FINAL OFFICIAL STATEMENT DATED JANUARY 25, 2013

REFUNDING ISSUE **Standard & Poor's Rating: AAA**

In the opinion of Kennedy & Graven, Chartered, Bond Counsel to the County, under existing laws, rules, regulations, and judicial decisions, as presently enacted and construed, interest on the Series 2013A Bonds is excludable from gross income for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts and estates for State of Minnesota income tax purposes. Interest on the Series 2013A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series 2013A Bonds is included in adjusted current earnings in calculating the federal alternative minimum tax imposed on corporations. Interest on the Series 2013A Bonds is included in the income of financial institutions and corporations for purposes of the Minnesota franchise tax. (See "Tax Exemption" herein.)

$20,145,000
Anoka County, Minnesota
(the "County")

General Obligation Refunding Bonds, Series 2013A
(the "Series 2013A Bonds," the "Obligations" or the "Issue")

(Book Entry Only)

Dated Date: Date of Issuance **Interest Due: Each February 1 and August 1, commencing August 1, 2013**

The Series 2013A Bonds will mature as follows:

Maturity (February 1)	Amount	Interest Rate	Yield or Price	CUSIP 036213	Maturity (February 1)	Amount	Interest Rate	Yield or Price	CUSIP 036213
2016	$2,025,000	3.00%	0.55%	4V 5	2023	$755,000	3.00%	1.80%	5C 6
2017	$2,075,000	3.00%	0.70%	4W 3	2024	$785,000	3.00%	2.00%	5D 4
2018	$2,130,000	3.00%	0.82%	4X 1	2025	$810,000	3.00%	2.15%	5E 2
2019	$2,150,000	3.00%	1.00%	4Y 9	2026	$835,000	3.00%	2.25%	5F 9
2020	$2,200,000	3.00%	1.25%	4Z 6	2027	$855,000	3.00%	2.30%	5G 7
2021	$2,280,000	3.00%	1.45%	5A 0	2028	$890,000	3.00%	2.40%	5H 5
2022	$1,450,000	3.00%	1.65%	5B 8	2029	$905,000	3.00%	2.50%	5J 1

The County may elect on February 1, 2023, and on any day thereafter, to prepay the Series 2013A Bonds due on or after February 1, 2024 at a price of par plus accrued interest.

The Series 2013A Bonds will be general obligations of the County for which the County pledges its full faith and credit and power to levy direct general ad valorem taxes. Proceeds of the Series 2013A Bonds will be used to (i) refund the February 1, 2016 through February 1, 2033 maturities of the County's General Obligation Airport Improvement Bonds, Series 2005F, dated September 20, 2005; (ii) refund the February 1, 2016 through February 1, 2022 maturities of the County's General Obligation Capital Improvement Bonds, Series 2006D, dated September 28, 2006; (iii) refund the February 1, 2016 through February 1, 2022 maturities of the County's General Obligation Capital Improvement Bonds, Series 2007A, dated February 15, 2007; (iv) refund the February 1, 2016 through February 1, 2022 maturities of the County's General Obligation Library Bonds, Series 2007B, dated February 15, 2007; and (v) pay the costs associated with the issuance of the Series 2013A Bonds.

The County will not designate the Series 2013A Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the Series 2013A Bonds will not be subject to the alternative minimum tax for individuals. Interest on the Series 2013A Bonds is included in adjusted current earnings for the purpose of calculating the federal alternative minimum tax imposed on corporations.

The Series 2013A 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 Series 2013A 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 Series 2013A Bonds purchased. (See "THE SERIES 2013A BONDS - Book Entry System" herein.) U.S. Bank National Association, Saint Paul, Minnesota will serve as registrar (the "Registrar") for the Series 2013A Bonds. The Series 2013A Bonds are expected to be available for delivery at DTC on or about February 5, 2013.

The Series 2013A Bonds are being offered when, as and if issued and received by Oppenheimer & Co. Inc. (the "Underwriter"), subject to prior sale, to withdrawal or modifications of the offer without any notice, and to the opinion as to validity and tax-exempt status of the Series 2013A Bonds by Kennedy & Graven, Chartered, of Minneapolis and Saint Paul, Minnesota.

OPPENHEIMER

No dealer, broker, salesman or other person has been authorized by the Underwriter or the County to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary or Final Official Statements, 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 Preliminary or Final Official Statements 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 ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF 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 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 or Final Official Statements, they will be furnished on 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 have been 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 that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, the Underwriter's responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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FINAL OFFICIAL STATEMENT

$20,145,000
ANOKA COUNTY, MINNESOTA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013A
(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Final Official Statement contains certain information relating to Anoka County, Minnesota (the "County" or the "Issuer") and its issuance of $20,145,000 General Obligation Refunding Bonds, Series 2013A (the "Series 2013A Bonds," the "Obligations," or the "Issue"). The Series 2013A 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.

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 resolution awarding the sale of the Series 2013A Bonds, the County has entered into an undertaking (the "Undertaking") for the benefit of holders including beneficial owners of the Series 2013A 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 Series 2013A Bonds are delivered in substantially the form attached hereto as Appendix II.

The County has not failed within the past five years to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events. A failure by the County to comply with the Undertaking will not constitute an event of default on the Series 2013A 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 Series 2013A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2013A Bonds and their market price.

THE SERIES 2013A BONDS

General Description

The Series 2013A Bonds will be dated as of the date of issuance, and will mature annually on February 1 as set forth on the cover of this Official Statement. The Series 2013A Bonds are issued in book entry form. Interest on the Series 2013A Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2013. Interest on the Series 2013A Bonds will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar on the fifteenth day of the calendar month next preceding such interest payment date. Principal of and interest on the Series 2013A Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, Saint Paul, Minnesota, will serve as Registrar for the Series 2013A Bonds and the County will pay for registration services.

Optional Redemption

The County may elect on February 1, 2023, and on any date thereafter, to prepay the Series 2013A Bonds due on or after February 1, 2024. Redemption may be in whole or in part at the option of the County and in such manner as the County shall determine. If less than all the Series 2013A 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 of the Series 2013A Bonds 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 Obligations. The Obligations 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 the Obligations, 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 securities that its 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 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 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"). 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 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("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 Obligations 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 Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations 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 Obligations 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 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations 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 Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations 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 the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Obligations 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 such other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer or Bond Registrar 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 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Obligations 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 Issuer 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, Agent, the Bond Registrar, or the Issuer, 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 Bond Registrar, Issuer, or the Issuer's 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.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to Agent, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to Agent. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to Trustee's DTC account.

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

The Issuer 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 Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

AUTHORITY AND PURPOSE

Authority and Purpose

The Series 2013A Bonds are being issued pursuant to Minnesota Statutes, Chapter 475 and Sections 360.036 (the "Airport Portion" as further defined herein), 373.40 (the "CIP Portion" as further defined herein), and 383E.20 (the "Library Portion" as further defined herein), all as amended (the "Act"). Proceeds of the Series 2013A Bonds will be used to:

- Refund the February 1, 2016 through February 1, 2033 maturities (the "Series 2005F Refunded Maturities') of the County's General Obligation Airport Improvement Bonds, Series 2005F, dated September 20, 2005 (the "Series 2005F Bonds") (the "Airport Portion");

- Refund the February 1, 2016 through February 1, 2022 maturities (the "Series 2006D Refunded Maturities") of the County's General Obligation Capital Improvement Bonds, Series 2006D, dated September 28, 2006 (the "Series 2006D Bonds");

- Refund the February 1, 2016 through February 1, 2022 maturities (the "Series 2007A Refunded Maturities") of the County's General Obligation Capital Improvement Bonds, Series 2007A, dated February 15, 2007 (the "Series 2007A Bonds") (together with the Series 2006D Bonds, the "CIP Portion");

- Refund the February 1, 2016 through February 1, 2022 maturities (the "Series 2007B Refunded Maturities") of the County's General Obligation Library Bonds, Series 2007B, dated February 15, 2007 (the Series 2007B Bonds") (the "Library Portion"); and

- Pay the costs associated with the issuance of the Series 2013A Bonds.

- The Series 2005F Refunded Maturities, the Series 2006D Refunded Maturities, the Series 2007A Refunded Maturities, and the Series 2007B Refunded Maturities are collectively referred to as the "Refunded Maturities." The Series 2005F Bonds, the Series 2006D Bonds, the Series 2007A Bonds, and the Series 2007B Bonds are collectively referred to as the "Refunded Bonds."

The composition of the Series 2013A Bonds is estimated as follows:

	Airport Portion	CIP Portion	Library Portion	Total
Sources of Funds:				
Principal Amount	$10,615,000	$7,835,000	$1,695,000	$20,145,000
Reoffering Premium	912,520	816,488	177,148	1,906,156
Total Sources of Funds	$11,527,520	$8,651,488	$1,872,148	$22,051,156
Uses of Funds:				
Deposit to Escrow Fund	$11,364,911	$8,537,327	$1,842,475	$21,744,713
Costs of Issuance*	162,609	114,161	29,673	306,443
Total Uses of Funds	$11,527,520	$8,651,488	$1,872,148	$22,051,156

* *Includes underwriter's discount, attorney fees, financial advisor fees, paying agent fees, and rating agency fees.*

Minnesota Statutes, Section 373.40 limits the maximum amount of principal and interest to become due in any year on all outstanding County capital improvement plan bonds (the "CIP Bonds") to not more than 0.12% of the taxable market value of property in the County for taxes payable in the year in which the CIP bonds are issued or sold. The County's taxable market value for 2011/12 is $24,028,138,146. Based upon such taxable market value, the statutory maximum principal and interest payable for CIP Bonds in 2013 is $28,833,765. The maximum annual principal and interest for the existing CIP Bonds (including the CIP Portion of the Series 2013A Bonds and excluding the Library Portion of the Series 2013A Bonds and the Airport Portion of the Series 2013A Bonds) is approximately $11,639,676. Therefore, the amount of County capital improvement plan debt service payable in 2013 is within the statutory limitation.

Pursuant to Minnesota Statutes, Section 383E.20, as amended, the maximum calendar year debt service on all outstanding bonds issued under this section (Library Bonds), including the Library Portion of the Series 2013A Bonds, cannot exceed an amount equal to 0.01% of the taxable market value of all taxable property in the County, excluding any taxable property taxed by any city for the support of any free public library. The County's taxable market value for 2011/12 is $23,174,137,710 for the purposes of Section 383E.2 ($24,028,138.46 less the City of Columbia Heights taxable market value of $854,000,436). Based upon such taxable market value, the statutory maximum principal and interest payable for all outstanding Library Bonds in 2013 is $2,317,413. The County currently has three outstanding Library Bonds issued under this authority: General Obligation Library Bonds, Series 2007B, dated February 15, 2007, a portion of General Obligation Bonds, Series 2009F, dated December 9, 2009, and a portion of the Series 2013A Bonds). The maximum annual principal and interest for the existing Library Bonds (including the Library Portion of the Series 2013A Bonds) is approximately $396,618. Therefore, the amount of County library debt service payable in 2013 is within the statutory limitation.

The refunding is being conducted to achieve debt service savings and has been structured as a "crossover" refunding. The proceeds of the Series 2013A Bonds will be placed in an escrow account with U.S. Bank National Association, St. Paul, Minnesota. The amount in the escrow account 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 (i) pay the interest payments on the Series 2013A Bonds through and including the call date of the Refunded Bonds, which is February 1, 2015; (ii) redeem the Refunded Maturities on the call date of February 1, 2015 at a price of par plus accrued interest; and (iii) pay the costs associated with the issuance of the Series 2013A Bonds.

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.

SECURITY AND FINANCING

The Series 2013A Bonds will be 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 County is expected to make its first levy for the Series 2013A Bonds in 2014 for collection in 2015. The escrow account established with the proceeds of the Series 2013A Bonds will pay the interest payments due on the Series 2013A Bonds through February 1, 2015. Thereafter, each year's levy will be in an amount sufficient to pay 105% of the interest coming due August 1 in the year of collection and the principal and interest coming due February 1 of the following year.

FUTURE FINANCING

The County does not anticipate any additional long-term borrowing within the next 90 days.

RATING

Standard & Poor's Ratings Services ("S&P"), 55 Water Street, New York, New York has assigned a rating of "AAA" to the Series 2013A Bonds. The rating will reflect only the opinion of S&P. Any explanation of the significance of the rating may be obtained only from S&P.

There is no assurance that a rating will continue for any given period of time, or that such rating will not be revised or withdrawn if, in the judgment of S&P, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2013A Bonds.

LITIGATION

The County is not aware of any threatened or pending litigation affecting the validity of the Series 2013A Bonds or the County's ability to meet its financial obligations.

LEGALITY

The Series 2013A Bonds are subject to approval as to certain matters by Kennedy & Graven, Chartered, of Minneapolis and Saint Paul, Minnesota, referred to herein 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 requested and has not undertaken to examine or verify the accuracy of the information contained in this Official Statement. A Legal opinion in substantially the form set out as Appendix I to this Official Statement will be delivered at closing.

TAX EXEMPTION

In the opinion of Kennedy & Graven, Chartered, Minneapolis and Saint Paul, Minnesota, Bond Counsel to the County, under federal and Minnesota laws, regulations, rulings and decisions in effect on the date of issuance of the Series 2013A Bonds, interest on the Series 2013A Bonds is excludable from gross income for federal income tax purposes, and, to the same extent, is excludable from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes. Interest on the Series 2013A Bonds is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax. Certain provisions of the Internal Revenue Code of 1986, as amended (the “Code”), however, impose continuing requirements that must be met after the issuance of the Series 2013A Bonds in order for interest thereon to be and remain excludable from federal gross income and from Minnesota taxable net income for individuals, estates, and trusts. Noncompliance with such requirements by the County may cause the interest on the Series 2013A Bonds to be includable in gross income for purposes of federal income taxation and in taxable net income of individuals, estates and trusts for purposes of Minnesota income taxation, retroactive to the date of issuance of the Series 2013A Bonds, irrespective in some cases of the date on which such noncompliance occurs or is ascertained. No provision has been made for redemption of or for an increase in the interest rate on the Series 2013A Bonds in the event that interest on the Series 2013A Bonds becomes includable in federal gross income or Minnesota taxable income.

Interest on the Series 2013A Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers or the Minnesota alternative minimum tax applicable to individuals, estates and trusts. Interest on the Series 2013A Bonds is included in adjusted current earnings in determining the federal alternative minimum taxable income of corporations for purposes of the federal alternative minimum tax.

Interest on the Series 2013A Bonds may be includable 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. In the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount that otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to fifteen percent of the interest on the Series 2013A Bonds that is received or accrued during the taxable year. Section 86 of the Code requires recipients of certain Social Security and railroad retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Series 2013A Bonds. Passive investment income, including interest on the Series 2013A Bonds, may be subject to federal income taxation under Section 1375 of the Code for a Subchapter S corporation that has Subchapter C earnings and profits at the close of the taxable year if greater than twenty-five percent of the gross receipts of such Subchapter S corporation are passive investment income. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2013A Bonds or, in the case of a financial institution, that portion of the holder's interest expense allocated to interest on the Series 2013A Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b) of the Code).

LEGISLATIVE PROPOSALS

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status of municipal bonds. For example, legislation has been proposed by President Obama that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Series 2013A Bonds). Prospective purchasers of the Series 2013A Bonds should consult their own tax advisors regarding the impact of any such change in law.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Series 2013A Bonds. The receipt of interest on the Series 2013A Bonds may otherwise affect the federal or state income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Series 2013A Bonds are encouraged to consult with their personal tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Series 2013A Bonds.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will not designate the Series 2013A 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 a portion of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

FINANCIAL ADVISOR

The County has retained Springsted Incorporated, Public Sector Advisors, of Saint Paul, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2013A Bonds. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2013A Bonds.

