after January 5, 2007 are generally not eligible for employer contributions for retiree health care, except through arbitration rulings. These employees with less than 10 years of service may continue to participate in the county's life, health, and dental insurance upon retirement but must pay the entire premium charged by the appropriate carrier to continue participation. 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.

Additionally, the County provides benefits to retirees as required by Minn. Stat. Sec 471.61, Subd.2(b). 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. The County's total OPEB liability of \$79,614,472 was measured as of December 31, 2017 and was determined with a valuation date as of December 31, 2015.

Contributions to the plan are recognized when due and the County has made a commitment to provide the contributions per union contracts and the personnel policy as stated below in Funding Policy and Contributions.

Actuarial Methods and Assumptions

The County's total OPEB liability of \$79,614,472 was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Investment rate of return	7.00 percent
Healthcare cost trend rates Pre-65	8.00 percent for 2017, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Healthcare cost trend rates Post-65	6.50 percent for 2017, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2020 and later years

The investment rate of return was valued using an assumption of 7.0 percent. This is 0.5 percent lower than the previous valuation. The OPEB plan's fiduciary net position is projected to be sufficient to make all projected benefit payments, so therefore the discount rate used to value liabilities is the long-term expected rate of return of 7.0 percent. Cash flows into the plan equal the average contributions from Anoka County over the last 5 years. Benefit payments were projected based on the assumptions and methods disclosed in the December 31, 2017 GASB valuation report.

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.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. 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.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2013 - December 31, 2015.

Funding Policy and Contributions

The fair value of investments is determined by the Minnesota State Board of Investment.

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, 2017, the County contributed \$3,619,603 and the retirees contributed \$1,212,927 toward the cost of their healthcare coverage.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability

The components of the net OPEB liability of Anoka County at December 31, 2017, were as follows:

Total OPEB Liability	\$ 79,614,472
Plan fiduciary net position	<u>64,741,505</u>
Net OPEB liability (asset)	<u>\$ 14,872,967</u>
Plan fiduciary net position as a percentage of the total OPEB liability	81.3%
Covered-employee payroll	\$ 106,400,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	14.0%

Investments

The OPEB investments are held in an irrevocable trust and invested 100% by the Minnesota State Board of Investments in an OPEB Internal Equity Pool. The County's investment policy delegates investment policy decisions to the Finance and Central Services Division Manager, including asset allocation. The policy can only be amended by the County Board.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 22.21 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 1/1/17	\$ 76,270,769	\$ 54,474,702	\$ 21,796,067
Changes for the year:			
Service cost	1,636,484	-	1,636,484
Interest	5,326,822	-	5,326,822
Difference between expected and actual experience	-	-	-
Contributions - employer	-	1,976,056	(1,976,056)
Net investment income	-	11,910,350	(11,910,350)
Benefit payments	(3,619,603)	(3,619,603)	-
Administrative expense	-	-	-
Net change	<u>3,343,703</u>	<u>10,266,803</u>	<u>(6,923,100)</u>
Balance at 12/31/17	<u>\$ 79,614,472</u>	<u>\$ 64,741,505</u>	<u>\$ 14,872,967</u>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the Net OPEB liability to changes in the Discount Rates

The following presents the net OPEB liability of Anoka County as well as what the county's net OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower or 1.0 percentage point higher than the current discount rates.

	<u>1% Increase</u>	<u>Current Discount Rate</u>	<u>1% Decrease</u>
Total OPEB Liability	\$ 68,866,081	\$ 79,614,472	\$ 89,212,060
Plan fiduciary net position	<u>64,741,505</u>	<u>64,741,505</u>	<u>64,741,505</u>
Net OPEB Liability	<u>\$ 4,124,576</u>	<u>\$ 14,872,967</u>	<u>\$ 24,470,555</u>

Sensitivity of the Net OPEB liability to changes in the Healthcare Trend Rates

The following presents the net OPEB liability of Anoka County as well as what the county's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0 percentage point lower or 1.0 percentage point higher than the current healthcare cost trend rates.

	<u>1% Increase</u>	<u>Current Trend Rates</u>	<u>1% Decrease</u>
Total OPEB Liability	\$ 90,328,438	\$ 79,614,472	\$ 68,103,218
Plan fiduciary net position	<u>64,741,505</u>	<u>64,741,505</u>	<u>64,741,505</u>
Net OPEB Liability	<u>\$ 25,586,933</u>	<u>\$ 14,872,967</u>	<u>\$ 3,361,713</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available on Exhibit 10 of this document.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2017 the County recognized OPEB expense of \$396,124. At December 31, 2017, the County reported deferred inflows of resources related to OPEB from the following sources:

<u>Source</u>	<u>Balances at December 31, 2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on investments	\$ -	\$ 6,526,976

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ (1,631,744)
2019	(1,631,744)
2020	(1,631,744)
2021	(1,631,744)

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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 \$662,953 at December 31, 2017, 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 \$19,942,999 on December 31, 2017. 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 12 operating leases. The County made operating lease payments totaling \$427,001 in 2017. The following is a schedule of future minimum operating lease payments:

<u>Year Due</u>	<u>Lease Payments</u>
2018	\$ 442,145
2019	445,278
2020	424,995
2021	355,124
2022	319,427
2023-2027	1,001,173
2028-2032	96,676
Total	<u>\$ 3,084,818</u>



3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

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, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Lease Revenue Obligations	\$ 3,135,411	\$ -	\$ (490,411)	\$ 2,645,000	\$ 290,000
General Obligation Bonds and Notes	112,790,000	15,890,000	(21,060,000)	107,620,000	10,205,000
General Obligation Bonds Supported by Revenue	20,645,000	-	(1,675,000)	18,970,000	1,505,000
Limited Tax Bonds	49,985,000	-	(25,675,000)	24,310,000	1,315,000
<b>Total Debt</b>	<b>186,555,411</b>	<b>15,890,000</b>	<b>(48,900,411)</b>	<b>153,545,000</b>	<b>13,315,000</b>
Issuance premiums	5,977,163	2,176,128	(930,215)	7,223,076	-
Issuance discounts	(186,761)	-	155,523	(31,238)	-
<b>Net Debt</b>	<b>\$ 192,345,813</b>	<b>\$ 18,066,128</b>	<b>\$ (49,675,103)</b>	<b>\$ 160,736,838</b>	<b>\$ 13,315,000</b>

Refunding Bond and Note Disclosures

On March 24, 2015, the County issued \$8,040,000 General Obligation Capital Improvement Refunding Bonds, Series 2015B; with an average interest rate of 2.91 percent to refund \$8,255,000 of outstanding General Obligation Capital Improvement Bonds, Series 2007D with an average interest rate of 4.74 percent. The refunding of the 2007D bonds was conducted by means of a crossover refunding mechanism. The County made principal and interest payments on the refunded bonds through the call date of February 1, 2017. The County refunded the bonds to reduce its total debt service payments by \$974,277 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$921,870.

On June 16, 2015, the County issued \$27,155,000 General Obligation Limited Tax Refunding Bonds, Series 2015A; with an average interest rate of 3.26 percent to refund \$25,445,000 of outstanding Limited Tax Bonds, Series 2007A with an average interest rate of 4.41 percent. The net proceeds of the 2015A bonds was used to refund the 2007A bonds on February 1, 2017. The County refunded the Series 2007A bonds to reduce its total debt service payments by \$1,335,629 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$1,074,091.

On April 27, 2017, the County issued \$15,890,000 General Obligation Capital Improvement Refunding Bonds, Series 2017A; with an average interest rate of 4.47 percent to refund \$7,470,000 of the outstanding General Obligation Capital Improvement Bonds, Series 2008A with an average interest rate of 4.91 percent and \$8,420,000 of the outstanding General Obligation Capital Improvement Bonds, Series 2008C with an average interest rate of 4.22 percent. The refunding of the 2008A and 2008C bonds will be conducted by means of a crossover refunding mechanism. The County will continue to make principal and interest payments on the refunding bonds through the call date of February 1, 2018. The County refunded the bonds to reduce its total debt service payments by \$2,442,041 and obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$2,155,266.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

Bonds and notes payable at December 31, 2017 comprise the following individual issues:

a. Lease Revenue Obligations:

\$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. The bond was issued to fund new building construction and improvements to be used by the Metropolitan Mosquito Control District.

\$ 1,295,000

\$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. The original bond was issued to refinance group homes and low income housing located in the City of Fridley.

1,350,000

Total Lease Revenue Obligations 2,645,000

b. General Obligation Bonds and Notes:

\$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. The bond was issued to fund the reconstruction of CSAH 14/I35W to I35E, Medical Examiner office and morgue, and Central Communications expansion.

9,340,000

\$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. The bond was issued to fund the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116 from Main Street (CSAH 14) to TH 65.

9,775,000

\$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. The bond was issued to fund improvements to the Anoka County/Blaine Airport.

\$ 580,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

<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. The bond was issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, Bunker Beach expansion, reconstruction of interchange of Main Street (CSAH 14) at I-35E, construction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.</p>	<p>\$ 9,860,000</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. The bond was issued to fund the construction of a Public Safety Campus facility.</p>	<p>650,000</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. The bond was issued to fund a portion of the County's actuarial determined liabilities to pay other post-employment benefits under GASB Statement No. 45.</p>	<p>8,335,000</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. The original bond was issued to fund improvements to the County's Bunker Hills Aquatic Center.</p>	<p>815,000</p>
<p>\$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. The bond was issued to fund building repair and maintenance, energy management improvements, and parking ramp and pavement restoration.</p>	<p>790,000</p>
<p>\$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. The bond was issued to fund building repair and maintenance, renovation of the law enforcement range, construction at St. Francis Library, and expansion of the Highway Campus facility.</p>	<p>5,905,000</p>
<p>\$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. The bond was issued to fund reconstruction of Lexington Avenue (CSAH 17) from Main Street (CSAH 14) to north of Bunker Lake Boulevard (CSAH 116), reconstruction of Bunker Lake Boulevard (CSAH 116) from Sunfish Lake Boulevard (CSAH 57) to Germanium Street, expansion of the Highway Campus facility, and pavement reclamation and overlay.</p>	<p>\$ 9,870,000</p>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

<p>\$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. The original bonds were issued to fund the construction of a Senior Rental Housing facility, building repair and maintenance, a portion of construction for the Public Safety Campus facility, construction of Lino Lakes emergency powerhouse, parking ramp restoration, resurface road and parking lots, and land purchase of a future Library.</p>	<p>\$ 195,000</p>
<p>\$20,145,000 February 5, 2013 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$905,000 to \$2,280,000 each February 1 in the years 2016 to 2029 with interest due each February 1 and August 1 at a rate of 3.00 percent. No redemption option is available. The original bonds were issued to fund airport safety improvements, energy management improvements, construction of a Public Safety Campus facility, purchase of land for the County morgue, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, and bridge and highway reconstruction.</p>	<p>16,045,000</p>
<p>\$2,750,000 March 24, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$130,000 to \$220,000 each February 1 and August 1 in the years 2018 to 2033 with interest due each February 1 and August 1 in the years of 2015 to 2033 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund airport land improvements.</p>	<p>2,750,000</p>
<p>\$8,040,000 March 24, 2015 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$385,000 to \$940,000 each February 1 and August 1 in the years 2018 to 2029 with interest due each February 1 and August 1 in the years of 2015 to 2029 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund reconstruction of Hanson Boulevard (CSAH 11)/TH 10 interchange.</p>	<p>8,040,000</p>
<p>\$8,780,000 April 19, 2016 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from \$490,000 to \$680,000 each February 1 and August 1 in the years 2019 to 2033 with interest due each February 1 and August 1 in the years of 2017 to 2033 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2026, are subject to redemption on February 1, 2025, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund court remodeling, Coon Lake Park improvements, and jail improvements.</p>	<p>8,780,000</p>
<p>\$15,890,000 April 27, 2017 General Obligation Capital Improvement Refunding Bonds (2008A and 2008C): serial bonds maturing in amounts ranging from \$855,000 to \$1,815,000 each February 1 and August 1 in the years 2019 to 2030 with interest due each February 1 and August 1 in the years of 2017 to 2030 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2027, are subject to redemption on February 1, 2026, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the reconstruction of Hanson Boulevard (CSAH 11/TH 10) interchange, the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116 from Main Street (CSAH 14) to TH 65. The original bond also funded Medical Examiner office and morgue and Central Communications expansion.</p>	<p>15,890,000</p>
<p>Total General Obligation Bonds and Notes</p>	<p><u>\$ 107,620,000</u></p>

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

c. General Obligation Bonds Supported by Revenue:

For each of the following bond issues, 100 percent of rental income equaling the amount of principal and interest payments due, has been pledged for debt retirement. These pledges extend throughout the life of each debt issuance. All General Obligation Bonds Supported by Revenues were issued for the purpose of constructing facilities. Below is a table of the terms relevant to each issuance which describes the pledged revenue coverages during 2017:

Debt Issuance	Available Revenue	Operating Expenditures	Net Available Revenues	Principal	Interest	Total	Coverage *
\$2,770,000 Ham Lake Senior Housing Refunding Bonds, Series 2008A	\$ 520,769	\$ 304,434	\$ 216,335	\$ 150,000	\$ 72,215	\$ 222,215	0.97
\$3,200,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2009A	593,752	359,994	233,758	155,000	79,908	234,908	1.00
\$5,750,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	724,900	405,561	319,339	190,000	160,443	350,443	0.91
\$3,170,000 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds, Series 2011A	563,096	344,902	218,194	85,000	90,614	175,614	1.24
\$5,230,000 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds, Series 2012A **	577,331	-	577,331	510,000	68,729	578,729	1.00
\$5,655,000 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds, Series 2012B**	490,211	-	490,211	395,000	70,975	465,975	1.05

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

\*\* Expenditures information is not available

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

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

\$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. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Ham Lake. \$ 1,670,000

\$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. The original bonds were issued to fund acquiring, constructing, and equipping senior rental housing facilities in the City of Ramsey. 2,095,000

\$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. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Oak Grove. 5,115,000

\$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. The original bonds were issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Centerville, and to finance the addition on the Centerville senior rental housing facility. 2,840,000

\$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. The original bond was issued to fund a portion of the cost of designing and constructing an ice arena and associated improvements. 3,190,000

\$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. The original bond was issued to fund a portion of the cost of designing and constructing a four-sheet ice facility and associated improvements. 4,060,000

Total General Obligation Bonds Supported by Revenue 18,970,000

d. Limited Tax Bonds:

\$27,155,000 June 16, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from \$1,285,000 to \$2,010,000 each February 1 in the years 2016 to 2032 with interest due each February 1 and August 1 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the remainder of Anoka County and Sherburne County's Regional Rail Authorities and their correlating portion of the Northstar Commuter Rail and extension of the Hiawatha Light Rail Transit Line. 24,310,000

Total Bonds and Notes Payable \$ 153,545,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

7. Debt Service Requirements

Year Due	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Limited Tax Bonds	Total	
					Principal	Interest
2018	\$ 409,484	\$ 14,249,019	\$ 2,020,891	\$ 2,068,556	\$ 13,315,000	\$ 5,432,950
2019	406,811	16,027,849	2,025,666	2,060,306	15,590,000	4,930,633
2020	408,334	15,324,053	2,026,781	2,054,581	15,460,000	4,353,749
2021	408,987	15,051,035	2,019,669	2,061,206	15,775,000	3,765,896
2022	408,832	11,917,476	2,024,235	2,060,269	13,190,000	3,220,811
2023-2027	1,056,228	42,409,609	7,523,097	10,259,056	51,975,000	9,272,990
2028-2032	159,394	13,748,674	3,442,865	10,233,653	25,335,000	2,249,587
2033-2037	-	911,840	2,138,478	-	2,905,000	145,318
Total payments	3,258,070	129,639,555	23,221,682	30,797,627		
less interest	(613,070)	(22,019,555)	(4,251,682)	(6,487,627)		\$ 33,371,934
Total principal due	\$ 2,645,000	\$ 107,620,000	\$ 18,970,000	\$ 24,310,000	\$ 153,545,000	

The annual liquidation of these debt obligations are reported in the Debt Service Fund.

8. Long-Term Obligations – Other

Changes in long-term obligations, other than bonds, for the year ended December 31, 2017, are summarized as follows:

	Long-Term Obligations		
	Governmental		
	Capital Leases	Compensated Absences	Loans Payable
Payable, January 1, 2017, as restated (Note 2.D.)	\$ 57,897	\$ 9,425,173	\$ 1,220,056
Additions	3,536,846	13,615,671	625,654
Deletions *	(874,852)	(12,890,646)	(236,798)
Payable, December 31	\$ 2,719,891	\$ 10,150,198	\$ 1,608,912
Due within one year	\$ 687,479	\$ 507,510	\$ 319,483

\* The deletions for capital leases includes a \$150,982 allowance on the lease from the vendor.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

8. Long-Term Obligations – Other (Continued)

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 \$112,183 at 2.75 percent interest. Annual liquidation of this capital lease liability is reported in the Parks and Recreation Special Revenue Fund.

The County currently has a capital lease-to-purchase agreement for unified communication equipment at locations throughout the County. The County financed a total of \$3,536,845 at an effective interest rate of 0%, as a special financing promotion with the vendor. Annual liquidation of this capital lease liability is reported in the Capital Projects Fund.

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

Year Due	Golf Carts	Communication Equipment	Total by Year
2018	\$ 29,379	\$ 707,369	\$ 736,748
2019	-	707,369	707,369
2020	-	707,369	707,369
2021	-	707,369	707,369
Total payments	29,379	2,829,476	2,858,855
Less interest	(234)	(138,730)	(138,964)
Present Value of Net Minimum Payments	<u>\$ 29,145</u>	<u>\$ 2,690,746</u>	<u>\$ 2,719,891</u>

Compensated Absences

Actual payments of the compensated absences liability are made directly from the same governmental funds that incurred the salary expenditures.

Prior years compensated absences liabilities were paid from the General Fund and Special Revenue Funds.

Loans Payable

Loans payable are related to a zero-interest revolving loan available through the State of Minnesota Agricultural Best Management Practices Loan Program (AgBMP). Loan payments are made from the Community Development Special Revenue Fund.

The following is a schedule of future loan payments:

Year Due	AgBMP
2018	\$ 319,483
2019	310,439
2020	307,727
2021	233,249
2022	152,720
2023-2027	268,836
2028	16,458
Total payments	<u>\$ 1,608,912</u>

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 \$13,780,000 at December 31, 2017. There are two recovery zone bond issuances at December 31, 2017:

	Issue	Principal Balance
Fridley Medical Center Project	2010A	\$ 10,925,000
Park River Estate Care Center	2010D	2,855,000
Total		<u>\$ 13,780,000</u>



3. Detailed Notes on All Funds (Continued)

D. Fund Balances

The summary of fund balance classifications is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable for:					
Inventories	\$ -	\$ 2,560,622	\$ -	\$ -	\$ 2,560,622
Prepaid items	159,713	20,658	-	-	180,371
<b>Total Nonspendable</b>	<b>\$ 159,713</b>	<b>\$ 2,581,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,740,993</b>
Restricted for:					
911 capital expenditures	\$ 1,860,353	-	-	-	\$ 1,860,353
Conceal and Carry law	769,288	-	-	-	769,288
Narcotics program	5,000	-	-	-	5,000
Solid waste abatement (recycling)	750,000	-	-	-	750,000
Household Hazardous Waste program	750,000	-	-	-	750,000
SCORE program	1,500,000	-	-	-	1,500,000
Solid waste cleanup	548,064	-	-	-	548,064
Waste processing	3,990,322	-	-	-	3,990,322
Solid waste	1,053,416	-	-	-	1,053,416
Dedicated donations	34,811	38,218	-	-	73,029
Child protection	-	339,402	-	-	339,402
Drug and narcotics enforcement	-	64,436	-	-	64,436
Economic development grants	-	1,572,618	-	-	1,572,618
Revolving loans	-	150,000	-	-	150,000
Edith P. Wargo estate	-	225,381	-	-	225,381
Ag Preservation programs	-	43,563	-	-	43,563
Law library	-	268,735	-	-	268,735
Law enforcement	-	316,200	-	-	316,200
Amounts with escrow agents	-	5,049,365	20,141,695	-	25,191,060
Debt service	-	-	20,030,497	-	20,030,497
Household Hazardous Waste Facility	-	-	-	12,453,321	12,453,321
Debt proceeds restricted for capital projects	-	-	-	661,921	661,921
Recorders compliance	-	-	-	6,086,880	6,086,880
<b>Total Restricted</b>	<b>\$ 11,261,254</b>	<b>\$ 8,067,918</b>	<b>\$ 40,172,192</b>	<b>\$ 19,202,122</b>	<b>\$ 78,703,486</b>
Committed for:					
Library	\$ -	\$ 3,637,573	\$ -	\$ -	\$ 3,637,573
Cooperative Extension programs	-	194,615	-	-	194,615
<b>Total Committed</b>	<b>\$ -</b>	<b>\$ 3,832,188</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,832,188</b>
Assigned for:					
Self insurance liabilities	\$ 3,500,000	-	-	-	\$ 3,500,000
Secured juvenile facility	1,358,424	-	-	-	1,358,424
Drug and narcotics enforcement	156,544	-	-	-	156,544
Human service programs	-	35,742,137	-	-	35,742,137
Economic development	-	8,415,352	-	-	8,415,352
Parks	-	1,739,220	-	-	1,739,220
Bunker Beach Aquatic Center	-	1,135,677	-	-	1,135,677
Medical examiner operations and building	-	1,509,382	-	-	1,509,382
Future capital improvements	-	11,109,173	-	-	11,109,173
Savannah Oaks operations	-	18,450	-	-	18,450
Advances to other funds	-	-	-	1,249,066	1,249,066
Allocated capital projects	-	-	-	2,117,208	2,117,208
One time capital projects	-	-	-	61,562	61,562
IT capital projects	-	-	-	4,110,905	4,110,905
Innovative capital projects	-	-	-	720,248	720,248
Blade server capital projects	-	-	-	299,050	299,050
Broadband capital projects	-	-	-	922,586	922,586
County building capital projects	-	-	-	1,196,469	1,196,469
Library building capital projects	-	-	-	2,402,087	2,402,087
Asset preservation	-	-	-	11,735,792	11,735,792
Transportation projects	-	-	-	12,891,521	12,891,521
<b>Total Assigned</b>	<b>\$ 5,014,968</b>	<b>\$ 59,669,391</b>	<b>\$ -</b>	<b>\$ 37,706,494</b>	<b>\$ 102,390,853</b>

3. Detailed Notes on All Funds (Continued)

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

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 Plan, the Public Employees Police and Fire Plan, and the Local Government Correctional Service Retirement Plan (the Public Employees Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Retirement Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

Police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Plan (accounted for in the Police and Fire Fund). For members first hired after June 30, 2010, but before July 1, 2014, benefits vest on a graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years. Benefits for members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years and increasing 5 percent for each year of service until fully vested after 20 years.

