FINAL OFFICIAL STATEMENT DATED MARCH 2, 2015

REFUNDING ISSUES **Standard & Poor's Ratings: AA+**
BANK QUALIFIED – THE SERIES 2015B BONDS

In the opinion of Faegre Baker Daniels LLP, Bond Counsel, under existing laws, regulations, rulings and decisions, as of their date of issuance, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and to the same extent, is not includable in taxable net income of individuals, estates and trusts for State of Minnesota income tax purposes. Interest on the Series 2015B Bonds is not includable in the computation of the alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"), and on individuals, trusts and estates for Minnesota alternative minimum income tax purposes. However, interest on the Bonds is included in the calculation of certain federal and Minnesota taxes imposed on corporations, and interest on the Series 2015A Bonds is includable in the computation of the federal alternative minimum tax imposed on individuals and in the state alternative minimum tax imposed on individuals, trusts and estates. (See "TAX EXEMPTION" herein.)

Anoka County, Minnesota

$2,750,000
General Obligation Airport Refunding Bonds (AMT), Series 2015A
(the "Series 2015A Bonds")

$8,040,000
General Obligation Capital Improvement Refunding Bonds, Series 2015B
(the "Series 2015B Bonds")

(Book Entry Only)

Dated Date: Date of Delivery **Interest Due: Each February 1 and August 1, commencing February 1, 2016**

The Bonds (as defined herein) will mature as shown on the inside front cover of this Official Statement.

The County may elect on February 1, 2024, and on any day thereafter, to prepay Bonds due on or after February 1, 2025 at a price of par plus accrued interest.

The Bonds are general obligations of the County for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Series 2015A Bonds will be used to refund the February 1, 2016 through February 1, 2033 maturities of the County's General Obligation Airport Improvement Bonds (AMT), Series 2006C, dated February 15, 2006. The proceeds of the Series 2015B Bonds will be used to refund the February 1, 2017 through February 1, 2029 maturities of the County's General Obligation Capital Improvement Bonds, Series 2007D, dated July 16, 2007.

The County will designate the Series 2015B Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the Series 2015B Bonds will not be subject to the alternative minimum tax for individuals.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, St. Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. The Bonds will be available for delivery at DTC on or about March 24, 2015.

Please see the "UNDERWRITING" section herein for discussion regarding the Purchasers of the Bonds.

Anoka County, Minnesota

$2,750,000 General Obligation Airport Refunding Bonds (AMT), Series 2015A

The **Series 2015A Bonds** will mature February 1 in the years and amounts as follows:

Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213	Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213
2018	$130,000	3.00%	1.12%	5L 6	2026	$175,000	4.00%	2.76%*	5U 6
2019	$135,000	3.00%	1.31%	5M 4	2027	$180,000	3.00%	3.00%	5V 4
2020	$140,000	4.00%	1.56%	5N 2	2028	$190,000	3.00%	3.10%	5W 2
2021	$140,000	4.00%	1.76%	5P 7	2029	$190,000	3.125%	3.22%	5X 0
2022	$150,000	4.00%	2.05%	5Q 5	2030	$200,000	3.25%	3.32%	5Y 8
2023	$155,000	4.00%	2.22%	5R 3	2031	$205,000	3.375%	3.42%	5Z 5
2024	$160,000	4.00%	2.42%	5S 1	2032	$210,000	3.375%	3.48%	6A 9
2025	$170,000	4.00%	2.59%*	5T 9	2033	$220,000	3.50%	3.55%	6B 7

* *Priced to the first optional call date of February 1, 2024.*

$8,040,000 General Obligation Capital Improvement Refunding Bonds, Series 2015B

The **Series 2015B Bonds** will mature February 1 in the years and amounts as follows:

Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213	Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213
2018	$800,000	2.00%	0.80%	6C 5	2024	$940,000	4.00%	1.75%	6J 0
2019	$815,000	2.00%	1.00%	6D 3	2025	$385,000	2.125%	1.85%*	6K 7
2020	$825,000	3.00%	1.15%	6E 1	2026	$390,000	2.25%	1.95%*	6L 5
2021	$860,000	3.00%	1.30%	6F 8	2027	$405,000	2.375%	2.05%*	6M 3
2022	$880,000	3.00%	1.50%	6G 6	2028	$410,000	2.375%	2.20%*	6N 1
2023	$910,000	4.00%	1.65%	6H 4	2029	$420,000	2.50%	2.30%*	6P 6

* *Priced to the first optional call date of February 1, 2024.*

ANOKA COUNTY, MINNESOTA

BOARD OF COMMISSIONERS

Rhonda Sivarajah	Chair of the Board
Matt Look	Vice Chair of the Board
Scott Schulte	Commissioner
Julie Braastad	Commissioner
Robyn West	Commissioner
Jim Kordiak	Commissioner
Mike Gamache	Commissioner

COUNTY ADMINISTRATOR

Jerry Soma

FINANCE AND CENTRAL SERVICES DIVISION MANAGER

Cory Kampf

MUNICIPAL ADVISOR

Springsted Incorporated
St. Paul, Minnesota

BOND COUNSEL

Faegre Baker Daniels LLP
Minneapolis, Minnesota

The Official Statement dated March 2, 2015 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

The County designates the senior managing underwriter of the syndicate to which the Series 2015A Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. By delivering an offer with respect to the purchase of the Series 2015A Bonds, the senior managing underwriter has agreed that (i) it accepts such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the Series 2015A Bonds for purposes of assuring the receipt by each such participating underwriter of the Final Official Statement.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT NOR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE RESPECTIVE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds are assigned by an organization unaffiliated with the County. The County is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given by the County that the CUSIP numbers for the Bonds will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Bonds.

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OFFICIAL STATEMENT

ANOKA COUNTY, MINNESOTA

$2,750,000
GENERAL OBLIGATION AIRPORT REFUNDING BONDS (AMT), SERIES 2015A

$8,040,000
GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2015B

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to Anoka County, Minnesota (the "County") and its issuance of $2,750,000 General Obligation Airport Refunding Bonds (AMT), Series 2015A (the "Series 2015A Bonds") and $8,040,000 General Obligation Capital Improvement Refunding Bonds, Series 2015B (the "Series 2015B Bonds" and, together with the Series 2015A Bonds, the "Bonds"). The Bonds are general obligations of the County for which it pledges its full faith and credit and power to levy direct general ad valorem taxes.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof (the "Rule"), pursuant to the resolutions awarding the sale of the Bonds, the County has entered into an undertaking (the "Undertaking") for the benefit of holders including beneficial owners of the Bonds to provide certain financial information and operating data relating to the County to the Electronic Municipal Market Access system ("EMMA") annually, and to provide notices of the occurrence of certain material events enumerated in the Rule to EMMA or the Municipal Securities Rulemaking Board ("MSRB"). The specific nature of the Undertaking, as well as the information to be contained in the annual report or the notices of material events is set forth in the Continuing Disclosure Certificate to be executed and delivered by the County at the time the Bonds are delivered in substantially the form attached hereto as Appendix II.

To the best of its knowledge, the County has complied for the past five years in all material respects in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. However, in the interest of full disclosure, the County notes the following:

- Beginning in 2008, Moody's Investors Service and Standard and Poor's Ratings Services downgraded the credit ratings of certain municipal bond insurance firms, which resulted in the downgrade of the insured ratings of certain bond issues of the County. Material event notices regarding certain insurance rating downgrades were not filed.

- On April 16, 2010, Moody's Investors Service ("Moody's") released a rating of the Anoka County Housing and Redevelopment Authority's then outstanding Ice Arena Lease Revenue Bonds, Series 2006A (CUSIP 036221) in connection with its Global Scale recalibration of ratings. At the time, Moody's indicated that "these rating changes are not credit actions, do not reflect any change in our assessment of the intrinsic creditworthiness of the securities and are not upgrades of individual ratings." An event notice of this rating recalibration was not filed.

A failure by the County to comply with the Undertaking will not constitute an event of default on the Bonds (although holders may take such actions as may be necessary and appropriate including mandamus or specific performance by court order). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE BONDS

General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the inside front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2016. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, St. Paul, Minnesota will serve as Registrar for the Bonds, and the County will pay for registrar services.

Redemption Provisions

Thirty days' written notice of redemption shall be given to the registered owner(s) of the Bonds. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The County may elect on February 1, 2024, and on any day thereafter, to prepay Bonds due on or after February 1, 2025. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries)that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to County or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE SERIES 2015A BONDS

Authority and Purpose

The Series 2015A Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Section 360.36, as amended (the "Act"). The Series 2015A Bonds have been structured as a current refunding, and are being issued to achieve interest cost savings. The proceeds of the Series 2015A Bonds, along with available County funds, will be used to redeem the February 1, 2016 through February 1, 2033 (the "Series 2006C Refunded Maturities") of the County's General Obligation Airport Improvement Bonds (AMT), Series 2006C, dated February 15, 2006 (the "Series 2006C Bonds"). Specifically, it is anticipated that the Series 2006C Refunded Maturities will be called and prepaid at a price of par plus accrued interest on May 1, 2015, which is within 90 days of settlement of the Series 2015A Bonds.

Sources and Uses of Funds

The composition of the Series 2015A Bonds is as follows:

Sources of Funds:	
Principal Amount	$2,750,000.00
Reoffering Premium	131,815.00
Available County Funds	21,050.51
Total Sources of Funds	$2,902,865.51
Uses of Funds:	
Deposit for Refunding Purposes	$2,819,562.50
Underwriter's Compensation	43,919.36
Costs of Issuance	34,767.45
Deposit to Debt Service Fund (Rounding)	4,616.20
Total Uses of Funds	$2,902,865.51

Security and Financing

The Series 2015A Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The County will make its first levy for the Series 2015A Bonds in 2015 for collection in 2016. Taxes levied in 2014 for collection in 2015 for the Series 2006C Bonds will be used to make the interest payment due on the Series 2015A Bonds on February 1, 2016. Thereafter, each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

THE SERIES 2015B BONDS

Authority and Purpose

The Series 2015B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Section 373.40, as amended. The Series 2015B Bonds have been structured as a crossover refunding, and are being issued to achieve interest cost savings. The proceeds of the Series 2015B Bonds will be used to (i) pay at maturity the February 1, 2017 principal and interest payment of the County's General Obligation Capital Improvement Bonds, Series 2007D, dated July 16, 2007 (the "Series 2007D Bonds"); and (ii) redeem the February 1, 2018 through February 1, 2029 maturities (the "Series 2007D Refunded Maturities") of the Series 2007D Bonds.

Specifically, the proceeds of the Series 2015B Bonds will be placed in an escrow account with U.S. Bank National Association, St. Paul, Minnesota (the "Escrow Agent"). The amounts on deposit with the Escrow Agent will be invested in special obligations of the United States Treasury or other obligations of the United States or of its agencies, which shall mature in such amounts and at such times as to be available to:

- pay the interest on the Series 2015B Bonds to and including February 1, 2017, the anticipated call date of the Series 2007D Bonds;

- pay at maturity the February 1, 2017 principal and interest payment of the Series 2007D Bonds; and

- redeem the Series 2007D Refunded Maturities on the anticipated call date of February 1, 2017 at a price of par plus accrued interest.

The Series 2006C Refunded Maturities and the Series 2007D Refunded Maturities are collectively referred to as the "Refunded Maturities."

Verification services necessary to insure the adequacy of the escrow account to provide timely payment of the principal and interest for which the escrow account is obligated will be performed by a certified public accounting firm.

Sources and Uses of Funds

The composition of the Series 2015B Bonds is as follows:

Sources of Funds:	
Principal Amount	$8,040,000.00
Reoffering Premium	668,030.45
Total Sources of Funds	$8,708,030.45
Uses of Funds:	
Deposit to Escrow Fund	$8,598,407.27
Costs of Issuance	60,955.00
Underwriters Compensation	44,328.62
Deposit to Debt Service Fund (Rounding)	4,339.56
Total Uses of Funds	$8,708,030.45

Security and Financing

The Series 2015B Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The escrow account established with the proceeds of the Series 2015B Bonds will make the interest payments due on the Series 2015B Bonds through February 1, 2017. Thereafter, each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Minnesota Statutes, Section 373.40, limits the maximum amount of principal and interest to become due in any year on all outstanding capital improvement plan bonds to not more than 0.12% of the estimated market value of property in the County for taxes payable in the year in which the bonds are issued or sold. The statutory maximum allowable for annual debt service on the County's capital improvement plan bonds is $28,622,475, based on the County's 2013/14 estimated market value of $23,852,062,600. The maximum annual debt service for the County's outstanding capital improvement plan bonds, including an estimate for the Series 2015B Bonds, is approximately $9,065,894, which is within the statutory limit.

FUTURE FINANCING

The County does not anticipate issuing any additional long-term general obligation debt within the next 90 days.

LITIGATION

The County is not aware of any threatened or pending litigation affecting the validity of the Bonds or the County's ability to meet its financial obligations.

LEGALITY

The Bonds are subject to approval as to certain matters by Faegre Baker Daniels LLP, of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. Legal opinions in substantially the forms set out in Appendix I herein will be delivered at closing.

TAX EXEMPTION

In the opinion of Faegre Baker Daniels LLP, Minneapolis, Minnesota, Bond Counsel, under existing laws, regulations, rulings, and decisions, and assuming continuing compliance by the County with covenants made to satisfy requirements of the Code, interest on the Bonds is not included in gross income for federal income tax purposes and, to the same extent, is not included in taxable net income of individuals, estates, and trusts for Minnesota income tax purposes. Interest on the Series 2015B Bonds is not an item of tax preference for purposes of the computation of the alternative minimum tax imposed on individuals and corporations under federal law and on individuals, estates, and trusts under Minnesota law. Interest on the Bonds is included in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. Interest on the Bonds is subject to the Minnesota franchise tax imposed on corporations, including financial institutions.

The Code establishes certain requirements (the "Federal Tax Requirements") that must be satisfied subsequent to the issuance of the Bonds in order that, for federal income tax purposes, interest on the Bonds will continue to be excluded from gross income for federal income tax purposes. The Federal Tax Requirements include, but are not limited to, requirements relating to restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings on the "gross proceeds" of the Bonds be paid to the federal government. Noncompliance with the Federal Tax Requirements may cause interest on the Bonds to become subject to federal and Minnesota income taxation retroactive to their date of issue irrespective of the date on which such noncompliance occurs or is ascertained. In expressing its opinion, Bond Counsel will assume compliance by the County with the tax covenants contained in the authorizing resolutions for the Bonds.

No provision has been made for redemption of the Bonds or an increase in the interest rate on the Bonds in the event that interest on the Bonds becomes subject to federal or Minnesota income taxation.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to 15% of tax-exempt interest, such as interest on the Bonds, that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code and is includable in the net investment income of foreign insurance companies for purposes of Section 842(b) of the Code.

Interest on the Bonds is includable in the calculation of modified adjusted gross income in determining whether Social Security or railroad retirement payments are to be included in taxable income of individuals. Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than 25% of its gross receipts is passive investment income.

Original Issue Discount

The difference between the principal amount of the February 1, 2028 through February 1, 2033 maturities of the Series 2015A Bonds (the "OID Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2015A Bonds. Such original issue discount accrues actuarially on the constant yield basis over the term of each OID Bond and the basis of each OID Bond acquired at the initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

Original Issue Premium

The Series 2015A Bonds maturing on February 1 in the years 2018 through 2026 and the Series 2015B Bonds have been sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

ALTERNATIVE MINIMUM TAX – THE SERIES 2015A BONDS

Interest on the Series 2015A Bonds is a preference item for purposes of the computation of the federal alternative minimum tax and the computation of the State of Minnesota alternative minimum tax imposed on individuals, trusts and estates.

BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS – THE SERIES 2015B BONDS

The County will designate the Series 2015B Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

RATINGS

Standard & Poor's Ratings Services ("Standard & Poor's"), 55 Water Street, New York, New York has assigned a rating of "AA+" to each series of the Bonds. The ratings reflect only the opinion of Standard & Poor's. Any explanation of the significance of the ratings may be obtained only from Standard & Poor's.

There is no assurance that the ratings will continue for any given period of time, or that such ratings will not be revised, suspended or withdrawn, if, in the judgment of Standard & Poor's, circumstances so warrant. A revision, suspension or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The County has retained Springsted Incorporated, Public Sector Advisors, of St. Paul, Minnesota ("Springsted"), as municipal advisor in connection with certain aspects of the issuance of the Bonds. In preparing this Official Statement, Springsted has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement, and Springsted has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. Springsted is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. Springsted is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CERTIFICATION

The County has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The Purchaser(s) will be furnished with a certificate signed by the appropriate officers of the County stating that the County examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

UNDERWRITING

The Series 2015A Bonds

An underwriting syndicate managed by Morgan Stanley & Co. LLC, in New York, New York with co-managers Raymond James & Associates, Inc.; Jefferies & Company, Inc.; and First Tennessee Bank (collectively, the "Series 2015A Purchaser") has agreed to purchase the Series 2015A Bonds for a purchase price of $2,837,895.64 (representing the principal amount of $2,750,000.00, plus a reoffering premium of $131,815.00 and less the underwriter's compensation of $43,919.36). The public offering prices of all the Series 2015A Bonds may be changed from time to time by the Series 2015A Purchaser.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2015A Bonds.

The Series 2015B Bonds

Piper Jaffray & Co. in Kansas City, Missouri (the "Series 2015B Purchaser") has agreed to purchase the Series 2015A Bonds for a purchase price of $8,663,701.83 (representing the principal amount of $8,040,000.00, plus a reoffering premium of $668,030.45 and less the underwriter's compensation of $44,328.62). The public offering prices of all the Series 2015B Bonds may be changed from time to time by the Series 2015B Purchaser.

COUNTY PROPERTY VALUES

Trend of Values[a]

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio[b]	Economic Market Value[c]	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2014/15[d]	$26,788,899,100	N/A	N/A	N/A	$24,689,831,722	N/A
2013/14	23,852,062,600	91.3%	$26,072,126,819	$2,046,784,342	21,583,951,833	$270,881,340
2012/13	24,110,238,400	97.5	24,712,332,051	2,029,321,225	21,845,050,079	268,861,400
2011/12	26,214,024,800	100.3	26,135,617,946	1,910,771,550	24,028,138,146	290,464,995
2010/11	27,300,698,200	N/A	N/A	N/A	27,025,523,200	320,905,993
2009/10	30,198,485,700	N/A	N/A	N/A	29,871,966,200	349,427,239

(a) *For a description of the Minnesota property tax system, see Appendix III.*

(b) *Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, http://www.revenue.state.mn.us/propertytax/Pages/statistics-imv.aspx. Prior to 2011/12, a different methodology was used to calculate sales ratios and the economic market value cannot be derived.*

(c) *Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, http://www.revenue.state.mn.us/propertytax/Pages/statistics-imv.aspx.*

(d) *2014/15 valuations are preliminary and are subject to change as provided by Anoka County, Minnesota.*

Source: Anoka County, Minnesota, January 2015, except as otherwise noted.

2013/14 Adjusted Taxable Net Tax Capacity: $270,881,340*

Real Estate:		
Residential Homestead	$146,543,104	57.9%
Commercial/Industrial, Railroad, and Public Utility	68,043,876	26.9
Residential Non-Homestead	30,316,602	12.0
Agricultural	2,635,905	1.0
Seasonal Recreational	256,955	0.1
Personal Property	5,244,978	2.1
2013/14 Net Tax Capacity	$253,041,420	100.0%
Less: Captured Tax Increment	(6,400,091)	
Contribution to Fiscal Disparities	(27,078,042)	
Local Tax Rate Value	$219,563,287	
Plus: Distribution from Fiscal Disparities	51,318,053	
2013/14 Adjusted Taxable Net Tax Capacity	$270,881,340	

* *Excludes mobile home valuation of $453,748.*

Ten of the Largest Taxpayers in the County

Taxpayer	Type of Property	2013/14 Net Tax Capacity
Medtronic Inc.	Medical Device Services	$ 1,813,604
Coon Rapids Riverdale Village	Retail	1,741,681
Minnegasco Inc.	Gas Utility	1,590,050
Connexus Energy	Electric Utility	1,581,140
Target Corporation	Retail	1,437,584
Xcel Energy	Electric Utility	1,340,997
Glimcher Northtown Venture	Shopping Center	941,804
BNSF Railroad	Railroad Transportation	767,630
Great River Energy	Electric Utility	681,586
Menards Inc.	Home Improvement	612,463
Total		$12,508,539*

* *Represents 4.6% of the County's 2013/14 adjusted taxable net tax capacity.*

COUNTY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2013/14 Estimated Market Value)	$715,561,878
Less: Outstanding Debt Subject to Limit (Including the Bonds and Excluding the Refunded Maturities and the February 1, 2017 maturity of the Series 2007D Bonds)	(96,240,000)
Legal Debt Margin as of March 24, 2015	$619,321,878

* *The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.*

NOTES: *Certain types of debt are not subject to the legal debt limit. See Appendix III – Debt Limitations.*

The 2013 Minnesota Legislature clarified the definition of estimated market value and established it as the basis for the calculation of the Net Debt Limit. A large contributing factor to the change was to offset the effect of the Market Value Homestead Exclusion implemented by the 2012 Minnesota Legislature, which had a significant impact on taxable market values.