CERTIFICATION

The County has authorized the distribution of this Official Statement for use in connection with the initial sale of the Series 2013A Bonds. As of the date of the settlement of the Series 2013A Bonds, the Underwriter will be furnished with a certificate signed by the appropriate officers of the County. The certificate will state that as of the date of the Official Statement, the Official Statement did not and does not as of the date of the certificate 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

Oppenheimer & Co. Inc. (the “Underwriter”) has agreed to purchase the Series 2013A Bonds for a purchase price of $21,849,705.90. The Underwriter will be obligated to purchase all such Series 2013A Bonds if any such Series 2013A Bonds are purchased. The public offering prices of all the Series 2013A Bonds may be changed from time to time by the Underwriter.

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COUNTY PROPERTY VALUES

2011/12 County Property Values

$1,910,771,550 (63.7%) of the decline in the County's taxable market value is caused by a legislated change in the computation of taxable market value. The Market Value Homestead Credit Program was eliminated in 2011 and replaced with the Market Value Homestead Exclusion Program. The change was made to offset the elimination of a homestead credit that provided property tax relief for certain homesteads. To minimize the impact of eliminating the credit, it was replaced with a new "market value homestead exclusion" or MVHE. The MVHE reduces the taxable market value of a homestead with an estimated market value of up to $413,800 so that the resultant property tax attempts to mimic the previous property tax net of the now eliminated homestead credit. A homestead that qualifies for the MVHE will cause a drop in the County's taxable market value even if the estimated market value of the same property does not decline.

2011/12 Indicated Market Value of Taxable Property: $23,464,978,658*

* *Indicated market value is calculated by dividing the taxable market value of $24,028,138,146 by the 2011 sales ratio of 102.4% for the County as determined by the State Department of Revenue. Excludes mobile home valuation.*

2011/12 Tax Capacities

Real Estate:		
Residential Homestead	$165,906,041	58.7%
Commercial/Industrial, Public Utility, and Railroad	77,440,255	27.4
Non-Homestead Residential	30,862,678	10.9
Agricultural	2,677,794	1.0
Seasonal/Recreational	345,035	0.1
Personal Property	5,240,214	1.9
2011/12 Net Tax Capacity	$282,472,017	100.0%
Less: Captured Tax Increment Tax Capacity	(12,634,630)	
Contribution to Fiscal Disparities	(32,404,912)	
Local Tax Rate Value	$237,432,475	
Plus: Distribution from Fiscal Disparities	53,032,520	
2011/12 Adjusted Taxable Net Tax Capacity	$290,464,995	

Trend of Values

	Indicated Market Value[(a)]	Taxable Market Value[(b)]	Estimated Market Value	Local Tax Rate Value	Adjusted Taxable Net Tax Capacity[(c)]
2011/12	$23,464,978,658	$24,028,138,146	$26,214,024,800	$237,432,475	$290,464,995
2010/11	26,521,612,561	27,025,523,200	27,300,698,200	264,429,080	320,905,993
2009/10	29,901,868,068	29,871,966,200	30,198,485,700	294,344,464	349,427,239
2008/09	32,963,525,260	31,710,911,300	32,195,588,700	313,126,954	364,889,725
2007/08	34,076,619,151	31,316,413,000	31,884,880,900	308,196,019	354,138,222

(a) *Indicated market values are calculated by dividing the County's taxable market value by the sales ratio determined for the County each year by the State Department of Revenue.*

(b) *Taxable market values for 2007/08 and 2008/09 include mobile home valuation.*

(c) *See Appendix III for an explanation of taxable net tax capacity and the Minnesota property tax system.*

Ten of the Largest Taxpayers in the County

Taxpayer	Type of Property	2011/12 Net Tax Capacity
Medtronic Corporation	Medical Device Services	$ 2,057,746
Connexus Energy/Anoka Electric Cooperative	Electric Utility	1,851,249
Target Corporation	Retail	1,677,530
Coon Rapids Riverdale Village	Retail	2,346,246
Minnegasco, Inc.	Gas Utility	1,540,112
Xcel Energy	Electric Utility	1,178,811
Glimcher Northtown Venture	Shopping Center	949,056
Great River Energy	Electric Utility	664,786
Menards Inc.	Home Improvement	661,912
BNSF Railroad	Railroad Transportation	604,010
Total		$13,531,458*

* *Represents 4.7% of the County's 2011/12 taxable net tax capacity.*

COUNTY INDEBTEDNESS

Legal Debt Limit and Margin

Legal Debt Limit (3% of Taxable Market Value)	$ 720,844,144
Less: Outstanding General Obligation Debt Subject to Limit (Including the Series 2013A Bonds and Excluding the Refunded Maturities)	(128,140,000)
Outstanding Lease Obligations Subject to Limit	(2,155,000)
Legal Debt Margin as of January 10, 2013	$ 590,549,144

* *The legal debt limit is statutorily referred to as the "Net Debt Limit" and allows debt to be offset by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year. To conservatively state the legal debt margin, no such offset has been used to increase the margin shown above.*

General Obligation Debt Supported by Taxes[(a)]

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 1-10-13
11-1-02	$10,500,000	Public Safety Radio System	2-1-2013	$ 1,225,000
9-20-05	13,000,000	Airport Improvements	2-1-2015	475,000[(b)]
2-15-06	4,285,000	Capital Improvements	2-1-2016	1,895,000
2-15-06	3,385,000	Airport Improvements (AMT)	2-1-2033	3,065,000
9-15-06	7,030,000	Capital Improvements	2-1-2015	1,350,000[(c)]
2-15-07	7,675,000	Capital Improvements	2-1-2015	1,570,000[(d)]
2-15-07	3,245,000	Library	2-1-2015	615,000[(e)]
7-16-07	12,255,000	Capital Improvements	2-1-2029	10,685,000
2-15-08	16,505,000	Capital Improvements	2-1-2029	14,035,000
7-17-08	3,745,000	Capital Notes	2-1-2014	1,585,000
7-17-08	13,195,000	Capital Improvements	2-1-2030	12,310,000
7-17-08	1,395,000	Airport Improvements (AMT)	2-1-2023	995,000
2-19-09	18,310,000	Capital Improvements	2-1-2024	15,310,000
7-9-09	3,000,000	Capital Notes	2-1-2014	1,220,000
7-9-09	3,000,000	Capital Improvements	2-1-2019	2,135,000
9-22-09	20,000,000	Taxable OPEB	2-1-2021	16,985,000[(f)]
12-9-09	740,000	Capital Notes	8-1-2014	305,000
12-9-09	2,530,000	Capital Improvements	8-1-2024	1,375,000
12-9-09	3,695,000	Capital Improvements	8-1-2024	3,695,000[(g)]
12-9-09	455,000	Library	8-1-2024	330,000
12-9-09	1,485,000	Refunding – Aquatic Center	2-1-2023	1,380,000
7-14-10	3,430,000	Capital Notes	2-1-2015	2,075,000
7-14-10	3,240,000	Capital Improvements	2-1-2020	2,300,000
7-14-10	790,000	Library	2-1-2020	635,000
9-29-11	8,180,000	Capital Improvements	2-1-2027	8,180,000
9-29-11	795,000	Capital Notes	2-1-2017	795,000
2-23-12	13,880,000	Capital Improvements	2-1-2027	13,880,000
2-23-12	2,725,000	Capital Improvements Refunding	2-1-2018	2,725,000
2-23-12	1,595,000	Library Refunding	2-1-2015	1,595,000
2-5-13	10,615,000	Airport Refunding (the Airport Portion of the Series 2013A Bonds)	2-1-2029	10,615,000
2-5-13	7,835,000	Capital Improvements Refunding (the CIP Portion of the Series 2013A Bonds)	2-1-2022	7,835,000
2-5-13	1,695,000	Library Refunding (the Library Portion of the Series 2013A Bonds)	2-1-2022	1,695,000
Total				$144,870,000

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

(b) *Excludes the Series 2005F Refunded Maturities.*

(c) *Excludes the Series 2006D Refunded Maturities.*

(d) *Excludes the Series 2007A Refunded Maturities.*

(e) *Excludes the Series 2007B Refunded Maturities.*

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

(g) *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 Debt Supported by Revenues

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 1-10-13
4-22-04	$10,380,000	Housing Development	2-1-2014	$ 495,000*
6-28-05	1,600,000	Juvenile Detention Facility Refunding	12-1-2017	875,000
2-25-09	3,200,000	Housing Development	2-1-2028	2,685,000*
10-27-11	8,920,000	Housing Development Refunding	2-1-2036	8,860,000*
12-27-12	5,250,000	Taxable Ice Arena Refunding	2-1-2023	5,250,000*
Total				$18,165,000

* *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 1-10-13
5-1-03	$1,130,000	ACCAP Refunding	6-1-2013	$ 115,000
11-28-07	2,705,000	Metropolitan Mosquito Control District	2-1-2023	2,155,000(a)(b)
7-1-08	1,205,000	ACCAP Refunding	8-1-2018	724,654(c)
7-22-10	1,930,000	ACCAP Refunding	6-1-2028	1,780,000(d)
12-27-12	5,555,000	Ice Arena Refunding	2-1-2026	5,555,000(e)
Total				$10,329,654

(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 Annual General Obligation Debt Service Payments
Including the Series 2013A Bonds and Excluding the Refunded Maturities

	General Obligation Debt Supported by Taxes		General Obligation Debt Supported by Revenues	
Year	Principal	Principal & Interest(a)	Principal	Principal & Interest
2013 (at 1-10)	$ 13,660,000	$ 19,539,702	$ 460,000	$ 864,249
2014	12,820,000	18,592,404	1,155,000	1,618,414
2015	11,985,000	16,916,529	1,080,000	1,523,179
2016	10,500,000	14,613,694	1,100,000	1,523,369
2017	10,350,000	14,087,295	1,130,000	1,531,804
2018	10,545,000	13,891,664	950,000	1,328,299
2019	10,700,000	13,637,278	975,000	1,335,874
2020	10,545,000	13,057,384	1,000,000	1,341,323
2021	10,705,000	12,787,451	1,020,000	1,339,123
2022	7,955,000	9,651,287	1,040,000	1,334,596
2023	7,455,000	8,821,518	1,080,000	1,347,478
2024	7,540,000	8,576,021	565,000	779,746
2025	4,175,000	4,950,400	550,000	777,301
2026	4,335,000	4,935,381	535,000	773,688
2027	4,515,000	4,927,075	685,000	871,650
2028	2,805,000	3,060,781	705,000	866,220
2029	2,460,000	2,603,450	500,000	639,815
2030	1,175,000	1,236,625	520,000	642,475
2031	205,000	232,125	540,000	644,455
2032	215,000	231,625	570,000	654,730
2033	225,000	230,625	595,000	658,178
2034			620,000	660,700
2035			385,000	407,108
2036			405,000	412,493
Total	$144,870,000(b)	$186,580,314	$18,165,000(c)	$23,876,267

(a) *Includes the Series 2013A Bonds at a final average annual interest rate of 3.00%, and excludes the Refunded Maturities.*

(b) *75.8% of this debt will be repaid within ten years.*

(c) *54.6% of this debt will be repaid within ten years.*

Estimated Annual Lease Obligation Payments

Year	Lease Obligations Principal	Principal & Interest
2013 (at 1-10)	$ 473,997	$ 745,234
2014	764,376	1,060,200
2015	754,997	1,027,854
2016	780,873	1,029,939
2017	797,014	1,021,164
2018	753,397	951,420
2019	700,000	875,811
2020	715,000	869,334
2021	740,000	871,887
2022	765,000	873,432
2023	785,000	868,646
2024	560,000	623,190
2025	580,000	627,539
2026	855,000	883,413
2027	150,000	163,041
2028	155,000	159,394
Total	$10,329,654*	$12,651,498

* *70.1% of this debt will be repaid within ten years.*

Lease-Purchase Agreements

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 in the capital assets. The County financed a total of $97,148 at 3.937% interest. The lease expires in May 2015.

Future minimum lease payments are shown below:

Year Ending December 31	Chomonix Golf Course
2012	$25,865
2013	25,865
2014	25,865
2015	4,311
Total Minimum Lease Payments	$81,906
Less: Interest	(6,024)
Present Value of Net Minimum Lease Payments	$75,882

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.

Indirect General Obligation Debt

Taxing Unit[a]	G.O. Debt As of 1-10-13[b]	Debt Applicable to Tax Capacity in County Percent	Amount
Anoka County Regional Railroad Authority	$ 28,380,000	100.0%	$ 28,380,000
Cities:			
Andover	24,750,000[c]	100.0	24,750,000
Anoka	11,930,000	100.0	11,930,000
Bethel	415,000	100.0	415,000
Blaine	29,765,000[d]	99.1	29,497,115
Centerville	8,826,500	100.0	8,826,500
Circle Pines	12,085,000	100.0	12,085,000
Columbia Heights	18,015,000	100.0	18,015,000
Columbus	13,086,029	100.0	13,086,029
Coon Rapids	19,995,000	100.0	19,995,000
East Bethel	1,735,000	100.0	1,735,000
Fridley	7,660,000	100.0	7,660,000
Ham Lake	2,185,000	100.0	2,185,000
Lexington	862,125	100.0	862,125
Lino Lakes	19,946,000[e]	100.0	19,946,000
Nowthen	1,027,804	100.0	1,024,804
Oak Grove	1,795,000	100.0	1,795,000
Ramsey	33,920,000	100.0	33,920,000
St. Francis	885,000	99.9	884,115
Spring Lake Park	1,135,000	97.5	1,106,625
School Districts:			
11 (Anoka-Hennepin)	107,490,573	79.4	85,347,515
12 (Centennial)	58,500,000	100.0	58,500,000
13 (Columbia Heights)	25,049,923	100.0	25,049,923
14 (Fridley)	40,635,000	100.0	40,635,000
15 (St. Francis)	37,520,000	93.2	34,968,640
16 (Spring Lake Park)	115,865,000	100.0	115,865,000
624 (White Bear Lake)	92,600,000	3.5	3,241,000
728 (Elk River)	176,720,000	6.7	11,840,240
831 (Forest Lake)	29,930,000	32.3	9,667,390
Special Districts:			
Metropolitan Council	21,200,000[f]	10.4	2,204,800
Metropolitan Transit	380,605,000[g]	13.0	49,478,650
Total			$674,899,471

(a) *Only those units with debt outstanding are included here.*

(b) *Excludes general obligation debt supported by utility and other special revenues; tax and aid anticipation debt; and state-aid road bonds. Includes lease revenue 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 2012, the proportionate shares for each City are 75.56%, 15.12%, and 9.32% for Blaine, Mounds View, and Spring Lake Park, respectively.*

(e) *Includes annual appropriation lease revenue bonds issued by the Lino Lakes Economic Development Authority.*

(f) *Excludes general obligation debt supported by sewer system revenues, 911 user fees, and housing rental payments. Includes certificates of participation.*

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

Debt Ratios*

	G.O. Direct Debt	G.O. Indirect & Direct Debt
To 2011/12 Indicated Market Value ($23,464,978,658)	0.63%	3.50%
Per Capita (334,053 – 2011 Minnesota Demographer)	$440	$2,460

* *Excludes general obligation debt supported by revenues and includes the mosquito control lease obligation.*

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates

City of Coon Rapids

	2007/08	2008/09	2009/10	2010/11	2011/12
Anoka County	31.078%	32.078%	35.189%	39.952%	41.146%
City of Coon Rapids	30.731	32.706	34.468	38.951	42.824
ISD No. 11 (Anoka-Hennepin)(a)	16.983	18.263	19.939	23.999	23.325
Special Districts(b)	5.621	5.606	6.089	6.985	7.464
Total	84.413%	88.653%	95.685%	109.887%	114.749%

(a) *Independent School District No. 11 (Anoka-Hennepin) also has a 2011/12 tax rate of 0.27016% 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

	2007/08	2008/09	2009/10	2010/11	2011/12
City of Anoka	92.984%	94.584%	103.123%	114.849%	122.597%
City of Blaine	84.102	85.044	90.565	103.099	104.275
City of Columbia Heights	97.460	109.260	123.160	127.320	138.671
City of Fridley	97.280	100.222	115.434	127.765	134.855

NOTE: Property 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. These tables do not include the market value based rates. See Appendix III.

