FINAL OFFICIAL STATEMENT DATED OCTOBER 25, 2018

NEW ISSUE **S&P Rating: AA+**
NOT BANK QUALIFIED

In the opinion of Kennedy & Graven, Chartered, Bond Counsel for the Bonds, based on present federal and Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income purposes, and is not a preference item for purposes of computing the federal alternative minimum tax (although interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018) or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Kennedy & Graven regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. The Bonds will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations. See "TAX EXEMPTION" and "OTHER FEDERAL AND STATE TAX CONSIDERATIONS" herein.

$9,970,000
Anoka County, Minnesota
General Obligation Bonds, Series 2018A
(the “Bonds”)

(Book Entry Only)

Dated Date: Date of Delivery **Interest Due: Each February 1 and August 1, commencing August 1, 2019**

The Bonds will mature February 1 in the years and amounts as follows:

Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213	Maturity (February 1)	Amount	Interest Rate	Yield	CUSIP 036213
2020	$1,190,000	5.00%	2.09%	7T 7	2026	$320,000	5.00%	2.62%	7Z 3
2021	$1,565,000	5.00%	2.12%	7U 4	2027	$335,000	5.00%	2.74%	8A 7
2022	$1,640,000	5.00%	2.22%	7V 2	2028	$350,000	3.00%	3.00%	8B 5
2023	$1,725,000	5.00%	2.30%	7W 0	2029	$360,000	3.00%	3.08%	8C 3
2024	$1,810,000	5.00%	2.41%	7X 8	2030	$370,000	3.125%	3.25%	8D 1
2025	$ 305,000	5.00%	2.52%	7Y 6					

The County may elect on February 1, 2027, and on any day thereafter, to redeem Bonds due on or after February 1, 2028 at a price of par plus accrued interest.

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Bonds will be used to (i) finance library building improvements; (ii) redeem and prepay the February 1, 2020 through February 1, 2024 maturities of the County’s General Obligation Capital Improvement Bonds, Series 2009A, dated February 19, 2009; and (iii) pay the costs of issuance for the Bonds.

The County will not designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of $5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See “Book Entry System” herein.) U.S. Bank National Association, Saint Paul, Minnesota will serve as registrar (the “Registrar”) for the Bonds. The Bonds will be available for delivery at DTC on or about November 20, 2018.

Please see the “UNDERWRITING” section herein for discussion regarding the Purchaser of the Bonds.

UMB

ANOKA COUNTY, MINNESOTA

BOARD OF COMMISSIONERS

Rhonda Sivarajah	Chair of the Board – District 6
Scott Schulte	Vice Chair of the Board – District 7
Matt Look	Commissioner – District 1
Julie Braastad	Commissioner – District 2
Robyn West	Commissioner – District 3
Jim A. Kordiak	Commissioner – District 4
Mike Gamache	Commissioner – District 5

COUNTY ADMINISTRATOR

Jerry Soma

FINANCE AND CENTRAL SERVICES DIVISION MANAGER

Cory Kampf

MUNICIPAL ADVISOR

Springsted Incorporated
Saint Paul, Minnesota

BOND COUNSEL

Kennedy & Graven, Chartered
Minneapolis, Minnesota

The Official Statement dated October 25, 2018 is a Final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

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

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

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

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

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OFFICIAL STATEMENT

$9,970,000
ANOKA COUNTY, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2018A

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to Anoka County, Minnesota (the "County") and its issuance of $9,970,000 General Obligation Bonds, Series 2018A (the "Bonds"). The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 (the "Rule"), pursuant to the Awarding Resolution, the County has covenanted to comply with the continuing disclosure undertaking (the "Undertaking") for the benefit of holders or beneficial owners of the Bonds to provide certain financial information and operating data relating to the County to the Municipal Securities Rulemaking Board annually, and to provide notices of the occurrence of certain events enumerated in the Rule to the Municipal Securities Rulemaking Board and to any state information depository. 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 Undertaking in substantially the form attached hereto as Appendix II, subject to such modifications thereof or additions thereto as: (i) consistent with requirements under the Rule, (ii) required by the purchaser of the Bonds from the County, and (iii) acceptable to the Chair and the County Administrator of the County.

The County believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule, except to the extent the following are deemed to be material. In reviewing its past disclosure practices, the County notes the following:

- Prior continuing disclosure undertakings entered into by the County included language stating that the County's audited financial statements would be filed "as soon as available." Although not always filed "as soon as available," the audited financial statements were filed within the required twelve (12) month timeframe as required in each undertaking.

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

THE BONDS

General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the front cover of this Official Statement. The Bonds are issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2019. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, Saint Paul, Minnesota will serve as Registrar for the Bonds, and the County will pay for registrar services.

Redemption Provisions

Mailed notice of redemption shall be given to the registered owner(s) of the Bonds in accordance with the requirements of DTC which currently requires no less than twenty (20) days nor more than sixty (60) days prior to the redemption date. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

Optional Redemption

The County may elect on February 1, 2027, and on any day thereafter, to redeem Bonds due on or after February 1, 2028. Redemption may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all the Bonds of a maturity are called for redemption, the County will notify DTC of the particular amount of such maturity to be redeemed. 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 redemptions shall be at a price of par plus accrued interest.

Book Entry System

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing

Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.67, subdivision 2, and Minnesota Statutes, Section 383E.20, as amended. The proceeds of the Bonds, along with available County funds, will be used to (i) remodel and expand a library within the County, known as the Centennial Library located in the City of Circle Pines (the "Library Portion"); (ii) redeem and prepay the February 1, 2020 through February 1, 2024 maturities (the "Refunded Maturities") of the County's General Obligation Capital Improvement Bonds, Series 2009A, dated February 19, 2009 (the "Series 2009A Bonds") (the "Refunding Portion"); and (iii) pay the costs of issuance for the Bonds.

The Refunding Portion of the Bonds has been structured as a current refunding, and is being issued to achieve debt service savings. It is anticipated that the Refunded Maturities will be called and prepaid at a price of par plus accrued interest on February 1, 2019, which is within 90 days of settlement of the Bonds.

SOURCES AND USES OF FUNDS

The composition of the Bonds is as follows:

	Library Portion	Refunding Portion	Total
Sources of Funds:			
Principal Amount	$3,115,000.00	$6,855,000.00	$ 9,970,000.00
Available County Funds	2,838,838.92	0.00	2,838,838.92
Reoffering Premium	244,733.65	586,147.35	830,881.00
Total Sources of Funds	$6,198,572.57	$7,441,147.35	$13,639,719.92
Uses of Funds:			
Deposit for Refunding Purposes	$ 0.00	$7,370,000.00	$ 7,370,000.00
Deposit to Project Fund	6,156,612.51	0.00	6,156,612.51
Underwriter's Compensation	11,936.84	26,268.70	38,205.54
Costs of Issuance	30,023.22	44,878.65	74,901.87
Total Uses of Funds	$6,198,572.57	$7,441,147.35	$13,639,719.92

SECURITY AND FINANCING

The Bonds will be general obligations of the County for which the County will pledge its full faith and credit and power to levy direct general ad valorem taxes. The County made its first levy for the Refunding Portion of the Bonds in 2018 for collection in 2019. The County will make its first levy for the Library Portion of the Bonds in 2019 for collection in 2020. Interest payments due on the Library Portion of the Bonds through February 1, 2020 will be paid from available County funds. Thereafter, each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Pursuant to Minnesota Statutes, Section 383E.20, as amended, the maximum calendar year debt service on all outstanding bonds issued for the purposes of libraries ("Library Bonds"), including the Library Portion of the Bonds, cannot exceed an amount equal to 0.01% of the estimated 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 estimated market value for 2017/18 is $30,694,705,300 for the purposes of Section 383E.2 ($32,030,143,600 less the City of Columbia Heights taxable market value of $1,335,438,300). Based upon such estimated market value, the statutory maximum principal and interest payable for all outstanding Library Bonds in 2018 under Section 383E.20 is $3,069,470. The County currently has two outstanding Library Bonds issued under this authority: a portion of the General Obligation Bonds, Series 2010B, dated July 14, 2010 and a portion of the General Obligation Bonds, Series 2013A, dated November 21, 2013. The maximum annual calendar year debt service for the Library Bonds (including the Library Portion of the Bonds) is approximately $666,613. Therefore, the amount of County library debt service payable in 2018 is within the statutory limitation.

FUTURE FINANCING

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

LITIGATION

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

LEGALITY

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

TAX EXEMPTION

At closing Kennedy & Graven, Chartered, of Minneapolis, Minnesota, Bond Counsel for the Bonds, will render an opinion that, at the time of their issuance and delivery to the original purchaser, under present federal and State of Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect), the interest on the Bonds is excluded from gross income for purposes of United States income tax and is excluded, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income purposes, and is not a preference item for purposes of computing the federal alternative minimum tax (although interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018) or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Kennedy & Graven regarding other federal or state tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. Preservation of the exclusion of interest on the Bonds from federal gross income and state gross and taxable net income, however, depends upon compliance by the County with all requirements of the Internal Revenue Code of 1986, as amended, (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from federal gross income and state gross and taxable net income.

The County will covenant to comply with requirements necessary under the Code to establish and maintain the Bonds as tax-exempt under Section 103 thereof, including without limitation, requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Bonds.

OTHER FEDERAL AND STATE TAX CONSIDERATIONS

Property and Casualty Insurance Companies

Property and casualty insurance companies are required to reduce the amount of their loss reserve deduction by the applicable percentage of the amount of tax-exempt interest received or accrued during the taxable year on certain obligations, including interest on the Bonds.

Foreign Insurance Companies

Foreign companies carrying on an insurance business in the United States are subject to a tax on income which is effectively connected with their conduct of any trade or business in the United States, including “net investment income.” Net investment income includes tax-exempt interest such as interest on the Bonds.

Branch Profits Tax

A foreign corporation is subject to a branch profits tax imposed by Section 884 of the Code. A branch's earnings and profits may include tax-exempt municipal bond interest, such as interest on the Bonds.

Passive Investment Income of S Corporations

Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than a certain percentage of the gross receipts of such S corporation is passive investment income.

General

The preceding is not a comprehensive list of all federal or State tax consequences which may arise from the receipt or accrual of interest on the Bonds. The receipt or accrual of interest on the Bonds may otherwise affect the federal income tax (or Minnesota income tax or franchise tax) liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items of income or deductions. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Original Issue Discount

The difference between the principal amounts of the February 1, 2029 and February 1, 2030 maturities (the "OID Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) constitutes original issue discount which is generally excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Such original issue discount accrues actuarially on the constant yield basis over the term of each OID Bond and the basis of each OID Bond acquired at the initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

Original Issue Premium

Bonds maturing on February 1 in the years 2020 through 2027 have been sold at initial public offering prices which are greater than the principal amounts payable at maturity. Bondholders who acquire Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the federal, state and local tax consequences of owning and selling Bonds acquired at a premium.

NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York has assigned a rating of "AA+" to the Bonds. The rating reflects 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, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The County has retained Springsted Incorporated, Public Sector Advisors, of Saint Paul, Minnesota ("Springsted"), as municipal advisor in connection with certain aspects of the issuance of the Bonds and, in that capacity, Springsted has assisted the County in preparing this Official Statement. The information contained herein is derived from governmental officials and other sources who have access to relevant data to provide accurate information for this Official Statement. Springsted makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information. Springsted is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Springsted is under common ownership with Springsted Investment Advisors, Inc. ("SIA"), an investment adviser registered in the states where services are provided. SIA may provide investment advisory services to the County from time to time in connection with the investment of proceeds from the Bonds as well as advice with respect to portfolio management and investment policies for the County. SIA pays Springsted, as municipal advisor, a referral fee from the fees paid to SIA by the County.

CERTIFICATION

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

UNDERWRITING

UMB Bank, N.A. in Dallas, Texas (the "Purchaser") has agreed to purchase the Bonds from the County for a purchase price of $10,762,675.46 (representing the principal amount of $9,970,000.00, plus a net reoffering premium of $830,881.00 and less the underwriter's compensation of $38,205.54). The Bonds are being offered for sale by the Purchaser to the public at the prices shown on the front cover of this Official Statement.

COUNTY PROPERTY VALUES

Trend of Values[(a)]

Assessment/ Collection Year	Assessor's Estimated Market Value	Sales Ratio[(b)]	Economic Market Value[(c)]	Market Value Homestead Exclusion	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2017/18	$32,030,143,600	93.3%	$34,330,886,742	$1,625,301,131	$30,098,714,813	$366,666,711
2016/17	29,464,250,000	92.3	31,869,303,350	1,759,500,322	27,414,116,939	338,381,787
2015/16	27,762,109,400	92.4	30,013,348,152	1,812,416,079	25,685,050,471	316,505,881
2014/15	26,788,899,100	94.5	28,315,044,012	1,845,082,160	24,689,831,722	304,499,149
2013/14	23,852,062,600	91.3	26,072,126,819	2,046,784,342	21,583,951,833	270,881,340

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

(b) *Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, http://www.revenue.state.mn.us/propertytax/Pages/statistics-imv.aspx.*

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

Source: Anoka County, Minnesota, August 2018, except as otherwise noted.