General Obligation Debt Supported Solely by Taxes[(a)(b)]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 3-24-15
2-15-06	$ 4,285,000	Capital Improvements	2-1-2016	$ 500,000
7-16-07	12,255,000	Capital Improvements	2-1-2016	645,000[(c)]
2-15-08	16,505,000	Capital Improvements	2-1-2029	11,325,000
7-17-08	13,195,000	Capital Improvements	2-1-2030	10,850,000
7-17-08	1,395,000	Airport Improvements (AMT)	2-1-2023	755,000
2-19-09	18,310,000	Capital Improvements	2-1-2024	12,160,000
7-9-09	3,000,000	Capital Improvements	2-1-2019	1,265,000
9-22-09	20,000,000	Taxable OPEB	2-1-2021	11,980,000[(d)]
12-9-09	2,530,000	Capital Improvements	8-1-2024	565,000
12-9-09	3,695,000	Capital Improvements	8-1-2024	3,695,000[(e)]
12-9-09	455,000	Library	8-1-2024	240,000
12-9-09	1,485,000	Refunding – Aquatic Center	2-1-2023	1,050,000
7-14-10	3,240,000	Capital Improvements	2-1-2020	880,000
7-14-10	790,000	Library	2-1-2020	410,000
9-29-11	8,180,000	Capital Improvements	2-1-2027	6,880,000
9-29-11	795,000	Capital Notes	2-1-2017	335,000
2-23-12	13,880,000	Capital Improvements	2-1-2027	11,515,000
2-23-12	2,725,000	Capital Improvements Refunding	2-1-2018	575,000
2-5-13	10,615,000	Airport Refunding	2-1-2029	10,615,000
2-5-13	7,835,000	Capital Improvements Refunding	2-1-2022	7,835,000
2-5-13	1,695,000	Library Refunding	2-1-2022	1,695,000
3-24-15	2,750,000	Airport Refunding (AMT) (the Series 2015A Bonds)	2-1-2033	2,750,000
3-24-15	8,040,000	Capital Improvements Refunding (the Series 2015B Bonds)	2-1-2029	8,040,000
Total				$106,560,000

(a) *These issues are subject to the legal debt limit, except where otherwise noted.*

(b) *Excludes the Series 2006C Refunded Maturities.*

(c) *Excludes the Series 2007D Refunded Maturities and the February 1, 2017 maturity of the Series 2007D Bonds.*

(d) *This issue is not subject to the legal debt limit.*

(e) *This issue will be repaid by the City of Lino Lakes pursuant to a Joint Powers Agreement between the County and the City of Lino Lakes.*

General Obligation Revenue Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 3-24-15
6-28-05	$1,600,000	Juvenile Detention Facility Refunding	12-1-2017	$ 545,000
2-25-09	3,200,000	Housing Development	2-1-2028	2,400,000*
10-27-11	8,920,000	Housing Development Refunding	2-1-2036	8,495,000*
12-27-12	5,230,000	Taxable Ice Arena Refunding	2-1-2023	4,200,000*
Total				$15,640,000

* *These bonds were issued by the Anoka County Housing and Redevelopment Authority but are secured by the County's general obligation pledge.*

Lease Obligations

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 3-24-15
11-28-07	$2,705,000	Metropolitan Mosquito Control District	2-1-2023	$1,660,000(a)(b)
7-1-08	1,205,000	ACCAP Refunding	8-1-2018	481,281(c)
7-22-10	1,930,000	ACCAP Refunding	6-1-2028	1,615,000(d)
12-27-12	5,655,000	Ice Arena Refunding	2-1-2026	4,845,000(e)
Total				$8,601,281

(a) *This issue is subject to the legal debt limit.*

(b) *These obligations financed the construction of an office building, a storage building, and related improvements to be subleased to the Metropolitan Mosquito Control District (the "District"). The debt service is paid from sublease payments made by the District to the County pursuant to a Joint Powers Agreement and a Sublease Agreement.*

(c) *These obligations were issued as a Lease Purchase Agreement to refund Certificates of Participation issued in 1997 for the purpose of financing the acquisition, renovation and equipping of a building to be leased to the ACCAP. The debt service is paid from annual appropriation lease payments by the County.*

(d) *These obligations were originally issued for the purpose of refinancing and improving various group homes within the County to be subleased to the Anoka County Community Action Program, Inc. (ACCAP), a Minnesota nonprofit corporation. The debt service is paid from annual appropriation lease payments by the County.*

(e) *These bonds were originally issued by the Anoka County Housing and Redevelopment Authority for the purpose of financing a portion of the cost of designing and constructing a four-sheet ice facility and associated improvements located in the City of Blaine. The debt service is paid from sublease payments made by the National Sports Center Foundation that operates the ice arena. This issue is secured by the County's general obligation pledge.*

Estimated Calendar Year Debt Service Payments Including the Bonds and Excluding the Refunded Maturities and the February 1, 2017 Maturity of the Series 2007D Bonds

	G.O. Debt Supported Solely by Taxes		G.O. Revenue Debt	
Year	Principal	Principal & Interest[a]	Principal	Principal & Interest
2015 (at 3-24)	$ 405,000	$ 2,523,663	$ 175,000	$ 408,295
2016	10,400,000	14,508,384	1,095,000	1,526,645
2017	9,570,000	13,021,869	1,130,000	1,539,618
2018	10,660,000	13,861,019	950,000	1,335,276
2019	10,805,000	13,613,174	970,000	1,336,764
2020	10,630,000	13,026,490	1,000,000	1,346,211
2021	10,780,000	12,756,032	1,020,000	1,342,949
2022	8,020,000	9,620,743	1,045,000	1,341,875
2023	7,510,000	8,788,599	1,080,000	1,348,178
2024	7,590,000	8,544,128	535,000	779,746
2025	4,215,000	4,918,141	550,000	777,301
2026	4,365,000	4,903,994	565,000	773,688
2027	4,535,000	4,897,791	685,000	871,650
2028	2,810,000	3,030,269	705,000	866,220
2029	2,450,000	2,572,375	500,000	639,815
2030	1,180,000	1,229,456	520,000	642,475
2031	205,000	223,247	540,000	644,455
2032	210,000	221,244	570,000	654,730
2033	220,000	223,850	595,000	658,178
2034			620,000	660,700
2035			385,000	407,108
2036			405,000	412,493
Total	$107,560,000[b]	$132,484,468	$15,640,000[c]	$20,314,370

[a] *Includes debt service on the Series 2015A Bonds and the Series 2015B Bonds based on the interest rates shown on the cover of this Official Statement, and excludes the Refunded Maturities and the February 1, 2017 maturity of the Series 2007D Bonds.*

[b] *81.1% of this debt will be retired within ten years.*

[c] *57.5% of this debt will be retired within ten years.*

Estimated Calendar Year Debt Service Payments Including the Bonds and Excluding the Refunded Maturities and the February 1, 2017 Maturity of the Series 2007D Bonds (continued)

	Lease Obligations	
Year	Principal	Principal & Interest
2015 (at 3-24)	$ 214,997	$ 387,029
2016	795,873	1,027,689
2017	812,014	1,022,539
2018	763,397	951,520
2019	705,000	873,774
2020	720,000	869,222
2021	740,000	868,762
2022	765,000	872,382
2023	785,000	868,646
2024	555,000	618,240
2025	580,000	627,639
2026	860,000	888,463
2027	150,000	163,041
2028	155,000	159,394
Total	$8,601,281*	$10,198,340

* *79.7% of this debt will be retired within ten years.*

Other Debt Obligations

School District Lease Revenue Bonds

The County issued $5,495,000 School District Lease Revenue Refunding Bonds, Series 2010 (the "Series 2010 Bonds") on behalf of Anoka-Hennepin Independent School District No. 11, Minnesota (the "District") to refinance the acquisition and construction of a secondary technical education building near the existing Anoka-Hennepin Technical College. Principal of and interest on the Series 2010 Bonds are paid from lease payments made by the District pursuant to a Lease and Purchase Option Agreement between the County and the District. The County has assigned all its rights to the land and building to U.S. Bank National Association as Trustee, pursuant to the Amended and Restated Mortgage Trust Indenture.

Operating Leases

The County currently has 14 various operating leases, and the County made operating lease payments totaling $372,908 in 2013. The following is a schedule by years of future minimum rental payments required under these operating leases as of December 31, 2013:

Year Ending December 31	
2014	$ 338,301
2015	284,209
2016	209,330
2017	123,662
2018	40,083
2019-2023	83,367
2024-2027	12
Total	$1,078,964

Capital Leases

The County 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 included as capital assets. The County financed a total of $97,148 at a rate of 4.25%, and the lease expires in May 2015.

Future minimum lease payments are shown below:

Year Ending December 31	Chomonix Golf Course
2014	$25,865
2015	4,312
Total Minimum Lease Payments	$30,177
Less: Interest	(1,086)
Present Value of Net Minimum Lease Payments	$29,091

Overlapping Debt

Taxing Unit[(a)]	2013/14 Adjusted Taxable Net Tax Capacity	Est. G.O. Debt As of 3-24-15[(b)]	Debt Applicable to Tax Capacity in County Percent	Amount
Anoka County Regional Railroad Authority	$ 270,881,340	$ 25,445,000	100.0%	$ 25,445,000
Cities:				
Andover	24,818,387	35,955,000[(c)]	100.0	35,955,000
Anoka	11,195,165	9,215,000	100.0	9,215,000
Bethel	310,579	320,000	100.0	320,000
Blaine	53,390,674	26,265,000[(d)]	99.1	26,028,615
Centerville	3,143,877	7,680,500	100.0	7,680,500
Circle Pines	3,191,546	11,700,000	100.0	11,700,000
Columbia Heights	12,529,371	16,270,000	100.0	16,270,000
Columbus	4,471,004	10,374,000	100.0	10,374,000
Coon Rapids	47,862,393	15,600,000	100.0	15,600,000
East Bethel	8,785,832	1,235,000	100.0	1,235,000
Fridley	23,103,007	4,340,000	100.0	4,340,000
Ham Lake	14,232,982	1,825,000	100.0	1,825,000
Lexington	1,352,650	1,042,250	100.0	1,042,250
Lino Lakes	17,766,193	16,706,000	100.0	16,706,000
Nowthen	4,263,666	800,171	100.0	800,171
Oak Grove	7,177,903	1,465,000	100.0	1,465,000
Ramsey	19,356,717	31,545,000	100.0	31,545,000
St. Francis	4,929,483	2,880,000	99.9	2,877,120
Spring Lake Park	4,937,167	3,875,000[(e)]	97.5	3,778,125
School Districts:				
ISD 11 (Anoka-Hennepin)	177,995,880	58,620,000	78.8	46,192,560
ISD 12 (Centennial)	26,178,760	96,173,685	100.0	96,173,685
ISD 13 (Columbia Heights)	17,647,100	15,705,000	100.0	15,705,000
ISD 14 (Fridley)	11,601,040	35,155,000	100.0	35,155,000
ISD 15 (St. Francis)	24,629,859	23,190,000	93.2	21,613,080
ISD 16 (Spring Lake Park)	32,069,425	99,510,000	100.0	99,510,000
ISD 624 (White Bear Lake)	63,236,424	84,050,000	3.5	2,941,750
ISD 728 (Elk River)	59,861,669	74,480,000	6.5	4,841,200
ISD 831 (Forest Lake)	44,593,370	20,040,000	31.7	6,352,680
Special Districts:				
Metropolitan Council	2,999,061,916	15,195,000[(f)]	9.0	1,367,550
Metropolitan Transit	2,381,101,627	242,600,000[(g)]	11.4	27,656,400
Total				$581,710,686

(a) *Only those units with outstanding general obligation debt are shown here.*

(b) *Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.*

(c) *Includes public facility lease revenue bonds issued by the Andover Economic Development Authority.*

(d) *Represents the total outstanding principal amount of bond issues for fire protection services issued by the City of Blaine that are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2015, the proportionate shares for each City are 74.96%, 16.43%, and 8.61% for Blaine, Mounds View, and Spring Lake Park, respectively.*

(e) *Excludes the City of Spring Lake Park's proportionate share of outstanding general obligation debt for fire improvements, which was issued by the City of Blaine and are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2014, the City of Spring Lake Park's share is 8.88% of the total debt service on the bonds.*

(f) *Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.*

(g) *Includes general obligation grant anticipation notes.*

Debt Ratios*

	G.O. Direct Debt	G.O. Direct & Overlapping Debt
To 2013/14 Estimated Market Value ($23,852,062,600)	0.45%	2.89%
Per Capita - (341,465 - 2013 MN State Demographer Estimate)	$317	$2,021

* *Excludes general obligation debt supported by revenues and other debt obligations. Includes the mosquito control lease obligation.*

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates

City of Coon Rapids

	2009/10	2010/11	2011/12	2012/13	2013/14
Anoka County	35.189%	39.952%	41.146%	44.411%	43.239%
City of Coon Rapids	34.468	38.951	42.824	48.835	47.509
ISD No. 11 (Anoka-Hennepin)[(a)]	19.939	23.999	23.325	26.801	28.265
Special Districts[(b)]	6.089	6.985	6.990	7.268	7.425
Total	95.685%	109.887%	114.285%	127.315%	126.438%

(a) *Independent School District No. 11 (Anoka-Hennepin) also has a 2013/14 tax rate of 0.20597% spread on the market value of property in support of an excess operating levy.*

(b) *Special Districts include Metropolitan Council, Metropolitan Transit District, Mosquito Control District, County/City Radio, Coon Rapids Housing and Redevelopment Authority, Coon Creek Watershed District, and Regional Rail Authority.*

Selected Totals for Other Cities

	2009/10	2010/11	2011/12	2012/13	2013/14
City of Anoka	101.369%	113.065%	120.913%	131.609%	126.678%
City of Blaine	90.565	103.099	104.275	114.587	114.315
City of Columbia Heights	123.309	127.486	138.847	162.414	153.233
City of Fridley	115.434	127.765	134.855	152.513	151.644

NOTE: Taxes are determined by multiplying the net tax capacity by the tax capacity rate, plus multiplying the referendum market value by the market value rate. This table does not include the market value based rates. See Appendix III.

Tax Levies and Collections

Levy/Collect	Net Levy*	Collected During Collection Year Amount	Collected During Collection Year Percent	Collected and/or Abated as of 12-31-14 Amount	Collected and/or Abated as of 12-31-14 Percent
2014/15	$119,408,022	(In Process of Collection)			
2013/14	118,316,675	$117,211,778	99.1%	$117,211,778	99.1%
2012/13	118,346,730	116,693,958	98.6	117,895,493	99.6
2011/12	119,786,417	117,753,677	98.3	119,491,232	99.8
2010/11	119,853,853	117,047,998	97.7	119,642,852	99.8

* *The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.*

FUNDS ON HAND
As of December 31, 2014

Funds	Cash and Investments
General	$ 72,858,852
Special Revenue	55,913,601*
Debt Service	44,835,682*
Capital Projects	19,946,997*
Proprietary	4,555,329
Trust and Agency	12,521,362
Irrevocable OPEB Trust	51,621,209
Total	$262,253,032

* *These funds contain a total of $34,533,193 in escrowed accounts.*

INVESTMENTS

The County's current investment policy was adopted by the County Board in December 1992 and was revised on December 15, 2009. County investments are made in accordance with Minnesota Statutes, Section 118A, and in a manner that seeks to ensure in order of priority, the preservation of capital, maintenance of liquidity, and maximization of yield. The Division Manager of Finance and Central Services, is responsible for investment decisions and activities. Investments as of December 31, 2014 had a market value of $220,120,698. The Investment Portfolio is invested as follows:

	Market Value As of 12-31-14	Percent of Portfolio
Cash and Commercial Paper	$ 42,081,588	19.1%
U.S. Treasuries, Agencies, and Government Obligations	94,125,740	42.8
Pooled Investments/Mutual Funds	83,913,370	38.1
Total County Investments	$220,120,698	100.0%

GENERAL INFORMATION CONCERNING THE COUNTY

The County was established May 23, 1857, and is located in the northwestern portion of the Minneapolis/Saint Paul seven-county metropolitan area. The County encompasses an area of 426.5 square miles (approximately 272,960 useable acres) and contains all or portions of 20 cities and one township.

Population

The County's population trend is shown below.

	Population	Percent Change
2013 MN State Demographer Estimate	341,465	3.2%
2010 U.S. Census	330,844	11.0
2000 U.S. Census	298,084	22.3
1990 U.S. Census	243,641	24.3
1980 U.S. Census	195,998	--

Sources: Minnesota State Demographic Center, mn.gov/admin/demography and United States Census Bureau, http://www.census.gov/.

The County's population by age group for the past two years is as follows:

Data Year/ Report Year	0-17	18-34	35-64	65 and Over
2014/15	83,554	73,662	146,169	41,473
2013/14	84,081	72,767	145,563	39,088

Source: Claritas, Inc.

Transportation

U.S. Highways 10 and 169 run through the County as well as Minnesota Highways 47, 65, 242, and 610. Interstates 35, 35E, 35W, and 694 also run through the County. The Anoka County/Blaine Airport is located in the County. Rail service is provided by Burlington Northern Santa Fe Railroad.

AREA ECONOMY

Major Employers

Employer	Product/Service	Approximate Number of Employees
Medtronic Corporation (Fridley and Columbia Heights)	Medical device services	11,000[(a)]
Independent School District No. 11 (Anoka-Hennepin)	Public education	6,160[(b)]
Mercy and Unity Hospital (Fridley and Coon Rapids)	Hospitals	2,200
Cummins Power Generation (Fridley)	Generator and diesel manufacturer	2,000
Northtown Mall (Fridley)	Shopping mall	2,000[(b)]
Target Corporation (six stores and one distribution center)	Retail	1,922[(b)]
Anoka County (Anoka)	County government	1,700
ATK Federal Premium Ammunition (Anoka)	Ammunition manufacturing	1,400
Pentair Technical Products (Anoka)	Electrical products	1,225
Wal Mart (3 locations)	Retail	1,000[(b)]
Cub Foods (6 locations)	Grocery store	800[(b)]
Independent School District No. 15 (St. Francis)	Public education	800
BAE Systems (Fridley)	Pumps/naval ordnance	700
RMS Company (Coon Rapids)	Medical and aerospace components	672
Aveda Corporation (Blaine)	Health and beauty aids	650
BNSF Railroad (Fridley)	Railroad transportation	650
Independent School District No. 16 (Spring Lake Park)	Public education	650
Parsons Electric Company (Fridley)	Electrical services	650
Anoka Metro Regional Treatment Center (Anoka)	Psychiatric hospital	630
Honeywell Commercial Flight Systems (Coon Rapids)	Commercial aviation	600
Mary T. Inc. (Coon Rapids)	Group home	575
Minco Products, Inc. (Fridley)	Electronic devices	550
Independent School District No. 13 (Columbia Heights)	Public education	484[(b)]
State of Minnesota Correctional Facility (Lino Lakes)	Medium security prison	460
Anoka Ramsey Community College (Coon Rapids)	Community college	403[(b)]
Best Buy (Blaine – 2 locations)	Electronics retail	157[(b)]

(a) *Corporate-wide total is 49,000 for full- and part-time employees.*

(b) *Includes full- and part-time employees.*

Source: This does not purport to be a comprehensive list and is based on a January 2015 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Labor Force Data

	Annual Average				December
	2010	2011	2012	2013	2014
Labor Force:					
Anoka County	189,023	189,084	189,049	190,421	191,629
Minneapolis-St. Paul MSA	1,833,521	1,847,426	1,849,607	1,865,647	1,876,171
State of Minnesota	2,962,633	2,969,696	2,969,366	2,973,511	2,985,228
Unemployment Rate:					
Anoka County	7.9%	6.7%	5.8%	5.1%	3.6%
Minneapolis-St. Paul MSA	7.3	6.3	5.5	4.8	3.3
State of Minnesota	7.4	6.5	5.6	5.1	3.7

Source: Minnesota Department of Employment and Economic Development, http://www.positivelyminnesota.com. 2014 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

Anoka County

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2014/15	N/A	$8,685,587	$58,438
2013/14	$4,005,487	7,741,875	53,659
2012/13	3,865,879	7,554,007	52,310
2011/12	4,354,918	7,472,110	53,022
2010/11	4,356,191	7,502,085	53,213

The 2014/15 Median Household EBI for the State of Minnesota was $50,560. The 2014/15 Median Household EBI for the United States was $45,448.