Anoka County Tax Levies and Collections

Levy/ Collect	Net Levy*	Collected During Collection Year Amount	Collected During Collection Year Percent	Collected and/or Abated As of 6-10-12 Amount	Collected and/or Abated As of 6-10-12 Percent
2011/12	$119,786,417	(In Process of Collection)			
2010/11	119,853,853	$117,047,998	97.7%	$118,649,393	99.0%
2009/10	116,332,248	113,115,825	97.2	115,668,572	99.4
2008/09	112,254,109	109,199,388	97.3	111,943,862	99.7
2007/08	105,714,823	102,974,243	97.4	105,567,556	99.9

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

FUNDS ON HAND
As of September 30, 2012

Fund	Cash and Investments
General	$ 54,465,300
Special Revenue	52,169,666*
Debt Service	18,489,794*
Capital Projects	36,399,900*
Proprietary	2,641,859
Trust and Agency	44,846,852
Irrevocable OPEB Trust	32,744,732
Total	$241,758,103

* *These funds contain a total of $15,135,346 in escrowed accounts.*

COUNTY 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 County Treasury Manager, under the direction of the Division Manager of Finance and Central Services, is responsible for investment decisions and activities. Investments as of September 30, 2012 had a market value of $225,895,370. The Investment Portfolio is invested as follows:

	Market Value As of 9-30-12	Percent of Portfolio
Cash and Commercial Paper	$ 25,432,189	11.2%
U.S. Treasuries, Agencies, and Government Obligations	133,238,090	59.0
Pooled Investments/Mutual Funds	67,223,091	29.8
Total County Investments	$225,893,370	100.0%

GENERAL INFORMATION CONCERNING THE COUNTY

Anoka County was established May 23, 1857, and is located in the northwestern portion of the Minneapolis/Saint Paul seven-county metropolitan area. The County encompasses an area of 440 square miles (approximately 272,960 useable acres) and contains all or portions of 20 cities and 1 township. Anoka County is Minnesota's fourth most populous county. The following table shows the County's population growth since 1980:

	Population	Percentage Increase
2011 Demographer's Estimate	334,053	1.0%
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	---

Employment

The County experienced a large growth in the number of jobs between 1990 and 2010. A significant percentage of that growth was in the medical technology industry. Major employers within the County include the following:

Employer	Product/Service	Approximate Number of Employees
Medtronic Corporation (Fridley and Columbia Heights)	Medical device services	10,640[(a)]
Independent School District No. 11 (Anoka-Hennepin)	Public education	6,160[(b)]
Mercy and Unity Hospital (Fridley and Coon Rapids)	Hospitals	3,200
Target Corporation (six stores and one distribution center)	Retail	2,000[(b)]
Cummins Power Generation (Fridley)	Generator and diesel manufacturer	2,000
Northtown Mall (Fridley)	Shopping mall	2,000[(b)]
Anoka County (Anoka)	County government	1,625
ATK Federal Premium Ammunition (Anoka)	Ammunition manufacturing	1,575
Pentair Technical Products (Anoka)	Electrical products	1,225
Wal Mart (3 locations)	Retail	850[(b)]
Independent School District No. 15 (St. Francis)	Public education	783
Aveda Corporation (Blaine)	Health and beauty aids	700
BAE Systems (Fridley)	Pumps/naval ordnance	700
Cub Foods (6 locations)	Grocery store	655[(b)]
BNSF Railroad (Fridley)	Railroad transportation	650
Parsons Electric Company (Fridley)	Electrical services	650
Independent School District No. 16 (Spring Lake Park)	Public education	650
RMS Company (Coon Rapids)	Medical and aerospace components	600
Mary T. Inc. (Coon Rapids)	Group home	575
Anoka Ramsey Community College (Coon Rapids)	Community college	550[(b)]
Anoka Metro Regional Treatment Center (Anoka)	Psychiatric hospital	550
Minco Products, Inc. (Fridley)	Electronic devices	499
Independent School District No. 13 (Columbia Heights)	Public education	484[(b)]
State of Minnesota Correctional Facility (Lino Lakes)	Medium security prison	460
Honeywell Commercial Flight Systems (Coon Rapids)	Commercial aviation	375
Best Buy (Blaine – 2 locations)	Electronics retail	157[(b)]

(a) *Corporate-wide total is 45,000; 10,640 in Anoka County sites.*

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

Source: Telephone survey of individual employers, November 2012.

Labor Force Data

	November 2012		November 2011	
	Civilian Labor Force	Unemployment Rate	Civilian Labor Force	Unemployment Rate
Anoka County	191,858	5.3%	191,604	5.5%
Minneapolis-St. Paul MSA	1,865,723	5.0	1,863,731	5.2
State of Minnesota	2,968,240	5.1	2,974,558	5.3

Source: Minnesota Department of Employment and Economic Development, http://www.positivelyminnesota.com/. 2012 data are preliminary.

Retail Sales and Effective Buying Income for Anoka County

		Median Household Effective Buying Income	
	Retail Sales	Anoka County	State of Minnesota
2012	$3,865,879,393	$52,310	$44,911
2011	4,354,918,113	53,022	45,084
2010	4,356,191,734	53,213	45,289
2009	4,262,510,526	55,289	46,979
2008	4,507,424,000	52,721	46,158

Source: Claritas, Inc.

Value of Building Permits Issued in the County

	Commercial Construction		Residential Construction	
Fiscal Year	Number	Value	Number	Value
2012	2,151	$115,548,426	2,992	$157,693,601
2011	1,174	69,724,469	551	63,974,745
2010	289	55,016,833	2,641	144,669,719
2009	273	84,696,187	2,452	105,117,985
2008	172	99,177,916	634	101,514,739
2007	267	74,991,176	1,343	128,857,833
2006	192	134,529,592	1,433	266,946,183
2005	169	130,454,693	2,670	388,525,721
2004	167	125,202,458	2,692	393,288,186
2003	150	91,474,591	2,840	420,605,322

Source: Individual municipalities and http://censtats.census.gov.

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 Company. These companies along with other existing and emerging companies, caused total employment in Anoka County to grow more rapidly than the Twin Cities metropolitan region 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 County is nearing completion of the Connect Anoka County high-speed fiber broadband project. Connect Anoka County is a cooperative project between Anoka County and Zayo Bandwidth LLC. 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. The backbone connects public safety, public works, libraries, law enforcement, license centers, city and town halls, and County and community buildings. The broadband project is nearing completion and will serve 56 public safety agencies. The instillation of the high-speed fiber will pass directly through the County's key business districts and economic development zones, allowing Zayo Bandwidth to offer high-speed broadband directly to business.

Northstar, the state's first commuter rail line, provides multiple daily round-trips between Minneapolis and the City of Big Lake in Sherburne County. Northstar makes five station stops in four Anoka County cities. In addition, thousands of people have enjoyed Northstar's efficient and safe travel for special events, such as parades and professional sports activities in downtown Minneapolis. The fifth station located the City of Ramsey opened in November. This station provides an important link for veterans seeking medical care at the new Veterans' Administration clinic. This state of the art facility serves veterans in Anoka and surrounding counties. In 2012 Anoka County received a Corridors of Opportunity grant to study the economic growth potential along the Northstar Corridor.

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 10,373 people and consolidates the Cardiac Rhythm Disease division.

The National Sports Center in 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. 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.

Anoka County, through an agreement with the Metropolitan Airports Commission (MAC), has made over $16 million of improvements at the Anoka County (Janes Field) Airport in 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.

GOVERNMENTAL ORGANIZATION AND SERVICES

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 2, 2017
Matt Look	Commissioner	January 2, 2017
Julie Braastad	Commissioner	January 2, 2017
Robyn West	Commissioner	January 2, 2017
Jim A. Kordiak	Commissioner	January 5, 2015
Carol LeDoux	Commissioner	January 2, 2017
Scott Schulte	Commissioner	January 2, 2017

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 Director, Mr. Cevin Petersen. The Treasury Manager of the County is Mr. Lee Krueger.

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.

Employee Contracts

The County currently employs approximately 1,645 full-time personnel. The County has labor contracts with the following unions:

Union	Employees Represented	Contract Expiration Date
Local No. 49 International Union of Operating Engineers	Highway and Park Maintenance	12/31/2011[(a)]
Law Enforcement Labor Services (LELS)	Corrections – Work Release Officers' Unit	12/31/2011[(b)]
	Sheriff's Department – Licensed Officers	12/31/2013
	Sheriff's Department – Detention Sergeants/Lieutenants	12/31/2011[(a)]
	Sheriff's Department – Detention Deputies/Corporals	12/31/2013
	Sheriff's Department – Sergeants	12/31/2012
	Sheriff's Department – Investigators	12/31/2011[(a)]
	Sheriff's Department – Licensed Commanders And Lieutenants	12/31/2013

(a) *Currently in negotiations.*

(b) *Awaiting arbitrator's decision.*

Pension Plans

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). 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 2011 and 2012:

	2011	2012
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	14.40
Local Government Correctional Service Retirement Fund (LGCSRF)	8.75	8.75

The County's contributions to GERF, PEPFF, and LGCSRF for the years ended December 31, 2011, 2010, 2009, and 2008 were as follows:

	GERF	PEPFF	LGCSRF
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
2008	5,630,886	1,210,926	914,154

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

Other Postemployment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 45"). GASB 45 establishes standards for the measurement, recognition, and display of Other Postemployment Benefits ("OPEB"), including postemployment healthcare and other forms of postemployment benefits such as life insurance, similar to the standards used for the measure of pension liabilities. While GASB 45 requires recognition of unfunded OPEB liability, there is no requirement that such liability be funded.

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, 2009, the County had 2,260 eligible participants for OPEB. As of December 31, 2009, (i) 1,733 of the eligible participants were currently employed with the County; (ii) 527 were retired participants and their spouses. Currently, the County funds its OPEB requirements annually on a pay-as-you-go basis. The County paid the following sums for benefit eligible retirees during the last three fiscal years: (i) $3,639,729 for fiscal year 2011; (ii) $5,050,487 for fiscal year 2010; and (iii) $22,351,676 for fiscal year 2009. County retirees with at least ten (10) years of benefit eligible service each receive a $2,000 group term life insurance policy at no cost to the retiree.

The County applied for an received Federal Early Retiree Reinsurance Program (ERRP) monies which were dedicated to helping fund OPEB liabilities: (i) $91,549.35 for plan year ending August 31, 2010; (ii) $439,910.03 for plan year ending August 31, 2011; and (iii) $2,415.65 for plan year ending August 31, 2012.

The current schedule for calculating the County's contribution to health insurance premiums to benefit eligible retirees is listed below:

Contribution to Retiree's Health Insurance Coverage		
Years of Benefit-Eligible for Service	Individual Health Insurance Coverage	Family Health Insurance Coverage
10-15	One-half of the employer's contribution for single coverage	One-half of the employer's contribution for single coverage plus $2.65 for each full year of service toward the County's family health insurance plan.
16-21	Full amount of the employer's contribution for single coverage	Full amount of the employer's contribution for single coverage plus $3.60 for each full year of service toward the County's family health insurance plan.
22-29	Full amount of the employer's contribution for single coverage	Full amount of the employer's contribution for single coverage plus $4.15 for each full year of service toward the County's family health insurance plan.
30 or more	Full amount of the employer's contribution for single coverage	Full amount of the employer's contribution for single coverage plus $4.60 for each full year of service toward the County's family health insurance plan.

In preparation for meeting future GASB 45 requirements, the County retained Gallagher Benefit Services, Inc. (the "Actuary") to prepare a valuation of the County's Accrued Actuarial Liability (AAL) relating to OPEB. The calculation of AAL, by definition and necessity, is based upon a number of assumptions, including retirement age, life expectancy, healthcare costs per employee and discount rate. The Actuary prepared its report for the County and the final report regarding the County's AAL relating to OPEB was delivered in May 2011. The report prepared by the Actuary relating to the County's OPEB liability indicates that the County has an OPEB liability of between $72,000,000 and $119,000,000 (depending upon the discount rate and other variables in the final calculation). The Anoka County Board of Commissioners has acted to eliminate the benefit for new employees hired on or after January 6, 2007. On September 22, 2009, the County issued its Taxable General Obligation OPEB Bonds, Series 2009D, in the aggregate principal amount of $20,000,000, a portion of the proceeds of which were deposited in an irrevocable trust to pay a portion of the County's OPEB liability pursuant to a trust agreement with the Public Employees Retirement Association. See Appendix IV for a more complete description.

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

	2011 Adopted	2012 Adopted
Revenues:		
County Share of Tax Levy	$126,437,296	$119,833,200
State Paid Credits	15,106,312	13,560,183
Total Tax Levy	$141,543,608	$133,393,383
Other Taxes	$ 1,755,300	$ 1,649,250
Licenses and Permits	1,052,870	1,016,511
Intergovernmental:		
Federal	37,513,356	48,735,319
State	54,479,350	51,788,904
Other	4,730,389	4,941,153
Charges for Services	44,273,652	46,467,075
Fines and Forfeits	267,500	270,500
Interest on Investments	3,094,000	3,289,000
Miscellaneous	5,385,498	5,400,355
Total Revenues	$294,095,523	$296,951,450
Other Sources:		
Budgeted Use of Fund Balance	$ 502,412	$ 203,921
Non-Revenue	824,163	591,099
Total Other Sources	$ 1,326,575	$ 795,020
Total Revenues and Other Sources	$295,422,098	$297,746,470
Expenditures:		
General Government	$ 38,666,152	$ 37,388,192
Public Safety	59,459,591	58,059,077
Highways and Streets	66,235,871	71,937,974
Human Services	71,096,735	68,207,743
Health	11,840,456	10,660,122
Culture and Recreation	15,309,566	14,963,675
Sanitation	7,079,821	5,092,771
Conservation of Natural Resources	510,877	500,027
Economic Development and Assistance	8,804,256	6,615,736
Debt Service/Capital Improvements	22,527,787	23,009,014
Total Expenditures	$301,531,112	$296,434,331
Other Uses		
Budgeted Increase(Decrease) – Fund Balance	(6,109,014)	1,312,139
Total Expenditures and Other Uses	$295,422,098	$297,746,470

General Fund Budget Summary

	2011 Budget	2011 Actual	2012 Budget
Revenues:			
Taxes	$ 52,258,425	$ 49,552,260	$ 51,007,338
Licenses and Permits	1,810	164,495	1,660
Intergovernmental	19,597,430	22,838,532	19,380,785
Charges for Services	30,652,576	29,678,313	27,305,613
Fines and Forfeits	11,000	7,389	9,000
Investment Income	3,055,000	4,591,239	3,250,000
Miscellaneous	2,055,258	5,124,240	1,980,488
Transfers Inn	123,689	1,032,668	61,099
Total Revenues	$107,755,188	$112,989,136	$102,995,983
Expenditures:			
General Government	$ 36,285,507	$ 38,181,365	$ 35,995,607
Public Safety	59,172,448	56,689,581	58,059,077
Human Services	351,101	351,101	343,567
Sanitation	7,079,821	4,717,810	5,092,771
Culture and Recreation	215,263	200,263	209,255
Conservation of Natural Resources	156,100	153,600	151,492
Transfers Out	1,015,788	14,361,279	1,172,539
Total Expenditures	$104,276,028	$114,654,999	$101,024,308

PROPOSED FORM OF LEGAL OPINION

Kennedy & Graven
CHARTERED

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$20,145,000
Anoka County, Minnesota
General Obligation Refunding Bonds
Series 2013A

We have acted as bond counsel to Anoka County, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Refunding Bonds, Series 2013A (the "Bonds"), originally dated as of February 5, 2013, and issued in the original aggregate principal amount of $20,145,000. For the purpose of rendering this opinion we have examined (i) Minnesota Statutes, Chapter 475, as amended (the "Debt Act"); (ii) Minnesota Statutes, Section 373.40, as amended (the "CIP Act"), (iii) Minnesota Statutes, Section 383E.20, as amended (the "Library Act"), (iv) Minnesota Statutes, Section 360.036, as amended (the "Airport Act" and together with the Debt Act, the CIP Act, and the Library Act, the "Act"), (iv) certified copies of certain proceedings taken by the County with respect to the authorization, sale and issuance of the Bonds, including the form of the Bonds, and (v) certain other proceedings and documents furnished by the County, the purchaser of the Bonds, and other parties involved with the issuance of the Bonds.