2017/18 Adjusted Taxable Net Tax Capacity: $366,666,711*

Real Estate:		
Residential Homestead	$214,116,966	61.8%
Commercial/Industrial, Railroad, and Public Utility	81,308,643	23.5
Residential Non-Homestead	41,622,081	12.0
Agricultural	2,892,108	0.8
Seasonal Recreational	303,566	0.1
Personal Property	6,254,341	1.8
2017/18 Net Tax Capacity	$346,497,705	100.0%
Less: Captured Tax Increment	(6,175,282)	
Contribution to Fiscal Disparities	(31,830,707)	
Local Tax Rate Value	$308,491,716	
Plus: Distribution from Fiscal Disparities	58,174,995	
2017/18 Adjusted Taxable Net Tax Capacity	$366,666,711	

* *Excludes mobile home valuation of $627,879.*

Ten of the Largest Taxpayers in the County

Taxpayer	Type of Property	2017/18 Net Tax Capacity
Medtronic Inc.	Medical Device Services	$ 2,290,292
Minnegasco Inc.	Gas Utility	2,187,426
Coon Rapids Riverdale Village	Retail	2,109,459
Connexus Energy	Electric Utility	1,763,125
Xcel Energy	Electric Utility	1,676,077
Target Corporation	Retail	1,472,572
Glimcher Northtown Venture	Shopping Center	1,232,418
BNSF Railroad	Railroad Transportation	1,197,806
Menards Inc.	Home Improvement	733,792
Allina Health System	Health Care	713,283
Total		$15,376,250*

* *Represents 4.2% of the County's 2017/18 adjusted taxable net tax capacity of $366,666,711.*

COUNTY INDEBTEDNESS

Legal Debt Limit and Debt Margin*

Legal Debt Limit (3% of 2017/18 Estimated Market Value)	$960,904,308
Less: Outstanding Debt Subject to Limit (Including the Bonds)	(77,240,000)
Legal Debt Margin as of November 20, 2018	$883,664,308

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

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

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

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 11-20-18
7-17-08	$ 1,395,000	Airport Improvements (AMT)	2-1-2023	$ 485,000
2-19-09	18,310,000	Capital Improvements	2-1-2019	1,270,000[(b)]
7-9-09	3,000,000	Capital Improvements	2-1-2019	330,000
9-22-09	20,000,000	Taxable OPEB	2-1-2021	6,395,000[(c)]
12-9-09	1,485,000	Refunding – Aquatic Center	2-1-2023	690,000
7-14-10	3,240,000	Capital Improvements	2-1-2020	365,000
7-14-10	790,000	Library	2-1-2020	170,000
9-29-11	8,180,000	Capital Improvements	2-1-2027	5,395,000
2-23-12	13,880,000	Capital Improvements	2-1-2027	9,020,000
2-5-13	10,615,000	Airport Refunding	2-1-2029	8,670,000
2-5-13	7,835,000	Capital Improvements Refunding	2-1-2022	4,295,000
2-5-13	1,695,000	Library Refunding	2-1-2022	950,000
3-24-15	2,750,000	Airport Refunding (AMT)	2-1-2033	2,620,000
3-24-15	8,040,000	Capital Improvements Refunding	2-1-2029	7,240,000
4-19-16	8,780,000	Capital Improvements	2-1-2033	8,780,000
4-27-17	15,890,000	Capital Improvements Refunding	2-1-2030	15,890,000
11-20-18	3,115,000	Library (the Library Portion of the Bonds)	2-1-2030	3,115,000
11-20-18	6,855,000	Capital Improvements Refunding (the Refunding Portion of the Bonds)	2-1-2024	6,855,000
Total				$82,535,000

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

[(b)] *Excludes the Series 2009A Refunded Maturities.*

[(c)] *This issue is not subject to the legal debt limit.*

General Obligation Revenue Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 11-20-18
2-25-09	$3,200,000	Housing Development	2-1-2028	$ 1,935,000*
10-27-11	8,920,000	Housing Development Refunding	2-1-2036	7,670,000*
12-27-12	5,230,000	Taxable Ice Arena Refunding	2-1-2023	2,685,000*
Total				$12,290,000

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

Lease Obligations

Date of Issue	Original Amount	Purpose	Final Maturity	Est. Principal Outstanding As of 11-20-18
11-28-07	$2,705,000	Metropolitan Mosquito Control District	2-1-2023	$1,100,000[(a)(b)]
7-22-10	1,930,000	ACCAP Refunding	6-1-2028	1,255,000[(c)]
12-27-12	5,655,000	Ice Arena Refunding	2-1-2026	3,660,000[(d)]
Total				$6,015,000

(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 originally issued for the purpose of refinancing and improving various group homes within the County to be subleased to the ACCAP. The debt service is paid from annual appropriation lease payments by the County.*

(d) *These bonds were originally issued by the HRA 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, but is also secured by the County's general obligation pledge.*

Estimated Calendar Year Debt Service Payments Including the Bonds and Excluding the Refunded Maturities

	G.O. Debt Supported Solely by Taxes		G.O. Revenue Debt	
Year	Principal	Principal & Interest[a]	Principal	Principal & Interest
2018 (at 11-20)	(Paid)	(Paid)	(Paid)	(Paid)
2019	$10,695,000	$13,662,210	$ 970,000	$ 1,336,764
2020	10,430,000	12,951,148	1,000,000	1,346,211
2021	10,890,000	12,991,319	1,020,000	1,342,949
2022	8,130,000	9,852,135	1,045,000	1,341,875
2023	7,625,000	9,024,369	1,080,000	1,348,178
2024	7,705,000	8,781,141	535,000	779,746
2025	4,940,000	5,761,851	550,000	777,301
2026	5,120,000	5,752,273	565,000	773,688
2027	5,315,000	5,747,451	685,000	871,650
2028	3,615,000	3,889,898	705,000	866,220
2029	3,355,000	3,527,129	500,000	639,815
2030	2,085,000	2,181,180	520,000	642,475
2031	855,000	911,672	540,000	644,455
2032	875,000	909,871	570,000	654,730
2033	900,000	911,840	595,000	658,178
2034			620,000	660,700
2035			385,000	407,108
2036			405,000	412,493
Total	$82,535,000[b]	$96,855,487	$12,290,000[c]	$15,504,536

	Lease Obligations	
Year	Principal	Principal & Interest
2018 (at 11-20)	(Paid)	$ 32,523
2019	$ 705,000	873,774
2020	720,000	869,222
2021	740,000	868,762
2022	765,000	872,382
2023	785,000	868,646
2024	555,000	618,240
2025	580,000	627,639
2026	860,000	888,463
2027	150,000	163,041
2028	155,000	159,394
Total	$6,015,000	$6,842,086

(a) *Includes debt service on the Bonds based on the interest rates shown on the cover of this Official Statement, and excludes the Refunded Maturities.*

(b) *90.2% of this debt will be retired within ten years.*

(c) *66.4% of this debt will be retired within ten years.*

Other Debt Obligations

School District Lease Revenue Bonds

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

Operating Leases

The County currently has 12 various operating leases, and the County made operating lease payments totaling $427,001 in 2017. The following is a schedule by years of future minimum rental payments required under these operating leases as of December 31, 2017:

Year Ending December 31	
2018	$ 442,145
2019	445,278
2020	424,995
2021	355,124
2022	319,427
2023-2027	1,001,173
2028-2032	96,676
Total	$3,084,818

Capital Leases

The County has a capital lease-to-purchase agreement for 70 golf carts at Chomonix Golf Course. The golf carts are less than the County's threshold for capitalization and therefore are not in the capital assets. The County financed a total of $112,183 at 2.75%. Annual liquidation of this capital lease liability is reported in the Parks and Recreation Special Revenue Fund.

On January 15, 2017, the County entered into a capital operating lease with Key Government Finance, Inc. for various equipment in the principal amount of $3,536,845.13. Payments in the amount of $707,369.03 will be made each January 15 through 2021.

Overlapping Debt

Taxing Unit[(a)]	2017/18 Adjusted Taxable Net Tax Capacity	Est. G.O. Debt As of 11-20-18[(b)]	Debt Applicable to Tax Capacity in County Percent	Debt Applicable to Tax Capacity in County Amount
Anoka County Regional Railroad Authority	$ 366,666,711	$ 23,190,000	100.0%	$ 23,190,000
Cities:				
Andover	34,815,276	29,265,000[(c)]	100.0	29,265,000
Anoka	17,815,925	8,435,000	100.0	8,435,000
Bethel	404,668	215,000	100.0	215,000
Blaine	74,086,313	23,360,000[(d)]	99.3	23,196,480
Centerville	4,245,473	5,190,000	100.0	5,190,000
Circle Pines	4,500,381	16,810,000	100.0	16,810,000
Columbia Heights	16,680,367	30,220,000	100.0	30,220,000
Columbus	5,717,636	12,331,000	100.0	12,331,000
Coon Rapids	62,859,599	31,470,000	100.0	31,470,000
East Bethel	11,938,562	900,000	100.0	900,000
Fridley	30,108,171	49,345,000	100.0	49,345,000
Ham Lake	19,140,737	1,380,000	100.0	1,380,000
Hilltop	642,531	0	100.0	0
Lexington	1,711,741	1,427,750	100.0	1,427,750
Lino Lakes	22,666,480	16,673,250	100.0	16,673,250
Nowthen	5,397,324	424,318	100.0	424,318
Oak Grove	9,532,885	1,080,000	100.0	1,080,000
Ramsey	27,184,921	32,615,000	100.0	32,615,000
St. Francis	6,457,791	9,690,000	99.8	9,670,620
Spring Lake Park	6,061,523	4,695,000[(e)]	97.4	4,572,930
Towns:				
Linwood	5,421,590	242,000[(f)]	100.0	242,000
School Districts:				
ISD 11 (Anoka-Hennepin)	245,108,917	186,620,000	79.3	147,989,660
ISD 12 (Centennial)	35,862,266	85,372,065	100.0	85,372,065
ISD 13 (Columbia Heights)	22,932,017	10,625,000	100.0	10,625,000
ISD 14 (Fridley)	15,388,045	54,125,000	100.0	54,125,000
ISD 15 (St. Francis)	32,638,275	94,610,000	93.4	88,365,740
ISD 16 (Spring Lake Park)	41,564,929	125,130,000	100.0	125,130,000
ISD 624 (White Bear Lake)	84,528,102	85,805,000	3.2	2,745,760
ISD 728 (Elk River)	79,925,992	205,105,000	6.3	12,921,615
ISD 831 (Forest Lake)	57,830,971	161,790,000	31.7	51,287,430
Special Districts:				
Metropolitan Council	3,972,902,150	8,360,000[(g)]	9.2	769,120
Metropolitan Transit	3,180,525,605	182,390,000	11.5	20,974,850
Total				$898,959,588

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

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

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

(d) *Represents the total outstanding principal amount of bond issues for fire protection services issued by the City of Blaine that are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2018, the proportionate shares for each City are 75.150%, 16.158%, and 8.692% for Blaine, Mounds View, and Spring Lake Park, respectively.*

(e) *Excludes the City of Spring Lake Park's proportionate share of outstanding general obligation debt for fire improvements, which was issued by the City of Blaine and are apportioned between the Cities of Blaine, Mounds View, and Spring Lake Park based on a Joint Powers Agreement. The proportionate share for each City is adjusted annually. As of calendar year 2018, the City of Spring Lake Park's share is 8.692% of the total debt service on the bonds.*

(f) *Debt as of December 31, 2017; most recent available.*

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

Debt Ratios*

	G.O. Direct Debt	G.O. Direct & Overlapping Debt
To 2017/18 Estimated Market Value ($32,030,143,600)	0.26%	3.07%
Per Capita - (352,674 - 2017 MN Demographer Estimate)	$237	$2,786

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

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates

City of Coon Rapids

	2013/14	2014/15	2015/16	2016/17	2017/18
Anoka County	43.239%	38.123%	38.894%	36.780%	35.334%
City of Coon Rapids	47.509	44.754	44.908	44.164	42.368
ISD No. 11 (Anoka-Hennepin)[(a)]	28.265	22.482	20.885	18.604	18.392
Regional Rail Authority	0.882	0.941	0.851	0.801	0.738
Special Districts[(b)]	6.543	5.922	6.924	5.802	5.663
Total	126.438%	112.222%	112.462%	106.151%	102.495%

(a) *Independent School District No. 11 (Anoka-Hennepin) also has a 2017/18 tax rate of 0.25862% spread on the market value of property in support of an excess operating levy.*

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

Selected Totals for Other Cities

	2013/14	2014/15	2015/16	2016/17	2017/18
City of Anoka	126.678%	110.283%	106.270%	101.633%	96.811%
City of Blaine	114.647	102.241	101.708	96.709	94.449
City of Columbia Heights	153.233	147.957	150.477	139.172	138.685
City of Fridley	151.644	139.132	147.728	141.084	111.166

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

Tax Levies and Collections

		Collected During Collection Year		Collected and/or Abated as of 6-12-18	
Levy/Collect	Net Levy*	Amount	Percent	Amount	Percent
2017/18	$131,775,645	(In Process of Collection)			
2016/17	126,892,382	$125,768,260	99.1%	$126,567,459	99.7%
2015/16	123,828,941	122,790,424	99.2	123,642,456	99.8
2014/15	119,352,875	118,219,255	99.1	119,222,626	99.9
2013/14	118,316,675	117,017,785	98.9	118,221,461	99.9

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

FUNDS ON HAND
As of August 31, 2018

Funds	Cash and Investments
General	$ 44,324,453
Special Revenue	79,028,070*
Debt Service	15,442,191*
Capital Projects	55,220,570*
Proprietary	4,986,042
Trust and Agency	12,152,723
Irrevocable OPEB Trust	69,021,215
Total	$280,175,264

* *These funds contain a total of $3,216,583 in escrowed accounts.*

INVESTMENTS

The County's current investment policy was adopted by the County Board on January 24, 2017 replacing the one from December 1992. 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 responsibility for conducting investment transactions involving public funds of the County resides with the Finance and Central Services Division. The Finance & Central Services Division Manager is designated as investment officer and is responsible for investment decisions and activities, under the oversight of the Investment Review Committee that was formed per the January 24, 2017 Investment Policy. Investments as of August 31, 2018 had a market value of $286,956,647.

The investment portfolio is invested as follows:

	Market Value As of 8-31-18	Percent of Portfolio
Cash and Commercial Paper	$ 5,851,230	2.1%
U.S. Treasuries, Agencies, and Government Obligations	72,948,961	25.7
Municipal Bonds	57,902,854	20.4
Pooled Investments/Mutual Funds	64,868,603	22.8
Money Market Funds	2,192,428	0.8
Certificates of Deposit	8,860,884	3.1
Index Fund	71,115,104	25.10
Portfolio Total	$283,740,064	100.0%
Investments in Escrow	3,216,583	
Total County Investments	$286,956,647	100.0%

GENERAL INFORMATION CONCERNING THE COUNTY

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

Population

The County's population trend is shown below.