Source: Claritas, Inc.

Permits Issued in the County

	Total Permits*		New Single-Family Homes	
Fiscal Year	Number	Value	Units	Value
2014	10,386	$401,207,482	478	$141,029,347
2013	10,704	357,440,792	590	138,631,931
2012	10,256	310,043,395	551	139,005,750
2011	9,564	211,740,466	440	103,536,407
2010	9,501	222,135,454	444	97,775,780
2009	10,545	190,312,566	370	72,994,092

* *In addition to building permits, the total value includes all other permits issued by the cities (ie. heating, lighting, plumbing, roof replacement, etc.).*

Recent and Proposed Development

Anoka County is home to well-recognized industry leaders such as Medtronic Corporation, Infinite Campus, Alliant TechSystems (ATK Federal Premium Ammunition), BAE Systems, Honeywell Commercial Flight Systems, Aveda Corporation, Onan Corporation, and Pentair Technical Products. These companies, along with other existing and emerging companies, caused total employment in the County to grow more rapidly than the Twin Cities metropolitan area as a whole between 1990 and 2010.

Source: Minnesota Department of Employment and Economic Development, http://www.positivelyminnesota.com/.

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, Bionenergey, Inc., and BioVest International.

A recent infrastructure investment in sewer by the City of East Bethel will add additional building opportunities over the next decade. This investment has already attracted Advanced Hydraulics to the community.

The Connect Anoka County high-speed fiber broadband project, a cooperative project between the County and Zayo Bandwidth LLC, has been completed. The project was awarded $13,382,593 in July 2010 from the American Recovery and Reinvestment Act (ARRA) to expand fiber broadband connectivity across the County. The project links 145 anchor institutions with three core rings, creating a fiber optic backbone, which connects public safety, public works, libraries, law enforcement, license centers, city and town halls, and County and community buildings. The broadband project serves 56 public safety agencies. The instillation of the high-speed fiber passes directly through the County's key business districts and economic development zones, allowing Zayo Bandwidth to offer high-speed broadband directly to businesses.

The City of Coon Rapids has seen approximately $66 million worth of investments over the past three years. Mercy Medical Building is under construction across from Mercy Hospital; a 100-unit senior housing project started construction in the fall of 2012; and a 32,000 square-foot medical office building is being planned on Coon Rapids Boulevard.

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 Disease division.

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.

The 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 Key Air, 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, Key Air Executive Charter and Aircraft Management, and its tenants.

Financial Institutions

The following full service banks are located in the County*:

	Deposits As of 9-30-14
Village Bank (City of St. Francis)	$161,336,000
First Advantage Bank (City of Coon Rapids)	57,087,000
First Resource Bank (City of Lino Lakes)	52,393,000
Total	$270,816,000

In addition, branch offices of 21st Century Bank; Anchor Bank, National Association; Bank of the West; BMO Harris Bank National Association; Boundary Waters Bank; Central Bank; Community Pride Bank; Cortrust Bank National Association; Farmers & Merchants Savings Bank; First Minnesota Bank; Guaranty Bank; Landmark Community Bank, National Association; Northeast Bank; Peoples Bank of Commerce ; Pine River State Bank; Premier Bank; TCF National Bank; The First National Bank of Elk River; U.S. Bank National Association; and Wells Fargo Bank, National Association are located throughout the County.

* *This does not purport to be a comprehensive list.*

Source: Federal Deposit Insurance Corporation, http://www2.fdic.gov/idasp/main.asp.

Health Care Services

The following is a summary of health care facilities located in the County:

Facility	Location	No. of Beds	
Anoka Metro Regional Treatment Center	City of Anoka	29	Supervised Living
		175	Other Licensed
Anoka Rehab and Living Center	City of Anoka	120	Nursing Home
Anthony Louis Center	City of Blaine	22	Supervised Living
Bethesda Lutheran	City of Coon Rapids	12	Supervised Living
Camilia Rose Care Center LLC	City of Coon Rapids	80	Nursing Home
		29	Supervised Living
Crest View Lutheran Home	City of Columbia Heights	122	Nursing Home
Golden Livingcenter Lynwood	City of Fridley	54	Nursing Home
Golden Livingcenter Twin River	City of Anoka	56	Nursing Home
Mercy Hospital	City of Coon Rapids	271	Hospital Beds
		38	Infant Bassinets
MSOCS Blaine Home	City of Blaine	6	Supervised Living
Park River Estates Care Center	City of Coon Rapids	99	Nursing Home
Unity Hospital	City of Fridley	275	Hospital
		36	Infant Bassinets

Source: Minnesota Department of Health, http://www.health.state.mn.us/.

Education

Public Education

The following district serve the residents of the County:

School	Location	Grades	2013/14* Enrollment
ISD No. 11 (Anoka-Hennepin)	City of Anoka	PK-12	38,183
ISD No. 12 (Centennial)	City of Circle Pines	PK-12	6,532
ISD No. 13 (Columbia Heights)	City of Columbia Heights	PK-12	3,168
ISD No. 14 (Fridley)	City of Fridley	PK-12	2,944
ISD No. 15 (St. Francis)	City of St. Francis	PK-12	4,933
ISD No. 16 (Spring Lake Park)	City of Spring Lake Park	PK-12	5,581
ISD No. 624 (White Bear Lake)	City of White Bear Lake	PK-12	8,179
ISD No. 728 (Elk River)	City of Elk River	PK-12	13,123
ISD No. 831 (Forest Lake)	City of Forest Lake	PK-12	6,696

* *2014/15 enrollment figures are not yet available.*

Source: Minnesota Department of Education, www.education.state.mn.us

Non-Public Education

County residents are also served by the following private schools:

School	Grades	2013/14* Enrollment
Totino Grace High School	9-12	798
Epiphany Education Center	K-8	469
Legacy Christian Academy	K-12	407
St. Stephen	K-8	391
St. Peter	K-6	239
Calvin Christain School – Blaine	K-8	220
St. Mary of the Lake	K-8	204
St. Andrew's Catholic School	K-5	168
Woodcrest Baptist Academy	K-12	155
Magnuson Christian School	K-8	134
St. Pius X School	K-8	98
Immaculate Conception	K-8	89
Mary Queen of Peace Catholic School	K-5	80
Liberty Classical Academy	K-5	78
St. John's Lutheran	K-5	77
Cross of Christ Lutheran	K-8	73
Trinity Lutheran	K-8	62
Minnesota Renaissance	K-8	59
Calvin Christain High School	9-12	58
Immaculate Heart of Mary Academy	K-12	55
St. Francis Christian	K-12	52
The Way of the Shepherd	K-6	48
Northside Christian (Blaine Campus)	K-10	42
White Bear Montessori School	K-3	37
Crown Christian School	K-8	33
Coon Rapids Christian	K-12	27
Marantha School	K-4	23

* *2014/15 enrollment figures are not yet available.*

Source: Minnesota Department of Education, www.education.state.mn.us

Post-Secondary Education

Post-secondary educational opportunities are available at Anoka-Ramsey Community College, Anoka-Hennepin Technical College, the Anoka County branch of the University of Minnesota Extension Service, and NEI College of Technology.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The County is governed by a seven-member Board of Commissioners (the "County Board"), all of whom are elected by district to overlapping four-year terms of office. The current County Board consists of the following individuals:

		Expiration of Term
Rhonda Sivarajah	Chair of the Board	January 2017
Matt Look	Vice Chair	January 2017
Julie Braastad	Commissioner	January 2017
Robyn West	Commissioner	January 2017
Jim A. Kordiak	Commissioner	January 2019
Mike Gamache	Commissioner	January 2019
Scott Schulte	Commissioner	January 2019

Administration of the County is the responsibility of the County Administrator, Mr. Jerry Soma. Mr. Soma was appointed by the County Board on May 1, 2011. The financial affairs of the County and debt administration are the responsibility of the Finance and Central Services Division Manager, Mr. Cory Kampf.

Services

The County's functions and employees are divided among five divisions and several departments. Two of the statutory offices, Attorney and Sheriff, are managed by department heads who are elected to office. The division managers and remaining department heads are appointed by the County Board.

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

Labor Contracts

The status of labor contracts in the County is as follows:

Union	Number of Employees	Employees Represented	Contract Expiration Date
Local No. 49 International Union of Operating Engineers	76	Highway and Park Maintenance	12/31/2015
Law Enforcement Labor Services (LELS)	43	Corrections – Work Release Officers' Unit	12/31/2015
	89	Sheriff's Department – Licensed Officers	12/31/2015
	10	Sheriff's Department – Detention Sergeants/Lieutenants	12/31/2015
	68	Sheriff's Department – Detention Deputies/Corporals	12/31/2015
	13	Sheriff's Department – Sergeants	12/31/2015
	17	Sheriff's Department – Investigators	12/31/2015
	8	Sheriff's Department – Licensed Commanders And Lieutenants	12/31/2014*
	30	Central Communications – 911 Dispatchers and Lead Dispatchers	
Subtotal	354		
Non-unionized employees	1,271		
Total employees	1,625		

* *Currently in negotiations.*

NOTE: The Central Communications – 911 Dispatchers and Lead Dispatchers are a newly organized group who are working on the initial collective bargaining agreement.

Employee Pensions

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

GERF members belong to the Coordinated Plan and are covered by Social Security. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF. All local correctional employees who qualify by statute for membership are covered by the LGCSRF. PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statutes and vested after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Minnesota Statutes set the rates for employer and employee contributions. These statutes are enacted and amended by the state legislature. The County makes annual contributions to the pension plans equal to the amount required by Minnesota Statutes. GERF Basic and Coordinated Plan members are required to contribute 9.10% and 6.25%, respectively, of their annual covered salaries. PEPFF members are required to contribute 9.60% of their annual covered salaries. LGCSRF members are required to contribute 5.83% of their annual covered salaries.

The County was required to contribute the following percentages of annual covered payroll for 2013 and 2014:

	2013	2014
Public Employees Retirement Fund (GERF):		
Basic Plan members	11.78%	11.78%
Coordinated Plan members	7.25	7.25
Public Employees Police and Fire Fund (PEPFF)	14.40	15.30
Local Government Correctional Service Retirement Fund (LGCSRF)	8.75	8.75

The County's contributions to GERF, PEPFF, and LGCSRF are equal to the contractually required contributions for each year as set by State Statute, and are as follows for the past five years:

	GERF	PEPFF	LGCSRF
2013	$6,285,220	$1,435,884	$892,179
2012	6,218,521	1,373,778	874,101
2011	6,442,401	1,340,689	872,275
2010	6,361,775	1,324,302	875,471
2009	6,025,016	1,300,081	922,176

For more information regarding the liability of the County with respect to its employees, please reference "Note 3E, Employee Retirement Systems and Pension Plans" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2013, an excerpt of which is included as Appendix IV of this Official Statement. (The County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2014 is not yet available.)

Sources: County's Comprehensive Annual Financial Reports.

Other Post-Employment Benefits

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions (GASB 45), which addresses how state and local governments must account for and report their obligations related to post-employment healthcare and other non-pension benefits (referred to as Other Post Employment Benefits or "OPEB").

The County provides a contribution towards the premium for health insurance for retired County employees and officials who are benefit eligible and have been employed by the County for a minimum of ten (10) years. A benefit eligible employee may opt for either single or family insurance coverage provided, however, that such health insurance coverage must be on the same health insurance plans provided to current County employees. The rate of the contribution provided by the County is based on the length of service the employee has with the County. As of December 31, 2011 (the date of the last actuarial valuation), the County had 2,271 eligible participants for OPEB, of which 1,599 were currently employed with the County and 672 were retired participants and their spouses.

With the advent of GASB Statement 45, the County has engaged actuaries to provide actuarial valuation reports. Under GASB 45 such costs must be accounted for on an accrual basis. The County must report an annual OPEB cost based on actuarially determined amounts that, if paid on an ongoing basis, will provide sufficient resources to pay these benefits. The most recent actuarial report is dated December 31, 2011, for a valuation date of December 2013. Components of the County's annual OPEB cost, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation to the plan for the fiscal year ended December 31, 2013 are as follows:

Annual required contribution	$ 5,873,925
Interest on net OPEB obligation	1,468,033
Adjustment to annual required contribution	(1,607,120)
Annual OPEB cost (expense)	$ 5,734,838
Contributions made	(2,758,819)
Increase in net OPEB obligation	$ 2,976,019
Net OPEB obligation – beginning of year	16,943,102
Net OPEB obligation – end of year	$19,919,121

Funded status of the County's OPEB as reported in the actuarial reports received to-date:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	UAAL as a percentage of Annual Covered Payroll
December 31, 2011	$29,290,357	$ 69,623,253	$ 40,332,896	38.58%
December 31, 2009	21,376,934	71,980,996	50,604,062	48.65
December 31, 2007	0	129,648,121	129,648,121	125.42

Required contributions as reported in the actuarial reports received to-date:

Fiscal Year Ended	OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	OPEB Obligation
December 31, 2013	$ 5,734,838	$ 2,758,819	48.11%	$19,919,121
December 31, 2012	5,783,122	4,083,305	70.61	16,943,102
December 31, 2011	6,461,225	3,639,729	56.33	15,243,285
December 31, 2010	6,445,256	5,050,487	78.36	12,421,789
December 31, 2009	12,847,081	22,351,676	173.98	11,027,020

For more information regarding the liability of the County with respect to its employees, please reference "Note 3C4, Employment and Other Postemployment Benefits" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2013, an excerpt of which is included as Appendix IV of this Official Statement. (The County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2014 is not yet available.)

Sources: County's Comprehensive Annual Financial Reports.

Capital Improvements Plan and Budget

Each year the County prepares and adopts a five-year Capital Improvements Plan ("CIP"), and reviews and considers the requests of the various elected and appointed department heads. The first year of the five-year plan is adopted as the Capital Improvements Budget ("CIB") becomes operative. Years two through five are for planning purposes, and those requests, along with others that may be added, are further reviewed in subsequent years.

Operating Budget

The County's operating budget process is managed and controlled by the County Administrator, who works closely with the County Board throughout the process. Elected and appointed department heads prepare and submit budget requests for their individual departments, utilizing a centralized, automated system. The Budget is adopted by the County Board after deliberation with each department, working through the County Administrator.

The County prepares an annual budget document. The document is submitted to the Government Finance Officers Association of the United States and Canada (GFOA) for consideration for the Distinguished Budget Presentation Award. The County has received the Distinguished Budget Presentation Award annually since 1999.

Operating Budget Summary

	2014 Adopted	2015 Adopted
Revenues:		
County Share of Tax Levy	$118,359,397	$119,408,022
State Paid Credits	16,283,272	16,926,224
Total Tax Levy	$134,642,669	$136,334,246
Other Taxes	$ 403,250	$ 360,250
Licenses and Permits	1,097,146	1,164,701
Intergovernmental:		
Federal	52,014,671	35,462,691
State	56,160,518	47,857,488
Other	6,501,945	9,030,411
Charges for Services	40,674,278	34,696,570
Fines and Forfeits	274,500	197,000
Interest on Investments	3,188,000	1,619,000
Miscellaneous	4,444,094	5,123,140
Total Revenues	$299,401,071	$271,845,497
Other Sources:		
Budgeted Use of Fund Balance	$ 729,825	$ 40,738
Non-Revenue	1,450,033	1,997,776
Total Other Sources	$ 2,179,858	$ 2,038,514
Total Revenues and Other Sources	$301,580,929	$273,884,011
Expenditures:		
General Government	$ 38,931,295	$ 39,680,713
Public Safety	60,509,478	61,724,092
Highways and Streets	69,194,179	40,647,185
Human Services	72,832,345	69,606,461
Health	11,617,702	13,417,969
Culture and Recreation	17,179,993	17,268,048
Sanitation	5,166,780	5,485,441
Conservation of Natural Resources	502,976	504,710
Economic Development and Assistance	5,682,791	5,595,954
Debt Service/Capital Improvements	21,903,419	18,841,963
Total Expenditures	$303,520,958	$272,772,536
Other Uses		
Budgeted Increase(Decrease) – Fund Balance	$ (1,940,029)	$ 1,111,475
Total Expenditures and Other Uses	$301,580,929	$273,884,011

General Fund Budget Summary

	2014 Budget	2014 Estimated	2015 Budget
Fund Balance – January 1	$ 46,974,775	$ 46,974,775	$ 46,597,129
Revenues:			
Taxes	$ 57,697,054	$ 57,697,054	$ 61,099,584
Licenses and Permits	57,035	57,035	106,522
Intergovernmental	12,806,624	12,806,624	12,576,186
Charges for Services	26,927,804	26,927,804	27,766,426
Fines and Forfeits	7,000	7,000	7,000
Investment Income	3,145,000	3,145,000	1,585,000
Miscellaneous	2,457,045	2,457,045	2,715,584
Transfers In	966,393	966,393	1,514,136
Total Revenues	$104,063,955	$104,063,955	$107,370,438
Expenditures:			
General Government	$ 38,065,161	$ 38,065,161	$ 38,793,310
Public Safety	60,509,478	60,509,478	61,724,092
Human Services	366,067	366,067	383,567
Sanitation	5,166,780	5,166,780	5,485,441
Culture and Recreation	182,623	182,623	167,623
Conservation of Natural Resources	151,492	151,492	151,492
Transfers Out	0	0	0
Total Expenditures	$104,441,601	$104,441,601	$106,705,525
Fund Balance – December 31	$ 46,597,129	$ 46,597,129	$ 47,262,042

Sources: County's Comprehensive Annual Financial Reports and 2015 Budget.

Major General Fund Revenue Sources

Revenue	2009	2010	2011	2012	2013
Taxes	$47,896,439	$48,650,580	$49,552,260	$50,675,280	$50,886,651
Charges for Services	31,176,420	30,628,413	29,678,313	28,357,490	26,406,196
Intergovernmental	22,242,507	22,739,666	22,83,8532	20,380,831	18,559,719
Miscellaneous	2,595,815	2,672,185	5,124,240	5,187,702	5,421,559
Transfers In	339,221	186,368	0	694,934	3,520,778
Licenses and Permits	171,305	129,035	164,495	239,855	357,320

Sources: County's Comprehensive Annual Financial Reports.

APPENDIX I

PROPOSED FORMS OF LEGAL OPINIONS

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March 24, 2015

Anoka County
Anoka, Minnesota

RE: Anoka County, Minnesota
<u>$2,750,000 General Obligation Airport Refunding Bonds (AMT), Series 2015A</u>

Ladies and Gentlemen:

We have acted as bond counsel to Anoka County, Minnesota (the "County"), in connection with the issuance by the County of its General Obligation Airport Refunding Bonds (AMT), Series 2015A, dated March 24, 2015, in the aggregate principal amount of $2,750,000 (the "Series 2015A Bonds").

We have examined such certified proceedings, documents and certifications of public officials as we deem necessary to render this opinion, including the form of the Series 2015A Bonds and a resolution of the Board of Commissioners of the County adopted on ___________, 2015 (the "Bond Resolution"). As to questions of fact material to our opinion, we have relied upon such certified proceedings, documents and certifications furnished to us without undertaking to verify such facts by independent investigation.