From such examination, assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photocopies and the authenticity of originals of such latter documents and the accuracy of the statements of fact contained in certificates furnished to us by officials of the County, and based upon federal and Minnesota laws (which excludes any pending legislation which may have a retroactive effect prior to the date hereof), regulations, rulings, and decisions in effect on the date hereof, we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from ad valorem taxes levied by the Issuer on all taxable property of the Issuer by the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations and is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income and the alternative minimum tax base. The opinion set forth in this

paragraph is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure by the Issuer to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated at Minneapolis, Minnesota, February __, 2013.

CONTINUING DISCLOSURE CERTIFICATE

$20,145,000
Anoka County, Minnesota
General Obligation Refunding Bonds
Series 2013A

February 5, 2013

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Anoka County, Minnesota (the "Issuer"), in connection with the issuance of its General Obligation Refunding Bonds, Series 2013A (the "Bonds"), in the original aggregate principal amount of $20,145,000. The Bonds are being issued pursuant to resolutions adopted by the Board of Commissioners of the Issuer on December 7, 2012 and December 18, 2012 (collectively, the "Resolutions"), and delivered to Oppenheimer & Co. Inc., as the original purchaser of the Bonds (the "Purchaser") on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer 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 Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer'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").

"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 January 25, 2013, 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 Issuer.

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

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

"Listed 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" or "Purchaser" means Oppenheimer & Co. Inc. who is required to comply with the Rule in connection with the 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 Issuer 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, 2012, 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 Issuer may be submitted separately from the balance of the Annual Report and will be submitted as soon as available.

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

(c) The Issuer 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 Issuer'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 Issuer 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 Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events ("Listed 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 Issuer 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 Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer'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 Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer'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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer, 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 (effective through levy year 2011/payable year 2012)

Following is a summary of certain statutory provisions effective through levy year 2011/payable year 2012 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."

Taxable Market Value. The Taxable Market Value is the value that property taxes are based on, after all reductions, limitations, exemptions and deferrals. It is also the value used to calculate a municipality's legal debt limit.

Indicated Market Value. The Indicated Market Value is determined by dividing the Taxable Market Value of a given year by the same year's sales ratio determined by the State Department of Revenue. The Indicated Market Value serves to eliminate disparities between individual assessors and equalize property values statewide.

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.

A homestead market value exclusion is applied prior to determining a property's net tax capacity, for property classified as Class 1a or 1b and Class 2a. Property 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.

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 31. 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 that, depending on the type of property, increases from 2% to 4% on the day after the due date. In the case of the first installment of real property taxes due May 15, the penalty increases to 4% or 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, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 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 five years (5) in the case of all property located outside of cities or in the case of residential homestead, agricultural homestead and seasonal residential recreational property located within cities or three (3) years with respect to other types of property 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 renters credit, which relates property taxes to income and provides relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The circuit breaker credit 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.

Levy Limitations for Counties and Cities (Chapter 275)

The 2008 Legislature enacted provisions to establish levy limitations for taxes levied for collection in 2009, 2010, and 2011. Basically, levy increases for cities over 2,500 population and for counties are limited to its levy aid base or levy limit base for collection in the prior year, (1) plus the lesser of 3.9 percent or the percentage growth in the implicit price deflator, (2) plus an adjustment for population increases and (3) plus increases in taxable market value due to new construction of certain class 3 property (commercial/industrial).

Certain property tax levies are authorized outside of the new overall levy limitations ("special levies"). Special levies can be made outside of levy limits for multiple purposes including, but not limited to, bonded indebtedness, certificates of indebtedness, tax or aid anticipation certificates of indebtedness, and to provide for the bonded indebtedness portion of payments made to another political subdivision of the State of Minnesota. In order to receive approval for any special levy claims outside of the overall levy limitation, requests for such special levies must be submitted to the Commissioner of Revenue by the date specified in the year in which the levy is to be made for collection in the following year. The Commissioner of Revenue has the authority to approve, reduce, or deny a special levy request. Final adjustments to all levies must be made by the Department of Revenue on or before December 10.

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 2008	Local Tax Payable 2009	Local Tax Payable 2010	Local Tax Payable 2011	Local Tax Payable 2012
Residential Homestead (1a)					
Up to $500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over $500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Residential Non-homestead					
Single Unit (4b1)					
Up to $500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over $500,000	1.25%	1.25%	1.25%	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%	1.25%	1.25%	1.25%
Market Rate Apartments					
Regular (4a)	1.25%	1.25%	1.25%	1.25%	1.25%
Low-Income (4d)	0.75%	0.75%	0.75%	0.75%	0.75%
Commercial/Industrial/Public Utility (3a)					
Up to $150,000	1.50%[1]	1.50%[1]	1.50%[1]	1.50%[1]	1.50%[1]
Over $150,000	2.00%[1]	2.00%[1]	2.00%[1]	2.00%[1]	2.00%[1]
Electric Generation Machinery	2.00%	2.00%	2.00%	2.00%	2.00%
Commercial Seasonal Residential					
Homestead Resorts (1c)					
Up to $600,000[3]	0.55%	0.55%	0.50%	0.50%	0.50%
$600,000 - $2,300,000[3]	1.00%	1.00%	1.00%	1.00%	1.00%
Over $2,300,000[3]	1.25%[1]	1.25%[1]	1.25%[1]	1.25%[1]	1.25%[1]
Seasonal Resorts (4c)					
Up to $500,000	1.00%[1]	1.00%[1]	1.00%[1]	1.00%[1]	1.00%[1]
Over $500,000	1.25%[1]	1.25%[1]	1.25%[1]	1.25%[1]	1.25%[1]
Non-Commercial (4c1)					
Up to $500,000	1.00%[1,2]	1.00%[1,2]	1.00%[1,2]	1.00%[1,2]	1.00%[1,2]
Over $500,000	1.25%[1,2]	1.25%[1,2]	1.25%[1,2]	1.25%[1,2]	1.25%[1,2]
Disabled Homestead (1b)					
Up to $50,000[3]	0.45%	0.45%	0.45%	0.45%	0.45%
$50,000 to $500,000[3]	1.00%	1.00%	1.00%	1.00%	1.00%
Over $500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Agricultural Land & Buildings					
Homestead (2a)					
Up to $500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over $500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Remainder of Farm					
Up to $1,140,000[4]	0.55%[2]	0.55%[2]	0.50%[2]	0.50%[2]	0.50%[2]
Over $1,140,000[4]	1.00%[2]	1.00%[2]	1.00%[2]	1.00%[2]	1.00%[2]
Non-homestead (2b)	1.00%[2]	1.00%[2]	1.00%[2]	1.00%[2]	1.00%[2]

[1] *Subject to the State General Property Tax.*

[2] *Exempt from referendum market value tax.*

[3] *2008 legislative increases.*

[4] *2010 legislative increases.*

EXCERPT OF 2011 ANNUAL FINANCIAL STATEMENTS

The County is audited annually by the State Auditor's Office. Data on the following pages was extracted from the County's comprehensive annual financial report for fiscal year ended December 31, 2011. 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, 2011 is available online at http://www.co.anoka.mn.us/.

The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report for the year ended December 31, 2011. The Certificate of Achievement is the highest form of recognition for excellence in State and local government financial reporting. The County has received this award every year since 1986.

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.

The Governmental Accounting Standards Board (GASB) issued Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions for State and Local Governments in February 2009. The statement establishes a new financial reporting model for state and local governments to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

REBECCA OTTO
STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Anoka County's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Anoka County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended December 31, 2011. GASB Statement 54 provides clearer fund balance classifications that can be more consistently applied and clarifies existing governmental fund type definitions.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information 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. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anoka County's basic financial statements as a whole. The introductory section, the combining and individual fund financial statements, the other supplementary information, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and the other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2012, on our consideration of Anoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

REBECCA OTTO
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 22, 2012

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents, and pooled investments	$ 174,074,015	$ 568,847	$ 174,642,862
Cash and investments with escrow agents	15,108,054	-	15,108,054
Investments with trust account	249,030	-	249,030
Delinquent taxes receivable	4,455,971	-	4,455,971
Accounts receivable, net of allowance for doubtful accounts	3,167,162	2,855	3,170,017
Accrued interest receivable	794,294	-	794,294
Land held for resale	1,364,282	-	1,364,282
Loan receivable			
Due within one year	71,556	-	71,556
Due in more than one year	3,035,603	-	3,035,603
Leases receivable			
Due within one year	1,183,104	-	1,183,104
Due in more than one year	13,501,017	-	13,501,017
Due from other governments	11,393,299	-	11,393,299
Inventories	2,476,295	-	2,476,295
Prepaid items	112,448	-	112,448
Deferred charges	2,997,587	-	2,997,587
Capital assets not being depreciated:			
Land	190,260,545	-	190,260,545
Construction in progress	69,043,394	-	69,043,394
Capital assets, net of accumulated depreciation:			
Buildings and structures	149,914,968	4,559,628	154,474,596
Improvements other than buildings	11,463,519	845,141	12,308,660
Machinery and equipment	18,941,346	700,279	19,641,625
Infrastructure	231,068,988	-	231,068,988
Software	4,054,655	-	4,054,655
Total Assets	**908,731,132**	**6,676,750**	**915,407,882**
Liabilities			
Accounts payable	5,511,405	200	5,511,605
Salaries payable	5,746,703	4,390	5,751,093
Contracts payable	5,150,449	10,000	5,160,449
Due to other governments	2,402,032	1,602	2,403,634
Advances from other governments	9,026,194.00	-	9,026,194
Matured interest payable	3,294,194	-	3,294,194
Unearned revenue	18,679,711	-	18,679,711
Noncurrent Liabilities:			
Due within one year			
Bonds and notes payable	15,843,851	-	15,843,851
Compensated absences	432,327	-	432,327
Outstanding claims payable	197,426	-	197,426
Capital leases payable	22,916	-	22,916
Due in more than one year			
Bonds and notes payable	202,000,614	-	202,000,614
Compensated absences	8,214,221	13,029	8,227,250
Outstanding claims payable	832,431	-	832,431
Capital leases payable	52,966	-	52,966
Other postemployment benefits (OPEB) liability	15,243,285	-	15,243,285
Total Liabilities	**292,650,725**	**29,221**	**292,679,946**
Net Assets			
Invested in capital assets, net of related debt	543,248,118	6,105,048	549,353,166
Restricted for:			
Capital projects	470,498	-	470,498
Debt service	23,363,273	-	23,363,273
General government	5,420,783	-	5,420,783
Public safety	1,030,895	-	1,030,895
Highway	3,714,707	-	3,714,707
Sanitation	5,962,323	-	5,962,323
Culture and recreation	321,809	-	321,809
Conservation of natural resources	42,201	-	42,201
Economic development	741,672	-	741,672
Unrestricted	31,764,128	542,481	32,306,609
Total net assets	**$ 616,080,407**	**$ 6,647,529**	**$ 622,727,936**

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, 2011

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
					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	$ 42,210,832	$ 8,738,662	$ 4,836,266	$ 310,689	$ (28,325,215)	$ -	$ (28,325,215)
Public safety	60,178,403	16,817,060	8,642,910	-	(34,718,433)	-	(34,718,433)
Highways and streets	32,159,071	198,926	41,515,611	11,437,601	20,993,067	-	20,993,067
Human services	75,890,627	4,631,539	41,472,492	-	(29,786,596)	-	(29,786,596)
Sanitation	4,733,264	6,357,578	1,420,172	-	3,044,486	-	3,044,486
Culture and recreation	14,333,469	2,372,130	467,086	3,355,856	(8,138,397)	-	(8,138,397)
Conservation of natural resources	588,047	55,991	9,131	-	(522,925)	-	(522,925)
Economic development	11,420,604	2,180,562	7,973,563	-	(1,266,479)	-	(1,266,479)
Interest expense and fiscal charges on long-term debt	9,242,711	-	-	-	(9,242,711)	-	(9,242,711)
Total governmental activities	250,757,028	41,352,448	106,337,231	15,104,146	(87,963,203)	-	(87,963,203)
Business-type activities:							
Aquatic center	1,259,538	1,580,828	-	-	-	321,290	321,290
Total primary government	$ 252,016,566	$ 42,933,276	$ 106,337,231	$ 15,104,146			
General Revenues:							
Property taxes collected for general purposes					122,438,605	-	122,438,605
Property taxes collected for debt service					20,369,043	-	20,369,043
Wheelage tax collected for highways and streets					1,385,440	-	1,385,440
Unrestricted investment earnings					5,108,171	-	5,108,171
Miscellaneous					5,615,889	-	5,615,889
Transfers					478,732	(478,732)	-
Total general revenues and transfers					155,395,880	(478,732)	154,917,148
Change in net assets					67,432,677	(157,442)	67,275,235
Net assets–January 1					548,647,730	6,804,971	555,452,701
Net assets–December 31					$ 616,080,407	$ 6,647,529	$ 622,727,936

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

ANOKA COUNTY
ANOKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	$ 48,643,268	$ 20,501,581	$ 27,674,641	$ 15,621,482	$ 34,791,745	$ 25,129,491	$ 172,362,208
Cash and investments with escrow agents	-	3,714,707	-	10,837,966	142,689	412,692	15,108,054
Investments with trust account	249,030	-	-	-	-	-	249,030
Delinquent taxes receivable	1,733,458	371,037	1,053,586	697,372	26,118	574,400	4,455,971
Accounts receivable, net of allowance for doubtful accounts	2,352,952	45,442	305,220	102,511	-	361,037	3,167,162
Accrued interest receivable	701,381	-	-	92,913	-	-	794,294
Land held for resale	-	-	-	-	-	1,364,282	1,364,282
Loan receivable	294,776	-	-	-	-	2,812,383	3,107,159
Leases receivable	14,684,121	-	-	-	-	-	14,684,121
Due from other funds	150,000	-	-	-	-	53	150,053
Due from other governments	3,092,412	1,077,747	5,435,256	4,295	161	1,783,428	11,393,299
Advances to other funds	-	-	-	-	280,000	-	280,000
Inventories	-	2,437,759	-	-	-	38,536	2,476,295
Prepaid items	106,939	-	5,509	-	-	-	112,448
Total Assets	72,008,337	28,148,273	34,474,212	27,356,539	35,240,713	32,476,302	229,704,376
Liabilities and Fund Balances							
Liabilities							
Accounts payable	1,944,288	1,292,071	1,748,121	1,700	6,925	518,275	5,511,380
Salaries payable	3,673,048	271,759	1,350,834	-	4,249	446,813	5,746,703
Contracts payable	92,390	2,544,060	-	-	2,300,021	213,978	5,150,449
Due to other funds	-	-	-	-	-	150,053	150,053
Due to other governments	782,208	1,345,665	234,204	-	-	33,007	2,395,084
Advances from other funds	-	-	-	-	-	280,000	280,000
Advances from other governments	-	9,026,194	-	-	-	-	9,026,194
Matured interest payable	-	-	-	103,461	-	-	103,461
Deferred revenue	18,916,094	444,100	2,274,664	697,372	26,118	5,848,353	28,206,701
Total Liabilities	25,408,028	14,923,849	5,607,823	802,533	2,337,313	7,490,479	56,570,025
Fund Balances							
Nonspendable in (Note 3.D.):							
General Fund	106,939	-	-	-	-	-	106,939
Special revenue funds	-	2,437,759	5,509	-	-	38,536	2,481,804
Capital Projects Fund	-	-	-	-	280,000	-	280,000
Restricted in (Note 3.D.):							
General Fund	12,044,111	-	-	-	-	-	12,044,111
Special revenue funds	-	3,714,707	-	-	-	1,475,572	5,190,279
Debt Service Fund	-	-	-	26,554,006	-	-	26,554,006
Capital Projects Fund	-	-	-	-	470,498	-	470,498
Committed in (Note 3.D.):							
Special revenue funds	-	-	-	-	-	5,407,567	5,407,567
Assigned in (Note 3.D.):							
General Fund	4,903,766	-	-	-	-	-	4,903,766
Special revenue funds	-	7,071,958	28,860,880	-	-	18,064,148	53,996,986
Capital Projects Fund	-	-	-	-	32,152,902	-	32,152,902
Unassigned	29,545,493	-	-	-	-	-	29,545,493
Total Fund Balances	46,600,309	13,224,424	28,866,389	26,554,006	32,903,400	24,985,823	173,134,351
Total Liabilities and Fund Balances	$ 72,008,337	$ 28,148,273	$ 34,474,212	$ 27,356,539	$ 35,240,713	$ 32,476,302	$ 229,704,376