Local government employees of a county-administered facility who are responsible for the direct security, custody, and control of the county correctional facility and its inmates are covered by the Public Employees Correctional Plan (accounted for in the Correctional Fund). For members hired after June 30, 2010, benefits vest on a graduated schedule starting with 50 percent after 5 years and increasing 10 percent for each year of service until fully vested after 10 years.

b. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. General Employees Retirement Plan and Public Employees Police and Fire Plan benefit recipients receive a future annual 1.0 percent for the post-retirement benefit increase, while Public Employees Correctional Plan benefit recipients receive 2.5 percent. For the General Employees Retirement Plan and the Public Employees Police and Fire Plan, if the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.5 percent. If, after reverting to a 2.5 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.0 percent.

The benefit provisions stated in the following paragraph 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 their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive 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 remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. Minneapolis Employees Retirement Fund members have an annuity accrual of 2.0 percent of average salary for each of the first ten years of service and 2.5 percent for each remaining year.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

b. Benefits Provided (Continued)

For Public Employees Police and Fire Plan members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For Public Employees Correctional Plan members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For General Employees Retirement Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. For Public Employees Police and Fire Plan and Public Employees Correctional Plan members, normal retirement age is 55, and for members who were hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. Disability benefits are available for vested members and are based on years of service and average high-five salary.

c. Contributions

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. General Employees Retirement Plan Basic members, Coordinated members, and Minneapolis Employees Retirement Fund members were required to contribute 9.10 percent, 6.50 percent, and 9.75 percent, respectively, of their annual covered salary in 2017. Public Employees Police and Fire Plan members were required to contribute 10.80 percent of their annual covered salary in 2017. Public Employees Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2017.

In 2017, the County was required to contribute the following percentages of annual covered salary:

General Employees Retirement Plan	
Basic Plan members	11.78%
Coordinated Plan members	7.50
Minneapolis Employees Retirement Fund members	9.75
Public Employees Police and Fire Plan	16.20
Public Employees Correctional Plan	8.75

The employee and employer contribution rates did not change from the previous year.

The County's contributions for the year ended December 31, 2017, to the pension plans were:

General Employees Retirement Plan	\$	6,975,975
Public Employees Police and Fire Plan		1,851,342
Public Employees Correctional Plan		1,039,660

The contributions are equal to the contractually required contributions as set by state statute.

d. Pension Costs

General Employees Retirement Plan

At December 31, 2017, the County reported a liability of \$93,850,500 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 1.47 percent. It was 1.43 percent measured as of June 30, 2016. The County recognized pension expense of \$12,471,648 for its proportionate share of the General Employees Retirement Plan's pension expense.

The County also recognized \$34,081 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Retirement Plan, which qualifies as a special funding situation. Legislation required the State of Minnesota to contribute \$6 million to the General Employees Retirement Plan for the fiscal year ended June 30, 2017.

County's proportionate share of the net pension liability	\$	93,850,500
State of Minnesota's proportionate share of the net pension liability associated with the County		<u>1,180,068</u>
Total	\$	<u>95,030,568</u>

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Retirement Plan (Continued)

The County reported its proportionate share of the General Employees Retirement Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,093,026	\$ 5,896,515
Changes in actuarial assumptions	15,118,365	9,408,522
Difference between projected and actual investment earnings	222,455	-
Changes in proportion	2,465,436	3,017,913
Contributions paid to PERA subsequent to the measurement date	3,517,335	-
Total	<u>\$ 24,416,617</u>	<u>\$ 18,322,950</u>

A total of \$3,517,335 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 2,251,565
2019	5,392,067
2020	(1,083,527)
2021	(3,983,773)

Public Employees Police and Fire Plan

At December 31, 2017, the County reported a liability of \$15,404,858 for its proportionate share of the Public Employees Police and Fire Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 1.141 percent. It was 1.08 percent measured as of June 30, 2016. The County recognized pension expense of \$3,836,475 for its proportionate share of the Public Employees Police and Fire Plan's pension expense.

The County also recognized \$102,690 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's on-behalf contribution to the Public Employees Police and Fire Plan. Legislation requires the State of Minnesota to contribute \$9 million to the Police and Fire Plan each year, starting in fiscal year 2014, until the plan is 90 percent funded.

The County reported its proportionate share of the Public Employees Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 354,589	\$ 3,947,016
Changes in actuarial assumptions	19,029,513	21,871,076
Difference between projected and actual investment earnings	-	21,026
Changes in proportion	2,188,961	409,044
Contributions paid to PERA subsequent to the measurement date	932,530	-
Total	<u>\$ 22,505,593</u>	<u>\$ 26,248,162</u>

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Public Employees Police and Fire Plan (Continued)

A total of \$932,530 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 292,067
2019	292,067
2020	(267,695)
2021	(1,116,311)
2022	(3,875,227)

Public Employees Correctional Plan

At December 31, 2017, the County reported a liability of \$17,299,561 for its proportionate share of the Public Employees Correctional Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the County's proportion was 6.07 percent. It was 5.85 percent measured as of June 30, 2016. The County recognized pension expense of \$6,552,727 for its proportionate share of the Public Employees Correctional Plan's pension expense.

The County reported its proportionate share of the Public Employees Correctional Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 11,154	\$ 279,432
Changes in actuarial assumptions	9,077,211	3,011,327
Difference between projected and actual investment earnings	-	159,668
Changes in proportion	602,956	15,460
Contributions paid to PERA subsequent to the measurement date	523,372	-
Total	<u>\$ 10,214,693</u>	<u>\$ 3,465,887</u>

A total of \$523,372 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2018	\$ 3,733,337
2019	3,852,514
2020	(878,855)
2021	(481,562)

Total Pension Expense

The total pension expense for all plans recognized by the County for the year ended December 31, 2017, was \$22,860,850.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

e. Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 percent per year
Active member payroll growth	3.25 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled members for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. For the General Employees Retirement Plan and the Public Employees Police and Fire Plan, cost of living benefit increases for retirees are assumed to be 1.0 percent through 2044 and 2064, respectively, and 2.5 percent thereafter. Cost of living benefit increases for retirees are assumed to be 2.5 percent for the Public Employees Correctional Plan.

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Retirement Plan was dated June 30, 2015. The experience study for the Public Employees Police and Fire Plan was dated August 30, 2016. The experience study for the Public Employees Correctional Plan was dated February 2012.

The long-term expected rate of return on pension plan investments is 7.5 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	39%	5.10%
International stocks	19	5.30
Bonds	20	0.75
Alternative assets	20	5.90
Cash	2	0.00

f. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2017, which remained consistent with 2016. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Retirement Plan and the Public Employees Police and Fire Plan were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the Public Employees Correctional Plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2061. Beginning in fiscal year ended June 30, 2062, when projected benefit payments exceed the Plan's projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 3.56 percent based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.96 percent for the Public Employees Correctional Plan was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50 percent applied to all years of projected benefits to the point of asset depletion and 3.56 percent thereafter.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

g. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2017:

General Employees Retirement Plan

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15 percent for vested deferred member liability, and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

Public Employees Police and Fire Plan

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 33 percent for vested members and 2.0 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Public Employees Correctional Plan

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the RP-2014 disabled annuitant mortality table (with future mortality improvement according to Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1.0 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

h. Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	Proportionate Share of the:					
	General Employees Retirement Plan		Public Employees Police and Fire Plan		Public Employees Correctional Plan	
	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	6.50%	\$ 145,569,100	6.50%	\$ 29,011,842	4.96%	\$ 28,507,512
Current	7.50%	93,850,500	7.50%	15,404,858	5.96%	17,299,561
1% Increase	8.50%	51,509,433	8.50%	4,171,542	6.96%	8,551,598

i. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

2. Defined Contribution Plan

Nine 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. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. 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 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

Total contributions by dollar amount and percentage of covered payroll made by the County during the year ended December 31, 2017, were:

	Employee	Employer
Contribution amount	\$ 31,160	\$ 31,160
Percentage of covered payroll	5%	5%

3. Central Pension Fund

The County also has employees who participate in the Central Pension Fund of the International Union of Operating Engineers, Local 49. The County is not responsible for any shortages in that pension and therefore no liability for it has been recorded accordingly.



3. Detailed Notes on All Funds (Continued)

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. The County self-funds for general liability and workers' compensation. The County purchases commercial insurance to cover the risk exposures outside of our self-funded programs. 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 by an insurance policy which covers automobile liability and physical damages to all owned, leased, and non-owned vehicles.

Workers' Compensation: In 2002, the County became self-insured for workers' compensation exposure and is currently contracted with SFM Risk Solutions 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:

	<u>2017</u>	<u>2016</u>
Unpaid claims, January 1	\$ 2,759,617	\$ 2,690,412
Self-funded claims	176,079	785,962
Adjustments	143,988	(302,606)
Claim payments	<u>(318,678)</u>	<u>(414,151)</u>
Unpaid claims, December 31	<u>\$ 2,761,006</u>	<u>\$ 2,759,617</u>
Due within one year	<u>\$ 211,393</u>	

Adjustments include differences between the estimated claim liability of unpaid claims at the beginning of the year and actual claim payments made. The entire claims liability is reported in the Pooled Insurance Internal Service Fund and will be liquidated by that fund.

Anoka County has elected lower self-insurance retention since becoming self-insured in 2002. The self-insurance retention limit for 2017 workers' compensation claims is \$500,000 per occurrence for all claims occurring in 2017 and 2018. Once this limit is met, the Workers' Compensation Reinsurance Association (WCRA) becomes liable.

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:

	<u>Per Person</u>	<u>Per Occurrence</u>
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 Blue Cross Blue Shield. The County fully insures dental insurance through HealthPartners.

3. Detailed Notes on All Funds (Continued)

G. Joint Ventures

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

1. Metropolitan Emergency Services Board. The Metropolitan Emergency Services Board was established by a joint powers agreement pursuant to Minn. Stat. sec. 471.59 between the Counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the City of Minneapolis, for the implementation and administration of a regional 911 system. Chisago County entered this agreement effective October 1, 2006. Isanti County later joined the joint powers agreement effective January 1, 2010.

Anoka County paid annual dues of \$141,109 in 2017. Except for annual dues the County has no other financial obligations. Current financial statements of the Metropolitan Emergency Services Board are available at the 911 Board Office, 2099 University Avenue, West Saint Paul, Minnesota 55104-3431.

2. Metropolitan Library Service Agency (MELSA). Anoka County entered into a joint powers agreement with Carver County, Dakota County, Hennepin County, Ramsey County, Scott County, Washington County and the City of St. Paul pursuant to Minn. Stat. sec.471.59 and 134.20. One member of each entity comprises the Board of Directors of MELSA.

MELSA was created for the general purposes of improving public library services and coordinating public library services. 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, Minnesota 55104-6276.

3. Northstar Corridor Development Authority (NCDA). Anoka County entered into a joint powers agreement with 32 counties, regional rail authorities, cities and townships along the Northstar Corridor to create the Northstar Corridor Development Authority, in May 1997. Six participants have since withdrawn from the NCDA, leaving 26 members in the joint powers agreement. 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. Beginning 2017 Anoka County will contribute a standard amount of \$6,000 annually until 2021.

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, Minnesota 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.

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. 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.

CTIB was dissolved as of September 30, 2017. All funds will be dispersed by CTIB.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

6. Anoka-Hennepin Narcotics and Violent Crimes Task Force. The Anoka-Hennepin Narcotics and Violent Crimes Task Force was established in 1996 under the authority of the Joint Powers Act, pursuant to Minn. Stat. § 471.59, and includes the cities of Anoka, Blaine, Champlin, Columbia Heights, Fridley and Maple Grove along with Anoka County. The primary responsibility of the task force is to detect, investigate, gather evidence, and apprehend drug traffickers, as well as assist in violent crimes and gang related investigation within the geographic boundaries of the entities that comprise the task force.

Control of the Task Force is vested in a Board of Directors, which consists of the Chief of Police or Sheriff, or his or her designee, from each party to the agreement.

Fiscal agent responsibilities for the Task Force are with Anoka County. Anoka County provided \$15,375 to this organization in 2017. Funding will be provided in the form of a matching grant from the federal government. The parties shall contribute at least 25% of the total budget established for the current year. Separate financial statements for the Anoka-Hennepin Narcotics and Violent Crimes Task Force are not available.

7. Agricultural Best Management Practices Loan Program. The County has entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to individuals to implement projects that prevent or mitigate nonpoint sources water pollution. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. The County has met those responsibilities for 2017.
8. Joint Law Enforcement Council (JLEC). Anoka County Joint Law Enforcement Council was formed in 1970 and modified in 1982 and 2001 to add several cities and representatives. In 2003 a joint powers agreement was entered into by Anoka County, the Cities of Anoka, Blaine, Circle Pines, Columbia Heights, Coon Rapids, Fridley, Lexington, Lino Lakes, Ramsey, and Spring Lake Park, and the Circle Pines-Lexington-Centerville Joint Municipal Police Commission. This agreement superseded the previous agreements and created the JLEC by the power granted by Minn. Stat. Section 471.59. Its purpose is to improve the efficiency and effectiveness of law enforcement to improve public safety in Anoka County. The main goal of the Council is for the public safety communication system to operate as effectively as possible and common equipment is important to that goal.

An Addendum to JLEC occurred in December of 2013 to add the Cities of Centerville and St. Francis as parties to the agreement.

A Memo of Understanding (MOU) was made in September of 2015 and entered into by and between JLEC and the County of Anoka. The purpose of the MOU was to formalize an understanding between parties concerning the rights and responsibilities for delivery of support services concerning the location, accessibility, maintenance and operations of the Public Safety Data System (PSDS) at the Anoka County Government Center Complex. The County will provide a physical space and ensure that the space conforms to the needs of the PSDS. The JLEC will be solely responsible and pay directly for the services and all costs associated with development, installation, modification, and maintenance of the PSDS.

A Memo of Understanding was begun on June 1, 2016 between JLEC and the County of Anoka Information Technology Department to collaboratively ensure that the Public Safety Data System (PSDS) is successful in the mission of providing services to all citizens of Anoka County. Anoka County owns fiber connecting the Anoka County Government Center and the Anoka County Sheriff's Office and is able to extend connectivity through this fiber for the purpose of PSDS. JLEC will pay for fiber installations, splicing, and upfront costs and proportionate shares of ongoing maintenance costs.

9. Midwest Regional Forensic Laboratory. In August of 2012, a joint agreement was entered into by the Counties of Anoka, Sherburne, and Wright. The purpose of the agreement is to continue to jointly address the Member Counties' long-term needs for a regional forensics crime laboratory. Anoka used grant monies from the Dept. of Public Safety to contribute to the costs to design, construct, furnish and equip the facility. Anoka shall provide all labor, equipment, tools and supplies necessary to operate the facility and will be reimbursed from operating costs contributed by each Member County. Each Member County shall pay its percentage share of the total annual budget in direct proportion to that Member County's population percentage of the total population of all Member Counties based on the 2010 Census.
10. East Central Regional Juvenile Center. Effective January 1, 2012 a joint powers agreement was entered into by Anoka County, Chisago County, Isanti County, Kanabec County, Mille Lacs County, Pine County, Sherburne County, Washington County and Wright County. The purpose of the agreements was to jointly address the Member Counties long-term needs for juvenile detention and treatment facility capacity.

The Minnesota Commissioner of Corrections was authorized to make grants for up to 75% of the construction cost of secure juvenile detention and treatment facilities in accordance with 1994 Minnesota Laws 643, section 79. Anoka County was authorized to issue general obligation bonds in an amount not to exceed \$3,500,000 to finance costs of the facility in accordance with 1994 Minnesota Laws 643, section 79 which expires in February 2017.

The Facility is owned by Anoka County at the site of the Anoka County Juvenile Center in Lino Lakes, Minnesota and is responsible for the maintenance and repair of the facility as well as labor, equipment, tools and materials necessary to operate the facility. Member Counties shall pay per diem payments based on the occupancy rate.

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. Tax Abatements - Pay-As-You-Go Tax Increment

The County is subject to tax abatements granted by Cities within the County pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within a City. TIF captures the increase in tax capacity and property taxes (of all taxing jurisdictions, including the County) from development or redevelopment to provide funding for the related project.

The pay-as-you-go note provides for payment to the developer of a percentage of all tax increment received in the prior six months. The payment reimburses the developer for certain public improvements. During 2017, there were 16 pay-as-you-go notes within the County. The tax increment collections during 2017 associated with these notes totaled \$2,805,864. The County's portion of the captured tax capacity and related property taxes was approximately 30%.

TIF agreements of other local governments have resulted in reductions of the County property tax revenues for the year ended December 31, 2017, as shown below:

Tax Abatement Program	Number of Pay-As-You- Go TIF	Taxes Abated	Impact to Anoka County
Tax Increment Financing (TIF)			
City of:			
Andover	1	\$ 72,487	\$ 21,746
Blaine	2	86,035	25,811
Columbia Heights	3	462,491	138,747
Coon Rapids	3	56,637	16,991
Fridley	3	1,417,423	425,227
Ramsey	4	710,791	213,057
Total	16	\$ 2,805,864	\$ 841,579

D. Subsequent Event

On February 22, 2018, the County Board issued \$1,450,000 Housing Development Revenue Refunding Bonds, Series 2018A.

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**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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 59,734,285	\$ 59,734,285	\$ 60,636,255	\$ 901,970
Licenses and permits	154,729	259,805	300,064	40,259
Intergovernmental	19,476,379	20,104,150	21,396,067	1,291,917
Charges for services	27,371,602	27,428,318	27,898,972	470,654
Fines and forfeitures	1,000	1,000	8,182	7,182
Investment income	1,565,000	1,565,000	3,547,596	1,982,596
Net change in fair value of investments	-	-	(586,976)	(586,976)
Miscellaneous	3,166,360	4,290,683	4,538,819	248,136
<b>Total Revenues</b>	<b>111,469,355</b>	<b>113,383,241</b>	<b>117,738,979</b>	<b>4,355,738</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
Management appropriations	904,811	904,811	896,128	8,683
Information technology	4,677,537	4,708,537	4,268,015	440,522
Government relations	166,810	166,810	162,303	4,507
Countywide services	(334,101)	(930,824)	(922,202)	(8,622)
County administration	726,964	745,964	669,600	76,364
Employee relations	1,500,559	1,484,941	1,478,732	6,209
Property tax administration and collection	6,504,952	6,504,952	6,125,113	379,839
License bureau	3,389,961	3,389,961	3,185,021	204,940
Internal audit	155,920	155,920	157,393	(1,473)
Election services	614,238	614,238	653,516	(39,278)
Attorney	9,808,607	9,968,345	8,822,521	1,145,824
Surveyor	1,118,532	1,118,532	998,997	119,535
Facilities management and construction	1,319,904	1,648,648	1,418,095	230,553
Veterans services	559,977	591,589	543,072	48,517
Geographic information system	247,903	247,903	245,530	2,373
Transit and volunteer transportation	2,721,601	2,730,049	2,590,600	139,449
Accounting and central services	4,818,135	4,458,135	3,730,159	727,976
Courts administration	1,447,658	1,447,658	1,615,907	(168,249)
Public information	540,160	532,160	509,351	22,809
Miscellaneous	244,027	244,027	2,179,954	(1,935,927)
<b>Total general government</b>	<b>41,134,155</b>	<b>40,732,356</b>	<b>39,327,805</b>	<b>1,404,551</b>
<b>Public safety</b>				
Sheriff	33,529,545	34,118,175	34,867,228	(749,053)
Central communications	5,172,500	5,270,755	5,474,226	(203,471)
Emergency management	290,045	303,854	697,223	(393,369)
Corrections	23,796,111	23,633,284	23,047,889	585,395
<b>Total public safety</b>	<b>\$ 62,788,201</b>	<b>\$ 63,326,068</b>	<b>\$ 64,086,566</b>	<b>\$ (760,498)</b>

(Continued)

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

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>Current (continued)</b>				
<b>Human services</b>				
Community action program	\$ 418,567	\$ 418,567	\$ 418,567	\$ -
<b>Sanitation</b>				
Solid waste	5,464,483	5,743,631	4,810,451	933,180
<b>Culture and recreation</b>				
Historical society/Fairgrounds	167,623	110,123	244,043	(133,920)
<b>Conservation of natural resources</b>				
Soil and water conservation district	169,492	169,492	166,992	2,500
<b>Total Expenditures</b>	<b>110,142,521</b>	<b>110,500,237</b>	<b>109,054,424</b>	<b>1,445,813</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,326,834</b>	<b>2,883,004</b>	<b>8,684,555</b>	<b>5,801,551</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	695,233	315,233	48,433	(266,800)
Transfers out	(2,503,726)	(3,975,473)	(6,628,017)	(2,652,544)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,808,493)</b>	<b>(3,660,240)</b>	<b>(6,579,584)</b>	<b>(2,919,344)</b>
<b>Net Change in Fund Balance</b>	<b>(481,659)</b>	<b>(777,236)</b>	<b>2,104,971</b>	<b>2,882,207</b>
<b>Fund balance - January 1</b>	<b>48,665,798</b>	<b>48,665,798</b>	<b>48,665,798</b>	<b>-</b>
<b>Fund balance - December 31</b>	<b>\$ 48,184,139</b>	<b>\$ 47,888,562</b>	<b>\$ 50,770,769</b>	<b>\$ 2,882,207</b>

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



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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 9,555,384	\$ 9,555,384	\$ 9,487,757	\$ (67,627)
Licenses and permits	51,000	51,000	103,160	52,160
Intergovernmental	50,908,272	50,908,272	46,400,699	(4,507,573)
Investment income	30,000	30,000	47,252	17,252
Miscellaneous	192,000	192,000	997,848	805,848
<b>Total Revenues</b>	<b>60,736,656</b>	<b>60,736,656</b>	<b>57,036,716</b>	<b>(3,699,940)</b>
<b>Expenditures</b>				
<b>Current</b>				
Highways and streets				
Administration	1,369,466	1,358,595	1,173,109	185,486
Maintenance	10,057,665	9,981,071	8,064,010	1,917,061
Construction	42,988,391	42,988,391	47,362,296	(4,373,905)
Equipment maintenance and shop	2,797,202	2,817,400	2,656,016	161,384
<b>Intergovernmental</b>				
Highways and streets	32,017	32,017	150,830	(118,813)
<b>Total Expenditures</b>	<b>57,244,741</b>	<b>57,177,474</b>	<b>59,406,261</b>	<b>(2,228,787)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,491,915</b>	<b>3,559,182</b>	<b>(2,369,545)</b>	<b>(5,928,727)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	4,374,056	4,374,056
Transfers out	(821,413)	(821,413)	(404,380)	417,033
Proceeds from land sales	-	-	296,000	296,000
<b>Total Other Financing Sources (Uses)</b>	<b>(821,413)</b>	<b>(821,413)</b>	<b>4,265,676</b>	<b>5,087,089</b>
<b>Net Change in Fund Balance</b>	<b>2,670,502</b>	<b>2,737,769</b>	<b>1,896,131</b>	<b>(841,638)</b>
<b>Fund balance - January 1</b>	<b>3,815,298</b>	<b>3,815,298</b>	<b>3,815,298</b>	<b>-</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>-</b>	<b>313,284</b>	<b>313,284</b>
<b>Fund balance - December 31</b>	<b>\$ 6,485,800</b>	<b>\$ 6,553,067</b>	<b>\$ 6,024,713</b>	<b>\$ (528,354)</b>