We have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the County's Official Statement dated March 2, 2015, or other offering material relating to the Series 2015A Bonds, and we express no opinion relating thereto.

Based on our examination, and assuming the genuineness of the signatures thereon and the accuracy of the facts stated therein, we are of the opinion, as of the date hereof, as follows:

1. The Series 2015A Bonds are valid and binding general obligations of the County issued under authority of Minnesota Statutes, Sections 360.36 and 475.67.

2. The Series 2015A Bonds are payable as to principal and interest from ad valorem taxes levied on all taxable property in the County, which taxes are without limitation as to rate or amount.

3. The interest on the Series 2015A Bonds is excludable from gross income for purposes of federal income taxation and from taxable net income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. Interest on the Series 2015A Bonds is an item of tax preference required to be included in the computation of

“alternative minimum taxable income” for purposes of federal alternative minimum tax applicable to individuals and other taxpayers under Section 55 of the Code and Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Series 2015A Bonds is includable in “adjusted current earnings” for the purpose of determining the “alternative minimum taxable income” of corporations under Section 55 of the Code and is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base.

The opinions set forth in the preceding paragraph are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2015A Bonds in order that interest thereon be, or continue to be, excludable from gross income and net taxable income for federal and state income tax purposes, respectively. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest on the Series 2015A Bonds to cease to be excludable from gross income and net taxable income for federal and state income tax purposes, respectively, retroactive to the date of issuance of the Series 2015A Bonds. We express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2015A Bonds.

It is to be understood that the rights of the holders of the Series 2015A Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

FAEGRE BAKER DANIELS LLP

Faegre Baker Daniels LLP
2200 Wells Fargo Center 90 South Seventh Street
Minneapolis Minnesota 55402-3901
Phone **+1 612 766 7000**
Fax **+1 612 766 1600**

March 24, 2015

Anoka County
Anoka, Minnesota

RE: Anoka County, Minnesota
$8,040,000 General Obligation Capital Improvement Refunding Bonds, Series 2015B

Ladies and Gentlemen:

We have acted as bond counsel to Anoka County, Minnesota (the "County"), in connection with the issuance by the County of its General Obligation Capital Improvement Refunding Bonds, Series 2015B, dated March 24, 2015, in the aggregate principal amount of $8,040,000 (the "Series 2015B Bonds").

We have examined such certified proceedings, documents and certifications of public officials as we deem necessary to render this opinion, including the form of the Series 2015B Bonds and a resolution of the Board of Commissioners of the County adopted on ___________, 2015 (the "Bond Resolution"). As to questions of fact material to our opinion, we have relied upon such certified proceedings, documents and certifications furnished to us without undertaking to verify such facts by independent investigation.

We have not been engaged or undertaken to verify the accuracy, completeness or sufficiency of the County's Official Statement dated March 2, 2015, or other offering material relating to the Series 2015B Bonds, and we express no opinion relating thereto.

Based on our examination, and assuming the genuineness of the signatures thereon and the accuracy of the facts stated therein, we are of the opinion, as of the date hereof, as follows:

1. The Series 2015B Bonds are valid and binding general obligations of the County issued under authority of Minnesota Statutes, Sections 373.40 and 475.67.

2. The Series 2015B Bonds are payable as to principal and interest from ad valorem taxes levied on all taxable property in the County, which taxes are without limitation as to rate or amount.

3. The interest on the Series 2015B Bonds is excludable from gross income for purposes of federal income taxation and from taxable net income of individuals, estates and trusts for purposes of Minnesota income taxation under present laws and rulings. The Series 2015B Bonds are not "private activity bonds" within the meaning of Section 141(a) of the Internal Revenue Code of 1986 (the "Code"). Interest on the Series 2015B Bonds is not an item of tax preference required to be included in the computation of "alternative minimum taxable income" for purposes of federal alternative minimum tax applicable to individuals and other taxpayers under

Section 55 of the Code or Minnesota alternative minimum tax applicable to individuals, trusts and estates. Interest on the Series 2015B Bonds is includable in "adjusted current earnings" for the purpose of determining the "alternative minimum taxable income" of corporations under Section 55 of the Code and is subject to the Minnesota franchise tax imposed upon corporations, including financial institutions, measured by taxable income and the alternative minimum tax base.

The opinions set forth in the preceding paragraph are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2015B Bonds in order that interest thereon be, or continue to be, excludable from gross income and net taxable income for federal and state income tax purposes, respectively. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest on the Series 2015B Bonds to cease to be excludable from gross income and net taxable income for federal and state income tax purposes, respectively, retroactive to the date of issuance of the Series 2015B Bonds. The Series 2015B Bonds are designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. We express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2015B Bonds.

It is to be understood that the rights of the holders of the Series 2015B Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

FAEGRE BAKER DANIELS LLP

CONTINUING DISCLOSURE UNDERTAKING

$2,750,000
General Obligation Airport Refunding Bonds (AMT), Series 2015A

$8,040,000
General Obligation Capital Improvement Refunding Bonds, Series 2015B

March 24, 2015

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Anoka County, Minnesota (the "County"), in connection with the issuance of its General Obligation Airport Refunding Bonds (AMT), Series 2015A (the "Series 2015A Bonds"), in the original aggregate principal amount of $2,750,000, and its General Obligation Capital Improvement Refunding Bonds, Series 2015B (the "Series 2015B Bonds," and together with the Series 2015A Bonds, the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Board of Commissioners of the County on __________, 2015 (collectively, the "Resolutions"), and delivered on the date hereof. The County hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Holders (defined herein) of the Bonds in order to assist the Participating Underwriters (defined herein) in complying with SEC Rule 15c2-12(b)(5). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the County's annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for Governmental Units as Prescribed by the Governmental Accounting Standards Board ("GASB").

"County" means Anoka County, Minnesota, which is the obligated person with respect to the Bonds.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB as the primary portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the deemed final official statement dated March 2, 2015, plus the addendum (if any) thereto which together constitute the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the County.

"Holder" means the person in whose name a security is registered or a beneficial owner of such a security.

"Material Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" means EMMA, or any successor thereto.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The County shall provide, as soon as available, but not later than 12 months after the end of the Fiscal Year commencing with the year that ends December 31, 2014, the Repository with an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the County may be submitted separately from the balance of the Annual Report and will be submitted as soon as available.

(b) If the County is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the County shall send a notice of that fact to the Repository and the MSRB.

(c) The County shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The County's Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

(a) County Property Values
(b) County Indebtedness
(c) County Tax Rates, Levies and Collections

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Material Events") with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The County shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the County shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the County's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the County shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The County's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the legal defeasance, or upon the redemption or payment in full of all the Bonds.

Section 8. Agent. The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions constituting the undertaking and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the County delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the Resolutions and this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the County to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of the Resolutions and this Disclosure Certificate and by the County with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Participating Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first listed above.

ANOKA COUNTY, MINNESOTA

By ________________________________
Its Chair

(SEAL)

By ________________________________
Its County Administrator

SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to $413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the County's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 21. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter’s property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter’s property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements that are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.

4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems, and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.
6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provisions of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.
11. Obligations issued to pay judgments against the municipality.

Levies for General Obligation Debt
(Sections 475.61 and 475.74, Minnesota Statutes)

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes)
"Fiscal Disparities Law"

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

Property Type	Local Tax Payable 2011-2014	Local Tax Payable 2015
Residential Homestead (1a)		
Up to $500,000	1.00%	1.00%
Over $500,000	1.25%	1.25%
Residential Non-homestead		
Single Unit (4bb1)		
Up to $500,000	1.00%	1.00%
Over $500,000	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%
Market Rate Apartments		
Regular (4a)	1.25%	1.25%
Low-Income (4d)	0.75%	
Up to $100,000		0.75%
Over $100,000		0.25%
Commercial/Industrial/Public Utility (3a)		
Up to $150,000	1.50%[(a)]	1.50%[(a)]
Over $150,000	2.00%[(a)]	2.00%[(a)]
Electric Generation Machinery	2.00%	2.00%
Commercial Seasonal Residential		
Homestead Resorts (1c)		
Up to $600,000	0.55%	0.55%
$600,000 - $2,300,000	1.00%	1.00%
Over $2,300,000	1.25%[(a)]	1.25%[(a)]
Seasonal Resorts (4c)		
Up to $500,000	1.00%[(a)]	1.00%[(a)]
Over $500,000	1.25%[(a)]	1.25%[(a)]
Non-Commercial (4c12)		
Up to $500,000	1.00%[(a)(b)]	1.00%[(a)(b)]
Over $500,000	1.25%[(a)(b)]	1.25%[(a)(b)]
Disabled Homestead (1b)		
Up to $50,000	0.45%	0.45%
Agricultural Land & Buildings		
Homestead (2a)		
Up to $500,000	1.00%	1.00%
Over $500,000	1.25%	1.25%
Remainder of Farm		
Up to $1,900,000[(c)]	0.50%[(b)]	0.50%[(b)]
Over $1,900,000[(c)]	1.00%[(b)]	1.00%[(b)]
Non-homestead (2b)	1.00%[(b)]	1.00%[(b)]

(a) *State tax is applicable to these classifications.*

(b) *Exempt from referendum market value based taxes.*

(c) *Legislative increases, payable 2015. Historical valuations are: Payable 2014 - $1,500,000; Payable 2013 - $1,290,000; Payable 2012 - $1,210,000; and Payable 2011 - $1,140,000.*

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(1) seasonal residential recreational property has the following class rate structure: First $76,000 – 0.40%; $76,000 to $500,000 – 1.00%; and over $500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in St. Paul are exempt under this provision).

EXCERPT OF 2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Data on the following pages was extracted from the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2013. (The County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2014 is not yet available.) The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here. . The County's complete Comprehensive Annual Financial Report for the year ending December 31, 2013 is available online at http://www.co.anoka.mn.us/.

The County's comprehensive annual financial reports for the years ending 1986 through 2013 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County as of December 31, 2013, 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 1 to the financial statements, in 2013 the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which represent changes 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 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 13, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anoka County's internal control over financial reporting and compliance.

REBECCA OTTO STATE AUDITOR	GREG HIERLINGER, CPA DEPUTY STATE AUDITOR

June 13, 2014

ANOKA COUNTY

ANOKA, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2013

(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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi to xi of this report.

Financial Highlights

- The assets of Anoka County exceeded its liabilities at the close of the fiscal year by $688 million (net position). Of this amount, the County has $22.3 million in unrestricted net position.
- The County's total net position increased by $29 million or about 4.4 percent.
- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of $184 million. Approximately 55 percent of this total amount, $102 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly $82.7 million of these funds are committed or assigned for specific purposes.
- Combined assigned and unassigned fund balance for the General Fund was $31.4 million or 31.6 percent of total General Fund expenditures.
- Anoka County's bonded debt increased by $3.6 million (1.6 percent) during the current fiscal year. Anoka County issued $20.1 million in general obligation crossover refunding bonds and retired $16.5 million debt in 2013.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* provide readers with a broad overview of Anoka County's finances, in a manner similar to private-sector businesses.

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

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

Both the Statement of Net Position and the Statement of Activities distinguish functions of Anoka County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Anoka County include general government, public safety, highways and streets, human services, sanitation, culture and recreation, including Chomonix Golf Course, conservation of natural resources and economic development. The business-type activity of Anoka County includes Bunker Beach Aquatic Center.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Anoka County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Anoka County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds account for resources held for the benefit of parties outside the government. Anoka County reports two fiduciary funds. The Other Postemployment Benefits Trust Fund is used to report contributions to an irrevocable trust fund and other postemployment benefits (OPEB) activity. The Agency Fund is used to report activity for programs that Anoka County acts as a fiscal agent. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Anoka County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial 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 57 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 60 to 63; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 69 to 76 of this report; c) the Statement of Changes in Assets and Liabilities for the Agency

Fund, which can be found on page 77; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 80 to 90.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Anoka County, assets exceeded liabilities by $688 million at the close of the most recent fiscal year.

Anoka County Net Position
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 240,368	$ 227,948	$ 914	$ 741	$ 241,282	$ 228,689
Capital assets	751,324	720,573	5,644	5,877	756,968	726,450
Total assets	991,692	948,521	6,558	6,618	998,250	955,139
Long-term liabilities outstanding	234,696	237,844	14	12	234,710	237,856
Other liabilities	75,947	58,578	7	5	75,954	58,583
Total liabilities	310,643	296,422	21	17	310,664	296,439
Net position:						
Net investment in capital assets	615,177	588,085	5,644	5,877	620,821	593,962
Restricted	44,459	44,102	-	-	44,459	44,102
Unrestricted	21,413	19,912	893	724	22,306	20,636
Total net position	$ 681,049	$ 652,099	$ 6,537	$ 6,601	$ 687,586	$ 658,700

By far the largest portion of Anoka County's net position (90.3 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. Anoka County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Anoka County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of Anoka County's net position (6.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $22.3 million is unrestricted net position.

The increase in net investment in capital assets portion of net position of $26.9 million is due to the completion of various highway projects and park expansion.

There was a minor increase of $357 thousand in restricted net position in connection with Anoka County's governmental activities.

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

Governmental activities. Governmental activities contributed $29 million of the increase in Anoka County's total net position. Key elements of this increase are as follows:

Anoka County's capital assets increased by $30.8 million in 2013, including construction of various highway road projects and the related land acquisitions and acquisition of land for park expansion.

Revenues from charges for services decreased by $540 thousand as part of the Pines school closing in 2012.

Operating grants and contributions decreased by nearly $1.28 million. The most significant changes occurred with a $1.4 million increase in Highway's revenues for funding for various road projects and a decrease of $3.6 million in Economic Development revenues due to state reimbursement of expenses for the Ramsey Northstar station project in 2012.

Capital grants and contributions increased by $4 million in 2013. There was an increase of $7.7 million in highway planning and construction receipts due to the completion of various projects, a $1.5 million increase in the Parks and Recreation department due to the completion of the Rice Creek trails and other projects, while there was a decrease of $5.2 million in economic development related to the completion of the Regional Railroad Authority's Ramsey Northstar station.

Property tax revenue decreased by $3.4 million (2.5 percent) during the year and reflects the amounts collected for debt service payments reduced from the prior year by $785 thousand, abatements of property taxes during 2013, funding the 2013 budget, and an increase in the property tax collection rate of the current year levy. Anoka County had planned for a decrease in levy of $2 million.

Anoka County Changes in Net Position
(in Thousands)

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	$ 38,757	$ 39,297	$ 1,572	$ 1,607	$ 40,329	$ 40,904
Operating grants and contributions	89,649	90,929	-	-	89,649	90,929
Capital grants and contributions	20,647	16,619	-	-	20,647	16,619
General revenues:						
Property and wheelage taxes	134,782	138,177	-	-	134,782	138,177
Other	3,345	8,800	-	-	3,345	8,800
Total revenues	287,180	293,822	1,572	1,607	288,752	295,429
Expenses:						
General government	47,921	37,773	-	-	47,921	37,773
Public safety	60,737	59,024	-	-	60,737	59,024
Highway and streets	24,081	34,442	-	-	24,081	34,442
Human services	77,639	78,798	-	-	77,639	78,798
Sanitation	3,828	4,521	-	-	3,828	4,521
Culture and recreation	16,033	15,784	1,181	1,206	17,214	16,990
Conservation of natural resources	592	573	-	-	592	573
Economic development	15,367	18,182	-	-	15,367	18,182
Interest on long-term debt	12,487	9,153	-	-	12,487	9,153
Total expenses	258,685	258,250	1,181	1,206	259,866	259,456
Increase (Decrease) in net position before transfers	28,495	35,572	391	401	28,886	35,973
Transfers	455	447	(455)	(447)	-	-
Increase (Decrease) in net position	28,950	36,019	(64)	(46)	28,886	35,973
Net position - January 1	652,099	616,080	6,601	6,647	658,700	622,727
Net position -December 31	$ 681,049	$ 652,099	$ 6,537	$ 6,601	$ 687,586	$ 658,700

In 2007 Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. During 2013, the net Other Postemployment Benefits (OPEB) obligation was increased by $3 million. That increase was allocated among various functions of governmental activities. General government, public safety and human services each averaged a $356 thousand increase in OPEB expenses for 2013.

The increase in general government expenses (excluding annual OPEB costs) of $9.8 million are expenses related to savings recognized in 2012 for the transfer of a building for use by human services as well as the Voluntary Separation Program (VSP) offered to County employees. 2013 expenses are more in line with past years.

Public safety expenses were up $1.4 million (excluding annual OPEB costs) primarily due to six new positions and the associated salary and benefits.

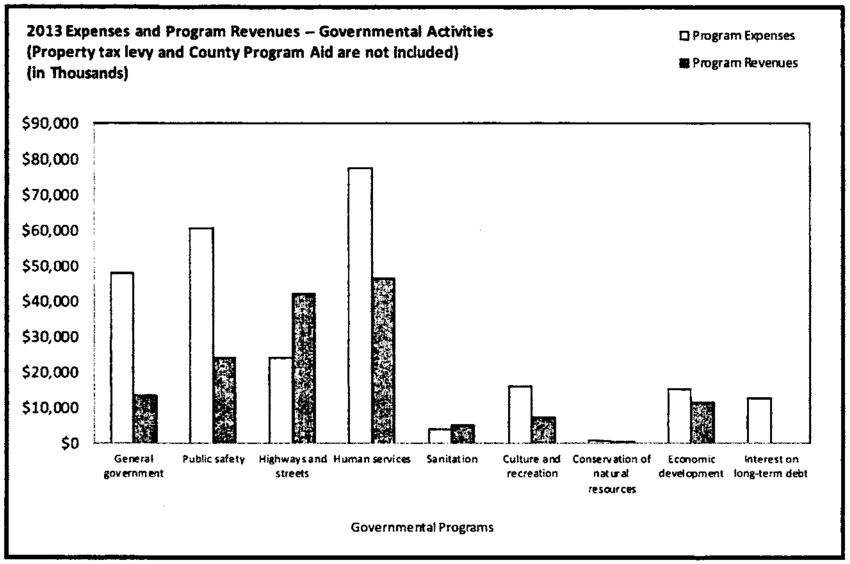
Highway expenses (excluding OPEB) decreased $10.4 million primarily due to completion in 2012 of the Main St. design/build project.

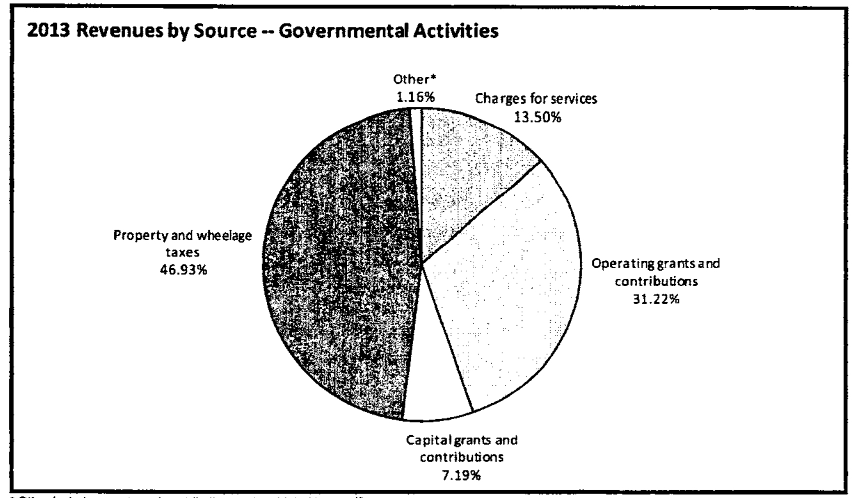
There was a $1.5 million decrease or 1.5% (excluding OPEB) as a result of reduced human service expenses.

Culture and recreation expenses remained level with a minor increase of only $249 thousand or 1.6%.

Economic development expenses decreased by $2.8 million in 2013 due to the completion of the Ramsey Northstar rail station and winding down of Community Development's Neighborhood Stabilization Program (NSP). Related grant revenues also decreased.