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 ASSETS
DECEMBER 31, 2011

Total fund balances for governmental funds (Exhibit 3)		$ 173,134,351
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		674,747,415
Deferred charges are not available to pay current expenditures and, therefore, are not deferred in the funds.		2,997,587
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 assets.		674,977
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	$ (217,844,465)	
Compensated absences	(8,646,548)	
Other postemployment benefits	(15,243,285)	
Capital leases payable	(75,882)	
Total long term liabilities		(241,810,180)
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	$ (3,294,194)	
Matured interest payable reported on Exhibit 3	103,461	
		(3,190,733)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		9,526,990
Net assets of governmental activities (Exhibit 1)		**$ 616,080,407**

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, 2011

	General Fund	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 49,552,260	$ 11,389,523	$ 29,916,969	$ 20,369,043	$ 763,974	$ 15,344,370	$ 127,336,139
Licenses and permits	164,495	68,120	930,095	-	-	1,680	1,164,390
Intergovernmental	22,838,532	51,922,675	45,235,740	3,866,902	423,303	11,872,466	136,159,618
Charges for services	29,678,313	-	2,416,271	-	41,606	1,875,385	34,011,575
Fines and forfeits	7,389	-	-	-	-	722,485	729,874
Investment income	4,591,239	8,675	9,274	11,570	11,541	20,055	4,652,354
Miscellaneous	5,124,240	248,863	2,370,656	1,154,395	129,363	4,898,174	13,925,691
Total Revenues	111,956,468	63,637,856	80,879,005	25,401,910	1,369,787	34,734,615	317,979,641
Expenditures							
Current							
General government	38,181,365	-	-	-	1,404,838	414,307	40,000,510
Public safety	56,689,571	-	-	-	17,295	1,933	56,708,799
Highways and streets	-	58,797,707	-	-	136,822	-	58,934,529
Human services	351,101	-	75,422,491	-	-	-	75,773,592
Sanitation	4,717,810	-	-	-	-	-	4,717,810
Culture and recreation	200,263	-	-	-	175	15,559,039	15,759,477
Conservation of natural resources	153,600	-	-	-	-	433,157	586,757
Economic development	-	-	-	-	-	10,962,426	10,962,426
Debt Service							
Principal retirement	-	-	-	21,263,927	-	422,335	21,686,262
Interest	-	-	-	9,155,060	-	44,254	9,199,314
Bond issuance costs	-	-	-	167,239	156,946	-	324,185
Administrative charges	-	-	-	101,379	42,486	-	143,865
Capital Outlay							
General government	-	-	-	-	1,762,943	-	1,762,943
Public safety	-	-	-	-	513,324	-	513,324
Highways and streets	-	-	-	-	6,458,769	-	6,458,769
Human services	-	-	-	-	184,734	-	184,734
Culture and recreation	-	-	-	-	922,981	-	922,981
Intergovernmental							
Highways and streets	-	26,004	-	-	-	-	26,004
Economic development	-	-	-	-	-	72,441	72,441
Total Expenditures	100,293,710	58,823,711	75,422,491	30,687,605	11,601,313	27,909,892	304,738,722
Excess of Revenues Over (Under) Expenditures	11,662,758	4,814,145	5,456,514	(5,285,695)	(10,231,526)	6,824,723	13,240,919
Other Financing Sources (Uses)							
Transfers in	1,032,668	-	422,715	8,160,502	19,126,557	579,813	29,322,255
Transfers out	(14,361,279)	(1,382,235)	(5,649,408)	(1,113)	(3,975,768)	(3,473,720)	(28,843,523)
Bonds issued	-	-	-	-	8,975,000	-	8,975,000
Refunding bonds issued	-	-	-	8,920,000	-	-	8,920,000
Payment of refunded bonds	-	-	-	(1,430,000)	-	-	(1,430,000)
Premium on bonds	-	-	-	-	446,535	-	446,535
Discount on bonds	-	-	-	(32,135)	-	-	(32,135)
Payment to refunded debt escrow agent	-	-	-	(3,180,000)	-	-	(3,180,000)
Capital leases	-	-	-	-	-	97,148	97,148
Total Other Financing Sources (Uses)	(13,328,611)	(1,382,235)	(5,226,693)	12,437,254	24,572,324	(2,796,759)	14,275,280
Net Change in Fund Balances	(1,665,853)	3,431,910	229,821	7,151,559	14,340,798	4,027,964	27,516,199
Fund Balance - January 1, as restated (Note 2.	48,266,162	9,311,785	28,636,568	19,402,447	18,562,602	20,962,021	145,141,585
Increase (decrease) in inventories	-	480,729	-	-	-	(4,162)	476,567
Fund Balances - December 31	$ 46,600,309	$ 13,224,424	$ 28,866,389	$ 26,554,006	$ 32,903,400	$ 24,985,823	$ 173,134,351

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, 2011

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

Net change in fund balances - total governmental funds (Exhibit 5)		$ 27,516,199
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	$ 49,233,629	
Current year depreciation	(15,039,114)	
		34,194,515
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Refunding general obligation (GO) bonds supported by revenues	$ (8,920,000)	
General obligation (GO) bonds and notes	(8,975,000)	
Payment of refunded bonds	4,610,000	
Capital leases	(97,148)	
Principal repayments:		
Debt service principal retirement	21,988,642	
Issuance costs, discounts, and premiums	(90,215)	
Current year amortization of issuance costs, discounts, and premiums	(77,739)	
		8,438,540
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net assets.		(2,512,434)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Earned but unavailable portion of deferred revenue reported in the governmental funds net of current year delinquent tax collections.		(491,826)
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 ($1,071,720), change in interest payable ($495,713), and changes in inventories ($476,567).		2,044,000
Current year net change in other postemployment benefits (OPEB) obligation.		(2,821,496)
An internal service fund is used to charge the insurance costs to the individual funds. The increase in net assets of the internal service fund is reported in the government-wide statement of activities.		1,065,179
Changes in net assets of governmental activities (Exhibit 2)		$ 67,432,677

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	**Pooled Insurance Internal Service Fund**
Assets		
Current Assets:		
Cash, cash equivalents, and pooled investments	$ 568,847	$ 1,711,807
Accounts receivable	2,855	-
Total current assets	**571,702**	**1,711,807**
Noncurrent Assets:		
Capital assets	8,148,213	-
Less: accumulated depreciation	(2,043,165)	-
Total capital assets (net of accumulated depreciation)	**6,105,048**	**-**
Total noncurrent assets	**6,105,048**	**-**
Total Assets	**6,676,750**	**1,711,807**
Liabilities		
Current Liabilities:		
Accounts payable	200	25
Salaries payable	4,390	-
Contracts payable	10,000	-
Due to other governments	1,602	6,948
Outstanding claims payable	-	197,426
Total current liabilities	**16,192**	**204,399**
Noncurrent Liabilities:		
Compensated absences	13,029	-
Outstanding claims payable	-	832,431
	13,029	**832,431**
Total Liabilities	**29,221**	**1,036,830**
Net Assets		
Invested in capital assets	6,105,048	-
Unrestricted (deficit)	542,481	674,977
Total Net Assets	**$ 6,647,529**	**$ 674,977**

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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities	Governmental Activities
	Aquatic Center Enterprise Fund	Pooled Insurance Internal Service Fund
Operating Revenues		
Charges for services	$ 1,234,325	$ -
Concessions	343,352	-
Insurance fees	-	1,708,853
Miscellaneous	3,151	17,717
Total Operating Revenues	**1,580,828**	**1,726,570**
Operating Expenses		
Personal services	529,479	-
Other services and charges	266,378	-
Supplies	221,164	-
Professional services	-	153,500
Insurance	-	507,960
Depreciation	232,692	-
Total Operating Expenses	**1,249,713**	**661,460**
Operating Income (Loss)	**331,115**	**1,065,110**
Nonoperating Revenues (Expenses)		
Investment income	-	69
Loss on disposal of capital assets	(9,825)	-
Total Nonoperating Revenues (Expenses)	**(9,825)**	**69**
Net Income (Loss) Before Transfers and Contributions	**321,290**	**1,065,179**
Transfers and Contributions		
Transfers in	51,268	-
Transfers out	(530,000)	-
Increase (Decrease) in Net Assets	**(157,442)**	**1,065,179**
Net assets - January 1	**6,804,971**	**(390,202)**
Net assets - December 31	**$ 6,647,529**	**$ 674,977**

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, 2011
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	$ 1,579,867	$ 1,726,726
Payments to suppliers	(477,273)	(1,736,524)
Payments to employees	(539,669)	-
Net cash provided (used) by operating activities	**562,925**	**(9,798)**
Cash Flows from Noncapital Financing Activities:		
Transfer from other funds	51,268	-
Transfer to other funds	(530,000)	-
Net cash provided (used) by noncapital and related financing activities	**(478,732)**	**-**
Cash Flows from Capital and Related Financing Activities:		
Purchases of capital assets	(59,818)	-
Cash Flows from Investing Activities:		
Interest received	-	69
Net increase (decrease) in cash and cash equivalents	**24,375**	**(9,729)**
Cash and cash equivalents, January 1	**544,472**	**1,721,536**
Cash and cash equivalents, December 31	**$ 568,847**	**$ 1,711,807**
Reconciliation of operating income to net cash provided (used) by operating activities:		
Net operating income (loss)	**$ 331,115**	**$ 1,065,110**
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	232,692	-
(Increase) decrease in Accounts receivable	(961)	156
Increase (decrease) in Accounts payable	(991)	(197)
Increase (decrease) in Salaries payable	(10,436)	-
Increase (decrease) in Contracts payable	10,000	-
Increase (decrease) in Due to other governments	1,260	3,113
Increase (decrease) in Compensated absences	246	-
Increase (decrease) in Outstanding claims payable	-	(1,077,980)
Total adjustments	**231,810**	**(1,074,908)**
Net cash provided (used) by operating activities	**$ 562,925**	**$ (9,798)**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Other Postemployment Benefits Trust Fund	Agency Fund
Assets		
Cash and pooled investments	$ -	$ 8,367,215
Investments, at fair value		
Index Funds	29,290,357	-
Due from other governments	-	1,036,124
Prepaid items	-	54,673
Total Assets	**29,290,357**	**9,458,012**
Liabilities		
Accounts payable	-	1,462,083
Contracts payable	-	80,636
Salaries payable	-	130,584
Due to other governments	-	7,784,709
Total Liabilities	**-**	**$ 9,458,012**
Net Assets		
Held in trust for postemployment benefits	**$ 29,290,357**	

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Other Postemployment Benefits Trust Fund
Additions	
Employer contributions	$ 1,181,091
Investment earnings	651,751
Less investment expense	1,796
Net investment earnings	649,955
Total Additions	1,831,046
Change in net assets	**1,831,046**
Net assets - January 1	27,459,311
Net assets - December 31	**$ 29,290,357**

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

ANOKA COUNTY
ANOKA, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. Summary of Significant Accounting Policies

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

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the County has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the County has chosen not to do so. 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 former Anoka County Board members. The Authority has the power to levy taxes, issue bonds, and enter into contracts. The Authority was established to assist with the implementation of a redevelopment plan to promote economic development within Anoka County. Although it is legally separate from the County, the activity of the Housing and Redevelopment Authority is included in the Anoka County reporting entity as the Housing and Redevelopment Authority Special Revenue Fund and the Housing and Redevelopment Authority Bonds Debt Service Fund, because the Authority's governing body is substantively the same as the governing body of Anoka County. Separate financial statements are not available for the Anoka County Housing and Redevelopment Authority.

B. Basic Financial Statements

1. Government-Wide Statements

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

In the government-wide Statement of Net Assets, 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 assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

1. Summary of Significant Accounting Policies

B. Basic Financial Statements

1. Government-Wide Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities 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, and Net Assets 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 Assets within "Cash, cash equivalents, and pooled investments."

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

Pooled (in lieu of cash) investments are stated at fair value. Investment earnings are allocated to the Road and Bridge, Human Services, Job Training Center, and Regional Railroad Authority Special Revenue Funds, and to the Capital Projects Fund, based on cash balances set aside for specific purposes within those funds. Pursuant to Minn. Stat. § 385.07, investment earnings on unallocated cash and pooled investments are credited to the General Fund. Pooled investment earnings in the governmental funds, for 2011 were $4,652,423. (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. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares.

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, and Net Assets 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 and credits referred to as County Program Aid and Market Value Tax Credit. The remaining net levy is spread on all taxable real and personal property. Taxes which remain unpaid at December 31 are delinquent. Such taxes become a lien on January 1 and are recorded as receivables by the County at that date. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material. Revenues are accrued and recognized in the year collectible, net of delinquencies.

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

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

Loans

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

Leases

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

3. Land Held for Resale

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

4. Inventories and Prepaid Items

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

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

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

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, and Net Assets or Equity

5. Capital Assets (Continued)

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

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

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

6. Compensated Absences

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

7. Deferred Revenue / Unearned Revenue

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

8. Long-Term Obligations

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

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

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

9. Fund Equity

Classification of Net Assets

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

1. Invested in capital assets, net of related debt: the amount of net assets 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 assets: the amount of net assets 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 assets: the amount of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

ANOKA COUNTY
ANOKA, MINNESOTA

1. Summary of Significant Accounting Policies

D. Assets, Liabilities, and Net Assets or Equity

9. Fund Equity (Continued)

Classification of Fund Balances

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

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

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

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

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

   c. Assigned: Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. All assigned items are approved by the Finance and Central Services Division Manager.

   d. Unassigned: The residual classification of the County's General Fund not contained in the other classifications is deemed to be unassigned. In other governmental funds, the unassigned classification is used only to report deficit balances resulting from overspending for specific purposes for which amounts had been restricted or committed.

It is the policy of the County to spend fund balance for each fund in the following order: *restricted, committed* and then *assigned*; unless the specific items has been identified in another classification.

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. Excess of Expenditures Over Budget

The following nonmajor governmental fund had expenditures in excess of budget for the year ending December 31, 2011:

	Expenditures		
Special Revenue Fund	Final Budget	Actual	Excess
Regional Railroad Authority	$ 1,253,835	$ 1,431,729	$ 177,894

2. Stewardship, Compliance, and Accountability (Continued)

B. Reclassification/Restatement

The pronouncement of Governmental Accounting Standards Board (GASB) Statement No. 54 has no effect on the total amount reported as fund balances; however, it has altered the way the Building Management and Forfeited Tax Sale Special Revenue Funds are classified. The activity of these two funds is now being reported as part of the General Fund. The Forfeited Tax Sale Special Revenue Fund had no fund balance on January 1, 2011.

The reclassification/restatement is as follows:

	General Fund	Building Management Special Revenue Fund
Fund balance, January 1, as previously reported	$ 47,148,206	$ 1,117,956
Reclassification of funds due to GASB No. 54	1,117,956	(1,117,956)
Fund balance, January 1, as restated	$ 48,266,162	$ -

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 require that all County deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. County policy requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank irrevocable letters of credit may be substituted for qualifying government securities at some institutions. Depository balances are monitored as necessary, to assure the coverage in place, meets or exceeds statutory requirements as specified in Minn. Stat. 118a.03. As of December 31, 2011, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value. The following is a summary of the fair values of the County's investments, at December 31, 2011:

Primary government	
Cash, cash equivalents and pooled investments	$ 174,642,862
Cash and investments with escrow agents	15,108,054
Investments with trust accounts	249,030
Fiduciary funds	
Cash, cash equivalents and pooled investments	
Agency Fund	8,367,215
Investments	
Trust Fund	29,290,357
Total cash and investments	$ 227,657,518

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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, having its principal executive office in Minnesota, licensed pursuant to Minn. Stat. ch. 80A, or an affiliate of it, regulated by the Securities and Exchange Commission provided that the County's ownership of all securities is 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, 2011.