	Population	Percent Change
2017 MN State Demographer Estimate	352,674	6.6%
2010 U.S. Census	330,844	11.0
2000 U.S. Census	298,084	22.3
1990 U.S. Census	243,641	24.3
1980 U.S. Census	195,998	--

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

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

Data Year/ Report Year	0-17	18-34	35-64	65 and Over
2017/18	82,415	73,622	145,742	47,715
2016/17	82,655	73,944	146,201	45,829
2015/16	83,351	73,995	146,370	43,716
2014/15	83,554	73,662	146,169	41,473
2013/14	84,081	72,767	145,563	39,088

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Transportation

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

The Anoka County/Blaine Airport is located in the County. Rail service is provided by Burlington Northern Santa Fe Railroad.

Northstar, the state's first commuter rail line, became operational in November 2009. A service designed almost exclusively to take people to and from work, Northstar trains were on time 98.7% of the time and ridership continues to grow with nearly 794,000 rides provided in 2017; a 12% increase from 2016. Northstar carries passengers between the City of Big Lake in Sherburne County and downtown Minneapolis, with stops in the cities of Elk River, Ramsey, Anoka, Coon Rapids, and Fridley.

AREA ECONOMY

Major Employers

Employer	Product/Service	Approximate Number of Employees
Medtronic Corporation (Fridley and Columbia Heights)	Medical device services	11,000[(a)]
Independent School District No. 11 (Anoka-Hennepin)	Public education	7,291[(b)]
Mercy and Unity Hospital (Fridley and Coon Rapids)	Hospitals	3,775[(e)]
Anoka County (Anoka)	County government	2,361
Target Corporation (six stores and one distribution center)	Retail	1,900[(b)(e)]
Northtown Mall (Fridley)	Shopping mall	1,500[(c)(e)]
Federal Premium Ammunition (Anoka)	Ammunition manufacturing	1,400
Pentair Technical Products (Anoka)	Electrical products	1,225[(e)]
Cummins Power Generation (Fridley)	Generator and diesel manufacturer	1,109[(e)]
Wal Mart (3 locations)	Retail	1,000[(b)(e)]
Parsons Electric Company (Fridley)	Electrical services	900
Cub Foods (6 locations)	Grocery store	780[(b)(e)]
Independent School District No. 15 (St. Francis)	Public education	750
RMS Company (Coon Rapids)	Medical and aerospace components	711[(d)]
Aveda Corporation (Blaine)	Health and beauty aids	650[(e)]
BNSF Railroad (Fridley)	Railroad transportation	650
Independent School District No. 16 (Spring Lake Park)	Public education	650
Mary T. Inc. (Coon Rapids)	Group home	650
Honeywell Commercial Flight Systems (Coon Rapids)	Commercial aviation	600[(e)]
BAE Systems (Fridley)	Pumps/naval ordnance	600[(e)]
Independent School District No. 13 (Columbia Heights)	Public education	520[(b)]
Minco Products, Inc. (Fridley)	Electronic devices	526[(e)]
Anoka Ramsey Community College (Coon Rapids)	Community college	520[(b)]
State of Minnesota Correctional Facility (Lino Lakes)	Medium security prison	478
Anoka Metro Regional Treatment Center (Anoka)	Psychiatric hospital	436[(e)]
Best Buy (Blaine – 2 locations)	Electronics retail	157[(b)(e)]

(a) *Corporate-wide total is 49,000 for full- and part-time employees. Corporate headquarters moved out of Anoka County in 2015.*

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

(c) *Includes full-time employees only.*

(d) *Does not include temporary employees.*

(e) *Information as of February 2017; most recent information available.*

Source: This does not purport to be a comprehensive list and is based on a September 2018 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Labor Force Data

	Annual Average				August
	2014	2015	2016	2017	2018
Labor Force:					
Anoka County	188,288	188,414	190,604	194,595	198,164
Minneapolis-St. Paul MSA	1,909,660	1,916,011	1,938,642	1,979,780	2,022,959
State of Minnesota	2,973,073	2,998,352	3,036,278	3,063,604	3,087,727
Unemployment Rate:					
Anoka County	4.2%	3.6%	3.8%	3.8%	2.5%
Minneapolis-St. Paul MSA	4.0	3.5	3.6	3.3	2.5
State of Minnesota	4.2	3.7	3.9	3.5	2.5

Source: *Minnesota Department of Employment and Economic Development, https://apps.deed.state.mn.us/lmi/laus. 2018 data are preliminary.*

Retail Sales and Effective Buying Income (EBI)

Anoka County

Data Year/ Report Year	Total Retail Sales ($000)	Total EBI ($000)	Median Household EBI
2017/18	$5,068,799	$9,874,840	$64,857
2016/17	4,857,535	9,421,969	62,169
2015/16	4,428,876	8,946,250	60,388
2014/15	4,175,734	8,685,587	58,438
2013/14	4,005,487	7,741,875	53,659

The 2017/18 Median Household EBI for the State of Minnesota was $56,669. The 2017/18 Median Household EBI for the United States was $50,620.

Sources: *Environics Analytics, Claritas, Inc. and The Nielsen Company.*

Permits Issued in the County

	Total Permits*		New Single-Family Homes	
Fiscal Year	Number	Value	Units	Value
2018 (as of 8-31)	15,493	$403,594,570	354	$ 95,156,334
2017	35,415	718,658,635	587	151,575,441
2016	14,484	640,186,139	840	188,461,270
2015	18,300	500,248,611	752	178,449,059
2014	16,733	467,895,448	560	165,241,838
2013	10,704	357,440,792	590	138,631,931
2012	10,256	310,043,395	551	139,005,750
2011	9,564	211,740,466	440	103,536,407
2010	9,501	222,135,454	444	97,775,780
2009	10,545	190,312,566	370	72,994,092

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

Source: *This does not purport to be a comprehensive list and is based on a September 2018 best efforts email survey of individual cities. Some cities do not respond to inquiries.*

Local Economy

For more than 150 years, Anoka County has taken great care to foster its abundance of economic, cultural, and natural resources. Anoka County is home to well-recognized industry leaders such as Medtronic Corporation, Infinite Campus, Vista Outdoor Sporting (Federal Premium Ammunition), BAE Systems, Honeywell Commercial Flight Systems, Aveda Corporation, Onan Corporation, and Pentair Technical Products.

The County's emphasis on technology-based companies has resulted in new companies relocating to 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 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.

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

Taking advantage of the favorable business climate in the County are several growing businesses located along the Highway 10 and Highway 65 corridors.

- RMS Company, located in the City of Coon Rapids recently expanded their manufacturing space by 60,000 square feet. Specializing in the manufacture of technical components used in medical devices, as well as the aerospace industries, RMS currently employs 711 individuals making them the largest private employer in the City of Coon Rapids. Within two years of the completion of the additional manufacturing space, RMS plans on adding 100 new jobs.

- One of the largest orthopedic practices in the country, Twin Cities Orthopedics, is scheduled to open a new three-level, 50,000 square foot medical office in the City of Blaine in late 2018.

- Northern Stacks of Fridley is in the process of redeveloping 1.6 million square feet of the property located along the East River Road in the City of Fridley into multiple office/industrial buildings. With flexible zoning to accommodate a wide variety of industrial uses, and close proximity to the region's major transportation networks, Northern Stacks is becoming recognized as one of the Twin Cities' premier business parks.

- Defense contractor BAE Systems will continue to occupy one of the buildings on site, in which they will house their highly-technical engineering divisions.

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

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

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

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

The National Sports Center in the City of Blaine is featured in the Guinness Book of World Records as the world's largest indoor hockey facility with eight indoor ice rinks, the Herb Brooks Training Facility/Hall of Fame, and a dry floor training facility for figure skating. Additionally, the Schwan's Super Rink has become the largest skating venue in the world. The National Sports Center is the home training center for the USA Women's Olympic Hockey team and hosts the world's largest youth 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.

Financial Institutions

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

	Deposits As of 6-30-18
Village Bank (City of St. Francis)	$253,622,000
Border State Bank (City of Coon Rapids)	440,963,000
First Resource Bank (City of Lino Lakes)	151,322,000
Total	$845,907,000

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

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

Source: Federal Deposit Insurance Corporation, http://www.fdic.gov/.

Health Care Services

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

Facility	Location	No. of Beds	
Anoka Metro Regional Treatment Center	City of Anoka	29	Supervised Living
		175	Other Licensed
Anoka Rehab and Living Center	City of Anoka	120	Nursing Home
Anthony Louis Center	City of Blaine	22	Supervised Living
Bethesda Lutheran	City of Coon Rapids	12	Supervised Living
Camilia Rose Care Center LLC	City of Coon Rapids	78	Nursing Home
		29	Supervised Living
Crest View Lutheran Home	City of Columbia Heights	122	Nursing Home
Interlude Restorative Suites	City of Fridley	50	Nursing Home
Mercy Hospital	City of Coon Rapids	546	Hospital Beds
		27	Infant Bassinets
Park River Estates Care Center	City of Coon Rapids	99	Nursing Home
The Estates at Fridley LLC	City of Fridley	54	Nursing Home
The Estates at Twin Rivers LLC	City of Anoka	56	Nursing Home

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

Education

Public Education

The following districts serve the residents of the County:

School	Location	Grades	2017/18* Enrollment
ISD No. 11 (Anoka-Hennepin)	City of Anoka	K-12	37,787
ISD No. 12 (Centennial)	City of Circle Pines	K-12	6,593
ISD No. 13 (Columbia Heights)	City of Columbia Heights	K-12	3,140
ISD No. 14 (Fridley)	City of Fridley	K-12	3,065
ISD No. 15 (St. Francis)	City of St. Francis	K-12	4,455
ISD No. 16 (Spring Lake Park)	City of Spring Lake Park	K-12	5,760
ISD No. 624 (White Bear Lake)	City of White Bear Lake	K-12	8,523
ISD No. 728 (Elk River)	City of Elk River	K-12	13,158
ISD No. 831 (Forest Lake)	City of Forest Lake	K-12	6,165

* *2018/19 enrollment figures are not yet available.*

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

Non-Public Education

County residents are also served by the following private schools:

School	Grades	2017/18* Enrollment
Totino Grace High School	9-12	719
Epiphany Catholic School	K-9	429
Legacy Christian Academy	K-12	423
Al-Amal School	K-12	342
St. Stephen	K-8	299
Calvin Christian School – Blaine	K-8	201
Woodcrest Baptist Academy	K-12	169
Immaculate Conception	K-8	122
Cross of Christ Lutheran	K-8	105
St. Francis Christian	K-12	75
The Way of the Shepherd	K-7	71
Calvin Christian High School	9-12	67
Northside Christian (Blaine Campus)	K-12	63
Trinity Lutheran	K-8	61
Crown Christian School	K-7	43
Coon Rapids Christian	K-12	24
Grace Lutheran	K-8	21
Montessori Renaissance School	K-6	20
Anoka Adventist Christian	1-7	14
Little Voyageur's Montessori	K	3

* *2018/19 enrollment figures are not yet available.*

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

Post-Secondary Education

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

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

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

		Expiration of Term
Rhonda Sivarajah	Chair of the Board – District 6	January 2021
Scott Schulte	Vice Chair of the Board – District 7	January 2019
Matt Look	Commissioner – District 1	January 2021
Julie Braastad	Commissioner – District 2	January 2021
Robyn West	Commissioner – District 3	January 2021
Jim A. Kordiak	Commissioner – District 4	January 2019
Mike Gamache	Commissioner – District 5	January 2019

Mr. Jerome (Jerry) Soma was appointed as the County Administrator on May 1, 2011. Responsibilities include managing the County budget, assisting the County Board to ensure the effectiveness of all County services, and providing county board agendas and minutes. Mr. Soma has served on the executive board of the Minnesota Association of County Social Service Administrators (MACSSA), is a past president of MACSSA and the Minnesota Association of Community Corrections Act Counties (MACCAC), has been a county representative to the board of the MACCAC, and has served on various state-level committees in corrections, social services, income maintenance, and public health. Mr. Soma is a graduate of Mankato State University and holds a Bachelor's degree in English and Sociology with a minor in Psychology. Mr. Soma also holds a Graduate Certificate in Social Work from the University of Minnesota. He has been with the County since 1966 and, prior to his appointment as County Administrator, served as the County's Human Services Division Manager since 1995.

Mr. Cory Kampf has been the County's Chief Financial Officer and Finance & Central Services Division Manager since October 13, 2014. Under the direction of the County Administrator and the County Board, the Finance & Central Services Division Manager directs and administers the financial, purchasing, and risk management affairs of the County. Responsibilities include cash management, investments, debt management, preparation of the County's operating and capital improvement budgets, procurement, management of county-wide insurance program, county-wide financial reporting systems, and preparation of the County's comprehensive annual financial report. Mr. Kampf serves on the Treasury and Investment Management Committee with the Government Finance Officers Association of the United States and Canada, and is a past president of the Minnesota Government Finance Officers Association. Mr. Kampf holds a Bachelor's degree in Accounting with a minor in Computer Science from Bemidji State University and is a Certified Public Accountant (inactive). Mr. Kampf's experience includes 30 years in public sector finance working for state and local governments. Prior to joining the County, Mr. Kampf served as the Director of Finance for the City of Brooklyn Park, Minnesota from May 2007 until October 2014.