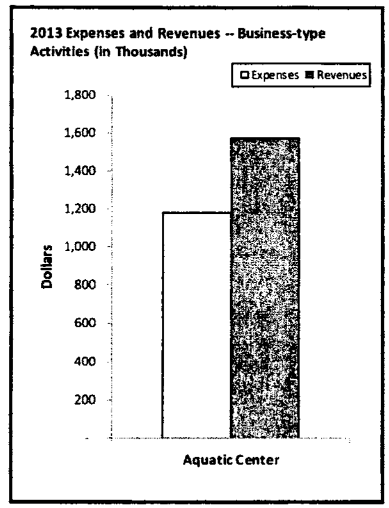
The graph below reflects the program expenses and program revenues. Property tax levy and County Program Aid are not exhibited at the program level, but rather as general revenues, which are not displayed in this graph. General revenues are a significant portion of general government, public safety, and interest on long-term debt, therefore the gap between the program expenses and revenues for those functions are greater than the gap between expenses and revenues for economic development and culture and recreation. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Highways and streets received more outside revenue in 2013 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 2013 than program expenses. These funds are used in future years for various capital projects.

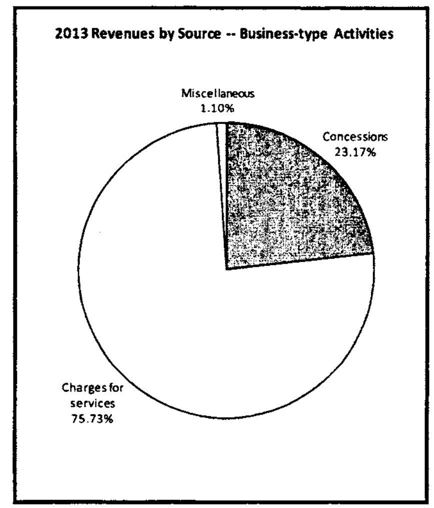




* Other includes grants and contributions not restricted to specific programs.

Business-type activities. Business-type activities decreased Anoka County's net position by $64 thousand or less than 1%. The season for Bunker Beach Activity Center is from Memorial Day to Labor Day. The short season can result in lower than average revenues depending on the weather during those three months. The beginning of the summer was a little cooler than average followed by above average temperatures in July. August cooled down again affecting the activity at both the beginning and end of the summer.





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 2013, Anoka County's governmental funds reported combined ending fund balances of $184 million. This is a $8.3 million increase from 2012. The operating funds, excluding capital projects and debt service funds, for the County reflect a $4.4 million decrease in fund balances. Approximately 55 percent, or $102 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 ($1.8 million); b) advances to other funds of $1.1 million; c) for amounts held by escrow agents, including highway right-of-way ($45.1 million); d) for funds held in an OPEB revocable trust account ($380 thousand); e) for grants, donations, and revolving loans received but not yet fully expended ($535 thousand); f) for debt service ($17.4 million); and g) for a variety of other statutorily restricted purposes ($15.6 million).

The General Fund is the chief operating fund of Anoka County. At the end of the current fiscal year, combined assigned and unassigned fund balance of the General Fund was $31.4 million, while total fund balance was $47.0 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 31.6 percent of total General Fund expenditures.

The fund balance of Anoka County's major funds increased by $13.9 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 remained level. Revenues came in better than budgeted ($793 thousand) for grants, but investment income is significantly under budget due to low investment returns and 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. The variance between fair value and book value of investments held on December 31, 2013 was $3,404,462, which must be recognized in the financial statements. Sanitation had actual expenditures $1.4 million less than budgeted, due to business changes and not completing some recycling programs. Corrections had less payment for Juvenile Out of Home Placement costs and came in under budgeted expenditures by nearly $1 million.
- The Road and Bridge Fund showed a $930 thousand increase in fund balance due receipt of federal and state grant money for expenditures made in the previous year.
- Human Services' fund balance increased $501 thousand with budget savings transferred to other funds for future capital projects.
- The Debt Service Fund balance increased by $20.5 million due to the issuance of crossover refunding bonds.
- Fund balance in the Capital Projects Fund decreased by $7.8 million due to expenditures for various capital projects.

The 2013 variance between the final budget and actual expenditures in the General Fund was a positive $782 thousand due to prudent spending in all areas of the budget.

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

Unrestricted net position of the Aquatic Center Enterprise Fund at the end of the current year was $892 thousand. The Pooled Insurance Internal Service Fund has an unrestricted net position of $1.2 million.

General Fund Budgetary Highlights

The difference between the original adopted budget and the final amended budget for expenditures in the General Fund was very minor but reflects changes to additional grant funding received and transfers to other funds for future capital purposes.

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 $30.5 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 4.5 percent.

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

- There were land purchases of $4.6 million for infrastructure and $1.8 million for park expansion.
- Infrastructure values (net of depreciation) increased by $24.1 million resulting from the completion of several highway reconstruction projects.
- The $11.3 million decrease in construction in progress reflects the completion of several projects (road construction projects, highway building construction project, and parks land purchase).

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

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 200,488	$ 194,081	$ -	$ -	$ 200,488	$ 194,081
Buildings and structures	157,359	148,716	4,342	4,451	161,701	153,167
Improvements other than buildings	13,209	12,321	706	775	13,915	13,096
Machinery and equipment	20,395	18,094	596	651	20,991	18,745
Infrastructure	256,961	232,775	-	-	256,961	232,775
Software	3,292	3,673	-	-	3,292	3,673
Construction in progress	99,620	110,913	-	-	99,620	110,913
Total	$ 751,324	$ 720,573	$ 5,644	$ 5,877	$ 756,968	$ 726,450

Additional information on Anoka County's capital assets can be found in note 3.A.3 on pages 38 and 39 of this report.

Long-term debt. At the end of the current fiscal year, Anoka County had total bonded debt outstanding of $227.9 million. Of this amount, $188.7 million comprises debt backed by the full faith and credit of the County and $39.2 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	
	2013	2012
General obligation bonds and notes	$ 151,855	$ 145,370
Lease revenue obligations	9,401	10,150
General obligation bonds supported by revenues	39,165	40,290
Limited tax bonds	27,440	28,380
Total	$ 227,861	$ 224,190

Anoka County's total debt increased by $3.7 million (1.6 percent) during the current fiscal year. This is the net result of debt retirements totaling $16.5 million, and new general obligation debt comprised of crossover refunding bonds for $20.1 million. The bonds were issued to refund four debt issuances.

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 $716.8 million. The current general debt obligation is $188.7 million, or approximately 20.9 percent of the general obligation debt limit allowed.

Additional information on Anoka County's long-term debt can be found in the Notes to the Financial Statements, notes 3.C.6 through 3.C.8 on pages 45 to 50 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 2014 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by $13.9 million. Debt service and capital project funds comprise $89 million of the total available 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 or visit our website at www.anokacounty.us.

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents, and pooled investments	$ 152,555,136	$ 911,778	$ 153,466,914
Cash and investments with escrow agents	45,097,008	-	45,097,008
Investments with trust account	380,289	-	380,289
Delinquent taxes receivable	3,099,895	-	3,099,895
Accounts receivable, net of allowance for doubtful accounts	2,023,257	1,696	2,024,953
Accrued interest receivable	701,992	-	701,992
Land held for resale	1,142,300	-	1,142,300
Loan receivable			
Due within one year	178,675	-	178,675
Due in more than one year	3,063,236	-	3,063,236
Leases receivable			
Due within one year	1,067,453	-	1,067,453
Due in more than one year	11,253,621	-	11,253,621
Due from other governments	17,978,331	-	17,978,331
Inventories	1,785,907	-	1,785,907
Prepaid items	40,665	-	40,665
Capital assets not being depreciated:			
Land	200,488,376	-	200,488,376
Construction in progress	99,620,234	-	99,620,234
Capital assets, net of accumulated depreciation:			
Buildings and structures	157,358,779	4,342,454	161,701,233
Improvements other than buildings	13,209,497	705,968	13,915,465
Machinery and equipment	20,395,022	596,000	20,991,022
Infrastructure	256,960,673	-	256,960,673
Software	3,291,862	-	3,291,862
Total Assets	**991,692,208**	**6,557,896**	**998,250,104**
Liabilities			
Accounts payable	4,405,211	49	4,405,260
Salaries payable	6,324,373	6,078	6,330,451
Contracts payable	3,993,414	-	3,993,414
Due to other governments	3,165,383	69	3,165,452
Advances from other governments	8,402,398	-	8,402,398
Matured interest payable	3,630,776	-	3,630,776
Unearned revenue	16,386,217	-	16,386,217
Noncurrent Liabilities:			
Due within one year			
Bonds and notes payable	28,904,376	-	28,904,376
Compensated absences	450,408	741	451,149
Outstanding claims payable	259,881	-	259,881
Capital leases payable	24,878	-	24,878
Due in more than one year			
Bonds and notes payable	204,653,240	-	204,653,240
Compensated absences	8,557,758	14,069	8,571,827
Outstanding claims payable	1,561,562	-	1,561,562
Capital leases payable	4,213	-	4,213
Other postemployment benefits (OPEB) liability	19,919,121	-	19,919,121
Total Liabilities	**310,643,209**	**21,006**	**310,664,215**
Net Position			
Net investment in capital assets	615,176,935	5,644,422	620,821,357
Restricted for:			
Debt service	25,081,017	-	25,081,017
General government	6,190,801	-	6,190,801
Public safety	1,768,392	-	1,768,392
Highway	2,038,102	-	2,038,102
Sanitation	7,946,263	-	7,946,263
Culture and recreation	329,068	-	329,068
Conservation of natural resources	72,606	-	72,606
Economic development	1,032,798	-	1,032,798
Unrestricted	21,413,017	892,468	22,305,485
Total net position	**$ 681,048,999**	**$ 6,536,890**	**$ 687,585,889**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	$ 47,921,380	$ 8,851,104	$ 4,414,610	$ -	$ (34,655,666)	$ -	$ (34,655,666)
Public safety	60,737,454	15,687,481	8,198,002	-	(36,851,971)	-	(36,851,971)
Highways and streets	24,080,515	289,940	26,291,013	15,547,242	18,047,680	-	18,047,680
Human services	77,639,068	5,138,408	41,060,151	-	(31,440,509)	-	(31,440,509)
Sanitation	3,828,116	4,107,436	824,838	-	1,104,158	-	1,104,158
Culture and recreation	16,032,680	2,286,225	1,218,305	3,500,019	(9,028,131)	-	(9,028,131)
Conservation of natural resources	592,118	56,422	12,000	-	(523,696)	-	(523,696)
Economic development	15,366,724	2,339,792	7,629,929	1,600,000	(3,797,003)	-	(3,797,003)
Interest expense and fiscal charges on long-term debt	12,486,991	-	-	-	(12,486,991)	-	(12,486,991)
Total governmental activities	258,685,046	38,756,808	89,648,848	20,647,261	(109,632,129)	-	(109,632,129)
Business-type activities:							
Aquatic center	1,181,042	1,571,578	-	-	-	390,536	390,536
Total primary government	$ 259,866,088	$ 40,328,386	$ 89,648,848	$ 20,647,261			
General Revenues:							
Property taxes collected for general purposes					114,418,590	-	114,418,590
Property taxes collected for debt service					18,980,614	-	18,980,614
Wheelage tax collected for highways and streets					1,382,710	-	1,382,710
Unrestricted investment earnings					(2,382,258)	-	(2,382,258)
Gain on sale of capital assets					39,997	-	39,997
Miscellaneous					5,687,078	-	5,687,078
Transfers					455,000	(455,000)	-
Total general revenues and transfers					138,581,731	(455,000)	138,126,731
Change in net position					28,949,602	(64,464)	28,885,138
Net position--January 1					652,099,397	6,601,354	658,700,751
Net position--December 31					$ 681,048,999	$ 6,536,890	$ 687,585,889

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

ANOKA COUNTY
ANOKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	$ 52,278,206	$ 1,829,875	$ 26,395,581	$ 17,216,715	$ 29,726,946	$ 22,060,698	$ 149,508,021
Cash and investments with escrow agents	-	2,038,102	-	42,223,479	-	835,427	45,097,008
Investments with trust account	380,289	-	-	-	-	-	380,289
Delinquent taxes receivable	1,234,061	233,272	748,779	517,518	20,036	346,229	3,099,895
Accounts receivable, net of allowance for doubtful accounts	759,672	99,846	786,929	13,821	-	362,989	2,023,257
Accrued interest receivable	414,214	-	-	287,778	-	-	701,992
Land held for resale	-	-	-	-	-	1,142,300	1,142,300
Loan receivable	397,331	-	-	-	-	2,844,580	3,241,911
Leases receivable	12,321,074	-	-	-	-	-	12,321,074
Due from other governments	2,906,990	6,255,529	7,254,329	-	-	1,561,483	17,978,331
Advances to other funds	-	-	-	-	1,111,205	-	1,111,205
Inventories	-	1,749,685	-	-	-	36,222	1,785,907
Prepaid items	23,082	-	17,583	-	-	-	40,665
Total Assets	**70,714,919**	**12,206,309**	**35,203,201**	**60,259,311**	**30,858,187**	**29,189,928**	**238,431,855**
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	2,085,591	260,532	1,616,095	-	13,128	429,865	4,405,211
Salaries payable	3,875,417	369,972	1,734,149	-	-	344,835	6,324,373
Contracts payable	366,876	3,117,832	-	-	361,478	147,228	3,993,414
Due to other governments	1,370,468	1,302,770	470,415	-	-	14,712	3,158,365
Advances from other funds	698,265	-	-	-	-	412,940	1,111,205
Advances from other governments	-	8,402,398	-	-	-	-	8,402,398
Matured interest payable	-	-	-	95,611	-	-	95,611
Unearned revenue	13,407,803	-	603,012	-	4,328	2,371,074	16,386,217
Total Liabilities	**21,804,420**	**13,453,504**	**4,423,671**	**95,611**	**378,934**	**3,720,654**	**43,876,794**
Deferred Inflows of Resources							
Unavailable revenue	**1,935,724**	**3,715,580**	**748,779**	**517,518**	**20,036**	**3,621,889**	**10,559,526**
Fund Balances							
Nonspendable in (Note 3.D.):							
General Fund	23,082	-	-	-	-	-	23,082
Special revenue funds	-	1,749,685	17,583	-	-	36,222	1,803,490
Capital Projects Fund	-	-	-	-	1,111,205	-	1,111,205
Restricted in (Note 3.D.):							
General Fund	15,538,497	-	-	-	-	-	15,538,497
Special revenue funds	-	2,038,102	-	-	-	1,801,431	3,839,533
Debt Service Fund	-	-	-	59,646,182	-	-	59,646,182
Committed in (Note 3.D.):							
Special revenue funds	-	-	-	-	-	4,165,048	4,165,048
Assigned in (Note 3.D.):							
General Fund	3,353,129	-	-	-	-	-	3,353,129
Special revenue funds	-	-	30,013,168	-	-	15,844,684	45,857,852
Capital Projects Fund	-	-	-	-	29,348,012	-	29,348,012
Unassigned	28,060,067	(8,750,562)	-	-	-	-	19,309,505
Total Fund Balances	**46,974,775**	**(4,962,775)**	**30,030,751**	**59,646,182**	**30,459,217**	**21,847,385**	**183,995,535**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 70,714,919**	**$ 12,206,309**	**$ 35,203,201**	**$ 60,259,311**	**$ 30,858,187**	**$ 29,189,928**	**$ 238,431,855**

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

ANOKA COUNTY
ANOKA, MINNESOTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2013

Total fund balances for governmental funds (Exhibit 3)		$ 183,995,535
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.		751,324,443
An internal service fund is used by the County to charge the cost of insurance to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,218,654
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	$ (233,557,616)	
Compensated absences	(9,008,166)	
Other postemployment benefits	(19,919,121)	
Capital leases payable	(29,091)	
Total long term liabilities		(262,513,994)
Matured interest payable is not due and payable in the current period and therefore, is not reported on the fund statements.		
Matured interest payable reported on Exhibit 1	$ (3,630,776)	
Matured interest payable reported on Exhibit 3	95,611	
		(3,535,165)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		10,559,526
Net position of governmental activities (Exhibit 1)		**$ 681,048,999**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 50,886,651	$ 10,924,616	$ 30,131,945	$ 19,028,374	$ 17,513	$ 12,426,534	$ 123,415,633
Licenses and permits	357,320	71,720	986,800	-	-	2,190	1,418,030
Intergovernmental	18,559,719	39,476,446	42,622,388	72,636	3,206,325	13,483,028	117,420,542
Charges for services	26,406,196	1,752	2,533,855	-	-	1,690,451	30,632,254
Fines and forfeits	4,166	-	-	-	-	596,036	600,202
Investment income	(3,067,477)	18,948	-	91,360	3,519	20,381	(2,933,269)
Miscellaneous	5,421,559	296,813	2,967,587	582,216	60,326	4,655,823	13,984,324
Total Revenues	**98,568,134**	**50,790,295**	**79,242,575**	**19,774,586**	**3,287,683**	**32,874,443**	**284,537,716**
Expenditures							
Current							
General government	37,812,223	-	-	-	2,054,192	424,649	40,291,064
Public safety	57,041,226	-	-	-	100,086	500	57,141,812
Highways and streets	-	49,200,205	-	-	-	-	49,200,205
Human services	311,068	-	75,474,454	-	93,986	-	75,879,508
Sanitation	3,786,478	-	-	-	-	-	3,786,478
Culture and recreation	336,755	-	-	-	94,800	17,182,030	17,613,585
Conservation of natural resources	148,992	-	-	-	-	440,546	589,538
Economic development	-	-	-	-	-	14,881,205	14,881,205
Debt Service							
Principal retirement	-	-	-	16,473,998	-	23,875	16,497,873
Interest	-	-	-	8,742,038	-	1,989	8,744,027
Bond issuance costs	-	-	-	332,043	-	-	332,043
Administrative charges	-	-	-	182,896	-	-	182,896
Capital Outlay							
General government	-	-	-	-	7,059,838	-	7,059,838
Public safety	-	-	-	-	1,957,258	-	1,957,258
Highways and streets	-	-	-	-	2,465,442	-	2,465,442
Human services	-	-	-	-	573,715	-	573,715
Culture and recreation	-	-	-	-	684,891	-	684,891
Intergovernmental							
Highways and streets	-	28,255	-	-	-	-	28,255
Economic development	-	-	-	-	-	67,072	67,072
Total Expenditures	**99,436,742**	**49,228,460**	**75,474,454**	**25,730,975**	**15,084,208**	**33,021,866**	**297,976,705**
Excess of Revenues Over (Under) Expenditures	**(868,608)**	**1,561,835**	**3,768,121**	**(5,956,389)**	**(11,796,525)**	**(147,423)**	**(13,438,989)**
Other Financing Sources (Uses)							
Transfers in	3,520,778	102,691	4,337	4,428,002	4,224,780	512,655	12,793,243
Transfers out	(2,846,461)	(10,500)	(3,271,530)	-	(243,115)	(5,966,637)	(12,338,243)
Refunding bonds issued	-	-	-	20,145,000	-	-	20,145,000
Premium on bonds	-	-	-	1,906,156	-	-	1,906,156
Total Other Financing Sources (Uses)	**674,317**	**92,191**	**(3,267,193)**	**26,479,158**	**3,981,665**	**(5,453,982)**	**22,506,156**
Net Change in Fund Balances	**(194,291)**	**1,654,026**	**500,928**	**20,522,769**	**(7,814,860)**	**(5,601,405)**	**9,067,167**
Fund Balances - January 1	**47,169,066**	**(5,892,279)**	**29,529,823**	**39,123,413**	**38,274,077**	**27,446,375**	**175,650,475**
Increase (decrease) in inventories	**-**	**(724,522)**	**-**	**-**	**-**	**2,415**	**(722,107)**
Fund Balances - December 31	**$ 46,974,775**	**$ (4,962,775)**	**$ 30,030,751**	**$ 59,646,182**	**$ 30,459,217**	**$ 21,847,385**	**$ 183,995,535**