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

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 32,614,709	\$ 32,614,709	\$ 32,384,494	\$ (230,215)
Licenses and permits	1,038,479	1,038,479	1,068,654	30,175
Intergovernmental	52,398,091	52,447,794	51,837,467	(610,327)
Charges for services	3,022,007	3,022,007	2,939,513	(82,494)
Miscellaneous	390,876	390,876	519,265	128,389
<b>Total Revenues</b>	<b>89,464,162</b>	<b>89,513,865</b>	<b>88,749,393</b>	<b>(764,472)</b>
<b>Expenditures</b>				
<b>Current</b>				
Human services				
Economic assistance	30,203,633	30,349,596	28,341,456	2,008,140
Social services	51,383,727	52,181,487	49,325,365	2,856,122
Mental health	25,363	25,363	13,706	11,657
Community health	8,185,026	8,175,026	7,763,447	411,579
<b>Total Expenditures</b>	<b>89,797,749</b>	<b>90,731,472</b>	<b>85,443,974</b>	<b>5,287,498</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(333,587)</b>	<b>(1,217,607)</b>	<b>3,305,419</b>	<b>4,523,026</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(3,000,000)	(3,000,000)
<b>Net Change in Fund Balance</b>	<b>(333,587)</b>	<b>(1,217,607)</b>	<b>305,419</b>	<b>1,523,026</b>
<b>Fund balance - January 1</b>	<b>35,796,778</b>	<b>35,796,778</b>	<b>35,796,778</b>	<b>-</b>
<b>Fund balance - December 31</b>	<b>\$ 35,463,191</b>	<b>\$ 34,579,171</b>	<b>\$ 36,102,197</b>	<b>\$ 1,523,026</b>

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

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 4**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
DECEMBER 31, 2017**

	<b>2017</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 1,636,484
Interest	5,326,822
Benefit payments	(3,619,603)
<b>Net change in total OPEB liability</b>	<b>3,343,703</b>
<b>Total OPEB Liability - Beginning</b>	<b>76,270,769</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>79,614,472</b>
<b>Plan fiduciary net position</b>	
Contributions - Employer	1,976,056
Net investment income	11,914,287
Benefit payments	(3,619,603)
Administrative expense	(3,937)
<b>Net change in plan fiduciary net position</b>	<b>10,266,803</b>
<b>Plan fiduciary net position - beginning</b>	<b>54,474,702</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>64,741,505</b>
<b>Net OPEB Liability (asset) -- ending (a) - (b)</b>	<b>\$ 14,872,967</b>
<b>Total OPEB Liability -- ending</b>	
Sheriff's Licensed Deputies bargaining unit only	\$ 546,534
Plan fiduciary net position as percentage of the total OPEB liability	81.30%
Covered-employee payroll	\$ 106,400,000
Net OPEB liability (asset) as a percentage of covered-employee payroll	14.0%

Anoka County implemented GASB Statements No. 74 and No. 75 in FYE December 31, 2017. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 5

SCHEDULE OF CONTRIBUTIONS  
DECEMBER 31, 2017

	<u>2017</u>
Actuarially determined contribution	\$ 3,479,801
Contributions in relation to the actuarially determined contribution	<u>3,619,603</u>
<b>Contribution deficiency (excess)</b>	<b><u>\$ (139,802)</u></b>
Covered-employee Payroll	<b><u>\$ 106,400,000</u></b>
Contributions as a percentage of covered-employee payroll	3.4%

Anoka County implemented GASB Statements No. 74 and No. 75 in FYE December 31, 2017. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 6**

**SCHEDULE OF INVESTMENT RETURNS  
DECEMBER 31, 2017**

	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	22.21%

Anoka County implemented GASB Statements No. 74 and No. 75 in FYE December 31, 2017. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The notes to the required supplementary information are an intergral part of this schedule.

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 7**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2017**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Anoka County (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	1.470%	\$ 76,199,920	N/A	\$ 76,199,920	\$ 84,985,260	89.66%	78.19%
2016	1.426%	115,819,626	1,512,652	117,332,278	88,515,871	130.85%	68.91%
2017	1.470%	93,850,500	1,180,068	95,030,568	94,704,592	99.10%	75.90%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

**SCHEDULE OF CONTRIBUTIONS  
PERA GENERAL EMPLOYEES RETIREMENT PLAN  
DECEMBER 31, 2017**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 6,781,097	\$ 6,781,097	\$ -	\$ 90,414,628	7.50%
2016	6,772,116	6,772,116	-	90,294,885	7.50%
2017	6,975,975	6,975,975	-	93,012,995	7.50%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

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

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 8**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN  
DECEMBER 31, 2017**

<b>Measurement Date</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) (a)</b>	<b>Covered Payroll (b)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2015	1.131%	\$ 12,850,807	\$ 10,074,629	127.56%	86.61%
2016	1.077%	43,221,884	10,373,698	416.65%	63.88%
2017	1.141%	15,404,858	11,710,914	131.54%	85.43%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

**SCHEDULE OF CONTRIBUTIONS  
PERA PUBLIC EMPLOYEES POLICE AND FIRE PLAN  
DECEMBER 31, 2017**

<b>Year Ending</b>	<b>Statutorily Required Contributions (a)</b>	<b>Actual Contributions in Relation to Statutorily Required Contributions (b)</b>	<b>Contribution (Deficiency) Excess (b-a)</b>	<b>Covered Payroll (c)</b>	<b>Actual Contributions as a Percentage of Covered Payroll (b/c)</b>
2015	\$ 1,758,815	\$ 1,758,815	\$ -	10,856,880	16.20%
2016	1,739,500	1,739,500	-	10,737,751	16.20%
2017	1,851,342	1,851,342	-	11,428,138	16.20%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

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

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 9

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN  
DECEMBER 31, 2017**

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	Covered Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	6.050%	\$ 935,330	\$ 10,872,741	8.60%	96.95%
2016	5.850%	21,370,869	11,034,708	193.67%	58.16%
2017	6.070%	17,299,561	12,092,301	143.06%	67.89%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The measurement date for each year is June 30.

**SCHEDULE OF CONTRIBUTIONS  
PERA PUBLIC EMPLOYEES CORRECTIONAL PLAN  
DECEMBER 31, 2017**

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b-a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2015	\$ 1,010,710	\$ 1,010,710	\$ -	\$ 11,550,976	8.75%
2016	982,247	982,247	-	11,226,018	8.75%
2017	1,039,660	1,039,660	-	11,883,441	8.75%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The County's year-end is December 31.

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



**ANOKA COUNTY  
ANOKA, MINNESOTA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2017**

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 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. The Leasehold Properties Special Revenue fund was created with the purchase of a building in late 2015. With contract renewals and operating changes, there was no adopted budget until 2018.

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.

2. Excess of Expenditures Over Budget

The following departments/divisions have expenditures in excess of budget for the year ended December 31, 2017:

	Expenditures		Excess
	Final Budget	Actual	
<u>Major Governmental Funds</u>			
General Fund			
Current			
General Government			
Countywide services	\$ (930,824)	\$ (922,202)	\$ 8,622
Internal audit	155,920	157,393	1,473
Election services	614,238	653,516	39,278
Courts administration	1,447,658	1,615,907	168,249
Miscellaneous	244,027	2,179,954	1,935,927
Public Safety			
Sheriff	34,118,175	34,867,228	749,053
Central communications	5,270,755	5,474,226	203,471
Emergency management	303,854	697,223	393,369
Culture & Recreation			
Historical society/Fairground	110,123	244,043	133,920
Road and Bridge			
Current			
Highways and Streets			
Construction	42,988,391	47,362,296	4,373,905
Intergovernmental			
Highways and Streets	32,017	150,830	118,813

3. Other Postemployment Benefits Funding Status

In 2017, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In 2009, the County established 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 actuarial valuation.

**ANOKA COUNTY  
ANOKA, MINNESOTA**

4. Employer Contributions to Other Postemployment Benefits

There have been no changes to benefits or assumptions.

Actuarially determined contribution rates are calculated as of the December 31, 2015 valuation date, measured at December 31, 2017.

Methods and assumptions used to determine contribution rates:

Actuarial assumptions used are based on County experience and drawn from the Public Employees Retirement Association of Minnesota (PERA) July 1, 2015 Actuarial Valuations. This is deemed appropriate because participants in the County's plan are assumed to be participants in one of the PERA pension plans.

Actuarial cost method	Entry age
Amortization method	5 year straight-line amortization
Amortization period	5 years
Asset valuation method	Market value
Inflation	2.75%
Healthcare cost trend rates Pre-65	8.00% for 2017, decreasing 0.5% per year
Healthcare cost trend rates Post-65	6.5% for 2017, decreasing 0.5% per year to an ultimate rate of 5.0% for 2020 and later years
Investment rate of return	7.00%
Retirement age	In the 2017 actuarial valuation, expected retirement ages were based on County experience and drawn from the PERA July 1, 2015 Actuarial Valuations
Mortality	Based on RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate and used in the PERA plan of which the employee, retiree or beneficiary is a participant

5. Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2017:

General Employees Retirement Plan

2017

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members (30 percent for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0 percent for active member liability, 15 percent for vested deferred member liability, and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in PERA's calendar years 2017 and 2018 and returns to \$31,000,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar year 2031.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

**ANOKA COUNTY  
ANOKA, MINNESOTA**

5. Defined Benefit Pension Plans - Changes in Significant Plan Provisions, Actuarial Methods, and Assumptions (Continued)

Public Employees Police and Fire Plan

2017

- The assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- The assumed rates of retirement were changed, resulting in fewer retirements.
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 33 percent for vested members and 2.0 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality table assumed for healthy retirees.
- The assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of married female members was decreased from 65 percent to 60 percent.
- The assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent for all years to 1.0 percent per year through 2064 and 2.5 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter, to 1.00 percent for all future years.
- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent.
- The assumed payroll growth and inflation were decreased by .25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

Public Employees Correctional Plan

2017

- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016 and is applied to healthy and disabled members. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the TP-2014 disabled annuitant mortality table (with future mortality improvement according to Scale MP-2016).
- The CSA load was 30 percent for vested and non-vested, deferred members. The CSA has been changed to 35 percent for vested members and 1.0 percent for non-vested members.
- The single discount rate was changed from 5.31 percent per annum to 5.96 percent per annum.

2016

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.31 percent.
- The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

**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 both Chomonix Golf Course and Bunker Beach Aquatic Center. Financing comes primarily from an annual property tax levy, intergovernmental revenue from local, State and Federal Governments, and user fees.

Medical Examiner – to account for the operations and finances of the Medical Examiners office. Revenues are derived primarily by fees from outside governmental entities.

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 - accounts 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.

Leasehold Properties – to account for the revenues and expenditures resulting from leasehold activities.

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  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

Statement 1

	Special Revenue										Total Nonmajor Governmental Funds	
	Job Training Center	County Library	Parks and Recreation	Medical Examiner	Cooperative Extension	Law Library	Community Development	Regional Railroad Authority	Housing and Redevelopment Authority	Leasehold Properties		Forfeiture Funds
<b>Assets</b>												
Cash and pooled investments	\$ 18,570	\$ 4,609,727	\$ 3,315,856	\$ 1,491,580	\$ 246,404	\$ 252,762	\$ 1,139,873	\$ 11,180,791	\$ 9,238,047	\$ 3,474	\$ 381,335	\$ 31,878,419
Cash and investments with escrow agents	-	-	-	-	-	-	-	-	949,703	-	-	949,703
Delinquent taxes receivable	-	96,313	34,280	-	4,225	-	-	39,574	27,354	-	-	201,746
Accounts receivable, net	-	17,785	25,970	73,550	-	-	-	-	85,310	5,166	-	207,781
Land held for resale	-	-	-	-	-	-	-	-	-	-	-	648,000
Loans receivable	-	-	-	-	-	-	648,000	-	-	-	-	2,879,810
Due from other governments	434,242	2,990	1,616,193	56,295	3,439	27,120	2,879,810	-	-	-	60	2,375,718
Inventories	-	-	19,731	-	-	-	235,379	-	-	-	-	19,731
<b>Total Assets</b>	<b>452,812</b>	<b>4,726,815</b>	<b>5,012,030</b>	<b>1,621,425</b>	<b>254,068</b>	<b>279,882</b>	<b>4,903,062</b>	<b>11,220,365</b>	<b>10,300,414</b>	<b>8,640</b>	<b>381,395</b>	<b>39,160,908</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>												
<b>Liabilities</b>												
Accounts payable	1,377	52,128	103,547	66,036	1,158	2,905	390	-	235,982	4,842	210	468,575
Salaries payable	-	84,638	61,546	41,136	2,232	2,232	-	979	3,808	-	-	196,571
Contracts payable	-	17,159	395,244	4,870	-	6,010	-	1,639	-	35	-	424,957
Due to other funds	425,000	-	-	-	-	-	-	-	-	73,000	-	498,000
Due to other governments	-	4,661	9,550	-	-	-	300,244	-	-	2,332	549	317,336
Advances from other funds	-	-	328,611	-	-	-	-	-	609,194	-	-	937,805
Unearned revenues	25,680	647,672	384,139	-	-	-	-	-	-	2,775	-	1,060,266
<b>Total Liabilities</b>	<b>452,057</b>	<b>806,258</b>	<b>1,282,637</b>	<b>112,042</b>	<b>3,390</b>	<b>11,147</b>	<b>300,634</b>	<b>2,618</b>	<b>848,984</b>	<b>82,984</b>	<b>759</b>	<b>3,903,510</b>
<b>Deferred Inflows of Resources</b>												
Unavailable revenue	-	96,313	504,624	-	4,225	-	2,879,810	39,574	27,354	-	-	3,551,900
Prepaid taxes	-	185,691	67,524	-	8,275	-	-	69,000	41,326	-	-	371,816
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>282,004</b>	<b>572,148</b>	<b>-</b>	<b>12,500</b>	<b>-</b>	<b>2,879,810</b>	<b>108,574</b>	<b>68,680</b>	<b>-</b>	<b>-</b>	<b>3,923,716</b>
<b>Fund Balances</b>												
Nonspendable	-	-	19,731	-	-	-	-	-	-	-	-	19,731
Restricted	-	980	262,619	-	43,563	268,735	1,722,618	-	949,702	-	380,636	3,628,853
Committed	-	3,637,573	-	-	194,615	-	-	-	-	-	-	3,832,188
Assigned	755	-	2,874,895	1,509,383	-	-	-	11,109,173	8,433,048	-	-	23,927,254
Unassigned	-	-	-	-	-	-	-	-	-	(74,344)	-	(74,344)
<b>Total Fund Balances</b>	<b>755</b>	<b>3,638,553</b>	<b>3,157,245</b>	<b>1,509,383</b>	<b>238,178</b>	<b>268,735</b>	<b>1,722,618</b>	<b>11,109,173</b>	<b>9,382,750</b>	<b>(74,344)</b>	<b>380,636</b>	<b>31,333,682</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 452,812</b>	<b>\$ 4,726,815</b>	<b>\$ 5,012,030</b>	<b>\$ 1,621,425</b>	<b>\$ 254,068</b>	<b>\$ 279,882</b>	<b>\$ 4,903,062</b>	<b>\$ 11,220,365</b>	<b>\$ 10,300,414</b>	<b>\$ 8,640</b>	<b>\$ 381,395</b>	<b>\$ 39,160,908</b>

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, 2017

	Special Revenue										Total Nonmajor Governmental Funds	
	Job Training Center	County Library	Parks and Recreation	Medical Examiner	Cooperative Extension	Law Library	Community Development	Regional Railroad Authority	Housing and Redevelopment Authority	Leasehold Properties		Forfeiture Funds
<b>Revenues</b>												
Taxes	\$ -	\$ 6,668,509	\$ 2,660,283	\$ -	\$ 306,929	\$ -	\$ -	\$ 2,721,761	\$ 1,546,852	\$ -	\$ -	\$ 13,904,334
Licenses and permits	-	-	1,035	-	-	-	-	-	-	-	-	1,035
Intergovernmental	2,735,953	939,161	3,552,224	-	37,048	-	1,982,987	1,705	1,210	-	-	9,250,288
Charges for services	49,247	67,400	3,287,404	2,588,595	50,988	-	15,313	-	101,553	-	-	6,160,500
Fines and forfeitures	-	229,988	-	-	-	359,833	-	-	-	-	50,176	639,997
Investment income	-	-	5,465	-	-	-	31,302	121,549	98,409	-	-	256,725
Miscellaneous	22,596	129,762	644,304	10,040	4,163	3,498	1,806,399	-	2,583,184	287,762	40,553	5,532,261
<b>Total Revenues</b>	<b>2,807,796</b>	<b>8,034,820</b>	<b>10,150,715</b>	<b>2,598,635</b>	<b>399,128</b>	<b>363,331</b>	<b>3,836,001</b>	<b>2,845,015</b>	<b>4,331,208</b>	<b>287,762</b>	<b>90,729</b>	<b>35,745,140</b>
<b>Expenditures</b>												
<b>Current</b>												
General government	-	-	-	3,132,299	-	290,373	-	-	-	296,315	13,176	3,732,163
Public safety	-	-	-	-	-	-	-	-	-	-	4,771	4,771
Culture and recreation	-	7,731,093	9,867,262	-	-	-	-	-	-	-	-	17,598,355
Conservation of natural resources	-	-	-	-	470,082	-	-	-	-	-	-	470,082
Economic development	2,813,427	-	-	-	-	-	2,840,714	338,928	2,811,394	-	-	8,804,463
<b>Debt service</b>												
Principal retirement	-	-	28,753	-	-	-	236,798	-	-	-	-	265,551
Interest	-	-	626	-	-	-	-	-	12,609	-	-	13,235
<b>Total Expenditures</b>	<b>2,813,427</b>	<b>7,731,093</b>	<b>9,896,641</b>	<b>3,132,299</b>	<b>470,082</b>	<b>290,373</b>	<b>3,077,512</b>	<b>338,928</b>	<b>2,824,003</b>	<b>296,315</b>	<b>17,947</b>	<b>30,888,620</b>
<b>Excess of Revenues Over (Under)</b>												
<b>Expenditures</b>	<b>(5,631)</b>	<b>303,727</b>	<b>254,074</b>	<b>(533,664)</b>	<b>(70,954)</b>	<b>72,958</b>	<b>758,489</b>	<b>2,506,087</b>	<b>1,507,205</b>	<b>(8,553)</b>	<b>72,782</b>	<b>4,856,520</b>
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	-	14,222	841,416	59,799	-	-	-	-	-	-	915,437
Transfers out	-	(750,000)	-	-	-	-	(1,765,089)	(983,783)	-	-	-	(3,498,872)
Proceeds from land sales	-	-	-	-	-	-	1,757,875	-	-	-	-	1,757,875
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(750,000)</b>	<b>14,222</b>	<b>841,416</b>	<b>59,799</b>	<b>-</b>	<b>(7,214)</b>	<b>(983,783)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(825,560)</b>
<b>Net Change in Fund Balances</b>	<b>(5,631)</b>	<b>(446,273)</b>	<b>268,296</b>	<b>307,752</b>	<b>(11,155)</b>	<b>72,958</b>	<b>758,489</b>	<b>2,498,873</b>	<b>523,422</b>	<b>(8,553)</b>	<b>72,782</b>	<b>4,030,960</b>
<b>Fund Balances - January 1, as restated (Note 2.D.)</b>	<b>6,386</b>	<b>4,084,826</b>	<b>2,890,243</b>	<b>1,201,631</b>	<b>249,333</b>	<b>195,777</b>	<b>964,129</b>	<b>8,610,300</b>	<b>8,859,328</b>	<b>(65,791)</b>	<b>307,854</b>	<b>27,304,016</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>-</b>	<b>(1,294)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,294)</b>
<b>Fund Balances - December 31</b>	<b>\$ 755</b>	<b>\$ 3,638,553</b>	<b>\$ 3,157,245</b>	<b>\$ 1,509,383</b>	<b>\$ 238,178</b>	<b>\$ 268,735</b>	<b>\$ 1,722,618</b>	<b>\$ 11,109,173</b>	<b>\$ 9,382,750</b>	<b>\$ (74,344)</b>	<b>\$ 380,636</b>	<b>\$ 31,333,682</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 10

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COUNTY LIBRARY  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 6,714,569	\$ 6,714,569	\$ 6,668,509	\$ (46,060)
Intergovernmental	1,043,063	1,043,063	939,161	(103,902)
Charges for services	78,500	78,500	67,400	(11,100)
Fines and forfeitures	163,000	163,000	229,988	66,988
Miscellaneous	109,350	109,350	129,762	20,412
<b>Total Revenues</b>	<b>8,108,482</b>	<b>8,108,482</b>	<b>8,034,820</b>	<b>(73,662)</b>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	8,071,487	8,011,487	7,731,093	280,394
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>36,995</b>	<b>96,995</b>	<b>303,727</b>	<b>206,732</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(750,000)	(750,000)
<b>Net Change in Fund Balance</b>	<b>36,995</b>	<b>96,995</b>	<b>(446,273)</b>	<b>(543,268)</b>
<b>Fund Balance - January 1</b>	<b>4,084,826</b>	<b>4,084,826</b>	<b>4,084,826</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 4,121,821</b>	<b>\$ 4,181,821</b>	<b>\$ 3,638,553</b>	<b>\$ (543,268)</b>



ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 11

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PARKS AND RECREATION  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,501,151	\$ 2,501,151	\$ 2,660,283	\$ 159,132
Licenses and permits	2,400	2,400	1,035	(1,365)
Intergovernmental	1,733,364	1,733,364	3,552,224	1,818,860
Charges for services	3,520,244	3,520,244	3,287,404	(232,840)
Investment income	-	-	5,465	5,465
Miscellaneous	555,490	555,490	644,304	88,814
<b>Total Revenues</b>	<b>8,312,649</b>	<b>8,312,649</b>	<b>10,150,715</b>	<b>1,838,066</b>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	8,290,683	8,300,012	9,867,262	(1,567,250)
<b>Debt Service</b>				
Principal retirement	29,000	29,000	28,753	247
Interest	1,500	1,500	626	874
<b>Total Expenditures</b>	<b>8,321,183</b>	<b>8,330,512</b>	<b>9,896,641</b>	<b>(1,566,129)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,534)</b>	<b>(17,863)</b>	<b>254,074</b>	<b>271,937</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	543,106	543,106	14,222	(528,884)
Transfers out	(551,937)	(551,937)	-	551,937
<b>Total Other Financing Sources (Uses)</b>	<b>(8,831)</b>	<b>(8,831)</b>	<b>14,222</b>	<b>23,053</b>
<b>Net Change in Fund Balance</b>	<b>(17,365)</b>	<b>(26,694)</b>	<b>268,296</b>	<b>294,990</b>
<b>Fund Balance - January 1, as restated (Note 2.D.)</b>	<b>2,890,243</b>	<b>2,890,243</b>	<b>2,890,243</b>	<b>-</b>
<b>Increase (decrease) in inventories</b>	<b>-</b>	<b>-</b>	<b>(1,294)</b>	<b>(1,294)</b>
<b>Fund Balance - December 31</b>	<b>\$ 2,872,878</b>	<b>\$ 2,863,549</b>	<b>\$ 3,157,245</b>	<b>\$ 293,696</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MEDICAL EXAMINER  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 2,350,723	\$ 2,350,723	\$ 2,588,595	\$ 237,872
Miscellaneous	5,491	5,491	10,040	4,549
<b>Total Revenues</b>	<b>2,356,214</b>	<b>2,356,214</b>	<b>2,598,635</b>	<b>242,421</b>
<b>Expenditures</b>				
Public safety	3,197,630	3,197,630	3,132,299	65,331
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(841,416)</b>	<b>(841,416)</b>	<b>(533,664)</b>	<b>307,752</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	841,416	841,416	841,416	-
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>307,752</b>	<b>307,752</b>
<b>Fund Balance - January 1</b>	<b>1,201,631</b>	<b>1,201,631</b>	<b>1,201,631</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 1,201,631</b>	<b>\$ 1,201,631</b>	<b>\$ 1,509,383</b>	<b>\$ 307,752</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
COOPERATIVE EXTENSION  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 309,098	\$ 309,098	\$ 306,929	\$ (2,169)
Intergovernmental	37,074	37,074	37,048	(26)
Charges for services	3,500	50,988	50,988	-
Miscellaneous	12,000	13,492	4,163	(9,329)
<b>Total Revenues</b>	<b>361,672</b>	<b>410,652</b>	<b>399,128</b>	<b>(11,524)</b>
<b>Expenditures</b>				
<b>Current</b>				
Conservation of natural resources	421,661	470,641	470,082	559
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(59,989)</b>	<b>(59,989)</b>	<b>(70,954)</b>	<b>(10,965)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	59,800	59,800	59,799	(1)
<b>Net Change in Fund Balance</b>	<b>(189)</b>	<b>(189)</b>	<b>(11,155)</b>	<b>(10,966)</b>
<b>Fund Balance - January 1</b>	<b>249,333</b>	<b>249,333</b>	<b>249,333</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 249,144</b>	<b>\$ 249,144</b>	<b>\$ 238,178</b>	<b>\$ (10,966)</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 14

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
LAW LIBRARY  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 332,000	\$ 332,000	\$ 359,833	\$ 27,833
Miscellaneous	2,000	2,000	3,498	1,498
<b>Total Revenues</b>	<b>334,000</b>	<b>334,000</b>	<b>363,331</b>	<b>29,331</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	334,000	334,000	290,373	43,627
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	72,958	72,958
<b>Net Change in Fund Balance</b>	-	-	72,958	72,958
<b>Fund Balance - January 1</b>	195,777	195,777	195,777	-
<b>Fund Balance - December 31</b>	<b>\$ 195,777</b>	<b>\$ 195,777</b>	<b>\$ 268,735</b>	<b>\$ 72,958</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 15

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
REGIONAL RAILROAD AUTHORITY  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,738,146	\$ 2,738,146	\$ 2,721,761	\$ (16,385)
Intergovernmental	-	-	1,705	1,705
Investment income	-	-	121,549	121,549
<b>Total Revenues</b>	<b>2,738,146</b>	<b>2,738,146</b>	<b>2,845,015</b>	<b>106,869</b>
<b>Expenditures</b>				
<b>Current</b>				
Economic development	886,800	886,800	338,928	547,872
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,851,346</b>	<b>1,851,346</b>	<b>2,506,087</b>	<b>654,741</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(2,077,406)	(2,077,406)	(1,765,089)	312,317
Proceeds from land sales	-	-	1,757,875	1,757,875
<b>Total Other Financing Sources (Uses)</b>	<b>(2,077,406)</b>	<b>(2,077,406)</b>	<b>(7,214)</b>	<b>2,070,192</b>
<b>Net Change in Fund Balance</b>	<b>(226,060)</b>	<b>(226,060)</b>	<b>2,498,873</b>	<b>2,724,933</b>
<b>Fund Balance - January 1</b>	<b>8,610,300</b>	<b>8,610,300</b>	<b>8,610,300</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 8,384,240</b>	<b>\$ 8,384,240</b>	<b>\$ 11,109,173</b>	<b>\$ 2,724,933</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 16

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,551,712	\$ 1,551,712	\$ 1,546,852	\$ (4,860)
Intergovernmental	-	-	1,210	1,210
Charges for services	93,864	93,864	101,553	7,689
Investment income	11,902	11,902	98,409	86,507
Miscellaneous	2,327,129	2,327,129	2,583,184	256,055
<b>Total Revenues</b>	<b>3,984,607</b>	<b>3,984,607</b>	<b>4,331,208</b>	<b>346,601</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Economic development</b>				
County	1,662,023	1,662,023	1,046,218	615,805
Cities	-	-	362,894	(362,894)
Willows Senior Housing	300,877	300,877	304,434	(3,557)
Chauncey-Barett Gardens Senior Housing	399,506	399,506	332,293	67,213
Savannah Oaks Senior Housing	364,741	731,941	359,994	371,947
Oaks of Lake George Senior Housing	406,970	406,970	405,561	1,409
<b>Debt service</b>				
Interest	-	-	12,609	(12,609)
<b>Total Expenditures</b>	<b>3,134,117</b>	<b>3,501,317</b>	<b>2,824,003</b>	<b>677,314</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>850,490</b>	<b>483,290</b>	<b>1,507,205</b>	<b>1,023,915</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,129,999)	(1,129,999)	(983,783)	146,216
<b>Net Change in Fund Balance</b>	<b>(279,509)</b>	<b>(646,709)</b>	<b>523,422</b>	<b>1,170,131</b>
<b>Fund Balance - January 1</b>	<b>8,859,328</b>	<b>8,859,328</b>	<b>8,859,328</b>	<b>-</b>
<b>Fund Balance - December 31</b>	<b>\$ 8,579,819</b>	<b>\$ 8,212,619</b>	<b>\$ 9,382,750</b>	<b>\$ 1,170,131</b>

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**ANOKA COUNTY  
ANOKA, MINNESOTA**

**NONMAJOR PROPRIETARY FUNDS**

**INTERNAL SERVICE FUNDS**

The Internal Service Funds are an accounting device used to accumulate and allocate costs internally among Anoka County's various functions.

Pooled Insurance Fund – to account for the County's insurance and wellness activities.

Central Fleet Fund – to account for the maintenance and fuel for the County's fleet of vehicles and large equipment.



ANOKA COUNTY  
ANOKA, MINNESOTA

Statement 3

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2017

	Pooled Insurance	Central Fleet	Total Internal Service Funds
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and pooled investments	\$ 6,023,078	\$ 12,620	\$ 6,035,698
Accounts receivable	-	956	956
Due from other governments	721	-	721
Inventory	-	404,380	404,380
<b>Total Assets</b>	<b>6,023,799</b>	<b>417,956</b>	<b>6,441,755</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Account payable	41,266	44,309	85,575
Due to other governments	10,067	3,860	13,927
Due to other funds	-	210,000	210,000
Outstanding claims payable	211,393	-	211,393
<b>Total current liabilities</b>	<b>262,726</b>	<b>258,169</b>	<b>520,895</b>
<b>Noncurrent Liabilities:</b>			
Outstanding claims payable	2,549,613	-	2,549,613
<b>Total Liabilities</b>	<b>2,812,339</b>	<b>258,169</b>	<b>3,070,508</b>
<b>Net Position</b>			
Unrestricted	3,211,460	159,787	3,371,247
<b>Total Net Position</b>	<b>\$ 3,211,460</b>	<b>\$ 159,787</b>	<b>\$ 3,371,247</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Statement 4

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Pooled Insurance	Central Fleet	Total Internal Service Funds
<b>Operating Revenues</b>			
Charges for services	\$ 1,831,984	\$ 1,288,359	\$ 3,120,343
Insurance recoveries	1,141,376	-	1,141,376
Miscellaneous	637,528	-	637,528
<b>Total Operating Revenues</b>	<b>3,610,888</b>	<b>1,288,359</b>	<b>4,899,247</b>
<b>Operating Expenses</b>			
Personal services	380,000	442,958	822,958
Other services and charges	349,389	600,929	950,318
Supplies	-	698,274	698,274
Insurance	995,573	7,884	1,003,457
<b>Total Operating Expenses</b>	<b>1,724,962</b>	<b>1,750,045</b>	<b>3,475,007</b>
<b>Operating Income (Loss)</b>	<b>1,885,926</b>	<b>(461,686)</b>	<b>1,424,240</b>
<b>Transfers</b>			
Transfers in	-	621,473	621,473
<b>Increase (Decrease) in Net Position</b>	<b>1,885,926</b>	<b>159,787</b>	<b>2,045,713</b>
<b>Net position - January 1</b>	<b>1,325,534</b>	<b>-</b>	<b>1,325,534</b>
<b>Net position - December 31</b>	<b>\$ 3,211,460</b>	<b>\$ 159,787</b>	<b>\$ 3,371,247</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Statement 5

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
Increase (Decrease) in Cash and Cash Equivalents**

	Pooled Insurance	Central Fleet	Total Internal Service Funds
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers	\$ 3,615,016	\$ 1,287,403	\$ 4,902,419
Receipts from other funds for services used	-	210,000	210,000
Payments to suppliers	(1,766,296)	(2,106,256)	(3,872,552)
<b>Net cash provided (used) by operating activities</b>	<b>1,848,720</b>	<b>(608,853)</b>	<b>1,239,867</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfer from other funds	-	621,473	621,473
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,848,720</b>	<b>12,620</b>	<b>1,861,340</b>
<b>Cash and cash equivalents, January 1</b>	<b>4,174,358</b>	-	<b>4,174,358</b>
<b>Cash and cash equivalents, December 31</b>	<b>\$ 6,023,078</b>	<b>\$ 12,620</b>	<b>\$ 6,035,698</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Net operating income (loss)	\$ 1,885,926	\$ (461,686)	\$ 1,424,240
<b>Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:</b>			
(Increase) decrease in Accounts receivable	4,849	(956)	3,893
Increase (decrease) in Due from other governments	(721)	-	(721)
Increase (decrease) in Inventories	-	(404,380)	(404,380)
Increase (decrease) in Accounts payable	(47,125)	44,309	(2,816)
Increase (decrease) in Due to other funds	-	210,000	210,000
Increase (decrease) in Due to other governments	4,402	3,860	8,262
Increase (decrease) in Outstanding claims payable	1,389	-	1,389
<b>Total adjustments</b>	<b>(37,206)</b>	<b>(147,167)</b>	<b>(184,373)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,848,720</b>	<b>\$ (608,853)</b>	<b>\$ 1,239,867</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Statement 6

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b><u>Assets</u></b>				
Cash and pooled investments	\$ 9,585,679	\$ 367,908,441	\$ 365,088,824	\$ 12,405,296
Accounts receivable	5	585,880	585,885	-
Due from other governments	106,468	2,876,577	2,857,902	125,143
<b>Total Assets</b>	<b><u>9,692,152</u></b>	<b><u>371,370,898</u></b>	<b><u>368,532,611</u></b>	<b><u>12,530,439</u></b>
<b><u>Liabilities</u></b>				
Accounts payable	1,163,855	13,119,142	13,152,069	1,130,928
Contracts payable	30,568	8,204	30,568	8,204
Due to other governments	8,497,729	358,243,552	355,349,974	11,391,307
<b>Total Liabilities</b>	<b><u>\$ 9,692,152</u></b>	<b><u>\$ 371,370,898</u></b>	<b><u>\$ 368,532,611</u></b>	<b><u>\$ 12,530,439</u></b>

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**OTHER SUPPLEMENTARY INFORMATION**

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 17**

**SCHEDULE OF DEPOSITS AND INVESTMENTS  
DECEMBER 31, 2017**

	Interest Rate	Maturity Date	Fair Value
<b>Pooled Deposits and Investments</b>			
<b>Checking Accounts</b>			
<b>Non-Interest Bearing</b>			
Wells Fargo Bank			\$ 1,197,388
US Bank			327,982
Village Bank			72,172
21st Century Bank			31,328
US Bank			29,878
Bank of the West			50,552
<b>Total Checking Accounts</b>			<b>1,709,300</b>
<b>Savings Accounts</b>			
Village Bank	0.01%		30,140
21st Century Bank	0.02%		24,610
US Bank	Variable		17,365
Bank of the West	0.03%		18,273
Wells Fargo Bank - escrow	Variable		4,099,663
<b>Total Savings Accounts</b>			<b>4,190,051</b>
<b>Money Market Accounts with Brokers</b>			
US Bank Institutional Custody	Varies		163,622
WF Balances Swept at 12/31/2017	Varies		3,188,350
<b>Total Money Market Accounts with Brokers</b>			<b>3,351,972</b>
<b>Commercial Paper</b>			
US Bank Cash Portal	Varies		22,042,470
USB Balances Swept at 12/31/2017	Varies		2,395,116
<b>Total Commercial Paper</b>			<b>24,437,586</b>
<b>MAGIC Funds</b>			
PFM Asset Management, LLC	Varies		28,272,529
Magic Term Investments	Varies		30,000,000
Magic CD Investments	Varies		2,946,000
<b>Total MAGIC Funds</b>			<b>61,218,529</b>
<b>Government Securities</b>			
US Bank - County Treasury	Varies	Various	87,583,283
US Bank - RBCGAMUS	Varies	Various	36,402,644
US Bank - Institutional Trust Escrow	Varies	Various	20,669,468
Wells Fargo Bank Trust Escrow	Varies	Various	421,930
<b>Total Government Securities</b>			<b>145,077,325</b>
<b>Trust Accounts</b>			
PERA OPEB Trust Accounts	Varies		66,385,052
<b>Total Pooled Deposits and Investments</b>			<b>\$ 306,369,815</b>

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**COMBINED SCHEDULE OF INTERGOVERNMENTAL REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Schedule 18

	<u>General Fund</u>	<u>Special Revenue Funds Schedule 19</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total All Funds</u>
<b><u>Appropriations and Shared Revenue</u></b>					
<b>State</b>					
Highway users tax	\$ -	\$ 29,910,879	\$ -	\$ -	\$ 29,910,879
Market value credit - agriculture	26,471	25,999	6,677	-	59,147
County program aid	7,078,747	6,172,992	-	3,210,713	16,462,452
Aquatic species aid	-	132,316	-	-	132,316
Temporary maintenance of effort aid	73,259	-	-	-	73,259
Disparity reduction credit aid	126	-	-	-	126
Police state aid	1,073,454	-	-	-	1,073,454
Enhanced 911 aid	494,481	-	-	-	494,481
Local performance aid	25,000	-	-	-	25,000
Local recycling development program	266,904	-	-	-	266,904
SCORE	1,018,579	-	-	-	1,018,579
PERA aid	406,581	-	-	-	406,581
Payments in lieu of tax	68,485	-	-	-	68,485
Riparian protection aid	-	40,000	-	-	40,000
<b>Total Appropriations and Shared Revenue</b>	<b>10,532,087</b>	<b>36,282,186</b>	<b>6,677</b>	<b>3,210,713</b>	<b>50,031,663</b>
<b><u>Reimbursement for Services</u></b>					
<b>State</b>					
Human Services	<b>270,471</b>	<b>5,301,229</b>	-	-	<b>5,571,700</b>
<b><u>Grants</u></b>					
<b>State</b>					
Agriculture	8,765	-	-	-	8,765
Commerce	22,011	-	-	-	22,011
Health	-	1,648,784	-	-	1,648,784
Public Safety	283,021	-	-	-	283,021
Employment and Economic Development	-	962,355	-	-	962,355
Natural Resources	34,572	78,115	-	-	112,687
Human Services	-	15,202,877	-	-	15,202,877
Housing Finance	-	436,412	-	-	436,412
Corrections	5,202,556	-	-	-	5,202,556
Education	3,909	-	-	-	3,909
Pollution Control Agency	-	-	-	167,595	167,595
Veterans Affairs	29,962	-	-	-	29,962
Peace Officer Board	42,602	-	-	-	42,602
<b>Total State</b>	<b>5,627,398</b>	<b>18,328,543</b>	-	<b>167,595</b>	<b>24,123,536</b>
<b><u>Federal Department / Agency</u></b>					
Agriculture	543,777	3,178,504	-	-	3,722,281
Housing and Urban Development	-	1,953,012	-	-	1,953,012
Justice	381,217	-	-	-	381,217
Labor	-	1,634,274	-	-	1,634,274
Transportation	458,922	9,946,450	-	-	10,405,372
Education	-	119,109	-	-	119,109
Health and Human Services	1,233,911	22,165,833	-	-	23,399,744
Corporation for National and Community Service	-	44,798	-	-	44,798
Executive Office of the President	32,282	-	-	-	32,282
Social Security Administration	-	69	-	-	69
Homeland Security	396,561	499	-	-	397,060
<b>Total Federal</b>	<b>3,046,670</b>	<b>39,042,548</b>	-	-	<b>42,089,218</b>
<b><u>Local</u></b>					
Other	-	200,000	-	15,485,000	15,685,000
Cities / Counties	51,250	5,358,076	-	-	5,409,326
Metropolitan Council	1,868,191	2,841,509	-	-	4,709,700
Metropolitan Library Service Agency (MELSA)	-	134,363	-	-	134,363
<b>Total Local</b>	<b>1,919,441</b>	<b>8,533,948</b>	-	<b>15,485,000</b>	<b>25,938,389</b>
<b>Total Grants</b>	<b>10,593,509</b>	<b>65,905,039</b>	-	<b>15,652,595</b>	<b>92,151,143</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 21,396,067</b>	<b>\$ 107,488,454</b>	<b>\$ 6,677</b>	<b>\$ 18,863,308</b>	<b>\$ 147,754,506</b>



ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 19

COMBINING SCHEDULE OF INTERGOVERNMENTAL REVENUE  
SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Major Governmental Funds		Nonmajor Governmental Funds							Total
	Road and Bridge	Human Services	Job Training Center	County Library	Parks and Recreation	Cooperative Extension	Community Development	Regional Railroad Authority	Housing and Redevelopment Authority	
<b>Appropriations and Shared Revenue</b>										
<b>State</b>										
Highway users tax	\$ 29,910,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,910,879
Market value credit - agriculture	4,267	14,564	-	2,998	1,117	138	-	1,705	1,210	25,999
County program aid	1,141,027	3,894,587	-	801,800	298,668	36,910	-	-	-	6,172,992
Aquatic species aid	-	-	-	-	132,316	-	-	-	-	132,316
Riparian protection aid	40,000	-	-	-	-	-	-	-	-	40,000
<b>Total Appropriations and Shared Revenue</b>	<b>31,096,173</b>	<b>3,909,151</b>	<b>-</b>	<b>804,798</b>	<b>432,101</b>	<b>37,048</b>	<b>-</b>	<b>1,705</b>	<b>1,210</b>	<b>36,282,186</b>
<b>Reimbursement for Services</b>										
<b>State</b>										
Human Services	-	5,301,229	-	-	-	-	-	-	-	5,301,229
<b>Grants</b>										
<b>State</b>										
Health	-	1,648,784	-	-	-	-	-	-	-	1,648,784
Employment and Economic Development	-	-	962,355	-	-	-	-	-	-	962,355
Natural Resources	-	-	-	-	78,115	-	-	-	-	78,115
Human Services	-	15,202,877	-	-	-	-	-	-	-	15,202,877
Housing Finance	-	406,437	-	-	-	-	29,975	-	-	436,412
<b>Total State</b>	<b>-</b>	<b>17,258,098</b>	<b>962,355</b>	<b>-</b>	<b>78,115</b>	<b>-</b>	<b>29,975</b>	<b>-</b>	<b>-</b>	<b>18,328,543</b>
<b>Federal Department / Agency</b>										
Agriculture	-	3,178,504	-	-	-	-	-	-	-	3,178,504
Housing and Urban Development	-	-	-	-	-	-	1,953,012	-	-	1,953,012
Labor	-	-	1,634,274	-	-	-	-	-	-	1,634,274
Transportation	9,946,450	-	-	-	-	-	-	-	-	9,946,450
Education	-	-	119,109	-	-	-	-	-	-	119,109
Health and Human Services	-	22,145,618	20,215	-	-	-	-	-	-	22,165,833
Corporation for National and Community Service	-	44,798	-	-	-	-	-	-	-	44,798
Social Security Administration	-	69	-	-	-	-	-	-	-	69
Homeland Security	-	-	-	-	499	-	-	-	-	499
<b>Total Federal</b>	<b>9,946,450</b>	<b>25,368,989</b>	<b>1,773,598</b>	<b>-</b>	<b>499</b>	<b>-</b>	<b>1,953,012</b>	<b>-</b>	<b>-</b>	<b>39,042,548</b>
<b>Local</b>										
Other	-	-	-	-	200,000	-	-	-	-	200,000
Cities / Counties	5,358,076	-	-	-	-	-	-	-	-	5,358,076
Metropolitan Council	-	-	-	-	2,841,509	-	-	-	-	2,841,509
Metropolitan Library Service Agency (MELSA)	-	-	-	134,363	-	-	-	-	-	134,363
<b>Total Local</b>	<b>5,358,076</b>	<b>-</b>	<b>-</b>	<b>134,363</b>	<b>3,041,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,533,948</b>
<b>Total Grants</b>	<b>15,304,526</b>	<b>42,627,087</b>	<b>2,735,953</b>	<b>134,363</b>	<b>3,120,123</b>	<b>-</b>	<b>1,982,987</b>	<b>-</b>	<b>-</b>	<b>65,905,039</b>
<b>Total Intergovernmental Revenue</b>	<b>\$ 46,400,699</b>	<b>\$ 51,837,467</b>	<b>\$ 2,735,953</b>	<b>\$ 939,161</b>	<b>\$ 3,552,224</b>	<b>\$ 37,048</b>	<b>\$ 1,982,987</b>	<b>\$ 1,705</b>	<b>\$ 1,210</b>	<b>\$ 107,488,454</b>