Services

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

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

Labor Contracts

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

Union	Number of Employees	Employees Represented	Contract Expiration Date
Local No. 49 International Union of Operating Engineers	75	Highway and Park Maintenance	12/31/2020
Law Enforcement Labor Services (LELS)	46	Corrections – Work Release Officers' Unit	12/31/2019
	91	Sheriff's Department – Licensed Officers	12/31/2020
	11	Sheriff's Department – Detention Sergeants/Lieutenants	12/31/2017*
	68	Sheriff's Department – Detention Deputies/Corporals	12/31/2017*
	13	Sheriff's Department – Sergeants	12/31/2020
	16	Sheriff's Department – Investigators	12/31/2020
	8	Sheriff's Department – Licensed Commanders And Lieutenants	12/31/2020
	41	Central Communications – 911 Dispatchers and Lead Dispatchers	12/31/2019
American Federation of State, County, and Municipal Employees (AFSCME)	46	Probation Officers – Juvenile Institutions	12/31/2020
Subtotal	415		
Non-unionized employees	1,946		
Total employees	2,361		

* *Currently in negotiations.*

NOTE: The Probation Officers – Juvenile Institutions are a newly organized group who are working on the initial collective bargaining agreement.

Employee Pensions

All full-time and certain part-time employees of the County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), and the Local Government Correctional Service Retirement Fund (the Public Employees Correctional Fund or PECF), which are cost-sharing, multiple-employer retirement plans.

GERF members either belong to the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan and benefits vest after five years of credited service. All police officers, fire fighters, and peace officers who qualify for membership by statute are covered by the PEPFF. All correctional guards or officers, joint jailers/dispatchers, or supervisors of correctional guards or officers or joint jailers/dispatchers that are directly responsible for the direct security, custody, and control of the County correctional institution and its inmates are covered by PECF. PERA also provides retirement benefits as well as disability benefits to members, and their survivors upon death of eligible members. Benefits are established by Minnesota Statutes and 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, and the County makes annual contributions to the pension plans equal to the amount required by Minnesota Statutes. As of December 31, 2017, GERF Basic and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salaries; PEPFF members were required to contribute 10.80% of their annual covered salaries; PECF members were required to contribute 5.83% of their annual covered salaries.

The County was required to contribute the following percentages of annual covered payroll for 2014, 2015, 2016, and 2017:

	2014	2015	2016	2017
Public Employees Retirement Fund (GERF):				
Basic Plan members	11.78%	11.78%	11.78%	11.78%
Coordinated Plan members	7.25	7.25	7.25	7.50
Public Employees Police and Fire Fund (PEPFF)	15.30	15.30	15.30	16.20
Public Employees Correctional Fund (PECP)	8.75	8.75	8.75	8.75

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

	GERF	PEPFF	PECP
2017	$6,975,975	$1,851,342	$1,039,660
2016	6,772,116	1,739,500	982,247
2015	6,781,097	1,758,815	1,010,709
2014	6,629,745	1,609,505	966,370
2013	6,285,220	1,435,884	892,179

As of December 31, 2017, nine employees were covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer, deferred compensation plan administered by PERA. The PEDCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. Plan benefits depend solely on the amounts contributed to the plan, plus investment earnings, less administrative expenses. An eligible elected official participating in this plan contributes 5% of their 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. The combined employee and employer contributions to PEDCP for the past five years are as follows:

	PEDCP
2017	$31,160
2016	35,453
2015	33,677
2014	32,692
2013	30,261

For more information regarding the liability of the County with respect to its employees, please reference "Note 3E, Employee Retirement Systems and Pension Plans" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2017, an excerpt of which is included as Appendix IV of this Official Statement.

GASB 68

The Government Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB 68, which revised existing standards for measuring and reporting pension liabilities for pension plans provided to County employees and require recognition of a liability equal to the County's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The County's proportionate shares of the pension costs and the County's net pension liability for GERF, PEPFF, and PECP for the past three years are as follows:

	GERF		PEPFF	
	Proportionate Share of Pension Costs	Net Pension Liability	Proportionate Share of Pension Costs	Net Pension Liability
2017	1.470%	$ 93,850,500	1.141%	$15,404,858
2016	1.426	115,819,626	1.077	43,221,884
2015	1.470	76,199,920	1.131	12,850,807

	PECF	
	Proportionate Share of Pension Costs	Net Pension Liability
2017	6.070%	$17,299,561
2016	5.850	21,370,869
2015	6.050	935,330

For more information regarding the liability of the County with respect to its employees, please reference "Note 3E, Employee Retirement Systems and Pension Plans" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2017, an excerpt of which is included as Appendix IV of this Official Statement.

Additional and detailed information about GERF's net position is available in a separately-issued PERA financial report, which may be obtained at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling 1-800-652-9026.

2018 Omnibus Retirement Bill

On Thursday, May 31, 2018, Minnesota Governor Mark Dayton signed into law the 2018 Omnibus Retirement Bill, which includes sustainability measures for all four of the State's public pension systems, including GERF, PEPFF, and PECF . The County anticipates this legislation will have some level of positive impact on the proportionate share of pension costs and net pension liability for GERF, PEPFF, and PECF for the fiscal year ending December 31, 2018 and thereafter.

Sources: County's Comprehensive Annual Financial Reports.

Other Post-Employment Benefits

The Government Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Post Employment Benefits or "OPEB"). The implementation of GASB 75 required the restatement of the County's beginning net position for the fiscal year ended December 31, 2017. Please see "Note 2D1, Change in Accounting Principles" in the County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017 for this calculation.

The County provides postemployment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the County Commissioners and can be amended by the County through its personnel, manual, and union contracts. The plan is accounted for as an irrevocable trust fund.

The County provides a contribution towards the premium for health insurance for retired County employees who are benefit eligible and have been employed by the County for a minimum of ten (10) years. 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. The rate of the contribution provided by the County is based on the length of service the employee has with the County. A $2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County. The following employees were covered by the benefit terms as of December 31, 2015:

Inactive employees/beneficiaries currently receiving benefit payments	802
Inactive employees entitled to but not yet receiving benefit payments	76
Active employees	1,603
Total	2,481

The County established both an OPEB revocable trust and an irrevocable trust to prefund a portion of the OPEB liability. The County closed the revocable trust in December 2016. PERA serves as the trust administrator to both of the trust accounts. Contributions to the plan are recognized when due and the County has made a commitment to provide the 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 ten (10) years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of the 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 toward family coverage based on the retiree's years of service. For fiscal year ended December 31, 2017, the County contributed $3,619,603 and the retirees contributed $1,212,927 toward the cost of their healthcare coverage.

The County's OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2015. The discount rate used to measure the total OPEB liability was 7.0%. Components of the County's OPEB liability and related ratios for the fiscal year ended December 31, 2017 are as follows:

Service cost	$ 1,636,484
Interest	5,326,822
Benefit payments	(3,619,603)
Net change in total OPEB liability	$ 3,343,703
Total OPEB liability – beginning of year	$76,270,769
Total OPEB liability – end of year (a)	$79,614,472
Contributions – Employer	$ 1,976,056
Net investment income	11,914,287
Benefit payments	(3,619,603)
Administrative Expense	(3,937)
Net change in plan fiduciary net position	$10,266,803
Total fiduciary net position – beginning of year	$54,474,702
Total fiduciary net position – end of year (b)	$64,741,505
Net OPEB Liability (a)-(b)	$14,872,967

The County's contributions for the fiscal year ended December 31, 2017 are as follows:

Fiscal Year Ended	Actuarial Determined Contribution	County Contributions	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
December 31, 2017	$1,976,056	$1,976,056	$106,400,000	14.00%

For more information regarding GASB 75 with respect to the County, please reference "Note 3C4, Employment and Other Postemployment Benefits" of the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2017, an excerpt of which is included as Appendix IV of this Official Statement.

Sources: County's Comprehensive Annual Financial Reports.

Capital Improvements Plan and Budget

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

Operating Budget

The County's operating budget process is under the direction of the County Administrator, but is managed and prepared by the Budget Director and Division Finance Manager. The County Administrator works closely with the County Board so that he can communicate their goals and direction. 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 budget process.

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 from 1999 through 2014. The County no longer prepares an annual budget document. However, the County now has a web-based tool called Open Gov that gives their citizens the ability to explore the County's budget in greater detail at their convenience.

Operating Budget Summary

	2017 Adopted	2018 Adopted
Revenues:		
County Share of Tax Levy	$125,444,707	$130,082,235
State Paid Credits	16,535,710	17,806,161
Total Tax Levy	$141,980,417	$147,888,396
Other Taxes	$ 454,250	$ 458,250
Licenses and Permits	1,203,684	1,312,369
Charges for Services	36,689,352	37,724,618
Fines and Forfeits	164,000	219,500
Intergovernmental:		
Federal	29,172,000	40,062,462
State	75,386,068	64,369,623
Other	12,434,949	10,419,424
Interest on Investments	1,619,166	1,760,000
Miscellaneous	4,732,599	4,334,584
Total Revenues	$303,836,485	$308,549,226
Other Sources:		
Budgeted Use of Fund Balance	$ 1,152	$ 8,239
Non-Revenue	2,079,755	2,631,415
Total Other Sources	$ 2,080,907	$ 2,639,654
Total Revenues and Other Sources	$305,917,392	$311,188,880
Expenditures:		
General Government	$ 42,739,469	$ 44,302,334
Public Safety	66,366,861	70,493,433
Road and Bridge	60,736,656	53,128,932
Human Services	74,391,453	77,195,190
Health	15,491,866	16,038,949
Environment and Sanitation	5,464,483	5,530,507
Culture and Recreation	17,094,865	19,468,146
Conservation of Natural Resources	531,164	548,794
Economic Development and Assistance	5,048,020	5,061,009
Debt Service/Capital Improvements	17,694,761	17,627,952
Total Expenditures	$305,559,598	$309,395,246
Other Uses		
Budgeted Increase(Decrease) – Fund Balance	$ 357,794	$ 1,793,634
Total Expenditures and Other Uses	$305,917,392	$311,188,880

General Fund Budget Summary

	Operating 2017 Budget	2017 Actual	Adopted 2018 Budget
Fund Balance – January 1	$ 48,665,798	$ 48,665,798	$ 50,770,769
Revenues:			
Taxes	$ 59,734,285	$ 60,636,255	$ 63,847,013
Licenses and Permits	259,805	300,064	209,865
Intergovernmental	20,104,150	21,396,067	21,238,683
Charges for Services	27,428,318	27,898,972	28,109,553
Fines and Forfeits	1,000	8,182	4,000
Investment Income	1,565,000	3,547,596	1,700,000
Net Change in Fair Value of Investments	0	(586,976)	0
Miscellaneous	4,290,683	4,538,819	3,579,338
Transfers In	315,223	48,433	1,242,745
Total Revenues	$113,698,474	$117,787,412	$119,931,197
Expenditures:			
General Government	$ 40,732,356	$ 39,327,805	$ 42,781,472
Public Safety	63,326,068	64,086,566	67,166,403
Road and Bridge	0	0	0
Human Services	418,567	418,567	418,567
Environment and Sanitation	5,743,631	4,810,451	5,530,507
Culture and Recreation	110,123	244,043	167,623
Conservation of Natural Resources	169,492	166,992	169,492
Budgeted Interfund Balance	0	0	0
Transfers Out	3,975,473	6,628,017	1,997,133
Total Expenditures	$114,475,710	$115,682,441	$118,231,197
Fund Balance – December 31	$ 47,888,562	$ 50,770,769	$ 50,770769

Sources: County's Comprehensive Annual Financial Reports and the County.

Major General Fund Revenue Sources

Revenue	2013	2014	2015	2016	2017
Taxes	$50,886,651	$51,651,670	$54,474,189	$57,526,244	$60,636,255
Charges for Services	26,406,196	27,112,823	29,173,773	27,775,318	27,898,972
Intergovernmental	18,559,719	19,952,070	20,710,096	20,846,310	21,396,067
Miscellaneous	5,421,559	5,065,074	5,048,569	4,581,963	4,538,819
Investment Income	0	2,259,204	2,152,577	2,942,455	3,547,596

Sources: County's Comprehensive Annual Financial Reports.

PROPOSED FORM OF LEGAL OPINION

Kennedy & Graven
CHARTERED

Offices in
Minneapolis
Saint Paul
St. Cloud

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200 South Sixth Street
Minneapolis MN 55402-1458
(612) 337-9300 telephone
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Affirmative Action, Equal Opportunity Employer

$9,970,000
Anoka County, Minnesota
General Obligation Bonds
Series 2018A

We have acted as bond counsel to Anoka County, Minnesota (the "Issuer") in connection with the issuance by the Issuer of its General Obligation Bonds, Series 2018A (the "Bonds"), originally dated November 20, 2018, and issued in the original aggregate principal amount of $9,970,000. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing 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 primarily from ad valorem taxes levied by the Issuer, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of 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 (although interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018), or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. 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 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.

4. 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 November 20, 2018 at Minneapolis, Minnesota.

CONTINUING DISCLOSURE UNDERTAKING

$9,970,000
Anoka County, Minnesota
General Obligation Bonds
Series 2018A

November 20, 2018

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 Bonds, Series 2018A (the "Bonds") in the original aggregate principal amount of $9,970,000. The Bonds are being issued pursuant to resolutions adopted by the Board of Commissioners of the Issuer (the "Resolutions"). The Bonds are being delivered to UMB Bank, N.A., Dallas, Texas (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. The Issuer hereby 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 (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). 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 annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

"Bonds" means the General Obligation Bonds, Series 2018A, issued by the Issuer in the original aggregate principal amount of $9,970,000.

"Disclosure Certificate" means this Continuing Disclosure Certificate.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

"Final Official Statement" means the Preliminary Official Statement, dated October 1, 2018, as supplemented by the deemed final Official Statement, dated October 25, 2018, which constitutes 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.

"GAAP" means generally accepted accounting principles for governmental units as prescribed by GASB.

"GASB" means the Governmental Accounting Standards Board.

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Purchaser" means UMB Bank, N.A..

"Repository" means EMMA, or any successor thereto designated by the SEC.

"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 Securities and Exchange Commission, and any successor thereto.

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

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2018, 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.