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

ANOKA COUNTY
ANOKA, MINNESOTA

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds (Exhibit 5)		$ 9,067,167
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	$ 48,122,198	
Current year depreciation	(16,439,419)	
		31,682,779
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Prior to the current year, issuance costs were required to be deferred and amortized. Because of this change, all previously deferred issuance costs are being expensed in the statement of activities in the current year. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Refunding general obligation (GO) bonds	$ (20,145,000)	
Principal repayments:		
Debt service principal retirement	16,497,873	
Discounts and premiums	(1,906,156)	
Expense of prior year issuance costs	(3,098,476)	
Current year amortization of discounts and premiums	553,176	
		(8,098,583)
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position.		(931,572)
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	$ 10,559,526	
Unavailable revenue - January 1	(8,405,275)	
		2,154,251
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 (-$579,768), change in interest payable (-$114,445), and changes in inventories (-$722,107).		(1,416,320)
Current year net change in other postemployment benefits (OPEB) obligation.		(2,976,019)
An internal service fund is used to charge the insurance costs to the individual funds. The increase in net position of the internal service fund is reported in the government-wide statement of activities.		(532,101)
Changes in net position of governmental activities (Exhibit 2)		**$ 28,949,602**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
Assets		
Current Assets:		
Cash, cash equivalents, and pooled investments	$ 911,778	$ 3,047,115
Accounts receivable	1,696	-
Total current assets	**913,474**	**3,047,115**
Noncurrent Assets:		
Capital assets	8,149,779	-
Less: accumulated depreciation	(2,505,357)	-
Total capital assets (net of accumulated depreciation)	**5,644,422**	**-**
Total noncurrent assets	**5,644,422**	**-**
Total Assets	**6,557,896**	**3,047,115**
Liabilities		
Current Liabilities:		
Accounts payable	49	-
Salaries payable	6,078	-
Due to other governments	69	7,018
Compensated absences	741	-
Outstanding claims payable	-	259,881
Total current liabilities	**6,937**	**266,899**
Noncurrent Liabilities:		
Compensated absences	14,069	-
Outstanding claims payable	-	1,561,562
Total noncurrent liabilities	**14,069**	**1,561,562**
Total Liabilities	**21,006**	**1,828,461**
Net Position		
Net investment in capital assets	5,644,422	-
Unrestricted	892,468	1,218,654
Total Net Position	**$ 6,536,890**	**$ 1,218,654**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
Operating Revenues		
Charges for services	$ 1,190,284	$ -
Concessions	364,078	-
Insurance fees	-	697,911
Miscellaneous	17,216	12,926
Total Operating Revenues	**1,571,578**	**710,837**
Operating Expenses		
Personal services	491,582	-
Other services and charges	250,435	-
Supplies	206,134	-
Professional services	-	37,512
Insurance	-	1,205,479
Depreciation	232,891	-
Total Operating Expenses	**1,181,042**	**1,242,991**
Operating Income (Loss)	**390,536**	**(532,154)**
Nonoperating Revenues (Expenses)		
Investment income	-	53
Total Nonoperating Revenues (Expenses)	**-**	**53**
Net Income (Loss) Before Transfers and Contributions	**390,536**	**(532,101)**
Transfers and Contributions		
Transfers out	(455,000)	-
Increase (Decrease) in Net Position	**(64,464)**	**(532,101)**
Net position - January 1	**6,601,354**	**1,750,755**
Net position - December 31	**$ 6,536,890**	**$ 1,218,654**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013
Increase (Decrease) in Cash and Cash Equivalents

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers	$ 1,569,882	$ 711,459
Payments to suppliers	(456,555)	(489,639)
Payments to employees	(487,109)	-
Net cash provided (used) by operating activities	**626,218**	**221,820**
Cash Flows from Noncapital Financing Activities:		
Transfer to other funds	(455,000)	-
Cash Flows from Investing Activities:		
Interest received	-	53
Net increase (decrease) in cash and cash equivalents	**171,218**	**221,873**
Cash and cash equivalents, January 1	**740,560**	**2,825,242**
Cash and cash equivalents, December 31	**$ 911,778**	**$ 3,047,115**
Reconciliation of operating income to net cash provided (used) by operating activities:		
Net operating income (loss)	**$ 390,536**	**$ (532,154)**
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	232,891	-
(Increase) decrease in Accounts receivable	(1,696)	622
Increase (decrease) in Accounts payable	(55)	(953)
Increase (decrease) in Salaries payable	1,328	-
Increase (decrease) in Due to other governments	69	(4,174)
Increase (decrease) in Compensated absences	3,145	-
Increase (decrease) in Outstanding claims payable	-	758,479
Total adjustments	**235,682**	**753,974**
Net cash provided (used) by operating activities	**$ 626,218**	**$ 221,820**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Other Postemployment Benefits Trust Fund	Agency Fund
Assets		
Cash and pooled investments	$ -	$ 9,334,520
Investments, at fair value		
Index Funds	45,632,793	-
Accounts receivable	900,000	85,282
Due from other governments	-	952,731
Total Assets	**46,532,793**	**10,372,533**
Liabilities		
Accounts payable	-	1,865,291
Contracts payable	-	1,219
Due to other governments	-	8,506,023
Total Liabilities	**-**	**$ 10,372,533**
Net Position		
Held in trust for postemployment benefits	**$ 46,532,793**	

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Other Postemployment Benefits Trust Fund
Additions	
Employer contributions	$ 260,000
Investment earnings	11,056,634
Less investment expense	2,905
Net investment earnings	**11,053,729**
Total Additions	**11,313,729**
Change in net position	**11,313,729**
Net position - January 1	35,219,064
Net position - December 31	**$ 46,532,793**

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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.

During 2013, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement Nos. 61 and 65. GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, modifies and clarifies the requirements for inclusion of component units and their presentation in the primary government's financial statements. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items previously reported as assets and liabilities. See Note 1.D.7. in the notes to the financial statements for additional information regarding the County's deferred inflows/outflows of resources. Restatements of December 31, 2012, net position or fund balance were not required as a result of adopting these changes in accounting principles.

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

A. Financial Reporting Entity

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

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

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

Blended Component Units

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

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

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

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These activities are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties for support.

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

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

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

2. Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

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

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

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

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

D. Assets, Liabilities, Deferred 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. Investment earnings are allocated to the Road and Bridge, Human Services, Job Training Center, and Regional Railroad Authority Special Revenue Funds, and to the Capital Projects Fund, based on cash balances set aside for specific purposes within those funds. Pursuant to Minn. Stat. § 385.07, investment earnings on unallocated cash and pooled investments are credited to the General Fund. Pooled investment losses in the governmental funds, for 2013 were $2,933,269. (See Note 3.A.)

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

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

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

a. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6.

b. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.

c. General obligations of the State of Minnesota and its municipalities; and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service.

d. Bankers' acceptances issued by United States banks.

e. Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized ratings agencies and matures in 270 days or less.

f. With certain restrictions, as identified by statutes, repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

2. Receivables and Payables

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

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

Property Taxes

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

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

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

Loans

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

Leases

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

3. Land Held for Resale

Property is acquired by the Community Development Block Grant (CDBG) for subsequent resale for redevelopment purposes and not as an investment program. In order to encourage development, the land is often resold at prices substantially lower than CDBG's cost and cannot be sold for more than expended. Land Held for Resale is reported as an asset at the lower of cost or net realizable value in the fund that acquired it. 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 consists of expendable supplies held for consumption. The inventory in the Parks and Recreation Special Revenue Fund consists of items held for resale. The cost of the inventory is recorded as an expenditure in the governmental fund statements at the time individual inventory items are purchased. Reported inventories are equally offset by nonspendable fund balance to indicate that they do not constitute "available spendable resources."

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

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

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

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, excluding infrastructure, are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Infrastructure assets are capitalized when the cost of the individual items or projects are greater than $100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

1. Summary of Significant Accounting Policies

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

5. Capital Assets (Continued)

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

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

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

6. Compensated Absences

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

7. Deferred Inflows/Outflows of Resources / Unearned Revenue

In addition to assets, the statement of financial position will sometimes report 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.

In addition to liabilities, the statement of financial position will sometimes report 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 only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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

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

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

9. Fund Equity

Classification of Net Position

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

1. Net investment in capital assets: the amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

2. Restricted net position: the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted net position: the amount of net position that does not meet the definition of restricted or net investment in capital assets.

Classification of Fund Balances

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

1. Nonspendable: Fund balances classified as nonspendable include assets that will never convert to cash, such as prepaid items and inventories of supplies.

2. Spendable: All fund balances that are not classified as nonspendable are deemed spendable. The statement provides for classifications within the spendable category based upon the relative strength of the constraints that control how specific amounts can be spent. Those classifications are as follows:

   a. Restricted: Net fund resources that are subject to externally enforceable legal restrictions are deemed to be restricted. These restrictions are either 1) externally imposed by creditors (via bond or loan covenants), grantors, contributors or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.

   b. Committed: Net fund balances that represent resources that can be used only for the specific purposes determined by formal action of the Board are deemed to be committed. The County's formal actions, or board resolutions, are the highest decision making level and remain binding unless removed in the same manner. Additionally, any Board action, either binding or unbinding, need be taken prior to the end of the calendar year.

   c. Assigned: Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.*

Minimum Fund Balance Policy

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

10. Use of Estimates

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

2. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance

At December 31, 2013, the Road and Bridge Special Revenue Fund had a deficit fund balance of $4,962,775. The deficit will be eliminated with future State Aid highway allotments.

B. Excess of Expenditures Over Budget

The following nonmajor governmental funds have expenditures in excess of budget for the year ended December 31, 2013:

Special Revenue Fund	Expenditures Final Budget	Expenditures Actual	Expenditures Excess
Cooperative Extension			
Current			
Conservation of natural resources	$ 408,374	$ 440,546	$ 32,172
Regional Railroad Authority			
Current			
Economic development	2,094,577	3,757,285	1,662,708
Housing and Redevelopment Authority			
Current			
Economic development	2,400,863	3,271,298	870,435
Intergovernmental			
Economic development	56,137	67,072	10,935

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, 2013, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments (Continued)

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value. The following is a summary of the fair values of the County's investments, at December 31, 2013:

Primary government	
Cash, cash equivalents and pooled investments	$ 153,466,914
Cash and investments with escrow agents	45,097,008
Investments with trust account	380,289
Fiduciary funds	
Cash, cash equivalents and pooled investments	
Agency Fund	9,334,520
Investments	
Trust Fund	45,632,793
Total cash and investments	$ 253,911,524

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, 2013.

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.

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, 2013, the County's investments were not exposed to custodial credit risk.

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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:

Issuer	Reported Amount
Federal Home Loan Bank (FHLB)	$ 33,973,408
U.S. Treasury Securities (UST)	32,016,418
Federal National Mortgage Association Note (FNMA)	23,161,736

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

(1) The core reserve portfolio pool will have a longer time horizon and will not be needed to fund current operations. The funds in this pool are comprised of reserve funds, which are managed on a total return basis.

(2) The liquidity reserve portfolio is a pool comprised of investments of shorter maturities, which may be needed to fund temporary shortfalls in operating cashflows. The pool size is varied to meet changing liquidity circumstances and laddered to assure even maturities over time to supplement short liquidity positions.

(3) The current cash flow or liquidity portion of the portfolio is intended to balance cash flow timing with current and statutory payment obligations. Investment maturities are matched with current liabilities and payables.

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The following table presents the County's investment balances at December 31, 2013, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Fair Value	Interest Rate Risk
Core Reserve Pool						
U.S. Government Agency securities						
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	15.08%	$ 31,487,188	7.49
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	M, S&P	Custody	3.10%	6,481,530	8.68
Index Fund						
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	22.04%	46,013,082	
Core Reserve Pool Total				40.22%	83,981,800	
Liquidity Reserve Pool						
U.S. Government Agency securities						
Federal Farm Credit Bank (FFCB)	Aaa/AA+	M, S&P	Custody	0.69%	1,437,067	3.42
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	1.19%	2,486,220	4.01
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	M, S&P	Custody	2.08%	4,341,584	2.37
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	M, S&P	Custody	7.99%	16,680,206	2.70
Small Business Association (SBA)	Aaa/AA+	M, S&P	Custody	0.33%	690,495	4.11
Financing Corporation (FICO)	Aaa/AA+	M, S&P	Custody	0.24%	504,117	3.40
National Credit Union Association (NCUA)	Aaa/AA+	M, S&P	Custody	0.06%	116,774	3.21
Veterans Administration Vendee Mortgage	Aaa/AA+	M, S&P	Custody	0.08%	158,904	2.43
U.S. Treasury Securities (UST)	Aaa/AA+	M, S&P	Custody	15.34%	32,016,151	4.75
Municipal securities						
State of Connecticut	Aa3/AA	M, S&P	Custody	0.12%	250,580	1.04
State of Mississippi	Aa2/AA	M, S&P	Custody	0.30%	619,612	3.27
State of New York	Aa2/AA	M, S&P	Custody	0.10%	210,716	2.99
State of Ohio	Aa1/AA+	M, S&P	Custody	0.11%	223,531	0.33
State of Oregon	Aa1/AA+	M, S&P	Custody	0.15%	308,412	0.74
Baltimore County, Maryland	Aaa/AAA	M, S&P	Custody	0.12%	250,145	1.57
King County, Washington	Aa1/AAA	M, S&P	Custody	0.08%	170,214	6.13
Milwaukee County, Wisconsin	Aa2/AA+	M, S&P	Custody	0.08%	175,415	0.90
City and County of San Francisco, California	Aa1/AA+	M, S&P	Custody	0.11%	236,507	1.42
City of Baltimore, Maryland	Aa2/AA-	M, S&P	Custody	0.07%	139,107	1.77
City of Columbus, Ohio	Aaa/AAA	M, S&P	Custody	0.14%	302,364	2.58
City of Columbus, Ohio	Aaa/AAA	M, S&P	Custody	0.12%	245,191	2.85
City of Dallas, Texas	Aa1/AA+	M, S&P	Custody	0.07%	151,565	3.04
City of Kenosha, Wisconsin	Aa2/AA	M, S&P	Custody	0.10%	213,358	2.11
City of Moline, Illinois	Aa2/NA	M, S&P	Custody	0.11%	228,186	2.30
City of Olentangy, Ohio	Aa1/AA+	M, S&P	Custody	0.10%	212,062	2.82
City of Ranoke, Virginia	NA/AA	M, S&P	Custody	0.12%	250,816	1.44
City of Richmond, Virginia	Aa2/AA+	M, S&P	Custody	0.07%	136,038	2.49
City of Seattle, Washington	Aa1/AAA	M, S&P	Custody	0.14%	293,181	2.95
City of Westerville, Ohio	Aa2/AA-	M, S&P	Custody	0.14%	298,695	1.90
Crosby Ironton, Minnesota School District	NA/AA+	M, S&P	Custody	0.11%	232,573	1.96
Eden Prairie, Minnesota School District	Aa1/NA	M, S&P	Custody	0.12%	254,204	1.95
Fon Du Lac, Wisconsin School District	Aa2/NA	M, S&P	Custody	0.11%	226,960	1.24
Gregory-Portland, Texas Ind School District	Aaa/AAA	M, S&P	Custody	0.07%	150,522	1.09
Irving, Texas Independent School District	Aaa/AAA	M, S&P	Custody	0.09%	187,745	1.11
Kings, Ohio Local School District	NR/AA	M, S&P	Custody	0.09%	179,138	4.51
Redford, Michigan School District	Aa2/AA-	M, S&P	Custody	0.10%	203,070	0.33
Sioux Falls, South Dakota School District No 49-5	NA/AA-	M, S&P	Custody	0.10%	214,970	2.11
Las Vegas Valley, Nevada, Water District	Aa2/AA+	M, S&P	Custody	0.10%	205,412	3.21
Metropolitan Council, Minnesota	AAA/AAA	M, S&P	Custody	0.14%	298,598	3.57
Metropolitan Government Nashville, Tennessee	Aa1/AA	M, S&P	Custody	0.12%	247,511	3.42
Ohio State (BAB)	Aa1/AA+	M, S&P	Custody	0.17%	359,319	3.37
Tennessee Valley Authority	Aaa/AA+	M, S&P	Custody	0.14%	286,465	4.81
Texas State Water	Aaa/AAA	M, S&P	Custody	0.09%	176,584	3.49
Liquidity Reserve Pool Total				31.90%	66,570,284	
Current Cashflow Pool						
Repurchase Agreement	NR		Custody	3.18%	6,628,699	< 3 months
Money Market Funds	NA		Held in County Name	15.65%	32,677,074	< 3 months
Commercial Paper	NA		Held in County Name	9.69%	20,232,591	6-9 months
Depositories	-		FDIC/Collateralized	1.02%	2,135,895	Daily Availability
In Transit Items	-			0.08%	162,987	Daily Availability
Outstanding Checks	-			-1.74%	(3,627,442)	Daily Availability
Current Cashflow Pool Total				27.88%	58,209,804	
Portfolio Total				100.00%	208,761,888	
Cash on Hand						
Petty cash					30,425	
Departmental cash					9,643	
Custodial accounts					12,560	
Cash on Hand Total					52,628	
Cash and Investment Total					$ 208,814,516	

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

3. Detailed Notes on All Funds

A. Assets (Continued)

2. Receivables

a. Property Tax Receivable

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

Current property tax collections for the year ended December 31, 2013, were 99.04 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2013 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, 2013, were $3,210,689 and the allowance for doubtful accounts was $1,185,736 resulting in a net effect of $2,024,953.

c. Loans Receivable

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2013:

	Original Loan Amount	Balance Repaid at December 31, 2013	Outstanding Balance - December 31, 2013	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	$ 209,392	$ 16,243	$ 193,149	20	5.00
Various forfeited tax sale contracts for repurchase	320,974	116,792	204,182	Various	Various
Total General Fund	530,366	133,035	397,331		
Special Revenue Funds					
Community Development Block Grant					
Various home rehabilitation loans	3,620,422	775,842	2,844,580	Various	Various
Total Loan Receivable	$ 4,150,788	$ 908,877	$ 3,241,911		
Due within one year			$ 178,675		

d. Leases Receivable

Anoka County has leased portions of the Anoka County Human Service Center to the State of Minnesota and various community-based non-profit organizations to be used for office space. There are six lease agreements, which expire June 30, 2015, 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 Head Start Facility to the Anoka County Community Action Program, Incorporated, (ACCAP) for approximately twenty-five years starting October 1, 1993, and ending June 1, 2018. ACCAP pays annual lease amounts that equal the annual debt service (principal plus interest) for the certificates of participation less any accrued interest earnings from the trust account, which has a portion of the original issue proceeds in reserve, plus any trustee expenses incurred.