**ANOKA COUNTY  
ANOKA, MINNESOTA**

Schedule 20

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor Pass Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed through Minnesota Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	Not provided	\$ 68,140	\$ -
National School Lunch Program	10.555	Not provided	102,418	-
Passed through Minnesota Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	16162MN004W1003	1,027,931	-
Passed through Minnesota Department of Human Services:				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	172MN101S2514	2,407,389	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	172MN127Q7503	102,745	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$2,521,624)	10.561	172MN101S2520	11,490	-
Passed through Minnesota Department of Agriculture:				
WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0417F172615	2,168	-
<b>Total U.S. Department of Agriculture</b>			<b>3,722,281</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct:				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants / Entitlement Grants	14.218		1,647,610	1,514,527
Passed through Dakota County Community Development Agency:				
Home Investment Partnerships Program	14.239	Not provided	305,402	241,939
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,953,012</b>	<b>1,756,466</b>
<b>U.S. Department of Justice</b>				
Direct:				
Drug Court Discretionary Grant Program	16.585		68,926	-
(Total Drug Court Discretionary Grant Program 16.585 \$115,570)				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		113,574	-
Bulletproof Vest Partnership Program	16.607		80	-
DNA Backlog Reduction Program	16.741		62,912	-
Equitable Sharing Program	16.922		3,007	-
Passed through Minnesota Department of Public Safety:				
Crime Victim Assistance	16.575	A-CVSP-2017-ANOKAAO-00018	75,833	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	A-NFSIA-2017-ANOKASO-00003	10,241	-
Passed through Minnesota Trial Court:				
Drug Court Discretionary Grant Program	16.585	Not Provided	46,644	-
(Total Drug Court Discretionary Grant Program 16.585 \$115,570)				
<b>Total U.S. Department of Justice</b>			<b>381,217</b>	<b>-</b>
<b>U.S. Department of Labor</b>				
Passed through Minnesota Department of Employment and Economic Development:				
Employment Service Cluster				
Employment Service / Wagner-Peyser Funded Activities	17.207	4127100	124,303	-
Senior Community Service Employment Program	17.235	8125100	58,652	-
Senior Community Service Employment Program	17.235	7125100	86,885	-
(Total Senior Community Service Employment Program 17.235 \$327,204)				
Workforce Investment Act (WIA) National Dislocated Worker Grants / WIA National Emergency Grant	17.277	5127200	259,472	-
WIA Cluster				
WIA Adult Program	17.258	4123101	478	-
WIA Adult Program	17.258	5123100	28,857	-
WIA Adult Program	17.258	6123100	194,656	-
WIA Adult Program	17.258	7123100	28,429	-
(Total WIA Adult Program 17.258 \$252,420)				
WIA Youth Activities	17.259	5123600	42,853	-
WIA Youth Activities	17.259	6123600	173,806	-
WIA Youth Activities	17.259	7123600	85,720	-
(Total WIA Youth Activities 17.259 \$302,379)				
WIA Dislocated Worker Formula Grants	17.278	4128001	2,407	-
WIA Dislocated Worker Formula Grants	17.278	5128000	21,971	-
WIA Dislocated Worker Formula Grants	17.278	6128000	278,371	-
WIA Dislocated Worker Formula Grants	17.278	7128000	65,747	-
(Total WIA Dislocated Worker Formula Grants 17.278 \$368,496)				
Passed through Senior Service America Inc.:				
Senior Community Service Employment Program	17.235	320	181,667	-
(Total Senior Community Service Employment Program 17.235 \$327,204)				
<b>Total U.S. Department of Labor</b>			<b>1,634,274</b>	<b>-</b>
<b>U.S. Department of Transportation</b>				
Passed through Minnesota Department of Transportation:				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	00002	10,571,223	-
Passed through Metropolitan Council:				
Federal Transit Cluster				
Federal Transit Formula Grants	20.507	SG-2016-021	558,708	-
Passed through Minnesota Department of Public Safety:				
Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFRC17-2017-ANOKASO-103	26,669	23,010
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC17-2017-ANOKASO-103	186,881	112,811
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$242,270)	20.608	A-ENFRC18-2018-ANOKASO-053	55,389	29,492
Highway Safety Cluster				
National Priority Safety Programs	20.616	A-ENFRC17-2017-ANOKASO-103	47,576	20,513
National Priority Safety Programs (Total National Priority Safety Programs 20.616 \$56,539)	20.616	A-ENFRC18-2018-ANOKASO-053	8,963	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 11,455,409</b>	<b>\$ 185,826</b>

(Continued)

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 20  
(Continued)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor Pass Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Grant Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Education</b>				
Passed through Minnesota Department of Employment and Economic Development: Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Not Provided	\$ 119,109	\$ -
<b>U.S. Department of Health and Human Services</b>				
Passed through Metropolitan Area Agency on Aging: National Family Caregiver Support, Title III, Part E	93.052	311-17-003E-221	94,240	-
Alzheimer's Disease Initiative: Specialized Supportive Services Project (ADI-SSS) thru Prevention and Public Health Funds (PPHF)	93.763	Not Provided	12,222	-
Passed through Minnesota Department of Health:				
Public Health Emergency Preparedness	93.069	NU90TP921911-01-00	250,337	-
Universal Newborn Hearing Screening	93.251	12-700-00054	1,650	-
Immunization Cooperative Agreements	93.268	H231P000737	2,150	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	12-700-00054	2,025	-
Maternal, Infant, and Early Childhood Home Visiting Cluster				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	12-700-00054	77,477	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds	93.539	Not Provided	13,600	-
TANF Cluster				
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$4,082,123)	93.558	2017G996115	315,522	-
Maternal, Infant, and Early Childhood Home Visiting Cluster				
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	12-700-00054	358,089	-
Maternal and Child Health Services Block Grant to the States	93.994	12-700-00054	267,326	-
Passed through Minnesota Department of Human Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	SM016024-17	43,490	-
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	Not provided	16,590	-
Promoting Safe and Stable Families	93.556	G-1701MNFPPSS	168,529	-
TANF Cluster				
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$4,082,123)	93.558	1701MNTANF	3,746,386	-
Child Support Enforcement	93.563	1704MNCEST	5,624,584	-
CCDF Cluster				
Child Care and Development Block Grant	93.575	1701MNCDF	324,526	-
Child Care and Development Block Grant (Total Child Care and Development Block Grant 93.575 \$351,407)	93.575	1801MNCDF	26,881	-
Community-Based Child Abuse Prevention Grants	93.590	G-1702MNFRRPG	128,460	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1701MNCWSS	62,111	-
Foster Care - Title IV-E	93.658	1701MNFPOST	1,189,067	-
Social Services Block Grant	93.667	17-01MNSOSR	1,406,016	-
Chafee Foster Care Independence Program	93.674	G-1701MNCILP	25,634	-
Children's Health Insurance Program	93.767	1705MN5021	580	-
Medicaid Cluster				
Medical Assistance Program	93.778	1705MNADM	9,141,387	-
Medical Assistance Program (Total Medical Assistance Program 93.778 \$9,220,277)	93.778	1705MNSMAP	78,890	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	T1010027-16	1,760	-
Passed through Minnesota Department of Employment and Economic Development:				
TANF Cluster				
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$4,082,123)	93.558	2017G996115	20,215	-
<b>Total U.S. Department of Health and Human Services</b>			<b>23,399,744</b>	<b>-</b>
<b>Corporation for National and Community Service</b>				
Direct:				
Retired and Senior Volunteer Program	94.002		44,798	-
<b>Executive Office of the President</b>				
Direct:				
High Intensity Drug Trafficking Areas Program	95.001		32,282	-
<b>U.S. Social Security Administration</b>				
Passed through Minnesota Department of Employment and Economic Development:				
Disability Insurance / SSI Cluster				
Social Security Disability Insurance	96.001	Not Provided	69	-
<b>U.S. Department of Homeland Security</b>				
Passed through Minnesota Department of Natural Resources:				
Boating Safety Financial Assistance	97.012	R29G4CGSFY16	8,224	-
Passed through Minnesota Department of Public Safety:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Not Provided	499	-
Emergency Management Performance Grants	97.042	A-EMPG-2017-ANOKACO-00002	126,502	-
Homeland Security Grant Program	97.067	A-UASI-2016-ANOKACO-00001	76,504	-
Homeland Security Grant Program (Total Homeland Security Grant Program 97.067 \$261,835)	97.067	A-UASI-2015-ANOKACO-00001	185,331	-
<b>Total U.S. Department of Homeland Security</b>			<b>397,060</b>	<b>-</b>
<b>Total Federal Awards</b>			<b>\$ 43,139,255</b>	<b>\$ 1,942,292</b>
<b>Totals by Cluster</b>				
Total expenditures for Child Nutrition Cluster			\$ 170,558	
Total expenditures for SNAP Cluster			2,521,624	
Total expenditures for CDBG - Entitlement Grants Cluster			1,647,610	
Total expenditures for Employment Service Cluster			124,303	
Total expenditures for WIA Cluster			923,295	
Total expenditures for Highway Planning and Construction Cluster			10,571,223	
Total expenditures for Federal Transit Cluster			558,708	
Total expenditures for Highway Safety Cluster			83,208	
Total expenditures for Maternal, Infant and Early Childhood Home Visiting Cluster			435,566	
Total expenditures for TANF Cluster			4,082,123	
Total expenditures for CCDF Cluster			351,407	
Total expenditures for Medicaid Cluster			9,220,277	
Total expenditures for Disability Insurance / SSI Cluster			69	

The notes to the Schedule of Expenditures 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, 2017**

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 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, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Anoka County has not elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 42,089,218
Grants received more than 120 days after year-end, unavailable in 2017	
Highway Planning and Construction	1,033,809
Federal Transit Formula Grants	<u>16,228</u>
 Expenditures per Schedule of Expenditures of Federal Awards	 <u>\$ 43,139,255</u>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 21

SCHEDULE OF CAPITAL ASSETS  
USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
BY FUNCTION  
DECEMBER 31, 2017

Function	Total	Land	Buildings and Structures	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Software	Construction in Progress
General government	\$ 136,795,298	\$ 3,861,850	\$ 109,375,346	\$ 1,814,791	\$ 12,578,835	\$ -	\$ 7,298,231	\$ 1,866,245
Public safety	87,677,664	784,914	64,143,766	509,088	22,139,119	-	-	100,777
Highways and streets	773,906,880	180,224,684	19,070,280	792,829	15,357,098	498,444,965	-	60,017,024
Human services	1,383,526	-	85,406	-	638,688	-	599,889	59,543
Sanitation	1,320,691	751,282	514,000	-	55,409	-	-	-
Culture and recreation	103,356,851	29,868,235	31,822,646	29,455,534	9,930,973	-	-	2,279,463
Economic development	19,051,581	2,942,188	16,103,914	-	5,479	-	-	-
<b>Total capital assets allocated to functions</b>	<b>\$ 1,123,492,491</b>	<b>\$ 218,433,153</b>	<b>\$ 241,115,358</b>	<b>\$ 32,572,242</b>	<b>\$ 60,705,601</b>	<b>\$ 498,444,965</b>	<b>\$ 7,898,120</b>	<b>\$ 64,323,052</b>

ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 22

SCHEDULE OF CHANGES IN CAPITAL ASSETS  
USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
BY FUNCTION  
DECEMBER 31, 2017

Function	Capital Assets Jan. 1, as restated (Note 2.D.)	Additions	Deductions	Capital Assets Dec. 31, 2017
General government	\$ 129,432,117	\$ 19,034,564	\$ 11,671,383	\$ 136,795,298
Public safety	88,442,444	2,473,692	3,238,472	87,677,664
Highways and streets	740,465,674	69,015,178	35,573,972	773,906,880
Human services	5,035,993	228,371	3,880,838	1,383,526
Sanitation	972,528	348,163	-	1,320,691
Culture and recreation	100,928,972	5,459,990	3,032,111	103,356,851
Economic development	21,665,322	-	2,613,741	19,051,581
<b>Total capital assets</b>	<b>\$ 1,086,943,050</b>	<b>\$ 96,559,958</b>	<b>\$ 60,010,517</b>	<b>\$ 1,123,492,491</b>

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 23**

**SCHEDULE OF FUND TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Funds</b>	<b>Transfer In</b>	<b>Transfer Out</b>	<b>Description</b>
<b><u>General Fund</u></b>			
Road and Bridge	\$ -	\$ 12,400	Incinerator (mounted fuel tank)
Capital Projects	48,433	-	Vehicle purchase
Cooperative Extension	-	59,799	2016 AG Preserve credit
Medical Examiners	-	841,416	Allocation for contract services
Debt Service	-	1,752,165	Lease revenue debt payments
Debt Service	-	167,000	East Central Juvenile Center bonds
Capital Projects	-	880,177	Future capital projects
Capital Projects	-	1,459,527	Future capital projects
Capital Projects	-	1,238,440	Recorder's technology and compliance fees
Central Fleet	-	217,093	Base support for Internal Services Fund
<b>Total General Fund</b>	<b>48,433</b>	<b>6,628,017</b>	
<b><u>Special Revenue Funds</u></b>			
Road and Bridge			
General Fund	12,400	-	Incinerator (mounted fuel tank)
Capital Projects	4,361,656	-	TH 97 interchange
Central Fleet	-	404,380	Transfer inventory
<b>Total Road and Bridge</b>	<b>4,374,056</b>	<b>404,380</b>	
Human Services			
Capital Projects	-	3,000,000	CIP projects
County Library			
Capital Projects	-	750,000	Future capital projects
Parks and Recreation			
General Fund	14,222	-	Unified communications project
Cooperative Extension			
General Fund	59,799	-	2016 AG Preserve credit
Regional Railroad Authority			
Debt Service	-	1,765,089	Regional Railroad bonds
Housing and Redevelopment Authority			
Debt Service	-	229,715	Debt service allocation from operations
Debt Service	-	200,163	Debt service allocation from operations
Debt Service	-	242,719	Debt service allocation from operations
Debt Service	-	311,186	Debt service allocation from operations
<b>Total Housing and Redevelopment Authority</b>	<b>-</b>	<b>983,783</b>	
Medical Examiner			
General Fund	841,416	-	Allocation for contract services
<b>Total Special Revenue Funds</b>	<b>\$ 5,289,493</b>	<b>\$ 6,903,252</b>	

*(Continued)*

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Schedule 23**  
**(Continued)**

**SCHEDULE OF FUND TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Description</u>
<b><u>Debt Service Fund</u></b>			
General Fund	\$ 1,735,582	\$ -	Lease revenue debt payments
General Fund	167,000	-	East Central Juvenile Center bonds
General Fund	16,583	-	Lease revenue debt payments
Regional Railroad Authority	1,765,089	-	Regional Railroad bonds
Housing and Redevelopment Authority	229,715	-	Debt service allocation from operations
Housing and Redevelopment Authority	200,163	-	Debt service allocation from operations
Housing and Redevelopment Authority	242,719	-	Debt service allocation from operations
Housing and Redevelopment Authority	311,186	-	Debt service allocation from operations
<b>Total Debt Service Fund</b>	<b><u>4,668,037</u></b>	<b><u>-</u></b>	
<b><u>Capital Projects Fund</u></b>			
General Fund	880,177	-	Future capital projects
General Fund	1,238,440	-	Recorder's technology and compliance fees
General Fund	1,459,527	-	Future capital projects
General Fund	-	48,433	Vehicle purchase
Road and Bridge	-	4,361,656	TH 97 interchange
Human Services	3,000,000	-	CIP projects
County Library	750,000	-	Future capital projects
Parks and Recreation	-	14,222	Unified communications project
<b>Total Capital Projects Fund</b>	<b><u>7,328,144</u></b>	<b><u>4,424,311</u></b>	
<b><u>Central Fleet Internal Service Fund</u></b>			
General Fund	217,093	-	Base support for Internal Service Fund
Road and Bridge	404,380	-	Transfer inventory
<b>Total Central Fleet Internal Service Fund</b>	<b><u>621,473</u></b>	<b><u>-</u></b>	
<b>Total All Funds</b>	<b><u>\$ 17,955,580</u></b>	<b><u>\$ 17,955,580</u></b>	



ANOKA COUNTY  
ANOKA, MINNESOTA

Schedule 24

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
HOUSING AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND PROJECTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Economic Development	Willows Senior Housing	Chauncey- Barett Gardens Senior Housing	Savannah Oaks Senior Housing	Oaks of Lake George Senior Housing	Total
<b>Revenues</b>						
Taxes	\$ 1,546,852	\$ -	\$ -	\$ -	\$ -	\$ 1,546,852
Intergovernmental	1,210	-	-	-	-	1,210
Charges for services	15,000	20,422	19,925	23,166	23,040	101,553
Investment income	96,369	742	61	993	244	98,409
Miscellaneous	269,260	499,605	543,110	569,593	701,616	2,583,184
<b>Total Revenues</b>	<b>1,928,691</b>	<b>520,769</b>	<b>563,096</b>	<b>593,752</b>	<b>724,900</b>	<b>4,331,208</b>
<b>Expenditures</b>						
Salaries	172,636	56,349	59,304	58,226	46,916	393,431
Other services and charges	1,236,476	248,085	358,645	301,768	285,598	2,430,572
<b>Total Expenditures</b>	<b>1,409,112</b>	<b>304,434</b>	<b>417,949</b>	<b>359,994</b>	<b>332,514</b>	<b>2,824,003</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>519,579</b>	<b>216,335</b>	<b>145,147</b>	<b>233,758</b>	<b>392,386</b>	<b>1,507,205</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in *	-	334,120	383,787	401,098	371,249	1,490,254
Transfers out	-	(563,835)	(540,780)	(643,816)	(725,606)	(2,474,037)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(229,715)</b>	<b>(156,993)</b>	<b>(242,718)</b>	<b>(354,357)</b>	<b>(983,783)</b>
<b>Net Change in Fund Balances</b>	<b>519,579</b>	<b>(13,380)</b>	<b>(11,846)</b>	<b>(8,960)</b>	<b>38,029</b>	<b>523,422</b>
<b>Fund Balances - January 1</b>	<b>8,787,297</b>	<b>261,043</b>	<b>(653,696)</b>	<b>368,997</b>	<b>95,687</b>	<b>8,859,328</b>
<b>Fund Balances - December 31</b>	<b>\$ 9,306,876</b>	<b>\$ 247,663</b>	<b>\$ (665,542)</b>	<b>\$ 360,037</b>	<b>\$ 133,716</b>	<b>\$ 9,382,750</b>

\* Transfers between Economic Development and the senior housing projects of \$1,490,254 is eliminated on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances.

## STATISTICAL SECTION

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**STATISTICAL SECTION  
DECEMBER 31, 2017**

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.

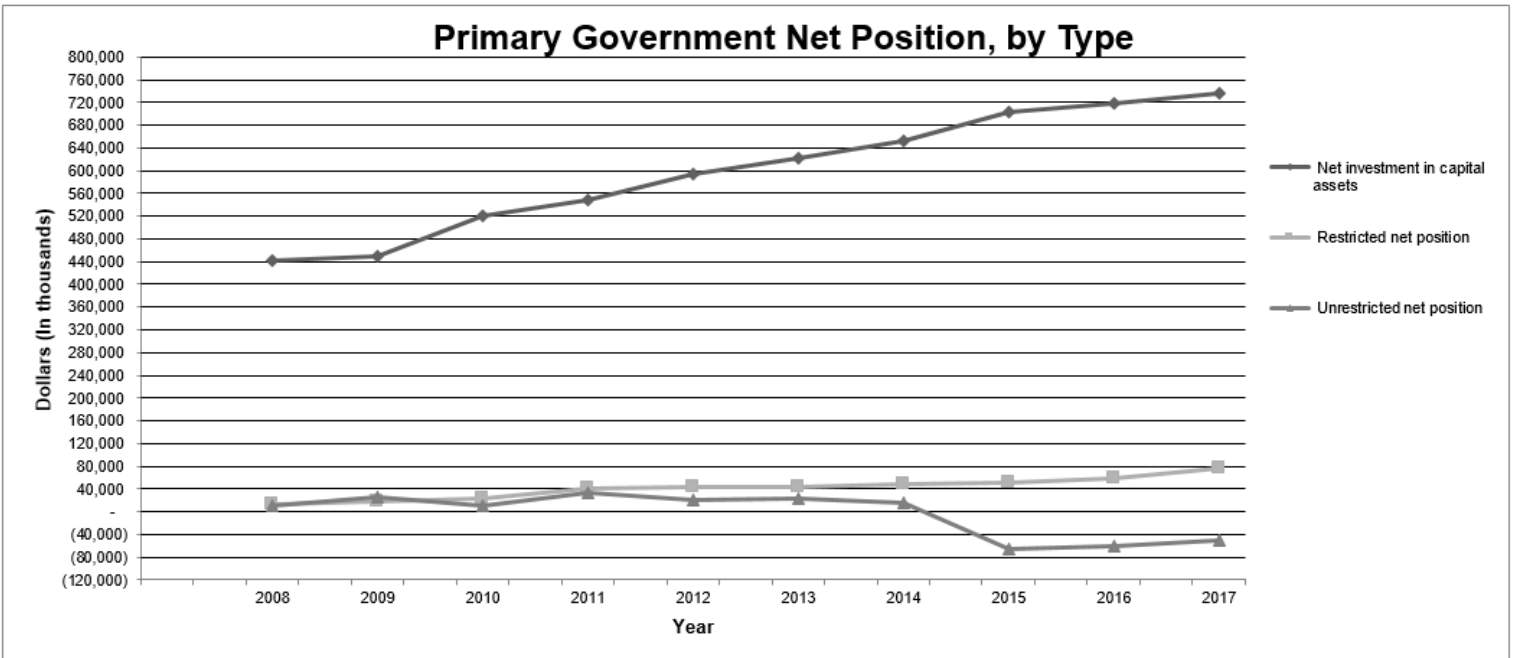
17 to 20

**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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 440,834,527	\$ 449,076,665	\$ 514,773,617	\$ 543,248,118	\$ 588,085,098	\$ 615,176,935	\$ 645,449,746	\$ 696,920,272	\$ 713,874,571	\$ 736,625,223
Restricted for:										
Capital projects	1,703,345	3,289,973	650,968	470,498	328,249	-	-	-	-	661,921
Debt service	2,177,640	3,747,431	3,726,492	23,363,273	24,817,693	25,081,017	16,835,978	17,269,178	18,527,238	42,002,450
General government	-	2,059,116	243,718	5,420,783	5,964,412	6,190,801	6,384,912	6,659,710	10,460,921	6,355,615
Public safety	-	-	-	1,030,895	1,367,378	1,768,392	2,037,362	2,375,202	2,736,926	3,050,088
Highway	8,194,081	8,196,850	17,904,466	3,714,707	3,461,023	2,038,102	4,781,684	3,981,448	4,650,892	-
Human services	-	-	-	-	-	-	-	-	821,935	339,402
Sanitation	-	-	-	5,962,323	6,747,120	7,946,283	16,680,742	18,219,190	20,217,943	21,045,124
Culture and recreation	318,687	335,087	339,900	321,809	332,177	329,068	286,181	291,624	274,332	263,599
Conservation of natural resources	58,613	37,992	41,659	42,201	54,766	72,606	76,355	67,958	41,202	43,563
Economic development	526,006	483,289	590,417	741,672	1,029,513	1,032,798	1,499,968	1,847,047	2,066,215	2,672,320
Unrestricted	9,639,978	24,125,485	10,376,493	31,764,128	19,911,968	21,413,017	15,416,835	(66,971,455)	(60,717,293)	(49,828,232)
Sub-total Governmental Activities	463,452,877	491,351,888	548,647,730	616,080,407	652,099,397	681,048,999	709,449,763	680,660,174	712,954,882	763,231,073
Change from prior year	4.97%	6.02%	11.66%	12.29%	5.85%	4.44%	4.17%	-4.06%	4.74%	7.05%
<b>Business-type Activities:</b>										
Net investment in capital assets	1,364,550	1,302,721	6,287,747	6,105,048	5,877,313	5,644,422	5,782,586	5,531,581	5,359,536	N/A
Unrestricted (deficit)	593,723	577,757	517,224	542,481	724,041	892,468	975,973	1,028,625	1,020,753	N/A
Sub-total Business-type Activities	1,958,273	1,880,478	6,804,971	6,647,529	6,601,354	6,536,890	6,758,559	6,560,206	6,380,289	N/A
Change from prior year	2.82%	-3.97%	261.87%	-2.31%	-0.69%	-0.98%	3.39%	-2.93%	-2.74%	N/A
<b>Primary Government:</b>										
Net investment in capital assets	442,199,077	450,379,386	521,061,364	549,353,166	593,962,411	620,821,357	651,232,332	702,451,853	719,234,107	736,625,223
Restricted for:										
Capital projects	1,703,345	3,289,973	650,968	470,498	328,249	-	-	-	-	661,921
Debt service	2,177,640	3,747,431	3,726,492	23,363,273	24,817,693	25,081,017	16,835,978	17,269,178	18,527,238	42,002,450
General government	-	2,059,116	243,718	5,420,783	5,964,412	6,190,801	6,384,912	6,659,710	10,460,921	6,355,615
Public safety	-	-	-	1,030,895	1,367,378	1,768,392	2,037,362	2,375,202	2,736,926	3,050,088
Highway	8,194,081	8,196,850	17,904,466	3,714,707	3,461,023	2,038,102	4,781,684	3,981,448	4,650,892	-
Human services	-	-	-	-	-	-	-	-	821,935	339,402
Sanitation	-	-	-	5,962,323	6,747,120	7,946,283	16,680,742	18,219,190	20,217,943	21,045,124
Culture and recreation	318,687	335,087	339,900	321,809	332,177	329,068	286,181	291,624	274,332	263,599
Conservation of natural resources	58,613	37,992	41,659	42,201	54,766	72,606	76,355	67,958	41,202	43,563
Economic development	526,006	483,289	590,417	741,672	1,029,513	1,032,798	1,499,968	1,847,047	2,066,215	2,672,320
Unrestricted	10,233,701	24,703,242	10,893,717	32,306,609	20,636,009	22,305,485	16,392,808	(65,942,830)	(59,696,540)	(49,828,232)
Total Primary Government Net Position	\$ 465,411,150	\$ 493,232,366	\$ 555,452,701	\$ 622,727,936	\$ 658,700,751	\$ 687,585,889	\$ 716,208,322	\$ 687,220,380	\$ 719,335,171	\$ 763,231,073
Change from prior year	4.96%	5.98%	12.61%	12.11%	5.78%	4.39%	4.16%	-4.05%	4.67%	6.10%



Unaudited

In 2017, Anoka County moved the activities of the Aquatic Center Enterprise Fund to the Parks and Recreation Special Revenue Fund. As a result, the County no longer reports business-type activities.