(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:

1. County Property Values
2. County Indebtedness
3. 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. <u>Reporting of Material Events</u>.

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

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

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

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

9. Defeasances;

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

11. Rating changes;

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

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

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

(b) The 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 redemption in full of all Bonds or payment in full of all 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 requiring continuing disclosure pursuant to the Rule 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 impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule 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 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 the 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 written above.

ANOKA COUNTY, MINNESOTA

By ____
Chair

By ____
County Administrator

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

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

Property Valuations (Chapter 273, Minnesota Statutes)

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

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

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

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

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

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

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

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 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 on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

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

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

Property Tax Credits (Chapter 273, Minnesota Statutes)

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

Debt Limitations

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

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

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 of any combination thereof or for any other public convenience from which a revenue is or may be derived.

6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.

9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of 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/Saint 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 2014	Local Tax Payable 2015-2018
Residential Homestead (1a)		
Up to $500,000	1.00%	1.00%
Over $500,000	1.25%	1.25%
Residential Non-homestead		
Single Unit (4bb)		
Up to $500,000	1.00%	1.00%
Over $500,000	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%
Market Rate Apartments		
Regular (4a)	1.25%	1.25%
Low-Income (4d)	0.75%	
Up to $121,000[c]		0.75%
Over $121,000[c]		0.25%
Commercial/Industrial/Public Utility (3a)		
Up to $150,000	1.50%[a]	1.50%[a]
Over $150,000	2.00%[a]	2.00%[a]
Electric Generation Machinery	2.00%	2.00%
Commercial Seasonal Residential		
Homestead Resorts (1c)		
Up to $600,000	0.55%	0.50%
$600,000 - $2,300,000	1.00%	1.00%
Over $2,300,000	1.25%[a]	1.25%[a]
Seasonal Resorts (4c)		
Up to $500,000	1.00%[a]	1.00%[a]
Over $500,000	1.25%[a]	1.25%[a]
Non-Commercial (4c12)		
Up to $500,000	1.00%[a][b]	1.00%[a][b]
Over $500,000	1.25%[a][b]	1.25%[a][b]
Disabled Homestead (1b)		
Up to $50,000	0.45%	0.45%
Agricultural Land & Buildings		
Homestead (2a)		
Up to $500,000	1.00%	1.00%
Over $500,000	1.25%	1.25%
Remainder of Farm		
Up to $1,940,000[d]	0.50%[b]	0.50%[b]
Over $1,940,000[d]	1.00%[b]	1.00%[b]
Non-homestead (2b)	1.00%[b]	1.00%[b]

[a] *State tax is applicable to these classifications.*

[b] *Exempt from referendum market value based taxes.*

[c] *Legislative increases, payable 2018. Historical valuations are: Payable 2017 - $115,000; Payable 2016 - $106,000; and Payable 2015 - $100,000.*

[d] *Legislative increases, payable 2018. Historical valuations are: Payable 2017 - $2,050,000; Payable 2016 - $2,140,000; Payable 2015 - $1,900,000; Payable 2014 - $1,500,000; and Payable 2013 - $1,290,000.*

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

EXCERPT OF 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Data on the following pages was extracted from the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2017. 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, 2017 is available online at http://www.co.anoka.mn.us/.

The County's comprehensive annual financial reports for the years ending 1986 through 2016 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The County has submitted its CAFR for the 2017 fiscal year to GFOA.

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.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Anoka County
Anoka, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County, Minnesota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Anoka County as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

The combining and individual fund financial statements and the other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2018, on our consideration of Anoka County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Anoka County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anoka County's internal control over financial reporting and compliance.

REBECCA OTTO
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 19, 2018

ANOKA COUNTY
ANOKA, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

As management of Anoka County, we offer readers of Anoka County's financial statements this narrative overview and analysis of the financial activities of Anoka County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi to xi of this report.

Financial Highlights

- The assets and deferred outflows of resources of Anoka County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $763.2 million (net position). Of this amount, the County has ($49.8) million in unrestricted net position.

- The County's total net position increased by $45.0 million or about 6.3 percent.

- As of the close of the current fiscal year, Anoka County's governmental funds reported combined ending fund balances of $221.3 million. Approximately 63.2 percent of this total amount, $139.9 million, is available for spending at the County's discretion (committed, assigned, and unassigned fund balances). Nearly $106.2 million of these funds are committed or assigned for specific purposes.

- Combined assigned and unassigned fund balance for the General Fund was $39.3 million or 36.1 percent of total General Fund expenditures.

- Anoka County's bonded debt decreased by $33 million (17.7 percent) during the current fiscal year, as a result of scheduled debt service payments and the early defeasance of a general obligation bond issue and two refunding bond issues totaling $49.9 million.

- The County issued a $15.9 million refunding bond during the year for a reduction of future total debt service payments of $2.4 million.

Overview of the Financial Statements

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

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

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

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

Both the Statement of Net Position and the Statement of Activities distinguish functions of Anoka County that are principally supported by taxes and intergovernmental revenues (*governmental activities).* The governmental activities of Anoka County include general government, public safety, highways and streets, human services, sanitation, culture and recreation, including Chomonix Golf Course and Bunker Beach Aquatic Center, conservation of natural resources and economic development.

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

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

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

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

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

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

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

Proprietary funds. Anoka County maintains one type of proprietary fund being the *internal service fund.* Internal service funds are an accounting device used to accumulate and allocate costs internally among Anoka County's various functions. Anoka County uses an internal service fund to account for its pooled insurance and central fleet operations. These services benefit governmental functions, and have been allocated to *governmental activities* in the government-wide financial statements.

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

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

The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 to 69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents other information, including: a) required supplementary information, other than Management's Discussion and Analysis (MD&A), that includes budgetary comparison schedules, which can be found on pages 72 to 84; b) combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, which can be found on pages 87 to 95 of this report; c) the Statement of Changes in Assets and Liabilities for the Agency Fund, which can be found on page 101; and d) Other Supplementary Information, including schedules on various financial aspects of the County, which can be found on pages 103 to 114.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Anoka County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $763.2 million at the close of the most recent fiscal year.

Anoka County Net Position
(in Thousands)

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

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

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

By far the largest portion of Anoka County's net position, $736.6 million, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. Anoka County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Anoka County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of Anoka County's net position of $76.4 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of ($49.8) million is unrestricted net position.

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

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

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

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

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

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

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

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

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

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

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

Anoka County Changes in Net Position
(in Thousands)

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

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

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

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

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

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

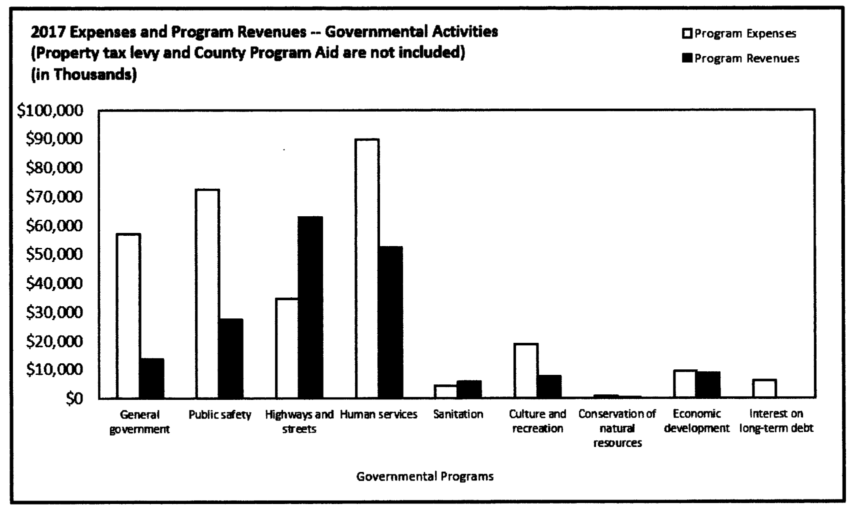
There was a $2.2 million increase in human service expenses (excluding OPEB and pension costs) largely due to a 3.0 percent budgeted increase of wage rates plus the temporary employee to regular employee conversion and related personnel costs ($1.3 million), and the remodeled space for the child protection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

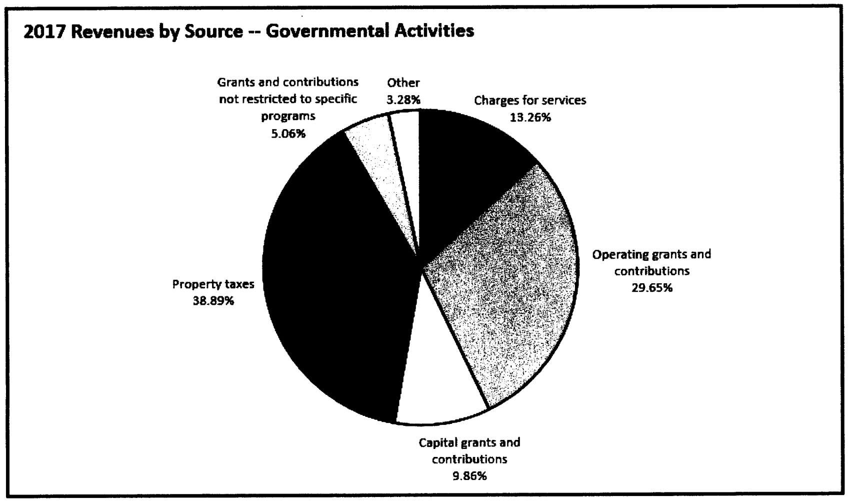
Sanitation expenses increased by $645 thousand (excluding OPEB and pension costs) primarily due a reduction in reimbursements to cities and municipalities for recycling initiatives.

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

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

The graph below reflects the program expenses and program revenues. Property tax levy and County Program Aid are not exhibited at the program level, but rather as general revenues, which are not displayed in this graph. General revenues are a significant portion of general government, public safety, human services, culture and recreation and interest on long-term debt, therefore the gap between the program expenses and revenues for those functions are greater than the gap between expenses and revenues for economic development. These programs are funded in large part with grant revenues, requiring a smaller portion of total expenditures to be covered with general revenues. Highways and streets received more outside revenue in 2017 than program expenses. Infrastructure capital asset additions, which are funded in large part by grant revenues, are not included as expenses but are instead capitalized on the statement of net position. Sanitation also received more outside revenue in 2017 than program expenses. These funds are used in future years for various projects.





Financial Analysis of the Government's Funds

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

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

As of the end of 2017, Anoka County's governmental funds reported combined ending fund balances of $221.3 million. This is a $7.5 million increase (3.5 percent) from 2016. The operating funds, excluding capital projects and debt service funds, for the County reflect a $9.9 million increase (8.6 percent) in fund balances. Approximately 63.2 percent, or $139.9 million of the combined fund balance total, represents a combination of *committed, assigned* and *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable* or *restricted* to indicate that it is not available for new spending because it has already been dedicated: a) to cover inventories and prepaid items ($2.7 million); b) for amounts held by escrow agents, including highway right-of-way ($25.2 million); c) for grants, donations, and revolving loans received but not yet fully expended ($2.1 million); d) for debt service ($20.0 million); e) for recorder's compliance ($6.1 million); f) for sanitation ($21.0 million); and g) for a variety of other statutorily restricted purposes.

The General Fund is the chief operating fund of Anoka County. At the end of the current fiscal year, combined assigned and unassigned fund balance of the General Fund was $39.3 million, while total fund balance was $50.8 million. As a measure of the General Fund's liquidity, it may be useful to compare assigned and unassigned fund balance to total fund expenditures. Combined assigned and unassigned fund balance represents 36.1 percent of total General Fund expenditures.

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

- Fund balance in the General Fund increased by $2.1 million and most revenue categories came in better than budget. Due to a favorable interest rate environment and continued execution of the County's investment program, investment income came in over budget by $2.0 million. Current year tax collections and collection of delinquent taxes came in over budget by $900 thousand. The effect of Governmental Accounting Standards Board (GASB), Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* which requires reporting the fair value of investments as opposed to the book value decreased total revenues with a loss of $587 thousand. This amount is required to be recognized in the financial statements. General government expenditures came in under budget by $1.4 million due to prudent spending. Sanitation had actual expenditures of $933 thousand less than budget, due to a delay in implementing various planned recycling programs. There was also a transfer of $2.3 million to asset preservation for future capital projects.
- The Road and Bridge Fund showed a $2.2 million increase in fund balance due to reimbursement of various project expenditures from the Capital Projects Fund.
- The Human Services Fund has experienced a shift in State funding that has reduced revenues from the prior year. Expenditures have continued to increase due to the conversion of temporary to regular staff causing higher personnel costs and an increase in program needs. With this being stated, revenues still exceeded expenditures by $3.3 million prior to a transfer of $3 million to asset preservation for future capital projects leaving a $305.4 thousand increase in fund balance for 2017.
- The Debt Service Funds' fund balance decreased by $14.3 million due to regularly scheduled debt service payments and the early defeasance of a general obligation bond and two refunding bond issues in the amount of $49.9 million. Anoka County also issued a new refunding bond issue in 2017 in the amount of $15.9 million with a $2.1 million premium on the bond.
- Fund balance in the Capital Projects Fund increased by $12.0 million due to budget savings transferred from operating funds from the General Fund ($3.4 million), Human Services Fund ($3.0 million), and Library Fund ($750 thousand), and proceeds of the capital lease ($3.5 million), new transportation tax ($1.8 million) and the dissolution of the Counties Transit Improvement Board (CTIB).

The 2017 variance between the final budget and actual expenditures in the General Fund was a positive $1.4 million due to prudent spending in all areas of the budget.

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

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Capital assets. The total increase in Anoka County's capital assets, net of depreciation, for the current fiscal year was $21.4 million. Investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, bridges, and software. The total increase in Anoka County's investment in capital assets for the current fiscal year was 2.6 percent.