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, 2011, the County's investments were not exposed to custodial credit risk.

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

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

Issuer	Reported Amount
Federal Home Loan Bank (FHLB)	$ 18,471,355
Federal Home Loan Mortgage Corporation (FHLMC)	14,088,949
Federal National Mortgage Association Note (FNMA)	81,006,005
U.S. Treasury securities (UST)	25,280,639

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.

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, 2011, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Fair Value	Interest Rate Risk
Core Reserve Pool						
U.S. Government Agency securities						
Federal Farm Credit Bank (FFCB)	AA+/AAA	S&P, M	Custody	1.67%	$ 3,557,906	8.62
Federal Home Loan Bank (FHLB)	AA+/AAA	S&P, M	Custody	0.68%	1,434,495	2.83
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	S&P, M	Custody	3.33%	7,077,049	2.08
Federal National Mortgage Association Note (FNMA)	AA+/AAA	S&P, M	Custody	5.57%	11,834,305	2.16
Government National Mortgage Association (GNMA)	NR	-	Custody	0.00%	1,768	2.37
Small Business Association (SBA)	NR	-	Custody	0.63%	1,346,877	3.52
National Credit Union Association (NCUA)	NR	-	Custody	0.05%	116,494	3.16
Veterans Administration Vendee Mortgage	NR	-	Custody	0.09%	191,307	3.75
U.S. Treasury Securities (UST)	AA+/AAA	S&P, M	Custody	11.90%	25,280,639	3.17
Municipal securities						
State of Illinois	A+/A1	S&P, M	Custody	0.10%	202,422	0.42
State of Massachusetts	AA+/AA1	S&P, M	Custody	0.10%	221,542	7.94
State of Minnesota	AA+/AA1	S&P, M	Custody	0.10%	208,703	1.50
State of Mississippi	AA/AA2	S&P, M	Custody	0.14%	288,127	4.24
State of Ohio	AA+/AA1	S&P, M	Custody	0.11%	237,470	2.20
State of Oregon	AA+/AA1	S&P, M	Custody	0.15%	328,208	2.56
State of Pennsylvania	NR/AA1	S&P, M	Custody	0.24%	501,849	7.60
District of Columbia	A+/AA2	S&P, M	Custody	0.23%	478,657	7.62
King County, Washington	AAA/AA1	S&P, M	Custody	0.08%	176,674	7.59
City of Houston, Texas	AA/NR	S&P, M	Custody	0.11%	229,767	6.95
City of Kenosha, Wisconsin	AA/AA2	S&P, M	Custody	0.11%	225,734	3.84
Las Vegas Valley, Nevada, Water District	AA+/AA2	S&P, M	Custody	0.10%	202,476	4.91
Crosby Ironton School District (MN)	AA+/NR	S&P, M	Custody	0.12%	246,589	3.69
Dallas School District (TX)	AAA/AAA	S&P, M	Custody	0.13%	274,973	6.93
Eden Prairie School District (MN)	NR/AA1	S&P, M	Custody	0.13%	270,133	3.65
Lyon County School District (NV)	AAA/NR	S&P, M	Custody	0.17%	367,279	5.24
Redford School District (MI)	AA-/AA2	S&P, M	Custody	0.10%	220,724	2.15
Sioux Falls School District (SD)	AA-/AA2	S&P, M	Custody	0.11%	228,950	2.15
Tennessee Valley Authority	AA+/AAA	S&P, M	Custody	0.06%	136,909	7.88
Index Fund						
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	13.90%	29,539,387	
Core Reserve Pool Total				40.21%	85,427,411	
Liquidity Reserve Pool						
U.S. Government Agency securities						
Federal National Mortgage Association Note (FNMA)	AA+/AAA	S&P, M	Custody	6.16%	13,116,953	< 3 Months
Federal Home Loan Bank (FHLB)	AA+/AAA	S&P, M	Custody	1.89%	4,005,650	< 3 Months
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	S&P, M	Custody	1.89%	4,011,020	< 3 Months
Federal Home Loan Bank (FHLB)	AA+/AAA	S&P, M	Custody	4.24%	9,002,780	3-6 months
Federal Home Loan Mortgage Corporation (FHLMC)	AA+/AAA	S&P, M	Custody	1.41%	3,000,880	3-6 months
Federal National Mortgage Association Note (FNMA)	AA+/AAA	S&P, M	Custody	24.03%	51,052,197	3-6 months
Federal Home Loan Bank (FHLB)	AA+/AAA	S&P, M	Custody	0.95%	2,025,200	6-9 months
Federal National Mortgage Association Note (FNMA)	AA+/AAA	S&P, M	Custody	0.47%	1,000,760	6-9 months
Federal Home Loan Bank (FHLB)	AA+/AAA	S&P, M	Custody	0.94%	2,003,230	9-12 months
Federal National Mortgage Association Note (FNMA)	AA+/AAA	S&P, M	Custody	1.88%	4,001,790	9-12 months
Certificates of Deposit	NA	-	Collateralized	0.40%	840,000	< 3 months
Liquidity Reserve Pool Total				44.26%	94,060,460	
Current Cashflow Pool						
Repurchase Agreement	NR		Custody	2.85%	6,058,462	< 3 months
Money Market Funds	NA		Held in County name	13.70%	29,111,430	Daily Availability
Depositories	-		FDIC/Collateralized	0.66%	1,408,036	Daily Availability
In Transit Deposits	-			0.07%	149,025	Daily Availability
Outstanding Checks	-			-1.75%	(3,723,379)	Daily Availability
Current Cashflow Pool Total				15.53%	33,003,574	
Portfolio Total				100.00%	212,491,445	
Cash on Hand						
Petty cash					19,390	
Departmental cash					9,096	
Custodial accounts					29,533	
Cash on Hand Total					58,019	
Cash and Investment Total					$ 212,549,464	

Rating Agency:
S&P - Standard & Poor's
M - Moody'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, 2011, were 94.91 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2011 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, 2011, were $3,300,437 and the allowance for doubtful accounts was $130,420 resulting in a net effect of $3,170,017.

c. Loans Receivable

The following is a summary of outstanding loans made to private enterprises and individuals as of December 31, 2011:

	Original Loan Amount	Balance Repaid at December 31, 2011	Outstanding Balance - December 31, 2011	Term (Years)	Interest Rate (%)
General Fund					
Anoka County/Blaine Airport - Northwest Building	$ 209,392	$ 3,089	$ 206,303	20	5.00
Various forfeited tax sale contracts for repurchase	118,722	30,249	88,473	Various	Various
Total General Fund	328,114	33,338	294,776		
Special Revenue Funds					
Community Development Block Grant					
Various home rehabilitation loans	3,536,309	723,926	2,812,383	Various	Various
Total Loan Receivable	$ 3,864,423	$ 757,264	$ 3,107,159		
Due within one year			$ 71,556		

d. Leases Receivable

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

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

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

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

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

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

3. Detailed Notes on All Funds

A. Assets

2. Receivables

d. Leases Receivable (Continued)

Amounts due under the Head Start Facility, Ice Arena, Metropolitan Mosquito Control District Project, and ACCAP residences lease agreements have been recorded as leases receivable and deferred revenue in the General Fund at December 31, 2011. The amounts for 2012 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
2012	$ 271,111	$ 501,553	$ 246,300	$ 164,140	$ 1,183,104
2013	267,115	500,752	249,713	162,363	1,179,943
2014	150,074	504,453	247,806	165,120	1,067,453
2015	150,074	502,652	245,688	162,493	1,060,907
2016	150,074	500,453	248,250	164,465	1,063,242
2017-2021	225,111	2,502,760	1,227,644	812,461	4,767,976
2022-2026	-	2,737,043	491,231	810,787	4,039,061
2027-2028	-	-	-	322,435	322,435
Total	$ 1,213,559	$ 7,749,666	$ 2,956,632	$ 2,764,264	$ 14,684,121
Due within one year	$ 271,111	$ 501,553	$ 246,300	$ 164,140	$ 1,183,104

3. Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 185,553,473	$ 6,402,791	$ (1,695,719)	$ 190,260,545
Construction in progress	61,543,344	40,658,750	(33,158,700)	69,043,394
Total capital assets, not being depreciated	247,096,817	47,061,541	(34,854,419)	259,303,939
Capital assets, being depreciated:				
Buildings and structures	201,017,673	4,252,566	(102,500)	205,167,739
Improvements other than buildings	17,546,901	3,684,719	-	21,231,620
Machinery and equipment	39,453,484	3,261,068	(1,934,284)	40,780,268
Infrastructure	303,727,961	23,532,546	(1,289,601)	325,970,906
Software	4,766,145	599,889	-	5,366,034
Total capital assets being depreciated	566,512,164	35,330,788	(3,326,385)	598,516,567
Less accumulated depreciation for:				
Buildings and structures	(51,252,582)	(4,043,239)	43,050	(55,252,771)
Improvements other than buildings	(8,950,724)	(817,377)	-	(9,768,101)
Machinery and equipment	(19,889,981)	(3,747,538)	1,798,597	(21,838,922)
Infrastructure	(89,495,382)	(6,074,559)	668,023	(94,901,918)
Software	(954,978)	(356,401)	-	(1,311,379)
Total accumulated depreciation	(170,543,647)	(15,039,114)	2,509,670	(183,073,091)
Total capital assets, being depreciated, net	395,968,517	20,291,674	(816,715)	415,443,476
Governmental activities capital assets, net	$ 643,065,334	$ 67,353,215	$ (35,671,134)	$ 674,747,415

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	1,175,108	59,818	(15,722)	1,219,204
Total capital assets being depreciated	8,104,117	59,818	(15,722)	8,148,213
Less accumulated depreciation for:				
Buildings and structures	(761,122)	(108,587)	-	(869,709)
Improvements other than buildings	(584,944)	(69,587)	-	(654,531)
Machinery and equipment	(470,304)	(54,517)	5,896	(518,925)
Total accumulated depreciation	(1,816,370)	(232,691)	5,896	(2,043,165)
Business-type activity capital assets, net	$ 6,287,747	$ (172,873)	$ (9,826)	$ 6,105,048

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

Governmental activities:	
General government	$ 2,817,896
Public safety	3,063,632
Highway and streets, including depreciation of general infrastructure assets	7,067,997
Human services	53,774
Sanitation	10,280
Culture & Recreation	1,702,361
Economic development	323,174
Total depreciation expense-governmental activities	$ 15,039,114
Business-type activity:	
Aquatic Center	$ 232,691

Construction in progress at December 31, 2011, comprises the to-date costs of the following projects:

Highway infrastructure	$ 59,971,260
Highway facility	5,193,170
Park improvement projects	1,756,134
Broadband project	672,152
Library improvements	588,035
Government Center wireless network	583,664
Radio shop remodel & equipment	196,509
Miscellaneous improvements	82,470
Total	$ 69,043,394

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2011, is as follows:

1. Due From and To Other Funds

	Receivable	Payable	Description
Major Governmental Funds			
General Fund	$ 150,000	$ -	Short term loan
Nonmajor Governmental Funds			
Special Revenue Funds			
Job Training Center	53	150,000	Services provided and short term loan
County Library	-	53	Services received
Total Nonmajor Governmental Funds	53	150,053	
Total Due From and To Other Funds	$ 150,053	$ 150,053	

2. Advances To and From Other Funds

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

	Advances To	Advances From
Capital Projects Fund	$ 280,000	$ -
Parks and Recreation Special Revenue Fund	-	280,000
Total Advances To and From Other Funds	$ 280,000	$ 280,000

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2011, consisted of the following:

	Transfers In	Description
Major Governmental Funds		
Transfers to General Fund from:		
Road and Bridge	$ 7,900	Vehicle purchase
Road and Bridge	124,335	Voluntary separation program
Human Services	190,000	Approved use of reserves
Human Services	509,408	Voluntary separation program
Job Training Center	6,008	Voluntary separation program
County Library	168,972	Voluntary separation program
Parks and Recreation	9,213	Voluntary separation program
Capital Projects	16,832	Vehicle purchase
Total General Fund	1,032,668	
Transfers to Human Services Fund from:		
Capital Projects	422,715	Capital expenditure
Transfers to Debt Service Fund from:		
General Fund	167,000	Correction bond payments
General Fund	1,219,022	Lease revenue debt payments
Regional Railroad Authority	2,140,651	Transfer for debt service
Housing and Redevelopment Authority	1,097,608	Debt Service allocation from operations
Capital Projects	3,536,221	Transfer for debt service
Total Debt Service Fund	8,160,502	
Transfers to Capital Projects Fund from:		
General Fund	8,499	Vehicle purchase
General Fund	715,458	Recorder compliance fee & 911 communications
General Fund	7,202,600	Household hazardous waste projects
General Fund	2,000,000	Broadband project
General Fund	3,000,000	Information Technology projects
Road and Bridge	1,250,000	Broadband project
Human Services	2,600,000	Building projects
Human Services	2,350,000	Information Technology projects
Total Capital Projects Fund	19,126,557	
Transfers to other governmental funds from:		
Major Funds:		
General Fund	48,700	2010 AG Preserve credit
Nonmajor funds	531,113	Miscellaneous
Total Transfers In: Governmental Funds	$ 29,322,255	
Proprietary Funds		
Transfers to Aquatic Center Fund from:		
Parks and Recreation	$ 51,268	Transfer asset

3. Detailed Notes on All Funds (Continued)

C. Liabilities

1. Payables

Payables at December 31, 2011, were as follows:

	Governmental Activities	Business-type Activities
Accounts	$ 5,511,405	$ 200
Salaries	5,746,703	4,390
Contracts	5,150,449	10,000
Due to other governments	2,402,032	1,602
Total payables	$ 18,810,589	$ 16,192

2. Deferred Revenue

Deferred revenues consist of taxes receivable that are not collected soon enough after year-end to pay liabilities of the current year, state and federal grants received but not yet earned, installment loans, leases, and other items. Deferred revenue, at December 31, 2011, is summarized below by fund:

	Taxes	Grants	Installment Loans	Leases	Other	Total
Major Governmental Funds						
General	$ 1,733,458	$ 381,834	$ 294,776	$ 14,684,121	$ 1,821,905	$ 18,916,094
Road and Bridge	371,037	-	-	-	73,063	444,100
Human Services	1,053,586	803,479	-	-	417,599	2,274,664
Debt Service	697,372	-	-	-	-	697,372
Capital Projects	26,118	-	-	-	-	26,118
Total Major Governmental Funds	3,881,571	1,185,313	294,776	14,684,121	2,312,567	22,358,348
Nonmajor Governmental Funds	574,400	780,405	2,812,383	-	1,681,165	5,848,353
Total All Funds	$ 4,455,971	$ 1,965,718	$ 3,107,159	$ 14,684,121	$ 3,993,732	$ 28,206,701
Deferred revenue:						
Unearned	$ -	$ 1,493,302	$ -	$ 14,684,121	$ 2,502,288	$ 18,679,711
Unavailable	4,455,971	472,416	3,107,159	-	1,491,444	9,526,990
	$ 4,455,971	$ 1,965,718	$ 3,107,159	$ 14,684,121	$ 3,993,732	$ 28,206,701

3. Detailed Notes on All Funds

C. Liabilities (Continued)

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2011. 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	$ 32,111,756
Capital Projects Fund	
Integrated case management	38,100
Library improvements	20,813
Elevator upgrades	26,660
Highway building reconfiguration	3,567,167
Property management maintenance management system	214,748
Master Condition Assessment	20,502
Building projects	13,989
Information Technology projects	15,082
Total Capital Projects Fund	3,917,061
Total All Funds	$ 36,028,817

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

In 2007, the County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*, which required the County to calculate and record a net other postemployment benefit obligation (NOPEBO). The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions.