**ANOKA COUNTY  
ANOKA, MINNESOTA**

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

**Table 3**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Prior to GASB #54										
Reserved	\$ 165,209	\$ 2,186,610	\$ 358,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	41,423,182	43,435,882	46,789,211	-	-	-	-	-	-	-
After GASB #54										
Nonspendable	-	-	-	106,939	115,221	23,082	88,191	85,170	116,872	159,713
Restricted	-	-	-	12,044,111	13,689,641	15,538,497	11,722,812	8,808,730	10,416,958	11,261,254
Assigned	-	-	-	4,903,766	4,659,222	3,353,129	5,191,846	4,798,259	4,780,975	5,014,968
Unassigned	-	-	-	29,545,493	28,704,982	28,060,067	31,049,397	32,545,482	33,350,993	34,334,834
<b>Total General Fund</b>	<b>41,588,391</b>	<b>45,622,492</b>	<b>47,148,206</b>	<b>46,600,309</b>	<b>47,169,066</b>	<b>46,974,775</b>	<b>48,052,246</b>	<b>46,237,641</b>	<b>48,665,798</b>	<b>50,770,769</b>
General Fund change from prior year	12.79%	9.70%	3.34%	-1.16%	1.22%	-0.41%	2.29%	-3.78%	5.25%	4.33%
Other Governmental Funds										
Prior to GASB #54										
Reserved	14,977,372	18,279,740	25,589,823	-	-	-	-	-	-	-
Unreserved	60,724,334	79,479,906	72,403,556	-	-	-	-	-	-	-
After GASB #54										
Nonspendable	-	-	-	2,761,804	2,725,292	2,914,695	2,220,498	2,382,003	2,659,947	2,581,280
Restricted	-	-	-	32,214,783	44,718,410	63,485,715	65,311,580	80,272,621	85,355,323	67,442,232
Committed	-	-	-	5,407,567	6,722,520	4,165,048	4,348,612	4,221,032	4,291,344	3,832,188
Assigned	-	-	-	86,149,888	86,142,696	75,205,864	65,027,417	66,667,038	76,388,333	97,375,885
Unassigned	-	-	-	-	(11,827,509)	(8,750,562)	(8,574,727)	(10,577,317)	(3,533,373)	(690,185)
<b>Total Other Governmental Funds</b>	<b>75,701,706</b>	<b>97,759,646</b>	<b>97,993,379</b>	<b>126,534,042</b>	<b>128,481,409</b>	<b>137,020,760</b>	<b>128,333,380</b>	<b>142,965,377</b>	<b>165,161,574</b>	<b>170,541,400</b>
Other Governmental Funds change from prior year	-0.58%	29.14%	0.24%	29.13%	1.54%	6.65%	-6.34%	11.40%	15.53%	3.26%
<b>Total Governmental Funds</b>	<b>\$ 117,290,097</b>	<b>\$ 143,382,138</b>	<b>\$ 145,141,585</b>	<b>\$ 173,134,351</b>	<b>\$ 175,650,475</b>	<b>\$ 183,995,535</b>	<b>\$ 176,385,626</b>	<b>\$ 189,203,018</b>	<b>\$ 213,827,372</b>	<b>\$ 221,312,169</b>
Total Governmental Funds change from prior year	3.78%	22.25%	1.23%	19.29%	1.45%	4.75%	-4.14%	7.27%	13.01%	3.50%

Notes:

(1) The Governmental Accounting Standards Board (GASB) Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in 2011. Statement #54 recategorized 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.

Unaudited

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Table 4**

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Taxes	\$ 115,959,327	\$ 120,075,679	\$ 123,897,801	\$ 127,336,139	\$ 125,537,553	\$ 123,415,633	\$ 122,484,908	\$ 124,419,795	\$ 128,863,248	\$ 134,388,106
Licenses and permits	1,152,990	1,148,764	1,126,284	1,164,390	1,285,216	1,418,030	1,312,655	1,430,745	1,494,548	1,472,913
Intergovernmental	109,097,320	122,186,767	138,721,917	136,159,618	117,467,375	117,420,542	116,194,432	144,525,316	134,054,322	147,754,506
Charges for service	37,692,549	36,784,476	36,600,357	34,011,575	32,475,447	30,632,254	32,277,458	34,100,783	34,963,562	36,998,985
Fines and forfeits	833,590	753,134	736,414	729,874	671,706	600,202	600,833	517,584	740,041	648,179
Investment income	5,140,443	1,381,306	3,191,446	2,445,639	1,165,349	471,193	2,779,582	1,647,432	3,357,496	3,956,066
Net change in fair value of investments	2,363,903	460,506	(113,794)	2,206,715	1,755,739	(3,404,462)	2,502,497	(104,002)	(918,435)	(494,036)
Interest earned on securities lending net of related expenses (1)	76,723	5,639	-	-	-	-	-	-	-	-
Miscellaneous	11,961,067	11,514,726	14,137,678	13,925,691	14,179,081	13,984,324	13,551,125	13,151,259	12,992,234	13,836,903
<b>Total revenues</b>	<b>284,277,912</b>	<b>294,310,997</b>	<b>318,298,103</b>	<b>317,979,641</b>	<b>294,537,466</b>	<b>284,537,716</b>	<b>291,703,490</b>	<b>319,688,912</b>	<b>315,547,016</b>	<b>338,561,622</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	35,124,467	55,669,453	39,825,483	40,000,510	40,437,536	40,291,064	39,179,092	39,163,703	41,654,394	48,421,198
Public safety	56,544,658	58,544,342	59,494,694	56,708,799	56,378,077	57,141,812	61,077,451	61,860,154	64,680,722	65,540,912
Highways and streets	32,700,169	37,545,483	46,571,830	58,934,529	63,461,363	49,200,205	45,267,411	74,283,231	50,987,117	59,257,168
Human services	85,504,869	76,262,810	80,738,615	75,773,592	74,302,122	75,879,508	78,977,459	81,064,682	84,176,502	86,061,731
Sanitation	10,816,997	7,391,853	6,720,175	4,717,810	4,509,247	3,786,478	3,685,412	4,378,966	3,811,342	4,810,451
Culture and recreation	14,374,009	15,297,073	22,350,737	15,759,477	15,314,212	17,613,585	14,460,071	15,462,018	16,125,211	17,967,583
Conservation of natural resources	646,070	620,866	599,602	586,757	570,286	589,538	593,527	594,602	608,190	637,074
Economic development	10,962,106	20,383,650	20,273,953	10,962,426	17,733,747	14,881,205	10,581,236	9,993,573	8,368,401	8,804,463
Capital outlay	37,767,206	27,979,598	17,071,301	9,842,751	20,791,424	12,741,144	7,821,422	7,898,666	7,551,507	7,614,290
<b>Debt service</b>										
Principal retirement	27,757,061	14,434,736	21,322,184	21,686,262	19,726,766	16,497,873	29,774,254	43,264,559	15,123,887	49,861,079
Interest	7,913,267	8,552,098	9,333,850	9,199,314	8,519,814	8,744,027	8,315,051	6,925,642	7,163,497	6,298,985
Bond issuance costs	607,404	810,141	203,316	324,185	431,736	332,043	15,000	622,583	100,808	154,378
Administrative charges	30,822	117,600	71,482	143,865	57,083	182,896	42,714	95,415	90,743	57,630
Intergovernmental	217,428	654,846	88,692	98,445	96,325	95,327	32,935	1,400,670	295,465	150,830
<b>Total expenditures</b>	<b>320,966,533</b>	<b>324,264,549</b>	<b>324,665,914</b>	<b>304,738,722</b>	<b>322,329,738</b>	<b>297,976,705</b>	<b>299,823,035</b>	<b>347,008,464</b>	<b>300,737,336</b>	<b>355,637,772</b>
Excess of revenues over (under) expenditures	(36,688,621)	(29,953,552)	(6,367,811)	13,240,919	(27,792,272)	(13,438,989)	(8,119,545)	(27,319,552)	14,809,680	(17,076,150)
<b>Other Financing Sources (Uses)</b>										
Transfers in	15,870,328	10,225,279	15,836,065	29,322,255	18,324,236	12,793,243	17,107,043	16,298,111	14,663,394	17,334,107
Transfers out	(15,640,328)	(9,995,279)	(15,369,865)	(28,843,523)	(18,876,719)	(12,338,243)	(17,031,946)	(15,843,111)	(14,197,144)	(17,955,580)
Bonds issued	35,346,127	51,730,000	7,460,000	8,975,000	13,880,000	-	-	-	8,780,000	-
Refunding bonds issued	3,468,873	4,685,000	1,930,000	8,920,000	15,205,000	20,145,000	-	37,945,000	-	15,890,000
Payment of refunded bonds	-	-	(1,845,000)	(1,430,000)	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(3,000,000)	-	(3,180,000)	-	-	-	-	-	-
Premium on debt	1,248,013	2,147,809	77,133	446,535	1,744,159	1,906,156	-	1,463,205	297,415	2,176,128
Discount on debt	(27,984)	-	-	(32,135)	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	2,053,875
Capital leases	-	-	-	97,148	-	-	-	112,183	-	3,536,846
Insurance proceeds	753,610	-	4,752	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>41,018,639</b>	<b>55,792,809</b>	<b>8,093,085</b>	<b>14,275,280</b>	<b>30,276,676</b>	<b>22,506,156</b>	<b>75,097</b>	<b>39,975,388</b>	<b>9,543,665</b>	<b>23,035,376</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>(201,188)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in inventories</b>	<b>(55,706)</b>	<b>252,784</b>	<b>235,361</b>	<b>476,567</b>	<b>31,720</b>	<b>(722,107)</b>	<b>434,539</b>	<b>161,556</b>	<b>271,009</b>	<b>311,990</b>
<b>Net change in fund balances</b>	<b>\$ 4,274,312</b>	<b>\$ 26,092,041</b>	<b>\$ 1,759,447</b>	<b>\$ 27,992,766</b>	<b>\$ 2,516,124</b>	<b>\$ 8,345,060</b>	<b>\$ (7,609,909)</b>	<b>\$ 12,817,392</b>	<b>\$ 24,624,354</b>	<b>\$ 6,271,216</b>
Debt service as a percentage of noncapital expenditures	13.29%	8.21%	11.63%	12.09%	10.34%	10.10%	14.02%	17.54%	8.52%	22.05%

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						
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	24,110,237	21,845,050	256,725	1.18%	43.948
2013	16,819,959	2,789,991	24,743	3,449,548	412,432	43,948	40,346	271,093	23,852,060	21,583,951	253,041	1.17%	47.215
2014	19,210,085	3,205,637	25,626	3,568,921	423,523	45,203	40,958	268,947	26,788,900	24,689,832	285,532	1.16%	46.165
2015	19,830,926	3,393,127	27,622	3,705,613	427,149	49,318	44,540	283,815	27,762,110	25,685,050	297,330	1.16%	41.865
2016	20,986,937	3,583,880	28,106	4,025,384	431,335	50,404	57,529	300,676	29,464,251	27,414,117	318,646	1.16%	39.611
2017	23,194,053	3,846,501	28,894	4,078,121	444,841	51,666	62,671	323,398	32,030,145	30,098,715	346,498	1.15%	38.066

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**

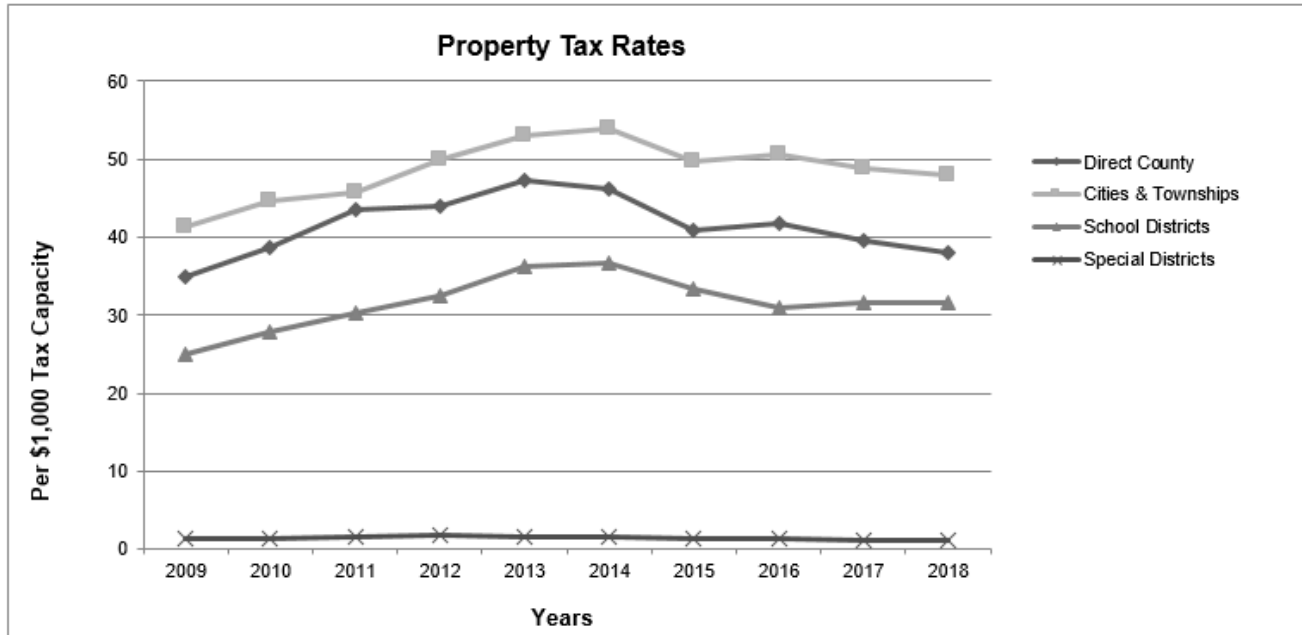
Tax Year	Anoka County						Average rates within each classification		
	General	Bonds	Regional Railroad Authority	Regional Railroad Authority Bonds	Housing and Redevelopment Authority	Total	Cities/Townships	School Districts	Special Districts
2009	27.409	5.036	0.562	0.586	1.376	34.969	41.381	24.950	1.299
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
2014	37.477	6.136	0.209	0.673	1.670	46.165	53.981	36.752	1.592
2015	33.490	4.953	0.354	0.587	1.438	40.822	49.626	33.312	1.437
2016	34.626	4.772	0.331	0.520	1.616	41.865	50.610	31.056	1.418
2017	32.733	4.540	0.309	0.493	1.536	39.611	48.937	31.689	1.172
2018	31.537	4.283	0.309	0.454	1.508	38.091	47.898	31.662	1.140

**Tax Year 2018**

Number of taxing districts	21	9	14
Minimum levy rate	22.549	18.392	0.453
Maximum levy rate	96.001	51.066	2.203

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**

**2017 TAX CAPACITY VALUE - PAYABLE 2018**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Estimated Market Value</u>	<u>2017 Tax Capacity Value</u>	<u>Percentage of Total Tax Capacity Value</u>
Medtronic, Inc.	Manufacturing	1	\$ 114,664,600	\$ 2,290,292	0.66%
Minnegasco, Inc.	Utility	2	109,523,100	2,187,426	0.63%
Connexus Energy	Utility	3	88,401,200	1,763,125	0.51%
Northern States Power Co.	Utility	4	83,945,900	1,676,077	0.48%
Glimcher Realty Trust	Mall	5	61,658,400	1,232,418	0.36%
Burlington Northern	Industrial	6	59,980,600	1,197,806	0.35%
BRE DDR Riverdale Village Outer Ring, LLC	Retail	7	58,324,000	1,165,730	0.34%
BRE DDR Riverdale Village Inner Ring, LLC	Retail	8	47,284,400	943,729	0.27%
Target	Retail	9	46,875,700	933,664	0.27%
Menard Inc	Retail	10	36,926,400	733,792	0.21%
<b>TOTALS</b>			<b>\$ 707,584,300</b>	<b>\$ 14,124,059</b>	<b>4.08%</b>
<b>Total Tax Capacity Value</b>				<b>\$ 346,497,705</b>	

**2008 TAX CAPACITY VALUE - PAYABLE 2009**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Rank</u>	<u>Estimated Market Value</u>	<u>2008 Tax Capacity Value</u>	<u>Percentage of Total Tax Capacity Value</u>
Medtronic Inc	Manufacturing	1	\$ 125,040,000	\$ 2,497,048	0.68%
Connexus Energy	Utility	2	99,863,900	1,989,353	0.54%
Target Corporation	Retail	3	59,809,700	1,192,444	0.32%
Northern States Power Co	Utility	4	55,017,900	1,098,684	0.30%
Glimcher Realty Trust	Mall	5	53,991,800	1,079,086	0.29%
Minnegasco Inc	Utility	6	50,910,800	1,015,229	0.28%
DDR MDT Riverdale Vill Outer Ring LLC	Retail	7	50,506,300	1,009,376	0.27%
Dayton Hudson Corp	Retail	8	50,264,700	1,003,794	0.27%
DDR MDT Riverdale Vill Inner Ring LLC	Retail	9	44,235,000	882,607	0.24%
Menard Inc	Retail	10	40,113,800	799,723	0.22%
<b>TOTALS</b>			<b>\$ 629,753,900</b>	<b>\$ 12,567,344</b>	<b>3.42%</b>
<b>Total Tax Capacity Value</b>				<b>\$ 367,066,365</b>	

Source: Anoka County Property Tax Division

Unaudited

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Table 8**

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

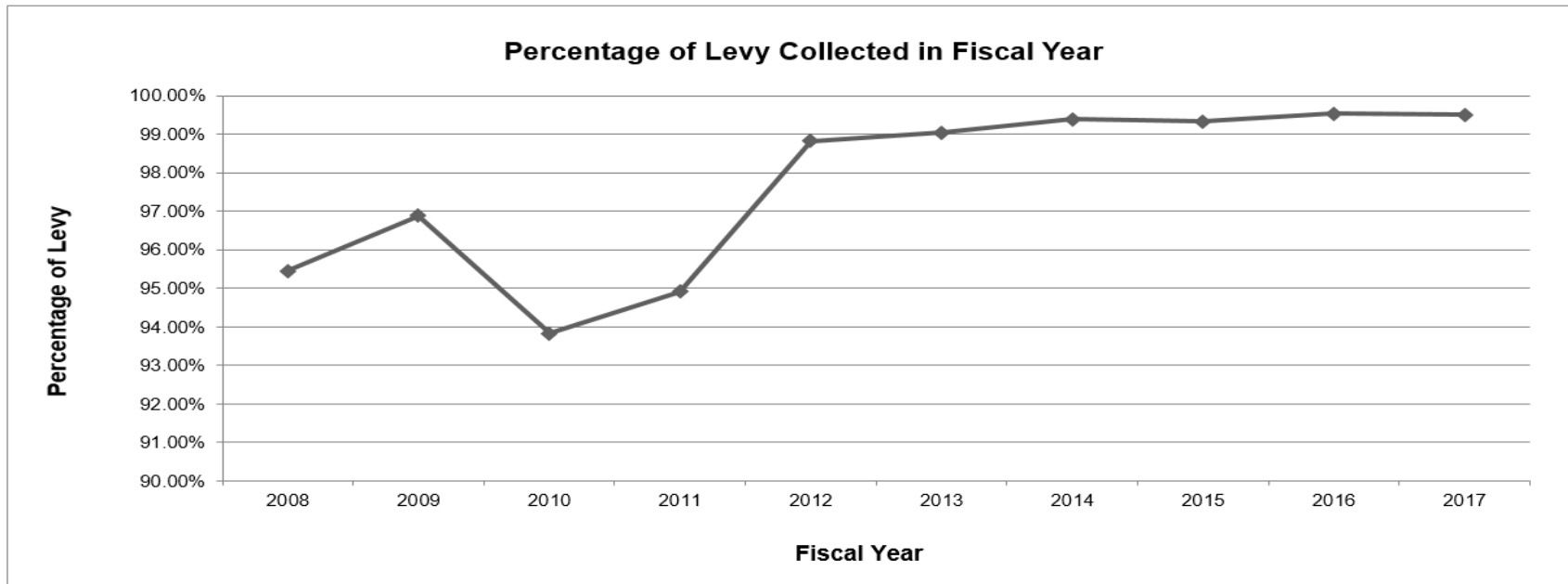
Fiscal Year	Tax Levied for the Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent (net of abatements)	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2008	\$ 136,112,356	\$ 129,909,128	95.44% (2)	\$ 2,387,063	\$ 132,296,191	97.20%	\$ 11,913	0.01%
2009	139,702,338	135,349,593	96.88%	2,150,365	137,499,958	98.42%	25,123	0.02%
2010	145,151,888	136,193,948	93.83% (2)	1,693,769	137,887,717	95.00%	43,205	0.03%
2011	147,665,592	140,146,703	94.91% (2)	1,265,611	141,412,314	95.77%	63,951	0.04%
2012	137,162,350	135,556,093	98.83%	823,947	136,380,040	99.43%	77,356	0.06%
2013	134,407,455	133,122,700	99.04%	941,341	134,064,041	99.74%	92,649	0.07%
2014	138,332,621	137,481,497	99.38%	683,118	138,164,615	99.88%	124,861	0.09%
2015	140,502,780	139,553,245	99.32%	363,893	139,917,138	99.58%	164,644	0.12%
2016	144,690,113	144,024,750	99.54%	195,088	144,219,838	99.67%	232,830	0.16%
2017	147,770,275	147,048,399	99.51%	-	147,048,399	99.51%	712,344	0.48%