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

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

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

3. Detailed Notes on All Funds

A. Assets

2. Receivables

d. Leases Receivable (Continued)

Amounts due under the Head Start Facility, Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and unearned revenue in the General Fund at December 31, 2013. The amounts for 2014 are considered current and due within one year. Amounts remaining to be paid are as follows:

Year Due	Head Start Facility	Ice Arena	MMCD Project	ACCAP Residences	Total
2014	$ 150,074	$ 504,453	$ 247,806	$ 165,120	$ 1,067,453
2015	150,074	502,652	245,688	162,493	1,060,907
2016	150,074	500,453	248,250	164,465	1,063,242
2017	150,074	502,265	245,494	160,996	1,058,829
2018	75,037	502,967	247,419	162,065	987,488
2019-2023	-	2,493,309	1,225,962	814,496	4,533,767
2024-2028	-	1,741,262	-	808,126	2,549,388
Total	$ 675,333	$ 6,747,361	$ 2,460,619	$ 2,437,761	$ 12,321,074
Due within one year	$ 150,074	$ 504,453	$ 247,806	$ 165,120	$ 1,067,453

3. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 194,080,612	$ 6,407,764	$ -	$ 200,488,376
Construction in progress	110,912,807	44,345,629	(55,638,202)	99,620,234
Total capital assets, not being depreciated	304,993,419	50,753,393	(55,638,202)	300,108,610
Capital assets, being depreciated:				
Buildings and structures	208,026,082	12,780,521	(49,803)	220,756,800
Improvements other than buildings	23,075,773	1,922,371	(21,587)	24,976,557
Machinery and equipment	42,313,415	6,742,478	(1,823,316)	47,232,577
Infrastructure	333,312,744	31,561,637	(1,446,050)	363,428,331
Software	5,366,034	-	-	5,366,034
Total capital assets being depreciated	612,094,048	53,007,007	(3,340,756)	661,760,299
Less accumulated depreciation for:				
Buildings and structures	(59,309,844)	(4,135,680)	47,503	(63,398,021)
Improvements other than buildings	(10,754,292)	(1,026,260)	13,492	(11,767,060)
Machinery and equipment	(24,219,139)	(4,229,828)	1,611,412	(26,837,555)
Infrastructure	(100,538,180)	(6,666,255)	736,777	(106,467,658)
Software	(1,692,776)	(381,396)	-	(2,074,172)
Total accumulated depreciation	(196,514,231)	(16,439,419)	2,409,184	(210,544,466)
Total capital assets, being depreciated, net	415,579,817	36,567,588	(931,572)	451,215,833
Governmental activities capital assets, net	$ 720,573,236	$ 87,320,981	$ (56,569,774)	$ 751,324,443

3. Detailed Notes on All Funds

A. Assets

3. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activity:				
Capital assets, being depreciated:				
Buildings and structures	$ 5,429,337	$ -	$ -	$ 5,429,337
Improvements other than buildings	1,499,672	-	-	1,499,672
Machinery and equipment	1,220,770	-	-	1,220,770
Total capital assets being depreciated	8,149,779	-	-	8,149,779
Less accumulated depreciation for:				
Buildings and structures	(978,296)	(108,587)	-	(1,086,883)
Improvements other than buildings	(724,117)	(69,587)	-	(793,704)
Machinery and equipment	(570,053)	(54,717)	-	(624,770)
Total accumulated depreciation	(2,272,466)	(232,891)	-	(2,505,357)
Business-type activity capital assets, net	$ 5,877,313	$ (232,891)	$ -	$ 5,644,422

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

Governmental activities:	
General government	$ 2,980,257
Public safety	3,112,253
Highways and streets, including depreciation of general infrastructure assets	7,933,774
Human services	170,893
Sanitation	10,280
Culture and recreation	1,908,788
Economic development	323,174
Total depreciation expense-governmental activities	$ 16,439,419
Business-type activity:	
Aquatic Center	$ 232,891

Construction in progress at December 31, 2013, comprises the to-date costs of the following projects:

Highway infrastructure	$ 91,450,915
Sungard financial system	2,406,606
Parks/Library improvement projects	2,043,366
IS data improvements	1,307,199
Roof replacements	859,038
Tri-Tech system	796,260
Elevator upgrades	597,150
Miscellaneous improvements	159,700
Total	$ 99,620,234

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

1. 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. Departments repay these advances annually as part of their operating budget at a specified interest rate and term.

	Advances To	Advances From
Capital Projects Fund	$ 1,111,205	$ -
General Fund	-	698,265
Parks and Recreation Special Revenue Fund	-	412,940
Total Advances To and From Other Funds	$ 1,111,205	$ 1,111,205

2. Interfund Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfers in	Description
Major Governmental Funds		
Transfers to General Fund from:		
Road and Bridge	$ 10,500	Vehicle purchase
Human Services	3,271,530	Approved use of reserves
Capital Projects	238,748	Approved use of reserves
Total General Fund	3,520,778	
Transfers to Road and Bridge Fund from:		
Regional Railroad Authority	102,691	Roadway development
Transfers to Human Services Fund from:		
Capital Projects	4,337	Capital expenditure
Transfers to Debt Service Fund from:		
General Fund	1,295,672	Lease revenue debt payments
General Fund	167,000	Correction bond payments
Regional Railroad Authority	1,834,799	Transfer for debt service
Housing and Redevelopment Authority	1,130,501	Debt service allocation from operations
Capital Projects	30	Transfer for debt service
Total Debt Service Fund	4,428,002	
Transfers to Capital Projects Fund from:		
General Fund	37,405	Vehicle purchase
General Fund	328,499	Approved use of reserves
General Fund	714,792	Recorder compliance fee
General Fund	175,438	Information Technology projects
General Fund	70,000	Broadband project
County Library	49,500	Approved use of reserves
County Library	2,666,946	Building projects
Parks and Recreation	143,000	Approved use of reserves
Cooperative Extension	9,200	Approved use of reserves
Regional Railroad Authority	30,000	CIP projects
Total Capital Projects Fund	4,224,780	
Transfers to other governmental funds from:		
Various funds	512,655	Miscellaneous
Total Transfers In: Governmental Funds	$ 12,793,243	

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2013, were as follows:

	Governmental Activities	Business-type Activities
Accounts	$ 4,405,211	$ 49
Salaries	6,324,373	6,078
Contracts	3,993,414	-
Due to other governments	3,165,383	69
Total payables	$ 17,888,381	$ 6,196

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, 2013, are summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Other	Total
Major Governmental Funds						
General	$ 1,234,061	$ 702,099	$ 397,330	$ 12,321,074	$ 688,963	$ 15,343,527
Road and Bridge	233,272	2,552,006	-	-	930,302	3,715,580
Human Services	748,779	239,782	-	-	363,230	1,351,791
Debt Service	517,518	-	-	-	-	517,518
Capital Projects	20,036	-	-	-	4,328	24,364
Total Major Governmental Funds	2,753,666	3,493,887	397,330	12,321,074	1,986,823	20,952,780
Nonmajor Governmental Funds	346,229	1,659,854	2,844,580	-	1,142,300	5,992,963
Total All Funds	$ 3,099,895	$ 5,153,741	$ 3,241,910	$ 12,321,074	$ 3,129,123	$ 26,945,743
Liability						
Unearned revenue	$ -	$ 2,170,655	$ -	$ 12,321,074	$ 1,894,488	$ 16,386,217
Deferred Inflow of Resources						
Unavailable revenue	3,099,895	2,983,086	3,241,910	-	1,234,635	10,559,526
	$ 3,099,895	$ 5,153,741	$ 3,241,910	$ 12,321,074	$ 3,129,123	$ 26,945,743

ANOKA COUNTY
ANOKA, MINNESOTA

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, 2013. 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	$ 9,619,526
Capital Projects Fund	
Elevators	267,667
Voting Equip & Election Services	399,247
Library Improvements	28,940
Financial System Project	29,285
Public Safety Data System	259,500
Medical Record System	8,900
Building projects	3,152
Total Capital Projects Fund	996,691
Total All Funds	$ 10,616,217

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

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

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

Participants

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

Active employees	1,599
Retired employees and spouses	672
	2,271

Trust Fund

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

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

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

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)

Funding Policy and Contributions

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus $2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2013, the retirees contributed $1,059,055 toward the cost of their healthcare coverage

Contributions of $260,000 were made to the irrevocable trust in 2013.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for 2013, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	$ 5,873,925
Interest on net OPEB obligations	1,468,033
Adjustments to ARC	(1,607,120)
Annual OPEB Cost	5,734,838
Contributions to medical and life insurance on behalf of retirees	(2,498,819)
Contributions to irrevocable trust	(260,000)
Increase (decrease) in net OPEB obligation	2,976,019
Net OPEB beginning of year	16,943,102
Net OPEB end of year	$ 19,919,121

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the years ended December 31, 2009 through 2013 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
12/31/09	$ 12,847,081	$ 22,351,676	173.98%	$ 11,027,020
12/31/10	6,445,256	5,050,487	78.36%	12,421,789
12/31/11	6,461,225	3,639,729	56.33%	15,243,285
12/31/12	5,783,122	4,083,305	70.61%	16,943,102
12/31/13	5,734,838	2,758,819	48.11%	19,919,121

The net OPEB liability is liquidated by the General Fund, Special Revenue Funds and the Enterprise Fund.

Funding Status

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2007	$ -	$ 129,648,121	$ 129,648,121	0.00%	$ 103,373,137	125.42%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,653,890	48.35%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,014,943	48.65%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	105,150,429	38.36%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	104,554,188	38.58%

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)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

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 $948,889 at December 31, 2013, is available to union employees in the event of illness-related absences, and is not paid to them at termination.

c. Flexible Time Off and Extended Medical Benefit

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

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

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at $18,479,262 on December 31, 2013. EMB hours are available for use in times of illness, after using 40 FTO or leave without pay hours. Full time employees accrue eight days of EMB per year, and part time employees receive a pro-rated amount based on their schedule.

5. Operating Leases

The County currently has 14 operating leases. The County made operating lease payments totaling $372,908 in 2013. The following is a schedule of future minimum operating lease payments:

Year Due	Lease Payments
2014	$ 338,301
2015	284,209
2016	209,330
2017	123,662
2018	40,083
2019-2023	83,367
2024-2027	12
Total	$ 1,078,964

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, 2013:

	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Limited Tax Bonds	Total
Payable January 1	$ 10,149,655	$ 145,370,000	$ 40,290,000	$ 28,380,000	$ 224,189,655
Additions (Deductions)					
Debt issued	-	20,145,000	-	-	20,145,000
Debt retired	(748,998)	(13,660,000)	(1,125,000)	(940,000)	(16,473,998)
Payable December 31	$ 9,400,657	$ 151,855,000	$ 39,165,000	$ 27,440,000	$ 227,860,657
December 31 balance of:					
Issuance premiums	26,943	5,822,074	80,014	-	5,929,031
Issuance discounts	-	(201,682)	(30,390)	-	(232,072)
Payable December 31	$ 9,427,600	$ 157,475,392	$ 39,214,624	$ 27,440,000	$ 233,557,616
Due within one year	$ 664,376	$ 12,820,000	$ 14,440,000	$ 980,000	$ 28,904,376

Refunding Bond Note Disclosures

On February 5, 2013, the County issued $20,145,000 General Obligation Refunding Bonds, Series 2013A; with an average interest rate of 3.00 percent to refund $10,785,000 of outstanding General Obligation Airport improvement Bonds, Series 2005F, $3,830,000 of outstanding General Obligation Capital Improvement Bonds, Series 2006D, $4,280,000 of outstanding General Obligation Capital Improvement Bonds, Series 2007A, and $1,750,000 of General Obligation Library Bonds, Series 2007B with average interest rates of 4.35, 4.13, 4.21 and 4.22 percent, respectively. The refunding of the 2005F, 2006D, 2007A, and 2007B bonds will be conducted by means of a crossover refunding mechanism. The County will continue to make principal and interest payments on the refunded bonds through the call dates of February 1, 2015. The County refunded the bonds to reduce its total debt service payments by $3,042,376 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of $2,431,422.

Bonds and notes payable at December 31, 2013 comprise the following individual issues:

a. Lease Revenue Obligations:

$6,600,000 March 21, 2006 Ice Arena Lease Revenue Bonds: serial bonds maturing in amounts ranging from $225,000 to $730,000 each March 15 in the years 2009 to 2026 with interest due each March 15 and September 15 at rates from 4.00 to 4.45 percent. Bonds maturing March 15, 2006, and thereafter are subject to redemption on March 15, 2015, and on any date thereafter at a price of par.	$ 5,100,000
$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.	1,995,000
$1,205,000 July 8, 2008 Anoka County Community Action Program Annual Appropriation Lease and Refunding of Certificates of Participation. These certificates mature in amounts ranging from $49,304 to $73,396 each June 1 and December 1 in the years 2009 to 2018 with interest due each June 1 and December 1 at a rate of 4.47 percent.	605,657
$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.	1,700,000
Total Lease Revenue Obligations	$ 9,400,657

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

b. General Obligation Bonds and Notes:

$13,000,000 September 30, 2005 General Obligation Airport Improvement Bonds: serial bonds maturing in amounts ranging from $475,000 to $970,000 each February 1 in the years 2015 to 2033 with interest due each February 1 and August 1 at rates from 4.00 to 4.40 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any date thereafter at a price of par plus accrued interest.	$ 11,260,000
$4,285,000 February 15, 2006 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $370,000 to $500,000 each February 1 in the years 2007 to 2016 with interest due each February 1 and August 1 at rates from 3.25 to 4.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any day thereafter at a price of par plus accrued interest.	1,445,000
$3,385,000 February 15, 2006 General Obligation Airport Improvement Bonds: serial bonds maturing in amounts ranging from $75,000 to $225,000 each February 1 in the years 2010 to 2033 with interest due each February 1 and August 1 at rates from 4.00 to 5.00 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any day thereafter at a price of par plus accrued interest.	2,975,000
$7,030,000 September 28, 2006 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $270,000 to $615,000 each February 1 in the years 2009 to 2022 with interest due each February 1 and August 1 at rates from 3.60 to 4.25 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any day thereafter at a price of par plus accrued interest.	4,745,000
$7,675,000 February 15, 2007 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $430,000 to $670,000 each February 1 in the years 2010 to 2022 with interest due each February 1 and August 1 at rates from 4.00 to 4.35 percent. Bonds maturing on or after February 1, 2016, are subject to redemption on February 1, 2015, and on any day thereafter at a price of par plus accrued interest.	5,345,000
$3,245,000 February 15, 2007 General Obligation Library Bonds: serial bonds maturing in amounts ranging from $165,000 to $280,000 each February 1 in the years 2009 to 2022 with interest due each February 1 and August 1 at a rate of 4.00 to 4.35 percent. Bonds maturing on or after February 1, 2016 are subject to redemption on February 1, 2015, and on any day thereafter at a price of par accrued interest.	2,170,000
$12,255,000 July 16, 2007 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $360,000 to $905,000 each February 1 in the years 2010 to 2029 with interest due each February 1 and August 1 at a rate of 4.25 to 5.00 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest.	10,115,000
$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.	13,160,000
$3,745,000 July 17, 2008 General Obligation Capital Improvement Notes: serial notes maturing in amounts ranging from $690,000 to $810,000 each February 1 in the years 2010 to 2014 with interest due each February 1 and August 1 at a rate of 4.00 percent. The notes will not be subject to payment in advance of their respective stated maturity dates.	810,000
$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.	$ 11,840,000

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)

$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.	$ 920,000
$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.	14,285,000
$3,000,000 July 9, 2009 General Obligation Capital Notes: serial notes maturing in amounts ranging from $585,000 to $615,000 each February 1 in the years 2010 to 2014 with interest due each February 1 and August 1 at a rate of 3.50 to 4.00 percent. No redemption option is available.	615,000
$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.	1,850,000
$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.	15,365,000
$740,000 December 9, 2009 General Obligation Capital Notes: serial notes maturing in amount ranging from $145,000 to $155,000 each August 1 in the years 2010 to 2014 with interest due each February 1 and August 1 at a rate of 3.00 percent. No redemption option is available.	155,000
$6,680,000 December 9, 2009 General Obligation Bonds: serial bonds maturing in amounts ranging from $405,000 to $495,000 each August 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after August 1, 2018, are subject to redemption on August 1, 2017, and on any day thereafter at a price of par plus accrued interest.	4,955,000
$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.	1,270,000
$3,430,000 July 14, 2010 General Obligation Capital Notes: serial bonds maturing in amounts ranging from $685,000 to $705,000 each February 1 in the years 2011 to 2015 with interest due each February 1 and August 1 at a rate of 2.00 percent. No redemption option is available.	1,395,000
$4,030,000 July 14, 2010 General Obligation Bonds: serial bonds maturing in amounts ranging from $250,000 to $560,000 each February 1 in the years 2011 to 2020 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest.	2,395,000
$8,180,000 September 29, 2011 General Obligation Bonds: serial bonds maturing in amounts ranging from $370,000 to $680,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 3.125 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.	$ 7,810,000

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)

$795,000 September 29, 2011 General Obligation Capital Notes: serial bonds maturing in amounts ranging from $145,000 to $170,000 each February 1 in the years 2013 to 2017 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.	$ 650,000
$13,880,000 February 23, 2012 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $785,000 to $1,155,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.	13,095,000
$4,320,000 February 23, 2012 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $195,000 to $1,235,000 each February 1 in the years 2013 to 2018 with interest due each February 1 and August 1 at a rate of 2.00 to 2.50 percent. No redemption option is available.	3,085,000
$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.	20,145,000
Total General Obligation Bonds and Notes	151,855,000

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. All General Obligation Bonds Supported by Revenues were issued for the purpose of constructing facilities. Below is a description of the terms relevant to each issuance.

$5,985,000 April 1, 2004 City of Oak Grove Senior Housing Bonds: serial bonds maturing in amounts from $90,000 to $375,000 each February 1 in the years 2007 to 2034 with interest due each February 1 and August 1 at rates from 1.90 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.	5,220,000
$3,075,000 April 1, 2004 City of Centerville - Phase II Senior Housing Bonds: serial bonds maturing in amounts ranging from $30,000 to $295,000 each February 1 in the years 2007 to 2034 with interest due each February 1 and August 1 at rates from 1.90 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.	2,820,000
$1,320,000 April 1, 2004 City of Centerville Housing Development Revenue Refunding Bonds: serial bonds maturing in amounts ranging from $35,000 to $85,000 each February 1 in the years 2005 to 2026 with interest due each February 1 and August 1 at rates from 1.25 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.	910,000
$7,500,000 March 30, 2005 Ice Arena Revenue Refunding Bonds: serial bonds maturing in amounts ranging from $140,000 to $585,000 each February 1 in the years 2006 to 2023 with interest due each February 1 and August 1 at rates from 2.55 to 4.45 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.	4,890,000
$1,600,000 June 28, 2005 General Obligation Revenue Refunding Bonds: serial bonds maturing in amounts ranging from $135,000 to $190,000 each December 1 in the years 2009 to 2017 with interest due each June 1 and December 1 at rates from 3.00 to 4.00 percent. Bonds maturing on or after December 1, 2014, are subject to redemption on December 1, 2013, and on any date thereafter at a price of par plus accrued interest.	$ 710,000

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.	$ 2,240,000
$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.	2,685,000
$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.	5,695,000
$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.	3,110,000
$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.	5,230,000
$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.	5,655,000
Total General Obligation Bonds Supported by Revenue	39,165,000

d. Limited Tax Bonds:

$32,510,000 January 16, 2007 Limited Tax Bonds: serial bonds maturing in amounts ranging from $715,000 to $2,065,000 each February 1 in the years 2009 to 2032 with interest due each February 1 and August 1 at a rate of 4.00 to 4.50 percent. Bonds maturing on or after February 1, 2018, are subject to redemption on February 1, 2017, and on any day thereafter at a price of par plus accrued interest.	27,440,000
Total Bonds and Notes Payable	$ 227,860,657

ANOKA COUNTY
ANOKA, MINNESOTA

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	Total Interest
2014	$ 1,067,452	$ 18,592,404	$ 15,413,920	$ 2,139,851	$ 28,904,376	$ 8,309,251
2015	5,472,581	37,561,529	2,315,002	2,134,951	40,504,997	6,979,066
2016	562,789	14,613,694	2,312,832	2,133,551	13,655,873	5,966,993
2017	556,564	14,087,295	2,323,311	2,135,451	13,607,014	5,495,607
2018	484,520	13,891,663	2,116,160	2,135,552	13,623,397	5,004,498
2019-2023	2,040,459	57,954,918	10,573,696	10,649,305	63,880,000	17,338,378
2024-2028	808,126	26,449,659	6,613,454	10,606,622	37,530,000	6,947,861
2029-2033	-	4,534,450	3,239,653	8,455,725	14,745,000	1,484,828
2034-2038	-	-	1,480,300	-	1,410,000	70,300
Total payments	10,992,491	187,685,612	46,388,328	40,391,008		
less interest	(1,591,834)	(35,830,612)	(7,223,328)	(12,951,008)		$ 57,596,782
Total principal due	$ 9,400,657	$ 151,855,000	$ 39,165,000	$ 27,440,000	$ 227,860,657	

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

8. Long-Term Obligations – Other

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

Prior years compensated absence liabilities were paid from the General Fund, Special Revenue Funds and the Enterprise Fund. Changes in long-term obligations, other than bonds, for the year ended December 31, 2013, are summarized as follows:

	Long-Term Obligations		
	Governmental Activities		Business-Type Activities
	Capital Leases	Compensated Absences	Compensated Absences
Payable, January 1	$ 52,966	$ 8,428,398	$ 11,665
Additions	-	13,879,977	16,964
Deletions	(23,875)	(13,300,209)	(13,819)
Payable, December 31	$ 29,091	$ 9,008,166	$ 14,810
Due within one year	$ 24,878	$ 450,408	$ 741

Capital Leases

The County currently has a capital lease-to-purchase agreement for 70 golf carts at Chomonix Golf Course. The golf carts are less than the County's threshold for capitalization and therefore are not in the capital assets. The County financed a total of $97,148 at 4.25 percent interest. The capital lease liability is reported in the Parks and Recreation Special Revenue 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
2014	$ 25,865
2015	4,312
Total payments	30,177
Less interest	(1,086)
Present Value of Net Minimum Payments	$ 29,091

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

9. HRA Recovery Zone Economic Development Bonds

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

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

The recovery zone bonds have an outstanding principal balance of $14,660,000 at December 31, 2013. There were four recovery zone bond issuances at December 31, 2013:

	Issue	Principal Balance
Fridley Medical Center Project	2010A	$ 10,925,000
Fridley Medical Center Project	2010B	640,000
Park River Estate Care Center	2010D	2,915,000
Park River Estate Care Center	2010E	180,000
		$ 14,660,000

10. Conduit Debt

The County has issued lease revenue bonds to provide financial assistance to a private sector entity for the acquisition and construction of a charter school facility. These bonds and notes are secured by the property financed and are payable solely from revenue derived from the loan agreements. Upon repayment of the bonds, ownership of the acquired facilities or equipment transfers to the private sector entity served by the bond issuance. The County is not obligated in any manner for repayment of the bonds or notes. Accordingly, they are not reported as a liability in the accompanying financial statements.