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 dependants 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, 2009, the date of the actuarial valuation:

Active employees	1,733
Retired employees and spouses	527
	2,260

3. Detailed Notes on All Funds

C. Liabilities

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

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 Assets, Other Postemployment Benefits Trust Fund. This financial statement is prepared using the accrual basis of accounting.

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

Funding Policy and Contributions

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus $2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2011, the retirees contributed $1,184,679 toward the cost of their healthcare coverage

Contributions of $1,181,091 were made to the irrevocable trust in 2011.

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 2011, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution (ARC)	$ 6,251,726
Interest on net OPEB obligations	1,001,789
Adjustments to ARC	(792,290)
Annual OPEB Cost	6,461,225
Contributions to medical and life insurance on behalf of retirees	(2,458,638)
Contributions to irrevocable trust	(1,181,091)
Increase (decrease) in net OPEB obligation	2,821,496
Net OPEB beginning of year	12,421,789
Net OPEB end of year	$ 15,243,285

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, 2007 through 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
12/31/07	$ 10,900,000	$ 1,578,311	14.48%	$ 9,321,689
12/31/08	13,022,150	1,812,224	13.92%	20,531,615
12/31/09	12,847,081	22,351,676	173.98%	11,027,020
12/31/10	6,445,256	5,050,487	78.36%	12,421,789
12/31/11	6,461,225	3,639,729	56.33%	15,243,285

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

C. Liabilities

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

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, 2009 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
12/31/2005	$ -	$ 95,300,000	$ 95,300,000	0.00%	$ 91,946,015	103.65%
12/31/2007	-	129,648,121	129,648,121	0.00%	100,641,903	128.82%
12/31/2007	-	129,648,121	129,648,121	0.00%	103,373,137	125.42%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,653,890	48.35%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,014,943	48.65%

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, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 8.5% discount rate, which is based on the estimated long-term investment yield on the general assets of the County. The report states health care costs rates are trending down from 10.0% in 2010 to 4.5% in 2021. 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 $906,242 at December 31, 2011, 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 $18,114,548 on December 31, 2011. 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.

County labor negotiations may result in some union employees moving from the old vacation and sick leave benefit plan to the new Preferred Benefit Plan during 2012.

3. Detailed Notes on All Funds

C. Liabilities (Continued)

5. Operating Leases

The County currently has 14 operating leases. The County made operating lease payments totaling $333,906 in 2011. The following is a schedule of future minimum operating lease payments:

Year Due	Lease Payments
2012	$ 328,570
2013	334,247
2014	339,193
2015	265,076
2016	206,282
2017-2021	227,177
2022-2026	15
Total	$ 1,700,560

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, 2011:

	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Total
Payable January 1	$ 11,567,432	$ 188,695,000	$ 22,525,000	$ 222,787,432
Additions (Deductions)				
Debt issued	-	8,975,000	8,920,000	17,895,000
Debt retired	(693,927)	(24,210,000)	(970,000)	(25,873,927)
Payable December 31	$ 10,873,505	$ 173,460,000	$ 30,475,000	$ 214,808,505
December 31 balance of:				
Issuance premiums	34,216	3,174,599	89,424	3,298,239
Issuance discounts	-	(228,382)	(33,897)	(262,279)
Payable December 31	$ 10,907,721	$ 176,406,217	$ 30,530,527	$ 217,844,465
Due within one year	$ 723,851	$ 14,050,000	$ 1,070,000	$ 15,843,851

Refunding Bond and Defeasance Note Disclosures

On October 27, 2011, the County issued $8,920,000 Housing & Redevelopment Revenue Refunding Bonds, Series 2011A; with an average interest rate of 3.27 percent to refund $5,075,000 of the Oak Grove portion and $2,775,000 of the Centerville portion of the outstanding Housing Development Revenue Bonds, Series 2004A with an average interest rate of 5.01 percent and 5.03 percent, respectively. The net proceeds of the 2011A bonds were used to advance partial net cash refund the 2004A bonds on February 1, 2014. The County refunded the Oak Grove and Centerville portions of the Series 2004A bonds to reduce its total debt service payments by $415,990 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of $544,304.

On April 7, 2011, the County defeased $1,740,000 of the outstanding General Obligation Airport Improvement Bonds, Series 2005F, $1,250,000 of the outstanding General Obligation Airport Improvement Bonds, Series 2005G, and $190,000 of the outstanding General Obligation Airport Improvement Bonds, Series 2008D, which had average interest rates of 4.44, 4.40, and 5.07 percent, respectively. The County defeased these bonds to reduce its total debt service payments by $1,527,256 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of $787,573.

3. Detailed Notes on All Funds

C. Liabilities

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

Bonds and notes payable at December 31, 2011 comprise the following individual issues:

a. Lease Revenue Obligations:

$1,130,000 May 1, 2003 Anoka County Community Action Program Refunding Certificates of Participation (Anoka County Installment Contract Obligations). These certificates mature in amounts ranging from $110,000 to $115,000 each June 1 in the years 2004 to 2013 with interest due each June 1 and December 1 at rates from 2.00 to 3.55 percent. Certificates maturing on or after June 1, 2010, are subject to redemption on June 1, 2010, and on any date thereafter at a price of par plus accrued interest.	$ 230,000
$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.	5,640,000
$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.	2,305,000
$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.	838,505
$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.	1,860,000
Total Lease Revenue Obligations	10,873,505

b. General Obligation Bonds and Notes:

$4,175,000 April 1, 2002 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $210,000 to $600,000 each February 1 in the years 2003 to 2012 with interest due each February 1 and August 1 at rates from 1.75 to 4.20 percent. No redemption option available.	600,000
$10,500,000 November 1, 2002 General Obligation Public Safety Radio System Bonds: serial bonds maturing in amounts ranging from $850,000 to $1,225,000 each February 1 in the years 2004 to 2013 with interest due each February 1 and August 1 at rates from 1.95 to 3.95 percent. No redemption option available.	2,405,000
$3,500,000 March 1, 2004 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $135,000 to $295,000 each February 1 in the years 2005 to 2019 with interest due each February 1 and August 1 at rates from 1.15 to 4.10 percent. Bonds maturing on or after February 1, 2013, are subject to redemption on February 1, 2012, and on any date thereafter at a price of par plus accrued interest.	1,900,000
$3,440,000 February 1, 2005 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $305,000 to $395,000 each February 1, in the years 2006 to 2015 with interest due each February 1 and August 1 at rates from 2.25 to 3.70 percent. Bonds maturing on or after February 1, 2013, are subject to redemption on February 1, 2012, and on any date thereafter at a price of par plus accrued interest.	$ 1,500,000

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

$1,945,000 February 1, 2005 General Obligation Bonds: serial bonds, maturing in amounts ranging from $255,000 to $300,000 each February 1 in the years 2006 to 2012 with interest due each February 1 and August 1 at rates from 2.25 to 3.30 percent. No redemption option available.	$ 300,000
$4,395,000 June 28, 2005 General Obligation Library Refunding Bonds: serial bonds maturing in amounts ranging from $430,000 to $550,000 each January 1 in the years 2007 to 2015 with interest due each January 1 and July 1 at rates from 2.80 to 3.70 percent. Bonds maturing on or after January 1, 2013, are subject to redemption on January 1, 2012, and on any date thereafter at a price of par plus accrued interest.	1,605,000
$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.	2,325,000
$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.	3,150,000
$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.	5,595,000
$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.	6,335,000
$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.	2,555,000
$1,400,000 February 15, 2007 General Obligation Library Bonds: serial bonds maturing in amounts ranging from $260,000 to $300,000 each February 1 in the years 2009 to 2012 with interest due each February 1 and August 1 at a rate of 4.00 percent. No redemption option available.	300,000
$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.	$ 11,230,000

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

$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.	$ 29,285,000
$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.	14,885,000
$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.	2,335,000
$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.	12,760,000
$1,395,000 July 17, 2008 General Obligation Airport Improvement Bonds (AMT); serial bonds maturing in amounts ranging from $65,000 to $125,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 4.50 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest.	1,070,000
$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.	18,310,000
$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.	1,815,000
$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.	2,415,000
$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.	18,570,000
$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.	$ 450,000

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

$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.	$ 5,830,000
$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.	1,485,000
$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.	2,745,000
$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.	3,470,000
$8,180,000 September 29, 2011 General Obligation Bonds: serial bonds maturing in amounts ranging from $370,000 to $680,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 3.125 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.	8,180,000
$795,000 September 29, 2011 General Obligation Capital Notes: serial bonds maturing in amounts ranging from $145,000 to $170,000 each February 1 in the years 2013 to 2017 with interest due each February 1 and August 1 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest.	795,000
Total General Obligation Bonds and Notes	173,460,000

c. General Obligation Bonds Supported by Revenue:

$5,985,000 April 1, 2004 City of Oak Grove Senior Housing Bonds: serial bonds maturing in amounts from $90,000 to $375,000 each February 1 in the years 2007 to 2034 with interest due each February 1 and August 1 at rates from 1.90 to 5.00 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.	5,480,000
$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.	2,905,000
$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.	$ 1,025,000

3. Detailed Notes on All Funds

C. Liabilities

6. Long-Term Debt - Bonds and Notes

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

$7,500,000 March 30, 2005 Ice Arena Revenue Refunding Bonds: serial bonds maturing in amounts ranging from $140,000 to $585,000 each February 1 in the years 2006 to 2023 with interest due each February 1 and August 1 at rates from 2.55 to 4.45 percent. Bonds maturing on or after February 1, 2015, are subject to redemption on February 1, 2014, and on any date thereafter at a price of par plus accrued interest.	$ 5,660,000
$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.	1,030,000
$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.	2,495,000
$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.	2,960,000
$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.	5,750,000
$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.	3,170,000
Total General Obligation Bonds Supported by Revenue	30,475,000
Total Bonds and Notes Payable	$ 214,808,505

3. Detailed Notes on All Funds

C. Liabilities (Continued)

7. Debt Service Requirements

Year Due	Lease Revenue Obligations	General Obligation Bonds and Notes	General Obligation Bonds Supported By Revenue	Total Principal	Total Interest
2012	$ 1,183,103	$ 20,849,090	$ 1,796,936	$ 15,843,851	$ 7,985,278
2013	1,179,944	20,147,453	1,878,923	15,638,997	7,567,323
2014	1,067,452	18,916,188	15,587,497	22,659,376	12,911,761
2015	1,060,907	17,108,051	1,873,994	13,514,997	6,527,955
2016	1,063,242	15,535,124	1,877,411	12,430,873	6,044,904
2017-2021	4,767,976	72,289,921	8,611,320	63,120,411	22,548,806
2022-2026	4,039,062	42,401,356	6,593,756	42,575,000	10,459,174
2027-2031	322,435	23,303,556	3,655,165	23,785,000	3,496,156
2032-2036	-	2,737,233	2,793,208	5,240,000	290,441
Total payments	14,684,121	233,287,972	44,668,210		
less interest	(3,810,616)	(59,827,972)	(14,193,210)		$ 77,831,798
Total principal due	$ 10,873,505	$ 173,460,000	$ 30,475,000	$ 214,808,505	

8. Long-Term Obligations – Other

Prior years compensated absence liabilities were paid from the General Fund, Special Revenue Funds and the Enterprise Fund. Changes in long-term obligations, other than bonds, for the year ended December 31, 2011, are summarized as follows:

	Long-Term Obligations		
	Governmental Activities		Business-Type Activities
	Capital Leases	Compensated Absences	Compensated Absences
Payable, January 1	$ 703,449	$ 9,718,268	$ 12,783
Additions	97,148	12,956,651	17,049
Deletions	(422,335)	(14,028,371)	(16,803)
Debt Forgiveness	(302,380)	-	-
Payable, December 31	$ 75,882	$ 8,646,548	$ 13,029
Due within one year	$ 22,916	$ 432,327	$ -

Capital Leases

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

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

Year Due	Golf Carts
2012	$ 25,865
2013	25,865
2014	25,865
2015	4,311
Total payments	81,906
Less interest	(6,024)
Present Value of Net Minimum Payments	$ 75,882

3. Detailed Notes on All Funds

C. Liabilities (Continued)

9. HRA Recovery Zone Economic Development Bonds

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

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

The recovery zone bonds have an outstanding principal balance of $15,015,000 at December 31, 2011. There were four recovery zone bond issuances at December 31, 2011:

	Issue	Principal Balance
Fridley Medical Center Project	2010A	$ 10,925,000
Fridley Medical Center Project	2010B	900,000
Park River Estate Care Center	2010D	2,915,000
Park River Estate Care Center	2010E	275,000
		$ 15,015,000

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	$ -	$ -	$ -	$ 280,000	$ 280,000
Inventories	-	2,476,295	-	-	2,476,295
Prepaid items	106,939	5,509	-	-	112,448
Total Nonspendable	$ 106,939	$ 2,481,804	$ -	$ 280,000	$ 2,868,743
Restricted for:					
Recorders compliance	$ 4,880,439	$ -	$ -	$ -	$ 4,880,439
911 capital expenditures	617,685	-	-	-	617,685
Conceal and Carry law	322,011	-	-	-	322,011
Investments with trust account	249,030	-	-	-	249,030
Dedicated donations	7,623	-	-	-	7,623
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	750,000	-	-	-	750,000
Waste processing	2,897,323	-	-	-	2,897,323
Solid waste	500,000	-	-	-	500,000
Drug and narcotics enforcement	-	28,403	-	-	28,403
Economic development grants	-	178,980	-	-	178,980
Revolving loans	-	150,000	-	-	150,000
Edith P. Wargo estate	-	321,809	-	-	321,809
Ag Preservation programs	-	42,201	-	-	42,201
Law library	-	291,314	-	-	291,314
Law enforcement	-	50,173	-	-	50,173
Amounts with escrow agents	-	4,127,399	10,837,966	142,689	15,108,054
Debt service	-	-	15,716,040	-	15,716,040
Help America Vote Act (HAVA) Grant	-	-	-	327,809	327,809
Total Restricted	$ 12,044,111	$ 5,190,279	$ 26,554,006	$ 470,498	$ 44,258,894
Committed for:					
Library	$ -	$ 5,193,575	$ -	$ -	$ 5,193,575
Cooperative Extension programs	-	213,992	-	-	213,992
Total Committed	$ -	$ 5,407,567	$ -	$ -	$ 5,407,567
Assigned for:					
Self insurance liabilities	$ 1,000,000	$ -	$ -	$ -	$ 1,000,000
Regional economic development entity	75,000	-	-	-	75,000
Secured juvenile facility	336,752	-	-	-	336,752
Operating insurance	250,000	-	-	-	250,000
Health insurance	750,941	-	-	-	750,941
Mega projects	131,714	-	-	-	131,714
One time funding	194,750	-	-	-	194,750
Jail and corrections medical expense	100,000	-	-	-	100,000
Energy response fund	100,000	-	-	-	100,000
Election year offset	360,000	-	-	-	360,000
Court appointed attorneys	50,000	-	-	-	50,000

(Continued)