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

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

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

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

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

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

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

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total estimated market value. The current debt limitation for Anoka County is $962.1 million. The current general debt obligation is $133.9 million, or approximately 14 percent of the general obligation debt limit allowed.

Additional information on Anoka County's long-term debt can be found in the Notes to the Financial Statements, notes 3.C.6 through 3.C.8 on pages 50 to 57 of this report.

Economic Factors and Next Year's Budgets and Rates

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

These and other factors were considered in preparing Anoka County's budget for the 2018 fiscal year.

During the current fiscal year, the total fund balance in the major governmental funds increased by $2.2 million. Debt service and capital project funds comprise $97.1 million of the total fund balance to be used for future debt payments and completion of current capital projects. The Anoka County Financial Policies delegate authority to the Division Manager of Finance and Central Services to assign fund balance for a specific purpose to be spent in future years.

Request for Information

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

BASIC FINANCIAL STATEMENTS

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

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

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, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					Primary Government
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General government	$ 57,115,260	$ 9,635,852	$ 4,000,353	$ 80,883	$ (43,398,172)
Public safety	72,691,622	18,905,455	8,728,878	-	(45,057,289)
Highways and streets	34,549,187	1,050,175	31,075,073	30,671,615	28,247,676
Human services	89,935,397	3,935,783	48,525,435	-	(37,474,179)
Sanitation	4,537,941	4,434,066	1,462,009	-	1,358,134
Culture and recreation	18,814,621	4,236,563	739,612	2,640,425	(11,198,021)
Conservation of natural resources	644,886	55,151	40,026	-	(549,709)
Economic development	9,407,052	2,689,734	5,933,418	-	(783,900)
Interest expense and fiscal charges on long-term debt	6,250,961	-	-	-	(6,250,961)
Total governmental activities	$ 293,946,927	$ 44,942,779	$ 100,504,804	$ 33,392,923	$ (115,106,421)

General Revenues:	
Property taxes collected for general purposes	114,159,436
Property taxes collected for debt service	15,861,466
Transportation taxes collected for transportation	1,814,402
Wheelage tax collected for highways and streets	55
Grants and contributions not restricted to specific programs	17,158,882
Unrestricted investment earnings	4,670,216
Miscellaneous	6,461,324
Total general revenues	160,125,781
Change in net position	45,019,360
Net position-January 1, as restated (Note 2.D.)	718,211,713
Net position-December 31	$ 763,231,073

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

ANOKA COUNTY
ANOKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

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

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, 2017

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

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, 2017

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

Net change in fund balances - total governmental funds (Exhibit 5)		$ 5,959,226
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	$ 49,509,182	
Current year depreciation	(21,369,398)	
		28,139,784
The issuance of long-term debt (e.g., bonds) provides current financial resources and capital lease arragements are considered a source of financing to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Refunding general obligation bonds and notes	$ (15,890,000)	
Capital lease	(3,536,846)	
Loans	(625,654)	
Discounts and premiums	(2,176,128)	
Principal repayments:		
Debt service principal retirement	50,012,061	
Current year amortization of discounts and premiums	774,692	
		28,558,125
The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, transfers and retirements) is to decrease net position.		(6,778,086)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Earned but unavailable revenue reported in the governmental funds net of current year delinquent tax collections.		
Unavailable revenue - December 31	$ 9,130,019	
Unavailable revenue - January 1	(9,309,900)	
		(179,881)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in compensated absences (-$725,025), change in interest payable ($415,555), and changes in inventories ($311,990).		2,520
Current year net change in other postemployment benefits (OPEB) liability and deferred OPEB inflows.		396,124
Current year net change in deferred pension outflows, net pension liability, and deferred pension inflows.		(13,124,165)
The internal service funds are used to accumulate and allocate costs from the central fleet internal service fund and pooled insurance fund to the individual funds within Anoka County. The increase in net position of the internal service funds are reported in the government-wide statement of activities.		2,045,713
Changes in net position of governmental activities (Exhibit 2)		**$ 45,019,360**

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

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

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

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, 2017
Increase (Decrease) in Cash and Cash Equivalents

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

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

Blended Component Units

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

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

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

B. Basic Financial Statements

1. Government-Wide Statements

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

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

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

2. Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

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

C. Measurement Focus and Basis of Accounting

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

1. Summary of Significant Accounting Policies

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash and Investments

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

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

Pooled (in lieu of cash) investments are stated at fair value at December 31, 2017. Investment earnings are allocated to the Regional Railroad Authority Special Revenue Fund, agency funds, and to the Capital Projects Fund, based on cash balances set aside for specific purposes within those funds. Pursuant to Minn. Stat. § 385.07, investment income on unallocated cash and pooled investments are credited to the General Fund. A market approach is used to value all investments other than external investment pools, which are measured at the net asset value.

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

Anoka County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The investment in the pool is measured at the net asset value per share provided by the pool.

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

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

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

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

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

d. Bankers' acceptances issued by United States banks.

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

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

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

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

2. Receivables and Payables (Continued)

Property Taxes

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

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

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

Loans

Loans may be made to private enterprises or individuals as per the parameters of the specific programs. The Community Development Special Revenue Fund provides rehabilitation loans and septic system revolving loans to individuals. An allowance for uncollectible loans, which offsets the total gross loans receivables, is recognized for the amount of loans receivable for which collection is doubtful or questionable. The General Fund has forfeited tax sale contracts for repurchase and a loan for temporary delay of rental revenues.

Leases

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

3. Land Held for Resale

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

4. Inventories and Prepaid Items

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

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

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

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

5. Capital Assets

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

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

1. Summary of Significant Accounting Policies

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

5. Capital Assets (Continued)

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

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

6. Compensated Absences

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

7. Deferred Outflows/Inflows of Resources / Unearned Revenue

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

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

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

8. Postemployment Benefits Other Than Pensions (OPEB)

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

9. Long-Term Obligations

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

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

1. Summary of Significant Accounting Policies

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

9. Long-Term Obligations (Continued)

Because the rates of interest paid on tax exempt debt are normally lower than those paid on taxable securities, it is sometimes possible for state and local governments to profit from this disparity in interest rates by temporarily reinvesting unexpended proceeds of lower interest tax exempt borrowings in higher yielding taxable securities. When the proceeds of tax-exempt debt are reinvested in this manner, the profits realized are referred to as "arbitrage earnings", which must be rebated to the federal government. The County has no such earnings during the current year.

10. Pensions

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

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

11. Fund Equity

Classification of Net Position

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

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

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

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

Classification of Fund Balances

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

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

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

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

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

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

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

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

1. Summary of Significant Accounting Policies

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

11. Fund Equity (Continued)

Minimum Fund Balance Policy

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

12. Use of Estimates

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

2. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance

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

B. Excess of Expenditures Over Budget

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

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

C. Change in Accounting Estimate

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

D. Restatement of Fund Balance and Net Position

1. Change in Accounting Principles

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

2. Stewardship, Compliance, and Accountability

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

2. Reclassification of Fund

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

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

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

a. Deposits

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. County policy requires collateral coverage for all deposit balances exceeding the FDIC insured levels. Federal Home Loan Bank irrevocable letters of credit may be substituted for qualifying government securities at some institutions. Depository balances are monitored as necessary, to assure the coverage in place, meets or exceeds statutory requirements as specified in Minn. Stat. 118A.03. As of December 31, 2017, the County's deposits were not exposed to custodial credit risk, being fully covered through collateral agreements with designated depositories.

b. Investments

The County invests available cash in various securities in accordance with requirements set forth in Minnesota Statutes. All investments are stated at fair value, net asset value, or amortized cost, as appropriate. The following is a summary of the County's cash and investments, at December 31, 2017:

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

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

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

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

Anoka County contracts with an authorized third party institution for safekeeping. All County investment securities were properly safe kept, at December 31, 2017.

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County's policy states all investment securities purchased by the County shall be held in safekeeping by a third-party designated institution as agency for the County. As of December 31, 2017, the County's investments were not exposed to custodial credit risk.

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

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

Issuer		Reported Amount
Farmer Mac USDA (FAMC)	$	14,064,080

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

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

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

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

The following table presents the County's investment balances at December 31, 2017, and information relating to potential investment risks:

Investment Type	Credit Rating	Rating Agency	Custodial Risk	% to Total Portfolio	Less than 1 year	1 to 5 years	More than 5 years
U.S. Government Agency securities							
Farmer Mac USDA (FAMC)	N/A	N/A	Custody	5.03%	$ -	$ 13,710,772	$ 353,308
Federal Farm Credit Bank (FFCB)	Aaa/AA+	M, S&P	Custody	0.63%	-	1,768,862	-
Federal Home Loan Bank (FHLB)	Aaa/AA+	M, S&P	Custody	2.51%	-	7,011,239	-
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa/AA+	M, S&P	Custody	4.07%	-	10,953,606	404,622
Federal National Mortgage Association Note (FNMA)	Aaa/AA+	M, S&P	Custody	4.58%	-	8,732,192	4,075,720
Small Business Association (SBA)	Aaa/AA+	M, S&P	Custody	0.05%	10,113	130,521	-
Financing Corporation (FICO)	Aaa/AA+	M, S&P	Custody	0.75%	126,085	1,979,811	-
Government National Mortgage Association (GNMA)	Aaa/AA+	M, S&P	Custody	0.56%	-	-	1,572,438
Tennessee Valley Authority (TVA)	Aaa/AA+	M, S&P	Custody	2.18%	2,014,900	4,078,000	-
Total U.S. Government Agency Securities				20.37%	2,151,098	48,365,003	6,406,088
U.S. Treasury Securities (UST)	Aaa/AA+	M, S&P	Custody	2.56%	472,682	2,846,299	3,820,724
Municipal securities							
State of Arkansas	NR/AA	M, S&P	Custody	0.91%	-	2,552,460	-
State of California	Aa2/AA-	M, S&P	Custody	0.10%	-	280,518	-
State of Connecticut	A1/A+	M, S&P	Custody	1.20%	-	453,721	2,912,539
State of Georgia	Aaa/AAA	M, S&P	Custody	1.61%	-	4,498,757	-
State of Hawaii	Aa1/AA+	M, S&P	Custody	0.19%	-	-	538,750
State of Massachusetts	Aa1/AA	M, S&P	Custody	0.51%	-	997,370	424,761
State of Michigan	Aa1/AA-	M, S&P	Custody	0.08%	-	212,608	-
State of Minnesota	Aa1/AA+	M, S&P	Custody	0.94%	-	1,906,991	727,625
State of Montana	Aa3/A+	M, S&P	Custody	0.16%	-	450,765	-
State of Pennsylvania	Aa3/A+	M, S&P	Custody	0.19%	-	523,100	-
State of Washington	Aa1/AA+	M, S&P	Custody	0.71%	-	1,983,140	-
State of Wisconsin	Aa2/AA-	M, S&P	Custody	0.07%	-	194,816	-
City of Baltimore, Maryland	Aa2/AA	M, S&P	Custody	0.07%	-	203,354	-
Bergin County, New Jersey	MIG1/NR	M, S&P	Custody	0.72%	-	2,000,340	-
Berkley County ISD, South Carolina	Aa1/AA	M, S&P	Custody	0.57%	-	1,580,160	-
Port of Houston Authority of Harris County, Texas	NR/AAA	M, S&P	Custody	0.16%	-	438,420	-
Hubbard County, Minnesota	Aa3/NA	M, S&P	Custody	0.72%	-	-	2,000,121
King County, Washington	Aaa/AAA	M, S&P	Custody	0.06%	-	169,267	-
Monroe County, Michigan	NR/AA	M, S&P	Custody	0.04%	-	101,174	-
Travis County, Texas	Aaa/AAA	M, S&P	Custody	0.12%	-	348,946	-
Williamson County, Texas	NR/AAA	M, S&P	Custody	0.35%	-	-	977,120
City of Albuquerque, New Mexico	Aa2/AAA	M, S&P	Custody	0.12%	-	329,921	-
Arlington, Texas ISD	Aaa/AAA	M, S&P	Custody	0.17%	-	488,615	-
City of Becker, Minnesota	Aa1/NR	M, S&P	Custody	0.48%	-	656,890	683,453
City of Blaine, Minnesota	NR/AA+	M, S&P	Custody	0.43%	-	1,191,932	-
City of Bloomington, Illinois	Aa2/NR	M, S&P	Custody	0.13%	-	349,816	-
City of Bloomington, Minnesota	Aaa/AAA	M, S&P	Custody	0.29%	-	800,846	-
City of Boston, Massachusetts	Aaa/AAA	M, S&P	Custody	0.04%	-	104,227	-
City of Bridgewater, New Jersey	NA/AA+	M, S&P	Custody	0.10%	-	270,705	-
City of Cincinnati, Ohio	Aaa/AAA	M, S&P	Custody	0.09%	-	249,585	-
City of Columbus, Minnesota	A1/NR	M, S&P	Custody	0.35%	-	-	973,270
Columbus, Ohio ISD	Aa2/AA	M, S&P	Custody	0.16%	448,173	-	-
City of Danville, Virginia	Aa1/AA	M, S&P	Custody	0.11%	306,522	-	-
City of Desert Sands, California	Aa2/AA-	M, S&P	Custody	0.13%	-	354,144	-
City of Duluth, Minnesota	Aa2/AA	M, S&P	Custody	0.41%	-	1,151,974	-
City of Fargo, North Dakota	Aa1/NR	M, S&P	Custody	0.50%	-	881,668	505,985
City of Honolulu, Hawaii	Aa2/NR	M, S&P	Custody	0.23%	-	630,544	-
City of Houston, Texas	Aa3/NR	M, S&P	Custody	0.22%	-	-	601,980
City of Lino Lakes, Minnesota	NR/AA	M, S&P	Custody	0.68%	479,568	1,414,790	-
City of Lubbock, Texas	Aa2/AA+	M, S&P	Custody	0.15%	-	411,746	-
City of Marshfield, Wisconsin	Aa3/NR	M, S&P	Custody	0.42%	-	506,257	672,274
City of Milwaukee, Wisconsin	NR/AA	M, S&P	Custody	0.59%	822,558	836,416	-
City of Moline, Illinois	Aa2/NR	M, S&P	Custody	0.00%	-	-	-
City of Morgan Hill, California	Aa1/NR	M, S&P	Custody	0.11%	-	300,903	-
Moundsview, Minnesota ISD	NA/AA+	M, S&P	Custody	0.66%	-	-	1,830,132
Nashwauk-Keewatin ISD, Minnesota	Aa2/NR	M, S&P	Custody	0.08%	-	233,017	-
City of New Orleans, Louisiana	A2/AA	M, S&P	Custody	0.36%	-	-	997,470
City of Ownsboro Kentucky	Aa2/NR	M, S&P	Custody	0.64%	-	-	1,794,702
City of Pittsburgh, Pennsylvania	A1/A+	M, S&P	Custody	0.16%	-	434,256	-
City of Portsmouth, Virginia	Aa2/AA	M, S&P	Custody	0.73%	-	2,040,980	-
Reeths-Puffer Schools County of Muskegon, Michigan	Aa1/NR	M, S&P	Custody	0.16%	-	449,811	-
City of Seattle, Washington	Aaa/AAA	M, S&P	Custody	0.15%	-	422,688	-
City of St. Paul, Minnesota	Aa2/AA+	M, S&P	Custody	0.72%	1,000,220	1,003,810	-
City of Suffolk, Virginia	Aa1/AAA	M, S&P	Custody	0.05%	-	150,474	-
City of Sun Prairie, Wisconsin	Aa2/NR	M, S&P	Custody	0.07%	199,976	-	-
City of Windsor, Wisconsin	NR/AA	M, S&P	Custody	0.50%	-	1,407,262	-
New York City, New York	Aa1/AAA	M, S&P	Custody	0.71%	-	-	1,977,180
California University Revenue Bonds	Aa2/AA	M, S&P	Custody	0.09%	-	250,325	-
Dallas Texas Waterworks and Sewer	NR/AAA	M, S&P	Custody	0.18%	-	489,105	-
Denver Colorado City and County	Aa3/AA-	M, S&P	Custody	0.11%	-	298,272	-
Hurst Euless Bedford Texas School District	NR/AAA	M, S&P	Custody	0.25%	-	702,940	-
Los Angeles Community College, California	Aa1/AA+	M, S&P	Custody	0.07%	-	200,696	-
Texas Tech University	Aa1/AA+	M, S&P	Custody	0.14%	-	399,128	-
East Bay Municipal Utility District, California	Aa2/AAA	M, S&P	Custody	0.12%	-	333,164	-
Upper Oconee Water District, Georgia	Aa2/NR	M, S&P	Custody	0.15%	-	406,840	-
Total Municipal Securities				21.45%	3,257,017	$ 39,049,654	$ 17,617,362
Commercial Paper				8.75%	24,437,586		
Certificates of Deposits				1.05%	2,946,000		
Money Market Funds				1.20%	3,351,972		
Local Government Investment Pools				20.86%	58,272,529		
Index Fund							
Other Postemployment Benefit (OPEB) Trust Accounts			Custody	23.76%	66,385,052		
Portfolio Total				100.00%	279,379,066		
Investments held in escrow					21,091,398		
Total Investments					$ 300,470,464		