As of December 31, 2013, there are two issues outstanding with an aggregate principal amount payable of $11,300,000.

	Issue	Principal Balance
Spectrum Building Company	2012A	11,095,000
Spectrum Building Company	2012B	205,000
		$ 11,300,000

D. Fund Balances

The summary of fund balance classifications is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
Nonspendable for:					
Advances to other funds	$ -	$ -	$ -	$ 1,111,205	$ 1,111,205
Inventories	-	1,785,907	-	-	1,785,907
Prepaid items	23,082	17,583	-	-	40,665
Total Nonspendable	$ 23,082	$ 1,803,490	$ -	$ 1,111,205	$ 2,937,777

	General	Special Revenue	Debt Service	Capital Projects	Total
Restricted for:					
Recorders compliance	$ 5,582,038	$ -	$ -	$ -	$ 5,582,038
911 capital expenditures	1,113,957	-	-	-	1,113,957
Conceal and Carry law	502,628	-	-	-	502,628
Investments with trust account	380,289	-	-	-	380,289
Narcotics program	5,000	-	-	-	5,000
Solid waste abatement (recycling)	500,000	-	-	-	500,000
Household Hazardous Waste program	500,000	-	-	-	500,000
SCORE program	815,000	-	-	-	815,000
Solid waste cleanup	693,029	-	-	-	693,029
Waste processing	4,938,234	-	-	-	4,938,234
Solid waste	500,000	-	-	-	500,000
Dedicated donations	8,322	-	-	-	8,322
Drug and narcotics enforcement	-	24,807	-	-	24,807
Economic development grants	-	47,371	-	-	47,371
Revolving loans	-	150,000	-	-	150,000
Edith P. Wargo estate	-	329,068	-	-	329,068
Ag Preservation programs	-	72,606	-	-	72,606
Law library	-	228,474	-	-	228,474
Law enforcement	-	113,678	-	-	113,678

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

D. Fund Balances (Continued)

	General	Special Revenue	Debt Service	Capital Projects	Total
Restricted for:					
Amounts with escrow agents	$ -	$ 2,873,529	$ 42,223,479	$ -	$ 45,097,008
Debt service	-	-	17,422,703	-	17,422,703
Total Restricted	$ 15,538,497	$ 3,839,533	$ 59,646,182	$ -	$ 79,024,212

	General	Special Revenue	Debt Service	Capital Projects	Total
Committed for:					
Library	$ -	$ 3,965,610	$ -	$ -	$ 3,965,610
Cooperative Extension programs	-	199,438	-	-	199,438
Total Committed	$ -	$ 4,165,048	$ -	$ -	$ 4,165,048

	General	Special Revenue	Debt Service	Capital Projects	Total
Assigned for:					
Self insurance liabilities	$ 1,000,000	$ -	$ -	$ -	$ 1,000,000
Secured juvenile facility	521,342	-	-	-	521,342
Salary inequities	300,000	-	-	-	300,000
Election year offset	390,000	-	-	-	390,000
Copier replacement	36,202	-	-	-	36,202
Deferred compensation program for new hires	5,000	-	-	-	5,000
Exceptional service pay	5,000	-	-	-	5,000
Drug and narcotics enforcement	108,493	-	-	-	108,493
Transit operations	100,000	-	-	-	100,000
Delayed department purchases	468,241	-	-	-	468,241
Medical examiner operations and building	418,851	400,000	-	-	818,851
County Kaizen and process improvement	-	50,000	-	-	50,000
Affordable Care Act staffing	-	1,000,000	-	-	1,000,000
Out-of-home placement	-	1,000,000	-	-	1,000,000
Psychological sexual holds	-	150,000	-	-	150,000
Workhouse van	-	30,000	-	-	30,000
Enhanced treatment program	-	150,000	-	-	150,000
Partnership for Family Success	-	250,000	-	-	250,000
Family Unification Program (FUP)	-	33,333	-	-	33,333
Community emergency needs	-	200,000	-	-	200,000
Computer system upgrades	-	200,000	-	-	200,000
Economic Assistance automation project	-	16,277	-	-	16,277
Correction inmate costs	-	727,000	-	-	727,000
Human service programs	-	25,156,558	-	-	25,156,558
Economic development	-	7,282,972	-	-	7,282,972
Parks	-	2,025,883	-	-	2,025,883
Future capital improvements	-	6,125,230	-	-	6,125,230
Willows operations	-	108,684	-	-	108,684
Chauncey-Barett Gardens operations	-	11,273	-	-	11,273
Savannah Oaks operations	-	275,240	-	-	275,240
Oaks of Lake George operations	-	15,402	-	-	15,402
Office furniture and equipment	-	650,000	-	-	650,000
One time capital projects	-	-	-	1,225,200	1,225,200
IT capital projects	-	-	-	3,922,514	3,922,514
Innovative capital projects	-	-	-	154,019	154,019
Blade server capital projects	-	-	-	185,200	185,200
JLEC Project	-	-	-	5,000,000	5,000,000
Household Hazardous Waste projects	-	-	-	7,353,872	7,353,872
County building capital projects	-	-	-	3,475,330	3,475,330
Library building capital projects	-	-	-	2,760,669	2,760,669
Asset preservation	-	-	-	5,271,208	5,271,208
Total Assigned	$ 3,353,129	$ 45,857,852	$ -	$ 29,348,012	$ 78,558,993

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

a. Plan Description

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

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

a. Plan Description (Continued)

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

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

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

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

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

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

b. Funding Policy

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

The County is required to contribute the following percentages of annual covered payroll in 2013 and 2014:

	2013	2014
General Employees Retirement Fund		
Basic Plan members	11.78%	11.78%
Coordinated Plan members	7.25	7.25
Public Employees Police and Fire Fund	14.40	15.30
Public Employees Correctional Fund	8.75	8.75

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

b. Funding Policy (Continued)

The County's contributions for the years ending December 31, 2013, 2012, and 2011, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2013	2012	2011
General Employees Retirement Fund	$ 6,285,220	$ 6,218,521	$ 6,442,401
Public Employees Police and Fire Fund	1,435,884	1,373,778	1,340,689
Public Employees Correctional Fund	892,179	874,101	872,275

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

2. Defined Contribution Plan

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

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

The employee and employer contributions were $30,261 each during the year ended December 31, 2013. This was equal to the required 5.0 percent contribution rate of covered payroll.

F. Risk Management

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

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

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

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

	2013	2012
Unpaid claims, January 1	$ 1,062,964	$ 1,029,857
Self-funded claims	491,130	351,105
Adjustments	649,420	125,975
Claim payments	(382,071)	(443,973)
Unpaid claims, December 31	$ 1,821,443	$ 1,062,964
Due within one year	$ 259,881	

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 2013 workers' compensation claims is $470,000 per occurrence for all claims occurring in 2013.

3. Detailed Notes on All Funds

F. Risk Management (Continued)

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

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

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

Health and Dental: The County fully insures medical insurance through Blue Cross Blue Shield. The County fully insures dental insurance through HealthPartners.

G. Joint Ventures

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

1. Metropolitan Emergency Services Board. 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 $123,883 in 2013. 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 the other six metropolitan area counties and the Cities of St. Paul and Minneapolis to improve public library services within the various jurisdictions. One member of each entity comprises the Board of Directors of MELSA. Financing is provided by gifts, grants and programs of the federal government, the State of Minnesota, and other governmental and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, Minnesota 55104-6276.

3. Northstar Corridor Development Authority (NCDA). Anoka County entered into a joint powers agreement with 24 counties, regional rail authorities, cities and townships along the Northstar Corridor to create the Northstar Corridor Development Authority, in May 1997. The joint powers board consists of one elected official each from the member governmental units.

   The NCDA was created to develop the Northstar commuter rail project from St. Cloud, Minnesota to Minneapolis, Minnesota. Grant monies, member county contributions and the regional railroad authorities' agreement to allocate the initial contributions of capital has provided funding for the NCDA. Members pay annual dues to NCDA. In 2013 Anoka County paid dues of $35,655 to the NCDA, which is reflected as an expenditure in the Regional Railroad Authority Special Revenue Fund. The dues for 2014 are anticipated to be $36,175.

   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.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

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. Rush Line Corridor Task Force. The Rush Line Corridor Joint Powers Agreement was established in March 1999, pursuant to Minn. Stat. ch. 398A and § 471.59, as a joint powers entity. The Rush Line Corridor is a transit way corridor that originates in St. Paul and extends north to Duluth. The Rush Line Corridor consists of the cities, counties, and towns from St. Paul to Duluth and was created to preserve the corridor for future multi-modal transportation improvements including highway, rail transit, and multi-use paths. In April 2007, Anoka County entered into a joint powers agreement with Carlton County, Chisago County Regional Railroad Authority, Pine County, Ramsey County Regional Railroad Authority, St. Louis and Lake Counties Regional Railroad Authority, Washington County Regional Railroad Authority, and 39 cities and 6 townships therein.

   As part of the agreement, a joint powers board called the Rush Line Corridor Task Force was created to make the decisions needed to carry out the terms of the joint powers agreement. This Task Force consists of one member and one alternate appointed from each member, with membership terms beginning on January 15 and ending on January 14 of the next succeeding year, or until a successor is appointed.

   The Task Force has the authority to adopt budgets; enter into transactions, contracts, and leases; incur debts, liabilities, and obligations; employ agents and employees; and enter into legal claims. The Task Force is also a separate entity from its members, and the members are not liable for the Task Force's actions. Funding for the Rush Line Corridor Task Force is comprised of federal and state grant monies and contributions from the member organizations based on corridor county population for the most recent census year or state demographer data available. During 2013, Anoka County did not make any contributions or payments. Current financial statements for the Rush Line Corridor Task Force are not available.

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

7. 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 2013. Separate financial statements for the Anoka-Hennepin Narcotics and Violent Crimes Task Force are not available.

4. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

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

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

B. Related Organization

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

C. Subsequent Event

On April 22, 2014, the County Board approved the issuance of conduit Revenue Bonds, Series 2014 in an amount not to exceed $4,250,000.

REQUIRED SUPPLEMENTARY INFORMATION

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 50,771,601	$ 50,771,601	$ 50,886,651	$ 115,050
Licenses and permits	1,510	254,013	357,320	103,307
Intergovernmental	17,542,252	17,766,606	18,559,719	793,113
Charges for services	26,366,199	26,236,199	26,406,196	169,997
Fines and forfeits	7,000	7,000	4,166	(2,834)
Investment income	3,145,000	3,145,000	(3,067,477)	(6,212,477)
Miscellaneous	2,850,006	4,759,685	5,421,559	661,874
Total Revenues	100,683,568	102,940,104	98,568,134	(4,371,970)
Expenditures				
Current				
General government				
Management appropriations	862,541	862,541	803,230	59,311
Information technology	3,143,959	3,124,065	2,803,041	321,024
Intergovernmental relations	211,035	215,975	215,975	-
Regional associations	195,000	195,000	111,798	83,202
County administration	971,101	964,904	872,806	92,098
Human resources	1,258,042	1,258,042	1,150,125	107,917
Property tax administration and collection	6,568,775	6,568,274	6,303,075	265,199
License bureau	2,674,765	2,674,765	2,554,768	119,997
Internal audit	138,523	139,780	139,780	-
Election services	453,259	486,002	464,118	21,884
Attorney	8,003,413	7,931,513	7,904,296	27,217
Public services	526,359	317,119	319,868	(2,749)
Surveyor	1,039,756	1,039,114	1,001,124	37,990
Facilities management and construction	384,860	763,562	825,052	(61,490)
Veterans services	513,683	492,318	503,964	(11,646)
Geographic information system	219,077	222,084	218,060	4,024
Transit and volunteer transportation	3,612,360	3,735,511	3,484,856	250,655
Accounting and central services	2,889,538	3,638,924	3,477,298	161,626
Courts administration	1,384,389	1,384,389	1,394,962	(10,573)
Public information	467,846	467,846	471,542	(3,696)
Miscellaneous	635,341	638,091	2,792,485	(2,154,394)
Total general government	36,153,622	37,119,819	37,812,223	(692,404)
Public safety				
Sheriff	29,231,233	29,584,313	30,117,497	(533,184)
Central communications	$ 3,809,364	$ 3,824,364	$ 3,809,071	$ 15,293

(Continued)

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Expenditures				
Current				
Public safety (Continued)				
Emergency management	$ 247,213	$ 257,555	$ 543,691	$ (286,136)
Corrections	21,301,651	21,272,049	20,281,204	990,845
Medical examiner	2,318,896	2,318,896	2,289,763	29,133
Total public safety	56,908,357	57,257,177	57,041,226	215,951
Human services				
Community action program	336,067	336,067	311,068	24,999
Sanitation				
Solid waste	2,809,113	2,676,619	2,436,741	239,878
R.D.F. administration	2,468,008	2,468,008	1,349,737	1,118,271
Total sanitation	5,277,121	5,144,627	3,786,478	1,358,149
Culture and recreation				
Historical society/Fair grounds	209,255	209,255	336,755	(127,500)
Conservation of natural resources				
Soil and water conservation district	151,492	151,492	148,992	2,500
Total Expenditures	99,035,914	100,218,437	99,436,742	781,695
Excess of Revenues Over (Under) Expenditures	1,647,654	2,721,667	(868,608)	(3,590,275)
Other Financing Sources (Uses)				
Transfers in	102,802	142,802	3,520,778	3,377,976
Transfers out	(1,355,740)	(2,810,268)	(2,846,461)	(36,193)
Total Other Financing Sources (Uses)	(1,252,938)	(2,667,466)	674,317	3,341,783
Net Change in Fund Balance	394,716	54,201	(194,291)	(248,492)
Fund Balance - January 1	47,169,066	47,169,066	47,169,066	-
Fund Balance - December 31	$ 47,563,782	$ 47,223,267	$ 46,974,775	$ (248,492)

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 11,044,104	$ 11,044,104	$ 10,924,616	$ (119,488)
Licenses and permits	51,500	51,500	71,720	20,220
Intergovernmental	27,500,410	27,500,410	39,476,446	11,976,036
Charges for services	600	600	1,752	1,152
Investment income	30,000	30,000	18,948	(11,052)
Miscellaneous	141,600	141,600	296,813	155,213
Total Revenues	**38,768,214**	**38,768,214**	**50,790,295**	**12,022,081**
Expenditures				
Current				
Highways and streets				
Administration	1,761,604	1,761,604	1,119,750	641,854
Maintenance	7,887,191	7,887,191	7,700,847	186,344
Construction	39,528,103	39,528,103	37,259,854	2,268,249
Equipment maintenance and shops	2,983,703	2,983,703	3,119,754	(136,051)
Intergovernmental				
Highways and streets	-	-	28,255	(28,255)
Total Expenditures	**52,160,601**	**52,160,601**	**49,228,460**	**2,932,141**
Excess of Revenues Over (Under) Expenditures	**(13,392,387)**	**(13,392,387)**	**1,561,835**	**14,954,222**
Other Financing Sources (Uses)				
Transfers in	-	-	102,691	102,691
Transfers out	-	-	(10,500)	(10,500)
Total Other Financing Sources (Uses)	**-**	**-**	**92,191**	**92,191**
Net Change in Fund Balance	**(13,392,387)**	**(13,392,387)**	**1,654,026**	**15,046,413**
Fund Balance - January 1	**(5,892,279)**	**(5,892,279)**	**(5,892,279)**	**-**
Increase (decrease) in inventories	**-**	**-**	**(724,522)**	**(724,522)**
Fund Balance - December 31	**$ (19,284,666)**	**$ (19,284,666)**	**$ (4,962,775)**	**$ 14,321,891**

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HUMAN SERVICES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 30,446,365	$ 30,446,365	$ 30,131,945	$ (314,420)
Licenses and permits	970,761	970,761	986,800	16,039
Intergovernmental	42,012,272	42,012,272	42,622,388	610,116
Charges for services	2,299,894	2,299,894	2,533,855	233,961
Investment income	9,000	9,000	-	(9,000)
Miscellaneous	2,656,212	2,656,212	2,967,587	311,375
Total Revenues	**78,394,504**	**78,394,504**	**79,242,575**	**848,071**
Expenditures				
Current				
Human services				
Economic assistance	25,831,468	25,822,082	25,595,033	227,049
Social services	31,883,542	31,822,101	29,529,096	2,293,005
Mental health	10,469,632	10,469,632	9,652,547	817,085
Community health	11,218,668	11,201,640	10,697,778	503,862
Total Expenditures	**79,403,310**	**79,315,455**	**75,474,454**	**3,841,001**
Excess of Revenues Over (Under) Expenditures	**(1,008,806)**	**(920,951)**	**3,768,121**	**4,689,072**
Other Financing Sources (Uses)				
Transfers in	-	-	4,337	4,337
Transfers out	-	-	(3,271,530)	(3,271,530)
Total Other Financing Sources (Uses)	**-**	**-**	**(3,267,193)**	**(3,267,193)**
Net Change in Fund Balance	**(1,008,806)**	**(920,951)**	**500,928**	**1,421,879**
Fund Balance - January 1	**29,529,823**	**29,529,823**	**29,529,823**	**-**
Fund Balance - December 31	**$ 28,521,017**	**$ 28,608,872**	**$ 30,030,751**	**$ 1,421,879**

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

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2013

1. Budgetary Information

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

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

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

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

2. Excess of Expenditures Over Budget

The following departments/divisions have expenditures in excess of budget for the year ended December 31, 2013:

	Expenditures		
	Final Budget	Actual	Excess
Major Governmental Funds			
General Fund			
Current			
General Government			
Public services	$ 317,119	$ 319,868	$ 2,749
Facilities management and construction	763,562	825,052	61,490
Veterans services	492,318	503,964	11,646
Courts administration	1,384,389	1,394,962	10,573
Public information	467,846	471,542	3,696
Miscellaneous	638,091	2,792,485	2,154,394
Public Safety			
Sheriff	29,584,313	30,117,497	533,184
Emergency management	257,555	543,691	286,136
Culture and recreation			
Historical society/Fair grounds	209,255	336,755	127,500

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3. Other Postemployment Benefits Funding Status

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2007	$ -	$ 129,648,121	$ 129,648,121	0.00%	$ 103,373,137	125.42%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,653,890	48.35%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,014,943	48.65%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	105,150,429	38.36%
12/31/2011	29,290,357	69,623,253	40,332,896	42.07%	104,554,188	38.58%

4. Employer Contributions to Other Postemployment Benefits

For 2013, employer contributions include $260 thousand to an irrevocable OPEB trust, and $2.5 million in direct payments to insurance carriers for benefits.

Year Ended December 31	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	$ 22,351,676	$ 13,167,730	169.75%
2010	5,050,487	6,249,243	80.82%
2011	3,639,729	6,251,726	58.22%
2012	4,083,305	5,905,879	69.14%
2013	2,758,819	5,873,925	46.97%