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



**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	Limited Tax Bonds	Capital Leases	Revolving Loans						
2008	\$ 13,936,519	\$ 128,943,701	\$ 24,026,464	\$ 31,795,000	\$ 806,442	\$ -	\$ 199,508,126	\$ 12,763,948,000	1.56%	332,751	\$ 600	
2009	12,813,161	172,293,731	23,530,025	30,990,000	756,416	-	240,383,333	12,440,174,000	1.93%	335,308	717	
2010	11,605,296	161,335,487	22,615,613	30,155,000	703,449	-	226,414,845	12,704,109,000	1.78%	330,844	684	
2011	10,907,721	147,121,217	30,530,527	29,285,000	75,882	-	217,920,347	13,499,611,000	1.60%	334,045	652	
2012	10,180,223	149,630,836	40,342,575	28,380,000	52,967	-	228,586,601	14,082,943,000	1.62%	336,748	679	
2013	9,427,600	157,475,392	39,214,624	27,440,000	29,091	-	233,586,707	14,340,458,000	1.63%	339,765	687	
2014	8,759,600	144,173,823	23,926,674	26,460,000	4,213	167,181	203,491,491	14,840,833,000	1.37%	341,864	595	
2015	3,560,977	119,811,329	22,318,722	53,226,507	86,268	649,789	199,653,592	15,678,200,000	1.27%	339,534	588	
2016	3,151,480	117,933,909	20,685,771	50,574,653	57,897	1,220,056	193,623,766	16,225,834,000	1.19%	345,957	560	
2017	2,646,930	114,268,352	18,958,756	24,862,800	2,719,891	1,608,912	165,065,641	*	*	352,266	469	

Notes:

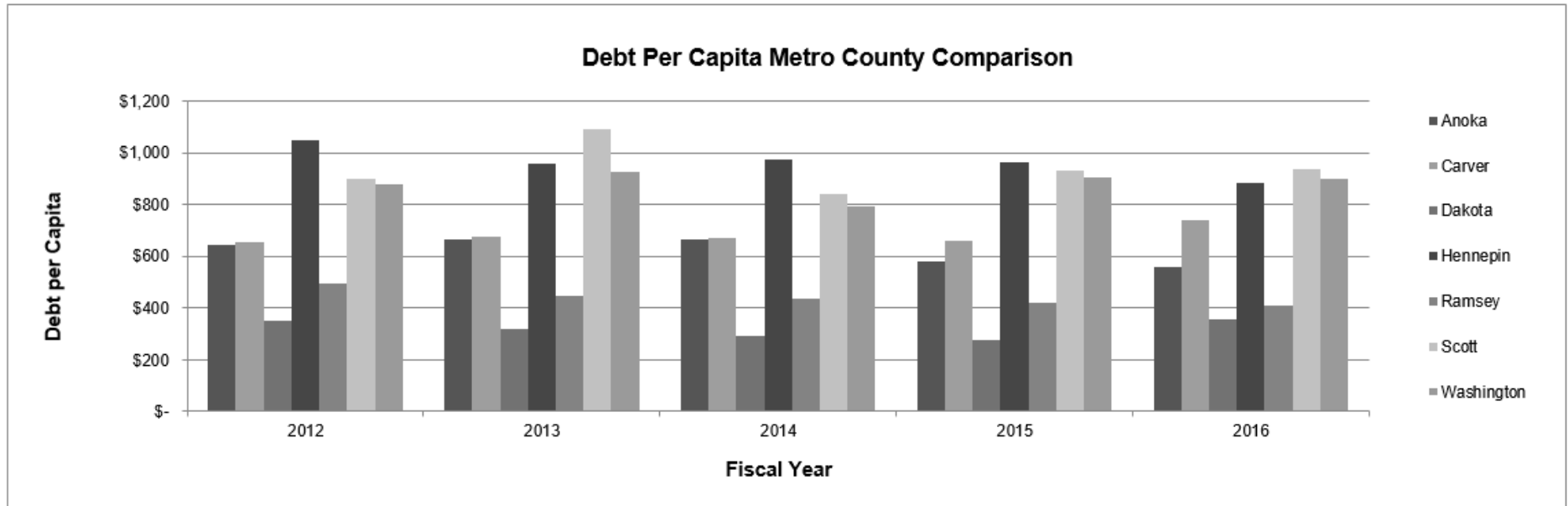
(1) Source: U.S. Bureau of Economic Analysis

(2) Source: U.S. Census Bureau

(3) Source: Minnesota State Auditor (2016 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**

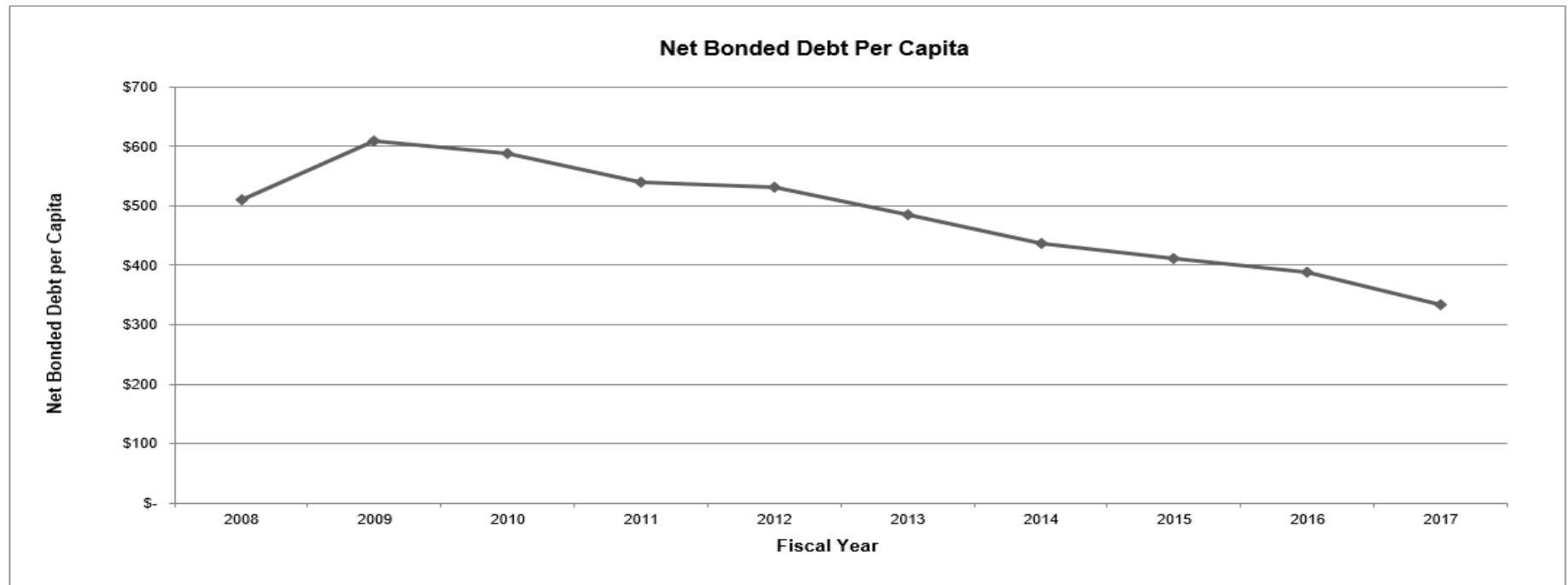
**RATIOS OF NET BONDED DEBT TO ESTIMATED MARKET VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

<b>Governmental Activities</b>										
<b>Fiscal Year</b>	<b>General Obligation Bonds and Notes</b>	<b>General Obligation Bonds Supported by Revenue</b>	<b>Limited Tax Bonds</b>	<b>Total Bonded Debt</b>	<b>Amounts Available in Funds</b>	<b>Net Bonded Debt</b>	<b>Estimated Market Value (1)</b>	<b>Net Bonded Debt of Estimated Market Value</b>	<b>Population (2)</b>	<b>Net Bonded Debt Per Capita</b>
2008	\$ 128,943,701	\$ 24,026,464	\$ 31,795,000	\$ 184,765,165	\$ 14,964,804	\$ 169,800,361	\$ 32,195,588,700	0.53%	332,751	\$ 510
2009	172,293,731	23,530,025	30,990,000	226,813,756	22,860,813	203,952,943	30,198,485,700	0.68%	335,308	608
2010	161,335,487	22,615,613	30,155,000	214,106,100	19,402,447	194,703,653	27,300,698,200	0.71%	330,844	589
2011	147,121,217	30,530,527	29,285,000	206,936,744	26,554,006	180,382,738	26,214,024,800	0.69%	334,045	540
2012	149,630,836	40,342,575	28,380,000	218,353,411	39,123,413	179,229,998	24,110,238,400	0.74%	336,748	532
2013	157,475,392	39,214,624	27,440,000	224,130,016	59,646,182	164,483,834	23,852,062,600	0.69%	339,765	484
2014	144,173,823	23,926,674	26,460,000	194,560,497	45,287,188	149,273,309	26,788,899,100	0.56%	341,864	437
2015	119,811,329	22,318,722	53,226,507	195,356,558	55,639,172	139,717,386	27,762,109,400	0.50%	339,534	411
2016	117,933,909	20,685,771	50,574,653	189,194,332	54,501,915	134,692,417	29,464,251,000	0.46%	345,957	389
2017	114,268,352	18,958,756	24,862,800	158,089,908	40,172,192	117,917,716	32,030,143,600	0.37%	352,266	335

Notes:

(1) Source: Anoka County Property Tax Division

(2) Source: U.S. Census Bureau



Unaudited

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Table 11**

**COMPUTATION OF DIRECT, OVERLAPPING AND UNDERLYING  
LONG-TERM DEBT  
DECEMBER 31, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percent Applicable to County (1)</u>	<u>County's Share of Debt</u>
<b>Direct:</b>			
<b>Anoka County</b>	<b>\$ 165,065,641</b>	<b>100.0%</b>	<b>\$ 165,065,641</b>
<b>Overlapping:</b>			
Metropolitan Council	1,484,038,432	9.2%	137,003,446
<b>Underlying:</b>			
City of Andover	20,740,000	100.0%	20,740,000
City of Anoka	10,820,000	100.0%	10,820,000
City of Bethel	494,181	100.0%	494,181
City of Blaine	37,596,401	99.3%	37,314,463
City of Centerville	8,019,619	100.0%	8,019,619
City of Circle Pines	16,735,000	100.0%	16,735,000
City of Columbia Heights	31,775,000	100.0%	31,775,000
City of Columbus	10,164,000	100.0%	10,164,000
City of Coon Rapids	58,212,827	100.0%	58,212,827
City of East Bethel	18,740,000	100.0%	18,740,000
City of Fridley	58,555,000	100.0%	58,555,000
City of Ham Lake	3,407,534	100.0%	3,407,534
City of Lexington	2,901,952	100.0%	2,901,952
City of Lino Lakes	19,852,725	100.0%	19,852,725
City of Nowthen	653,106	100.0%	653,106
City of Oak Grove	1,516,000	100.0%	1,516,000
City of Ramsey	27,095,000	100.0%	27,095,000
City of St. Francis	42,471,000	99.8%	42,403,523
City of Spring Lake Park	5,378,816	97.4%	5,239,194
School District #11	61,870,000	79.3%	49,068,040
School District #12	95,953,685	100.0%	95,953,685
School District #13	12,390,000	100.0%	12,390,000
School District #14	56,260,000	100.0%	56,260,000
School District #15	32,535,000	93.4%	30,387,893
School District #16	148,275,000	100.0%	148,275,000
School District #624	88,915,000	3.2%	2,808,741
School District #728	229,745,000	6.3%	14,487,593
School District #831	159,565,000	31.7%	50,584,139
<b>Total Underlying</b>	<b>1,260,636,846</b>		<b>834,854,215</b>
<b>Grand Total</b>	<b>\$ 2,909,740,919</b>		<b>\$ 1,136,923,302</b>

Notes:

(1) 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

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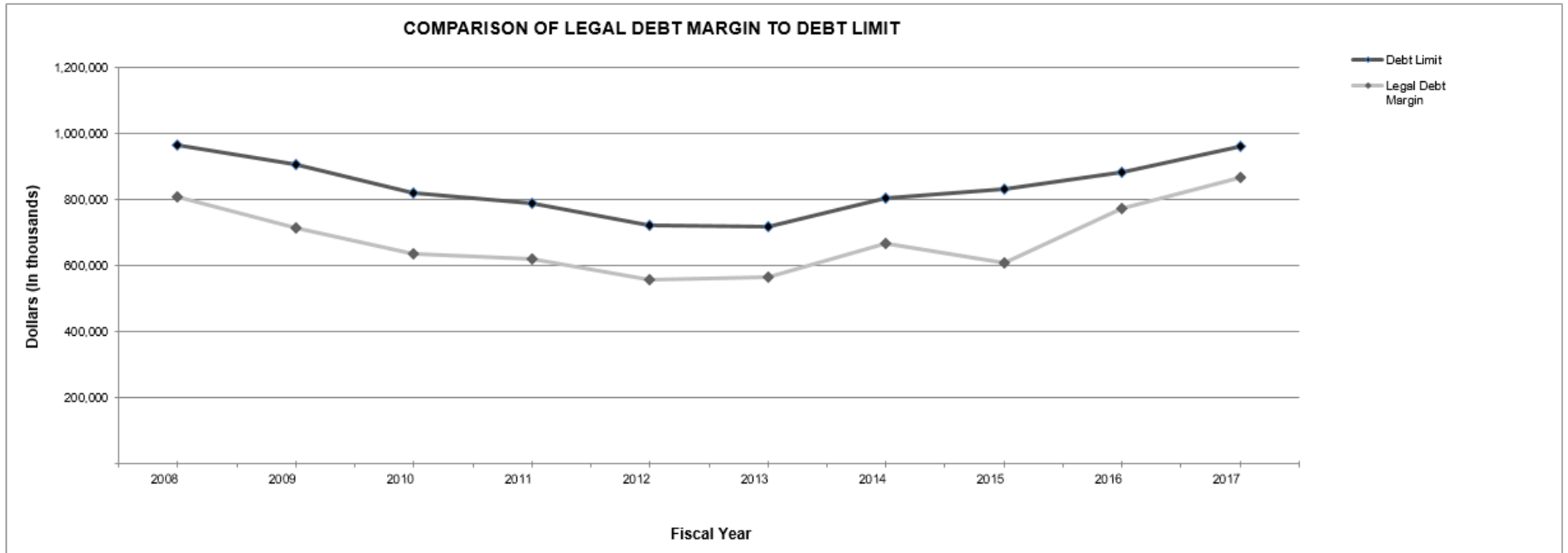
**Table 12**

**LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Estimated market value (EMV) (1)</b>	\$ 32,195,588,700	\$ 30,198,485,700	\$ 27,300,698,200	\$ 26,214,025,000	\$ 24,110,238,400	\$ 23,852,062,600	\$ 26,788,899,100	\$ 27,762,109,400	\$ 29,464,250,000	\$ 32,030,143,600
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
<b>Net estimated market value (EMV)</b>	<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>	<u>23,891,688,778</u>	<u>26,828,525,278</u>	<u>27,801,735,578</u>	<u>29,503,876,178</u>	<u>32,069,769,778</u>
<b>Debt limit as a percentage of EMV (2)</b>										
Amount of debt applicable to debt limit	967,056,446	907,143,356	820,209,731	787,609,535	724,495,937	716,750,663	804,855,758	834,052,067	885,116,285	962,093,093
Total bonded debt (3)	173,546,359	213,076,649	200,262,432	184,333,505	183,899,654	188,695,657	174,231,281	170,551,284	165,910,411	133,925,000
Less: Amount available in funds (3)	(13,501,452)	(21,353,266)	(17,874,475)	(16,605,532)	(18,139,377)	(40,132,711)	(39,434,246)	(54,636,802)	(53,528,861)	(39,206,517)
Total debt applicable to debt limit	<u>160,044,907</u>	<u>191,723,383</u>	<u>182,387,957</u>	<u>167,727,973</u>	<u>165,760,277</u>	<u>148,562,946</u>	<u>134,797,035</u>	<u>115,914,482</u>	<u>112,381,550</u>	<u>94,718,483</u>
<b>Legal Debt Margin</b>	<u>\$ 807,011,539</u>	<u>\$ 715,419,973</u>	<u>\$ 637,821,774</u>	<u>\$ 619,881,562</u>	<u>\$ 558,735,661</u>	<u>\$ 568,187,717</u>	<u>\$ 670,058,723</u>	<u>\$ 718,137,585</u>	<u>\$ 772,734,735</u>	<u>\$ 867,374,610</u>
Legal debt margin as a percentage of debt limit:	83.45%	78.87%	77.76%	78.70%	77.12%	79.27%	83.25%	86.10%	87.30%	90.15%

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.
- (3) Does not include bonds supported by revenue.



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**Table 13**

**PLEGDED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

<b>City of Ham Lake Gross Revenue Bonds</b>							
<b>Funding Source:</b> Senior Housing Rental Income, Allocated Property Tax Revenue from City of Ham Lake and Interest Income from Escrow and Miscellaneous Accounts.							
<b>Fiscal Year</b>	<b>Available Revenue</b>	<b>Operating Expenditures</b>	<b>Net Available Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage *</b>
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
2013	487,255	261,271	225,984	130,000	97,615	227,615	0.99
2014	501,781	274,177	227,604	135,000	92,315	227,315	1.00
2015	507,994	337,787	170,207	140,000	84,015	224,015	0.76
2016	513,957	325,917	188,040	145,000	78,215	223,215	0.84
2017	520,769	304,434	216,335	150,000	75,215	225,215	0.96

<b>City of Centerville Gross Revenue Bonds</b>							
<b>Funding Source:</b> Senior Housing Rental Income, Allocated Property Tax Revenue from City of Centerville and Interest Income from Escrow and Miscellaneous Accounts.							
<b>Fiscal Year</b>	<b>Available Revenue</b>	<b>Operating Expenditures</b>	<b>Net Available Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage *</b>
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
2013	516,282	259,608	256,674	105,000	180,379	285,379	0.90
2014	526,690	328,599	198,091	140,000	197,370	337,370	0.55
2015	534,167	284,875	249,292	75,000	93,814	168,814	1.48
2016	546,544	344,724	201,820	80,000	92,264	172,264	1.17
2017	563,096	417,949	145,147	85,000	90,614	175,614	0.83

<b>City of Ramsey Gross Revenue Bonds</b>							
<b>Funding Source:</b> Senior Housing Rental Income, Allocated Property Tax Revenue from City of Ramsey and Interest Income from Escrow and Miscellaneous Accounts.							
<b>Fiscal Year</b>	<b>Available Revenue</b>	<b>Operating Expenditures</b>	<b>Net Available Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage *</b>
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
2013	541,644	255,793	285,851	140,000	97,608	237,608	1.20
2014	552,271	279,451	272,820	140,000	93,408	233,408	1.17
2015	561,535	290,830	270,705	145,000	89,058	234,058	1.16
2016	577,901	297,910	279,991	150,000	84,558	234,558	1.19
2017	593,752	359,994	233,758	155,000	82,233	237,233	0.99

<b>City of Oak Grove Gross Revenue Bonds</b>							
<b>Funding Source:</b> Senior Housing Rental Income, Allocated Property Tax Revenue from City of Oak Grove and Interest Income from Escrow and Miscellaneous Accounts.							
<b>Fiscal Year</b>	<b>Available Revenue</b>	<b>Operating Expenditures</b>	<b>Net Available Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage *</b>
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
2013	550,374	301,534	248,840	135,000	251,909	386,909	0.64
2014	668,770	355,493	313,277	170,000	294,649	464,649	0.67
2015	709,751	394,034	315,717	180,000	167,843	347,843	0.91
2016	748,551	397,968	350,583	185,000	164,193	349,193	1.00
2017	724,900	332,514	392,386	190,000	160,443	350,443	1.12

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



**ANOKA COUNTY  
ANOKA, MINNESOTA**

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

**Table 14**

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)	Anoka County			Personal Income (2)	Percent of Change	Per Capita Income (9)	Percent of Change	Median Age (3)(6)	Formal Schooling (4)	School Enrollment (K thru 12) (5)		
			Population (3)	Percent of Change	Rank in Size of Minnesota Counties (7)									
2008	5,287,976	2,870,250	332,751	0.5%	4th	\$ 12,763,948,000	2.6%	\$ 38,359	2.2%	36.2	13.2	62,901		
2009	5,300,942	2,881,812	335,308	0.8%	4th	12,440,174,000	-2.5%	37,101	-3.3%	37.2	13.4	63,985		
2010	5,303,925	2,849,567	330,844	-1.3%	4th	12,704,109,000	2.1%	38,399	3.5%	36.8	13.5	62,372		
2011	5,379,646	2,873,444	334,045	1.0%	4th	13,499,611,000	6.3%	40,413	5.2%	37.7	13.5	62,256		
2012	5,420,380	2,909,001	336,748	0.8%	4th	14,082,943,000	4.3%	41,820	3.5%	37.6	13.6	62,064		
2013	5,422,060	2,950,885	339,765	0.9%	4th	14,340,458,000	1.8%	42,207	0.9%	37.8	13.6	63,127		
2014	5,457,173	2,979,343	341,864	0.6%	4th	14,840,833,000	3.5%	43,412	2.9%	38.2	13.6	63,581		
2015	5,482,435	3,012,117	339,534	-0.7%	4th	15,678,200,000	5.6%	45,556	4.9%	38.3	13.6	64,707		
2016	5,519,952	3,041,526	345,957	1.9%	4th	16,225,834,000	3.5%	46,901	3.0%	37.9	13.6	62,696		
2017	5,576,606	*	352,266	1.8%	4th	*	*	*	*	*	*	*		