N/A - Not Applicable
NR - Not Rated

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

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

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

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

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

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

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

3. Detailed Notes on All Funds

A. Assets

1. Deposits and Investments

b. Investments (Continued)

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

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

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

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

2. Receivables

a. Property Tax Receivable

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

Current property tax collections for the year ended December 31, 2017, were 99.51 percent (Table 8) of the current levy, which was a sufficient amount to finance the 2017 budget. Each year, the County tax levy for debt service on bonded indebtedness is set at 105 percent of the debt service required for that year, less available debt service reserves.

b. Accounts Receivable

Accounts receivable include an allowance for doubtful accounts. Total accounts receivable for the year ended December 31, 2017, were $5,691,914 and the allowance for doubtful accounts was $3,642,943 resulting in a net effect of $2,048,971.

c. Loans Receivable

Loans receivable include an allowance for doubtful accounts.

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

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

3. Detailed Notes on All Funds

A. Assets

2. Receivables (Continued)

d. Leases Receivable

Anoka County has leased portions of the Anoka County Human Service Center to the State of Minnesota and various community-based non-profit organizations to be used for office space. There are six lease agreements, which expired June 30, 2017, with an automatic 2-year extension. Tenants pay rent in monthly installments, in advance, on the first day of every month during the term of their lease. Rent is recorded as revenue when received.

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

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

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

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

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

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

3. Detailed Notes on All Funds

A. Assets (Continued)

3. Capital Assets

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

Primary Government

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

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

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

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

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

3. Detailed Notes on All Funds (Continued)

B. Interfund Receivables, Payables and Transfers

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

1. Due From and To Other Funds

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

2. Advances To and From Other Funds

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

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

3. Detailed Notes on All Funds

B. Interfund Receivables, Payables and Transfers (Continued)

3. Interfund Transfers

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

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

3. Detailed Notes on All Funds (Continued)

C. Liabilities and Deferred Inflows of Resources

1. Payables

Payables at December 31, 2017, were as follows:

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

2. Unearned Revenues/Deferred Inflows of Resources

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

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

3. Contract Commitments

The County has entered into several contract commitments which have not been completed as of December 31, 2017. Following is a list of these projects and the corresponding amounts to be completed:

Major Governmental Funds	
Special Revenue Funds	
Road and Bridge	
Various road projects	$ 3,973,808
Capital Projects Fund	
Building projects	1,519,463
Elevators	4,946
Financial system projects	131,295
Security systems	25,406
Public Safety Data System	1,500,387
System projects	8,531,521
Total Capital Projects Fund	11,713,018
Total All Funds	$ 15,686,826

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB)

Plan Description

In addition to providing a pension benefits plan, the County provides postemployment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the County Commissioners and can be amended by the County through its personnel manual and union contracts. The Anoka County Board of Commissioners consists of seven elected commissioners from the seven districts in the County and one appointed County Administrator. The plan is accounted for as an irrevocable trust fund. A separate report is not issued for the plan.

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

The irrevocable trust is reported in the Statement of Fiduciary Net Position, Other Postemployment Benefits Trust Fund. This financial statement is prepared using the accrual basis of accounting.

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

Participants or Plan Membership

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

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Benefits Provided

Pursuant to Minn. Stat. Sec 471.61, subd 2a, Anoka County provides postemployment health care and life insurance benefits to retired employees, disabled retirees or survivors of deceased employees who were hired prior to January 6, 2007. Employees first hired after January 5, 2007 are generally not eligible for employer contributions for retiree health care, except through arbitration rulings. These employees with less than 10 years of service may continue to participate in the county's life, health, and dental insurance upon retirement but must pay the entire premium charged by the appropriate carrier to continue participation. The County contribution is graduated based on the employee's years of service. The minimum contribution is based on ten years of service and the maximum contribution is achieved at more than 30 years of service.

Additionally, the County provides benefits to retirees as required by Minn. Stat. Sec 471.61, Subd.2(b). All medical health care benefits are provided through the County's health insurance provider and are the same as those afforded to active employees. Benefits include medical services and prescriptions. A $2,000 group-term life insurance coverage is provided for the retiree and is fully paid for by the County. The County's total OPEB liability of $79,614,472 was measured as of December 31, 2017 and was determined with a valuation date as of December 31, 2015.

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

Actuarial Methods and Assumptions

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

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

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

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

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

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

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

Funding Policy and Contributions

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

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees with less than 10 years of service contribute 100% of the premium to the plan. For retirees with 10 to 15 years of service, the County contributes 50% of the single contribution made for active employees plus $2.65 per month towards family coverage for each year of service of the retiree. For retirees with more than 16 years of service, the County contributes 100% of the single contribution made for active employees plus a graduated dollar amount towards family coverage based on the retiree's years of service. For the fiscal year ending December 31, 2017, the County contributed $3,619,603 and the retirees contributed $1,212,927 toward the cost of their healthcare coverage.

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability

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

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

Investments

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

Rate of Return

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

Discount Rate

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

Changes in the Net OPEB Liability

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits

a. Other Postemployment Benefits (OPEB) (Continued)

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

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

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

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

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

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

OPEB Plan Fiduciary Net Position

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

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

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

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

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

Year	Amount
2018	$ (1,631,744)
2019	(1,631,744)
2020	(1,631,744)
2021	(1,631,744)

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

4. Employment and Other Postemployment Benefits (Continued)

b. Vacation and Sick Leave

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

Unused accumulated vacation and vested sick leave are paid to employees upon termination. Unvested sick leave, valued at $662,953 at December 31, 2017, is available to union employees in the event of illness-related absences, and is not paid to them at termination.

c. Flexible Time Off and Extended Medical Benefit

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

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

The unvested sick leave hours were converted to EMB hours. These hours are not vested and are valued at $19,942,999 on December 31, 2017. EMB hours are available for use in times of illness, after using 40 FTO or leave without pay hours. Full time employees accrue eight days of EMB per year, and part time employees receive a pro-rated amount based on their schedule.

5. Operating Leases

The County currently has 12 operating leases. The County made operating lease payments totaling $427,001 in 2017. The following is a schedule of future minimum operating lease payments:

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

6. Long-Term Debt - Bonds and Notes

The following is a summary of Anoka County's long-term bonded debt transactions for its governmental activities for the year ended December 31, 2017:

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

Refunding Bond and Note Disclosures

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

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

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

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

a. Lease Revenue Obligations:

$2,705,000 November 28, 2007 Metropolitan Mosquito Control District Project Certificates of Participation. These certificates mature in amounts ranging from $115,000 to $240,000 each February 1 in the years 2010 to 2023 with interest due each February 1 and August 1 at rates from 4.25 to 4.50 percent. Certificates maturing on or after February 1, 2018 are subject to redemption on February 1, 2017, and on any date thereafter at a price of par plus accrued interest. The bond was issued to fund new building construction and improvements to be used by the Metropolitan Mosquito Control District.	$	1,295,000
$1,930,000 July 22, 2010 Taxable Refunding Certificates of Participation. These certificates mature in amounts ranging from $70,000 to $155,000 each June 1 in the years 2011 to 2028 with interest due each June 1 and December 1 at rates from 1.72 to 5.67 percent. Certificates maturing on or after June 1, 2018, are subject to redemption on June 1, 2019, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to refinance group homes and low income housing located in the City of Fridley.		1,350,000
Total Lease Revenue Obligations		2,645,000

b. General Obligation Bonds and Notes:

$16,505,000 February 28, 2008 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $380,000 to $1,220,000 each February 1 in the years 2010 to 2028 with interest due each February 1 and August 1 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the reconstruction of CSAH 14/I35W to I35E, Medical Examiner office and morgue, and Central Communications expansion.		9,340,000
$13,195,000 July 17, 2008 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $435,000 to $980,000 each February 1 in the years 2011 to 2030 with interest due each February 1 and August 1 at a rate of 4.00 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116 from Main Street (CSAH 14) to TH 65.		9,775,000
$1,395,000 July 17, 2008 General Obligation Airport Improvement Bonds (AMT); serial bonds maturing in amounts ranging from $65,000 to $125,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 4.50 to 5.00 percent. Bonds maturing on or after February 1, 2019, are subject to redemption on February 1, 2018, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund improvements to the Anoka County/Blaine Airport.	$	580,000

b. General Obligation Bonds and Notes: (Continued)

$18,310,000 February 19, 2009 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $1,000,000 to $1,620,000 each February 1 in the years 2010 to 2024 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2020, are subject to redemption on February 1, 2019, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund building repair and maintenance, energy management improvements, library repair and rehabilitation, Bunker Beach expansion, reconstruction of interchange of Main Street (CSAH 14) at I-35E, construction of interchange on TH 242/CSAH 14 from Ulysses Street to Aberdeen Street, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116) from Main Street (CSAH 14) to TH 65.	$	9,860,000
$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. The bond was issued to fund the construction of a Public Safety Campus facility.		650,000
$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. The bond was issued to fund a portion of the County's actuarial determined liabilities to pay other post-employment benefits under GASB Statement No. 45.		8,335,000
$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. The original bond was issued to fund improvements to the County's Bunker Hills Aquatic Center.		815,000
$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. The bond was issued to fund building repair and maintenance, energy management improvements, and parking ramp and pavement restoration.		790,000
$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. The bond was issued to fund building repair and maintenance, renovation of the law enforcement range, construction at St. Francis Library, and expansion of the Highway Campus facility.		5,905,000
$13,880,000 February 23, 2012 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $785,000 to $1,155,000 each February 1 in the years 2013 to 2027 with interest due each February 1 and August 1 at a rate of 2.00 to 5.00 percent. Bonds maturing on or after February 1, 2021, are subject to redemption on February 1, 2020, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund reconstruction of Lexington Avenue (CSAH 17) from Main Street (CSAH 14) to north of Bunker Lake Boulevard (CSAH 116), reconstruction of Bunker Lake Boulevard (CSAH 116) from Sunfish Lake Boulevard (CSAH 57) to Germanium Street, expansion of the Highway Campus facility, and pavement reclamation and overlay.	$	9,870,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

b. General Obligation Bonds and Notes: (Continued)