3. Detailed Notes on All Funds

D. Fund Balances (Continued)

	General	Special Revenue	Debt Service	Capital Projects	Total
Assigned for:					
Copier replacement	40,785	-	-	-	40,785
Deferred compensation program for new hires	5,000	-	-	-	5,000
Alternative hearing and mediation program	25,000	-	-	-	25,000
Exceptional service pay	225,000	-	-	-	225,000
Other Post Employment Benefits (OPEB)	900,000	-	-	-	900,000
Drug and narcotics enforcement	114,459	-	-	-	114,459
Medical examiner operations and building	199,365	400,000	-	-	599,365
County Kaizen and process improvement	45,000	50,000	-	-	95,000
Road construction projects	-	7,071,958	-	-	7,071,958
Financial assistance specialist positions	-	320,000	-	-	320,000
Out-of-home placement	-	800,000	-	-	800,000
Psychological sexual holds	-	150,000	-	-	150,000
Early Neutral Evaluation	-	50,000	-	-	50,000
Enhanced treatment program	-	150,000	-	-	150,000
Partnership for Family Success	-	250,000	-	-	250,000
Family Unification Program (FUP)	-	150,000	-	-	150,000
Community emergency needs	-	300,000	-	-	300,000
Veterans services	-	100,000	-	-	100,000
Human service programs	-	26,140,880	-	-	26,140,880
Economic development	-	7,261,896	-	-	7,261,896
Parks	-	2,228,068	-	-	2,228,068
Future capital improvements	-	7,720,658	-	-	7,720,658
Willows operations	-	286,686	-	-	286,686
Chauncey-Barett Gardens operations	-	31,856	-	-	31,856
Savannah Oaks operations	-	364,120	-	-	364,120
Oaks of Lake George operations	-	170,864	-	-	170,864
Financial system projects	-	-	-	1,896,109	1,896,109
Computer replacement	-	-	-	400,000	400,000
Training software	-	-	-	100,000	100,000
Citrix project	-	-	-	400,000	400,000
Public Health information management system	-	-	-	400,000	400,000
Information technology (IT) projects	-	-	-	2,027,100	2,027,100
IT server room mechanical upgrades	-	-	-	412,500	412,500
Recorder technology	-	-	-	2,038,488	2,038,488
Share Point	-	-	-	50,000	50,000
WAN & disaster recovery	-	-	-	368,996	368,996
Public information technology	-	-	-	19,156	19,156
Capital improvements	-	-	-	3,662,929	3,662,929
GIS base map project	-	-	-	41,606	41,606
Library projects	-	-	-	234,036	234,036
Squad car purchase	-	-	-	16,883	16,883
Human service imaging	-	-	-	189,139	189,139
Government center re-carpeting	-	-	-	154,396	154,396
Network management	-	-	-	32,599	32,599
Maintenance management system	-	-	-	196,913	196,913
Facilities management projects	-	-	-	626,382	626,382
Fixed asset assessment	-	-	-	30,000	30,000
Walker/Sanford remodel	-	-	-	500,000	500,000
Security project	-	-	-	150,000	150,000
Institutions remodel	-	-	-	400,000	400,000
WIC remodel	-	-	-	150,000	150,000
Rum River Human Service Center	-	-	-	1,490,306	1,490,306
Sheriff DNA/Forensic Lab	-	-	-	480,000	480,000
800 MHz channel addition	-	-	-	49,750	49,750
Elevator upgrade	-	-	-	451,863	451,863
County jail waterproofing	-	-	-	65,339	65,339
Criminal justice hub	-	-	-	622,542	622,542
Novell to Microsoft migration products	-	-	-	48,426	48,426
Recycling dumpster move to government center	-	-	-	25,439	25,439
Cinder block safety wall	-	-	-	3,689	3,689
Highway building reconfiguration	-	-	-	2,118,063	2,118,063
Highway facility computer hardware/software	-	-	-	40,989	40,989
Highway road construction	-	-	-	1,250,000	1,250,000
Highway projects	-	-	-	570,751	570,751
Household hazardous waste projects	-	-	-	7,252,028	7,252,028
Connect Anoka County broadband	-	-	-	2,577,848	2,577,848
East stair tower	-	-	-	143,736	143,736
Data center remodel	-	-	-	390,729	390,729
Master condition assessment	-	-	-	14,172	14,172
Master space plan	-	-	-	60,000	60,000
Total Assigned	$ 4,903,766	$ 53,996,966	$ -	$ 32,152,902	$ 91,053,654

3. Detailed Notes on All Funds (Continued)

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

a. Plan Description

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

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

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

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

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

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

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

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

b. Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. Ch. 353. These statutes are established and amended by the State Legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. General Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.1 and 6.25 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 9.6 percent. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plan

b. Funding Policy (Continued)

The County is required to contribute the following percentages of annual covered payroll in 2011 and 2012:

	2011	2012
General Employees Retirement Fund		
Basic Plan members	11.78%	11.78%
Coordinated Plan members	7.25	7.25
Public Employees Police and Fire Fund	14.40	14.40
Public Employees Correctional Fund	8.75	8.75

The County's contributions for the years ending December 31, 2011, 2010, 2009, for the General Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund were:

	2011	2010	2009
General Employees Retirement Fund	$ 6,442,401	$ 6,361,775	$ 6,025,016
Public Employees Police and Fire Fund	1,340,689	1,324,302	1,300,081
Public Employees Correctional Fund	872,275	875,471	922,176

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

2. Defined Contribution Plan

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

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

The employee and employer contributions were $23,647 each during the year ended December 31, 2011. 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.

ANOKA COUNTY
ANOKA, MINNESOTA

3. Detailed Notes on All Funds

F. Risk Management (Continued)

Workers' Compensation: In 2002, the County became self-insured for workers' compensation exposure and contracted with Return to Work Incorporated (RTWI) 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:

	2011	2010
Unpaid claims, January 1	$ 2,107,837	$ 1,583,843
Self-funded claims	226,438	1,060,937
Adjustments	(1,235,473)	-
Claim payments	(68,945)	(536,943)
Unpaid claims, December 31	$ 1,029,857	$ 2,107,837
Due within one year	$ 197,426	

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

Anoka County has elected lower self-insurance retention since becoming self-insured in 2002. The self-insurance retention limit for 2011 workers' compensation claims is $460,000 per occurrence for all claims occurring in 2011.

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.

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

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

G. Joint Ventures

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

1. Metropolitan Emergency Services Board. Anoka County entered into a joint powers agreement with the Counties of Anoka, Carver, Chisago, Dakota, Isanti, Hennepin, Ramsey, Scott and Washington, pursuant to Minnesota Statutes section 471.59 to comply with the mandate of Minnesota Statutes, Chapter 402, for the implementation and administration of a regional 911 system, encourage the development of new resources and the coordination of emergency medical services. Anoka County paid annual dues of $122,604 in 2011. Except for annual dues the County has no other financial obligations. Current financial statements are available at the 911 Board Office, 2099 University Avenue, West St. Paul, MN 55104-3431.

2. Metropolitan Library Service Agency (MELSA). Anoka County entered into a joint powers agreement with the other six metropolitan area counties and the Cities of St. Paul and Minneapolis to improve public library services within the various jurisdictions. One member of each entity comprises the Board of Directors of MELSA. Financing is provided by gifts, grants and programs of the federal government, the State of Minnesota, and other governmental and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, MN 55104-6276.

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

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 2011 Anoka County paid dues of $79,640 to the NCDA, which is reflected as an expenditure in the Regional Railroad Authority Special Revenue Fund. The dues for 2012 are anticipated to be $75,364.

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.

Anoka County, in an agency capacity, reports the cash transactions of the NCDA as part of the Agency Fund on its financial statements. Current financial statements are available from the NCDA office, 2100 3rd Ave, Anoka, MN 55303.

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

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

6. Minneapolis-Duluth/Superior Passenger Rail Alliance. Anoka County entered into a joint powers agreement on February 1, 2008, with five regional rail authorities, two cities and one county in Wisconsin to establish the Minneapolis-Duluth/Superior Passenger Rail Alliance. The Alliance's purpose is to collaboratively discuss the development of rail transportation between the Twin Cities Metropolitan and the Twin Ports areas.

The Board is made up of one elected official from each of the member governmental entities. Each party contributes funds consistent with the annual budget and cost sharing formula. St. Louis-Lake Regional Rail Authority serves as the fiscal agent.

7. 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.

ANOKA COUNTY
ANOKA, MINNESOTA

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 180, Blaine, Minnesota 55434.

C. Subsequent Events

On January 24, 2012, the County Board approved the issuance of $15,100,000 General Obligation Bonds, Series 2012A.

On January 24, 2012, the County Board approved the issuance of $4,550,000 General Obligation Refunding Bonds, Series 2012B.

REQUIRED SUPPLEMENTARY INFORMATION

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$ 52,258,425	$ 49,558,930	$ 49,552,260	$ (6,670)
Licenses and permits	1,810	119,668	164,495	44,827
Intergovernmental	19,597,430	23,288,852	22,838,532	(450,320)
Charges for services	30,654,121	30,701,539	29,678,313	(1,023,226)
Fines and forfeits	11,000	11,000	7,389	(3,611)
Investment income	3,055,000	3,055,000	4,591,239	1,536,239
Miscellaneous	3,043,860	2,975,368	5,124,240	2,148,872
Total Revenues	108,621,646	109,710,357	111,956,468	2,246,111
Expenditures				
Current				
General government				
Management appropriations	904,210	883,093	760,575	122,518
Management information systems	2,501,517	2,254,975	2,035,978	218,997
Intergovernmental relations	207,432	203,254	197,624	5,630
Regional associations	265,000	261,520	256,731	4,789
County administration	994,998	1,014,394	784,272	230,122
Human resources	1,273,746	1,242,495	1,114,593	127,902
Property tax administration and collection	6,731,920	6,605,429	6,082,268	523,161
License bureau	2,786,299	2,786,299	2,707,064	79,235
Internal audit and compliance	253,812	253,812	247,703	6,109
Election services	429,675	439,225	426,357	12,868
Attorney	8,294,228	8,009,040	7,746,628	262,412
Public services	552,716	531,372	492,535	38,837
Surveyor	998,485	995,485	948,489	46,996
Facilities management and construction	396,894	754,220	601,958	152,262
Veterans services	441,851	465,938	442,134	23,804
Geographic information system	214,328	217,828	212,807	5,021
Transit and volunteer transportation	3,150,310	3,488,310	3,289,730	198,580
Accounting and central services	3,622,220	3,570,254	3,297,899	272,355
Courts administration	1,384,389	1,384,389	1,436,193	(51,804)
Public information	481,761	469,450	469,413	37
Government services	226,785	220,801	216,721	4,080
Miscellaneous	478,490	477,604	4,413,693	(3,936,089)
Total general government	36,591,066	36,529,187	38,181,365	(1,652,178)
Public safety				
Sheriff	27,887,806	28,249,401	27,533,394	716,007
Central communications	$ 3,649,457	$ 3,580,954	$ 3,522,208	$ 58,746

(Continued)

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

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 1
(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Expenditures				
Current				
Public safety (Continued)				
Emergency management	$ 240,009	$ 760,002	$ 759,903	$ 99
Corrections	25,362,158	24,325,597	22,841,245	1,484,352
Medical examiner	2,033,018	2,076,820	2,032,821	43,999
Total public safety	59,172,448	58,992,774	56,689,571	2,303,203
Human services				
Community action program	351,101	351,101	351,101	-
Sanitation				
Solid waste	2,302,874	2,234,011	1,984,500	249,511
R.D.F. administration	4,776,947	4,776,947	2,733,310	2,043,637
Total sanitation	7,079,821	7,010,958	4,717,810	2,293,148
Culture and recreation				
Historical society	215,263	215,263	200,263	15,000
Conservation of natural resources				
Soil and water conservation district	156,100	156,100	153,600	2,500
Total Expenditures	103,565,799	103,255,383	100,293,710	2,961,673
Excess of Revenues Over (Under) Expenditures	5,055,847	6,454,974	11,662,758	5,207,784
Other Financing Sources (Uses)				
Transfers in	123,689	935,617	1,032,668	97,051
Transfers out	(1,560,788)	(1,202,043)	(14,361,279)	(13,159,236)
Total Other Financing Sources (Uses)	(1,437,099)	(266,426)	(13,328,611)	(13,062,185)
Net Change in Fund Balance	3,618,748	6,188,548	(1,665,853)	(7,854,401)
Fund Balance - January 1, as restated (Note 2.B.)	48,266,162	48,266,162	48,266,162	-
Fund Balance - December 31	$ 51,884,910	$ 54,454,710	$ 46,600,309	$ (7,854,401)

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

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 11,912,244	$ 11,359,129	$ 11,389,523	$ 30,394
Licenses and permits	47,000	47,000	68,120	21,120
Intergovernmental	42,691,786	43,680,092	51,922,675	8,242,583
Charges for services	1,100	1,100	-	(1,100)
Investment income	30,000	30,000	8,675	(21,325)
Miscellaneous	155,600	155,600	248,863	93,263
Total Revenues	54,837,730	55,272,921	63,637,856	8,364,935
Expenditures				
Current				
Highways and streets				
Administration	1,140,095	1,075,095	851,234	223,861
Maintenance	8,488,316	8,467,455	7,900,590	566,865
Construction	53,679,159	53,679,159	47,805,809	5,873,350
Equipment maintenance and shops	2,347,846	2,347,846	2,240,074	107,772
Intergovernmental				
Highways and streets	-	-	26,004	(26,004)
Total Expenditures	65,655,416	65,569,555	58,823,711	6,745,844
Excess of Revenues Over (Under) Expenditures	(10,817,686)	(10,296,634)	4,814,145	15,110,779
Other Financing Sources (Uses)				
Transfers out	(580,455)	(704,790)	(1,382,235)	(677,445)
Net Change in Fund Balance	(11,398,141)	(11,001,424)	3,431,910	14,433,334
Fund Balance - January 1	9,311,785	9,311,785	9,311,785	-
Increase (decrease) in inventories	-	-	480,729	480,729
Fund Balance - December 31	$ (2,086,356)	$ (1,689,639)	$ 13,224,424	$ 14,914,063

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

ANOKA COUNTY
ANOKA, MINNESOTA

Schedule 3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HUMAN SERVICES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 31,810,087	$ 30,152,443	$ 29,916,969	$ (235,474)
Licenses and permits	1,002,560	1,002,560	930,095	(72,465)
Intergovernmental	45,835,520	47,467,504	45,235,740	(2,231,764)
Charges for services	2,648,556	2,545,117	2,416,271	(128,846)
Investment income	9,000	9,000	9,274	274
Miscellaneous	2,300,669	2,217,703	2,370,656	152,953
Total Revenues	83,606,392	83,394,327	80,879,005	(2,515,322)
Expenditures				
Current				
Human services				
Economic assistance	26,533,647	26,984,582	25,221,959	1,762,623
Social services	32,972,974	32,463,323	29,873,679	2,589,644
Mental health	11,239,013	10,546,546	9,558,961	987,585
Community health	11,840,456	11,735,005	10,767,892	967,113
Total Expenditures	82,586,090	81,729,456	75,422,491	6,306,965
Excess of Revenues Over (Under) Expenditures	1,020,302	1,664,871	5,456,514	3,791,643
Other Financing Sources (Uses)				
Transfers in	120,824	543,539	422,715	(120,824)
Transfers out	-	(5,649,408)	(5,649,408)	-
Total Other Financing Sources (Uses)	120,824	(5,105,869)	(5,226,693)	(120,824)
Net Change in Fund Balance	1,141,126	(3,440,998)	229,821	3,670,819
Fund Balance - January 1	28,636,568	28,636,568	28,636,568	-
Fund Balance - December 31	$ 29,777,694	$ 25,195,570	$ 28,866,389	$ 3,670,819

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

ANOKA COUNTY
ANOKA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2011

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. Debt service expenditures are not budgeted in the General Fund. 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, 2011:

	Expenditures		
	Final Budget	Actual	Excess
Major Governmental Funds			
General Fund			
Current			
General Government			
Courts administration	$ 1,384,389	$ 1,436,193	$ 51,804
Miscellaneous	477,604	4,413,693	3,936,089

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, 2009, 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
12/31/2005	$ -	$ 95,300,000	$ 95,300,000	0.00%	$ 91,946,015	103.65%
12/31/2007	-	129,648,121	129,648,121	0.00%	100,641,903	128.82%
12/31/2007	-	129,648,121	129,648,121	0.00%	103,373,137	125.42%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,653,890	48.35%
12/31/2009	21,376,934	71,980,996	50,604,062	29.70%	104,014,943	48.65%

4. Employer Contributions to Other Postemployment Benefits

For 2011, employer contributions include $1.2 million to an irrevocable OPEB trust, and $2.5 million in direct payments to insurance carriers for benefits.

Year Ended December 31st	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	$ 1,578,311	$ 10,900,000	14.48%
2008	1,812,224	13,167,730	13.76%
2009	22,351,676	13,167,730	169.75%
2010	5,050,487	6,249,243	80.82%
2011	3,639,729	6,251,726	58.22%