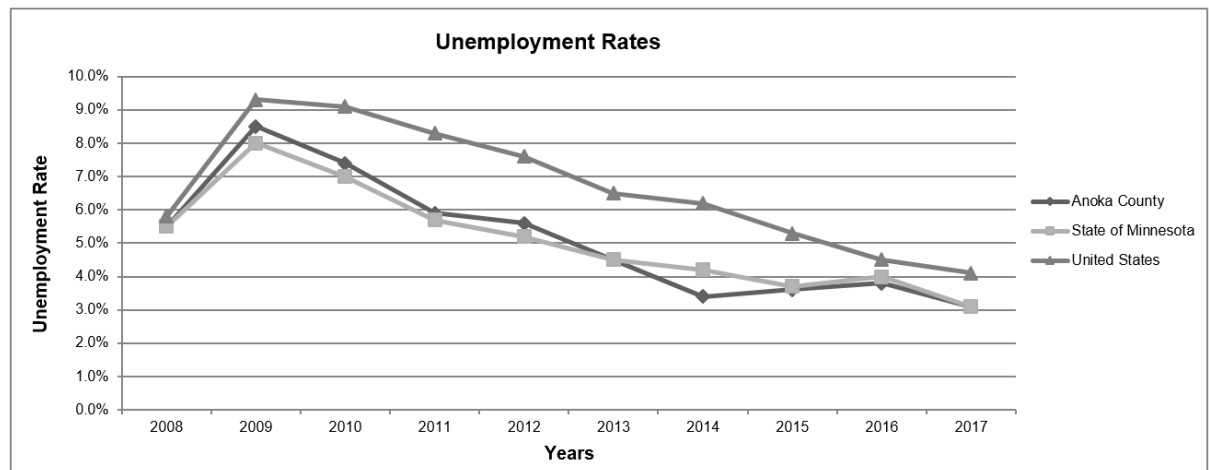
  

Fiscal Year	Anoka County Employment (8)				Unemployment (8)				State of Minnesota		United States	
	Labor Force	Percent of Change	Employment	Percent of Change	Unemployment	Percent of Change	Unemployment Rate	Percent of Change	Unemployment Rate	Percent of Change	Unemployment Rate	Percent of Change
2008	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	188,381	-2.2%	174,533	-0.9%	13,848	-15.8%	7.4%	-1.1%	7.0%	-1.0%	9.1%	-0.2%
2011	190,741	1.3%	179,527	2.9%	11,214	-19.0%	5.9%	-1.5%	5.7%	-1.3%	8.3%	-0.8%
2012	187,806	-1.5%	177,616	-1.1%	10,190	-9.1%	5.6%	-0.3%	5.2%	-0.5%	7.6%	-0.7%
2013	188,200	0.2%	179,917	1.3%	8,283	-18.7%	4.5%	-1.1%	4.5%	-0.7%	6.5%	-1.1%
2014	189,696	0.8%	182,015	1.2%	7,681	-7.3%	3.4%	-1.1%	4.2%	-0.3%	6.2%	-0.3%
2015	191,432	0.9%	184,454	1.3%	6,978	-9.2%	3.6%	0.2%	3.7%	-0.5%	5.3%	-0.9%
2016	189,256	-1.1%	181,997	-1.3%	7,259	4.0%	3.8%	0.2%	4.0%	0.3%	4.5%	-0.8%
2017	195,688	3.4%	189,642	4.2%	6,046	-16.7%	3.1%	-0.7%	3.1%	-0.9%	4.1%	-0.4%

Notes:

- (1) Source: Metropolitan Council  
(2015 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 2015 American Community Survey from the U. S. Census Bureau
  - (7) Source: Minnesota QuickFacts from the U. S. Census Bureau
  - (8) Annual averages  
Source: Minnesota Department of Employment and Economic Development
  - (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**

**2017 Employers**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Rank</b>	<b>Approximate Employment</b>	<b>Percentage of Total Employment</b>
Medtronic Corporation	Electro-Medical Services	1	9,000 (1)	7.48%
Anoka-Hennepin Independent School District #11	Public Education	2	7,435 (2)	6.18%
Mercy Hospital and Unity Medical Center	Hospitals	3	3,775	3.14%
Target Corporation (six stores & distribution center)	Retail	4	1,900 (2)	1.58%
Anoka County	County Government	5	1,820	1.51%
Federal Premium Ammunition	Ammunition Manufacturing	6	1,500 (5)	1.25%
Northtown Mall	Shopping Mall	6	1,500 (3)	1.25%
Pentair Technical Products	Electrical Products	8	1,225	1.02%
Cummins Power Generation	Generator and Diesel Manufacturer	9	1,109 (4)	0.92%
Walmart Corporation (three locations)	Retail	10	1,000 (2)	0.83%
<b>Total Anoka County Employment</b>			<b><u>120,401</u></b> (7)	

Source: Minnesota Department of Employment and Economic Development

**2008 Employers**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Rank</b>	<b>Approximate Employment</b>	<b>Percentage of Total Employment</b>
Anoka-Hennepin Independent School District #11	Public Education	1	6,395 (2)	5.57%
Medtronic Corporation	Electro-Medical Services	2	3,800	3.31%
Mercy Hospital and Unity Medical Center	Hospitals	3	3,000	2.61%
Anoka County	County Government	4	1,816 (2)	1.58%
Onan Corporation	Generator and Diesel Manufacturer	5	1,700	1.48%
BAE Systems	Pumps/Naval Ordnance	6	1,500	1.31%
Federal Cartridge Corporation	Ammunition Manufacturer	7	1,023	0.90%
Hoffman Engineering Company	Electrical Products	8	1,000	0.88%
Parsons Electric Company	Electrical Services	9	759	0.67%
Burlington Northern Railroad	Transportation	10	750	0.66%
Minco Products Incorporated	Electronic Devices	10	750	0.66%
<b>Total Anoka County Employment</b>			<b><u>114,737</u></b> (6)	

Source: Telephone survey of individual employers by Bond Advisors, October 2008 and Anoka County Finance and Central Services Division

Notes:

- (1) Corporate-wide total is 49,000; 9,000 in Anoka County sites.
- (2) Includes full-time and part-time employees; excludes seasonal and temporary employees, and elected officials.
- (3) Includes full-time employees only.
- (4) Former name was Onan Corporation.
- (5) Former name was Federal Cartridge Corporation.
- (6) Minnesota Department of Employment and Economic Development - NAICS, based on the average of the first three months of 2008.
- (7) Minnesota Department of Employment and Economic Development - NAICS.

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**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Table 16**

**COMPARISON OF EMPLOYMENT BY INDUSTRY  
2016 AND 2007**

**2016 (1)**

<b>Industry</b>	<b>Wages</b>	<b>Average Number of Employees</b>	<b>Percent of All Employment</b>
Natural Resources and Mining	\$ 12,317,261	408	0.34%
Construction	482,651,575	7,903	6.54%
Manufacturing	1,813,694,295	22,945	18.98%
Trade, Transportation and Utilities	1,107,515,079	26,198	21.67%
Information	29,084,152	645	0.53%
Financial Activities	222,213,718	3,792	3.14%
Professional and Business Services	464,527,055	9,687	8.01%
Education and Health Services	1,335,082,100	26,730	22.11%
Leisure and Hospitality	226,233,645	12,928	10.69%
Other Services	147,506,869	4,807	3.97%
Public Administration	254,005,325	4,862	4.02%
<b>Total, all industries</b>	<b>\$ 6,094,831,074</b>	<b>120,905</b>	<b>100.00%</b>

**2007 (1)**

<b>Industry</b>	<b>Wages</b>	<b>Average Number of Employees</b>	<b>Percent of All Employment</b>
Natural Resources and Mining	\$ 10,694,704	397	0.34%
Construction	428,554,748	8,614	7.48%
Manufacturing	1,559,355,664	24,231	21.04%
Trade, Transportation and Utilities	892,797,056	25,526	22.16%
Financial Activities	151,656,127	3,842	3.34%
Professional and Business Services	340,644,399	9,478	8.23%
Education and Health Services	975,313,082	23,089	20.04%
Leisure and Hospitality	143,046,187	11,336	9.84%
Other Services	98,276,221	4,048	3.51%
Public Administration	208,174,749	4,630	4.02%
<b>Total, all industries</b>	<b>\$ 4,808,512,937</b>	<b>115,191</b>	<b>100.00%</b>

Note: 2016 is the most recent period that data is available for this table.

(1) Source: Minnesota Department of Employment and Economic Development

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**ANOKA COUNTY  
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**Table 18**

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

<u>Function / program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General government</b>										
Property Records & Taxation										
Document counts per year	83,254	68,598	77,413	71,788	62,395	79,262	73,989	53,133	62,729	64,231
Parcel accounts per year	134,954	133,447	133,172	134,656	134,840	134,994	135,095	135,682	136,226	137,548
Election Services										
Number of registered voters (* not an election year)	*	222,572	*	193,058	*	195,411	*	200,259	*	207,039
Number of votes cast (* not an election year)	*	182,559	*	131,703	*	187,085	*	118,274	*	187,070
License Bureau										
License Bureau Transactions	468,686	458,174	450,252	440,160	437,345	439,748	403,706	417,307	439,129	449,434
County Attorney										
Criminal / Juvenile/Victim Witness Cases (1)	4,458	3,880	4,179	4,702	4,363	5,106	5,664	5,261	5,009	6,394
Civil/Family Law/Protective Services Cases (1)	4,477	4,977	5,210	5,088	5,124	4,885	4,896	4,384	4,426	4,029
Court Appointed Attorneys										
Civil Commitments filed	336	333	257	252	267	341	553	429	249	239
Paternity	215	347	212	206	155	187	156	88	113	129
Transit & Volunteer Transportation										
Passenger count	254,876	274,307	263,555	280,142	331,308	367,480	340,257	356,424	324,899	270,754
<b>Public safety</b>										
Sheriff										
Calls for service	34,417	31,251	30,292	30,530	31,018	30,289	28,616	26,739	35,920	34,530
Jail bookings	12,157	11,853	11,228	10,404	9,800	9,571	9,408	9,307	9,551	10,550
Central Communications										
Calls for service	175,719	175,874	176,215	180,573	184,978	180,580	175,767	167,433	211,358	207,841
Fire calls for service	19,888	20,134	19,895	20,431	22,012	22,157	22,034	21,412	27,694	29,032
Community Corrections										
Probation caseload	19,856	20,359	20,026	18,968	15,506	12,988	12,445	11,882	11,560	11,111
Days served in institutions	119,839	109,836	91,962	98,316	76,852	74,009	75,388	76,316	78,844	83,319
Medical Examiner										
Number of Cases	2,223	2,727	2,351	2,578	2,861	2,950	3,965	4,617	6,157	7,769
<b>Highway and streets</b>										
Vehicle miles traveled per day	8,355,111	8,283,744	8,171,320	8,171,919	8,188,710	8,170,601	8,092,764	8,267,551	8,515,578	8,642,000
<b>Human services</b>										
Economic Assistance										
Child support caseload	15,521	15,124	15,221	14,883	14,547	14,384	14,194	13,544	12,761	12,603
Public assistance caseload	16,605	17,127	19,024	20,745	23,348	24,312	24,839	34,459	34,297	39,958
Social Services										
Social Services Out of Home Placement Costs	\$ 6,927,762	\$ 6,317,023	\$ 4,322,505	\$ 4,548,695	\$ 3,707,578	\$ 3,130,745	\$ 2,953,515	\$ 3,298,953	\$ 4,802,679	\$ 5,309,100
Number of developmentally disabled persons receiving case management services	1,891	1,991	2,136	2,261	2,091	2,149	2,454	2,473	2,473	2,483
Mental Health Services										
Child Mental Health Out of Home Placement Costs	\$ 1,121,104	\$ 680,932	\$ 559,429	\$ 1,101,458	\$ 717,160	\$ 1,110,377	\$ 843,634	\$ 1,385,880	\$ 1,230,791	\$ 1,292,815
Requests for Civil Commitments	492	469	479	415	418	481	476	400	364	378
Community Health & Environmental Services										
Women, Infants and Children (WIC) average monthly case count	5,937	6,030	5,812	5,610	6,550	5,232	5,246	5,273	5,260	4,978
Other Misc Human Service Programs										
Senior information line - number of calls	983	769	869	881	1,087	1,399	1,111	840	896	882
<b>Sanitation</b>										
Integrated Waste Management										
Recycling processed (in tons)	145,335	138,277	136,632	137,518	141,052	147,926	170,399	180,821	200,225	213,963
Waste delivered for processing (in tons)	159,327	158,194	151,744	136,232	135,208	139,064	120,867	107,641	103,357	105,917
Waste landfilled (in tons)	61,131	50,023	48,390	58,625	57,282	58,058	64,892	73,040	98,089	94,982
<b>Culture and recreation</b>										
County Library										
Number of persons served	1,232,639	2,041,742	2,065,193	1,933,360	2,048,075	1,950,651	1,845,625	1,689,974	1,720,108	2,518,395
Number of items loaned	3,109,288	3,237,405	3,370,139	3,719,392	3,859,169	4,778,889	4,222,844	6,634,105	4,935,720	2,769,268
Parks and Recreation										
Regional and County Park visits	3,400,000	3,500,000	3,500,000	3,800,000	3,800,000	3,850,000	3,850,000	3,850,000	4,100,000	4,100,000
Golf Course										
Rounds of golf played	34,342	34,240	35,000	31,853	30,431	29,684	23,896	23,651	28,761	24,837
Aquatic Center										
Water Park attendance	113,000	96,000	78,000	122,000	117,000	128,000	107,084	87,593	120,040	112,644
<b>Conservation of natural resources</b>										
Minnesota Extension Service										
Adult Program Participants	15,068	15,217	11,210	11,100	30,446	28,382	3,274	3,699	3,054	3,682
Youth program Participants	2,233	7,296	13,059	14,000	8,974	10,525	6,179	5,531	5,128	6,319
<b>Economic development</b>										
Job Training Center										
Minnesota Family Investment Program (MFIP) Families using employment & training services	3,520	3,597	3,873	3,685	3,586	3,411	3,597	3,169	2,524	2,285
Community Development (data is based on fiscal year June 30)										
Households assisted with housing	140	140	76	49	168	170	62	108	40	30
People assisted	3,481	7,099	5,749	4,929	2,547	4,919	4,560	2,175	5,103	8,322
Public improvements and related activities	4	3	2	7	2	2	3	-	2	2

(1) During 2012 the County Attorney's Office began transitioning to a Case Management software system that tracks statistics differently than in the past. All reporting groups in the Office will have fully transitioned to Case Management by the end of 2014. The Office Indicators for 2014 forward will be consistent and comparable.

Source: Various County departments

Unaudited

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**Table 19**

**CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
<b>General government</b>										
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	-	-	-	-	0	0
Miscellaneous structures	3	3	3	3	3	3	3	6	6	6
Regional Treatment Center buildings	17	16	16	16	17	17	17	17	17	17
Parking ramp	1	1	1	1	1	1	1	1	1	1
Ground and maintenance equipment	10	12	13	13	12	12	13	13	13	14
Licensed vehicles/trailers	28	28	29	31	33	33	33	34	33	30
<b>Public safety</b>										
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	20	20	20	19	20	20	20	20	20	20
Medical Examiner building	-	1	1	1	1	1	1	1	1	1
Sheriff's Public Safety Campus	-	-	1	1	1	1	1	1	1	1
Sheriff's patrol buildings	2	2	2	2	1	1	1	1	1	1
Sheriff's rifle range buildings	6	6	4	4	3	1	1	1	1	1
Boats, motors, snowmobiles, atv	16	16	17	17	18	19	19	19	19	19
Licensed vehicles/trailers	24	24	23	28	26	29	31	29	26	34
Patrol units	93	94	95	92	96	94	95	101	98	101
<b>Highways and streets</b>										
Highway buildings	8	8	8	8	8	8	8	7	7	7
Contractors equipment	20	20	25	25	29	27	32	34	35	38
Licensed vehicles/trailers	80	83	83	92	94	98	93	95	100	107
Two lane (road miles)	322.21	320.64	311.81	306.37	304.81	301.23	301.23	289.65	280.79	282.11
Four plus lane (road miles)	100.36	101.93	107.09	111.53	111.54	114.44	117.11	125.02	133.68	131.36
Bridges	70	70	70	70	70	70	70	70	70	70
<b>Human services</b>										
Head start facility	-	-	-	-	1	1	1	1	1	0
<b>Sanitation</b>										
Educational trailers	2	2	2	2	2	2	2	2	2	2
Licensed vehicles/trailers	-	-	-	-	-	-	-	1	1	1
Household hazardous waste facility	1	1	1	1	1	1	1	1	1	1
<b>Culture and recreation</b>										
Regional parks	7	7	7	7	7	8	8	8	8	8
County parks	6	6	6	6	6	6	6	6	6	6
Regional park reserves	2	2	3	3	3	4	4	4	4	4
Regional trails	7	7	7	7	7	7	7	7	9	11
Activity center/contact stations	10	10	10	10	10	10	10	10	10	10
Anderson House	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	3	3	3	3	3	3	3	3	3	3
Camper cabin sites	-	-	-	4	4	4	4	4	4	4
Fairground buildings	8	8	8	8	8	8	8	8	8	8
Miscellaneous park buildings	16	21	20	21	21	21	21	21	21	21
Park shelters and restrooms	55	57	55	57	57	57	57	57	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	1	1	1	1	1	1	1	1	1
Bunker Beach Aquatic Center	1	1	1	1	1	1	1	1	1	1
Ground and maintenance equipment	89	80	87	86	84	86	89	92	98	97
Licensed vehicles/trailers	49	47	47	47	47	46	47	46	48	48
Libraries										
Regional	2	2	2	2	2	2	2	2	2	2
Branch	5	5	5	5	5	5	5	5	5	5
<b>Economic development</b>										
Senior housing developments	4	4	4	4	4	4	4	4	4	4

Source: Anoka County Capital Asset Master File

Unaudited

**ANOKA COUNTY  
ANOKA, MINNESOTA**

Table 20

**SUMMARY OF INSURANCE IN FORCE  
YEAR ENDED DECEMBER 31, 2017**

<u>Insurance Coverage</u>	<u>Company</u>	<u>Amounts/Limit</u>
Property Building, Contents, Boiler Machinery	American International Group (National Union Fire)	\$ 392,025,788
Crime & Faithful Performance Bond Computer Fraud, Money and Securities Forgery Faithful Performance Bond	American International Group (National Union Fire)	\$ 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
General Liability Gun Range	Cincinnati	\$ 1,000,000 per occurrence/\$2,000,000 aggregate
Excess Liability Gun Range	Cincinnati	\$ 1,000,000 per occurrence/\$1,000,000 aggregate
Automobile Liability and Physical Damage	EUCLID (Hudson Insurance Company)	\$ 1,500,000 CSL/\$350,000 UM/\$350,000 UM
Professional Liability Medical Examiner	Midwest Medical Insurance General Star	\$ 3,000,000 each claim/\$5,000,000 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/\$2,000,000 aggregate
General Liability and Professional East Central Regional Juvenile Center	General Star	\$ 2,000,000 per occurrence/aggregate
County Appointed Legal Counsel System Attorney Jennifer Eichten-Liability	Auto Owners	\$ 1,000,000 general \$ 2,000,000 aggregate
<u>Anoka County Affiliated Entities:</u>		
Anoka Conservation District Property	LMCIT	\$ 744,655
Crime	LMCIT	\$ 250,000 per occurrence
Liability	LMCIT	\$ 2,000,000 per occurrence
Auto	LMCIT	\$ 2,000,000 CSL
Bond	LMCIT	\$ 100,000 per occurrence
Petrofund	LMCIT	\$ 250,000
Workers' Compensation	State Fund Mutual	Statutory
Anoka Conservation District Workers' Compensation	SFM	Statutory
HRA - The Willows of Ham Lake General Liability	LMCIT	\$ 2,000,000 per occurrence
Crime	LMCIT	\$ 250,000 per occurrence
Property & Contents	LMCIT	\$ 7,153,446
Sewer Backup	LMCIT	Included

*(Continued)*

**ANOKA COUNTY  
ANOKA, MINNESOTA**

**SUMMARY OF INSURANCE IN FORCE  
YEAR ENDED DECEMBER 31, 2017**

**Table 20**  
*(Continued)*

<u>Insurance Coverage</u>	<u>Company</u>	<u>Amounts/Limit</u>
HRA - Chauncey-Barrett Gardens - Bldg. I of Centerville		
General Liability	LMCIT	\$ 2,000,000 per occurrence
Crime	LMCIT	\$ 250,000 per occurrence
Property & Contents	LMCIT	\$ 2,726,638
Sewer Backup	LMCIT	Included
HRA - Chauncey-Barrett Gardens - Bldg. II of Centerville		
General Liability	LMCIT	\$ 2,000,000 per occurrence
Crime	LMCIT	\$ 250,000 per occurrence
Property & Contents	LMCIT	\$ 8,316,849
Sewer Backup	LMCIT	Included
HRA - Savannah Oaks of Ramsey		
General Liability	LMCIT	\$ 2,000,000 per occurrence
Crime	LMCIT	\$ 250,000 per occurrence
Property & Contents	LMCIT	\$ 8,316,849
Sewer Backup	LMCIT	Included
HRA - Oaks of Lake George		
General Liability	LMCIT	\$ 2,000,000 per occurrence
Crime	LMCIT	\$ 250,000 per occurrence
Property & Contents	LMCIT	\$ 8,854,597
Sewer Backup	LMCIT	Included
Minnesota Youth Program		Statutory
Workers' Compensation	Accident Fund	
Job Training Center - Students		
Accident Medical	Omaha Mutual	\$ 25,000 per person
Job Training Center - SCSEP Program		Statutory
Workers' Compensation	RTW, Inc	
Minnesota Family Investment Program		Statutory
Workers' Compensation	State Fund Mutual	
Anoka-Hennepin Narcotics and Violent Crimes Task Force		
Liability	LMCIT	\$ 2,000,000 per occurrence/\$3,000,000 aggregate
Excess Liability	LMCIT	\$ 1,000,000 per occurrence/aggregate
Auto (Hired, non-owned)	LMCIT	\$ 2,000,000 CSL
Petrofund	LMCIT	\$ 250,000 per occurrence
Property	LMCIT	\$ 419,783
Northwestern Anoka Co. Community Consortium		
Liability	LMCIT	\$ 2,000,000 per occurrence
Property	LMCIT	\$ 180,259
Petrofund	LMCIT	\$ 205,000
Crime	LMCIT	\$ 250,000
Auto (Hired, non-owned)	LMCIT	\$ 2,000,000 CSL
Northwestern Anoka Co. Community Consortium		
Workers' Compensation	SFM	Statutory
Joint Law Enforcement Council		
Liability	LMCIT	\$ 2,000,000 per occurrence/\$3,000,000 aggregate
Property	LMCIT	\$ 4,762,847
Crime	LMCIT	\$ 250,000
Petrofund	LMCIT	\$ 250,000
Data Breach	LMCIT	\$ 250,000
Auto	LMCIT	\$ 500,000/\$1,500,000
2017 Special Comp Fund Assess		
Workers' Compensation	2016 Special Comp Fund Assess	
2017 Reinsurance		
Workers' Compensation	WCRA	

Source: Anoka County Finance and Central Services Division

Unaudited