$4,320,000 February 23, 2012 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $195,000 to $1,235,000 each February 1 in the years 2013 to 2018 with interest due each February 1 and August 1 at a rate of 2.00 to 2.50 percent. No redemption option is available. The original bonds were issued to fund the construction of a Senior Rental Housing facility, building repair and maintenance, a portion of construction for the Public Safety Campus facility, construction of Lino Lakes emergency powerhouse, parking ramp restoration, resurface road and parking lots, and land purchase of a future Library.	$ 195,000
$20,145,000 February 5, 2013 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $905,000 to $2,280,000 each February 1 in the years 2016 to 2029 with interest due each February 1 and August 1 at a rate of 3.00 percent. No redemption option is available. The original bonds were issued to fund airport safety improvements, energy management improvements, construction of a Public Safety Campus facility, purchase of land for the County morgue, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, and bridge and highway reconstruction.	16,045,000
$2,750,000 March 24, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $130,000 to $220,000 each February 1 and August 1 in the years 2018 to 2033 with interest due each February 1 and August 1 in the years of 2015 to 2033 at a rate of 3.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund airport land improvements.	2,750,000
$8,040,000 March 24, 2015 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $385,000 to $940,000 each February 1 and August 1 in the years 2018 to 2029 with interest due each February 1 and August 1 in the years of 2015 to 2029 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund reconstruction of Hanson Boulevard (CSAH 11)/TH 10 interchange.	8,040,000
$8,780,000 April 19, 2016 General Obligation Capital Improvement Bonds: serial bonds maturing in amounts ranging from $490,000 to $680,000 each February 1 and August 1 in the years 2019 to 2033 with interest due each February 1 and August 1 in the years of 2017 to 2033 at a rate of 2.00 to 3.00 percent. Bonds maturing on or after February 1, 2026, are subject to redemption on February 1, 2025, and on any day thereafter at a price of par plus accrued interest. The bond was issued to fund court remodeling, Coon Lake Park improvements, and jail improvements.	8,780,000
$15,890,000 April 27, 2017 General Obligation Capital Improvement Refunding Bonds (2008A and 2008C): serial bonds maturing in amounts ranging from $855,000 to $1,815,000 each February 1 and August 1 in the years 2019 to 2030 with interest due each February 1 and August 1 in the years of 2017 to 2030 at a rate of 3.00 to 5.00 percent. Bonds maturing on or after February 1, 2027, are subject to redemption on February 1, 2026, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the reconstruction of Hanson Boulevard (CSAH 11/TH 10) interchange, the construction of an interchange (TH 242/TH 65) in Blaine, reconstruction of Main Street (CSAH 14) from I-35W to I-35E, reconstruction of Radisson Road (CSAH 52) and Bunker Lake Boulevard (CSAH 116 from Main Street (CSAH 14) to TH 65. The original bond also funded Medical Examiner office and morgue and Central Communications expansion.	15,890,000
Total General Obligation Bonds and Notes	$ 107,620,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

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

c. General Obligation Bonds Supported by Revenue:

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

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

* Coverage is the ratio of Net Available Revenues to Debt Service Total
** Expenditures information is not available

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

6. Long-Term Debt - Bonds and Notes

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

$2,770,000 September 29, 2008 Ham Lake Senior Housing Refunding Bonds: serial bonds maturing in amounts ranging from $40,000 to $200,000 each January 1 in the years 2010 to 2024 with interest due each January 1 and July 1 at rates from 4.00 to 4.50 percent. Bonds maturing January 1, 2019, and thereafter are subject to redemption on January 1, 2018, and on any date thereafter at a price of par. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Ham Lake.	$	1,670,000
$3,200,000 February 25, 2009 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from $105,000 to $230,000 each January 1 in the years 2010 to 2028 with interest due each January 1 and July 1 at a rate of 2.00 to 4.20 percent. No redemption option is available. The original bonds were issued to fund acquiring, constructing, and equipping senior rental housing facilities in the City of Ramsey.		2,095,000
$5,750,000 October 27, 2011 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from $30,000 to $405,000 each February 1 in the years 2012 to 2036 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par. The original bond was issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Oak Grove.		5,115,000
$3,170,000 October 27, 2011 Anoka County Housing and Redevelopment Authority Housing Development Refunding Bonds: serial bonds maturing in amounts ranging from $30,000 to $285,000 each February 1 in the years 2012 to 2034 with interest due each February 1 and August 1 at a rate of 2.00 to 3.70 percent. Bonds maturing February 1, 2021, and thereafter are subject to redemption on February 1, 2020, and on any date thereafter at a price of par. The original bonds were issued to fund acquiring, constructing, and equipping a senior rental housing facility in the City of Centerville, and to finance the addition on the Centerville senior rental housing facility.		2,840,000
$5,230,000 December 27, 2012 Anoka County Housing and Redevelopment Authority Taxable General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $530,000 to $560,000 each February 1 in the years 2014 to 2023 with interest due each February 1 and August 1 at a rate of 0.50 to 2.60 percent. No redemption option is available. The original bond was issued to fund a portion of the cost of designing and constructing an ice arena and associated improvements.		3,190,000
$5,655,000 December 27, 2012 Anoka County Housing and Redevelopment Authority General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $420,000 to $720,000 each February 1 in the years 2014 to 2026 with interest due each February 1 and August 1 at a rate of 1.00 to 2.00 percent. Bonds maturing February 1, 2022, and thereafter are subject to redemption on February 1, 2021, and on any date thereafter at a price of par. The original bond was issued to fund a portion of the cost of designing and constructing a four-sheet ice facility and associated improvements.		4,060,000
Total General Obligation Bonds Supported by Revenue		18,970,000

d. Limited Tax Bonds:

$27,155,000 June 16, 2015 General Obligation Refunding Bonds: serial bonds maturing in amounts ranging from $1,285,000 to $2,010,000 each February 1 in the years 2016 to 2032 with interest due each February 1 and August 1 at a rate of 2.00 to 4.00 percent. Bonds maturing on or after February 1, 2025, are subject to redemption on February 1, 2024, and on any day thereafter at a price of par plus accrued interest. The original bond was issued to fund the remainder of Anoka County and Sherburne County's Regional Rail Authorities and their correlating portion of the Northstar Commuter Rail and extension of the Hiawatha Light Rail Transit Line.		24,310,000
Total Bonds and Notes Payable	$	153,545,000

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources (Continued)

7. Debt Service Requirements

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

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

8. Long-Term Obligations – Other

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

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

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

3. Detailed Notes on All Funds

C. Liabilities and Deferred Inflows of Resources

8. Long-Term Obligations – Other (Continued)

Capital Leases

The County currently has a capital lease-to-purchase agreement for 70 golf carts at Chomonix Golf Course. The golf carts are less than the County's threshold for capitalization and therefore are not in the capital assets. The County financed a total of $112,183 at 2.75 percent interest. Annual liquidation of this capital lease liability is reported in the Parks and Recreation Special Revenue Fund.

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

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

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

Compensated Absences

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

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

Loans Payable

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

The following is a schedule of future loan payments:

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

9. HRA Recovery Zone Economic Development Bonds

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

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

The recovery zone bonds have an outstanding principal balance of $13,780,000 at December 31, 2017. There are two recovery zone bond issuances at December 31, 2017:

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

3. Detailed Notes on All Funds (Continued)

D. Fund Balances

The summary of fund balance classifications is as follows:

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

3. Detailed Notes on All Funds (Continued)

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

a. Plan Description

All full-time and certain part-time employees of Anoka County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan, the Public Employees Police and Fire Plan, and the Local Government Correctional Service Retirement Plan (the Public Employees Correctional Plan), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

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

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

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

b. Benefits Provided

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

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

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. Minneapolis Employees Retirement Fund members have an annuity accrual of 2.0 percent of average salary for each of the first ten years of service and 2.5 percent for each remaining year.

b. Benefits Provided (Continued)

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

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

c. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Retirement Plan Basic members, Coordinated members, and Minneapolis Employees Retirement Fund members were required to contribute 9.10 percent, 6.50 percent, and 9.75 percent, respectively, of their annual covered salary in 2017. Public Employees Police and Fire Plan members were required to contribute 10.80 percent of their annual covered salary in 2017. Public Employees Correctional Plan members were required to contribute 5.83 percent of their annual covered salary in 2017.

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

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

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

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

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

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

d. Pension Costs

General Employees Retirement Plan

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

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

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

General Employees Retirement Plan (Continued)

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

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

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

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

Public Employees Police and Fire Plan

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

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

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

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans

d. Pension Costs

Public Employees Police and Fire Plan (Continued)

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

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

Public Employees Correctional Plan

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

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

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

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

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

Total Pension Expense

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

e. Actuarial Assumptions

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

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

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

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

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

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

f. Discount Rate

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

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

g. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2017:

General Employees Retirement Plan

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

Public Employees Police and Fire Plan

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

Public Employees Correctional Plan

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

3. Detailed Notes on All Funds

E. Employee Retirement Systems and Pension Plans

1. Defined Benefit Pension Plans (Continued)

h. Pension Liability Sensitivity

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

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

i. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plan

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. For those qualified personnel who elect to participate, Minn. Stat. § 353D.03 specifies plan provisions, including the employee and employer contribution rates. An eligible elected official who decides to participate contributes 5.00 percent of salary, which is matched by the employer. Employee and employer contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.00 percent of employer contributions and 0.25 percent of the assets in each member account annually.

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

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

3. Central Pension Fund

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

3. Detailed Notes on All Funds (Continued)

F. Risk Management

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

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

Automobile: All automobiles are insured by an insurance policy which covers automobile liability and physical damages to all owned, leased, and non-owned vehicles.

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

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

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

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

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

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

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

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

3. Detailed Notes on All Funds (Continued)

G. Joint Ventures

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

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

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

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

   MELSA was created for the general purposes of improving public library services and coordinating public library services. Financing is provided by gifts, grants and programs of the federal government, the State of Minnesota, and other governmental and private sources. The MELSA agency handles the accounting function of the Board. Current financial statements are available from the MELSA office, 1619 Dayton Avenue, Suite 314, St. Paul, Minnesota 55104-6276.

3. Northstar Corridor Development Authority (NCDA). Anoka County entered into a joint powers agreement with 32 counties, regional rail authorities, cities and townships along the Northstar Corridor to create the Northstar Corridor Development Authority, in May 1997. Six participants have since withdrawn from the NCDA, leaving 26 members in the joint powers agreement. The joint powers board consists of one elected official each from the member governmental units. The NCDA was created to develop the Northstar commuter rail project from St. Cloud, Minnesota to Minneapolis, Minnesota. Grant monies, member county contributions and the regional railroad authorities' agreement to allocate the initial contributions of capital has provided funding for the NCDA. Members pay annual dues to NCDA. Beginning 2017 Anoka County will contribute a standard amount of $6,000 annually until 2021.

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

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

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

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

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

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

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

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

3. Detailed Notes on All Funds

G. Joint Ventures (Continued)

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

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

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

7. Agricultural Best Management Practices Loan Program. The County has entered into an agreement with the Minnesota Department of Agriculture and a local lending institution to jointly administer a loan program to individuals to implement projects that prevent or mitigate nonpoint sources water pollution. While the County is not liable for the repayment of the loans in any manner, it does have certain responsibilities under the agreement. The County has met those responsibilities for 2017.

8. Joint Law Enforcement Council (JLEC). Anoka County Joint Law Enforcement Council was formed in 1970 and modified in 1982 and 2001 to add several cities and representatives. In 2003 a joint powers agreement was entered into by Anoka County, the Cities of Anoka, Blaine, Circle Pines, Columbia Heights, Coon Rapids, Fridley, Lexington, Lino Lakes, Ramsey, and Spring Lake Park, and the Circle Pines-Lexington-Centerville Joint Municipal Police Commission. This agreement superseded the previous agreements and created the JLEC by the power granted by Minn. Stat. Section 471.59. Its purpose is to improve the efficiency and effectiveness of law enforcement to improve public safety in Anoka County. The main goal of the Council is for the public safety communication system to operate as effectively as possible and common equipment is important to that goal.

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

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

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

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

10. East Central Regional Juvenile Center. Effective January 1, 2012 a joint powers agreement was entered into by Anoka County, Chisago County, Isanti County, Kanabec County, Mille Lacs County, Pine County, Sherburne County, Washington County and Wright County. The purpose of the agreements was to jointly address the Member Counties long-term needs for juvenile detention and treatment facility capacity.

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

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

4. Summary of Significant Contingencies and Other Items

A. Claims and Litigation

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

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

B. Related Organization

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

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

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

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

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

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

D. Subsequent Event

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

REQUIRED SUPPLEMENTARY INFORMATION

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

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

(Continued)

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
DECEMBER 31, 2017

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF CONTRIBUTIONS
DECEMBER 31, 2017

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2017

	2017
Annual money-weighted rate of return, net of investment expenses	22.21%

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

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

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

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

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

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

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

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

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

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

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

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

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

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

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

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

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

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

ANOKA COUNTY
ANOKA, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2017

1. Budgetary Information

General Budget Policies: The County Board adopts calendar-year budgets for the General and Special Revenue Funds by the final County Board meeting in December of the previous year. The Community Development Fund and the Job Training Center Fund, for which expenditures are 100 percent reimbursed from the State or Federal government, are not budgeted. For these exceptions, program changes and the resulting expenditures cannot be determined on an annual basis. Similarly, a budget is not adopted for the Forfeiture Funds Special Revenue Fund because it accounts for the proceeds from forfeited property, which cannot be determined on an annual basis. The Leasehold Properties Special Revenue fund was created with the purchase of a building in late 2015. With contract renewals and operating changes, there was no adopted budget until 2018.

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

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

2. Excess of Expenditures Over Budget

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

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

3. Other Postemployment Benefits Funding Status

In 2017, Anoka County implemented Governmental Accounting Standards Board (GASB), Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In 2009, the County established an irrevocable trust, pursuant to MN statutes, ch. 471.6175 to prefund a portion of the liability of the plan. The County issued bonds in September 2009, for the purpose of partially funding its OPEB liability. These funds are reported in the Other Postemployment Benefits Trust Fund and are included in the actuarial valuation.

ANOKA COUNTY
ANOKA, MINNESOTA

4. Employer Contributions to Other Postemployment Benefits

There have been no changes to benefits or assumptions.

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

Methods and assumptions used to determine contribution rates:

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

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

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

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

General Employees Retirement Plan

2017

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

2016

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

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

Public Employees Police and Fire Plan

2017

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

2016

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

Public Employees Correctional Plan

2017

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

2016

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